Environmental, Social and Governance Report

for the year ended 30 September 2021

2021

Providing **YOU** with the best and safest care

NETCARE

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Our strategic pillars

Consistency
of care

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innovation

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of our society

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sustainability

Integrated report
Primary report to stakeholders available in print and online

Provides material information on the Group's strategy to create a sustainable competitive advantage and deliberate social, economic and environmental value; in particular how Netcare creates and preserves value and mitigates its erosion over time, in relation to the six capitals. Applying this value lens, the integrated report includes relevant information and data that is presented and analysed in more detail in the supplementary reports. It complies with the JSE Limited (JSE) Listings Requirements and the South African Companies Act 71 of 2008, as amended (Companies Act).

Reporting frameworks applied:
- International Integrated Reporting <IR> Framework (January 2021)
- King Report on Corporate Governance for South Africa (2016)™ (King IV)*
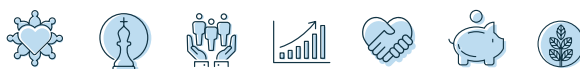
Supplementary reports
Publications that cater to specific information needs of our stakeholders and satisfy compliance requirements, available online at **www.netcare.co.za/Netcare-Investor-Relations**

Shareholder report
Provides detailed disclosure on the Group's approach to corporate governance, its full remuneration policy and implementation report and the summarised Group annual financial statements; of particular interest to shareholders, debt providers and regulators. The report complies with the JSE Listings Requirements and the Companies Act.

Reporting framework applied: King IV
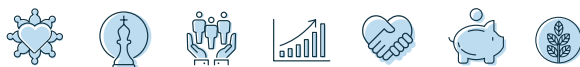
Environmental, social and governance report
Sets out in detail the Group's economic, social and environmental impacts and the governance practices and approaches that ensure they are appropriately managed; of particular interest to shareholders, analysts, regulators and broader society.

Reporting frameworks applied:
- King IV
- Global Reporting Initiative's (GRI) Standards (core option)
- Task Force on Climate-related Financial Disclosures

Quality report
Sets out the Group's consistency of care strategy, and includes clinical outcomes data and measurement requirements; of particular interest to patients, doctors and funders.

Annual financial statements
Sets out the Group's audited annual financial statements, and includes the report of the independent auditor. The report complies with the JSE Listings Requirements and the Companies Act.

Reporting frameworks applied:
- King IV
- International Financial Reporting Standards (IFRS)
- South African Institute of Chartered Accountants (SAICA) Financial Reporting Guides

Additional information
- King IV application register
- GRI content index
- TCFD content index
- Notice of annual general meeting and proxy form
- Hospital listing

Feedback
We welcome your feedback to enhance the quality of our integrated report and supplementary information. Please email your feedback to **ir@netcareinvestor.co.za**.

* *King IV copyright: copyright and trademarks are owned by the Institute of Directors in Southern Africa NPC and all of its rights are reserved.*

Our environmental, social and governance report

Our environmental, social and governance (ESG) report, for the period 1 October 2020 to 30 September 2021 (FY2021), sets out in detail the Group's economic, social and environmental impacts and the governance practices and approaches that ensure these are appropriately managed. The report is aimed at all stakeholders but is likely to be of particular interest to shareholders, analysts, regulators and broader society.

Scope and boundary

The report covers all Netcare hospitals, Akeso Clinics, Medicross family medical and dental centres, Prime Cure clinics, Netcare 911 facilities and all other Netcare subsidiaries. It also includes data on our joint venture operations in South Africa (SA) and public private partnerships (PPPs) in SA and Lesotho.

> **Environment report: Scope and boundary:** PG 36.
> **Social report: Scope and boundary:** PG 60.
> **Governance report: Scope and boundary:** PG 100.

Assurance

Assurance on financial and certain non-financial performance indicators has been obtained in line with our combined assurance model, with feedback provided to the Risk and Audit Committees and the Executive Committee. Non-financial information is assured by Internal Audit on a cyclical basis.

Independent assurance provided includes:
- The British Standards Institution: ISO 9001:2015 certification.
- Empowerdex (verification): broad-based black economic empowerment (B-BBEE) scorecard.
- Global Carbon Exchange SA Proprietary Limited (limited assurance): carbon emissions and energy and water usage in accordance with the principles of the WBCSD/WRI Greenhouse Gas Protocol Corporate Accounting Standard (2nd Edition, 2004) and the International Standard ISO 14064-3 (2006) 'Specification with guidance for the validation and verification of greenhouse gas (GHG) assertions'.
- Deloitte & Touche (unmodified assurance including a reportable irregularity): Group annual financial statements.

Reporting frameworks

Our ESG report has been prepared with consideration given to the principles of the Value Reporting Foundation's (formerly the International Integrated Reporting Council) International <IR> Framework (December 2019), King IV, the GRI Standards, at a core application level, and the Task Force on Climate-related Financial Disclosures (TCFD). Our environmental strategy, in particular, is aligned to the United Nations (UN) Sustainable Development Goals (SDGs). Reporting in full against the TCFD framework will continue to be an area for improvement in FY2022.

> **GRI content index.**

> **TCFD index:** PG 116.

Materiality determination

Our material matters are the issues that influence the conclusions stakeholders may draw about Netcare's ability to create, preserve or erode value for them in the short, medium and long term. Due to the role played by Netcare in managing the ongoing COVID-19 pandemic and its compounding impacts, we have split the matters into immediate and ongoing priorities to reflect the impact of the pandemic on this year's matters. The Board reviewed, deliberated and approved the material matters for the 2021 reporting cycle.

> **Integrated report:** How our material matters were determined: page 56.

The diagram below sets out the material matters reviewed in this report.

1 Deliver outstanding person-centred health and care

Immediate priorities	Ongoing priorities
• Ensure the highest standards of safety across our facilities: page 64.	• Progress environmental sustainability objectives to ensure uninterrupted delivery of quality patient care despite unstable national utilities: page 42.

2 Recognise, protect and invest in our employees and healthcare practitioners

Immediate priorities	Ongoing priorities
• Protect our employees and health practitioners from infection and care for those who are exposed or ill: page 64. • Acknowledge the heavy psychosocial toll the pandemic has had on our frontline, managerial teams and healthcare practitioners and provide appropriate support to ensure targeted operational and psychosocial support: page 64. • Urgently respond to the nursing skills shortage in SA, the effects of which have been intensified by the enormous pressure exerted on our workforce by COVID-19: page 72. • Identify and develop leadership talent to build a strong succession pipeline for key management and leadership positions: page 78.	• Retain, attract and develop highly skilled and specialised employees and doctors to provide the highest levels of care: page 80. • Invest in employee engagement, effectiveness, wellbeing and resilience to support the shift towards person-centred health and care: pages 64, 68 and 80. • Foster diversity and inclusivity across all levels of the organisation: page 76. • Maintain a good working relationship with organised labour: page 70.

3 Partner with the public sector and civil society to accelerate transformation in SA and prioritise higher social returns

Immediate priorities	Ongoing priorities
• Address the national youth unemployment crisis through focused internships, learnerships and workplace-based experiential learning programmes that support employability: page 90. • Improve our skills development spend and the negative impact on our B-BBEE scorecard of the lower intake of nursing students at Netcare Education campuses, COVID-19-related programme disruptions and amendments to the Department of Trade, Industry and Competition's B-BBEE Codes of Good Practice (dtic Codes): page 90. • Maintain our focus on supply chain diversification and local enterprise development to support local economies and mitigate the effects of disrupted global supply chains: page 92. • Broaden participation in our economy, particularly of black and black women-owned micro enterprises: page 92.	• Innovate to deliver more affordable products and services to broaden access to quality healthcare to more South Africans: page 86. • Prioritise good corporate citizenship, actively participate in SA's economic recovery and create inclusive growth opportunities.

Our environmental, social and governance report continued

| 4 | | **Recover, defend and grow long-term profitability** |

Ongoing priorities

- Implement the updated environmental sustainability strategy to maintain our leadership position, achieve sustainable efficiencies and contribute to global efforts to reduce carbon emissions: page 40.
- Align our ESG measurement and disclosure to the UN SDGs and credible global frameworks to facilitate comparability with other entities: page 40.

| 5 | | **Continue to develop visionary and effective leadership** |

Immediate priorities

- Drive compassionate, empathetic and ethical leadership to support our recovery, build resilience and maintain our high-performance culture: page 62.
- Ensure continued organisational agility and retain effective governance procedures, including those implemented during the pandemic: page 100.

Process disclosures

Executive management is responsible for the preparation and presentation of the ESG report, led by the Chief Executive Officer (CEO). The Chair of the Board, CEO, Chief Financial Officer (CFO) and Executive Committee are directly involved in reviewing and approving the reporting suite.

The following steps were taken to develop the integrated reporting suite and ensure its integrity:
- A workshop was held in June 2021 with the Board of directors to identify areas of improvement based on developments in reporting frameworks and the disclosure expectations of stakeholders.
- Our material matters were determined through a robust independent process involving a qualitative analysis of selected documents. The matters identified were submitted to key members of the Executive Committee for review to ensure adequate coverage, and then to the Board for approval. Our material matters, mapped to the Group's strategic priorities, informed the preparation of the integrated and ESG reports.
- Content on our economic, social and environmental impacts and the governance practices and approaches that ensure these are appropriately managed was drawn from various sources; predominantly Board papers, presentations to the Social and Ethics, Risk and Audit Committees and interviews with the Board Chair and CEO. Relevant external research reports have also been used.
- The heads of various functions review content during the drafting process. A specially convened Review Panel of selected Executive Committee members and the CFO reviews the report when it is near completion, followed by a final review by the CEO.

Approval

The CEO, who is also the Chair of the Sustainability Committee, is responsible for overseeing the preparation and presentation of the ESG report and ensuring its integrity. The report was approved on 15 December 2021.

Dr Richard Friedland
Chief Executive Officer

Netcare Limited Environmental, Social and Governance Report **2021** — **05**

WHO WE ARE

ENVIRONMENT

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ADDITIONAL INFORMATION

Our purpose and promise

Our purpose

Providing **YOU** with the best and safest care

Our promise

We promise to care for you, and about you, in a manner that places you and your family at the centre of everything we do. We recognise that you are an individual with unique needs and expectations. We recognise the importance of your family and loved ones in your healing process. We are here to ensure that we provide you with the best and safest care, when you need it and in a way that we would wish for our loved ones.

Our values

Our core value is **CARE**. We care about the **DIGNITY** of patients and all members of the Netcare family. We care about the **PARTICIPATION** of our people and partners in everything that we do. We care about **TRUTH** in all our actions. We engage everyone with empathy and respond with acts of **COMPASSION** in all interactions with our patients and their families.

> **Our first duty to protect the sanctity of life and our irrevocable commitment to care defines the value we create for individuals and society, today and for the future.**

Our purpose matters to our people, our patients and society

Our people have lived our purpose and our values even under the hardship, exhaustion and loss we have faced due to COVID-19. Patients and the public alike have recognised their critical contribution, alongside all healthcare workers, to the safety, health and wellbeing of individuals and communities. This has served to reaffirm for healthcare workers their calling and purpose. In a time of unprecedented difficulty, this affirmation has bolstered our confidence that our strategy is appropriate, and our purpose never more meaningful and inspiring.

We serve people in their time of need

We combine compassion, expertise and technology to provide each and every patient with the best and safest quality care, giving them the confidence they need when they need it most and helping them make good health decisions at every stage of their life journey. We call it person-centred health and care, digitally enabled and data driven.

We are committed to pushing out the boundaries of healthcare

Our strategy aims to reinvent our business, to create a world-class healthcare ecosystem, home to the biggest hearts and brightest minds and deepest expertise in the country, and able to play a meaningful role in the lives of more South Africans, more often.

We are dedicated to providing a consistent standard of exceptional care

Our values and our strategy make caring for people and society intrinsic to all our decisions and actions. This is how we create value for our stakeholders and for the healthcare system of which we are an integral part, now and for the future.

What we do

PRIVATE HOSPITALS ▶	**53** acute hospitals	**Services** • Multi-disciplinary acute medical institutions, including centres of excellence, rehabilitation, day clinics for non-acute procedures and care, and emergency and trauma departments.
NETCARE hospitals	**10 005** beds **15** cancer care centres **12** day clinics	• Institutional pharmacies for direct supply, management and dispensing of medicine. • >10 000 appointments facilitated through Netcare **appoint**med™[1]. • Dedicated acute mental health facilities.
NETCARE akeso	**12** mental health hospitals **891** beds	**Differentiators** • A number of accredited facilities, with 29 accredited trauma units. Netcare Milpark, Netcare St Anne's and Netcare Union hospitals are the only accredited Level 1[2] trauma hospitals in SA[3]. • Netcare Rehabilitation Hospital (our first fully digitised hospital). • An integrated multi-disciplinary approach to mental healthcare focusing on dialectical behavioural therapy.

1. Netcare **appoint**med™ is our free telephonic appointment service.
2. Capable of providing leadership and total care for every aspect of injury, from prevention through rehabilitation, and have 24-hour availability of all major specialties with a trauma surgeon as director. Our trauma units are accredited by the Trauma Society of South Africa.
3. The full list of our accredited facilities can be found in the Quality report.

EMERGENCY SERVICES ▶

82
emergency bases

223
ambulances and emergency response vehicles, including helicopters

>470 000
calls a year managed by the Emergency Operations Centre (EOC)

Services
- Pre-hospital emergency services, including specialised helicopter ambulances, intensive care unit (ICU) ambulance service (patient transfer between medical facilities) and an ICU-configured jet ambulance service (national and international patient transfer).
- National EOC with geolocation capabilities.
- Contracted services to industrial clients and corporates for health, safety and risk management.
- Contracted to manage the emergency services of client medical schemes.

Differentiator
The only emergency service in Africa that is fully digitised.

PRIMARY CARE ▶

68
primary healthcare facilities

>111 000
lives covered by occupational health services

Services
- Family medical and dental clinics providing access to general practitioners (GPs), dentists, radiology, pathology, pharmacy and allied healthcare practitioners.
- Sub-acute facility.
- Occupational health, travel and wellness services to contracted employer groups.
- >3 000 appointments facilitated through Netcare **appoint**med™[1].

Differentiator
The largest primary healthcare provider in the private sector with a national footprint, and providing a comprehensive basket of primary care services.

RENAL CARE ▶

69
renal dialysis facilities

956
dialysis stations

Services
- Dialysis services to patients with compromised kidney function.

Differentiator
Largest provider of dialysis services in SA.

NETCARE plus

>1 080 partner GPs

>170 optometrists

Products
- Prepaid vouchers for GPs, optometrists and dentists.
- Prepaid all-inclusive in-hospital procedures.
- Accident and trauma cover and gap cover.

Differentiator
Trusted partner network of healthcare practitioners across the country supporting NetcarePlus vouchers.

EMPLOYEES WELLNESS ▶

>1 000 clients

>1 700 000 lives covered

Services
- A holistic offering of people-focused solutions, preventative care and counselling services that mitigate risks and puts business and employee wellbeing first.

Differentiator
Leading provider of employee health and wellness programmes.

TRAINING FACILITIES ▶

NETCARE Education

5 nursing education colleges

2 emergency and critical care colleges

4 National Renal Care training academies

13 National Renal Care facilities accredited to train clinical technology students.

18 National Renal Care facilities accredited to train nephrology nursing students

Differentiator
The largest private provider of training for healthcare workers in SA.

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Where we are

NETCARE

Netcare Hospitals

PROVINCE	FACILITIES	BEDS
Eastern Cape	2	489
Free State	4	408
Gauteng	29	5 699
KwaZulu-Natal	10	2 031
Limpopo	1	200
North West	1	211
Western Cape	6	967
Total	53	10 005

New development
Netcare Alberton Hospital

Hospital listing.

NETCARE
cancer care

Netcare Cancer Care

PROVINCE	FACILITIES
Gauteng	8
KwaZulu-Natal	3
Western Cape	4
Total	15

NETCARE 082 911
24HR EMERGENCY MEDICAL SERVICES

Netcare 911

PROVINCE	FACILITIES
Eastern Cape	2
Free State	2
Gauteng	26
KwaZulu-Natal	9
Limpopo	9
Mpumalanga	19
North West	10
Western Cape	5
Total	82

NETCARE
medicross

Primary Care

PROVINCE	FACILITIES
Eastern Cape	6
Free State	1
Gauteng	22
KwaZulu-Natal	14
Mpumalanga	2
North West	2
Northern Cape	2
Western Cape	19
Total	68

Relocation of Netcare Union and Netcare Clinton hospitals to the new Alberton site (427 beds).

GAUTENG

LIMPOPO

MPUMALANGA

NORTH WEST

FREE STATE

KWAZULU-NATAL

NORTHERN CAPE

EASTERN CAPE

WESTERN CAPE

▶ Netcare Hospitals
▶ Netcare Cancer Care
▶ Netcare 911
▶ Primary Care
▶ Akeso Clinics
▶ National Renal Care

NETCARE akeso
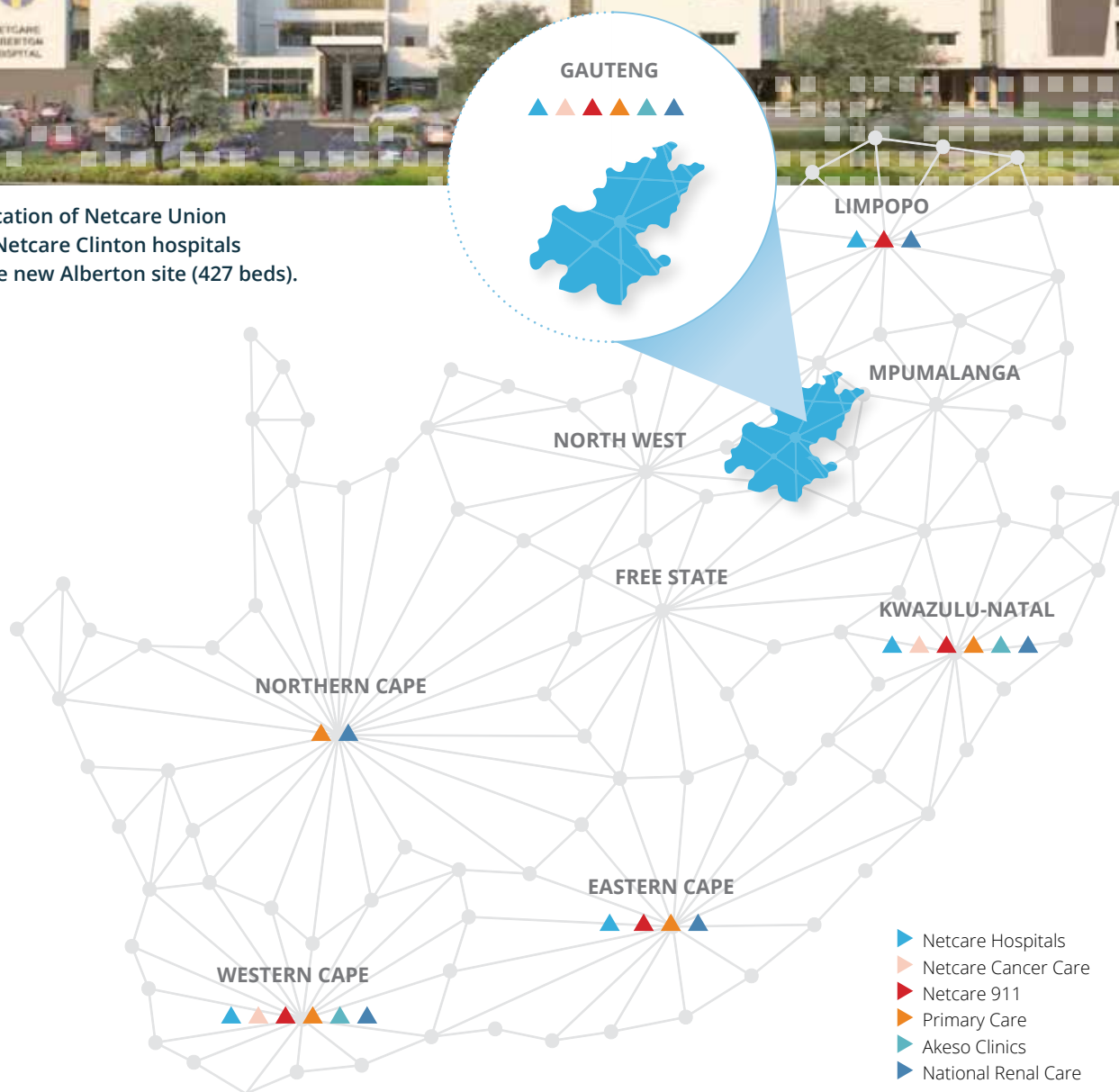
Akeso Clinics

PROVINCE	FACILITIES	BEDS
Gauteng	4	415
KwaZulu-Natal	2	140
Mpumalanga	1	75
Western Cape	5	261
Total	12	891

New developments
Akeso Clinics Gqeberha
Akeso Clinics Polokwane
Akeso Clinics Richards Bay

Hospital listing.

NATIONAL RENAL CARE

National Renal Care

PROVINCE	FACILITIES	DIALYSIS STATIONS
Eastern Cape	11	189
Free State	3	22
Gauteng	22	302
KwaZulu-Natal	14	206
Limpopo	3	31
Mpumalanga	1	12
North West	2	19
Northern Cape	1	10
Western Cape	12	165
Total	69	956

Our strategy

We are reinventing how we deliver health and care; moving Netcare from the siloed and episodic approach typical of traditional healthcare to providing seamless and integrated services across all our platforms, enabled by digitisation and informed by rich data. Over the medium term, we expect to achieve a care offering that is highly differentiated in SA, driving above market growth and earning enhanced returns for our shareholders. Achieving our strategy will also deepen the socioeconomic and environmental value we create for our stakeholders and society in the long term.

Netcare's strategy responds decisively to the three global healthcare megatrends...	...and leverages off our unique ecosystem of assets and services...	...to create sustainable competitive advantage for the Group.
1 Customer centricity **2** Digitisation **3** Data		**Person-centred health and care that is digitally enabled and data driven**

| **How we will achieve person-centred health and care** | Digitise patient health records across all Netcare service platforms

Apply rich data analytics to inform clinical decisions and outcomes | Create a customer engagement platform that allows patients to access their health and care data over their entire lifetime | Allows patients to take co-responsibility for their health and wellness

Longitudinal records of healthcare during periods of recovery and wellness |

Core ESG-related strategic outcome

Maintain our social licence to operate
Contribute meaningfully to the transformation of SA and the national healthcare system, protect the environment and maintain a high level of stakeholder engagement and communication.

Our strategic pillars

Each of our strategic pillars have clearly defined objectives, plans and projects that in combination will achieve our intended strategic outcomes. Leading our sector in environmental sustainability has become core to our approach and elevated to a standalone pillar, aligned to the criticality of this aspect of ESG for global wellbeing.

How our approach to ESG relates to our strategic pillars:

Consistency of care
Delivering consistently excellent clinical services, ensuring the best and safest person-centred care

E Ensuring continuous care during outages: PG 42.

S Our people: PG 62.

G Ethical corporate citizenship: PG 108.

🖰 **Quality report.**

Disruptive innovation
Implementing medical technologies, digitisation and data solutions for the benefit of our business and patients

E Enterprise Sustainability Platform: PG 41.

Integrated waste management platform: PG 51.

S Employee engagement: PG 68.

Change management: PG 82.

G Data privacy and protection: PG 112.

Transformation of our society
Continuing to invest in and develop our workforce and communities

E My Walk Made with Soul: PG 94.

Netcare Ulusha YES Hub: PG 93.

S Transformation: PG 84.

G How we manage our environmental and social impacts: PG 103.

Supply chain management: PG 106.

Organic growth
Driving strategic engagements with doctors and funders, investing to maintain the quality of our facilities and developing new products and services to promote inclusivity and access

E Our environmental strategy lowers utility consumption, reducing operating costs and supporting EBITDA.[1]

S Supporting access to healthcare in SA: PG 86.

G Governance: PG 102.

🖰 **Shareholder report.**

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1. *Earnings before interest, taxation, depreciation and amortisation (EBITDA).*

Our strategy continued

Integration
Creating strategic and synergistic partnerships between all service platforms and functions

E Integrates with key service lines and functions within the Group, specifically finance and asset management, and assists with new builds or upgrades of facilities to ensure investments in infrastructure, plant and equipment are informed by our environmental objectives.

S Identifying, developing and deploying talent across our ecosystem, ensuring that our people have access to opportunities across the Group and are able to move between service platforms in line with their ambitions and capabilities.

G Data privacy and protection: PG 112.

Investment
Creating economic value and optimising capacity utilisation

E Our environmental sustainability journey: PG 38.

Our new environmental sustainability strategy: PG 40.

S Our people: PG 62.

Transformation: PG 84.

G Governance: PG 102.

Shareholder report.

Environmental sustainability
Ensuring minimal environmental impact by managing our resources responsibly, efficiently and to the benefit of the environment

E Environmental report: PG 36.

S My Walk Made with Soul: PG 94.

Netcare Ulusha YES Hub: PG 93.

G How we manage our environmental and social impacts: PG 103.

Supply chain management: PG 106.

Our business model

Our inputs

(elements of financial and intellectual capital are embedded within each of the capitals outlined below)

Social and relationship capital

- Maintaining trusted relationships with key stakeholders – especially our patients, people, healthcare professionals, funders and suppliers – in the private healthcare value chain, and developing constructive relationships within the public healthcare sector and with regulators and government.
- Our management approaches, processes and procedures, increasingly enabled by digitisation and data, and our values-driven culture, support quality stakeholder relationships.

Key constraints:
- Ensuring consistent quality of care across our network.
- Balancing key stakeholder interests.
- Ability of local suppliers to provide specialised equipment.
- Aligning the interests of funders and healthcare providers.
- Finding healthcare models that increase access to healthcare.

Human and intellectual capital

- An experienced leadership team.
- Investment in employee training and development (including nurse education), as well as change management initiatives.
- Data, systems and management to deliver quality outcomes.
- Our systems, processes and procedures to develop and monitor quality outcomes to ensure the best and safest care.
- Investment in digitisation and data analytics.

Key constraints:
- Attracting and retaining scarce talent in a competitive environment, exacerbated by emigration and limits on the number of nurses that we can train.
- User acceptance of digital offerings.
- Maintaining focus on innovation while prioritising disaster management to save lives during the pandemic.
- Regulatory impediments and challenges associated with innovation and new business development.

Manufactured capital

- Investment in specialised healthcare facilities, advanced medical equipment, and intangible assets.
- Investment in expansionary projects.
- Nurse and paramedic training facilities.

Key constraint:
- Balancing asset heavy and asset light service provision.

Natural capital

- Investment in environmental sustainability.
- Energy and water consumption, including from renewable sources.

Key constraints:
- Unstable supply of electricity and water as a result of ailing national infrastructure.
- Capital required to install solar photovoltaic plants and water recycling systems.

Financial capital

- Equity capital from shareholders.
- Cash and debt facilities, including capital raised in SA's first Green Bond.

Key constraints:
- Recovering profitability in a tough economic environment.
- The impact of COVID-19 on elective surgery and non-essential hospitalisation, as well as patient visits to primary care facilities.
- Rising costs relative to tariffs.
- Retaining long-term support of providers of capital.

Netcare Limited Environmental, Social and Governance Report **2021** — **15**

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Our promise	**To provide YOU with the best and safest care.**
Our context	COVID-19 Operating environment Stakeholder expectations

Our material matters

Deliver outstanding person-centred health and care	Recognise, protect and invest in our employees and healthcare practitioners	Partner with the public sector and civil society to accelerate transformation in SA and prioritise higher social returns	Recover, defend and grow long-term profitability	Continue to develop visionary and effective leadership

Our strategy

Person-centred health and care

← **DIGITALLY ENABLED** →

Electronic medical records across all service platforms	Improved IT infrastructure and architecture	Integrated and centralised systems	Person-centred engagement channels

← **DATA DRIVEN** →

Customer engagement platform	Modernised data infrastructure	Predictive analytics tools	Data Council

← **DISRUPTIVE AND INNOVATIVE** →

Our outputs and activities

Care pathways supported by ongoing wellness initiatives

Need for primary, acute, mental health or emergency care	Book an appointment or call an ambulance	Choose facility	Pre-admission	Admission

Access to care

Diagnosis	Treatment	Recovery	Discharge	Follow-ups	Ongoing treatment

Consistency of care — **Guided care**

Governance and risk management (capital inputs)

← **OPERATING MANAGEMENT SYSTEMS** →

People management	Consistency of care leadership	Asset management	Environmental sustainability	Capital management

Governance, risk management and compliance frameworks, policies and controls, which align to King IV and best practice, are well embedded at enterprise and operational levels to support our ability to fulfil our purpose, and conduct our business ethically, responsibly and efficiently.

Outcomes aligned to the *Quadruple Aim*[1]

Best patient experience	Most cost effective	Best clinical outcomes	Development and wellbeing of employees, leaders and healthcare practitioners

1. The **Quadruple Aim** aims to optimise the performance of healthcare systems through the integration of four critical objectives. Our adoption of this international framework enables us to balance the value of our services with their cost to society, recognising that our people and partnerships are fundamental to achieving this balance.

Our stakeholders

Our stakeholder engagement focuses on the specifically identified stakeholder groups most likely to have an impact on our ability to deliver on our strategic priorities. Relationship owners within Netcare are responsible for ensuring that their engagement with stakeholders is relevant, meaningful and sufficiently frequent so that we are able to understand their expectations and concerns. This enables us to address issues facing Netcare in an inclusive manner and align stakeholder needs with our strategic priorities.

Shareholder report.

Patients: medically insured, public, self-pay, government-funded and foreign patients.	• Seamless and continuous access to high-quality and safe healthcare, uninterrupted by resource constraints and service disruption: page 42. • Receiving care from an organisation that minimises negative environmental impacts: page 36. • Data privacy and protection, ensuring that their highly sensitive patient data is secure: page 112. • An excellent patient experience and consistent quality of care delivered by competent and professional clinicians and nurses who provide the best and safest care: page 72.
Employees: nurses, paramedics, pharmacists, IT specialists, the teams that facilitate our operational management systems, contract staff, and the labour unions that represent them.	**Employees:** • A safe workplace and onsite health and safety procedures: page 64. • Protection from COVID-19 infection, including access to vaccination: page 64. • Psychosocial support during and post COVID-19 surges: page 64. • Appropriate remuneration, reward and recognition: page 80. • An inclusive workplace that is free from racism, sexism and all forms of discrimination, and provides equal opportunities for growth and development: page 76. • Organisational diversity and transformation in alignment with employment equity plans: page 88. • Working for a well governed, ethical and socially responsible organisation: page 102. **Labour unions:** • Fair labour practices: page 70. • Representation and engagement: page 70.

Healthcare practitioners: specialists across all clinical disciplines, GPs, dentists, psychologists, radiologists, pathologists and therapists.

- Uninterrupted utlilities enabling the best and safest patient care: page: 42.
- Professional development and training: page 72.
- Protecting the sustainability of the private healthcare sector: page 86.
- Representation of young doctors: page 76.

Private medical funders: national and international, together with the Compensation Fund for Occupational Injuries and Diseases.

- Measurable clinical and patient experience outcomes.
- Ongoing engagement on quality and efficiency initiatives.

🖱 **Quality report.**

Suppliers: companies that provide medicines, equipment and consumables, IT systems, digital products and services and outsourced services, including consultants.

- Support for enterprise development and supplier development: page 92.
- Preferential procurement with B-BBEE compliant and black suppliers: page 92.
- Netcare's procurement policies: page 106.
- Suppliers' social and environmental impacts: page 103.
- Local procurement: page 92.

Regulators, government and associations: authorities that regulate healthcare providers and funders, and the sector and business associations of which we are members.

- Performance against employment equity targets: page 85.
- Cost of and access to private healthcare: page 86.
- The shortage of healthcare practitioners and nurses: page 72.
- Youth unemployment: page 90.
- Compliance with:
  – Environmental legislation: page 103.
  – Protection of personal information legislation: page 112.
  – COVID-19 legislation: page 64.
- Organisations' impact on and use of the national water and power supply: page 36.

Investors: shareholders and the investment community.

- ESG and sustainability performance and ratings: page 28.
- How ESG performance links to remuneration: page 103.
- Ethical leadership: page 108.

Society: the aggregated interests of current and future generations (media and academia being proxy for these interests), communities, sponsorship partners and non-profit organisations.

- Healthcare support for communities: page 96.
- Affordability of and access to quality healthcare: page 86.
- The impact of specialised skills shortages in SA on healthcare quality: page 72.
- Socioeconomic support for communities, particularly skills development and job creation: pages 90 and 92.
- Support for survivors of sexual assault: page 97.
- The impact of water and electricity disruptions on quality of care: page 42.
- Minimising negative environmental impacts: page 36.

Chief Executive Officer's letter

"Given the escalation in global instability and systemic threat over the past two years, we must take even bolder actions to improve the human condition. At Netcare we do this with care, commitment and confidence on behalf of our current and future generations of stakeholders."

Dr Richard Friedland, **Chief Executive Officer**

Introduction

From modest beginnings in 1996 – on the same day the Constitutional Court approved SA's new Constitution – Netcare has grown to become a leading provider of private healthcare services, and an integral part of the South African healthcare system. For the last 25 years, we have had the privilege of providing compassionate care to millions of South Africans, and the innovation we have brought to our sector has delivered many SA healthcare "firsts".

Netcare's strategy responds comprehensively to global dynamics and sustainability threats. Successfully delivering person-centred health and care that is data driven and digitally enabled is the most meaningful impact we can make on the wellbeing – and therefore the socioeconomic vitality – of our society. Also embedded in our strategy is a commitment to meaningfully improve the human condition through carefully considered ESG priorities.

Netcare is uniquely positioned to deliver a care offering that is highly differentiated in SA. This entails moving from the siloed and episodic approach typical of traditional healthcare, to providing seamless and integrated services across all our platforms, enabled by digitisation and informed by rich data. Our strategy will drive above market growth and earn enhanced returns for our shareholders, while deepening the socioeconomic and environmental value we create for our stakeholders and society.

Our commitment to sustainable development is very much a part of Netcare's DNA. We have been a signatory to the United Nations Global Compact since 2012, upholding the principles of human rights, labour, anti-corruption, and environmental responsibility.

From the strong base set in past years, we have updated our ESG approach, informed by research among our broad and diverse stakeholder groupings. This allowed us to identify the ESG imperatives most relevant to our stakeholders, which are now embedded in our business strategy through clearly defined objectives and targets. Clear lines of responsibility – from the Board to our management committees – guide the implementation of our ESG objectives, and management are evaluated and now remunerated on the achievement of the associated targets.

Our environment

Healthcare is a major emitter of environmental pollutants that adversely affect human health. The sector's climate footprint is estimated to be equivalent to 4.4% of global net emissions (equivalent to 2 gigatons of carbon dioxide), equating to the annual GHG emissions from 514 coal-fired power plants. Healthcare climate action that aligns with the ambition of the 2015 Paris Agreement, being no less than zero emissions by 2050, will require the health sector to make significant changes. These changes will be needed within the facilities and systems of healthcare providers, and across the supply chain in partnership with manufacturers and suppliers.

We understand the urgency of climate change, and maintaining global and local leadership in environmental sustainability in healthcare is a key pillar of our strategy. Our initiatives to optimise energy use are ongoing and we continue to drive the implementation of our environmental sustainability strategy, which started in 2013. Since then, we have reduced our absolute Scope 1 and Scope 2 emissions by 8%. Additionally, we have reduced our energy intensity per bed by 28%, ahead of our initial 10-year target, equivalent to taking 2 147 beds (23% of our bed base) off the grid.

We have set even bolder targets for 2030, with a primary target to reduce Scope 2 emissions to zero by 2030 and reduce Scope 1 and 2 emissions by a combined 84%. As part of this strategy, by 2030 we aim to utilise 100% renewable energy, achieve zero waste to landfill and reduce our impact on water sources by 20%.

Notwithstanding the immense effort that is needed to turn the tide on climate change, the success of our environmental sustainability strategy in the last decade gives us reason to be optimistic that our strategies and solutions will make a real and lasting impact. As a recognised leader in healthcare sustainability, we will continue to lead Africa's private healthcare response to the Race to Zero 2050 challenge of the UN Framework Convention on Climate Change.

Our people

Netcare's people are the core of our organisation, enabling our Group to achieve our financial, operating and societal goals in a highly regulated and competitive sector, and in harsh operating conditions. This difficult balance is made possible by the exceptionally talented and highly skilled employees that make up the Netcare family, who fully embrace our purpose and live our values.

In a skills scarce environment, it is critical for Netcare to offer a competitive employee value proposition that secures the specialised skills we need to deliver on our purpose and strategic priorities, and to drive the transition to a digitally enabled business. We have intensified our focus on employee engagement and relations, talent attraction, retention, growth and development, management and leadership development and succession planning, diversity and inclusion.

Our people have had to contend with extremely challenging conditions over the past two years. Since the onset of COVID-19, we have invested heavily in protecting our employees from infection, and assisted them with testing, treatment and quarantine facilities. We have also introduced increased psychological and emotional support, ranging from a 24-hour Netcare COVID-19 Care Line to Independent Counselling and Advisory Services (ICAS) support and free access to Akeso Clinics' counsellors and therapists.

Looking to 2030, we are **confident that we can deliver** our bold strategy for change. We will **continue to benchmark our progress against the global leaders in healthcare sustainability**. Our strategy will set us apart, securing a sustainable competitive advantage, and will deepen the value we create for our stakeholders, and for the healthcare system of which we are an integral part.

We have created a work environment that provides sustainable income, fosters a caring and values-based culture, and encourages and rewards outstanding contributions to the business in ways that are meaningful to our employees. In the last year, over 12 000 of our employees benefitted from our training programmes, over and above our COVID-19 training initiatives; and over the past two years, we spent over R3 million on training people with disabilities, who comprise 4.2% of our workforce across the Group. Through Netcare Education we have trained more than 50 000 nurses, paramedics and healthcare workers, to meet our own needs and to help address the chronic shortage of healthcare skills in our sector.

Netcare has an exceptionally diverse, equitable and inclusive culture, which supports our ongoing efforts to transform our organisation. An increasing percentage of our workforce, some 80% (at September 2021) are black, of which 64% are black women. We closely monitor allegations and incidents of discrimination, with all reports investigated and, where required, action is taken to correct any injustice.

Our society

We recognise our critical role in building a more inclusive and equal SA for all, with the transformation of society a central pillar of our strategy. Our transformation initiatives are grounded in the principles of social justice, with the aim of addressing the structural inequalities left by SA's history of discrimination. Our efforts are focused on ensuring that our society, economy and labour market are inclusive and support human dignity, equality and fairness.

Gender, racial diversity and ownership across the entire Netcare ecosystem is an important area of focus and development. In 2020, we completed development of a new transformation plan to achieve and maintain a Level 4 B-BBEE rating for 2020 and 2021.

Chief Executive Officer's letter continued

As a leading healthcare provider, we remain committed to increasing access to affordable healthcare for those individuals who are not insured. An important aspect of our strategy is to develop innovative cost-effective healthcare solutions for lower income households. More broadly, our corporate social investment (CSI) initiatives focus on providing access to quality healthcare. Through Netcare 911, many indigent South Africans have benefitted from emergency care and we have provided care to thousands of survivors of rape in our national sexual assault clinics.

Our governance

Netcare's governance philosophy supports the creation of measurable value for our stakeholders in the healthcare sector, and more broadly in our society by not only mitigating but deliberately improving our socioeconomic and environmental outcomes. The Board's commitment to best practice governance ensures that our decisions are taken openly, ethically and transparently and we remain accountable to all our stakeholders.

Our governance structure and processes are mature and entrenched throughout the Group, and we expect the highest standards of ethical behaviour from our employees and our partners in the healthcare value chain.

Aligned to global best practice and premised on the principles of King IV, our governance and control systems enable Netcare to achieve the governance outcomes of an ethical culture, good performance, effective control and legitimacy. Our governance structures have remained effective even under the unprecedented pressure brought about by COVID-19.

The implications of the pandemic have also tested the integrity of our commitment to our purpose and values, which have held strong. As the cornerstones of our commitment to good governance, our purpose and values are deeply embedded in our culture and will continue to be our compass in volatile and uncertain times.

Conclusion

Looking to 2030, we are confident that we can deliver our bold strategy for change, and we will continue to benchmark our progress against the global leaders in healthcare sustainability. Our strategy will set us apart, securing a sustainable competitive advantage, and will deepen the value we create for our stakeholders, and for the healthcare system of which we are an integral part.

A silver lining of the COVID-19 pandemic is that it has reminded society that healthcare professionals are our everyday heroes. For the first time in generations, the public recognises their sacrifice and understands the sense of purpose that fuels their determination. Never before has our purpose as healthcare workers been clearer and more inspiring.

It is our privilege to serve the wellbeing of our patients, our stakeholders and our society as a leading healthcare provider and a powerful force for social good.

We thank **YOU** for entrusting us with your care!

Our material impacts, risks and opportunities

Environmental

Climate change resulting from GHG emissions and pollution are the greatest threats to human wellbeing and public health this century. In 2015, pollution was responsible for an estimated nine million premature deaths globally (16% of all deaths)[1] and it is estimated that, without the urgent development of mitigating emissions strategies, climate change-mediated health hazards will cause 250 000 premature deaths per year between 2030 and 2050[2].

How climate change impacts health:

Higher levels of **air pollutants** leading to diminished lung function and increases in premature deaths	Increases in **diseases** carried by vectors (like mosquitoes) as well as food and waterborne diseases	Compromised agricultural production, leading to **malnutrition**	Increased risk of **extreme weather events** leading to injuries and premature deaths

While health professionals strive to promote and protect human health, modern healthcare itself is a major emitter of environmental pollutants and a significant contributor to GHG emissions[3]. For this sector, responding to the growing climate emergency requires us to both treat those made ill by the climate crisis and to turn our immediate focus to finding ways to reduce our own emissions.

Our material environmental impacts

- Direct and indirect GHG emissions.
- Waste sent to landfill.
- Water consumption impacting the limited fresh water sources in SA.

How we manage our environmental impact

Netcare's 2030 environmental sustainability strategy prioritises reducing our emissions (primarily Scope 1 and 2), reducing the amount of waste sent to landfill and limiting our impact on the national water supply to ensure our long-term sustainability, reduce our impact on the environment and to play our part in promoting a natural environment more supportive of human health needs.

1. *Landrigan et al., 2018.*
2. *World Health Organisation, Deaths from Climate Change, 2009.*
3. *Health Care Without Harm, Healthcare's climate footprint, 2019.*

Our risks

Operational

Climate change: higher temperatures, increasingly extreme weather events and lower rainfall brought about by climate change are likely to result in flash floods, longer and more severe droughts, higher disease potential and loss of lives due to floods or high temperature. In hospitals, these conditions also impact infection control and facilities' abilities to maintain the temperature control required for certain procedures. Climate-related risks impact our ability to operate and increase operating costs, particularly water and energy costs.

Electricity: a continuous supply of electricity is critical to our ability to provide the best and safest patient-centred care. As energy is a substantial expense for Netcare, high demand and limited supply in SA could also result in higher utility costs.

Water: water pollution, water quality, drought and water service delivery failures can increase operational costs, cause harm to our patients and constrain future growth if left unaddressed. Water service delivery failures also impact our suppliers' ability to deliver critical goods and services required for healthcare service provision.

Regulatory

Regulations: non-compliance with regulatory changes could expose the organisation to fines and/or declines in investor confidence.

Taxes: the introduction of carbon taxes will require us to invest in increasing operational efficiencies and reducing emissions to minimise their impact on operating costs.

Reputational

Disclosure: it is becoming increasingly important for organisations to curb GHG emissions, minimise environmental impacts, and disclose related progress. Not responding to these stakeholder concerns could negatively impact our reputation and our value as an organisation.

Reporting obligations: we report a carbon footprint annually and work towards reducing our environmental impact, however, our organisational growth strategy may increase our emissions and negatively impact our reputation.

Utility interruptions: water and energy supply disruptions limit our ability to provide high-quality healthcare, negatively impacting our competitiveness, investor confidence and patient satisfaction.

Our opportunities

- Use our data and analytics capabilities to increase efficiencies and support cost-saving measures.
- Implement solutions to secure electricity and water supplies, ensuring our ability to operate and deliver high-quality care during electricity outages.
- Demonstrate our commitment to environmental sustainability through our strategy and performance.

Our response

Environment report: PG 36.

Our approach to managing environmental and social impacts: PG 103.

Our material impacts, risks and opportunities continued

Social

Improving the health of a population has a clear and positive impact on gross domestic product and provides numerous intangible benefits associated with being healthy and living longer. Ensuring health and promoting wellbeing for all at all ages is recognised by the UN as essential to sustainable development (UN SDG 3: Good health and wellbeing) and the global movement towards universal healthcare coverage means there is a greater need for existing providers to extend their services to provide greater coverage.

The role private healthcare plays in providing additional coverage is both controversial and necessary. While many higher-income countries with established national health services can provide coverage for the bulk of their populations, middle- and lower-income countries are often characterised by immature, emerging or over-burdened national health services without the resources to service an entire population. In cases such as these, private healthcare providers can play an essential role in reducing the burden on government providers.

Worst case scenarios for private sector involvement in healthcare provision are marked by a lack of appropriate regulation, poor service quality and efficiency, significant out of pocket payments resulting in the financial exclusion of significant sectors of society and health inequity, and financial impoverishment in cases where people requiring treatment are unable to afford it. In best case scenarios, however, private providers can provide high-quality healthcare, fill gaps unaddressed by the public system and develop innovative approaches to the health system, resulting in better quality of care, operating efficiencies and lower costs.

Our material social impacts

- Easing the burden of public healthcare providers by serving the needs of employed citizens, enhancing national healthcare infrastructure and training healthcare workers.
- Providing employment in a safe and fair work environment that provides sustainable income.
- Promoting job creation through our enterprise and supplier development programme and our youth employment programme.
- Advancing black-owned businesses through our preferential procurement practices and ESD initiatives.
- Providing healthcare to indigent patients through our CSI initiatives.
- Providing access to quality healthcare to only a small segment of the SA population – primarily those with medical aid coverage – indirectly contributing to health inequity in SA. To minimise this impact, we are broadening access to quality healthcare.

How we manage our social impact
The need for new, affordable ways to access private healthcare, for more certainty on the cost of quality healthcare, and for innovative solutions that contribute to the sustainability of the private healthcare sector is greater than ever before. Through our new business development initiatives, we aim to disrupt the funding solutions for healthcare in SA and achieve organic growth by leveraging our ecosystem of services, holistic healthcare capabilities, facilities and infrastructure to reach new markets and make quality private healthcare inclusion a reality for more South Africans.

Our risks

People

COVID-19: the pandemic has given rise to multiple risks in our environment, including doctor and nursing shortages brought about by the need to self-isolate and/or infection. As the pandemic continues, our frontline employees are increasingly at risk of post-traumatic stress, burnout and other forms of psychological distress. If left unaddressed, this will further increase employee turnover and exacerbate skills shortages.

Availability and quality of skills: COVID-19 has highlighted the magnitude of SA's nursing shortage, triggering fierce competition for nursing professionals in both the public and private sectors. Failure to secure required skills poses risks to our ability to provide consistently optimal care, deliver on our strategic objectives and doctor proposition, negatively impacts our succession pipeline and transformation initiatives, and constrains our ability to expand into new service lines which are aimed at increasing access to healthcare.

Regulatory: non-compliance with labour legislation, including health and safety requirements relating to COVID-19, could undermine the Group's reputation, result in penalties and fines, and negatively impact productivity.

Society

Economic environment: weak economic growth in SA, heightened unemployment, particularly among the youth, and reduced affordability across income segments could place traditional medical scheme membership at risk; however, this may not be an immediate impact as members might fear opting out during the pandemic. In addition, the COVID-19 crisis has deepened inequalities in our society, and together with other socio-political factors in SA, increased the risk of social unrest, which could further hamper economic recovery.

Transformation: our B-BBEE status and ability to meet transformation targets impact our competitiveness and sustainability.

Our opportunities

- Collaborate with government to find solutions to enhance healthcare skills in SA.
- Provide employees with an attractive working environment that is caring, inclusive and ethical, and rewards outstanding contributions to the business and the delivery of person-centred health and care.
- Engage with our employees and ensure their wellbeing.
- Digitise to attract and retain specialists, reduce medico-legal risk and reduce the administrative burden on nurses, enabling them to spend more time providing care.
- Attract specialists into our network.
- Continually improve our clinical governance and health and safety capacity.
- Work with the government and all other stakeholders to assist in containing and treating the pandemic.
- Develop innovative new products and services and strategic partnerships to enhance inclusivity, reach new underserved markets and expand access to healthcare.

Our response

Social report: PG 60.

Quality report.

Our material impacts, risks and opportunities continued

Governance

Organisations that voluntarily adopt environmental and social policies have been demonstrated to exhibit different characteristics than those that do not, and are significantly more likely to outperform their counterparts over the long term.

Organisations taking leadership positions on climate change have also been shown to outperform their peers in terms of return on equity, cash flow stability, and dividend growth. In the healthcare sector, governance is particularly important, and board engagement is associated with better care and clinical outcomes for patients.

Our material governance impacts

- A well governed, ethical organisation.
- Partnering with and supporting suppliers that are aligned with ethical, environmental and social standards.
- Better clinical performance and outcomes. For more on how we ensure the best and safest care for our patients, see clinical governance in our Quality report.

🖑 **Shareholder report.**

How we manage our governance impact
We prioritise social transformation and environmental sustainability in our business strategy to ensure our long-term performance and sustainability. The Board's commitment to best practice governance drives us to constantly improve the way the business is managed and to ensure decisions are taken openly and transparently within an ethical framework. Sound corporate governance practices are implicit in our values, culture and processes, and our internal controls promote an awareness of risk, compliance and good governance in every area of the business. Furthermore, Netcare's intention to be a powerful force for social good finds expression in our deliberate efforts to create socioeconomic value and to responsibly manage our impacts, supported by enhanced Board oversight.

Our risks

Regulatory and compliance risks: changes to the health system and related regulatory changes create uncertainty and may impact how we operate or our ability to acquire licences.

Ethical business conduct risks: a difficult economic climate and related economic hardships can lead to increased incidents of fraud, corruption and misconduct, including by employees and stakeholders in our supply chain.

Data protection and privacy: COVID-19 has amplified cybercrime threats with breaches becoming more complex and escalating magnitudes of related brand, reputation and financial impact. Phishing emails, whether to gain access to details or trick users to open attachments or download software, are the most common method of ransomware infection. Other risks include our increasing reliance on third-party service providers to support our digital transformation and data enablement, and a greater legal and regulatory exposure associated with new privacy laws. Failure to secure our systems and data could result in business disruption, litigation, penalties and fines for non-compliance, and reputational damage. Effectively managing this risk requires extreme vigilance and a proactive approach.

Our opportunities

- Collaboration with regulators and government to provide constructive input on health policy formulation, emerging legislation and the realisation of sustainable National Health Insurance (NHI).
- Maintain governance structures capable of ensuring ethical business conduct and detecting unethical conduct.

Our response

Governance report: PG 100.

Quality report.

ESG rating performance

CDP
(global)

Assesses climate change disclosure.

Last rating date:
7 December 2021
(valid to 31 December 2022)

FTSE Russell
(SA)

An investment index that represents South African companies meeting ESG criteria as defined by the FTSE ESG Model.

Last rating date:
1 June 2021

S & P Global Corporate Sustainability Assessment
(global)

An investment index of emerging-market sustainability leaders.

Last rating date:
31 July 2021

Climate change

Scored a B

(2020: B)

(higher than the Global and Africa average scores)

Included in the FTSE/JSE Top 30 Responsible Investment Index

3.9 out of 5

(F2020: 4.1)

Included in the Dow Jones Emerging Markets Index for the

eighth consecutive year

Water

Scored a B

(2020: B)

(equalling the Global and Africa average scores)

FTSE Russell

	Environmental	Social	Governance
2019	3.5	4.3	5.0
2020	4.2	3.3	5.0
2021	3.2	3.7	5.0

■ 2019 ■ 2020 ■ 2021

Scored 78%

(FY2020: 83%)

MSCI ESG Research Inc.

(global)

Provides ESG data, reports and ratings based on published methodologies.

Last rating date:
1 December 2020

Institutional Shareholder Services

(global)

Provides investors with in-depth insight to incorporate sustainability in their investment decisions.

Last rating date:
15 July 2021

UN Sustainable Development Goals
Our environmental sustainability strategy to FY2030 and other strategic initiatives contribute to the following SDGs.

Sustainability-linked financing
In partnership with Standard Bank, we listed the continent's first sustainability-linked bond in March 2021. The bond is valued at R1 billion and is supported by sustainability goals which, when achieved, result in a lower cost of debt.

Achieved a **'AA' rating,** the second highest awarded by MSCI ESG

We have maintained an AA rating in this six-point scale for five years, marking us as a leader in our sector.

MSCI
ESG RATINGS

| CCC | B | BB | BBB | A | AA | AAA |

Achieved a **B- rating** with a performance score of **68.65** and a very high transparency level

We endeavour to achieve a B+ rating for 2022 through improved sustainability reporting.

Corporate ESG Performance
Prime
RATED BY
ISS ESG▷

Absolute Rating

| D- | D | D+ | C- | C | C+ | B- | B | B+ | A- | A | A+ |

Health Care Climate Challenge Awards
In 2020, we were the only hospital group globally to be awarded gold in all four categories of the 2020 Health Care Climate Challenge Awards by Global Green and Healthy Hospitals (GGHH). The categories are climate resilience, climate leadership, climate mitigation (GHG reduction) and climate mitigation (renewable energy). In 2019, we were awarded three golds and a silver for renewable energy.

The GGHH network has over 1 500 members in 74 countries who represent the interests of over 43 000 hospitals and health centres. The network promotes healthcare without harm.

Race to ZERO EMISSIONS 2050

An ambitious global partnership of forward-thinking organisations aiming to achieve zero emissions in their operations by 2050.

We have committed to the UN's Race to Zero 2050 challenge, aiming to achieve zero emissions by FY2050. We are the first organisation in Africa's private healthcare sector to do so. We have set ambitious objectives to reach zero Scope 2 emissions, zero waste to landfill and reduce water consumption by 20% by FY2020.

As part of our participation in the challenge, we will contribute to the global body of data by submitting annual reports on our progress towards zero emissions. The global body of data will help to build further crucial scientific evidence to grow international understanding of how emissions influence climate change.

Key performance indicators

Environment

194 environmental sustainability projects[1]	**R821 million**	**149% ROIC[3] to date**	**90%**
initiated across the Group since FY2013, with a total capital investment of R550 million including R23 million capital expenditure in FY2021	in operational savings since FY2013 achieved through our environmental sustainability projects, with R21 million[2] realised in FY2021, exceeding our target of R6 million	for our environmental projects with additional returns to be extracted in the years ahead as tariffs continue to escalate	of the Group's energy, water and waste consumption monitored by our Enterprise Sustainability Platform

Emissions

247 034 tCO$_2$e[4] Scope 1 and Scope 2, an **8% reduction** in absolute Scope 1 and Scope 2 emissions since FY2013

(FY2020: 239 906 tCO$_2$e)

59 270 tCO$_2$e Scope 3, an **80% increase** since FY2020 due to better reporting by suppliers

(FY2020: 33 014 tCO$_2$e)

22 tCO$_2$e per registered bed, a 35% reduction in Scope 1 and Scope 2 emissions per bed since FY2013

(FY2020: 21 tCO$_2$e/registered bed)

Energy

954 692 gigajoules total energy used[5], an **8% reduction** since FY2013

(FY2020: 956 560 gigajoules)

15.6 gigawatt hours renewable energy generated from **67 facilities** with solar photovoltaic systems installed,[6] contributing **R26 million** to savings for the year

(FY2020: 13.4 gigawatt hours saving more than R23 million)

Achieved a 28% reduction in electricity usage per bed since FY2013

(FY2023 target for overall energy: between 22% and 25% with a stretch target of 30%)

Waste

9 406 tonnes total waste generated, an **8% reduction** since FY2020 and a **15% reduction** since FY2013

(FY2020: 10 239 tonnes)

R1 million invested in waste reduction initiatives achieving operational cost **savings of R40 million**

3.31 kilograms Healthcare Risk Waste (HCRW) per patient day representing a **37% increase** in HCRW over FY2020 and FY2021 as waste that was previously classified as general waste is now classified as infectious waste due to possible COVID-19 contamination

(FY2019: 1.99 kg; FY2020: 2.85 kg)

The cost of HCRW **increased by 32% and general waste by 4%** driven by COVID-19

Water

1 895 020 kilolitres water consumed[7], a 0.9% increase compared to FY2020

(FY2020: 1 878 400 kilolitres)

R12 million invested in water saving initiatives achieving operational cost **savings of R58 million**

458 litres/bed/day, a **14% reduction** in water usage per bed since FY2013

(FY2020: 455)

1. A total of 43 projects are still active.
2. The Hospital division contributed to 97% of total savings.
3. Return on invested capital (ROIC).
4. Tonnes of carbon dioxide equivalent (tCO_2e).
5. Includes purchased electricity and other fossil fuels but excludes renewable energy.
6. This is the second largest commercial solar PV fleet in SA. Electricity meters cover more than 90% of the hospital network, 75% of Primary Care and 100% of Akeso Clinics' electricity expenses. Data covers SA and Lesotho.
7. All facilities have water meters installed.

Key performance indicators continued

Social

Employment[1]
18 346

employees

(FY2020: 19 214)

B-BBEE status
Level 4

rating maintained with an improved overall score of 88.09

(2020: Level 4)

Workforce diversity
80%

of our workforce comprises black South Africans, and 64% are black women

(FY2020: 79%)

81%

of our workforce comprises women

(FY2020: 82%)

Training
R49 million

spent delivering 25 335 training interventions

(SDP[2]2020: R66 million)

91%

of training spend invested in developing black employees and 82% invested in developing black women

(SDP2020: 92% and 83%)

Leadership diversity[3]
46%

of our Executive Committee comprises black executives. Women comprise 36% of this committee

(FY2020: 50%)

42%

of senior management are black

(FY2020: 41%)

Learnerships
1 167

YES[4] learners enrolled in the Netcare YES for Youth programme.

(FY2020: 865)

Doctors
74%

of new doctors are black and 50% of doctors with admission privileges are black

(FY2020: 72% and 48%)

Preferential procurement
R12.3 billion

total procurement spend, of which R11.4 billion (92%) was measurable under the dtic Codes[5]

(FY2020: R11.7 billion, 99% measurable under B-BBEE Codes)

108%

of measurable spend was with B-BBEE compliant suppliers

(FY2020: 86%)

Enterprise and supplier development

R62 million

ESD spend

(FY2020: R71 million)

R45 million

invested in supplier development, of which 62% (R28 million) was measurable under the dtic Codes, equating to 4% of NPAT[6]

(dtic Code target: 2%)

R17 million

invested in enterprise development supporting the growth of black-owned SMMEs[7]. Of this, 47% (R8 million) was measurable under the dtic Code target, equating to 1% of NPAT

(dtic Code target: 1%)

Corporate social investment spend

R31 million

55% of our CSI spend qualified under the dtic Codes equating to 2% of NPAT

94%

of our CSI beneficiaries are black (dtic Code target: 1% of NPAT with 75% of beneficiaries being black)

Disability mainstreaming

4% (777)

of our employees are persons with disabilities, comparing favourably to the national average of 1% and the national target of 2%

1%

(R1 million) of our training spend invested in developing employees with disabilities; this decrease is a result of the impact of COVID-19 restrictions on training

(SDP2020: 4%)

1. *Excludes National Renal Care.*
2. *Skills development period (SDP).*
3. *Calculated excluding the CEO and CFO.*
4. *. Youth Employment Service (YES).*
5. *Department of Trade, Industry and Competition's Broad-based Black Economic Empowerment Codes of Good Practice (dtic Codes).*
6. *Net profit after tax (NPAT).*
7. *Small, medium and micro enterprises (SMMEs).*

Key performance indicators continued

Governance

Ethics

182

incidents of alleged fraud and irregularities reported. 161 have been investigated and closed with the balance still under investigation

(FY2020: 228)

Regulatory compliance

No material incidents of non-compliance

with laws and regulations

(FY2020: none)

Data protection and privacy

No known cybersecurity breaches or data lost

(FY2020: none)

Human rights

871

employees trained on human rights

(FY2020: 2 683)

Environment

Scope of reporting

Our environmental data for South Africa (SA) covers all Netcare hospitals, mental health facilities, Medicross family medical and dental centres and Prime Cure clinics, including laundry and hospital vehicle transport. The following are included in the scope for energy and water consumption, and waste generation:
• Public Private Partnerships in SA and Lesotho;
• Joint venture operations in SA; and
• Netcare 911 facilities located at Netcare hospitals.

External commitments, frameworks and standards
• King Report on Governance for South Africa (2016)
• United Nations Global Compact and related Sustainable Development Goals
• Task Force on Climate-related Financial Disclosures
• Climate and Water CDP
• **GRI Standards:** 302-1, 302-3, 302-4, 303-1, 303-2, 303-3, 305-1, 305-2, 305-3, 305-4, 305-5, 306-1, 306-2, 306-3

Our environmental sustainability journey

In FY2013, Netcare developed and began implementing a 10-year strategy (the 2023 strategy) with the aim of creating a sustainable business and positioning the Group as a leader in healthcare sustainability. In support of this strategy, we secured access to a green funding facility of R500 million (with Nedbank in association with the French Development Agency) as well as a R35 million grant for energy-related sustainability projects.

We developed our 2023 strategy with a strong focus on energy, a major contributor to our emissions and costs, placing specific emphasis on efficiently managing and using electricity, and setting the goal of reducing energy intensity by 22 – 25% by FY2023, with a stretch target of 30%. Water and waste optimisation initiatives were introduced after our initial energy focus, due to their lower impact on our emissions.

As of FY2021, we have met and exceeded our 2023 strategy goals and are on track to meet our stretch target for energy intensity reduction. Post-implementation reviews on projects representing 69% of our capital expenditure (CAPEX) investment in environmental sustainability have shown that we are achieving greater savings than originally predicted, and compound savings resulting from the 2023 strategy are expected to total around R1.4 billion. For the remaining years of the 2023 strategy, we will focus on optimising existing efficiency projects and expect the benefits of our 2023 strategy to continue to grow over the next 10 years and beyond.

Given our progress to date, and an evolving landscape characterised by innovations and technological and legislative changes, we have developed an even bolder sustainability strategy to take us through to 2030 (page 40).

We have secured a R1 billion sustainability-linked bond, a first for the African continent. The bond is linked to our environmental performance, with reductions in interest linked to pre-specified emissions and water-reduction targets.

Financial overview of our 2023 environmental sustainability strategy (R millions)

FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	**FY2021**
0.4	14	73	107	201	310	440	628	821

■ Cumulative benefit against baseline

A timeline of our past sustainability initiatives
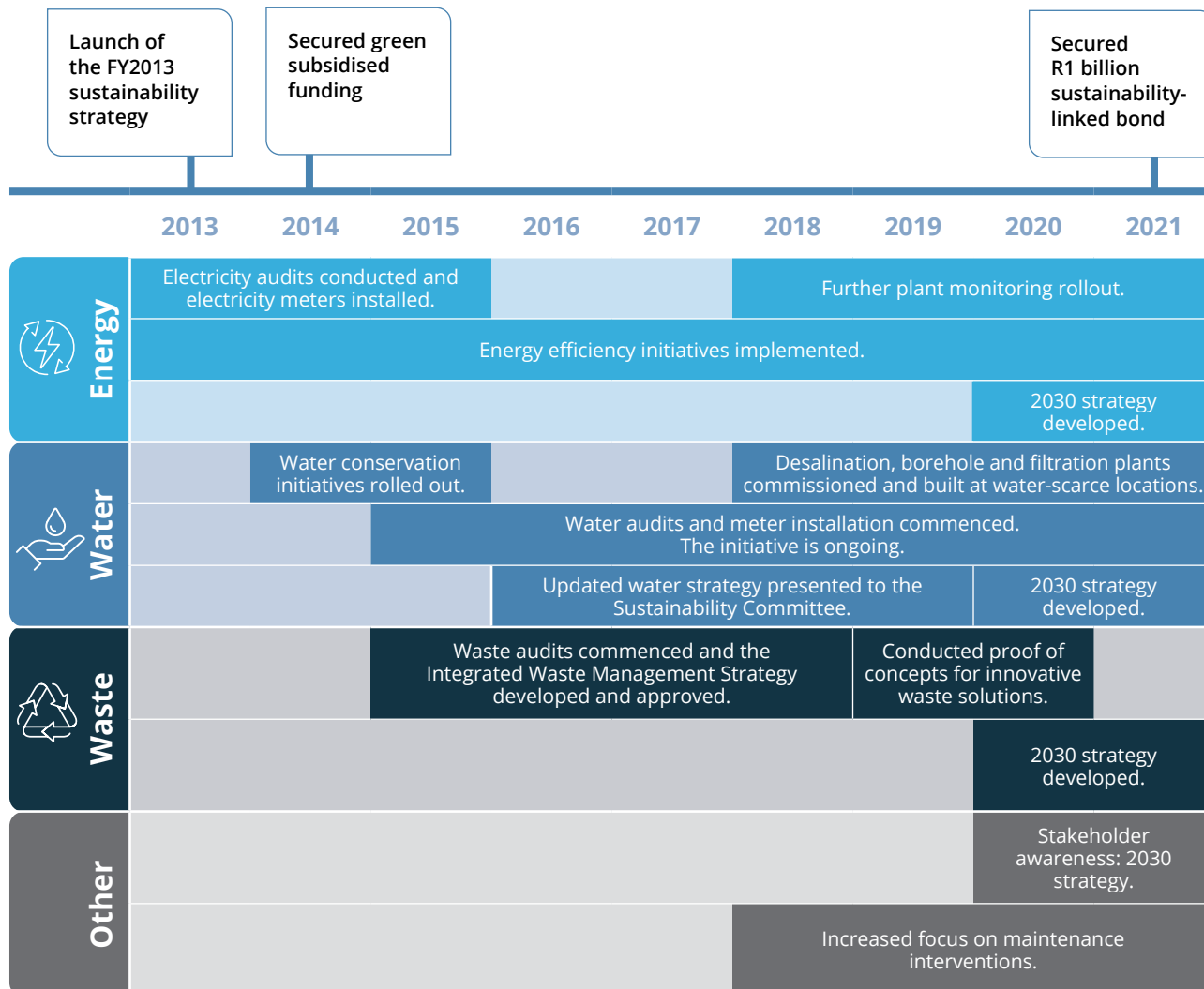
Financial overview of our 2023 environmental strategy for FY2021

Projects	Cumulative CAPEX investment as of end FY2021	Cumulative operational saving as of end FY2021
Energy	537	723
Waste	1	40
Water	12	58
Total	550	821

Our new environmental sustainability strategy

With a bold vision, our 2030 sustainability strategy outlines our intent and goals over the next nine years. Based on global best practices, our integrated approach will contribute to future-proofing our business, addressing the challenges posed by a changing world, particularly regarding climate change-related risks, regulatory changes, and scarcity of resources.

Our overarching goal is to achieve carbon neutrality by FY2050, with much of this to be achieved by FY2030. While energy will remain a core focus of the strategy, we have refocused and refined our approach to waste and water to ensure that we maximise our positive impact on the environment. Reducing Scope 1 and 2 emissions are a core focus of the strategy, and we will revise our procurement strategies to begin to reduce our Scope 3 emissions. We believe our 2030 strategy is well within our reach and skillset and will not only give Netcare a licence to operate but will continue to set us apart as a leader in healthcare sustainability.

Our vision	**Ensure minimal environmental impact by managing our resources responsibly, efficiently and to the benefit of the environment.**		
Our 2030 sustainable development goals	Comply with 2030 global best practices including science-based targets and carbon budget goals.	Become a leader in healthcare sustainability solutions.	Drive long-term security, efficiencies and cost savings for the business through sustainable resource management.

Our 2030 measured targets	**Achieve zero Scope 2 emissions**		**Reduce Scope 1 and 3 emissions**
	⚡ **Energy**	♻ **Waste**	💧 **Water**
	• Achieve **100% dependence on renewable energy**. • Achieve a further **energy efficiency reduction of 5%** (for a total reduction of 35% on our FY2013 baseline).	• Achieve **zero waste to landfill**, to reduce our Scope 3 emissions.	• Significantly **lower our impact** on the limited **fresh water sources** in SA. • Achieve a further **20% reduction** in water consumption intensity (from 500 litres per bed per day to 400 litres).

Our strategy is underpinned by global guidelines and directives:

Science-based targets	• We were one of the first companies in Africa to commit to the Science-based Target Initiative (SBTi) in line with the Paris Agreement of the United Nations Framework Convention on Climate Change. The SBTi aims to reduce emissions to a level that will limit the global mean temperature increase to below 2ºC (ideally 1.5ºC). While we experienced delays in the target setting phase of this initiative, we have updated our targets, re-started our engagements with SBTi and re-committed to this process with revised targets that exceed the SBTi required minimums[1]. • Our emissions targets demonstrate our commitment to playing our part in tackling the existential threat posed by climate change.
UN SDGs[2]	• The 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015, provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. • They recognise that ending poverty and other deprivations must go hand-in-hand with strategies that improve health and education, reduce inequality, and spur economic growth – all while tackling climate change and working to preserve our oceans and forests. 📑 **How our sustainability strategy addresses the UN SDGs:** PG 29.
Key disclosure and reporting frameworks	• GRI[5]: indicators and disclosures are listed throughout the ESG report. For an overview of our environmental disclosures, see page 36. 📑 **How our sustainability strategy addresses TCFD[3]:** PG 116. 🖱 **GRI content index.** **Our 2021 CDP submission.**

1. As part of the SBTi, organisations commit to setting a target and are then given 24 months in which to develop and submit a target for approval. Netcare committed to setting a target in 2019, but upon submission for approval for target setting, we were asked to re-evaluate our total Scope 3 emissions. We have since begun to gather this information from our service providers but have exceeded our 24-month window while doing so.
2. The United Nations Sustainable Development Goals (UN SDGs).
3. Task Force on Climate-related Financial Disclosure (TCFD).
4. Global Reporting Initiative (GRI).

We monitor consumption and measure our progress through our Enterprise Sustainability Platform (ESP)

The ESP was implemented in 2013 to gather sophisticated data on our energy and water consumption, enabling us to establish baselines, benchmark our facilities and set clear targets per facility. The ESP is populated monthly and has proven a critical first step in detecting inefficiencies early and guiding improvement initiatives. The platform and data generated from our metering fleet also enabled us to switch to lower electricity tariff structures, accurately bill our tenants for electricity consumption, and rectify incorrect billing for electricity, water and waste; this has resulted in significant financial savings across the Group. Data is collected from 6 000 data points which are continuously monitored, including 58 oxygen monitoring systems installed since the outbreak of COVID-19.

Relationship to business strategy:

🌿 **Environmental sustainability** Ensuring minimal environmental impact by managing our resources responsibly, efficiently and to the benefit of the environment.

Our new environmental sustainability strategy continued

Mitigating our environmental risks: ensuring continuous care during outages

In August 2021, the Council for Scientific and Industrial Research released its statistics on power generation for the first half of 2021. It reported that SA had experienced load shedding for 650 hours in the first six months of the year, already 76% of the total load shedding experienced during 2020, which was SA's worst year on record. In addition, unplanned outages totalled around 15 300 megawatts.

The National Water and Sanitation Master Plan (2019) estimated that SA could have a 10% gap between water supply and demand by 2030, even if planned additional water supply projects are implemented. Not only does this impact quality of care, but recent incidents have highlighted the need for comprehensive plans to contain a catastrophic fire in hospitals, particularly when local fire authorities who, due to the aging and fragile municipal water infrastructure, may not be able to respond appropriately. During FY2021, we reviewed all Netcare hospitals to assess their ability to secure a sufficient 'fire hydrant water' supply and pumps independent from domestic supply.

In the event of large-scale electricity or water disruption or a fire, our major incident plan defines the managerial and administrative actions and processes to be taken at all Netcare facilities to ensure a rapid, coordinated and appropriate response and the minimal possible disruption to essential care services. When water supply is interrupted, affected facilities automatically implement a 'water conservation mode', doubling the period of available backup water supply.

Our mitigating measures for outages

Electricity
- A fleet of approximately 200 generators, which together with our self-generation capacity, ensures continuity of patient care during electricity outages.
- Uninterrupted power supply and generators at all acute and day hospitals, which supply power to critical functions.
- Seven acute and two day hospitals have dual redundancy (of second stand-by generators) for critical functions.
- Full island load capacity, including dual redundancy, at 26 hospitals (representing 60% of our hospital beds) and 12 day hospitals, able to supply all operations for each facility with no impact in the event of a power outage.

Water
- Between 24- and 48-hours of backup water supply stored at most Netcare facilities.
- A desalination plant at the Netcare Christiaan Barnard Memorial Hospital, which supplies 100% of the hospital's water and is capable of supplying water to all our facilities in the Western Cape independently of the water utility.
- A 500 000 litre water reservoir at Netcare Milpark Hospital and a 612 000 litre reservoir at Netcare Garden City Hospital. Both reservoirs are able to supply water to other hospitals in Gauteng in an emergency.
- Boreholes and filtration plants at five hospitals that have experienced chronic water shortages in the past. Netcare Greenacres Hospital is completely independent from the water grid and able to assist Netcare Cuyler Hospital with water supply if the need arises.
- Additional water tanks were installed at the Netcare Ferncrest and Netcare Garden City hospitals during the year.
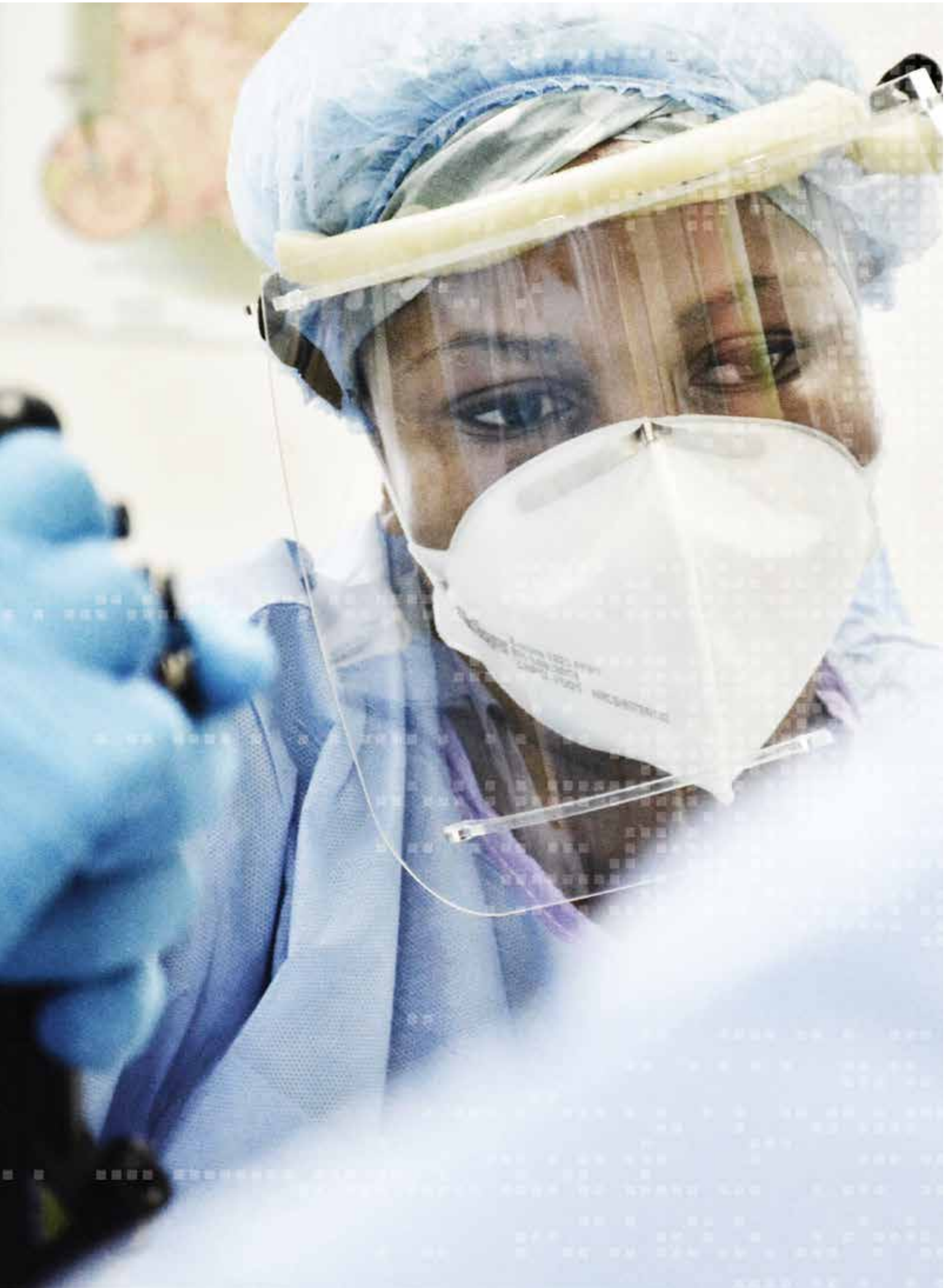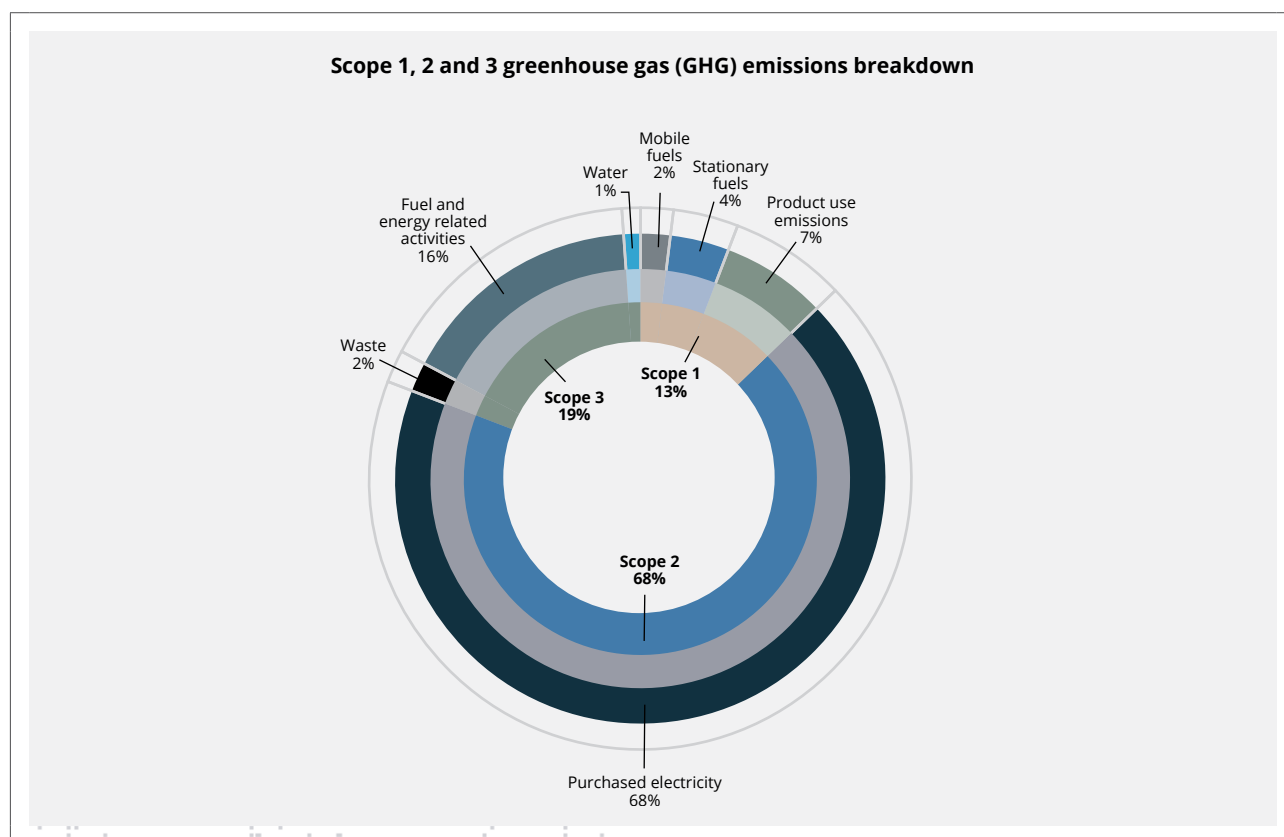
Our new environmental sustainability strategy continued

Emissions

Targets and objectives:

• Achieve zero Scope 2 emissions (page 48).
• Reduce Scope 1 and 3 emissions.

Reducing our emissions is a core focus of the 2030 strategy. Securing 100% renewable energy will enable us to reach our goal of zero Scope 2 emissions but will not impact our Scope 1 and 3 emissions. Reducing these will require that we undertake carbon offset projects to meet our long-term goal of achieving carbon-neutral status by FY2050, or sooner.

Scope 1, 2 and 3 greenhouse gas (GHG) emissions breakdown

Mobile fuels 2%
Water 1%
Stationary fuels 4%
Fuel and energy related activities 16%
Product use emissions 7%
Waste 2%
Scope 3 19%
Scope 1 13%
Scope 2 68%
Purchased electricity 68%
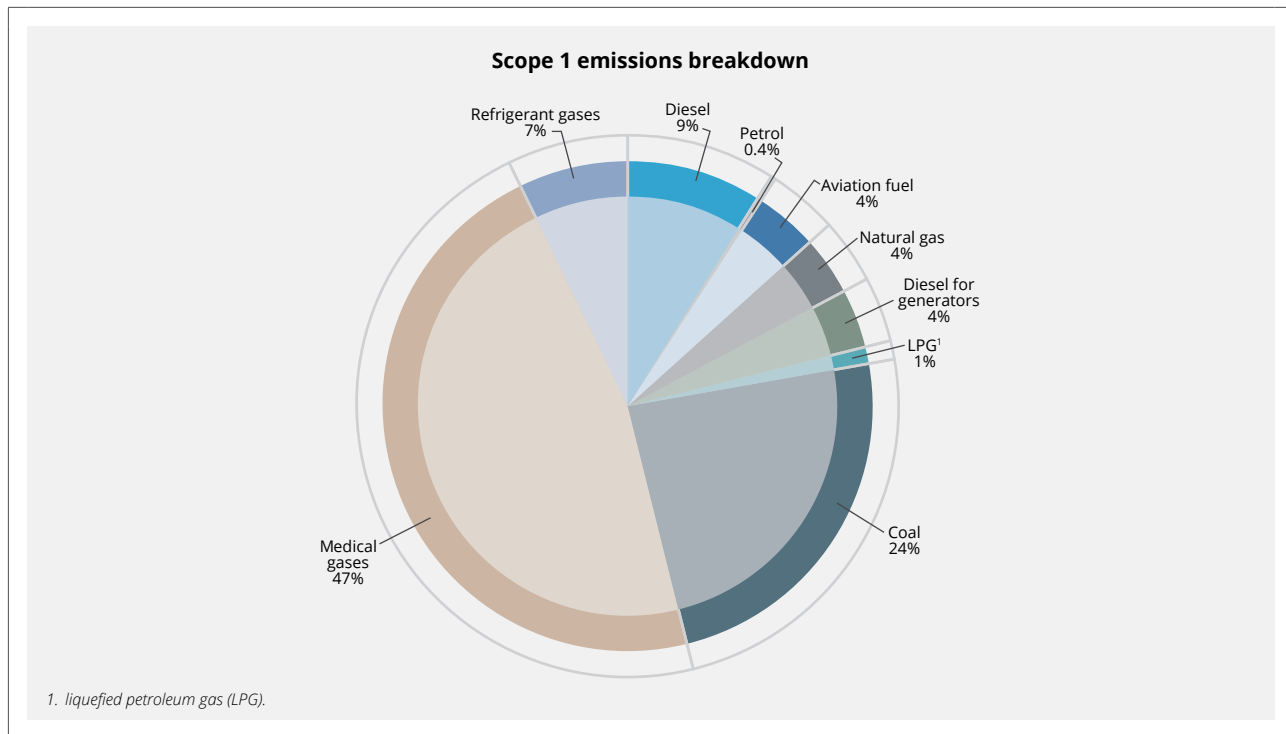
Carbon offset projects
While this initiative is still in its very early stages, we took our first steps towards offsetting our emissions this year by conducting an in-depth analysis of the sources of our Scope 1 emissions and a preliminary analysis of our Scope 3 emissions to understand which are under our control and can be reduced or eliminated, and which we may not be able to completely eliminate.

We are beginning to explore and engage in offset projects for the sources that we are unable to eliminate, including:
• Planting trees.
• Buying Carbon credits.
• Investing in agricultural offset programmes (e.g. soil restoration).

Our Scope 1 emissions

Our Scope 1 emissions are impacted by external factors such as supply interruptions negatively affecting generator fuel usage, patient needs driving medical gas usage, and road and air ambulance usage. While many of these are difficult to reduce at present, we will continue to follow market trends and product innovation and development to secure alternative solutions as these become available.

Scope 1 emissions breakdown

Refrigerant gases 7%
Diesel 9%
Petrol 0.4%
Aviation fuel 4%
Natural gas 4%
Diesel for generators 4%
LPG[1] 1%
Coal 24%
Medical gases 47%

1. liquefied petroleum gas (LPG).

Our Scope 2 emissions

Our Scope 2 emissions comprise the bulk of our total emissions and are related to electrical energy consumption. These are discussed in detail on page 48.

Our Scope 3 emissions

While we do not currently have any offset obligation for our Scope 3 emissions (based on SBTi), we have chosen to demonstrate our commitment to reducing the environmental impact of our whole value chain, and aim to reduce our Scope 3 emissions over time. We are in the early stages of establishing our approach, however, our green procurement policy (page 106) and in-house disciplines will play key roles. The table below provides an overview of the Scope 3 emissions to be explored in our full analysis.

Within Netcare's control	Not or partly within Netcare's control
• Waste generated in operations • Purchased goods and services • Capital goods • Fuel and energy-related activities • Business travel • Upstream leased assets (e.g. vehicles) • Franchises • Investments	• Upstream transportation and distribution • Downstream transportation and distribution • Processing of sold products • Use of sold products • End-of-life treatment of sold products • Upstream leased assets (e.g. facilities) • Downstream leased assets (e.g. tenants) • Patient commuting • Employee commuting • Tenant activities

How we measure and track our emissions	We measure our Scope 1 emissions by converting volume data from actual purchases from suppliers into equivalent CO_2 emissions. We calculate Scope 2 emissions by measuring the amount of electricity used at each of our facilities and convert this into equivalent CO_2 emissions based on how the electricity was generated. Scope 3 emissions are sourced directly from our service providers.

Our new environmental sustainability strategy continued

Emissions inclusions

Scope 1:	Scope 2:	Scope 3:
Direct GHG[1] emissions from sources controlled or owned by an organisation.	Indirect GHG emissions associated with the purchase of electricity, steam, heat or cooling.	All other indirect emissions occurring in an organisation's value chain
Our Scope 1 emissions: mobile fuels (diesel, petrol and aviation fuel), stationary fuels (natural gas, diesel for generators, LPG and coal), fugitive emissions (medical and refrigerant gases).	**Our Scope 2 emissions:** purchased electricity only.	**Our Scope 3 emissions:** waste (general, hazardous and medical waste), water (electricity usage to pump and treat water and waste water), business travel (air travel and car hire), transport (upstream transport and distribution), purchased electricity (transmission and distribution losses), purchased goods and services (water and major vendors).

1. Scope 1 gases: Carbon Dioxide (CO_2), Nitrogen Dioxide (NO_2), Nitrogen Oxides (NOx), Sulphur Hexafluoride (SF6), Hydrofluorocarbons (HFCS).

Netcare 911
We have emergency ambulance services located at 82 facilities across eight provinces. The fleet comprises 215 petrol/diesel vehicles and, while a significant contributor to our Scope 1 emissions, it is also essential for providing quality care for our patients. We have begun to explore ways to reduce these emissions by utilising electric ambulances and biofuel, however, this initiative is in its very early stages and implementation is likely to commence in the medium to long term.

FY2021 performance

- Increased power interruptions resulting from loadshedding led to a 4% increase in Scope 1 emissions as diesel generators were used more frequently to ensure that we remained operational and were able to provide continuity of care to our patients.
- Our energy efficiency and renewable energy projects led to a decrease in energy purchased, however, a 4% increase in Eskom-generated electricity emissions resulted in a 3% increase in Scope 2 emissions for Netcare.
- Between FY2019 and FY2021, our Scope 1 and Scope 2 emissions have increased 0.7% due to the changes we have had to make to our hospital heating, ventilation and air-conditioning (HVAC) systems to protect our patients and healthcare workers from COVID-19.
- Scope 3 emissions increased 80% due to increased accuracy of third-party emissions reporting.

Key data: emissions

| Carbon emissions[1]	Unit	2021	% change	2020	2019	Baseline (2013)
CO$_2$ emissions						
Scope 1 emissions	tCO$_2$e[2]	**37 862**	4.0%	36 392	34 192	38 337
Scope 2 emissions	tCO$_2$e	**209 172**	2.8%	203 514	211 026	231 467
Total Scope 1 and 2 emissions	tCO$_2$e	**247 034**	3.0%	239 906	245 218	269 804
Scope 3 emissions	tCO$_2$e	**59 270**	79.5%	33 014	30 395	41 961
Total Scope 1, 2 and 3 emissions	tCO$_2$e	**306 304**	12.2%	272 920	275 613	311 765
Emissions falling outside the Kyoto Protocol	tCO$_2$e	**889**	(33.3%)	1 334	2 073	2 689
Total measured GHG emissions	tCO$_2$e	**307 193**	12.0%	274 254	277 686	314 454
CO$_2$ intensity ratios						
Ratio of Scope 1 and 2 to:						
– Revenue	tCO$_2$e/Rm	**11.65**	(8.5%)	12.73	11.36	20.09
– Registered beds	tCO$_2$e/bed	**21.82**	2.8%	21.23	21.58	33.56

1. Independently assured – limited level of assurance. Data covers SA and Lesotho.
2. Tonnes of carbon dioxide equivalent.

Looking forward

- Conduct a comprehensive analysis of our Scope 3 emissions.
- Continue to explore projects for offsetting our Scope 1 and Scope 3 emissions.

Our new environmental sustainability strategy continued
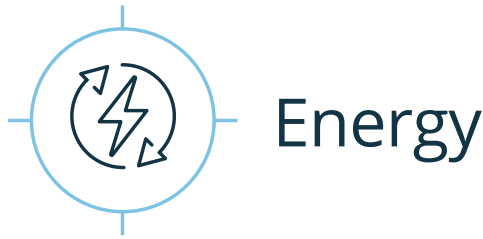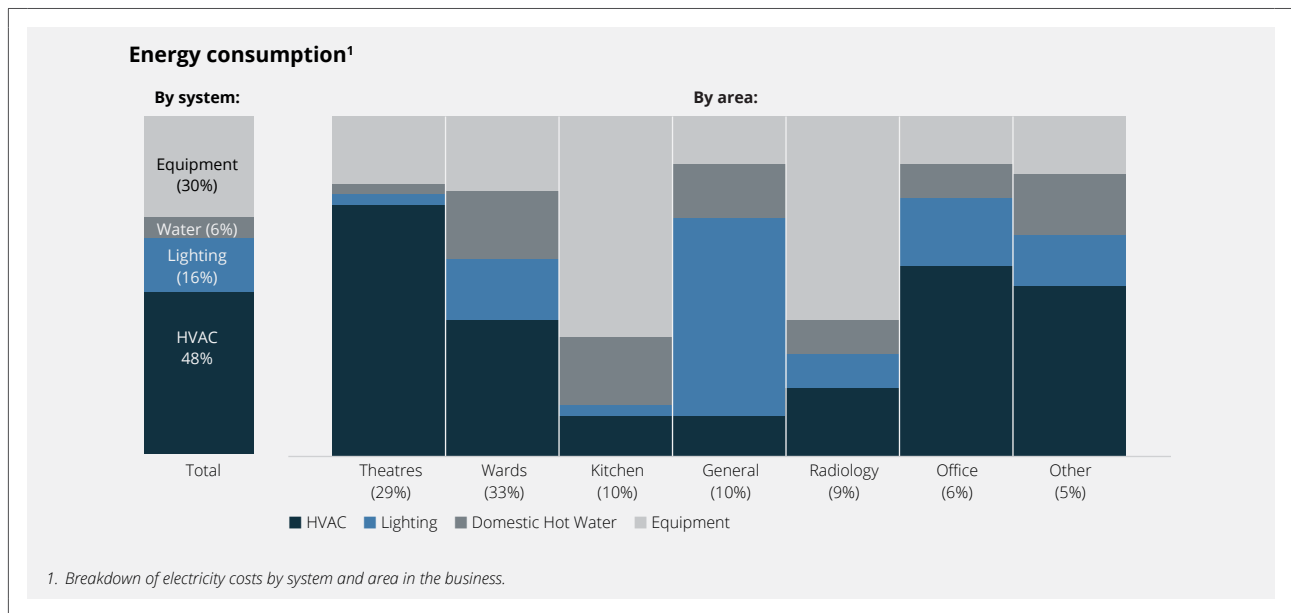
Energy

Targets and objectives:

- Achieve zero Scope 2 emissions (page 44).
- Achieve 100% renewable energy.
- Achieve a further energy efficiency reduction of 5%.

Energy consumption

Our primary drivers of energy consumption are our HVAC systems, followed by equipment usage, lighting and water heating.

Energy consumption[1]

1. Breakdown of electricity costs by system and area in the business.

Our renewable energy programme

Our energy targets are ambitious and our approach to reducing emissions aggressive. Achieving 100% renewable energy will maximise our ability to reduce emissions, lower operational costs and support the SBTi goal. This target will be achieved using a phased approach; in the first phase (2022 to 2025), we aim to have 25% of the energy we consume generated from renewable sources (in addition to the Netcare-owned solar photovoltaic (PV) plants which already produce 7%). Achieving 100% renewable energy is expected to increase our savings to an additional R19 million a year in today's terms.

Our phased approach to renewable energy:

Phase 1	• Implementing onsite solar PV projects. • This phase is currently under implementation and our owned renewable energy programme is already exceeding 12.8 megawatt (peak).
Phases 2 and 3	• Energy initiatives that involve generating and/or sourcing wind and solar energy from independent power producers. • Eskom electricity will be required to meet our needs for power at night.
Phase 4	• Sourcing batteries to store excess power generated during the day for use at night. • Eskom power will no longer be required to meet our power needs.

Our energy efficiency projects

We will continue to drive efficiency initiatives to reduce energy consumption, meet our stretch targets and contribute to financial efficiencies and cost savings. Planned additional efficiency projects include:

- Rolling out fresh air pre-treatment cooling units across all facilities to reduce energy used for air conditioning.
- Replacing our current energy efficient lighting with more efficient light-emitting diode (LED) equivalents.
- Replacing end-of-useful-life equipment.
- Implementing additional onsite PV plants.
- Water and oil treatment to improve chiller efficiencies[1].
- Further developing our plant monitoring capability to more efficiently maintain all equipment.
- Implementing new technologies as these develop.

1. *Contamination of chillers' heat-transfer surfaces can greatly reduce efficiency and performance. Treating water prior to it entering a chiller system prevents the accumulation of contaminants (e.g. scale and organic growth), improving performance and efficiency.*

How we measure and track energy

We measure energy consumption through electricity purchased, with reductions calculated against our performance in 2013; year-on-year adjustments are made to accommodate for growth in activity and floor space expansion. The baseline was calculated using energy audits undertaken across our network, with baselines and targets established for each facility. Our baselines and targets are reviewed annually, and the baseline is used to declare the savings that reflect directly in the financial statements.

Electricity meters are installed on an ongoing basis at Netcare hospitals and more recently at Medicross and Akeso Clinics facilities. Meters are critical for establishing accurate baselines against which to measure, verify and report energy reductions. The electricity meter project which allows us to accurately record our tenants' usage contributed to the reduction since 2018.

Audits are undertaken nationally and, together with our online monitoring of facilities, we are able to identify opportunities to reduce our electricity consumption and additional projects for implementation.
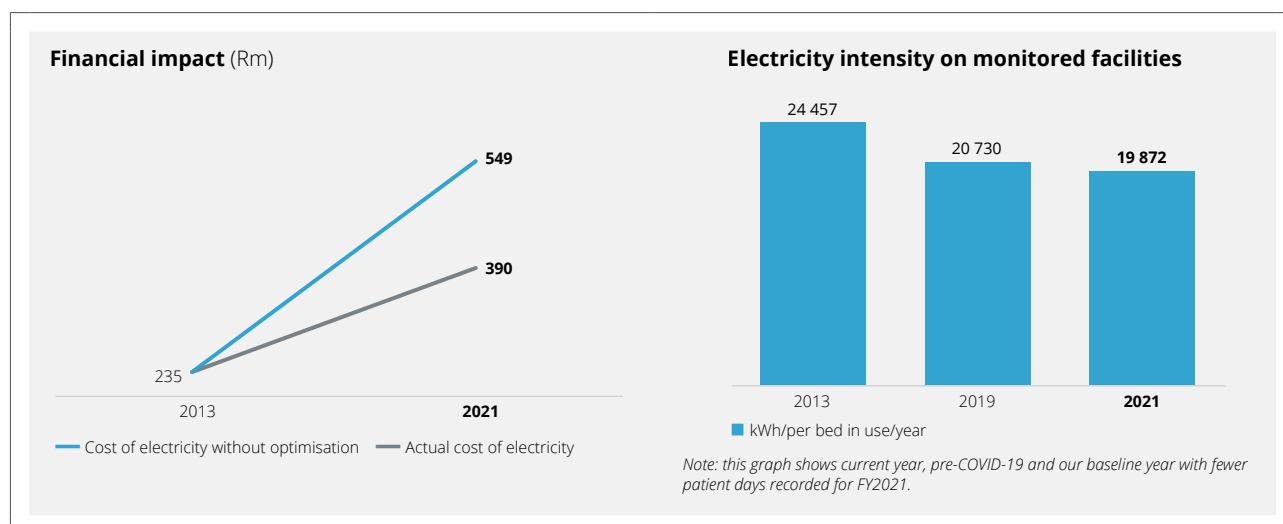
We primarily measure energy intensity based on energy consumption per bed in use rather than patient days. This is because measures of patient days do not take into account the base energy consumption of a facility (e.g. HVAC and lighting requirements) that is required whether or not the beds are in use. Only once a facility exceeds 60% of capacity does patient days become a driver of energy consumption.

FY2021 performance

- As of FY2021, the cumulative electricity tariff increase since 2013 has been 92%, meaning that had we continued with business as usual, our electricity cost per bed would have been R48 000. As a result of our energy efficiency initiatives, our electricity cost per bed has only increased by 36% and is currently R34 000 – a 29% reduction on the estimated business-as-usual cost.
- Our electricity expense was R390 million (2020: R359 million), 8.6% higher than FY2020. Without the efficiency projects implemented since FY2013, our electricity cost would have been R549 million, avoiding an expense of R159 million (2020: R124 million cost savings).
- The solar PV installations generated 15.6 gigawatt hours (GWh) of renewable energy, contributing R26 million to savings for the year (2020: 13.4 GWh saving more than R23 million). Four new PV systems were installed in FY2021 (FY2020: 11).
- Diesel usage increased by 7% as a result of the increase in electricity outages experienced.
- During FY2021, costs for 20.0 megawatt hours (MWh) were recovered from tenants (2020: 19.7 MWh).

Our new environmental sustainability strategy continued

Financial impact (Rm)

549

390

235

2013   **2021**

━━ Cost of electricity without optimisation   ━━ Actual cost of electricity

Electricity intensity on monitored facilities

24 457

20 730

19 872

2013   2019   **2021**

■ kWh/per bed in use/year

Note: this graph shows current year, pre-COVID-19 and our baseline year with fewer patient days recorded for FY2021.

Key data: energy

Energy use[1]	Unit	**2021**	% change	2020	2019	Baseline (2013)
Direct energy used	gigajoules	**212 969**	7.9%	197 325	214 635	205 259
Indirect energy used	gigajoules	**741 723**	(2.3%)	759 235	768 783	833 281
Total energy consumed[2]	gigajoules	**954 692**	(0.2%)	956 560	983 418	1 038 540

1. Independently assured – limited level of assurance.
2. Total energy use includes purchased electricity and other fossil fuels but excludes renewable energy. Electricity meters cover more than 90% of the hospital network, 75% of Primary Care's electricity expense and 100% of Akeso Clinics' electricity expense. Data covers SA and Lesotho.

Looking forward

- Meet our stretch target of reducing energy intensity by 30% by 2023 (baseline year: 2013).
- Continue to roll out our energy efficiency initiatives.
- Prioritise purchasing energy from renewable sources.
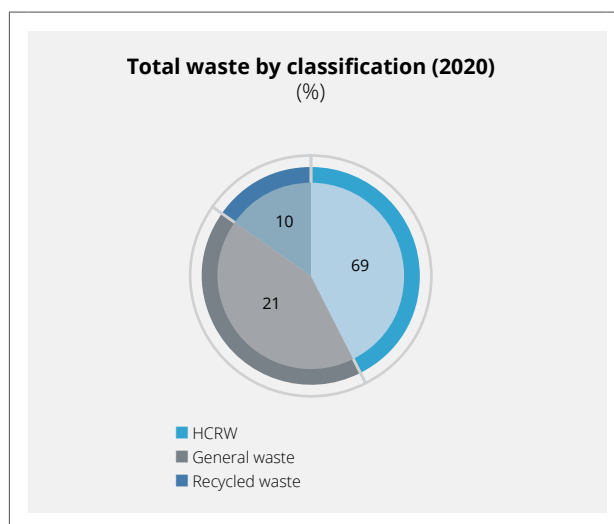
Waste

Targets and objectives:

- Zero waste to landfill by 2030.
- Reduced absolute Scope 3 emissions from healthcare risk waste (HCRW) and general waste recycling.

Netcare's healthcare activities produce HCRW (our most expensive category of waste to dispose of) and general waste. HCRW includes sharps, gloves, used medical items like bandages, infectious waste (including highly infectious or isolation waste) and anything anatomical. General waste includes all other waste sent directly to landfill, a large portion of which is recyclable.

It is widely accepted that a healthcare institution's waste is broken down into approximately 85% non-hazardous waste (general waste) and 15% HCRW. As our HCRW is accurately reported (given our focus on this waste stream and legislative controls), this would indicate that our general waste is underreported in terms of the industry ratio. We are working to enhance our measurement of the general waste stream to better understand the related Scope 3 emissions and define a reduction pathway.

With landfill space in SA rapidly decreasing, and the severe cost to the environment associated with waste disposed through landfills, it is becoming ever more imperative for public and private sector entities to divert waste from landfills. Considering the waste management challenges posed for SA, the National Waste Management Strategy (NWMS) 2020 was developed with a particular focus on developing circular economies; a systematic approach to ensuring that resources are reused and recycled to benefit the environment and people, by creating economic value through job creation. To facilitate this transition, the following targets have been gazetted in the NWMS 2020:

- Prevent waste, and where waste cannot be prevented, ensure that 40% of waste is diverted from landfill within five years, 55% within ten years, and at least 70% within 15 years, leading to zero-waste going to landfill.
- All South Africans live in clean communities with waste services that are well managed and financially sustainable.
- Mainstreaming of waste awareness and a culture of compliance resulting in zero-tolerance of pollution, litter and illegal dumping.

Total waste by classification (2020)
(%)

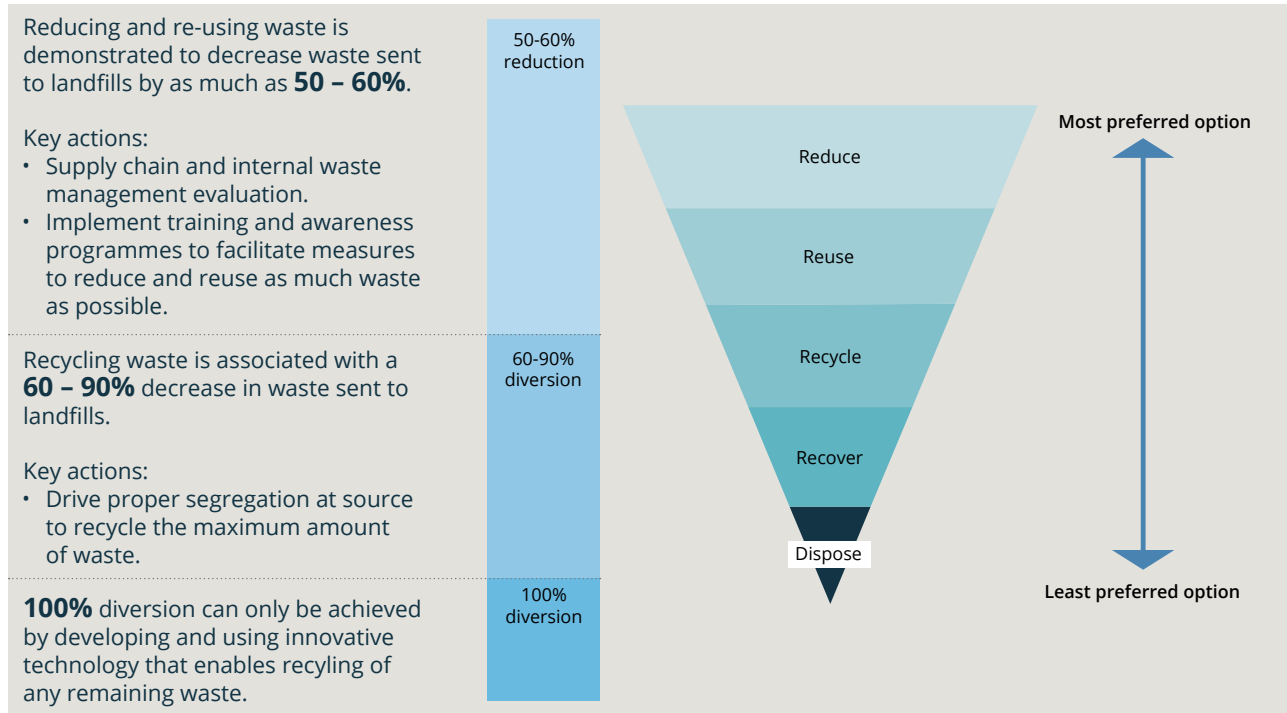- HCRW
- General waste
- Recycled waste

As a core focus of our 2030 sustainability strategy, we aim to exceed the NWMS requirements for diverting waste from landfill, setting a target to reduce landfill waste to zero by 2030. Through these efforts, we aim to reduce our Scope 3 emissions through general and HCRW recycling, limit our exposure to unpredictable waste cost escalation trends and convert our waste streams to value streams while also supporting our social transformation objectives by creating circular economies that support job creation.

Our new environmental sustainability strategy continued

How we will achieve zero waste to landfill

Our waste strategy is centred around the waste management hierarchy; this sets out how organisations should prioritise initiatives that reduce their waste footprints.

<table>
<tr>
<td>Reducing and re-using waste is demonstrated to decrease waste sent to landfills by as much as **50 – 60%**.

Key actions:
• Supply chain and internal waste management evaluation.
• Implement training and awareness programmes to facilitate measures to reduce and reuse as much waste as possible.</td>
<td>50-60% reduction</td>
<td rowspan="3"></td>
</tr>
<tr>
<td>Recycling waste is associated with a **60 – 90%** decrease in waste sent to landfills.

Key actions:
• Drive proper segregation at source to recycle the maximum amount of waste.</td>
<td>60-90% diversion</td>
</tr>
<tr>
<td>**100%** diversion can only be achieved by developing and using innovative technology that enables recyling of any remaining waste.</td>
<td>100% diversion</td>
</tr>
</table>

We have developed a staged process for implementation at each Netcare site and have selected four facilities at which the zero waste to landfill strategy will be piloted before being rolled out across the Group. While it is likely that unique logistical and/or legal factors will result in delays at individual sites, we anticipate zero waste certification for the Group by 2026.

Our zero waste process:

1. Current state assessment	2. Waste Characterisation	3. Standard Operating procedures
Reviewing current waste management procedures at hospitals to assess current performance and the potential impact of waste management interventions.	Assessing the presence and proportionality of different categories of waste across our facilities.	Identifying any gaps between current and desired procedures, using this as a basis for recommending corrective actions for decreasing waste sent to landfill.

4. Netcare and Waste Service provider alignment	5. Zero waste strategy	6. Strategy Implementation plan
Engaging with waste service providers to reach agreement on proposed changes to operational processes.	Developing our zero waste strategy in line with generally accepted waste hierarchy principles and implementing this throughout the Group.	Implementing and tracking zero waste initiatives across the Group, with periodic assessments conducted to evaluate our service providers' and Netcare's performance.

Resulting in **zero waste certification**

The process will be piloted across four sites to meet key targets:

Netcare Waterfall City Hospital	Netcare Christiaan Barnard Hospital	Netcare Milpark Hospital	Netcare Blaauwberg Hospital

- Increase recycling to 75% in six months.
- 100% landfill diversion by 2023.

Supported by our key recycling initiatives:

Treating HCRW and converting it into reusable material	**Clinical glass recycling project**	**Reusable sharps containers project**	**Zero organic and wet waste to landfill**

Our integrated waste management (IWM) platform

SafeCyte, the Group safety, health, environmental sustainability and quality management (SHEQ) information management system will play a key role in quantifying our waste streams and provides access to a central waste management database that hosts our IWM platform. The platform is designed to support accurate data, identifying and quantifying waste streams, benchmarking, target setting, and developing, implementing and monitoring progress towards reaching a zero waste to landfill target. The platform has enabled a more detailed view of the types of HCRW generated at Netcare hospital facilities. We have also recently implemented waste-specific dashboard system to identify areas for optimisation.

More detailed information on SafeCyte is available in the Quality report.

How we measure and track waste

A set of baseline metrics has been established to measure performance, with the measure of hazardous waste volume per patient day distributed monthly to leadership to track progress. Targets have been assigned to all facilities to reduce waste by increasing recycling volumes.

Our audits of waste service providers cover compliance with waste management regulation, training, competency of staff, waste information systems, control and security, transportation, monitoring, environmental impact and health and safety.

Our new environmental sustainability strategy continued

Our key recycling initiatives

Treating HCRW and converting it into reusable material

HCRW is expensive to dispose of and is a major contributor to our waste volumes. Finding ways to divert this type of waste will reduce operational costs and significantly reduce our waste volumes sent to landfill. Our ability to divert HCRW from landfill is contingent on our ability to treat this waste to a standard that allows it to be repurposed.

In partnership with Tshenolo Green Solutions and Tech4Green, we have conducted a proof of concept exploring ways to treat HCRW to a useable standard. Thus far, we have treated HCRW to a low-risk, sterile standard posing no risk for human handling or the environment. The transformed waste is then palletised and transformed into a brick-like product.

We are currently analysing the bricks to determine their physical characteristics and how these can best be used in future. Possible uses for these bricks include:
• Fixing potholes.
• Generating power.
• Ferro Alloy Fabrication.
• Raw materials for flooring panels in low-cost housing.

As of August 2021, **20 tonnes** of HCRW are treated through this initiative each month

Clinical glass recycling project

Netcare generates large volumes of clinical glass which is currently incinerated and disposed of at landfills. We have piloted a proof of concept at Netcare Pretoria East Hospital in partnership with Imperative Waste Solutions (IWS).

As part of this initiative, clinical glass was removed from the hospital and crushed, with the by-product sold for use in the paint industry.

208 kg of clinical glass removed and recycled by IWS over a one-month trial period

Reusable sharps containers project

In hospital settings, needles and other sharp and hazardous waste are disposed of in dedicated single-use containers (sharps containers).

In 2018, we began piloting the use of Daniel Sharpsmart containers in Netcare facilities in KwaZulu-Natal, rolling out this solution to all Netcare hospitals in the province by the end of 2019.

The Daniel Sharpsmart containers are a reusable sharps waste containment system that protects against infection risk and dramatically reduces environmental burden. The reusable sharps containers allow for segregation of sharps waste at source and eliminate supply chain challenges associated with disposable single-use sharps containers.

Diverted **10.6 tonnes** of plastic waste from landfill as of the end of September 2021

Zero organic and wet waste to landfill

Our organic and wet waste largely comprises food waste from our kitchens, the quantities of which are substantial.

This year, we conducted a composting feasibility study on diverting organic waste from landfill at four hospital facilities using composting and anaerobic biodigestion plants (located onsite or offsite) that are capable of treating 50 tonnes of organic wet waste per day. If successful, these solutions will be rolled out across all Netcare facilities by 2030.

Waste and effluent disposal

A comprehensive action plan is in place to address HCRW, which is the most expensive operational cost associated with waste. We focus on finding innovative ways to recycle our waste into reusable products and on correctly segregating waste using clearly marked colour-coded bins. We provide training to our employees on our recycling initiatives.

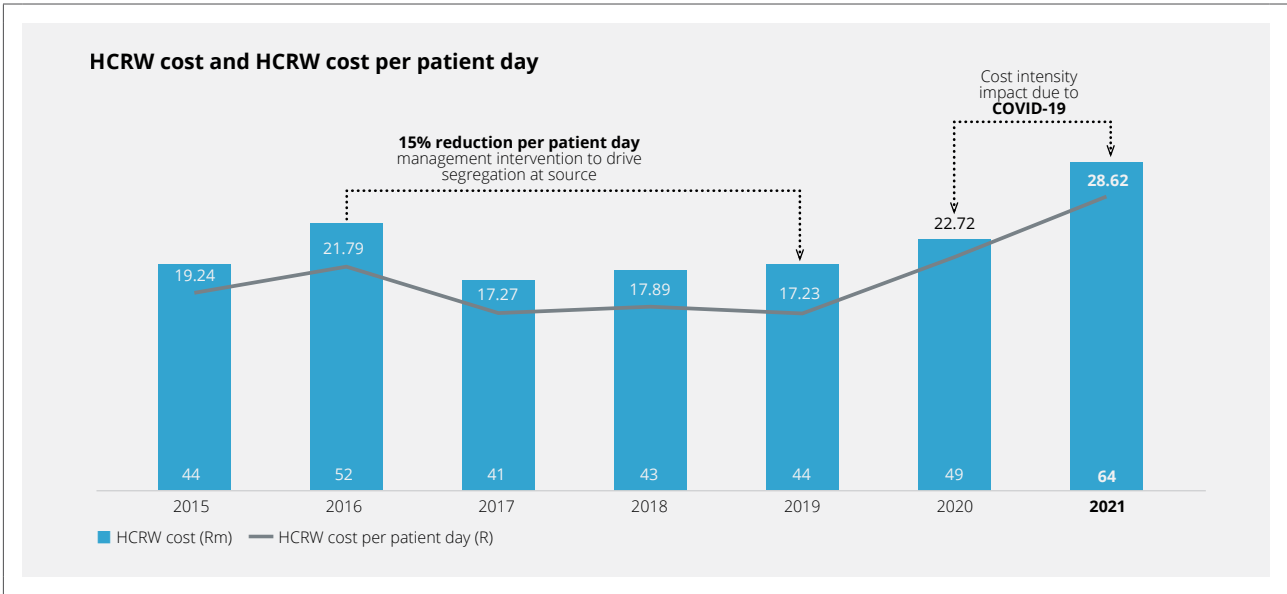All untreated effluent is discharged into municipal sewer systems.

FY2021 performance

- The cost of HCRW increased by 32.2% (2020: increased by 9.8%) and the costs associated with other waste disposal increased by 4.4% (2020: increased by 1.6%). These increases were driven by COVID-19.
- Total volumes of waste generated reduced by 8.1% to 9 406 tonnes (2020: 9.6% to 10 238 tonnes).
- HCRW intensity measured per patient day increased due to COVID-19-related protocols, however there was a slight reduction in intensity per bed due to lower patient volumes.
- Waste recycling was negatively impacted by COVID-19, however we recycled 10.6 tonnes (2020: 12 tonnes) of PVC waste as part of the My Walk Made with Soul initiative (see page 94).
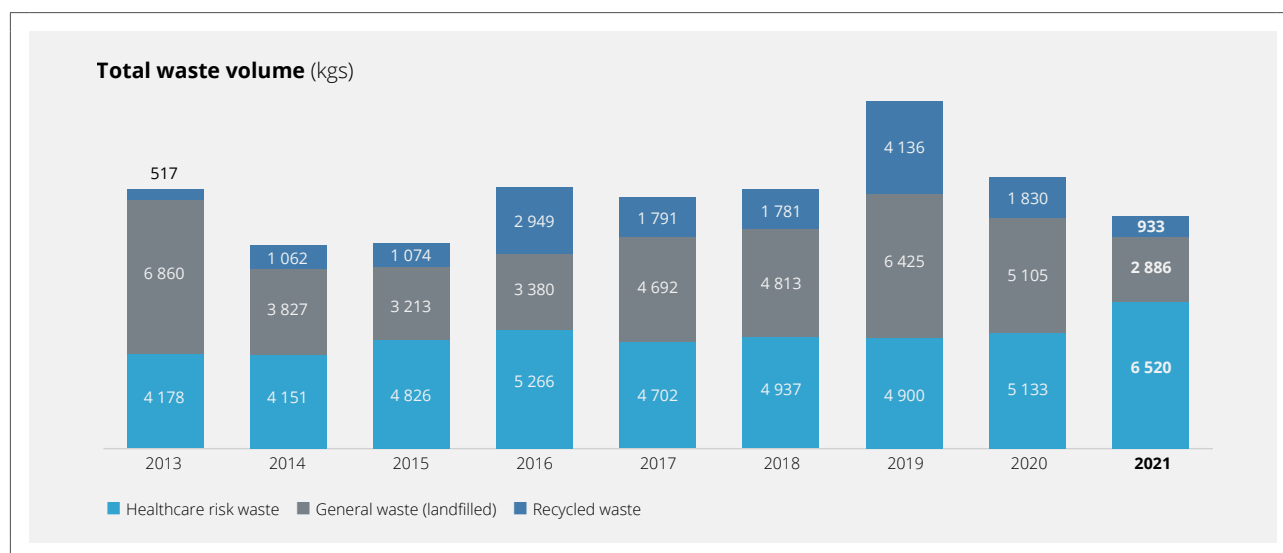- There were no significant spills in 2021.

HCRW intensity: COVID-19 impact
(kilograms per patient day)

Year	Value
2019	1.99
2020	2.85
2021	**3.31**

HCRW cost and HCRW cost per patient day

15% reduction per patient day
management intervention to drive segregation at source

Cost intensity impact due to **COVID-19**

Year	HCRW cost (Rm)	HCRW cost per patient day (R)
2015	44	19.24
2016	52	21.79
2017	41	17.27
2018	43	17.89
2019	44	17.23
2020	49	22.72
2021	64	28.62

■ HCRW cost (Rm) — HCRW cost per patient day (R)

Our new environmental sustainability strategy continued

Total waste volume (kgs)

Healthcare risk waste ■ General waste (landfilled) ■ Recycled waste

Key data: Waste

Waste management	Unit	**2021**	% change	2020	2019	2018
Healthcare risk waste						
– Incinerated: SA operations	tonnes	**76**	1.9%	75	87	68
– Incinerated: Lesotho[1]	tonnes	**53**	(20.5%)	66	82	
– Treated and landfilled	tonnes	**6 391**	28.0%	4 992	4 731	4 110
General waste (landfilled)	tonnes	**2 886**	(43.5%)	5 106	6 425	6 860
Total volume of waste[2]	tonnes	**9 406**	(8.1%)	10 239	11 325	11 038
Recycled waste	tonnes	**933**	(49.0%)	1 830	4 136	517
Ratio of total waste generated to:						
– Revenue	kg/Rm	**444**	(18.3%)	543	525	729
– Registered beds	kg/bed	**831**	(8.3%)	906	997	1 188

1. Not reported prior to 2018.
2. SA operations and Lesotho.

Looking forward

- Roll out the IWM dashboard across our operations to establish our baseline data and guide further development of our zero waste roadmap.
- Investigate further solutions for diverting HCRW from landfills.
- Scale the clinical glass recycling project solution for implementation across 50% of Netcare facilities by 2023.
- Review the feasibility of the reusable sharps containers project to determine whether this can be implemented more widely.
- Monitor the progress and feasibility of the organic and wet waste pilot.
- Investigate repurposing non-recyclable plastic waste.

Water

Targets and objectives:

- Significantly lower our impact on the limited fresh water sources in SA.
- Achieve a further 20% reduction in water consumption intensity (from 500 litres per bed per day to 400 litres).

In 2011, the Council for Scientific and Industrial Research reported that, if consumption patterns remained the same, SA's freshwater resources would be depleted by 2030. Due to aging infrastructure, challenges regarding water treatment and purification, delays in the Lesotho Highlands Project[1], and an increase in climate change-related weather disruptions and droughts, water security is increasingly threatened.

Key water supply challenges for organisations operating in SA

Water treatment and purification	Droughts and water shortages	Delayed Lesotho Highlands Project	Groundwater quality and availability
Around 84% of effluent generated in SA is not treated to the required standard before being re-introduced into fresh surface water systems[2]. Much of the country's surface water is contaminated by industrial chemicals, pharmaceuticals, agricultural effluent and other pollutants.	A 2015 water audit conducted across Netcare facilities revealed that 39% of our facilities are located in areas at elevated risk of experiencing regular water shortages.	Currently, Phase 2 of the Highlands Scheme is more than five years behind schedule. Because of this, it is anticipated that Gauteng will experience a water deficit between 2020 and 2030.	Gauteng groundwater has been compromised by past mining activities, and availability is insufficient in some areas.

To alleviate pressure on national resources and infrastructure, and ensure our continued operations we must secure a sustainable water supply.

Our 2030 water strategy roadmap

Our water strategy roadmap is in the early stages of development as there remain many unknowns still to be investigated. The strategy's primary objective is to reduce water usage and explore alternatives to secure our water supply. Our initial focus will be on establishing a solid baseline to provide the foundation for like-for-like benchmarking in line with international best practice. In addition to this, we are:

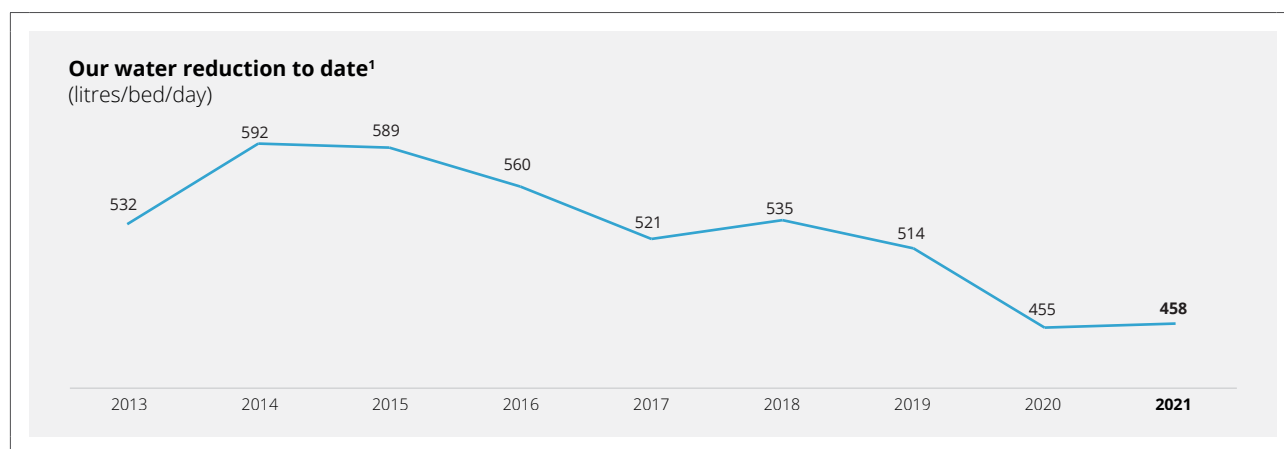|		
Measuring our water use to establish a more detailed view of water consumption throughout the value chain	Rolling out **efficiency equipment** to reduce water consumption	Investigating **greywater and blackwater harvesting** to allow us to reuse water and reduce overall consumption

1. A binational infrastructure project between Lesotho and SA, designed to supply SA with water and hydroelectric power to Lesotho.
2. https://www.jicp.org.za/wp-content/uploads/2016/11/Water_Anthony-Turton_Gurumanzi.pdf.

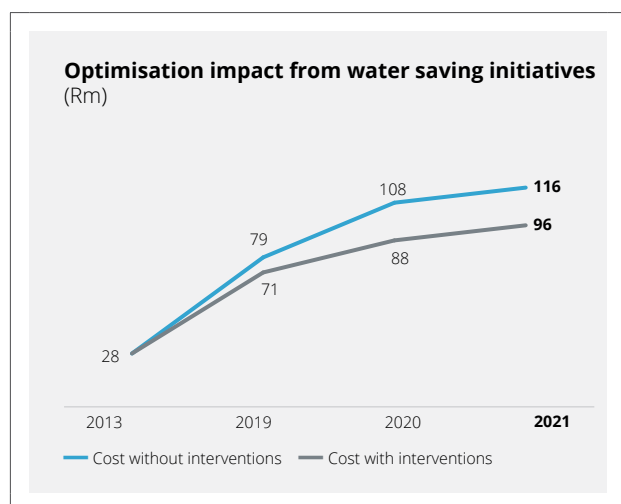# Our new environmental sustainability strategy continued

Key water reduction initiatives

Project	Rationale	Year	Benefit per annum
Upgraded or replaced **3 982** low-flow showerheads, hand showers and taps.	Water conservation	2014[1]	47 641 kL[2]
Installed **meters** on the mains and significant water-intensive tenants.	Water use monitoring	2015[1]	NA
Greywater harvesting: Netcare Sunninghill Hospital	Water conservation	2015	1 445 kL
Greywater harvesting: Netcare Alberlito Hospital	Water conservation	2015	1 599 kL
Borehole and treatment plant: Netcare Alberlito Hospital	Drought	2015	9 468 kL
Borehole and treatment plant: Netcare Kroon Hospital	Water-quality	2014	12 889 kL
Borehole and treatment plant: Netcare Margate Hospital	Water quality and drought	2015	9 204 kL
Borehole and treatment plant: Netcare Greenacres Hospital	Drought	2020	35 896 kL
Desalination plant: Netcare Christiaan Barnard Memorial Hospital	Drought	2019	26 559kL
Total reduction in freshwater impact per annum:			**144 701 kL**

1. Ongoing initiative.
2. Kilolitres

Our water reduction to date[1]
(litres/bed/day)

	2013	2014	2015	2016	2017	2018	2019	2020	**2021**
	532	592	589	560	521	535	514	455	**458**

1. For SA and Lesotho.

Optimisation impact from water saving initiatives
(Rm)

Cost without interventions — Cost with interventions

How we measure and track our water use
We have installed water meters at all of our hospitals and are using these readings to set targets for each facility, along with a list of interventions and associated implementation plans. Water balance audits were impacted by COVID-19 in 2020 but have recommenced for 2021.

We measure water consumption against our baseline performance, set in 2014. Our baselines and targets are reviewed annually and, as of FY2021, we use our water baseline to declare savings.

Water harvesting initiatives

Wastewater treatment is the most comprehensive and beneficial solution for supplementing and securing our water supply, reducing our environmental impact, and reducing demand on the national water supply. Over the past four years, Netcare has extensively investigated using greywater and recently began exploring treating and harvesting blackwater as well. With the cost of water increasing 390% between 2013 and 2021 and the projected 75% increase in water costs between 2020 and 2025, our feasibility analyses indicate that these projects are likely to result in cost savings in the medium to long term.

The biggest challenges posed to implementing water harvesting initiatives – particularly those that involve harvesting and treating blackwater – are public perception and legislation. While standard practice in some parts of the world, blackwater harvesting is not common practice in SA, and many people perceive treated blackwater as contaminated and therefore less safe than other water sources.

Water sources

We use municipal water at all sites, barring Netcare Alberlito, Netcare Kroon, Netcare Margate, Netcare Pholoso and Netcare Greenacres hospitals, where borehole water is used in addition to municipal supply. We have also installed a desalination plant at Netcare Christiaan Barnard Memorial Hospital which supplies 100% of the hospital's water and is capable of supplying water to all our facilities in the Western Cape independently of the water utility. No water sources are significantly affected by our operations.

FY2021 performance

- Water cost decreased by 0.8% (2020: increased by 8.6%) and consumption increased by 0.9% (2020: reduced by 11.9%).
- The new Netcare Alberton Hospital will have a greywater harvesting system to capture and treat the facility's greywater to potable standards. Around 50 000 kilolitres of water will be recycled annually through a greywater treatment plant owned by Netcare. The capital investment for this project is R12 million with an annual saving of R2 million. Work on the plant has begun and the hospital is scheduled to open in 2022.
- Drilled a second borehole and installed a filtration plant at the Netcare Greenacres Hospital.
- Last year, we commissioned an analysis of the infrastructure and water quality of SA's municipalities to assist us to assess the water supply risk per hospital. The project is currently ongoing.

Key data: water

Water consumption[1]	Unit	**2021**	% change	2020	2019	Baseline (2013)
Water use: Hospital division SA	kl	**1 712 326**	4.2%	1 642 678	1 927 620	1 786 844
Water use: Lesotho[2]	kl	**64 088**	(30%)	91 543	95 686	
Water use: Balance of SA operations	kl	**118 606**	(17.7%)	144 180	108 716	16 181
Total water consumption[3]	kl	**1 895 020**	0.9%	1 878 400	2 132 022	1 803 026
Ratio of total water to:						
– Revenue	kl/Rm	**89**	(11%)	100	99	116
– Registered beds	kl/bed	**167**	0.6%	166	188	194

1. Independently assured – limited level of assurance (excludes re-use and borehole water). All facilities have water meters with more than 800 components installed since 2015.
2. Not reported prior to 2018.
3. SA operations and Lesotho.

Looking forward

- Roll out greywater harvesting initiatives at other facilities.
- Further investigate and develop possible blackwater treatment plants at facilities.
- Upgrade all autoclaves in the Hospital division to more water efficient technology in FY2022.
- National Renal Care will implement indirect feed (storing all unused water) reverse osmosis plants in all units in FY2022, enabling a water saving of between 50% and 70% depending on the facility.

Social

Scope of reporting   Our data relating to people, training and development, diversity and inclusion, and socioeconomic development (including corporate social investment (CSI)) initiatives includes all Netcare hospitals, Akeso Clinics, Medicross and Prime Cure clinics, Netcare 911 and all other Netcare subsidiaries.

External commitments, frameworks and standards
• King Report on Governance for South Africa (2016)
• United Nations Global Compact
• **GRI Standards:** 102-8, 102-9, 102-10, 102-41, 102-43, 201-1, 201-4, 202-2, 203-2, 204-1, 401-1, 401-2, 401-3, 402-1, 403-1, 403-3, 403-4, 404-2, 405-1, 406-1, 413-1

Our people

The Netcare Way culture of caring encompasses the wellbeing of our employees, never more crucial than during the COVID-19 pandemic, which has challenged healthcare systems in South Africa (SA) and across the globe. The pandemic has exerted enormous pressure on our employees who have had to work long hours providing compassionate health and care to our patients. This was compounded by the national shortage of healthcare professionals and throttled nursing skills pipeline. Even in the face of these pressures, our employees demonstrated resilience, dedication and agility, persevering despite long shifts, exhaustion, anxiety and stress. The psychosocial toll paid by our frontline employees – in constantly confronting illness and, very sadly, the death of patients, colleagues and family members – should not be underestimated and we thank our people for their unwavering commitment, calibre and for their daily acts of courage and compassion.

Due to the extremely challenging conditions under which our employees have operated for the past two years, it has become increasingly important for us to prioritise their wellbeing, providing them with psychological and emotional support, while ensuring they remain protected from COVID-19 infection.

In addition to supporting our teams throughout the pandemic, we maintained focus on key areas including employee engagement and relations, talent attraction, retention, growth and development, management and leadership development and succession planning, diversity and inclusion.

How we support our people
- Protecting our employees from COVID-19: page 64.
- Employee recognition and gratitude initiatives: page 68.
- Leadership engagement initiatives: page 78.
- Augmented psychosocial support services: page 64.
- Our compassionomics initiative: page 80.

Key wellness initiatives

Prioritise the health, safety and wellbeing of our people	Attract, retain and develop our talented people to maximise their potential and drive our person-centred, digitally enabled and data driven health and care strategy	Build pipeline and bench strength for clinical and support functions	Invest in leadership development	Drive diversity and inclusion

Relationship to business strategy

Consistency of care — Delivering consistently excellent clinical services, ensuring the best and safest person-centred care

Transformation of our society — Continuing to invest and develop our workforce and communities

Key data: our people

	2021	2020	2019
Employee by employment contract			
Permanent: full-time	**18 088**	18 892	19 849
Permanent: part-time	**258**	322	344
Fixed-term	**922**	923	952
Total workforce	**19 268**	20 137	21 145

	2021	2020	2019
Permanent employee breakdown			
Hospital and Pharmacy	**14 859**	15 705	16 347
Radiotherapy	**64**	59	60
Netcare 911	**1 159**	1 136	1 225
Netcare Management	**658**	635	586
Mental Health – Akeso	**484**	497	508
Innovative Healthcare Solutions	**26**	–	–
Primary Care – Occupational Health	**42**	59	73
Primary Care	**844**	916	1 116
Total permanent employees	**18 136**	19 007	19 915
Public private partnerships	**210**	207	278
Total permanent employees including public private partnerships	**18 346**	19 214	20 193

	2021	2020	2019
Permanent employees by employment level			
Executive	**43**	45	40
Management	**1 597**	1 585	1 555
Professional	**6 911**	7 096	7 362
Enrolled nursing and support	**9 795**	10 488	11 236
Total	**18 346**	19 214	20 193

📑 **Additional data:** PG 118.

Our people continued

Employee health, safety and wellbeing

While the health, safety and wellbeing of our employees is always a priority, COVID-19 intensified the challenges faced by our people and introduced the risk of COVID-19 infection for all employees. Given the unique challenges posed by the pandemic and its associated surges, we focused on protecting our people from infection, caring for those who were infected or ill, and ensuring that our people received additional psychosocial support.

Responding to COVID-19

In response to the pandemic, we constantly monitored the observance of health and safety, including major incident management, infection prevention and control protocols; intensified our regular engagements with organised labour and prioritised the physical, mental and emotional wellbeing of frontline employees.

To protect our employees from exposure to COVID-19, we:

- Adhere to the Occupational Health and Safety (OHS) Act and the Regulations for Hazardous Biological Agents and have implemented the necessary administrative controls.
- Provide access to COVID-19 vaccination; for Netcare employees vaccination is voluntary and we educate our people on the benefits of vaccination.
- Screen all people who enter our facilities and test all patients admitted to our facilities for treatment.
- Control access to our facilities and impose limits on the numbers of people able to enter facilities during COVID-19 surges.
- Optimised ventilation and airflow, use air filtering devices where possible and have deployed air and surface disinfection devices.
- Ensure that our people have access to sufficient and appropriate personal protective equipment, based on their exposure risk.
- Have established employee wellbeing programmes, deployed social workers in hospitals to assist patients, families and employees with their mental wellbeing, and made emergency and advice lines available to all employees.
- Implemented risk and exposure-based medical surveillance to identify employees at higher risk of severe COVID-19 disease and accommodated vulnerable employees accordingly (e.g. transferring them out of high-risk zones or to non-patient facing roles).
- Implement remote working and rotational shifts for non-nursing employees during COVID-19 surges, while ensuring that managers are still able to engage with their teams on a personal level.

For our employees who contract or are exposed to COVID-19, we:

- Continue to provide a 24-hour Netcare COVID-19 Care Line and reverse billed SMS service that engages with nurses in self-quarantine on their health and wellbeing.
- Continue to deploy our track and trace system which contacts employees who have come into contact with a COVID-19 patient, conducts an initial triage to identify if the employee requires emergency assistance or a place to isolate, maintains daily SMS follow-ups to monitor their health and tracks symptoms during self-isolation. The system tracks test results and clears employees to return to work. It also provides a central repository of data on the status of our employees and when we expect them to return to work.
- Provide healthcare workers with fully paid special leave if they must self-isolate as a result of contracting COVID-19 at work.
- Submit claims to the Compensation for Occupational Injuries and Diseases (COID) Fund for employees presumed to have contracted COVID-19 while on duty.

Psychosocial support during the pandemic

To provide our employees with more comprehensive care during the pandemic and improve retention of nursing staff, we augmented existing psychosocial support services with onsite social workers who provided personalised individual and group counselling sessions for our frontline employees. The social workers provided trauma debriefing sessions, emotional and supportive counselling, equipped staff members with coping skills and self-care strategies, and referred staff to community resources for further support where required.

The social workers are contracted through one of our enterprise and supplier development (ESD) programme partners to offer counselling interventions and connect patients and families.

55 social workers delivered over 50 000 counselling interventions during the second and third COVID-19 waves.

Occupational health and safety

OHS is integrated into our safety, health, environmental sustainability and quality (SHEQ) system, and is overseen by the Consistency of Care Board Committee. Last year, we began the process of digitising and standardising our SHEQ system across all service platforms.

Our team has done extensive work on standardising our standard operational procedures and implementing standard OHS practices across the Group to ensure OHS compliance, particularly in relation to risk assessments, legal appointments, improving the functioning of our Health and Safety Committees and incident reporting. These processes have been digitised and added to our digital SHEQ system, SafeCyte.

We are developing a comprehensive occupational health plan for the Group, which will include a customised medical surveillance programme for each service platform based on workplace exposure risk The occupational hygiene noise surveys, hazardous chemical agents health risk assessment

and comprehensive ergonomic risk assessments were conducted by qualified external experts. Programmes have already been developed for the Hospital division, Cancer Care and National Renal Care. The medical surveillance plan will be rolled out over three years, starting with high-risk clinical staff during the first year.

Our collective agreements with trade unions cover OHS. This ensures that our health and safety measures in the workplace comply with legislative requirements. In line with these agreements, our onsite shop stewards act as union representatives in our Health and Safety Committees. Our stewards report monthly to the Shop Steward Committee on health and safety issues in the workplace.

Our employee wellbeing programme

Run in partnership with Independent Counselling and Advisory Services (ICAS), our employee wellbeing programme offers emotional and psychosocial support to employees and their immediate family members on a range of issues, including financial, legal, health, family, relationship and work-related matters, as well as stress and trauma.

Key wellness initiatives

CareCall, a professional and confidential personal support service that provides telephonic counselling, face-to-face counselling, group trauma debriefing, and advice and information on everyday challenges and issues. The service is available 24 hours a day, 365 days a year.	**eCare,** an online health and wellness service that delivers a high impact, personalised service to employees via email and the internet.	**Training and development webinars** focused on emotional impact training, stress and burnout, financial wellness, crisis training and training on customer excellence.	The **managerial support programme,** comprised of workshops and training designed to assist our managers to effectively engage with their teams, deal with and resolve conflict and to identify and support employees experiencing specific challenges.

Our people continued

FY2021 performance: OHS

- Reviewed the organisational structure to ensure efficient and adequate resourcing of the SHEQ function. Four regional managers have been appointed to assist with SHEQ strategy implementation and additional occupational health nurse practitioners are being appointed to execute the medical surveillance programme across service platforms.
- 4 726 claims submitted to the COID Fund since the start of the pandemic, with 4 269 claims being from the Hospital division.
- Provided hospital treatment or suitable quarantine accommodation for employees at our expense.
- Around 85% of our employees have received COVID-19 vaccinations.
- Provided mandatory OHS training to 1 351 employees between May 2021 and October 2021, achieving a 99% pass rate. This excludes informal health and safety training provided online or by external service providers (around 200 employees trained). We also provided vaccination education and information to our employees and hosted pop-up vaccination sites at our facilities for ease of access for our staff and medical practitioners.
- Compliance with the Group's standardised agenda and standard operating procedures for OHS Committees was 84% overall, covering the Hospital division, Medicross and National Renal Care. Improvement plans are in place to reach our target of 90% compliance. OHS Committee performance assessments will be extended to Netcare 911 and Akeso Clinics in FY2022.
- Enhanced our employee incident and management reporting; this will help to identify incident trends and inform targeted improvement initiatives.
- Implemented a SHEQ risk assessment methodology; compliance with the prescribed risk assessment methodology and implementation of controls was measured in the Hospital division, Medicross and National Renal Care.
- 19% of employees who were assessed by our COVID-19 surveillance programme (baseline medicals), were deemed to be vulnerable and at higher risk for developing complications should they contract COVID-19. These employees are accommodated appropriately.
- Implemented digital Tuberculosis screening and surveillance via SafeCyte, replacing manual paper-based questionnaires.
- Netcare 911 appointed a full-time driving coach to conduct driving assessments and improve driver skill and awareness. Netcare 911 achieved a record low accident cost in FY2021.
- Provided transport and overnight accommodation for our employees in KwaZulu-Natal impacted by the July 2021 riots, and supplied staple foods for the families of those employees who were unable to source their own. Nursing managers and unit managers and employees sent from Gauteng to KwaZulu-Natal provided additional support during this time.

FY2021 performance: employee wellbeing

- 963 employees reached through 126 training sessions relating to emotional impact training, stress and burnout, facilitated group intervention, wellness talk, employee in crisis and customer excellence training.
- Through ICAS, provided 658 employees and immediate family members with group counselling interventions to help them process shock and trauma.
- 379 managers used the managerial support programme.
- For our paramedics, who have not escaped the levels of mental strain brought about by COVID-19, an enhanced mental wellness programme was launched in partnership with Akeso Clinics and includes group therapy sessions.
- Netcare Cancer Care launched a wellness programme to equip staff with the skills to manage distress and relationships, promote self-care and practise mindfulness. All nurse navigators are required to attend sessions with Akeso Clinics counsellors once a month.
- Medicross introduced listening forums for employees to collectively reflect on the hardships endured during COVID-19 surges. The forums provide a supportive environment where employees can express their thoughts, feelings and concerns. The sessions are used to gauge the overall morale in clinics and explain why certain policy decisions have been made.
- National Renal Care, Akeso Clinics, Netcare 911 and Cancer Care provide their employees with a peer support programme to encourage coping through shared experience. It also hosts virtual feedback sessions to give employees within regions the opportunity to share how they are feeling, to address any pressing needs and to inform staff of important news and updates, as well as regional quality leadership forums focusing on wellbeing, building resilience and leadership during COVID-19.

ICAS engagement

The overall ICAS engagement rate was
18.4%
(FY2020: 19.3%)

Of those employees who used ICAS,
62.3%
accessed professional counselling, with mental health challenges being the largest problem category

(FY2020: 54.2%)

4.8%
(FY2020: 5.1%) of cases were formally referred for assistance

17.9%
of ICAS cases related to difficulties experienced by managers

(FY2020: 17.5%)

Annualised individual ICAS usage of core services
11.1%
compared to 10.6% across all ICAS client companies (FY2020: 12.8%)

Key data: health, safety and wellbeing

We are reporting our OHS data for the first time this year and will continue to report against these metrics in the years to come. We have not provided data for prior years as, due to improvements to our internal reporting system, this is not comparable with data for 2021.

Employee incidents[1]	Occupational disease (COVID-19)	Injuries on duty	Sharps and splash incidents
Hospital division	**2 861**	588	123
Akeso Clinics	**75**	10	0
Medicross	**83**	23	7
National Renal Care	**328**	2	5
Total	**3 347**	623	135

1. Reported for period October 2020 to September 2021. Netcare 911 is still being onboarded to SafeCyte's employee incident reporting functionality.

Absenteeism	**2021**	2020	2019
Total absenteeism hours	**1 118 679**	1 155 570	1 247 551

Looking forward

- Develop and implement a comprehensive occupational health plan for the Group, which will include a customised medical surveillance programme for each service platform based on workplace exposure risk. Programmes have already been developed for the Hospital division, Cancer Care and National Renal Care. The medical surveillance plan will be rolled out over three years, beginning with high-risk clinical staff.
- The employee wellbeing survey scheduled for 2021 has been deferred due to COVID-19 and will be conducted in FY2022.
- Introduce suitable solutions to ensure employee wellbeing is informed by the outcomes of the employee wellbeing survey.
- Increase awareness of the employee wellbeing programme and highlight avenues for addressing the most commonly presenting problems.

Our people continued

Employee engagement

We place considerable importance on employee engagement and development to empower our people and encourage innovation, critical thinking, proactiveness, continuous development and life-long learning. We strive to distinguish ourselves as an employer of choice by providing our people with an attractive value proposition.

How we measure and monitor employee engagement
- Employee engagement assessments (ordinarily conducted every two years).
- Workplace Transformation Committees at each site, comprising employee and management representatives trained on diversity, inclusion and transformation-related legislation.
- Employee wellbeing programme.
- Strategy roadshows and dialogues, as well as Leadership in Touch Forums, providing managers and employees with the opportunity to engage on specific or general issues.
- Care4YOU engagement platforms and workshops to build resilience and respond with compassionate care and empathy (compassionomics).
- Diversity interventions (diversity dialogues, focus groups, surveys and customised workshops).
- Change management interventions (change readiness surveys and emotional impact assessments).
- Contract and annual salary negotiations, and quarterly national consultative forums with trade unions representing employees in the Hospital and Primary Care divisions.
- Confidential SHOUT hotline, which enables employees to report alleged or perceived incidents of racism, sexism, discrimination, harassment and any human rights violations.

Recognising our employees

The pandemic, its associated challenges and the immense pressure exerted on our frontline employees, made engaging with our employees, and acknowledging their extraordinary efforts even more important over the course of 2020 and 2021. To do so, we launched several initiatives to augment our usual engagement methods.

We used this year's **Nurses Day** – themed the Year of the Nurse – to celebrate the nurses in the Group. Members of the Executive Committee and senior leaders in our business delivered messages of gratitude to all our nurses via video recordings which were played across all our facilities and posted to our social media platforms. In these videos, our nurses also shared moving stories of their own personal experiences of being on the forefront of providing care during the pandemic.

We prioritised **leadership visibility** on the ground and set up various platforms to **maintain leadership engagement** and facilitate decision-making. Our Chief Executive Officer (CEO) communicated regularly with all our staff through Face2Face messages and short messages of gratitude and encouragement that were delivered to each employee's mobile phone. The central themes of these messages related to acknowledgement, appreciation and gratitude.

To acknowledge our employees' and subcontracted staff's significant contributions in providing compassionate, person-centred care during the pandemic, we awarded them **COVID-19 Netcare Frontline Hero medals** along with a letter of gratitude and appreciation from our CEO.

Looking forward

- Use digital surveys to actively engage with employees on their wellbeing and experiences with diversity, inclusion and belonging.
- The employee engagement survey scheduled for FY2021 has been deferred due to COVID-19 and will be conducted in FY2022.

Our people continued

Employee relations

We strive for a harmonious, fair and productive working environment based on trust and cooperation, and are committed to effectively dealing with issues that impact the employer-employee relationship.

Industrial relations training is provided to our managers and focuses on managing workplace discipline, poor performance and how to chair a disciplinary hearing. The training is relevant to the healthcare environment and includes updates on any changes in legislation. We encourage our line managers to attend to grievances promptly and constructively, with written feedback provided to employees.

Our internal disciplinary procedures are governed by our workplace relations policy, standard operating procedures and guidelines. Mechanisms are in place for employees to report any grievances, disputes and complaints. Employees may lodge their grievances informally or formally (e.g. in writing to a human resources manager or via the anonymous SHOUT line). Our employment relations policies are accessible to all employees through the Netcare intranet or onsite human resources offices. The employment relations office and senior management are the custodians of our workplace relations policy.

We adhere to the collective bargaining provisions set out in the Labour Relations Act of 1995. We promote ongoing interaction with our representative trade unions, which includes annual collective bargaining and quarterly national consultative forums. We also fund three full-time shop stewards who assist with employee relations. The shop

stewards are invited to regional hospital human resources meetings which take place on a monthly basis; the meetings provide a forum at which hospital-specific labour-related matters can be tabled and discussed.

At times, our focus on operational excellence requires necessary operational changes to drive efficiencies. We maintain positive and transparent relationships with our representative trade unions by:
• Disclosing all relevant information related to our proposals.
• Providing unions with the opportunity to respond to these proposals and make alternative suggestions.
• Responding to alternative proposals presented by employees and unions.

While our collective agreements with unions do not specify a minimum notice period for employees, we comply with the provisions of the Basic Conditions of Employment Act of 1997. Accordingly, we require:
• One week's written notice of termination of employment during the first six months of employment.
• Two week's written notice of termination of employment during the second six months of employment.
• Four week's written notice of termination of employment after the first year of employment.

The impact of COVID-19 on union engagement
The pandemic has continued to disrupt operations over the course of 2021 and additional communication platforms were needed to consult with unions on employee-related issues arising throughout the year. Additional engagement over the past year included:
• Providing updates on health and safety initiatives and revising occupational health and safety agreements.
• Managing employees affected by COVID-19.
• Submitting and discussing proposals on operational requirement processes.
• Amending existing recognition agreements between Netcare and recognised trade unions to standardise terms and improve the wage negotiation process.
• Drafting collective agreements on averaging of working hours.

FY2021 performance

- Successfully concluded the 2021/22 wage negotiations and entered into collective agreements on employee health and safety with three of four recognised trade unions.
- Held discussions with trade unions during the National Transformation and People Development Consultative forums about sector skills gaps, skills development opportunities and progress made in this regard.
- Due to the national state of disaster imposed as a response to COVID-19, the Essential Services Committee of the National Department of Labour declared Netcare an essential service provider; this declaration has significantly limited our employees' right to strike, but allows for alternative means for dispute resolution.
- The Group's headcount dropped 4.5% to 18 346, mostly due to attrition and a freeze on appointments. Only 28 roles became redundant; all retrenchments followed requirements set out in our collective bargaining agreements.
- Eight grievances about labour practices were received; all were addressed and resolved (FY2020: six).

Key data: employee relations

	2021	2020	2019
New employees	**2 058**	1 687	1 869
Employee turnover	**15.9%**	13.9%	14.6%
Union membership	**50.9%**	52.8%	52.7%
Proportion of senior management who are South African citizens	**97.7%**	96.6%	95.2%

Note: Permanent employees only. Excludes National Renal Care.

Additional data: PG 118.

Looking forward

- Conclude the revised agreements with trade unions and continue to strengthen the relationship of mutual trust between Netcare, employees and their representatives.
- Facilitate productive consultations with the trade unions on the annual wage negotiations and operational labour-related matters during the quarterly national consultative forums
- Conclude the revised collective agreements on averaging of working hours.

Our people continued

Training and development

We have a strong culture of people development with a range of structured learning and development programmes that equip our workforce at various levels with the skills required to perform at their best. Our 'growing with passionate people' strategy focuses on upskilling all our people on formal qualifications in nursing, pharmacy and emergency services, driving the development of black people, developing a diverse pipeline of scarce and strategic skills, providing opportunities for unemployed youth through various vocational programmes and retaining them on programme completion (page 90). Our human capital development strategy and investment is linked to our transformation strategy (page 84), as is our skills development investment (page 90). Our training programmes are designed to develop the skillsets needed to deliver our core business strategy.

Programmes like **Caring the Netcare Way** and **Leading the Netcare Way** aim to enhance behaviours that support our culture of care.

Caring the Netcare Way is targeted at all new employees as part of our induction programme.

Leading the Netcare Way supports growth in emotional intelligence, equipping our managers with the skills to effectively guide employees through change initiatives and drive quality and care.

Our **leadership programmes** assist our employees to transition into new roles and are critical in building a pipeline of talent to support succession planning. Meaningful and continuous engagement between line management and employees is facilitated through performance and development appraisals.

Management and leadership development: PG 78.

Given the shortage of suitably qualified healthcare professionals in SA, we direct most of our training spend to developing healthcare professionals focusing on registered nurses, paramedics and pharmacist practitioners. Our beneficiaries include our employees and unemployed South Africans who aspire to careers in the healthcare sector. Our nursing qualifications are accredited by the South African Nursing Council (SANC) and aligned to the National Qualifications Framework (NQF).

Since migrating from our legacy qualifications to new nursing qualifications in 2018, SANC has significantly reduced the allocation of student enrolments onto our new qualifications (from 3 600 in 2012 to just over 1 440

in 2021). We continue to actively engage with relevant stakeholders to find solutions to the critical issue of skills shortage.

Employee development areas are identified through our team performance enhancement and needs analysis process. Team performance reviews have been postponed due to COVID-19 during 2020 and 2021, but will recommence as conditions normalise.
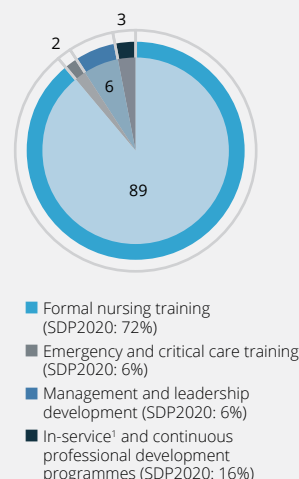
Our training metrics are calculated for the skills development period (SDP) 1 April 2020 to 31 March 2021 as per the Health and Welfare Sector Education and Training Authority (HWSETA) measurement year.
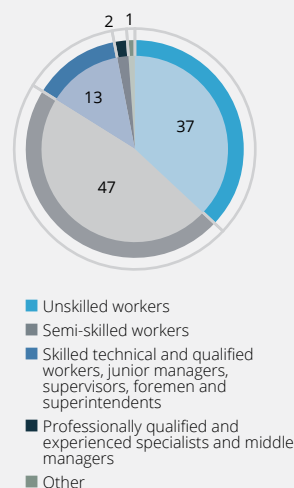
FY2021 performance

- R49 million in direct training costs invested in human capital development (SDP2020: R66 million); this translates to 1.2% of our payroll and exceeds the 1% prescribed by the Skills Development Act of 1998 (SDP2020: 1.1%).
- 89% of training spend invested in formal NQF-aligned structured learning programmes focused on enhancing performance and career growth opportunities (SDP2020: 84%). This included a spend of R16 million on General Nursing Diplomas (1st and 2nd year), R15 million on bridging courses for nurses, R7 million on Higher Certificates in Auxiliary Nursing and R5 million on six-month nursing certificate programmes.
- 84% of training spend benefitted unskilled and semi-skilled mid-level workers.
- Delivered 25 335 training interventions to a total of 12 731 employees.
- 926 employees received training on *Caring the Netcare Way*.
- Enrolled 662 employees in formal nursing programmes accredited by SANC (SDP2020: 556).
- 354 nurses enrolled on the six-month in-service programmes (SDP2020: 236).
- 320 nurses participated in our ICU upskilling programme, implemented last year to increase ICU nursing resources to manage COVID-19 (SDP2020: 899).
- 120 employees participated in our academic development programme which addresses skills gaps in numeracy, business communication, research, computer literacy and English (SDP2020: 95). The programme prepares a pipeline of candidates for our 2022 intake to our new nursing qualifications.
- Developed a patient centric skills programme for Akeso Clinics' frontline administration and finance support teams. 131 employees attended this training.
- Implemented human capital development initiatives to enhance clinical competencies.
- Continued to place Youth Employment Services (YES) and Sinako learners in appropriate positions throughout the organisation (page 90).

Breakdown of training spend (March 2021) (%)

- Formal nursing training (SDP2020: 72%)
- Emergency and critical care training (SDP2020: 6%)
- Management and leadership development (SDP2020: 6%)
- In-service[1] and continuous professional development programmes (SDP2020: 16%)

1. *Including computer skills, systems-related, CARE4YOU, diversity and inclusion and professional development training.*

Breakdown of spend per employment level (%)

- Unskilled workers
- Semi-skilled workers
- Skilled technical and qualified workers, junior managers, supervisors, foremen and superintendents
- Professionally qualified and experienced specialists and middle managers
- Other

Our people continued

Key data: training and development

Training	Skills period April to March		
	2021	2020	2019
Netcare[1]			
Paramedic courses (BAA, AEA & CCA)	**1**	31	19
Formal nursing programmes[2]	**1 025**	1 240	1 353
Six-month in-service programmes for nurses	**354**	352	530
Other training programmes[3]	**11 351**	13 653	14 412
Total employees trained	**12 731**	15 276	16 314
% of employees trained that are women	**86.0%**	90.0%	89.6%
Training interventions and spend[1]			
Number of training interventions delivered	**25 335**	50 378	59 618
Skills development spend[4]	**R49 million[5]**	R66 million	R84 million
Total number of students currently registered at Netcare Education (nursing, emergency and critical care, and management development)	**2 241**	3 141	3 722
National Renal Care			
Clinical technology students	**11**	5	6
Postgraduate clinical technologists	**4**	4	5
Non-Netcare employee training[6]			
Paramedic courses	**107**	30	146
Nursing programmes	**447**	637	686
Total	**554**	667	832

1. *Excludes National Renal Care.*
2. *SANC accredited and registered on the NQF.*
3. *Including strategic skills, management development, financial, catering computer literacy, customer care, diversity and inclusion, generic behavioural training, HIV/AIDS, occupational health and safety, technical and continuous professional development training.*
4. *Including only direct costs of training as submitted to the HWSETA.*
5. *1.2% (2020: 1.1%) of payroll, comparing favourably with the 1% requirement prescribed in the Skills Development Act No 55 of 1998.*
6. *Fee for service and private funding students.*

Voted the preferred employer in the healthcare sector in the bp STUDENTS' CHOICE AWARDS, as voted for by tertiary students in the largest survey of its kind.

Looking forward

- Facilitate access to constant professional development pathways to ensure our employees have the capabilities needed to provide the best and safest health and care.
- Continue to upskill nurses through the six-month in-service certificate programmes offered through Netcare Education.
- Provide bursaries to develop our high-performing employees.
- Enrol top performers on management and leadership programmes and award bursaries for career and succession development.
- Provide vocational learning opportunities targeted towards gainful employment for unemployed youth, including people with disabilities.

Our people continued

Diversity and inclusion

We recognise that a diverse and inclusive organisation has benefits for Netcare and for the communities in which we operate. For Netcare, diversity enriches our organisational culture and enhances our employee value proposition, attracting talented individuals who are passionate about delivering person-centred health and care. For our communities, inclusivity means social transformation and local enrichment through local employment.

Our leadership is committed to dealing with racism, sexism and all forms of discrimination through meaningful diversity and inclusion initiatives, breaking down barriers to social cohesion. We aspire to be a fully inclusive employer. We focus on:
• Aligning our workforce with SA's national and regional economically active population (EAP) demographics.
• Gender parity.
• Creating an environment that supports people with disabilities.

📄 **Our approach to diversity and inclusion is detailed in this section of the report, with our progress on ensuring workforce diversity detailed in:** Leadership and workforce diversity: PG 88.

Ensuring a diverse and inclusive workplace
Our zero-tolerance approach to all forms of discrimination covers our employees, contractors, doctors and partners as well as our patients and their families. Inculcating a culture of inclusiveness is central to our operations and is supported by our seventh **Netcare Way** behaviour ("I always embrace diversity, to show that I am not a racist").

Last year, our wellbeing surveys and roadshows highlighted a need for a diversity and inclusion programme. We responded this year by conducting diagnostic focus group discussions with management and employees at one Akeso Clinic. The programme developed and piloted through this engagement process is being upscaled, and focus group discussions have been held with 64 leaders and employees from eight Netcare facilities to better understand the needs, experiences and challenges faced by our people, and to provide the basis for customised engagement workshops.

We also support diversity and inclusion through:

Diversity workshops and training, attended by management teams. Our Employment Equity Committees, promote a culture of inclusiveness and facilitate dialogues on race, diversity and social cohesion. When required, training on disability awareness is also provided to our employees, including training that equips our employees with skills to communicate with people who have hearing impairments. We also encourage robust and transparent engagement on these issues through our Transformation Committees.

The **SHOUT line** – an anonymous toll-free line managed by ICAS – enables employees to report alleged or perceived discriminatory or racist actions or behaviour. Through this reporting mechanism we identify discriminatory attitudes, behaviours and practices within our organisation. Each case reported is investigated (provided the employee has given their consent) and appropriate corrective action is taken.

Leading Diversity Dialogues, a leadership forum focused on empowering leadership teams with the skills to manage multi-racial and multi-generational teams as well as systemic barriers to transformation and organisational diversity.

Educating and increasing **leadership awareness** of diversity and inclusion, empowering our leaders to become advocates for social change in their development and application of relevant policies, the organisational culture they drive and in their interpersonal interactions with employees.

FY2021 performance

- Developed, piloted and launched our diversity and inclusion programme.
- Four cases of unfair discrimination, racism and/or workplace bullying were reported in FY2021, all through the SHOUT Line (FY2020: 11 reported through the SHOUT Line, 13 reported in total). For all cases where employees have provided their consent, investigations were conducted and all have been resolved. ICAS and Akeso Clinics provide support to those who have been aggrieved.
- 710 new employees received awareness training on our zero-tolerance approach to discrimination and harassment (FY2020: 1 165).

Looking forward

- Roll out focus group discussion surveys and engagement workshops at 13 additional sites in FY2022.
- Conduct digital surveys to explore our people's experiences of diversity, inclusion and belonging.
- Empower our leaders and Transformation Committee members to promote social cohesion and inclusion.
- Maintain the visibility of our Transformation Committees to enable and support our people to challenge inappropriate behaviour.
- Continue to deliver active employee engagement and education sessions to encourage employees to voluntarily disclose their disability status so we can provide them with support through reasonable accommodation.

Our people continued

Management and leadership development

Our management and leadership development programmes aim to build diverse and future-fit bench strength by preparing key talent with the skills and experience needed to advance into higher management levels. Based on developments in the global healthcare sector, we have identified key behavioural traits and abilities we believe will be required by our future managers and leaders; these are incorporated into our curricula and include service leadership, adaptability, the ability to drive change, a global mindset, the ability to communicate effectively, and critical thinking.

Our suite of leadership programmes address critical business needs, are designed to drive person-centred health and care with compassion, align to our race and gender objectives and create bench strength at various levels.

Executive leadership development programme	**Senior leadership development programme**	**Management development programmes**	***Leading the Netcare Way* programme**
In partnership with Omnicor, we have developed a customised leadership identification and development programme to support, develop and retain 25 of our top performing leaders across the Group. The programme includes psychometric assessments, 360 degree surveys and coaching interventions. This initiative was rolled out in July 2021 and coaching sessions will run until December 2021, with an evaluation session scheduled for April 2022.	A 14-month health systems management programme for middle managers delivered in partnership with the University of Pretoria. The programme will build a pipeline of candidates for senior management positions.	Delivered through Netcare Education, our development programmes are co-created with experienced external facilitators and researchers, and are delivered to shift leaders, unit managers and heads of departments. The programmes are designed to build managerial acumen and the behavioural competencies we require of our managers.	Supports tangible growth in emotional intelligence, strengthening the capabilities and resilience of our leaders and enabling them to drive Netcare's culture of compassion, care and quality. The programme is designed to assist our nursing managers to manage high-performance nursing teams.

FY2021 performance

- Our management programmes were particularly impacted by COVID-19.
- Implemented eLearning and blended delivery methods for our management and leadership programmes, minimising the need for classroom learning during the pandemic.
- The 13 middle managers enrolled on our senior leadership development programme in partnership with the University of Pretoria, have resumed their training and the programme is expected to conclude in November 2022 (delayed due to COVID-19). Pleasingly, the programme has assisted in identifying talent for promotion, including black, female talent for three senior leadership roles within the Group.
- Resumed the four management development programmes that were postponed in February 2020, due to COVID-19. Additional online refresher sessions helped these participants manage the interruption in their learning.
- Enrolled 93 (88% black) shift leaders, unit managers and heads of department in a new cohort of our management development programme, delivered via a blended learning approach (SDP2020: 387).
- Rolled out the eighth phase of the **Leading the Netcare Way** initiative, reaching 53 nursing managers (SDP2020:86).

Leadership and workforce diversity: PG 88.

Looking forward

- Align enrolments onto the management and leadership development programmes to the Group transformation strategy.
- Grow and retain top talent by investing in inclusive leadership and management development programmes aligned to individual, organisation and sectoral needs.
- Enrol 100 talented employees on nine different management and leadership development programmes for FY2022, namely four programmes for supervisors, four programmes for newly appointed junior and middle managers, and an additional intake into our senior leadership programme.

Our people continued

Competitive remuneration, benefits and recognition

Our remuneration philosophy rewards employees for their contribution to the Group, supports our ability to attract and retain talent at all levels of the organisation and drives a high-performance culture. Remuneration decisions consider individual and team performance as well as values and behaviours that promote the delivery of person-centred health and care.

Retention

We benchmark salaries regularly to ensure that remuneration and benefits remain competitive for our sector; benefits include retirement fund contributions, medical aid membership, Group life and funeral cover and disability benefits. In addition:

- Our minimum wage is 44% higher than the legislated national minimum wage.
- We offer annual increments above consumer price index (CPI) inflation for employees at lower ends of the pay scale and CPI-linked increments for executive directors, prescribed officers and senior executives.
- Permanent employees at non-managerial level receive a guaranteed 13th cheque for each completed 12-month period worked.
- As part of our broad-based black economic empowerment (B-BBEE) employee ownership scheme, all employees below executive level were allocated 3 000 shares each in October 2019.
- We offer uniforms to our employees at no cost to them (uniform allocation is made every 18 months).
- We offer subsidised meals to employees while on duty.

Parental leave

We ensure that new parents are supported and offer benefits in excess of those prescribed by the Basic Conditions of Employment Act of 1997. Benefits include:

- Four months of paid maternity leave benefit at 33% of the structured package and an option of a fifth month without pay.
- 10 days of paid parental leave.

Recognition

CARE4YOU uses positive psychology to drive behaviours of compassion, kindness and empathy as a way of living and working at Netcare. The programme is delivered through a blended learning approach and includes CARE4YOU theoretical content available in printed form or through our eLearning platform and experiential workshops. The programme is designed to recognise individual and team performance, enable employees to both give and receive compassion, to build confidence and to better enable our employees to make compassion a way of living. The programme incorporates feedback mechanisms that allow patients to express gratitude to the employees who have cared for them. Teams at hospitals that have implemented the programme have provided feedback indicating that they find it valuable, healing, motivating and empowering.

FY2021 performance

- The Remuneration Committee approved a special discretionary payment for managers in December 2020.
- Piloted a digital gratitude card platform for CARE4YOU allowing patients to thank employees for the compassionate care provided. Digital gratitude cards are delivered to the mobile device of relevant employees and are displayed on gratitude boards displayed in the wards. The platform is enabled in nine hospitals.
- Trained 395 managers and champions to spearhead CARE4YOU and had implemented the programme at nine hospitals by September 2021, with the programme implemented at an additional 12 hospitals by the end of November 2021.
- By September 2021, we had enrolled 2 121 employees on the programme. Between September and the end of November 2021, enrolment has increased to 3 390 permanent employees and 1 463 non-permanent employees.
- Between 1 July 2020 to 15 October 2020, we received R5 million from government's Temporary Employment Relief System for employees that were not paid or paid less as a result of COVID-19.

Key data: competitive remuneration, benefits and recognition

Employees who are members of Netcare's medical aid	**2021**	2020	2019
Full-time	**82.1%**	81.9%	81.3%

|	**2021**			2020		
Benefit coverage	**Full-time**	**Part-time**	**Fixed-term/ temporary employees**	Full-time	Part-time	Fixed-term/ temporary employees
Life insurance	**Yes**	**Yes**	**Yes¹**	Yes	Yes	Yes¹
Health care (medical aid)	**Yes**	**Yes**	**Yes¹**	Yes	Yes	Yes
Disability coverage	**Yes**	**Yes**	**Yes¹**	Yes	Yes	Yes¹
Maternity pay	**Yes**	**Yes**	**No**	Yes	Yes	No
Parental leave	**Yes**	**Yes**	**Yes**	Yes	Yes	Yes
Retirement provision	**Yes**	**Yes**	**No**	Yes	Yes	No
Stock ownership	**Yes**	**Yes**	**No**	Yes	Yes	No
Funeral cover	**Yes**	**Yes**	**No**	Yes	Yes	No
13th cheque	**Yes**	**Yes**	**No**	Yes	Yes	No
Allowances	**Yes**	**Yes**	**Yes**	Yes	Yes	Yes

1. Employees recruited on fixed-term contracts for longer than a year are entitled to receive life insurance benefits and disability coverage.

	2021			2020		
Number of employees	**Male**	**Female**	**Total**	Male	Female	Total
Entitled to parental leave	**3 584**	**15 469**	**19 053**	3 727	16 194	19 921
That took parental leave	**198**	**874**	**1 072**	168	911	1 079
Who returned to work after parental leave ended	**198**	**650**	**848**	168	700	868
Who returned to work and are still employed 12 months after their return	**137**	**655**	**792**	161	628	789
Return and retention rates						
Return to work	**100.0%**	**74.4%**	**79.1%**	100.0%	76.8%	100.0%
Retention	**81.5%**	**93.6%**	**91.3%**	100.0%	89.0%	100.0%

Looking forward

- Continue to benchmark our remuneration policy to ensure that we remain attractive to talent.
- Review our performance management strategy and process.
- Roll out the CARE4YOU programme and associated compassionomics workshops at all Netcare hospitals in FY2022, and continue to reinforce the CARE4YOU message at sites where the programme is already running.
- Extend development of the CARE4YOU gratitude platform to include more participants (currently, this is limited to patients and permanent employees and does not allow visitors or family members to send gratitude cards, or allow doctors and other staff to receive these).
- Develop and roll out a second CARE4YOU module that focuses on building resilience and focused exercises for developing mindful compassion in the workplace.

🖱 **Shareholder report.**

Our people continued
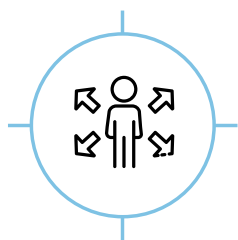
Change management

Over the past three years, a range of organisational change initiatives have been introduced to support CareOn – the Hospital division's electronic medical records project. The initiatives are designed to drive change acceptance and develop the skills needed to ensure the project's successful implementation. The change management framework has given us a good base from which to implement other change management initiatives that support strategic delivery.

CareOn change management plan

Trained Clinical Application Support Specialists, who assist nurses, pharmacists and doctors with the transition to CareOn.	**Awareness sessions** for management and employees of the hospitals, Emergency departments and pharmacies impacted. Published 'frequently asked questions' (on the Netcare intranet) are regularly updated with new questions raised at these sessions.	**Regular communication** (SMS messaging and newsletters) keep employees updated on the CareOn implementations. In addition, tailored communication platforms are developed for specific groups of employees. Examples include our weekly nursing toolbox talks and the Pharmacy Connect sessions.
Change readiness surveys to understand the levels of preparedness, attitude, understanding, acceptance and commitment to CareOn and identify where additional support is needed.	**The CareOn organisational design plan,** which covers doctor, nursing, pharmacy and technical structures, and is tailored for each hospital where CareOn will be implemented.	**Training** of all employees impacted by CareOn, coupled with ongoing onsite support.
Care Sessions (before and after implementation) provide employees with emotional support and a 'safe' forum to express concerns. Employees are taught how to manage stress, handle difficult situations and conversations and build resilience. Feedback is communicated to the project development team so that action plans can be put in place to address any issues. Updates are communicated to employees using the CareOn newsletters.		**Go Live activities,** which include visits by senior project team members and executive management as well as SMS messages and gifts to create excitement.

Feedback at this stage indicates that CareOn is being well-received by employees who report that it enables higher quality patient care, is easy to use and enhances efficiency. Feedback also indicates high levels of approval for the training and support received during implementations.

FY2021 performance

- Conducted change readiness assessments at three hospitals and three Akeso Clinics to determine employee readiness for CareOn implementation.
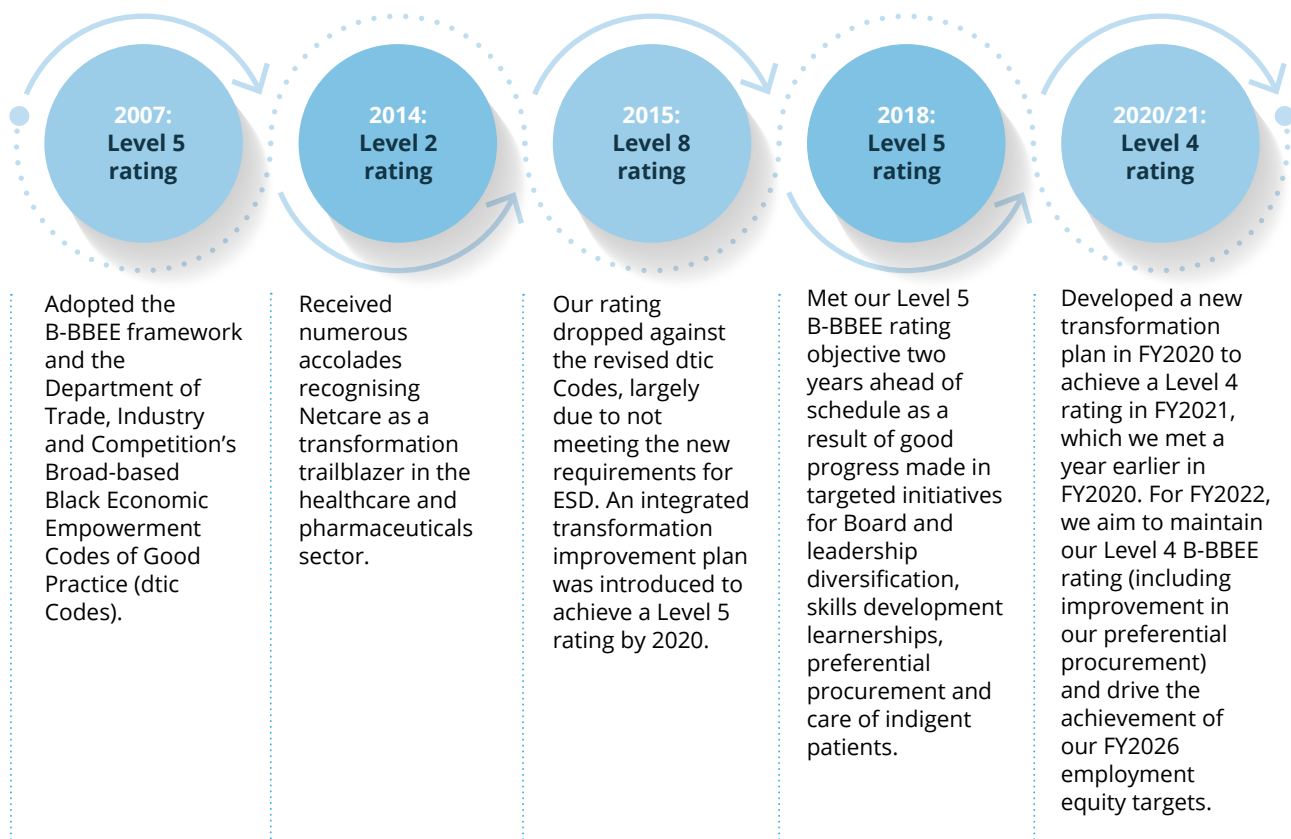
Looking forward

- Continue to apply our change management interventions as strategic initiatives progress across the Group.
- Further raise CareOn project awareness via related newsletters, text messages and internal marketing materials.

Transformation

We view ourselves as an integral part of transforming SA, playing a pivotal role in ensuring that our society, economy and labour market are inclusive and support human dignity, equality and fairness. We are committed to transforming our organisation and positively impacting society. We recognise our critical role in building a more inclusive and definitively equal SA for all; as such, the transformation of society is a central pillar of the Netcare strategy. Our transformation strategy and initiatives are grounded in the principles of social justice, with the aim of addressing the structural inequalities that are the products of South African and global histories.

Our transformation journey timeline

2007: Level 5 rating	**2014:** Level 2 rating	**2015:** Level 8 rating	**2018:** Level 5 rating	**2020/21:** Level 4 rating
Adopted the B-BBEE framework and the Department of Trade, Industry and Competition's Broad-based Black Economic Empowerment Codes of Good Practice (dtic Codes).	Received numerous accolades recognising Netcare as a transformation trailblazer in the healthcare and pharmaceuticals sector.	Our rating dropped against the revised dtic Codes, largely due to not meeting the new requirements for ESD. An integrated transformation improvement plan was introduced to achieve a Level 5 rating by 2020.	Met our Level 5 B-BBEE rating objective two years ahead of schedule as a result of good progress made in targeted initiatives for Board and leadership diversification, skills development learnerships, preferential procurement and care of indigent patients.	Developed a new transformation plan in FY2020 to achieve a Level 4 rating in FY2021, which we met a year earlier in FY2020. For FY2022, we aim to maintain our Level 4 B-BBEE rating (including improvement in our preferential procurement) and drive the achievement of our FY2026 employment equity targets.

Netcare Limited Environmental, Social and Governance Report **2021** ───────────────── **85**

WHO WE ARE

ENVIRONMENT

SOCIAL

GOVERNANCE

ADDITIONAL INFORMATION

Our transformation plan

Ownership	• Maintain black and women ownership. • Generate value for the beneficiaries of our B-BBEE share schemes[1].	PG 87

Leadership and workforce diversity	• Ensure racial and gender diversity in our workforce and leadership structures. • Promote social cohesion by tackling discrimination in the workplace.	PG 88

Skills development	• Increase our skills spend on black people against leviable amount. • Provide bursaries and development programmes for high-performing employees. • Continue offering vocational learning opportunities for unemployed youth, including people with disabilities.	PG 90

Preferential procurement and ESD	• Support small, medium and micro-enterprises (SMMEs) by diversifying our supply chain.	PG 92

Socioeconomic development	• Increase access to quality health and care for indigent South Africans.	PG 96

1. The Health Partners for Life Trust (HPFL) Trust comprises our employee share scheme, the Mother and Child Trust, the Physician Partnership Trust and the Healthy Lifestyle Trust.

Progress against our B-BBEE scorecard

Dimension	Weighting	**2021**	2020	2019	2018	2017
Ownership	25	**21.24**	19.64	19.03	14.49	15.39
Management control	19	**11.05**	10.43	10.63	9.63	8.80
Skills development	20	**9.68**	8.77	17.07	15.01	11.83
Procurement	27	**24.12**	20.65	22.03	15.54	13.33
Enterprise development	5	**7.00**	7	5.22	7.00	2.67
Supplier development	10	**10.00**	10	5.5	10.00	0.22
Socioeconomic development	5	**5**	5.00	5.00	5.00	4.78
Total score	111	**88.09**	81.49	84.48	76.67	57.02
B-BBEE Level		**4**	4	4	5	8

Relationship to business strategy

Transformation of our society   Continuing to invest in and develop our workforce and communities

Our strategy explicitly commits us to pursue a more just and equitable society that is inclusive and upholds human dignity. We support government's intention to reconstruct society and the economy to be more inclusive of people who remain disadvantaged – black people, the youth, women and people with disabilities. Introducing universal healthcare in SA will be challenging in our fractured healthcare system, but necessary to address persistent poverty and economic inequity which undermine the whole of society. Netcare stands ready to collaborate on designing and delivering sound and workable solutions that serve the health needs of all South Africans.

Transformation continued

Supporting access to healthcare in South Africa

The Innovative Healthcare Solutions division, established in 2020 and operating under the NetcarePlus brand, aims to improve the lives of South Africans by increasing the accessibility and affordability of private healthcare. As our products are linked to our in-house services and network, and because we know what it costs us to provide specific services in our system, we can offer financial products at a fixed price point that is attractive, particularly for uninsured patients, while still containing our risks.

Our NetcarePlus offerings are based on three fundamental principles:
• Offering the highest quality of care through Netcare's ecosystem of services and a network of trusted partners.
• Ensuring products and services are easily accessible through multiple channels with a strong focus on digital enablement (products can be bought online in under five minutes).
• There are no hidden costs; quality care is delivered at an affordable, predetermined price, removing uncertainty.

Our products

Prepaid general practitioner (GP) vouchers that can be purchased and redeemed for physical or virtual GP consultations with or without medication, were launched in 2020. This year, we launched prepaid optometry vouchers and dental vouchers for a variety of services and procedures.	**Single pay procedure** products offer affordable prepaid hospital procedures and provide customers with cost certainty. A prepaid cataract procedure was made available last year. This year, we have expanded the scope of the product to include pterygium removal, circumcision, and vasectomy.	**Our new product offerings** include accident and trauma cover and gap cover – for emergency costs beyond accidents, shortfalls for out-of-hospital specialists, extensions when medical scheme savings have run out and more.

Our partners
NetcarePlus is run in partnership with a network of trusted healthcare practitioners including those in the Netcare ecosystem and third-party providers who share our values, based in both rural and urban areas. These partners have access to our telehealth platform and Netcare **appoint**med™. NetcarePlus offers these practitioners the opportunity to increase patient volumes without additional administration costs, with validated vouchers that guarantee payment for consultations. Virtual consultation software is provided free of charge for those who agree to this method of consultation.

Ownership

Health Partners for Life Trust

In 2005, we established the Health Partners for Life Trust (HPFL) Trust and transferred 160 million Netcare shares (valued at R1 billion) into the trust as part of our B-BBEE scheme (two years ahead of the promulgation of the dtic Codes). Through this, we have established four employee share scheme and broad-based community scheme trusts that allocate units in favour of black and black women beneficiaries. The trusts are reflective of our commitment to build a transformed SA characterised by values of social and economic equality and inclusion for all. Our trusts create value for beneficiaries via our share price performance, ensuring that our people and communities benefit when we perform well.

Physician Partnership Trust: PG 99.
Mother and Child Trust: PG 99.
Healthy Lifestyle Trust: PG 99.

Passionate people trust

Netcare's Passionate People Trust oversees management of 31 million shares allocated to 20 370 employees (excluding executives) in 2019. The transaction strengthened the ownership component of our empowerment rating and resulted in an improved B-BBEE rating (from Level 5 in 2018 to Level 4 in 2019).

FY2021 performance

- Achieved our 2021 B-BBEE scorecard ownership target of 21.24 (2020: 19.64).
- The revised dtic Codes prescribe share ownership thresholds of 25%+1 and 10% for black South Africans and black women respectively. At September 2021, 25.6% of voting rights were held by black people and 14.7% were held by black women (2020: 20.20% and 11.8% respectively). 18.5% of voting rights were held in black economic interest and 10.6% were held in the economic interest of black women (2020:15.8% and 9.1% respectively).

Key data: ownership

	Weighting	**2021**	2020	2019
Voting rights of black people	25%	**25.6%**	20.2%	21.2%
Voting rights of black women	10%	**14.7%**	11.8%	10.8%
Economic interest of black people	25%	**18.5%**	15.8%	14.5%
Economic interest of black women	10%	**10.6%**	9.1%	8.3%
Economic interest of designated groups				
Black participants in employee ownership schemes				
Black beneficiaries of broad based ownership schemes				
Black participants in cooperatives	3%	**3.61%**	3.6%	3.6%
Black new entrant	2%	**3.61%**	3.6%	3.6%
Net value	25%	**15.52%**	15.8%	14.5%
Total ownership score	25	**21.24**	19.64	19.63

Looking forward

- Sustain black ownership of Netcare shares above the dtic Codes' thresholds through our employee share scheme and broad-based community scheme trusts.

Transformation continued

Leadership and workforce diversity

We firmly believe that every South African, regardless of race, gender identity, religion, sexual orientation or disability, has the right to decent work and to contribute meaningfully towards the economic growth and development of our country. Our targeted people development strategy, particularly at the middle management level which is the pipeline for leadership roles, focuses on normalising our workforce diversity profile to reflect SA's EAP. Our workforce profile reflects our belief in diversity and human potential.

Our focus remains on improving the representation of black people and, more specifically, black women at executive, senior and middle management levels and retaining our YES learners and interns, including those with disabilities. At the junior management and skilled levels our focus is to recruit black men, who remain under-represented.

📄 **Diversity and inclusion:** PG 76.

Leadership
The Netcare Board remains unchanged with nine directors, of which four are black (44.4% against a dtic target of 50%), four are women (44.4%) and three are black women (33.3% against a dtic target of 25%).

Our Executive Committee comprises 11 executives excluding the CEO and Chief Financial Officer (CFO). Of these, five are black (45.5% against a dtic target of 60%), four are women (36.4%) and one is a black woman (9.1% against a dtic target of 30%). Promoting gender and racial diversity in our executive leadership remain key focus areas, particularly regarding the under-representation of black people at this level.

We improved overall black representation across all occupation levels, meeting our targets at the middle management level for black and black woman representation and for people with disabilities. We missed our target at senior management level and marginally missed the target at junior management levels. We are, however, making solid progress resulting in an overall improvement for this element of our B-BBEE scorecard.

This year, to begin bringing our leadership into alignment with SA's EAP, we began a new succession planning and development process for key roles. A preliminary report on leadership development has been presented to the Nominations Committee.

FY2021 performance

- Approved a new five-year employment equity plan to 2026.
- 79.7% of our workforce are black South Africans (FY2020: 79.0%), with 64.4% of the workforce being black women (FY2020: 64.2%).
- 84.5% (FY2020: 84.4%) of all recruitments and promotions went to black people, with 68.1% (FY2020: 66.1%) being black women.
- Appointed three African women at senior management level. At September 2021, we have 30 senior managers of whom 43.3% (13) are black and 23.3% (seven) are black women.
- We made good progress improving the diversity of our leaders at middle management level. We now employ 529 middle managers, of whom 52.9% are black people (2020: 48.9%) and 30.6% are black women (2020: 27.6%).
- 72.8% (5 806) of employees at junior management and skilled worker level are black and 62.3% (4 967) are black women. Our focus at this level remains on improving male representation to ensure closer alignment to the EAP; encouragingly Netcare Education enrolled 117 male nursing students this year. Black representation at junior management and skilled levels is enabling us to build a representative talent pool for future leadership roles.
- We employ 777 people with disabilities and have achieved 4.2% representation, exceeding our target of 4% (dtic target: 2%). Of these, 512 are black (F2020: 514) and 356 are black women (FY2020: 335).

Key data: leadership and workforce diversity

Employment equity (% of the workforce)		Target 2021	**2021**	2020	2019	2018	2017
Senior management	Black	45.5	**43.3**	41.9	41.4	29.2	28.0
	Black women	27.3	**23.3**	25.8	24.1	16.7	12.0
Middle management	Black	51.6	**52.9**	48.9	45.2	39.9	36.1
	Black women	29.0	**30.6**	27.6	25.1	21.7	20.7
Junior management and skilled workers	Black	73.1	**72.8**	71.9	71.2	68.0	64.9
	Black women	62.6	**62.3**	61.8	61.9	58.9	56.2
Employees with disabilities	Overall	4.1	**4.2**	3.9	3.6	3.2	3.0
	Black	3.1	**2.8**	2.6	2.3	1.9	1.7
	Black women	2.5	**1.9**	1.8	1.6	1.3	1.1

1. Black covers African, coloured and indian employees.
Note: excludes National Renal Care.

Looking forward

- Execute the workplace transformation objectives set out in our new employment equity plan (2021-2026).
- Continue to invest in vocational programmes for unemployed youth, including those with disabilities, to create opportunities for gainful employment (page 90).
- Build development plans for talent identified for key leadership roles.
- In FY2022, appoint three black senior managers – preferably black women – when opportunities become available.

Transformation continued

Skills development

Our skills development strategy takes into account the human capital needs of our business and ensures that our people are adequately skilled to deliver on our strategy. We view skills development as central to achieving workforce diversity and our broader socioeconomic transformation agenda; our skills spend is heavily focused on building a pipeline for core clinical areas of our business and building a leadership pipeline through management and leadership development programmes.

Our skills development initiatives are aligned to our human resource development strategy, the Sector Skills Plan and the National Human Resource Development Strategy.

Recent amendments to the skills development pillar of the dtic Codes, the impact of COVID-19 lockdown restrictions that delayed progression and commencement of several training programmes between April 2020 and March 2021 (our SDP), and restrictions relating to the number of students that can be enrolled at our Netcare Education nursing campuses have negatively impacted our skills development performance this year.

Vocational youth programmes

Given the critically high levels of youth unemployment in SA, we continue to run a variety of internships, workplace experiential learning and learnership programmes that enhance employment opportunities for young people. As an anchor sponsor of the Presidential YES programme, we committed to training 1 000 unemployed young South Africans over a five-year period, to finding them employment within Netcare and our sector, and to sponsoring the construction of an entrepreneurship hub in Alexandra, Johannesburg (page 93). The objective of the YES initiative is to stimulate inclusive economic growth through skills development and work experience for unemployed youth and SMME development

Our Sinako programme provides learnership opportunities to young people with disabilities and Netcare employees, enabling them to enrol for NQF-registered programmes and programmes focused on developing scarce skills. Internships are also offered for Sinako candidates with qualifications but little workplace experience. The aim of the programme is to provide candidates with the skills or qualifications required to secure a job within Netcare.

We use discretionary grants to fund our learnerships, internships, bursaries and workplace experience programmes for our employees and unemployed youth enrolled on the YES programme.

FY2021 performance

- Invested R49 million in skills development of which 91% (R45 million) was invested in developing black employees (SDP2020: 92%), 82% (R42 million) in training black women (SDP2020: 83%), and 1% (R1 million) in developing employees with disabilities, the decrease being a result of COVID-19 training restrictions (SDP2020: 4%).
- 6% of training spend was invested in developing top talent through our management and leadership development programmes. 88% benefitted black people.
- At September 2021, 1 167 learners were enrolled on a learnership or internship programme, with another 325 learnerships sports still to be filled. To date, 417 YES learners are gainfully employed, equating to 97% of the 428 YES learners who have successfully completed their learnership or internship (70% at Netcare).
- Launched the Netcare Ulusha YES Hub in Alexandra. The hub offers business development, access to market and critical skills training opportunities.
- We had planned to take on an additional 45 new Sinako learners in FY2021 but were unable to do so due to COVID-19 surges and related pressures. Instead, our focus shifted to increasing support for our learners with a disability that are already enrolled into the programme.

Key data: skills development

Training spend[1]	2021	2020	2019	2018	2017
Netcare annual training report (R million)	49	66	84	70	54
Training spend on black people (%)	91	92	90	90	91
Training spend on black women (%)	82	83	77	80	88
Spend on formal nursing (%)	89	72	69	74	73
Spend on management development (%)	6	3	4	8	7

1. Netcare's annual training report is submitted to the HWSETA annually and excludes indirect training costs.

Looking forward

- Meet our targeted skills development spend of R46 million.
- Continue to invest in pipeline and leadership development with a key focus on aligning trainee profiles with our transformation objectives.
- Explore various initiatives to improve our skills development spend including:
  - Expanding our programmes for career and succession development bursaries.
  - Expanding bursary programmes for unemployed black youth.
  - Engaging in upskilling programmes to build management, administration and finance, technical and artisanal, and nursing skills.
  - Enrolling further YES learners, dental assistant interns and clinical engineering technician interns to address skills gaps.
  - Continue to ensure high absorption rates of our YES learners.

Transformation continued

Preferential procurement and enterprise and supplier development

Achieving inclusive economic growth requires focused investment to promote diversity in our supply chain and to support small and micro enterprises. By making a concerted effort to grow small South African businesses, we can have a significant and tangible impact on job creation.

Procurement

With over 4 000 suppliers in total, 60% of our procurement spend is on medicine, medical devices and medical equipment sourced from suppliers registered with the South African Health Product Regulatory Authority. The balance of this spend is for services, indirect supplies, property, technical services (e.g. repairs, maintenance, consultancy services, plant and machinery) and utilities. Our procurement team actively engages with multinational and generic suppliers to improve their B-BBEE status.

There have been no significant changes to our supply chain during this financial year.

Enterprise and supplier development

To support entrepreneurship and the critical role it plays in stimulating inclusive economic growth and employment creation, we have programmes that facilitate greater inclusion of black-owned and black women-owned enterprises in our supply chain and strategic projects.

Our ESD support strategies

Our ESD initiatives create market access for small black-owned businesses, providing them with a range of financial and non-financial support:
- Unlocking opportunities for access to market by including ESD beneficiaries in our supply chain.
- Channelling our procurement spend from large well-established entities to SMMEs (internal target: R1 billion of Netcare's procurement spend).
- Unlocking cash flow hurdles through early payment terms of 13 days on average.
- Providing seed and capital growth where required.
- Providing human and other resources to support growth.
- In some instances, black entrepreneurs (suppliers of pharmaceutical consumables and medical equipment), are provided with free rental space at Netcare facilities.

Enterprise development

We invest in a range of enterprise development initiatives including the Netcare Ulusha Alexandra Hub, the My Walk Made with Soul initiative, Bright Sewing Ideas (a hospital linen and apparel manufacturer), Disabled People South Africa, medical doctor support and the establishment of the North Coast Emergency Group (a 68% black-owned emergency practice operating at two of our hospitals in KwaZulu-Natal).

Netcare Ulusha YES Hub

After being delayed due to COVID-19 restrictions in 2020, construction of the Ulusha Hub in Alexandra was completed early this year, with Phase 1 launched in May 2021. Netcare sponsored the construction of the hub, which incubates high-potential small businesses from Alexandra.

The hub currently hosts the Cut Make and Trim Factory, the Culinary School and Restaurant, a 3D printing lab, a pottery and ceramics training and production centre and the YES for Youth enrolment centre.

Through the hub, Netcare and our partners aim to facilitate inclusive economic growth and transformation by addressing barriers to skills development, youth employment and sustainable entrepreneurship growth in townships.

Young people who register at the enrolment centre are offered assessment, training, work opportunities, assistance with career or new business ideas as well as access to networks, markets and partner support.

In Phase 2, a drone academy, creative hub, digital lab and business centre will be added to the hub.

8 000 unemployed youths enrolled at the YES for Youth Centre

38 young people employed at the Hub by Hluvuko Designs

Hluvuko Designs, a **women-owned social enterprise cooperative**, is an anchor tenant of the hub focused on textile manufacturing and training.

Through this cooperative, we intend to upcycle uncontaminated hospital linen to produce valuable items that are in demand at our hospitals.

Thus far, they have produced a wide range of upcycled items, including 10 000 pillow cases, overshoes, kangaroo wraps, cloth masks, corporate gifts and baby bags.

Future Prints, an **onsite 3D printing lab** fitted out and run by Termite Labs and funded by Air Liquide, trains young people to work with 3D printing systems. 3D designs are also done and printed at the lab.

Tastemakers, a **culinary academy and restaurant** run by programme partner Wakanda, provides chef and culinary training and will incubate new businesses wishing to operate in the hospitality industry. They also offer community nutrition classes.

Transformation continued

My Walk Made with Soul

Tonnes of our high-quality PVC waste (including drip bags and oxygen masks and tubing) can only be used once within a medical context before being incinerated or sent to landfill. To reduce our environmental impact and benefit society, we embarked on the My Walk Made with Soul initiative that reuses non-hazardous and uncontaminated medical waste to make school shoes for underprivileged children. The shoes are waterproof and 100% recyclable (excluding the laces).

The solution benefits society by supporting education, job creation and enterprise development, and reducing greenhouse gas emissions. The initiative adds to a child's wellbeing, bolstering confidence and self-esteem, which impacts school experience, academic performance and participation in sports. In total, 20 Netcare hospitals are involved in the initiative.

4 172 Netcare nursing staff trained on waste recycling between 2019 and 2021

More than 49 000 kg PVC waste diverted since 2018

More than 63 000 pairs of shoes manufactured, and over **31 500** pairs donated since inception

Seven jobs are supported by the entrepreneurial businesses

Medical doctors

Our hospitals continue to provide enterprise development support to many newly qualified medical doctors; support includes subsidised rental space, practice setup and office refurbishments.

50% of medical doctors with admission privileges are black (2020: 48%). Of the 68 newly qualified doctors recruited to our Hospital division, 74% are young black doctors

Supplier development

We identify black-, women- and youth-owned small enterprises with high-growth potential to provide supplier development support and continue to support Mlungisi Health Solutions, CTU Linen, Rene's Consulting, Dube and Pottas and Dosimeter Oncology Projects. This year, we partnered with a support consultancy to develop a structured ESD support programme, with our external partner conducting baseline assessments of our ESD beneficiaries to define the support they need in terms of accounting, financial and governance compliance and reporting matters.

> **How we measure our performance:**
> We measure the extent to which we create access for our ESD entities through an extensive procurement spend analysis. We have also implemented key financial and non-financial performance indicators (including a sustainability risk rating) to measure the performance of our ESD beneficiaries; these are monitored and analysed on a monthly basis. For FY2021, our ESD beneficiaries have improved on sustainability ratings, total profit/loss, total liabilities, and total revenue.

FY2021 performance

- R12.3 billion total procurement spend (FY2020: 11.7 billion), R11.4 billion (93%) of which was measurable under the dtic Codes (FY2020: 99%).
- 108% of measurable spend was with B-BBEE compliant suppliers (dtic target: 80%).
- 48.5% (R5.6 billion) of our measurable procurement spend was with >51% black-owned enterprises (dtic target: 50%; internal target: 36%) and 28.2% (R3.2 billion) was with >30% black women-owned businesses (dtic target: 12%, internal target: 23%).
- 8% (R914 million) of our measurable procurement spend was with qualifying small enterprises (QSEs) (moderated internal target: 8%) and 3% (R355 million) was with emerging micro enterprises (EMEs) (moderated internal target: 7%). 6% of our measurable procurement spend was with majority black-owned and black women-owned QSEs and EMEs (internal target: 10%).
- R62 million ESD spend (FY2020: R71 million).
- Of our 15 ESD partners (FY2020: 14), eight (FY2020: six) are enrolled on our structured development programme. 11 of these businesses are majority black women-owned. Our ESD beneficiaries supported 204 jobs in FY2021 (72 new jobs created).
- Invested R45 million in supplier development, of which R28 million (62%) was measurable under the dtic Codes, equating to 3.7% of net profit after tax (NPAT) (dtic Code target: 2%).
- 92 suppliers are receiving early payment terms and 37 doctors receive enterprise development support.
- Invested R17 million in enterprise development supporting the growth of black-owned EMEs. Of this amount, R8 million (47%) was measurable under the dtic Codes, equating to 1.0% of NPAT (dtic Code target: 1%).

Looking forward

- Meeting our targeted spend with EMEs and QSEs, (internal target: R1 billion of Netcare's procurement spend).
- Focus on targeted areas to diversify the supply chain to include EMEs and QSEs.
- Identify high-performing QSEs and increase purchasing. All suppliers must meet the required regulatory and standard compliance.
- Explore short-term liquidity funding at low interest rates to the SMMEs in the construction value chain.

Transformation continued

Socioeconomic development and CSI

We recognise that our success depends on the communities we serve. As an engaged corporate citizen, we invest back into SA by committing resources to community and nation-building initiatives. In line with our organisational competencies, our CSI activities focus on healthcare, with priority given to indigent patients, health science education, community projects and wellness programmes. We also support a broad range of community-based initiatives including bursaries and scholarships, sexual assault assistance programmes, medical assistance programmes (e.g. cochlear implants, cataract surgeries, elephantiasis procedures) and community sponsorships.

The initiatives we invest in are carefully selected and managed to ensure that the resources we commit achieve maximum impact. In addition, each Netcare hospital, facility and service platform engages in activities that address the specific needs of the communities in which they operate.

The Netcare Foundation

The Netcare Foundation aims to provide access to quality healthcare to low-income and unemployed South Africans. The Foundation's person-centred programme allocates a coordinator to all beneficiaries of healthcare services to help them navigate their healthcare journeys from application and doctor assessment to examination, testing and hospitalisation as well as follow-up care.

Key foundation initiatives

COVID-19 disaster management and emergency medical services

The Netcare Foundation funds the care of indigent patients in urgent need of medical care and emergency services. With the continuing impact of COVID-19, the need for both of these services has increased and, during 2020, a disaster management fund was set up to meet the escalating demand.

Over the course of FY2021, several indigent patients presented for COVID-19 treatment at Netcare Emergency departments where they were stabilised and treated. Some of these patients, however, were extremely ill and not stable enough for transfer to state facilities, remaining in hospital for an extended period.

Our emergency medical services also saw a dramatic increase in activity. As ambulances were in short supply, patients were delivered to the nearest healthcare facility, whether private or state. The Netcare Foundation funded those patients brought to Netcare hospitals and unable to pay for treatment or emergency services.

R14 million spent to assist **117** indigent patients in need of care

R5 million spent to assist **104** indigent patients accessing emergency medical services

July 2021 social unrest in SA

The social unrest in KwaZulu-Natal and Gauteng in July this year not only resulted in damage to infrastructure and the looting of goods, but more importantly left many people injured and resulted in more than 300 deaths.

To assist, the Netcare Foundation used the discretionary CSI spend to admit several patients to KwaZulu-Natal Netcare hospitals for treatment.

R1 million spent to assist **nine** people injured during the unrest who were admitted to hospital and underwent major surgery

Sexual Assault Crisis Centres

Gender based violence is a pervasive global and local challenge, with severe consequences for the physical and psychological health of survivors. Netcare provides healthcare and medico-legal services to survivors of sexual assault free of charge.

Our 37 Sexual Assault Crisis Centres have assisted over 14 500 survivors since 2000. 63% of survivors attending our clinics have been encouraged to press charges, supporting efforts to address this crime in SA.

R1 million spent to assist survivors of sexual assault (2020: R580 000)

484 survivors treated; of these, 36% were under 18 years old, 93% were women and 81% were uninsured

Accessibility initiatives

Netcare cleft lip and palate programme: cleft lips and/or palates are the third most common congenital abnormalities worldwide. Children born with cleft lips and/or palates that are left untreated can suffer from hunger and thirst, speech difficulties and social isolation or bullying.

In partnership with Tannah's Gift, the Netcare Foundation aims to make a difference in the lives of our beneficiaries by providing them with free surgical treatment. The programme is run at Netcare Sunninghill hospital, with healthcare practitioners who offer their services at a lower rate for Foundation patients.

Gift of Sight: cataracts are one of the leading causes of blindness worldwide. They are, however, treatable and cataract procedures are fast, cost-effective and low-risk.

Supported by Sun Pharma and Genop, our Gift of Sight programme assists qualifying beneficiaries to regain their sight. The programme is run at five Netcare hospitals where ophthalmic surgeons donate their services and theatre costs are covered by the Netcare Foundation.

Cochlear programme: cochlear implants are small electronic devices that stimulate the cochlear nerve (the nerve that enables hearing) and help people with hearing loss restore or improve their ability to hear and understand speech. Early intervention for hearing loss is important and implants are particularly beneficial for children and support their development. As post-surgical therapy is required for the procedure to be successful, candidates for these surgeries must be carefully selected.

In partnership with The Healthy Lifestyle Trust, The Johannesburg Cochlear Implant Centre (JCIC) the Netcare Foundation offers cochlear implants to indigent patients. The Healthy Lifestyle Trust donates funding towards this necessary yet costly programme. The JCIC provides audiologists, speech therapists and occupational therapists for the cochlear implant beneficiaries and an ear, nose and throat surgeon donates his skill, time and expertise to this programme.

Five cleft lip and palate beneficiaries funded this year (2020: five), with **425** funded since the inception of the programme

47 cataract beneficiaries funded this year (2020: 51), with **4 592** funded since the inception of the programme

Five cochlear implant beneficiaries funded this year (2020: three), with **78** funded since the inception of the programme

Transformation continued

Accessibility initiatives continued

Craniofacial programme: craniofacial anomalies refers to a group of congenital musculoskeletal disorders which primarily affect the bones of the head and face. In many cases, people born with these disorders encounter high levels of stigma in their daily interactions with others.

In partnership with the Vodacom foundation and a dedicated multi-disciplinary team at Netcare Sunninghill Hospital, the Netcare Foundation provides craniofacial surgery to those unable to access it otherwise. After selection into the programme, beneficiaries often require multiple procedures across a series of months, and inclusion in the programme is therefore limited.

Elephantiasis programme: elephantiasis is a relatively rare condition that results in swelling of an area of the body. While uncommon, the condition can make doing routine tasks very difficult and can also result in secondary infections which may be life-threatening. The condition can also have a severe negative impact on psychological health due to its impact on self-esteem and the stigmatisation experienced by those living with elephantiasis.

In partnership with The Healthy Lifestyle Trust and specialist healthcare practitioners, the Netcare Foundation offers elephantiasis treatments to those affected by the condition and unable to afford treatment. Programme beneficiaries receive intense specialist physiotherapy with the possibility of surgical intervention; beneficiaries' participation in the programme is lifelong. Social workers can also be included in treatment plans if it is determined that the patient lacks the amount of social support required to follow treatment through to completion.

Eight craniofacial surgery beneficiaries funded this year (2020: four), with **98** funded since the inception of the programme

Four elephantiasis beneficiaries funded this year (2020: Three), with **13** funded since the inception of the programme

Netcare Ncelisa Human Milk Banks

Netcare upholds the World Health Organization's (WHO's) maternal and neonatal care view that breastmilk provides immunological benefits for all babies and, more importantly, for at-risk babies admitted to a neonatal ICU.

Conceived in 2016, Netcare Ncelisa Human Milk Banks have played an ever-increasing role in contributing to the wellbeing of newborn babies admitted for intensive care. Netcare operates five Ncelisa Human Milk Banks and 36 collection points for mothers to donate excess breastmilk; this milk is provided free of charge to public and private sector hospitals.

Our Ncelisa Human Milk Banks continued operating uninterrupted during 2021. However, because of COVID-19, the number of donors decreased while demand for donor milk increased. Despite these challenges, the number of babies fed increased slightly over this period.

Quality report.

698 babies fed with donor breastmilk (2020: 688)

185 babies' mothers donating their excess breastmilk (2020: 191)

151 babies in the public sector have benefitted from this milk (FY2020: 188)

Our Health Partners For Life trusts

Our HPFL trusts were established two years prior to the promulgation of the dtic Codes, with the aim of supporting designated groups and communities.

Doctoral scholarships	To date, our cumulative spend in this initiative is **R61 million with R13 million** (around R6 million for FY2022) set aside for those doctors who are still completing their degrees
Our Physician Partnership Trust has granted doctoral scholarships[1] that fund studies at local and international universities for 20 black clinicians. To date, 11 of these clinicians have completed their doctoral theses and have produced several publications in internationally recognised peer-reviewed academic journals. Nine clinicians are currently conducting their research and writing up their dissertations. In the year ahead, we will implement a mentorship programme for our doctoral candidates.	

Early childhood development	**R3 million** donated to cochlear implant and cleft lip and palate programmes **Invested R1 million** over seven years (2014 to 2021) in early childhood development centres
The Mother and Child Trust focuses on supporting early childhood development by funding a cleft lip and palate programme that services 10 patients annually, a cochlear implants programme that services four patients annually, and a toy library initiative. Toy libraries for 21 early childhood development centres based in Braamfischerville, Soweto have been funded by the trust. The learning toy boxes are crucial for young children's physical, cognitive, emotional and social development.	

Mental health services	**R1 million** to fund the establishment of a counselling container in Ivory Park and the Teen Depression and Suicide Prevention School Outreach Programme
The Healthy Lifestyle Trust focuses on supporting initiatives that provide mental health services to young people, parents and teachers across various provinces. Mental health services are offered in partnership with the South African Depressions and Anxiety Group (SADAG); these have reached thousands of beneficiaries to date. Recently, the Trust funded the establishment of a counselling container built in Ivory Park and a school outreach programme that will be implemented in 30 high schools across Gauteng and KwaZulu-Natal.	

1. *The scholarship has been granted under different names since inception in 2007; the Hamilton Naki Clinical Scholarship Award (2007-2016), the Physician Partnerships Clinical Scholarship (2017), and the Professor Bongani Mayosi Netcare Clinical Scholarship Award (2018 to date).*

FY2021 performance

- Our CSI spend totalled R31 million (FY2020: R45 million) with 94% of our beneficiaries being black people (FY2020: 97%). 55% of our CSI spend qualified under the dtic Codes, equating to 2.3% of NPAT (dtic target: 1% of NPAT with 75% of beneficiaries being black).

Governance

Scope of reporting

Our data relating to our supply chain management, ethical corporate citizenship and data privacy and protection initiatives and progress includes all Netcare subsidiaries and affiliates.

External commitments, frameworks and standards

- King Report on Governance for South Africa (2016)
- United Nations Global Compact

GRI Standards: 102-17, 102-18, 102-19, 102-20, 102-30, 102-32, 102-35, 205-1, 205-2, 205-3, 307-1, 308-1, 308-2, 407-1, 408-1, 409-1, 412-2, 413-1, 414-2, 415-1, 416-2, 417-3, 418-1, 419-1

Governance

A high standard of corporate governance is instilled within the Group and our competitiveness and growth is irrevocably intertwined with stewardship – of not only mitigating but deliberately improving our socioeconomic and environmental outcomes.

Relationship to business strategy:

Governance relates to all pillars of the Group's strategy.
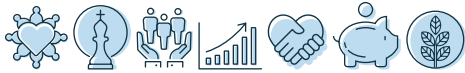
Our governance structure is aligned to the principles and recommended practices of the King Report on Corporate Governance for South Africa (King IV) and is directed at ensuring that we achieve the intended governance outcomes of an ethical culture, good performance, effective control and legitimacy, which in turn support our achievement of the sector-specific objectives of the *Quadruple Aim*. The *Quadruple Aim* challenges us to balance the value of our services with their cost to society, recognising that the quality of relationships with our patients, employees and partners are fundamental to this balance. This aligns to King IV's foundational concepts of ethical leadership, corporate citizenship, sustainable development, stakeholder inclusivity, integrated thinking and reporting, and protecting value.

The Netcare Board

Our Board plays a pivotal role in creating and protecting value by approving strategy, setting policy, ensuring capital prudence, and overseeing the Group's governance frameworks and control environment. Governance, risk and operational discussions are founded in strategic consideration and interrogation.

Other than the Chief Executive Officer (CEO) and Chief Financial Officer (CFO), all Board members are independent non-executive directors who apply their diverse and relevant mix of skills and knowledge to Board deliberations and constructively challenge and hold executive management to account.

The Board's commitment to best practice governance drives us to constantly improve the way the business is managed and to ensure decisions are taken openly and transparently within an ethical framework. Sound corporate governance practices are implicit in our values, culture and processes, and our internal controls promote an awareness of risk, compliance and good governance in every area of the business. Furthermore, Netcare's intention to be a powerful force for social good finds expression in our deliberate efforts to create socioeconomic value and to responsibly manage our impacts, supported by enhanced Board oversight.

We operate a well-developed governance and delegation of authority framework to progress the achievement of our strategy, while ensuring we comply with legislation, practice good corporate behaviour and balance the interests of our stakeholders. The Board delegates duties to governance committees which provide an in-depth focus on specific areas, assisting it to discharge its responsibilities.

Shareholder report.

How we manage our environmental and social impacts

Board oversight and accountability

Assisted by all governance committees, the Board governs the Group's approach to social issues and compliance with relevant labour laws.	The Social and Ethics Committee oversees environmental sustainability at Board level and reviews progress on the Group's environmental sustainability projects. The committee also oversees fair labour practices and social and economic development, particularly the Group's progress in relation to our broad-based black economic empowerment (B-BBEE) plans and scorecard, our employment equity plan, and the governance of our Health Partners for Life Trusts and non-profit organisations affiliated with Netcare (including the Netcare Foundation).

The Risk Committee reviews the Group's environmental, social and governance (ESG) practices and assessments, including plans to deal with electricity outages, water shortages, fire and civil unrest. |

## Managing our environmental impact

Operating committees	The Sustainability Committee, chaired by the CEO, considers the impact of climate change on current and future operations, monitors environmental performance, sets environmental targets, reviews compliance with applicable environmental legislation and the CDP and oversees environmental risks. The committee meets four times a year and reports to the Social and Ethics Committee.

Our **environmental performance** is managed and monitored by the Environmental Sustainability Manager (ESM), supported by an energy engineer, a technical advisor and an integrated waste manager. The ESM reports directly to the Sustainability Committee.

Project implementations are managed centrally and in close collaboration with each facility. Building projects are overseen by the Property division, with environmental impact assessments undertaken by specialists, where required. The consultant guideline for green construction, developed and published in 2019, is used to guide all new construction undertaken through the Property division.

The Facilities division is responsible for day-to-day operations and service providers are responsible for collecting waste and managing the safe disposal of hazardous waste on behalf of Netcare. The Procurement division is responsible for service level agreements and managing service providers.

Governance continued

Link to remuneration	Development of the 2030 environmental sustainability strategy and the implementation of our energy and emissions reduction, water reduction and efficiency, zero waste to landfill and onsite healthcare risk waste (HCRW) objectives account for 10% of the Group balanced scorecard for FY2022.
Policies[1]	Our environmental policies apply to all Netcare Group operations, and joint ventures and are applicable to Netcare employees, contractors, facility tenants and suppliers who provide products and services to and in Netcare Group facilities. To ensure that our principles, targets and standards are clearly articulated, we have the following environmental sustainability policies in place: • Environmental sustainability policy. • Energy policy. • Water management policy. • Hazardous substances policy. • General waste policy. • Green procurement policy. • Base year and baseline recalculation policy. • HCRW policy.

Managing our social impact

Operating committees	The Operational Transformation Committee, chaired by the Group Human Resources and Transformation director, monitors and drives implementation of the Group's transformation and diversity initiatives. The committee meets at least four times a year and reports to the Social and Ethics Committee.

Our **performance against social indicators** relating to people and transformation is managed and monitored by the Group Human Resources and Transformation director, supported by divisional and regional human resource managers and Workplace Transformation Committees which comprise management and labour representatives, as well as divisional heads.

The Group Human Resources and Transformation director reports to the CEO and the Social and Ethics Committee. The Employment Relations department, together with executives and senior management, is the custodian of the management of the relationship between Group and employees and for ensuring compliance with SA's labour legislation.

Group Human Resources and Transformation director

General managers

Human Resources	**Employee Relations**	**Transformation and Enterprise and Supplier Development (ESD)**
Supported by regional and divisional human resource managers who lead site-based human resource management teams.	Manages the relationship with organised labour and provides related leadership and guidance to the business and human resource management teams.	Provides leadership on operationalising the Group transformation strategy, including the ESD strategy, and supports the business and human resource managers in developing, implementing and monitoring transformation plans aligned to the Group strategy.

1. *All policies can be accessed online.*

Link to remuneration	As a pillar of the Group strategy, transformation of our society accounts for 10% of the Group balanced scorecard for FY2022. Meeting our transformation targets is therefore an integral part of the performance parameters for executive and management incentives. More detail on our approach to remuneration and our remuneration policy can be found online in our Shareholder report: page 36.
Policies	To ensure that our principles, targets and standards are clearly articulated, we have the following people and transformation policies in place: • Patient care and feedback policy. • Employee wellness policy. • Health and safety policy. • Transformation policy. • Procurement policy.

FY2021 performance

- There were no fines incurred for non-compliance with environmental laws and regulations in FY2021.
- There were no fines or non-monetary sanctions for non-compliance with social and economic laws and regulations in FY2021.

Governance continued

Supply chain management

Oversight and accountability

Board sub-committees	• The Social and Ethics Committee oversees ethics within the supply chain and outsourced relationships.

The Procurement division, headed by the General Manager of Procurement Services, enhances procurement processes, negotiates preferential pricing aligned to bulk purchasing and reviews the supplier base to ensure ethics in the supply chain. The committee also provides input into our ESD initiatives.

Supplier selection

When selecting suppliers, we consider the quality of products or services, compliance with regulation and Netcare's expectations, price, financial stability and the quality of customer service. The criteria for selecting suppliers vary depending on the type of product or service procured.

Supplier assessment

We require all suppliers to familiarise themselves with Netcare's green procurement policy, published on our website. All new vendors listed are required to complete a compliance declaration where our standard terms and conditions of trade require that they supply goods and services in accordance with good industry practice and Netcare's policies and procedures. The declaration form includes:
• Fair labour practices, including freedom of association and collective bargaining.
• Human rights, including equal opportunity employment and non-discrimination.
• Environmental considerations.

Environmental impact
We conduct environmental impact assessments of suppliers based on the type of goods or services procured and where they are produced; while local suppliers may be subject to this form of assessment, suppliers based outside of SA are not. As treating HCRW can have a negative environmental impact when not treated according to regulations, we assess the compliance of HCRW treatment plants and related service providers.

Social impact
Where the major component of the service procured is related to human resources, we consider these suppliers to be at risk for labour-related issues such as the right to exercise freedom of association and collective bargaining. These services include cleaning, catering and security service providers. Industrial action in these businesses may impact the quality and continuity of the services provided to Netcare. This risk is covered in our service level agreements.

FY2021 performance

- No supplier contracts were terminated as a result of negative environmental impact, and no suppliers were identified as having significant actual and potential negative environmental impact.
- No suppliers were identified as having significant negative social impacts.

Looking forward

- Update our green procurement policy originally published in 2015. Key elements for review include:
  - Our policy for goods reaching end-of-life and how new goods procured are packaged.
  - Our Scope 3 emissions reporting policy; this will be updated with the requirement that our suppliers and service providers report their greenhouse gas emissions and water consumption.
  - Requiring that businesses in our value chain report their consumption reduction strategies.
  - Requiring that organisations that do business with Netcare procure 100% recyclable packaging.

Governance continued

Ethical corporate citizenship

We are committed to high moral, ethical and legal standards, and support the code, principles and values as espoused in various laws and regulations governing our operations and people. We take a zero-tolerance approach to theft, fraud and corruption, as well as discrimination and racism (page 76). All employees are expected to fulfil this commitment, including our policy of fair dealing and integrity when conducting Netcare's business. Our values, policies and Code of Ethics provide a governing framework for ethical leadership and behaviour, which is further supported by a human rights awareness programme that forms part of our induction programme.

Oversight and accountability

The Board and its sub-committees	• Assisted by all governance committees, the Board governs the Group's approach to ethics and ensures awareness around Netcare's commitment to doing business ethically. • The Social and Ethics Committee assists the Board in setting the tone for an ethical organisational culture and oversees our commitment to social and economic development, fair labour practices, environmental responsibility and good corporate citizenship. The committee also oversees plans to embed an ethical culture and the appropriate management of organisational ethics, including ethics within the supply chain and outsourced relationships.

Mechanisms ensuring that an ethical culture is embedded in the group:

Netcare's Code of Ethics	Guides the interaction between the Group and its stakeholders, including its partners and suppliers in the healthcare value chain. Employees are required to disclose any potential conflict of interest, as well as any gifts or invitations by a supplier or third party. **Code of Ethics.** **Gifts and hospitality policy.**
Clinical Practice Committee	Sets governance guidelines and monitors compliance with clinical governance criteria relating to clinician conduct.
Ethics management programme	We conduct a governance, legal, ethics and compliance survey annually. For FY2021, the employee annual ethics survey was completed in December 2020 with results reported to the Social and Ethics Committee.
Incident management system	Used across the Group to log incidents of a clinical nature (e.g. patient falls or incorrect medication given) as well as issues of a forensic nature. The system is regularly reviewed to identify incidents and initiate the appropriate follow-up with the business.

Mechanisms ensuring that an ethical culture is embedded in the Group: continued

Group Forensics and the Fraud and Ethics Hotline	Group Forensics investigates all reported incidents of theft, fraud and corruption and where appropriate cases are reported to the South African Police Services and/or to the applicable registered bodies such as the Health Professions Council of South Africa (HPCSA). Civil recoveries are pursued by prejudiced business units where financially appropriate. Mechanisms are also available for employees, management and external parties (the public, suppliers and patients) to report irregularities such as alleged theft, or fraudulent, corrupt or unethical behaviour, including unethical medical behaviour. Group Forensics can be contacted via multiple mechanisms (e.g. telephone, email or meeting request), and the Fraud and Ethics Hotline is available to stakeholders wanting to protect their anonymity. All employees receive regular communication on recent fraud trends. 🖱 **Fraud and whistle-blowing policy.**
Anonymous toll-free SHOUT line	Allows employees to report alleged or perceived discriminatory or racist action or behaviour. The service is delivered in partnership with Independent Counselling and Advisory Services (ICAS), which operates a confidential call centre. 📄 **Diversity and inclusion:** PG 76.
Remuneration policy	Aligns our corporate strategy, performance and the values and behaviours of our passionate people. It also ensures the fair, equitable and consistent reward of our people.
Supplier policies and assessments	All new suppliers complete a declaration confirming compliance to fair labour practices, human rights and environmental criteria. 📄 **Supply chain management:** PG 106.

Every incident reported through these mechanisms is investigated. Reports of alleged theft, fraud or unethical behaviour are logged in the defalcation register and reported to management every second month. A summary of the defalcation register, fraud trends and material incidents are provided to the Audit, Risk, Consistency of Care and Social and Ethics Committees.

Anti-corruption

Corruption risk is assessed across the group by the Risk and Social and Ethics Committees. All new employees receive training on anti-corruption, with periodic road shows conducted to raise awareness.

🖱 **Bribery and corruption policy.**

Governance continued

FY2021 ethics survey

Our ethics survey is undertaken annually to measure and assess key elements of the ethics management programme and to gauge how our employees feel about ethics in the organisation. This year, 2 049 (FY2020: 384) employees participated in the survey, representing all regions. Non-managerial participation increased to 62% (FY2020: 41%). All responses were anonymous. The questions in this year's survey were based on various ethics surveys, including the South African Business Ethics Survey (Ethics Institute of South Africa) and the Institute of Business Ethics (UK).

Our key findings were:
• More than 88% of respondents agreed that they are encouraged to do the right thing, ethics is a priority, senior management can be approached on ethical matters and goals are set to support and foster ethical behaviour. Respondents felt that consistency is needed in how offenders are disciplined and that we could improve how we communicate on ethics.
• 78% of respondents felt that they are treated with dignity and respect, and that a safe and healthy environment and regulatory compliance are material matters for Netcare.
• 99% of respondents said that they were willing to report unethical behaviour and incidents, 94% were aware of the mechanisms in place to report misconduct and, of those that said they had noted misconduct, 44% did not report out of fear of being victimised, fear that their report would not be anonymous, or because they relied on someone else to report it.

In response to these results, we will:
• Introduce a quarterly ethics information newsletter focusing on the issues raised in the survey.
• Ensure that ethics is discussed at management forums.
• Address the perception of unfairness in the disciplinary process.
• Roll out ethics training which includes industry-specific case studies to foster good ethical decision-making.
• Roll out an awareness campaign to raise ethics awareness and stress how we value reports and are committed to confidentiality and anonymity.

Regulatory compliance

Assisted by all governance committees, the Board ensures that the Group remains compliant with changing regulation. Compliance risk is monitored by the Risk Committee and managed through the compliance framework and compliance reviews. The Compliance Committee and compliance function monitor the legislative landscape on an ongoing basis and assess the potential impact of new laws and regulations on the Group. Changes required are delegated to management and must be achieved within defined timelines.

All service platforms, business units, operational and administrative business areas and subsidiaries are required to comply with all applicable legislation and regulations. Each area conducts an annual governance, compliance, legislative and contractual risk review, and evaluates the regulatory environment impacting the Group and the healthcare sector. The Board and Social and Ethics Committee are kept informed of regulatory changes and

changes to non-binding standards, codes and relevant sector developments that could potentially affect the Group and its operations. Adherence to non-binding rules is considered an integral part of doing business.

Human rights

Our operations and strategies align to the human rights principles encapsulated in SA's Constitution. This covers child, forced or compulsory labour and the right to freedom of association and collective bargaining. Our adherence to these principles is further strengthened through our human resources policies that emphasise our commitment to respect human rights.

Human rights policy.

FY2021 performance

- 1 326 (FY2020: 5 355) hours spent training 871 employees on human rights (FY2020: 2 850).
- 182 incidents of alleged fraud and irregularities reported (2020: 228). 161 incidents have been investigated and closed with the balance still under investigation. 21 incidents were reported via the fraud and ethics hotline (2020: 33), with the balance reported through other mechanisms such as direct engagement, email or the incident management system.
- No incidents of alleged unethical medical behaviour reported (2020: two).
- No material incidents of non-compliance concerning the health and safety impacts of products and services.
- No material incidents of non-compliance with regulations and voluntary marketing communications.
- No political contributions were made.

Looking forward

- Continue to improve on the results of our ethics survey and increase survey participation.
- Conduct training and awareness sessions for key ethics focus areas including:
  – Conflicts of interest.
  – Business ethics, workplace ethics and ethical decision-making.
  – Bribery and corruption.

Shareholder report.

Governance continued

Data privacy and protection

Our datasets are vast and include clinical, medication, finance, billing, institutional, asset management, employees, procurement, independently contracted healthcare workers, clinical governance and products data. IT is therefore fundamental to the support, sustainability, and growth of the Group, as both an operational enabler and an important strategic asset to create opportunities and gain competitive advantage. Accordingly, the Group continuously strives to ensure that appropriate technical and organisational safeguards are in place to secure the integrity and confidentiality of personal information to prevent loss of, damage to or unauthorised destruction of personal information and unlawful access to or processing of personal information.

We operate a robust IT governance, risk management and compliance function, and Group IT supports the principles and practices of fairness, transparency, responsibility and accountability in its dealings with stakeholders. The guidelines of our IT governance framework and operating model are measurable, ensuring that the governance of our IT processes and resources is effective and efficient, and that the integrity, continuity, confidentiality and availability of information is managed in a cost-effective manner.

Protecting information in our day-to-day business operations is crucial and we therefore maintain a sound approach to the implementation of privacy protection measures across all business operations, aligned to applicable privacy and data protection laws. Our cybersecurity and privacy frameworks ensure that we can effectively monitor, govern and enforce best practice policies as well as appropriately respond to and recover from cyber-related incidents and prevent or minimise data loss.

Through these frameworks and careful management of our risk exposure to acceptable levels, economic value is created by safeguarding our physical and intellectual assets. All frameworks include assessments, risk management, training and awareness.

Oversight and accountability	
The Board and its sub-committees	• Assisted by the Audit and Risk Committees, the Board oversees the governance of technology and information management (including cybersecurity initiatives) to support strategy. • The Risk Committee oversees interventions to manage cybersecurity, information management and data security, assesses implementation of cybersecurity models, and evaluates the ability of third-party security providers to adequately address emerging cybersecurity risks. • The Audit Committee reviews Risk Committee reports in relation to cybercrime and cybersecurity, including comprehensive cyber liability insurance.

Management committees	• The IT Management Committee, headed by the Chief Information Officer, governs and oversees all Netcare IT matters. • The IT Steering Committee provides oversight and strategic direction for IT across the business and reviews IT risk and opportunity management. It is responsible for decisions regarding IT priorities, including funding and technical requirements. • Information security governance is overseen by the established Information Security Management Committee that meets a minimum of 10 times each year. The committee provides direction for establishing best practices, reviews the progress of information security projects and initiatives, and articulates common information security practice requirements. A dedicated team and process that governs instances of non-compliance with privacy policies and procedures is in place. This team manages non-compliance incidents which are documented and reported; where required, corrective measures are taken in a timely manner. • The Data Council is mandated to implement data governance within Netcare and ensure that our data meets specific data quality standards. • The Protection of Personal Information Act (POPIA) Steering Committee oversees the Group's initiatives to ensure that legal and regulatory compliance objectives are achieved as intended in relation to privacy and systems supported by mechanisms, policies and procedures. 🖱 **Shareholder report.**

We ensure that we protect our data through:

Data protection safeguards	Our data protection safeguards are based on international best practices and control frameworks and their effectiveness is regularly verified by internal and external parties. Reasonable mechanisms, tools and technologies have been implemented to detect, prevent and respond to security violations. External assessments include, but are not limited to: • Vulnerability management assessments. • Penetration testing exercises. • Perimeter security assessments. • Cybersecurity reviews. • Information and privacy assessments. • Identity and access management assessments.
Data protection technologies	We implement best of breed technologies to safeguard our digital assets across the Group, including: • A variety of enterprise security tools ranked highly by Gartner peer insights (e.g. next generation firewalls, identity and access management, vulnerability management tool sets, mobile device management tools, anti-malware solutions, email security and network access control solutions). • System information and event management systems. • Best-of breed end point detection and response systems, and threat intelligence and dark web monitoring.

Governance continued

We ensure that we protect our data through: continued	
Third-party agreements	We take great care when engaging and sharing personal information with third parties. Our standard terms and conditions for all suppliers include cyber insurance, information security and data protection clauses. For third parties with access to personal information, we: • Require that a non-disclosure agreement is in place. • Administer a privacy impact analysis questionnaire on an annual basis to ensure that our suppliers have established and maintain appropriate technical and organisational measures to ensure our data remains protected. • Ensure that appropriate user access agreements are in place with relevant suppliers. • Require annual security and privacy assurance confirmation from relevant suppliers, including notification of any security breaches. • Obtain assurance reports for third-party applications used to process our data. • Monitor applicable third parties using the Netcare threat intelligence tool which provides accurate and actionable cyber intelligence. Alerts or concerns identified are reviewed by the Information Security Management Committee. • Govern, review and audit supplier identity and access management. • Configure remote access accounts with multi-factor authentication, limiting suppliers' access to only the resources required to meet contractual obligations. • Have drafted and put in place a standard Netcare data use and reciprocal support agreement.
Group digital culture	We embrace a culture of continuous information security awareness and embed this throughout the organisation through training and/or awareness programmes to ensure: • The confidentiality of our information assets and personal data. • That the integrity of our information assets remains intact and effectively secured. • The availability of information assets that support critical business processes. • That we adequately control the information assets in our possession. • That only authenticated people and processes can access and interact with our information assets.

Privacy policy.
Access to information policy.

FY2021 performance

• There were no known cybersecurity breaches or data lost during FY2021.
• Strengthened our cybersecurity through several initiatives, and appointed additional specialist cybersecurity professionals.
• Continued to educate our people about cybersecurity risks, using awareness training, monthly newsletters, videos and simulated phishing emails.
• The POPIA Steering Committee and working groups continued to implement our privacy framework and monitor our compliance. We have rolled out blended learning courses (eLearning and face-to-face lessons) on data privacy, and raised awareness about POPIA, which came into effect on 1 July 2021. By the end of FY2021, 13 357 of our employees had received this training. We will continue POPIA training in FY2022.

Looking forward

• Continue our commitment to comply with privacy and data protection laws and to uphold, enhance and protect the integrity of any personal information shared with the Group.
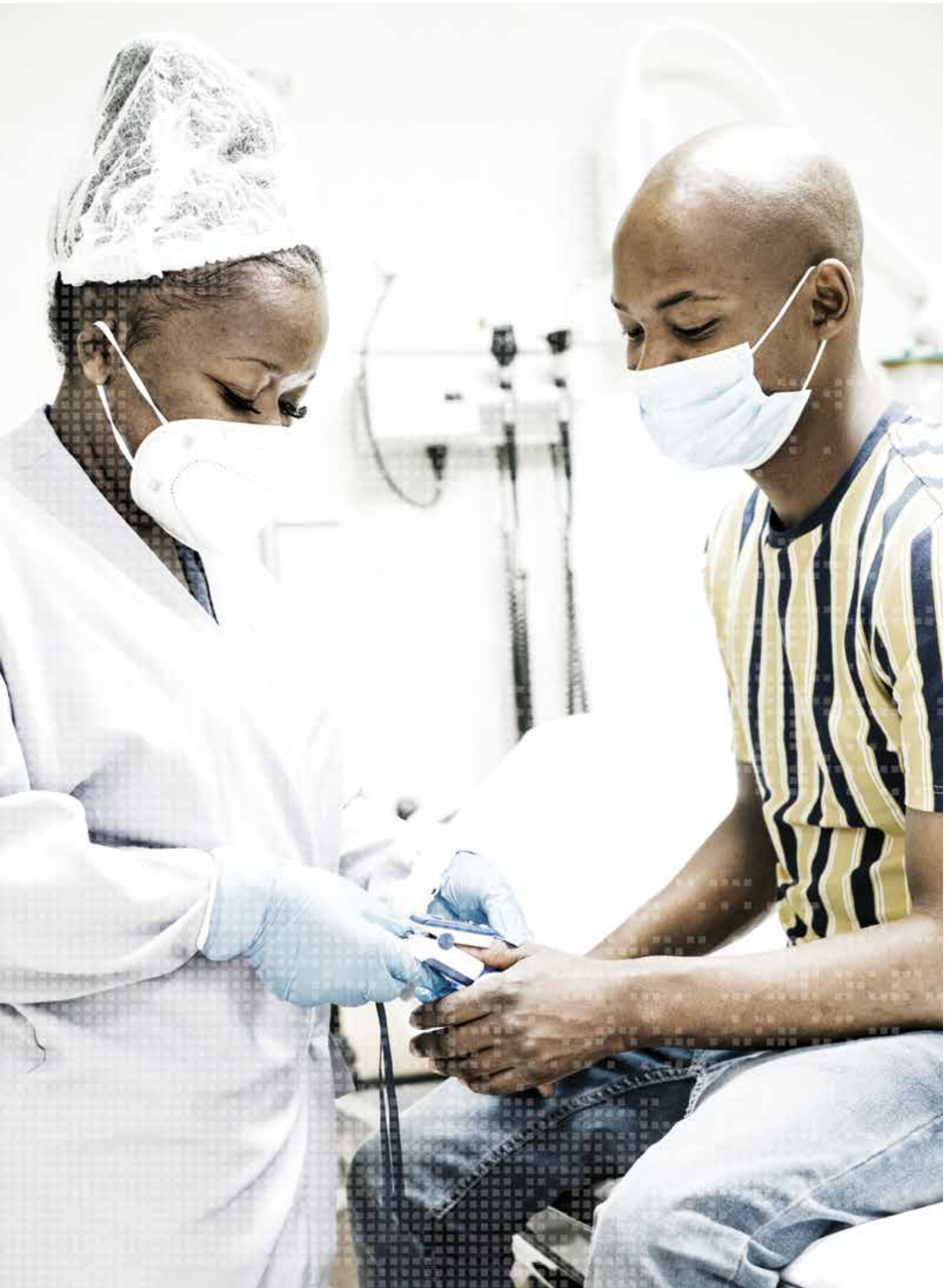
Task Force on Climate-related Financial Disclosures Index

Detailed disclosure on our management of climate change-related issues can be found in our CDP submission.

Our 2021 CDP submission.

Governance		
Disclose the organisation's governance around climate-related risks and opportunities.	**Board oversight** Describe the Board's oversight of climate-related risks and opportunities.	**CDP Climate Response 2021:** C1/C1.1 **ESG report:** How we manage our environmental and social impacts: PG 103.
	Role of management Describe management's role in assessing and managing climate-related risks and opportunities.	**CDP Climate Response 2021:** C1/C1.2 **ESG report:** How we manage our environmental and social impacts: PG 103.

Strategy		
Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning, where such information is material.	**Identify risks and opportunities** Describe the Board's oversight of climate-related risks and opportunities.	**CDP Climate Response 2021:** C2/C2.3a **ESG report:** Our material impacts, risks and opportunities: PG 22.
	Impact on investment strategy Describe management's role in assessing and managing climate-related risks and opportunities.	**CDP Climate Response 2021:** C3/C3.3 and C3.4 **ESG report:** Our new environmental sustainability strategy: PG 40.
	Resilience of investment strategy Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	**CDP Climate Response 2021:** C3/C3.2a

Risk Management

Disclose how the organisation identifies, assesses, and manages climate-related risks.	**Processes for identifying and assessing risks and opportunities** Describe the processes for identifying and assessing climate-related risks.	**CDP Climate Response 2021:** C2/C2.2 **ESG report:** Our material impacts, risks and opportunities: PG 22.
	Processes for managing risks and opportunities Describe the processes for managing climate-related risks.	**CDP Climate Response 2021:** C2/C2.2 **ESG report:** Our new environmental strategy: PG 40. **ESG report:** Emissions: PG 44. **ESG report:** Energy: PG 48. **ESG report:** How we manage our environmental and social impacts: PG 103.
	Integration into risk management processes Describe how the processes above are integrated into existing risk management processes.	**CDP Climate Response 2021:** C2/C2.2 **ESG report:** How we manage our environmental and social impacts: PG 103. **Integrated report:** PG 62.

Metrics and targets

Where such information is material, disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities.	**Disclose the metrics** Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	**CDP Climate Response 2021:** C2/C2.1b **ESG report:** environment report starting on PG 36.
	Disclose emissions Disclose Scope 1, Scope 2, and, if appropriate, Scope 3, greenhouse gas emissions, and the related risks.	**CDP Climate Response 2021:** C6 **ESG report:** Emissions: PG 44. **ESG report:** Our material impacts, risks and opportunities: PG 22.
	Disclose the targets Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	**CDP Climate Response 2021:** C4/CC4.1a **ESG report:** Our new environmental sustainability strategy: PG 40. **ESG report:** Environment report: PG 36.

Additional data

Employment data[1]

Permanent employee breakdown	2021			2020	2019
	Female	**Male**	**Total**	2020	2019
Permanent employees by service platform					
Hospital and pharmacy	**12 650**	**2 209**	**14 859**	15 705	16 347
Mental health	**372**	**112**	**484**	497	508
Oncology	**56**	**8**	**64**	59	60
Netcare 911	**446**	**713**	**1 159**	1 136	1 225
Head office	**413**	**271**	**684**	635	586
Primary Care	**788**	**98**	**886**	975	1 189
Total number of permanent employees	**14 725**	**3 411**	**18 136**	19 007	19 915
Public private partnerships	**169**	**41**	**210**	207	278
Total number of permanent employees including public private partnerships	**14 894**	**3 452**	**18 346**	19 214	20 193
Permanent employees by employment level					
Executive	**22**	**21**	**43**	45	40
Management	**1 151**	**446**	**1 597**	1 585	1 555
Professional	**6 015**	**896**	**6 911**	7 096	7 362
Enrolled nursing and support	**7 706**	**2 089**	**9 795**	10 488	11 236
Total number of permanent employees	**14 894**	**3 452**	**18 346**	19 214	20 193

1. Calculated for employees on Grade D upper and above in terms of the Patterson grading system.

Employees by employment contract	2021			2020		
	Female	**Male**	**Total**	Female	Male	Total
Permanent: Full-time	**14 645**	**3 443**	**18 088**	15 375	3 517	18 892
Permanent: Part-time (reduced hours)	**249**	**9**	**258**	309	13	322
Fixed-term	**748**	**174**	**922**	685	238	923
Total workforce	**15 642**	**3 626**	**19 268**	16 369	3 768	20 137

Permanent employees by race	2021			2020		
	Black[1]	**White**	**Total**	Black	White	Total
Executive	**18**	**25**	**43**	18	27	45
Management	**956**	**641**	**1 597**	899	686	1 585
Professional	**5 130**	**1 781**	**6 911**	5 220	1 876	7 096
Enrolled nursing and support	**8 513**	**1 282**	**9 795**	9 047	1 441	10 488
Total number of permanent employees	**14 617**	**3 729**	**18 346**	15 184	4 030	19 214

1. African, Coloured and Indian.

Employees receiving performance appraisals	2021[1]	2020[1]	2019
Overall	**–**	–	79.3%
Male	**–**	–	12.4%
Female	**–**	–	66.9%

1. ETP team reviews for 2020 and 2021 were suspended due to COVID-19.

Turnover data

New hires	2021			2020		
	Female	**Male**	**Total**	Female	Male	Total
Under 30 years of age	**422**	**178**	**600**	364	141	505
Between 30 and 50 years of age	**1 007**	**254**	**1 261**	806	122	1 045
51 years of age and above	**170**	**27**	**197**	122	15	137
Total number of new employees	**1 599**	**459**	**2 058**	1 292	395	1 687

Rates of new hire	2021	2020
Overall new hire	**11.2%**	8.8%
Male	**2.5%**	2.1%
Female	**8.7%**	6.7%
Under 30 years of age	**3.3%**	2.6%
Between 30 and 50 years of age	**6.9%**	5.4%
51 years of age and above	**1.1%**	0.7%
Overall turnover rates		
Overall turnover	**15.9%**	13.9%
Male	**2.9%**	2.5%
Female	**13.0%**	11.4%
Under 30 years of age	**1.9%**	1.8%
Between 30 and 50 years of age	**10.2%**	8.6%
51 years of age and above	**3.8%**	3.4%

Glossary

An explanation of some of the terms and abbreviations used in this integrated report is shown below.

B-BBEE:	broad-based black economic empowerment
Board:	the Board of directors
CAPEX:	capital expenditure
CDP:	formerly the Carbon Disclosure Project
CEO:	Chief Executive Officer
CFO:	Chief Financial Officer
COVID-19:	Coronavirus disease 2019
CPI:	consumer price index
CSI:	corporate social investment
dtic:	Department of Trade, Industry and Competition
EAP (in terms of B-BBEE):	economically active population
EBITDA:	earnings before interest, taxation, depreciation and amortisation
EMEs:	emerging micro enterprises
EMR:	electronic medical record
EOC:	Emergency Operations Centre
ESD:	enterprise and supplier development
ESG:	environmental, social and governance
ESP:	Enterprise Sustainability Platform
GHG:	greenhouse gas
GJ:	gigajoules
GPs:	general practitioners
GRI:	Global Reporting Initiative
GWh:	gigawatt hours
HCRW:	healthcare risk waste
HPFL:	Health Partners For Life
HVAC:	heating, ventilation and air-conditioning
HWSETA:	Health and Welfare Sector Education and Training Authority

ICAS:	Independent Counselling and Advisory Services
ICU:	intensive care unit
ISO:	International Organization for Standardization
IT:	information technology
IWS:	Integrated Waste Solutions
JSE:	JSE Limited
King IV:	King Report on Corporate Governance for South Africa
kg:	kilograms
kl:	kilolitres
kWh:	kilowatt hours
LPG:	liquefied petroleum gas
MWh:	megawatt hour
NPAT:	net profit after tax
NQF:	National Qualifications Framework
OHS:	occupational health and safety
POPIA:	Protection of Personal Information Act
PPPs:	public private partnerships
PV:	photovoltaic
PVC:	polyvinyl chloride
QSEs:	qualifying small enterprises
ROIC:	return on invested capital (normalised net operating profit after tax divided by average invested capital)

SA:	South Africa
SAICA:	South African Institute of Chartered Accountants
SANC:	South African Nursing Council
SDP:	skills development period
SBTi:	Science-based Target Initiative
SDG:	Sustainable Development Goals
SHEQ:	safety, health, environmental sustainability and quality management
SMMEs:	small, medium and micro enterprises

TCFD	Task Force on Climate-related Financial Disclosures
tCO_2e:	tonnes of carbon dioxide equivalent

UK:	United Kingdom

YES:	Youth Employment Service

WHO:	World Health Organization

Corporate information

Company registration number
(Registration number 1996/008242/06)

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Investor relations
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Fraud line
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fraud@netcare.co.za

JSE information
JSE share code: NTC (Ordinary shares)
ISIN code: ZAE000011953
JSE share code: NTCP (Preference shares)
ISIN code: ZAE000081121

Sponsor
Nedbank Corporate and Investment Banking, a division of
Nedbank Limited
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Transfer secretaries
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Auditors
Deloitte and Touche

Principal bankers
RMB Private Bank
Nedbank Limited

Selected websites
www.netcare.co.za
www.netcare911.co.za
www.medicross.co.za
www.nrc.co.za
www.akeso.co.za