

How we performed

Human and intellectual capital

Our people

Better health and care outcomes delivered most efficiently depend on the professional and personal resilience of healthcare professionals. Our strategy to deliver patient centred health and care that is digitally enabled and data driven aims to make the lives of our people and partners on the frontline easier so that we improve patient experience and deliver the interrelated outcomes of the *Quadruple Aim*.

Key focus areas for FY2022

- **Strategic project** Rolling out the Care4YOU programme (compassion journey and digital gratitude cards) over and above Independent Counselling and Advisory Services (ICAS), eCare and onsite social workers.
- Attracting and retaining specialist nursing skills, redoubling our recruitment and retention efforts, and developing a strong talent pipeline for core roles to support our sustainability and growth into the future.
- Improving diversity at senior and middle management levels; with a key focus on social groups under-represented relative to their national Economically Active Population (EAP), and focusing on gender and race diversity at Executive Committee level.
- Investing in the development of our people.

Associated risks and opportunities

4	Availability and quality of skills	 PG 63
6	Delivering consistently outstanding person centred health and care	 PG 65
7	Implementation of the digital and data strategies	 PG 66
11	Competitor activity	 PG 70

Key takeaways for FY2022

Turnover

Employee turnover remains high driven by fierce competition for scarce specialised skills. Voluntary turnover decreased to 14.8% with nurse turnover remaining constant. Overall turnover inclusive of involuntary labour turnover increased from 15.9% to 16.8%.

Competition and scarcity of skills are driving up salary demands.

To better manage costs, a freeze has been placed on new appointments and replacements for manager resignations are tightly scrutinised.

We continue to explore ways to improve our retention mechanisms for specialised nurses and benchmark our offering to ensure it is competitive.

Living and working with compassion programme

Strategic project We completed the roll out of the first module of Care4YOU in all hospitals – the principles of compassion and how to apply them. Pleasingly we are starting to see a positive impact on our nurse compassion scores.

Our compassion initiative is a key lever in the achievement of our strategic priorities.

Nurse training

The inability to increase our nursing student numbers, as prescribed by the SANC, has once again impacted Netcare Education's overall intake of new students on formal programmes.

IRAS Award

Integrated Reporting and Assurance Services (IRAS) in partnership with the National Coalition for and of Persons with Disabilities awarded Netcare for having the highest representation of people with disabilities among JSE listed companies with more than 10 000 employees.



 Patient experience-related scores: PG 104.

Value delivered in FY2022

The value we create for our people	Value created, preserved or eroded		
SRC/HIC A caring and values-based culture that meaningfully encourages, recognises and rewards outstanding contributions to the business. HIC Career advancement and other opportunities to improve professional development. HIC Improved nursing models in intensive care and high care units, theatres and wards. HIC Upskilling of employees to digitally enabled ways of working. HIC A safe clinical environment supported by comprehensive employee wellness programmes. SRC/HIC Our transparent and proactive relationships with employee representatives.	>14 400	Permanent employees and around 8 860 contractors and service providers in the Hospital Division have worked through module 1 of our compassion training ¹ .	✓
	2 243 FY2021: 2 810	Employees and their immediate family members were provided with counselling interventions.	✓
	R8 015 million FY2021: R7 570 million	Salaries paid to our employees.	✓
	Successful wage negotiations for 2022/23	With all recognised trade unions (four for Hospital Division and two for Netcare Medicross). The 2021/22 wage dispute with one trade union remains unresolved with the matter under review in Labour Court.	✓
	52%² FY2021: 50%	Of doctors with admission privileges are black.	✓
	R51 million³ SDP2021: R49 million	Invested in training and development, equating to 0.9% of our payroll, below the 1% prescribed by the Skills Development Act ⁴ . Training includes preparing employees and doctors for EMR implementation and programmes to embed a caring, values-driven culture – <i>the Netcare Way</i> .	✓
	15 968³ SDP2021: 12 731	Employees, including 256 current and future leaders (SDP2021: 93), participated in a training and/or development programme.	✓
	86%³ SDP2021: 91%	Percentage of training spend on black employees with 75% (SDP2021: 82%) invested in developing black women.	⊙
	81.3% FY2021: 79.7% EAP: 91%	Representation of black people within the workforce with 50.0% (FY2021: 43.3%) of senior managers being black.	✓
	80.8% FY2021: 81.2%	Representation of women within the workforce with 65.4% of the workforce being black women (FY2021: 64.4%).	⊙
	17 FY2021: 8	Employee grievances reported relating to labour practices, of which 16 had been resolved at the time of reporting.	✗

1. Training is based on the learnings from Stanford University's Applied Compassion Training programme.

2. Data for doctors with billed revenue in excess of R300 000.

3. Calculated for the skills development period (SDP) 1 April 2021 to 31 March 2022 as legislated by the Skills Development Act.

4. As a result of regulated restrictions on nurse training numbers.

Our people: PG 128.
Remuneration overview: PG 86.

ESG report.

✓ Value created
⊙ Value preserved
✗ Value eroded

Human and intellectual capital

Our people continued

Employee wellbeing

Our heightened focus on the wellness of our people, particularly their psychosocial wellbeing, after a series of incredibly difficult and traumatic years remains at the forefront of our human capital initiatives. The health and safety of our employees is always a top priority and is reported on page 111 of *our patients*.

Care4YOU

Strategic project Launched in September 2021, the dual-faceted Care4YOU programme seeks to help employees replenish their reserves and resilience, and embed behaviours relating to compassion, kindness and mindfulness as a way of living and working at Netcare.



Compassion training: is delivered through a blended learning approach, including theoretical content, experiential workshops and toolbox talks, and is designed to teach employees to practice compassion for themselves and share that compassion with others – both patients and colleagues. Trained compassion ambassadors drive the initiative.

Digital gratitude card programme: is a powerful personal motivator, which reinforces compassionate behaviours, positively impacting the patient experience.

Impact and feedback

The self-compassion work is providing a safe and compassionate means to process COVID-19 related trauma and any other unprocessed personal matters. We are working closely with ICAS, Netcare Akeso and our enterprise and supplier development partner¹ to provide appropriate support and counselling guidance for employees and to help unburden our compassion ambassadors.

Our compassion ambassadors are reporting that the compassion teaching is gaining traction and becoming part of our daily language. Feedback from employees has been incredibly positive with much appreciation for our focus on self-care and self-compassion and requests have been received for more learning initiatives. The extension of the programme to contracted workers and those working night shifts is also highly appreciated and has created a sense of inclusivity in the provision of care. Insights gained from feedback have been used to enhance learning, address barriers to adoption and ensure that content is accessible and clearly communicated.

A key finding from the Care4YOU work is the need to ensure a flow of compassion from leadership through to our employees and then onto our patients.

Advances made in FY2022

- Support sessions were introduced for our compassion ambassadors to provide support and protect them from fatigue and burnout.
- Rolled out the tailored Care4YOU programme for leaders to the Hospital Division's regional and site managers.
- Similar compassion interventions were introduced for Netcare 911 (Emergency Operations Centre) and Netcare Education.
- A digital learning process was piloted to support compassion learning, providing convenience for employees and enabling consistent and sustainable teaching of compassion across the Group. The compassion journey will be digitised in FY2023.

1. Dube and Pottas provides individual and group counselling sessions for frontline workers (trauma debriefing, emotional and supportive counselling, coping skills and self-care strategies, and referral for further support, where required).

FY2022 performance

Compassion journey	Gratitude programme	ICAS	Other support interventions
Module 1 roll out completed in the Hospital Division.	Completed the roll out of the digital gratitude card programme to all hospitals.	15.7% overall ICAS engagement rate.	328 managers used the managerial support programme, which assists them to effectively engage with their teams, deal with and resolve conflict, and identify and support employees experiencing specific challenges.
1 833 employees have completed the optional module 2, which reinforces the learnings of module 1, delving deeper into the principles of compassion.	15 075 gratitude cards from patients have been sent to our employees and teams since the launch of the pilot programme in October 2021.	FY2021: 18.4% ICAS client companies average: 13.9%	FY2021: 379
3 626 employees have completed module 3 – deepens understanding around self-compassion, common humanity and the spirit of Ubuntu (humanity to others).	96% of the messages received from patients had positive sentiments (excellent or good experience). While the majority of ‘thank you’ cards are addressed to our clinical employees, pleasingly, support staff have also been thanked for their effort and service.	69.1% of employees who used ICAS accessed professional counselling with mental health challenges being the largest service accessed. FY2021: 62.3%	59 training events – counselling sessions and motivational speaking sessions delivered to 409 employees.
385 compassion ambassadors spearhead the programme. FY2021: 395		6.6% of cases were formally referred for assistance. FY2021: 4.8%	FY2021: 126 webinars reaching 963 employees

Looking forward

Our challenge will be to maintain the positive impacts of Care4YOU in high-pressure environments where staffing shortages can leave nurses feeling overworked and social pressures are resulting in increased demand for mental health care. Additional compassion training modules will be delivered to the Hospital Division in FY2023, reinforced with the digital learning platform, which in time will support the easy replication of the programme for other divisions. A key focus will be to incorporate Care4YOU into our business-as-usual processes to ensure the sustainability of the programme and its long-term impact. We will also continue to focus on the Care4YOU programme for leaders to address the feedback received from employees, both in the compassion training and the employee engagement survey.

Human and intellectual capital

Our people continued

Employer of choice

To distinguish ourselves as an employer of choice, we are working to reignite our employee value proposition – growing with compassionate people. We aim to provide an inclusive, caring and engaging culture; cognitively and emotionally connecting our employees to Netcare, our values and their own roles within the Group. We strive to support our employees through change with targeted strategic interventions, and to deliver a harmonious, fair and productive working environment based on trust and cooperation.

FY2022 performance

Employee engagement	- In June 2022, we rolled out the Group-wide Voice of OUR Employees engagement survey – co-created with our leadership teams – for all permanent employees. The overall response rate was 70% with an average score of 7.9 out of 10 achieved across nine measured categories. We scored above eight for the following three categories: compassion at work, teamwork and collaboration, and personal boundaries. 79% (FY2021: 70%) of respondents felt fully engaged or that they are key contributors, while 8% of respondents said they were fully disengaged; this is likely due to high levels of stress, trauma and burnout experienced as a result of COVID-19, economic instability and pervasive socioeconomic inequality in SA. Our areas for improvement include more frequent engagement from leaders to build greater trust, recognition for work well done and the consistent application of human resources policies. - We developed and tested a mobile app that will allow employees to access human resources-related transactions, and streamlined the onboarding of new employees, enabling them to log onto all systems relating to their roles on their first day at work.																
Nursing campaign and retention	- We offered higher salary increases for nursing staff with additional increases on skills allowance. - Employees were given the choice to restructure their remuneration packages to suit their lifestyle needs. - We externally benchmarked our remuneration, and where required, the Remuneration Committee approved retention allowances. - As a further retention strategy, we took the decision to pay the professional practising fees for specialised nurses.																
Talent management	- A Group-wide talent identification exercise was launched to build bench strength for senior management and key roles in various divisions. We are reviewing the outcomes to ascertain successor readiness and where personal development plans are required. - A new chief executive officer for National Renal Care was appointed from within the Group.																
Change management	We continued to deliver change management interventions to prepare doctors and employees for EMR implementations in the Hospital Division, the Primary Care Division, Netcare Akeso and National Renal Care.																
Employee relations	- The Group's headcount dropped 0.6% to 18 245 permanent employees, mostly due to natural attrition and replacing only critical and clinical positions. - Discussions were held with trade unions on concluding the minimum service level agreement following determination of private healthcare as an essential service (which limits industrial action for designated job roles) under the Labour Relations Act, the improvement and standardisation of the recognition agreements between Netcare and employee representatives, and the shortage of nursing skills.																
<table><tr><td></td><td>2022</td><td>2021</td><td>2020</td></tr><tr><td>Number of permanent employees</td><td>18 245</td><td>18 346</td><td>19 214</td></tr><tr><td>New employees</td><td>2 969</td><td>2 058</td><td>1 687</td></tr><tr><td>Union membership</td><td>48.6%</td><td>50.9%</td><td>52.8%</td></tr></table>			2022	2021	2020	Number of permanent employees	18 245	18 346	19 214	New employees	2 969	2 058	1 687	Union membership	48.6%	50.9%	52.8%
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Note: permanent employees only. Excludes National Renal Care																	

Looking forward

Looking ahead our focus will be to address our areas of improvement identified through the employee engagement survey, pilot the employee mobile app and maintain momentum on the robust succession planning work done in FY2022. Talent reviews will take place quarterly.

In collaboration with unions, we will conduct industrial relations training initiatives across the Group to identify barriers to a positive and productive employee-employer relationship; these will be resolved swiftly.

Diversity and inclusion

Diversity enriches our organisational culture and enhances our employee value proposition. Our diversity and inclusion programme aims to achieve equitable representation, provide career growth opportunities for all and harness diversity of thought. It starts with focus group discussions with managers and a sample of employees to determine the contextual diversity dynamics at each workplace (needs, experiences and challenges faced by our people), and in turn design effective interventions to embed an inclusive culture.

The themes that emerge from these discussions are then used as the foundation for externally facilitated education delivered to the Workplace Transformation Committees, empowering committee members to engage on matters beyond numerical representation and transformation-related legislation, to tackle the systemic barriers to diversity, equity and inclusion and to become ambassadors of an inclusive culture where everyone feels they belong regardless of their race, gender, religion, sexual orientation or disability.

Netcare is committed to dealing with all forms of discrimination. Our zero-tolerance approach applies to our employees, contractors, doctors and specialists, and partners as well as our patients and their families.

FY2022 performance

Diversity and inclusion

- We remain a gender-empowered organisation with the workforce comprising mostly of women. We improved overall representation of black people across all occupation levels, exceeding our targets at senior management, junior management and skilled worker levels, and for representation of people with disabilities. While we missed our target for representation of black people at middle management level, we made good progress driving diversity at this level which serves as a pipeline for leadership roles.
- The diversity and inclusion programme was enhanced using the learnings from our initial roll out. Since FY2021, focus group discussions have been held with 282 Workplace Transformation Committee members from 16 worksites, including the Hospital Division, Netcare 911, the Primary Care Division, head office and Netcare Akeso.
- To support our employees with disabilities, education, awareness and reasonable accommodation campaigns were rolled out across the Group.
- Three cases of unfair discrimination, racism and/or workplace bullying were reported through the SHOUT Line (FY2021: four). Where employees have provided their consent, investigations were conducted and resolved. ICAS and Netcare Akeso provide support to those who have been aggrieved. No cases were reported through our employee relations processes (FY2021: none).
- 2 057 new employees received awareness training on our zero-tolerance approach to discrimination and harassment (FY2021: 710).



Human and intellectual capital

Our people continued

Recruitment and promotion

87.4%

of all recruitments and promotions went to black people with 69.3% being black women.

FY2021: 84.5% overall and 68.1% black women

10.4%

male nursing students enrolled at Netcare Education at September 2022, as part of our efforts to increase the representation of men at junior management level.

People with disabilities

4.4%

of our workforce are people with disabilities, exceeding the national target of 2%.

FY2021: 4.2%

1% (R345 245)

of our training spend was invested in developing employees with disabilities.

SDP2021: 1%

Our Sinako learnership for people with disabilities started in July 2022, providing opportunities for 45 unemployed youth and 11 Netcare employees.

SDP2021: impacted by COVID-19

Most of our employees with disabilities are employed in the nursing department.

YES4Youth¹ programme

1 148

enrolled on learnerships and internships, with a further 270 planned for FY2023.

668

YES learners have successfully completed their vocational programmes at Netcare.

596 (89%)

learners gainfully employed with 383 (64%) employed at Netcare.

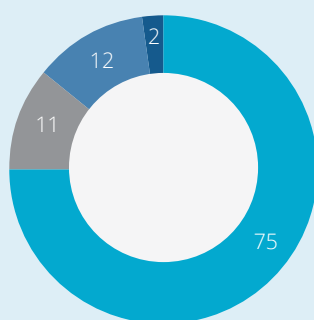
Target: 90% gainfully employed

1. South Africa's national Youth Employment Service (YES) programme.

 Employment equity scorecard: PG 76.

Training spend by race and gender

(March 2022)
(%)

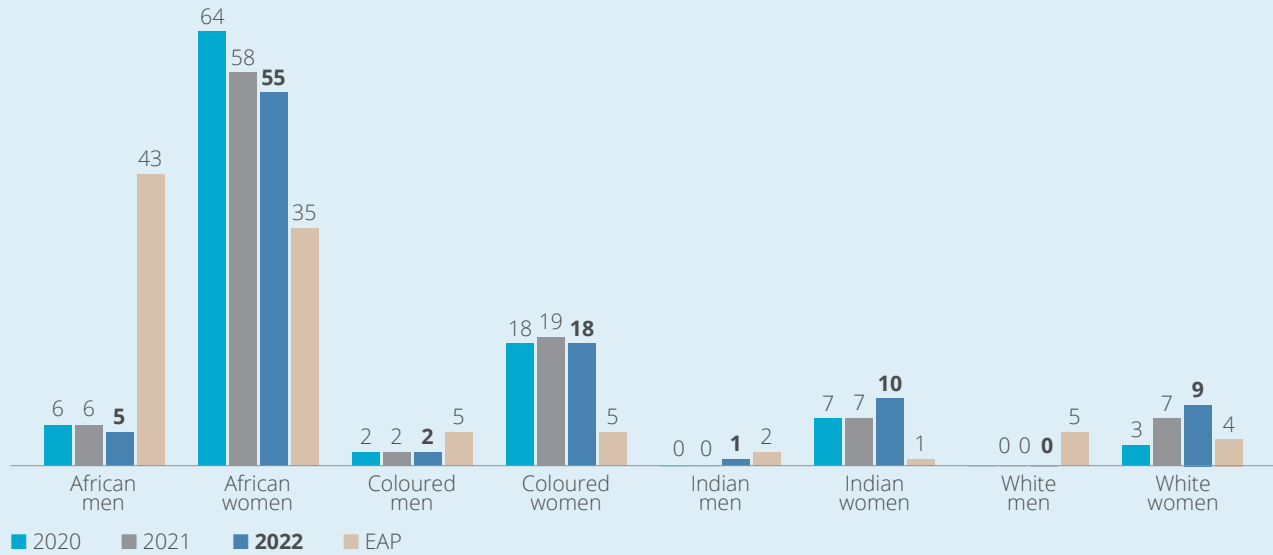


■ Black women
■ Black men
■ White women
■ White men



Training against Economically Active Population

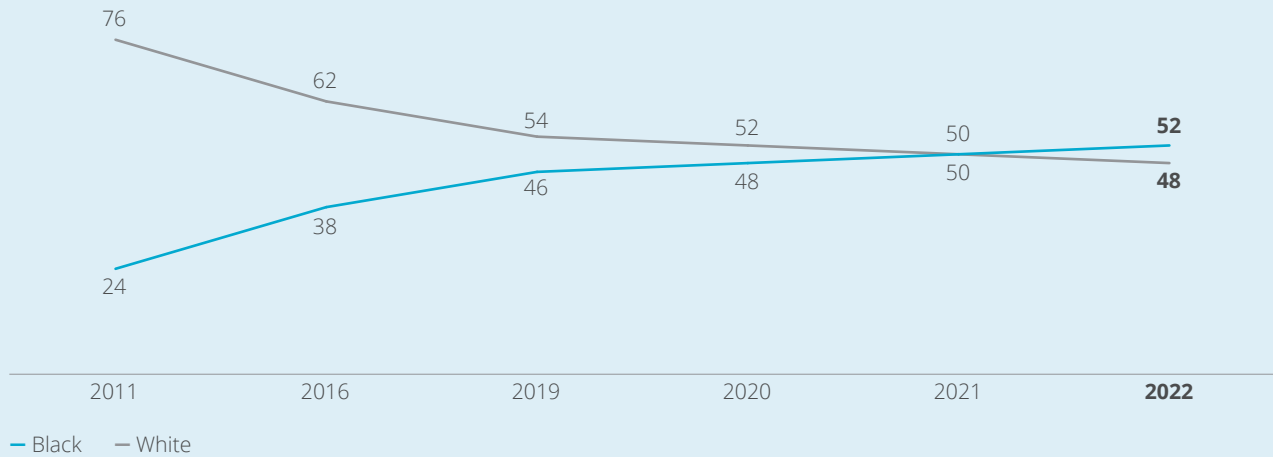
(%)



Note: the trend of our student numbers shows a shift towards an alignment with the national EAP, excluding the representation of male nurses where the percentage has remained reasonably static at an overall 10% of our nursing student profile. Decreasing student numbers have contributed to the shifts illustrated above.

Doctor profile

(%)



Note: of the 137 newly qualified medical doctors recruited in FY2022, 69% are black doctors.

Human and intellectual capital

Our people continued

Learning and development

We have a strong culture of people development. Our nursing qualifications are accredited by the SANC and aligned to the National Qualifications Framework (NQF). The Faculty of Emergency and Critical Care is accredited as a CPD service provider through the University of Johannesburg. It is also accredited to present the American Heart Association courses by the Resuscitation Council of South Africa. In response to limited enrolments on formal training courses, our six-month in-service nursing certificate programmes ensure that our nurses are fully equipped to care for our patients and deliver the best and safest person centred care.

Our leadership programmes serve to develop a diverse pipeline of scarce, core and strategic skillsets needed to deliver our business strategy, drive the development of black people and support succession planning. They are designed to develop the key behavioural traits and abilities we expect of our current and future leaders.

We also invest in workplace experience learnerships and internships to develop technical and artisan skills, preparing unemployed youth for the labour market; whether at Netcare or in the broader healthcare sector.

Our training metrics are calculated for 1 April 2021 to 31 March 2022 as per the legislated measurement year.

FY2022 performance

Nursing and emergency care

- We submitted applications to SANC to accredit our undergraduate training campuses in Gauteng and the Western Cape for primary and mental healthcare programmes. We also successfully applied for increased student numbers on Netcare Education's formal nursing programmes – this is in addition to the SANC appeal lodged in March 2021, which is yet to be finalised.
- We secured a letter of support from the KwaZulu-Natal Department of Health to train 100 students on formal nursing programmes. SANC will accredit the programme to commence training in 2023.
- 20 nursing students successfully completed the academic development bridging course, preparing them for enrolment as registered nurses at Netcare Education (SDP2021: 120).
- Pleasingly, the number of women participating in our emergency medical care programmes has increased as we attempt to redress the stereotypes associated in this male-dominated sector.

Management and leadership development

- 77 talented individuals who have the potential to progress to executive level are enrolled in the Netcare leadership development journey. Participants are receiving greater exposure to the Executive Committee and the Board. 16 executives and senior leaders have started an executive coaching initiative. Four **Leading the Netcare Way** programmes for executives, unit managers and nursing managers commenced early in SDP2022.
- The assessments of the management development programme participants in the SDP2020 and SDP2021 cohorts were completed, with a 100% pass rate across all programmes. The throughput rate for the 2020 programme was 58% improving to 78% for 2021; still below pre-COVID levels with the higher turnover of nurses being a factor.
- Ten senior managers from across the Group embarked on Stanford University's Applied Compassion Training programme.
- Bursaries were provided to 41 employees and students of medical physics, radiotherapy and radiography; aligned with scarce and critical skills needed within the Group (funded by the HWSETA¹).

Internships and other courses

- A 12-month clinical engineering capacity building project is being piloted in Gauteng.
- 7 005 employees attended CPD courses (SDP2021: 5 985).

1. Health and Welfare SETA (HWSETA).

Training interventions

56 067

training interventions delivered.

SDP2021: 25 335

77%

of training invested in formal career-oriented NQF programmes.

SDP2021: 89%

Paramedic training

Four

students were enrolled on a Faculty of Emergency and Critical Care programme with three being new students.

FY2021: one

Nurse training

595

employees enrolled in formal nursing programmes accredited by SANC with 425 being new intakes.

SDP2021: 1 025

439

nurses enrolled on a six-month in-service programme.

SDP2021: 354

Women trained

87%

of employees trained were women.

SDP2021: 86%

Management and leadership development

25

delegates (13 being women) completed the leadership development journey.

13

middle managers enrolled in the senior leadership development programme (a 14-month health systems management programme) graduated this year.

81

delegates enrolled in management development programmes of whom 83% are black, 77% are women and 59% are black women.

SDP2021: 93

57

nursing managers enrolled on **Leading the Netcare Way** of whom 75% are black, 79% are women and 56% are black women.

SDP2021: 53

Netcare Akeso

79

frontline administration and finance personnel participated in the patient centric skills programme.

SDP2021: 131

National Renal Care

14

clinic technology students trained.

SDP2021: 11

Two

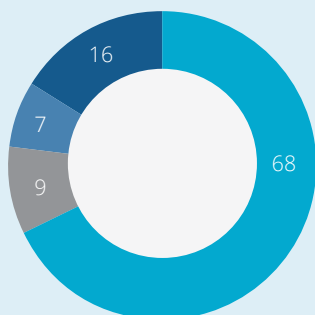
postgraduate clinical technologists trained.

SDP2021: four

Human and intellectual capital

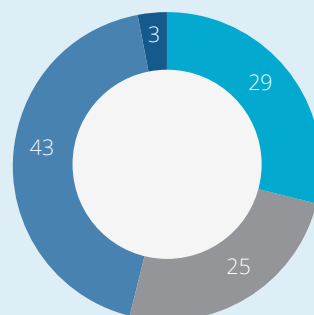
Our people continued

Training spend by category¹
(March 2022)
(%)



- Formal nursing training (SDP2021: 89%)
- Emergency and critical care training (SDP2021: 2%)
- Management and leadership development (SDP2021: 6%)
- In-service² and CPD programmes (SDP2021: 3%)

Training spend per occupational level
(March 2022)
(%)



- Unskilled workers (SDP2021: 37%)
- Semi-skilled workers (SDP2021: 47%)
- Skilled technical and qualified workers, junior managers, supervisors, foremen and superintendents (SDP2021: 13%)
- Professionally qualified and experienced specialists and middle managers (SDP2021: 2%)

1. In FY2021, a category for 'other' training totalled 1%.

2. Includes computer skills, system-related, Care4YOU, legislated training (including OHS and fire safety), diversity and inclusion and CPD training, among others.

Looking forward

Our training spend for skills period April 2022 to March 2023 is budgeted at around R39 million with 54% allocated to formal nursing training, 15% for emergency and critical care training and 12% for pipeline development. Key programmes will be our diploma in general nursing, six-month in-service programmes, management development programmes, resuscitation courses, and negotiator programmes for members of our procurement team. For SDP2023, HWSETA approved R24 million in funding for 315 learners participating in our nursing, pharmacy and various other internships. National Renal Care is collaborating with Netcare Education to develop a six-month short course certificate for registered nurses to provide them with nephrology qualifications.



Digital transformation and data

Our digital transformation is reshaping our entire care offering and will restyle how we interact with people to keep them returning to our ecosystem of services over their lifetimes. This strategy, which pre-dates COVID-19, represents our response to the global healthcare mega trends, which gained in importance and pace during the pandemic.

Behavioural economics is effectively used to support end-user adoption of several of our strategic projects, including those related to the digitisation of the Group. This will enable us to achieve optimal patient outcomes and best clinical and operational governance alongside the best healthcare providers in the world.

The digitisation of the Hospital Division is the largest and most transformative implementation ever undertaken by Netcare. It integrates all aspects of healthcare delivery involving our doctors, nurses, pharmacists, allied healthcare professionals, and all hospital clinical infrastructure, equipment, clinical units, pharmacy, radiology and pathology.

Our datasets are vast and are key to ensuring successful digitisation. Data dimensions include clinical, medication, financial (both costs and billing), personal, employee, IHCW, institutional, physical asset management, procurement and products. Ongoing focus is placed on data quality and governance principles which are managed by various data stewardship forums overseen by the Netcare Data Council.

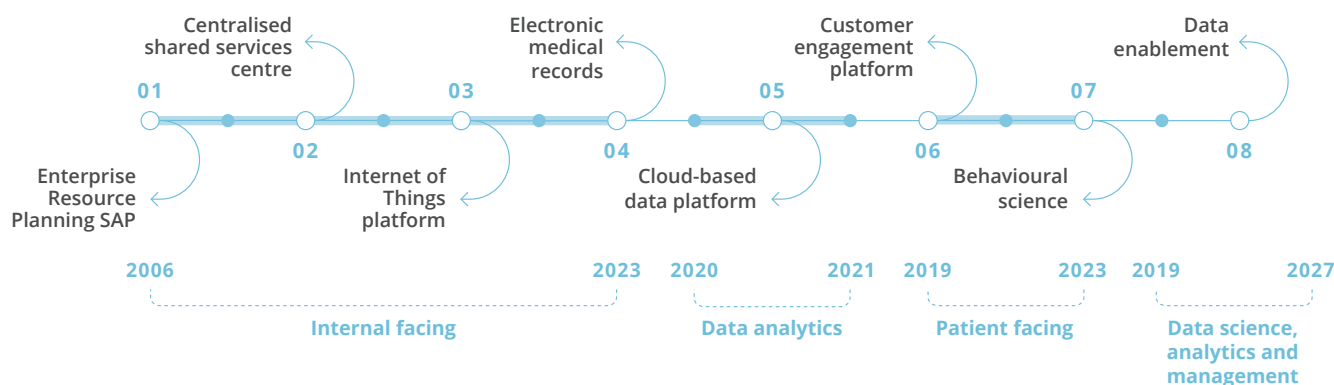
Key focus areas for FY2022

- **Strategic project** Implementing EMRs across our divisions.
- **Strategic project** Implementing a customised customer engagement model (CEM) across all divisions.
- **Strategic project** Implementing a customised infection prevention control and antibiotic stewardship platform.
- Ensuring data quality continuously meets specific quality standards.
- Leveraging data and analytics solutions across various divisions, including NetcarePlus and Netcare Diagnostics, to support clinical and operational decision-making.
- Implementing a number of cyber- and privacy-related projects.
- **Strategic project** Launching a single Netcare website across all divisions.

Associated risks and opportunities

2	Funder regime	PG 61
3	Cybercrime and cybersecurity	PG 62
4	Availability and quality of skills	PG 63
6	Delivering consistently outstanding person centred health and care	PG 65
7	Implementation of the digital and data strategies	PG 66
11	Competitor activity	PG 70

Developing our IT, digital and data architecture

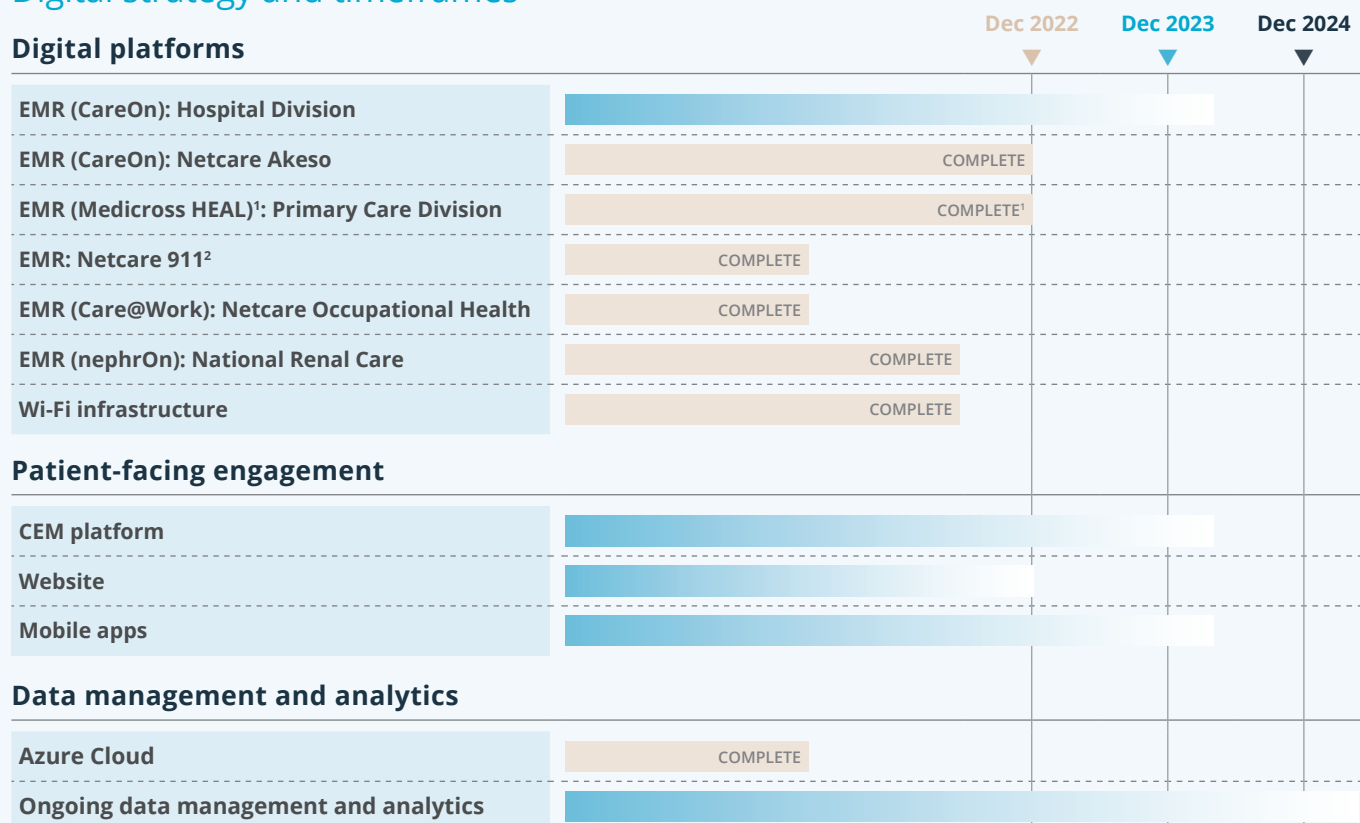


Source: J.P. Morgan Healthcare Seminar

Human and intellectual capital

Digital transformation and data continued

Digital strategy and timeframes



1. Medicross HEAL has been implemented in all targeted medical and dental centres.

2. Netcare 911 operates a highly advanced Emergency Operations Centre capable of locating people in distress, tracking vehicles and providing paramedics with real-time support using video streaming.

Key takeaways for FY2022

Status of CareOn

Strategic project Roll out of the Hospital Division's EMR project – CareOn – progressed well during the year, in line with budget and timelines. We are seeing good adoption by doctors and nurses. Key benefits emerging from the CareOn implementation are improved patient safety, clinical outcomes and patient engagement as well as fewer telephonic orders and fewer prescribing errors to pharmacies.

Cost savings of CareOn

CareOn is set to achieve the efficiencies we predicted. Prior to its implementation our printing and stationery costs and physical storage costs per year amounted to R60 million and R12 million respectively. Our conservative forecast is a cumulative reduction of at least 20% for printing and stationery and 50% for physical storage over 10 years. Savings of R15 million have already been achieved for printing and stationery. Overall medicolegal costs are expected to reduce by between 50% to 60%.

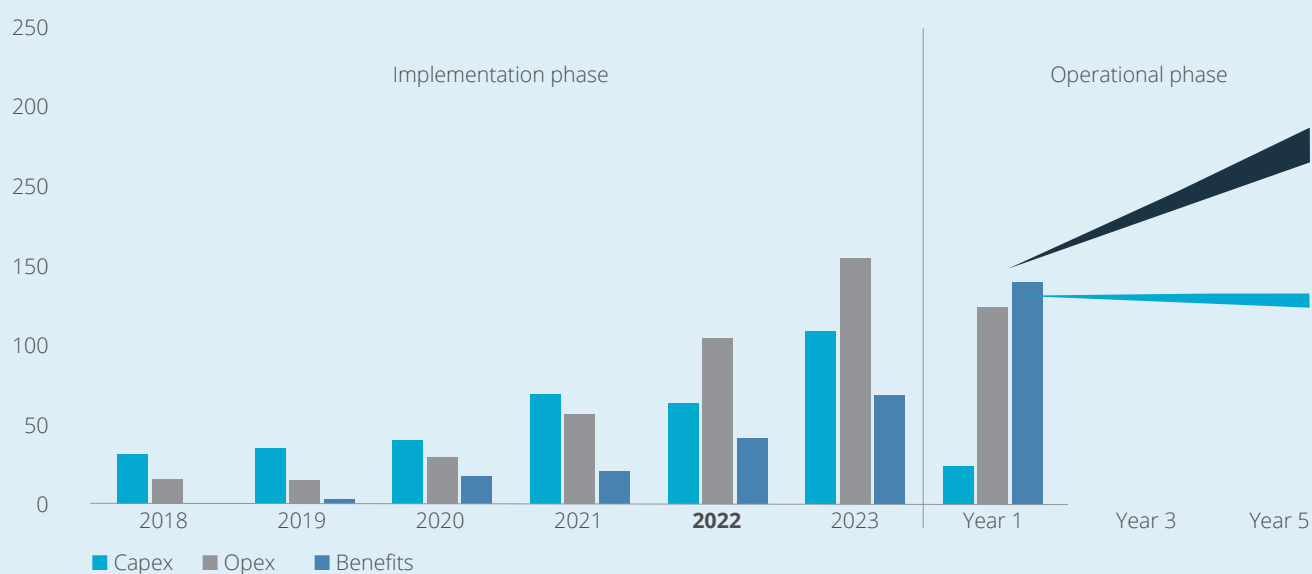
Doctor adoption of CareOn

Doctor adoption of CareOn is measured by monitoring the percentage of electronic scripts issued and the percentage of orders initiated on the system. Both targets were met.

Investment in key digital and data projects (Rm)

	Capital expenditure			Operational expenditure			Benefits
	Up to 2021	2022	2023	Up to 2021	2022	2023	
Digital platforms							Minimum return on investment between 12% and 15%
CareOn	146	53	91	96	87	129	
EMR in other operations	17	12	4		4	5	
Wi-Fi infrastructure	20	58					
Patient-facing engagement							
CEM platform, website and apps			35	34	49	17	Business enablers
Data analytics							
Azure Cloud and ongoing analytics				94	33	51	Business enablers
Total	183	123	130	224	173	202	

CareOn trajectory of planned benefits (Rm)



Human and intellectual capital

Digital transformation and data continued

Digital platforms and data enablement

Customer engagement model	Electronic medical records	Translating data into actionable knowledge
Strategic project The central CEM platform maintains consistent and accurate personal information and, once complete, will act as the authoritative source for all person-related data. For patients, the CEM platform will generate a single, full view of their interaction within the Netcare ecosystem – a unified EMR – which they can access on a user-friendly app or website. The broader public will be able to engage with our full ecosystem of services.  <i>MyNetcare Online: PG 106.</i>	Strategic project Doctors and nurses: EMRs provide access to real-time, accurate information anytime and anywhere. Access to the same clinical data for a patient, enables healthcare practitioners to collaborate and coordinate care to achieve better healthcare outcomes. Doctors are able to electronically request nursing interventions and order and receive results of diagnostic tests. For nurses, the EMR automatically records clinical data from monitors in ICU and high care, replacing manual, paper-based recordkeeping and removing fragmented clinical records. This allows for more time to be spent caring for patients. Patients: seamless access to their EMR will assist patients to make informed decisions and take co-responsibility for their health. Netcare: EMRs will provide the Group with rich clinical data to inform more efficient treatment pathways, enhance clinical outcomes and, most importantly, improve the safety of care. The EMR will become a valuable operational management tool.	The availability of rich data gained from our digital implementations, together with various analytics techniques, will help us address operational challenges and improve efficiencies, develop solutions that proactively detect and manage disease and, in the future, develop personalised patient engagement models. Effective data management is the backbone to successfully delivering our business strategy.

The Board, Audit and Risk Committees each oversee various aspects of digitisation, and are kept comprehensively up to date on the progress of the EMR and data-related implementations. Management committees that provide oversight include the Executive Committee, IT Management Committee (digital and data strategies, risk and opportunity management), the Information Security Management Committee, the Protection of Personal Information Act (POPIA) Steering Committee, Change Advisory Board and the Group Compliance Committee.

FY2022 performance

CEM platform	The Medicross Elixir Live system and National Renal Care's nephroOn system are being onboarded on the CEM platform with three other digital systems (Hospital Division SAP, Netcare 911 case data and MyNetcare Online) already enabled.
Hospital Division	Strategic project CareOn has been fully implemented in 21 hospitals, covering 227 wards, 188 theatres and over 4 800 beds. A further 17 hospital implementations are planned for the end of 2023 and the remaining hospitals will implement CareOn by April 2024. Strategic project Completed the Hospital Division's Wi-Fi infrastructure and firewall project in June 2022. - We are starting to measure user competency of CareOn and helping doctors and nurses to master the platform. - CareOn realised savings of R37 million, which are expected to increase significantly in FY2023. The platform will be value accretive from the second half of FY2024 (net of expenses). - Robotic processes have eliminated manual processing in the central payments division.
Cancer Care	- The project to automate the billing of radiotherapy treatments was completed. - A digital platform for chemotherapy units is under development.
Netcare Akeso	Strategic project The implementation of three Akeso CareOn modules was completed across all 13 facilities, including the newly opened Netcare Akeso Richards Bay. Additional modules, including the doctors module co-created with psychiatrists, will be rolled out by December 2022.
Netcare 911	We installed telemetry enabled monitors across the Netcare 911 fleet, so that a patient's vital statistics can be electronically sent from an ambulance to the receiving facility, preparing emergency department teams in advance of a patient's arrival.
Primary Care Division	- The implementation of the integrated practice management system, Elixir Live, has been successfully completed. Strategic project The roll out of Netcare Medicross' EMR, Medicross HEAL, was completed for all targeted GP and dental centres by September 2022. Feedback suggests that the platforms are viewed positively by doctors, dentists and employees. - Netcare Occupational Health's EMR platform – Care@Work – offers person centred health and care services in the corporate environment. Clients can customise Care@Work to meet their specific needs and it is job specific, providing a personal occupational risk profile for each employee. Phase 1 (booking solution, clinical solution and customer surveys) is complete and Phase 2 (occupational risk exposure, work-related and chronic disease management, among others) is scheduled for completion in December 2022.
National Renal Care	Strategic project National Renal Care's EMR project, nephroOn, was completed in March 2022, implemented in all units and functioning on over 950 dialysis machines. An update of National Renal Care's mobile app, linking it to nephroOn, was released at the same time (see page 144). The app is the forerunner of our strategy to streamline the patient experience and provide patients with their health and care data. - Wi-Fi infrastructure was rolled out to all National Renal Care units.
One Netcare website	Strategic project Five key projects were prioritised for development on the One Netcare website: improving the quality of care webpages, the re-design and consolidation of existing divisional websites into one single platform (Netcare.co.za), a re-design of our services pages and home page, and the implementation of smart search functionality across the Netcare ecosystem. Netcare appointmed™, NetcarePlus and online pre-admissions are driving website visits. - We shifted our social media strategy from prioritising reach and awareness to driving engagement and building a base of followers.
Data management and analytics	- Data profiling, data quality monitoring and remediation actions were implemented for the Group's critical data, resulting in a combined data quality score of 81.3% against a FY2022 target of over 80.0% across our data domains. - Initiatives were implemented to support the effective management of data through its lifecycle. - A number of data and analytics solutions were developed using data from various digital and EMR platforms. We also implemented tools to enhance the reporting of our clinical measures, and extract key insights from our patient feedback survey (see page 104 of <i>our patients</i>) and other digital platforms.
IT skills	An external benchmark was conducted for IT and data skills which indicated that our value proposition for IT professionals compares well to the market.

Human and intellectual capital

Digital transformation and data continued

Measure of healthcare practitioner adoption

100%

of hospitals where CareOn has been implemented have met our digital process target.

Target: <30% of orders and prescriptions to be telephonic three months after CareOn implementation

CareOn training

15 175

doctors, allied healthcare professionals, nurses, pharmacists and administration personnel received training on CareOn.

Scale of CareOn implementation

>7 000

medical devices connected to EMRs (monitors, infusion pumps, anaesthetic machines, etc).

8GB

of clinical data generated per day and growing.

>13 700

active users (2 170 doctors, 9 470 nurses, 1 050 allied healthcare professionals, 655 pharmacists and 430 administration personnel).

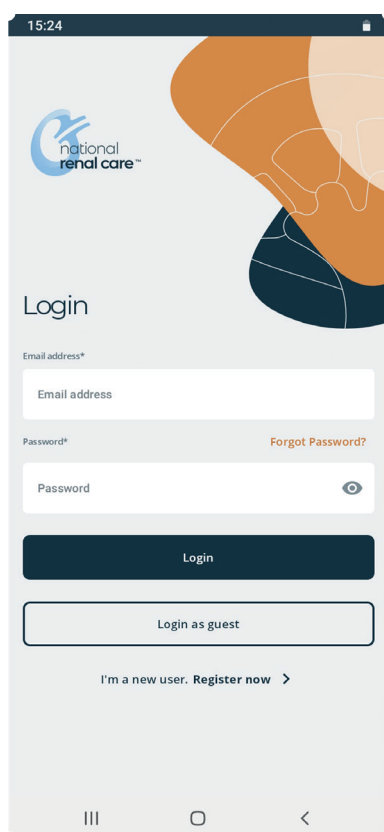
>1.1 million

electronic scripts processed, >900 000 drug-to-drug alerts issued and ~1 million pathology and radiology results received.

>1 900

concurrent users of live EMR data.

National Renal Care



National Renal Care's mobile app provides patients with their treatment records after each dialysis session – admission, transfer and discharge; clinical observations; quality and safety interventions; blood tests; and patient activity and achievements. It also provides dietary and lifestyle advice.

Electronic integration of dialysis machines and treatment protocols will increase patient safety and improve clinical outcomes, resulting in lower cost of care.



Cybersecurity and privacy

Our digitisation journey places increasing reliance on IT systems to process personal information. It is imperative that we safeguard our information assets and protect personal information in our day-to-day business operations. Our challenge is to ensure that our IT systems and data are adequately secured without impeding access to patient information for healthcare facilities and doctors.

Netcare has adopted a hybrid approach to cybersecurity, with an experienced internal cybersecurity team complemented by external experts, and our best of breed technologies complemented by control frameworks. This approach continues to stand us in good stead in safeguarding our information and detecting, preventing and responding to security violations. A robust set of metrics is used to monitor our cybersecurity performance, and our controls are regularly verified internally and externally to ensure their effectiveness. A dedicated team and established process governs instances of non-compliance with our privacy policies and procedures, ensuring they are documented, reported and, where required, corrective measures are taken.

Our cybersecurity and privacy frameworks ensure that we can effectively monitor, govern and enforce best practice policies, comply with applicable privacy and data protection laws, and appropriately respond to and recover from cyber-related incidents and prevent or minimise data loss.

FY2022 performance

Cybersecurity and privacy

- There were no known cybersecurity breaches or material data loss incidents (FY2021: none).
- We benchmarked our cybersecurity performance against industry and global peers, achieving a higher performance rating than the respective averages.
- Some of our cybersecurity-related projects include:
 - Proactive and continuous testing and evaluation of our systems.
 - The development of playbooks to outline the processes required in the event of a security incident.
 - Migration to a new 24/7 Security Operations Centre and Security Incident and Event Management platform.
 - Development of strategic third-party cybersecurity assessments.
- We continued to educate our people about cybersecurity risks, using various awareness-raising mechanisms including simulated phishing campaigns.
- Conducted an internal audit review of the effectiveness of our controls to protect personal information.

Governance of personal information

33

POPIA Steering Committee members ensure that our privacy compliance obligations are met.

56

POPIA working group members.

POPIA training

>15 300

employees trained on POPIA and their obligations to protect personal information.

POPIA assessments

10

internal POPIA assessments undertaken across divisions.

Six

assessments against the European Union General Data Protection Regulations.

213

third-party assessments.

Human and intellectual capital

New business development

We are leveraging our ecosystem of services, capabilities, facilities and infrastructure to reach new markets and make quality private healthcare that is affordable, convenient and integrated a reality for more South Africans. NetcarePlus underpins this strategic priority. As an end-to-end platform that integrates financial services with healthcare products, NetcarePlus provides a new and affordable way for those who are employed but not adequately covered by insurance or medical aid to access private healthcare.

Our online products are accessible through multiple channels, can be purchased in under five minutes and the predetermined price removes uncertainty (there are no hidden costs). The network of trusted healthcare practitioners who support NetcarePlus includes providers practising at Netcare and independent healthcare providers. Participating doctors have the opportunity to increase patient volumes with gap cover for non-network co-payments at Netcare facilities, and validated vouchers that guarantee payment. They also have access to some of our digital channels such as **appointmed™** and Netcare VirtualCare (telehealth).

NetcarePlus and Netcare Diagnostics – which supports a new black woman-owned pathology service provider, Dr Esihle Nomlomo Inc. – are the Group's growth initiatives. Both are starting to gain traction in their markets.

Key focus areas for FY2022

- Improving NetcarePlus product sales and call centre management.
- Establishing Netcare Diagnostics.

Associated risks and opportunities

- | | | |
|-----------|---|---|
| 1 | Economic environment and demand for private healthcare |  PG 60 |
| 11 | Competitor activity |  PG 70 |

Key takeaways for FY2022

NetcarePlus cost base

While still in its early stages, NetcarePlus is gaining traction with growing demand for these innovative healthcare products that will support the Netcare ecosystem. We continue to carefully manage the business's cost base, with operational costs in FY2022 totalling R53 million. Costs for FY2023 are forecast to be around R50 million.

Building NetcarePlus

To support the viability of this new business, we continued to expand the NetcarePlus product portfolio and add resources. We also launched a targeted marketing campaign, and are optimising the digital channels that provide access to the NetcarePlus products.

Netcare Diagnostics

The benefits of our new pathology offering include a high level of accuracy, point-of-care testing and reduced cost of pathology. During FY2022, the business gained traction and made a positive contribution to EBITDA¹.

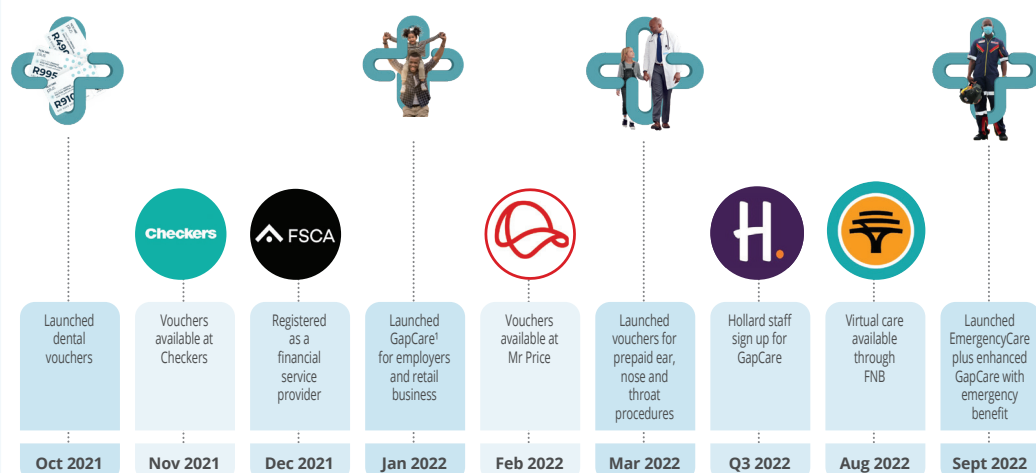
1. Earnings before interest, taxes, depreciation and amortisation (EBITDA).

FY2022 performance

NetcarePlus

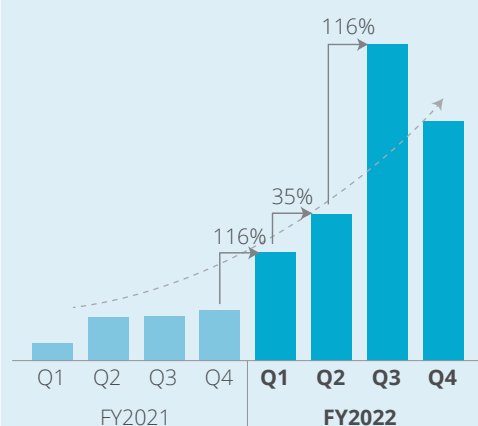
- The accident and trauma cover underwritten by Hollard is performing well. The product includes a family care benefit of R20 000 per beneficiary as well as trauma counselling.
- A network of specialists was onboarded to support NetcarePlus dental vouchers and ear, nose and throat prepaid acute offering; launched this year.
- We have developed a solid distribution platform, including partnering with a number of leading retailers and financial services companies, to expand product reach.

NetcarePlus progress in FY2022

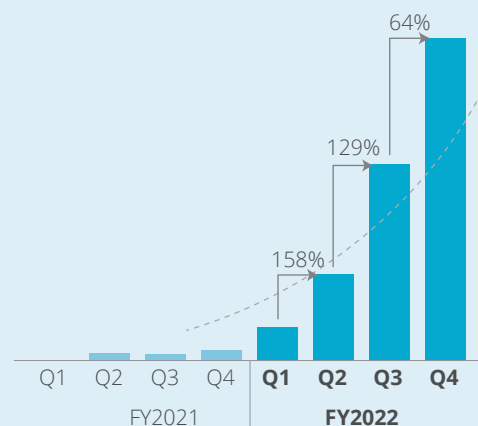


1. A range of three gap cover products underwritten by Hollard. Key product differentiators include emergency medical cover beyond accidents, out-of-hospital specialist cover and extension of day-to-day benefits, enhanced maternity benefits and unlimited cover for co-payments in Netcare hospitals with no upfront payments.

NetcarePlus voucher sales



NetcarePlus insurance sales



Human and intellectual capital

New business development continued

Netcare Diagnostics

- 130 blood gas analysers have been deployed in our intensive care and high care units, and a point-of-care solution piloted in two emergency departments allowing for accurate pathology tests. A dedicated resource has been appointed to engage with doctors on the adoption of the service and build relationships between hospital management and the pathology provider. The number of blood gas tests performed to date was higher than expected.

Looking forward

As NetcarePlus gains momentum, we have a pipeline of prepaid products to be launched in FY2023, including general, gynaecological and orthopaedic surgical procedures. We will enhance our accident and trauma product to cover the costs of treatment related to medical emergencies such as strokes and heart attacks. We will also extend the call centre network to facilitate better customer experience and support business growth. Dr Eshle Nomlomo, supported by Netcare Diagnostics, will be rolling out a variety of validated and quality assured analysers at points-of-care across several of Netcare's accident and emergency departments in FY2023.

Manufactured capital

Estate and medical equipment

Our facilities, infrastructure and medical equipment give us unparalleled reach, scale and ability to serve South Africans. A great proportion of our capital expenditure is allocated to upgrade, replace and maintain our estate and medical equipment, as a cornerstone of our value proposition to patients, doctors and funders. In line with growing mental healthcare needs we intend to grow the Netcare Akeso network.

Our established long-term capital management policies ensure a disciplined approach to financial investment. Financial models are used to stress test our operating and financial assumptions to inform decision-making related to additions, upgrades and replacements of our asset base. Board approval is required for projects exceeding R50 million.

Key focus areas for FY2022

- Opening Netcare Alberton Hospital and Netcare Akeso Richards Bay.
- Investing in projects that drive revenue growth, and ensure operational excellence and cost efficiency.
- Optimising the utilisation of our existing estate.
- Ensuring that our plant and medical equipment deliver optimal sustainable performance and comply with SHEQ requirements.

Associated risks and opportunities

- | | |
|---|---|
| 6 Delivering consistently outstanding person centred health and care |  PG 65 |
| 11 Competitor activity |  PG 70 |

Key takeaways for FY2022

Capital expenditure in FY2022

Capital expenditure in FY2022 totalled R1.4 billion, meeting budget. Key projects were the Netcare Alberton Hospital, the Hospital Division's Wi-Fi and firewall project, and an IT clinical system project (FY2021: R1.1 billion).

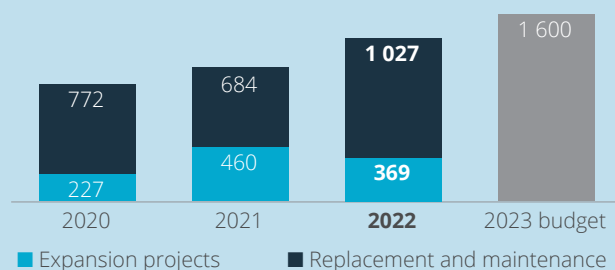


Chief financial officer's review: PG 162

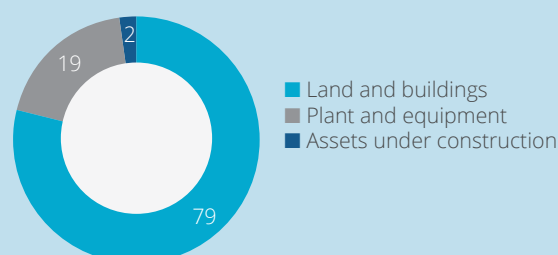
Capital expenditure guidance

Overall capital expenditure guidance for FY2023 is R1.6 billion, allocated to expansion (Netcare Akeso and Netcare Cancer Care), digital and strategic projects as well as the capital required to improve the look and feel of our facilities and maintain the quality of our medical equipment. A portion of this capital expenditure includes projects that were put on hold during the pandemic.

Capital expenditure (Rm)



Carrying value of property, plant and equipment (%)



Manufactured capital

Estate and medical equipment continued

FY2022 performance

Hospital Division

- No new beds were commissioned.
- We upgraded Netcare Garden City (ICU), Netcare Parklands (emergency department), Netcare Pretoria East (theatre HVAC¹ system), Netcare St Augustine's (foyer), Netcare Umhlanga (catheterisation laboratory) and Netcare Unitas (neonatal ICU) hospitals. We are also upgrading the emergency department of Netcare Ferncrest Hospital, which will take two years to complete.
- A new chemotherapy unit was opened at Netcare St Anne's Hospital in April 2022.
- The Netcare Ceres (28 beds), Netcare Bougainville (60 beds) and Netcare Optiklin (14 beds) hospitals were closed as they were not meeting our return on invested capital (ROIC) expectations. They are in the process of being sold.
- Major hospital projects planned for FY2023 will focus on medical equipment and monitors, and various upgrades of wards, theatres, emergency departments and infrastructure. Key projects include:
 - Expanding Netcare Milpark Hospital's oncology unit and upgrading the Gamma Knife unit.
 - A major theatre upgrade at Netcare St Augustine's Hospital.
 - Preparation for six major ward upgrades for Netcare Unitas Hospital (two upgrades a year) starting in FY2024.
 - A five-year upgrade project for Netcare Sunninghill Hospital.
 - A 35-bed medical ward upgrade at Netcare Parklane Hospital.
 - A cancer care unit at Netcare Alberton Hospital.

1. Heating, ventilation and air-conditioning (HVAC) system.

Netcare Alberton Hospital



Netcare Alberton Hospital opened in April 2022¹ with occupancies in excess of 80% to date.

427 beds including 135 ICU and high care beds.

Level I² accredited accident and emergency department.

Two emergency helicopter pads.

A solar photovoltaic (PV) system able to provide 2GWh of electricity a year – equivalent to 76 000 energy efficient light bulbs burning for a year and saving R4 million a year.

A greywater treatment plant capable of reducing water consumption by up to 60% (pending municipal approval).

1. The relocation of the Netcare Union and Netcare Clinton hospitals into one facility.
2. Accredited by South African Trauma Society.

Netcare Akeso

- We opened the 36-bed Netcare Akeso Richards Bay facility in May 2022.
- 36 new beds were commissioned.
- Looking ahead, we expect to open Netcare Akeso Gqeberha in Eastern Cape (72 beds) by May 2023 and Netcare Akeso Polokwane in Limpopo (87 beds) in May 2024. In addition, in line with our strategy to optimise beds in the acute segment and address the strong demand for mental health in KwaZulu-Natal, we will introduce mental health beds in the Netcare Alberlito Hospital.

National Renal Care

- National Renal Care opened a home therapy centre in Richards Bay and a paediatric centre in Sandton in October 2022 with five stations.

Looking forward

Capital expenditure will moderate from FY2024, settling at the investment needed to maintain our estate (approximately R1 billion).

Facilities and assets

Hospital Division

Owned and managed acute hospitals

	2022	2021	2020
– Registered beds	9 903	10 005	9 986
– ICU and high care beds	1 359	1 907	1 885
– Wards	525	505	477
– Theatres	343	349	349
– Emergency departments	38	40	41
– Hybrid theatres, catheterisation and electrophysiology laboratories	34	34	34
– Cancer care centres	16	15	15
Mental health hospitals	13	12	12
– Registered beds	935	891	891
Medicross day clinics	12	12	15

Primary Care Division

Medicross centres and Netcare Occupational Health clinics

	2022	2021	2020
Sub-acute facilities	1	1	2

Netcare 911

	2022	2021	2020
Emergency bases	87	82	82
Vehicles	239	215	211
Helicopter ambulances	8	8	8

National Renal Care

	2022	2021	2020
National Renal Care units	71	69	68
Dialysis stations	971	956	979