

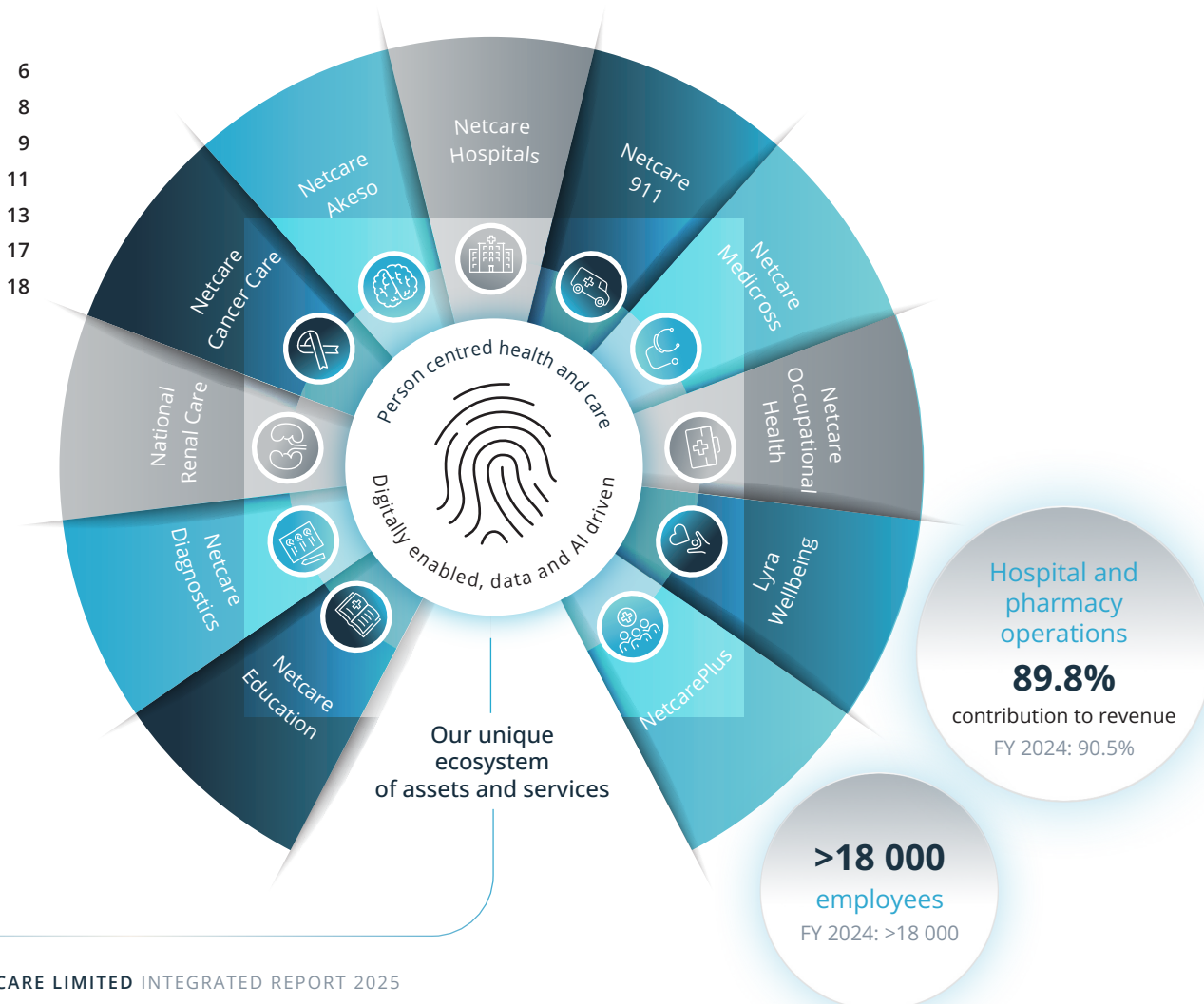
01

OUR BUSINESS

Who we are

The Netcare Group is a leading provider of private healthcare services in SA. We provide acute services across our national network of hospitals and are the market leader in mental health services. We provide emergency, cancer care, diagnostic support, primary care and renal care as well as occupational health and wellness services. We improve access to affordable high-quality healthcare through NetcarePlus, and Netcare Education develops healthcare professionals in nursing and emergency medical services.

Who we are	6
Where we are	8
What differentiates Netcare	9
Our business model	11
Our stakeholders	13
Our strategy on a page	17
Our material matters	18



Who we are continued

Private hospitals



Services

- Multi-disciplinary acute medical facilities with centres of excellence, cancer care, rehabilitation, day clinics and emergency and trauma departments.
- Pharmacies for the management and dispensing of medicine.
- Multi-disciplinary mental health facilities and crisis line.
- A free telephonic doctor and specialist appointment booking service.
- Nursing education and emergency and critical care colleges.

Hospital Division

49 acute hospitals
FY 2024: 49

9 831 beds
FY 2024: 9 827

10 day clinics
FY 2024: 11

Netcare Cancer Care

7 radiation centres
FY 2024: 9

8 haematology centres
FY 2024: 8

Netcare Akeso

14 mental health hospitals
FY 2024: 14

1 007 beds
FY 2024: 1 007

Emergency services



Services

- Pre-hospital road and air emergency services and patient transfer between medical facilities.
- National EOC¹ with geolocation capabilities.
- Contracted health, safety and risk management services for corporates.
- Contracted management of the emergency services of client medical schemes.

91 emergency sites

FY 2024: 93

231 ambulances and emergency response vehicles

FY 2024: 240

4 helicopter ambulances
FY 2024: 4

3 fixed wing aircraft
FY 2024: 5

Primary care



Services

- Medical and dental centres providing access to GPs, dentists, radiology, pathology and allied healthcare professionals as well as pharmacies.
- Occupational health, travel and wellness services to contracted employer groups (banking, mining, manufacturing and health sectors).
- A free telephonic doctor and dentist appointment booking service.

Netcare Medicross

63 primary healthcare facilities
FY 2024: 63

Netcare Occupational Health

50 occupational health service contracts
FY 2024: 47

Other products and services

Affordable healthcare products

Integrates funding solutions with the provision of care to offer affordable insurance and prepaid products that allow patients to access private healthcare.



~1 300 healthcare practitioners support the NetcarePlus network

Diagnostics

Digitised and integrated point-of-care pathology testing services.



163 service points

FY 2024: 154

Employee wellness²

A holistic offering of people-focused solutions, preventative care and counselling services for employers who prioritise the wellbeing of their workforces.



1 044 clients

FY 2024: 1 120

1.0 million lives covered³

FY 2024: 2.1 million

Renal care

Dialysis services for patients with compromised kidney function.



78 chronic renal dialysis facilities **181** acute renal dialysis sites

FY 2024: 75

FY 2024: 177

11 home therapy centres

FY 2024: 11

1 047 dialysis stations

FY 2024: 1 013

1. EOC: Emergency Operations Centre.

2. Lyra Southern Africa, previously Independent Counselling and Advisory Services (ICAS) Southern Africa.

3. The reduction in lives is due to the non-renewal of a corporate contract.



Where we are



- Netcare acute hospitals
- Netcare 911 bases
- Netcare Akeso hospitals
- Netcare Cancer Care centres
- Primary care facilities
- National Renal Care facilities



Facility	Netcare acute hospitals	Beds	Netcare 911 bases	Netcare Akeso hospitals	Beds	Netcare Cancer Care centres	Primary care facilities	National Renal Care facilities
Eastern Cape	2	489	3	1	72		5	10
Free State	4	408	5				1	4
Gauteng	26	5 585	24	4	415	10	20	29
KwaZulu-Natal	10	2 003	9	3	176	3	15	14
Limpopo	1	200	12					3
Mpumalanga			26	1	75		2	1
North West	1	211	7				2	2
Northern Cape			1				2	1
Western Cape	5	935	4	5	269	2	16	14



What differentiates Netcare

We attract higher acuity hospital admissions due to our specialised centres of excellence, many accredited by various standard setters.

ISO 9001:2015 certification

The only healthcare Group in SA with Group-wide ISO 9001:2015 certification from the British Standards Institution (our competitors have ISO certification in select divisions only)

Leader in trauma care in SA

38 emergency departments

31 with Trauma Society of South Africa accreditation (Levels I, II and III)¹

Only hospital group in SA with four Level 1 accredited trauma centres²

Netcare Alberton
Netcare Christiaan Barnard Memorial
Netcare Milpark
Netcare St Anne's

Only dedicated private burns unit in SA

Netcare Milpark Hospital
(internationally accredited)

1. Aligned to the American Trauma Society accreditation principles.
2. Capable of providing leadership and total care for every aspect of injury, from prevention through to rehabilitation, and have 24-hour availability of all major specialties with a trauma surgeon as director.
3. **SANC:** South African Nursing Council.

Leader in transplants

Four transplant centres for hearts, lungs, livers and kidneys

Only paediatric heart transplant centre in SA
at Netcare Christiaan Barnard Memorial Hospital

Excellence in cancer care

Breast Cancer Centre of Excellence at Netcare Milpark Hospital accredited by the American College of Surgeons

The only Gamma Knife in Africa at Netcare Milpark Hospital

Netcare Pretoria East Hospital

The largest dedicated private haematology and bone marrow transplant facility in SA, which is also the only internationally accredited unit in SA

World Stroke Organization accreditation

Netcare Garden City and Netcare Blaauwberg hospitals

The first two facilities in Africa and SA to achieve accreditation

Largest private provider of primary care

Netcare Medicross has an unrivalled national footprint

Specialised care

Largest extracorporeal membrane oxygenation centre in SA at Netcare Milpark Hospital

Specialised paediatric critical care and head injury/drowning services at Netcare Garden City, Netcare Alberton and Netcare Waterfall City hospitals

The only intraoperative CT and MRI spinal and neuro surgery units at Netcare N1 City and Netcare Milpark hospitals

Dedicated cerebral palsy clinic at the Netcare Waterfall City Hospital

Robotic-assisted laparoscopic surgery units across multiple hospitals

A leading provider of emergency medical services

The only emergency service in Africa that is fully digitised with all emergency transport having telemetry capabilities

Netcare 911 received the Diamond Award at the 2025 EMS Angels Awards – the highest level of recognition for excellence in pre-hospital stroke care

A leading provider of private healthcare education and training

5 nursing education colleges
2 emergency and critical care colleges
53 192 students trained since 1999

Our nursing qualifications are accredited by SANC³ and aligned to the National Qualifications Framework. The Faculty of Emergency and Critical Care is accredited through the University of Johannesburg and is also accredited to present American Heart Association courses by the Resuscitation Council of South Africa

National Renal Care has **five** training academies and **19** facilities accredited to train clinical technology students

NetcarePlus

Ranked as the top performer in the Medical Insurance category of the prestigious **Ask Afrika Orange Index 2024/2025** – testament to NetcarePlus' unwavering commitment to providing accessible and affordable healthcare solutions



What differentiates Netcare continued

Best reporting practice

The 2024 Integrated Report ranked ninth in the EY Excellence in Integrated Reporting Awards

— Expanding the Netcare digital dividend —

A digital strategy that will deliver competitive advantage

The digital transformation of Netcare is based on world class technology solutions and is starting to be recognised as a competitive advantage

EMRs are available across seven Netcare divisions, with all acute hospitals and mental health facilities digitised

Shareholder returns

A well-known and respected South African brand with a strong statement of financial position, strong cash generation, disciplined capital allocation and a superior ordinary dividend payout ratio

Returned **R1.8 billion** to shareholders in dividends and share buybacks

Africa's largest healthcare environmental sustainability programme

Exceeded the ten-year targets of our 2023 environmental sustainability strategy started in FY 2013 – reducing energy intensity per bed by 39%, achieving cumulative operational savings and cost avoidance benefits of over **R1.5 billion** and yielding an IRR¹ of 40%

Netcare Christiaan Barnard Memorial holds a **five-star water rating** from the City of Cape Town



First healthcare organisation in Africa to join the UN's Race to Zero 2050 Challenge

South African Energy Efficiency Confederations

Runner up for the International Corporate Company of the Year 2025
Runner up for the Innovative Project of the Year 2025

Recognition for environmental sustainability

Association of Energy Engineers
Global winner of the AEE² 2025 Corporate Energy Management International Award, which spans all sectors

54 local and international awards for environmental sustainability since 2013, affirming our long-standing commitment to innovation, sustainability and meaningful impact

Health Care Without Harm



Netcare achieved **Gold in climate resilience and climate leadership** and **Silver in climate mitigation**³

Certified as a Top Employer



The survey is managed and analysed by the Top Employers Institute – the international authority on HR strategies and certification



Recognised as a top employer for 2025 in SA's healthcare sector that students most want to work for

6 000 students nationwide voted in the survey

The awards highlight companies that excel in workplace culture, career growth opportunities and employer reputation

1. IRR: internal rate of return.
2. AEE: Association of Energy Engineers.
3. Awards are presented to members of Global Green and Healthy Hospitals, an international network that promotes healthcare without harm. The network comprises over 2 000 members in 86 countries and more than 70 000 hospitals and health centres.

Our business model

Our inputs¹

FC Financial capital	HC Human capital	IC Intellectual capital	SRC Social and relationship capital	MC Manufactured capital	NC Natural capital
Resources and relationships					
- Equity capital from shareholders: R10 988 million. - Financial resources available: - Net cash: R1.9 billion. - Unutilised debt facilities: R5.2 billion.	- An experienced leadership team. - A diverse workforce of >18 000 employees. - Salaries paid: R9 764 million. - Training and development spend: R70 million. - A values-driven and ethical culture that promotes meaningful work, connectedness, belonging and compassion.	- Innovation capability and institutional knowledge. - Consistency of care, digital, data and AI, cybersecurity and new business innovation strategies. - Strength of the Netcare brand and reputation. - Management systems. - Governance and control frameworks.	- Personalised digital patient engagement. - Longstanding and mutually beneficial relationships with our key stakeholders who support our ability to live our purpose, deliver our strategy, maintain our regulatory and social licences to operate and create shared value. - Sharing our expertise with business associations, government and regulators on UHC² in SA.	R15 billion in property, plant and equipment: - Facilities including training facilities. - Vehicle fleet. - IT architecture. 72 solar PV systems, 45 boreholes with seven filtration plants, indirect feed reverse osmosis plants and a desalination plant. - National infrastructure on which we depend (power, water, roads and waste).	1 482 megalitres of water, including borehole water and desalinated seawater. 208 721 MWh of energy; 16 438 MWh being from renewable sources. 2030 environmental sustainability strategy: capex of R69 million and operational costs of R13 million.
Constraints to securing inputs					
- Balancing profitability against the financial capital needed to achieve strategic objectives in a tough economic environment. - Financially constrained consumers. - Rising operational costs (due to inflation, employee retention strategies and exchange rate) relative to tariffs.	- Diverse talent in a competitive market. - Emigration among skilled professionals and international remote work opportunities. - Increasing levels of mental health and financial challenges among employees. - Regulated limits on nurse training numbers.	- Consistent quality of care across the Netcare ecosystem. - Specialised and scarce skill sets (nursing, emergency care, digital, data analytics). - User acceptance of digital offerings. - Increasing healthcare-related cyberattacks. - Regulatory challenges associated with new business development.	- Balancing differing stakeholder interests. - Uncertainty in the healthcare system due to the introduction of NHI³, stifling investment. - Medical schemes under financial pressure. - Limited local manufacture of medical supplies (medicines and devices).	- Balancing asset heavy and asset light service provision. - Poor state of SA's national infrastructure.	- Availability of financial capital to transition to cleaner technologies. - Gaining municipal approval to implement wastewater treatment facilities. - Cost and availability of electricity and water.
Risks: BR1, BR2, BR3, BR4, BR6, BR7, BR8, BR11  CFO review: page 83 .	Risks: BR2, BR6, BR7  Human capital: page 91 . Our people: page 101 .	Risks: BR2, BR4, BR5, BR6, BR9  Intellectual capital: page 95 .	Risks: BR1, BR2, BR5, BR6, BR7, BR8, BR9, BR10  Our stakeholders: page 13 .	Risks: BR3, BR6, BR8, BR9, BR10, BR11  Where we are: page 8 . Manufactured capital: page 109 .	Risks: BR3, BR6, BR11  Natural capital: page 112 .

1. Our inputs are year-end balances. 2. UHC: universal health coverage. 3. NHI: National Health Insurance. Note: our business risks can be found on [page 64](#).

Our business model continued

Our business activities	How we enhance this capital	Our outcomes
ACCESS TO CARE  Need for primary, acute, mental health or emergency care  Book an appointment or call an ambulance  Choose facility  Pre-admission  Admission CONSISTENCY OF CARE  Diagnosis  Treatment  Recovery GUIDED CARE  Discharge  Follow-ups  Ongoing treatment	FC - A strong statement of financial position with sufficient inflow of capital to support the Group's operations and strategy. - A disciplined capital allocation framework. - Continuous focus on operational efficiencies. HC - Driving diversity, equity and inclusion. - Fair and equitable remuneration and reward. - Employee wellness programmes. - Establishing good relationships with employee representatives. IC - Managing data, systems, processes and procedures to develop, monitor and deliver quality clinical outcomes and continuous clinical improvement. - Investing in data analytics. SRC - Effective and transparent stakeholder engagement and reporting to maintain trust. - Ethical and compliant business conduct. - Processes to manage stakeholder concerns, complaints and grievances. - Digital engagement that is easy and convenient. - Inclusive relationships and collaboration to address inequality and socioeconomic challenges in SA.	Capital to expand into higher-demand disciplines. Steady financial performance. Shareholder returns. Continued arbitrage between annual funder tariff escalation versus operating expenses, some of which rise significantly above inflation, placing pressure on EBITDA margins. A skilled, engaged and motivated workforce that lives the behaviours of <i>the Netcare Way</i>. A robust succession pipeline. Nursing shortages and high patient-to-nurse ratios, leading to emotional fatigue, burnout and stress and higher turnover in this group of employees. Best and safest person centred health and care that is participatory and aligned to international standards. Inclusion in restricted provider networks. Access to world class healthcare at an affordable price, enhancing our brand, reputation and competitive advantage. Integrated systems that support coordinated care across the Netcare ecosystem, reducing duplication and improving efficiency. Data that supports research and guides clinical decisions for better outcomes. Strong stakeholder relationships and patient experiences that deliver a competitive advantage and support business growth. Partnerships with highly skilled specialists that support patient volumes. Inclusion in restricted provider networks. A secure supply of clinically appropriate consumables and pharmaceuticals. Programmes that provide medical procedures to indigent patients. Collaboration with public healthcare authorities at national and provincial levels. Limited progress in advancing collaborative solutions toward UHC in SA.
Our outputs Products and services Quality healthcare services and products benefiting patients, employer groups, doctors, private healthcare funders and the public health sector. Waste - Emissions: 767 472 tCO₂e¹. - HCRW² to landfill: 3 205 tonnes. - General waste to landfill: 1 349 tonnes. 1. Tonnes of carbon dioxide equivalent. 2. HCRW: healthcare risk waste.	MC Investing in: - Specialised healthcare facilities and expansionary projects. - Advanced medical equipment, facility upgrades and asset maintenance. NC Investing in: - Projects that support the efficient use of natural resources. - Waste recycling initiatives.	Well maintained equipment and facilities. Latest medical equipment and technologies. A secure supply of electricity and water and a contribution to environmental improvement. Enhanced national healthcare infrastructure. A defined pathway to becoming carbon neutral. Safeguards against health risks arising from toxic waste. Cost savings from efficient use of natural resources. Increased electricity consumption from digitisation and AI processing.



Our stakeholders

Our patients

Medically insured, self-pay, government-funded and foreign patients.

Our person centred health and care approach sets the foundation from which to establish lifelong relationships with our patients, allowing us to grow the embedded value of our offering and supporting our strategic priority to grow market share.

Quality of our patient relationships

Our independently validated patient feedback surveys measure the quality of our patient relationships. The results are used to address areas of suboptimal performance and identify and learn from facilities that are performing well. Surveys align to our core values and the behaviours we seek to encourage in our people and see reflected in the patient experience.

Risks that can impact these relationships
BR1, BR2, BR3, BR4, BR5, BR6, BR9, BR10, BR11

How we engage

- Person centred care teams.
- Patient focus groups and listening forums.
- Various digital platforms (eg digital PFS¹, MyNetcare Online (patient portal), the Netcare App, the ONE Netcare website and social media).
- **appointmed™** (appointment booking system).
- Summary of Care reports.
- CareNet (complaint management system).

Patient needs, concerns and expectations

- Excellence in quality and safety of care and patient experience.
- Post-discharge recovery support.
- Competent, compassionate and professional healthcare practitioners.
- The highest level of medical ethics.
- Our inclusion in medical scheme network options.
- Data privacy and protection.
- Affordable healthcare services.

How we create and preserve value for our patients

- Experienced specialists and doctors.
- Cutting-edge medical technology and specialised centres of excellence.
- High-quality clinical procedures and processes.
- Skilled, caring and compassionate nurses and employees.
- Enhanced patient safety (predictive and preventative) from digitised healthcare and our vast store of data.
- A secure supply of energy and water at our facilities.

Strategic
underpins



Our people

Nurses, paramedics and pharmacists; support, operational, IT and administration teams; contracted employees and the labour unions that represent our employees.

Our people do crucial work; their expertise, wellbeing and resilience are key to achieving the best health and care outcomes for our patients and delivering on our strategic priorities.

Quality of our employee relationships

Engagement surveys assess the lived experience of our employees and our engagements with trade unions help us identify barriers to positive and productive employee-employer relationships. The feedback received is used to implement targeted programmes to enhance the work experience.

Risks that can impact these relationships
BR2, BR3, BR4, BR6, BR9, BR10, BR11

How we engage

- Employee engagement surveys and performance reviews.
- Care4YOU programme and wellbeing initiatives.
- Online diversity and inclusion programme.
- MyNetCareer platform.
- Many other initiatives (eg CEO strategy updates, employee recognition events etc).
- National consultation forums with trade unions.

Employee needs, concerns and expectations

- A safe, caring, compassionate and empowering work environment.
- Equal training, development and career progression opportunities.
- Fair and transparent labour practices.
- The impact of digitisation and automation.
- Financial wellbeing support in a challenging economic environment.
- Trusted and supportive leadership.
- Working for a responsible corporate citizen.
- Trade unions: remuneration, employee benefits, employment equity, open and transparent negotiations and employment terms and conditions.

How we create and preserve value for our people

- An inclusive and caring culture that meaningfully encourages, recognises and rewards outstanding performance and contribution and provides equal opportunities.
- Career advancement.
- Upskilling to digitally enabled ways of working.
- A safe clinical environment.
- Employee wellness programmes.
- Transparent and proactive relationships with employee representatives.

Strategic
underpins



1. PFS: patient feedback surveys.

Our stakeholders continued

Doctors and allied healthcare professionals

Independent specialists and healthcare professionals across all clinical disciplines.

The Hospital Division PFS shows that 34% (FY 2024: 35%) of patients are admitted at a Netcare facility because their doctor is based there. Playing a crucial role in attracting patients to our facilities, doctors (particularly specialists) are a key driver of revenue and organic growth. They are also pivotal partners in the delivery of best and safest care, have a direct impact on patient experience, the cost of care and clinical outcomes, and specialists in particular are key enablers of our expansion into higher demand disciplines.

Quality of our doctor relationships

Our relationships with doctors are mutually beneficial. Doctor engagement surveys allow us to assess the quality of our doctor partnerships. Past surveys have shown that the highly rated reasons for doctors choosing to partner with Netcare include the convenience of our sites, our standards of clinical excellence and the career opportunities associated with practising at Netcare.

Risks that can impact these relationships
BR1, BR2, BR3, BR5, BR6, BR7, BR9, BR11

Doctor needs, concerns and expectations

- Cutting-edge medical equipment, advanced technology, well maintained and modern medical equipment and facilities, and advanced treatment protocols.
- Qualified and experienced nurses.
- Our inclusion in restricted provider networks.
- Enterprise development support.
- Access to clinical data for analysis and research.
- Availability of medicines and consumables.
- Clinical leadership and shared accountability.
- Continuous professional development.
- Mitigation against power and water outages.

How we engage

- Doctor engagement surveys.
- Online doctor portal.
- Various structures that support the sharing of information on quality of care (eg PCI tools¹, physician and practitioner advisory boards, clinical governance engagements, practitioner forums and meetings etc).

How we create and preserve value for doctors

- A world class quality management system and excellent nursing.
- Digitised hospitals that provide remote access to patients and, in time, one source of patient information to aid shared decision-making.
- Access to training and educational platforms.
- Clinically advanced and appropriate medical equipment, consumables and pharmaceuticals.
- Environmental sustainability strategy.
- Optimal facility infrastructure.

Strategic
underpins



1. PCI: personalised clinical information tools that support one-on-one engagement with doctors on clinical cost efficiency.

Private medical funders

National and international private medical funders, together with the Compensation Fund for Occupational Injuries and Diseases.

The Hospital Division PFS indicates that medical aid cover is the second top reason for choosing Netcare. Our relationships and engagements with private medical funders allow us to present competitive proposals to secure our participation in their hospital networks which, in turn, enables us to preserve and grow patient volumes and attract and retain doctors.

Quality of our funder relationships

The increasing maturation of our ability to leverage our analytical and measurable clinical expertise and quality of care outcomes stands us in good stead when engaging with medical schemes. These relationships are well-established and mutually beneficial; however, a natural tension exists, especially as schemes drive containment of utilisation and cost. This is further exacerbated with the ongoing deterioration in medical scheme risk pools.

Risks that can impact these relationships
BR1, BR4, BR6, BR9

Funder needs, concerns and expectations

- Predictable and sustainable cost of care.
- Measurable quality of care, safety and patient experience outcomes.
- Utilisation trends.
- Participation in scheme options with restricted hospital networks.
- Value-based care and risk-sharing contracts with providers to align incentives.
- A balanced service offering to satisfy member needs.
- High levels of medical ethics, including combatting medical fraud, waste and abuse.

How we engage

- Online funder portal.
- Day-to-day interventions on patient coding and case management.
- Dedicated relationship managers.
- Quarterly quality of care reports as per contractual agreements.
- Contract and tariff negotiations.

How we create and preserve value for funders

- Efficient quality outcomes, appropriate utilisation and cost containment achieved through the consistency of care and data application strategies.
- Focused clinical improvement projects.
- Alternative contracting models, including value-based care.
- Access to our quality of care data.
- Collaboration on common objectives to achieve world class healthcare for their members and their members' families.

Strategic
underpins



Our stakeholders continued

Suppliers

Suppliers of medicines, equipment, consumables, IT and digital offerings and outsourced services, including consultants and construction companies.

Our suppliers support our consistency of care, digital, data and environmental sustainability strategies. Diversifying our supply chain promotes inclusive economic growth, entrepreneurship and job creation, which are priorities of our transformation strategy. Managing and mitigating supply chain risk is a key priority for the Group given the direct impact medicines and medical devices have on the delivery of safe, high-quality healthcare.

Quality of our supplier relationships

Cultivating strong relationships with our suppliers allows us to secure the supply, quality and volume of the products we need, when we need them and on the most cost-effective basis. Regular engagement keeps us abreast of any potential supply chain risks.

Risks that can impact these relationships
BR4, BR5, BR6, BR8, BR9

Supplier needs, concerns and expectations

- Long-term mutually beneficial relationships.
- Fair and transparent negotiations.
- Localising Netcare's supply chain.
- Preferential procurement from B-BBEE compliant and black-owned suppliers.
- ESD¹ support, including early payment arrangements.

How we engage

- Review meetings with key suppliers (quarterly) and strategic commodity suppliers (monthly).
- Tender processes and contract negotiations.
- Service level agreements.
- Our digital source-to-contract platform.
- Supplier assessments (prior to entering our supply chain and later against KPIs).
- Medical conferences, exhibitions and webinars.
- Online supplier surveys.

How we create and preserve value for suppliers

- Fair, diligent and transparent tender adjudication and review processes.
- Negotiated contractual terms that support supplier businesses.
- Preferential procurement practices and ESD initiatives aimed at advancing black businesses.

Strategic
underpins



Investors

Shareholders and the investment community.

Transparent engagement with investors earns their trust and gains their support for our strategy, and provides Netcare with a better understanding of their expectations for value creation. Balancing our objectives with their expectations, strengthens our access to capital.

Quality of our investor relationships

In a challenging macroeconomic environment and highly competitive sector, investors appreciate adaptability, the ability to navigate difficulties, and a strong focus on streamlining processes, disciplined capital allocation and reducing costs, which lead to better margins and overall performance. There is a growing recognition that the Group is successfully constructing a competitive moat to solidify its long-term growth and stability.

Risks that can impact these relationships
BR1, BR4, BR9

Investor needs, concerns and expectations

- Growth, capital allocation and shareholder returns.
- The macroeconomic environment and political instability within SA's GNU².
- Consumer fragility and the impact on earnings outlook.
- Impact of the NHI Act and associated regulations on private healthcare providers.
- Impact of restricted provider networks on volumes and financial performance.
- Effective leadership, succession planning and appropriate remuneration and targets.
- Ethical and effective governance.
- ESG approach and performance.

How we engage

- Investor roadshows, meetings and site visits.
- Investor days.
- Annual reporting suite and interim reporting.
- SENS announcements.
- Various investor conferences.
- ESG ratings agencies.

How we create and preserve value for investors

- A defined framework for optimal capital structure, disciplined capital allocation and granular measurement of returns.
- A strong statement of financial position to support business continuity and growth.
- An experienced Board and leadership team.
- Solid track record of operational excellence over time.
- A digitisation and data strategy that will deliver a sustainable competitive advantage.
- Cost savings delivered through the digital and environmental sustainability strategies.

Strategic
underpins



1. ESD: enterprise and supplier development.

2. GNU: Government of National Unity.

Our stakeholders continued

Regulators and government

Authorities that regulate healthcare providers, funders and the sector.

Engagement with policymakers ensures that we comply with all relevant healthcare regulations and maintain our operating licences. Good relationships with authorities are key to effective collaboration on health policy matters that serve the best interests of South Africans, and to understand how Netcare can best contribute to addressing the structural barriers to healthcare access.

Quality of our regulator and government relationships

Policy uncertainty and failure of government and the private healthcare sector to find common ground from which to tackle the urgent need for health system reform, detract from stakeholder relationships. Legal action and uncertainty around the implementation and impact of the NHI¹ Act has dampened sentiment across the private healthcare sector and for many stakeholders.

Risks that can impact these relationships
BR2, BR3, BR4, BR5, BR6, BR7, BR8, BR11

Regulator and government needs, concerns and expectations

- Nursing skills shortage and competing demand for doctors.
- Increasing burden on the public health system.
- Cost of and access to quality healthcare.
- The private healthcare sector's role in providing sustainable UHC².
- Employment equity and skills development.
- Socioeconomic reconstruction and youth employment.
- New healthcare-related regulations.
- Compliance with laws and regulations.

How we engage

- Direct engagement and engagement through our sector and business association memberships.
- Bilateral engagements.
- Submissions on draft policy and regulations.
- Certification audits.
- Office of Health Standards Compliance inspections.
- Our participation in national initiatives that support SA's development and address transformation challenges.

How we create and preserve value for regulators and government

- Meeting the healthcare needs of employed citizens thereby easing the burden on the public health system.
- Sharing our expertise and experience to broaden access to quality healthcare in SA and to develop a sustainable healthcare regulatory framework.
- Our DEI³ and belonging initiatives to transform our workforce.
- Our ESD, youth development and responsible waste management initiatives, all of which support job creation.

Strategic underpins



Society

The aggregated interests of current and future generations (media and academia being proxy for these interests), communities, sponsorship partners and NPOs.

We support government's intention to reconstruct society and the economy to be more inclusive of people who remain disadvantaged, particularly as this pertains to accessing high-quality health and care. Meaningfully addressing critical societal concerns and promoting inclusivity, human dignity, equality and fairness protects our legitimacy and social licence to operate.

Quality of our community relationships

The Netcare Foundation leverages its strong partnerships with government, corporates, suppliers, doctors, healthcare practitioners and our employees, as well as social interest groups, to extend healthcare services to indigent patients. In addition, NetcarePlus provides a new and affordable approach for employed individuals who lack adequate medical coverage or insurance to access our facilities.

Risks that can impact these relationships
BR6, BR7, BR8

Community needs, concerns and expectations

- Our active participation in creating better and sustainable communities, particularly marginalised communities.
- Action to address inequality, unemployment and poverty.
- Affordable and accessible quality health and care.
- Ethical and effective governance.
- Regulations affecting healthcare.
- Minimising negative environmental impacts.

How we engage

- Sector and business association memberships.
- Our participation in national initiatives.
- The Netcare Foundation.
- The HPFL⁴ B-BBEE trusts.
- Academia and research institutions.
- Social media platforms.

How we create and preserve value for communities

- Enhanced healthcare skill at national level.
- Enhanced national healthcare infrastructure.
- Initiatives to uplift and empower black people, women, the youth and people with disabilities.
- Our preferential procurement, ESD, skills development and CSI initiatives.

Strategic underpins



1. NHI: National Health Insurance.
2. UHC: universal health coverage.
3. DEI: diversity, equity and inclusion.
4. HPFL: Health Partners for Life.

Our strategy on a page

In 2018, Netcare embarked on a **transformative ten-year strategy designed to fundamentally reshape the delivery of health and care, strengthening our ability to respond to evolving patient demands and funder requirements in a dynamic healthcare sector.**

Aiming to create a more connected, efficient and responsive healthcare experience, the strategy is structured around three core phases: digitally enabled (completed in FY 2024), data and AI driven and ultimately person centred.

Our foundational investment in the successful digitisation of our entire clinical ecosystem, has delivered significant financial returns, mirroring the success of our environmental sustainability strategy, which generated over R1.5 billion in cumulative savings and cost avoidance over ten years.

Phase 2, data and AI driven, is well underway and leverages our extensive data assets to drive improvements in clinical efficiency, patient safety, care outcomes and cost-effectiveness. Concurrently, Phase 3 – person centred, focuses on personalising the healthcare experience. Phases 2 and 3, scheduled for completion around FY 2028, are less capital intensive than the initial digitisation phase, and prudent capital allocation will continue to guide our decisions.

Netcare's strategy places the Group at the leading edge of healthcare innovation, supporting sustainable earnings growth, delivering meaningful returns for investors and creating enduring value for all our stakeholders and society. It has strengthened our digital leadership over our competitors and increased the advantages we gain – what we refer to as **expanding the Netcare digital dividend.**

Our strategy: [page 59](#).

Embedding personalised engagement and retention of care over a person's lifetime

Netcare's strategy is to transform the way we deliver health and care by...

... leveraging off our unique ecosystem of assets and services...

... and utilising digitisation, data and AI to benefit all stakeholders.



Strategic underpins



Consistency of care

Consistently excellent clinical services and the best and safest person centred care.

▲ FC HC IC SRC NC



Disruptive innovation

Medical technologies, digitisation, data and AI solutions that benefit our patients and business.

▲ FC HC IC SRC MC



Transformation of society

Investing in our people and communities.

▲ HC SRC



Organic growth

Strategic engagements with doctors and private medical funders, maintaining the quality of our facilities and new products and services to promote sustainable and inclusive access to healthcare.

▲ FC SRC MC



Integration

Synergistic partnerships between all divisions and functions within the Netcare ecosystem.

▲ FC



Investment

Creating economic value and optimising capacity utilisation.

▲ FC SRC



Environmental sustainability

Responsible and efficient management of natural resources.

▲ FC SRC MC NC

▲ Capital enhanced over time.

Our material matters

Our material matters capture the key trends and complexities shaping

Netcare's operating environment

as well as

our strategic responses

to these challenges and opportunities.

Our material matters identify the issues most likely to impact our ability to create and sustain value for Netcare and our stakeholders – now and in the future. Many of these matters and aspects are interrelated. We review and update them annually to reflect the evolving context in which we operate and to address changing stakeholder needs, concerns and expectations. When evaluating the Netcare strategy, these matters are considered to ensure that our strategy remains relevant and responsive.

The Board and Executive Committee have assessed and ranked each material matter and its related aspects based on their impact on the Group's capacity to deliver sustained value.

 Materiality: [page 4](#).

Where to find more information on our strategic responses



IR: [integrated report](#).

ESG: [ESG report](#).

QR: [quality report](#).

SHR: [shareholder report](#).

AFS: [annual financial statements](#).

Material matter	Aspects and where to find more information on our strategic responses	IR	ESG	QR	SHR	AFS
Material matter 1		Ranked 2 in FY 2024				
	Grow market share and long-term profitability	01 Strategic funder engagement	✓	✓		
		02 Measurable and sustainable financial results	✓		✓	✓
		03 Factors impacting the healthcare sector in SA	✓			
		04 Competitive differentiation	✓			
		05 Optimal capital structure and allocation	✓		✓	✓
		06 Demonstrate the benefits of strategic implementations	✓	✓		
		07 Unpredictable global economic environment	✓			
Material matter 2		Ranked 1 in FY 2024				
	Outstanding person centred health and care that is digitally enabled and data and AI driven	01 Consistent and measurably better quality of care	✓	✓	✓	✓
		02 Patient attraction and loyalty	✓	✓		
Material matter 3		Ranked 3 in FY 2024				
	Attract, retain and invest in our employees and healthcare practitioners	01 Attract and retain independent doctors	✓		✓	
		02 Recruit and retain highly skilled and/or specialised employees	✓	✓	✓	
		03 Digitised and optimised HR processes and initiatives	✓	✓		
		04 Effective employee relations processes	✓	✓		
Material matter 4		Ranked 5 in FY 2024				
	Effective leadership and responsible business conduct	01 Effective ethics, compliance and governance processes and practices	✓	✓	✓	✓
		02 Leadership and executive capability	✓	✓		✓
		03 Stakeholder engagement	✓	✓	✓	✓
Material matter 5		Ranked 4 in FY 2024				
	Accelerating transformation and access to quality health and care in SA	01 Collaboration with government and health sector stakeholders	✓	✓		
		02 Doctor and workforce transformation and diversity	✓	✓		
		03 Employment creation	✓	✓		
		04 Inclusive and diversified supply chains	✓	✓		
		05 A challenging socioeconomic context	✓	✓		
		06 Impactful socioeconomic development initiatives	✓	✓		

Our material matters continued



Material matter 1 Grow market share and long-term profitability

Consumers continue to face significant economic strain, resulting in a stagnant medically insured population and buying down to restricted cover. In turn, financially constrained medical schemes exert tariff pressure and strictly manage utilisation of healthcare services, even as an increasing burden of disease drives up medical inflation. Intensifying competition and rapid technological advancements are also leading to an oversupply of facilities and beds, reduced hospital occupancies and shorter patient stays, further constraining profitability. Achieving historical levels of operating leverage is therefore challenging, as EBITDA¹ margins are squeezed by a rising proportion of patient days coming from discount networks, above-inflation utility price increases and adverse exchange rate movements affecting supply chain expenses. Delivering growth in revenue, EBITDA and ROIC² requires a focus on differentiating our services to grow market share, retaining patients within our network, driving operational efficiency to maintain margins, and optimising our capital structure. Given these dynamics, 'growing market share and long-term profitability' now ranks first among our material issues (FY 2024: second).

Stakeholders impacted

All stakeholders

Strategic underpins



Link to top business risks: [page 64](#).

BR1

Funder regime.

BR4

Economic environment and demand for private healthcare.

The economic context

- **Trade tariffs on imports into the US** reached their highest levels since before World War II. This includes a 30% tariff on South African goods, which may create inflation and exacerbate unemployment. However, there is broad consensus that the business models of healthcare providers are inherently more defensive to the tariff risk than those in other sectors.
- **A fragile global outlook:** key risks to global growth include global supply chain disruptions and renewed trade tensions, among others.
- **SA's economic growth remains subdued** despite the absence of load shedding, recent interest rate cuts and declining inflation – all positive developments. Household consumption has been the main driver of growth in 2025.
- **Risks to SA's GDP growth** include global uncertainty, escalating geopolitical risks, little improvement in SA's formal sector employment, low business and consumer confidence and lower household consumption (high debt burdens and reduced purchasing power due to rising food, utility and transport costs).
- **Real change for SA** requires lower unemployment rates, resolving logistical constraints, investment in infrastructure and accelerated structural reforms.

Outlook: amid these financial pressures, individuals are delaying medical treatment or choosing to self-medicate before consulting GPs. Medical cover remains a priority for many, but significant increases in medical scheme contributions over several years have led members to 'buy down' to more affordable medical scheme options, typically with fewer benefits, more co-payments and limited choice in healthcare provider. There is also a shift to lower-cost primary care settings such as nurse-led consultations and services provided by large retail players (pharmacy groups). Without higher levels of sustained economic growth and expanded formal employment in SA, these trends are likely to persist.

1. **EBITDA:** earnings before interest, tax, depreciation and amortisation.

2. **ROIC:** return on invested capital.

3. **International Monetary Fund:** *World Economic Outlook, October 2025: Global Economy in Flux, Prospects Remain Dim*.

4. **South African Reserve Bank:** *Statement of the Monetary Policy Committee September 2025*.

Key takeaways

GDP forecasts for SA

IMF³

**1.1% GDP growth
for 2025**

(up from its previous forecast of 1.0%)
and 1.2% for 2026.

By comparison, the average growth in
emerging markets and developing
economies is forecast at 4.1% in 2025
and 4.0% in 2026.

SARB⁴

**1.2% GDP growth
for 2025,**

increasing to 1.3% in 2026 and
2.0% in 2027, supported by
structural reforms.

Headline inflation of 3.4% for 2025
and 3.6% for 2026 before reverting
to 3.1% in 2027.

Global growth forecast

IMF³

3.2% for 2025

due to a milder-than-expected impact from recent trade tensions
(up from 3.0% in July 2025).

Our material matters continued

Funder financial stability under pressure

- **Funders face greater adverse risk** as the pool of sicker and older members needing acute care grows, while younger, healthier members either opt out or choose lower-cost options. This dynamic compromises medical scheme risk pools and leads to higher utilisation rates and a sustained rise in healthcare costs, placing medical scheme reserves under pressure.
- **Deteriorating scheme solvency levels** require above wage inflation increases in medical scheme premiums, negatively impacting affordability and further crowding out young and healthy lives.
- **Medical scheme response:** lower-cost options, restricted provider network plans¹ and doctor incentives for outmigration of cases to day clinics, doctor's rooms and home services. Since 2015, funders have extracted value in hospital network negotiations; however, doctor and independently contracted healthcare worker contribution to in-hospital scheme expenditure has increased by more than double that of hospitals².

Outlook: these complexities in the healthcare landscape, which are likely to continue, drive medical inflation and make contracting with medical aid schemes progressively more complicated and commercially challenging.

Increasing burden of chronic disease

- **Other contributors to medical inflation** include increased life expectancy, rising non-communicable and lifestyle diseases and chronic illnesses, medical advances and a need for more specialised care. For example, managing multiple chronic conditions, such as tuberculosis with diabetes, requires complex and resource-intensive healthcare strategies³.
- **Increases in the complexity of medical and surgical cases**, increases patient days in ICU and high care, requiring more higher acuity beds.
- **Mental health disorders** are now among the top contributors to disability in SA, fuelled by poverty, unemployment, violence, financial hardship and stress. A large insurer recently reported that there was a 79% increase in disability claims from young families largely due to mental health disorders. However, access to mental health services is limited, particularly in rural areas.

Outlook: the increasing burden of disease, population growth and an aging insured population are driving demand for high-quality private healthcare in SA, underscoring the long-term viability of our sector.

In addition, the impacts of climate change are threatening public health. Multiple peer-reviewed studies provide empirical and modelled evidence linking climate change to increased pandemic risk, putting health systems under severe pressure and increasing morbidity and mortality rates in hospitals and communities. As the climate crisis intensifies, hospitals must proactively develop care pathways to address climate-related emergencies.

Key takeaways

Medical aid affordability

Per Discovery, six out of every ten new medical scheme members in 2024 chose a low-cost network plan⁴.

Since 2016, SA's population has grown by 7.6 million, yet the medical scheme population has grown by only 249 000 beneficiaries.

36.6%

of **Netcare's paid patient days** now come from patients on low-cost network plans.

FY 2024: 33.1%

FY 2017: 18.6%

Chronic disease

The rising burden of chronic diseases is reflected in **Netcare's patients**, with growth in renal dialysis, mental health activity and cancer treatments and increasing acute care case mix.

~36%

of **Netcare's hospital admissions** are patients over 60 years of age (FY 2014: ~29%). The average cost per admission for patients aged between 60 and 85 years is between 125% and 185% of the cost of an average 40-year old admission.

Human health

Research indicates that 12 of 20 climate-related health risk indicators reached unprecedented levels in 2023/24⁵, including heatwave exposure, water and food security, sanitation and weather conditions conducive to the spread of deadly infectious diseases.

1. Network options mean co-payments are required if a patient chooses a hospital outside of the network for non-emergency care.

2. Insight Actuaries.

3. *Non-communicable diseases – a catastrophe for South Africa*.

4. Discovery Health Medical Scheme Integrated Report 2024.

5. *The 2025 report of the Lancet Countdown on health and climate change*.

Our material matters continued

Our strategic response

Growing market share and improved financial performance

Our 2030 strategic roadmap charts a clear and ambitious path to grow revenue, expand margins and improve returns. Underpinned by operational excellence and organisational agility – essential in today's increasingly challenging operating environment – we aim to position Netcare as a leader in the quality, cost and sustainability of care, enabled by our integrated, digital backbone. Our aim is to be the preferred provider for patients, doctors and funders.

Process optimisation, driven by digital tools and AI, is protecting margins. Digitising the Group's HR, billing and enterprise systems, and driving the environmental sustainability programme, are current initiatives that support operational efficiency gains. Advancing our data and analytics maturity through several initiatives, including projects to ensure all data is AI-ready, will enable further clinical cost efficiencies.

Netcare's diversified and resilient business model delivers a holistic and comprehensive ecosystem of services. We are developing proofs of concept to measure the retention of patients within our ecosystem, with models underway for the Hospital Division, emergency departments, Netcare Cancer Care and Netcare Medicross.

We are also exploring new business models and strategic partnerships that address market gaps. Notable initiatives include expanding sub-acute and rehabilitation services, nurse-led services for the Primary Care Division, opportunities for Netcare Cancer Care and increasing our Netcare Akeso footprint with over 250 additional mental health beds. In addition, the NetcarePlus GapCare offering strategically positions the Group to maintain a meaningful share of patient volumes within cost-conscious networks.

We are advancing our data and analytics maturity through several initiatives, including projects to ensure all data is AI-ready.

Growth will be driven by:

- Attracting new patients and retaining existing patients through improved patient experience.
- Doctor attraction and retention.
- Digital solutions that provide a competitive advantage in funder negotiations.
- New business development and strategic expansion in acute, mental health and renal care.
- Products that improve access to Netcare for those who are not adequately covered by insurance or medical aid.

Value outcomes for FY 2025



CFO review: [page 83](#).
Digital transformation and data management: [page 98](#).
Doctors and allied healthcare professionals: [page 102](#).
NetcarePlus: [page 106](#).

Our patients: [page 99](#).
Estate and medical equipment: [page 109](#).

Our focus on conservative net debt, disciplined cost management, robust revenue, EBITDA and ROIC growth and strong cash generation remains firm. We maintain an optimal capital structure that returns excess cash to shareholders. Financial models guide our decisions on asset additions, upgrades and replacements. In FY 2025, we invested R70 million (FY 2024: R126 million) and incurred operational costs of R60 million (FY 2024: R131 million) on various strategic projects, of which R47 million was attributable to NetcarePlus.

Funders

Clinical cost efficiency is a primary factor in funder negotiations and network provider selection, with several of our multi-year agreements up for renewal between 2025 and 2027. In preparation, our centrally coordinated clinical cost efficiency programme identifies inefficiencies at system, hospital and doctor levels to carefully manage costs per event. This enables us to pass data driven clinical cost efficiencies on to medical schemes in a responsible way that does not jeopardise margins, while also improving our competitiveness in hospital network tenders.

Tariff discount proposals are carefully evaluated to balance patient volumes and profitability. The Tariff Committee ensures that our proposals are competitive but still commercially viable. As further clinical cost efficiencies are gained through digital solutions and we improve our ability to demonstrate the value of care provided by Netcare, we are better positioned to manage profitability pressures from lower tariffs associated with hospital network contracts.

Successful funder proposals

In FY 2025, Netcare was appointed co-anchor on five of six restricted provider network arrangements.

Our opportunities: [page 71](#).

- Capitalise on our digital platform to improve the patient experience.
- Become the most cost-effective high-quality provider of healthcare services.
- Improve access to Netcare for more South Africans.
- Develop new clinical product offerings focused on specific market needs.

Funder strategy

- Transparent engagement on cost efficiency initiatives.
- Data driven patient centric reporting on clinical outcomes.
- Use of digitisation, analytics and best practice care interventions to deliver enhanced patient safety, patient experience and quality of care outcomes.
- Collaborating with medical schemes on improvement opportunities.

Value outcomes for FY 2025



Private medical funders: [page 103](#).
Patient safety: [page 95](#).
Clinical cost efficiency: [page 97](#).

Our material matters continued



Material matter 2 Outstanding person centred health and care that is digitally enabled and data and AI driven

Advancements in healthcare are driving a shift toward digital transformation. Providers that invest in digital health platforms, data analytics and AI-enabled care models are better positioned to enhance patient outcomes, reduce operational costs and differentiate themselves in a competitive market. Those who adapt swiftly and innovate effectively stand to gain the preference of patients and doctors, and therefore market share and long-term sustainability. Providers who fail to meet rising digital expectations risk losing ground to more tech-enabled competitors. The private healthcare sector is highly competitive across product development and all service areas, including hospital, cancer and mental health services, primary care, renal care and pre-hospital emergency services. In this environment, leveraging the benefits of digital enablement to deliver a consistent and measurably better quality of care and more personalised, efficient and proactive care delivery models are essential.

Reliable access to electricity and water is essential to provide uninterrupted care to patients 24 hours a day, 365 days a year. Disruptions such as breakdowns, load shedding and water cuts, not only interrupt normal operations but can also compromise the quality of care and drive up operating costs, placing pressure on the Group's margins.

Stakeholders impacted

- Our patients.
- Our people.
- Doctors and allied healthcare professionals.
- Private medical funders.
- Investors.
- Society.

Strategic underpins



Link to top business risks: [page 64](#).

- BR2** Availability and quality of skills.
- BR3** Climate change and water scarcity.
- BR6** Delivering consistently outstanding and clinically efficient person centred health and care.
- BR9** Technology and data imperatives.
- BR10** Fire safety.
- BR11** Availability of electricity supply.

Digitising to deliver improved care outcomes

- **Real-time access to health data**, including test results and medical history, empowers patients to make decisions about their care and navigate their healthcare journey with greater ease, leading to enhanced overall health outcomes and greater satisfaction.
- **Human connection remains essential** to care delivery – compassion, empathy and meaningful engagement are as important as clinical expertise for achieving the best results.
- **Advanced analytics platforms** provide clinical teams with real-time, actionable insights, enabling improved consistency and quality of care. This capability also supports measurable financial benefits through standardised clinical pathways and reduced morbidity and mortality rates.
- **Patients increasingly seek personalised experiences** and convenience and rely more on mobile devices.
- **Patient-centric care models** lead to fewer unnecessary doctor visits, patients being significantly less likely to switch providers and increased cross-service utilisation from the same provider.

Outlook: digitisation and advanced analytics will continue to transform healthcare delivery from a transactional to a patient-centric model, enabling providers to better meet patient needs, build loyalty and improve care outcomes.

Key takeaways

Shift to patient centricity

68% of patients book appointments via mobile devices, especially for urgent care, mental health and primary care¹.

Technological transformation, spanning digital health, AI-driven decision-making, telehealth and precision medicine, is accelerating care innovation and operational efficiency across the world.

80% of patients consider online scheduling of appointments essential (yet only 25% rate their current experience as 'excellent'), and over one third of patients use AI for healthcare-related purposes, such as researching treatments and finding doctors, with 75% expecting transparency when AI is involved in patient communications².

1. *Key health care trends from 2024: What patients want* | Medical Economics

2. *Patients as consumers: New research report shows a new era of expectations in healthcare* | Press Ganey

Our material matters continued

Impact of water shortages and disruptions on health and care

- **Water shortages** heighten the risk of waterborne disease outbreaks and heat stress, leading to greater demand for healthcare services. Within the hospital setting, lack of water increases the risk of sub-optimal care outcomes and hospital-acquired infections.
- **Insufficient maintenance of SA's complex water infrastructure** has led to declining water quality, frequent outages and low water pressure; now daily realities in some areas. Water security is expected to become an escalating risk over the next decade, with the Department of Water and Sanitation estimating that over R90 billion a year is needed for repairs and upgrades over the next ten years¹.

Outlook: water costs are expected to continue rising – with potentially increased reliance on more expensive non-municipal suppliers – further impacting the Group's profit margins and operational resilience.

Frequent electricity outages

- **Power plant performance has improved** and load shedding has decreased; however, overall electricity supply remains below pre-pandemic levels and unreliable system performance persists.
- **Electricity disruptions are likely** to occur for several more years due to planned maintenance and infrastructure constraints. Planned grid capacity increases are only expected to have a meaningful impact from 2027 onward.

Outlook: the new Wholesale Electricity Market Code aims to guide the buying and selling of electricity through wheeling² in SA, with initial operations anticipated from 2026 and full implementation targeted for May 2031. The impact of the code on electricity supply and Netcare's operations is yet to be determined.

Key takeaways

Water

Around 64% of wastewater treatment plants in SA are at high or critical risk of discharging inadequately treated water into the environment³.

As of 2023, 29% of 958 water supply systems are in critical condition and 46% of systems demonstrate poor water quality compliance³.

R12 million

incurred by **Netcare on emergency water purchases** during municipal outages in FY 2025 (FY 2024: R7 million).

Electricity

Electricity tariffs have risen sharply by 971% between 2007 and 2025, far outpacing inflation⁴.

Electricity costs are projected to rise by around 24% between 2025 and 2027.

1. [SAICE highlights repercussions of inaction on South Africa's water infrastructure crisis – SAICE](#).

2. [Electricity generated in one location to be transmitted to consumers in another via existing transmission and distribution networks](#).

3. [Blue, Green and No Drop reports assess national water services – Trialogue Knowledge Hub | Resources for CSI & sustainability in Africa](#).

4. [Brace for more massive electricity price hikes in South Africa](#).

Our material matters continued

Our strategic response

Consistency of care

The revolutionising of our care offering aligns with global healthcare mega trends, securing our competitiveness into the future. With a strong foundation in place, we are positioned to continually enhance the value of our services for patients, doctors and private medical funders. This approach fosters market share growth through lasting stakeholder loyalty to the Netcare ecosystem.

Netcare's consistency of care strategy is central to fulfilling our promise to every patient who entrusts us with their health and care. Guided by the **Quadruple Aim**¹ philosophy, the Cleveland Clinical Model² and the Modified Value of Care³ equation, we aim to deliver consistently excellent, cost efficient and person centred healthcare for both body and mind. This strategy is enabled by our skilled workforce, advanced digital and data systems, and initiatives to safeguard care quality against challenges like poor municipal infrastructure in SA.

Netcare consistency of care strategy



Compassion is fundamental to our approach, shaping interactions with patients, colleagues and care for ourselves. The Care4YOU Programme delivers compassion-based training to all employees, not just those in patient-facing roles.

We are leveraging our advanced digital platform and rich data to enhance clinical and strategic decision-making, patient safety, clinical outcomes, clinical cost efficiency and patient experience to continually improve the value of care.

AI and machine learning are increasingly important in clinical decision-making. Predictive models and real-time monitoring help anticipate risks, guide interventions and optimise resource utilisation. For example, real-time data from CareOn⁵ now enables early identification of patients at risk of sepsis, supporting timely intervention and improved outcomes. Our digital backbone has enabled the use of these advancements, strengthening our operational resilience and adaptability in a rapidly evolving healthcare landscape.

Care4YOU Programme

>71 000 Care4YOU

sessions have been conducted since the programme's inception in September 2021.

8.36

average nurse compassion score against a FY 2022 baseline score of 7.92.

FY 2024: 8.26 | FY 2023: 8.16

Providing patients with seamless and easy digital access to our facilities and their own health records was a crucial step toward person centred care. With this digital foundation in place, our goal is to deliver a personalised, intuitive and user-centric healthcare experience, empowering patients with convenient, omnichannel access to services from admission to discharge and beyond, whenever and wherever they need them.

Our opportunities: [page 71](#).

- Capitalise on our digital platform to improve the patient experience.
- Become the most cost-effective high-quality provider of healthcare services.
- Improve access to Netcare for more South Africans.
- Develop new clinical product offerings focused on specific market needs.
- Develop research-based high impact clinical pharmacy interventions.

Consistency of care strategy

- Improve our patient satisfaction and perception of care delivered.
- Demonstrate our ability to provide accurate and meaningful quality and safety of care measures and results, and use them to inform focused improvement initiatives.
- Manage the cost of delivering care and commercialise clinical quality.
- Improve and strengthen the regulatory framework governing clinical practice.
- Inform the integrated quality, OHS and waste management frameworks.
- Look after the health and wellness of our workforce.

Value outcomes for FY 2025

- Our strategy: [page 59](#).
- Patient safety: [page 95](#).
- Digital transformation and data management: [page 98](#).
- Our patients: [page 99](#).

1. Bodenheimer, T., & Sinsky, C. (2014). From Triple to Quadruple Aim: Care of the Patient Requires Care of the Provider. *The Annals of Family Medicine*, 12(6), 573–576.

2. Cosgrove, T. (2014). *The Cleveland clinic way – Lessons in excellence*. Cleveland Clinic Quality Performance Report available at: <http://clevelandclinic.org/QPR>.

3. Porter, M. E. (2010). What is value in health care? *New England Journal of Medicine*, 363(1), 2477–2481. <http://doi.org/10.1056/NEJMp1002530>.

4. SHEQ: safety, health, environment and quality.

5. CareOn is the Hospital Division's electronic medical record platform.

Our material matters continued

Our strategic response continued

Patient safety

Netcare maintains a comprehensive patient safety framework, with established clinical governance committees across the Hospital Division, Netcare Akeso, Netcare Medicross and Netcare Cancer Care that uphold professional and ethical standards.

Healthcare practitioner credentialling and conduct

Our annual digital credentialling process ensures that only qualified, HPCSA¹-registered ICHWs² provide clinical services to our patients, with all contracts reviewed for compliance with Group clinical governance standards. Advanced electronic signatures in the Hospital Division verify doctor authenticity when accessing CareOn. These measures uphold high standards of care and ensure compliance with legal and regulatory requirements. The digital credentialling process was extended to healthcare professionals at Netcare Akeso and Netcare Occupational Health and in our day theatres in FY 2025.

The Netcare Clinical Practice Committee independently reviews cases of unsafe clinical practice and practitioner conduct not in keeping with Netcare's values and standards. It manages suspension or revocation of privileges when necessary. In FY 2025, 77 cases (FY 2024: 62) were referred to the committee, with most resolved at year end. Privileges were revoked for two (FY 2024: three) practitioners. Of the cases referred to the HPCSA, four (2024: seven) guilty verdicts were returned.

Quality reviews

Netcare's quality management combines internal and independent assurance processes. Regular self-assessments³, peer reviews⁴ and audit evaluations drive continuous improvement and ensure compliance with industry regulations, norms and standards and Netcare's policies and standard operating procedures. In FY 2025, a new digital process was introduced to address non-conformances quickly.

Our quality review tools are used to manage clinical risks, clinical cost efficiency and consistent patient care across the Group. The Group medical director and clinical audit team annually select a set of quality tools for evaluation to ensure they are effective. In FY 2025, 59 quality review tools were assessed across five divisions. The safety of medical equipment and devices, the credentialling process and nursing at Netcare Akeso and Netcare Medicross were also reviewed. In addition, quarterly CareOn patient journey reviews were conducted to determine whether the system is being used optimally.

Internal reviews

Internal quality reviews were conducted in 260 facilities (FY 2024: 274) across all divisions with a compliance target of 90%. The internal and peer reviews showed that the Hospital Division achieved 100% compliance across all the OHSC⁵ non-negotiable criteria.

Overall quality reviews (%)	2025	2024	2023
Hospital Division	92	92	96
Netcare 911	95	95	95
Netcare Cancer Care	99	98	97
Netcare Akeso	92	95	94
Netcare Medicross	91	91	89
National Renal Care	99	95	94
Group average	95	94	94

Independent assurance

British Standards Institution

Maintained the prestigious international ISO 9001:2015 quality management certification.

FY 2024: maintained

FY 2023: maintained

Office of Health Standards Compliance

To date, **44** hospitals have been evaluated by the OHSC and achieved compliance certification against the NDoH's⁶ standards. An OHSC compliance certificate is needed to participate in NHI⁷, and is valid for four years.

There was one OHSC inspection for the Hospital Division in FY 2025, achieving compliance certification with an overall excellent grading. Inspections for Netcare Medicross are expected in FY 2026, following the publication of two inspection tools for GP practices.

Quality of care measures

Our quality of care measures demonstrate the quality of care patients can expect to receive at Netcare. These measures provide insight on where we are succeeding and where we need to improve to achieve the best outcomes for patients. The process to develop and implement our quality measures for reporting is well governed to maintain their integrity.

Value outcomes for FY 2025

 Patient safety: [page 95](#)

1. **HPCSA:** Health Professions Council of South Africa.

2. **ICHW:** independently contracted healthcare worker.

3. **Self-assessments** ensure compliance to Netcare's quality standards, regulatory requirements and best practices.

4. **Peer reviews** are conducted by a team of Netcare regional and senior managers.

5. **OHSC:** Office of Health Standards Compliance.

6. **NDoH:** National Department of Health.

7. **NHI:** National Health Insurance.

Our material matters continued

Our strategic response continued

Securing water and electricity supply

In addition to reducing our environmental impacts and gaining operational efficiencies, our environmental sustainability strategy (see [page 36](#)) plays a vital role in de-risking the Group from the impacts of climate change and resource scarcity. It also reduces our exposure to an unstable national electricity grid and municipal water supply. To ensure uninterrupted patient care, we have invested in robust emergency generation and backup capacity, including uninterrupted power supplies, 199 diesel generators and comprehensive blackout planning. Currently, 27 hospitals benefit from full or partial exemption from load shedding, and 72¹ solar PV systems have been installed across the Group to further secure energy supply. These installations achieved a R48 million cost saving for the year (FY 2024: R38 million).

Netcare's renewable energy strategy is designed to reduce our dependency on the national grid, while targeting zero Scope 2 emissions by 2030 and bringing greater stability to our energy costs. The strategy incorporates grid wheeling, solar PV systems and BESS² rollouts, with power purchase agreements already in place for six Eskom-supplied sites and under negotiation for 12 municipal-supplied sites (phases 1 and 2). Phase 3, currently in its early stages, will focus on our facilities in municipalities where virtual wheeling is enabled, while phase 4 (medium to long term) will address alternative solutions for our facilities in municipalities where wheeling is not enabled.

Electricity

Electricity costs increased 11.0% year on year to R565 million (FY 2024: R509 million), primarily due to the variable impacts of Eskom, Eskom tariff restructuring and municipality tariff increases, up an average of 11.9%.

Projections indicate that without our environmental sustainability interventions electricity costs would have been around R573 million.

Diesel

Diesel costs for the year were R13 million (FY 2024: R47 million); the decrease attributable to the continued reduction in load shedding but savings were offset by increased electricity costs.

Our opportunity: [page 71](#).

- Accelerate renewable energy adoption.

We have robust strategies to manage the short-term impact of water supply disruptions across our facilities. These include backup water supplies (most acute hospitals maintain at least 24 hours of backup water supply, with some extending to 48 hours), boreholes, the Netcare Christiaan Barnard Memorial Hospital's desalination plant (which can supply up to 100% of the hospital's water needs and is also able to support other Western Cape hospitals during emergencies) and the Netcare Milpark and Netcare Garden City hospital reservoirs, which together can supply around one million litres of water to be shared with other hospitals in Gauteng in an emergency. Our water conservation mode allows us to double the duration of our backup water supply during disruptions.

Our water security and risk mitigation strategy for the Hospital Division and Netcare Akeso secures our ability to operate in the event of a water-related disaster, focusing primarily on boreholes and groundwater treatment works. Recognising that boreholes are not a sustainable long-term solution for climate change, we are exploring wastewater treatment plants to reduce our demand and reliance on the national water supply. These solutions reclaim and repurpose non-potable water, treating it to potable (drinking) standards.

Over the medium term, we will consider seeking certification³ of our integrated environmental management system and we will explore AI and IoT⁴ solutions for real-time energy management to achieve improved operational and financial efficiencies.

Water

Total water costs decreased 10.6% year on year, primarily attributable to reduced water consumption and costs avoided on municipal accounts. Actual water costs for the year were R118 million.

Projections indicate that without our environmental sustainability interventions water costs would have been around R154 million.

Value outcomes for FY 2025



Alternative sources of energy and water: [page 111](#).

1. Number decreased year on year due to the disposal and closure of various Netcare facilities with solar PV systems.
2. BESS: battery energy storage system.
3. Certification will be sought for either ISO 14001 (environmental management systems) or ISO 7101 (healthcare quality management systems).
4. IoT: internet of things.



Our material matters continued



Material matter 3 Attract, retain and invest in our employees and healthcare practitioners

A critical shortage of skilled health professionals is straining SA's healthcare system. For the public healthcare sector this is causing longer waiting times, overcrowded facilities and compromised quality of care. This challenge is also the biggest impediment to UHC¹ rollout and undermines the health system's resilience to future health crises such as a pandemic. In addition, current healthcare practitioners face overwhelming workloads, contributing to burnout and increased attrition. This is particularly true for registered nurses who face higher burdens due to nursing shortages, particularly during peak patient periods. Despite the urgent need, budget constraints prevent the employ of newly qualified doctors in the public health system, leading to a loss of public investment as these professionals take their skills overseas. Competitor activity in the private healthcare sector further complicates the attraction and retention of professionals.

Stakeholders impacted

- Our patients.
- Our people.
- Doctors and allied healthcare professionals.
- Regulators and government.
- Society.

Strategic underpins



Link to top business risks: [page 64](#).

- BR2** Availability and quality of skills.
- BR6** Delivering consistently outstanding and clinically efficient person centred health and care.
- BR9** Technology and data imperatives.

Skills shortages across multiple critical disciplines

- **SA's doctor-to-population ratio** is just 0.79 per 1 000 people², with most doctors concentrated in the private healthcare sector. The public health system faces severe shortages with just one doctor for every 3 000 people, falling below the WHO's recommended ratio of 1.00 per 1 000 people.
- **Contributing factors to SA's doctor shortage** include limited training capacity, an aging specialist workforce, high professional liability insurance costs for specialists, challenging public sector working conditions and uncertainty around NHI implementation and draft regulations, particularly those that aim to control tariffs and where doctors may practice. These pressures are driving emigration, worsening the current shortage.
- **A study conducted for the Public Private Growth Initiative** in 2022 found shortages across all nursing categories, especially among nursing specialists³. This is due to regulated training numbers during the transition to new nursing qualifications, increased attrition following COVID-19 and the retirement of experienced nurses. Over 20 000 nurses will retire by 2030, this outpaces the number of nurses qualifying at training facilities. SA must double the current nursing student intake and prioritise advanced qualifications to meet future needs.
- **Competition for advanced IT, digital, data analytics and AI skills** is rife across most industries, both locally and internationally. Of over 3 900 South African developers surveyed, one in five are actively exploring opportunities to relocate internationally⁴.

Outlook: there are signs on the horizon that student nursing numbers will grow, marking a positive step towards resolving the South African nursing skills crisis.

1. UHC: universal healthcare coverage.

2. Doctors per capita by country 2025.

3. Referenced in NDoH's 2024 Report On Nursing Workforce Shortage: The Nursing Cluster Perspective.

4. OfferZen 2024 Developer Hiring & Retention Report.

Key takeaways

Doctors

~20%

of the 41 specialists who left **Netcare's acute facilities** in FY 2025, either emigrated or relocated (FY 2024: 18%).

Nurses

52%

of **Netcare's employees** are nurses.

FY 2024: 49%

FY 2023: not reported

Note: permanent employees only. Excludes National Renal Care.

Our material matters continued

Our strategic response

Doctors

We strive to offer doctors an attractive value proposition and build even stronger collaborative relationships with them that benefit our patients. Our integrated, digitised ecosystem, cutting-edge technology, clinical Centres of Excellence, including two accredited stroke centres and four Level 1 accredited trauma facilities, attract leading medical professionals. The digital platform provides numerous benefits for doctors from reduced medicolegal risk and 24/7 remote access to accurate, real-time clinical data to requests for nursing interventions and diagnostic tests, improved quality of care outcomes and a single source of patient information to aid shared decision-making within multi-disciplinary teams. The ability to treat patients remotely supports better work-life balance and helps, to some extent, to mitigate the impact of doctor shortages.

Looking ahead, doctors practising at Netcare will have access to anonymised data on outcomes, treatment pathways and clinical practices as well as analytical tools to interrogate the data. This will support the development of better treatment interventions and facilitate research. Generative AI and natural language processing tools will further streamline large-scale clinical research for publication, supporting their medical and surgical leadership. Several doctors with strong academic backgrounds have been identified as potential research partners for Netcare on quality and safety improvement.

Doctor recruitment¹

164 doctors were granted practising privileges at our acute and mental health facilities – a net gain of **117 doctors**.

FY 2024: 164; 113 net gain
FY 2023: 160; 124 net gain

61% of the 153 doctors recruited for the Hospital Division practise in surgical disciplines.

FY 2024: 66%
FY 2023: 63%

The average age of the doctors recruited for the Hospital Division is **41**.

FY 2024: 40
FY 2023: 41

Doctor profile

57%² of doctors with admission privileges in the Hospital Division are black.

FY 2024: 55%
FY 2023: 54%

49% of the doctors practising at Netcare are women.

15% of the doctors practising at Netcare are over 61 years of age.

A significant portion of Netcare's capex is allocated to maintaining and enhancing our facilities, infrastructure and medical equipment – key aspects of our value proposition for doctors as well as our patients and funders. Sustained investment ensures our portfolio remains modern, functional and appealing.

The Professor Bongani Mayosi Netcare Clinical Scholarship supports black medical scholars across diverse clinical specialisations and medical research fields. Since 2007, it has funded 27 scholars (at a cost of R98 million) to pursue PhDs at local and international medical schools, with 17 scholars having graduated to date and a further three to complete their studies in 2025. In addition, five doctors are receiving postgraduate training support through the Netcare Foundation.

Our opportunities: [page 71](#).

- Develop new clinical product offerings focused on specific market needs.
- Play a key role in South African medical research.
- Improve access to quality mental health services.

Doctor strategy

- Provide quality nursing services.
- Invest in the quality of our facilities and provide access to advanced medical equipment.
- Support new doctors recruited into the hospital network to grow their practices.
- Increase our participation in hospital networks.
- Drive commitment to Netcare's facilities among doctors who split their practices.
- Strategic doctor engagement driven by data-based evidence to enhance clinical cost efficiency as well as information sharing and professional development initiatives.
- Develop doctor partner networks to build continuous referral streams.

Value outcomes for FY 2025



Doctors and allied healthcare professionals: [page 102](#)

Capital expenditure: [page 109](#)

1. Additional doctors have been recruited but are yet to start practising and/or do not meet the revenue threshold to be included in the number of net new doctors
2. Data for doctors with a billed revenue above R300 000.



Our material matters continued

Our strategic response continued

Nurses

SANC's¹ new qualifications are welcomed and, positively, enrolments are increasing. Through our engagements with SANC, the NDoH, HASA² and other stakeholders, the number of nurses Netcare is able to train has increased from around 300 in SDP³ 2023 to around 600. Currently, there are approximately 1 500⁴ nursing students studying at the five accredited Netcare Education campuses.

Five Netcare Education undergraduate and postgraduate qualifications are fully or conditionally accredited by SANC. Netcare Education is expanding its postgraduate specialist nursing programmes and is the first private institution fully SANC-accredited to offer the Postgraduate Diploma in Adult Critical Care Nursing. Accreditation for the Advanced Diploma in Midwifery and Postgraduate Diploma in Emergency Nursing is pending. Our planned intake on postgraduate nursing courses for January 2026 exceeds 750 students.

Based on these recent developments, the Group anticipates producing and absorbing sufficient qualified nurses to meet our needs over the next five years; around 2 000 enrolments by 2029.

We reviewed our nursing strategy in FY 2025, and explored flexible models of nursing care and formulated initiatives to improve nurse retention. Our partnerships with universities are being strengthened to attract nursing graduates. Netcare's nurse value proposition is regularly benchmarked to ensure we are competitive, with a key benefit being our modern, digital platform that automates recordkeeping and removes repetitive and administration heavy tasks, freeing up time for patient care.

747

average number of nurses that were enrolled on accredited nursing programmes – 525 are new intakes⁵.

SDP 2024: 655

SDP 2023: 479

Nurse training

223

nurses were enrolled on six-month in-service programmes that ensure our nurses are fully equipped to care for our patients and deliver the best and safest person centred care.

SDP 2024: 297

SDP 2023: 421

4 244

nurses attended National Renal Care's nephrology in-service training.

FY 2024: 2 251

FY 2023: not reported

SANC's CPD⁶ requirement will soon be mandatory for annual nursing licence renewals. SANC recognises our digital nursing CPD system, launched in October 2024, as a leader in programme delivery in SA. Our nursing strategy prioritises CPD to strengthen nursing standards and allows nurses to tailor learning to their specialisations. The initiative integrates CPD into daily practice, improving quality of care, clinical confidence and job satisfaction. Eight Netcare hospitals were selected by SANC for phased-in implementation and all participants from these facilities successfully attained the required CPD points. At year end, 10 993 nurses from across the Group had been onboarded.

In FY2025, our Physician Partnership Trust established a nursing bursary fund that provides funding to the children of Netcare employees who want to pursue post-schooling education and training at Netcare Education. Two students were awarded the scholarship this year. In addition, the Netcare Foundation assisted 71 student nurses with their training costs, amounting to R3 million.

In the absence of a local postgraduate nephrology nursing programme, National Renal Care partnered with Helm Kidney Care UK to provide high-quality online nephrology education, with 36 employees having completed the programme.

Nursing strategy

- Work closely with key stakeholders to deliver our five-year plan to increase nurse training numbers to meet Netcare's future operational and clinical needs.
- Continue to deliver six-month in-service training to keep nursing skills current.
- Adopt new nursing models that positively impact nurse work-life balance in a resource-constrained environment, with studies on global practices already conducted.
- Collaborating with the NDoH on key projects, including the nursing differentiation project.
- Accredited nursing agencies to fill vacancies for specialised registered nurses, while monitoring the impact on patient care.

Value outcomes for FY 2025



Person centred employee proposition: [page 91](#).

1. SANC: South African Nursing Council.
2. HASA: Hospital Association of South Africa.
3. SDP: skills development period (1 April to 31 March).
4. Includes new students and continuing students.
5. Includes 207 permanent Netcare employees as well as fixed-term contract workers and students.
6. CPD: continuous professional development.



Our material matters continued

Our strategic response continued

Our people

Netcare's achievements reflect the resilience, dedication and professionalism of our people. Employee growth, development and wellbeing are at the centre of our human capital initiatives, with fair and competitive rewards for outstanding contribution to strategic, operational and financial performance.

We nurture a fair, ethical, inclusive and compassion-centred organisational culture that supports and welcomes all our people, enables them to do meaningful and impactful work and encourages their personal and professional development while actively opposing all forms of discrimination. Our DEI¹ initiatives and manager training promote inclusion, cohesion and a sense of belonging.

Our targeted retention initiatives for specialised and critical talent, include the SIP², flexible remuneration arrangements, payment of annual practising certificate fees for certain permanent employees and salary adjustments where required.

Employee engagement is central to Netcare's employee value proposition. It connects our workforce to our purpose, attracts the high-calibre people we seek and is the key driver in delivering our strategic priorities. We engage with employees to understand their needs and actively respond to their feedback. We measure the effectiveness of our employee engagement through performance reviews, turnover rates and absenteeism. Quarterly performance reviews are conducted for employees at non-managerial level. Junior management and above are evaluated against BSCs³.

Our opportunity: [page 71](#).

- Digitise the HR function to provide a world class people experience.

Person centred HR strategy

- Support employee health, safety, resilience and wellness.
- Curate a meaningful and engaging employee experience.
- Cultivate a diverse and inclusive workplace.
- Drive blended learning and development initiatives.
- Enhance talent management and deployment.
- Fair, reasonable, responsible and competitive remuneration.
- Fair and effective management of issues impacting the employer-employee relationship.
- Digitisation to enable optimised HR processes and initiatives.

Employee turnover⁴

11.5% overall turnover.

FY 2024: 16.0%
FY 2023: 14.5%

7.8% voluntary turnover.

FY 2025 BSC target: 11.8%

FY 2024: 12.9%
FY 2023: 11.5%

12.7% nurse turnover.

FY 2024: 16.8%
FY 2023: not reported

We encourage innovation, critical thinking and continuous learning. Training and change management support the adoption of new technologies to ensure they do not negatively impact the employee experience.

We recognise the risks of anxiety, fatigue and burnout, particularly among nurses due to sub-optimal staffing ratios. Our integrated employee health and wellness strategy delivers both preventative and curative interventions for physical and mental health, emotional balance and social connection. The strategy, to be fully implemented in FY 2026, will drive leadership engagement to foster a culture of wellness, enhance the existing medical surveillance programme and host targeted wellness campaigns that address top health risks. We also provide a wellness programme for employees and their immediate family members focused on psychosocial wellbeing.

Our learning and development initiatives advance the talent pipeline for our core business, enhance digital and data skills and bring unemployed youth into the workforce. Our leadership development programmes prepare talent for progression to higher levels of management. The Netcare Leadership Development Programme, run in partnership with the University of Pretoria and now in its third cohort, builds a pipeline of future hospital managers and regional and divisional leaders; 16 of 32 delegates have advanced their careers to date.



MyNetCareer
The future of YOUR career is in the bag.

Finally, digitising HR processes will unlock critical workforce data, improve planning and human capital decision-making, and provide a seamless employee experience. MyNetCareer will place employee needs at the centre of our HR processes and empower employees to manage their career journeys.

Value outcomes for FY 2025

Person centred employee proposition: [page 91](#).

1. DEI: diversity, equity and inclusion.

2. SIP: Single Incentive Plan.

3. BSC: balanced scorecard.

4. Permanent employees only. Excludes National Renal Care.

Our material matters continued



Material matter 4 Effective leadership and responsible business conduct

Businesses today must demonstrate resilience in the face of rapid environmental, social and technological change. Stakeholders increasingly expect organisations to demonstrate transparency, ethical conduct and accountability as well as genuine commitment to ESG by aligning their strategies with global sustainability goals. This is driven by growing awareness of climate change, social justice and ethical governance. As a result, ESG reporting is evolving, with stricter disclosure requirements and standardised frameworks that require consistent, comparable and forward-looking ESG data. While digitisation offers significant advantages, it also introduces risks such as fierce competition for scarce digital and data analytics skills, reliance on third parties, user adoption challenges and cybersecurity threats.

Navigating this landscape requires strong leadership and robust governance to balance innovation with ethical responsibility, manage workforce transitions, ensure compliance, manage supply chain vulnerabilities and transition to sustainable practices.

Stakeholders impacted

- Our patients.
- Our people.
- Doctors and allied healthcare professionals.
- Private medical funders.
- Regulators and government.
- Society.

Strategic underpins



Link to top business risks: [page 64](#).

- BR2** Availability and quality of skills.
- BR3** Climate change and water scarcity.
- BR5** Cybercrime and cybersecurity.
- BR6** Delivering consistently outstanding and clinically efficient person centred health and care.
- BR9** Technology and data imperatives.
- BR11** Availability of electricity supply.

Data privacy has become a critical concern

- **The growing complexity of the cyber landscape** (highlighted in the World Economic Forum's Global Cybersecurity Outlook 2025) is attributed to geopolitical tensions, complex supply chains, rapid technology adoption and a proliferation of regulatory requirements. These factors increase compliance burdens and make cyber risk management increasingly challenging.
- **The rise of AI-driven cyberattacks and advanced ransomware deployment mechanisms** have made ransomware the leading global cyber risk. A stark example occurred in June 2024, when an extortion-focused ransomware group attacked SA's National Health Laboratory Service, disrupting millions of medical tests, which led to the cancellation of critical surgeries and compromised over one terabyte of sensitive data, directly endangering human health and safety¹.
- **While the power of AI cannot be disputed**, organisations must balance the competitive advantage of big data with their ethical and moral responsibility to protect stakeholder privacy.

Outlook: rapidly evolving cyberthreats are expected to continue globally. Unfortunately, these threats target essential systems that support societal progress (such as financial systems and public services) and the public's trust in a secure digital future. In SA, businesses can expect to face intensified audits, investigations and potential penalties for non-compliance as the Information Regulator increases its enforcement activities.

Key takeaways

Cost of a data breach

In 2024, the global average cost of a data breach fell 9% due to faster detection and containment. 13% of breaches involved AI. Organisations using AI-enabled cybersecurity saved an average of US\$2 million¹.

Ransomware

In 2024, SA ranked as the second most targeted country in Africa for ransomware, with over 12 000 detections. Healthcare organisations in the country face an average of 1 626 attacks per week².

¹ *Cost of a data breach 2025 | IBM.*

² *25COM009248 – Cybercrime Africa Cyberthreat Assessment Report_Design_2025-05 v7.indd and CPR – Check Point Research.*

Our material matters continued

Corruption persists as a major challenge in SA

- **Corruption remains a scourge in SA but some headway has been made** in anti-corruption reforms, such as establishing the Investigating Directorate Against Corruption within the National Prosecuting Authority and developing a digital forensics lab. SA also exited the Financial Action Task Force grey list in October 2025 after significant reforms to its anti-money laundering and counter-terrorism frameworks.

Global progress against climate-related targets remains slow

- **Global average temperatures surpassed the 1.5°C threshold** for the first time in 2024 with GHG emissions at record highs^{1,2}, indicating that the climate crisis is intensifying and that climate action is lagging.
- **Healthcare is a major emitter of pollutants**, stemming from various sources including energy use in hospitals, pharmaceutical production, transportation, medical waste and the use of anaesthetic gases.
- **Demand for electricity is set to grow globally**, including in SA, as companies digitise, data centres expand and AI becomes integral to business operations.
- **Significant volumes of municipal solid waste** are generated globally and continue to grow, with much of it disposed of in sub-optimal ways, resulting in environmental, social and economic harm.
- **Extreme weather poses physical risks** for Netcare, particularly for paramedics operating both on the ground and in the air, and increases operating challenges. These conditions raise the likelihood of damage to our facilities, leading to unexpected repair costs and higher insurance premiums. Notably, adverse weather is already affecting the volume of Netcare 911's helicopter emergency services.

Outlook: for SA to meet its net zero commitments will require increasing electricity demand to be met mainly with renewable energy sources. Accelerated investment in distributed generation, grid infrastructure, corporate power purchase agreements and energy storage will be critical for decarbonisation and resilience. However, SA's regulatory progress on environmental sustainability lags behind that of developed countries, suggesting that science-based targets may be delayed.

1. *State of the Global Climate 2024* | World Health Organization (<https://library.wmo.int/records/item/69455-state-of-the-global-climate-2024>). This is a one-year spike and not the multi-decadal average defined by climate agreements.
2. *The 2025 report of the Lancet Countdown on health and climate change*.
3. *South Africa – Transparency.org*.
4. Human Development Index (HDI), a composite statistic developed by the United Nations Development Programme to measure and compare levels of human development across countries.
5. *Global Waste Management Outlook 2024* | UNEP – UN Environment Programme.

Key takeaways

Corruption perception index

Published by Transparency International³ in February 2025, the Corruption Perception Index scores SA at 41 on a scale of zero to 100, where zero indicates high corruption. Below the global average of 43, this score reflects persistent concerns about public sector corruption.

Carbon emissions²

Healthcare is highly carbon-intensive, yet is becoming increasingly responsive to the challenge. Healthcare-related GHGs fell 12% between 2021 and 2022 to 4.2% of global emissions – the first decrease since 2016. This is however still 20% higher than in 2016.

Scopes 1 and 2 emissions each contributed 8.5% of emissions, with 83% from Scope 3 emissions.

In 2022, China and the US together contributed 63% of global healthcare emissions. Low and medium HDI⁴ countries, where expansion of health services is a priority, contributed just 4% of total healthcare emissions.

66% of public health institutions and 72% of medical institutions provide climate change education to health professionals.

Waste

The UN Environment Programme estimates that general waste volumes will reach 3.8 billion tonnes by 2050 if urgent action is not taken. In 2020, the global direct cost of waste management was an estimated US\$252 billion⁵.



Our material matters continued

Our strategic response

Ethical and compliant business conduct

The Netcare Board upholds King IV principles and recommended practices to promote transparency, ethical leadership, value creation, effective risk management, accountability and legitimacy through socially responsible operations. At the highest governance level, the Board sets the tone for ethical leadership and ensures these principles are integrated into strategy, risk and opportunity management and operations. Compliance with the Netcare Code of Conduct and laws against bribery, corruption, fraud and money laundering is strictly overseen, with management held accountable for acting in the Group's best interests.

Code of Conduct principles are reinforced through training, fraud awareness campaigns and an annual employee compliance and ethics survey, fostering a values-based culture beyond mere compliance.

Whistle blowing

Netcare enforces zero tolerance for theft, fraud, corruption, bullying, discrimination and racism. Employees and the public can report irregularities and unethical behaviour through the anonymous Fraud and Ethics Hotline, dedicated email or direct communication. Whistle-blower victimisation is not tolerated. The anonymous toll-free SHOUT line is an additional channel for employees to report alleged or perceived incidents of racism, sexism, discrimination, harassment or human rights violations, with confidential support provided through the employee wellness programme.

All reported incidents are investigated, with confirmed cases of theft, fraud and corruption reported to authorities and, where appropriate, relevant professional bodies.

Dispute and conflict management

We balance our supportive and collaborative employee approach with disciplinary measures to maintain a culture of good conduct, honesty and integrity. Mechanisms are in place for employees to report grievances, disputes and complaints. Our line managers are trained in dispute and conflict resolution to ensure grievances are addressed promptly and fairly.

 **Code of Conduct**
Anti-corruption policy (includes whistle blowing).

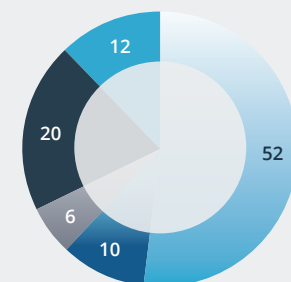
Reported incidents of misconduct

- 15** Fraud and Ethics Hotline
- 96** Fraud email reporting service
- 153** Direct communication with forensic services
- 68** Incident management system
- 19** Other channels eg customer services
- 351** **Total reports**

FY 2024: 297

FY 2023: 206

Nature of the incidents (% of total financial losses)



-  Damage of property and loss of consignment stock
-  Fraudulent proof of payment
-  Medical aid fraud
-  Theft of equipment
-  Other

FY 2024: theft of stock (21%), fraudulent proof of payment (5%), medical aid fraud (42%), loss of consignment stock (11%) and other (21%)

Several fraud awareness initiatives conducted during the year resulted in the increased reporting of misconduct. At year end, 337 (FY 2024: 286) incidents had been investigated and closed, with the remainder still under investigation. Most incidents reported related to theft and various types of fraud. The total financial loss incurred was 188% higher than for FY 2024 and 24% of losses had been recovered by year end. Eleven incidents accounted for over 97% of the financial loss. No medical ethics incidents were reported (FY2024: one).

Ethics training

4 742 employees received ethics and anti-corruption and anti-bribery training.

FY 2024: 4 544

FY 2023: 3 696

5 654 hours spent training **4 811** employees on human rights.

FY 2024: 4 872 hours; 4 569 employees

FY 2023: 7 330 hours; 5 095 employees

Our material matters continued

Our strategic response continued

Cybersecurity and data protection

Netcare processes large volumes of sensitive patient and employee data to deliver safe, high-quality care. Our cybersecurity strategy emphasises continuous improvement, resilience and proactive monitoring, supported by a bespoke control framework and best-of-breed technologies. Agility is essential, enabling rapid adoption of new methodologies to address emerging threats. AI is increasingly used in our Security Operations Centre to speed up incident detection and response, ensuring that critical vulnerabilities are rapidly addressed. Our controls are regularly verified both internally and by external specialists, and strategic partnerships with cybersecurity experts further strengthen our security profile.

Key risk mitigation measures include persistent vulnerability management, endpoint detection, benchmarking against sector and global peers, detailed incident response playbooks and phishing simulations to test employee awareness. Employees receive monthly cybersecurity training (videos and questions) with an average compliance rate of 92% (FY 2024: 85%). Access to network services is revoked for employees who fail to complete their training.

Our privacy strategy, framework and controls strictly regulate access to our data and systems. Employee awareness on data protection is reinforced through training and awareness programmes. In FY 2025, 640 employees received targeted privacy breach training.

Third-party service providers receive access to our systems only when it is required to fulfil their contractual obligations, and are subject to strict oversight, including authenticity checks, monitoring¹ and contractual agreements with stringent privacy clauses to ensure responsible handling of our information. Targeted privacy training was provided to 307 third parties in FY 2025.

370

third-party privacy impact assessments were conducted.

FY 2024: 379

FY 2023: 79

Privacy

18 483 (98%)

employees completed POPIA² training.

FY 2024: 18 093 (97%)

FY 2023: 18 243 (96%)

71

privacy incidents were reported to the Information Regulator. 32 have been closed and none pose a material threat to Netcare.

FY 2024: 60

FY 2023: 34

 [Privacy policy.](#)

Artificial intelligence

To fully leverage AI, we are strengthening our capabilities and ensuring all AI-related initiatives are implemented efficiently, responsibly and in line with our values to guarantee ethical use. Effective AI deployment requires careful planning, robust oversight and transparency with patients, employees and stakeholders. To support this, we established two additional governance structures in FY 2025 – the AI Committee and AI Design Committee. We are also developing a risk assessment framework and a consolidated view of AI solutions deployed throughout the Group.

The HPCSA has issued guidelines on the ethical, legal and professional challenges associated with AI in healthcare. We have submitted comments emphasising that healthcare practitioners should not be dissuaded from using AI solutions due to concerns about undue liability. The Social and Ethics Committee has noted the council's proposed requirements and their impact on Netcare.

A policy on the use of open AI was circulated to employees in FY 2025.

AI governance

Strategic and ethical oversight

The AI Committee is the Group's strategic authority for AI, overseeing investments, ethical use, risk management and alignment with business and IT strategy. It draws on the expertise of the AI Design, IT Enterprise Architecture and AI Governance committees for technical and compliance reviews, and has final decision-making power on AI direction, investments and ethical clearance.

Ethics, compliance and risk oversight

 The AI Governance Committee is responsible for assessing and monitoring AI solutions, providing assurance that robust controls and processes are in place. Guided by seven principles aligned with Netcare's values, the committee approved five AI solutions in FY 2025.

Technical design and enterprise IT standards

The AI Design Committee defines the design and roadmap for AI solutions and the Group's long-term AI platform. The IT Enterprise Architecture Committee establishes the principles and policies for AI architecture.

Our opportunities: [page 71.](#)

- Become the most cost-effective high-quality provider of healthcare services.
- Develop new clinical product offerings focused on specific market needs.
- Play a key role in South African medical research.
- Develop research-based high impact clinical pharmacy interventions.

1. Including non-disclosure agreements, annual privacy impact assessment questionnaires, user access agreements, annual security and privacy assurance confirmation, notification of security breaches, and monitoring by the Netcare threat intelligence tool, among others.
2. POPIA: Protection of Personal Information Act.

Our material matters continued

Our strategic response continued

Corporate citizenship and sustainability

Stakeholder engagement

We prioritise stakeholders who have the greatest impact on our strategy, striving to build strong, transparent and mutually beneficial relationships with them to deliver best and safest care today and sustainable value for Netcare and its stakeholders in the long term. Our engagement is supported by clear processes for managing feedback and complaints to ensure that risks that could affect the quality of our key relationships are proactively addressed. This approach allows us to align our interactions with stakeholder needs, concerns and expectations as well as with our top business risks and priorities.

Relationship owners are responsible for ensuring that engagement is inclusive, occurs with appropriate frequency and aligns with our strategic priorities. Key issues raised by stakeholders are escalated to leadership and the Board as needed.

Our digital platform further enhances engagement with patients, healthcare professionals and private medical funders, and will continue to do so as we mature our data analytics capabilities. Partnerships with sector and business associations, trade unions and NGOs strengthen our connections with employees, government, regulators and communities, supporting a holistic approach to stakeholder engagement.

We align with the following major international standards.

UN Universal
Declaration of
Human Rights

UN Sustainable
Development
Goals

International
Labour
Organization
principles

UN Global
Compact

No contributions are made to political parties, government affiliates or candidates.

 Our stakeholders: [page 13](#).

 [Shareholder report](#) (full governance report).

ESG performance

ESG principles are fully integrated into the Netcare strategy and approach to market leadership, underpinning our social licence to operate. The maturity and measurability of our ESG contributions are reflected in long-term strategies that safeguard our ability to meet stakeholder commitments and generate significant, cumulative benefits to society. Our ESG performance is independently assessed and benchmarked annually by global sustainability institutions.

In FY 2023, we set an aspiration to achieve an 'A' rating for the CDP climate change and water disclosures. Since then, we have improved our Scope 3 emissions reporting and had our emissions reduction targets (Scopes 1, 2 and 3) approved by the SBTi¹. However, the CDP has since updated its requirements, introducing new criteria, which has caused a delay in achieving this objective.

Remuneration

ESG-related remuneration targets, focused on human capital, transformation and environmental sustainability, account for 20% of the Group BSC for FY 2025 and FY 2026.

Reporting

In FY 2025, we engaged an external consultant to conduct an ESG gap analysis aligned with IFRS Sustainability Disclosure Standards to better understand where our reporting can improve.

Monitoring

Our interim BSC environmental targets are designed to address existing gaps and progress towards achieving our 2030 targets. A committee meets monthly to conduct an in-depth review of Group and site-level performance against targets.

We regularly assess the ethics, labour standards and business continuity plans of our strategic suppliers, particularly those providing medication, water, diesel, cleaning, catering and security services. Our waste service providers are audited on their compliance with waste management regulations. When supply chain risks arise, we collaborate with suppliers to find solutions. We also engage with suppliers who are not B-BBEE compliant, holding them accountable for their commitments to improve, and where appropriate, providing guidance. Our engagement extends to good industry practices in regulatory compliance (including data privacy), ESG considerations and particularly environmental performance as we work to reduce our Scope 3 emissions.

Value outcomes for FY 2025

 ESG ratings: [page 107](#).

1. SBTi: Science-based Targets initiative.

Our material matters continued

Our strategic response continued

Environmental sustainability

Our long-term goals:

Establish Netcare as a global leader in healthcare sustainability solutions

Align with 2030 global best practices

Drive sustainable resource management

Our 2030 environmental sustainability strategy prioritises operational efficiency to minimise our environmental impact while lowering operational costs. Its targets are designed to lay a solid foundation for achieving net zero emissions by 2050. The strategy aligns with and is enabled by SA's Just Energy Transition Investment Plan¹ and supports the 1.5-degree pathway specified by the COP21² Paris Agreement.

Reaching net zero by 2050 will require agility, adaptability, experimentation and innovation as we evaluate, pilot and implement emerging technologies and solutions. Our most ambitious target – achieving 100% renewable energy – will drive Scope 2 emissions to zero, an area where we have the greatest control.

The Hospital Division, which accounts for the bulk of our environmental impact, is the initial focus for our environmental sustainability initiatives. Each hospital has specific efficiency targets and outliers are investigated monthly. As our digital and AI capabilities mature, we will need to prepare our facilities for increased digital and electrical loads linked to AI and healthcare data processing.

Enterprise sustainability platform

More than 98% of the Group's energy and water consumption is monitored by our fully digital enterprise sustainability platform, tracking more than 15 000 data points. The platform has been critical in the early identification of operating inefficiencies.

We recognise that inadequate HCRW³ management has far reaching consequences, contributing to environmental degradation, climate change and biodiversity loss. We are transitioning from a linear to circular economy model of waste management, prioritising waste prevention, re-use, recycling and resource efficiency to minimise wastage of scarce natural resources. Advanced waste repurposing strategies will be implemented to achieve zero waste to landfill by 2030, with a target of zero general waste certification for the Group by FY 2027⁴, subject to logistical and legal considerations.

Value outcomes for FY 2025

 Environmental sustainability: [page 112](#).

Reviews⁵ of environmental sustainability projects, with a cumulative capex of R499 million, indicate a net present value of R189 million, exceeding initial projections of R144 million and delivering greater savings than originally anticipated. As utility costs rise, payback periods are shortening and cumulative benefits from the environmental sustainability programme now equate to 275% of total capex invested. During FY 2025, an additional 168 environmental-related efficiency initiatives were implemented across the Group.

Environmental sustainability programme costs and savings (Rm)

	2026 budget	2025 budget	2025 actual	2024 actual	To 2023 actual
Capital expenditure	74	86	69	87	624
Operational expenditure	14	14	13	13	123
Operational savings and cost avoidance	8		42	31 ⁶	377

Our opportunity: [page 71](#).

- Accelerate renewable energy adoption.

2030 environmental sustainability strategy

- Achieve zero Scope 2 emissions and reduce Scopes 1 and 2 emissions by a combined 84%.
- Significantly reduce Scope 3 emissions against the FY 2023 baseline.
- Reduce energy intensity by an additional 1% against FY 2023 baseline.
- Zero waste to landfill.
- Set a new water intensity target. The target to reduce water intensity by an additional 5% against the FY 2023 baseline was met in FY 2025.
- Embed lifecycle carbon and resilience assessments into project planning and procurement processes.
- Explore reforestation and carbon sequestration to offset unavoidable emissions (long term).

1. The proposed legislative changes and policies of the Just Energy Transition Investment Plan, which is now in full effect, will further enable our transition to renewable energy sources, while also ensuring that the transition does not further amplify inequalities in access to energy for SA's citizens.

2. UN Climate Change Conference (COP21), Paris, 2015.

3. HCRW: healthcare risk waste.

4. Beginning with rollout to the Hospital Division.

5. All environmental sustainability capex projects are reviewed 12 months after completion applying SANS 50010 measurement and verification standards to assess actual performance against initial forecasts.

6. Operational savings are now reported for patient days to more clearly reflect operational performance, hence FY 2024 has been restated from R26 million. Previously, savings were reported for registered beds. The change has been made as our efficiencies have increased in line with patient days meanwhile registered beds have decreased since FY 2023.

Our material matters continued



Material matter 5 Accelerating transformation and access to quality health and care in SA

SA faces persistent challenges in aligning its economic structure to the needs of the population. High unemployment and deep-rooted inequality continue to impede inclusive growth and job creation. Although earlier instability within the GNU¹ has eased, challenges such as ineffective governance and municipal and basic service delivery failures persist, fuelling public discontent. Building trust and effective consultation remain significant hurdles. Employment prospects are heavily influenced by disparities in race, age, gender, location and education. Until these underlying issues are addressed, SA's ability to finance and implement comprehensive reforms like the NHI will remain constrained.

Stakeholders impacted

- Private medical funders.
- Suppliers.
- Regulators and government.
- Society.

Strategic underpins



Link to top business risks: [page 64](#).

- BR4** Economic environment and demand for private healthcare.
- BR7** Sector regulations.
- BR8** Socioeconomic challenges and civil unrest.

The socioeconomic context

- **Socioeconomic inequality echoes in healthcare:** SA has two parallel, unequal health systems, with significant disparities in accessibility and quality of healthcare between public and private providers as well as between urban and rural areas².
- **The public health system serves over 80% of the population** and struggles to meet demand given the growing population and a quadruple burden of disease, including high rates of GBV³, sexual violence and femicide. This has led to resource shortages, patient backlogs and diminished quality of care. These challenges undermine economic productivity and have far-reaching social consequences for families and communities.
- **Hard times for small businesses:** heavy administrative hurdles and limited access to financing, restrict the growth and job creation potential of small businesses. Many enterprises fail within the first two years, often due to non-viable business ideas, insufficient start-up capital and limited market access and cash flow.
- **Recent policy developments** aim to support local and small businesses. For example, SAHPRA's⁴ policy to prioritise registration and reduce registration fees for locally manufactured medicines and the dtic's⁵ proposed R100 billion aggregated transformation fund to support small black-owned and black women-owned enterprises.

1. GNU: Government of National Unity.

2. Department of Health: National Health Insurance for South Africa: Towards Universal Health Coverage.

3. GBV: gender-based violence.

4. SAHPRA: South African Health Products Regulatory Authority.

5. dtic: Department of Trade, Industry and Competition.

6. Committee on Labour Briefed on Youth Unemployment Statistics and Intervention Programmes – Parliament of South Africa.

7. Small Business Growth Index – Sacci.

Key takeaways

Unemployment⁶

SA's official unemployment rate fell to 31.9% in quarter three of 2025 (quarter two: 33.2%), with job growth in construction, community and social services and trade. However, employment declined in manufacturing, finance and utilities.

Youth unemployment remained critically high – 58.5% for ages 15 to 24 and 38.4% for ages 25 to 34.

Small, micro and medium enterprises

Approximately one-third of SA's estimated 2.67 million SMMEs, operate formally. Collectively, SMMEs support an estimated 11.4 million jobs, contributing around 60% of employment⁷.

Our material matters continued

National health insurance

The NHI Act aims to ensure equitable access to quality healthcare by centralising healthcare funding under a state-run NHI Fund and reducing reliance on private medical schemes. According to the Act, NHI-covered services will be free at the point of care for registered users and delivered by accredited public and private healthcare providers, with fees set by the NHI Fund. The Act is explicit on contracting primary healthcare and emergency services from private and public healthcare providers, and hospital services from only public healthcare providers with an option to contract from other providers. Over time, private medical schemes will be limited to offering complementary cover for services not included under NHI.

Since the signing of the Act into law in May 2024, no sections of the Act have been proclaimed. Draft regulations were published in March 2025, outlining the appointment process for the NHI Fund's leadership and advisory committees, and are yet to be gazetted.

Eight legal challenges against the NHI Act are underway, including from Solidarity, the Board of Healthcare Funders, the South African Private Practitioners Forum, HASA and the South African Medical Association. Given the complexity of legal proceedings, the Minister of Health filed an application to 'stay' and 'consolidate' cases in July 2025. The application is expected to be heard at the end of February 2026. The Minister of Health has also appealed the ruling that the Certificate of Need¹ is unconstitutional, arguing it is necessary for NHI implementation and equitable resource distribution. The Constitutional Court heard this matter in September 2025, with judgement reserved.

Outlook: the implications of these regulatory developments include:

- New governance structures in the longer term.
- Uncertainty for private healthcare providers.
- Potential changes to pricing dynamics, which could affect the cost and access to quality healthcare.
- Replacement of existing primary healthcare benefits with a Basic Benefit Package, negating low-cost options from medical funders.

1. The regulations require licensing for establishing, constructing, modifying, acquiring, or increasing the number of beds in a healthcare facility. They also require licences for providing specific prescribed health services and limit where doctors and healthcare workers can practice.



Our strategic response

Universal health coverage

Netcare has long recognised the urgent need to address deficiencies and inequities in SA's health system. Alongside other private healthcare providers, we are well positioned to help government expand access to quality healthcare for all South Africans by leveraging private sector competencies and capacity. We remain committed to constructive engagement, even amid ongoing legal proceedings, but remain concerned about the systemic risks of a single NHI Fund.

Netcare has played a key role in developing and advocating for HASA's alternative model, which is research-based, proven in other parts of the world and can be rapidly phased in.

A viable alternative to the NHI

Implementing **mandatory medical coverage** for formally employed individuals and their families...

...frees up public health funds to serve the informally employed, **unemployed and most vulnerable** in our society...

...and the inclusion of young, healthy employed individuals in medical schemes would strengthen risk pools and **improve the affordability of scheme contributions**.

Recognising that UHC will take decades to fully achieve, we believe expanding access to quality care through private sector collaboration is essential in the interim.

NetcarePlus' range of products provide increased access to private healthcare beyond traditional medical schemes and use the Netcare ecosystem to deliver this healthcare (see [page 106](#)).

Transformation

Netcare actively supports government efforts to build an inclusive society, economy and labour market. Our transformation strategy, rooted in a social justice framework, addresses systemic inequalities arising from SA's history of exclusion and marginalisation.

We are a Level 3 B-BBEE accredited company. In FY 2025, we improved our B-BBEE score from 91.42 points in FY 2024 to 91.98 points out of 120. This is slightly below our target of 92.57 due to a decrease in our ownership score. Progress was made in management control, skills development and preferential procurement, with full points scored in enterprise and supplier development and socioeconomic development. The gender imbalances in healthcare and restrictions on nurse training currently prevent the Group from reaching a Level 1.

Our material matters continued

Our strategic response continued

Transformation continued

The HPFL B-BBEE trusts¹ allocate shares or funding to employees and for B-BBEE purposes, creating value opportunities for beneficiaries via exposure to the Netcare share price. This approach ensures that our employees and communities benefit when we perform well.

HPFL B-BBEE trusts

The Patient Care and Passionate People Trust
benefits 20 370 employees, excluding executives.

The Physician Partnership Trust
supports clinical academic excellence through scholarships.

The Mother and Child Trust
funds impactful community initiatives that uplift women and children.

The Healthy Lifestyle Trust
focuses on initiatives that support the physical and mental health and wellness of communities.

Our opportunities: [page 71](#).

- Improve access to Netcare for more South Africans.
- Develop new clinical product offerings focused on specific market needs.

Transformation strategy

- Generate value for the beneficiaries of the HPFL B-BBEE trusts.
- Ensure racial and gender diversity in our workforce and leadership structures.
- Promote social cohesion by tackling discrimination in the workplace.
- Increase our skills spend on black people.
- Continue offering vocational learning opportunities for unemployed youth, including people with disabilities.
- Support SMMEs, particularly black, young and women entrepreneurs.
- Increase access to quality health and care for indigent South Africans.

Value outcomes for FY 2025



Regulators and government: [page 105](#).
Society: [page 106](#).

Job creation

The Netcare Youth Development Initiative creates opportunities for young, unemployed South Africans. By aligning learnerships with our workforce needs in areas such as HR, IT, finance, pharmacy and nursing, we increase the likelihood of permanent employment for participants upon completion. The programme also contributes to building talent pipelines for the future.

Our preferential procurement is focused on empowering EMEs and QSEs², through supplier development initiatives and by intentionally shifting spend away from non-compliant generic³ entities toward these smaller businesses wherever possible. Through the structured ESD⁴ Programme, we target high-potential SMMEs in health and care, providing both financial and non-financial support to foster sustainable growth. These businesses align with our strategic and operational requirements to enhance their chances of integrating into our supply chain.

Supporting small businesses

53% of our supplier base
comprises small
businesses⁵.

FY 2024: 53%

FY 2023: 52%

102 small businesses are
enrolled in our early
payment terms
programme to support
their cash flow.

FY 2024: 104

FY 2023: 105

59% of our procurement
spend on medicine,
medical devices and
medical equipment is
sourced from suppliers
registered with SAHPRA.

FY 2024: 61%

FY 2023: not reported

Community medical programmes

The Netcare Foundation carefully selects and manages its investment to ensure maximum sustainable impact, inclusivity and alignment with our values and ethical standards. Funded primarily by the Hospital Division, private donors, the Mother and Child Trust and the Healthy Lifestyle Trust, the Foundation provides access to quality healthcare for eligible patients. Key initiatives include 38 Sexual Assault Crisis Centres, medical services programmes (such as cochlear implants and cleft, lip and palate surgery) and the six Netcare Ncelisa human milk banks and 36 collection points.

1. HPFL: Health Partners for Life; the trusts were established in 2005 through the transfer of 160 million Netcare shares valued at R1 billion.
2. EMEs and QSEs: exempted micro enterprises and qualifying small enterprises.
3. Generic suppliers are those that have an annual turnover of >R50 million.
4. ESD: enterprise and supplier development.
5. 16% are classified as QSEs and 37% as EMEs.