

Governance report continued

Key outcomes per King IV

Principle	Key outcomes for the Group in FY2022	Where to find information
<p>1 Ethical leadership</p> <p>2 Organisation values, ethics and culture</p>	<ul style="list-style-type: none"> Included in the FTSE/JSE Top 30 Responsible Investment Index. Included in the Dow Jones Emerging Markets Index. Assessed by MSCI ESG Research Inc. and rated AA. Refresher training on ethical leadership and anti-bribery and corruption was undertaken by the Board, Executive Committee and the procurement team. Conducted a fraud risk maturity assessment from the perspective of employees, demonstrating a high level of anti-fraud and anti-bribery and corruption awareness and compliance. 	<p>This report:</p> <ul style="list-style-type: none"> Ethical leadership: PG 09. ESG rating performance: PG 12. Responsibilities of the Board: PG 17. Social and Ethics Committee: PG 26.
3 Responsible corporate citizenship	<ul style="list-style-type: none"> Included in the FTSE/JSE Top 30 Responsible Investment Index. Included in the Dow Jones Emerging Markets Index. Achieved a B- rating from Institutional Shareholder Services. Achieved a medium ESG risk rating from Morningstar Sustainalytics. Joined the United Nations (UN) Race to Zero 2050 Challenge in 2021. Set a target to halve measurable emissions (Scopes 1, 2 and 3) by FY2030. Won four gold awards in the 2022 Health Care Climate Challenge Awards for third consecutive year. Awarded the Commercial Corporate Company of the Year Award in SA for our energy management programme. Achieved a Level 3 B-BBEE rating. Targets were set to halve measurable emissions (Scopes 1, 2 and 3) by FY2030. 	<p>This report:</p> <ul style="list-style-type: none"> Responsible corporate citizenship: PG 11. ESG rating performance: PG 12. Social and Ethics Committee: PG 26. <p>Integrated report:</p> <ul style="list-style-type: none"> Board chair's review: PG 17. Chief executive officer's review: PG 24. Social and relationship capital: PG 101. Natural capital: PG 152. <p>ESG report:</p> <ul style="list-style-type: none"> ESG report.
4 Strategy, implementation and performance	<ul style="list-style-type: none"> Completed a number of key strategic projects with many of the remaining projects close to completion. NetcarePlus and Netcare Diagnostics, the Group's growth initiatives, are starting to gain traction in their markets. Steady financial recovery from the COVID-19 pandemic although the Group does face headwinds in its operating environment. Good progress made on progressing the Group's environmental, social and governance (ESG) priorities. A new marketing strategy was launched. The Group is in a sound financial position with access to sufficient borrowing facilities to meet its funding requirements for the foreseeable future. 	<p>This report:</p> <ul style="list-style-type: none"> Responsibilities of the Board: PG 17. Board committees: PG 21. <p>Integrated report:</p> <ul style="list-style-type: none"> Our strategy: PG 10. Chief executive officer's review: PG 24. Our context: PG 40. Overview of strategic progress: PG 71. Chief financial officer's review: PG 162.
5 Reports and disclosure	<ul style="list-style-type: none"> Published the FY2022 integrated reporting suite (prepared according to applicable reporting frameworks). The 2021 Integrated Report ranked third in the EY Excellence in Integrated Reporting Awards. Obtained assurance on financial information and certain non-financial performance indicators in line with the combined assurance model. 	<p>This report:</p> <ul style="list-style-type: none"> Our reporting suite: PG 01. Responsibilities of the Board: PG 17. Audit Committee: PG 22. Accountability and control: PG 31. <p>Integrated report:</p> <ul style="list-style-type: none"> Our report: PG 02. Our material matters: PG 55. <p> ESG report</p> <p> Group annual financial statements.</p>
6 Role of the governing body	<ul style="list-style-type: none"> The Board fully complied with its terms of reference as confirmed by the Board chair and the company secretary. 	<p>This report:</p> <ul style="list-style-type: none"> Responsibilities of the Board: PG 17.

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7 Composition of the governing body	<ul style="list-style-type: none"> A diverse Board with a wide range of relevant skills, expertise and experience. Recruitment of two new directors to invigorate the Board with new experience and perspectives. The Board comprises 55% female and 55% black representation. Board committee memberships and chair roles were refreshed to better align skillsets with committee mandates (effective 1 January 2023). 	<p>This report:</p> <p> The Board: PG 14. Board composition: PG 14.</p>
8 Committees of the governing body	<ul style="list-style-type: none"> The Board committees fully complied with their terms of reference as confirmed by the Board chair and the company secretary. 	<p>This report:</p> <p> Delegation of authority framework: PG 20. Board committees: PG 21.</p>
9 Performance evaluation	<ul style="list-style-type: none"> High adherence to principles of King IV. 	<p>This report:</p> <p> Evaluation of performance and independence: PG 19.</p>
10 Delegation of management	<ul style="list-style-type: none"> An appropriately skilled leadership with the experience, knowledge and capability to deliver against the business strategy with succession plans in place for the Executive Committee and the Board. 	<p>This report:</p> <p> Evaluation of performance and independence: PG 19. Operating committees: PG 28.</p>
11 Risk and opportunity governance	<ul style="list-style-type: none"> A risk-aware culture embedded at all levels of the Group and an agile risk management process able to quickly identify and put controls in place to manage multiple risks. 	<p>This report:</p> <p> Audit Committee: PG 22. Risk Committee: PG 24. Governance of risk and opportunity: PG 30.</p> <p>Integrated report:</p> <p> Chief executive officer's review: PG 24. Our risks and opportunities: PG 58.</p>
12 Technology and information governance	<ul style="list-style-type: none"> A business strategy that addresses changes and trends in global healthcare. Regularly reviewed and appropriate cybersecurity, data protection and disaster recovery plans. The digitisation of the Netcare ecosystem is well underway with a number of benefits starting to emerge: patient safety, clinical outcomes and patient engagement as well as fewer telephonic orders and prescribing errors. 	<p>This report:</p> <p> Audit Committee: PG 22. Risk Committee: PG 24. Governance of information and technology: PG 32.</p> <p>Integrated report:</p> <p> Our risks and opportunities: PG 58.</p>
13 Compliance governance	<ul style="list-style-type: none"> No material penalties, sanctions or fines for contraventions of, or non-compliance with, regulatory obligations were incurred during FY2022. 	<p>This report:</p> <p> Audit Committee: PG 22. Risk Committee: PG 24. Social and Ethics Committee: PG 26. Compliance governance: PG 33.</p>

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14 Remuneration governance	<ul style="list-style-type: none"> A remuneration policy and implementation process that align with the Group's strategic imperatives and stakeholder interests. 84.5% and 86.4% of shareholders voted in favour of the remuneration policy and the implementation report respectively (2022 AGM). Formally implemented the Single Incentive Plan. 	<p>This report:</p> <ul style="list-style-type: none"> Remuneration Committee: PG 25. Remuneration governance: PG 34. Remuneration report: PG 38.
15 Assurance	<ul style="list-style-type: none"> The Audit and Risk Committees are satisfied that the external auditor for FY2022 is independent and that no non-audit services that may impair their independence were performed. Adequate and effective controls that support the integrity of reporting for better decision-making, both internally and for stakeholders. No key governance or control failures were experienced in the period under review. 	<p>This report:</p> <ul style="list-style-type: none"> Combined assurance: PG 34. Adequate and effective controls: PG 30.
16 Stakeholder inclusion	<ul style="list-style-type: none"> A Stakeholder Engagement Plan and engagement that is appropriate and effective, and supports Netcare's strategy and ESG imperatives. 	<p>This report:</p> <ul style="list-style-type: none"> Stakeholder inclusion: PG 37. <p>Integrated report:</p> <ul style="list-style-type: none"> Stakeholder engagement: PG 47.
17 Not applicable.		

