



# SOCIAL AND RELATIONSHIP CAPITAL

## EMPLOYMENT EQUITY

BLACK EMPLOYEES AS A % OF TOTAL EMPLOYEES	BLACK SENIOR AND TOP MANAGEMENT	BLACK DIRECTORS	WOMEN AS A % OF TOTAL EMPLOYEES	WOMEN SENIOR AND TOP MANAGEMENT
<b>91.0%</b>	<b>31.5%</b>	<b>44.4%</b>	<b>62.7%</b>	<b>25.9%</b>
2016: <b>90.8%</b> 2015: <b>89.6%</b>	2016: <b>27.8%</b> 2015: <b>23.2%</b>	2016: <b>44.4%</b> 2015: <b>44.4%</b>	2016: <b>61.9%</b> 2015: <b>61.8%</b>	2016: <b>27.8%</b> 2015: <b>21.4%</b>

### SKILLS DEVELOPMENT – TOTAL EXPENDITURE

**R125.8m**

2016: **R95.7m**

### TRANSFORMATION RATING

**LEVEL 5\***

2016: **Level 6\***

\* New BBBEE codes applicable

### TOTAL SPEND OF SOCIO-ECONOMIC DEVELOPMENT

**R17.8m**

2016: **R15.1m**

### AMOUNT INVESTED IN BURSARIES

**R4.4m**

2016: **R4.3m**

### NUMBER OF BURSARY STUDENTS

**100**

2016: **86**



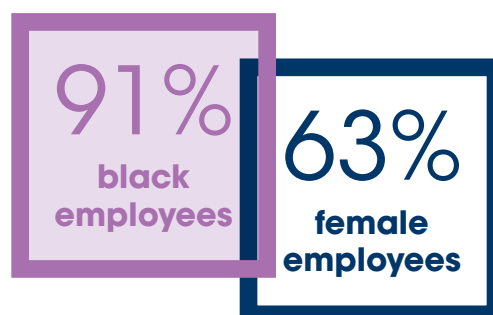
# SOCIAL AND RELATIONSHIP CAPITAL

## EMPOWERMENT AND TRANSFORMATION

Clicks Group is committed to the spirit of the Broad-based Black Economic Empowerment (BBBEE) Act. The group's transformation strategy is aligned to the Department of Trade and Industry's (DTI) Codes of Good Practice.

Transformation is managed within a governance framework that includes the board's social and ethics committee, the internal transformation committee, which is chaired by the chief executive and co-ordinated by the group human resources director, and the business unit transformation forums, which are responsible for implementation.

The group achieved a level 5 BBBEE rating in the 2017 financial year on the amended BBBEE Codes of Good Practice Gazetted on 11 October 2013, with a score of 77.99 points.



### Management control

The management control element of the scorecard is a reflection of the composition of the board of directors, group executive committee and senior management who are members of the business unit operating boards. The board comprises 44% black directors, with women making up 44%. The group executive committee has 50% black representation and 25% female.

BBBEE Element	Maximum points	2017	2017 Target
Ownership	25	16.35	16
Management control and employment equity	19	12.33	12.41
Skills development	25	16.16	21
Preferential procurement, enterprise and supplier development	44	28.15	21.4
Socio-economic development	5	5	5
Total	118	77.99	75.81
BBBEE level		5	

### Ownership

The group scored 16.35 points on the ownership element of the scorecard, which is attributed to the employee share ownership programme (ESOP) and an independent analysis of the group's shareholding to determine the level of beneficial black ownership.

At the end of the reporting period 5 882 employees were participants in the ESOP scheme, with black employees accounting for 83% and women 66%. Pharmacists comprise 5% of the ESOP beneficiaries. Participating employees receive a cash dividend annually, equal to 10% of the total dividend paid to ordinary shareholders each year.

### Management control

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### Employment equity

The Clicks Group wants to create a diverse workforce and is committed to the recruitment, development and retention of employees, regardless of race, gender, disability, religion, sexual orientation and political persuasion. The group's workforce comprises 91% (2016: 90.8%) black employees and 63% (2016: 62%) female.

The group supports the national agenda aimed at the employment of youth in sustainable positions. During the financial year we employed 9 724 people under the age of 35 in permanent positions.

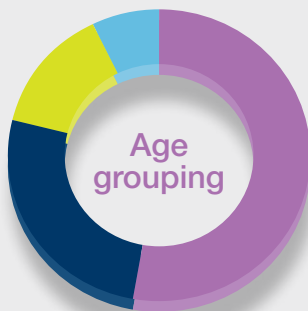
The group continues to align its employment equity targets and the national economically active population statistics, in line with the Department of Labour Director-General's review process since 2012.

The group's permanent monthly paid staff turnover is 15.9% below the targeted range of 18% – 20%.

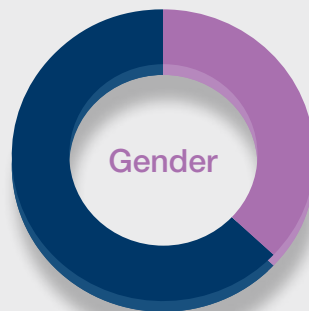
The group scored 4.40 points overall for employment equity and 1.03 for employees with disabilities.

Employee profile of South African businesses

Occupational level	Male			Female			Foreign nationals		Total		
	African	Coloured	Indian	White	African	Coloured	Indian	White			
Top management	0	0	2	1	0	1	0	0	1	0	5
Senior management	4	2	4	23	2	1	1	7	3	2	49
Middle management	104	69	43	156	106	59	55	197	10	13	812
Junior management	451	160	48	122	638	475	153	489	13	9	2 558
Semi-skilled	3 160	690	57	64	4 488	1 811	121	119	11	3	10 524
Unskilled	2	0	0	0	2	0	0	0	0	0	4
Total permanent employees	<b>3 721</b>	<b>921</b>	<b>154</b>	<b>366</b>	<b>5 236</b>	<b>2 347</b>	<b>330</b>	<b>812</b>	<b>38</b>	<b>27</b>	<b>13 952</b>
Temporary	167	28	8	25	211	75	20	62	6	11	613
Grand total	<b>3 888</b>	<b>949</b>	<b>162</b>	<b>391</b>	<b>5 447</b>	<b>2 422</b>	<b>350</b>	<b>874</b>	<b>44</b>	<b>38</b>	<b>14 565</b>



- 53% Under 30
- 26% 30 – 39 years
- 14% 40 – 49 years
- 7% 50+ years



- 37% Males
- 63% Females



- 63% African
- 24% Coloured
- 4% Indian
- 9% White

No strikes or industrial actions took place in this financial year.

Preferential procurement

We focus on sourcing merchandise and services from locally based and empowered suppliers. In the past year 72.8% (2016: 75.8%) of total measured procurement spend was from empowering suppliers.

Enterprise development

The group invested R27.3 million in enterprise development initiatives and achieved the maximum 5 points on the amended DTI scorecard.

**4 QUALITY EDUCATION**

SUSTAINABLE DEVELOPMENT GOAL

The Clicks Group supports the goals of the 4th UN SDG by offering equal opportunity for education at university level to employees, including youth in the workforce through internships and permanent employment. The group also has pharmacy bursaries that help with the development of the pharmaceutical industry in South Africa.

**10 REDUCED INEQUALITIES**

SUSTAINABLE DEVELOPMENT GOAL

The Clicks Group supports the goals of the 10th UN SDG to reduce inequalities through empowering and promoting employees regardless of age, sex, disability, race, ethnicity, origin, religion or economic or other status and by ensuring equality through improved diversity and other policies of the company.

### Supplier development

The group invested R27.3 million in supplier development initiatives and achieved 5.29 points on the amended scorecard with the below initiatives:

The UPD independent owner-driver scheme, which was established in 2003, contracts small enterprise owner-drivers to deliver products from UPD to Clicks, independent pharmacies, hospitals and clinics. Support for Style Studio, a specialist haircare and beauty chain, continues through an interest-free loan.

Triton Pharmacare is one of the healthcare industry's largest and longest-standing private label manufacturers, with the local factory in Midrand, South Africa. The factory complies with best manufacturing standards and has been inspected by the Medicines Control Council for accreditation. Triton Pharmacare supplies private label products to the Clicks brand in tablet, capsule, powder, granule and liquid format.



### Socio-economic development

The Clicks Group's socio-economic development programme focuses on areas that are aligned with the business strategies related to health and well-being. The group measures the success of the programme by quantifying donations to or community investments in not-for-profit organisations.

We have once again shown our commitment to the communities where we trade by investing 1% of profit after tax in social development programmes. A total of R17.8 million (2016: R15.1 million) was invested in social development through financial and product donations to non-profit organisations and initiatives aligned to the group's focus on health and well-being in South Africa.

The group also invested R4.4 million in bursaries to 100 students completing Bachelor of Pharmacy degrees, which is fully discussed under the skills development section in this report and is reported separately from social development spending. We spent R0.7 million on arts, sport and culture, R0.1 million on basic needs and social development and a further R2.0 million on education. The group invested a total of



R15.0 million in health, including HIV/AIDS as the main focus. The full socio-economic development spending was in South Africa.

We also donated R4.5 million to the Public Health Enhancement Fund over the past five years. The fund aims to address skills shortages, improve quality of public healthcare and advance research.

Social development programme expenditure	2017
Percentage of total CSI/SED spend in South Africa	100%
Rand value of CSI/SED spend on arts, sport and culture	R0.7 million
Rand value of CSI/SED spend on basic needs and social development, including nutrition and/or feeding programmes	R0.1 million
Rand value of CSI/SED spend on education	R2.0 million
Rand value of CSI/SED spend in environmental management projects	R0*
Rand value of CSI/SED spend on health, including HIV/AIDS	R15.0 million
Total Rand value of CSI/SED spend	R17.8 million

\* The Body Shop South Africa supports the Centre for Rehabilitation of Wildlife sponsored by The Body Shop International.

### Clicks Helping Hand Trust

Clicks Helping Hand Trust has opened all Clicks clinic doors for HIV testing, and Moms and Babies services, with over 17 618 baby consultations and family planning consultations performed to date. All clinics now also offer free services on a campaign basis and have delivered a further 73 000 free consultations during heart health, diabetes and HIV awareness campaigns. It costs more than R4 500 to vaccinate a child for the first 18 months of his/her life. Free baby vaccinations and family planning medication are now available at all Clicks clinics in the Western Cape as a result of a partnership between the Western Cape Department of Health and Clicks. Similar partnerships in three other provinces are being finalised. The trust is able to continue the work it does through financial support and donations from Clicks, its employees, suppliers and other organisations with aligned goals.

### Girls on the Go community programme

Whilst most of our funds are spent in Clicks, we know the numerous needs of our communities. One concern that touched our hearts was the issue of schoolgirls missing school during their menstrual cycles. This led us to partner with Subz pads and panties and their community programme, Project Dignity. Subz produces a washable, reusable, SABS-approved sanitary pad that lasts up to five years. This means that the schoolgirls we reach, depending on their age, will be equipped to stay in school in their formative years, comfortable in the knowledge that their monthly cycle will not disturb their academic progress.

The project was launched in 2016, reaching 5 000 girls in year 1 and 16 000 in the current year. For more information visit <https://clicks.co.za/helpingHandClinic>

### Moms and babies programme

The Clicks Helping Hand Trust Moms and Babies programme offers free clinic services every Thursday afternoon at selected clinics. These services are available to mothers whose babies were born in State hospitals, and who don't have access to medical aid. The trust was launched in 2011 in response to the need to reduce infant and maternal mortality in South Africa. The free services offered include baby immunisation (where State stock is available), growth measurement and baby weighing, feeding and nutritional advice, as well as family planning advice and medication (where State stock is available). For more information go to Clicks Helping Hand at <https://clicks.co.za/helpingHandClinic>

### Health campaigns

Clicks Helping Hand Trust extends its hand further with other focused health campaigns through the year, aligned with the National Health Calendar. We are focused on working with the government to improve the health of all South Africans, by helping every South African to know their health status. These campaigns include heart health, with free blood pressure and cholesterol testing, diabetes awareness, with free glucose and blood pressure testing, and HIV awareness, with free HIV testing. These free services are available in all clinics during campaigns.

### Other beneficiaries of the group's social investment include organisations such as:

#### Carel du Toit Centre

The Carel du Toit Centre works towards early identification of hearing loss and the fitting of hearing aids or a cochlear implant.

We believe that with early identification, providing there are no further complications, a large percentage of deaf children can acquire sufficient speech and language abilities to adapt intellectually, socially and emotionally in a society of hearing people.

#### The Topsy Foundation

Topsy is a non-profit organisation with the belief that all children deserve to thrive, regardless of where they come from. They work to break the cycle of poverty and empower rural communities in Mpumalanga, South Africa, through education, food security, health services and emotional support to women and children.

Their sustainable interventions are focused on supporting the most vulnerable women and children in disadvantaged rural communities, where they aim to use community assets for sustainable change.

Topsy delivers holistic interventions to children, which includes medical, educational, psycho-social and nutritional services.

They also deliver health services and support to women while equipping them with the skills and knowledge to raise happy, healthy and capable children.

The organisation was conceptualised and founded in 2000 by Duke Kaufman, Silja Elena and Doug Maritz.

### The Appliance Bank

The Appliance Bank (TAB) equips unemployed men with technical skills to repair donated damaged household appliances and the business skills to buy and on-sell the repaired electrical appliances. TAB currently operates only in Cape Town and is an offshoot of the highly successful social entrepreneurship programme, The Clothing Bank. Seventeen men have been recruited for the pilot programme and are trading exceptionally well.

#### Case study

#### Oscar Renge, 51 years old, married with five children

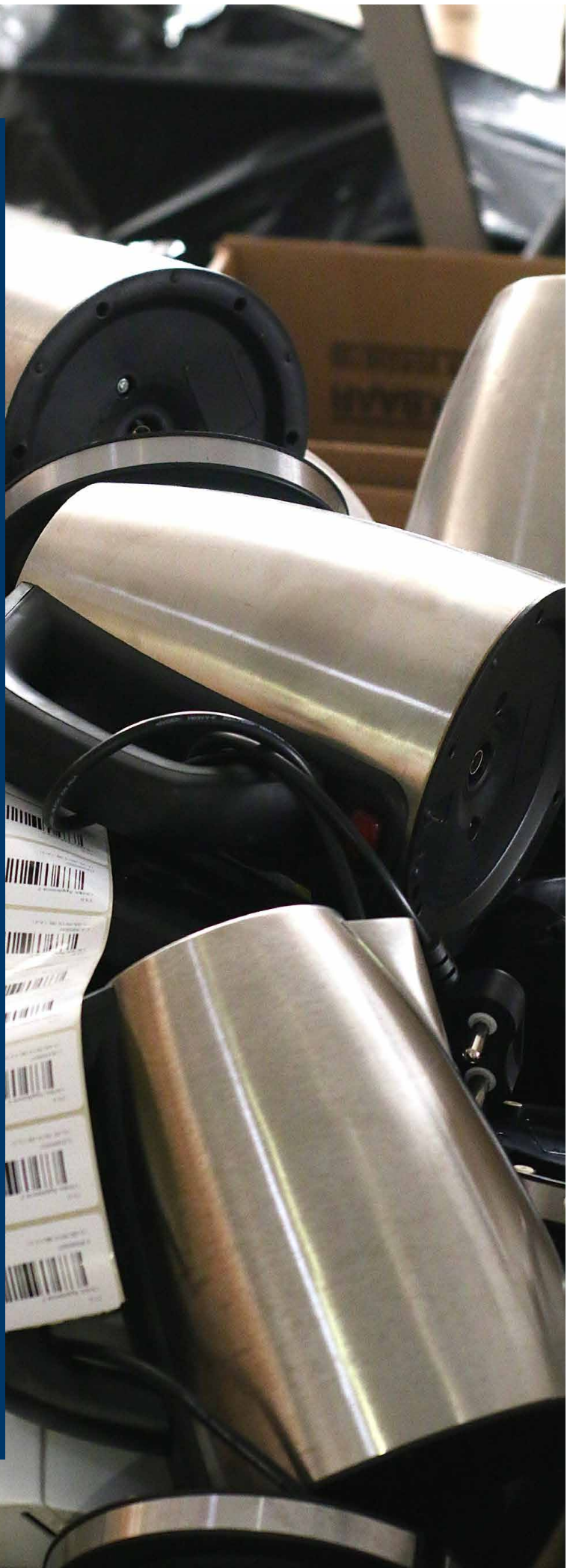
Oscar joined the appliance repair training programme in September 2015. He had been bedridden for 18 months after a near-fatal car accident.

Oscar has a background in human resources and small business. He and his wife ran a small catering company and they were living from job to job. He says that he struggled to manage the finances of the business and didn't have much discipline and the business suffered as a result.

Since joining The Appliance Bank he has become a leader in his group and has taken the opportunity seriously. He trades mostly from outside his home. Oscar is an excellent marketer with a keen eye for opportunities and he has been targeting gym members and now has an order list of customers wanting to purchase blenders.

Oscar's dream is to open a retail outlet in Gugulethu. His biggest takeaway from the training we provide is learning the financial and business skills needed to run a sustainable business.

Oscar has also gone on to use the skills he has acquired to grow the catering business, which his wife manages during the week with his help on weekends.



## EMPLOYEE CONTRIBUTION

We encourage employees to support social development projects, schools and charities and to subscribe to the payroll giving scheme through the Helping Hand Trust.

## EMPLOYEE WELLNESS PROGRAMME

Our comprehensive employee wellness programme (EWP) had its origins in an HIV project that was set up as a group initiative in August 2005. The intention was to define and implement a group-wide HIV strategy instead of having separate business unit initiatives per brand.

Before we started the HIV project, we spent time evaluating our current and past approaches to identify successes and shortcomings. We also looked at what other companies were doing and what they had learned; what international research recommended; and, finally, what various service providers offered.

We found that:

- HIV/AIDS is not the only issue our employees are struggling with. There are a range of sociological issues that impact on the day-to-day lives of our employees and their families, such as substance abuse, domestic violence, tuberculosis, etc.;
- leadership buy-in is vital (for the sustainability of any programme); and
- behaviour change through communication is vital to the success of the programme.

We decided it was necessary to commission an actuarial study to estimate the demographic and financial impact of HIV/AIDS in the workplace and weigh it against the benefits and estimated costs of an HIV disease management programme. We also wanted to know how this could affect our bottom line. We commissioned Metropolitan to do the risk impact assessment.

The employee wellness programme (EWP) was developed and is a work-based advisory, counselling and support programme which provides life, health, performance and wellness management services to employees and their immediate households free of charge, 24/7 and in the official SA languages.

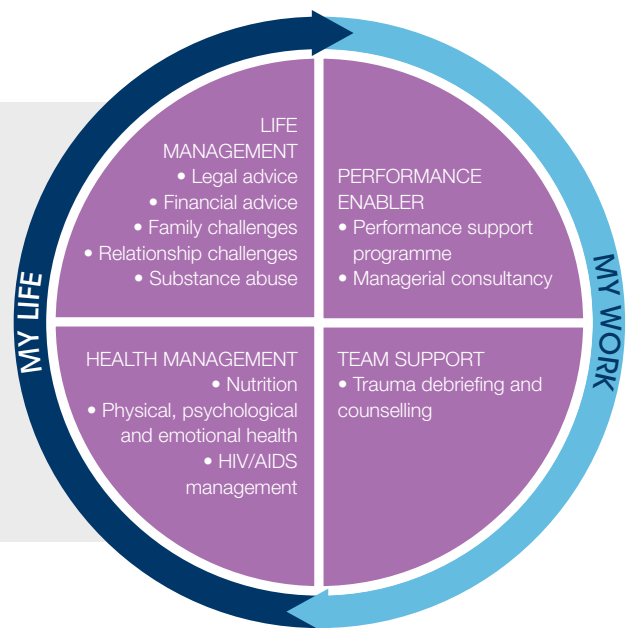
EWP is aimed at informing, educating and supporting employees to:

- take responsibility for their physical, mental and emotional well-being;
- remain fully engaged and motivated; and
- enable a productive organisational culture in which employees are fully present.

The employee wellness programme provides independent, confidential, professional counselling and advisory services to permanent employees and their direct household dependants. It is highly valued by employees and line managers, as evidenced by the high rate achieved during the 2016 employee satisfaction survey. The programme utilisation rate of 13.4% remains highest in the consumer services sector.

In 2017 more than 1 600 employees completed wellness screenings, which included blood pressure, glucose, cholesterol, body mass index and HIV tests during the wellness days, which are held nationally at head office, distribution centres and stores.


Employee wellness programme	2017	2016	2015
Employee utilisation	1 926	2 060	1 940
Family utilisation	452	108	77
Total utilisation rate	13.4%	24.5%	22.2%
Manager referrals	95	106	56
High-risk cases	45	33	46
HIV/AIDS management programme	64	56	53





The HIV/AIDS management programme is focused on prevention through information and education, treatment and support. Employees are encouraged to know their HIV status through the voluntary counselling and testing campaign delivered at head office, distribution centres, regional offices and in stores on an annual basis.

The programme is delivered by an independent service provider, Metropolitan Health. HIV management and treatment services are for permanent employees who are not on medical aid and offer the following:

- 
- Free voluntary counselling and testing
  - Free antiretroviral and certain HIV-related medication
  - Free multivitamins
  - Five free HIV-related doctor consultations and blood tests per year
  - Prevention of mother-to-child transmission, including milk formula for six months
  - Post-exposure prophylaxis (PEP)
  - Counselling and support to employees and their dependants

The employee wellness programme was rated the Number 1 programme in the previous employee survey index.

A group of leading retailers got together in 2007 to find a way of making HIV counselling and testing available to employees working in stores and started the retailers unite initiative.

We care about the health and well-being of our employees and encourage all employees to participate when a campaign comes to their shopping centre. We extend an open invitation to other retailers to come on board so that their employees might also benefit from participating in this initiative. There were 19 events held in 2017 in every province, with positive feedback from all employees who attended.


*“Once again, from the bottom of my heart, thank you and continue to do good, there still are people out there that need this type of service.”* Testimony from an employee – Koos Snyders, store manager, Clicks pharmacy, Bloemfontein.

The employee wellness programme was rated the **Number 1 programme** in the previous employee survey index.

## Healthcare Conference

In line with our recent sharper focus on not only pharmacy, but healthcare as a whole, we've expanded our annual healthcare conference to include all the employees and suppliers who help us deliver the patient-centred Clicks healthcare experience. The 11th annual Clicks healthcare conference marks the continuation of this new chapter in our history and we're inviting you to join us on this exciting journey.

Hundreds of delegates from all over the country – including pharmacists, nursing practitioners, pharmacy assistants, interns, Clicks operational employees and suppliers – attend the healthcare conference every year to increase their knowledge, learn from one another and connect with key suppliers. The conference represents a key opportunity for the group to explore new ways to take healthcare further and improve the lives of our patients. Speakers from both public and private sectors address the gathering to share knowledge and engage with the group, while continuous professional development (CPD) points are earned by pharmacists and nursing practitioners attending applicable sessions.

 For further information visit <https://healthcareconference.clicks.co.za/>



**Generic medication advantages**

The healthcare strategy of the Clicks Group is aligned to the South African Government’s healthcare goal to provide medicine to a wider patient base. Generic medicine is more affordable and will enable access for more patients.

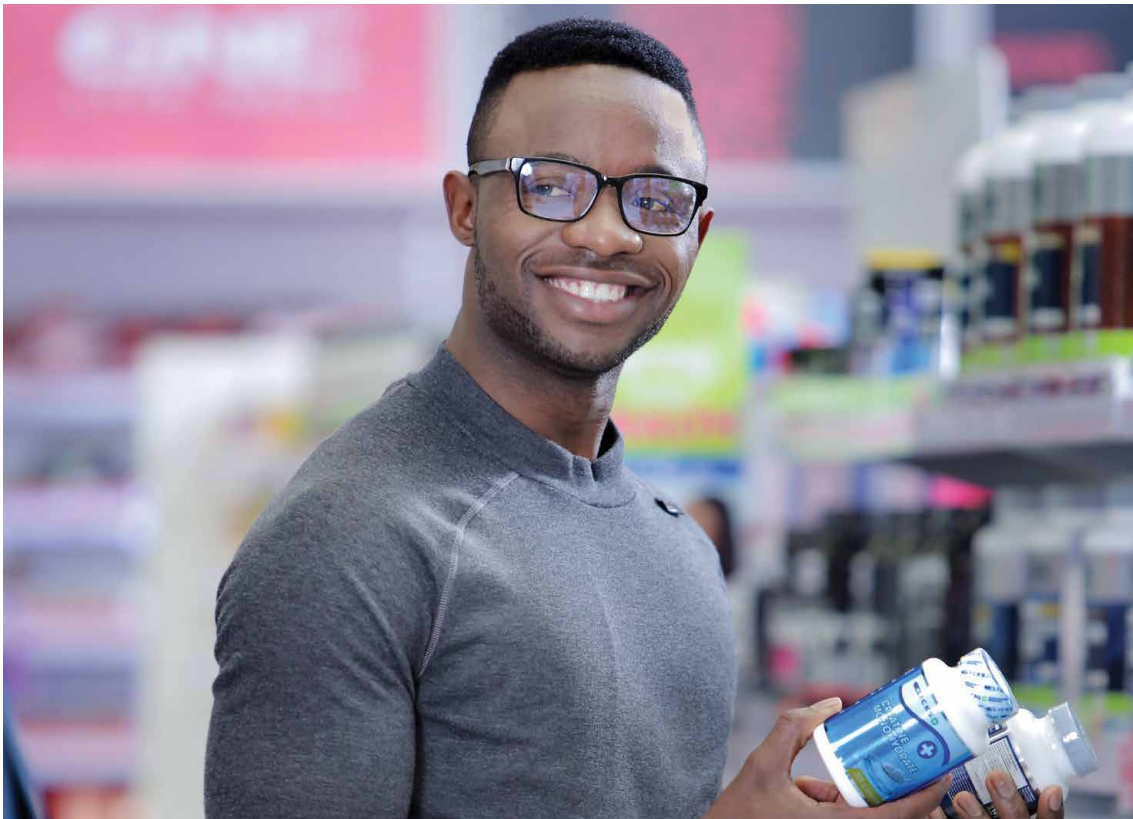
Generic medicines have the equivalent biological effect and dissolution of the originator product.

A generic medicine contains the same active ingredient/s and has the same dosage form and strength as the original medicine; however, it may contain different inactives (colourings, starches, sugars, etc.). There may also be differences in size, shape, colour or pack size, but none of these have any impact on the way the drug works.

The benefits of generic medicines are:

- Generics offer substantial cost savings without compromising efficacy.
- Cost saving makes more efficient use of your medical aid benefits.
- Cost saving leaves more money to pay for other treatments and services that you may need.
- Lower-priced medicines encourage more healthy competition in the market.
- Generics allow you to exercise your rights as a consumer.

Clicks provides a wide range of pharmacy and front shop medicine alternatives in their generic range, offering customers value for money.



**3 GOOD HEALTH AND WELL-BEING**

 A white icon on a green background showing a heartbeat line (ECG) that ends in a heart shape.

**SUSTAINABLE DEVELOPMENT GOAL**

The Clicks Group supports the goals of the 3rd UN SDG by providing free tests and family planning through the Helping Hand Trust. Other initiatives in the group that support the goals are also focused primarily on health and well-being.