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About this REPORT

We are **pleased to present our sustainability report** for the financial year ended 31 August 2021. Our 2021 report is an account of our sustainability performance, the lessons we have learnt over the pandemic period and an appreciation of our people.

Our people are the foundation on which we build a future-fit and resilient business every day. It is through our people that we co-create a shared purpose for the future with our stakeholders: our communities and customers are chief amongst these.

Our sustainability report reaffirms our commitment to our approach to sustainability and presents our progress in managing our material topics. Our material topics have evolved over the period under review as has our understanding of our topics. We embarked on a materiality assessment process that helped us operationalise our material topics and laid the foundation for target setting for the short, medium, and long term.

We are also proud of the progress we have made in addressing our environmental impact. We conducted a climate change gap analysis (in accordance with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations) to identify areas of improvement within our governance, strategy, risk management and target-setting processes. We are committed to addressing the climate change-related risks we are exposed to and communicate our progress in accordance with the TCFD recommendations. We are now implementing our plan to achieve this objective in a sustainable manner.

Clicks faced incredible challenges in the year under review. We share these challenges with the communities we serve and our teams at every store, pharmacy and distribution centre. This year tested the resilience of our people, our business model and our relationships with stakeholders. We believe that not only did we overcome these challenges, but we gained valuable insight as to how we can enhance our value-adding business model and achieve our objectives.

We remain committed to providing affordable access to healthcare underserved markets. In this report we present a materiality assessment process that makes this commitment real and holds us accountable to our stakeholders. We report on the well-being and development of our people. Our value proposition is reaffirmed, and the outcomes of our programmes are presented to our stakeholders. We have learnt lessons around the importance of communicating who we are more consistently

and demonstrating our values more explicitly in how we source and produce products for our customers. We have developed a supplier code of ethics and sustainable supply chain strategy to ensure that those we work with are contributing to our shared vision of a healthier future. We recognise that we must do more to minimise our footprints and our impacts on the environment. We continue to measure our carbon footprint and participate in the Climate Disclosure Project (CDP). In 2021 we began working towards meeting the TCFD reporting requirements and adopting environmental impact metrics for our business units and departments. In this report, we present our Biodiversity Statement as well (see page 60).

2021 was in many ways a year of transitions and contradictions. While the world recovered from the global pandemic, the results of long-standing socio-political challenges in our communities spilled over into our streets in Gauteng and KwaZulu-Natal. This highlighted the very real challenges that must be the focus of us all in the post-pandemic world if we are to build sustainable cities and communities. The post-pandemic world must be one of reduced inequalities; jobs and job opportunities in safe working environments; access to healthcare; and opportunities to learn, upskill and be educated.

Clicks is ready to play its role in building a sustainable post-pandemic society and we demonstrated this with our programme in support of the government's vaccination roll-out to the population. These experiences and the infrastructure we have in place readies us to work with government and social partners to improve access to healthcare in South Africa and to do so affordably. We outline our vaccine programme in support of the national effort in this report (see page 52).

POINT OF DEPARTURE

An annual sustainability report forms an integral part of our commitment to corporate sustainability. In support of this commitment we have put in place sustainability data collection systems to monitor our progress between reports and management tools to aid the efficient organisation of data for an accurate and timely sustainability report.

RESPONSIBILITY STATEMENT

The board acknowledges its responsibility to ensuring the accuracy of our 2021 sustainability report. This report addresses all material topics and presents an accurate view of our sustainability performance for the year under review.

ASSURANCE

The internal review process and quality control is sufficient, hence we do not deem it necessary to conduct third-party assurance over information contained in this report with the exception of the carbon emission data which is externally verified by SustainableIT.

CHANGES IN REPORTING

For this report we have adopted the GRI reporting standards and report in accordance with the core option of the GRI standards.

REPORTING PERIOD

This report is for the financial year ended 31 August 2021.

REPORT CONTENT, PRINCIPLES AND TOPIC BOUNDARIES

The key aspects of our sustainability reporting are confirmed through a materiality analysis. A materiality analysis is a process to identify the most important sustainability topics, opportunities and risks for our business from two perspectives: their importance to our stakeholders and their impact on our business. The outcome is a materiality matrix that identifies and prioritises all topics that matter most to our business and stakeholders, and helps us to focus on those topics that have the highest priority. The information gained through this process can support decisions about the direction our business needs to take and allows the integration of sustainability topics into the core business strategy.

Future monitoring, management and reporting of our indicators presented in this report are based on our sustainability strategy and the outcomes of our materiality assessment, with metrics to monitor progress on the performance of our actions and commitments (learn more on page 63). Additionally, we have also considered the best global management and reporting practices as guides in our new approach to our sustainability reporting.

In this regard, the principles below are as important to the nature of our business, the sector in which we operate, and the emerging best practices associated with sustainability reporting. These principles are:

| | | | |
|-------------|---------------------------|------------------------|--------------|
| Materiality | Stakeholder inclusiveness | Sustainability context | Completeness |
|-------------|---------------------------|------------------------|--------------|

As with any organisation, there are a wide range of topics on which we could report. For this report we have considered the material topics which merit inclusion. In determining whether a topic is material we considered:

- if the issue is important in relation to Clicks Group's economic, environmental and social impacts;
- if the issue would influence the decisions of our stakeholders;
- taking both internal and external factors into account, the significance of impacts to determine the priority of the material topics identified. In addition, the process for determining content includes the following:
 - the purpose, experience and nature of the core business of Clicks Group;
 - the importance of reporting reliably and in accordance with the Global Reporting Initiative (GRI) standards; and
 - impacts of our business; and
- the availability of data for the reporting period.

About CLICKS GROUP

Clicks Group is a **retail-led healthcare group** which is listed in the Personal Care, Drug and Grocery Stores sector on the JSE.

Founded over 53 years ago in 1968, the group has been listed on the JSE since 1996. Following changes in South African legislation in 2003 to permit corporate pharmacy ownership, the group entered the retail pharmacy market with the opening of the first Clicks pharmacy in 2004. Today the group is a leader in the healthcare market, in both retail pharmacy through Clicks and pharmaceutical wholesaling through UPD.



An overview of the group's history is available at www.clicksgroup.co.za

841
total number of retail stores

9
distribution centres



Clicks is South Africa's leading health and beauty retailer, offering value for money in convenient locations and appealing stores. Clicks targets customers in the growing middle to upper-income markets.



The Body Shop sells natural, ethically-produced beauty products.



GNC is the largest global specialty health and wellness retailer.



Claire's is a leading retailer of fashionable jewellery and accessories for young women and girls.



The anchor brand (Clicks) is South Africa's leading health and beauty retailer, offering value for money in convenient locations and appealing formats.

- Clicks targets consumers in the growing middle to upper-income markets (LSM 6 – 10)
- Clicks ClubCard is one of the largest loyalty programmes in South Africa with over 9.2 million active members
- Clicks has differentiated product offering through wide ranges of private label and exclusive brands, comprising 24.5% of sales

782
stores
201 destination format and
581 convenience format

531
vaccination sites

621
pharmacies

192
clinics

The group's retail footprint includes 841 stores across South Africa, Namibia, Botswana, Eswatini and Lesotho, and employs over 15 000 permanent employees. Clicks is the group's anchor brand while franchise brands added through exclusive agreements provide differentiation to the core offering.

Clicks is also South Africa's largest retail pharmacy chain, with 621 in-store pharmacies. The 9.2 million active Clicks ClubCard members account for 80.2% of the brand's sales.

The group's centralised distribution model dispatches most retail products through three major distribution centres that receive stock from national and international suppliers. UPD is South Africa's leading full-range pharmaceutical wholesaler.

UPD provides pharmaceutical supply services to Clicks, major private hospital groups and over 1 350 independent pharmacies. It also provides bulk distribution services to pharmaceutical manufacturers.

Clicks Group is a retail-led healthcare company headquartered in Cape Town, South Africa. It is listed in the Personal Care, Drug and Grocery Stores sector on the JSE and is included in the FTSE/JSE Top 40 Index and the FTSE/JSE Responsible Investment Top 30 Index.

The health and beauty franchise brands were introduced through exclusive franchise agreements to provide further differentiation to the Clicks offering:

- 2001** **The Body Shop**, which sells natural, ethically-produced beauty products
- 2014** **GNC**, the largest global specialty health and wellness retailer
- 2015** **Claire's**, the leading specialty retailers of fashionable jewellery and accessories for young women and girls
- 2016** The group partnered with Sorbet Holdings to develop **Sorbet**-branded products for sale in Clicks stores and Sorbet salons

| STORE FOOTPRINT | Standalone stores | | | Pharmacies | Presence in Clicks stores |
|-----------------|-------------------|----------------|------------|------------|---------------------------|
| | South Africa | Rest of Africa | Total | | |
| Clicks | 740 | 42 | 782 | 621 | |
| The Body Shop | 55 | 4 | 59 | | 239 |
| Claire's | - | - | - | | 88 |
| GNC | - | - | - | | 606 |
| Total | 795 | 46 | 841 | | |



- UPD is South Africa's leading full-range pharmaceutical wholesaler and was acquired in 2003 to provide the distribution capability for the group's healthcare strategy.
- UPD fulfils the pharmaceutical supply needs of Clicks, major private hospital groups and over 1 350 independent pharmacies. UPD also provides bulk distribution services to pharmaceutical manufacturers.

6
distribution centres

R28.4
billion total managed turnover

417
million units of medicine distributed

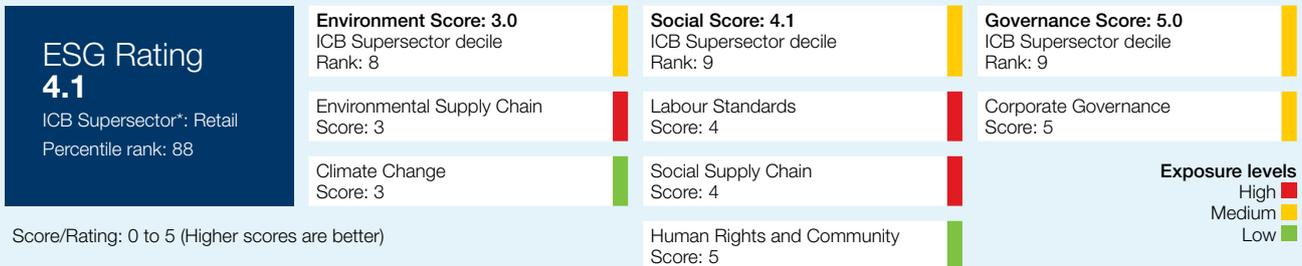
26
bulk distribution clients

Market share

31.2%
of private pharmaceutical fine wholesale market



ESG Rating



* The Industry Classification Benchmark (ICB) is a system for assigning all public companies to appropriate subsectors of specific industries.

The group's rating as part of the evaluation for inclusion in the FTSE4Good Index series has remained unchanged at 4.1 out of five for this financial year. Our relative percentile 88% in 2021 is up from 87% in 2020. We are proud of our improvement in our performance under the labour standards theme, where our rating improved from 3 in 2020 to 4 in 2021. We recognise that our focus in the coming years will be on our work and reporting related to climate change where our rating declined from a 5 in 2020 to a 3 in 2021. Our commitment to making a positive contribution to mitigate the effects of climate change, and particularly water security, is a key focus of our approach to sustainability and a priority of our executive team.

The sustainability strategy is based on four focus areas:

| | | |
|---|--|--|
| Building a trusted, accessible healthcare network | Empowering motivated, passionate people | <h2>GROUP ACHIEVEMENTS</h2> <ul style="list-style-type: none"> Improved to level 4 BBBEE rating in 2021 64% black and 36% female representation on the board 95% black and 64% female employees Carbon Disclosure Project rating of A Launched a SMME supplier listing portal and investment programme to accelerate local procurement |
| Sourcing products that uphold the integrity of our brand | Minimising our environmental footprint | |

Our core business creates meaningful social impact through the provision of healthcare products and improved access to reliable and affordable healthcare. This supports South Africa's national development goals by promoting healthy lives and well-being for all ages.

We align our ESG practices with the United Nations Sustainable Development Goals (UN SDGs) to ensure that our activities meet the standards of the universal global drive to achieve the specified targets by 2030. The SDGs where we believe we can have the biggest impact are as follows:



Our approach to **SUSTAINABILITY**

The group's strategy reaffirms that **effective management of environmental, social and governance (ESG) considerations** enhances long-term value creation.

The past 18 months have truly tested the resilience of our sustainability strategy and our ability to create value into the long term. Clicks Group is resilient and the robust nature of our business model, the resilience of our people and the strength of our relationships with stakeholders allowed us to continue making a meaningful contribution.

Having adopted sustainable business practices and set sustainability targets, we have studied our indicators in greater detail to further embed our sustainability goals into our operations and business strategy. Our sustainability indicators inform our overall value-creation process.



Our sustainability goals are presented here under the four focus areas of our sustainability strategy:

- By lowering the costs of primary healthcare and growing in underserved communities
- By building local capacity and supporting local manufacturing

1

BUILDING A TRUSTED, ACCESSIBLE HEALTHCARE NETWORK

“Accessible” means both serving underserved communities and the affordability of our products and services. Clicks Group’s strategy is to create sustainable long-term value for all our stakeholders by responding to the healthcare needs of our communities and by supporting our suppliers and business partners.

- By being intentional about diversity and inclusion
- By paying a living wage and providing opportunities for talent to be developed
- Rewarding our people for being the brand advocates that they are
- By supporting the causes that present opportunities to create shared value with our communities and our people (see more on page 56)

2

EMPOWERING MOTIVATED, PASSIONATE PEOPLE

Our employee value proposition focuses on people, passion and opportunities, and aims to attract and retain the talent we need to achieve our strategic goals. Developing the skills, knowledge and capabilities of our people builds the capabilities of the human capital in the group. Our people are our heroes and the group’s remuneration policy is based on the total rewards model it entrenches the reward principles of fair, responsible, transparent remuneration practices and market competitiveness. We pay for ethical, sustainable performance.

- By insisting on our supplier code of ethics and sustainability
- Our MyEarth range (see more on page 11)
- Recommending that our suppliers participate in initiatives like the SA Plastics Pact and that all products contain recycled content and advance recyclability

3

SOURCING PRODUCTS THAT UPHOLD THE INTEGRITY OF OUR BRAND

Clicks offers an extensive range of private label and exclusive brands to delight customers with innovative products at competitive prices. These products now account for 24.5% of total Clicks sales, with 30.1% of front shop products sold being available only at Clicks. The three exclusive franchise brands, The Body Shop, GNC and Claire’s, further differentiate the offering in Clicks, as does the partnership with Sorbet. The group has a shareholding in Sorbet Brands which holds the trademarks to the Sorbet brand in southern Africa. The Sorbet product range continues to grow and is available in southern Africa only in Clicks stores and in the Sorbet franchised beauty salons.

- By achieving an A rating through the Carbon Disclosure Project (see more on page 58)
- Working toward setting science-based targets and refining our strategy on how to achieve them
- Setting clear environmental impact metrics to embed environmental responsibility in our operations and decision-making

4

MINIMISING OUR FOOTPRINT

Our environmental management policy recognises the significant impact of climate change. The group is committed to implementing sustainable business practices within a culture of responsible environmental stewardship.

OUR APPROACH TO SUSTAINABILITY (CONTINUED)

Our sustainability indicators inform our overall value-creation process with the aim of driving the sustainability goals, minimising our environmental impact and highlighting the fundamental role of business in society.

| Aspect | Performance Indicator |
|---|---|
| Economic  | <ul style="list-style-type: none"> Financial performance Accessible healthcare network |
| Governance  | <ul style="list-style-type: none"> Board comprised of independent non-executive directors Code of ethics Data governance policy and compliance |
| Social  | <ul style="list-style-type: none"> Our employees Skills development Employment equity Employee wellness Preferential procurement Supplier and enterprise development Corporate social investment Sustainable supply chain |
| Environment  | <ul style="list-style-type: none"> Carbon emissions Energy management Water and wastewater management Waste and hazardous materials management |

We are also concerned about, and will continue to measure and monitor, the following.



- Product design and life cycle management
- Product quality and safety
- Materials sourcing and efficiency
- Critical incident risk management
- Competitive behaviour
- Management of the legal and regulatory environment
- Human rights and community relations

Click's sustainability approach is guided by the principles of the United Nations (UN) Global Compact, the recommendations of the International Labour Organisation (ILO) and the Organisation for Economic Co-operation and Development (OECD) on policies in support of global economic and social well-being. The approach has been tempered by the outcomes of our materiality assessment which goes as far as operationalising our performance indicators at the level of our individual business units. The group's sustainability framework supports the UN Sustainability Development Goals.

OUR SUSTAINABILITY GUIDING PRINCIPLES

We are passionate about our customers and believe in integrity, honesty and openness. We cultivate understanding through respect and dialogue. We are disciplined in our approach and deliver on our goals. We recognise that, for our business to be sustainable in accordance with our values, our vision must be to grow our business in a way that delivers positive social impact with reduced demands on the environment.

- **Integrity and governance:** We conduct business with integrity. Through effective governance and controls, including our code of conduct, we seek to ensure that our group is accountable and remains responsive to evolving norms governing the conduct of businesses in the countries in which we operate.
- **Healthcare:** We are committed to building a trusted, accessible healthcare network, aiding in providing cost-effective, quality primary healthcare to all sectors of our society through our retail footprint and by promoting the use of generic medicines.
- **Environment:** We endeavour, even as we grow, to lighten our footprint through reducing consumption, deployment of resources and waste.
- **Stakeholders:** We acknowledge and consider our stakeholders in our decision-making, seek to engage with our stakeholders, and to understand their interests and imperatives as part and parcel of ensuring that our business is sustainable.

CLICKS GROUP VISION

To be the leading health and beauty retailer in targeted markets within southern Africa.

VALUES

- We are truly passionate about our customers
- We believe in integrity, honesty and openness
- We cultivate understanding through respect and dialogue
- We are disciplined in our approach
- We deliver on our goals

LEADERSHIP DRIVE

- **Delivery:** A concern for excellence through initiative, people and customer orientation
- **Resilience:** Having an optimistic outlook and dealing with setbacks constructively
- **Integrity:** A sense of honesty and truthfulness in all actions that are directed at being beneficial to others and the organisation
- **Vision:** Creating a shared purpose for the future and gaining support therefor
- **Enterprising:** Maximising opportunities for the growth of the organisation

EMPLOYEE VALUE PROPOSITION

- **People:** We care about and contribute to the well-being of people, the environment and communities
- **Passion:** We are passionate about leading innovation within the unique mix of our group
- **Opportunities:** Our focus on a clear vision and growth strategy provides our people with unlimited opportunities

"MYEARTH" PRODUCT RANGE

Clicks' MyEarth products – a wide range of affordable daily essentials – are packaged in recyclable plastic packaging or plastic-free packaging made from sustainable paper, all with recycled content where possible. The growing MyEarth range also offers reusable products made from bamboo, hemp, natural rubber and organic cotton (such as the hemp exfoliating mitt), as well as personal care items (such as bamboo combs and hairbrushes, and toothbrushes made from recycled plastic waste).

A circular economy creates less waste by reducing, reusing, recycling and remaking into something new. By buying products that are recyclable, with less packaging or reusing old packaging, you are helping to protect the earth, ensure a steady supply of materials, stimulate innovation and create jobs. Most recyclable plastics can be recycled up to six times. The ideal is to collect all plastic waste and recycle to remake new products, thereby closing the production circle.

MyEarth packaging is made from recyclable materials, so when a product reaches the end of its life, it can be recycled instead of going to a landfill, helping to reduce the burden on the environment. Where there is no recyclable option we actively source alternatives. Join us on our journey as we strive to create a circular economy that will help preserve our planet, and make it a cleaner place to live. MyEarth offers you a great range of affordable everyday essentials that proves that it doesn't have to cost the earth to save the earth!



Business REVIEW





CHAIRMAN'S Report

The year was marked by a series of **unprecedented challenges** which severely tested the group's resolve and capability.

During the course of the year, the group experienced protest action in the aftermath of the social media haircare advertisement incident; continued levels of Covid-19 restrictions imposed by government for lengthy periods; and the civil unrest in KwaZulu-Natal and parts of Gauteng. Against this background, it is pleasing to report that the resilience of the business and the competence of the executive team again came to the fore to ensure a highly competitive financial and operating performance for the year.

Group turnover increased by 10.2%, diluted headline earnings per share (HEPS), adjusted for the impact of the civil unrest, grew by 8.8% and a dividend of 490 cents per share was declared to shareholders.

The market capitalisation on the JSE increased by R17.1 billion to R74.3 billion, ensuring our continued inclusion in the FTSE/JSE Top 40 Index.

The performance should also be seen in the context of the group's sustained shareholder value creation over the past decade. Excellent growth rates have translated into strong cash returns which have not only been reinvested in the business but have allowed the board to progressively increase the dividend payout ratio from 50% in 2011 to the current targeted payout ratio of 60% to 65%.

Over this time the group has generated a compound annual total shareholder return of 24.5% per annum with diluted HEPS growing by a compound rate of 12.0% and the dividend per share by 14.6% per annum.

Supporting this growth is the group's commitment to reinvesting in the business, with capital expenditure of R4.8 billion over the past 10 years and over R9.7 billion being returned to shareholders in dividends and share buy-backs, underpinning the quality of the Clicks Group share.

APPOINTMENT OF NEW CEO

Our CEO, Vikesh Ramsunder, has resigned from the group with effect from 31 December 2021 to take up a career opportunity as the head of a listed healthcare company in Australia.

Over the past three years Vikesh has led the business through a number of challenges including, in particular, those outlined above. Under his leadership Clicks and UPD have entrenched their market-leading positions, the group has expanded its retail store presence to over 800 stores and 600 pharmacies, and is recognised as the most transformed and empowered retailer in the country. The group's share price has increased by 60% over this period, despite markets being severely impacted by Covid-19.

Over many years, the group has built a strong executive leadership team and we are confident in their ability to maintain the current momentum in the business. We are sorry to say goodbye to Vikesh and wish him and his family well. He will continue to act as a strategic adviser to the group until 31 August 2022.



Flowing from our succession planning process, we were pleased to appoint an internal successor in Bertina Engelbrecht as our new CEO from 1 January 2022. Bertina is our group corporate affairs director and will be the first black female to lead a listed retail group in South Africa. She has been part of the executive leadership team for the past 15 years and been integrally involved in the development of the group's strategy and growth of the business over this time. Bertina has served on the board as an executive director since 2008.

The group is on a sustained growth trajectory thanks largely to the quality of our highly experienced executive team and we extend our congratulations to Bertina as she prepares to assume her new role in January next year.

GOVERNANCE AND BOARD SUCCESSION

Governance is a crucial constituent of the group's overarching environmental, social and governance (ESG) framework that contributes to sustainability and long-term value creation. Our governance practices continue to be reviewed and enhanced on a regular basis.

Historically, the board has conducted a self-evaluation of its effectiveness. In the past year an independent assessment of board effectiveness was conducted by Deloitte. This evaluation rated the board, its committees, the chairman and each of the directors as being highly effective. All suggestions for improvement have been implemented.

This year, the board pursued its succession plan by appointing a new director, Dr Penny Moumakwa, as an independent non-executive director, in April. Penny is a medical doctor with extensive senior executive experience in both the private and public sectors and her healthcare experience is proving highly relevant to our board.

In September, after the end of the reporting period, we appointed Sango Ntsaluba as an independent non-executive director. Sango is a highly accomplished businessman with over 30 years' experience in the auditing profession and in corporate leadership positions and is a seasoned non-executive director.

Both Penny and Sango will be proposed for election at the annual general meeting to be held in January 2022 and Sango will also be recommended for election to the audit and risk committee.

In implementing the succession plan, the board has also addressed the issue of long-tenured directors. While we consider that the group has derived substantial benefits from having a stable board of directors with deep knowledge of the group's affairs (which has been particularly relevant during the challenges of the past year), we are also cognisant of the benefits of bringing new skills and inputs into our board deliberations, hence the new appointments we have made in the recent past.

We have determined that all directors who have served at least three terms of three years each will retire when their current term comes to an end unless the board otherwise determines.

This policy will result in the long-tenured board members retiring over a three-year period, allowing the group to continue to derive the benefit of a stable and knowledgeable core of directors whilst the new directors are integrated into our processes.

Fatima Daniels, who has served as a non-executive director for 13 years, will retire from the board in January 2022. Fatima has made an outstanding contribution to both the board and the audit and risk committee and we will miss her robust debate, rigorous oversight and extensive board experience.

While I have served as a non-executive director for many years, the remaining members of the board believe that it will be in the best interests of the group that I stand for an additional period to provide stability to the board during this transitional phase and to support the new CEO. I have therefore accepted the board's nomination for re-election as a director and, if elected by shareholders, will serve as much of my three-year term as required to identify a suitable candidate to assume the leadership of the board.

BOARD DIVERSITY POLICY

The group has adopted a policy to ensure diversity on the board, specifically relating to race and gender but also in respect of broader diversity attributes such as skills, qualifications and experience, age and culture. The appointments of Penny Moumakwa and Sango Ntsaluba were both made in line with this policy.

The board exceeds its voluntary targets in respect of race and gender representation, with 64% black (target 50%) and 36% women representation (target 25%).

We believe that the diversity of our directors ensures that the board considers the needs of all our stakeholders and interest groups.

ACKNOWLEDGEMENTS

Thank you to our CEO and the group executive committee for their leadership of the business during a particularly challenging and disrupted trading year. Our 15 900 employees at head office, stores and distribution centres across the country continued to show how teamwork, discipline and passion for our customers enabled the group to deliver another strong financial and operational performance.

The collective insight and wisdom of my fellow non-executive directors proved invaluable during these uncertain times and I thank them for their continuing support.

Thank you to our external stakeholders, including our customers, shareholders, suppliers and regulators, for their continued support and engagement.



David Nurek
Independent non-executive chairman

Message from the LEADERSHIP – EXECUTIVE REPORT

The Covid-19 pandemic has elevated the **strategic importance of the environmental, social and governance (ESG) agenda for all stakeholders**, including our local and international shareholders. It is also encouraging that the pandemic has reinforced the commitment of corporates globally to focus on long-term sustainability at the expense of shorter-term profits.



At Clicks Group, ESG is integral to our value system and the way in which we operate. While sustainability is the foundation of our group strategy, two of our six strategic objectives focus specifically on ESG themes. These are “to ensure the sustainability of the business through robust environmental, social and governance practices” and “to create an inclusive and transformed organisation with a strong talent pipeline to support growth”.

Delivery against these two strategic objectives is confirmed by the group’s inclusion in the FTSE4Good Index for the fifth consecutive year and being independently recognised as a top employer in the retail sector for the last five years.

As a proudly South African company with a diverse workforce and a customer base that is predominantly female, inclusive transformation has always been integrated into our strategic plans. The group’s sustained rating as the top BBBEE and gender-empowered company in the health, pharmaceutical and retail sector bears testimony to our commitment to transformation.

In the past year, we have worked closely with external stakeholders to advance inclusive economic transformation. We continue to support the national health agenda through our Clicks Helping Hand Trust, our vaccination programme and investment in our pharmacy bursary scheme.

Clicks Group has maintained its growth momentum over the past year despite several headwinds in the trading environment and delivered another resilient performance for the 2021 financial year. Our unwavering focus on sustainability has been core to growing our business in what has been one of the most difficult years in the group’s 53-year history.

Our organisation is anchored on the principle of being a responsible business and this is evident in our commitment to the communities in which we operate and the customers we serve. We continued to invest in new stores and pharmacies, increasing our store footprint and access to medicines, with 50% of South African households now living within 5.5 kilometres of a Clicks pharmacy. We are determined to further grow opportunities within our value chain as we pledge to support female, black-owned businesses.

On the governance front, the board has progressed its succession plan and the transition of the board is currently in progress, with two new independent non-executive directors having been appointed in recent months. Board diversity remains a priority, with 64% of the directors being black and 36% female.

We are committed to addressing investors’ concerns in aligning with climate change risks and opportunities through the adoption of the Task Force on Climate-related Financial Disclosures (TCFD) recommendations and setting science-based targets.

The group understands that sustainability risks translate into business risks and opportunities and we are aware of the potential impacts on our operations. Clicks is well versed in managing and mitigating ESG risks. Our priority is to ensure that we identify, understand and address our stakeholders’ concerns and interests.



Vikesh Ramsunder
Chief executive officer



Bertina Engelbrecht
Group corporate affairs director

Strategy OVERVIEW

2021 Highlights

MAINTAINING VALUE

- Price competitive with all national retailers
- Promotional sales grew 11.7% to 41.5% of turnover
- In pharmacy, sales of generics grew 10.5% and represents 69% of medicine volume

DIFFERENTIATING OUR PRODUCT OFFER

- Private label contribution 24.5% of sales (front shop 30.1%, pharmacy 9.7%)
- Focused on tiering of private label
- Expanding Clicks Expert to more categories

ENGAGING CUSTOMERS THROUGH PERSONALISATION

- Clicks app downloaded by 2.3 million customers
- Personalised deals and digital engagement
- Launched personalised landing page

ENABLING EFFICIENT HEALTHCARE ACCESS

- Repeat prescription service
- Submit scripts via Clicks app for collection
- Free delivery of chronic medicines from pharmacies since November 2020
- Telemedicine service in 85 clinics

EXTENDING CONVENIENCE

- 782 Clicks stores with 621 pharmacies
 - 581 Convenience stores
 - 201 Destination stores
- Convenience locations continue to outperform destination malls
- 50% of households live within 5.5 kilometres of a Clicks pharmacy
- 73 SA stores still to get a dispensary
- Online sales grew 46.9% to 1.4% of front shop sales
- 41 Clicks stores refurbished
- Launching on Vodacom “super app”

MEMBERSHIP OF ASSOCIATIONS



Consumer Goods Council of South Africa



Consumer Goods and Services Ombud



Cosmetic Toiletry and Fragrance Association



Self-Medication Manufacturers Association of South Africa

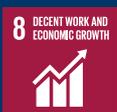


Health Products Association of South Africa

Value-adding BUSINESS MODEL

Clicks Group's strategy is realised through a **value-adding retail-led business model** which appeals to the group's predominantly female, middle to upper-income customer base.





OUTCOMES



- Largest retail pharmacy chain in South Africa
- Key infrastructure in the vaccine programme, providing 531 vaccination sites
- Centralised supply chain and company-owned distribution centres



- Private label scheduled medicine and products offer choice at lower prices
- Engaging and knowledgeable staff in the front shop and pharmacy
- Staff now also trained in Covid-19 immunisation



- R675 million invested in training and development for staff over past five years
- Company-funded healthcare cover available to all employees



- Personalised engagement with customers through Clicks ClubCard
- R23 million invested in socio-economic development projects
- 100 bursaries awarded to pharmacy students in 2021
- Support for public health with our pick-up points for medication in over 450 pharmacies, decongesting public clinics and improving access



- Science-based targets for the reduction of carbon emissions
- Inclusion in the FTSE4Good Index for our ESG practices
- Action plan for the implementation of the TCFD recommendations in our reporting

HOW WE CREATE VALUE



Strategic enablers delivering the business model

- Centralised supply chain
- Information technology
- People

Convenience

An extensive store footprint and pharmacy network in convenient locations allows for easy access to customers. The convenience of the retail footprint is complemented by an online shop offering in-store collection or home delivery, and a national pharmacy delivery service.

Differentiation

The product offering is differentiated through a wide range of private label and exclusive brands. Exclusive health and beauty franchise brands further differentiate the offering. Private label scheduled medicine ranges offer customers choice for quality generic medicines at a lower price.

Personalisation

ClubCard enables Clicks to personalise its engagement and communication with customers, particularly in an increasingly digital and technology-driven retail environment, supporting the aim of the loyalty programme to increase basket size and value, and frequency of shopping.

Great customer care from engaging and knowledgeable staff in the front shop and pharmacy.

Consistently good **value-for-money** products delivered through competitive prices and effective promotions.

Sustainability Reporting RELATED TO TAX

The Clicks Group acknowledges that **taxes are the key contributor and source of revenue for governments around the world.**

The Clicks Group's tax contribution is therefore key to the jurisdictions and economies in which we operate. The Clicks group is committed to be fully compliant with all tax legislation and regulatory requirements in all jurisdictions in which it operates.

THE CLICKS GROUP'S APPROACH TO TAX

The tax philosophy and approach are contained in the Clicks Group's tax policy. The audit and risk committee ensures that the Clicks Group has a responsible and transparent tax policy that is compliant with applicable laws; congruent with responsible corporate citizenship; and that takes account of reputational repercussions. The board holds the group tax manager accountable for ensuring compliance with the Clicks Group tax policy.

The policy applies to all taxes and tax reporting obligations to relevant tax authorities in all jurisdictions in which the group carries on business.

The group tax manager reports regularly to the audit and risk committee and provides updates on material changes to the tax landscape that will impact the group as well as the status and outcome of queries and information requests from tax authorities within the jurisdictions in which the group operates.

TAX GOVERNANCE AND RISK MANAGEMENT

Tax risk is managed by the prevention of unnecessary tax disputes. The group seeks to achieve a balance between enhancing shareholder value through being tax efficient and the avoidance of tax disputes. The financial and commercial implications and/or the potential financial and reputational risks are considered in making decisions. Where tax laws do not provide clear guidance, prudence and transparency are applied. In instances of differing legal interpretation between the group and fiscal authorities the group will engage proactively with external professional tax advisers to resolve any disputes as soon as possible.

STAKEHOLDER ENGAGEMENT AND MANAGEMENT OF CONCERNS RELATING TO TAX

The group is committed to maintain open, professional and transparent working relationships with the tax authorities in all jurisdictions where it carries on business. The group seeks to maintain a high level of responsiveness to revenue authorities' queries by dealing with such in a timely and efficient manner. The group remains abreast of all key changes in the tax landscape of application to the group's operations and actively participates in forums and public commentary processes where it can influence the outcome of legislative changes, taxpayers' rights and revenue authority behaviour.

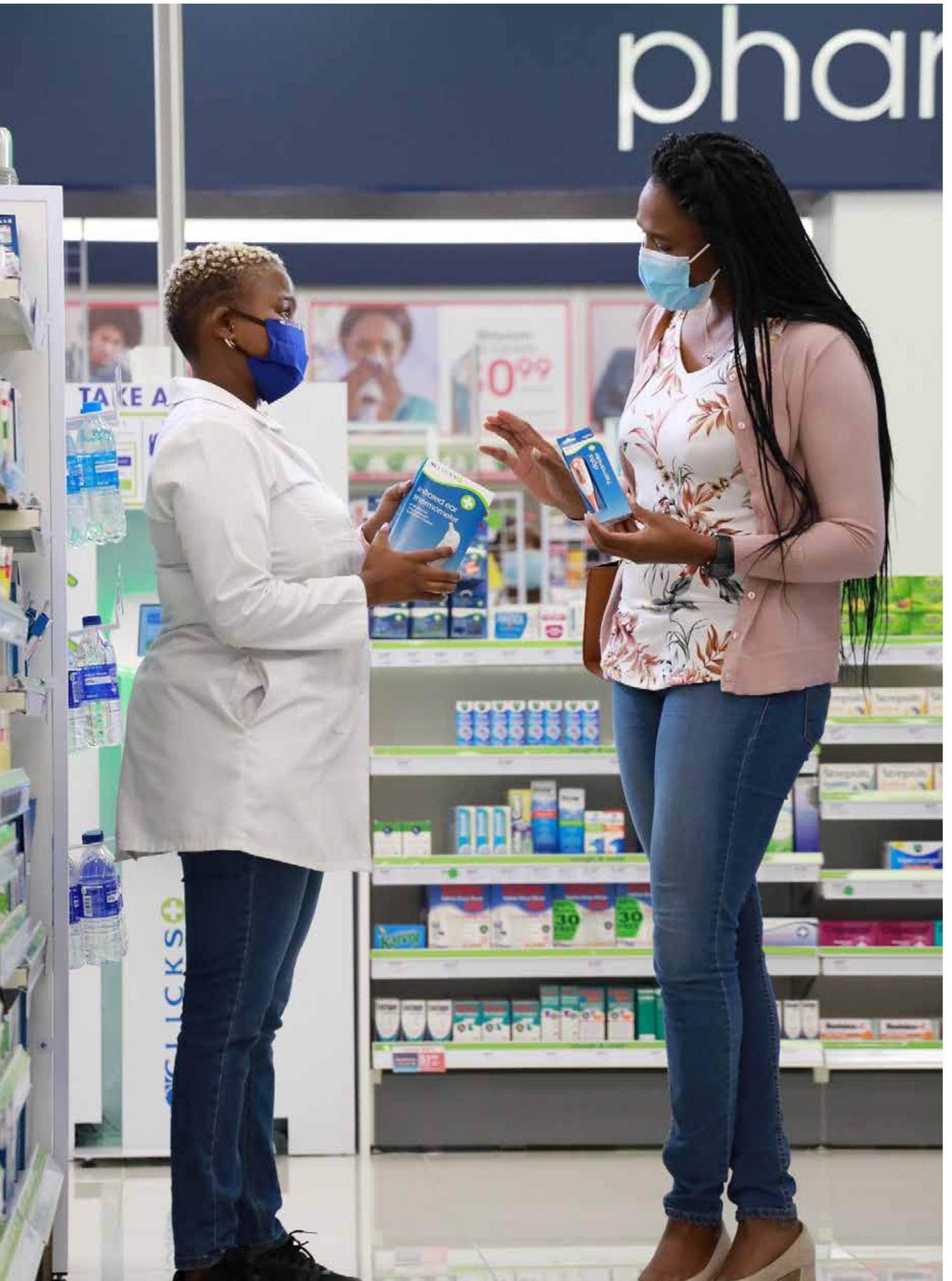
COUNTRY-BY-COUNTRY REPORTING

The Organisation for Economic Co-operation and Development (OECD) Country-by-Country Reporting requires that multinational enterprises report on their operations in every country that they operate in. These reports will enable revenue authorities to assess transfer pricing risks and other based erosion and profit-shifting (BEPS)-related risks with respect to the multinational enterprise groups operating in their countries. The OECD does not require this information to be published and recommends that tax authorities limit their use of it to high-level risk assessments only.

The Clicks Group annually files its requisite transfer pricing documentation as required by the respective jurisdictions it operates in.

Stakeholder REVIEW





Creating stakeholder VALUE IN 2021

The group demonstrated its resilience throughout the Covid-19 pandemic. The challenging trading conditions were compounded by the outbreak of civil unrest across KwaZulu-Natal and Gauteng in July 2021. However, despite these severe headwinds, **the group continued to create value for stakeholders**, including shareholders, customers, employees, suppliers and communities.



SHAREHOLDERS

Shareholders are the group's principal providers of financial capital.

Diluted headline earnings per share up **2.6%** to **774 cents**

Diluted headline earnings per share adjusted for impact of civil unrest up **8.8%** to **837 cents**

R2.2 billion returned to shareholders in dividends and share buy-backs

Dividend per share **490 cents**

Reinvested **R690 million** in capital expenditure

GROWTH IN EARNINGS AND DIVIDENDS



10-YEAR CAGRs

Total shareholder return[^]: **24.5%**

Diluted HEPS: **12.0%**

Dividend per share: **14.6%**

* Pre-IFRS 16

** Based on HEPS

[^] Based on reinvestment of dividends paid and the closing share price



CUSTOMERS

Retail and wholesale customers are the group's primary source of revenue.

Opened **39 Clicks stores** and expanded footprint to **782** stores

36 new Clicks pharmacies, increased network to **621** pharmacies

50% of customers now live within 5.5 km of a Clicks pharmacy

596 180 vaccinations administered across 300 Clicks stores

R545 million cashback paid to ClubCard members



EMPLOYEES

All permanent and part-time employees across the group.

R3.8 billion paid to employees

R217 million invested in **employee training** and development

Company-funded healthcare cover available to all employees



SUPPLIERS

Local and international suppliers of products and services, including landlords.

R33 billion paid to suppliers of goods and services, including landlords

74% weighted BEE procurement expenditure, with continued transformation of the supplier base

Launched **SMME supplier listing portal** and purchased more than **R1.2 billion** from small and medium-sized businesses

R73 million invested in **enterprise and supplier development** programmes

R44 million paid to **65 small enterprise owner-drivers** contracted to UPD



COMMUNITIES

Beneficiaries of social investment in the communities in which the group operates.

R23 million invested in **socio-economic development** projects aligned to the group's focus on health and well-being

100 bursaries awarded to pharmacy students in 2021

Free clinic services for customers with no medical cover extended to five days a week at the start of the Covid-19 lockdown



Managing MATERIAL ISSUES

MATERIAL ISSUES are identified each year which could **significantly impact positively or negatively on the group's ability to create and sustain value.**

- 1 CIVIL UNREST
- 2 COVID-19
- 3 BRAND REPUTATION
- 4 TRADING ENVIRONMENT
- 5 COMPETITION
- 6 REGULATION
- 7 PEOPLE
- 8 INFORMATION TECHNOLOGY

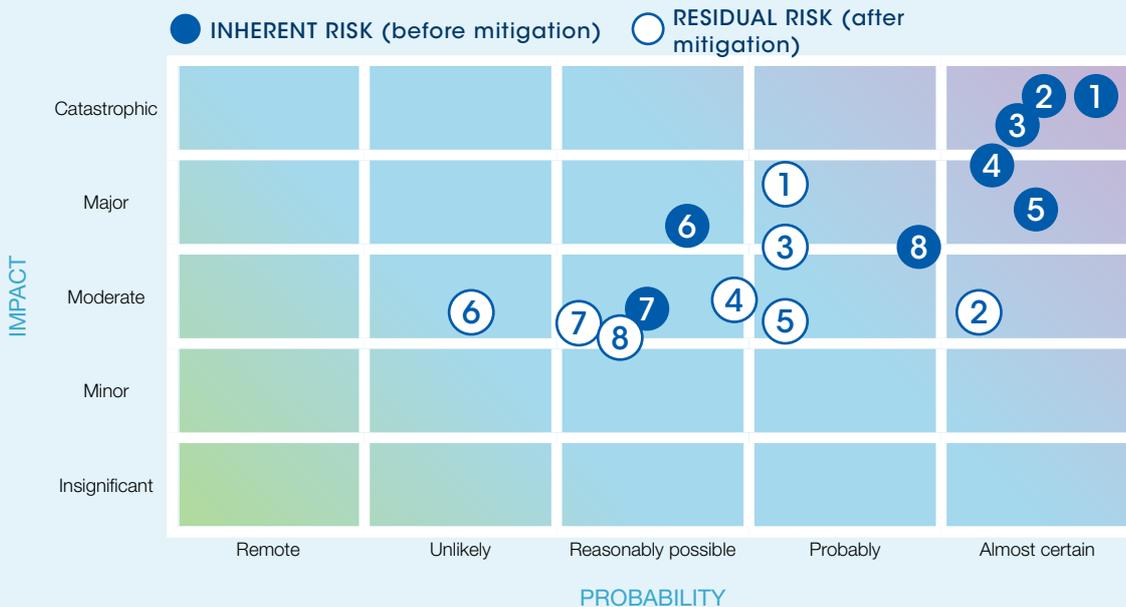
The material issues are reviewed annually by the board and management where all relevant internal, industry and macroeconomic factors are evaluated. The needs, expectations and concerns of the stakeholder groups that are most likely to influence the group's ability to create sustainable value, notably customers, suppliers, regulators, staff, shareholders and providers of financial capital are central to determining the material issues.

Following the review for the 2022 financial year, the directors advise that civil unrest has been included as an additional material issue.

RISKS relating to each material issue are based on the major risks on the group's register. The accompanying risk heat map indicates the levels of risk before (inherent risk) and after (residual risk) mitigation plans have been implemented.

OPPORTUNITIES are presented for each material issue to indicate how the group is using its competitive advantage to manage the impacts of the material issues on value creation.

MATERIAL RISKS



1

Civil unrest

Why material? Incidents of civil unrest causing physical damage, business interruption or loss of revenues are becoming an increasingly significant risk in the current environment.

RISKS

- Increase in the number of riots, demonstrations and vandalism as a means of civil unrest becomes the main political risk exposure for companies, resulting in significant losses and insurance claims.
- Impact of civil and political violence can cause business disruption beyond physical property damage, which along with the Covid-19 pandemic is likely to fuel further disturbances.
- Disruption to the South African economy, transport networks, companies, distribution centres, malls and stores resulting in possible loss of life, and increased hardship.
- Increased cost of doing business as a result of higher insurance premiums and security requirements to safeguard against and recover from incidents of civil unrest.

OPPORTUNITIES

- Improved business continuity planning that explicitly addresses civil unrest across the distribution centres, transport and stores network.
- Insurance cover requirements to meet specialist civil and political violence risks.
- Increased co-operation with government, civil society groups and the industry to mitigate and manage threats of civil unrest.
- Implementation of improved, tested and co-ordinated national supply chain capabilities to respond to incidents of civil unrest.
- Enhanced financial cash flow and liquidity facilities to mitigate short-term working capital dislocations in the event of disruption.
- Leverage online capability to meet customer needs.

2

Covid-19

Why material? The impact of the Covid-19 pandemic and the related lockdown restrictions negatively impact the group's trading environment, stock availability, supply chain, employee and customer health and safety, as well as increase legislative compliance requirements.

RISKS

- Temporary closure of stores to safeguard employees and customers.
- Potential supply chain disruption owing to possible factory closures impacting product availability.
- Delays in stock from foreign suppliers owing to lockdown constraints.
- South Africa reverting to stricter lockdown levels in the event of further waves of infection.

OPPORTUNITIES

- Group-wide health and safety protocols implemented, including personal protective equipment and cleaning materials.
- Inventory levels increased in community and neighbourhood stores.
- Supply chain adapted to source alternative suppliers and secure stock.
- Capacity of Clicks online distribution increased to accommodate greater demand for online ordering and delivery.
- Cost base rapidly reduced to off-set the impact of slower sales during lockdown.
- UPD actively sourced new product lines required by hospital groups in the treatment of Covid-19.
- Covid-19 vaccine service provided by Clicks pharmacies and clinics, with cold chain storage and delivery to Clicks by UPD.

3 Brand reputation

Why material? Reputational damage to the group, its operating brands and products could result in a loss of brand equity having an adverse financial impact on the business.

RISKS

- Breakdown in financial and governance controls and reporting could cause serious reputational damage and impact the company's rating on the JSE, as well as incurring fines and censure from regulators.
- Poor product quality, product recalls or customer claims could negatively impact trust in the brand.
- Harmful content or imagery being displayed on online platforms or printed marketing material could impact on brand equity.
- Exponential growth in social media usage with its immediacy and reach can seriously damage the image of brands, regardless of the accuracy of the content.
- Increasing consumer activism and potential brand or product boycotts.
- Inability to attract and retain quality employees if the company has suffered reputational damage.

OPPORTUNITIES

- Robust governance framework and financial controls implemented across the group, with oversight from the board, executive management and internal audit.
- Protocols established to ensure content on group's social media and online platforms is authorised by the responsible executive to limit the impact of potentially viral comments, images or videos.
- Resources to monitor online and social media to respond rapidly.
- Consultants retained by the group to advise on reputational management.
- Strict quality assurance processes to limit risk of product failure.
- Insurance and indemnity cover for product recalls, customer claims and malicious damage to property.

4 Trading environment

Why material? Low economic growth, poor economic conditions and the resultant weak consumer sentiment are impacting South Africa's retail trading environment, and this has been compounded by Covid-19. Consumer disposable income has been further eroded by rising utility prices, higher health insurance costs and increasing general living costs.

RISKS

- Economic environment remains challenging which has been exacerbated by the Covid-19 pandemic constraining consumer spending.
- Criminal activity, including syndicated crime, escalates during times of economic hardship.
- Currency volatility could impact on the cost of direct and indirect imports and result in price increases which cannot be passed on to consumers.
- Increasing use of generic medicines and the added pressure of low single exit price (SEP) increases will continue to impact on UPD's operating margin.

OPPORTUNITIES

- Clicks will continue to pursue a strategy to improve price competitiveness, grow sales volumes and entrench the perception of the brand as a value retailer.
- Focus on differentiators, including an extensive convenient store and pharmacy network, private label and exclusive ranges, personalised engagement leveraging the Clicks ClubCard loyalty programme and consistently high levels of customer care.
- Grow Clicks online sales and extend online-only product ranges.
- Hedge foreign exchange exposure by purchasing forward cover.
- UPD will continue to drive efficiencies to mitigate the impact of genericisation on the operating margin.

5

Competition

Why material? Clicks faces competition on several fronts, including national food retailers and general merchandise chains, and other pharmacy businesses.

RISKS

- Expansion by corporate pharmacy and retail chains impacting on market share growth in Clicks.
- Increasing price competitiveness and promotional activity of retailers, including competing loyalty schemes, could negatively affect sales and margin in Clicks.
- Customers migrating to alternate online retailers with fast home delivery service.

OPPORTUNITIES

- Clicks has an extensive store network and plans to open 25 to 30 new stores each year, expanding to 900 stores in South Africa in the long term.
- Continued expansion of the pharmacy network with the long-term plan to open dispensaries in all Clicks stores in South Africa.
- Acquisition of Pick n Pay retail pharmacies, subject to competition and regulatory approval.
- Clicks has opened its first baby store-in-store and first standalone baby store with further standalone baby stores to follow, expanding the range of baby products offered.
- Continued recruitment of new members to the Clicks ClubCard and the Clicks mobile app.
- Ongoing improvements in pricing, product offer (store and online) and customer service.

6

Regulation

Why material? Healthcare markets are highly regulated across the world and approximately 50% of the group's turnover is in regulated pharmaceutical products. The group supports regulation that advances the government's healthcare agenda of making medicines more affordable and more accessible but opposes regulation which inhibits access to affordable healthcare and limits customer choice.

RISKS

- Healthcare legislative and regulatory changes introduced by the Department of Health (DoH), SA Pharmacy Council (SAPC) and SA Health Products Regulatory Authority (SAHPRA) could impact on Clicks' and UPD's turnover and margins.
- Impacts include the ability to obtain pharmacy licences and to launch private label and exclusive scheduled and complementary medicines.
- Introduction of National Health Insurance (NHI) would impact on the private and public healthcare markets.
- Non-compliance with current and emerging legislation, including the Companies Act, Consumer Protection Act, Protection of Personal Information Act, labour law and copyright legislation, could result in monetary sanctions.

OPPORTUNITIES

- Ensure Clicks and UPD are operating efficiently to maintain margins and profitability.
- Continue management engagement with the DoH, SAPC and SAHPRA on legislation and regulation, and to accelerate the granting of pharmacy licences and approval of generic medicines to broaden access to affordable healthcare.
- As the market leaders in retail pharmacy and pharmaceutical wholesaling, position Clicks and UPD to benefit from market consolidation arising from changes in legislation and regulation.
- Partner with government to be a preferred service provider to the NHI scheme.

7

People

Why material? Retail and healthcare skills are scarce and in high demand locally and internationally. Attracting and retaining talent is therefore critical to the group's continued success. As the largest employer of pharmacy staff in the private sector in South Africa the group is actively building capacity to address the critical shortage of pharmacists.

RISKS

- Inability to recruit, attract and retain talent for core business needs, including merchandise and planning, store management, information technology and pharmacy.
- Strike action causing disruption to operations, damage to property and financial loss.
- Inability to secure business as a result of not achieving required transformation targets.

OPPORTUNITIES

- Salaries and incentives are externally benchmarked to ensure the group remains competitive.
- Bursary and internship programmes to attract pharmacy graduates.
- Retail graduate and IT learnership programmes offered.
- Accredited training programmes for store management, key store roles, and merchandise and planning roles.
- Senior leadership development programme strengthens pool of management talent and provides candidates for succession planning.
- Group resourcing function established, including specialist pharmacy team.

8

Information technology

Why material? Real-time, uninterrupted IT systems are essential in today's technology-driven business environment while robust IT security and governance processes are required to limit breaches of customer privacy and loss of data to avoid legal liability and reputational damage.

RISKS

- Confidential customer or sensitive internal data compromised as a result of undetected data security breach or cyberattack.
- IT systems and architecture no longer appropriate in an environment of ever-increasing scale and requirement for real-time information.
- Inability to restore business operations and IT systems, including UPD automated picking system, in the event of a disaster.
- Power outages impacting the ability to trade and resulting in loss of sales.

OPPORTUNITIES

- Improved information security practices and compliance as a result of increased online presence.
- Planned implementation roadmap for new IT systems with improved system efficiencies and cost savings that support the organic growth strategy.
- Migration to cloud-based business continuity plan.
- Ensure continued trading during power outages by connecting to mall generators where available and back-up power through uninterrupted power solutions.

Our SUPPLY CHAIN

As a proudly South African company we are committed to supporting local suppliers and have continued to transform our supply base. Only 8% of our retail products are imported directly. As part of our support of the local economy, we launched a small, medium and micro enterprise (SMME) supplier listing portal to develop small and medium-sized suppliers. Our commitment to this strategy is reflected in the 69% growth in purchases from small and medium-sized businesses to R1.2 billion.

The group invested R73 million in enterprise and supplier development programmes while R44 million was paid to 65 small enterprise owner-drivers contracted to UPD.

We are targeting purchases of over R7 billion through black-owned businesses in the next three years, including R4.5 billion through black women-owned suppliers.

The group views its suppliers as business partners and undertakes to ensure that a good working relationship is maintained based on ethical and fair values. Clicks Group is committed to conducting business honestly, openly and with integrity, and in accordance with the highest ethical standards. Our supplier code of ethics has been developed to ensure that the group's values and ethical standards are clearly articulated to and supported by its suppliers and other stakeholders.

Working with our suppliers we have also developed a sustainable supply chain management strategy. Our aim is to ensure that the group has an industry framework for sustainable supply chain management addressing the following issues:

- **Occupational health and safety:** Ensure that suppliers provide a safe and healthy workplace for their employees and contractors, and are compliant with local and national laws and regulations on occupational health and safety.
- **Working conditions:** Suppliers must uphold fair and decent working conditions by ensuring that workers are paid at least the minimum wage as stipulated by national law and that they benefit from social security schemes according to national legal standards.

- **Freedom of association:** It is imperative that suppliers do not interfere with workers' freedom of association. Their employees should not be subjected to discrimination or termination of contract in retaliation for exercising employee rights, submitting grievances, participating in union activities, or reporting suspected legal violations.
- **Forced labour:** Ensure that suppliers do not use any work that is performed under threat of penalty, including forced overtime, human trafficking, debt bondage, forced prison labour, slavery or servitude. Suppliers shall not withhold migrant workers' identification documents.
- **Child labour:** No children under the age of 18 or below the legal minimum age, if higher, should be employed.
- **Non-discrimination:** Ensure that suppliers do not discriminate on grounds including, but not limited to, age, disability, gender, sexual orientation, political or other opinion, ethnic or social origin, or religion.
- **Bribery and corruption – anti-money laundering:** Suppliers need to comply with all applicable anti-corruption laws and regulations, and shall not pay bribes or make any other inducement (including kickbacks, facilitation payments, excessive gifts and hospitality, grants or donations) in relation to their business dealings with customers and public officials.
- **Transparency and integrity:** Ensure that our suppliers provide relevant information and documentation on the above issues upon request, safeguarding integrity as well as a relationship of mutual trust.

The Clicks Group spent over R1.2 billion with SMME suppliers annually.

The Clicks Group is targeting over R4.5 billion sourced through black women-owned suppliers over the next three years.

The Clicks Group is targeting over R7 billion sourced through black-owned suppliers over the next three years.



“The group views its suppliers as business partners and undertakes to ensure that a good working relationship is maintained based on ethical and fair values.”

Governance OVERVIEW



OUR APPROACH

Good governance, achieved through an **ethical culture, competitive performance, effective control and legitimacy, can create sustainable value and enhance long-term equity performance.**

To that end, sound governance practices, based on accountability, transparency, ethical management and fairness, are entrenched across the business.

The King IV Report on Corporate Governance contains a code (King IV) which sets out recommended practices and principles. King IV has been applied for the 2021 financial year. King IV places focus on transparency, sustainability and promoting systems thinking in the governance of entities and the conduct of businesses. Through application of the “apply and explain” approach to reporting, this report is aimed at assisting stakeholders in assessing the group’s approach to corporate governance and application of the King IV practices and principles.

The board is responsible for the establishment and maintenance of the ethical culture of the group and its corporate governance. The board determines the group's strategic direction, regularly engaging with executive management to understand the factors that are required to be considered to ensure sustainable strategies for the group's businesses. Decisions, deliberations and actions are taken with cognisance of the group's ethical values and principles. The board is ultimately responsible to ensure that the group's mission, vision and objectives are ethically sound. Active measures are taken by the board to ensure that ethical standards of the company are adhered to, including implementing appropriate governance structures, policies and processes to support an ethical culture. The social and ethics committee and audit and risk committee each have acute focus on matters of ethics and governance.

The board ensures that the group's ethical standards are clearly articulated and supported as an integral part of conducting business. The group has a code of conduct, which is enforced. Ethical standards of the group are integrated into the group's strategies and operations, thereby resulting in ethical, socially acceptable and sustainable outcomes as the group achieves its objectives.

All board members are suitably qualified for their roles as directors and have extensive business experience and specialist skills, including retail, commercial, governance, human resources, remuneration, accounting and finance, legal, healthcare and marketing. This enables them to provide balanced and independent advice and judgement in the decision-making process. Board members are responsible for attending to their own continuing professional development requirements and are kept appraised of any regulatory changes that are relevant to the group. They have access to professional advisers at the company's cost if required.

Board members are provided with information on the group's strategies, plans and performance, and devote sufficient time and effort in preparation for meetings. The scope of authority, responsibility, composition and functioning of the board is contained in a formal charter which is regularly reviewed.

The board and the audit and risk committee meet four times a year, the remuneration and nominations committee meet three times a year and the social and ethics committee meets twice a year. Additional meetings can be convened to consider specific business issues which may arise between scheduled meetings. During this year, additional board meetings were required in response to the TRESemmé hair advertisement controversy, and a special meeting of the remuneration and nominations committee took place to discuss succession planning. The board and each committee have defined work plans.

BOARD COMPOSITION

The group has a unitary board structure with 11 directors, comprising three salaried executive directors and eight independent non-executive directors. The memorandum of incorporation (MOI) requires a minimum of four directors; however statutory committees and the need to comply with JSE Listings Requirements necessitates more than four directors. Consideration is given to the number of committees, the mandate of those committees, the skills and experience required, the number of directors required to serve on those committees and succession planning for the board and its committees.

The CEO, chief financial officer and group corporate affairs director are all members of the board and other officers and members of senior management attend board and board committee meetings by invitation to ensure that the board has direct interaction with management.

The board charter empowers the board to determine its composition and requires that it has an appropriate balance of knowledge, skills, experience, diversity and independence to be able to perform its duties and responsibilities to stakeholders. The board's mix of knowledge, skills and experience includes retail, commercial, governance, human resources, remuneration, accounting and finance, legal, healthcare and marketing. In line with the race and gender diversity policy adopted by the group, the board comprises four female and seven male members, 64% of whom are black directors. The diversity of the directors in terms of gender, race and their professional backgrounds encourages constructive debate and ensures that the board considers the needs of a wide range of stakeholder interests. Disclosure of the group's progress in meeting its race and gender diversity targets at board level is made in the integrated annual report. The board is satisfied that it has an appropriate mix of knowledge, skills, experience, diversity and independence.

Disclosures in the integrated annual report in relation to the composition of the board include the categorisation of each member as executive or non-executive; and the age, qualifications, professional positions and experience of members.

Board of DIRECTORS

INDEPENDENT NON-EXECUTIVE DIRECTORS



Independent non-executive chairman

Dip Law, Grad Dip Company Law

Appointed 1996

David Nurek (71)

Member of the remuneration and nominations committee

Member of the social and ethics committee

Directorships: Non-executive chairman of Tencor.

Expertise and experience: Legal, commercial and governance. David practised as an attorney with Sonnenberg Hoffman Galombik for 32 years, including 23 years as a partner and director. He joined Investec Group in 2000 and was regional chairman of the group's Western Cape businesses and global head of legal risk for the Investec Group. David retired from the Investec Group in 2019. He has served as non-executive director and chairperson on boards of listed companies for many years, including as chairperson of The Foschini Group and Lewis Group, and non-executive director of Aspen Pharmacare and Pick n Pay Stores.



Independent non-executive director

B Econ (Hons) (cum laude), M Com, D Com

Appointed 2008

Prof. Fatima Abrahams (59)

Chairperson of the remuneration and nominations committee

Chairperson of the social and ethics committee

Directorships: Lewis Group and The Foschini Group. Chairperson of TSiBA Education.

Expertise and experience: Human resources and remuneration. Prof. Abrahams is an academic, experienced company director and a registered industrial psychologist. She is currently a senior professor (part time) at the University of the Western Cape, having also served as dean of the Faculty of Economic and Management Sciences.



Lead independent non-executive director

B Com (Hons), CA (SA), CMS (Oxon)

Appointed 2008

John Bester (75)

Chairman of the audit and risk committee

Member of the remuneration and nominations committee

Directorships: Non-executive director of HomeChoice South Africa, Intembeko Investment Administrators, Personal Trust and Tower Property Fund. Trustee of the Children's Hospital Trust and the Children's Hospital Foundation Trust.

Expertise and experience: Accounting and finance. John spent 16 years in the accounting profession, including serving as a partner of Ernst & Young for 10 years. He has been involved in commerce and industry for a further 40 years.



Fatima Daniels (61)

Member of the audit and risk committee

Directorships: Momentum Metropolitan Holdings, Rand Refinery, AfriSam and various MTN subsidiaries.

Expertise and experience: Accounting and finance. After spending six years in the auditing profession Fatima went on to lecture in financial accounting and then spent over a decade in various positions in corporate South Africa. She has served on the boards of JSE-listed companies since 1995.

Independent non-executive director

B Sc, CA (SA)

Appointed 2008



Dr Penny Moumakwa (56)

Directorships: Growthpoint Healthcare Property Holdings, RCL Foods, Wits University Donald Gordon Medical Centre and the Witkoppen Health and Welfare Centre.

Expertise and experience: Medical and healthcare. Penny is a medical doctor with extensive senior executive experience in the private and public healthcare sectors. She was previously an executive director of Discovery Health and an executive committee member of Discovery Holdings. She is the founding CEO of Mohau Equity Partners.

Independent non-executive director

MB ChB, MAP (Wits), GMP (Harvard)

Appointed April 2021



Mfundiso Njeke (63)

Member of the audit and risk committee

Directorships: Datatec, Delta Property Fund and Motus Holdings.

Expertise and experience: Accounting and finance. Mfundiso (“JJ”) is a chartered accountant by profession. After serving as an audit partner at PricewaterhouseCoopers for six years he co-founded Kagiso Trust Investments where he was group managing director from 1994 to 2010. JJ is currently the chairperson of investment company Dlonlobala Capital, which he co-founded in 2012. He is a past chairman of the SA Institute of Chartered Accountants.

Independent non-executive director

B Com, B Compt (Hons), CA (SA), H Dip Tax

Appointed March 2020

INDEPENDENT NON-EXECUTIVE DIRECTORS



Sango Ntsaluba (61)

Member of the remuneration and nominations committee

Member of the social and ethics committee

Directorships: Non-executive chairman of Thungela Resources and non-executive director of Kumba Iron Ore and Goldplat plc, and previously served on the Black Economic Empowerment Commission.

Expertise and experience: Accounting and finance. Sango was a founding partner of SizweNtsalubaGobodo (now SNG Grant Thornton), one of the largest auditing firms in South Africa. In 1997 he joined Transnet as general manager of group finance before being appointed as an executive director responsible for restructuring, a position he held until 2002. He served as executive chairman of NMT Capital from 2002 until 2020. He is the founding CEO of investment holding company Aurelian Capital.

Independent non-executive director

B Com, B Compt (Hons), M Com (Development Finance), H Dip Tax Law, CA (SA)

Appointed September 2021



Martin Rosen (71)

Member of the remuneration and nominations committee

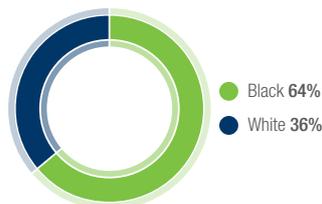
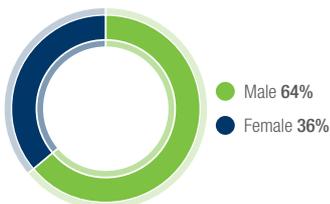
Expertise and experience: Retail and marketing. Martin is an accomplished retailer and marketer, having spent 33 years with Pick n Pay before starting his own marketing consultancy in 2004.

Independent non-executive director

Appointed 2006

BOARD DIVERSITY POLICY

The group has adopted a policy to ensure diversity on the board, specifically relating to race and gender but also in respect of broader diversity attributes such as skills, qualifications and experience, age and culture. In line with the policy the board appointed two non-executive directors during the year, namely Penny Moumakwa and Sango Ntsaluba. These appointees will be proposed to shareholders for election at the annual general meeting in January 2022. The board exceeds its voluntary targets in respect of race and gender representation, with 64% of directors being black (target 50%) and 36% of directors being women (target 25%).



EXECUTIVE DIRECTORS



Bertina Engelbrecht (58)

Expertise and experience: Corporate affairs, strategic planning, stakeholder engagement and human resources. Bertina will be appointed as chief executive officer in January 2022. She joined the group as group human resources director in March 2006 and her responsibilities were expanded in December 2020 to include strategic stakeholder engagement. She was previously general manager for Shell SA Energy and regional human resources manager for Shell Oil Products Africa. Prior to this she was director of organisational effectiveness at Sea Harvest, managed her own consultancy practice and spent eight years with Transnet.

*Group corporate affairs
director*

*B Proc, LL M,
admitted attorney*

Appointed as a director
in 2008



Michael Fleming (54)

Expertise and experience: Accounting, finance and investor relations management. Michael was previously chief financial officer of Tiger Brands Limited. He joined the Tiger Brands group in 2000, was appointed as financial executive of the Tiger Brands consumer brands division in 2005 and promoted to chief financial officer in June 2008. While CFO of Tiger Brands, he also served as a non-executive director of Oceana Group Limited.

Chief financial officer

B Com, CTA, CA (SA)

Appointed as a director
in 2011



Vikesh Ramsunder (50)

Member of the social and ethics committee

Expertise and experience: Retail and commercial. Vikesh was appointed chief executive officer in January 2019. Prior to this he was chief operating officer of the Clicks brand from 2015, and was managing director of UPD, the group's pharmaceutical wholesaler, from 2010, where he was instrumental in driving UPD's integrated pharmaceutical wholesale and distribution strategy. He has served in store, logistics and management positions across the group since joining in 1993.

Chief executive officer

B Com, MBL

Appointed as a director
in 2019

Social and ethics COMMITTEE REPORT 2021

The Clicks Group social and ethics committee (the committee) is a statutory committee which **assists the board in monitoring the group's corporate citizenship, sustainability and ethics.**

The committee is governed by terms of reference which detail its duties in terms of the Companies Act, the JSE Listings Requirements and King IV, as well as responsibilities allocated to it by the board.

This report is presented in accordance with the requirements of the Companies Act and should be read together with the creating value through good citizenship report on pages 58 to 61 of the integrated report.

ROLE OF THE COMMITTEE

The committee acts in terms of the delegated authority of the board and assists the directors in monitoring the group's activities and disclosures in terms of legislation, regulation and codes of best practices relating to:

- ethics;
- sustainable development and sustainability;
- stakeholder engagement, including employees, customers, suppliers, communities and the environment; and
- strategic empowerment and transformation.

RESPONSIBILITIES OF THE COMMITTEE

The responsibilities of the committee are as follows:

- monitor activities relating to social and economic development, good corporate citizenship, the environment, and health and public safety;
- ensure appropriate short, medium and long-term targets are set by management;
- monitor progress on strategic empowerment and performance against targets;
- monitor changes in the application and interpretation of empowerment charters and codes; and
- monitor functions required in terms of the Companies Act and its regulations.

COMPOSITION AND FUNCTIONING

The committee comprises two independent non-executive directors, namely Prof. Fatima Abrahams (chairperson) and David Nurek, and executive director Vikesh Ramsunder (chief executive officer). The members of the committee are nominated and appointed by the board.

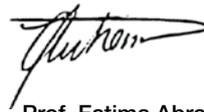
The group corporate affairs director, head of legal/company secretary and compliance officer attend committee meetings as invitees.

The effectiveness of the committee is assessed as part of the annual board and committee self-evaluation process. The committee was assessed to have adequately discharged its mandate. Attendance at committee meetings is detailed on page 67 of the integrated report and fees paid to committee members for 2021 and proposed for 2022 are detailed on pages 76 and 77 of the integrated report.

ACTIVITIES OF THE COMMITTEE

The committee met twice during the year and performed the following activities:

- monitored the group's transformation progress against its BBBEE plan, the internal employment equity plan (including the report on income disparities), the diversity and inclusion training plan and considered the external verification of the group's empowerment activities;
- assessed sustainability performance with specific reference to the group's inclusion in the FTSE4Good Index and the FTSE/JSE Responsible Investment Index and performance in terms of the Carbon Disclosure Project;
- evaluated the group's corporate social investment programme, focusing primarily on the following:
 - pharmacy bursary scheme;
 - pharmacy internship and graduate programmes;
 - investment in employee learning and development;
 - enterprise development and supplier development programmes; and
 - achievement of the commitment to donate 1% of net profit after tax to socio-economic development;
- assessed the group's actions in relation to the 10 principles of the United Nations Global Compact (UNGC) as well as the group's standing in terms of the International Labour Organisation's protocol on decent work and working conditions. As a signatory to the UNGC, the group has adopted the 10 Principles and monitors compliance against these principles in the areas of human rights, labour, anti-corruption and the environment;
- assessed the group's activities related to the OECD recommendations regarding corruption and reviewed the group's ethics management programme;
- reviewed compliance with the regulatory frameworks applicable to the group and received reports on litigation matters relevant to the committee's mandate; and
- monitored the group's response to Covid-19 in terms of ensuring the health and safety of employees and customers, and supporting communities.



Prof. Fatima Abrahams
Chairperson

Social and ethics committee
11 November 2021

“The committee is governed by terms of reference which detail its duties in terms of the Companies Act, the JSE Listings Requirements and King IV, as well as responsibilities allocated to it by the board.”

Clicks PRIVACY POLICY

For purposes of this privacy policy, **personal information is information as defined in the Protection of Personal Information Act, 4 of 2013 (POPIA).**

WHAT INFORMATION DO WE COLLECT?

We collect information from you when you interact with us via any channel (such as the Clicks e-commerce website, Clicks mobile application, supplier development portal, or when you use our services such as our repeat prescription service, bill payments and prepaid services). We also collect information from you when you place an order or when you sign up for a Clicks ClubCard or use our pharmacies. This information may include your name, e-mail address, mailing address, phone number, health information including medication you make use of, or information relating to your business, depending on the service you are using.

WHAT DO WE USE YOUR INFORMATION FOR?

The information we collect from you may be used to:

- 1 personalise your experience (your information helps us to better respond to your individual needs);
- 2 improve customer service (your information helps us to more effectively respond to your customer service requests and support needs);
- 3 process transactions or provide you with the services we offer;
- 4 send periodic e-mails, such as order processing, information and updates pertaining to your orders, in addition to receiving occasional company news, updates, related product or service information;
- 5 manage your health as per pharmacy practice requirements; or
- 6 process and evaluate your company's credentials and business proposal (for supplier development portal applications).

HOW DO WE PROTECT YOUR INFORMATION?

We implement a variety of security measures to maintain the safety of your personal information when you place an order or enter, submit, or access your personal information. We offer the use of a secure server. All supplied sensitive/credit information is transmitted via Secure Socket Layer (SSL) technology and then encrypted into our payment gateway providers database only to be accessible by those authorised with special access rights to such systems, and are required to keep the information confidential. After a transaction, your private information will not be stored on our servers.

DO WE USE COOKIES?

Yes. Cookies are small files that a site or its service provider transfers to your computer's hard drive through your web browser (if you allow) that enables the sites or service providers' systems to recognise your browser and capture and remember certain information. We use cookies to help us remember and process the items in your shopping cart, and understand and save your preferences for future visits.

DO WE DISCLOSE ANY INFORMATION TO OUTSIDE PARTIES?

We only disclose your information to third parties who assist us in operating our website, conducting our business, or providing a service to you, so long as those parties agree to keep this information confidential.

These third parties can include suppliers, business partners who participate in the ClubCard programme, third-party service providers who assist us to interact with you via our website, e-mail or any other method, for the ordering of goods, the delivery of goods or the submission of any claim regarding any goods you have purchased including our payment gateway provider or bulk e-mail delivery providers and third parties who have a strategic marketing relationship with Clicks (we call these parties our "affinity associates"). Our employees, divisions or associates may also have access to your information by virtue of their employment or association but we ensure that confidentiality agreements are in place.

We may be required to release your information when we believe such release is appropriate to comply with the law, to enforce our site policies, or to protect our or others' rights, property, or safety. However, non-personally identifiable visitor information may be provided to other parties for marketing, advertising, or other uses.

We may share information with medical professionals or healthcare institutions if such processing is necessary to ensure that you are receiving proper health and care treatment. We are required to do this in terms of the law and are allowed to share this information in terms of POPIA.

We do not sell, trade, or disclose your personally identifiable information to outside parties under any other circumstances.

INTERNATIONAL TRANSFER OF PERSONAL INFORMATION

In the event that we transfer or store your personal information outside South Africa, we will take all steps reasonably necessary to ensure that the third party who receives your personal information is subject to a law or binding agreement which provides an adequate level of protection.

THIRD-PARTY LINKS

Occasionally, at our discretion, we may include or offer third-party products or services on our website. These third-party sites have separate and independent privacy policies. We take no responsibility or liability for the content and activities of these linked sites.

DIRECT MARKETING

Where you are a pre-existing customer of Clicks, we will be entitled to send electronic communications to you for the purpose of marketing similar products or services offered by us. You can object, free of charge, to the use of your details either when the information is first collected from you or when each subsequent electronic communication is sent to you by us. You can opt out of receiving further marketing communications by clicking the "unsubscribe" option on any communication or contacting Clicks in writing or, alternatively, telephonically via the Clicks Customer Service Centre on 0860 254 257 or +27 (0)21 460 1009. If you opt out of receiving marketing-related communications from us, we may still send you administrative messages which may be necessary as part of the services we provide, for example e-mails to inform you about your cashback rewards.

CUSTOMER CONSENT

By providing us with your personal information and/or continuing to use our various products or services, you consent to us processing your personal information which we undertake to process strictly in accordance with this privacy policy. This includes: (a) your personal information being processed by Clicks within the Clicks database; (b) your personal information being shared within the Clicks group of companies; (c) your personal information being shared with our affinity associates; and (d) receiving printed and electronic marketing material to inform you of special offers and products that may be of interest to you if you have consented to marketing. Each marketing communication will contain an opt out to enable you to opt out at any time.

YOUR RIGHTS: ACCESS TO INFORMATION

You have the right to request a copy of the personal information we hold about you. To do this, simply contact us at the numbers/addresses as provided on our website and specify what information you require. We will need to verify your identity and may need to go through a series of security questions before providing details of your personal information. Personal information may also be requested by following the Promotion of Access to Information Act, 2 of 2000 (PAIA) process as published on our website. You may also contact our information officer for guidance.

Please note that any such access request may be subject to a payment of a legally allowable fee.

CORRECTION OF CUSTOMER INFORMATION

You have the right to ask us to update, correct or delete your personal information. We will need to verify your identity and may need to go through a series of security questions to before making changes to personal information we may hold about you.

"We implement a variety of security measures to maintain the safety of your personal information when you place an order or enter, submit, or access your personal information."

Our PEOPLE



Permanent employees

15 871

2020: **15 582**
2019: **15 413**
2018: **15 067**

Staff turnover

10.3%

2020: **11.3%**
2019: **14.5%**
2018: **15.3%**

Employees covered by medical aid/primary healthcare plan

77%

2020: **79.2%**
2019: **77.0%**
2018: **18.2%**

Employees covered by collective bargaining agreements

13%

2020: **9.9%**
2019: **11.3%**
2018: **12.9%**

Skills development – total expenditure

R217m

2020: **R140.1 million**
2019: **R143.8 million**
2018: **R124.7 million**



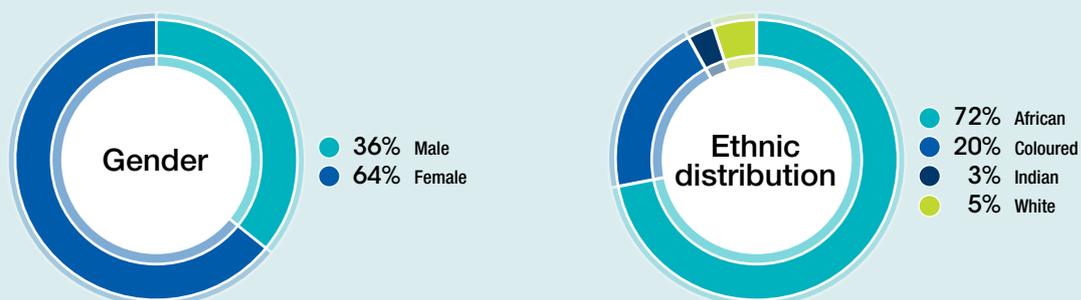
EMPOWERMENT AND TRANSFORMATION

Empowerment and transformation are critical aspects of sustainability and the group is **committed to the spirit and targets set out in the Broad-based Black Economic Empowerment (BBBEE) Act.**

| | Male | | | | Female | | | | Total |
|--------------------------|--------------|------------|------------|------------|--------------|--------------|------------|------------|---------------|
| | Black | Coloured | Indian | White | Black | Coloured | Indian | White | |
| Top management | 1 | 1 | 2 | 5 | – | 1 | – | 2 | 12 |
| Senior management | 10 | 12 | 9 | 31 | 7 | 3 | 6 | 14 | 92 |
| Professionally qualified | 159 | 71 | 40 | 113 | 244 | 70 | 73 | 155 | 925 |
| Technically skilled | 729 | 196 | 47 | 63 | 1 071 | 513 | 141 | 328 | 3 088 |
| Semi-skilled | 3 594 | 604 | 50 | 31 | 5 658 | 1 627 | 105 | 71 | 11 742 |
| Unskilled | 6 | 1 | – | – | 5 | – | – | – | 12 |
| Grand Total | 4 499 | 885 | 148 | 243 | 6 985 | 2 214 | 325 | 570 | 15 871 |

The group's transformation strategy is aligned to the Department of Trade, Industry and Competition's Codes of Good Practice (CoGP). Transformation is overseen by the board's social and ethics committee and monitored by the internal transformation committee, which is chaired by the chief executive and co-ordinated by the group human resources director. Clicks group achieved a level 4 BBBEE rating in the 2020 financial year on the amended BBBEE CoGP, with a score of 83.54 points.

The employment equity and diversity profile of the group reflects 95% black employees and 64% female employees. The executive management team has 80% black and 20% female representation, while the board comprises 64% black and 36% women directors.



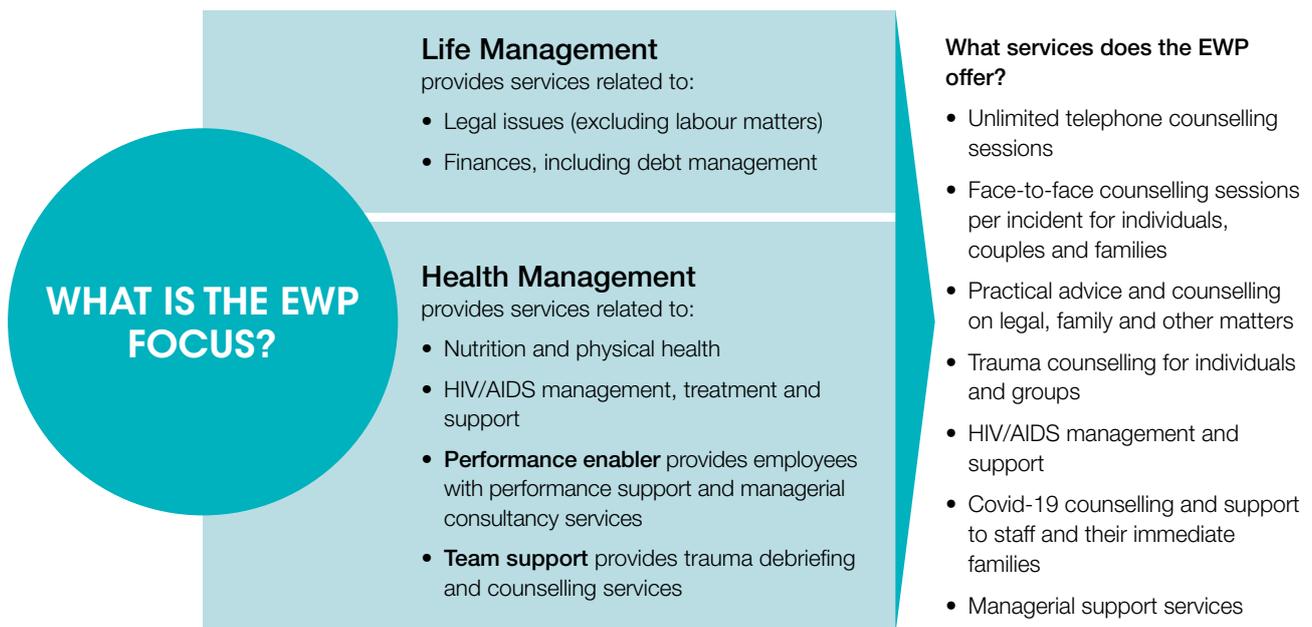
EMPLOYEE VALUE PROPOSITION

Our employee value proposition focuses on people, passion and opportunities, and aims to attract and retain the valuable talent we need to achieve our strategic goals. The group’s talent strategy is to employ customer-orientated people with a “can do” attitude, who are professional and proud to work for the company.

The group’s values (page 11) drive who we are and guide the way we assess the performance of our employees and support them to achieve their full potential at work.

EMPLOYEE WELLNESS

The Clicks Group Employee Wellness Programme (EWP) aims to enable employees to address their life issues and make informed decisions that lead to positive change. It offers a holistic service that addresses all facets of wellness. Through ICAS, the EWP provides professional, independent and completely confidential counselling and advisory services to permanent employees and their immediate household dependants. The programme places an emphasis on ensuring one’s physical health and well-being, and it also encompasses a wide range of issues that affect each person’s ability to be productive and enjoy a satisfactory quality of life. These include mental health, financial security and healthy relationships within the family and in the workplace.



The EWP is supported by ICAS and provides independent, confidential, professional counselling and advisory services to permanent employees and their direct household dependants. The programme’s total utilisation rate has remained high year on year. In 2021, 2 825 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. 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.

Clicks Group EWP

| | 2021 | 2020 | 2019 | 2018 |
|--|-------|-------|-------|-------|
| Employee utilisation (individual cases) | 2 825 | 2 969 | 2 065 | 1 636 |
| Family utilisation (group interventions) | 1 999 | 679 | 729 | 486 |
| Total utilisation rate | 4 824 | 3 648 | 2 794 | 2 122 |
| % | 32.1 | 23.8 | 18.3 | 14.9 |
| Managerial services (number) | 664 | 413 | 498 | 282 |
| % | 56.2 | 8.3 | 13.9 | 10.1 |
| High-risk cases | 87 | 76 | 61 | 62 |
| Store armed robbery incidents (number) | 17 | 22 | 15 | 15 |
| HIV/AIDS management programme | 70 | 71 | 71 | 69 |

Team support programme

At least 192 trauma intervention participants were assisted in 2021. These debriefing interventions are aimed at supporting our employees who were exposed to assault, robbery and bereavement incidents. A further, 29 individuals were assisted through the couples counselling and the child protocol process.

The group leadership model

A leadership competency framework has been developed using global benchmarks and the latest research to determine the skills essential for executive and senior management positions. The framework is used to assess and develop top talent and inform the design of future development programmes.

- 1 Delivery
- 2 Resilience
- 3 Integrity
- 4 Vision
- 5 Enterprising

LEARNING AND DEVELOPMENT

Skills development

Developing the skills, knowledge and capability of our employees builds the value of the human capital in the group. Learning and development interventions include on-the-job training, e-learning, skills programmes, learnership programmes, short courses and academic qualifications. A total of R217 million was invested in learning and skills development during the 2021 financial year. 4 062 employees in the financial year 2021 participated in training interventions (2020: 4 776). Black employees comprised 98% of the employees trained and women 57%.

The main areas of focus for skills development during the year were enhanced management and leadership competencies, developing scarce and critical skills, and facilitating organisational transformation.

Learning and development statistics

| | 2021 | 2020 | 2019 |
|--|-------|-------|-------|
| Learning and development spend (R'million) | 217 | 140.5 | 144 |
| Number of employees trained | 4 062 | 4 776 | 5 781 |
| Black employees as a % of all employees trained | 98 | 95 | 93 |
| Female employees as a % of all employees trained | 57 | 69 | 64 |
| Pharmacy bursary spend (R'million) | 5.6 | 6.3 | 7.3 |

Talent and development

The talent and development framework aims to develop the group's human capital to achieve sustainable business growth and ensure that all employees are provided with the skills to realise their potential and meet their career aspirations. The talent and development framework aims to:

- ensure that the group attracts and retains the best talent and skills available in the market;
- build employee commitment by providing opportunities for career development;
- ensure that suitable employees are appointed in all core, scarce and critical positions and roles;
- contribute to the group's transformation agenda;
- provide a pipeline of talent and skills to enable promotion from within the organisation; and
- address competency gaps.

The Clicks group is committed to providing the resources necessary for learning and development, such as material, resources, time and support.

“Developing the skills, knowledge and capability of our employees builds the value of the human capital in the group.”

Creating pharmacist capacity

Clicks is a leader in the South African healthcare market and the largest employer of pharmacists in the private sector. There is a shortage of qualified pharmacists and healthcare professionals in South Africa and Clicks invests in developing the pool of industry skills and in attracting, developing and retaining these skills.

Clicks has a dedicated pharmacy recruitment team that focuses on the recruitment of pharmacists, pharmacy graduate interns and pharmacist assistants at the basic, post-basic and qualified post-basic level. The team operates under an agreed service level agreement with business partners, which tracks the average time to fill a vacancy, cost savings and compliance to the group's resourcing framework.

We partner with pharmacy schools at universities, external learning providers and other stakeholders to create a pipeline of talented, motivated healthcare professionals. The pharmacy development strategy focuses on:

- regular engagements with learning institutions across the country;

- supporting learning laboratories at university pharmacy schools;
- offering a pharmacy bursary scheme;
- offering a pharmacy internship programme to provide workplace experience;
- providing learnership opportunities to develop pharmacists' assistants and trainees; and
- supporting continuing professional development of pharmacists and nursing practitioners.

Clicks provided R5.6 million in bursaries (2020: R7.3 million) to 100 students completing the Bachelor of Pharmacy degree at registered South African universities. 98% of bursary recipients were black and 57% female. The group also provided opportunities to 12 graduates enrolled in the retail graduate development programme. The group's Pharmacy Healthcare Academy is registered with the South African Pharmacy Council (SAPC) and is instrumental in developing pharmacists' assistants, with 61 learners currently registered on learnership programmes.

GROUP CORPORATE AFFAIRS DIRECTOR STATEMENT ON SUSTAINABILITY

Human capital overview

Despite the challenges faced during the financial year 2021, we have continued to thrive as a business and reinforced our social licence to operate. We embrace the significance of our social impact in the way we conduct our business and relate with all our stakeholders. The group's values set a precedent in the way we respond to social challenges and continuously improve our response efforts to operate in a socially responsible manner in the midst of the ongoing Covid-19 pandemic.

The health, safety and stability of our employees remain pivotal as the country continues to face the challenges brought about by the lingering socio-economic effects of the pandemic. The group's employee value proposition is the foundation of our vision to engage our people in an inclusive manner and ensure that we promote employee well-being through initiatives which include:

Employee wellness programme

Employee development

Employee diversity and inclusion

In response to various challenges associated with the pandemic, Clicks strengthened the employee mental health programme across the group by driving mental health awareness campaigns and via an accessible platform in conjunction with ICAS. The mental health awareness programme provides services related to physical, mental and emotional well-being rendered by independent, confidential, professional counselling and advisory services. In the year the programme attracted over 2 825 individual employee cases. Additionally, the group supports employees through other initiatives such as our HIV/AIDS management programme, vaccination awareness, nutrition and physical health as well as trauma debriefing and counselling services.

Clicks acknowledges the importance of employees in society and the role they play in driving our business and promoting our brand as the customers' first choice in beauty and health. Attracting and retaining talent is therefore critical to the group's continued success. Our priority is to enhance:

Our diversity and inclusivity programmes

The safety of our people in our stores, pharmacies and distribution centres

Our investments in the development of skills

Employee engagement and affiliation

The group acknowledges the dedication of our employees and their role in driving sustainable performance and growth. Despite the constraints posed by the Covid-19-related movement restrictions, the employee development programme invested in over 4 062 employees trained in the current financial year. We have also extended our e-learning platform for employees by increasing the number of online courses and aligned these programmes to our strategic and operational imperatives. Our commitment to diversity and inclusion within the business is reflected at board level (with 64% of the directors being black and 36% female) and our BBBEE-verified level 4 rating.

Corporate social **RESPONSIBILITY**



VACCINATING THE NATION

Largest private-sector vaccination provider in South Africa

Vaccinations administered by end October 2021

1.5 million

Vaccination sites at end October 2021

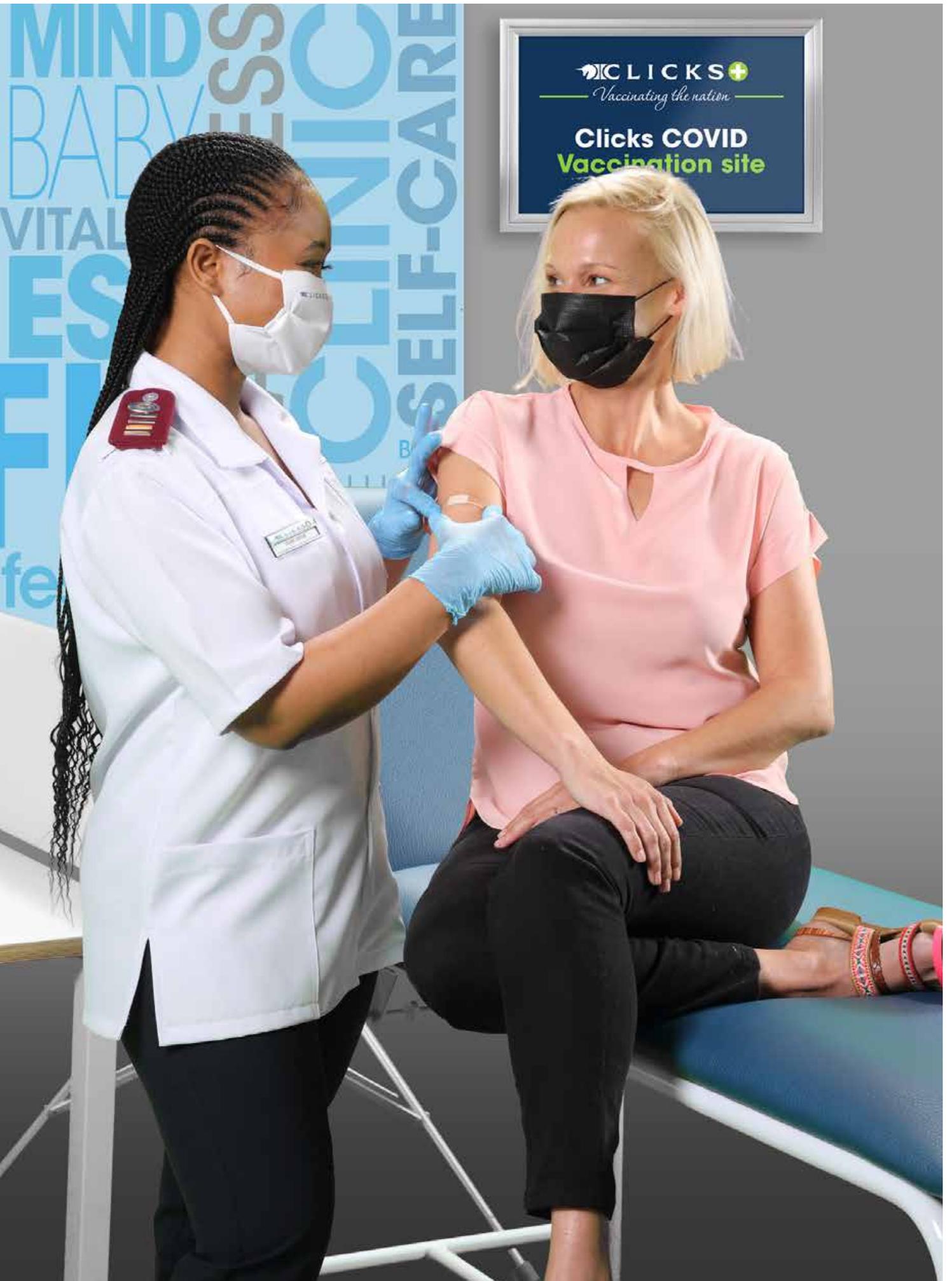
531

Vaccinations administered by year-end

596 180

Vaccination capacity each month

600 000



Building a HEALTHY FUTURE

The **Covid-19 pandemic continued to impact the country and its people over the past year**, particularly during the second and third waves of infection. The restrictions imposed on economic activity and freedom of movement during varying stages of lockdown continued to change consumer shopping patterns and significantly reduced customer footfall in malls.

Clicks Group recognises that the fastest and safest way to economic recovery from the damaging effects of the pandemic is to vaccinate as many citizens as possible, in this way protecting lives and helping to accelerate growth.

The group therefore committed to support the government's national vaccination programme from the start by making its pharmacies available as vaccination sites to ensure access to all people living in South Africa.

As the availability of vaccines improved, the programme gained momentum and by year end Clicks had administered 596 180 vaccinations across 300 Clicks stores.

Capacity continued to be expanded through the opening of additional sites, with Clicks reaching 531 sites and administering over 1.5 million vaccinations by the end of October 2021.



Protect yourself
by practising good hygiene and boosting your immune system

feel good pay less

CLICKS+
COVID-19
vaccination notice

Please note that we may only vaccinate patients that have a valid EVDS SMS with a voucher number.

The EVDS SMS will provide you with booking information (date, time and site) as soon as you are eligible for your vaccine.

To know if you are eligible please register on the EVDS vaccine.enrol.health.gov.za/#/ and follow the instructions on the SMS.

For more information, visit clicks.co.za/covidvaccine

Vaccinating the nation



As the largest private sector vaccination provider in South Africa, Clicks has the capacity to administer 600 000 vaccinations each month.

The convenience of the Clicks pharmacy network and the quality of the specialist healthcare staff have been the major drivers of the success of the vaccination programme.

Extending the convenience of the vaccination service, Clicks launched its online Covid-19 vaccination booking portal "bookings.clicks.co.za" in August which allows customers to book appointments at their nearest Clicks vaccination site.

Founded in 2011, the **Clicks Helping Hand Trust** offers free preventative testing and wellness services to disadvantaged South Africans in all Clicks clinics, including:

- vaccinations;
- HIV/AIDS testing and counselling; and
- screenings for heart disease and diabetes during awareness campaigns.

The Clicks Helping Hand Trust Moms and Babies programme offers free clinic services every Wednesday afternoon at selected clinics for mothers whose babies were born in state hospitals, and who do not have access to medical aid.

“Girls on the Go” is a Clicks Helping Hand Trust programme that addresses period poverty.

We offer a wealth of free expert information on good nutrition, mental health, flu, Covid-19 and conditions such as diabetes, allergies, heart disease and more, available on our online health hub.

Because good health starts with good hygiene, we prioritise making basic hygiene products – such as soap, hand sanitiser and household cleaning products – affordable and accessible.

Our **Smartbite** range provides nutritious options for specific dietary requirements, including diabetic and gluten-free. Our Smartlife range includes appliances and food preparation tools to make healthy eating more convenient and accessible.

We stock a specialty line of sports vitamin and nutrition supplements, protein and strength products to support fitness.

We stock an extensive range of beauty and personal care products across brands that are free from chemicals such as phthalates and parabens.

Clicks Virtual Doctor is a tele-healthcare service that gives fast and affordable access to a GP via video calling. In 2021 we offered over R100 million in self-medication savings. Plus, customers can save up to 30% by asking their Clicks pharmacist for a more affordable generic alternative to their prescribed medications. Clicks’ private label offers affordable alternatives to many over-the-counter medicines and health products.



CSI ACTIVITIES

SOCIO-ECONOMIC DEVELOPMENT - THE CLICKS HELPING HAND TRUST

The Clicks Helping Hand Trust has made huge strides in enabling access to quality healthcare for those that are most vulnerable within our society. During the past six years we have been able to offer over 508 700 free healthcare consultative and treatment services for ailments such as diabetes, HIV/AIDS, blood pressure and for managing cholesterol levels. Over 15.4%, or 78 773, of these services were offered to date in the current financial year.

As part of the response to the pandemic, The Clicks Helping Hand Trust donated 118 960 bottles of sanitisers to NPOs and schools.

The Clicks Helping Hand Trust has also assisted mothers and babies that cannot access government facilities through the Mother and Baby programme, which assists mothers with nutritional education, health checks and the vaccination of their children. Over 167 200 free services have been offered to mothers and babies from the inception of The Clicks Helping Hand Trust, with just over 25 000 free services offered in the current financial year.

“Girls on the Go” is a Clicks Helping Hand Trust programme created to prevent girls missing school because they cannot access sanitary products.

Further, we continue to support young women by ensuring that they do not miss much schooling through our “Girls on the Go” programme. In partnership with Novartis, Kimberly Clark and other SANPRO partners, we were able to provide over 3 000 reusable sanitary towels and over 150 000 disposable sanitary towel packs to girls in need throughout South Africa.





ENTERPRISE DEVELOPMENT – PARTNERSHIP WITH THE APPLIANCE BANK

In partnership with The Appliance Bank, Clicks Group has been able to provide assistance to those that are unemployed to start and grow their own businesses. The Appliance Bank prides itself for providing an alternative to unemployed within Gauteng, KwaZulu-Natal, the Eastern Cape as well as the Western Cape. In the current financial year Clicks Group has donated over 196 000 in appliances and other resaleable items to beneficiaries of The Appliance Bank.

Environmental OVERVIEW



Carbon emissions (CO₂)

146 873 metric tonnes

2020: 143 706 metric tonnes
2019: 132 365 metric tonnes
2018: 117 176 metric tonnes

Carbon Disclosure Project – performance band

A

2020: A-
2019: A-
2018: A-

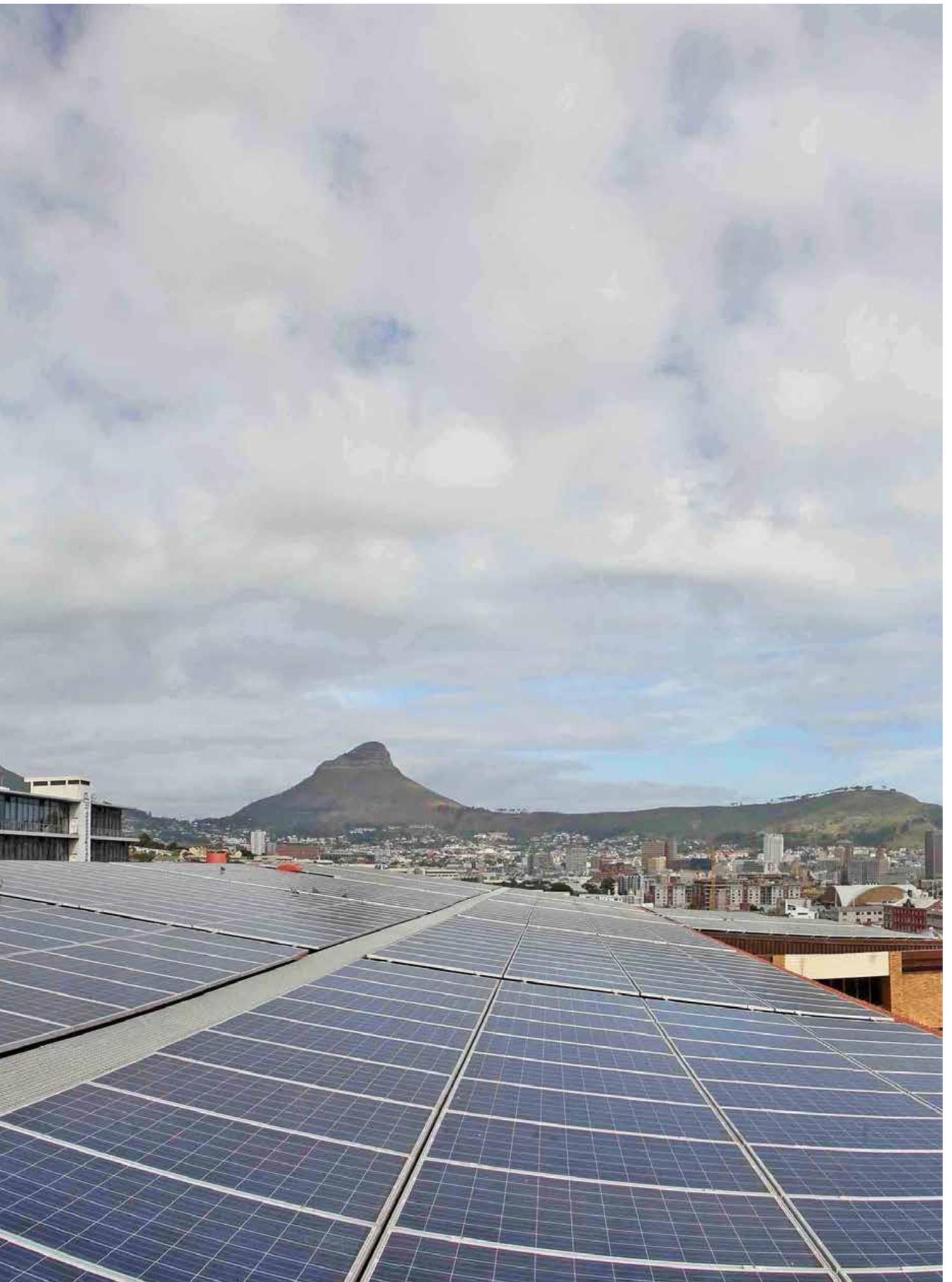
FTSE4Good Index

Included

2020: Included
2019: Included
2018: Included

Carbon emissions intensity target

10% reduction by 2030



Environmental OVERVIEW

2021 HIGHLIGHTS

Our goal is for 100% of plastic packaging to be reusable, recyclable or compostable by 2025.

We are a founding member of the SA Plastics Pact, which is a commitment to create a circular economy for plastics. In addition to ensuring that 100% of packaging is reusable, recyclable or compostable by 2025, the Pact also requires the elimination of unnecessary and problematic packaging through redesign, innovation or reuse models, that 70% of plastic packaging is effectively recycled, and that there is an average of 30% recycled content across all plastic packaging by 2025.

Our goal is to reduce our carbon emissions intensity by 10% by 2030.

We received A ratings in the voluntary Carbon Disclosure Project (CDP) for 2018, 2019, 2020 and 2021.

Every year, we share our environmental, social and governance (ESG) credentials for the FTSE4Good Index assessment.

Our goal is to reduce water consumption at our head office and three distribution centres by 5% by 2030.

At Clicks head office, we use water from diverse sources including borehole, rain and recycled water to reduce our dependence on municipal water.

Our goal is to reduce energy consumption by 5% by 2030.

At Clicks head office, solar power reduces our reliance on non-renewable energy sources.

We have installed energy-saving LED lights in all of our stores across the country.

BIODIVERSITY STATEMENT

Our commitment to reducing the impact we have on the environment and biodiversity in which we operate is echoed throughout our responsible business model.

Clicks Group minimises impact on diversity and environment throughout our retail and logistics value chain.

In order to reach this commitment:

| | |
|---------------------------------|--|
| Supply Chain | <ul style="list-style-type: none"> Assess the ESG awareness of our supply chain and continue to source sustainable products throughout our supply chain |
| Carbon Emissions | <ul style="list-style-type: none"> Science-based targets for carbon emissions reductions CDP |
| Biodiversity and environment | <ul style="list-style-type: none"> Integrated pollution control Climate Change Policy |
| Waste reduction and stewardship | <ul style="list-style-type: none"> More stringent waste management plan, including targets to 2030 |

Throughout our commitment, it is critical to engage with stakeholders frequently. Our engagements will further develop action plans, to help avoid, reduce or mitigate our impact on biodiversity and the environment. Meeting our commitment is a necessary step as we continue to operate within the boundaries of the planet and sustain long-term growth.

“Our commitment to reducing the impact we have on the environment and biodiversity in which we operate is echoed throughout our responsible business model.”

TASK FORCE RECOMMENDATIONS ON CLIMATE-RELATED CLIMATE DISCLOSURES

Clicks has acted proactively to address climate change in our business practices. This is especially clear when assessing our CDP responses, where an “A” score was given in 2021. In this financial year we have considered our mainstream reports to assess their completeness in accordance with the TCFD recommendations. Work related to this included a gap analysis to identify areas for improving disclosure regarding climate change within Clicks’ governance, strategy, risk management, and metrics and targets reporting. These efforts serve to communicate Clicks Group’s commitment to climate change-related risks to our investors. Clicks is busy considering an action plan in line with the TCFD-recommended climate roadmap and a more detailed assessment of the emissions related to our value chains.

The Clicks TCFD readiness and alignment assessment is reflected below:

| Category | % requirement met |
|--|--|
| Governance | |
| Describe the board’s oversight of climate-related risks and opportunities. |  17% |
| Describe management’s role in assessing and managing climate-related risks and opportunities. |  50% |
| Strategy | |
| Has Clicks identified climate-related risks and opportunities over the short, medium and long term? |  50% |
| Describe the resilience of the organisation’s strategy, taking into consideration different climate-related scenarios. |  17% |
| Risk management | |
| Describe the organisation’s processes for identifying and assessing climate-related risks. | To be reviewed in 2022 |
| Describe the organisation’s processes for managing climate-related risks. |  25% |
| Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation’s overall risk management. | To be reviewed in 2022 |
| Metrics and targets | |
| Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process. |  83% |
| Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks. |  100% |
| Describe the targets used by the organisation to manage climate-related risks and opportunities, and performance against targets. |  50% |

TCFD readiness and alignment

The group has commenced with the process of evaluating its operations against the recommendations of the TCFD in order to inform our board on the actions that need to be taken to ensure that Clicks deploys both mitigation and adaption strategies in response to areas where the organisation has a potentially material exposure to climate risk. We understand that any failure to disclose material issues that could impact the company’s financial position can be considered a contravention of South Africa’s Companies Act. The TCFD process will assist the group’s directors to ensure that we accurately reflect any material climate change-related matters that may affect the business.

Based on the assessment, it was noted that Clicks has acted proactively to address and integrate climate change risks in its business practices. This is evident in the group’s CDP response. The recommendations going forward include:

- Clicks is to set a science-based target (SBT) for the GHG emission reductions;
- Clicks is to include climate change criteria and information-gathering mechanisms as part of its procurement practices;
- Clicks is to conduct a climate change scenario analysis to assess and manage the risks posed by climate change; and
- Clicks is to develop a mechanism for reporting the financial impacts of climate change in the mainstream filings.



“Through the setting of previous GHG emission targets, the group has gained valuable know-how and experience which has helped shape the organisation’s climate change strategy going forward.”

CARBON FOOTPRINT – PERFORMANCE/PROGRESS ACCORDING TO SBTis

In line with the Paris Agreement of reducing global emissions, the group has also been setting GHG emission targets since 2008. Historically Clicks has set both absolute and intensity-based, short-term (<5 years) GHG emission targets. The group set new targets in 2020 after the expiry of the previous targets. Clicks' existing targets are shown in Table 1 below.

Table 1: Existing GHG emission targets

| Scope boundary | Scope 1 and 2 | Scope 1 and 2 | Scope 2 |
|--------------------------|---|---|---|
| Target type | Intensity target | Intensity target | Renewable energy target |
| Base year | FY2015 | FY2015 | FY2015 |
| Base year value | 0.19 tCO ₂ e/m ² | 0.19 tCO ₂ e/m ² | 0.0013 kWh renewable energy produced/total energy consumption |
| Target % over the period | 5% | 10% | 1.5% of total electricity consumption in target year |
| Target year | FY2020 | FY2030 | FY2020 |
| Target year value | 0.181 tCO ₂ e/m ² | 0.171 tCO ₂ e/m ² | 0.015 kWh renewable energy produced/total energy consumption |

The approach followed in setting a new target is based on the methodologies of the Science-Based Target initiative (SBTi).

CARBON EMISSIONS – GREENHOUSE GAS (GHG)

Clicks has developed proposed short-term and long-time emission reductions target in line with the SBTi criteria using the Sectoral Decarbonisation Approach (SDA) method and will be submitting the targets for validation in due course.

The Clicks Group is progressing well on its journey to respond proactively and meaningfully to climate change. Through the setting of previous GHG emission targets, the group has gained valuable know-how and experience which has helped shape the organisation's climate change strategy going forward. Our carbon footprint is reflected in the table below:

| Category | Description | Total 2020/2021 |
|---|---|-----------------|
| SCOPE 1 (CO ₂ e) metric tonnes | Stationary diesel combustion | 335 |
| | Mobile diesel combustion | 1 004 |
| | Mobile petrol combustion | 795 |
| | Refrigerant use | 205 |
| SCOPE 1 Sub-total | | 2 339 |
| SCOPE 2 Sub-total – location based (CO ₂ e) metric tonnes | Purchased electricity | 109 023 |
| SCOPE 3 and Other (CO ₂ e) metric tonnes | 3.1 Purchased goods and services | 61 |
| | 3.3 Fuel and energy-related activities | 15 903 |
| | 3.4 Upstream transport and distribution | 7 516 |
| | 3.5 Waste generated in operations | 1 464 |
| | 3.6 Business travel | 326 |
| | 3.7 Employee commuting | 9 406 |
| SCOPE 3 Sub-total (CO ₂ e) metric tonnes | | 34 676 |
| Outside of Scopes (CO ₂ e) metric tonnes | Refrigerant – R22 | 835 |
| TOTAL Scopes 1, 2 and 3, and Outside of Scopes (CO₂e) metric tonnes | | 146 873 |
| Intensity (tCO ₂ e/Full-time employees) (Scopes 1, 2 and 3) | | 15.69 |

ENERGY MANAGEMENT

Clicks Group remains committed to reducing energy consumption to ensure long-term sustainability of the company. Energy security is vital for our operations. Electricity supply in the stores, distribution centres (DCs), head office and regional office is core to the sustainability of the business. The group is committed to implementing alternative energy sources for its operations. Clicks Group has a 400 kWp solar PV installation on the head office roof to reduce grid electricity consumption. The plant is able to produce approximately 645 MWh of energy per year, which accounts for 1.56% of annual energy generation. Our total annual energy consumption is reflected in the table below:

| Business unit | Consumption (Wh) |
|---------------|--------------------|
| Claire's | 32 613 |
| Clicks | 86 442 168 |
| Clicks DCs | 5 387 698 |
| Head office | 2 374 244 |
| Musica | 1 456 244 |
| The Body Shop | 848 221 |
| UPD | 6 709 243 |
| Medicross | 348 084 |
| Total | 103 598 516 |

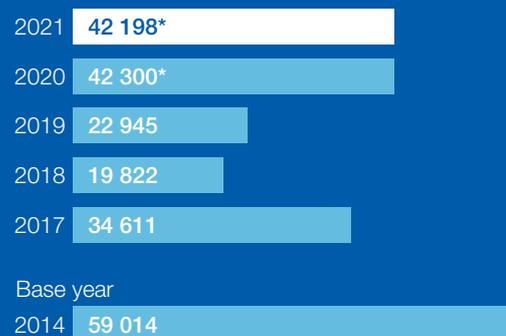
Furthermore, the group's aim is to ensure uninterrupted supply by ensuring that uninterruptible power sources (UPSs) are in working order to cover power outages. The group is also exploring the use of alternative energy sources to ensure business continuity. In order to reduce the group's energy consumption, energy management initiatives are implemented at our stores, distribution centres and at head office. The group also implements LED technology in all operations and have installed electronic meters that monitor energy usage per store. Store lighting is managed through either motion sensors, occupancy sensors or timer controls that automatically switch off lights when they are not needed.

“Clicks Group remains committed to reducing energy consumption to ensure long-term sustainability of the company.”

WATER MANAGEMENT

Water is a shared resource. Access to water and water availability are major concerns in the regions in which Clicks operates, and a lack of water has the potential to disrupt business. Fresh water quality and availability is vital for Clicks' direct pharmacy operations as it is a regulatory requirement for all our pharmacists and nurses to have access to warm, clean water to wash hands and equipment for mixing of medication. Furthermore, fresh water quality is vital as it is a prerequisite to prevent the spread of disease. Our water savings are benchmarked against the 2017 targets and our year-on-year consumption is highlighted below:

Total water usage in kilolitres



* Water conservation measures were relaxed due to the Covid-19 pandemic in 2020 and 2021.

Due to the reduced reliance on municipal water supply, Clicks is able to internally improve water supply security and materially reduce water scarcity risks to its head office. Clicks continues to commit to reduce resource usage, and the implemented water reduction and efficiency measures contribute to the United Nations Sustainable Development Goal (SDG) 12 – Responsible Consumption and Production. Clicks Group's primary response to increased water scarcity is infrastructure investment for securing alternative water supplies. Clicks has and continues to instal rainwater harvesting systems and boreholes, in order to improve security of water supply.

WASTE MANAGEMENT

Clicks' response to waste management is informed by the Waste Act: Monitoring of Waste minimisation due to the limited landfill capacity. The group is focused on increasing recycling across the business to decrease the amount of waste going to landfill. Separating bins have been implemented in the head office building and recycling takes place at distribution centres. The group has also embarked on a zero waste to landfill at the head office where it has adopted a waste management system focusing on diversion of a range of waste stream from landfill.

| Waste (kg) | Total |
|-------------------------|------------------|
| General waste generated | 1 231 024 |
| Waste recycled | 4 020 366 |
| Medical waste generated | 53 719 |
| Total | 5 305 109 |

SUSTAINABILITY RISKS

At group level, we annually review risks identified as financial, reputational, regulatory and environmental risk. Specific attention is given to ensure compliance with current and emerging regulations related to climate change and other pertinent sustainability issues. In this regard, Clicks has assessed its exposure to the provisions of the South African Carbon Tax Act. Our GHG emissions mainly come from stationary fuel combustion (diesel), mobile fuel combustion, fugitive emissions, purchased electricity, upstream distribution, employee commuting and business travel. The group appointed SustainabilityIT, an independent service provider, to conduct verification on our emission data to assure accuracy and validity. The group is also in the process of adopting measures to meet the requirements associated with the Extended Producer Responsibility (integrated waste management plan (IWMP)). The Paper and Packaging Industry Waste Management Plan was officially gazetted in 2016 and will impose a levy based on packaging weight against primary and secondary producers and importers of packaging across industries.



Rain water harvesting and borehole water tanks at the head office.

GRI INDEX

| GRI Standard | Disclosure | Page number(s) and/or URL(s) | Omission | | |
|---------------------------------|--|---------------------------------|----------------|--------|--|
| | | | Part omitted | Reason | Explanation |
| GRI 101: Foundation 2016 | | | | | |
| General Disclosures | | | | | |
| Organisational Profile | | | | | |
| | 102-1 Name of the organisation | Front Page | | | |
| | 102-2 Activities, brands, products and services | Pages 4 – 6 | | | |
| | 102-3 Location of headquarters | Page 71 | | | |
| | 102-4 Location of operations | Page 5 | | | |
| | 102-5 Ownership and legal form | Page 4 | | | |
| | 102-6 Markets served | Pages 5 – 6 | | | |
| | 102-7 Scale of the organisation | Pages 5 – 6 | | | |
| | 102-8 Information on employees and other workers | Pages 46 – 48 | | | |
| | 102-9 Supply chain | Page 34 | | | |
| | 102-10 Significant changes to the organisation and its supply chain | N/A | Not applicable | | No significant changes occurred during this reporting period |
| | 102-11 Precautionary Principle or Approach | Pages 2 – 3 | | | |
| | 102-12 External initiatives | Pages 54 – 57 | | | |
| | 102-13 Membership of associations | Page 19 | | | |
| Strategy | | | | | |
| | 102-14 Statement from senior decision-maker | Pages 14 – 17 | | | |
| Ethics and Integrity | | | | | |
| | 102-16 Values, principles, standards and norms of behaviour | Page 11 | | | |
| Governance | | | | | |
| | 102-18 Governance structure | Pages 36 – 45 | | | |

GRI INDEX (CONTINUED)

| GRI Standard | Disclosure | Page number(s) and/or URL(s) | Omission | | |
|--|--|---------------------------------|--------------|--------|--|
| | | | Part omitted | Reason | Explanation |
| GRI 101: Foundation 2016 | | | | | |
| General Disclosures (continued) | | | | | |
| Stakeholder Engagement | | | | | |
| | 102-40 List of stakeholder groups | Page 26 | | | |
| | 102-41 Collective bargaining agreements | Page 46 | | | |
| | 102-42 Identifying and selecting stakeholders | N/A | | | Not reported – Stakeholder engagement for purposes of the sustainability report to be included in subsequent reports |
| | 102-43 Approach to stakeholder engagement | | | | Not reported. To be included in subsequent reports |
| | 102-44 Key topics and concerns raised | Pages 29 – 33 | | | |
| Reporting Practice | | | | | |
| | 102-45 Entities included in the consolidated financial statements | IR and AFS (page 69) | | | |
| | 102-46 Defining report content and topic boundaries | Pages 2 – 3 | | | |
| | 102-47 List of material topics | Pages 29 – 33 | | | |
| | 102-48 Restatements of information | AFS (page 10) | | | Continuing operations comparatives restated for the closure of Musica. |
| | 102-49 Changes in reporting | Page 3 | | | |
| | 102-50 Reporting period | Page 3 | | | |
| | 102-51 Date of most recent report | N/A | | | This is the group's first report in terms of the GRI |
| | 102-52 Reporting cycle | Page 3 | | | |
| | 102-53 Contact point for questions regarding the report | Page 69 | | | |
| | 102-54 Claims of reporting in accordance with the GRI Standards | Page 3 | | | |
| | 102-55 GRI content index | Pages 66 – 67 | | | |
| | 102-56 External assurance | Page 3 | | | |

GRI INDEX (CONTINUED)

| GRI Standard | Disclosure | Page number(s) and/or URL(s) | Omission | | |
|--|---|------------------------------------|--------------|---|---|
| | | | Part omitted | Reason | Explanation |
| Material Topics | | | | | |
| 200 series (Economic topics) | | | | | |
| Economic Performance | | | | | |
| GRI 103: Management Approach 2016 | 103-1 Explanation of the material topic and its boundary | Pages 29 – 33 | | | |
| | 103-2 The management approach and its components | Pages 29 – 33 | | | |
| | 103-3 Evaluation of the management approach | Pages 30 – 33 | | Evaluation of the economic performance in line with the sustainability material topics is yet to be performed | Having conducted a materiality assessment in the year under review, a management approach is under consideration for the coming financial year using the metrics we have chosen to manage our economic performance for sustainability |
| | 201-1 Direct economic value generated and distributed | Pages 18–20 | | | |
| | 203-2 Significant indirect economic impacts | Pages 18 – 20, 26 – 27 and 52 – 56 | | | |
| GRI 201: Economic Performance 2016 | 201-1 Direct economic value generated and distributed | Pages 18 – 20, 26 – 27 | | | |
| | 203-2 Significant indirect economic impacts | Pages 18 – 20, 26 – 27 and 52 – 56 | | | |
| Procurement Practices | | | | | |
| GRI 103: Management Approach 2016 | 103-1 Explanation of the material topic and its boundary | Page 34 | | | |
| | 103-2 The management approach and its components | Page 34 | | | |
| | 103-3 Evaluation of the management approach | Page 34 | | | |
| GRI 204: Procurement Practices 2016 | 204-1 Proportion of spending on local suppliers | Page 34 | | | |

GRI INDEX (CONTINUED)

| GRI Standard | Disclosure | Page number(s) and/or URL(s) | Omission | | |
|--|--|------------------------------|--------------|--------|------------------------------------|
| | | | Part omitted | Reason | Explanation |
| Material Topics (continued) | | | | | |
| 300 series (Environmental topics) | | | | | |
| Emissions | | | | | |
| GRI 103: Management Approach 2016 | 103-1 Explanation of the material topic and its boundary | Pages 61 – 63 | | | |
| | 103-2 The management approach and its components | Pages 61 – 63 | | | |
| | 103-3 Evaluation of the management approach | N/A | | | |
| GRI 305: Emissions 2016 | 305-1 Direct (Scope 1) GHG emissions | Page 63 | | | |
| | 305-2 Energy indirect (Scope 2) GHG emissions | Page 63 | | | |
| | 305-3 Other indirect (Scope 3) GHG emissions | Page 63 | | | |
| | 305-4 GHG emissions intensity | Page 63 | | | |
| | 305-5 Reduction of GHG emissions | Page 63 | | | |
| Supplier Environmental Assessment | | | | | |
| GRI 103: Management Approach 2016 | 103-1 Explanation of the material topic and its boundary | N/A | | | |
| | 103-2 The management approach and its components | N/A | | | |
| | 103-3 Evaluation of the management approach | N/A | | | |
| GRI 308: Supplier Environmental Assessment 2016 | 308-1 New suppliers that were screened using environmental criteria | N/A | | | |
| 400 series (Social topics) | | | | | |
| Employment | | | | | |
| GRI 103: Management Approach 2016 | 103-1 Explanation of the material topic and its boundary | Pages 46 and 29 | | | |
| | 103-2 The management approach and its components | Page 29 | | | |
| | 103-3 Evaluation of the management approach | N/A | | | |
| GRI 401: Employment 2016 | 401-1 New employee hires and employee turnover | Page 46 | | | We only disclose employee turnover |
| Training and Education | | | | | |
| GRI 103: Management Approach 2016 | 103-1 Explanation of the material topic and its boundary | Pages 50 – 51 | | | |
| | 103-2 The management approach and its components | Pages 50 – 51 | | | |
| | 103-3 Evaluation of the management approach | N/A | | | |
| GRI 404: Training and Education 2016 | 404-1 Average hours of training per year per employee | N/A | | | Not disclosed |





Corporate INFORMATION

Clicks Group Limited

Incorporated in the Republic of South Africa
Registration number 1996/000645/06
Income tax number 9061/745/71/8

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ADR ticker symbol: CLCGY
ADR CUSIP code: 18682W205

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JSE sponsor

Investec Bank Limited

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L I M I T E D