

# Social and ethics committee report 2022

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 an integral part of the group's governance and management. It performs an oversight function to ensure that the board and the wider organisation are equipped and on track to deliver on the goal of having an ethical culture; and seek to ensure that the group is sustainable in the triple contexts of the economy, society and the environment.

The committee's terms of reference detail its composition, functioning and 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 should be read together with the corporate governance report on pages 38 to 41 of the integrated report.

## Role and responsibilities of the committee

The committee acts in terms of the board's delegated authority and performs an independent oversight function. It assists the board in monitoring the group's activities and disclosures in terms of law and codes of best practice relating to:

- social and economic development;
- strategic empowerment, and changes in the application and interpretation of empowerment charters and codes;
- good corporate citizenship, including the group's:-
  - promotion of equality, prevention of unfair discrimination, and reduction of corruption;
  - contribution to the development of the communities in which it operates; and
  - sponsorships, donations and charitable giving;
- the environment, health and public safety, including the impact of its activities and of its products or services, and the annual review of the group's environmental policy;
- consumer relationships, including its advertising, public relations and compliance with consumer protection laws;
- labour and employment, including the group's standing in terms of the International Labour Organisation (ILO) protocol on decent work and working conditions; its employment relationships and contribution toward the educational development of its employees;
- compliance by the group's supply chain with the group's ethical standards and adherence to the supplier code of ethics;
- Ethics;

- targets set by management relating to the committee's mandate, and to monitor progress against those targets; and
- adverse findings, fines or other sanctions by regulators, courts or quasi-judicial bodies, and any allegations of anti-competitive behaviour made against the group.

## Composition and functioning

The committee comprises independent non-executive directors Prof. Fatima Abrahams (chairperson), Dr Penny Moumakwa and David Nurek, and executive director and CEO Bertina Engelbrecht. The non-executive directors who serve on the committee are nominated and appointed by the board; the CEO is an ex officio member of the committee.

The head of corporate affairs, 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 40 of the integrated report and fees paid to committee members for 2022 and proposed fees for 2023 are detailed on pages 15 and 16 of the remuneration report available on the website.

## Activities of the committee

The committee met twice during the year. In the reporting period the committee undertook the following:

- 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;
- evaluated the group's corporate social investment programme, focusing primarily on the group's:

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- 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 ILO 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 and legal compliance 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

24 November 2022