

CLICKS GROUP LIMITED

Sustainability report and databook 2024

for the year ended
31 August 2024



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About this report

The 2024 Sustainability Report provides a comprehensive overview of the progress and initiatives supporting the group's unwavering commitment to environmental, social and governance (ESG) principles. This report outlines the key sustainability achievements and goals across the group's sustainability objectives which are building a trusted, accessible healthcare network, minimising our environmental footprint, sourcing products that uphold the integrity of our brand, and empowering motivated passionate people for the financial year ended 31 August 2024.

The 2024 Sustainability Report builds on the previous year's progress and highlights the group's commitment to enhancing transparency related to its ESG disclosures. This commitment to improved disclosures is reflected in its participation in various global ratings agencies' surveys and guidance documents, including alignment with the JSE's 2022 Sustainability Disclosure Guidance. In accordance with this guidance, the group has adopted a double materiality approach to sustainability, integrating ESG-related issues crucial for creating and protecting enterprise value and managing stakeholder expectations as outlined in its integrated report.

Enhanced data management processes have enabled the group to report accurately on a broader range of metrics, underscoring its commitment to implementing ESG practices within its sustainability focus areas.

When read alongside the integrated report, corporate governance report, the 2024 Carbon Disclosure Project (CDP) Climate Change submission (which will be available in early 2025), and the social and ethics committee report, this sustainability report provides the currently available data for the group.

Further standards or guidance frameworks with which the group aligns and that continue to inform its disclosure include:

- King IV Report on Corporate Governance
- Global Reporting Initiative (GRI) standards
- United Nations Sustainable Development Goals (UN SDGs)
- United Nations Global Compact (UNGC) Principles
- Carbon Disclosure Project (CDP)
- Task Force on Climate-Related Financial Disclosures (TCFD)

The group is evaluated and benchmarked against various ESG indices, including FTSE Russell (a subsidiary of the London Stock Exchange Group), Standard and Poor's (S&P) Dow Jones, and Morgan Stanley Capital International (MSCI). It has successfully maintained its listing on the FTSE4Good Index for the past eight years.

Accredited third-party service providers have reviewed selected non-financial performance metrics, such as the group's broad-based black economic empowerment (BBBEE) rating and its carbon footprint.



Highlights

FTSE4Good
Index constituent for eighth
consecutive year

41%
increase in renewable
energy generation

Launched
the Transnet Phelophepa
Health Trains partnership

BBBEE
rating improved
to level 3

**Top
performer**
MSCI's Health Care Providers
& Services Industry Report rated
Clicks Group as the top performer
in corporate governance

**New Clicks Foundation
invested
R2.3 million
in gratuitous bursaries**

01 About the group



About the group

Mission and vision

The group's vision is to be the leading health and beauty retailer, driven by a commitment to sustainability and excellence. Its mission is to create sustainable value by providing high-quality, accessible healthcare products and services.



Business overview

The group is a leader in the South African health, beauty and wellness sector, with Clicks as the pre-eminent pharmacy, health and beauty retailer and UPD as the leading full-range pharmaceutical wholesaler and distributor. The group boasts a combined footprint of over 930 stores, including locations in neighbouring territories Lesotho, Eswatini, Namibia and Botswana.

The anchor brand, Clicks, is known for offering value for money in convenient locations and attractive formats. Founded in 1968, the group has grown to become South Africa's leading health and beauty retailer with over 930 stores and 720 pharmacies. Its core product offering is enhanced by brands that are exclusively available at Clicks.

The group includes UPD, the country's leading full-range pharmaceutical wholesaler. Listed on the JSE since 1996, Clicks Group has consistently delivered strong financial performance and growth in shareholder value, earning a place in the FTSE4Good Index for the past eight years.

Stakeholder engagement

The group engages with stakeholders through regular consultations, feedback mechanisms and strategic

partnerships to ensure its sustainability initiatives align with stakeholder needs and expectations.

As part of its commitment to stakeholder engagement and strategic partnerships, the group actively maintains memberships with key industry associations, including the Aerosol Manufacturing Association (AMA), Consumer Goods Council of South Africa (CGCSA), National Business Institute (NBI), UNGC and World-Wide Fund for Nature South Africa (WWF South Africa). These affiliations are integral to the group's efforts to stay at the forefront of industry standards, ensure regulatory compliance and advance sustainability practices across its operations. Through these partnerships, the group not only enhances operational efficiencies but also plays a vital role in shaping industry norms and promoting best practices. The collaborative exchange of knowledge and innovation within these associations enable the group to address common challenges and embed sustainability more deeply into its business processes. Additionally, memberships with organisations such as the South African Pharmacy Council (SAPC) and the Health Products Association of South Africa (HPA) reinforce the group's dedication to upholding the highest standards of health and safety, ensuring that its customers receive the best possible care.

The group's footprint

	South Africa	Rest of Africa*	Total	Pharmacies	Clinics
Clicks	877	53	930	720	206
Clicks Baby	6		6		
The Body Shop	53	4	57		
Sorbet Beauty Salons**	195		195		
Total	1 131	57	1 188		

* 27 in Namibia, 23 in Botswana, 5 stores and 5 pharmacies in Eswatini and 2 in Lesotho.

** Includes 9 Sorbet corporate salons.

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

List of memberships of associations:



02

Letter from the CEO





Letter from the CEO

Dear Stakeholders

We have pleasure in presenting our Sustainability Report for the 2024 financial year which is aimed at providing a comprehensive overview of the progress and initiatives supporting our commitment to ESG principles. Our integrated approach to sustainability is not only a moral imperative but a strategic cornerstone, driving sustainable growth and long-term value for our stakeholders. Our approach is guided by four strategic pillars: building a trusted, accessible healthcare network; minimising our environmental footprint; sourcing products that uphold the integrity of our brand; and empowering motivated, passionate people.

Building a trusted, accessible healthcare network

We remain committed to providing an affordable and accessible healthcare network to our customers. We continue to delight our customers with quality products, making advances in enhancing our value offering through our committed healthcare and retail employees. Our innovative digital solutions, such as the implementation of the new pharmacy management system and a renewed customer loyalty app ensure quality healthcare is accessible to our customers and communities. We remain committed to increasing our pharmacy footprint, with 51% of the South African population now within a 5.0 km radius of a Clicks pharmacy. The group now has 936 stores and 720 pharmacies.

Despite the challenges of a tough economic environment and the pressure on consumers' disposable income, we remain committed to delivering on our compelling value offering for our customers, enabled by one of the country's leading customer loyalty programmes. The Clicks ClubCard loyalty customer base now exceeds 11.8 million members and we have returned R780 million to customers over the past year. The group has achieved significant recognition, being awarded the Best Strategic Use of Data Analytics/CRM Applications and the Best Use of AI to Improve Loyalty Experience at the 2024 SA Loyalty Awards.

Through the Clicks Helping Hand Trust (CHHT) and the partnership with Transnet Phelophepa Health Trains we are delighted to have increased our ability to bring healthcare access to vulnerable communities. The CHHT-sponsored Clicks clinics in our stores provided services to 128 955 (2023: 112 217) beneficiaries. Additionally, our sponsorship of the Transnet Phelophepa Health Trains bolstered our goal of increasing quality healthcare access

for vulnerable communities through the trains' comprehensive healthcare services, which include primary healthcare interventions, dental services and optometry services, including the provision of glasses and eye surgeries.

During the year we came to an agreement with the Director General of the National Department of Health on resolving the issue around the moratorium put in place on the issue of new pharmacy licences. We have concluded the disposal of Unicorn Pharmaceuticals Proprietary Limited and now look forward to the resumption of issuing pharmacy licences, which will allow further access to affordable healthcare.

Minimising our environmental footprint

Our dedication to environmental stewardship is reflected in our sustainability goals, including achieving carbon neutrality by 2050 and the positive progress reported over the financial year. Our group-owned distribution centres and head office generated a total of 5 135 MWh of renewable energy during the year against a target of 4 500 MWh. The 41% increase in renewable energy generation was due to a significant decrease in load shedding and the addition of battery storage. Our investment in lithium batteries at head office and UPD's main distribution facility helped increase our yield in renewable energy use.



Letter from the CEO continued



We implemented additional energy-efficiency systems such as light-emitting diode (LED) lights and eco-friendly refrigeration systems in our retail stores. The progress on our owner-driver electric vehicle scheme within UPD, initiated in the financial year, will enhance supply chain efficiencies and is expected to reduce the group's carbon emissions by saving approximately 2.4 million litres of diesel and 6.3 million kg of CO₂ over the lifespan of the vehicles, advancing our carbon neutrality journey.

We recognise that our planet's health is intricately linked to our own and we remain committed to minimising our environmental footprint.

Sourcing products that uphold the integrity of our brand

Quality and integrity are the cornerstones of our brand. We are deeply committed to sourcing products that not only meet the highest standards of quality but also align with our ethical values. Our rigorous supplier evaluation process ensures that all our partners adhere to strict ESG protocols.

Our strong supplier relationships, which includes our private label brands, continue to advance our ethical sourcing agenda. Through a combination of internal verification, auditing tools and external memberships to the Supplier Ethical Data Exchange (Sedex) (the world's largest data platform for supply chain assessments), we can confirm that all the private label product suppliers declared their commitment to ethical sourcing by signing the group's supplier code of ethics. While we started the enhanced assurance process in the second half of the financial year, we are targeting improved coverage by the end of the 2025 financial year.

Empowering motivated, passionate people

Our people are our most important asset. We believe in creating an enabling environment that empowers our employees, fosters motivation among our suppliers, supports our communities, engages with regulators and delivers long-term accretive value to our shareholders.

We expanded our professional development programmes, reinforced our employer value proposition by enhancing health and wellness initiatives, and strengthened our diversity and inclusion efforts. Our enhanced employee well-being offerings through innovative partnerships with financial institutions and fitness service providers have enabled employees to benefit from these offerings in the past financial year.

The group's skills development spend increased to R185 million (2023: R136 million), while 6 014 employees participated in learning programmes and 1 876 employees were promoted.

We are delighted with the continued diversity and inclusion progress that included an increase in women supplier spend of R5.9 billion, an increase of 91%, while employee representivity improved by 7% at the senior management occupational level and culminated in the group achieving a verified BBBEE level 3 rating. We keep growing our Sorbet-Preneur programme that is geared towards empowering and developing future entrepreneurs for our Sorbet salon offering. We celebrated three Sorbet employees becoming franchise owners during this fiscal year, bringing the overall total to four. Similarly, the group invested R13.9 million to

Letter from the CEO continued



launch UPD’s new owner-driver programme, using electric vehicles, which provided 11 individuals an opportunity to become business owners through a structured development programme.

By investing in our people, we not only enhance their well-being and professional growth but also empower and enable greater levels of access to the economy and excellence within our organisation and communities in which we operate.

Integrated ESG approach

Our integrated approach ensures our sustainability efforts are aligned with our responsible business objectives, governance frameworks and practices, creating long-term value for our stakeholders. The group’s short-term incentive scheme incorporates ESG performance metrics that seek to align business objectives and sustainability imperatives. Our commitment to sustainability and related ESG mandates includes our participation in the UNGC and participation in the Africa CEO Forum in Kigali, Rwanda. In addition, we have board representation and membership of the CGCSA, NBI, eWASA and Polyco in South Africa.

The group received the following ESG ratings this year:

	2024	2023	2022
FTSE4Good	4	4	4
MSCI ESG	AA	AA	AA
CDP	B	B	B
ISS ESG	C	C	D+

It is noteworthy that MSCI’s Health Care Providers & Services Industry Report has rated our group as the top performer in corporate governance. This accolade highlights our steadfast commitment to maintaining exemplary standards of corporate governance. Such recognition is crucial in building stakeholder trust, ensuring transparency and fostering long-term sustainability within the organisation.

We are committed to transparency, accountability and continuous improvement as we strive to set new benchmarks in our ESG performance.

Looking forward

The World Economic Forum has undertaken an assessment of sustainability-related risks that we as businesses need to confront over the next decade. These risks include extreme weather events, natural resource shortages, cyber insecurity, pollution, increased societal polarisation and adverse outcomes of artificial intelligence (AI) technologies.

We believe that the group is resilient, has robust business continuity processes and is future-fit to manage and mitigate these risks across its value chain. We are confident that our integration of business and sustainability objectives will drive long-term value for our stakeholders. We are determined to lead by example, inspire change and create a sustainable future for generations to come.

Thank you to our shareholders, employees, customers, suppliers, regulators and community partners for your continued support, collaboration and trust in the Clicks Group. Together, we will build a more sustainable and equitable future.

Bertina Engelbrecht
Chief executive officer

03

Group's sustainability approach and strategy

Group's sustainability approach and strategy

Framework and objectives

The group's commitment to providing affordable, quality and accessible healthcare continues to guide its business and informs its sustainability approach and strategy which is aligned with the UN SDGs.

Alignment with UN Sustainable Development Goals



No poverty



Good health and well-being



Quality education



Gender equality



Affordable and clean energy



Decent work and economic growth



Reduced inequalities



Responsible consumption and production



Climate action

The group's sustainability strategy is built on four key objectives:

Clicks Group strategic sustainability framework



1

Building a trusted, accessible healthcare network

- Access to quality, affordable healthcare
- Training (including pharmacists)
- Building collaborative partnerships with external stakeholders (NPOs and industry bodies)



2

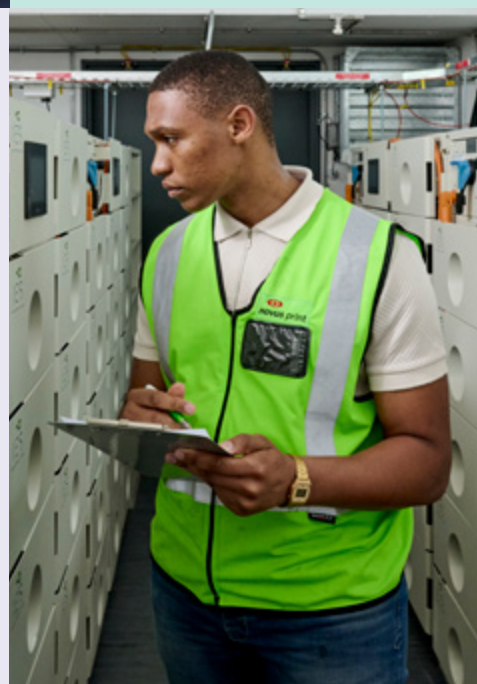
Empowering motivated, passionate people

- Transformation, diversity and inclusion
- Employee health and wellness
- Employee value proposition
- Training (including pharmacists)

4

Minimising our environmental footprint

- Carbon emissions (including carbon disclosure)
- Energy use (fuel and electricity)
- Renewable energy transition
- Waste, in particular single-use plastics and e-waste
- Water



3

Sourcing products that uphold the integrity of our brand

- Promoting products with sustainability attributes
- Supplier ESG practices (including Sedex participation)
- Local suppliers



Group's sustainability approach and strategy continued

The group made significant strides in its sustainability efforts in 2024, aligning with global frameworks like the TCFD, CDP, ISO Standards, and UNGC principles. The group expanded its retail footprint by opening new stores and pharmacies and achieved a 2% reduction in Scopes 1 and 2 greenhouse gas (GHG) emissions, furthering its commitment to achieving carbon neutrality by 2050. Ethical sourcing will be further strengthened through the group's Private Label Supplier Audit Programme and ESG assessments, ensuring supplier compliance with sustainability standards. Employee development and well-being were prioritised through investments in training and education, supported by the ISO 45001 standard (international standard for occupational health and safety) and UN SDGs. The group's ongoing commitment to sustainability is evident in its maintained FTSE4Good Index listing and improved BBBEE rating to Level 3.

Governance

Robust governance structures under the oversight of the board ensure accountability and transparency for the group's sustainability programme. The social and ethics committee has oversight for ESG compliance and also monitors stakeholder engagement. The oversight mandate of the audit and risk committee includes climate change risk and sustainability issues. The internal sustainability forum manages environmental sustainability risks and opportunities.

Double materiality determination

Regular risk assessments and materiality analyses are conducted to identify and address potential risks to the group's sustainability efforts. This proactive approach enables management to mitigate risks and capitalise on opportunities to drive sustainable growth. Following the adoption of the JSE Sustainability Disclosure Guidance in 2022, which incorporates the principle of double materiality, the group outlines the connection between financial and impact materiality in its 2024 reporting suite.

 [Refer to the "Managing material issues" section in the integrated annual report on page 13](#)

The group identifies its material sustainability issues based on their impact on the business and their significance to stakeholders. This dual approach ensures the group addresses the most critical areas effectively.



04 Performance and progress



Performance and progress

The group is committed to embedding sustainability across its value chain, ensuring that its business practices not only drive growth but also contribute positively to society and the environment. As a leading health and beauty retailer in South Africa, the group recognises the significant impact it can have on improving the well-being of communities, reducing environmental footprints and fostering ethical business practices throughout its business operations.

This section covers the group's key challenges, solutions, future goals and notable achievements across its four sustainability pillars.

1

Building a trusted, accessible healthcare network

Clicks Group remains steadfast in its strategic focus to deliver affordable, high-quality healthcare products and services through an accessible network, thereby supporting customers and communities in leading healthier lives.

This commitment is rooted in the group's core values, which emphasise the importance of making healthcare not only accessible but also affordable to a wide range of customers across southern Africa. By prioritising convenience, innovation and affordability the group has successfully met and exceeded customer expectations, reinforcing its position as a trusted healthcare provider.

Over the past year the group has expanded its retail footprint significantly, opening net 51 new stores and net nine new pharmacies, bringing the total to over 930 stores and 720 pharmacies nationwide. This expansion ensures that more communities have access to essential healthcare products and services, particularly in underserved areas where access to pharmacies and healthcare services may be limited. The group's extensive network allows it to reach customers in both urban and rural areas, ensuring that healthcare is accessible.

To further enhance accessibility, the group offers an extensive range of generic medicines, which are important in making healthcare more affordable. Generic medicines accounted for 59% of sales (2023: 59%) and 69% of pharmacy volume (2023: 70%)



over the past year, underscoring the group's commitment to providing cost-effective alternatives without compromising on quality. The focus on generics not only makes essential medicines more accessible but also alleviates the financial burden on customers, especially those without medical aid.

Affordability is further supported through the Clicks ClubCard loyalty programme, which has become a cornerstone of the group's customer-centric value offering. In the past year the programme returned R780 million in cashback rewards to customers, enhancing their purchasing power. The ClubCard's popularity, which reached

over 11.8 million ClubCard members, is indicative of the group's understanding of its customers' needs and its ability to provide tangible value that supports healthier lifestyles.

In addition to making healthcare products accessible and affordable, the group is committed in supporting community health initiatives through its extensive clinic network and CHHT. Over the past year the group leveraged its clinic network to provide free primary healthcare assessments and services to 128 955 (2023: 112 217) beneficiaries without medical aid. This initiative ensures that vulnerable populations receive the essential services they need.

Performance and progress continued



Opened net

51

new stores and net 9 pharmacies,
increasing accessibility

Clicks ClubCard loyalty
programme returned

R780m

to customers

**Clicks Helping Hand Trust and
Transnet Phelophepa Health
Trains provided healthcare
to vulnerable communities**

CHHT has continued to advance its social impact through various initiatives aimed at reaching more vulnerable beneficiaries. One of the key partnerships is with Transnet's Phelophepa Health Trains, a mobile healthcare initiative that delivers professional health services across South Africa. Through this partnership, Clicks Group can offer an extensive range of healthcare services to 350 000 beneficiaries, including optometry, dentistry, psychology, primary healthcare and other psychosocial interventions.

This collaboration is vital in extending healthcare services to remote and underserved areas, where access to healthcare is often limited.

Furthering its commitment to social responsibility, the group has also introduced the Students on the Go programme, a pilot initiative in collaboration with the University of Witwatersrand. This programme now supports 1 190 vulnerable students by providing access to essential sanitary products. Through the

Clicks ClubCard, students can easily redeem sanitary towels at conveniently located Clicks stores, ensuring that their basic health needs are met in a dignified manner.

**These efforts underscore the group's
commitment in advancing affordable
access to healthcare in the communities
that it serves.**

Performance and progress continued

2

Empowering motivated, passionate people

The group's focused efforts have once again led to its recognition as the leading employer in South Africa's retail sector, earning the Top Employers Institute's verification.

Committed to maintaining its status as an employer of choice, the group continues to provide quality employment, comprehensive training and development programmes, competitive remuneration and favourable working conditions, with clear pathways for career advancement. This year's improved BBBEE level rating to 3 reflects its dedication to foster a diverse and inclusive culture, as one of South Africa's most transformed companies.

Enabling high-performance teams

The group is committed to cultivating a strong and diverse leadership team, that drives an agile, performance-driven company culture. This approach has been pivotal in sustaining high levels of employee engagement and customer centricity, contributing to another year of strong financial and operational performance. The group's high-performance ethos is founded on robust governance, a culture of ownership and accountability, and a mature performance management methodology. This approach ensures that performance metrics, mutually agreed upon between leaders and employees, are directly aligned with the group's strategy and operational plans, while also establishing clear linkages to its total reward framework. A range of recognition programmes, alongside training, development and job rotation opportunities, are implemented to motivate, engage and retain employees.



The group's structured performance management process offers several key advantages:

- ✓ Thoughtful goal setting that ensures alignment between strategy, operational plans and the performance of teams, individuals and the business
- ✓ Regular performance-oriented discussions between line managers, employees and peers, providing continuous and timely feedback to promote output-focused delivery and foster productive relationships
- ✓ A strong emphasis on empowering employees to take responsibility for execution, both independently and in collaboration with others, to achieve meaningful impact and value is anchored by the Delivering, Resilience, Integrity, Visionary and Enterprising (DRIVE) leadership model

The group's formal annual performance reviews consider several focus areas: financial performance, business process improvements, customer satisfaction, learning and growth, the group's DRIVE leadership behaviours, organisational values and the delivery of ESG targets. The executive incentive plan imposes a 15% downward modifier if the following benchmarks are not met:

Composite measure: Maintain leadership positioning on FTSE4Good Index relative to the sub-sector average for drug retailers and the consumer services industry average. **6%**

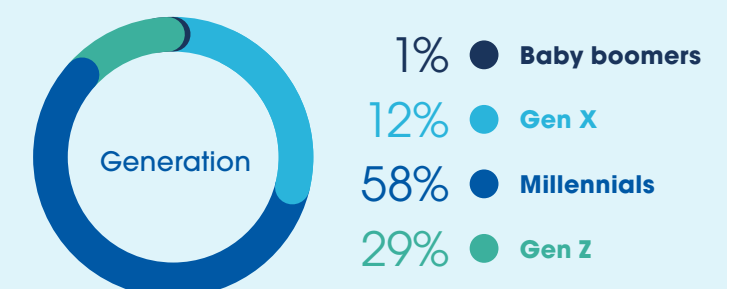
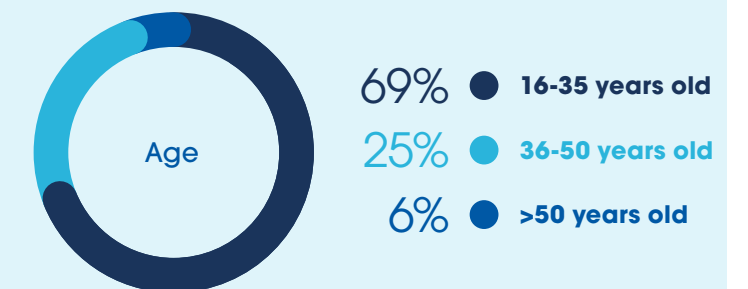
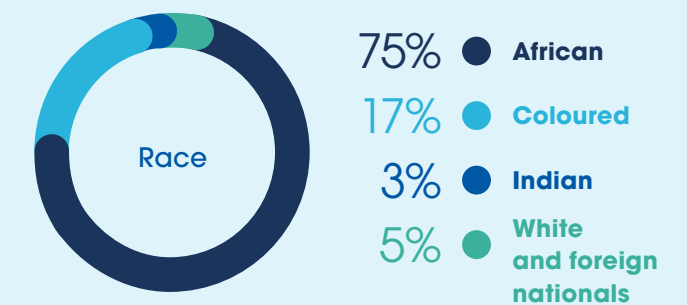
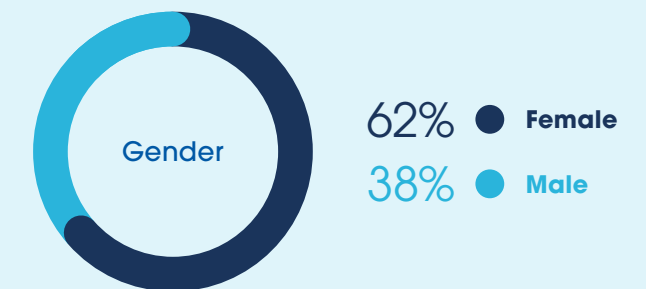
Environmental measure: Increase the use of solar renewable energy to at least 4 500 MWh. **3%**

Social measure: Obtain a level 4 BBBEE rating or better, and UPD obtaining a level 2 BBBEE rating or better in terms of the scoring applicable to the road freight industry. **3%**

Governance measure: No material breaches of customer privacy and to a material extent maintaining the security of data. **3%**

Diversity, equity and inclusion

The group continued to improve its diversity, equity and inclusion credentials as part of its aim to build a healthy, inclusive, sustainable workplace whilst driving these same tenets in the marketplace and communities in which it operates.



Performance and progress continued

As a proudly South African company with a diverse workforce and a predominantly female customer base, the group has consistently integrated inclusive transformation into its strategic plans. The group has established a comprehensive transformation roadmap that outlines its ambitious objectives, including compliance with BBBEE that culminated in the group shifting from a BBBEE level 4 to BBBEE level 3. The group exceeded its targets in areas such as management control, supplier development, enterprise development and socio-economic development. Strong improvement was achieved under the procurement element, through strategic interventions and engagements with suppliers, whilst the group also improved its skills development delivery.



89%

Beginner
0 – 25%Improver
25 – 50%Achiever
50 – 75%Leader
75 – 100%

The group solidified its leadership status, shifting from 79% to 89%.
The WEPS gap assessment results highlighted areas where the group performs strongly as well as areas of development.

The group aims to increase its levels of transparency by releasing its critical frameworks and providing the public with updates on key gender equity progress and metrics.

The group's commitment to equitable workplace practices encompasses policies and frameworks that are people-oriented and responsive to a diverse work environment. This includes generous maternity leave benefits and gender-conscious talent development opportunities. Reflecting its commitment to equity, the group maintained a 1:1 gender pay ratio.

As a member of the UNGC, the group became a signatory to the Women Empowerment Principles (WEPs) in August 2021. In its second year of participation, the group advanced from the "Achiever" to the "Leader" category in the WEPs Gender Gap Analysis Tool. During this financial year, the group solidified its leadership status by implementing significant policy and framework improvements, achieving an increase from 79% to 89%. This progress underpins the group's global leadership in gender equality across leadership and strategy, the workplace, the marketplace and community levels. The group remains committed in enhancing its efforts in marketplace, community implementation and transparency over the coming financial year.

South African workforce

Occupational Level	Males				Females				
	African	Coloured	Indian	White and NSA	African	Coloured	Indian	White and NSA	
Top Management/Executives	2	1	3	9	2	2	–	4	23
Senior Management	14	12	9	26	10	9	5	15	100
Middle Management	204	75	56	121	261	102	97	180	1 096
Junior Management	836	235	49	66	1 412	589	140	319	3 646
Semi-Skilled and discretionary decision-making	4 618	651	46	58	6 637	1 609	86	115	13 820
Unskilled and defined decision-making	35	2	–	4	77	1	–	–	119
Total Employees	5 709	976	163	284	8 399	2 312	328	633	18 804

The group's five-year employment equity plan has established clear targets and timelines for promoting underrepresented groups at executive and senior management levels. Succession plans are monitored as key performance indicators within management scorecards, which are integrated across the entire organisation. The success of this approach is reflected in the improvement of the management control component of the BBBEE scorecard from 14.70 to 15.33 points.

The group boasts a diverse workforce that includes four generations, 473 (2.5%) employees with disabilities and 69% of employees classified as youth according to South African definitions, thereby supporting the national youth employment agenda. Additionally, the group created 866 new direct jobs.

Investing in training and skills development

The shortage of skills in retail and healthcare continues to pose a risk and challenge for the group and industry. The group addresses this risk through a comprehensive learning and development strategy, which includes registered learning academies dedicated to the development of required operational skills as well as a bursary programme. In addition, the group's talent management strategy is designed to attract and retain the most skilled and talented individuals in the market. This strategy prioritises enhancing performance at both the individual and organisational levels, ensuring business continuity and accelerating workforce transformation.

Performance and progress continued



Over the past year the group invested R185 million in providing learning and development opportunities to over 6 014 employees. These opportunities included on-the-job training, skills programmes, learnerships, short courses and academic qualifications. Of those trained, 96% were black employees, with women making up 64% of this group. The learning and development efforts are reflected in the promotion of 1 885 employees. The group registered a record 531 learner basic pharmacy assistants which demonstrates a deep commitment to develop our future talent pipeline.

To build a strong talent pipeline, the group implements a variety of initiatives, including:

- An annual obligation-free bursary scheme for South African university students, initially focused on pharmacy but now expanded to commercial fields such as data science, information technology (IT), supply chain and logistics
- Internship and graduate placement programmes
- Retail graduate and IT learnership programmes
- Accredited training for store management and key operational roles
- A senior leadership development programme aimed at strengthening the management talent pool and supporting succession planning

Additionally, the group maintains a specialised pharmacy recruitment team dedicated to sourcing professionals at all levels, from interns to qualified post-basic roles.

Training and skills development indicators

	2024	2023	2022
Investment in training/ skills development (R million)	185	135	165
Number of employees trained	6 014	4 273	3 746
Black employees trained (%)	96	96	96
Female employees trained (%)	64	66	62
Bursaries granted (R million)	2.3	5.1	5.4

Enterprise and supplier development programmes

The group's supplier development programme supported 40 small enterprises with total contributions reaching R78 million (2023: R57 million). 55% of these beneficiaries were women.

The Sorbet-Preneur programme (in partnership with Bidvest) offers the opportunity for Sorbet employees to own a Sorbet salon franchise. Three female employees were selected to establish their own salons and were supported through a structured programme that included mentorship, training and financial contribution to ensure their success.

Performance and progress continued

The group through its ongoing collaboration with Taking Care of Business (TCB) on an enterprise development programme called the Repair Programme, has donated over 110 430 repairable electrical appliances, benefiting 821 micro-entrepreneurs. To ensure the success and sustainability of these small businesses, the programme also includes a component of skills training and mentorship.

The group's response to harassment, violence (including GBV)

The group has refined its anti-harassment, anti-bullying, and anti-violence policy, articulating its zero-tolerance stance. To reinforce the revised policy, the group has introduced additional workplace measures and resources, including specialised training for employees at risk, experiencing or recovering from the effects of abuse or domestic violence. The next phase of the expanded support implementation will include training of employees as part of an allyship programme for survivors of harassment and violence. The training programme is realised through the National Prosecuting Authority's (NPA) Thuthuzela Care Centres. The training aims to empower employees by raising awareness, enabling them to recognise signs of abuse, understand their responsibilities in reporting, explore referral options, and access a robust support network. This approach unifies the group's community and workplace initiatives to enhance the impact of its efforts in combating harassment and violence, including gender-based violence (GBV).



Employee well-being

Driven by the socio-economic inequalities and challenges faced by many South African citizens, the group's well-being programme offers comprehensive support that extends beyond the conventional focus on health and safety. These initiatives are tailored to support employees in managing their holistic well-being, offering access to counselling and coaching services on financial, legal and mental health matters.

The group provides education and training programmes centred on well-being, with wellness services and standard health and safety procedures available across all stores, distribution centres, regional offices and its head office. Continuous monitoring of the utilisation and effectiveness of these wellness services ensures that the programmes remain relevant and responsive to evolving needs. Feedback from employees plays a critical role in refining these

initiatives, enabling the identification of those at higher risk and allowing for targeted support to be provided where required.

The Employee Wellness Programme (EWP) support line is available 24/7 in all official South African languages, with benefits extending to employees' immediate family members and a mobile app version packed with additional resources. This financial year, 7 192 employees utilised the EWP services, which was attributed to the shift towards proactive wellness management. The group actively encourages employees to participate in regular health screenings, including blood pressure, glucose, cholesterol, body mass index, and HIV tests, during the wellness days held across the business. The group also recognises the importance of health coverage and provides primary health insurance or medical aid to 80% of its employees.

Health and safety indicators

	2024	2023	2022
Health and safety committee members	1 119	1 116	1 009
Fire marshals	969	914	817
First-aid representatives	1 014	928	855
Injuries on duty	222	103	91
Occupational diseases	0	0	1
Lost days	394	35	17
Fatalities	0	0	0

Performance and progress continued

3

Sourcing products that uphold the integrity of our brand

The group requires that participants in its entire value chain operate sustainably. This commitment was demonstrated through ongoing efforts towards the responsible sourcing of products, reducing the environmental footprint and fostering ethical practices across its supply chain.



Supplier selection

The group has established the Clicks Private Label Supplier Audit Programme, ensuring suppliers meet its ESG requirements.

Product integrity

The group requires all new product development conform to industry standards and sustainable practices.

Compliance

The group maintained compliance with national and international standards, including ISO certifications, Sedex and Business Social Compliance Initiative (BSCI) audits.

Maintaining the integrity of the group's brand is of paramount importance and this is managed through rigorous product development, quality management and regulatory control processes that ensure every product meets the highest standards.

All suppliers were required to comply with the group's stringent supply chain protocols and adhere to relevant regulatory and industry requirements. Quality standards are upheld through adherence to industry-specific ISO certifications, which provide a structured and standardised approach to ensuring product excellence and safety. Ethical and sustainability standards are maintained through comprehensive audits and compliance with global initiatives such as Sedex and BSCI. Additionally, compliance with the Roundtable on Sustainable Palm Oil (RSPO) guidelines ensures that products sourced from palm oil supply chains meet the highest ethical and environmental standards.

The group demonstrated its commitment to private label products by extending responsible sourcing practices to its exclusive brands, such as MyEarth, Sorbet, The Body Shop, Clicks Made 4 Baby, Clicks Smartbite, Clicks Expert Hair and the Clicks Skincare Collection. These brands are integral to the group's sustainability strategy and each reflects the group's dedication to ethical sourcing and environmental stewardship:



MyEarth

As a brand focused on environmentally friendly products, MyEarth emphasises the use of sustainable materials and ingredients that minimise environmental impact. All MyEarth products are sourced with careful consideration of their ecological footprint, ensuring that they align with the group's broader sustainability goals.



The Body Shop

The group's partnership with The Body Shop is a testament to its commitment to responsible sourcing. The Body Shop is globally recognised for its ethical approach to sourcing, which includes community trade programmes, cruelty-free formulations and a dedication to environmental conservation. By aligning with The Body Shop's values, the group ensures that these products meet the highest ethical and sustainability standards, contributing to a more responsible and conscious beauty industry.



Sorbet

Sorbet products, which are exclusive to Clicks Retailers, are developed with a commitment to quality and sustainability. The sourcing of ingredients for Sorbet products adheres to the group's stringent ethical standards, ensuring that all products are not only effective but also responsibly produced.



Clicks Made 4 Baby

This range focuses on providing safe and gentle products for babies and young children. The sourcing of ingredients and materials for these products is done with utmost care, ensuring that they are free from harmful chemicals and meet high safety standards. The emphasis is on using natural and sustainable ingredients where possible, reflecting the group's commitment to responsible sourcing.

Performance and progress continued



Clicks Smartbite

As part of the group's health and wellness offering, Smartbite products are sourced with a focus on quality and nutrition. The ingredients for Smartbite are carefully selected to meet the nutritional needs of consumers while also adhering to ethical sourcing practices, such as fair trade and environmentally friendly farming methods.



Clicks Hair Collection

This brand includes a range of haircare products that are developed with a focus on high-quality ingredients and sustainability. The sourcing of these ingredients takes into consideration the environmental impact and ensures compliance with Clicks' ethical and sustainability standards.



Clicks Skincare Collection

This range offers skincare products that are formulated with carefully sourced ingredients to ensure efficacy and safety. The sourcing process prioritises ethical practices, including cruelty-free testing and the use of sustainable packaging.

Through these comprehensive efforts, the group upholds the integrity of its products and brands, and advances sustainable practices across its operations. The group's approach to sustainability is integrated into every aspect of its business, from sourcing raw materials to delivering finished products to customers.

As part of its transformation imperatives, the group places a strong emphasis on supporting local small, medium and micro enterprises (SMMEs). The group prioritises local procurement, with only 8% (2023: 8%) of its products being directly imported. This strategic focus on local sourcing is evident in the group's procurement practices, with a procurement spend exceeding R1 billion in support of local SMMEs for the third consecutive year. This supports economic development within South Africa and aligns with the group's broader sustainability goals by reducing the environmental impacts associated with long-distance transportation of goods.

By fostering strong relationships with local suppliers and ensuring they meet the group's rigorous standards, the group reinforces its commitment to sustainable development and the empowerment of local communities. This approach not only contributes to the growth of the southern African economy but also ensures that the group's products are sourced and produced in a manner that aligns with its values, which include quality, integrity and sustainability. Through these initiatives the group continues to lead by example in promoting ethical business practices and advancing its sustainability agenda across its entire value chain.



Performance and progress continued

4

Minimising our environmental footprint

Emissions and carbon footprint

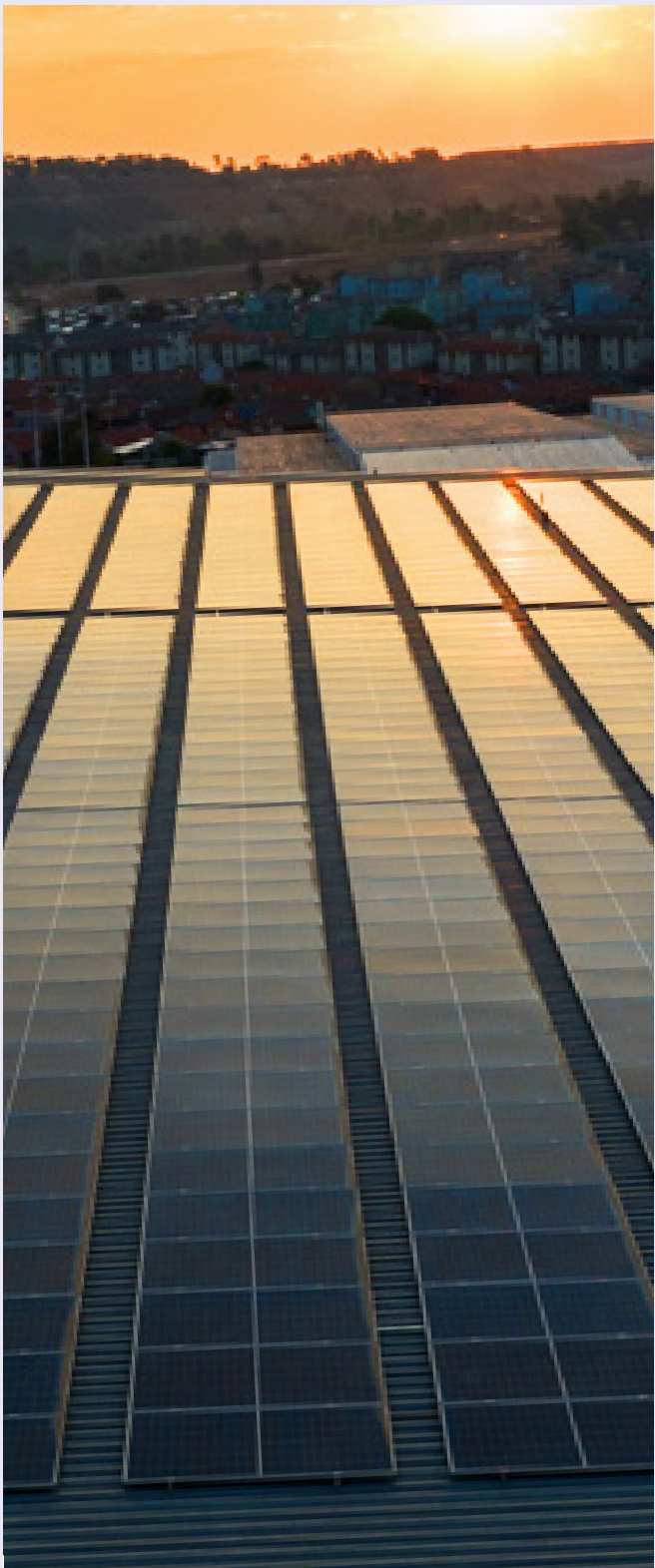
The group's climate commitments prioritise accounting for and minimising climate change impacts. It has set targets for reducing GHG emissions (Scopes 1, 2 and 3) in line with the Paris Accord. The group's long-term goal is to achieve carbon neutrality for all significant direct and indirect emissions by 2050.

Battery storage installed at UPD Lea Glen and head office to bolster the group's renewable energy solutions

Generated
5 135 MWh
of renewable energy, which exceeded the targeted 4 500 MWh level

5%
reduction in total carbon emissions intensity

41%
increase in renewable energy generation



Clicks Group carbon and energy goals:

10% reduction
in direct and indirect carbon emissions intensity by 2030

Achieve carbon neutrality on all significant direct and indirect emissions by 2050

4% reduction
in our Scopes 1, 2 and 3 emissions annually off the base year emissions

5% reduction
in the group's energy consumption by 2030

Existing GHG emission and renewable energy targets

Scope boundary	Scopes 1 and 2	Scopes 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	FY2050	FY2030	FY2025, FY2030
Target year value	0.176 tCO ₂ e/m ²	0.171 tCO ₂ e/m ²	5% of the electricity from renewable energy by 2025 10% of the electricity from renewable energy by 2030
Performance FY2024	0.152 tCO ₂ e/m ²		4.7% of renewable energy use

The group's carbon footprint was calculated according to the SANS/ISO 14064:2021 standard and the GHG protocol.

As a retailer with 2 395 suppliers supporting its private label and reaching millions of customers, the group recognises its significant influence and the environmental impact across its value chain. In response, the group is implementing a comprehensive strategy with defined targets to minimise its environmental footprint, focusing

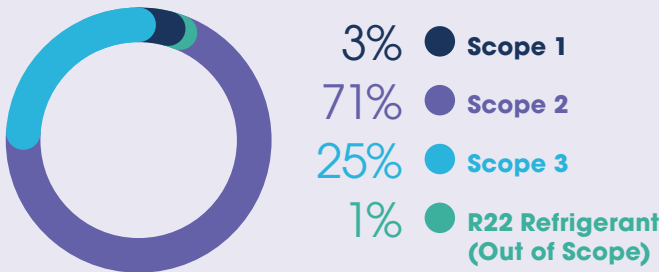
particularly on energy, waste, packaging and water management. The group's environmental and climate change policy outlines its strategic approach and commitments, with environmental management systems firmly embedded in its business practices and operations.

Performance and progress continued

Environmental

Scope 1 emissions	Stationary diesel combustion	(CO ₂ e) metric tonnes	1 317
	Mobile diesel combustion	(CO ₂ e) metric tonnes	1 303
	Mobile petrol combustion	(CO ₂ e) metric tonnes	816
	Refrigerant use	(CO ₂ e) metric tonnes	1 699
Total Scope 1 emissions		(CO ₂ e) metric tonnes	5 135
Scope 2 emissions	Purchased electricity (emissions)	(CO ₂ e) metric tonnes	106 944
Scope 3 emissions	3.1 Purchased goods and services	(CO ₂ e) metric tonnes	130
	3.3 Fuel and energy-related activities	(CO ₂ e) metric tonnes	15 179
	3.4 Upstream transport and distribution	(CO ₂ e) metric tonnes	9 631
	3.5 Waste generated in operations	(CO ₂ e) metric tonnes	2 129
	3.6 Business travel	(CO ₂ e) metric tonnes	1 515
	3.7 Employee commuting	(CO ₂ e) metric tonnes	9 574
Total Scope 3 emissions		(CO ₂ e) metric tonnes	38 158
Outside of Scopes	Refrigerant – R22	(CO ₂ e) metric tonnes	291
Total emissions		(CO ₂ e) metric tonnes	150 528

Percentage emissions



Energy management energy (kWh)

	2024	2023	2022
Total energy consumption within the organisation from non-renewable sources	107 934 000	104 338 075	104 214 958
Total energy consumption within the organisation from renewable sources	5 135 350	3 636 240	630 817
Total	113 069 350	107 974 315	104 845 775

In alignment with the GRI, the International Sustainability Standards Board (ISSB) and the JSE Sustainability and Climate Disclosure Guidance, the group recognises its extensive reach and environmental impact across the value chain. The group has a long-standing commitment to climate-related reporting and target setting aimed at managing and mitigating these impacts. The group has adopted and aligned its operations with Paris-aligned GHG emission reduction targets under the Publicly Available Specification (PAS) 2060 framework, demonstrating a long-term commitment to achieving carbon neutrality by 2050.

As part of this ongoing commitment the group has recently completed its Carbon Neutrality Management Plan in compliance with the ISO 14064 standard. This plan outlines the essential steps and strategies required to reach

carbon neutrality, thereby reinforcing the group's dedication to its long-term environmental objectives. The adoption and implementation of these standards place the group at the forefront of sustainability leadership within the retail and pharmaceutical sectors, enhancing its reputation as a responsible corporate citizen committed to global climate goals.

The group has conducted a comprehensive review of climate-related risks and opportunities, ensuring that these considerations are integrated into strategic planning and risk management processes. This proactive approach not only mitigates potential environmental risks but also identifies opportunities for innovation and growth, positioning the group as a forward-thinking company that is prepared to thrive in a rapidly changing global landscape.

The group conducted a desktop ESG assessment of its top suppliers, focusing on emissions data and related compliance provisions. This assessment is important to gauge the environmental impact within the supply chain and identify areas for improvement. The insights gained from this assessment will guide the group in implementing more effective sustainability strategies, ensuring that its suppliers align with the group's environmental and compliance standards. This rigorous approach to supply chain management underscores the group's commitment to responsible sourcing and positions the company as a leader in driving sustainable practices across the industry.

To maintain the integrity of its sustainability reporting, Clicks Group adheres to the ISO 14064 standard, which offers a robust framework for the quantification, reporting and



Performance and progress continued

verification of GHG emissions and removals. Compliance with this standard ensures that the group's environmental data is accurate, transparent and consistent, thereby enhancing the credibility of its carbon management practices. This level of transparency and accountability is crucial for building trust with stakeholders, including customers, investors and regulators, and it reinforces the group's position as a trusted and responsible business partner.

Achieving the group's carbon neutrality goal requires concerted efforts across all operations, including the eventual involvement of private label suppliers and other significant sources of indirect emissions. The group's primary GHG emissions currently stem from stationary fuel combustion (diesel), mobile fuel combustion, fugitive emissions, purchased electricity, upstream distribution, employee commuting and business travel. To ensure the accuracy and validity of its emissions data the group engages a third-party service provider for verification in accordance with ISO 14064 standards.

The group continues to align with TCFD recommendations; climate change considerations have been systematically incorporated into the group's risk register. The group's desktop ESG assessment of its top suppliers further strengthens its ability to mitigate regulatory and reputational risks associated with environmental impacts, ensuring that its supply chain adheres to the highest standards of compliance and sustainability. This comprehensive approach not only safeguards the group's operations but also strengthens its competitive advantage by embedding sustainability into its business strategy.

Through continued participation in the NBI and CGCSA networks, the group remains informed of both national and international climate-related developments. This proactive approach strengthens the group's sustainability

initiatives and ensures that its practices align with evolving global standards for corporate environmental responsibility. By staying ahead of regulatory trends and industry expectations, the group is well positioned to lead in sustainability, attract like-minded partners and deliver long-term value to all stakeholders.

Energy resource usage

The group accelerated the rollout of renewable solar energy at its distribution centres (DCs) and head office facilities with a target production of 4 500 MWh of solar power per year. Significantly lower levels of load shedding during the financial year, combined with battery storage installation at the head office and UPD Lea Glen DC, materially improved overall renewable energy generation by 41% to 5 135 MWh (2023: 3 636 MWh).

The group's initiatives to minimise the environmental footprint included a phased approach to replacing lights with light-emitting diode (LED) and implementing energy-efficient cooling systems (refrigeration and air-conditioning) leading to a 57% reduction in the use of R22 gas across the business, significantly reducing energy consumption and promoting energy efficiency.

To further reduce emissions, the group optimised fleet delivery routes, resulting in a reduction of 385 635 kilometres travelled compared to the prior year. Additionally, UPD invested in a new logistics enterprise development programme, offering employees an opportunity to become business owners. This initiative rooted in sustainable business practices, employs electric vehicles to significantly reduce GHG emissions, potentially saving approximately 2.4 million litres of diesel and reducing CO₂ emissions by 6.3 million kilograms, thus advancing our carbon neutrality journey over the lifespan of the vehicles.



Waste management and circularity

The group subscribes to the SA Plastics Pact which seeks to address four fundamental areas, namely acting on problematic and unnecessary plastic; 100% of plastic to be reusable, recyclable or compostable; a minimum of 70% of plastic packaging effectively recycled; and a minimum of 30% recycled content across all plastic packaging. To align with these areas, the group has implemented sustainable packaging practices, adhering to design-for-recyclability guidelines, prominently displaying on-pack recycling logos and introducing recyclable materials like polyethylene terephthalate (PET) in packaging. The group actively contributed towards waste management and product life cycle improvement and, in so doing, supported the circular economy. Through its partnership with eWASA and Polyco the group diligently tracked responsible recycling of packaging and electrical waste, underscoring the group's dedication to sustainable practices.

Product packaging remains a central focus for the group as part of its ongoing commitment to responsible product stewardship. With growing concerns about the environmental impact of packaging – particularly plastic – when not properly recycled or disposed of, the group has intensified its efforts to address these challenges through a range of innovative initiatives. As a member of the SA Plastics Pact, the group is dedicated to achieving significant industry targets by 2025, including:

- eliminating problematic or unnecessary plastic packaging through redesign, innovation or alternative delivery models;
- ensuring that 100% of packaging is reusable or recyclable; and
- incorporating 30% recycled content from plastic waste across all packaging requirements.

Performance and progress continued

Aligned with these ambitious goals, the group has made considerable progress in reducing its environmental footprint through forward-thinking packaging solutions and material reductions. The MyEarth range of eco-friendly products exemplifies this commitment, featuring packaging that is either recyclable or plastic-free, utilising sustainable paper with recycled content wherever possible. Of the 133 products in the MyEarth range, 94% now have recyclable packaging. Among the 97 products with paper packaging, 100% use FSC-certified paper, 3% contain 85% recycled content and 7% contain 50% recycled content.

The group implemented design-for-recyclability guidelines in the development of its own-brand products. This included introducing recycled PET in packaging across key brands such as Payless, Revive and Extreme Power, and eliminating unnecessary plastic, such as removing plastic windows in gift boxes where feasible. These efforts are part of a broader strategy to minimise waste and promote circularity within the group's value chain.

Sorbet Salons have made significant strides in reducing plastic usage. This includes phasing out pediliners for pedicure services and replacing them with antibacterial copper bowls as a sustainable alternative. This transition has already been completed in 85 stores, with full implementation expected by July 2025. Sorbet Salons have introduced fully recyclable brown-paper bags, with proceeds from their sale supporting the 1% for the Planet Fund. The group has achieved a 25% reduction in plastic use for pedicure treatments and a 44% reduction in paper bag usage following the introduction of a charge for these bags.



The Body Shop continues to strengthen its commitment to sustainable packaging. The brand focuses on ensuring that all product packaging is either compostable, refillable, or returnable for reuse. Progress was made to reduce the use of plastic materials, incorporate more plant-based and recycled plastics, and encourage customers to reuse, repurpose and recycle.

The group has expanded its efforts to reduce plastic waste within its retail operations by offering durable, reusable bags made from 100% post-consumer recycled materials. All single-use shopper bags in its stores are now made from 100% post-consumer waste, reinforcing the group's commitment to minimising environmental impact and promoting a circular economy.

The group has committed to participating in the CDP-Forestry disclosure on biodiversity-related packaging impacts, aligning its packaging practices with global sustainability standards and further enhancing its environmental stewardship.

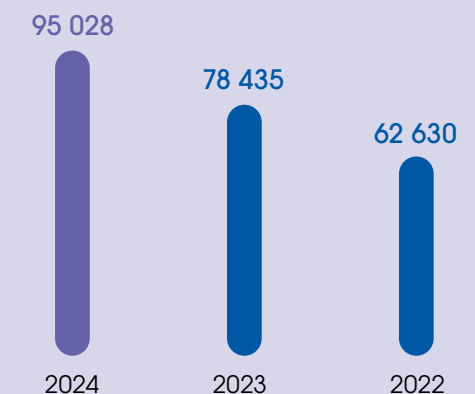
Waste performance indicators

Waste	Units	2024
General waste generated	(tonnes)	1 611
Waste recycled	(tonnes)	4 179
Waste recycled as % of total waste	(%)	70
Medical waste generated	(tonnes)	214

Conserving freshwater

The group uses a small amount of water, sourced primarily from municipal supplies. The water is utilised at stores for hygiene and sanitation purposes, as well as by pharmacists and nurses for cleaning equipment used to mix medication. The group has adopted water conservation measures across the business through its water-saving initiatives which include rainwater harvesting, grey water recycling as well as installation of groundwater boreholes at DCs. The group has reduced its dependence on municipal water at its head office through rainwater harvesting, tapping into ground borehole water sources and installing water restrictor devices. In the upcoming financial year nine new Propel Air toilets, which consume over 85% less water than traditional toilets, will be added, further reducing water use. Over the past year, the head office utilised approximately 9 484 kl of water, with 46% from municipal sources and 53% from boreholes.

Group water usage (kl) for the DCs, head office and UPD



05 Challenges and opportunities



Challenges and opportunities

Risk management

Key risks include limited access to healthcare, economic challenges and climate change impacts. The group addresses these through innovative solutions and robust risk management frameworks.

Expanding accessibility to healthcare

Ensuring that healthcare products and services are accessible to underserved and remote communities

The group has addressed this challenge by significantly expanding its retail footprint, opening net 51 new stores and net nine new pharmacies, bringing its total to over 936 stores and 720 pharmacies nationwide. This expansion ensures that more communities have access to essential healthcare products and services.

Managing environmental impact

Reducing the group's environmental footprint across its extensive supply chain

The group has adopted and aligned with the PAS 2060 framework for GHG emission reduction and is exploring options to include Scope 3 emissions from its private label suppliers. The group has also implemented the Private Label Supplier Audit Programme to monitor and enforce sustainability standards among suppliers.

Ensuring ethical sourcing

Upholding ethical standards across a diverse and global supply chain

The group has conducted a desktop ESG assessment of its top suppliers, focusing on emissions data and compliance provisions. This ensures that suppliers meet its stringent quality, ethical and sustainability requirements. Additionally, compliance with global initiatives such as Sedex, BSCI and RSPO guidelines reinforces ethical practices.

Balancing affordability with quality

Delivering high-quality healthcare products at affordable prices while maintaining profitability

The group has prioritised the sale of generic medicines, resulting in 59 million units dispensed compared to the previous year (2023: 56 million units), ensuring cost-effective alternatives without compromising quality. Additionally, the Clicks ClubCard loyalty programme enhanced affordability by returning R780 million in cashback rewards to customers.

Strategic responses

The group's strategic responses include expanding its healthcare network, enhancing energy resilience and investing in sustainable practices across the value chain.

Retail expansion

The group successfully opened a net 51 new stores and a net nine new pharmacies, increasing its total retail presence to over 930 stores and 720 pharmacies nationwide.

Carbon neutrality initiatives

The group completed its Carbon Neutrality Management Plan, fully compliant with ISO 14064, and has begun integrating Scope 3 emissions into its carbon footprint assessments.

Support for local SMMEs

For the third consecutive year, the group's procurement spend on local SMMEs exceeded R1.3 billion, demonstrating its commitment to its transformational initiatives by supporting local businesses and reducing its environmental impact.

Social impact through healthcare

Through CHHT the group provided free primary healthcare assessments and services to 128 955 beneficiaries without medical aid. Additionally, the partnership with Transnet's Phelophepa Health Trains delivered healthcare services to more than 350 000 beneficiaries and the Student on the Go programme supported 1 190 vulnerable students at Witwatersrand University with access to essential sanitary products.



06 Goals and future outlook

Goals and future outlook

1. Achieving carbon neutrality

Goal: To achieve carbon neutrality by 2050, in alignment with the PAS 2060 framework

The group continued to refine its Carbon Neutrality Management Plan and integrate Scope 3 emissions into its carbon footprint calculations. Ongoing audits and monitoring will ensure that all operations and suppliers align with this goal.



2. Expanding healthcare accessibility

Goal: To further increase the accessibility of healthcare services and products across southern Africa, particularly in underserved areas

The group plans to open additional stores and pharmacies and expand its network of clinics, ensuring broader reach with a medium-term target of 1 200. CHHT will continue to deliver free healthcare services to vulnerable communities.



3. Strengthening local procurement

Goal: To increase the percentage of locally sourced products, thereby supporting local SMMEs and reducing environmental impact

The group will continue its commitment to local procurement, aiming to exceed its current R1.3 billion spend on local SMMEs. The group will also work closely with suppliers to ensure they meet the required standards.



4. Enhancing ethical sourcing

Goal: To ensure that 100% of suppliers comply with the group's ethical and sustainability standards and ESG assessments to cover all suppliers, ensuring full compliance with global ethical standards and sustainability guidelines

The group is committed to continuous improvement and has established a set of long-term and short-term goals that align with its sustainability pillars, focusing on creating a lasting positive impact on the environment, society and the economy.



Sustainable focus area	Short-term goals	Long-term goals
Carbon neutrality	4% reduction in our scope Scopes 1, 2 and 3 emissions annually off the base year emissions	Achieve carbon neutrality by 2050 in alignment with the PAS 2060 framework and ISO 14064.
Carbon neutrality	Develop a carbon neutrality management plan and assign internal roles and responsibilities for the plan.	Implementation of the carbon neutrality management plan in line with the internally developed action plan.
Local manufacturing for import substitution	Ongoing	Implement a significant number of local manufacturing projects over the next 5 – 10 years to contribute to import substitution and support local economic growth.
Sustainable sourcing and ethical practices	Develop an enterprise development programme to onboard a targeted number of potential suppliers with quality products that can be integrated into the group's supply chain.	Ensure that 100% of suppliers comply with the group's ethical and sustainability standards.
Enterprise, supplier and socio-economic development	Contribute 4% NPAT to enterprise, supplier and socio-economic development.	Contribute 4% NPAT to enterprise, supplier and socio-economic development.
BBBEE compliance	Achieve a BBBEE level 3.	Maintain a BBBEE level 3 (provided the impact of losing recognition for the ESOP is mitigated), alternatively, BBBEE level 4.
Healthcare accessibility	Continue opening new stores and pharmacies, particularly in underserved areas, to increase accessibility to healthcare products and services.	Ensure that every community in South Africa has access to affordable and high-quality healthcare through a comprehensive network of retail outlets and clinics.
Supporting local SMMEs	Exceed the current procurement spend on local SMMEs, with a focus on integrating more local suppliers into the group's supply chain.	Establish a sustainable local supply chain that significantly reduces reliance on imports and enhances the economic development of local communities.

07 Third-party verification



Third-party verification

Independent assessment

A limited verification process of the group's carbon footprint was conducted and concluded with no major findings.

This process, aligned with ISO 14064-1 standards, is crucial as it ensures the accuracy and reliability of GHG emissions data, which is essential for maintaining transparency and accountability in the group's environmental impact reporting. The key recommendations from this process will be evaluated and implemented as advised in support of our commitment to continuous improvement and sustainability.

The BBBEE verification process assesses a company's compliance with the Broad-Based Black Economic Empowerment Act. It involves an independent verification agency reviewing the company's contributions across key areas like ownership, management control, skills development, enterprise development and socio-economic development. The outcome is a BBBEE scorecard and level that reflects the company's commitment to economic transformation.

The group's top employer status was maintained following an audit of its employer policies, frameworks, environment and practices against the Top Employer Institute's global best practice standards which is subject to a further Grant Thornton International verification.

Certifications and awards

The group maintained high ESG ratings in key indices such as FTSE Russell, MSCI and CDP as per page 7 of the report.

The group CEO, Bertina Engelbrecht, received three prestigious awards, and the Clicks Group was named a finalist in two categories, namely the Workplace and Gender Reporting by JSE Listed Companies at the 2023 Gender Mainstreaming Awards. These awards recognise and celebrate the meaningful representation of women in mainstream business across Africa.

The group CEO was honoured with the RMB Fearless Thinker Award, the Positive Role Model Award and the Inclusive Leader Award. This is the first time that an individual has won all three awards. The RMB Africa's Fearless Thinker Award, now in its second year, acknowledges individuals who are recognised by their peers or community for pioneering, innovative thought leadership in addressing gender mainstreaming issues.



08

Appendices and supporting information



Appendices and supporting information

Glossary of terms

BBBEE (Broad-based black economic empowerment)	A South African Government policy designed to advance economic transformation and enhance the economic empowerment and participation of black people and women (African, Coloured and Indian people who are South African citizens) in the South African economy. Companies are rated based on their contribution to economic empowerment, including ownership, management control, skills development and socio-economic development.
Carbon neutrality	The achievement of a state where the net amount of carbon dioxide (CO ₂) emissions released into the atmosphere is zero, either through reducing emissions or off-setting the equivalent amount of CO ₂ by investing in projects that remove or capture carbon, such as reforestation or renewable energy initiatives.
Circular economy	An economic system aimed at eliminating waste and the continual use of resources by closing the loop in product life cycles through practices such as recycling, reusing and remanufacturing.
ESG (environmental, social and governance)	A set of criteria used by investors and stakeholders to evaluate a company's impact on the environment; its relationships with employees, customers and communities (social); and its governance practices, such as leadership, audits and shareholder rights.
FTSE4Good Index	A series of ethical investment stock market indices, part of the FTSE4Good Index Series, which measures the performance of companies that meet globally recognised corporate responsibility standards.
ISO 14064	A family of international standards that provides organisations with a framework for quantifying, monitoring, reporting and verifying GHG emissions. It is crucial for transparent and consistent reporting of a company's carbon footprint.
PAS 2060	An internationally recognised standard that specifies requirements for achieving and demonstrating carbon neutrality. It includes guidelines on quantifying and reducing GHG emissions and provides a framework for carbon neutrality certification.
Scopes 1, 2 and 3 emissions	<p>Scope 1: Direct GHG (greenhouse gas) emissions from sources owned or controlled by the company, such as fuel combustion in company-owned vehicles.</p> <p>Scope 2: Indirect GHG emissions from the generation of purchased electricity, steam, heating and cooling consumed by the company.</p> <p>Scope 3: All other indirect emissions that occur in a company's value chain, including both upstream and downstream emissions.</p>
Sedex	The Supplier Ethical Data Exchange, a global non-profit organisation providing an online platform for companies to manage and improve working conditions in global supply chains. It focuses on areas such as labour standards, health and safety, environment and business ethics.
TCFD (Task Force on Climate-Related Financial Disclosures)	An organisation that provides recommendations for companies to disclose information about their climate-related risks and opportunities, to help investors, lenders and insurance underwriters make informed decisions.

Contact information

For any queries or to provide us with feedback kindly contact companysecretary@clicksgroup.co.za.



09 Databook



Databook

Environmental	Description	Units	2024	2023	2022
Scope 1 emissions	Stationary diesel combustion	(CO ₂ e) metric tonnes	1 317	2 441	599
	Mobile diesel combustion	(CO ₂ e) metric tonnes	1 303	1 176	889
	Mobile petrol combustion	(CO ₂ e) metric tonnes	816	771	802
	Refrigerant use	(CO ₂ e) metric tonnes	1 699	1 523	1 797
Total Scope 1		(CO ₂ e) metric tonnes	5 135	5 911	4 087
Scope 2 emissions	Purchased electricity	(CO ₂ e) metric tonnes	106 944	108 058	110 099
Scope 3 emissions	3.1 Purchased goods and services	(CO ₂ e) metric tonnes	130	104	90
	3.3 Fuel and energy-related activities	(CO ₂ e) metric tonnes	15 179	16 141	16 097
	3.4 Upstream transport and distribution	(CO ₂ e) metric tonnes	9 631	8 142	7 897
	3.5 Waste generated in operations	(CO ₂ e) metric tonnes	2 129	1 457	1 292
	3.6 Business travel	(CO ₂ e) metric tonnes	1 515	1 116	607
	3.7 Employee commuting	(CO ₂ e) metric tonnes	9 574	8 831	8 757
Total Scope 3		(CO ₂ e) metric tonnes	38 158	35 791	34 740
Outside of Scopes	Refrigerant – r22	(CO ₂ e) metric tonnes	291	676	594
Total emissions		(CO ₂ e) metric tonnes	150 528	150 436	149 520
Scope 1, 2 and 3	Intensity	tco ₂ e/full-time employees	15	16	16
Water security	Total water usage	Kilolitres	95 028	78 435	62 630
Pollution and waste	General waste generated	Kilogrammes	1 610 808	1 199 779	1 055 133
	Waste recycled	Kilogrammes	4 179 050	4 441 102	4 394 892
	Medical waste generated	Kilogrammes	213 969	166 019	119 055
	Total pollution and waste	Kilogrammes	6 003 827	5 806 900	5 569 080
Energy management	Electricity consumption non-renewable energy	Kilowatt Hour	107 934 000	104 338 075	104 214 958
	Renewable energy	Kilowatt Hour	5 135 350	3 636 240	630 817
Workforce profile	Total group permanent number of employees	Number	19 621	18 447	16 492
	Number of permanent employees (South African-based)	Number	18 804	17 486	15 646
	Female employees – top management	Number	8	8	8
	Female employees – senior	Number	39	48	34
	Female employees – professionally qualified	Number	640	634	551
	Female employees – technically skilled	Number	2 460	2 343	2 044
	Female employees – semi-skilled	Number	8 447	7 928	7 220
	Female employees	%	62	63	63
	Male employees	%	38	37	37
	Employees – Africans	%	75	74	73
	Employees – Coloureds	%	17	18	18
	Employees – Indians	%	3	3	3
	Employees – Whites	%	5	5	6



Databook continued

Social	Description	Units	2024	2023	2022
Employee wellness	Percentage of active workforce covered under collective bargaining agreements	%	12	13	13
	Staff turnover	%	21.9	23.4	20.8
	Investment in training/skills development	R'm	185	135	165
	Employee training	Number	6 014	4 273	3 746
	Black employees trained	%	96	96	96
	Female employees trained	%	64	66	62
	Bursaries granted	R'm	2.3	5.1	5.4
	Employees covered by medical aid/primary healthcare plan	%	79.58	77.91	80.60
	Group Employee Wellness Programme utilisation: total utilisation rate	%	43.93	48.51	20.20
	Group Employee Wellness Programme utilisation: managerial services	Number	177	371	442
	Group Employee Wellness Programme utilisation: managerial services	%	14.52	69.20	51.70
	Group Employee Wellness Programme utilisation: high-risk cases	Number	119	119	110
	Group Employee Wellness Programme utilisation: store armed robbery incidents	Number	31	32	35
	Group Employee Wellness Programme utilisation: HIV/AIDS management programme	Number	14	45	50
	Health and safety committee members	Number	1 119	1 116	1 009
	Fire marshals	Number	969	914	817
	First-aid representatives	Number	1 014	928	855
	Injuries on duty	Number	222	103	91
	Occupational diseases	Number	0	0	1
	Lost days	Number	394	35	17
	Fatalities	Number	0	0	0
Board diversity	Composition of the board and its committees by: race (black)	%	67	60	60
	Composition of the board and its committees by: gender (female)	%	44	40	40
Board composition	Composition of the board in relation to: non-executive	%	78	80	80
Board independence	Composition of the board in relation to: independence	%	78	80	80
	BBBEE rating	Level	3	4	4