

# EMPOWERING OUR EMPLOYEES

Permanent employees

**15 413**

2018: **15 067**  
2017: **14 673**

Permanent monthly paid staff turnover

**14.5%**

2018: **13.9%**  
2017: **15.9%**

Pharmacy turnover

**15.3%**

2018: **15.3%**  
2017: **18.7%**

Employees covered by medical aid/primary  
healthcare plan\*

**77.0%**

2018: **18.2%**  
2017: **16.8%**

Employees covered by collective  
bargaining agreements

**11.3%**

2018: **12.9%**  
2017: **18.1%**

Skills development - total expenditure

**R143.8 million**

2018: **R124.7 million**  
2017: **R125.8 million**

\* Includes company-funded health insurance on the primary healthcare plan.



## The competency, capacity and experience of management and employees.

### EMPLOYEE VALUE PROPOSITION

The group's talent strategy is to employ customer-obsessed people with a "can do" attitude, who are professional and proud to work for the company. This strategy is supported by the group's values:

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

In order to attract and retain valuable talent, Clicks Group has strategically invested in several employee development initiatives. The employee value proposition focuses on people, passion and opportunities. We care about and contribute to the well-being of people, the environment and communities, while the group's growth strategy provides our people with unlimited opportunities.

### Group leadership model

We have designed a leadership competency framework using global benchmarks to assess and develop top talent. The skills essential for executive and senior management positions were determined through a competency analysis process, using the latest research findings. This will provide the basis for the design of future development programmes.



The Clicks Group leadership model, **DRIVE**, is based on the following principles:  
Delivery | Resilience | Integrity | Vision | Enterprising

## LEARNING AND DEVELOPMENT

### Skills development

The group is committed to developing the skills, knowledge and capability of its employees. A total of R144 million was invested in learning and skills development, which equates to 3.39% of basic payroll. A total of 5 781 employees (2018: 6 078) participated in learning and development interventions which included on-the-job training, skills programmes, learnership programmes, short courses and academic qualifications. Black employees accounted for 93% of the total number of employees trained and women 64%.

Enhanced management and leadership competencies, developing scarce and critical skills, and facilitating organisational transformation were the main areas of focus.

Learning and development statistics	2019	2018
Learning and development spend (R'million)	144	125
Number of employees trained	5 781	6 078
Black employees as a % of all employees trained	93	89
Female employees as a % of all employees trained	64	62
Pharmacy bursary spend (R'million)	7.3	4.6

### Creating pharmacist capacity

As a leader in the South African healthcare market, Clicks is the largest employer of pharmacists in the private sector. We recognise the scarcity of pharmacists and healthcare professionals and are committed to invest in the attraction, learning and development, and retention of employees. Clicks partners 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:

- ongoing engagement with pharmacy schools across the country;
- investing in learning laboratories at university pharmacy schools;
- managing a pharmacy bursary scheme;

- providing workplace experience through the pharmacy internship programme;
- developing pharmacists' assistants and trainees through learnership programmes; and
- continuing professional development of pharmacists and nursing practitioners.

Clicks invested R7.3 million (2018: R4.6 million) in bursaries for 135 students completing the Bachelor of Pharmacy degree at registered South African universities. 93% of bursary recipients were black and 61% female. The group also provided opportunities to 118 students to complete internship programmes. The group's Pharmacy Healthcare Academy is registered with the South African Pharmacy Council (SAPC) and is instrumental in developing pharmacists' assistants, with 658 learners currently registered on learnership programmes.

## CAREER OPPORTUNITIES

We do our best to hire South African talent, except in the case of skills that are scarce in the country. A strict approval process is followed for exceptions when an individual with a scarce skill needs to be employed. 99.42% of total employees are South African.

A dedicated pharmacy recruitment team operates within the Clicks brand and 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.

### Total rewards framework

The group's remuneration policy is based on the total rewards model and entrenches the reward principles of fair, responsible and transparent remuneration practices, market competitiveness, and pay-for-performance.

The total reward model comprises both monetary and non-monetary rewards for employees and integrates the five key elements that the group believes attracts, motivates and retains human capital to achieve the desired business results:

- 1 **compensation**
- 2 **benefits**
- 3 **performance and recognition**
- 4 **learning and development**
- 5 **work-life integration**

Included in the element of compensation are annual guaranteed pay, variable pay such as short and long-term incentives to inspire and reward performance that meets or exceeds agreed targets, as well as industry-leading benefits which provide retirement funds, insured benefits and healthcare plans.

One of the highlights of 2019 was the enrolment of 9 200 qualifying employees in customer service, clerical and supervisory roles on the Discovery Primary Care Advanced healthcare plan. The employee's membership is funded by a 100% company contribution, and employees were given the option to include their spouse and child dependants at their own cost through a monthly payroll deduction. The plan provides comprehensive primary and trauma care, including unlimited access to a general practitioner, optical and dental

benefits, ambulance and casualty services. The introduction of this health benefit has significantly improved the health and well-being of employees and their family members, and has contributed significantly to reducing the inequality in healthcare services provided to the group's employees.

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***“We do our best to hire South African talent, except in the case of skills that are scarce in the country.”***

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Non-monetary rewards are less tangible and range from formal and informal recognition programmes, training and job rotation opportunities and exposure to stimulating work assignments, all of which are designed to motivate, affiliate and retain employees.

As an element within the Clicks Group total rewards framework we also provide our employees outstanding career development opportunities across the group:

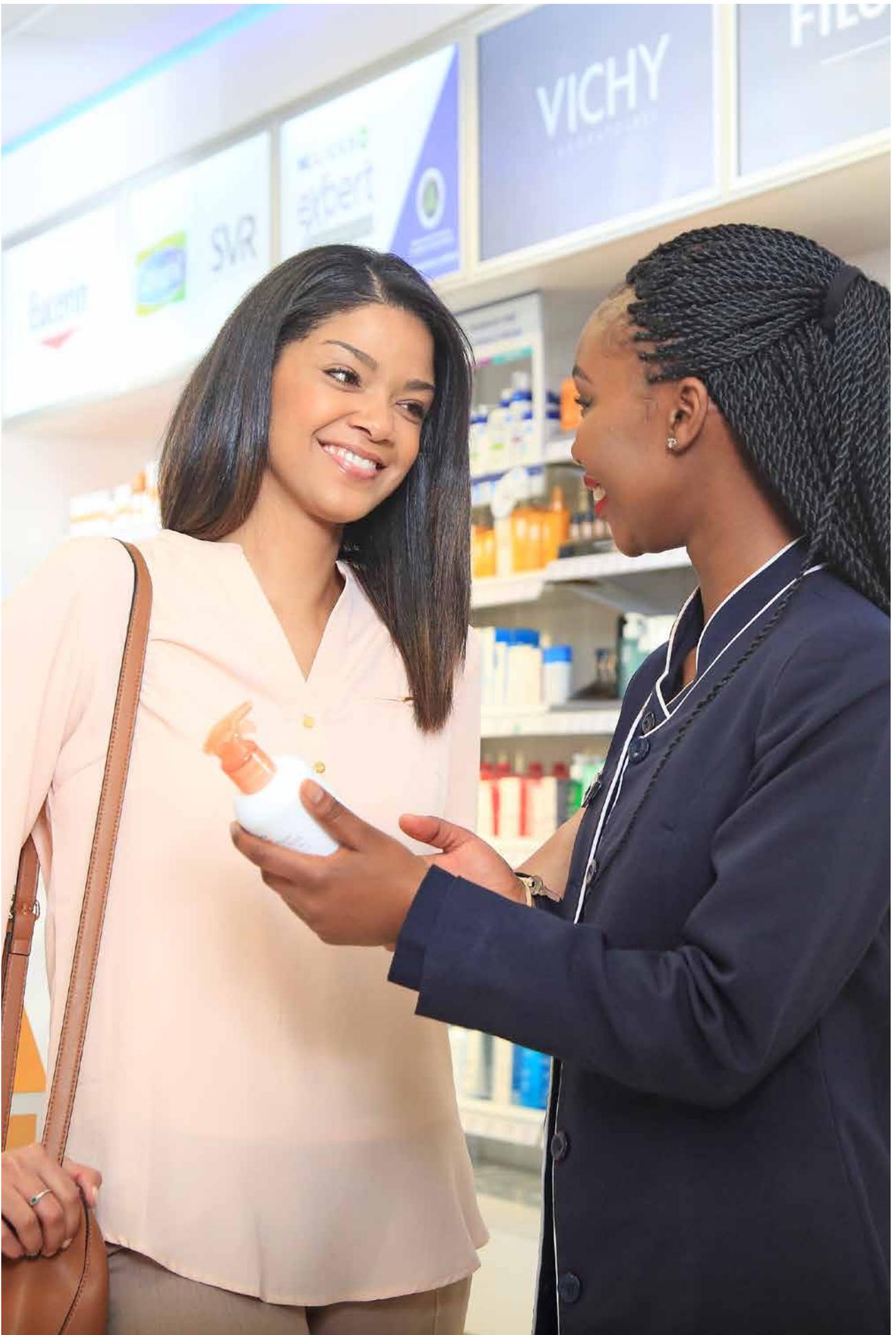
### Talent and development

The group recognises that the competence of its human capital is critical in achieving sustainable business growth and is committed to ensuring that all employees are enabled to realise their potential and to meet their career aspirations.

The objectives of the talent and development framework are to:

- ensure that the group attracts and retains the best talent and skills available in the market;
- build employee commitment through the provision of 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 enablers for learning and development (such as material, resources, time and support). Employees may access and participate in learning and development initiatives.



### EMPLOYEE HEALTH AND SAFETY

The health and safety of employees, suppliers and customers is an important aspect of our business. The health and safety committees have been established across the group to help maintain workplace safety and support employees' well-being. Committee members and employees receive training, while a health and safety policy covers employees, contractors and customers.

An independent company conducts a detailed audit with a gap analysis of the programmes and procedures of the group's health and safety programme on an annual basis.

The group HR director reports to the social and ethics committee, where progress with the health and safety programme is discussed and reviewed.

Description	2019	2018
Health and safety committee members	822	752
Fire-fighters	731	695
First-aid representatives	710	622
Injuries on duty	61	68
Occupational diseases	0	0
Lost days	146	188
Fatalities	1	0

In FY2019 we sadly experienced a fatality when, on 16 October 2018, a UPD driver was involved in a collision between his UPD delivery bakkie and a heavy truck.

### EMPLOYEE SHARE OWNERSHIP PROGRAMME

The employee share ownership programme (ESOP) was introduced in 2011 to attract and retain scarce and critical skills, accelerate transformation, build employee commitment and enable employees to share in the growth and success of the business. Executive directors and senior employees who participate in the group's long-term incentive (LTI) schemes did not participate in the ESOP.

Employees with more than five years' service, pharmacists and senior employees from designated employment equity groups received a 15% enhancement of their share allocation.

By delivering on its objectives to attract and retain scarce and specialist skills and to accelerate the group's transformation, the ESOP contributed towards the growth and creation of employment opportunities within the group.

Entry to the scheme closed in 2015. The first 50% of ESOP beneficiaries' share allocations vested in 2018 and the balance in 2019.

The payout process was supported by an extensive communication campaign to ensure that beneficiaries were well informed of the various milestones and held realistic expectations of their payout value. Employees were given access to financial advice through our group's employee wellness programme

and were encouraged to use their payouts in ways that would sustainably change their quality of life.

In February 2019, R1.5 billion was paid out to 7 798 beneficiaries, bringing the total value paid to beneficiaries to R2.8 billion (R355 000 on average per beneficiary) over the 2018 and 2019 payouts. Beneficiaries also received dividends totalling R39 million over the course of the programme.

In addition to the wealth that was created and shared with the programme's beneficiaries, the ESOP generated R100 million which was donated to the New Clicks Foundation. The Foundation has invested the funds received and plans to grant 100 bursaries annually to talented, previously disadvantaged South Africans to gain a university degree. The first 100 students have been selected and commenced their Pharmacy degrees in February 2019. We are confident that these young South Africans will become leaders who will take the industry in South Africa forward and will contribute to delivering quality healthcare to all South Africans.

**R2.8 billion**  
paid to participants in  
the scheme

Average total payout of  
**R355 000**  
per beneficiary

## EMPOWERING OUR EMPLOYEES (CONTINUED)

### EMPLOYEE ENGAGEMENT SURVEY

The group undertakes an employee engagement survey every second year and conducts targeted pulse surveys periodically. The results are communicated to all business units, divisions and departments to create action plans. In terms of employee engagement, the group outperforms the South African benchmark in seven out of the twelve dimensions, resulting in an overall employee engagement index of 70, which is on par with the national benchmark of 69.

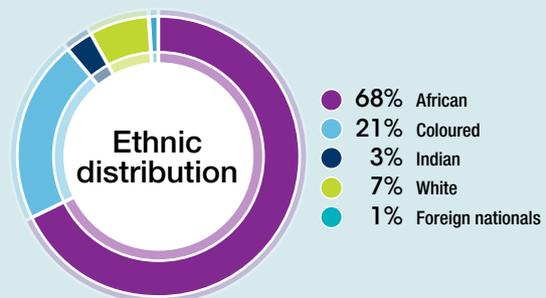
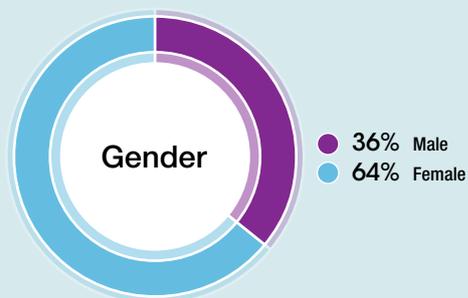
### Employment equity

Clicks Group's main employment equity focus is to create a diverse workforce and management is committed to the recruitment, development and retention of employees, regardless of race, gender, disability, religion, sexual orientation and political persuasion. The group's workforce comprises 92.7% (2018: 92.1%) black employees and 63.8% (2018: 63%) female.

The group supports the national development agenda aimed at the employment of youth in sustainable positions. The group continues to align its employment equity targets and the national economically active population statistics, in line with the Director-General of the Department of Labour's review process since 2012. The group's permanent monthly paid staff turnover is 14.5% (2018: 13.9%), below the targeted range of 18% – 20%.

### Employee profile of South African businesses

Occupational level	Male				Female				Foreign nationals		Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	Male	Female	
Top management	0	1	2	4	0	1	0	2	3	1	<b>14</b>
Senior management	8	10	8	32	3	5	9	19	1	1	<b>96</b>
Middle management	131	68	34	111	154	52	60	172	15	22	<b>819</b>
Junior management	625	201	49	92	876	510	153	409	6	14	<b>2 935</b>
Semi-skilled	3 231	598	51	50	5 025	1 697	112	97	12	10	<b>10 883</b>
Unskilled	3	0	0	0	3	0	0	0	0	1	<b>7</b>
Total permanent employees	<b>3 998</b>	<b>878</b>	<b>144</b>	<b>289</b>	<b>6 061</b>	<b>2 265</b>	<b>334</b>	<b>699</b>	<b>37</b>	<b>49</b>	<b>14 754</b>
Temporary employees	388	38	15	20	545	75	22	30	4	12	<b>1 149</b>
Grand total	<b>4 386</b>	<b>916</b>	<b>159</b>	<b>309</b>	<b>6 606</b>	<b>2 340</b>	<b>356</b>	<b>729</b>	<b>41</b>	<b>61</b>	<b>15 903</b>



### EMPLOYEE WELLNESS PROGRAMME (EWP)

The EWP was developed and is a work-based advisory, counselling and support programme which provides life, health, performance and wellness management services to employees and their immediate households free of charge. It is available 24/7 in all official South African languages.

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

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

Clicks commissioned a study to assess the impacts of HIV/AIDS on the demographics and financial well-being in the workplace. This study also weighed up the benefits and estimated cost of HIV management programme. The uptakes of the study were:

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

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

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

The EWP, through ICAS, provides independent, confidential, professional counselling and advisory services to permanent employees and their direct household dependants. It is highly valued by employees and line managers. The programme's total utilisation rate remains the highest in the consumer services sector.

In 2019, 2 065 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. A group of leading retailers collaborated in 2007 to find a way of making HIV counselling and testing available to employees who work in stores and started the Retailers Unite initiative.

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This programme is delivered by an independent service provider, Metropolitan Health. HIV management and treatment services are for permanent employees and offer the following:

- free voluntary counselling and testing;
- free antiretroviral and certain HIV-related medication;
- free multivitamins;
- two free HIV-related doctor consultations and blood tests per year;
- prevention of mother-to-child transmission, including milk formula for six months;
- post-exposure prophylaxis (PEP); and
- counselling and support to employees and their dependants.

The Clicks Group EWP has received the following accolades:

- South African Branding Awards – Managing Health in the Workplace

We care about the health and well-being of our employees and encourage all employees to participate when a campaign comes to their shopping centre. We extend an open invitation to other retailers to come on board so that their employees might also benefit from participating in this initiative. There were 40 events held in 2019 in every province, with positive feedback from all employees who attended.

## CLICKS GROUP EWP

## EWP utilisation of counselling and advisory services

Employee wellness programme		Annual 2018/19	Annual 2017/18	Annual 2016/17	Annual 2015/16
Employee utilisation (individual cases)		2 065	1 636	1 496	1 387
Family utilisation (group interventions)		718	486	430	296
Total utilisation	(rate)	2 783	2 122	1 926	1 683
	(%)	(18.2)	(14.9)	(13.4)	(20.0)
Formal referrals	(number)	167	113	95	106
	(%)	8.1	6.9	6.4	7.6
Managerial services	(number)	498	282	230	265
	(%)	13.9	10.1	9.1	11.2
High-risk cases		61	62	48	35
HIV/AIDS management programme		71	69	63	52

## Team support programme

Sixty-two critical intervention participants were assisted in the June – July 2019 quarterly period. These debriefing interventions are aimed at supporting our employees who were exposed due to store robberies and bereavement incidents. A further 22 individuals were assisted through couples' counselling, the child protocol process and family therapy.

**Important note:** Due to ongoing case management and quality management processes embedded at ICAS, some figures may change subsequent to the generation of an engagement report. As such, comparative reports may differ slightly although macro-level trends will remain stable. Please note further that utilisation of the EWP is tracked per case, against the date the case is opened. Quarterly utilisation results will be adjusted retrospectively in the event of such utilisation taking place in a subsequent quarter.

## HEALTHCARE CONFERENCE

As part of our role to facilitate knowledge sharing and strengthening of partnerships, Clicks hosts an annual healthcare conference to include all the employees and suppliers who help us deliver the patient-centred Clicks healthcare experience. The focus of the conference has over the years been extended not only to pharmacy, but to the healthcare services sector as a whole.

The delegates include pharmacists, nursing practitioners, pharmacy assistants, interns, Clicks operational employees and suppliers from across the country. The conference represents a key opportunity for the group to explore new ways to take healthcare further and improve the lives of our patients. Speakers from both public and private sectors address the gathering to share knowledge and engage with the group, while continuous professional development (CPD) points are earned by pharmacists and nursing practitioners who attend applicable sessions.



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