



INTELLECTUAL CAPITAL

MARKET SHARE*

CLICKS
RETAIL PHARMACY

22.2%

2016: 19.6%
2015: 18.7%



UPD
PRIVATE PHARMACEUTICAL MARKET

25.6%

2016: 24.1%
2015: 25.2%

CLICKS PRIVATE LABEL AND EXCLUSIVE PRODUCTS

PERCENTAGE OF
TOTAL SALES

21.8%

2016: 22.2%
2015: 19.8%



PERCENTAGE OF
FRONT SHOP SALES

28.5%

2016: 28.2%
2015: 25.7%

CLICKS CLUBCARD

ACTIVE MEMBERS

7.0m

2016: 6.2m
2015: 5.0m



CONTRIBUTION TO SALES

77.4%

2016: 77.2%
2015: 75.1%

CLICKS
smartbite
THE RIGHT SIZE SNACK

Rice Pops

**SOUR CREAM & CHIVES
FLAVOUR**

LOW CAL
400kJ
<than 100 calories

calories 70 4%	sugar 8g 9%	fat 0.3g 1%	saturates 0.1g 1%	salt 0.7g 3%
of your *GDA per serving				



INTELLECTUAL CAPITAL

EXTERNAL RECOGNITION/AWARDS

The group was recognised as the leader in the industry and for its success with innovative products, receiving the following accolades:

- The Clicks Group was rated the Number 1 Employer in the retail industry for 2018 and was included in the Top Employers in South Africa by the Top Employers Institute
- Top Gender empowered: Winner of the 2017 Health & Pharmaceutical Award at the Top Women Awards
- Winner of the Healthcare Award at the Vision 2030 awards
- The Clicks Group was recognised for the most energy efficient commercial building in the City of Cape Town
- 2017 Sunday Times Generation Next Awards – Clicks was named the Coolest Specialist Health and Beauty Store
- Times/Sowetan Shopper Survey 2016 (formerly Retail Award – 2017 results come out in October 2017)
 - Overall Favourite Retail – Clicks – Third place
 - Health, Beauty and Fragrance Outlets Winner – Clicks – First Place
 - Pharmaceutical Outlets – Clicks – First Place
 - Electronic & Appliances – Clicks – Second Place
 - Entertainment, Online & Book Stores – Musica – First Place
- The Body Shop won the Best Beauty Products category in the 2017 Best of Joburg Readers' Choice Award

MARKET SHARE GAINS

Private label and exclusive brands represent 21.8% of health and beauty sales. In healthcare supply management UPD consolidated its leadership position in wholesale distribution and grew market share to 25.6%.

SUPPLY CHAIN

Private label development has become an integral part of the Group's approach, especially under the various Clicks brands. We have a strong focus on sourcing from an accredited, reputable and audited supplier base to provide customers with superior quality products, at affordable prices, that maintain ethical and socially responsible standards.

PRIVATE LABEL PRODUCTS

Private label products offer better value to customers while entrenching loyalty to the brand and lifting profits. The range of private label includes 100 scheduled generic medicines. Customers and pharmacists alike have appreciated these additions.

The Clicks chain plans to increase sales from private label front shop products, and will be expanding the range of private label medicines as well as new front shop products.

DIVERSITY OF BRANDS

The Clicks Group has created a diverse range of well-known international brands to delight customers and reach new markets in South Africa.

PRODUCT SAFETY AND LABELLING

Clicks has made good progress in developing environmentally friendly private label products that are competitively priced and offer innovative product, packaging and sourcing alternatives. A recycling logo has been introduced and applied on all new private label products.

The Clicks private label brand strives to improve packaging and contents, making it more environmentally friendly and responsible. Clicks stays abreast of developments in the industry – especially regarding environmental protection – by participating in workshops and collaborating on new technologies, including in the packaging industry.

The Group has set new goals for the coming year in light of the **UN Global Compact** imperative to strive for continuous improvement for sustainability.



CUSTOMER RESPONSIBILITY

The group shows its commitment to responsible advertising and marketing with clear labelling that is transparent and gives clear information on nutritional values and, in the case of medicine, the contents. All new product lines are thoroughly tested and researched to ensure the highest levels of safety.

RESPONSIBLE ADVERTISING

The group follows Regulation 45 of the Medicines Act with respect to the advertising of pharmaceuticals and is guided by the Marketing Code Authority – a self-regulating authority for the ethical promotion and advertising of health products.

All claims and marketing relevant to product development and labelling follow (to list only a few) the ASA Code of Practice set up by the Advertising Standards Authority of South Africa (ASA), SANS 98:2006 Ingredient Labelling of Cosmetic Products; Legal Metrology Act 9 of 2014; Labelling, Advertising and Composition of Cosmetics in South Africa Code of Practice guidelines set up by the CTFA and self-regulated by industry; R991 Foodstuffs, Cosmetics and Disinfectants Act and R146 Foodstuffs, Cosmetics and Disinfectants Act Regulations Relating to the Labelling and Advertising of Foodstuffs. For all development related to cosmetics, baby, food and electrical products, Clicks ensures the technologist understands the latest standard to secure product safety, quality and adherence to labelling and marketing legislation.

We recruit only skilled technologists and do regulatory assessments and on-the-job training to make sure products conform to the relevant legislation.

Clicks has reduced salt in a phased approach in all of our food items to comply with legislation and developed the Smart range to support health and wellness.

The Smart range is frequently offered on a 3for2 basis to give customers great value for healthier food choices more often.

ACCESS TO MEDICINE AND NUTRITION

Our integrated healthcare retail and supply model creates a unique competitive positioning for the Clicks Group in South Africa. The Group's goal is to create maximum customer access to medicine through an ever-expanding network of Clicks pharmacies nationwide, supported in healthcare supply management through the pharmaceutical wholesaler, UPD.

As at August 2017 the Clicks pharmacy network extends to 473 pharmacies and the number of clinics

has reached 195, while delivery through our courier business, Clicks Direct Medicines, allows penetration into outlying areas.

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 we are committed to continued investment in the attraction, learning and development, and retention of employees, having spent R125.8 million on staff learning and development initiatives in the last financial year.

Clicks is committed to helping reduce the burden on State facilities by providing easy access to chronic medication and 309 Clicks pharmacies have been designated as pick-up points (PUPs) as part of the Department of Health's Central Chronic Medicine Dispensing and Distribution Programme across the pilot districts.

In addition, Clicks continues to develop an extensive range of Smart Food products to support Health and Wellness. It provides customers with an accessible solution to a healthier lifestyle.



- Smartbites – portion-controlled snacking
- Smartsip – rehydration and low calorie alternative to high calorie drinks
- Smartbite Foods – functional ingredients for healthier food choices and for those prone to food allergies and intolerances

INVOLVEMENT IN INDUSTRY INITIATIVES

Clicks is the only retailer member of the Cosmetics, Toiletry and Fragrance Association (CTFA) and is a member of the Health Product Association (HPA), Self-Medication Manufacturers Association of South Africa (SMASA), Consumer Goods Council and Aerosol Manufacturers Association.

Clicks technologists comment on proposed regulations before they are introduced, including the Medicines and Related Substances Amendments Act; Cosmetics Regulations Act, the Bio-prospecting, Access and Benefit Sharing (BABS) Regulations; and Legal Metrology Act 9 of 2014.

The Sentinel alert system and Clicks legal team keep us up to date on all relevant legislation open for comment.

ONLINE DEVELOPMENTS IN THE BRAND

Clicks Omni-Channel launched a transactional e-commerce website in June 2016 (www.clicks.co.za).

In just over a year we have had 14 752 000 visits to our website and processed 42 613* online transactions.

We launched our Click & Collect service (to complement our door-to-door courier delivery service) in over 500 stores nationwide, enabling customers to shop a wide range of products online and collect their order at their closest Clicks store.

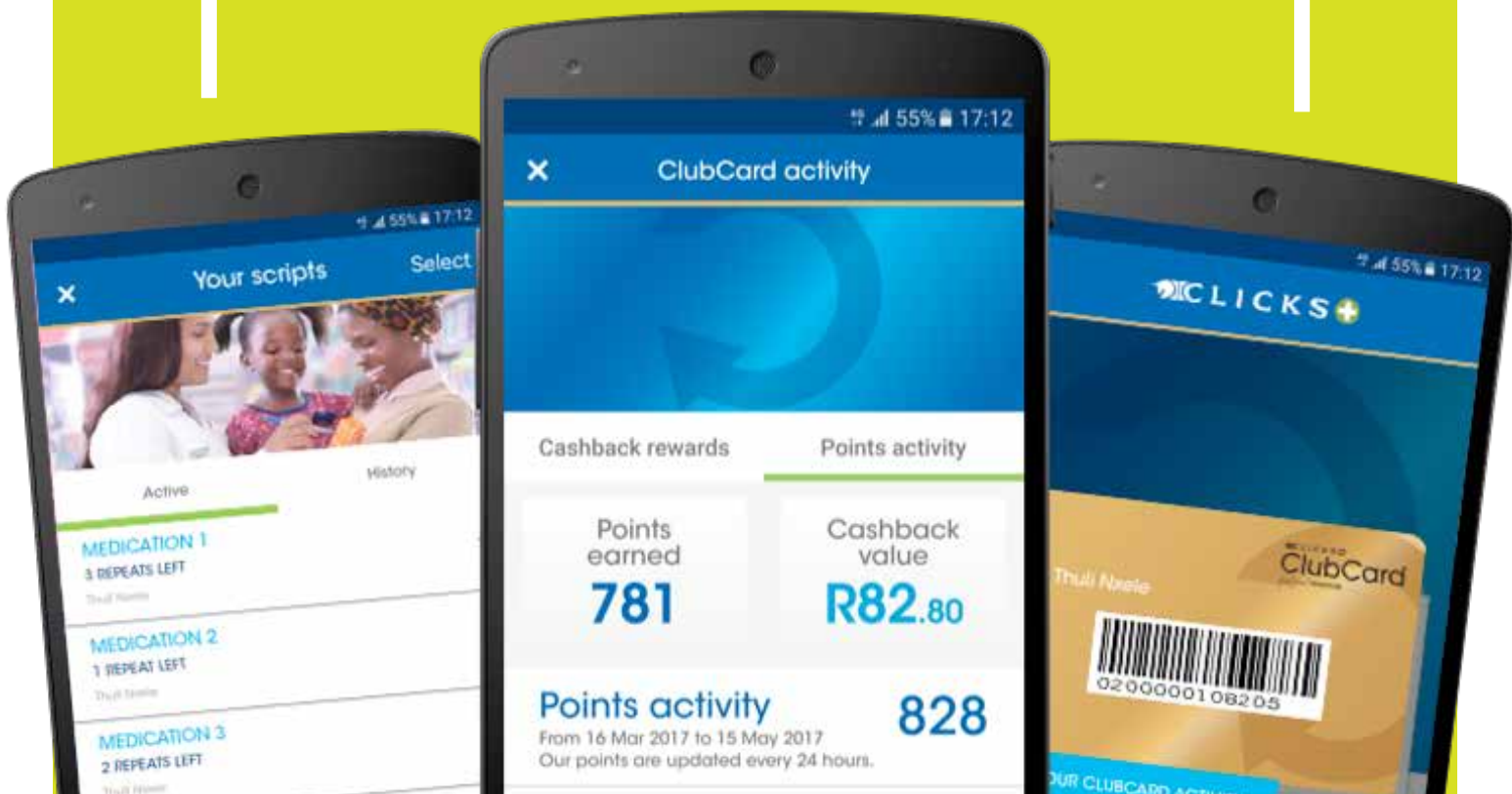
We partner with Pargo and 355 Clicks stores are now available as Pargo courier collection points.

In **August 2017** Clicks launched our first mobile app – offering a virtual ClubCard, quick access to ClubCard statements and an integrated pharmacy services solution where customers can submit scripts, view their medication history and order active script repeats from their phone (all conveniently processed and ready for collection from their selected pharmacy collection counter in 4 hours or less).

 Visit www.clicks.co.za/app for more information.

The Clicks digital footprint continues to grow, having reached 1 175 000* followers across social media platforms Facebook, Twitter and Instagram and **reaching on average 9 051 000 people per month**.

* As at 31 August 2017.



CLUBCARD


Launched in 1996, the Clicks ClubCard programme is one of the first and fastest-growing loyalty programmes in South Africa. By the end of the financial year, Clicks ClubCard had 7.0 million active members registered. During 2017 over R322 million was paid out in cashback to members. The group continues to explore new ways to add value to the ClubCard member base. A new system has been added to improve on the cash-back rewards, which are now electronic and available immediately if the customer chooses to use the points allocated.

The Clicks ClubCard rewards customers through value-for-money offerings in a convenient, trusted and pleasurable shopping environment.

 <https://clicks.co.za/clubCardPage>

CLICKS BABYCLUB

BabyClub welcomes customers who are planning on having a baby, those who are expecting and customers with toddlers up to the age of three to the joys of parenthood with access to exclusive BabyClub competitions, vouchers and other special benefits.

 <https://clicks.co.za/babyClubLandingPage>

SENIOR CLUBCARD

ClubCard members who are 60 years or older can opt for our ClubCard Seniors programme and earn double points on the second Wednesday of the month on our exclusive Double Points Days. On these days, you get one additional ClubCard point for every point you earn, which means double the discount on everything you buy.

 <https://clicks.co.za/clubCardPage>

