



CLICKS GROUP
LIMITED

2025

**Sustainability
report and
databook**

for the year ended
31 August 2025

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Executive summary

Clicks Group made significant progress in 2025 across its four strategic sustainability pillars, reinforcing its commitment to long-term shared value for stakeholders. Key highlights included:



Expanding healthcare access

The group broadened its affordable healthcare network by opening net 55 new Clicks stores and net 60 new in-store pharmacies across its territories, introducing innovative services including in-store virtual doctor consultations and partnering on mobile clinic initiatives. These efforts have brought quality care closer to underserved communities, ensuring more customers have convenient access to trusted healthcare.



Investing in people

As a Top Employer for the 15th consecutive year, the group continued to empower its workforce through comprehensive training, wellness programmes, and a strong diversity and inclusion ethos. The group maintained a level 3 broad-based black economic empowerment (BBBEE) status, despite facing the unavoidable challenge of losing equity ownership points as a result of the employee share ownership recognition expiry due to a legislative change. Employee engagement and productivity continued to be a focus which the group drives through its comprehensive employee value proposition.



Ensuring product integrity

The group upheld the integrity of its brand through rigorous quality standards and ethical sourcing. All private label suppliers adhere to strict audits and industry certifications, and the group expanded its range of sustainable products. Initiatives such as supplier environmental, social and governance (ESG) assessments and support for local manufacturers strengthened supply chain resilience and ensured customers enjoy safe, high-quality products aligned with the group's sustainability values.



Reducing environmental footprint

The group accelerated environmental initiatives to mitigate climate impact and promote circularity. In 2025 the group achieved further reductions in carbon emissions and increased the use of renewable energy across operations to 5% of electricity consumption. Investments in solar power, energy-efficient facilities, electric delivery vehicles and recycling programmes helped shrink our environmental footprint while contributing to national climate goals.

Overall, 2025 was a year of purposeful growth for the group. By building a trusted healthcare network, nurturing its people, sourcing responsibly and safeguarding the environment, the group continues to deliver sustainable value. The following report details the group's performance and initiatives in each focus area, with key performance indicators summarised in the appendix for review.



About this report

This Sustainability Report 2025 has been prepared to provide the group’s stakeholders, shareholders, customers, employees, suppliers and community partners, with a transparent, comprehensive overview of the group’s progress, challenges and strategic direction across our four sustainability pillars:



Reporting boundary and period

The scope of this report encompasses the full operations of the group. The group reports holistically on Scope 1 and Scope 2 greenhouse gas (GHG) emissions including retail stores, UPD and Clicks distribution centres, in-store clinics and selected Scope 3 value-chain impacts (e.g. resource management, logistics). While the group’s primary footprint is in South Africa, cross-border operations are also included. The reporting period covers the financial year ended 31 August 2025, with comparative data provided for 2024 and 2023. Forward-looking strategic objectives extending into 2026 are also highlighted. The boundaries align with those in the integrated annual report for 2025.

Reporting framework and governance

This report follows a double materiality approach in line with the JSE Sustainability Disclosure Guidance, covering financial and impact issues affecting the group’s social, environmental and economic footprint. ESG oversight is provided by the board’s social and ethics committee, with execution managed by our Sustainability Forum and

executive leadership. The group’s reporting is informed by and being aligned with global frameworks, including:

- JSE Sustainability and Climate Disclosure Guidance
- King IV Report on Corporate Governance
- Global Reporting Initiative (GRI) Standards
- UN Sustainable Development Goals (SDGs)
- United Nations Global Compact Principles
- Carbon Disclosure Project (CDP)
- IFRS S1 and S2 Task Force on Climate-Related Financial Disclosures (TCFD) Standards

Complementary reports

For full transparency and context, this sustainability report should be read in conjunction with Clicks Group’s integrated annual report, corporate governance report and social and ethics committee report. These publications, along with our CDP submission and other ESG disclosures, are available for download on the **group’s website**.



01 About the group

About the group

The group is a retail-led healthcare business with a trusted portfolio of brands focused on health, wellness and beauty. The group operates one of southern Africa’s most recognised retail pharmacy chains, underpinned by strong customer loyalty, vertically integrated operations and a resilient business model.

The flagship Clicks brand is the country’s leading health, beauty and wellness retailer and the largest retail pharmacy chain, with an expanding network of over 990 stores and 780 pharmacies, offering convenience, affordability and a growing digital presence. Clicks’ offering is supported by a network of in-store clinics that provide accessible primary healthcare services to individuals and families in urban and peri-urban areas.

UPD, the group’s pharmaceutical wholesaler, plays a critical role in ensuring the security and efficiency of medicine supply across South Africa and services Botswana, Eswatini, Lesotho and Namibia. It services both Clicks pharmacies and a broad base of independent pharmacies, hospitals and the public sector through its national distribution infrastructure.

The group’s brand portfolio includes exclusive brands such as Sorbet, The Body Shop, as well as Clicks’ private label ranges such as MyEarth, each contributing to customer trust, product innovation and value creation.

With over 20 000 employees across its operations, the group is committed to inclusive employment, retail skills development and transformation. It is recognised as a Top Employer in South Africa and continues to invest in its people, systems and customer experience to drive long-term growth.

The group remains agile in a competitive market, maintaining strong financial performance, consistent dividend growth and a disciplined approach to expansion. Its integrated retail and wholesale model, combined with a strong environmental and social consciousness, positions the group to

remain a leading health and beauty retailer in South Africa’s evolving consumer landscape.

Stakeholder engagement

The group recognises that its long-term success is built on strong, transparent relationships with stakeholders. Engaging meaningfully with customers, employees, regulators, suppliers, investors and communities enables the group to operate responsibly, mitigate risks and unlock shared value.

Stakeholder engagement is embedded into the group’s operational model and sustainability governance structures. Prioritisation is guided by materiality, influence and impact. Key feedback and insights gained through ongoing engagements continue to shape business strategy, risk management and ESG priorities.

Key stakeholder groups and engagement channels

Stakeholder group	Engagement mechanisms	Key interests and expectations
Customers	Loyalty programme feedback, in-store interactions, surveys, social media	Product quality, value, access to healthcare, privacy, convenience
Employees	Townhalls, performance reviews, wellness sessions, human resources (HR) support, daily engagements with leaders, employee engagement surveys	Career development, inclusivity, workplace culture, safety
Suppliers	Supplier forums, audits, small, medium and micro enterprise (SMME) support, code of conduct rollouts	Fair treatment, procurement opportunities, ethical sourcing, identification and development of local suppliers
Investors	Results briefings, ESG ratings, roadshows, direct queries	Financial returns, ESG disclosure, risk management, climate action
Regulators	Compliance reporting, audits, industry consultations	Legal compliance, product safety, transformation, transparency
Communities	Health outreach, corporate social investment (CSI) programmes, mobile clinics, public partnerships, community engagement and dialogues	Healthcare access, job creation, local business development, education

For a detailed stakeholder report refer to the Clicks Group Integrated Report on pages 19 to 21.



About the group *continued*



Strategic partnerships and industry engagement

As part of its commitment to sustainability and responsible business leadership, Clicks Group maintains active partnerships and affiliations with key industry associations. These partnerships ensure that the group’s sustainability initiatives remain aligned with evolving stakeholder expectations and global standards.

The group is a member of:



These affiliations support the group’s efforts to stay at the forefront of regulatory compliance, industry best practice and innovation. Through active participation, Clicks Group contributes to shaping industry norms while strengthening its own operational efficiencies.

The collaborative exchange of ideas within these networks enables the group to respond to shared challenges (such as packaging waste, ethical sourcing and healthcare access) with more robust, scalable and sustainable solutions. This collaboration also embeds sustainability deeper into business processes, supporting long-term value creation for all stakeholders.

Highlights from 2025 engagements

Enhanced pharmacy services in response to customer and clinic user feedback

Deepened SMME support through supplier onboarding and engagement sessions

Stakeholder dialogue shaped ESG priorities and climate targets

Partnerships with public health stakeholders expanded the reach of the Clicks Helping Hand Trust (CHHT)

Investor briefings strengthened transparency on the group’s ESG and financial performance

The group remains committed to regular, inclusive and transparent engagement with all its stakeholders, ensuring its purpose-driven growth continues to reflect the needs and aspirations of the communities it serves.





02

Letter from
the CEO

Chief executive officer's report

It is an honour to present the group's sustainability report for the year 2025. This report serves as a reflection of our continued commitment to creating long-term, accretive value for our stakeholders while building a more inclusive, sustainable and resilient Africa.



The group operates at the intersection of retail and healthcare, two sectors that carry significant influence and responsibility in the lives of consumers. In this context, our sustainability journey is not just a business imperative, it is a social contract. Guided by our four sustainability pillars, healthcare access, empowering people, sourcing with integrity and minimising environmental footprint, we continue to integrate ESG considerations into every aspect of our business.

Delivering on our sustainability pillars

We have made meaningful progress in advancing access to affordable healthcare. This included the opening of new stores and pharmacies, the expansion of our clinic network and the inclusion of innovative solutions such as in-store virtual doctor consultations. Through the CHHT we continued to provide free primary healthcare to under-resourced communities, while our partnership with the Transnet Phelophepa Health Trains brought essential services to hundreds of thousands of patients in rural areas.

Our people remain at the centre of our organisation. Over the past year we strengthened our diversity, equity and inclusion initiatives, maintained our Top Employer certification for the 15th consecutive year and advanced transformation with a BBBEE level 3 rating. We invested in learnerships, internships and bursaries, particularly for young people to build future skills, while expanding our wellness programmes to support the holistic well-being of our employees.

On the environmental front, we continued to advance towards our 2050 carbon neutrality ambition. Investments in solar photovoltaic (PV) installations, energy-efficiency upgrades and South Africa's first fleet of zero-emission, pharma-compliant owner driver electric

vehicles have already reduced emissions, enhanced our operational resilience and promoted entrepreneurship. Waste reduction initiatives, circular packaging innovation and water-efficiency programmes have further embedded circular economy principles across our operations.

Through enterprise and supplier development, we supported inclusive and sustainable economic growth. From the Repair Programme with Taking Care of Business, which has empowered 360 micro-entrepreneurs, to the Sorbet-Preneur initiative enabling employees to become franchise owners, these programmes demonstrate our commitment to building sustainable livelihoods which strengthen local economies.

Guided by the six capitals

Clicks Group's approach to sustainability is underpinned by the six capitals of integrated reporting, namely financial, manufactured, human, social and relationship, intellectual and natural capitals. These capitals guide our value-creation model and shape our integrated thinking. By managing trade-offs and leveraging synergies across these capitals, we ensure that short-term decisions do not compromise our long-term vision.

Integrated ESG and reporting progress

We have enhanced our ESG governance and disclosure to strengthen transparency, accountability and comparability. This year, we commenced the alignment of our disclosures with IFRS S1 and S2, alongside GRI Standards and the JSE Sustainability Disclosure Guidance. We continued to respond to Carbon Disclosure Project (CDP) and have made progress in addressing the gaps identified by FTSE Russell (a subsidiary of the London Stock Exchange Group), Standard and Poor's (S&P) Dow Jones,

Morgan Stanley Capital International (MSCI) and Institutional Shareholder Services (ISS) ESG. This includes the completion of a biodiversity readiness assessment that identified our risks, impact and exposure serving as a departure point for future actions. While we acknowledge areas for improvement, we are encouraged by the positive trajectory in our ESG scores, particularly in climate-related governance, supplier assessments, social impact metrics and product responsibility. These insights are being used to enhance our ESG implementation roadmap and data collection processes.

Looking ahead

Looking ahead, our focus is on deepening climate resilience, advancing biodiversity stewardship and embedding digital innovation into our ESG strategy. We recognise that data quality, cross-functional collaboration and stakeholder engagement will be critical to achieving our long-term sustainability ambitions.

The journey ahead will require agility, commitment and partnership. As we navigate a rapidly changing social, environmental and regulatory landscape, we remain committed to acting with integrity, listening to our stakeholders and driving meaningful impact. We do not take the trust placed in us for granted and will continue to lead with purpose.

I would like to extend my sincere gratitude to our board, employees, customers, suppliers, shareholders and communities for your continued support. Together, we are building a stronger, more sustainable future.

Yours sincerely,

A handwritten signature in dark blue ink, reading 'Bertina Engelbrecht'.

Bertina Engelbrecht
Chief executive officer



03

The group's sustainability approach and strategy

The group's sustainability approach and strategy

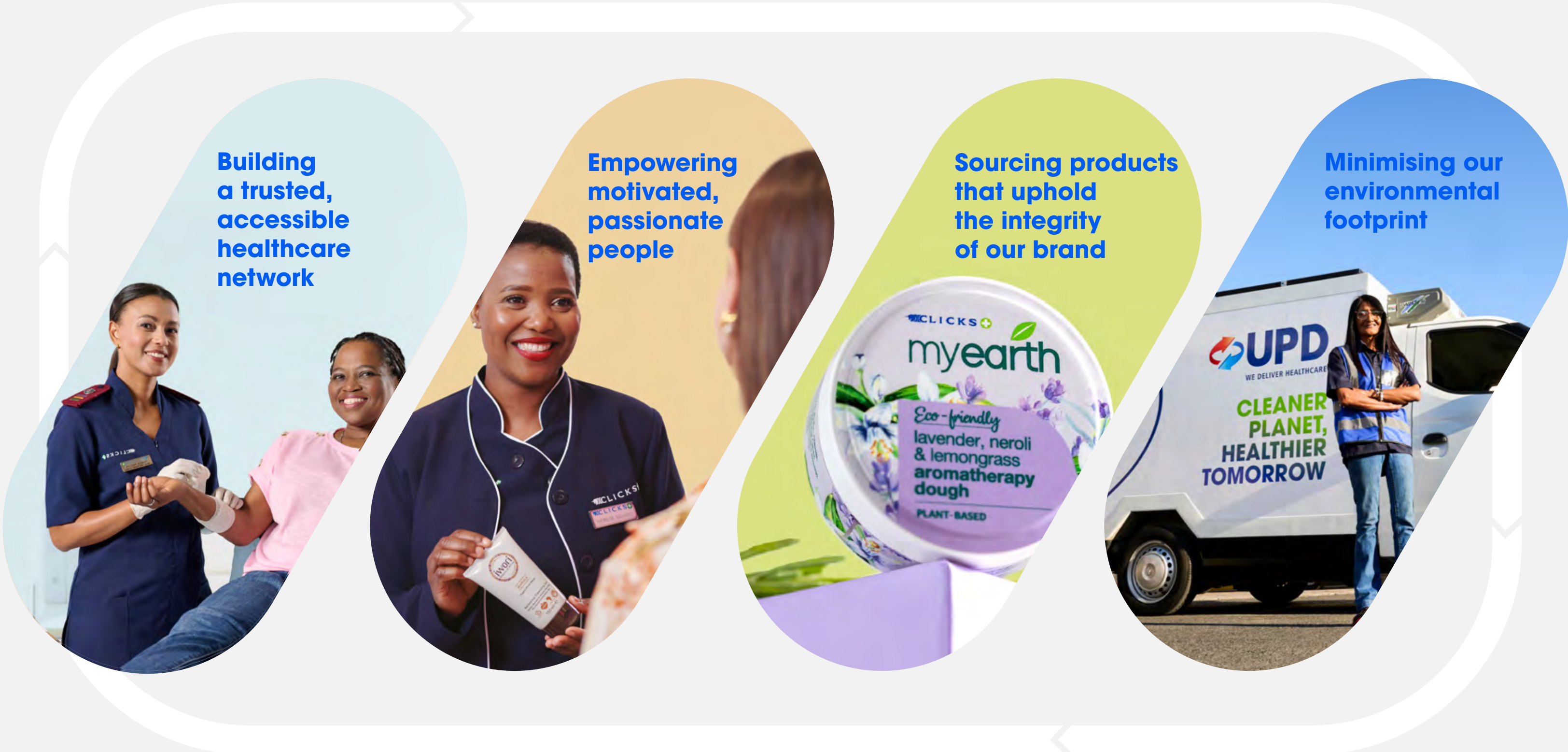
Strategy

Building resilience in a dynamic operating environment requires a deliberate, integrated and forward-looking approach. The group's sustainability strategy is anchored in long-term value creation that supports business continuity, enhances stakeholder trust and addresses material ESG risks and opportunities.

Strategic focus areas

The sustainability strategy is structured around four strategic pillars that respond to the group's most material sustainability issues.

These pillars are operationalised through defined metrics, governance oversight and annual ESG priorities aligned with business objectives.



1

Enhancing access to affordable healthcare across southern Africa through a broad pharmacy footprint, digital health solutions and community-based clinics.

2

Advancing diversity, equity and inclusion while ensuring that employees and business partners have access to a wide range of development opportunities, a holistic well-being offering, an employee value proposition that fosters engagement and a workplace grounded in ethical principles.

3

Driving supplier responsibility and local sourcing, while embedding ethical procurement standards and improving ESG performance across the supply chain.

4

Reducing energy, water and waste impacts across operations through efficiency initiatives, circularity and climate action.

The group's sustainability approach and strategy *continued*

Six capitals model

Clicks Group adopts a six capitals model to guide integrated thinking and value creation across multiple dimensions:



Financial capital:

Efficient use of financial resources to deliver long-term shareholder returns.



Manufactured capital:

Investment in infrastructure, technology and logistics to support customer and health services.



Intellectual capital:

Business innovation, digital transformation and brand reputation.



Human capital:

People development, diversity and inclusive employment practices, and employee engagement and well-being.



Social and relationship capital:

Strong stakeholder relationships and inclusive community initiatives that delivers sustainable, positive impact.



Natural capital:

Responsible use of natural resources and reduction of environmental impacts.

This model enables decision-makers to evaluate trade-offs, dependencies and interlinkages between capital inputs and strategic outcomes.

Integrated ESG management

Sustainability is embedded into the group's corporate strategy, risk management and operational planning. Key ESG performance indicators are included in management scorecards and aligned to business-wide goals.

Through alignment with IFRS S1 and S2, and increased participation in ESG assessments such as FTSE Russell, S&P, MSCI, ISS ESG and CDP, the group is strengthening disclosure, improving transparency and benchmarking performance against global peers.

Sustainability risks and opportunities, including those related to climate, supply chain ethics and human rights, are evaluated through regular materiality assessments and stakeholder engagement, with climate scenario analysis guided by the TCFD.

A purpose-driven path forward

As the group enters its next phase of sustainability maturity, efforts will focus on operationalising ESG across the value chain, deepening accountability mechanisms and accelerating measurable impact. With clear direction, collaborative governance, and the right investment in people and systems, the group is well positioned to thrive while contributing meaningfully to the social development, environmental stewardship and economic resilience of the countries in which it operates.

Governance

The group's sustainability governance framework ensures ethical leadership, strategic oversight and the effective integration of ESG principles across the organisation. The governance structure enables the group to align with leading frameworks such as IFRS S1 and S2, GRI Standards and the United Nations SDGs.

Board oversight and executive accountability

Ultimate accountability for sustainability lies with the group's board of directors. The audit and risk committee (ARC) plays a central role in overseeing the group's ESG-related risk management, regulatory compliance and the integrity of sustainability disclosures. The social and ethics committee (SEC) provides holistic ESG oversight, focusing on the group's performance in social responsibility, environmental stewardship, ethical conduct and transformation initiatives.

The group executive committee is responsible for implementing the sustainability strategy, with the group sustainability and transformation manager reporting directly to the chief people officer and providing regular updates to the SEC and ARC. ESG-related key performance indicators are integrated into executive scorecards and business unit objectives, ensuring sustainability remains a core part of decision-making.

Operational integration of sustainability

The group follows a decentralised integration model for ESG, supported by a cross-functional group Sustainability Forum that meets quarterly. This forum, comprised of senior managers and internal champions from various departments, ensures that the sustainability strategy is implemented across all operations, including retail stores, distribution centres, clinics and corporate offices.

Through collaboration, knowledge sharing and continuous improvement, this model enables the group to drive progress across four sustainability pillars: healthcare network, empowering people, sourcing with integrity and minimising environmental footprint.

Relevant governance policies, including the code of conduct, ethics policy, anti-bribery and corruption policy, and responsible sourcing guidelines, are reviewed and updated regularly to reflect current legislation and global best practices. A confidential whistle-blowing hotline supports ethical behaviour across the business.

Risk management and transparency

The group's enterprise risk management (ERM) framework captures material risks and opportunities (financial and non-financial) across short, medium and long-term time horizons. Climate-related risks, including energy security, regulatory shifts and supply chain vulnerabilities, will be integrated into scenario analysis in line with the TCFD and IFRS S2.

The ARC oversees the internal controls, assurance mechanisms and risk mitigation actions. ESG risks are also evaluated as part of annual strategy reviews and supply chain audits, ensuring a proactive and resilient approach to business continuity and stakeholder trust.

Sustainability performance and ESG ratings

The Clicks Group maintained high ESG ratings across FTSE Russell, S&P, MSCI, ISS ESG and CDP, reflecting its strong performance in climate strategy, governance transparency, social responsibility and operational ethics. These results validate the group's commitment to responsible business conduct and data integrity, reinforcing investor confidence and long-term value creation.

The group's sustainability approach and strategy *continued*

Materiality and risk assessment

ESG risks and opportunities

While ESG principles are deeply embedded and are foundational pillars in the Clicks Group strategy, in 2025 we have embraced the opportunity to better articulate to stakeholders how our strategy is influenced by, and which opportunities are presented in, ESG matters.

To achieve this we have enhanced our standard risk identification and management process to deliberately consider ESG risks and opportunities as part of the risk management approach.

Risk identification, which is typically embedded into business strategy discussions, has been enhanced with an ESG focus and the resulting ESG risks and opportunities have been separately articulated and incorporated into our consideration of group material issues.

Process

The World Economic Forum (WEF) produced a Global Risks Report (2024), which presents findings of risks and insights from nearly 1 500 global experts and refers to all dimensions of ESG and broader sustainability risks. In particular, the WEF Risk Report uses the following categories:

- economic;
- environmental;
- geopolitical;
- societal; and
- technological.

This report was used as a reference point and catalyst for consideration of the unique set of risks and opportunities that are inherent to, and embedded in, the Clicks Group strategy.

A detailed and specific set of ESG risks and opportunities were identified as part of business strategy review processes. The detailed list is in the annexure, but the key points have been extracted and a summary thereof is presented below.

ESG risk and opportunity landscape

Risk identification, which is typically embedded into business strategy discussions, has been enhanced with an ESG focus and the resulting ESG risks and opportunities have been separately articulated and incorporated into our consideration of group material issues. We conducted a series of structured workshops to identify and consolidate the ESG risks and opportunities most relevant to our business. The process involved collaborative input from leadership, functional experts and ESG specialists, and mapped each risk and opportunity to our top 10 group material issues.

The detailed ESG risk and opportunity mapping exercise helped us identify the most material ESG which could affect our ability to generate long-term value.

The outcomes are aligned with our group strategic pillars and top 10 group material issues.

ESG-linked risks

Our ESG risk landscape reflects both global megatrends and region-specific challenges that have strategic implications for our operations, reputation and resilience:

- **Environmental risks** include the growing threat of extreme weather events, rising emissions and natural resource constraints. These risks have direct implications for supply chain stability, infrastructure durability and brand reputation. Failure to mitigate these environmental risks could disrupt operations and erode stakeholder confidence.
- **Social risks** arise from healthcare accessibility challenges, macroeconomic volatility and employee well-being pressures. Economic headwinds such as inflation or unemployment can reduce consumer purchasing power, while workforce engagement and equitable healthcare access remain central to our societal impact.
- **Technological risks** focus on cybersecurity, the pace of digital transformation (particularly pressures from artificial intelligence (AI)) and the disruption from global online competitors. The integrity of personal and health data is essential, and rapid innovation in digital platforms requires us to adapt continuously while maintaining ethical and secure practices.
- **Governance and regulatory risks** include increasing complexity in ESG reporting, ethical sourcing expectations and potential non-compliance with emerging regulatory frameworks. These factors are material to our licence to operate and investor trust.

Each of these risks has been mapped to the relevant group material issues, such as environment, political and social context; information technology; governance; and brand reputation, to ensure alignment with strategic focus areas.

The full list of ESG risks identified is listed below

ESG category	Risk description	Link to current top group material issues
Technological	Global online retailers disrupt the market	Competition
Economic	A reduction in local or global economic growth or slowdown of economic activity	Political and social context
Technological	General erosion of public trust from misinformation, adverse outcomes of AI and hoaxes	AI; Brand reputation
Societal	Increase in regulation affecting our business	Regulation and compliance
Geopolitical	Geopolitical events causing disruptions in the global supply chain of key products or raw materials	Supply chain
Societal	Widespread corruption in the authorities of the markets in which we operate	Political and social context
Environmental	Increase in disruptive extreme weather events (caused by climate change and weather system shifts)	Supply chain
Societal	Deterioration or breakdown of key infrastructure which enables business and the economy (roads, rail, water, sewerage, etc.)	Political and social context; Trading environment
Environmental	Increased environmental legislation around packaging and emissions as well as greater labour standards	Regulation and compliance
Technological	Targeted cyberattacks where sensitive, confidential or protected information is accessed by an unauthorised individual or entity.	Information technology
Technological	Growth in AI tools	Information technology; Competition
Environmental	Greater energy use and negative environmental impact	Environment
Societal	Deterioration in working conditions of staff	People and employee value proposition
Environmental	Scarcity or disruptions in basic resources such as power and water	Trading environment; Political and social context
Economic	Increased rates of inflation causing cost increases	Trading environment (macroeconomic context)
Societal	Negative impact on health of communities (because of our failures)	Political and social context



The group's sustainability approach and strategy *continued*

ESG-linked opportunities

Alongside the risks, we have identified key opportunities within the realm of ESG that offer a competitive edge and opportunity for long-term value creation:

- **Environmental opportunities** centre on emissions reduction, circular economy practices and climate-resilient supply chains. Initiatives such as route optimisation, electric fleet investments and packaging innovation offer not only sustainability benefits but also operational efficiencies.
- **Social opportunities** include using our existing footprint to expand healthcare to our communities, improving access to wellness solutions and enhancing employee value propositions. These efforts strengthen our community relationships, and align with our transformation and equity goals.
- **Technological opportunities** arise from AI integration, automation and enhanced data analytics. These solutions improve customer experience, operational efficiency and risk management, particularly in fraud detection and inventory control.
- **Governance and regulatory opportunities** focus on strengthening ESG transparency, embedding sustainability into supplier standards and reinforcing board oversight on sustainability matters.

Each opportunity has been cross-referenced with our material issues, including digital innovation, health equity, operational effectiveness, stakeholder engagement and ESG integration, to ensure we are building on our strengths and priorities.

The full list of ESG opportunities identified is listed below:

ESG category	Opportunity description	Link to current top group material issues
Societal	Leverage our footprint	Political and social context; Brand and reputation
Technological	Leverage AI for business benefit	Strategy and execution
Societal	Be a trusted source and drive inclusivity	Political and social context; Brand and reputation
Environmental	Leading environmental initiatives	Environment; Brand and reputation
Environmental	Reduction in CO ₂ emissions	Environment; Supply chain
Environmental	Circular economy/industrial symbiosis	Environment
Environmental	Build a supply chain and network that is resilient to extreme weather events	Environment; Supply chain
Societal	Leverage Clicks' competencies to create new businesses or expand existing markets	Trading environment; Brand and reputation
Societal	Grow affordability segment	Trading environment; Brand and reputation
Environmental	Biodiversity and environmental damage may require additional healthcare support	Environment
Societal	Opportunity to train, grow and develop people	Political and social context; Brand and reputation; People and employee value proposition
Environmental	Focused product range	Environment; Brand and reputation
Environmental	Positive environmental impact	Environment; Brand and reputation
Environmental	Localisation and route optimisation	Environment; Brand and reputation



Double materiality

In line with global best practice and emerging regulatory expectations, in 2025 the group applied a double materiality approach to assess and report on ESG matters.

This means it evaluates each topic from two complementary perspectives: financial materiality (the extent to which an ESG matter could influence its business model, financial performance or enterprise value) and impact materiality (the significance of its actual or potential impacts on people, communities and the environment).

For the group this dual lens is critical: its operations not only respond to market and financial drivers, but also directly affect patient well-being, community health, workforce livelihoods and the sustainability of natural resources.

In 2025 the group started this process of assessing its double materiality by mapping the ESG risks and opportunities identified across both financial and impact dimensions to assist in ensuring that its strategy, disclosures and actions address the issues most relevant to long-term value creation and to its responsibilities as a trusted healthcare provider in southern Africa.

The group's sustainability approach and strategy *continued*

Stakeholder engagement

The ESG risks and opportunities identified from the process described above were evaluated to determine their significance from both a financial and stakeholder impact perspective.

This process combined internal expertise with direct stakeholder engagement to ensure a balanced and evidence-based outcome. In 2025 input was gathered from a small subset of stakeholders. As we mature and expand this process, broader stakeholder engagement will be performed to include stakeholders such as customers, patients, employees, suppliers, industry associations, regulators and community representatives.

The insights gained from workshops and stakeholder engagements were used to determine a qualitative assessment of each issue's potential financial effect on the business, as well as the severity and reach of impacts on people, communities and the environment.

This inclusive approach ensured that the materiality matrix reflects the ESG topics most relevant to both long-term value creation and our responsibility as a healthcare retailer.

Double materiality - impact threshold definitions

Financial impact

Impact can be defined as the extent to which a risk negatively affects the ongoing operations or threatens the long-term sustainability of the organisation. In line with the group's risk management framework, financial impact is evaluated on a scale of 1 to 10, considering potential implications across financial, people, compliance and overall organisational dimensions.

The financial measurement is adjusted annually with reference to the reported results of the previous financial period. The group uses a percentage of profit before tax as the indicator of the impact of the risk materialising.

This standard scale, used for determining financial impact, is used as a guide to determine financial impact for double materiality assessment, however using a broader scale of low, medium or high, as indicated in the conversion table below.

Rating	Description	Financial impact (percentage of profit before tax)	Mapping for double materiality matrix
1	Insignificant	Below <0.5%	LOW
2	Insignificant	0.5% to 1%	LOW
3	Minor	1% to 1.5%	LOW
4	Minor	1.5% to 2%	LOW
5	Moderate	2% to 3%	MEDIUM
6	Moderate	3% to 4%	MEDIUM
7	Major	4% to 5% (external audit materiality)	MEDIUM
8	Major	5% to 7%	HIGH
9	Major	7% to 9%	HIGH
10	Catastrophic	>9%	HIGH

The group's sustainability approach and strategy *continued*

Impact materiality

To assess the significance of ESG issues beyond financial performance, the group developed an impact materiality lens which considers the extent to which its operations, products or decisions may affect key stakeholders, including customers, employees, communities, regulators and the natural environment.

The table below defines three levels of stakeholder impact materiality, namely high, moderate and low, based on the nature, scale and duration of potential or actual impacts. These definitions are tailored to the context of a healthcare retail business and are informed by leading sustainability standards and stakeholder expectations.

This approach ensures that the group recognises and prioritises ESG issues not only for their financial relevance, but also for their broader societal and environmental implications.



Impact level	Definition	Indicative thresholds	Possible examples
High stakeholder impact	The issue causes, or is likely to cause, significant and widespread negative or positive impacts on key stakeholders, such as patients, employees, communities, regulators or the natural environment. These impacts may involve human rights, health outcomes, regulatory attention or irreversible environmental damage.	• Affects large populations (e.g. national patient base) • Triggers regulatory or media scrutiny • Involves vulnerable groups (e.g. low-income patients, frontline staff) • Results in long-term or irreversible harm	• Breach of patient data confidentiality under the Protection of Personal Information Act (POPIA) or General Data Protection Regulation (GDPR) • Improper disposal of expired pharmaceuticals contaminating water systems • Use of misleading health claims in product marketing • Workforce safety violations in distribution centres
Moderate stakeholder impact	The issue has a noticeable but limited impact on stakeholders, either in scope or duration. Impacts may be indirect, temporary or isolated, and typically do not result in widespread concern but may influence reputation or trust within certain stakeholder groups.	• Affects specific communities or customer segments • May trigger internal reviews or customer complaints • Involves correctable impacts over the short to medium term	• Delays in medicine delivery affecting chronic patients • Limited access to healthcare services in rural stores • Employee dissatisfaction or minor grievances related to shift patterns • Non-compliance with voluntary ESG certifications or standards
Low stakeholder impact	The issue has minimal or negligible impact on stakeholders, typically limited to operational, administrative or technical matters. Effects are unlikely to affect stakeholder trust, well-being or external perceptions.	• Affects internal teams only • Easily resolved or contained • Limited or no external visibility or concern	• Inefficient energy use in lighting • Routine product packaging that is not biodegradable • Missed internal diversity targets with no external impact • Infrequent engagement with local non-governmental organisations (NGOs) or community partners

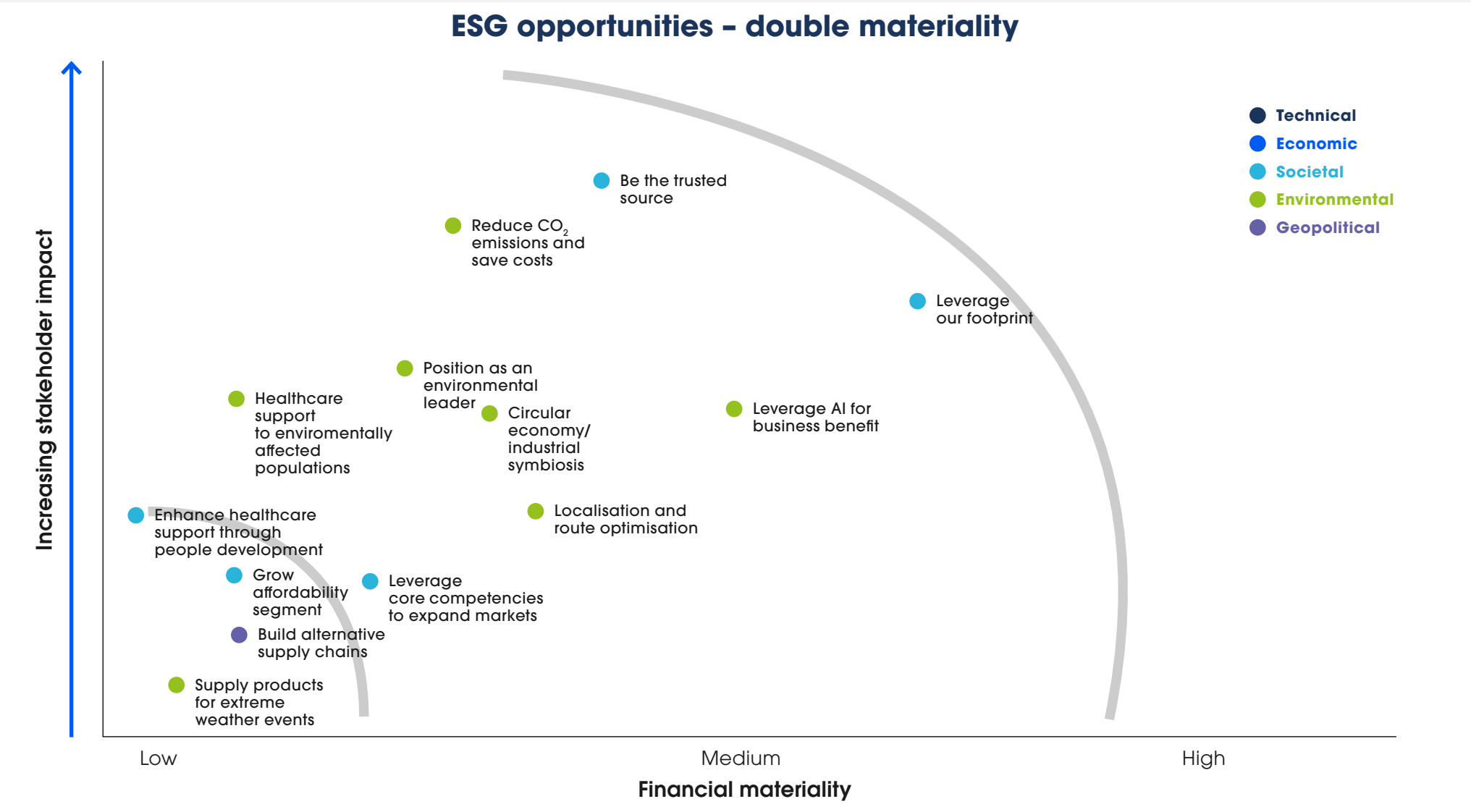
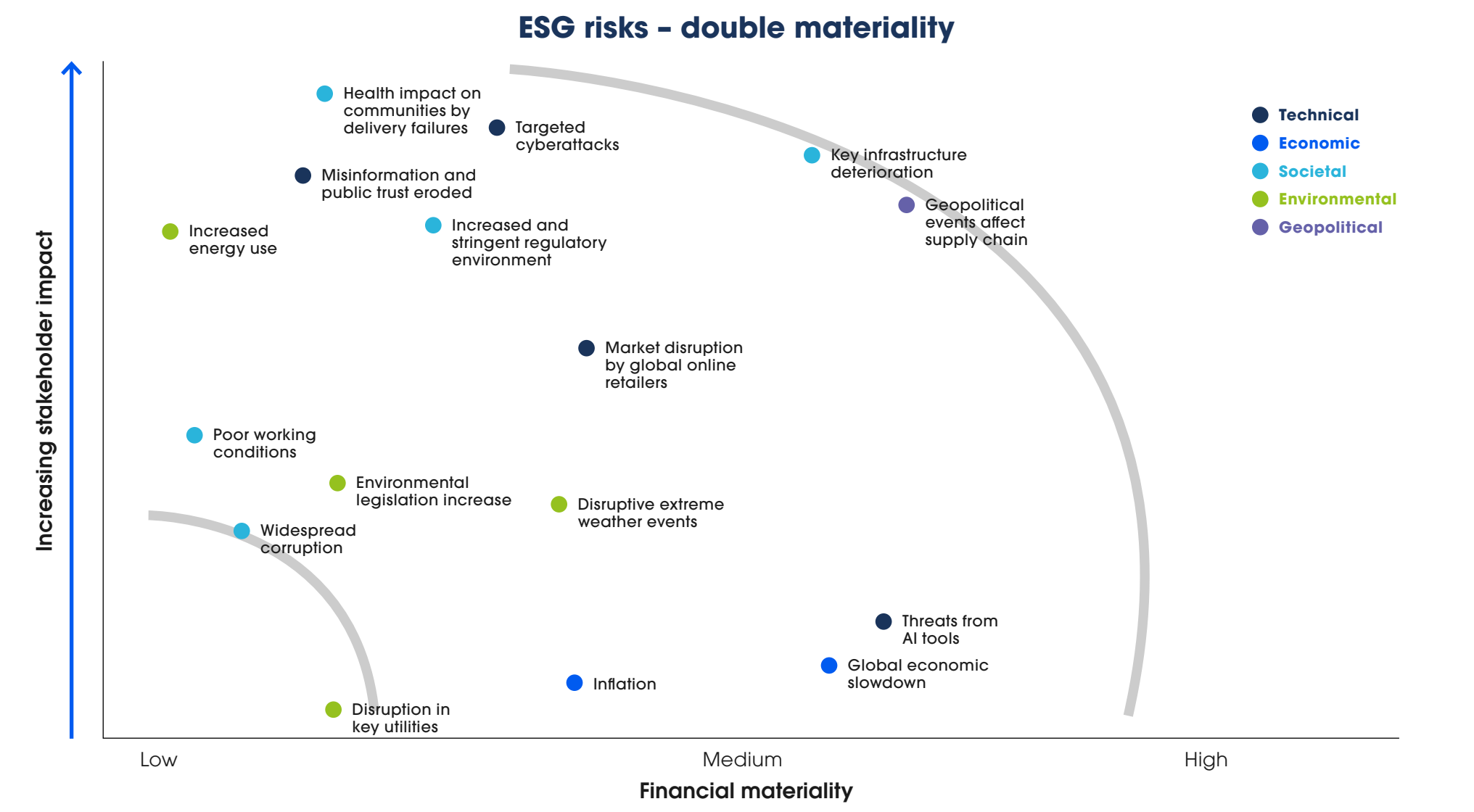
The group's sustainability approach and strategy *continued*

2025 double materiality assessment

Using the perspectives articulated above (financial materiality, which measures the potential impact on our financial performance and strategic objectives, and impact materiality, which assesses the significance of our activities on stakeholders, communities and the environment) the group mapped each of the identified ESG risks and opportunities.

This dual lens ensures we focus on the issues that are not only commercially important but also shape the group's reputation, relationships and licence to operate.

The graphs alongside show how each risk and opportunity sits within this framework, highlighting where our greatest challenges and most promising opportunities lie.



Metrics and targets

The group has established clear ESG deliverables, supported by measurable metrics and targets, to track progress against its ESG commitments. These targets reflect our ambition to drive operational efficiency, promote inclusivity and transformation, and maintain strong governance standards that safeguard stakeholder trust. The following table outlines the key ESG targets and performance indicators.

Pillar	Key targets
Environmental	4 500 MWh renewable energy generation annually 70% annual waste recycling target 10% emissions reduction by 2030 and carbon neutrality by 2050
Social	- Minimum of 4% net profit after tax (NPAT) allocated to socio-economic development (SED) (1%) and enterprise and supplier development (ESD) (3%) - Group BBBEE level 4 and UPD BBBEE level 2 certification (subject to sector code revisions) 80% employee engagement survey participation 70% satisfaction rate and 2% increase in the employee engagement survey - Maintain Top Employer certification - Approved human rights, diversity and inclusion framework with work plans
Governance	- Biannual ESG reviews by the SEC and ARC, with quarterly board updates - Zero adverse audit findings - Zero material breaches of legislation, regulation or customer data privacy



04
Performance
review

Performance review

1 Building a trusted, accessible healthcare network

Clicks Group remains steadfast in its mission to deliver affordable, high-quality healthcare products and services through an ever-expanding, accessible network. In 2025 the group made substantial strides in reaching more customers and communities with the care they need.

Network expansion: This year saw the opening of net 55 new Clicks stores and net 60 additional in-store pharmacies, extending the group's footprint to a total of over 990 retail outlets nationwide. These expansions bring convenient pharmacy and clinic services closer to both urban and rural populations. By calendar year-end 2025 the group remains on track to approach the 1 000-store milestone, reinforcing its position as South Africa's leading pharmacy network.

Clinic services: Alongside pharmacy expansion, Clicks continued to grow its primary healthcare clinic network. There are now 225 in-store clinics offering preventative care, health screenings, immunisations and family planning services. Through the CHHT the group's clinics provided free primary healthcare consultations to vulnerable individuals without medical aid, reaching 131 855 beneficiaries in 2025. This initiative, funded in part by the Trust and partner donations, ensures that low-income and uninsured patients can access basic health services at no cost.

Innovative healthcare solutions: Clicks leveraged technology and partnerships to enhance healthcare accessibility. The Clicks Virtual Doctor service was rolled out to more pharmacies, enabling customers to consult with licensed doctors via telemedicine booths in-store. This innovation has been especially impactful in areas with doctor shortages, allowing patients to receive remote medical advice and prescriptions conveniently. Additionally, select pharmacies now offer extended hours and online prescription refills, providing flexible access to medication and advice.

Community outreach: In 2025 the group strengthened its community healthcare initiatives, most notably through its partnership with Transnet's Phelophepa Health Trains, two fully equipped mobile clinics operating on rail to reach remote and underserved communities. Through this sponsorship the trains were able to provide healthcare services to more than 697 000 patients across South Africa during the 2024 calendar year. These mobile units deliver professional services in optometry, dentistry, psychology, primary healthcare and other psychosocial interventions, reaffirming its commitment to extending quality healthcare beyond its fixed store network. The group also launched health education drives, such as school-based wellness workshops on topics like oral hygiene and adolescent health. For example, Clicks partnered with a leading oral care brand to provide free dental check-ups and hygiene education to children at local primary schools. These outreach programmes build trust in the group's brand and promote healthier lifestyles in the community. In addition, the group's

Student on the Go programme, an intervention initiated by the University of the Witwatersrand, now supports over 16 300 vulnerable students (2024 pilot: 1 190) with access to sanitary towels, further bolstering the fight against period poverty. The programme has been expanded to include the University of the Western Cape (UWC), North-West University (NWU), University of KwaZulu-Natal (UKZN) and Nelson Mandela University (NMU). While the original pilot enabled students to redeem products through the Clicks ClubCard at conveniently located Clicks stores, the model has evolved to distribute products through vending machines situated on university premises, further enhancing accessibility and convenience. The group's outreach initiatives apply a diversity, equity and inclusion (DEI) lens to their delivery, embedding stakeholder engagement as a core principle to promote equity and critically generate meaningful impact in a sustainable and dignified manner.

Affordability and trust: To further cement its status as a trusted healthcare partner Clicks continued offering cost-effective generic medicines and wellness products. In 2025 the group expanded its private label generic medicine range, providing more affordable alternatives for chronic and acute treatments without compromising quality. The popular Clicks ClubCard loyalty programme remains a cornerstone of driving affordability, returning over R855 million in cashback rewards to members this year, effectively lowering the cost of health essentials for millions of customers. By combining an expansive footprint, community engagement and a value-for-money proposition, the group empowered customers to lead healthier lives with confidence in the quality and accessibility of care.



Performance review *continued*

2 Empowering motivated,
passionate people

The group recognises that its people are the engine of its sustainability journey. In 2025 the group continued to invest in a supportive, inclusive workplace that empowers employees to thrive, grow and deliver excellent service. Key focus areas include a high-performance ethos, DEI, employee engagement, employee wellness, workplace safety and driving ESD.

Driving high performance across the organisation: The group remains steadfast in cultivating a strong, diverse and future-ready leadership team that drives an agile, inclusive and high-performance culture. This leadership approach has been critical in sustaining high levels of employee engagement and customer centricity, supporting another year of robust financial and operational performance while reinforcing the group's long-term sustainable value creation.

The group's high-performance ethos is underpinned by strong governance, a culture of accountability and ownership, and a mature performance management framework that integrates ESG objectives. Performance metrics are co-developed between leaders and employees, ensuring alignment with the group's strategic priorities, operational plans and sustainability commitments, while maintaining clear linkages to the total reward framework.

A comprehensive suite of learning and development initiatives, including targeted training, leadership development and job rotation opportunities, support talent engagement, retention and advancement, with a particular focus on fostering DEI.

The group's structured biannual performance reviews assess multiple dimensions of impact, including financial outcomes, operational excellence, customer satisfaction, innovation, leadership behaviours, adherence to organisational values and the achievement of ESG targets. This integrated approach strengthens leadership capability, embeds sustainability across business operations and ensures the group remains accountable to stakeholders, positioning Clicks as a responsible corporate citizen and a leader in sustainable business practices.

ESG-linked remuneration

The group integrates ESG performance across all levels of the organisation, with remuneration for employees, including executives, linked to achieving defined ESG outcomes. This approach reinforces accountability, aligns individual performance with the group's sustainability priorities and ensures that ESG principles are embedded in everyday business decisions.

The group's ESG-linked remuneration framework covers four key areas applied as a downwards modifier, measured through specific targets and weighted to reflect strategic importance with an aggregate ESG modifier score of 15%:



ESG area	Measure	Target/KPI	Weighting
Composite ESG	Maintain leadership positioning on FTSE4Good Index	Relative to sub-sector average for drug retailers and consumer services industry average	6%
Environmental	Renewable energy usage	Increase solar energy usage to ≥ 4 500 MWh	3%
Social (DEI and BBBEE)	BBBEE rating	Group: Level 4 or better; UPD: Level 2 or better (aligned to road freight industry scoring)	3%
Governance	Data privacy and security	No material breaches of customer privacy; maintain data security	3%

Performance review *continued*

The group’s structured performance management process delivers several strategic advantages:

Purposeful goal setting: Objectives are thoughtfully defined to ensure clear alignment between the group’s strategy; operational plans; and the performance of teams, individuals and the business as a whole.

Ongoing performance dialogue: Regular discussions between line managers, employees and peers provide timely, performance-focused feedback, supporting output-driven delivery and fostering productive, collaborative relationships. The group’s guidelines recommend a minimum of monthly one-on-one sessions between managers and employees, complemented by regular informal interactions. These structured and ongoing

engagements support continuous performance feedback, strengthen working relationships and foster a culture of open communication (the group encourages 360° feedback), accountability and employee development.

Employee empowerment and accountability: The process emphasises enabling employees to take ownership of execution, both independently and collaboratively, to deliver meaningful impact and sustainable value. This approach is anchored in the group’s Delivering, Resilience, Integrity, Visionary and Enterprising (DRIVE) leadership model, which reinforces ethical decision-making, innovation and operational excellence across the organisation.

By integrating clear expectations, continuous feedback and leadership development within this framework, the group ensures that

performance management not only drives business results but also strengthens accountability, talent capability and sustainable organisational growth.

Diversity, equity and inclusion: As one of the most transformed companies in the industry, the group remains committed to fostering a diverse, equitable and inclusive workplace that reflects the communities in which it operates. The group’s approach extends beyond its workforce, applying DEI principles across the marketplace, including its supplier base and commercial partners, and the broader communities it serves, primarily through its two registered non-profit organisations (NPOs) and public benefit organisations (PBOs): the Clicks Helping Hand Trust and the New Clicks Foundation Trust.

The group’s global leadership in gender equality is demonstrated on multiple levels including its engagement with international initiatives. As a member of the UN Global Compact (UNGC) the group has been a signatory and active participant to the Women’s Empowerment Principles (WEPs) since 2021. In October 2024 the group advanced from the “Achiever” to the “Leader” category in the WEPs Gender Gap Analysis Tool, increasing its score from 79% to 89%. This achievement reflects significant policy and framework improvements, underlining the group’s leadership in gender equality across leadership and strategy, workplace, marketplace and community levels. The group is focused on increasing its level of transparency and guiding other organisations through its participation on the UNGC network.



The group’s commitment to transformation is further evidenced by its level 3 BBBEE status in 2025, reflecting progress in employment equity, skills development and procurement from black-owned suppliers and exceeding the regulatory targets for supplier, enterprise and socio-economic development.

The workforce in 2025 was 62% female and drawn from a multitude of cultural backgrounds, while the leadership team also grew more diverse as is depicted in the below workforce profile and highlighted statistics.

South African workforce

Occupational level	Males				Females				
	African	Coloured	Indian	White and NSA	African	Coloured	Indian	White and NSA	
Top management	2	3	3	10	3	3	–	3	27
Senior management	13	11	9	21	15	9	8	16	102
Middle management	226	80	58	113	303	103	100	180	1 163
Junior management	951	245	51	63	1 555	620	138	294	3 917
Semi-skilled	4 608	606	40	55	6 866	1 477	76	123	13 851
Unskilled	44	2	–	1	92	1	–	–	140
Total employees	5 844	947	161	263	8 834	2 213	322	616	19 200



Performance review *continued*

Several initiatives have been implemented to support inclusion, including unconscious bias training for managers as well as various training and development programmes targeting youth and talent from historically disadvantaged communities. This approach aligns with the group’s ethos of extending its operations to all communities and prioritising the recruitment of employees from the communities in which it operates, thereby supporting both local economic development and social inclusion. People-oriented policies underpin equitable workplace practices, including generous maternity leave, gender-conscious talent development opportunities and maintenance of a 1:1 gender pay ratio.

KPI/Data point	Unit/ Measure	2025	2024	2023
% Female workforce	%	62%	62%	63%
% Female on board of directors	%	50%	44%	40%
% Female in top management occupational level	%	33%	36%	35%
% Female in senior management occupational level	%	47%	38%	46%
% Female in middle management occupational level	%	59%	58%	59%
% Female in junior management occupational level	%	67%	67%	67%
% Female in semi-skilled occupational level	%	62%	61%	61%
% Females in unskilled occupational level	%	66%	64%	74%
% Female promotions	%	64%	61%	64%
% Female new hires	%	53%	53%	54%
Gender pay ratio (female:male)	Ratio	1:1	1:1	1:1
% Employees from designated groups in new hires	%	99%	99%	99%
% Employees from designated groups in promotions	%	99%	99%	99%
% Youth employees (under 35, per SA definition)	%	64%	59%	56%
% Employees with disabilities	%	2%	2%	3%
BBBEE contributor level	Level	3	3	4
UNGC/WEPs Gender Gap Analysis score	%	89%	79%	63%
Retention rate of women 12 months after returning from maternity leave	%	85%	81%	78%
Retention rate of men 12 months after returning from parental leave	%	87%	80%	75%

* South African-based operations.

Training and development to drive the talent pipeline: The group provided comprehensive training and career development opportunities to employees at all levels. In the past year staff across the retail, distribution and corporate teams completed a total of 2 246 314 hours of training (2024: 2 145 564 hours) through a multitude of interventions including e-learning modules, classroom sessions, on-the-job training and various accredited learning programmes. These included dedicated upskilling programmes for critical roles, for example the pharmacist internships and bursaries to address the national shortage of pharmacists, ensuring a pipeline of skilled professionals for its growing pharmacy network. Leadership development also remained a priority, with initiatives like mentoring and management training helping to build an agile, high-performance culture.

The ongoing shortage of skills in the retail and healthcare sectors continues to pose a strategic risk for the group and the broader industry. To address this challenge the group implements a comprehensive learning and development strategy, underpinned by registered learning academies that focus on building operational and specialised skills alongside a bursary programme to develop future talent.

Complementing this, the group’s talent management strategy is designed to attract, develop and retain the most skilled and capable individuals in the market. This approach prioritises performance enhancement at both the individual and organisational levels, ensuring business continuity, accelerating workforce transformation and supporting the group’s DEI and ESG commitments.

In 2025 the group invested R230 million in learning and development, providing opportunities to over 6 034 employees. Training programmes encompassed on-the-job development, accredited learnerships, short courses and formal academic qualifications. Of those trained, 97% were black employees, with women comprising 63% of this group, reinforcing the group’s commitment to equity and inclusion. These initiatives contributed to the promotion of 1 612 employees, while 450 learner basic pharmacy assistants were registered, demonstrating a strong pipeline for future talent in critical roles.

To build and sustain a high-quality talent pipeline, the group continues to implement a variety of initiatives, including:

- an annual meritorious, obligation-free bursary programme for South African university students, originally focused on pharmacy, now expanded to commercial and technical fields such as data science, information technology (IT), supply chain and logistics;
- internship and graduate placement programmes across retail, corporate and technical functions;
- retail graduate and IT learnership programmes, designed to fast-track operational and technical capabilities;
- accredited training programmes for store management and other key operational roles, ensuring high standards of service delivery; and
- a leadership development programme aimed at strengthening management capability and supporting robust succession planning.



Performance review *continued*

Additionally, the group maintains a specialised recruitment team, dedicated to sourcing talent across all levels, from interns and graduates to qualified post-basic professionals, ensuring a continuous inflow of skilled personnel to critical roles.

By combining targeted training, equitable development opportunities and proactive talent management, Clicks Group ensures a resilient, future-ready workforce while reinforcing its ESG performance through workforce DEI, measurable skills development and sustainable talent pipelines.

KPI/Data point	Unit/Measure	2025	2024	2023
Total investment in learning and development	ZAR million	230	185	135
Total employees receiving training	Number	6 034	6 014	4 273
% of trained employees from black designated groups	Percentage	97	96	96
% of trained employees who are women	Percentage	63	64	66
Total employee promotions	Number	1 612	1 885	1 773
Number of pharmacy assistants (NC) trained	Number	450	534	526
Number of pharmacy assistants (FET) trained	Number	218	394	294
Number of bursaries awarded	Number	145*	35*	86
Bursaries granted	ZAR million	7.3*	2.3	5.1
Number of pharmacy interns	Number	83	42	46
% of employees completing accredited training programmes	Percentage	11	13	9
Retention rate of trained employees	Percentage	78	74	76
Average training hours per employee per year	Hours	112	109	130
Total training hours delivered across the organisation	Hours	2 246 314	2 145 564	2 394 992
Number of promotions linked to training completion	Number	449	309	406

* The lower 2024 and higher 2025 bursary numbers reflect the timing of payments aligned to the group’s financial year rather than the academic calendar year.



Employee engagement: The group conducted an organisation-wide employee engagement survey to assess commitment, motivation and the overall employee experience. The survey achieved an exceptional 86% participation rate and delivered an engagement index of 67%, with 72% of employees classified as engaged and only 11% actively disengaged, results that compare favourably with both global and regional benchmarks.

The 2025 employee engagement survey reflected strong organisational alignment and role clarity, with 89% of employees reporting they clearly understand what is expected of them and 78% indicating they can apply their strengths in their daily work. Recognition, with a score of 49%, was identified as the primary area for enhancement and requiring intervention.

These results reaffirm the group’s high-performance culture and its alignment with best-practice human capital management principles recognised by leading ESG frameworks, including the UN SDGs (SDG 8: Decent Work and Economic Growth) and Global Reporting Initiative (GRI) Standards on Employment and Labour Practices.

Engagement analysis was conducted across gender, cultural background, designated groups and hierarchical levels, with the group encouraged to find consistent scores across all demographic dimensions, underscoring inclusivity and equity in the employee experience.

The results are currently being cascaded throughout the organisation, with impact-driven action plans being developed to address priority areas. To address identified improvement areas, the group will initiate targeted interventions to strengthen employee recognition programmes, enhance workplace culture and improve cross-level communication. These initiatives will be measured through specific key performance indicators (KPIs), including recognition participation rates, employee Net Promoter Score (eNPS) and engagement index improvements, with results disclosed in subsequent reports.

Employee wellness

In response to South Africa’s socio-economic disparities and the daily challenges faced by many citizens, the group has continued to expand and enhance its employee well-being programme (EWP) to alleviate pressure on employees and their families. The programme goes beyond the standard employee assistance programme model, offering an integrated, proactive approach that addresses the physical, mental/emotional, financial and social well-being of the workforce. This holistic focus recognises that a healthy, supported workforce is essential to sustainable business performance and long-term value creation.

Employees have access to a comprehensive suite of services, including confidential counselling, mental health support, financial planning advice and legal guidance.

Education and awareness initiatives promote healthy lifestyles, stress management and financial literacy. Standardised health and safety protocols are consistently implemented across all retail stores, distribution centres, regional offices and the group’s head office.

On the financial pillar, the programme offers employees exclusive preferential rates with three leading South African banks (Standard Bank, FNB and ABSA) supporting financial inclusion, security and long-term prosperity. Employees also enjoy discounted memberships with Virgin Active, promoting active, healthy living.

The effectiveness of the EWP is continuously monitored using utilisation data, impact assessments and employee feedback surveys. Insights from this evidence-based approach enable targeted interventions for at-risk groups and ensure resources are allocated for maximum impact.

The EWP provides 24/7 multilingual support in all 12 official South African languages, with benefits extended to employees’ immediate family members. A dedicated mobile app increases accessibility, providing on-demand resources, self-help tools and direct connections to support services. In FY2025, 10 925 employees accessed EWP services (an increase of 27% compared to the prior year) signalling a growing culture of proactive wellness engagement.

Wellness Days, held across the group, provided free health screenings, including blood pressure, glucose, cholesterol, body mass index and HIV testing, with employee participation increasing to 900 (2024: 853). To strengthen financial resilience and ensure equitable access to healthcare, the group provides either primary health insurance or medical aid to 82% (2024: 80%) of employees.

Performance review *continued*

These initiatives have delivered measurable results. Employee engagement scores in the “Well-being and Support” category reached 71%, among the highest-scoring dimensions in the 2025 engagement survey.

Embedding a culture of safety

Clicks Group is committed to fostering a culture of safety and well-being across all operations. Occupational health and safety (OHS) is decentralised, with each business area responsible for implementing, maintaining and continually improving safety practices relevant to its operational context.

Health and safety responsibilities are embedded within each division, tailored to the risks and requirements of the respective work environments. UPD distribution centres operate under ISO-certified safety management systems, while Clicks distribution centres and the group’s head office align with ISO principles and best practices. This decentralised approach ensures that site-specific safety risks are proactively addressed and relevant protocols applied consistently.

Each department conducts monthly safety reporting, with consolidated feedback submitted to the sustainability department on a biannual basis. In the event of critical safety incidents, direct escalation to group executive (GE) leadership occurs, enabling swift intervention and implementation of mitigation measures.

Weekly scorecard meetings are held within business areas where safety metrics such as incident rates, lost-time injuries and safety observations are tracked, reviewed and addressed. These operational forums allow management teams to remain agile and responsive to emerging risks, while embedding accountability at all levels.

Safety is further supported by dedicated occupational health representatives and internal champions, who ensure that safety briefings, awareness campaigns and risk assessments are conducted regularly.

Staff across the business receive safety induction training, regular refresher sessions and site-specific operational training which includes topics such as first aid, fire prevention, ergonomics and chemical handling, where relevant. Wellness initiatives, employee assistance programmes (EAPs) and on-site health services also contribute to a broader approach to employee well-being.

Continuous improvement is driven through incident investigations, root cause analyses and trend tracking. Lessons learned from near-miss reports and audit findings inform revised standard operating procedures (SOPs) and targeted interventions.

Health and safety indicators

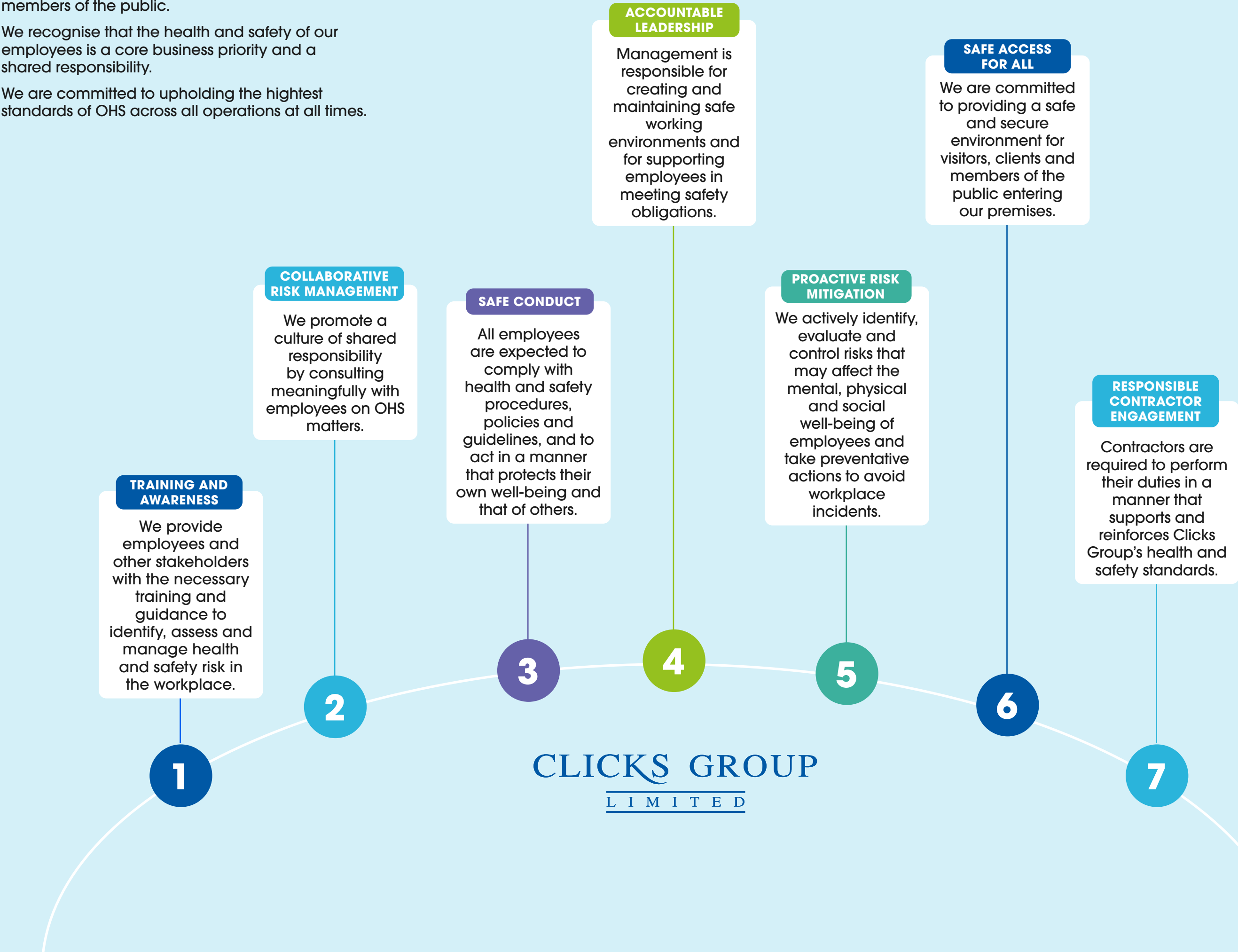
KPI/Data point	2025	2024	2023
Health and safety committee members	1 113	1 119	1 116
Fire marshals	991	969	914
First-aid representatives	1 013	1 014	928
Injuries on duty	261	222	103
Occupational diseases	0	0	0
Lost days	209	394	35
Fatalities	0	0	0
Lost time injury frequency rate	4	-	-

Occupation Health and
Safety Policy Statement

At Clicks Group, we are committed to maintaining a safe, healthy and productive work environment for all employees, contractors, clients, visitors and members of the public.

We recognise that the health and safety of our employees is a core business priority and a shared responsibility.

We are committed to upholding the highest standards of OHS across all operations at all times.



Performance review *continued*

Enterprise and supplier development programme

The group continues to drive inclusive economic growth and sustainable enterprise development through its comprehensive ESD initiatives.

Repair Programme – empowering micro-entrepreneurs

In partnership with the NPO Taking Care of Business (TCB), Clicks delivers the Repair Programme, which empowers local entrepreneurs to participate in the circular economy. The programme provides returned or slightly damaged electrical appliances, which are donated annually to entrepreneurs who repair and resell them. In addition, a structured two-year mentorship and skills development programme equips participants with the technical and business competencies required to sustain and grow their enterprises.

The programme has donated over 132 971 products, benefiting 360 micro-entrepreneurs in the last year. These initiatives have contributed to job creation, business sustainability and the advancement of women-owned and black-owned enterprises, enabling these beneficiaries to earn a living wage whilst learning new skills.

Sorbet-Preneur Programme – employee franchise empowerment

The Sorbet-Preneur Programme, implemented in collaboration with Bidvest Bank, enables selected Sorbet employees to become franchise partners. Beneficiaries receive blended funding, a 50% grant and a 50% interest-bearing loan to help lower the loan repayment obligation), with additional financial support from the group to establish their salons. The programme also includes structured mentorship and skills training, ensuring beneficiaries are equipped for long-term success. In 2025 three female employees were successfully awarded Sorbet franchises through this initiative, reflecting the group’s commitment to gender-inclusive economic empowerment.

Supplier development – strengthening small enterprises

The group’s supplier development initiatives provide targeted support to SMMEs across its retail and commercial operations. Assistance ranges from marketing guidance and technical compliance support to structured capacity-building interventions. In 2025 the group supported 40 SMMEs, with the Clicks supplier development beneficiaries growing at a rate of 28%. 67% of beneficiaries were women, highlighting Clicks’ focus on gender mainstreaming, inclusivity and equitable growth.

Through these combined initiatives, the group demonstrates its commitment to building sustainable local economies, enhancing supplier resilience and driving measurable socio-economic impact.



Performance review *continued*

3 **Sourcing products that uphold the integrity of the brand**

The group’s reputation is built on the trust and quality of the products it offers. In 2025 the group further strengthened its sourcing practices to ensure that every product on its shelves, from private label vitamins to supplier-branded cosmetics, meets high standards for safety, ethics and sustainability. Key efforts centred on rigorous supplier management, ethical procurement and extending the range of products with positive environmental or social attributes.

Quality and compliance: The group maintains a robust framework to guarantee product integrity throughout the supply chain. All prospective suppliers undergo a comprehensive qualification and audit process before they are approved. Each manufacturing site is assessed by Clicks’ quality assurance team and all critical suppliers are periodically reaudited to verify ongoing compliance with legal requirements and Good Manufacturing Practice standards. In 2025 a supplier audit assessment was completed (including environmental, social and quality criteria),

as part of a three-year cycle to evaluate all key private label production facilities. Importantly, 100% of Clicks’ pharmaceutical suppliers have a registered pharmacist overseeing quality control at each distribution point, ensuring that medicines dispensed to customers are safe and effective. A dedicated regulatory compliance unit and a compliance officer track all supplier certifications (such as ISO quality standards, safety accreditations and product registrations) to ensure they remain up to date.

Ethical sourcing and supplier ESG: Clicks Group is committed to sourcing products in a manner consistent with their ethical values and the expectations of stakeholders. The group’s Supplier Code of Ethics and Clicks’ Technical Standards of Operation set clear requirements for labour practices, environmental management and product safety that suppliers must follow. In 2025 Clicks advanced its ethical sourcing programme by conducting targeted ESG evaluations of high-risk suppliers. The technical and buying teams worked closely with suppliers on improvement plans, providing guidance on areas such as reducing factory emissions, improving worker health and safety, and using more sustainable materials. The group also hosted an annual supplier sustainability conference, bringing together suppliers to share best practices and align on future goals. Through such engagements and capacity building, Clicks helps upskill its local suppliers, many of whom are small or medium enterprises, to drive towards world-class standards. This collaborative approach not only mitigates supply chain risks but also strengthens local industry and entrepreneurship in line with the group’s support for local procurement.

Sustainable product offerings: Upholding brand integrity also means ensuring that the products on offer contribute positively to customers’ well-being and the environment. In 2025 the group expanded its range of “sustainable choice” products across multiple

categories. The MyEarth line of eco-friendly household and personal care items grew in popularity; nearly all MyEarth products now feature recyclable or biodegradable packaging and responsibly sourced ingredients. The group introduced new eco-conscious products, such as refillable cleaning product stations in select stores and a range of organic, cruelty-free cosmetics to meet growing consumer demand for sustainability. Furthermore, many of the group’s own-brand products transitioned to greener packaging this year, for example plastic packaging in certain toiletries was replaced with recycled PET plastic and unnecessary packaging components (like plastic windows in gift boxes) were eliminated. These changes not only reduce waste but also reinforce the group’s brand promise of caring for the community and planet. Importantly, product affordability and quality remain paramount even as sustainability is enhanced. By working closely with suppliers on these innovations, the group ensured that new sustainable products met their strict quality benchmarks and remained accessible in price.

Customer health and safety: Throughout 2025 there were zero major product safety incidents, reflecting the success of the group’s proactive product governance. The group’s pharmacies and stores adhere to rigorous operating procedures, pharmacists undergo continuous professional education and store staff receive regular training on product handling, storage and customer

advice. Any product complaints or recalls are managed through a well-defined process: in 2025 the group initiated a precautionary recall of a batch of baby wipes due to a potential quality issue, demonstrating its commitment to consumer safety and transparency. No adverse health effects were reported and swift action protected customers while maintaining trust in the brand. Overall, by embedding integrity into every step of sourcing and merchandising the group ensures customers can trust the quality, ethics and sustainability of the products they buy at any group’s store.



4 Minimising the environmental footprint

The group intensified its environmental sustainability efforts in 2025, working to reduce its carbon emissions, conserve resources and eliminate waste across its operations. Guided by the global climate agenda and national environmental priorities, the group implemented numerous green initiatives to shrink its footprint while improving operational resilience. Key areas of progress include climate change mitigation (energy and emissions), waste reduction and circular economy practices, and water stewardship.

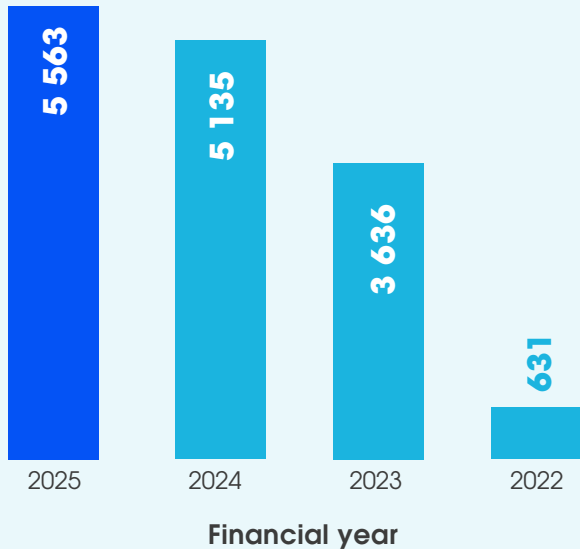
Climate action – energy, emissions and carbon footprint

The group’s climate commitments prioritise accounting for and minimising climate change impact. It has set targets for reducing GHG emissions (Scopes 1, 2 and 3) in line with the Paris Accord.

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	FY2025	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 FY2025	0.172 tCO ₂ e/m ²		5% of renewable energy use

Annual renewable energy output (MWh): 2022 to 2025



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

In 2025 the group saw significant reduction in load shedding incidents by Eskom, which provided a reliable base load of electricity supply. A further 7.9% reduction in Scopes 1 and 2 GHG emissions was achieved compared to the prior year, driven by enhanced energy-efficiency measures and increased use of cleaner energy sources. A significant milestone was the expansion of on-site renewable energy generation, with solar PV panels installed at additional distribution centres and head office. This investment brought total solar capacity to 10 826 MW, producing 5 563 MWh of clean electricity during the year. As a result, renewable energy accounted for 5.0% of total electricity consumption in 2025, an increase from 4.7% in 2024. The reliance on diesel generators for backup power was also reduced, with several sites transitioning to battery storage solutions, further curbing fuel use and associated emissions.



Performance review *continued*

Beyond direct operations, emissions are comprehensively managed across Scope 1 (direct), Scope 2 (indirect from purchased electricity) and Scope 3 (value chain). Disclosure of performance is aligned to leading international frameworks, ensuring transparency and accountability. Progress is anchored in operational efficiency, renewable energy deployment, low-carbon technologies and supplier engagement, with offset mechanisms applied only where unavoidable.

Environmental

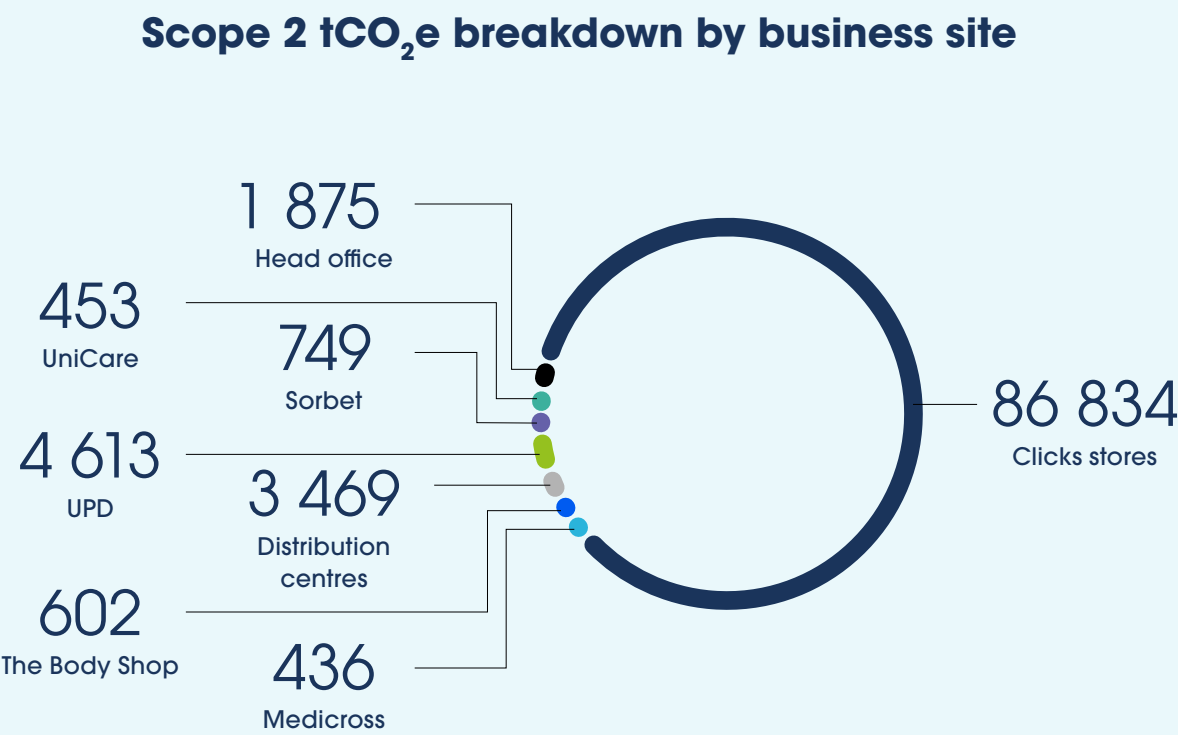
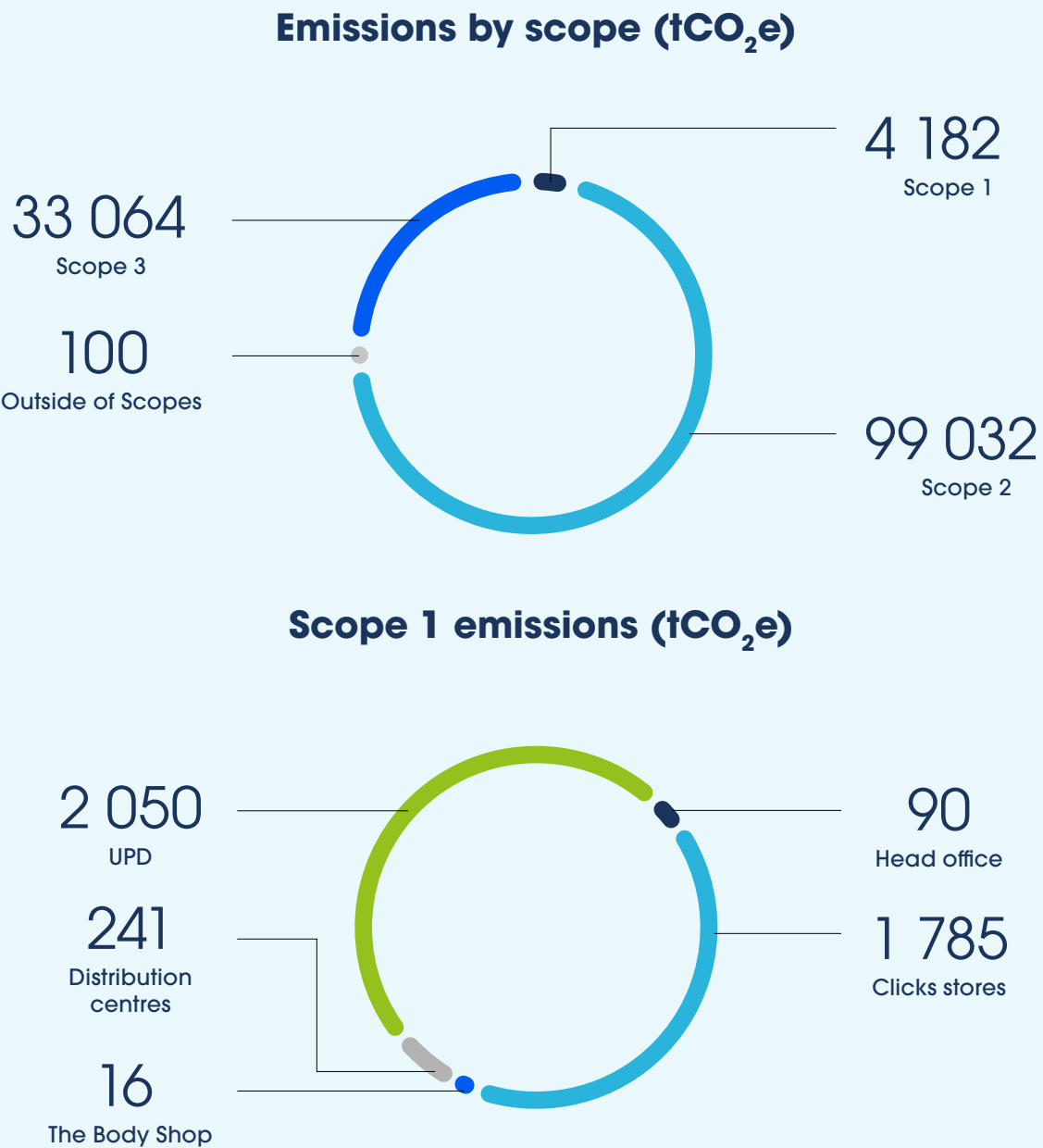
Scope 1 emissions	Stationary diesel combustion	(CO ₂ e) metric tonnes	184
	Mobile diesel combustion	(CO ₂ e) metric tonnes	1 646
	Mobile petrol combustion	(CO ₂ e) metric tonnes	764
	Refrigerant use	(CO ₂ e) metric tonnes	1 588
Total Scope 1 emissions		(CO ₂ e) metric tonnes	4 182
Scope 2 emissions	Purchased electricity	(CO ₂ e) metric tonnes	99 032
Scope 3 emissions	3.1 Purchased goods and services	(CO ₂ e) metric tonnes	92
	3.3 Fuel and energy-related activities	(CO ₂ e) metric tonnes	9 803
	3.4 Upstream transport and distribution	(CO ₂ e) metric tonnes	9 337
	3.5 Waste generated in operations	(CO ₂ e) metric tonnes	2 407
	3.6 Business travel	(CO ₂ e) metric tonnes	1 501
	3.7 Employee commuting	(CO ₂ e) metric tonnes	9 924
Total Scope 3 emissions		(CO ₂ e) metric tonnes	33 064
Outside of Scopes	Refrigerant – R22	(CO ₂ e) metric tonnes	100
Total emissions		(CO ₂ e) metric tonnes	136 379

Embedding climate action into core business strategy assists in reducing environmental impact as well as strengthens the group’s long-term competitiveness. Lower energy costs, reduced exposure to carbon-related risks and enhanced operational resilience directly support sustainable growth while reinforcing the group’s reputation as a responsible and forward-looking organisation.

Driving a green and inclusive future in pharmaceutical logistics

In April 2025 the group, through its distribution subsidiary United Pharmaceutical Distributors (UPD), partnered with a vehicle manufacturer and a leading lender to launch South Africa’s first fleet of zero-emission, pharma-compliant electric vehicles (EVs) with solar-powered refrigeration.

The 42 Maxus eDeliver 3 panel vans operate in Gauteng and the Western Cape, delivering medicines and healthcare products with no tailpipe emissions while maintaining strict cold-chain compliance.



Innovation in green logistics

These purpose-built light commercial EVs are the first of their kind globally, featuring:

- **Solar-powered refrigeration:** Each vehicle offers 6.5 m³ refrigerated capacity and a one-tonne payload, with cooling systems entirely powered by integrated solar panels. Constructed from the same lightweight composite polyvinyl chloride (PVC) used in superyachts, the refrigeration units are 50% (200 kg) lighter than standard boxes, improving efficiency and payload.
- **High performance:** The vans are equipped with 50.5 KWh lithium-ion batteries, delivering a 220 – 250 km range per charge. Regenerative braking, superior torque and rapid acceleration make them highly efficient in stop/start urban routes.
- **Extended cooling autonomy:** Refrigeration units can operate for up to two days without sunlight, supported by an inverter and auxiliary battery system, with the option to draw power from the main EV battery if required.
- **Sustainable charging:** All vehicles are charged using renewable energy sources, including solar and wind power.
- **Smart telematics:** Advanced live tracking and charging support maximised route efficiency, enhances safety and eliminates range anxiety.

Tangible environmental impact

The fleet is expected to save approximately 1 tonne of CO₂ emissions per vehicle per month, translating to:

504 tonnes
of CO₂ avoided annually

2.4 million litres
of diesel saved over
the fleet’s lifetime

6.3 million kg
of CO₂ emissions avoided
over the fleet’s lifetime



These savings directly support the group's 2050 carbon neutrality commitment.

Since becoming operational in May 2025, the EV fleet has travelled a total distance of 751 636 km, saving a total of 224 tCO₂e and 97 712 litres of fuel, equating to a saving of R2.2 million. To further enable this green transition, UPD has expanded its renewable energy capacity by installing 1 170 additional solar panels and high-speed charging stations at key depots, ensuring every EV starts its route fully charged.

Empowering small business ownership

The initiative is also a significant driver of transformation in the logistics sector. All 42 vehicles are incorporated into a key pillar of the group's ESD interventions, the owner driver programme that supports 11 entrepreneurs.

100%
of beneficiaries are
black entrepreneurs

27%
are black female-owned
businesses

85 new jobs
created by the
owner drivers

The programme seeks to enable sustainable livelihoods for the entrepreneurs, supporting business growth while strengthening the group's supply chain.

In addition, renewable energy deployment continued to scale, with solar PV installations generating 5 563 MWh and further reducing reliance on fossil fuels. A stabilised electricity grid lowered diesel consumption for backup generation, cutting Scope 1 emissions. Refrigeration units were upgraded to lower global warming potential (GWP) systems and logistics saw the successful integration of 42 EVs into the UPD fleet, eliminating approximately 504 tCO₂e annually.

These actions highlight the dual benefit of reducing emissions while lowering operational costs.

Waste management and circularity

Progress in advancing a circular economy was notable during 2025. The transition from single-use plastic dispensary bags to sustainably sourced paper bags at pharmacies is expected to reduce the amount of plastic entering the waste stream annually, the group will disclose progress in the next reporting cycle. Gift cards were converted to 100% recyclable, paper-based alternatives and single-use plastics were eliminated across offices and canteens by adopting biodegradable packaging solutions.

Across the supply chain robust recycling practices ensured segregation and recovery of cardboard, paper and plastics, with partnerships established with accredited industry bodies such as eWASA and Polycyco. In total, 69.6% of operational waste was recycled or diverted from landfill.

Pilot refill programmes for household cleaning products and the expansion of recyclable and reusable ranges demonstrated a clear move toward consumer-driven circularity.

Water conservation

Water stewardship has grown in importance against the backdrop of South Africa's increasing water scarcity. Smart metering and leak detection technology reduced consumption by 26.6% at distribution centres and head office, while borehole water systems supplied non-potable water for irrigation and equipment washing, saving 5 833 kilolitres.

Environmental management and compliance

Environmental management remains integral to governance structures, with oversight provided by the social and ethics committee of the board. Compliance with the National Environmental Management Act, National Water Act and Waste Act was maintained throughout 2025, with no significant environmental incidents reported.

Transparency is advanced through alignment with the TCFD and participation in the CDP. Climate-related risks, such as severe weather events, were incorporated into the enterprise risk management framework, supported by updated contingency plans.

The combination of reduced emissions, improved energy and water efficiency, and enhanced waste management in 2025 reflects a considered and systematic approach to minimising environmental impacts while reinforcing resilience and stakeholder trust.



05

Goals and future outlook

Goals and future outlook

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.



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.



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.

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.



Goals and future outlook *continued*

Sustainable focus area	Short-term goals	Long-term goals
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	Establish 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).
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.

The group has set the following targets in alignment with the employment equity plan:

2030 Employment equity representation targets

Occupational level	Designated groups (%)	
	Males	Females
Top management	24.20%	27.50%
Senior management	35.00%	38.60%
Middle management	42.20%	46.10%
Junior management	48.10%	46.10%
Employees with disabilities	3.00%	





Working hand-in-hand
with nature. To protect,
heal and regenerate.
And change our world
for good.

CHANGEMAKING
BEAUTY

Effective. Ethical. Vegan.

FOLLOW US ON
@thebodyshop
#ChangemakingBeauty

06

Third-party
verification



Third-party verification

Independent assessment

This report has been reviewed and endorsed by the board’s social and ethics committee. Selected financial-linked and non-financial metrics, such as BBBEE rating and carbon footprint data, have undergone third-party review or independent assurance in line with leading practice.

The verification of the group’s carbon footprint data is done in accordance with ISO 14064-1 standards. This verification evaluates the group’s environmental performance data encompassing all Scopes 1 and 2 emission activity data as well as selected Scope 3 emission activity data. This process is essential in ensuring accuracy, reliability and integrity in the group’s GHG emissions data, reinforcing transparency and accountability in our environmental impact reporting. Recommendations arising from this verification process will be reviewed and incorporated where applicable in line with our commitment to continuous growth and sustainable development.

Certification and awards

Awards and recognition

During the 2024/25 financial year the group reinforced its commitment to excellence, earning industry-wide recognition across multiple areas of its operations. These accolades reflect the group’s unwavering focus on delivering value to its stakeholders through innovation, customer engagement and a positive workplace culture, pillars that underpin its broader sustainability strategy.

The group was once again certified as a top employer by the Top Employers Institute for the 15th consecutive year. This consistent recognition highlights Clicks’ deep-rooted investment in fostering an inclusive, high-performing work environment and supporting the well-being and development of its employees, an essential component of its commitment to social sustainability and human capital development.

The group also reaffirmed its leadership in customer engagement when its ClubCard programme was named South Africa’s Most Used Loyalty Programme in the 2025 Truth & BrandMapp Loyalty Whitepaper. Further awards received at the 2024 SA Loyalty Awards and the Sunday Times GenNext Awards illustrate the group’s ability to offer relevant, data-driven, customer-centric experiences. These achievements align with the group’s sustainability pillar of building a resilient healthcare network, by encouraging repeat access to affordable healthcare, wellness and pharmaceutical products.

Product innovation was recognised through the success of Clicks’ private label brands. Six products (Smudge, Sorbet, Sunprotect, Made4Baby, MyEarth and Clicks Baby) were honoured at the 2025 Product of the Year Awards. Additionally, Clicks Baby received multiple accolades at the Baby YumYum Parent Choice Product Awards, including Best Baby Retailer and Best Baby Loyalty Programme. The group’s commitment to innovation in sustainable packaging, product safety and affordability is embedded within

its “Sourcing with Integrity” pillar, supporting a more sustainable value chain while enhancing consumer trust.

In the beauty category, Sorbet BB Cream and MyEarth Make-Up Remover Facial Wipes were awarded at the 2024 Woman & Home Beauty Awards. These recognitions underscore the success of Clicks’ efforts to develop ethical, environmentally conscious and quality-assured products under its private label, strengthening its brand equity and reducing reliance on third-party suppliers.

Collectively, these awards contribute meaningfully to the group’s sustainability performance. They serve as evidence of progress across several capitals, including human, social and intellectual, while reinforcing the group’s ESG credentials in the eyes of investors, regulators and customers. These achievements also support the group’s ongoing efforts to maintain strong ESG rating agency scores, bolster stakeholder confidence and accelerate long-term shared value creation.



07

Appendices and supporting information

Appendices and supporting information

Appendix 1: Sustainability performance data

The table below provides a summary of key sustainability metrics for 2023 – 2025.

Metric	2025	2024	2023
Total number of retail stores (Clicks Group)	991	936	885
Total number of in-store pharmacies	780	720	711
Number of clinics in Clicks stores	225	206	203
Customers reached through free clinic services (Clicks Helping Hand Trust)	131 855	128 955	112 217
Total number of employees	20 102	19 621	18 447
Supplier ESG audits completed (count)	50	41	No data on record



Appendix 2: Abbreviations and definitions

Abbreviations	
ARC	Audit and risk committee – oversees financial, operational and ESG-related risks and controls.
BBBEE	Broad-based black economic empowerment – a South African Government policy to advance economic transformation and enhance participation of black people in the economy.
CDP	Carbon Disclosure Project – an international non-profit that helps companies disclose their environmental impact.
CSI	Corporate social investment – initiatives aimed at improving the social well-being of communities in which the company operates.
DC	Distribution centre – facilities for warehousing and distribution of products.
ESG	Environmental, social and governance – a framework used to assess an organisation's business practices and performance on sustainability and ethical issues.
GHG	Greenhouse gas – gases that trap heat in the atmosphere, contributing to climate change.
GRI	Global Reporting Initiative – international standards for sustainability reporting.
IFRS S1	International Financial Reporting Standard S1 – General Requirements for Disclosure of Sustainability-related Financial Information.
IFRS S2	International Financial Reporting Standard S2 – Climate-related Disclosures.
ISO	International Organization for Standardization – an independent body that sets global standards, including those for quality, the environment and safety.
JSE	Johannesburg Stock Exchange – South Africa's primary stock exchange.
KPI	Key performance indicator – measurable value used to evaluate success in achieving objectives.
NHI	National Health Insurance – a South African Government policy for universal healthcare access.
PV	Photovoltaic – relating to solar power generation.
SMME	Small, medium and micro enterprises – businesses defined by size, turnover and employee count.
SDGs	Sustainable Development Goals – 17 global goals set by the United Nations to promote prosperity while protecting the planet.
TCFD	Task Force on Climate-Related Financial Disclosures – provides guidance on effective climate-related financial disclosures.
UPD	United Pharmaceutical Distributors – Clicks Group's pharmaceutical wholesaler and logistics business.
WHO	World Health Organization – a United Nations agency focused on international public health.

Appendices and supporting information *continued*

Glossary of definitions	
Carbon neutrality	A state in which an organisation balances the carbon dioxide it emits with an equivalent amount of carbon removal or offsetting, resulting in a net-zero carbon footprint.
Climate scenario analysis	A forward-looking assessment used to evaluate the potential impact of climate-related risks and opportunities on an organisation's strategy under different climate futures.
Corporate social investment (CSI)	Programmes or contributions made by a business to support social and community development, usually in education, health or economic upliftment.
Decarbonisation	The process of reducing carbon emissions from business operations, energy sources and the value chain to help mitigate climate change.
Double materiality	An ESG reporting principle that considers both the financial impact of sustainability risks on the business and the company's impact on society and the environment.
Environmental, social and governance (ESG)	A set of criteria used to evaluate a company's performance beyond financial metrics, focusing on environmental stewardship, social responsibility and governance practices.
Greenhouse gases (GHG)	Gases such as carbon dioxide, methane and nitrous oxide that trap heat in the earth's atmosphere, contributing to global warming and climate change.
Materiality assessment	A process used to determine which ESG issues are most significant to an organisation and its stakeholders, guiding disclosures and decision-making.
Renewable Energy Certificates (RECs)	Tradable instruments that certify electricity has been generated from renewable energy sources, allowing companies to off-set their use of conventional power.
Responsible sourcing	The integration of ethical, social and environmental considerations into procurement decisions to ensure sustainability and accountability in the supply chain.
Scopes 1, 2 and 3 emissions	Scope 1 – Direct emissions from owned or controlled sources. Scope 2 – Indirect emissions from purchased electricity, heating and cooling. Scope 3 – All other indirect emissions in the value chain, including those from suppliers and customers.
Stakeholder engagement	The practice of interacting with individuals or groups that are affected by or have an interest in the organisation's activities, to ensure inclusive and transparent decision-making.
Sustainable Development Goals (SDGs)	A set of 17 global objectives adopted by the United Nations to end poverty, protect the environment and ensure prosperity for all by 2030.



Appendix 3: Clicks Group carbon footprinting methodology FY2024/25

1. Introduction

An accurate understanding of GHG emissions is fundamental to any organisation's sustainability strategy. For the 2024/25 financial year, Clicks Group has strengthened its carbon footprinting methodology to ensure that reporting is reliable, transparent and aligned with international best practice. This methodology provides the framework by which emissions are measured, reported and managed, forming the backbone of the group's long-term climate strategy.

Carbon footprinting is not only a technical exercise but a strategic one. By quantifying emissions across the value chain, the group gains the insight required to set targets, allocate resources effectively and mitigate climate-related risks. The approach is also central to meeting the expectations of investors,

regulators, customers and employees who increasingly demand accountability in environmental performance.

This methodology supports the group's carbon neutrality target for 2050 and its interim milestone for 2030. By aligning to South Africa's national climate commitments, and international frameworks such as the TCFD and IFRS S1 and S2, the group ensures that its approach is credible, comparable and forward looking.

2. Methodological framework

The carbon footprinting methodology is anchored in the Greenhouse Gas Protocol, the most widely used standard for corporate GHG accounting. The methodology adheres to five guiding principles: relevance, completeness, consistency, transparency and accuracy. These principles ensure that the reported footprint provides a fair reflection of the group's actual environmental impact and can be used with confidence by decision-makers.

Appendices and supporting information *continued*

Boundary setting is based on the operational control approach. This means that emissions are reported from facilities and activities over which the group has direct operational control, including retail stores, distribution centres, head offices and owned fleet vehicles. In addition, value-chain emissions are captured through Scope 3 assessments to provide a comprehensive picture of the group’s impact.

Scope coverage is as follows:

- Scope 1: Direct emissions from sources such as fuel use in delivery vehicles, diesel generators and refrigerant gases in cooling systems.
- Scope 2: Indirect emissions from purchased electricity, calculated using both location-based and market-based approaches, where applicable.
- Scope 3: Indirect value-chain emissions, covering both upstream and downstream activities such as purchased goods, transportation and waste.

This structured framework provides the necessary foundation for accurate measurement and reporting of emissions year on year.

3. Scopes 1 and 2 emissions

Scope 1 and Scope 2 emissions form the core of the group’s operational footprint. These are measured with a high degree of accuracy given the availability of internal consumption data and billing records.

Scope 1 includes fuel consumed in the owner driver fleet, diesel used for backup power generation during load shedding and refrigerant losses from cooling equipment.



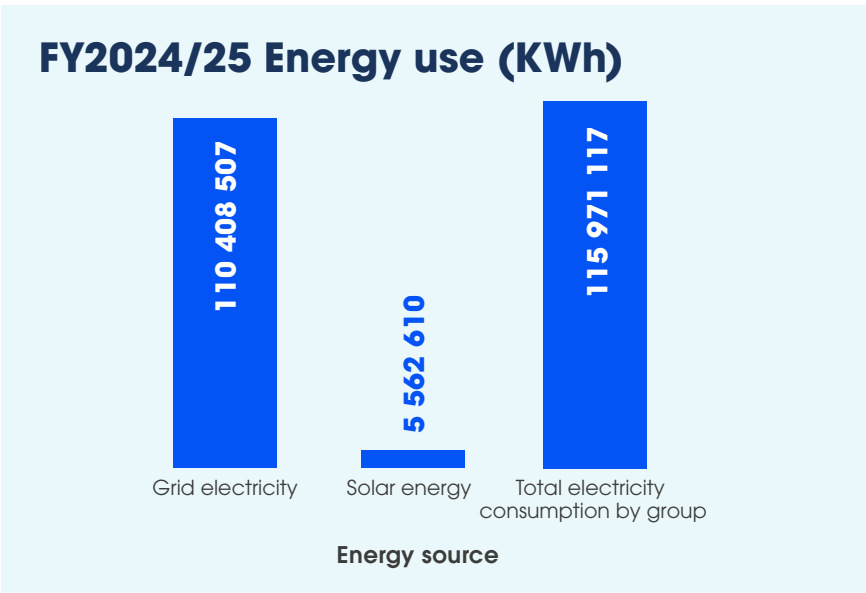
Activity data is collected from fleet management systems, fuel invoices and maintenance logs. Appropriate emissions factors from the Intergovernmental Panel on Climate Change (IPCC) and the South African Department of Environmental Affairs are applied.

Scope 2 emissions are derived from purchased electricity. With over 990 stores nationwide, along with distribution centres and head offices, electricity consumption is a material source of emissions. Monthly utility invoices are collated and reconciled with sub-metering where available.

The following external data sources have been used to determine location-based emission factors:

Operational location	Source	Date of factor
South Africa	DFFE Grid emission factor	2023
Botswana	IRENA Statistical Profile – Botswana	2022
Namibia	IRENA Statistical Profile – Namibia	2022
Eswatini	IRENA Statistical Profile – Eswatini	2022
Lesotho	IRENA Statistical Profile – Lesotho	2022

The group’s electricity consumption is primarily sourced from the national electricity grids of the countries in which we operate, including South Africa, Botswana, Namibia, Eswatini and Lesotho. All operational energy needs across our retail stores, distribution centres and offices are met through grid-supplied electricity.



In addition to purchased grid electricity, the group generates a small proportion of its own renewable energy, primarily through rooftop solar photovoltaic (PV) systems installed at selected sites. This self-generated electricity directly reduces our reliance on grid electricity and forms part of our long-term energy resilience and sustainability strategy.

Energy-efficiency projects, including light-emitting diode (LED) retrofits; heating, ventilation and air conditioning (HVAC upgrades); and insulation improvements, directly contribute to lower Scope 2 emissions. In parallel, the installation of solar PV systems at key sites provides renewable energy inputs that displace grid electricity, reducing both emissions and costs. Together, these efforts demonstrate how methodology and operational practice are integrated.

4. Scope 3 emissions

Scope 3 emissions are often the most challenging to quantify, yet they represent the majority of the group’s total footprint. For this reason the methodology places strong emphasis on robust, transparent and evolving measurement of these indirect impacts.

Categories assessed include:

- Upstream purchased goods and services: covering suppliers of pharmaceuticals, health and beauty products. A spend-based approach is used where activity data is limited, with progressive engagement of suppliers to provide more specific emissions data.
- Transportation and distribution: emissions from third-party logistics providers, measured through fuel usage and distance travelled.
- Waste generated in operations: based on measured tonnages of cardboard, plastics and other waste streams, adjusted for recycling and diversion rates.
- Business travel: calculated using travel claims, fleet data and third-party booking records.
- Employee commuting: cover daily travel between employees’ homes and workplaces. Data is drawn from HR systems, staff surveys, site access records and parking information to establish workforce numbers, commuting frequency, distances and transport modes.

Appendices and supporting information *continued*



The group recognises that Scope 3 reporting is an evolving process. Where proxies or sector averages are currently applied, the intention is to transition towards supplier-specific and activity-based data over time. Engagement with suppliers, industry platforms and extended producer responsibility (EPR) schemes are key mechanisms for improving data quality.

This comprehensive assessment ensures that the group is addressing emissions beyond its immediate control, supporting more resilient long-term value creation.

5. Data management and assurance

Effective data governance is essential to the credibility of the carbon footprint. The group has established structured systems to ensure accuracy, consistency and accountability in the reporting process.

Data collection is decentralised, with site managers responsible for submitting consumption data through standardised templates. This information is consolidated centrally by the sustainability team, which performs checks for completeness and anomalies. Advanced analytics tools are used to detect outliers and ensure consistency with historical patterns.

Oversight is provided by the Sustainability Forum, which meets quarterly to review progress, address data challenges and update methodologies in line with emerging standards. At a board level, the social and ethics committee reviews environmental performance as part of its governance mandate.

FY	Scope 1 (tCO ₂ e)	Scope 2 (tCO ₂ e)	Scope 3 (tCO ₂ e)	Total (tCO ₂ e)
2022	4 087	110 099	34 740	149 520
2023	5 911	108 058	35 791	150 436
2024	5 135	106 944	38 158	150 528
2025	4 182	99 032	33 064	136 379

This pathway is fully aligned with the Paris Agreement’s ambition of limiting global warming to well below 2°C. It is also consistent with South Africa’s Climate Change Bill and the JSE Sustainability Disclosure Guidance, which emphasise the principle of double materiality. Reporting is designed to be comparable with global benchmarks by aligning with IFRS S1 and S2, GRI Standards and CDP disclosure requirements.

The benefits of this methodology extend beyond compliance. By understanding its emissions profile in detail, the group can identify cost-saving opportunities in energy efficiency, mitigate exposure to carbon pricing, strengthen supply chain resilience and improve ESG ratings. These outcomes reinforce the organisation’s ability to grow sustainably while meeting the expectations of its diverse stakeholders.

To strengthen credibility, the group engages external assurance providers to independently verify the carbon footprint. Assurance is conducted in line with ISAE 3410 standards, with findings and recommendations incorporated into subsequent reporting cycles.

This structured process ensures that disclosures are both accurate and defensible, providing stakeholders with confidence in the reported outcomes.

6. Pathway and alignment

The carbon footprinting methodology is not an isolated exercise but a foundation for the group’s long-term climate strategy. The measured emissions data informs the reduction pathway, ensuring progress toward the 2050 carbon neutrality target and the 2030 interim milestone.

Appendix 4 : GRI, IFRS S1 and S2 framework mapping

Reporting element	GRI Standards	IFRS S1 (Section)	IFRS S2 (Section)	Location in report
Governance	GRI 2-9, 2-12, 2-13	S1 22-24: Governance processes, controls and procedures for sustainability	S2 4-8: Governance of climate-related risks and opportunities	Governance section – Board oversight & Sustainability Forum p. 11
Strategy	GRI 2-22, 3-1, 3-2	S1 25-28: Sustainability-related risks and opportunities and their integration into strategy	S2 9-14: Climate-related risks and opportunities, transition plans, resilience	Strategy & Climate Action sections pp. 10 – 13
Materiality and risk management	GRI 3-1, 3-2	S1 29-36: Identifying, assessing and managing sustainability-related risks and opportunities	S2 15-21: Identifying and assessing climate-related risks, transition and physical risk categories	Risk Assessments & Double Materiality Analysis pp. 14 – 16
Metrics and targets	GRI 302 (Energy), 305 (Emissions), 306 (Waste), 303 (Water)	S1 37-41: Metrics and targets used to monitor performance	S2 22-30: GHG emissions (Scopes 1, 2, 3), financed emissions, internal carbon price, targets	Metrics & Targets/ Environmental Performance Review p. 26
Performance review	GRI 201-2, 302, 303, 305, 306	S1 42-44: Reporting on progress towards sustainability-related targets	S2 31-33: Progress against climate targets, performance indicators	Environmental Performance & Carbon Neutrality Progress p. 27
Scenario analysis and resilience	Indirect link via GRI 201-2	S1 25-28: Strategy resilience	S2 9-14: Scenario analysis for climate-related resilience	Climate Scenario Analysis section p. 11
Financial implications	GRI 201-2 (financial implications of climate risks and opportunities)	S1 45-50: Financial effects on performance and position	S2 34-36: Climate-related financial impacts, asset valuation, supply chain costs	Financial Implications of Climate Change section pp. 12 – 13
Stakeholder engagement	GRI 2-29, 3-3	S1 19-21: Consideration of stakeholders in reporting decisions	S2 37-39: Stakeholder perspectives in climate disclosures	Stakeholder Engagement & Materiality sections pp. 13 – 15



08

Databook

Databook

Environmental	Description	Unit/Measure	2025	2024	2023
Scope 1 emissions	Stationary diesel combustion	(CO ₂ e) metric tonnes	184	1 317	2 441
	Mobile diesel combustion	(CO ₂ e) metric tonnes	1 646	1 303	1 176
	Mobile petrol combustion	(CO ₂ e) metric tonnes	764	816	771
	Refrigerant use	(CO ₂ e) metric tonnes	1 588	1 699	1 523
Total Scope 1 emissions		(CO ₂ e) metric tonnes	4 182	5 135	5 911
Total Scope 2 emissions	Purchased electricity	(CO ₂ e) metric tonnes	99 032	106 944	108 058
Scope 3 emissions	3.1 Purchased goods and services	(CO ₂ e) metric tonnes	92	130	104
	3.3 Fuel and energy-related activities	(CO ₂ e) metric tonnes	9 803	15 179	16 141
	3.4 Upstream transport and distribution	(CO ₂ e) metric tonnes	9 337	9 631	8 142
	3.5 Waste generated in operations	(CO ₂ e) metric tonnes	2 407	2 129	1 457
	3.6 Business travel	(CO ₂ e) metric tonnes	1 501	1 515	1 116
	3.7 Employee commuting	(CO ₂ e) metric tonnes	9 924	9 574	8 831
Total Scope 3 emissions		(CO ₂ e) metric tonnes	33 064	38 158	35 791
Outside of Scopes	Refrigerant – R22	(CO ₂ e) metric tonnes	100	291	676
Total emissions		(CO ₂ e) metric tonnes	136 379	150 528	150 436
Scopes 1, 2 and 3	3.9 Intensity	(tCO ₂ e/full-time employees)	13.5	15.0	16.0
Water security	Total water usage	Kilolitres	69 762	95 028	78 435
Pollution and waste	General waste generated	Kilogrammes	1 800 767	1 610 808	1 199 779
	Waste recycled	Kilogrammes	4 434 168	4 179 050	4 441 102
	Medical waste generated	Kilogrammes	130 679	213 969	166 019
Total pollution and waste		Kilogrammes	6 373 280	6 003 827	5 806 900
	Waste recycled	Percentage	70	70	77
Energy management	Electricity consumption of non-renewable energy (grid electricity)	Kilowatt Hour	110 408 507	107 934 000	104 338 075
	Renewable energy	Kilowatt Hour	5 562 610	5 135 350	3 636 240
	Lost time injury frequency rate	Number	4	–	–
	Incidents related to product safety, quality and marketing practices	Number	0	0	0
	Supplier ESG audits completed	Number	50	41	–

Databook *continued*

Social	Description	Unit/Measure	2025	2024	2023
Workplace	Composition of the board and its committees by: race (black)	Percentage	75	67	60
	Composition of the board and its committees by: gender (female)	Percentage	50	44	40
	Composition of the board in relation to: non-executive and independent	Percentage	75	78	80
	Black senior and top management	Percentage	62.0	56.1	52.7
	Female top management	Percentage	44	36	41
	Black senior management	Percentage	64	59	52
	Female senior management	Percentage	47	38	44
	Black middle management	Percentage	75	73	70
	Female middle management	Percentage	59	58	59
	Black junior management	Percentage	91	89	88
	Female junior management	Percentage	67	67	67
	Female semi-skilled	Percentage	62	61	61
	Employees: african	Percentage	76	75	74
	Employees: coloured	Percentage	16	17	18
	Employees: indian	Percentage	3	3	3
	Employees: white	Percentage	5	5	5
	Employees (South African operations): black	Percentage	95	95	95
	Employees (South African operations): female	Percentage	62.42	62.07	62.70
	Male employees	Percentage	38	38	37
	Female employees	Percentage	62	62	63
	Total group employees	Number	20 102	19 621	18 447
	Total permanent employees (South African-based)	Number	19 200	18 804	17 486
	Temporary employees as a percentage of total group employees	Percentage	3	4	4
	Permanent employees as a percentage of total group employees	Percentage	97	96	96
	Total employee promotions	Number	1 612	1 884	1 773
	Total female employee promotions	Number	1 039	1 155	1 134
	Total female employee promotions	Percentage	64	61	64
	Promotions linked to training completion	Number	449	309	406
	Total employee new hires	Number	3 772	4 203	4 510
	Employees from designated groups in new hires	Percentage	99	99	99
	Female new hires	Percentage	54	53	54

Databook *continued*

Social	Description	Unit/Measure	2025	2024	2023
Workplace <i>(continued)</i>	Employees with disabilities	Number	437	473	534
	Employees with disabilities	Percentage	2.28	2.52	3.05
	Ages breakdown: 16 – 35 years	Percentage	67	69	69
	Ages breakdown: 36 – 50 years	Percentage	27	25	25
	Ages breakdown: >50 years	Percentage	6	6	6
	Generation Z	Percentage	32	29	23
	Millennials	Percentage	55	58	62
	Generation X	Percentage	12	12	14
	Baby boomers	Percentage	1	1	1
	Retention rate of females 12 months after returning from maternity leave	Percentage	85	81	78
	Retention rate of males 12 months after returning from parental leave	Percentage	87	80	75
	Retention rate of trained employees	Percentage	78	74	76
	Employee turnover	Percentage	20.00	21.92	23.40
	New positions created	Number	3 498	4 076	4 219
	Gender pay ratio (female:male)	Ratio	1:1	1:1	1:1
	Active workforce covered under collective bargaining agreements	Percentage	11	12	13
	Employee engagement survey: participation rate*	Percentage	86	–	89
	Employee engagement survey: number of engaged employees*	Percentage	72	–	73
	Employee engagement survey: highest performing dimension = expectations known*	Percentage	89	–	89
	Employee engagement survey: do what I do best*	Percentage	78	–	77
	Employee engagement survey: well-being and support dimension*	Percentage	71	–	71
	Employees trained during the financial period*	Number	6 034	6 014	4 273
Training and development	Total investment in learning and development	ZAR million	230	185	135
	Total training hours for all employees	Hours	2 246 314	2 145 564	2 394 992
	Average training hours per employee per year	Hours	112	109	130
	Black employees trained	Percentage	97	96	96
	Female employees trained	Percentage	63	64	66
	Recognised skills development spend on black people	ZAR million	152	132	106
	Total learnerships and internships	Number	2 165	2 337	1 572

* Performed once every two years.

Databook *continued*

Social	Description	Unit/Measure	2025	2024	2023
Training and development <i>(continued)</i>	Generic, wholesale and retail learnerships	Number	1 009	1 170	571
	Pharmacy assistants (FET) trained	Number	218	394	294
	Pharmacy assistants (NC) trained	Number	450	534	526
	Trainee managers registered in store operations learnership programme	Number	159	300	271
	Pharmacy interns trained	Number	83	42	46
	Total pharmacy assistants	Number	668	928	820
	Employees completing accredited training programmes	Percentage	11	13	9
Employee wellness	Total employee wellness engagement rate	Number	10 925	8 629	7 276
	Total employee wellness engagement rate	Percentage	57.36	43.93	48.51
	EAP partner: group interventions	Percentage	3.70	3.00	6.65
	EAP partner: group interventions	Number	705	559	997
	EAP partner: individual cases	Percentage	3.40	5.80	1.03
	EAP partner: individual cases (number of participants)	Number	651	1 080	1 538
	Internal EWP interventions	Percentage	0.502	0.359	0.274
	Internal EWP interventions	Number	9 569	6 990	4 540
	High risk cases	Number	138	119	119
	HIV/Aids medication delivery programme	Number	14	14	45
	Employee primary, physical wellness screenings	Number	900	853	–
	Employees cover by medical aid/flexicare plan	Percentage	82	80	78
	Fatalities	Number	0	0	0
	Firefighters/marshals	Number	991	969	914
	First aid representatives	Number	1 013	1 014	928
	Health and safety committee members	Number	1 113	1 119	1 116
	Injuries on duty	Number	261	222	103
	Lost days	Number	209	394	35
	Occupational diseases	Number	0	0	0

Databook *continued*

Social	Description	Unit/Measure	2025	2024	2023
Marketplace	Investment in enterprise and supplier development	ZAR million	133.3	118.5	93.3
	Enterprise development contribution	ZAR million	52	40	36
	Supplier development contribution	ZAR million	81	78	58
	Number of supplier development beneficiaries	Number	40	40	51
	Supplier development beneficiaries who are women	Percentage	67	67	86
	New SorbetPreneur beneficiaries	Number	3	3	1
	Owner driver – black ownership*	Percentage	100	–	–
	Owner driver – black female ownership*	Percentage	27	–	–
	Owner driver – new jobs created*	Number	85	–	–
	Paid to small enterprise owner drivers	ZAR million	30.1	16.1	44.2
	Owner drivers	Number	11	11	22
	Owner driver electric vehicles	Number	42	–	–
	EV fleet total distance travelled	Kilometres	751 636	–	–
	Fuel savings	(tCO ₂ e) metric tonnes	224	–	–
	Fuel savings	Litres	97 712	–	–
	Products donated to TCB	Number	132 971	135 227	89 740
	Number of active business owners related to the repair programme – TCB	Number	360	161	166
	Clicks supplier development beneficiary growth	Percentage	28	16	5
	Preferential procurement spend	ZAR billion	26.3	24.3	23.1
	BBBEE empowered supplier spend	Percentage	62	61	58
	Paid to suppliers of goods and services	ZAR billion	42.2	39.9	35.6
	Preferential procurement spend on suppliers that are >30% black women owned	ZAR billion	14.3	12.5	6.6
	Preferential procurement spend on suppliers that are >51% black owned	ZAR billion	15.9	13.8	7.8
	Preferential procurement spend on suppliers that are designated group suppliers	ZAR billion	1.6	0.6	0.5
	Preferential procurement spend on suppliers that are EMEs and QSEs	ZAR billion	1.4	1.3	1.1

* New owner-driver scheme introduced.

Databook *continued*

Social	Description	Unit/Measure	2025	2024	2023
Community	Investment in socio-economic development	ZAR million	33.1	28.6	26.7
	CHHT Services provided to Clicks clinics beneficiaries (sponsored by CHHT)	Number	131 855	128 955	112 217
	CHHT Students on the Go Programme	Number	16 300	1 190	–
	Phelophepa Health Trains: number of beneficiaries target	Number	697 000	350 000	300 000
	Total number of bursaries awarded (NCSA)	Number	145	35	86
	Number of other scarce skills bursaries (NCSA)	Number	21	2	8
	Number of pharmacy bursaries granted (NCSA)	Number	124	33	78
	Bursary recipients: black	Percentage	85	100	97
	Bursary recipients: female	Percentage	66	63	71
	Bursaries granted (NCSA)*	ZAR million	7.3	2.3	5.1

* Includes bursaries paid post financial year-end.

Databook *continued*

Governance	Description	Unit/Measure	2025	2024	2023
BBBEE	Equity ownership	Agency score	20.01	20.44	19.20
	Management control	Agency score	16.25	15.33	14.70
	Skills development	Agency score	17.27	17.26	13.06
	Enterprise and supplier development	Agency score	35.89	34.55	31.52
	Socio-economic development	Agency score	5.00	5.00	5.00
Total		Agency score	94.42	92.58	83.48
	BBBEE level	Agency score	3	3	4
Global indices	UNGC/WEPs Gender Gap Analysis score	Percentage	89	79	63
	Number of Top Employer certifications	Number	15	14	13
	ESG rating	Agency rating score	4.2	4.0	4.0
	FTSE Russell	Agency rating score	4.2	4.0	4.0
	MSCI	Agency rating score	AA	AA	AA
	CDP	Agency rating score	B	B	B
	ISS ESG	Agency rating score	C	C	C