CLICKS GROUP LIMITED









Sustainability report 2026

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The following report is available online at **www.clicksgroup.co.za:**

2026 Sustainability Databook and Disclosure Index



The year in review

Building a trusted, accessible healthcare network

5th
UniCare 24-hour pharmacy opened

557 156 lives
positively affected through the Clicks Helping Hand Trust (CHHT) over five years

Empowering motivated, passionate people

3 874
total employee new hires

R275m
invested in learning and development

88.6%
participation in the Inaugural Leadership Pulse Survey

R96m
contributed towards supplier development

Sourcing products that uphold the integrity of our brand

Private label received the
"Going Above and Beyond" Award
at the Polyco 2026 Strategic Overview Member Event in recognition of **exceptional commitment, proactive contribution and dedication** to achieving shared objectives on supporting a circular economy

55%
of private label suppliers assessed against sustainability criteria

Minimising our environmental footprint

30
new heavy-duty electric trucks at the Clicks distribution centres in Cape Town and Centurion, and 85 vans at UPD, bringing the total to 115 electric vehicles (EVs) across the group

24.4%
reduction in overall Scope 1 and Scope 2 emissions intensity per gross leasable area 2026: 0.13 tCO_2e/m^2 (2025: 0.172 tCO_2e/m^2)

Ratings and awards

The Clicks Group benchmarks its environmental, social and governance (ESG) performance against industry peers by submitting disclosures to recognised ESG rating agencies, supporting external assessment, transparency and continuous improvement.

FTSE4Good

Maintained leadership position in the FTSE4Good Index for the 10th consecutive year

MSCI

Attained MSCI's top-tier AAA rating

CDP

A- Climate Change
A- Supplier Engagement

:alexforbes
insight • advice • impact

Paragon Impact Awards 2026

First Place in two categories:
Governance, Ethics, Impact Integration and Accountability
Basic Human Needs and Social Outcomes

01

Introduction

4 About this report

6 About the Clicks Group

7 Performance overview



About this report

Scope and boundary

This sustainability report 2026 forms part of Clicks Group's annual reporting suite and provides a transparent and balanced account of the group's sustainability strategy, material impacts, risks and opportunities, governance oversight, performance against targets and progress across the four sustainability pillars. It should be read together with the sustainability databook, integrated annual report 2026, remuneration report 2026 and the 2025 CDP Corporate Questionnaire to provide a connected view of financial and non-financial value creation.

The report is prepared for shareholders, investors, customers, employees, suppliers, regulators, community partners and other stakeholders who require decision-useful information on the group's sustainability performance, resilience and long-term value creation. It presents both progress and areas for improvement, including where data, targets, methodologies or assurance processes continue to mature. Certain indicators may exclude specific entities, activities or value-chain categories where data is not yet available, not material or not subject to operational control. The group aims to expand the completeness and consistency of ESG data over time, particularly in relation to Scope 3 emissions, supplier due diligence, packaging, water, waste and selected social impact metrics.

Unless otherwise stated, the report covers Clicks Group Limited and its subsidiaries for the financial year ended 31 August 2026. The reporting boundary includes material sustainability matters arising from the group's own operations and, where relevant, its upstream and downstream value chain. ESG metrics may have different operational boundaries depending on data availability, control, influence and the nature of the relevant impact. Any material exclusions, methodological changes or restatements are disclosed where applicable.

Basis of preparation

The report applies a double materiality lens by considering both the group's impacts on people and the environment, and the sustainability-related risks and opportunities that could reasonably affect the group's prospects, business model, cash flows, access to capital and long-term enterprise value. Material topics are informed by stakeholder engagement, enterprise risk management, strategy, regulatory developments, peer benchmarking, value-chain exposure and the availability of reliable performance data.

Reporting principles and data quality

In preparing this report the group has sought to apply the principles of balance, completeness, accuracy, comparability, clarity, timeliness and verifiability. Performance information is sourced from internal systems, operational data owners, management reports, supplier information, assurance outputs and specialist calculations, where applicable. Estimates and assumptions are used only where direct measurement is not yet available and are disclosed where they may materially affect comparability or interpretation.

The group continues to strengthen governance of ESG data through defined metric owners, internal review, management sign-off, board and committee oversight, internal audit activities and selected external verification. Where prior-year figures are restated or baselines redefined, the reason for the change and the affected metrics are disclosed to support transparency and year-on-year comparability.

Our reporting suite and frameworks

The report has been prepared with reference to the following recognised sustainability, climate and governance reporting frameworks and guidance: Global Reporting Initiative (GRI) standards; International Financial Reporting Standards (IFRS) Sustainability Disclosure Standards S1 and S2 (IFRS S1 and IFRS S2); JSE Sustainability and Climate Disclosure Guidance; United Nations (UN) Sustainable Development Goals (SDGs) and the UN Global Compact Principles.

The King V Report on Corporate Governance for South Africa (King V) was released in October 2025 and is effective for companies with financial years beginning on or after 1 January 2026. During the 2026 financial year the group applied the principles of King IV and following the publication of King V, commenced the transition to the new code. The directors confirm that the group has in all material respects voluntarily applied the principles and recommended practices of the code, except for the specific exceptions noted in the King V Disclosure Framework which is available on the group's website. The board plans to complete the transition to King V in the 2027 financial year.

These frameworks have informed the structure of the report; the selection of material topics; and the presentation of governance, strategy and risk management information, as well as metrics and targets relating to performance.

Reporting frameworks

- Global Reporting Initiative (GRI) standards
- IFRS S1 and S2*
- United Nations Sustainable Development Goals (SDGs)
- JSE Sustainability and Climate Disclosure Guidance
- King V Report on Corporate Governance for South Africa

* The group is preparing for the phased adoption of the International Sustainability Standards Board's IFRS S1 and S2 sustainability reporting standards.

Assurance

- Carbon footprint verification statement in accordance with ISO14064-3:2019 Specification with guidance for the verification and validation of greenhouse gas statements
- Broad-Based Black Economic Empowerment (BBBEE) Verification Report and Certificate in accordance with the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003), as amended by Act No. 46 of 2013

Additional submissions

- United Nations Global Compact Principles
- CDP (formerly known as the Carbon Disclosure Project)

About this report *continued*

Our reporting suite



Sustainability report

The sustainability report provides an overview of the group's ESG performance.



Sustainability databook and CDP

The databook provides detailed sustainability metrics and disclosures, while CDP submissions outline the group's climate-related risks, opportunities and performance in line with global environmental reporting standards.

Integrated report

The integrated report provides a comprehensive view of the group's strategy, performance, governance and value creation over time, illustrating how financial and non-financial elements work together to drive sustainable long-term value.



Group financial statements and remuneration report

The annual financial statements present the group's audited financial performance and position for the year, while the remuneration report outlines the principles, policies and outcomes governing executive and employee compensation.



Specifically, the sustainability report provides an overview of progress against our ESG commitments. We provide commentary and data against our targets and share notable initiatives that have supported our overall rollout of the sustainability strategy across the group.

Target restatements and rebaselining

Targets, baselines and prior-year metrics may be restated where there are changes in organisational structure, reporting boundaries, methodologies, emission factors, data sources, calculation approaches or assurance outcomes. Where restatements or rebaselining materially affect comparability, the group discloses the nature of the change, the reason for the change and the affected reporting periods. Metrics subject to significant measurement uncertainty are identified where applicable, including where estimates, assumptions or incomplete source data are used.

Forward-looking statements

This report contains forward-looking statements relating to Clicks Group's sustainability and ESG ambitions, plans, projected performance and anticipated outcomes. These statements are based on current expectations, assumptions and available information, and are by nature subject to uncertainties, risks and factors beyond our control. They include regulatory changes, market conditions, environmental events and operational constraints. Actual results may differ materially from those expressed or implied. Forward-looking statements should not be interpreted as guarantees of future performance but rather as indicators of our strategic direction and commitment to continuous improvement. The group undertakes no obligation to update these statements except as required by applicable laws and reporting standards.

Navigating the report

GROUP SUSTAINABILITY PILLARS

- Building a trusted, accessible healthcare network
- Empowering motivated, passionate people
- Sourcing products that uphold the integrity of our brand
- Minimising our environmental footprint

Metric movement

- ↑ Increase from last year (positive)
- ↓ Decrease from last year (positive)
- ↑ Increase from last year (negative)
- ↓ Decrease from last year (negative)
- Target achieved
- Target not achieved
- Same as last year
- Ongoing – in progress

About the Clicks Group

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

Sustainability purpose

Our purpose is centred on improving access to affordable healthcare, wellness, and beauty products and services while creating sustainable value for our stakeholders. Our business model is built to support healthier communities through a healthcare network that is trusted and accessible, delivering convenience, affordability and quality to our customers across southern Africa.

The group's sustainability strategy is embedded in its business model and supports long-term value creation, business continuity, stakeholder trust, and the management of material ESG risks and opportunities.

Operational resilience is supported through a deliberate and forward-looking approach that enables the group to navigate a dynamic operating environment and respond effectively to emerging challenges and opportunities.

Clicks

Our anchor brand
Clicks is South Africa's leading health and beauty retailer, offering value for money in convenient and appealing locations.

UniCare

Launched in 2025
UniCare 24-hour pharmacy operates a 24-hour dispensary and offers specialised health services through a range of clinics and on-site doctors.

The Body Shop

Launched in SA in 2001
The Body Shop sells natural, ethically produced beauty products and has been operating under a franchise agreement with The Body Shop International since 2001.

Sorbet

Acquired in 2023
Sorbet is the country's largest professional beauty salon franchise chain, operating under the Sorbet (all-round beauty therapy) and Sorbet Man (male grooming) brands.

ARC

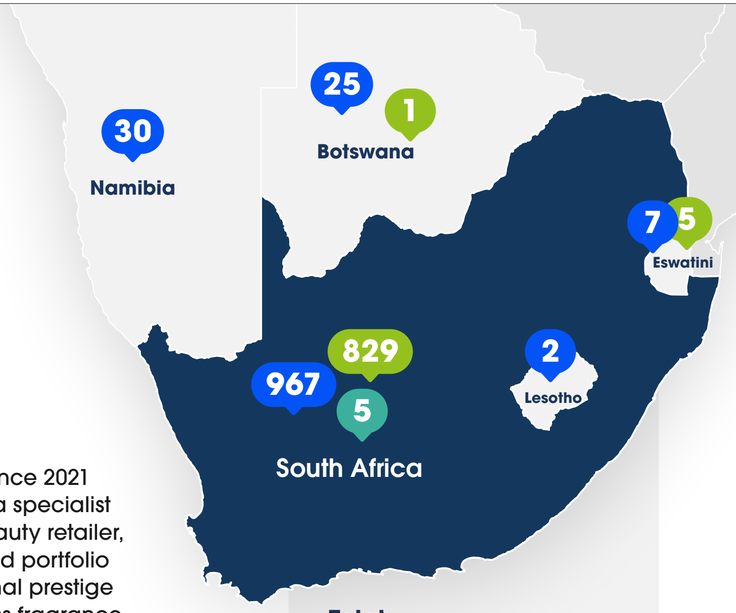
Investment since 2021
ARC Store is a specialist premium beauty retailer, with a curated portfolio of international prestige brands across fragrance, skincare, makeup, haircare, and bath and body.

KwaMakhi

Launched in August 2026
KwaMakhi is a new convenience retail brand focused on South Africa's township market, with its own dedicated product range, private label offering and neighbourhood-focused format.

UPD

Our distribution channel
UPD is South Africa's leading full-range pharmaceutical wholesaler and was the first to have a national presence.



Total

Clicks stores	1 031
801 convenience format 230 destination format	
UniCare stores	5
Clicksin-store pharmacies	835

225 clinics
211 Sorbet beauty salons
53 The Body Shop stores
3 KwaMakhi stores
3 retail distribution centres

Rest of Africa

Namibia	30 stores
Botswana	25 stores 1 pharmacy*
Eswatini	7 stores 5 pharmacies*
Lesotho	2 stores

* Clicks in-store pharmacies.

Performance overview

Financial performance

Creating sustainable long-term shareholder value through a retail-led health, beauty and wellness offering.

Group turnover
+5.4%
to R50.4 billion

Total income margin down from 31.1% to
31.0%

Trading margin down from 9.8% to
9.7%

Diluted HEPS
+4.4%
to 1 422 cents

Total dividend
+4.4%
to 925 cents per share

Return on equity down from 49.2% to
48.7%

Cash generated by operations
R6.3bn

Returned to shareholders
R3.4bn



FTSE4Good Index for the
10th
consecutive year

Environmental

16%
absolute carbon emissions reductions

5 469 MWh
renewable energy generated

77%
waste recycled

Social

96%
black employees

62%
female employees

Level 3
BBBEE rating

Governance

67%
black directors

44%
female directors

78%
independent directors

86%
black executive management

02

Chief executive officer's statement



Celebrating consistent and purpose-led growth

This year we celebrate 30 years of being listed on the Johannesburg Stock Exchange (JSE). As the largest retail pharmacy chain in southern Africa, we celebrate the promise that we have kept since the business was founded in 1968. From the beginning, our mission was to increase access to affordable primary healthcare for all.

Rooted in our promise

We have over 200 stores located in lower-income areas, townships, and extending to underserved communities. We have extended access to neighbouring countries such as Namibia, Botswana, Eswatini and Lesotho. About 58.2% of our capital expenditure is dedicated to opening new stores and pharmacies, 60 total stores and 64 pharmacies added in 2026 alone.

We continue to staff our clinics with qualified nurses who provide preventative and primary healthcare services in-store. We recently launched our tele-health service which connects patients to doctors via a video call, offering fast and affordable consultations to those unable to physically go to a health facility. A pharmacy chat service is also available to customers to consult pharmacists at their convenience. Comprehensive health screenings are also available at low cost. These cover heart health, diabetes, HIV/AIDS testing and more.

In 2023 we became the first major South African retailer to provide an innovative and affordable health insurance product, Flexicare, to our ClubCard members. This allows them access to general practitioners, medicine and other health-related matters such as pregnancy consultations. We now have 1 984 ClubCard members on Flexicare.

In the year that Clicks Group marked 30 years as a listed company on the JSE, I have reflected on the promise that has guided us for three decades and on the responsibility that comes with our scale. That promise is simple and enduring, to create access. It is the principle that has shaped our strategy, informed our capital allocation and defined how we serve customers, patients, employees, communities and shareholders.

> "Creating access remains the clearest expression of who we are and where we are going."

Measurable impact and performance

Our financial performance in the period demonstrates the strength of this model. In 2026 group turnover increased by 5.4% to R50.4 billion, retail turnover rose by 4.2% to R39.1 billion, trading margin was down 10 basis points (bps) to 9.7% and diluted headline earnings per share grew by 4.4% to 1 421.7 cents. We generated R6.3 billion in cash from operations, achieved a return on equity of 48.7% and returned R3.4 billion to shareholders through dividends and share buybacks. These are disciplined, high-quality outcomes in a constrained consumer environment. They reflect the resilience of our core categories, the loyalty of our customers, the effectiveness of our value proposition and the disciplined execution of our teams.

What matters to me is that these results cannot be separated from the impact we create beyond the income statement. Our business performs because it solves real needs in people's daily lives. We make trusted health, beauty and wellness products more affordable. We bring pharmacies, clinics and healthcare services closer to where people live.

We invest in systems, supply chain capacity and digital capabilities that improve convenience and service. In other words, our financial performance is strengthened by our non-financial performance, and our non-financial performance is enabled by a business model that is profitable, cash generative and scalable.

Accessibility at the heart of our strategy

Creating access is therefore not a slogan. It is how we allocate capital, how we expand our footprint and how we measure relevance in the South African market. By the end of the year Clicks Group has expanded to 1 110 company-owned stores, 840 pharmacies (including five 24-hour UniCare pharmacies) and 225 clinics, bringing 54.2% of households within five kilometres of a Clicks store. This scale matters because access begins with proximity. For many families, the most important healthcare intervention is not a complex one. It is the ability to reach a pharmacy, nurse or trusted health adviser quickly, affordably and with confidence.

We have continued to extend that access deliberately into lower-income areas, townships and underserved communities, while also broadening our reach in Namibia, Botswana, Eswatini and Lesotho. This is a practical expression of our purpose. Growth in our network is not only about opening more sites. It is about positioning essential services where they can make the greatest difference. Our investment in new stores and pharmacies, together with our ongoing ambition to grow towards 1 200 stores over time, is directly linked to this strategic intent.

Affordability is the second pillar of creating access. South African consumers remain under pressure and healthcare inflation continues to challenge household budgets. Our role is to use scale, procurement capability, private label strength,



generic substitution, digital engagement and loyalty insights to make quality products and services more attainable. Clicks ClubCard, which celebrated its 30th anniversary in 2025, now has 13.1 million active members and accounted for 84.2% of retail sales. We returned R976 million in cashback to members. This is not only a loyalty success story. It is a mechanism for everyday value and a powerful way of extending affordability to millions of households.

We are also creating new points of access to healthcare through innovation. Our in-store clinics continue to provide affordable primary and preventative care delivered by qualified nurses. During the year we advanced our tele-health offering to connect patients to doctors through virtual consultations, providing a practical solution for customers who cannot easily travel to a medical facility. Our pharmacy chat service adds another layer of convenience by enabling customers to consult pharmacists in a way that fits their lives.

We have complemented these services with accessible screening options for heart health, diabetes, HIV/AIDS and other priority conditions. These interventions matter because they support earlier diagnosis, better compliance and more proactive health management.

Driving inclusive healthcare innovation

Flexicare is another important example of how we are broadening access. By introducing an affordable health insurance product for ClubCard members, we opened a pathway to consultations, medicine and selected healthcare support for customers who have historically been excluded from more traditional cover. This kind of innovation is central to our long-term opportunity. It allows us to deepen our relevance in healthcare, extend our social contribution and strengthen customer relationships, all while building a more diversified and resilient business.

Advancing sustainable operations

We also continued to make progress on our environmental commitments. We have reduced total carbon emissions intensity by 24.4% per gross leasable area, generated 5 469 megawatt-hours (MWh) of renewable energy and recycled 77% of our waste. The Cape Town distribution centre is the first in Africa to operate a fully electric fleet after the addition of 30 heavy-duty EVs, bringing the total across the group to 115 EVs.

While these achievements are encouraging, I am conscious that our responsibility is ongoing. As our footprint expands, our obligation is to ensure that growth remains efficient, responsible and aligned with long-term societal needs. That is why we continue to integrate sustainability considerations into decision-making, rather than treating them as a separate agenda.

> "Our obligation is to ensure that growth remains efficient, responsible and aligned with long-term societal needs."

Recognition and responsible leadership

Our progress on access is matched by progress on transformation, people and governance. We maintained our level 3 broad-based black economic empowerment (BBBEE) status in 2026 and continued to build a workforce that reflects the communities we serve, with 96% black employees and 62% female employees. We strengthened our leadership position in the United Nations Women's Empowerment Principles and remained included in the FTSE4Good Index for the 10th consecutive year. These recognitions are important because they confirm that our growth is being built on a broader foundation of responsible leadership, inclusion and accountability. They also matter to investors, who increasingly assess corporate quality through both financial returns and sustainability performance.

Looking ahead with confidence

Looking ahead, I remain confident in the opportunities before us. Our market positions are strong, our brands are trusted, our balance sheet is healthy and our strategy is clear. We will continue to expand our store and pharmacy network, invest in integrated health services, strengthen our digital and omni-channel capabilities and improve affordability for customers in a price-sensitive environment.

> "We will continue to invest in our people, support transformation, uphold product integrity and manage our environmental footprint with discipline."

After 30 years as a listed company, our anchor has not changed. We are here to create access: access to trusted healthcare, to affordable products, to convenient services, to opportunity for our people and to sustainable value for our shareholders. That is the narrative I believe that best explains Clicks Group today. It connects our commercial strength to our social contribution. It explains why we continue to grow. And it will continue to guide how we build a business that is relevant, resilient and responsible for the decades ahead.

Bertina Engelbrecht
Chief executive officer

03

Group's sustainability strategy and governance



The group's sustainability approach is embedded within our broader business strategy and reflects a commitment to responsible growth, ethical business conduct and long-term resilience. Sustainability considerations are integrated into strategic and operational decision-making to ensure that we continue creating value for shareholders, customers, employees, suppliers and communities.

At Clicks Group, sustainability is approached as a strategic opportunity, with ESG principles guiding decision-making and operations to support long-term stakeholder value creation.

Our strategy is structured around four key pillars:

- Building a trusted, accessible healthcare network
- Empowering motivated, passionate people
- Sourcing products that uphold the integrity of our brand
- Minimising our environmental footprint

Through this strategy, the group seeks to strengthen its operational resilience, mitigate sustainability-related risks, improve stakeholder trust, and identify opportunities for innovation and growth.

Together, the four sustainability pillars provide a clear framework for translating Clicks Group's purpose into measurable impact. They connect access to healthcare, people development, responsible sourcing and environmental stewardship to the group's long-term growth strategy, while strengthening resilience, trust and accountability across the value chain. As targets are refined towards 2030, the focus will remain on improving the quality of performance data, confirming quantitative commitments and demonstrating year-on-year progress against the material issues that matter most to stakeholders.

Our sustainability strategy supports the following UN SDG priorities:

SDG 1 No poverty	SDG 3 Good health and well-being	SDG 4 Quality education
SDG 5 Gender equality	SDG 7 Affordable and clean energy	SDG 8 Decent work and economic growth
SDG 10 Reduced inequalities	SDG 12 Responsible consumption and production	SDG 13 Climate action

Clicks Group sustainability pillars

Building a trusted, accessible healthcare network

STRATEGIC RELEVANCE TO OVERALL GROUP STRATEGY

This supports the group's core growth strategy through leveraging its dominant retail and pharmacy footprint, while maximising its integrated supply chain to capture long-term demand in the region's expanding healthcare market. It also creates a strong grounding to deepen customer loyalty and cements its position as a retailer of choice in its sector.

STRATEGIC OBJECTIVE AND COMMITMENT

To improve access to affordable and quality products and services that support the health and well-being of customers and communities.

KEY FOCUS AREAS

- Affordable healthcare access
- Product quality and safety
- Customer health and well-being



PROGRESS IN 2026

Opened net
41 Clicks stores
and net
60 in-store pharmacies

Opened
four more 24-hour healthcare sites

Launched
KwaMakhi
with the opening of three stores

TARGETS FOR 2027

- **Continue expanding access to affordable healthcare** through stores, pharmacies, clinics and digital health channels. Our target for the next financial year is to open net 40 – 50 in-store pharmacies, and five 24-hour UniCare pharmacies.
- **Strengthen affordability** through generic medicine, private label value and ClubCard benefits.

Clicks Group sustainability pillars *continued*

Empowering motivated, passionate people

STRATEGIC RELEVANCE TO OVERALL GROUP STRATEGY

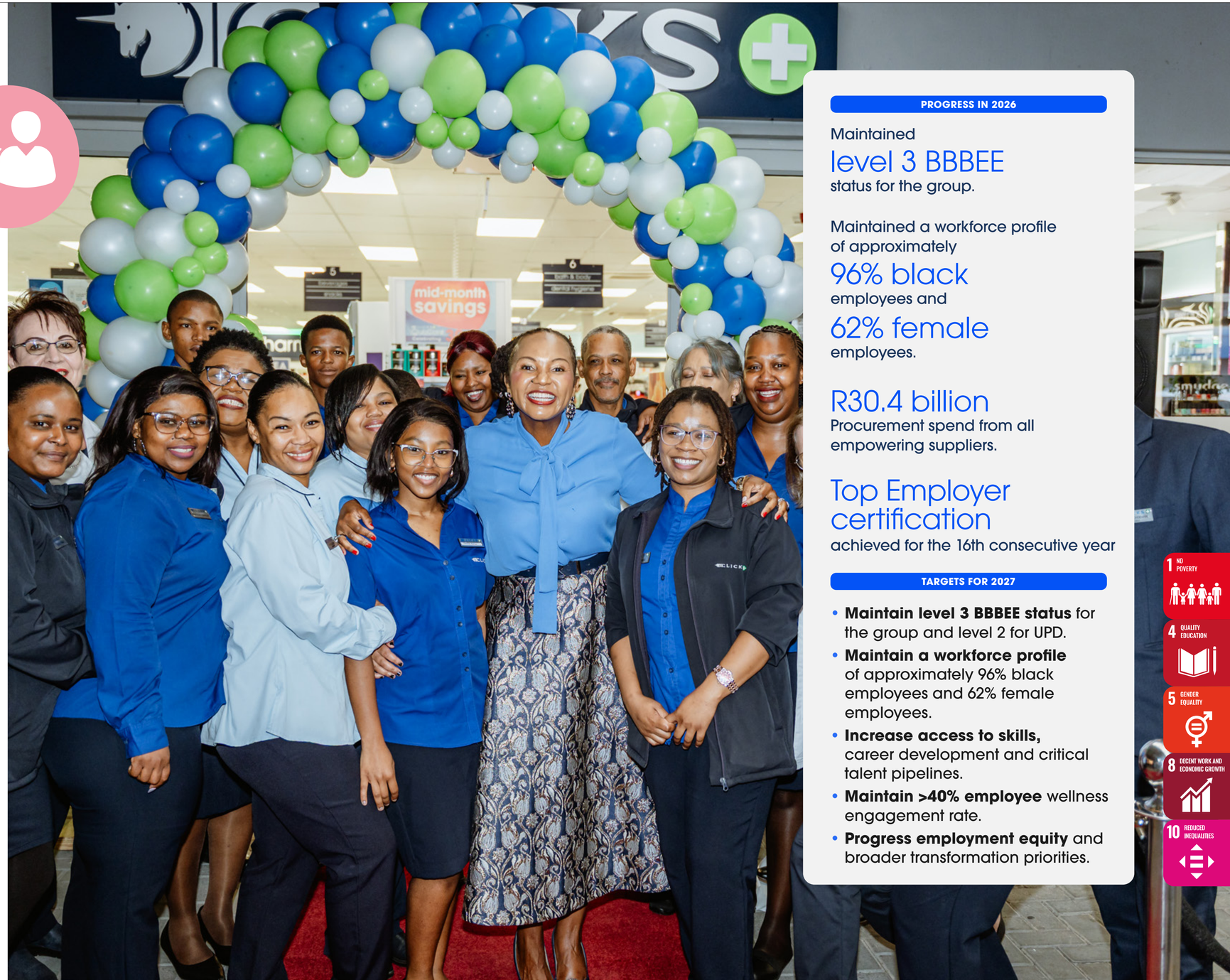
The group's people are central to delivering the group's growth strategy and sustainable value creation. Attracting, developing and retaining diverse, skilled and engaged talent strengthens leadership capability, service excellence and the customer experience, while supporting transformation and organisational resilience.

STRATEGIC OBJECTIVE AND COMMITMENT

To create an inclusive, safe and empowering workplace where people can thrive, develop and contribute to a high-performance culture, while advancing transformation and sustainable social and economic impact.

KEY FOCUS AREAS

- Employee well-being and development
- Diversity, equity, inclusion and belonging
- Community investment and training



PROGRESS IN 2026

Maintained
level 3 BBBEE
status for the group.

Maintained a workforce profile of approximately
96% black
employees and
62% female
employees.

R30.4 billion
Procurement spend from all empowering suppliers.

Top Employer certification
achieved for the 16th consecutive year

TARGETS FOR 2027

- **Maintain level 3 BBBEE status** for the group and level 2 for UPD.
- **Maintain a workforce profile** of approximately 96% black employees and 62% female employees.
- **Increase access to skills,** career development and critical talent pipelines.
- **Maintain >40% employee** wellness engagement rate.
- **Progress employment equity** and broader transformation priorities.

Clicks Group sustainability pillars *continued*

Sourcing products that uphold the integrity of our brand

STRATEGIC RELEVANCE TO OVERALL GROUP STRATEGY

The group's private label offering accounts for 25.8% of total retail sales. It helps to drive margin growth and customer differentiation, making product integrity a core aspect to protect and maintain competitive advantage. Enforcing rigorous ethical sourcing and quality standards, audits and local procurement priorities, the group's private label range reinforces customer trust; the same trust that underpins its entire healthcare and retail strategy.

STRATEGIC OBJECTIVE AND COMMITMENT

To strengthen supply chain resilience and promote ethical, transparent and responsible sourcing across the value chain.

KEY FOCUS AREAS

- Responsible sourcing
- Human rights and labour standards
- Local supplier and enterprise development



PROGRESS IN 2026

Private label
sales accounted for
25.8%
of total retail sales.

Expanded supplier ESG assessments
and support for local manufacturers.

TARGETS FOR 2027

- **Strengthen supplier ESG due diligence,** audits and corrective action tracking.
- **Increase responsible sourcing,** sustainable product attributes and local supplier development.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Clicks Group sustainability pillars *continued*

Minimising our environmental footprint

STRATEGIC RELEVANCE TO OVERALL GROUP STRATEGY

The group recognises the significant impact of climate change and it is committed to embedding responsible environmental stewardship across its business practices. This not only helps to safeguard its operations; it also lowers operational costs, helps to meet regulatory and investor expectations and protects the brand's long-term reputation.

STRATEGIC OBJECTIVE AND COMMITMENT

To reduce environmental impacts, enhance climate resilience, and support the transition to a lower-carbon and more resource-efficient business model.

KEY FOCUS AREAS

- Renewable energy
- Climate risk management
- Waste reduction and recycling



PROGRESS IN 2026

Reduced total carbon emissions intensity by
31.6% from 2015
baseline.

Generated
5 469 MWh
of renewable energy.

Recycled
77% of waste
and increased renewable energy to 5% of electricity consumption.

R10.5 million
saved* from using renewable electricity, R35.0 million cumulatively since 2022.

* These figures have not been verified by an external party.

TARGETS FOR 2027

- **Progress toward carbon neutrality** through energy efficiency, renewable energy and logistics decarbonisation.
- **Improve waste diversion,** packaging circularity and water resilience across operations.
- **Conduct a baseline assessment** of Scope 3 emissions.
- **Finalise a scenario analysis** for the group.

7 AFFORDABLE AND CLEAN ENERGY
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION

Our stakeholders

Meaningful engagement with our key stakeholders ensures that our purpose is translated into lived experience across the value chain. We are committed to building strong, transparent relationships grounded in addressing legitimate concerns, meeting stakeholder expectations and consistently communicating our progress against our strategic goals.

Our Stakeholders	Sustainability pillar	Purpose of engagement	Communication mechanisms	Key concerns	How we created value in 2026 for our stakeholders
Customers		**To drive revenue and long-term brand loyalty**	84.2% of retail sales are linked to and tracked through the Clicks ClubCard loyalty programme	Financial pressure – affordability and promotional value	R976 million in cashback rewards to members
Employees		**To understand employee needs and expectations and build an engaged, inclusive and capable workforce that enables our culture, strategy and sustainable value creation**	Employee surveys; leadership engagements and town halls; internal communication channels, including radio, regular one-on-one and team engagements; learning, career and well-being initiatives; recognition programmes; and ethics and employee representative channels	• Employee well-being and financial resilience • Leadership effectiveness, consistency and culture • Communication and employee voice • Recognition and employee experience	• Expanded physical, mental and financial well-being support, including preferential banking benefits, wellness initiatives and preventative health interventions • Established the Leadership Pulse baseline and progressed targeted leadership development, while embedding Care, Results, Order and Purpose (CROP) to strengthen consistent behaviours, inclusion, fairness, trust and accountability across the group • Increased leadership engagement through town halls, business updates and employee forums, creating greater opportunities for two-way dialogue and feedback • Strengthened recognition through business and departmental initiatives, while progressing broader actions to enhance the employee experience
Suppliers		**To ensure consistent product availability and supply chain resilience**	Regular supplier performance reviews	Intermittent availability of plasma-related products has affected order fill rates for hospitals	We continue to focus on our preferential procurement and supplier development programmes, driving transformation through increased spend with diverse suppliers, enterprise development initiatives and the creation of sustainable economic opportunities within our value chain This year we invested R95.7 million in developing key suppliers through targeted supplier development initiatives, skills enhancement, capacity-building programmes and business support interventions aimed at driving long-term growth and shared value across our value chain
Communities		**To understand community needs and priorities, build trusted partnerships and contribute to resilient, healthier communities whilst earning our social licence to operate**	Through the group's registered NPO, PBOs Clicks Helping Hand Trust and New Clicks Foundation, community, and NGO partnerships; social impact programmes; beneficiary and partner feedback; employee volunteering; community outreach; and ongoing engagement with implementation partners	Access to healthcare and essential services; food security and basic needs; youth development, education and employability; community resilience; and sustainable social investment	Created sustainable social value by advancing access to healthcare and essential services; supporting tertiary education, investing in youth development and employability; and strengthening community resilience through targeted social investment and trusted partnerships

Our stakeholders *continued*

Our Stakeholders	Sustainability pillar	Purpose of engagement	Communication mechanisms	Key concerns	How we created value in 2026 for our stakeholders
Financial community		**To maintain investor confidence and access to capital markets**	Biannual results presentations	Macroeconomic pressures and geopolitical risks	We continued to build trust and confidence among investors through transparent, timely sustainability disclosures and ongoing engagement on our performance against sustainability commitments and objectives The group actively engaged shareholders following the trading update and annual general meeting, addressing concerns around softer retail volumes, promotional pressure, warehouse management system (WMS) implementation timing and UPD contract losses
Government and industry regulators		**To ensure operational compliance with health, retail and tax regulations**	Regular regulatory compliance reporting (JSE, SARS, etc.)	Regulatory engagement increased across several areas, including pharmacy regulation, data protection, competition matters, extended producer responsibility (EPR), tax compliance and consumer complaints	This year we continued our active participation in industry forums and working groups to support the development and implementation of mandatory sustainability reporting requirements, while contributing to discussions aimed at advancing reporting consistency and transparency Regulatory matters were actively managed through formal responses, exemption requests, stakeholder engagements, compliance submissions and ongoing communication with the pharmacy, competition, data protection, environmental and tax authorities
Unions		**To maintain workplace stability and avoid business disruptions**	Trade union representation established across all the group's operating jurisdictions, ensuring employee representation both within South Africa and in international operations	The group is committed to maintaining positive labour relations through active participation in formal collective bargaining processes and wage negotiations with recognised trade unions in all operating jurisdictions	The group continued to engage with recognised trade unions through regular consultations and ongoing dialogue across our operations and distribution centres In July 2026 formal wage negotiations commenced with trade unions in both South Africa and Eswatini, reflecting our commitment to constructive labour relations and fair employee engagement
Media		**To manage brand reputation and public perception**	Press releases and SENS announcements	Ensuring accurate, timely and balanced reporting of the group's performance, strategy and progress against commercial commitments, while providing appropriate context on market conditions, operational challenges and key group milestones	Potential media and reputational risks were proactively managed through holding statements, FAQs, communication decks, legal engagement and issue-specific response plans Positive brand-building activity continued through major events, store openings, CSI coverage, awards recognition and milestone celebrations
Business partnerships		**To strengthen relationships, align on sustainability objectives and promote responsible business practices across the value chain**	Supplier meetings, performance reviews, contract discussions, workshops, audits, training sessions, e-mail communications and industry forums	Business partnerships are focused on ethical business conduct, environmental and social performance, regulatory compliance, operational efficiency, supply continuity and shared sustainability goals	We maintained collaboration and strengthened ESG performance through transparent communication, capacity-building initiatives and collaborative problem-solving approaches that enhance value creation

Our value chain

Clicks Group operates a retail-led health, beauty, pharmacy and pharmaceutical distribution value chain. Every part of our value chain enables us to create value for our stakeholders and showcase our ability to influence towards a more resilient future. Our integrated model spans upstream procurement through to end-consumer engagement. As we continue to mature in our sustainability efforts, we will focus on operationalising ESG across the value chain, deepening accountability mechanisms and accelerating measurable impact.

Upstream (Raw materials and suppliers)

Raw materials

- Ingredients and formulations
- Packaging materials
- Health, beauty and wellness products
- Consumables and general merchandise

Suppliers

- Local and international manufacturers
- Brand owners
- Distributors
- Service providers
- Logistics and warehousing partners

Direct operations (Logistics, employees, retail stores and omni-channel, clinics and pharmacies)

Logistics and distribution

- Warehousing and inventory management
- Transport and distribution
- Supply chain planning
- Efficient, reliable delivery to stores and omni-channels

Employees

- Diversity, equity, inclusion and belonging
- Talent attraction, development and retention
- Leadership, culture and employee engagement
- Fair employment and employee relations
- Health, safety and well-being
- Performance and recognition

Retail stores and omni-channel

- Clicks and Clicks pharmacies
- Online customer platforms
- Clicks Collect and delivery services
- Customer services and engagement

Clinics and pharmacies

- In-store pharmacies
- Clinic services (primary healthcare and wellness screening)
- Professional healthcare services
- Medicine management and adherence support

Downstream (Customers and communities)

Customers

- Health, beauty and wellness needs
- Quality products and trusted advice
- Convenient and accessible solutions
- Loyalty and lasting relationships

Communities

- Access to healthcare, health education and well-being
- Education, skills development and economic inclusion
- Basic needs and community resilience
- Strategic social investment and community partnerships
- Environmental awareness and community stewardship

Alignment with business strategy

Supply chain resilience and responsible sourcing:
We are enhancing supply chain transparency and resilience by strengthening supplier ESG assessments, expanding responsible sourcing practices and improving due diligence on human rights, labour and environmental risks. These initiatives support regulatory preparedness, ethical procurement and the continuity of supply across our retail and healthcare value chains.

Safe and low-carbon operations:
We are enhancing operational resilience through robust health and safety management, and strategic investments in energy efficiency and renewable energy. At the same time, we are advancing our decarbonisation journey by improving logistics efficiency, reducing emissions across our operations and supporting the transition to a lower-carbon business model.

Low-carbon and circular operations:
We are supporting a circular economy by increasing the use of recycled and sustainable materials, improving packaging sustainability, and strengthening waste reduction and recycling programmes across our value chain.

Underpinned by

Government and legislation

- National, provincial and local government
- Policy and regulation
- Economic and social development priorities

Industry regulators

- Health, pharmacy and medicines regulators
- Consumer protection
- Competition and trade regulation
- Environmental regulation

Shareholders

- Long-term value creation
- Governance and oversight
- Strategic guidance
- Capital investment

Lending institutions

- Access to capital
- Funding and credit facilities
- Financial covenants and governance
- Support sustainable growth

Material sustainability issues

Integrating materiality into the group's sustainability approach

Understanding and evaluating the group's material risks, opportunities and impacts is fundamental to ensuring that its sustainability strategy is underpinned by current and forward-thinking guardrails. This process ensures that its sustainability strategy is not developed in isolation but is fully integrated into enterprise risk management and oversight.

The King Code underscores the importance of recognising that long-term organisational success is inherently linked to the vitality and resilience of surrounding socio-ecological systems. In line with this guidance, the group continues to strengthen its approach to assessing material topics to ensure an integrated and coherent response across the group.

As global ESG frameworks evolve, the concept of double materiality has become increasingly significant. In some jurisdictions, this is now a mandatory lens through which companies must evaluate socio-ecological risks, opportunities and impacts. Adopting this approach enables organisations to proactively address current and emerging issues, while demonstrating to stakeholders that material matters have been comprehensively assessed and prioritised.

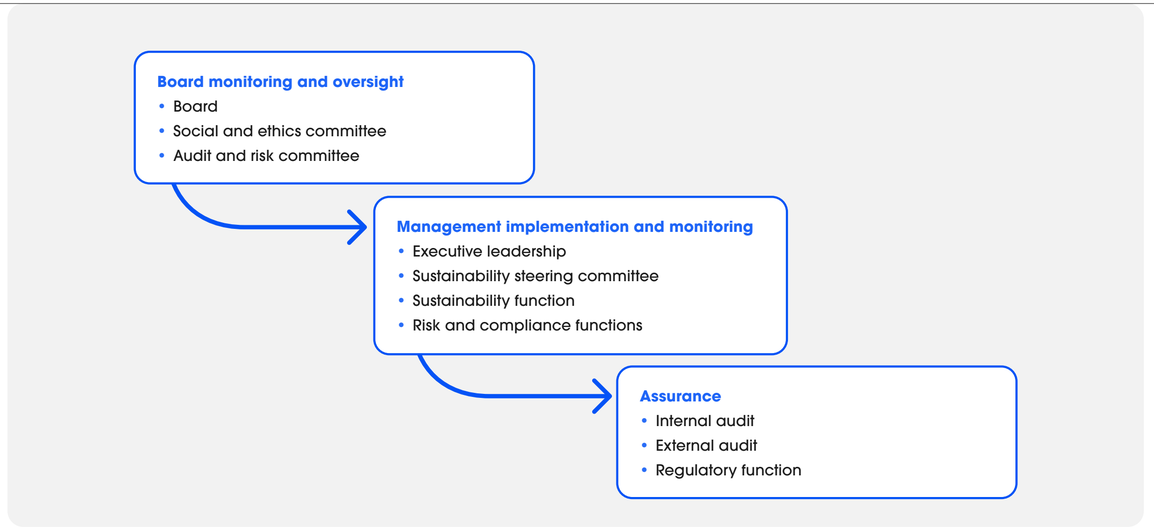
At Clicks Group, our materiality assessment guides the selection of topics included in this sustainability report and forms a critical input into our broader sustainability strategy. The resulting material topics highlight areas that could influence our ability to maintain our leadership position as a responsible corporate citizen. They also point to where Clicks Group can reduce negative impacts, enhance value creation, and contribute meaningfully to the well-being of its stakeholders and the environment.

Governance and oversight of material issues

Oversight of the group's material issues is the responsibility of the board. Sustainability is a standing item on the social and ethics committee's agenda, enabling the committee to oversee the group's response to ESG risks, opportunities and impacts. The audit and risk committee oversees overall enterprise risk management (including climate-related risks) and related internal controls to assess the effectiveness of the overall risk management process. Both the chief financial officer and the head of internal audit serve on the group risk forum, which reports to and receives guidance from the audit and risk committee. Lastly, the remuneration committee considers internal equity, responsible reward frameworks, as well as the alignment of incentives with strategic delivery.

The group executive committee is accountable for performance, supported by a cross-functional sustainability steering committee that sets standards, provides shared services, monitors progress and collates ESG data for disclosure. ESG-related key performance indicators (KPIs) are integrated into executive scorecards and business unit objectives, ensuring sustainability remains a core part of decision-making. We provide quarterly reports to the board committees. Each operational head is also responsible for overseeing their department's ESG performance and providing periodic updates to the sustainability team for group consolidation.

Selected ESG metrics are verified by independent third parties. Sustainability-related policies, including the environmental and climate change policy, are integrated into the business and used to guide operations.



The group will strengthen its cross-functional sustainability steering committee by reviewing structures, inviting additional members, and tightening the objectives of the committee to ensure that material KPIs are cascaded across the business and overseen by the relevant teams. This will enable the establishment of fully coherent and integrated group-level oversight, and alignment in how sustainability-related issues are addressed. Additionally, we aim to foster deeper cross-functional collaboration as we continue to enhance the group's efficiency and productivity.

Materiality assessment

How we determine our material sustainability matters

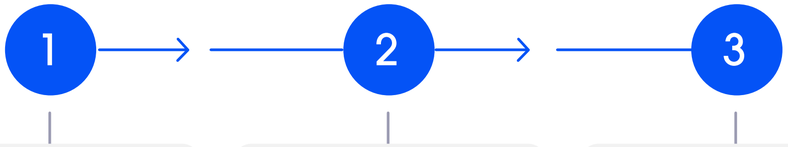
The group's material sustainability risks, opportunities and impacts assessment represents an important enhancement in its governance of sustainability-related matters. In 2024 the group adopted a double materiality approach to assess sustainability-related topics, considering both their impacts on people and the environment, and the sustainability-related risks and opportunities that could reasonably be expected to affect the group's prospects and enterprise value over the short, medium and long term. This approach strengthened alignment with evolving disclosure requirements, including IFRS S1, IFRS S2 and the GRI. The assessment was informed by ongoing stakeholder engagement, which supported the identification, assessment and prioritisation of material topics.

The resulting material matters are integrated into the group's strategy, risk management processes and sustainability approach, helping to inform decision-making, resource allocation and disclosure. This supports greater connectivity between the sustainability report, the integrated report and the group's broader value-creation and risk management processes. Material topics are reviewed periodically through desktop analysis and stakeholder engagement to confirm their continued relevance in the group's operating context.

This year, a review of the material risks, opportunities and impacts was conducted to ensure that the focus remains relevant and grounded in context. The double materiality approach considers impact materiality and financial materiality separately and brings the findings together for reporting.

Material sustainability issues

The group's material sustainability risks determination process



Scan issues, gap analysis and benchmarking

- Conducted research on material topics by scanning emerging and underlying system trends and their dependencies, regulations and reporting frameworks.
- Analysis of stakeholder concerns such as questions posed by investors and rating agencies.

Impact evaluation

- Stakeholder consultation to contextualise emerging issues and ensure there are measures of control such as policies, operating procedures and clear processes to influence positive outcomes. This year, this information was consolidated using our standard quarterly stakeholder feedback.
- Understand the cost of issue mitigation versus lack of mitigation.

Prioritise and rank by likelihood of occurrence and magnitude of impact

- Determine which of the issues and their dependencies have the greatest potential to alter the group's strategic outlook.
- Determine where the group is best positioned to direct its efforts and allocate resources.

Continuous monitoring and integration with strategy by ensuring effective and robust controls, while actively responding to material issues. Where necessary, updates are implemented to reflect material changes.

Key findings

The assessment identifies 12 sustainability topics covering impacts on people and the environment and sustainability-related risks and opportunities for Clicks Group. The financial lens considers potential effects on strategy, the business model, financial performance, financial position, cash flows, access to finance and cost of capital over the short, medium and long term. Strategic relevance, value chain exposure, stakeholder expectations and regulatory developments provide context.

Access to healthcare was identified as a key opportunity and strategic priority. As South Africa's largest retail pharmacy network, Clicks plays an important role in improving access to affordable medicines, primary healthcare, health screenings, clinic services and digital health solutions. Expanding healthcare access supports growth through increased customer participation, loyalty and responsiveness to changing healthcare needs.

Other material sustainability-related risks and opportunities include climate change, value chain resilience, workforce attraction and well-being, fair remuneration, diversity and inclusion, data privacy and cybersecurity, packaging and pharmaceutical waste, water and biodiversity stewardship, supply chain resilience and responsible sourcing, evolving disclosure requirements and occupational health and safety. These topics were assessed as material due to their potential impact on operational resilience, compliance, stakeholder trust, business continuity and long-term value creation.

Data privacy and cybersecurity remain significant risks as the group expands its digital health, loyalty and omni-channel platforms. Protecting customer, employee and health-related information is essential for maintaining trust, regulatory compliance and business continuity.

The table below presents the 12 sustainability topics and their enterprise risk mapping, impacts, financial risks and opportunities, stakeholder and value chain exposure, management responses, time horizons, and metrics and controls. The impact lens concerns significant impacts on the economy, environment and people, including human rights; the financial lens concerns sustainability-related risks and opportunities affecting the group's prospects. Inclusion in the table does not establish that a topic is material under both lenses. Separate conclusions and the basis for selection must be supported by the validated assessment. Time horizons shown are those reported in the draft, not evidence that effects cannot arise outside those periods.

The group's enterprise risk management framework identifies 10 principal risk categories: (1) competition, (2) information technology (IT), (3) trading environment, (4) regulation and compliance, (5) supply chain, (6) political and social factors, (7) strategy and execution, (8) people and employee value proposition, (9) brand reputation and (10) environmental risk (including climate change). While several material sustainability topics align with enterprise risks, the assessments serve different purposes and apply different materiality lenses. To support ESG reporting, enterprise risks were further unpacked to identify the underlying sustainability-related risks and opportunities. As a result, only enterprise risk categories directly linked to material sustainability topics are included in the table below. Further information is available in the enterprise risk management section.

Key

Short term
0 – 5 years

Medium term
5 – 10 years

Long term
10 years +

Financial capital

Manufactured capital

Intellectual capital

All

Natural capital

Social and relationship capital

Human capital

Material sustainability issues *continued*

Material issue: enterprise risk category and sustainability topic	Sustainability pillar alignment	Impact materiality: impacts on people and environment	Financial materiality: risks and opportunities for Clicks Group	Stakeholders and value chain exposure	Management responses	Time horizon	Decision-useful metrics and controls
Information technology: Data privacy and cybersecurity 2	**Building a trusted, accessible healthcare network**	Potential negative impact on customers, patients and employees if personal, loyalty, employee or health-related data is compromised, misused or unavailable.	Risks include regulatory penalties, legal claims, service disruption, loss of customer trust, reputational harm and recovery costs. Opportunities include trusted digital health and omni-channel growth.	Customers, patients, employees, regulators, suppliers and investors; upstream service providers, direct operations and downstream digital users	Cybersecurity controls, privacy governance, access management, monitoring; supplier controls, training and data protection impact assessments	**Short, medium and long term**	Reportable data incidents, cybersecurity training, system availability, privacy complaints, audit findings, access reviews and data protection impact assessments
Trading environment: Healthcare access, and economic and operational resilience 3	**Building a trusted, accessible healthcare network**	Positive actual and potential impact through improved access to affordable medicines, pharmacy services, clinic consultations, screening services and digital healthcare, particularly for customers and underserved communities.	Opportunity to grow market share, deepen customer loyalty, expand healthcare service revenue and strengthen brand trust. Risk if affordability, medicine availability or service quality deteriorates.	Customers, patients, communities and regulators; direct and indirect operations	Store, pharmacy, clinic and digital health expansion; affordability initiatives; service quality controls; pharmacy governance; and customer engagement	**Short, medium and long term**	Store, pharmacy and clinic footprint; clinic and virtual consultations; ClubCard membership; customer savings; and healthcare service uptake
Regulation and compliance: Sustainability reporting, governance and compliance 4	**All pillars**	Indirect impact on stakeholders through the quality, transparency and comparability of sustainability information used by investors, regulators, employees, customers and civil society.	Risks include compliance costs, assurance readiness gaps, data quality weaknesses, investor concern and reputational exposure. Opportunities include improved governance, capital market confidence and better decision-making.	Investors, regulators, employees, customers, assurance providers and data owners; and all parts of the value chain	Framework alignment, selected third-party verification, ESG data ownership, internal controls, assurance planning, and reporting governance improvements	**Short and medium term**	Assurance of key ESG metrics, framework alignment, data owners assigned, control deficiencies closed, restatements disclosed, assurance coverage, and board and committee oversight evidence
Supply chain: Supply chain resilience and responsible sourcing 5	**Sourcing products that uphold brand integrity and building a trusted healthcare network**	Potential impact on customers and patients if medicine, healthcare, beauty or essential products are unavailable, delayed or compromised in quality.	Risks include revenue loss, stock-outs, logistics disruption, supplier failure, regulatory delays and product quality incidents. Opportunities include resilient growth, availability, efficiency and customer trust.	Customers, patients, suppliers, logistics providers, employees and regulators, and upstream and direct operations	Supplier diversification, due diligence; inventory planning, quality controls, logistics optimisation and distribution centre resilience	**Short and medium term**	Supplier service levels, stock availability, on-time and in-full delivery, supplier risk assessments, audit completion, product recalls and distribution centre uptime
People and employee value proposition: Human capital management 8a	**Empowering motivated, passionate people**	Actual and potential impacts on employees' and workers' livelihoods, dignity, health, safety, well-being and working conditions, including fair remuneration, access to benefits, development opportunities and freedom from unfair labour practices. Potential impacts may extend to contractors and workers in the value chain.	Risks include skills loss and turnover, absenteeism, employee disengagement, labour relations disruption, wage and benefit pressures, productivity impacts, labour or human rights non-compliance and reputational harm. Opportunities include enhanced attraction and retention; stronger engagement, productivity and service quality; improved employee well-being; and a more resilient, future-fit workforce.	Employees, contractors and subcontracted workers, organised labour, suppliers and service providers, and regulators and communities. Direct operations and relevant upstream/ downstream contracted activities	Compliance with applicable employment and labour legislation; fair remuneration and benefits governance; collective engagement and employee voice; health, safety and well-being programmes; learning and career development; grievance and ethics mechanisms; responsible labour practices; and appropriate supplier and contractor labour oversight	**Short and medium term**	Employee turnover and retention; remuneration and benefits indicators; employee engagement/eNPS; health, safety and well-being indicators; training investment and participation; labour grievances and disputes; collective bargaining coverage where relevant; and contractor/ supplier labour assessments and corrective actions

Material sustainability issues *continued*

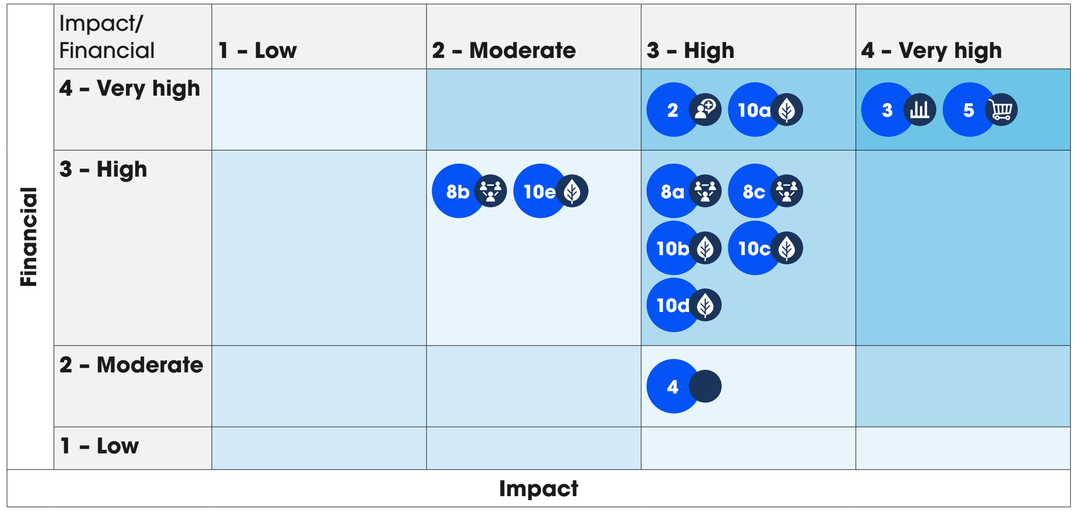
Material issue: enterprise risk category and sustainability topic	Sustainability pillar alignment	Impact materiality: impacts on people and environment	Financial materiality: risks and opportunities for Clicks Group	Stakeholders and value chain exposure	Management responses	Time horizon	Decision-useful metrics and controls
People and employee value proposition: Diversity, equity, inclusion, belonging and transformation 8b	**Empowering motivated, passionate people**	Positive impacts through equitable representation, inclusive employment, access to skills and career opportunities, fair progression, leadership development and pay equity, with relevance to women and historically disadvantaged groups in the South African context. Potential negative impacts arise where systemic barriers, discrimination, unequal pay or unequal access to opportunities persist.	Risks include building and sustaining a high quality and diverse talent pipeline, underrepresentation in management and leadership, skills and succession gaps, pay inequity, failure to meet transformation and employment equity objectives, and reputational or regulatory impacts. Opportunities speak to establishing broader talent pipelines, inclusive leadership, stronger employee engagement and retention, enhanced succession depth, transformation and stronger organisational resilience.	Employees and prospective employees, organised labour, regulators, suppliers, communities and beneficiaries. Primarily direct operations, with relevant upstream and community-related impacts	Employment equity and transformation planning, measurable representation objectives, inclusive recruitment and talent practices, skills and leadership development, succession and career pathways, monitoring of appointments, promotions and remuneration outcomes, pay-equity analysis, inclusive workplace policies, and relevant supplier and community empowerment initiatives	**Short and medium term**	Workforce representation by occupational level, women and designated groups in management and leadership, recruitment and promotion outcomes, pay equity indicators, employee turnover by relevant demographic categories, leadership and skills development participation, employment equity progress, BBBEE-related people indicators where applicable and empowerment programme reach
People and employee value proposition: Employee health, safety and well-being 8c	**Empowering motivated, passionate people and building a trusted healthcare network**	Actual and potential impacts on the safety, health and well-being of employees, customers, contractors and visitors across stores, pharmacies, clinics, distribution centres and offices.	Risks include injuries, operational disruption, legal exposure, compensation costs, lower morale and reputational harm. Opportunities include safer operations, productivity and trust.	Employees, customers, contractors, suppliers and regulators; direct operations; and contracted services	Health and safety policies, training, incident reporting, audits, corrective action management and contractor safety controls	**Short term**	Lost-time injury frequency rate, recordable incidents, training completion, audit findings, corrective actions closed, and customer and contractor safety incidents
Environment: Climate change and energy resilience 10a	**Minimising our environmental footprint**	Direct operations and upstream value chain: Negative actual and potential environmental impact from greenhouse gas emissions associated with stores, distribution, logistics, electricity use and purchased goods. Purchased goods relate to upstream value chain emissions, not direct operational emissions. Emissions reduction and renewable energy adoption are mitigation responses and are not treated as offsets against negative impacts in the materiality assessment. Value chain: Potential negative impacts on customers and communities if extreme weather, water stress or infrastructure disruption affects medicine availability, cold chain reliability, store access or service continuity.	Risks include energy-cost exposure, carbon-related regulation, investor expectations and reputational pressure. Physical climate risks may affect stores, distribution centres, suppliers, stock availability, insurance costs, repairs, revenue continuity and logistics performance. Opportunities include operational savings, energy security and improved access to sustainability-linked capital.	Customers, patients, employees, communities, investors, regulators and suppliers; upstream and direct operations, and downstream value chain partners	Renewable energy generation or procurement, energy-efficiency projects, logistics optimisation, emissions inventory expansion, climate-related planning, scenario analysis, business continuity planning, supplier engagement, water resilience, site-level risk assessments and operational efficiency initiatives	**Short, medium and long term** for emissions-related impacts, risks and opportunities; medium and long term for physical climate impacts and risks	Scopes 1, 2 and 3 emissions; Scopes 1 and 2 emissions intensity; renewable energy generated or procured; energy intensity; EV fleet coverage; fuel and electricity savings; progress against emissions reduction targets; scenario analysis coverage; critical sites with resilience plans; supplier climate risk screening; cold chain disruptions; water resilience capacity; and weather-related business interruptions

Material sustainability issues *continued*

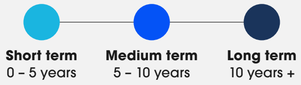
Material issue: enterprise risk category and sustainability topic	Sustainability pillar alignment	Impact materiality: impacts on people and environment	Financial materiality: risks and opportunities for Clicks Group	Stakeholders and value chain exposure	Management responses	Time horizon	Decision-useful metrics and controls
Environment: Packaging, waste, and circular economy 10b	**Sourcing products that uphold brand integrity and minimising our environmental footprint**	Negative actual and potential environmental impact from packaging waste, plastic leakage, resource use and landfill. Positive impact potential through recyclable, recycled content and reduced packaging solutions.	Risks include compliance costs, EPR obligations, supplier transition costs, customer expectations and reputational exposure. Opportunities include efficiency, innovation and brand differentiation.	Customers, suppliers, waste management partners, communities and regulators, all parts of the value chain	Packaging optimisation, recycled or recyclable materials, supplier standards, recycling programmes and compliance with packaging regulations	**Short and medium term**	Tonnes of packaging placed on market, recycled content, recyclable packaging coverage, waste diverted from landfill, e-commerce packaging reduction and supplier packaging compliance
Environment: Pharmaceutical waste 10c	**Minimising our environmental footprint**	Potential negative environmental and public health impacts if expired or unused medicines are not collected, stored, transported and disposed of safely.	Risks include regulatory non-compliance, disposal costs, reputational harm and pharmacy operating risk. Opportunities include customer trust and leadership in responsible healthcare retailing.	Customers, patients, communities, pharmacies, waste service providers and regulators; upstream, direct operations and downstream value chain partners	Waste disposal procedures, licensed service providers, pharmacy controls, compliance monitoring and customer take-back where feasible	**Short and medium term**	Pharmaceutical waste collected and disposed, customer take-back volumes, compliance incidents, stores or pharmacies covered by procedures and service provider disposal audits
Environment: Water security and stewardship 10d	**Minimising our environmental footprint**	Potential impact on communities and ecosystems through water use in water-stressed areas. Positive impact potential through efficiency, resilience and reduced pressure on municipal supply.	Risks include operational disruption to stores, clinics and distribution centres; higher water costs; and reduced service continuity. Opportunities include resilience, efficiency and stronger community trust.	Customers, employees, communities, municipalities and regulators; direct operations and downstream service users	Water monitoring, efficiency improvements, rainwater harvesting, groundwater use where appropriate, alternative water systems and site-level resilience planning	**Medium and long term**	Water consumption, water intensity, sites in water-stressed areas, alternative water capacity, water-related disruptions and efficiency projects completed
Environment: Biodiversity and sustainable sourcing 10e	**Sourcing products that uphold brand integrity and minimising our environmental footprint**	Potential negative impacts on biodiversity, habitats and ecosystems where raw materials, ingredients or private label inputs are sourced irresponsibly. Positive impact potential through traceable and responsible sourcing.	Risks include raw material scarcity, supplier disruption, regulatory restrictions, reputational exposure and higher procurement costs. Opportunities include resilient supply, product integrity and consumer trust.	Suppliers, communities, customers, regulators and ecosystems; upstream value chain	Supplier due diligence, ingredient traceability, responsible sourcing standards, high-risk material mapping and corrective action processes	**Medium and long term**	Certified or traceable ingredients, high-risk materials mapped, supplier biodiversity assessments, products meeting responsible sourcing standards and corrective actions closed

Material sustainability issues *continued*

Materiality heat map



Key



- Financial capital
- Natural capital
- Manufactured capital
- Social and relationship capital
- Intellectual capital
- Human capital
- All

Materiality scoring scale

Score	Impact materiality	Financial materiality	Indicative management response – not a disclosure threshold
1 – Low	Negative impact: Limited scale and scope, with harm readily remediable. Positive impact, assessed separately: Limited scale and scope of benefit.	Limited magnitude of potential financial effects on revenue, costs, assets, liabilities, cash flows, access to finance or cost of capital. Assess likelihood and timing separately.	Monitor as part of routine management processes.
2 – Moderate	Negative impact: Moderate scale or scope, with remediation requiring targeted action. Positive impact, assessed separately: Moderate scale or scope of benefit.	Moderate magnitude of potential financial effects on revenue, costs, assets, liabilities, cash flows, access to finance or cost of capital. Assess likelihood and timing separately.	Manage through defined controls, owners and periodic review.
3 – High	Negative impact: Significant scale or scope, or harm difficult to remediate. Positive impact, assessed separately: Significant scale or scope of benefit.	Significant magnitude of potential financial effects on revenue, costs, assets, liabilities, cash flows, access to finance or cost of capital, including through disrupted strategic delivery or business continuity. Assess likelihood and timing separately.	Prioritise for active management, targets, reporting and governance oversight.
4 – Very high	Negative impact: Severe or widespread harm, or potentially irreversible or systemic harm. Positive impact (assessed separately): Very substantial or widespread benefits. For potential impacts, apply the separate likelihood guidance.	Very substantial magnitude of potential financial effects, including threats to financial resilience, licence to operate, strategic delivery or long-term access to finance. Assess likelihood and timing separately. Material information is not restricted to score 4.	Board-level oversight, robust controls, measurable targets and enhanced disclosure are recommended.

Topic reference key: codes match the topic table, not scores or ranks

2. Information technology: Data privacy and cybersecurity

3. Trading environment: Healthcare access and economic and operational resilience

4. Regulation and compliance: Sustainability reporting, governance and compliance

5. Supply chain: Supply chain resilience and responsible sourcing

8a. People and employee value proposition: Human capital management

8b. People and employee value proposition: Diversity, equity, inclusion, belonging and transformation

8c. People and employee value proposition: Employee health, safety and well-being

10a. Environment: Climate change and energy resilience

10b. Environment: Packaging, waste and circular economy

10c. Environment: Pharmaceutical waste

10d. Environment: Water security and stewardship

10e. Environment: Biodiversity and sustainable sourcing

Emerging risks and opportunities

Geopolitical uncertainty, extreme weather events, rapid advances in artificial intelligence (AI), and evolving legislation and ESG frameworks are reshaping the operating environment. These long-term structural shifts present opportunities for innovation while requiring more adaptive responses to safeguard resilience and long-term value creation.

ESG dimension	Emerging issue	Risk	Opportunity
Environmental	**Climate-related physical risks**	Supply chain disruption and cold chain integrity.	Strengthen resilience through renewable energy, backup power, water security, route optimisation, supplier contingency planning and climate scenario analysis.
	Biodiversity and nature	Product ingredient sourcing and deforestation risk.	Differentiate private label and supplier partnerships through traceable ingredients, certified sustainable inputs, responsible sourcing standards and nature-positive product claims where substantiated.
	Circular economy and packaging regulation	EPR, customer expectations and waste management constraints may increase packaging compliance costs and reputational exposure.	Advance packaging reduction, recycled content, recyclability, supplier collaboration, take-back partnerships and circular private label innovation.
	Water security	Water shortages could disrupt operations at stores, distribution centres, clinics and pharmacies. Additional supply chain disruption and increased manufacturing costs.	Strengthen business resilience and reduce operating costs through water-efficiency initiatives, alternative water sources and improved water management across operations. In addition, proactive water stewardship can enhance ESG performance, strengthen supply chain resilience, and support long-term sustainability and climate-adaptation goals.
Social	**NHI implementation**	Margin pressure on dispensing fees.	Pharmacy as primary care.
	Healthcare affordability	Social licence to operate and healthcare affordability expectations in a high-inequality environment.	Expand affordable care propositions through generics, ClubCard benefits, private label healthcare products, tele-health and clinic-led preventative screening.
	Medicine availability and health sovereignty	Global supply concentration, regulatory delays, medicine shortages or geopolitical disruption could affect availability, pricing, service levels and patient trust.	Strengthen supplier diversification, local manufacturing partnerships, demand planning, inventory visibility and collaboration with regulators and manufacturers.
	Preventative care and chronic disease burden	Rising chronic disease prevalence and delayed care-seeking may increase pressure on affordable primary care, medicine adherence and community health outcomes.	Expand screening, vaccinations, chronic medicine management, adherence support and health education through clinics, pharmacies, digital channels and ClubCard engagement.
	Workforce skills and healthcare talent scarcity	Shortages of pharmacists, nurses, digital specialists and specialised retail healthcare skills could affect service quality, expansion plans and employee well-being.	Continue to invest in pharmacy talent pipelines, learning pathways, well-being, leadership development, digital capability and inclusive career progression.
Governance	**ESG disclosure and assurance readiness**	Increasing disclosure expectations may expose data gaps, inconsistent metric ownership, assurance limitations and reputational risk if performance claims are not well supported.	Improve ESG data governance, strengthen internal controls, prepare selected metrics for assurance and build investor confidence through clearer, more comparable reporting.
	Digital health infrastructure and interoperability	Fragmented systems, poor interoperability or limited digital readiness could constrain the scaling of tele-health, e-prescribing, pharmacy chat and integrated patient services.	Continue to build a more connected healthcare ecosystem through secure digital records, integrated pharmacy workflows, virtual care pathways and data-enabled customer service.
	AI and digital health	Data governance and privacy, cybersecurity, algorithm bias, clinical governance and digital exclusion risks as health services become more data led.	Personalised health management via ClubCard data.
	Regulatory complexity and pharmacy governance	Increasing requirements across pharmacy practice, medicines regulation, consumer protection, competition, privacy and environmental compliance may raise operational complexity and cost.	Differentiate through trusted governance, proactive regulatory engagement, robust pharmacy controls, transparent reporting and responsible healthcare leadership.

04

Sustainability performance review

26 Building a trusted, accessible healthcare network

33 Empowering motivated, passionate people

44 Sourcing products that uphold the integrity of our brand

48 Minimising our environmental footprint



Building a trusted, accessible healthcare network

Access to quality healthcare,

through an integrated healthcare ecosystem that combines its retail, pharmacy, clinic and digital healthcare offerings, continues to be a strategic driver in delivering trusted healthcare and wellness services to our customers. This integrated approach enables the group to provide convenient, affordable and accessible healthcare services to communities across South Africa, supporting improved health outcomes and customer well-being. The group's commitment to its mission of delivering affordable, high-quality healthcare products and services also reflects its broader sustainability approach by contributing to social well-being, enhancing access to healthcare and supporting more resilient communities.

Part of the value chain

- **Employees**
- **Retail store and omni-channel**
- **Clinics and pharmacies**
- **Customers**
- **Communities**

OUR REACH

Network expansion

Clicks Group achieved the significant milestone of opening its

1 000th store

Pharmacy and clinic services

835
Clicks stores offering pharmacy services

5
UniCare pharmacies

225
Clicks stores offering clinic services

Community health investment

132 829
2025: 131 855
clinic services delivered, supported by a R16 million investment from the CHHT

Affordability and trust

13.1 million
ClubCard members

R976 million
in cashback rewards to members

KEY RISKS AND OPPORTUNITIES

Key risks

- Regulatory change, affordability pressures and uneven access to quality healthcare may constrain service expansion.

Opportunity

- Expand affordable pharmacy, clinic and digital health services into underserved communities, strengthening healthcare access and customer loyalty.

Mitigation

- Maintain pharmacy compliance processes; clinic governance; responsible pricing controls; service quality monitoring; and investment in store, pharmacy and digital access channels.

Financial impact

- Potential revenue growth from increased pharmacy, clinic and digital health utilisation; possible margin pressure from affordability initiatives; and compliance investment.

IN REVIEW

Strategic shifts

- Expanded integrated access through store, pharmacy, clinic and digital health channels, with stronger emphasis on affordability, convenience and underserved communities.
- Continued to link healthcare access, customer loyalty and digital engagement as core drivers of long-term growth.

Challenges

- Affordability pressures remained high for customers, while healthcare access gaps persisted in underserved communities.
- Regulatory complexity and service capacity constraints remain an area requiring continued management attention.

Looking ahead

- Prioritise expansion of affordable pharmacy, clinic and digital health services, supported by responsible pricing, quality controls and customer-centred innovation.
- Strengthen measurement of healthcare access outcomes in line with globally recognised reporting frameworks.



Expanding our network – a timeline

The expansion of our store, clinics and pharmacy network, particularly in underserved areas, plays a critical role in increasing healthcare accessibility and supporting long-term customer engagement.

Scaling healthcare access through convenience, affordability and trust

1968 – Clicks founded as a value-driven health and personal care retailer



1978 – Launch of private label



1990s – Expansion to underserved markets, with just over 200 Discom stores



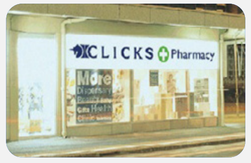
1995 – Africa's first loyalty programme



1999 – Centralised distribution

2003 – Acquisition of UPD to vertically integrate pharmaceutical supply chain and enhance national delivery of medicines

2004 – First Clicks Pharmacy in Sea Point



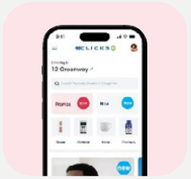
2008 – Established home delivery service for medicines to customers with mobility or geographic limitations

2009 – Rebranding to Clicks Group Limited with a core focus on affordable primary healthcare

2010s – Rapid expansion of in-store pharmacies

2011 – First clinic opened

2016 – Launching of Clicks Online, Click & collect, and a mobile app to improve access to health products and services



2017 – Partnership with Netcare and Medicross

2021 – Clicks Baby launch, offering dedicated early-life healthcare access, particularly immunisations, nutrition and family wellness

2024 – Official positioning of sustainability pillar "Building a trusted, accessible healthcare network"

2025



- 60 new pharmacies opened in a single year
- Over 225 clinics nationwide
- Launch of EVs at UPD

2026

- 835 pharmacies nationwide
- 225 Clinics
- 1 031 Clicks stores



Pharmacy and clinic services

Our pharmacy expansion journey

In partnership with the National Department of Health, we also distribute medicine parcels via 549 collection points across the country, further reducing the distance travelled to access life-changing medicines. Supported by our wholesale and distribution partners, UPD, this ensures that delivery of essential medicines is reliable and compliant with national regulations.

Extending access through the Link Pharmacy network

Clicks Group extends its healthcare reach beyond its owned stores through the Link Pharmacy network, a national network of independently owned pharmacies supported by UPD, the group's pharmaceutical wholesaler and distributor. Although Link pharmacies are independently owned, the brand is managed within the group and forms part of its broader healthcare ecosystem.

Through this partnership the group strengthens access to affordable medicines, pharmaceutical services and primary healthcare in communities where a Clicks Pharmacy may not be present. By combining the group's distribution capability and healthcare expertise with the reach of independent pharmacists, the Link network supports more reliable healthcare access across South Africa, particularly in underserved and rural communities.

Link
GOOD HEALTH PHARMACY

Building a trusted, accessible healthcare network *continued*

CASE STUDY

UniCare 24-hour Trusted Health

The acquisition of Mkem in 2025 represented a significant milestone in the group's strategy to improve its healthcare offering and footprint. Building on this acquisition, the group has developed the UniCare 24-hour Trusted Health model, which combines a broad range of healthcare services in one location.

In 2026 the group expanded the UniCare network through the addition of new sites in Somerset West, Cape Town, Gqeberha and Johannesburg. These additional locations strengthen the group's ability to provide timely access to healthcare, particularly for after-hour or urgent needs, while supporting broader community healthcare needs.

By bringing a range of healthcare services together within a trusted retail environment, the UniCare model creates a seamless and convenient healthcare experience for customers. The model supports improved health outcomes in the communities it serves by providing reliable, accessible service delivery. In the next year, the group expects to expand this integrated clinic model to five more locations.



Primary healthcare services

Preventative healthcare is an important component of the Clicks Group healthcare offering. Our clinic network provides primary healthcare services supporting early detection, routine health monitoring and wellness management. Alongside the expansion of its pharmacy footprint, Clicks Group continued to strengthen access to affordable and convenient primary healthcare services through the growth of its in-store clinic network.

> "The group now operates 225 clinics across South Africa."

These clinics play an important role in extending access to preventative and primary healthcare, offering a range of services including health screenings, immunisations, family planning, chronic disease monitoring, basic healthcare assessments and preventative care interventions. By integrating clinic services within its retail footprint Clicks Group enables customers to access essential healthcare advice and treatment in a convenient, trusted and accessible environment.

The continued expansion of the clinic network reflects the group's commitment to improving health outcomes, promoting early detection and prevention of illness, and reducing barriers to healthcare access. Through its growing network of clinics and pharmacies, Clicks Group is helping to strengthen community health and well-being while supporting the delivery of quality healthcare services to millions of South Africans.

Building a trusted, accessible healthcare network *continued*

Digital healthcare

Digital healthcare has continued to play an integral role in expanding access to healthcare services.

Clicks Group remains focused on strengthening its integrated healthcare model through continued investment in affordable healthcare solutions, enhanced clinic capabilities and digital healthcare services, supporting the group's strategic objective of improving healthcare accessibility and delivering long-term value to customers and communities.

During the year, 21 140 customers accessed our virtual doctor service and 80 031 online pharmacy orders were processed, supporting greater accessibility and convenience in healthcare delivery.

Community health investment

Clicks Group recognises that sustainable healthcare access extends beyond commercial healthcare delivery and includes meaningful investment in the health and well-being of communities.

The group's corporate social investment (CSI) policy provides a structured framework supporting initiatives that align with its purpose and sustainability priorities. Key focus areas for the group's CSI investment include healthcare access and education, youth development and community well-being.

The group prioritises interventions that deliver both measurable and sustainable impact, particularly in communities where access to healthcare education and services remains limited.

Monitoring and evaluation processes support the continuous assessment of programme effectiveness and social impact, ensuring that CSI investments remain relevant, responsive and – most importantly – aligned with stakeholder expectations and community priorities.

Key initiatives

Free clinic services

Supported by funding from the CHHT and contributions from partners, this initiative has helped uninsured and low-income patients access basic healthcare services which include wellness assessments, vaccinations, family planning services and chronic disease monitoring whilst reducing strain on the public health facilities.



Impact

Free preventative healthcare consultations to improve health outcomes for 132 829 beneficiaries.

Students on the Go programme

In partnership with the Menstruation Foundation, CHHT funds the distribution of menstrual hygiene products in a sustainable, measurable and dignified manner via sanitary pad dispensing machines installed in discreet areas on university campuses across South Africa. In addition to menstrual health product access, the Students on the Go programme aims to reduce learning disruptions and contribute to educational continuity and student well-being.



Impact

42 sanitary pad dispensing machines with the capability to dispense 282 000 packs of sanitary pads per year.

Enabling 23 500 students to access free sanitary pads per month.

Sanitary pads distributed at an estimated cost of R2 million per annum.

Transnet Phelophepa Health Trains

Through its partnership with the Transnet Phelophepa Health Trains the group continues to support the delivery of mobile healthcare services to underserved and remote communities across South Africa. This partnership involves two fully equipped health trains providing access to a vast range of health services including primary healthcare, optometry, dentistry, psychology, cancer screenings and psychosocial support to underserved areas.



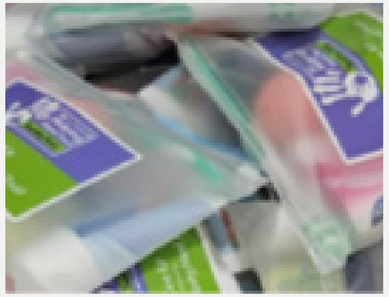
Impact

650 640 patients received healthcare in 2026 via the Phelophepha Health Train.

2025: 697 000

Community projects

The CHHT supports community well-being through education and social support initiatives, including oral health awareness; disaster relief; nutrition; disability support; Festive Shoebox donations; playground enhancements; and product donations for vulnerable children, families and communities.



Impact

4 000 personal care packs distributed to natural disaster (flooding/fire) impacted communities.

Supported Clicks employees and customers to raise R3.4 million through Casual Day sticker campaign in aid of National Council of and for Persons with Disabilities.

Building a trusted, accessible healthcare network *continued*

CASE STUDY

Supporting smiles, dignity and brighter futures

Clicks has a longstanding partnership with Operation Smile South Africa, an organisation dedicated to expanding access to cleft care for children and families in need. In 2026 the CHHT continued its formal support for a second year, complementing this broader historical relationship through the donation of needed products.

The donated products supported the care environment surrounding a surgical programme at Nelson Mandela Children's Hospital, where 40 children received life-changing cleft surgery during the year. By providing practical items needed to support the programme, CHHT was able to contribute in a tangible way while enabling Operation Smile South Africa and its clinical partners to focus on delivering specialised care.

For children born with cleft conditions, access to appropriate treatment can have a profound impact on their health and well-being. Through its continued partnership with Operation Smile South Africa, CHHT is supporting efforts to improve access to healthcare while helping children and their families move towards healthier, more confident futures.

This partnership reflects the group's commitment to increasing access to healthcare and supporting organisations that deliver meaningful health outcomes in vulnerable communities, bringing its purpose and CROP culture of Care to life.



CASE STUDY

Bringing colour to our communities

Bringing colour, care and hope to young lives

The Fikelela AIDS Project has been supporting vulnerable children in Khayelitsha since 2000, providing a caring environment in which children can experience greater stability, support and opportunity. Its work is centred on nurturing children's potential and creating brighter futures for those in its care.

Through the CHHT the group has built a meaningful partnership with the Fikelela AIDS Project, providing more than R1.5 million in financial support over the past three years, alongside donations of products and toys. Together, these contributions support Fikelela's work and help create a more nurturing environment for the children in its care.

In 2026 the partnership went a step further. An artist transformed the wall surrounding Fikelela's playground into a vibrant, educational mural, creating a brighter and more engaging space for children to live, learn and play. Donated toys and products further enriched the environment, adding opportunities for play, creativity and positive childhood experiences.

The impact of the mural has extended beyond transforming the physical space. Fikelela shared that children enjoy spending time near the murals during their Friday group therapy sessions and that the transformed area has contributed positively to the centre's therapeutic space, providing an environment in which children can engage with and express their feelings.



> "A brighter environment supporting play, creativity, expression and well-being."

By combining sustained financial support with practical donations and thoughtful improvements to the children's environment, the partnership demonstrates how the group seeks to create social value that extends beyond financial investment. It brings the group's CROP culture of Care and Purpose to life by helping create spaces where vulnerable children can experience greater joy, belonging and opportunity.

R1.5m+
Financial support over the past three years

Building a trusted, accessible healthcare network *continued*

CASE STUDY

Care when communities need it most

When severe storms and flooding affected communities across the Western Cape, damaging infrastructure and disrupting access to essential services, Clicks responded by working with its community and disaster relief partners to help reach vulnerable communities.

Through the CHHT, and in partnership with Gift of the Givers and disaster management authorities, the group mobilised essential hygiene support for communities affected by the flooding.

Protecting health, well-being and dignity

As part of the response, 4 000 dignity care packs containing essential hygiene products were distributed to affected families, helping them maintain personal care, hygiene and dignity during a period of significant disruption.

Designed to be lightweight and compact, the dignity packs could be transported to communities where conventional access had been compromised, including being airlifted to areas that could not be reached by road.

Creating impact through collaboration

The response demonstrated the importance of established partnerships in times of crisis. By working with organisations equipped to co-ordinate disaster relief on the ground, CHHT was able to direct practical assistance to communities experiencing immediate need.

Importantly, the intervention extended the group's commitment to health and well-being beyond its stores, recognising that access to basic hygiene and personal care is an important part of protecting health and dignity, particularly during emergencies.

Supporting resilient communities

The initiative reflects the group's commitment to supporting communities during times of greatest need. By responding with practical assistance and working through trusted partners, Clicks helped extend essential care to communities facing significant disruption, reinforcing its commitment to positive social impact and responsible corporate citizenship.

Outcomes

Through this response, Clicks Group demonstrated care in action by supporting communities when they needed it most.



Human papilloma virus (HPV) education

Clicks Group collaborates with government and community partners to improve health awareness and access to preventative healthcare, particularly in underserved communities. Through outreach programmes led by our pharmacists, nurses and clinic teams, we provide education on key public health issues, including HPV prevention and early intervention. Our initiatives focus on raising awareness of HPV transmission; promoting preventative measures such as vaccination and screening; and supporting informed health decisions among young people, women and broader communities.

Importantly, our programmes actively include boys and men in these conversations. Effective HPV prevention requires shared responsibility, as increasing awareness among boys and young men helps reduce transmission; encourages informed health choices; and contributes to better health outcomes for women and girls. By promoting understanding and prevention across the broader population, we support a more comprehensive and equitable approach to public health.

Affordability and trust

Affordable wellness and healthcare

The group has remained focused on delivering value-driven healthcare solutions through competitive pricing, private label healthcare products, the Pay Even Less campaign and other promotional campaigns that generated customer savings of R18.6 billion, reinforcing our commitment to affordability while maintaining product quality and customer trust.

The group continues to prioritise healthcare affordability by expanding access to lower-cost treatment options across its pharmacy network through a vast range of private label generic medicines, providing customers access to more affordable alternatives to both acute and chronic treatments.

This year the Clicks ClubCard loyalty programme has continued to play an important role in supporting customer affordability and value by returning R976 million (2025: R855 million) to over 13.1 million members through cashback rewards, reducing the cost of healthcare, wellness and personal care products for millions of customers.



Building a trusted, accessible healthcare network *continued*

Purpose-driven marketing

Clicks Group continues to embed purpose-driven and cause-related marketing into its broader sustainability and social impact strategy by creating opportunities for customers and stakeholders to contribute to initiatives that deliver meaningful community benefits. Through selected fundraising campaigns and product-linked contributions, the group supports initiatives focused on healthcare accessibility, dignity, well-being and community upliftment.

During the reporting period all proceeds generated through the sale of selected Clicks CHHT products continued to contribute directly towards funding community healthcare and social initiatives.
In addition, a percentage of proceeds from selected Clicks-branded products are directed towards CHHT-supported programmes.
These initiatives enable customers to participate in social impact efforts through everyday purchasing decisions, strengthening awareness and engagement around causes aligned to the group's purpose and values.

Through its extensive footprint, value-driven healthcare offering, and continued investment in customer and community well-being, the group remains focused on improving access to affordable, quality healthcare solutions.
This integrated approach supports customers in making informed health and wellness choices while strengthening trust in the accessibility, convenience and reliability of the group's healthcare offering.



Customer responsibility

The group continues to advance public health outcomes through health education initiatives, preventative healthcare campaigns, screening programmes and customer engagement activities delivered across its pharmacy network and healthcare platforms. Communications relating to pharmaceutical products, healthcare services and wellness solutions are subject to rigorous internal review processes designed to ensure accuracy, regulatory compliance and alignment with patient well-being objectives.

As digital healthcare services, including the Virtual Doctor platform, continue to expand, the group prioritises the protection of patient and customer information through robust cybersecurity, data privacy and governance frameworks.
These measures support the secure, responsible and ethical management of sensitive health information while fostering confidence in the group's digital healthcare ecosystem.

Empowering motivated, passionate people

Access to opportunities

creates pathways for young professionals and employees to enter, learn, grow and build meaningful careers across the group ecosystem. Through skills development, employment equity and inclusive workplace practices, the group enables people from diverse backgrounds to fully participate and progress. These opportunities strengthen employee engagement, improve retention and build the capabilities needed to support long-term business growth. They also help advance transformation by supporting fair participation, representation and development across the organisation. For the group, expanding access to opportunities is important because motivated, empowered people are central to delivering trusted customer care and sustainable value creation.

Part of the value chain

- **Suppliers**
- **Employees**
- **Communities**

OUR PEOPLE

Headcount

21 216
2025: 20 102

62%
Female
2025: 62%

38%
Male
2025: 38%

45%
Women in top and senior management
2025: 44%

Employment equity employees

20 275
Permanent
2025: 19 200

433
Employees with disabilities
2025: 437

BBBEE

3
Clicks Group

2
UPD

KEY RISKS AND OPPORTUNITIES

Key risks

- Skills shortages, turnover, engagement challenges and scarcity of pharmacists, nurses and other critical roles could affect service quality and growth.

Opportunity

- Build a differentiated employee value proposition through training, career pathways, pharmacist pipelines, wellness and inclusive leadership development.

Mitigation

- Use structured learning programmes, bursaries, pharmacist internships, leadership development, employee wellness initiatives, transformation plans and retention-focused talent management.

Financial impact

- Higher training and retention investment may increase short-term costs, but improved retention, productivity and service quality can reduce recruitment costs and support sales performance.

IN REVIEW

Strategic shifts

- New employment equity plan introduced, providing a stronger foundation for the transformation roadmap.
- First Companies Act pay ratio disclosures completed, supporting greater transparency and a shift toward fair pay practices.
- 88.6% participation in the Leadership Pulse Survey, demonstrating strong employee engagement and leadership commitment.

Challenges

- Clicks learning and development balanced growing business demand with a strong focus on cost efficiency and operational effectiveness.
- Learning interventions were prioritised to maximise business impact while maintaining high-quality delivery, supported by increased collaboration, innovation and agility across the function.

Looking ahead

- Strengthen pay ratio benchmarking and further embed fair pay and living wage commitments.
- Accelerate implementation of the employment equity plan and transformation initiatives.
- Build on Leadership Pulse Survey insights to enhance employee experience, inclusion and leadership effectiveness.

Empowering motivated, passionate people *continued*

Diversity, equity, inclusion and belonging

Culture transformation: Embedding CROP across the group

Building a high-performing, people-centred and purpose-led culture

During 2026 the group strengthened its culture architecture through the introduction and progressive embedding of CROP (Care, Results, Order and Purpose). CROP builds on the group's existing cultural strengths while providing a clearer, shared framework for how employees lead, collaborate, make decisions, serve customers and deliver results.

The framework reflects the group's ambition to sustain the performance, discipline and accountability that have contributed to its success, while strengthening the collaboration, care and shared purpose required to remain resilient and responsive in a changing operating environment. The underlying culture work identified a strategic intent to retain the group's strengths in Results and Order while moving towards a more collaborative model and placing greater emphasis on Care and Purpose.

CROP therefore represents more than a set of organisational values. It provides a common cultural language and behavioural framework that connects the employee experience with leadership, performance and the group's broader purpose.

Bringing CROP to life

Each CROP pillar reinforces an important dimension of the culture the group seeks to strengthen:

- Care places relationships at the heart of the culture, promoting collaboration, respect, empathy, openness and trust.
- Results reinforce clarity, accountability, ownership, resilience and a focus on delivering meaningful outcomes.
- Order promotes consistency and reliability through clear processes, strong governance and disciplined execution.
- Purpose connects employees to the broader meaning of their work and the positive impact the group seeks to create for colleagues, customers and communities.

Together, the four pillars seek to create the conditions for a culture in which care and high performance reinforce, rather than compete with, one another.

Leadership as a key driver of culture

Recognising that culture is experienced through everyday leadership behaviours, the group aligned CROP with its DRIVE leadership model: Delivery, Resilience, Integrity, Vision and Enterprising. The manager cascade material expressly connects DRIVE with how leaders lead and act, translating the group's cultural ambitions into practical leadership behaviours.

Managers have a particularly important role in translating CROP from organisational intent into the day-to-day employee experience. To support this manager cascade packs were introduced to enable meaningful team conversations about the culture, supported by initiatives including CROP Corner content, CROP Connections and recognition mechanisms.

This integration between culture and leadership strengthens the group's broader leadership architecture by establishing greater consistency between what the organisation stands for and how leaders are expected to lead.



Empowering motivated, passionate people *continued*



Listening, measuring and strengthening leadership effectiveness

An important development during 2026 was the introduction of the group's inaugural Leadership Pulse Survey, establishing a baseline view of how employees experience leadership and informing leadership development and action planning. The survey measured three areas: the Overall Leadership Index, Line Manager Experience and Employee Advocacy.

The Leadership Pulse Survey also provides an important feedback mechanism within the group's wider culture journey. The group's Leadership Hub describes the Leadership Index as a development and accountability tool that enables leaders to listen, reflect and improve, with particular focus on trust, inclusion, fairness and performance.

This represents an important evolution from defining the desired culture to measuring how leadership is experienced in practice, enabling the group to identify areas of strength, focus development and support more consistent leadership behaviours.

Reinforcing the culture through recognition and everyday experiences

Embedding culture requires sustained reinforcement. During 2026 the group expanded the mechanisms through which CROP is communicated and brought into everyday employee experiences.

Manager resources were introduced to support culture conversations, alongside initiatives including CROP Corner, CROP Connections and the CEO Award that will feature in 2027, designed to reinforce and recognise behaviours aligned with the group's shared culture.

Recognition has an important role in this journey by making desired behaviours visible and celebrating employees who demonstrate the culture through their actions and contribution. In turn, this helps translate CROP from an organisational framework into the everyday behaviours, interactions and decisions that collectively shape the employee and customer experience.

From culture framework to organisational capability

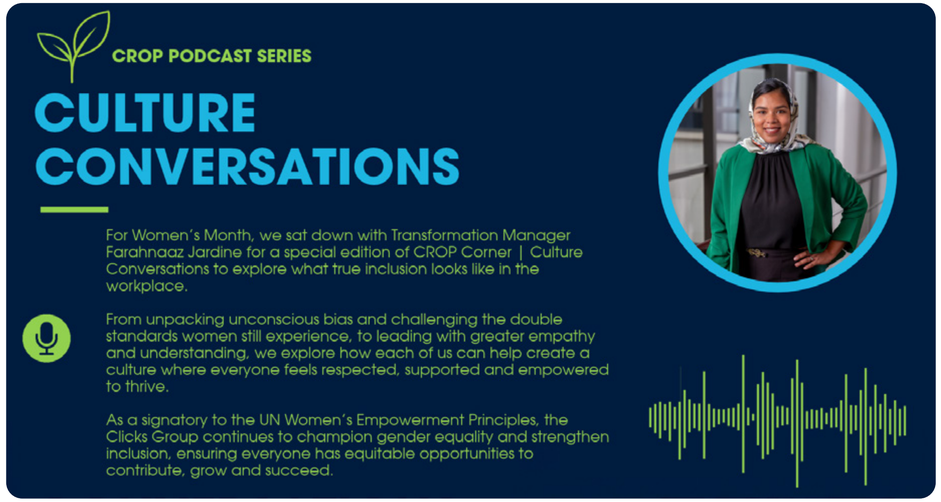
The group recognises that sustainable culture transformation requires continued reinforcement. Its culture programme is therefore focused on progressively embedding CROP within leadership, employee communication, recognition and relevant people practices.

The group's culture implementation plan identifies further integration with onboarding, leadership and managerial programmes, recruitment, performance measures, employee feedback mechanisms and recognition as part of the wider embedding journey.

As CROP matures the group will continue to listen to employees, measure leadership and culture indicators, strengthen leadership capability and reinforce the behaviours that support the desired culture.

Through this approach, culture becomes an organisational capability that supports employee engagement, effective leadership, disciplined execution, collaboration and sustainable performance, while helping the group deliver value for employees, customers, communities and shareholders.

Empowering motivated, passionate people *continued*





Inaugural Leadership Pulse Survey

In 2026 Clicks Group introduced its inaugural Leadership Pulse Survey as an important component of our broader Leadership Architecture and our commitment to embedding the CROP culture of Care, Results, Order and Purpose. The survey provides a consistent, employee-led measure of how leadership is experienced across the group, creating a baseline from which we can strengthen leadership capability and accountability over time.

The survey achieved an 88.6% response rate, representing 17 213 employees, and resulted in an Overall Leadership Index of 81% and a Direct Line Manager Index of 85%. These results provide a strong foundation while also identifying opportunities to create a more consistent leadership experience across the business.

Importantly, the Leadership Pulse Survey is not positioned as a once-off survey or leadership scorecard. It is a development and accountability tool that connects employee voice with leadership development, performance and talent processes, and targeted improvement actions. Through our Leadership Architecture, we are building a common leadership philosophy, language and set of expectations across different stages of leadership, from managing self and others through to senior and executive leadership.

This approach reinforces leadership as a key enabler of our CROP culture. By listening to how employees experience leadership and using these insights to guide development and accountability, we aim to strengthen trust, inclusion, fairness, integrity and leadership effectiveness, ensuring that our culture is consistently experienced through everyday leadership behaviour.

Leadership Pulse Survey

Introduced in 2026 to establish a baseline of employees' experience of leadership, and inform development and action planning

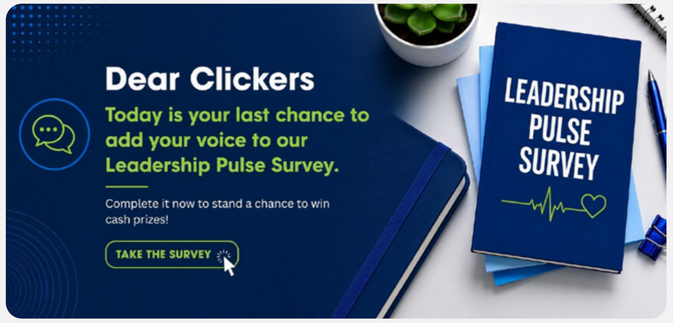
Leadership Hub

Provides practical guidance, learning resources and tools to help leaders understand feedback and strengthen their leadership practice

Recognition

CROP-aligned recognition mechanisms, including the CEO Award, introduced as part of the culture embedding programme

By connecting culture, leadership, employee voice and recognition through a common architecture, the group is creating the conditions for CROP to become embedded in how employees work, lead, collaborate and deliver. This strengthens a culture where Care and Purpose complement Results and Order, supporting a more connected, resilient and high-performing organisation capable of delivering sustainable value for all stakeholders.



Empowering motivated, passionate people *continued*

Learning and Development

Learning and Development (L&D) plays a key role in advancing the group's sustainability strategy by building a skilled, engaged and future-ready workforce. Through learnerships, accredited training, leadership development and technical skills programmes, Sector Education and Training Authorities (SETAs), training providers and educational institutions further contribute to skills development, youth employability and transformation. The continued expansion of digital and blended learning solutions enhances accessibility, improves efficiency and broadens learning reach.

Key priorities include expanding accredited learning, improving completion and certification rates, building leadership capability, increasing digital learning adoption and creating clear career pathways to support internal talent mobility. Ongoing engagement with executive leadership, human resources, business operations, operational stakeholders and SETAs ensures that the learning strategy remains aligned with organisational priorities, workforce capability needs and the group's long-term sustainability objectives, while delivering measurable business and social value.

Key metrics include enrolment, attendance, completion and certification rates, compliance and accredited programme delivery, digital learning participation, learner satisfaction and absorption rates.

6 550
employees trained
2025: 6 034

6 441
accredited programmes completed in 2026
2025: 4 063

3 397
number of learnerships, internships and apprenticeships
2025: 2 165

992
learners absorbed
2025: 422

We also track long-term outcomes such as career progression, leadership readiness, talent pipeline development and learner employability, demonstrating how learning supports workforce capability, succession planning and the group's long-term sustainability objectives.

Through the Group's learning and development departments, in 2026 we awarded and enrolled the following:

78
bursaries awarded in 2026,
R4.9m
invested in all bursaries
2025: R7.3m

15
employees enrolled in Supply Chain Occupation qualifications
2025: 0

1 069
in the Youth Employment Programme (YEP) Learnership
2025: 383

612
enrolments in 2026 for the Store Operations Development Programme

193
enrolments in 2026 for the Cosmetics Learnership

220
completed the accredited Finance for Non-financial Managers Programme

1 060[1]
enrolled in various occupational qualifications training provided by external service providers

691
generic wholesale and retail learnerships

170
trainee managers registered in store operations learnerships

A key achievement in November 2025 was receiving
second prize
in the Large Companies Category at the Wholesale and Retail SETA (W&RSETA) Good Practice Awards, recognising Clicks Group's commitment to developing talent and creating meaningful opportunities for employees and unemployed youth.

[1] Effective Disciplinary Hearings for Initiators, Effective Disciplinary Hearing for Chairpersons, Finance for Non-financial Managers, Emotional Intelligence and Personal Mastery, Conflict Management (OQ), Frontline Customer Service (OQ), Time Management (OQ).

Clickers on the rise

Creating a strong skills pipeline is critical to Clicks Group's long-term success, enabling the business to attract, develop and retain the talent required to execute its strategy in a rapidly evolving retail and healthcare environment. As customer expectations, digital technologies and regulatory requirements continue to change, investing in the development of future-ready skills helps ensure operational excellence, innovation and resilience across the organisation. A robust skills pipeline supports leadership succession, reduces critical talent gaps and enhances employee engagement by providing clear pathways for growth and career progression. It also strengthens the group's ability to deliver sustainable value to customers, shareholders and communities by building a diverse, capable and adaptable workforce that can respond effectively to emerging opportunities and challenges.

Clickers on the move

In addition to accredited training programmes, Clicks Group continued to invest in the ongoing growth and development of its employees through a range of non-accredited learning interventions. These initiatives focused on enhancing technical, operational, leadership and behavioural competencies, enabling employees to strengthen their skills, improve performance and adapt to evolving business needs. Through workshops, on-the-job learning, coaching, mentoring, e-learning modules and other development opportunities, the group fostered a culture of continuous learning while supporting employee career progression and building the capabilities required to drive future business success.

Empowering motivated, passionate people *continued*

CASE STUDY

The Store Operations Development Programme

The Store Operations Development Programme (SODP) is designed to strengthen leadership capability within Clicks Group by equipping current and aspiring retail leaders with the knowledge, practical skills and supervisory competencies required to effectively manage store operations.
The programme addresses the need for a sustainable internal leadership pipeline by preparing employees for increased responsibility, succession opportunities and future management roles, while improving operational excellence across the business.
This case study highlights the career journey of one learner who successfully completed the SODP in 2022.

Meet Bennie Enrico Prins. Following successful completion of the programme, Bennie progressed from store manager to area manager, demonstrating the programme's effectiveness in developing internal leadership talent.



"The SODP was a pivotal step in my leadership journey, equipping me with practical skills and confidence that I could immediately apply in my role. The programme played an important role in my progression from store manager to area manager and continues to shape my leadership approach today."

BENNIE ENRICO PRINS, AREA MANAGER

CASE STUDY

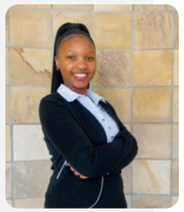
Clicks Youth Employment Programme

YEP addresses youth unemployment by giving unemployed young people practical retail experience, workplace exposure and access to formal learning. High-performing participants are supported to progress into the National Certificate: Wholesale and Retail Operations Supervision (NQF Level 4), creating a sustainable talent pipeline that enables career growth and strengthens future leadership capability.
In 2026 alone 1 069 learners were enrolled on the YEP programme. Three learners secured employment with Clicks Group following participation in YEP and were subsequently selected to participate in the Retail Operations Supervision learnership. Their development has positively contributed to improved store performance while creating opportunities for long-term career growth. Building on the success of YEP, L&D aims to expand opportunities for learners to progress into accredited occupational qualifications and leadership development programmes.



"YEP gave me more than work experience; it gave me confidence, purpose and a clear path to build a future at Clicks. Being selected to continue my journey on the SODP in 2026 is something I am very proud of because it shows that my hard work has been recognised."

KWANDOKUHLE THEOPHYLLUS MTSHALI, CLICKS SOSHANGUVE CROSSING



"YEP opened doors I never thought possible and gave me the confidence to build a future at Clicks.... If someone is unsure about joining YEP, I would tell them to take the opportunity with both hands because it can open doors you never thought possible and give you confidence in yourself."

UKHO AMVUYELE NJOBE, CLICKS RIVONIA



"Before joining YEP in 2024, I had just finished school, was unemployed and uncertain about my future. The programme gave me hope, practical work experience and the opportunity to support my family while building a career at Clicks."

THENDO EMMANUEL RADZILANI, CLICKS MAYVILLE

Empowering motivated, passionate people *continued*

Our next generation of health professionals

Clicks Group continues to invest in the future of healthcare through its bursary programme. This year we supported 78 students (2025: 145) on their journey to becoming qualified pharmacists and contributing to the development of critical healthcare skills in South Africa. We also have 292 pharmacy assistants (2025: 668) enrolled in learnerships.

Their progression reflects years of academic dedication and practical training, as well as Clicks' commitment to building a sustainable pipeline of healthcare professionals.

The transition from student to pharmacist was marked by an oath-taking ceremony, where graduates formally committed to the ethical principles of the profession and the responsibility of delivering patient-centred care. This milestone represents an important step in their journey towards becoming fully qualified pharmacists and serving communities across the country.

Through partnerships with institutions such as the University of the Western Cape, Clicks Group supports students in gaining the knowledge, skills and practical experience required to succeed in the profession. The bursary programme not only creates opportunities for individual growth and career development but also contributes to strengthening South Africa's healthcare system by helping to address future skills needs.

We also offer continued professional development opportunities for nurses. Some of the non-accredited programmes offered include lactation education, family planning, vaccinology training and psychological patient care. These are delivered via an external service provider. In 2026 we enrolled 110 professionals. In addition, Clicks Group supports accredited training in short courses on topics such as diabetes education, HIV and AIDS counselling, and metabolic syndrome.

Clicks Foundation Bursary Programme

From learner basics to future pharmacist intern, Shannon Botes's career journey demonstrates the opportunities created through Clicks' learning and development initiatives. After progressing to become a qualified post-basic (QPB) assistant, she was awarded a bursary through the Clicks Foundation Bursary Programme and will return to Clicks as a pharmacist intern in 2027.



By investing in education and professional development, Clicks Group continues to support the delivery of accessible, quality healthcare while creating meaningful pathways for young healthcare professionals to thrive.

Building governance capability across the workforce

Governance, ethics and compliance training support a culture of accountability, integrity and responsible business conduct across the group. Employees receive training and awareness communications on key governance policies, standards and regulatory requirements relevant to their roles. During the year the group's Code of Conduct training module achieved an 82% completion rate, while training on the Acceptable Use of Devices, phishing awareness, and the ability to spot a bribe, achieved completion rates of 85%, 83% and 76%, respectively. As ethical governance continues to gain prominence, these targeted learning initiatives help strengthen responsible decision-making, reinforce compliance and support the consistent application of good governance practices across the organisation.

In addition, managers receive a dedicated toolkit as part of their induction. It covers key people management practices, including fair and effective talent appointments, goal setting and performance management, constructive feedback that supports employee development and equitable practices that foster high-performing teams.

Gender pay equity

Advancing equitable pay and economic inclusion

Gender pay equity is an important indicator of an inclusive, equitable and sustainable workplace. For the group, pay equity extends beyond regulatory compliance and forms part of its broader commitment to fair and responsible remuneration, transformation, economic inclusion and sustainable social value creation.

The group applies a rigorous approach to income differential analysis and remuneration governance. Pay outcomes are assessed across occupational levels and skills pools, with analysis considering gender, ethnicity, disability and other relevant dimensions, as well as annual guaranteed pay, hourly rates, bonus pay and total remuneration. This approach supports the principles of the Employment Equity Act, including equal remuneration for work of equal value, and reinforces the group's commitment to fair, responsible and transparent remuneration.

In 2026 the group maintained an overall gender pay ratio of 1:1, with gender compa-ratio outcomes remaining close to parity. The group's analysis identified that significant individual underliers and overliers were primarily attributable to factors including tenure, scarce skills roles, career path promotions and employees integrated through acquisitions. Pay equity is therefore assessed beyond the headline gender pay ratio, enabling the group to identify and understand remuneration differences at occupational and individual levels.

Achieving and maintaining gender pay parity has been a deliberate, multi-year journey, supported by regular pay equity audits, increasingly standardised pay structures, gender pay reviews incorporated into the annual salary adjustment cycle and governance oversight of pay equity outcomes. This reflects an approach focused not only on measuring pay differences, but also on identifying and addressing unjustified disparities through disciplined and responsible remuneration practices.

The group seeks to maintain leading practice in gender pay equity through rigorous measurement, transparent oversight and sustained action to address unjustified pay disparities. This approach supports sound remuneration governance and strengthens the group's broader ESG agenda by connecting fair pay with economic inclusion, employment equity and transformation.

Empowering motivated, passionate people *continued*

Pay equity is also an important component of the group's commitment to strengthening social and human capital. Alongside equitable remuneration, the group continues to support the development, advancement and leadership representation of women, with particular focus on black women. Together, these efforts support the group's transformation objectives and contribute to building a diverse, skilled and engaged workforce.

By promoting equitable remuneration and opportunity, the group seeks to strengthen employee trust and inclusion, enable greater economic participation and contribute to South Africa's broader social and economic transformation. Fair pay, equitable opportunity and accountable remuneration governance reinforce one another, supporting both positive social outcomes and the long-term resilience and sustainability of the group.

> "1:1 gender pay ratio maintained in 2026."

The group continues to strengthen its approach to gender pay equity through rigorous measurement, remuneration governance and sustained action to identify and address unjustified pay disparities.

> "Why this matters."

Fair and equitable remuneration is fundamental to economic inclusion and a sustainable employee value proposition. The group's approach connects pay equity with transformation, employment equity, and the economic participation and advancement of women. Maintaining gender pay parity, while continuing to interrogate outcomes at occupational and individual levels, supports a fairer employee experience, strengthens trust and inclusion and contributes to the human and social capital that underpins long-term value creation.

ESG-linked remuneration

The group has implemented an ESG-linked performance scorecard across all levels of the organisation, with remuneration for employees – including executives – for both short-term and long-term rewards. This ensures that the delivery against the sustainability strategy remains motivated and rewarded based on merit. 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 downward modifier, measured through specific targets and weighted to reflect strategic importance with an aggregate ESG modifier score of 15%, as detailed in the table below.

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 (diversity, equity, inclusion and belonging, 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%

Employee health, safety and well-being

Wellness at a glance	2026
Employee wellness programme (EWP) engagement rate	74.7%
Total wellness engagement participation	15 142
Primary healthcare screening participation	1 106
Physical movement challenge participation	1 839
Increase in movement challenge participation compared with 2024	54%

Supporting healthier people and a resilient workforce

The group regards employee health, safety and well-being as integral to its people strategy and to building a resilient, engaged and high-performing workforce. Its holistic approach extends beyond workplace safety and regulatory compliance to proactively supporting employees' physical, mental, emotional and financial well-being.

Through an integrated EWP, employees have access to counselling and advisory services, preventative health interventions, health awareness and education, wellness activities, and support for personal and work-related challenges. These interventions are designed to strengthen resilience, encourage proactive management of health and well-being, and create an environment in which employees feel supported and empowered to perform at their best.

Employee participation reflects the reach of the group's wellness approach. The EWP had recorded 15 142 employee engagements, representing an engagement rate of 74.68%. Wellness events across regional offices, distribution centres and selected large stores reached 3 735 employees through health screenings, while the group's movement challenge engaged 1 839 employees across 39 teams. Participation in the challenge increased by 54% compared with 2024.

This builds on an established wellness platform. In 2025, 10 925 employees accessed EWP services, an increase of 39% compared with the prior year. Wellness days provided preventative health screenings, including blood pressure, glucose, cholesterol, body mass index and HIV testing, while either primary health insurance or medical aid was provided to 79% of employees.

Empowering motivated, passionate people *continued*

Through the scale and breadth of these interventions, the group continues to strengthen its position as a leader in employee wellness, embedding well-being into the employee experience rather than treating it solely as an employee benefit. This integrated approach supports employee resilience, engagement and sustainable organisational performance.

Embedding a strong culture of health and safety

The group is committed to maintaining high standards of occupational health and safety (OHS) across its operations and to continually strengthening its safety culture. Health and safety responsibilities are embedded within individual business areas, enabling practices and controls to respond appropriately to the differing operational environments and risks across the business.

The group's approach combines prevention, risk management, employee participation, training, monitoring and management accountability. Health and safety representatives and internal champions support regular safety briefings, awareness campaigns and risk assessments. Employees receive safety induction, refresher and relevant site-specific operational training, including first aid, fire prevention, ergonomics and chemical handling where applicable.

Health and safety performance is supported by established governance and reporting processes. Departments conduct monthly safety reporting, with consolidated reporting submitted to the sustainability function biannually. Critical safety incidents are escalated to group executive leadership, while operational scorecard meetings track measures including incident rates, lost-time injuries and safety observations.

The UPD distribution centres operate under regulated safety management systems, while Clicks distribution centres and the group's head office align with principles of good practice.

The group's approach extends beyond compliance by integrating occupational health and safety with the broader employee well-being agenda. Preventative health interventions, health screenings, employee assistance services and wellness programmes complement workplace safety measures, supporting both the immediate protection and longer-term well-being of employees.

This reinforces a culture of shared responsibility, in which leaders, employees and contractors each have a role in creating and maintaining safe and healthy workplaces. The group's OHS policy expressly recognises health and safety as a core business priority and shared responsibility, supported through training, collaborative risk management, proactive risk mitigation, accountable leadership and responsible contractor engagement.

KPI/Data point	2026	2025	2024
Health and safety committee members	1 104	1 113	1 119
Fire marshals	943	991	969
First-aid representatives	967	1 013	1 014
Injuries on duty	408	261	222
Occupational diseases	0	0	0
Lost days	653	209	394
Fatalities	0	0	0
Lost-time injury frequency rate	3	4	–

By integrating proactive employee wellness with a strong culture of occupational health and safety, the group seeks to create workplaces where employees are protected, supported and empowered to thrive. This holistic approach strengthens individual well-being and workforce resilience while contributing to sustainable organisational performance.

Customer health and safety

Clicks Group is also committed to protecting the health, safety and well-being of its customers, patients and service providers. The group maintains robust health and safety management systems to ensure safe retail, pharmacy and healthcare environments, in compliance with applicable legislation and industry standards.

The group works closely with contractors, service providers and business partners to communicate and uphold health and safety requirements, including safe working practices, risk management and regulatory compliance. Regular monitoring, audits and stakeholder engagement support continuous improvement and a strong safety culture across the value chain.

Inclusive economic development

Transformation at a glance	2026
BBBEE rating achieved	Level 3
Overall BBBEE score	94.46 points
Procurement spend with empowering suppliers	R30.4bn
Procurement spend with businesses at least 51% black-owned	R18.6bn
Procurement spend with businesses at least 30% black women-owned	R16.9bn
Enterprise and supplier development investment	R143m
Enterprise and supplier beneficiaries supported	262

Driving transformation and inclusive economic participation

For the group, BBBEE extends beyond regulatory compliance. It is an important component of the group's transformation strategy and a mechanism through which its scale, procurement activity and business relationships contribute to inclusive economic participation, enterprise development and sustainable value creation.

Operating within South Africa's retail and healthcare sectors, the group recognises that its long-term success is intrinsically linked to the strength, inclusivity and resilience of the economy and communities it serves. Transformation is therefore embedded across key areas of the business, including ownership, management representation, employment equity, skills development, preferential procurement, enterprise and supplier development, and socio-economic development.

In 2026 the group achieved a level 3 BBBEE rating, with an overall score of 94.46 points, reflecting the continued execution of its transformation strategy. This builds on the level 3 rating achieved in 2025, when the group recorded strong performance across its BBBEE scorecard.

The group seeks to translate transformation into meaningful and sustainable economic participation by deliberately using its purchasing power, supplier relationships and development programmes to create opportunities for black-owned and black women-owned enterprises, small and emerging businesses, and other empowering suppliers.

Empowering motivated, passionate people *continued*

Strategic priority	Why it is important	How we created value in 2026
Advancing transformation and inclusive economic participation	To leverage the group's economic footprint to advance meaningful transformation and broaden participation across its workforce, supply chain and the broader economy.	**Achieved a level 3 BBBEE rating with 94.46 points, reflecting continued progress in delivering the group's transformation strategy.**
Building an inclusive and transformed supply chain	To use the group's procurement activity to create opportunities for empowering suppliers, EMEs, QSEs, black-owned businesses and designated group suppliers while strengthening supply chain resilience.	**R30.4bn procurement spend with empowering suppliers, including R18.6bn with businesses that are at least 51% black-owned.**
Empowering black women-owned businesses	To broaden opportunities for black women entrepreneurs and increase their participation in the group's value chain.	**R16.9bn procurement spend with businesses that are at least 30% black women-owned, representing 37% of applicable procurement spend.**
Developing sustainable enterprises and suppliers	To strengthen the capability, competitiveness and sustainability of participating enterprises and support their longer-term economic participation.	**Invested R143m in enterprise and supplier development and supported 262 enterprises and suppliers.**
Supporting local supplier development	To create opportunities for smaller local enterprises while strengthening domestic supply chains and contributing to local economic development.	**44 local suppliers were supported through development, training and capacity-building initiatives.**

Through its transformation strategy, the group seeks to translate its scale and economic footprint into broader participation and sustainable economic opportunity. By combining inclusive procurement with enterprise and supplier development and a deliberate focus on black-owned and black women-owned businesses, the group is contributing to a more inclusive and resilient value chain while creating shared value for the business, its suppliers and the broader South African economy.



Building an inclusive and resilient supply chain

The group's procurement activities provide an important opportunity to use its scale to broaden participation in its supply chain while simultaneously strengthening supply chain resilience and supporting local economic development.

Preferential procurement is directed towards developing a more diverse and inclusive supplier ecosystem, including empowering suppliers, exempted micro enterprises (EMEs), qualifying small enterprises (QSEs), black-owned businesses, black women-owned businesses and designated-group suppliers.

In 2026 the group spent R30.4 billion with empowering suppliers, of which R18.6 billion was directed towards businesses that are at least 51% black-owned and R16.9 billion towards businesses that are at least 30% black women-owned. Preferential procurement achieved 20.18 BBBEE points in 2026.

This focus goes beyond directing procurement expenditure towards transformed businesses. The group seeks to build long-term, commercially sustainable supplier relationships and support businesses in strengthening their capabilities, competitiveness and ability to participate meaningfully within the group's value chain.

Developing sustainable enterprises and suppliers

Enterprise and supplier development remains an important element of the group's transformation strategy. Focus is placed on developing and empowering local suppliers, including small and medium enterprises, through training, capacity building and structured support aimed at strengthening their operational capabilities.

The group's 2026 sustainability reporting specifically identifies local supplier development, inclusive economic participation and supporting suppliers towards world-class standards as areas of focus.

During 2026 the group invested R143 million in enterprise and supplier development, comprising R95.7 million in supplier development and R47.6 million in enterprise development. The group supported 262 suppliers and enterprises through these initiatives.

The objective is to create sustainable economic impact by enabling participating businesses to strengthen their capabilities, grow and access opportunities within the group's supply chain and the broader economy.

Advancing black women-owned businesses

Supporting black women-owned enterprises is an important component of the group's inclusive procurement and transformation strategy. Through its procurement activity and supplier development initiatives, the group seeks to expand opportunities for black women entrepreneurs to participate and grow within its value chain.

In 2026 the group directed R16.9 billion in procurement spend to businesses that are at least 30% black women-owned, representing 37% of applicable procurement spend.

By creating greater access to markets and economic opportunities, the group seeks to contribute to the development of a more diverse supplier base and help broaden meaningful economic participation throughout its value chain.

Empowering motivated, passionate people *continued*

CASE STUDY

Taking Care of Business (TCB) – Repairing products to support circularity

Impact at a glance

Outcome	2026 impact
Products donated	**109 425 products redirected to support entrepreneurial opportunities**
Entrepreneurs supported	**215 micro-entrepreneurs benefited**
Skills and enterprise development	**TCB's Repair programme combines practical repair skills with business and life skills, coaching and mentorship (tcb.org.za)**
Circular economy	**Returned and other suitable products are redirected towards productive reuse and economic opportunity**

In partnership with TCB, a non-profit social enterprise, Clicks supports an innovative circular economy initiative that turns surplus and returned products into opportunities for entrepreneurship and economic participation. TCB works to help unemployed South Africans achieve greater financial independence through small business opportunities, while redirecting excess merchandise from the retail supply chain away from landfill.

A key element of the partnership is TCB's Repair programme, a holistic two-year enterprise development programme that equips aspiring entrepreneurs with the skills to build appliance repair and resale businesses. Participants develop practical appliance repair capabilities alongside business, computer and life skills, supported by coaching and mentorship as they establish and grow their businesses.

Clicks supports this model by redirecting returned and other suitable electrical appliances into the programme, where participating entrepreneurs can repair and trade appliances as part of building their businesses. This gives products another opportunity for productive use while supporting the development of technical and entrepreneurial skills. The use of retailer-donated customer returns, damaged goods and deadstock within TCB Repair is independently described as a mechanism for diverting appliances that could otherwise have gone to landfill.

In 2026, 109 425 products were donated, benefiting 215 micro-entrepreneurs.

By connecting responsible product management with enterprise development, the partnership demonstrates how circularity can generate both social and environmental value, supporting livelihoods and economic participation while extending the useful life of products.

REPAIR • RESELL • BUILD A BUSINESS





Sourcing products that uphold the integrity of our brand

Access to trusted products

is what makes the group a leading health, beauty and wellness retailer. Clicks Group recognises that the integrity of our supply chain is central to the trust our customers place in us. Responsible sourcing means ensuring that every product on our shelves, whether manufactured under our private label brands or supplied by a third-party brand partner, is produced in a manner that respects human rights, labour standards, product safety requirements and environmental responsibility.

Our approach is guided by the belief that commercial success and ethical conduct are not competing priorities. We continue to work extensively with our supply chain partners to embed due diligence into how we select, onboard and manage suppliers across our entire product range, recognising that our leverage and responsibility differ depending on whether we are sourcing branded or private label goods.

Part of the value chain

- **Raw materials**
- **Suppliers**
- **Customers**

OUR PROMISE

180
private label suppliers

Representing
406 factories
across 12 countries

47
private label factories linked on Supplier Ethical Data Exchange (Sedex)

24
independent private label supplier audits completed this year

50
private label suppliers pending Sedex connection

119
factories with Business Social Compliance Initiative (BSCI) certificates

70
factories Sedex Members Ethical Trade Audit (SMETA) audited

1
voluntary product recall for private label

KEY RISKS AND OPPORTUNITIES

Key risks

- Supplier non-compliance, product quality failures, ethical sourcing concerns or traceability gaps could damage trust and brand reputation.

Opportunity

- Strengthen supplier assurance, responsible sourcing, private label quality controls and sustainable product ranges to reinforce customer trust.

Mitigation

- Apply supplier codes, product safety and quality assurance, ethical sourcing requirements, Sedex/SMETA-related due diligence, supplier assessments, audits and corrective action follow-up.

Financial impact

- Supplier assurance and audit costs may rise, but stronger controls can reduce product recalls, disruption, legal exposure and reputational damage, while supporting private label growth.

IN REVIEW

Strategic shifts

- Increased emphasis on supplier ESG practices, including greater participation in recognised ethical sourcing and supplier assessment programmes such as Sedex.

Challenges

- Ongoing challenges in improving supply chain transparency and embedding sustainability standards consistently across a diverse supplier base.
- Transitioning packaging toward reusable, recyclable or alternatives remains a complex, long-term process requiring supplier collaboration and innovation.
- Rising stakeholder expectations on ethical sourcing, product traceability and supplier ESG performance continue to increase compliance and monitoring requirements.

Looking ahead

- Strengthen supplier ESG due diligence, monitoring and participation in recognised sustainability assessment programmes.
- Expand sustainable product and packaging initiatives to support circular economy objectives and reduce environmental impacts across the value chain.
- Increase sourcing from responsible and local suppliers while enhancing transparency and traceability across key product categories.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Sourcing products that uphold the integrity of our brand *continued*

Policies and guidelines

Our policies help safeguard the group's reputation, support business continuity and maintain stakeholder trust through robust and responsible sourcing practices. The group procures products only from approved suppliers that demonstrate not only technical competence within their respective product categories, but also a commitment to quality, safety and ethical manufacturing practices.

Suppliers are required to operate appropriate certified or licensed quality management systems and apply due-diligence processes to ensure product integrity, worker well-being and consistent quality standards. To reinforce these expectations, all suppliers and manufacturers of private label products are required to adopt and comply with the CTSO Agreement, which sets out our private label requirements relating to product quality, safety, regulatory compliance, traceability and responsible manufacturing practices. These are also included in the induction manuals for buyers and technical teams.

Three frameworks that embed sustainability across Clicks Group's supply chain and value chain

1 Supplier Code of Ethics

Clicks Group sources more than 20 416 stock-keeping units from over 430 suppliers across 23 countries. The Supplier Code of Ethics plays an important role in managing supply chain sustainability risks and opportunities. It helps the group:

- Improve visibility of social and environmental risks throughout the supply chain
- Promote consistent standards across diverse geographies and supplier categories
- Encourage suppliers to reduce emissions, waste, energy consumption and other environmental impacts
- Strengthen human rights protections and labour practices across supplier operations
- Enhance supply chain resilience, transparency and stakeholder trust through responsible sourcing practices

As a result, the Code serves as a key mechanism through which Clicks Group integrates sustainability considerations into supplier relationships and value chain management.

2 Human Rights Commitment

The Clicks Group Human Rights Commitment formalises the group's commitment to respecting, protecting and promoting the fundamental human rights of employees, customers, suppliers and other stakeholders across its value chain. The commitment is aligned with the UN Global Compact, the Universal Declaration of Human Rights and the UN SDGs, reinforcing the group's role as a responsible corporate citizen.

3 Technical Standards of Operation Agreement

The CTSO Agreement sets out the quality, safety, regulatory and operational standards that private label suppliers are required to meet when producing products for the group.

The agreement helps ensure that products are manufactured consistently, responsibly and in compliance with applicable legislation, quality specifications and customer requirements. Through the implementation of CTSO requirements, supplier assessments, product specifications, quality reviews and ongoing monitoring, the group seeks to safeguard product quality, enhance supply chain accountability and maintain high standards of consumer safety across its private label portfolio.

This framework also supports responsible sourcing, product traceability, regulatory compliance and the protection of Clicks and its own brands.

Product traceability and supply chain transparency

Given that Clicks Group sources over 20 000 stock-keeping units from more than 430 suppliers across 23 countries (reflecting the scale and diversity of its retail, health, beauty and pharmaceutical offering), product traceability and supply chain transparency become complex. This extensive supply chain enables the group to provide customers with a broad range of quality products, maintain security of supply, and remain responsive to changing consumer preferences and market demands.

However, the size and geographic spread of the supply chain also present several sustainability challenges. These include managing environmental impacts associated with manufacturing, packaging, transportation and logistics, as well as ensuring responsible labour practices, human rights protections, worker health and safety, and ethical business conduct across multiple jurisdictions. Supply chains can also be exposed to climate-related disruptions, resource scarcity, geopolitical instability and evolving regulatory requirements, all of which may affect product availability, cost and sustainability performance.

At the same time, the group's purchasing influence presents a significant opportunity to drive positive changes throughout the value chain. By engaging suppliers on ESG issues, Clicks Group can encourage improved sustainability practices, greater transparency, responsible sourcing, reduced emissions, waste minimisation and enhanced labour standards. The scale of the supply chain also creates opportunities to collaborate with suppliers on sustainable packaging innovations, product stewardship initiatives and climate-related commitments.

As stakeholder expectations and regulatory requirements continue to evolve, strengthening supply chain visibility and accountability remains a key priority. Through responsible sourcing, supplier engagement and ongoing due diligence, Clicks Group aims to build a more resilient, sustainable and ethical value chain that supports long-term value creation for customers, communities, suppliers and shareholders.

Supplier Codes of Ethics

Clicks Group remains committed to responsible and ethical sourcing practices that align with its core values and meet the evolving expectations of its stakeholders. The group's Supplier Code of Ethics and private label's Technical Standards of Operation Agreement continue to provide a robust framework. They set clear and enforceable requirements across key areas such as ethical labour practices, environmental stewardship, and product quality and safety. During the reporting period Clicks Group strengthened its ethical sourcing programme by deepening its risk-based approach to supplier oversight. Building on prior initiatives, the group expanded targeted ESG assessments of high-risk suppliers, enabling enhanced visibility into supply chain practices and prioritising areas requiring intervention. These assessments informed tailored engagement strategies, ensuring that resources and support are directed where they can have the greatest impact.

Sourcing products that uphold the integrity of our brand *continued*

Targets and progress

TARGET	PROGRESS
Increase responsible sourcing coverage Achieve 100% sourcing from approved, audited suppliers aligned with our ethical and sustainability standards.	→ Supplier audits and compliance 24 private label supplier audits completed this year
Supplier compliance and certification Ensure at least 90% of key suppliers hold recognised certifications (e.g. ISO, Fair Trade, Forest Stewardship Council or equivalent). Two hundred and forty private label factories have factory accreditation relevant and applicable to their product sector.	→ In this year's biannual supplier ESG assessment, 62% of the respondents said they have undergone ethical/ social compliance audits 2024: 41%

Ethical sourcing and supplier due diligence

Suppliers are screened and categorised according to risk factors such as country of manufacture, product category and history of compliance. We rely on a combination of certification, available audit documentation and announced third-party social compliance audits such as (SMETA or Amfori BSCI equivalent frameworks).

Private label continues to integrate Sedex into its ethical sourcing and supply chain oversight processes to enhance transparency and accountability. Sedex provides a globally recognised platform for assessing and monitoring supplier performance across key ESG areas, including labour standards, health and safety, environmental management and business ethics.

As part of its risk-based approach, Clicks private label requires all private label suppliers to participate in Sedex assessments, including the completion of Self-Assessment Questionnaires (SAQs) and, where applicable, independent SMETA audits. These assessments enable private label to identify potential social and environmental risks within its supply chain and prioritise corrective actions. Non-conformance triggers corrective action plans with defined timelines; repeated or serious violations, such as evidence of forced or child labour, can result in supplier suspension or termination.

Human rights in the supply chain

Clicks Group is committed to upholding internationally recognised human rights standards across its operations and supply chain, with a zero-tolerance approach to modern slavery, forced labour and child labour. This commitment is guided by the group's Supplier Code of Ethics, aligned to key frameworks such as the International Labour Organization Conventions and the UN Guiding Principles on Business and Human Rights.

In addition, Clicks private label integrates human rights considerations into its supplier onboarding and contract processes, requiring formal commitment to its ethical standards and ongoing compliance.

Clicks private label aims to safeguard human rights across its value chain, mitigate risks related to modern slavery and child labour, and contribute to more ethical and resilient supply chains.

Application on Clicks private label

Approximately 30.5% of units sold by the Clicks Group are front shop private label brands, giving the group a unique opportunity to influence sustainability outcomes throughout the product life cycle. Unlike third-party branded products, private label ranges provide greater control over product design, ingredient selection, manufacturing standards, packaging specifications and supplier requirements. Private label manufacturers are contracted directly by the group, allowing full visibility of factory location, ownership and subcontracting arrangements. This enables:

- Mandatory pre-approval audit: Before approving a new private label supplier or factory, a technical audit is required alongside product safety and regulatory compliance checks (particularly important given the health and personal care nature of many private label lines).
- Ongoing monitoring: Approved factories and suppliers are subject to periodic monitoring and risk assessments, with more focus on entities that have previously been through corrective action or operate in high-risk categories.
- Continuous improvement: Rather than a pure pass/fail model, private label suppliers are supported through corrective action plans.

This level of influence enables Clicks Group to embed sustainability considerations into product development from the outset. Opportunities include improving product formulations, reducing ingredients of concern, increasing the use of responsibly sourced materials, enhancing product traceability and driving more sustainable packaging solutions through reduced material use, recyclability and recycled content. The group can also work directly with suppliers to encourage higher environmental, social and ethical standards across the value chain.

Private label products further provide an avenue to make healthier, more sustainable choices accessible and affordable to a broad customer base. By leveraging its scale and purchasing power, Clicks Group can promote responsible consumption, support customer well-being, and introduce products that align with evolving consumer expectations around health, sustainability and transparency.

As sustainability expectations continue to grow, the group's private label portfolio represents a significant strategic opportunity to drive innovation, strengthen customer trust, differentiate the brand, and contribute positively to environmental and social outcomes while creating long-term value for stakeholders.

Product innovation for healthier and more sustainable choices

At Clicks Group we are committed to offering private label food and beverage products that support healthier lifestyle choices, without compromising on quality, taste or value. We continuously seek opportunities to improve product formulations and expand healthier product options.

All nutrition, health, wellness and sustainability claims are subject to a rigorous review process and are made only when supported by credible evidence or appropriate third-party verification. We also strive to improve the sustainability of our private label products through responsible sourcing and packaging initiatives, while ensuring clear and transparent product information for consumers.

To support consistent implementation of this commitment, relevant employees receive training in responsible marketing, advertising and product claims. Detailed requirements, approval processes and responsibilities are documented in the group's operating manuals and supporting procedures, which provide guidance on the development, review and communication of product information and marketing materials. Care is taken in the development and promotion of products intended for children, supporting healthier choices and responsible consumption.

Sourcing products that uphold the integrity of our brand *continued*

Private label won 17 out of 24

consumer categories in the 2026 SA Product of the Year survey



Animal testing

Clicks Group has made an ethical commitment not to test its private label products on animals and supports the development of alternatives to animal testing. Furthermore, the group continues to expand its range of products carrying certifications that provide customers with greater choice and transparency regarding animal welfare. The Body Shop brand within the group supports global initiatives to end animal testing for cosmetics and cosmetic ingredients.

Sustainably sourced ingredients and raw materials

Clicks Group is committed to sourcing ingredients responsibly to protect both the environment and the integrity of its product offerings. This includes prioritising sustainably sourced raw materials such as palm oil and wood-based inputs by aligning with globally recognised standards and certifications that promote responsible sourcing and sustainable forest management.

Application on branded products

For branded products supplied by third-party manufacturers and brand owners – which represent most products sold by Clicks Group – our influence is exercised primarily through commercial engagement, supplier agreements and governance requirements rather than direct operational control. This includes:

- **Onboarding:** New branded suppliers are required, as a condition of listing, to accept the Supplier Code of Ethics and provide evidence of relevant certifications or assurance processes that demonstrate responsible manufacturing practices.
- **Due diligence:** While primary risk screening is undertaken by brand owners, Clicks Group may supplement this process with its own contracted third-party risk assessments where additional assurance is required.
- **Contractual audit rights:** The group may request audit reports or related compliance evidence from brand owners as part of its due-diligence process. Where concerns are identified, these are escalated through the appropriate channels and followed up to support corrective action and ongoing compliance.

Responsible marketing, advertising and customer responsibility

Clicks Group's responsible marketing, advertising and promotions suite of policies supports the group's sustainability commitments by promoting ethical, transparent and responsible communication with customers. The policies require all marketing, advertising and promotional activities to be truthful, accurate, evidence-based and compliant with applicable laws, regulations and industry codes. They reinforce the importance of clear product information, fair pricing, responsible promotions, and substantiated health, wellness and sustainability claims, including safeguards to prevent greenwashing.

The policies also recognise the group's responsibility to support informed consumer choices, healthier lifestyles and responsible consumption, particularly in relation to private label food and beverage products and communications aimed at children.

Digital marketing activities are required to respect customer privacy, data protection requirements and disclosure obligations. Through internal review and accountability across relevant functions, including marketing, legal, regulatory affairs, sustainability and quality assurance, the policies help protect consumer trust, strengthen stakeholder confidence and uphold the long-term reputation of the Clicks Group brand.



In this reporting period we received one complaint to the Advertising Regulatory Board alleging that our repeat prescription service is false advertising and does not operate as claimed. No further engagements were initiated by the respective regulatory authority.

Customer health and safety

Customer health and safety are central to the operations of Clicks Group. The group maintains rigorous product quality and safety standards, requiring suppliers to comply with applicable legislation and quality requirements. Its pharmacies and clinics provide professional healthcare services, medication counselling and preventative care, helping customers make informed decisions about their health. Furthermore, Clicks Group implements store safety measures, hygiene protocols and staff training programmes to create a safe and welcoming shopping environment. These initiatives support customer well-being, strengthen consumer trust, and contribute to the group's broader commitment to responsible and sustainable business practices.

Product recall

Clicks Group is committed to maintaining high standards of product safety and quality through responsible sourcing, supplier oversight, quality assurance processes and compliance with regulatory requirements. The company monitors product performance and has established recall procedures to address potential safety concerns promptly.

In 2026 Clicks private label initiated a voluntary product recall of its Made for Tots Corn Puffs Chicken 12 g snack after routine testing identified potential Listeria contamination in a specific batch. Comprehensive follow-up testing verified that the product was safe. The recall demonstrated the company's commitment to product safety, regulatory compliance and proactive consumer protection.

Minimising our environmental footprint

Access to a resilient future

is an important part of the group's sustainability strategy and supports long-term business value, risk management and stakeholder trust. Effective environmental management helps Clicks Group create sustainable value for shareholders, customers, employees and communities while reducing exposure to environmental risks and future costs. A large part of this is improving the group's operational efficiency through initiatives such as emissions reduction, energy efficiency, renewable energy use, waste reduction and sustainable logistics. We are committed to limiting global emissions, while championing efficient use of natural resources.

Part of the value chain

- **Raw materials**
- **Suppliers**
- **Logistics and distribution**
- **Communities**

OUR IMPACT

Greenhouse gas (GHG) emissions breakdown

Scope 1: 5 498 tCO_2e
2025: 4 182 tCO_2e

Scope 2 (location-based): 101 852 tCO_2e
2025: 99 032 tCO_2e

Scope 2 (market-based[1]): 98 837 tCO_2e

Scope 3: 50 662 tCO_2e
2025: 33 064 tCO_2e

Outside of scopes: 447 tCO_2e
2025: 100 tCO_2e

Renewable energy

5 469 MWh generated, slightly down 2% from last year

5% of total electricity consumption for 2026

2026 target for renewable energy generation
4 500 MWh

The group purchased 3 141 MWh of renewable energy through RECs[2]

R35 021 203 saved[3] from using RE since 2022
R10 461 259 in 2026

Sustainable transport

115 EVs across the group

R5 327 529 saved[1] by UPD in first year after deploying EVs

77% waste diverted from landfill (2025: 70%)

[1] Clicks purchased RECs for the first time in FY2026. 3 141 MWh 100% RECs from the onshore Msenge Wind Farm project in South Africa were purchased and redeemed. The REC redemption statements were reviewed to confirm compliance with the GHGP Scope 2 Quality Criteria.
[2] Renewable Energy Certificates. The group has partnered with Ampli Energy to procure renewable electricity for its distribution centres and head office facilities through a virtual wheeling arrangement.
[3] These figures have not been verified by an external party.

KEY RISKS AND OPPORTUNITIES

Key risks

- Climate-related disruption, rising energy costs, water stress, waste impacts and supply chain emissions may increase operating and compliance risks.

Opportunity

- Accelerate renewable energy, energy efficiency, lower-emission logistics, waste reduction and Scope 3 engagement to reduce costs and build resilience.

Mitigation

- Implement energy-efficiency projects, renewable energy rollout, waste reduction and recycling initiatives, water stewardship actions, emissions tracking and climate-risk governance processes.

Financial impact

- Capital investment may be required for renewable energy, efficiency and logistics initiatives, with potential medium-term savings from reduced electricity, fuel, waste and disruption costs.

IN REVIEW

Strategic shifts

- Environmental sustainability strengthened as a key pillar of the ESG strategy, with a focused approach to reducing carbon emissions, energy consumption, water use and waste across operations.
- Continued investment in energy-efficiency initiatives, including solar power at head office and light-emitting diode (LED) lighting across stores, supporting the transition to lower-carbon operations.
- Circular economy principles embedded through packaging commitments and participation in the South African Plastics Pact, driving progress toward recyclable, reusable and compostable packaging solutions.

Challenges

- Carbon emissions, energy use and waste reduction remain ongoing challenges as the store and pharmacy footprint continues to expand.
- Increasing packaging circularity requires sustained collaboration across the value chain and continued behavioural change among stakeholders.
- Water security and resource efficiency remain important risks in a water-stressed operating environment.

Looking ahead

- Accelerate the renewable energy transition and strengthen initiatives to reduce carbon emissions intensity across operations.
- Expand waste reduction, recycling and circular packaging programmes to further minimise environmental impact.
- Improve environmental performance monitoring and disclosure in line with evolving sustainability reporting requirements and stakeholder expectations.

7 AFFORDABLE AND CLEAN ENERGY
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION

Minimising our environmental footprint *continued*

Climate strategy and governance

The group's environmental and climate change policy outlines our commitment to ensuring that our strategies align with reducing our emissions and promote efficient business practices. While the social and ethics committee bears primary responsibility for the group's environmental and climate change policy, the audit and risk committee is responsible for external verification of material sustainability issues, and the remuneration committee is responsible for incorporating ESG metrics into the group's remuneration policies and practices.

Group carbon neutrality commitment

Clicks Group has established a long-term target to achieve carbon neutrality by 2050. In pursuit of this ambition, the group prioritises decarbonising its value chain through emissions reduction initiatives, with carbon offsets intended only for residual emissions that cannot be eliminated through operational improvements or value chain interventions. Interim emissions reduction targets have also been established to guide progress, monitor performance and ensure the group remains on a credible pathway towards achieving its long-term objective.

The group recognises that climate change presents both strategic risks and opportunities for the business. Accordingly, climate considerations are increasingly being integrated into business planning, operational decision-making and sustainability initiatives. While the group is committed to reducing emissions across its operations and value chain, it also acknowledges that achieving carbon neutrality is dependent on broader systemic factors, including the decarbonisation of national electricity grids, technological innovation, supplier readiness, evolving policy and regulatory frameworks, and collaboration across the value chain.

Operational oversight and continuous improvement

Climate governance is supported through ongoing oversight of the group's sustainability strategy and emissions reduction programme. Progress against climate-related objectives is monitored through the annual carbon inventory, enabling the group to identify emissions hotspots, assess the effectiveness of reduction initiatives, and inform future investment and operational decisions. As climate-related reporting expectations continue to evolve, the group remains committed to strengthening governance processes, and enhancing the quality and transparency of its climate disclosures.

The group continues to improve its GHG accounting practices in line with recognised international standards and evolving industry best practice. During the reporting period, the boundaries for both Scope 2 and Scope 3 emissions were expanded to improve the completeness and accuracy of the group's carbon inventory. This year emissions were calculated for both location and market-based methodologies with the latter reflecting the group's procurement of RECs. The increase in Scope 3 emissions is attributed to the inclusion of accommodation-related emissions for business travel, inclusion of well-to-tank emissions, and a revised employee commuting assessment.

Recognising that effective climate action depends on reliable data, the group is investing in improving emissions data quality and management processes. Over time, the group aims to reduce its reliance on estimation methodologies by increasing the use of supplier-specific and activity-based data, while strengthening engagement with suppliers, service providers, franchisees and other value chain partners. These improvements will support more informed decision-making, enhance the credibility of climate reporting, and enable the group to identify and prioritise the most impactful decarbonisation opportunities.

Scenario analysis

In response to evolving climatic risks, the group will conduct a climate scenario analysis to better understand how a range of climate-related physical hazards and decarbonisation pathways (transition risks) may impact its operations, strategy and long-term financial resilience. This analysis will support a more informed and adaptive climate response, aligned with global climate ambitions under the Paris Agreement, including pathways consistent with limiting global warming to 1.5°C to 2.0°C.

Targets and progress

The group is committed to achieving carbon neutrality across its Scope 1 and Scope 2 emissions by 2050. Interim targets have been established to drive measurable progress through energy-efficiency improvements, increased renewable electricity procurement and operational decarbonisation initiatives. Progress against these targets will be reviewed periodically to ensure alignment with evolving climate science, stakeholder expectations and the group's long-term sustainability ambitions.

This year we drafted a base year recalculation policy for our GHG emissions inventory, establishing a consistent approach for adjusting historical emissions data when significant structural changes, acquisitions, divestments, methodological improvements or material errors occur. This policy will help ensure the accuracy, consistency and comparability of emissions performance over time and alignment with the GHG Protocol Corporate Accounting and Reporting Standard.

While the group has made meaningful progress, significant work remains on the journey ahead. Decarbonising operations and the broader value chain will require sustained effort, collaboration and innovation, and the group remains committed to working closely with partners, suppliers and industry peers to address emissions across its business activities. As environmental challenges continue to intensify globally, a strong and consistent commitment to sustainability remains fundamental to the long-term resilience and success of Clicks Group.

Greenhouse gas (GHG) emission targets for Scope 1 and Scope 2

Scope boundary	Scope 1 and Scope 2	Scope 1 and Scope 2	Scope 2
Target type	Intensity target	Intensity target	Renewable energy target
Base year	FY2015	FY2015	FY2015
Base year value	0.19 tCO_2e/m^2	0.19 tCO_2e/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_2e/m^2	0.171 tCO_2e/m^2	5% of the electricity from renewable by 2025 10% of the electricity from renewable by 2030
Performance 2026	0.130 tCO_2e/m^2 (2025: 0.172 tCO_2e/m^2)		5% of renewable energy use

Minimising our environmental footprint *continued*

Clicks Group emissions overview

The group continued to reduce the carbon intensity of its operations, with Scopes 1 and 2 emissions intensity declining from 0.190 tCO_2e/m^2 in 2015 to 0.130 tCO_2e/m^2 in 2026, a 31.6% reduction. This year performance was 25.7% ahead of the decarbonisation pathway target and exceeded the group's 2030 target four years ahead of schedule. The reduction from 0.172 tCO_2e/m^2 in 2025 to 0.130 tCO_2e/m^2 in 2026 represents a 24.4% year-on-year improvement, demonstrating accelerated progress in the group's decarbonisation efforts.

While meaningful progress has been made in Scopes 1 and 2, further reductions are required to achieve the group's 2050 carbon neutrality commitment. Decarbonising operations and the broader value chain will require sustained effort, collaboration and innovation. The group remains committed to working with suppliers, business partners and industry stakeholders to reduce emissions and strengthen resilience, recognising that a consistent focus on sustainability is fundamental to the long-term success of the business.

Methodology and verification

Understanding our GHG emissions is fundamental to the group's sustainability strategy. During the 2025/2026 financial year Clicks Group strengthened its methodology for calculating its carbon footprint to enhance the reliability, transparency and alignment of disclosures with industry best practice. This methodology outlines the frameworks through which emissions are measured, reported and managed. This exercise is not only technical but also strategic, enabling the group to gain the insights required to set meaningful targets, allocate resources effectively and mitigate climate-related risks. In doing so, the group continues to foster a proactive approach to climate management, strengthening long-term business resilience.

Absolute emissions by scope

Scope 1

5 498 tCO_2e

2025: 4 182 tCO_2e

Scope 2 (location-based)

101 852 tCO_2e

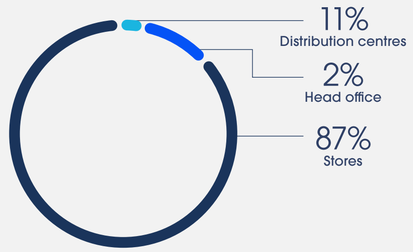
2025: 99 032 tCO_2e

Scope 3

50 662 tCO_2e

2025: 33 064 tCO_2e

Scopes 1 and 2 emissions by business unit (% breakdown)



	Head office	Stores	Distribution centres
Scope 1 and Scope 2	2 415 tCO_2e	92 927 tCO_2e	12 008 tCO_2e

This approach is central to meeting the growing expectations of investors, regulators, customers and employees, particularly amid increasing demands for accountability and transparency regarding environmental performance.

The calculation and reporting of the group's carbon footprint are conducted in accordance with the ISO14064-1:2021 standard and the Greenhouse Gas Protocol, ensuring a consistent, credible and internationally aligned approach to emissions accounting. Our GHG data undergoes a verification exercise before publishing, where limited assurance is issued.

Scope 3 emissions

The 2025/2026 financial year marked an important step in the development of the group's Scope 3 emissions inventory. Efforts focused on expanding reporting boundaries, and improving data quality, availability and completeness. During the year the group explored the inclusion of additional purchased goods and services where reliable data was available and commenced assessments of capital goods and sold products emissions for the first time.

Business travel reporting was also enhanced through the inclusion of accommodation-related emissions, while emissions associated with franchise operations were assessed to improve visibility of value chain impacts. This year the group also undertook an employee commute survey to better understand emissions associated with employee travel to and from work. The survey provided valuable insights into commuting patterns, transport modes and associated emissions, helping to establish a baseline for this Scope 3 category. The findings will support future reporting enhancements and inform opportunities to reduce transport-related emissions through targeted employee engagement and mobility initiatives.

These initiatives reflect the group's ongoing efforts to strengthen its understanding of value chain emissions and improve the completeness of its inventory. Having established a preliminary Scope 3 inventory and value chain mapping, the next phase will focus on enhancing data management processes, improving data quality, and addressing information gaps through greater engagement with suppliers and other value chain partners.

As Scope 3 emissions typically represent the largest share of a company's carbon footprint, developing a robust inventory is critical to establishing a baseline, identifying emissions hotspots and informing effective decarbonisation strategies. As data availability and quality improve, the group will continue refining its methodologies, increasing the use of supplier-specific and activity-based data, and reducing reliance on industry averages and estimates. This will provide a stronger foundation for emissions management, supplier engagement and future emissions reduction initiatives.

Advancing renewable energy through virtual wheeling

As part of its commitment to reducing its environmental impact and advancing its climate objectives, the group entered into an agreement with Ampli Energy to procure renewable energy from the Msenge Wind Farm. During the reporting period 648.0 MWh of renewable electricity was supplied to the group's distribution centres and head office through a virtual wheeling arrangement. In addition to increasing the group's access to clean energy, the initiative generated a credit of R52 200, supporting both sustainability and operational objectives. This investment supports the group's decarbonisation strategy by increasing the share of renewable energy in its electricity mix, reducing reliance on grid-supplied electricity and contributing to the transition to a lower-carbon economy.

Minimising our environmental footprint *continued*

Energy production, consumption and performance

Renewable energy

The group operates across countries whose electricity grids remain heavily dependent on coal and other fossil fuels, making purchased electricity our most significant source of GHG emissions. Recognising this challenge, we continue to improve energy efficiency across our operations while progressively increasing the share of renewable energy within our energy mix.

During 2026 the group invested just over R30 million in energy-efficiency initiatives, additional solar power including the retrofitting of LED lighting across business units and backup batteries at UPD sites. This further helps to reduce electricity consumption while improving operational efficiency. These investments demonstrate our commitment to lowering energy demand, reducing operating costs and supporting our broader decarbonisation objectives.

Alongside improving energy efficiency, the group continues to diversify its energy mix through on-site renewable energy generation. As part of this commitment, we have established a renewable energy target of generating at least 4 500 MWh of renewable electricity annually. In 2026 the group exceeded this target, generating 5 469 MWh of electricity through solar photovoltaic (PV) installations at our head office and distribution centres.

Energy source

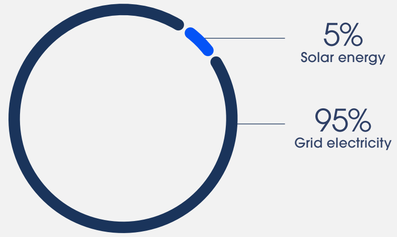
Renewable energy

5 469 MWh

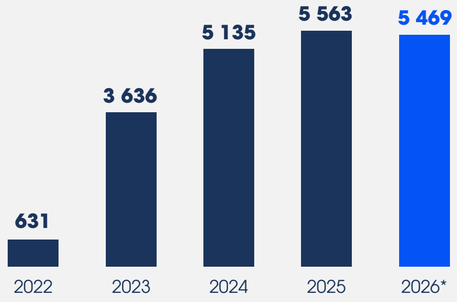
Purchased energy

108 832 MWh

Breakdown of energy mix



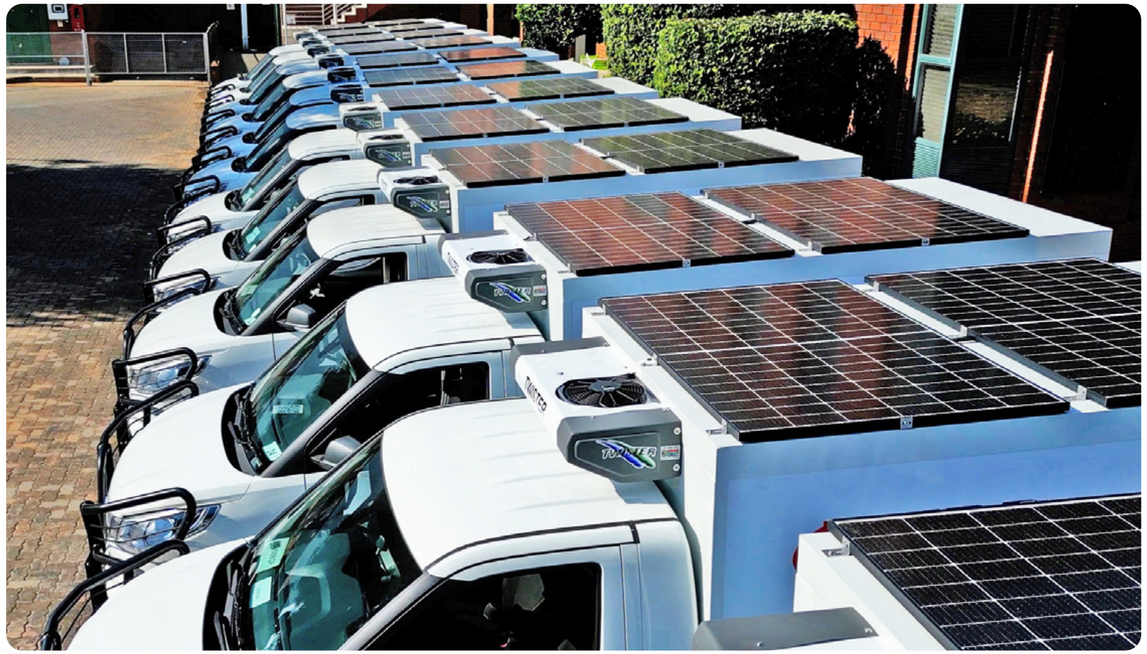
Gross generation of renewable energy produced (MWh)



* The marginal decrease in renewable energy output was primarily attributable to external factors, including grid instability and poor weather conditions.



Minimising our environmental footprint *continued*



To complement on-site renewable energy generation, the group also purchased 3 141 MWh of renewable electricity through RECs. These certificates represent electricity generated from renewable sources and enable the group to support renewable energy development while reducing the market-based emissions associated with purchased electricity. The combination of on-site solar generation and renewable electricity procurement forms a key part of the group's strategy to decarbonise its operations and advance towards its long-term carbon neutrality ambitions.

Electricity efficiency and performance

Electricity efficiency remains a key focus area in reducing our environmental impact and operating costs. Tracking electricity consumption per square metre provides a meaningful measure of efficiency by normalising usage across our store and facility footprint. This metric enables us to assess performance trends over time, regardless of changes in the size or number of sites. A reduction in electricity intensity indicates that we are using electricity more efficiently to support our operations. By monitoring this indicator we can better evaluate the effectiveness of our electricity-saving initiatives and track progress towards our sustainability objectives.

This year, across the group facilities (head office, stores and distribution centres), an intensity of 135 kWh/m^2 was achieved, compared to 139.5 kWh/m^2 in the previous year. Electricity intensity per gross leasable area remained stable despite ongoing organic growth and store expansion, which would naturally increase electricity consumption, demonstrating the group's continued efficiency in electricity use. This performance also reflects the positive impact of decarbonisation initiatives aimed at reducing reliance on grid electricity and improving energy efficiency across operations.

Decarbonising our operations

As part of its decarbonisation strategy, the group continues to implement initiatives that improve energy efficiency, increase the use of renewable energy and reduce GHG emissions across its operations. These initiatives support the group's transition to a lower-carbon business while strengthening operational resilience and reducing exposure to future energy and carbon-related risks.

While the group has made meaningful progress, significant work remains on the journey ahead. Decarbonising operations and the broader value chain will require sustained effort, collaboration and innovation. The group remains committed to working closely with suppliers, service providers, customers and industry partners to identify practical solutions that reduce emissions across its business activities and support the transition to a low-carbon economy.

The group recognises that its decarbonisation journey is intrinsically linked to the broader global system. Progress is therefore influenced not only by the group's own actions, but also by supplier decarbonisation efforts, technological advancements, evolving policy and regulatory landscapes, the availability of renewable energy infrastructure and the increasing impacts of climate change. The group will continue to monitor these developments, adapt its strategy where necessary and invest in initiatives that contribute to achieving its long-term carbon neutrality ambition.

Sustainable supply chain and logistics

Clicks Group continues to integrate sustainability into its supply chain and logistics operations through investments in fleet electrification, renewable energy, resource efficiency and circular economy initiatives. During 2026 the group expanded its low-carbon logistics fleet through the addition of 43 electric delivery vehicles and 30 heavy-duty electric trucks, building on its existing fleet of 42 EVs. This pioneering initiative enhances the efficiency of healthcare product distribution while reducing transport-related GHG emissions.

The group's approach extends beyond vehicle electrification. Across its distribution centre network, Clicks Group is implementing integrated sustainability initiatives that improve energy efficiency, strengthen water resilience, reduce waste, optimise transport operations and support the transition to lower-carbon logistics. Together, these initiatives are improving operational resilience while advancing the group's climate and sustainability objectives.

The following case study highlights how Clicks Group is transforming its distribution centre operations to build a more sustainable, resource-efficient and future-ready logistics network.

Minimising our environmental footprint *continued*

CASE STUDY

Charging ahead with low-carbon logistics

Clicks Group is reducing logistics emissions through heavy-duty electric trucks powered by solar PV, battery storage and charging infrastructure. In 2026 the group deployed 30 SANY electric trucks at its Cape Town and Centurion distribution centres, with Montague Gardens being the first retail distribution centre in Africa to operate a 100% electric truck fleet.

The transition supports Clicks' 2050 carbon neutrality ambition, reduces exposure to diesel price volatility and is expected to improve life-cycle operating costs over time.

Value created

- Expected annual avoidance of approximately 780 000 litres of diesel and 2 000 tonnes of tailpipe CO_2 emissions.
- R65 million+ invested in solar PV, battery storage and charging infrastructure to enable lower carbon logistics.
- Lower fuel and maintenance costs are expected to improve life cycle economics, including estimated maintenance savings of R2 million – R3 million.

Each truck has an 11.5-tonne payload and a 380 km – 400 km range per charge, supporting reliable distribution while lowering tailpipe emissions. Although the shift requires higher upfront investment, Clicks expects lower fuel and maintenance costs, reduced exposure to diesel price volatility and improved long-term operational and systems resilience.

The rollout will be scaled using a disciplined blueprint from Montague Gardens, aligning fleet deployment with renewable energy readiness, charging infrastructure, route performance and service-level thresholds. KwaZulu-Natal is targeted by September 2027, with the group aiming for more than 90% of its truck fleet to operate on electric power by September 2028.



Minimising our environmental footprint *continued*

Waste and circularity

As a fast-moving consumer goods (FMCG) retailer, we recognise that one of the most effective ways to minimise our environmental impact is to prevent waste before it is generated. Our approach prioritises waste reduction at source through responsible procurement, operational efficiencies, and initiatives that promote the reuse and recycling of materials across our operations.

In 2026 the group generated 6 334 tonnes of waste (2025: 6 373 tonnes), of which 77% (2025: 70%) was either recycled or reused, demonstrating continued progress towards our circularity ambitions.

South African Plastics Pact

As a signatory to the South African Plastics Pact, the group collaborates with industry partners to accelerate the transition towards a circular economy for plastic packaging. Through the Pact's four ambitious targets, we are working to improve packaging design, increase recyclability, expand recycled content and ensure that plastic remains in the economy rather than becoming waste. These collective efforts support South Africa's broader transition to a more circular plastics value chain.

Polyco conducts EPR audits by verifying producer declarations and supporting records against South Africa's EPR regulations and Polyco's reporting requirements. These audits ensure compliance, data accuracy, and correct EPR fee calculations. This is primarily conducted against the requirements of South Africa's EPR Regulations and the reporting obligations of producers within the Polyco EPR scheme. Audit findings help confirm compliance, improve data integrity, and ensure EPR fees and recycling obligations are correctly managed.

This year Clicks Group was awarded a Certificate for Going Above and Beyond at the Polyco 2026 Strategic Overview Member Event, recognising its ongoing commitment to plastic waste collection and recycling through investments and initiatives that exceed EPR compliance requirements.

Beyond the EPR, we continue to implement initiatives that reduce waste generation across our operations, while increasing the diversion of waste from landfill through recycling and reuse programmes. These efforts not only reduce our environmental footprint but also unlock resource efficiencies and create value across our supply chain.

Circularity embedded in the group's marketing approach

Marketing plays an important role in embedding circular economy principles into the way the group communicates with customers and delivers campaigns. Sustainability considerations are incorporated throughout the marketing value chain, from material selection and supplier engagement to the transition towards digital communication channels.

The department prioritises suppliers that demonstrate strong environmental credentials and sustainable production practices. Approximately 90% of the group's print programme uses responsibly sourced, FSC-certified paper and board, while major printing partners employ technologies that reduce emissions, recover solvents, minimise paper waste and increasingly utilise renewable energy in their operations.



Minimising our environmental footprint *continued*

Circular design principles also influence the selection of point-of-sale materials. Where possible, recyclable and non-PVC (polyvinyl chloride) substrates, recycled plastics and low-VOC (volatile organic compound) inks are specified to reduce environmental impacts and improve end-of-life recovery. The marketing team continues to work with suppliers to identify more sustainable alternatives for temporary campaign materials while maintaining the effectiveness of customer communications.

The group is also reducing material consumption by transitioning from traditional paper-based communications to digital platforms wherever practical. This approach has contributed to lower print volumes, increased digital customer engagement and reduced demand for physical marketing collateral. Additional initiatives include manufacturing ClubCards from recycled plastic and encouraging customers to adopt digital card functionality, further reducing the need for physical card production.

Together, these initiatives demonstrate how circularity is increasingly embedded into the group's marketing activities, supporting responsible resource use while reinforcing our commitment to sustainable business practices.

Water resilience and efficiency

As a health, beauty and wellness retailer with more than 1 000 stores, 800 pharmacies and several distribution centres across southern Africa, the group relies on secure water supplies to support hygiene, sanitation and pharmacy operations. Water scarcity and nature-related impacts are recognised as material risks and water stewardship is embedded within the group's broader environmental management approach.

While nature-related disclosure remains less developed than carbon and water reporting, the group is strengthening its approach through CDP (formerly known as Carbon Disclosure Project) Forestry participation, expanded Scope 3 assessments of PL suppliers, and continued investment in water-saving and alternative water supply infrastructure.

Water resilience in operations

The group's direct water footprint is modest relative to water-intensive sectors, but it treats water conservation as a core discipline of responsible operations. Group water consumption (including water from boreholes) across distribution centres, head office and UPD has been rising alongside network growth, reaching 74 999 kilolitres (kl) in the 2026 (2025: 69 762 kl) financial year. Rather than treating the increase in absolute water consumption as inevitable, the group has invested in a range of measures to reduce reliance on municipal supply and use water more efficiently:

- **Diversifying supply:** At the head office, the group has reduced its dependence on municipal water through rainwater harvesting and groundwater boreholes. In 2026 head office used approximately 82% of water drawn from boreholes and the rest from municipal sources.
- **Reducing consumption at source:** Water restrictor devices have been installed at selected facilities to cut usage and in the coming year the group is rolling out low-flow Propel Air toilets, which use over 85% less water than conventional fittings across facilities.
- **Closing the loop:** Grey water recycling has been introduced at distribution centres alongside borehole installations, reducing the volume of fresh municipal water required for non-potable uses.
- **Rainwater harvesting:** The Cape Town and KwaZulu-Natal distribution centres use rainwater harvesting and groundwater systems to reduce reliance on municipal water supplies and enhance resilience to water shortages. In Cape Town 100 000 litres of rainwater storage supports ablution facilities, while water monitoring is being strengthened through sub-metering. A similar project is planned for the Centurion distribution centre as part of future infrastructure upgrades.

Water resilience in the value chain

As a health, beauty and pharmacy retailer, our water-related impacts extend well beyond the boundaries of our direct operations. Across the value chain, from the sourcing and manufacturing of pharmaceutical products and healthcare goods to their distribution, use and end-of-life management, water plays a critical role. Many of these impacts occur upstream, where water is consumed and discharged during the production of raw materials, medicines, packaging and other products, as well as downstream through product use, waste water generation and disposal practices. For most of the products we retail, our direct influence is limited. However, for private label products we set environmental and technical expectations through our Supplier Code and product specifications. We encourage suppliers to reduce their environmental impacts through ongoing engagement. This is supported by regular supplier assessments and questionnaires, which improve visibility into supplier practices and foster collaboration in addressing shared sustainability challenges.

Recognising and understanding these value chain dependencies and impacts is essential to building a comprehensive water resilience strategy. As water scarcity, quality challenges, and climate-related risks intensify, strengthening our visibility of both upstream and downstream water considerations will enable us to identify material risks and opportunities, engage suppliers and stakeholders more effectively and support responsible water stewardship across the broader healthcare ecosystem. Going forward, assessing and managing indirect water impacts will become an increasingly important focus area in our journey towards long-term operational resilience, environmental sustainability and value creation.

Nature and biodiversity

Last year Clicks Group completed a biodiversity readiness assessment, which identified its main nature-related impacts and priorities across the value chain. The most significant risks relate to sourcing raw materials for private label products and packaging, especially palm oil, paper, pulp and fibre, as well as plastic packaging waste, pharmaceutical disposal and potentially harmful ingredients. In response, Clicks Group is prioritising responsible sourcing, supply chain traceability, sustainable packaging, improved waste management, supplier engagement and stronger integration of biodiversity into procurement, governance and reporting. The strategy supports alignment with IFRS S2, Taskforce on Nature-related Financial Disclosures (TNFD) and global biodiversity frameworks while strengthening supply chain resilience, regulatory readiness and stakeholder confidence.

Minimising our environmental footprint *continued*



Packaging and forestry impacts

The group has committed to participating in the CDP-Forestry disclosure, which addresses biodiversity-related impacts connected to packaging materials. This directly acknowledges that sourcing decisions for paper, board and other forest-derived materials carry consequences for ecosystems upstream of the business.

Sustainable sourcing

Through ranges such as MyEarth, the group has prioritised recyclable and plastic-free packaging using sustainable and responsibly sourced paper where possible, and it requires private label suppliers to meet ethical and environmental standards through its Private Label Supplier Audit Programme and participation in Sedex.

Circularity as a lever for nature

Reducing waste and single-use plastic (through initiatives like 100% post-consumer recycled shopper bags, PET packaging redesign and participation in the South African Plastics Pact) lowers the group's downstream contribution to plastic pollution, one of the more direct pathways through which retail operations affect natural ecosystems.

While the group has not yet established a standalone nature strategy, its commitment to protecting and conserving natural ecosystems is evident through a suite of initiatives spanning sustainable packaging, responsible sourcing and collaborative partnerships. Together, these efforts contribute to the preservation of biodiversity, the sustainable use of natural resources and the reduction of environmental impacts across the value chain. Key elements include:

Stakeholder engagement

The group works closely with suppliers, logistics partners, industry peers and other stakeholders to enhance climate resilience across its operations and value chain. Through stakeholder engagement, Clicks Group seeks to improve awareness of climate-related risks, support adaptation and mitigation initiatives, strengthen supply chain resilience, and foster collaborative solutions that contribute to long-term business sustainability and community resilience.

Carbon disclosure

Climate change

Clicks participates in the annual CDP Climate Change disclosure process, reinforcing its commitment to transparency and accountability in managing climate-related risks and opportunities. Through its disclosure, the group reports on its climate governance, GHG emissions, climate-related risks and opportunities, and emissions reduction initiatives.

The CDP submission supports continuous improvement in climate management, enhances the quality of climate-related data and provides stakeholders with transparent insights into the group's progress towards a resilient, lower-carbon future.

CDP score: A-

CDP supplier engagement assessment

Clicks recognises that meaningful progress on climate action requires collaboration across its value chain. As a retailer with an extensive supplier network, the group continues to strengthen engagement with suppliers to improve transparency, build climate-related capabilities, and support the measurement and management of GHG emissions beyond its direct operations. As part of its climate strategy Clicks seeks to promote greater disclosure and accountability among suppliers by encouraging participation in recognised sustainability reporting frameworks and the development of emissions reduction initiatives. The group also engages suppliers on topics such as energy efficiency, renewable energy adoption, sustainable packaging, waste reduction, resource efficiency and climate resilience.

CDP score: A-

Alliance for Climate Action South Africa

Clicks is a signatory to the Alliance for Climate Action South Africa, a multi-stakeholder initiative supporting the country's transition to a net-zero, climate-resilient economy by 2050. Through its participation, the group collaborates with businesses, government and civil society to advance decarbonisation, strengthen climate resilience and support practical climate solutions across value chains.

The Alliance also provides a platform for climate policy engagement and advocacy, aligning with Clicks' sustainability strategy and reinforcing its commitment to responsible business practices, long-term resilience and a sustainable South African economy.