



CLICKS GROUP

L I M I T E D

REG. NO. 1996/000645/06

LABOUR STANDARDS DECLARATION

30 October 2024

1. INTRODUCTION

The Clicks Group ("group") is dedicated to upholding the highest global labour standards in alignment with the principles of the United Nations (UN) Global Compact, as a committed UN Global Compact participant. The group prioritises compliance with all relevant labour legislation, including the standards of the International Labour Organisation (ILO), which advocates for fundamental rights at work worldwide. The group primarily operates from Southern Africa and complies with all labour laws and regulations.

The group strives to cultivate an inclusive and equitable workplace that champions non-discrimination, fairness, and respect for workers' rights, and ensures a safe, healthy environment that promotes employee well-being across all areas of operation. Through these commitments, the group seeks to act as a responsible employer and good corporate citizen, positively impacting communities and reinforcing respect for international labour standards.

2. PURPOSE OF THIS DOCUMENT

This declaration offers stakeholders a high-level summary of the group's focus areas regarding labour standards, reflecting its commitment to ethical business conduct, social responsibility, and strict compliance with both international and South African labour regulations. It outlines the group's adherence to global principles, including the UN Global Compact and ILO standards, while detailing specific commitments and metrics to foster fair treatment, non-discrimination, safe working environments, and respect for workers' rights across all operations. Due to this document being the first edition, the metrics listed are for the year 1 September 2023 – 31 August 2024, coinciding with the group's latest available annual results.

3. UN GLOBAL COMPACT LABOUR PRINCIPLES

3.1. Principle 3: Freedom of Association and Collective Bargaining

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TELEPHONE: +27 (0)21 460-1911

Directors: DM NUREK (Chairman), BD ENGELBRECHT, RJD INSKIP, NNA MATYUMZA,
MJN NJEKE, SS NTSALUBA, PM OSIRIS (née MOUMAKWA), KC RAMON, GD TRAILL (BRITISH)
Company Secretary: MF WELZ

- **Commitment:** The group upholds the right of all employees to freely associate and engage in collective bargaining. It supports transparent dialogues between management and employees to promote mutual respect and understanding.
- **Metrics:**
 - Percentage of Workforce Represented by Collective Agreements: **12%**
 - Number of unions active within the group: **9**
 - Number of employees belonging to trade unions (from employee surveys): 3093
 - Total number of permanent employees: **19,617**
 - Total number of temporary employees: **789**
 - Total number of independent contractors: **5,908**

3.2. Principle 4: Elimination of Forced and Compulsory Labour

- **Commitment:** The group actively prevents all forms of forced or compulsory labour across its operations and supply chains. Suppliers are required to adhere to the group's supplier code of conduct, which strictly prohibits forced labour.
- **Metrics:**
 - Incidents of forced labour reported: **0** reported incidents
 - Supplier compliance rate with labour standards: **95%** surveyed compliance (This included a total of 39 out of 41 completed supplier audits thus far – 2 suppliers still have outstanding information at the time of publishing.)

3.3. Principle 5: Abolition of Child Labour

- **Commitment:** The group strictly adheres to South African labour laws, upholding a zero-tolerance policy on child labour by ensuring all employment practices comply with the Basic Conditions of Employment Act and international standards to protect children's rights and well-being. Its policies and practices ensure no one under the legal working age is employed, and it requires its supply chain to prevent child labour and adhere to the Global UN principles. Zero incidents were reported during the financial year.
- **Metrics:**
 - Child Labour Incidents in Operations: **0 incidents**
 - Child Labour Incidents in Supply Chain: **0 incidents**

3.4. Principle 6: Elimination of Discrimination in Employment and Occupation

- **Commitment:** The group promote equal opportunity and a workplace free from discrimination, striving for diversity and inclusivity across race, gender, religion, age, and other characteristics.
- **Metrics:**
 - **Diversity in Management (Gender, Race):**
 - Percentage of Women in Top Management: **35%**

- Percentage of Women in Senior Management: **39%**
- Percentage of Women in Middle Management: **58%**
- Percentage of Women in Junior Management: **67%**
- Percentage of Employees with Disabilities: **2%**
- Age breakdown – 16-35 years old: **69%**
- Age breakdown – 36 -50 years old: **25%**
- Age breakdown – >50 years old: **6%**
- Generation breakdown – Baby boomers: **1%**
- Generation breakdown – Gen X: **12%**
- Generation breakdown – Millennials: **58%**
- Generation breakdown – Gen Z: **29%**
- Nationalities breakdown: **95%** South African, **1.6%** Namibians, **1.5%** Batswana, **0.7%** Swazi's and other **15** other nationalities represented
- Employee Satisfaction with Workplace Diversity (survey-based): **65%**

4. ADDITIONAL LABOUR PRACTICES AND STANDARDS

4.1. Reduction of excessive working hours

- **Commitment:** The group enforces policies to prevent excessive working hours, ensuring employees work within the regulatory and legislative parameters and receive appropriate rest.
- **Metrics:**
 - Average weekly working hours: **41.88** hours
 - Overtime hours (per employee average): **4.09** hours per week (48% of employees are on 27–40-hour contracts)
 - Incidents of excessive working hours reported: **0** reported incidents

3.2 Diversity, Equal Opportunity, and Anti-Discrimination

- **Commitment:** The group is recognised as the most empowered company in the industry and remains dedicated to advancing its approach to diversity, equity, and inclusion (DE&I). Its goal is to cultivate an environment where every employee feels valued, respected, and empowered to achieve their full potential.
- **Metrics:**
 - Percentage of employees trained: **4%**
 - Female board members: **44%**
 - Black board members: **67%**
 - Gender pay ratio: **1:1**
 - Learning and development participation gender split: **Male = 36%, Female = 64%**
 - Diversity Score (survey): **65%**
 - Sense of belonging score (survey-based): **59%**

3.3 Employee Development and Training

- **Commitment:** Employee development is a priority, with training initiatives designed to enhance skillsets and individual growth that advances the sustainability of the group and the communities in which it operates.
- **Metrics:**
 - Total training hours provided: **3,774,424.00 hours**
 - Average training hours per employee: **141 hours per employee per annum**
 - Average days per employee: **5.89 hours per employee per annum**
 - Employee retention rate post-training: **90%**

3.4 Harassment and Bullying Prevention

- **Commitment:** The group is dedicated to creating a workplace where all employees are treated with respect and dignity, free from harassment, bullying, and discrimination in any form. The group adopted a zero-tolerance policy toward harassment in all its forms in line with the group's Global UN Compact declaration. The group is focused on delivering its enhanced anti-harassment and bullying training over the next reporting period with the assistance key industry partners.
- **Metrics:**
 - Employee awareness of reporting mechanisms (survey data): **100%**
 - Employee Satisfaction with Workplace Culture (survey-based): **66%**

4. Labour Standards Risk Assessment

As part of evaluating the group's strategy, the board considers both the positive and negative impacts of its activities. It acknowledges the interdependence of various forms of capital and takes steps to mitigate potential negative consequences by conducting comprehensive risk assessments across the value chain, monitoring customer complaints, legal matters, labour legislation, and social media, and reviewing relevant specialist reports to enable appropriate organisational responses. The Board has delegated authority and accountability to the CEO and the Group Executive Committee for implementing the strategy and operational plans, as well as for the ongoing management of the business. This responsibility is systematically cascaded throughout the Group, with strategic objectives embedded into operational plans and budgets by each business unit and function.

Commitment: The group conducts rigorous risk assessments for labour issues to mitigate risks and ensure compliance with global standards across all operations and projects.

- **Risk Assessment for new store openings or operational projects:**
 - Description: Before launching any new operation or project, a comprehensive due diligence process assesses potential labour risks, including compliance with fair labour standards and adherence to health and safety protocols.
- **(b) Risk Assessment for Existing Operations or Projects:**
 - Description: Annual risk assessments for existing operations evaluate ongoing compliance with labour standards, working hours, workplace safety, and other ethical practices. There were zero adverse findings reported for the financial year.
- **Metrics:**
 - Number of new store openings and new projects: **61**
 - Adverse labour findings: **0**
 - Supplier audits: **41 (0 labour issues were identified thus far)**
 - Number of suppliers taken through awareness and training on social and labour issues including mentoring: **59**

- **Continuous Monitoring and Improvement:**

The group continues to emphasise the importance of good governance as a foundation on which its long-term success is built. Governance is also an enabler of the group ambitions and performance in social and environmental matters, and a keystone of the group's Environmental, social and governance (ESG) framework. The board is ultimately responsible to ensure that the group's mission, vision, and objectives are ethically sound. Active measures are taken by the board to ensure that ethical standards of the company are adhered to, including implementing appropriate governance structures, policies and processes to support an ethical culture. The social and ethics committee and audit and risk committee each have acute focus on matters of ethics and governance.

All findings are used to improve training, policies, and resource allocation. Additionally, operations found non-compliant with the group standards are prioritised for immediate corrective action.

5. Non-Compliance and Incident Reporting

- **Commitment:** All incidents of non-compliance are reviewed, addressed, and documented. The group is committed to transparency and continuous improvement.
- **Metrics:**
 - Total Non-Compliance Incidents: **0 incidents**
 - Resolution Rate: **not applicable due to 0 incidents**
 - Employee Awareness of Reporting Channels: **100% awareness reach**

6. Industry Collaborations

- **Commitment:** The group actively collaborates with industry bodies, NGOs, regulators, and other stakeholders to advance labour standards, promote ethical business practices, and address systemic labour issues. Through partnerships and industry engagements, it aims to lead by example and foster positive change within the retail and healthcare sectors.

- **Industry bodies, partnerships, collaborations, and memberships:**

As part of its commitment to global labour standards, the group is a member of several industry bodies and adheres to frameworks that align with our values on ethical labour practices. The group actively participated in the following industry bodies, workshops, and collaborations:

- Member of the Global UN Compact: The group is an active Global UN Compact participant and have issued a Communication on Progress (COP) and enhanced its leadership category status on the Women's Empowerment Principles analysis tool.
- Consumer Goods Council of South Africa (CGCSA): The group is an active member on the CGCSA where it was particularly engaged on the draft Employment Equity Act during the financial year. This involved bringing together HR leaders across the retail industry to discuss strategies for enhancing equal opportunities and implementing diversity programs.
- EmbeddingProject: The group's participation on the EmbeddingProject collaboration provided the group with access to a network of sustainability and ESG (Environmental, Social, and Governance) leaders and resources tailored to embedding sustainable practices across their operations. The group has benefited from training and improved impact metrics.
- BEE Chamber: The BEE Chamber membership has enabled the group to drive its transformation credentials through access to legislative updates, training, and benchmarking tools on B-BBEE compliance and Employment Equity.

- **Continuous Engagement:**


The group remains committed to ongoing participation in industry collaborations to address emerging challenges and to strengthen labour standards. These initiatives allow the group to proactively respond to changes in regulations, adopt best practices, and implement forward-looking policies that reflect its dedication to ethical labour practices.

7. Conclusion and Continuous Improvement

The group has achieved significant milestones in aligning with global labour standards and will continue to monitor and improve its practices.

The group's focus areas for the upcoming financial year include expanding diversity initiatives, increasing employee training on human rights, and enhancing supply chain monitoring to further reinforce our commitment to fair and ethical labour standards.

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Bertina Engelbrecht

Group CEO