

# SOCIAL AND ETHICS COMMITTEE REPORT 2018

The Clicks Group social and ethics committee (the committee) is a statutory committee which assists the board in monitoring the group's corporate citizenship, sustainability and ethics.

The committee is governed by terms of reference which detail its duties in terms of the Companies Act, the JSE Listings Requirements and King IV, as well as responsibilities allocated to it by the board.

This report is presented in accordance with the requirements of the Companies Act and should be read together with the creating value through good citizenship report on pages 60 to 65 of the integrated report.

## ROLE OF THE COMMITTEE

The committee acts in terms of the delegated authority of the board and assists the directors in monitoring the group's activities and disclosures in terms of legislation, regulation and codes of best practices relating to:

- ethics;
- sustainable development and sustainability;
- stakeholder engagement, including employees, customers, suppliers, communities and the environment; and
- strategic empowerment and transformation.

## RESPONSIBILITIES OF THE COMMITTEE

The responsibilities of the committee are as follows:

- monitor activities relating to social and economic development, good corporate citizenship, the environment, and health and public safety;
- ensure appropriate short, medium and long-term targets are set by management;
- monitor progress on strategic empowerment and performance against targets;
- monitor changes in the application and interpretation of empowerment charters and codes; and
- monitor functions required in terms of the Companies Act and its regulations.

## COMPOSITION AND FUNCTIONING

The committee comprises two independent non-executive directors, namely Prof. Fatima Abrahams (chairperson) and David Nurek, and executive director, David Kneale (chief executive officer). The members of the committee are nominated and appointed by the board.

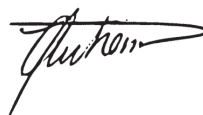
The group human resources director, head of legal/company secretary and compliance officer attend committee meetings as invitees.

The effectiveness of the committee is assessed as part of the annual board and committee self-evaluation process. The committee was assessed to have adequately discharged its mandate. Attendance at committee meetings is detailed on page 58 of the integrated report and fees paid to committee members for 2018 and proposed for 2019 are detailed on pages 76 and 77 of the integrated report.

## ACTIVITIES OF THE COMMITTEE

The committee met twice during the year and performed the following activities:

- monitored progress against transformation targets and the internal employment equity plan, and considered the external verification of the group's empowerment activities;
- assessed sustainability performance with specific reference to the group's inclusion in the FTSE/JSE Responsible Investment Index and performance in terms of the Carbon Disclosure Project;
- evaluated the group's corporate social investment (CSI) programme, focusing primarily on the following:
  - pharmacy bursary scheme;
  - pharmacy internship and graduate programmes;
  - investment in employee learning and development;
  - enterprise development and supplier development programmes; and
  - achievement of the commitment to donate 1% of net profit after tax to CSI;
- assessed the group's actions in relation to the 10 principles of the United Nations Global Compact (UNGC). While the group is not a signatory to the UNGC, it has adopted the 10 principles and monitors compliance against these principles in the areas of human rights, labour, anti-corruption and the environment; and
- reviewed compliance with the regulatory frameworks applicable to the group, and received reports on litigation matters relevant to the committee's mandate.



**Prof. Fatima Abrahams**  
Chairperson  
Social and ethics committee

7 November 2018