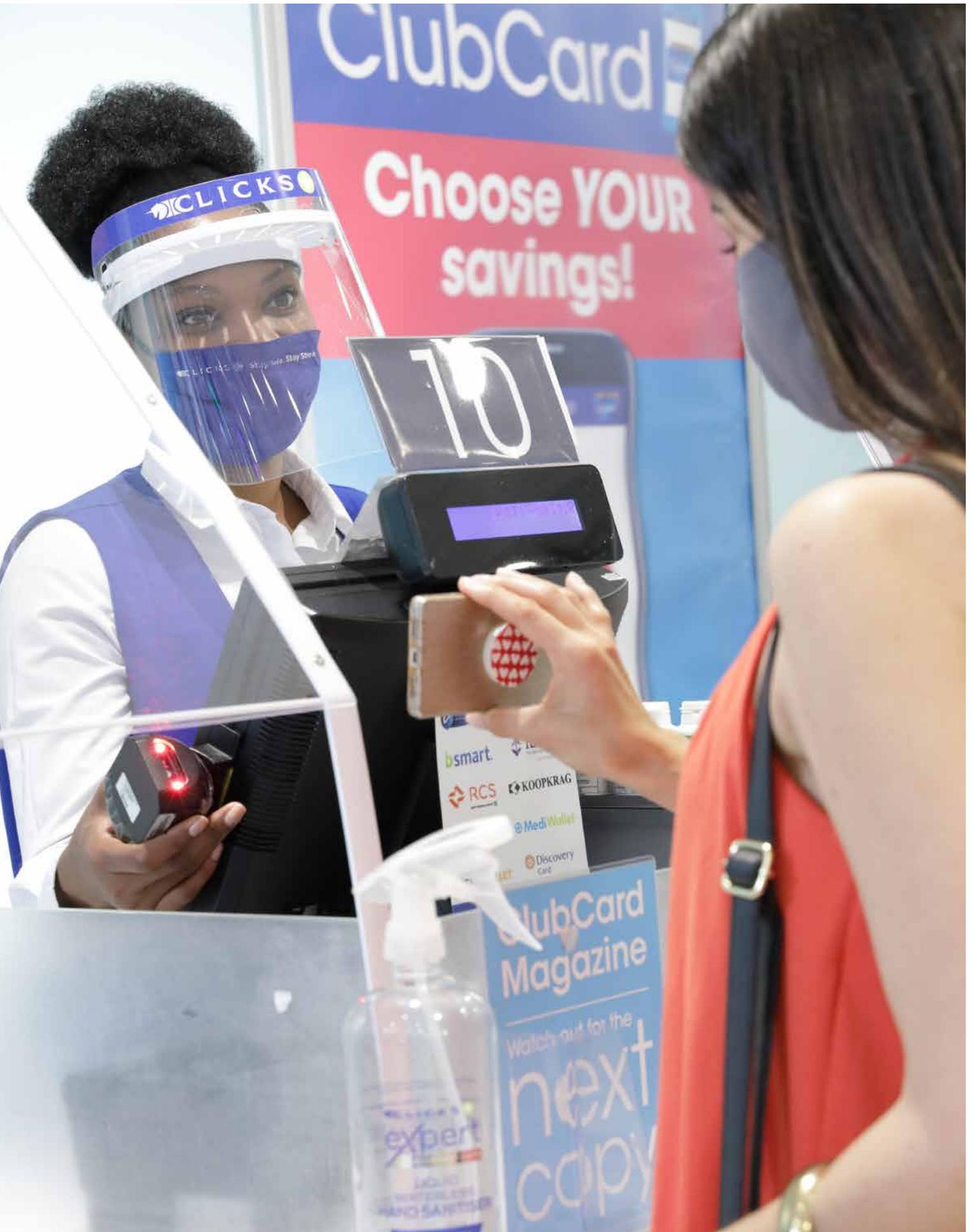


# GOVERNANCE

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# CREATING VALUE THROUGH GOOD GOVERNANCE

Clicks Group’s governance processes were stress-tested during the Covid-19 pandemic and lockdown. The fact that the group has operated for the second half of its financial year and into the 2021 financial year during the pandemic and lockdown with minimal disruption to its governance processes is evidence that its systems, structures and people are resilient and robust.

## GOVERNANCE STRUCTURE



The sustainability mandate lies with the social and ethics committee as well as the audit and risk committee. The social and ethics committee is accountable for and has the mandate to oversee the group’s sustainability performance, including climate change, resource consumption as well as waste management and all other ESG-related issues. The audit and risk committee is responsible for overseeing risk management for the board, ensuring that the group has implemented an effective policy and mitigation plan for risk, and that disclosure of these risks and mitigation plans is comprehensive, timely and relevant. The board committees make recommendations to the board, which is responsible for final decision-making. The board is instrumental in providing oversight.

## ROLE OF THE SOCIAL AND ETHICS 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.

The responsibilities of the committee include:

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

### ACTIVITIES OF THE COMMITTEE

The social and ethics committee is responsible for monitoring ethical practices. The group has various documented policies which require all employees to adhere to ethical business practices in their relationships with one another, suppliers, intermediaries, shareholders and investors. These policies also set stringent standards relating to the acceptance of gifts from third parties and declarations of potential conflicts of interests. A fraud prevention policy ensures that a firm stance is taken against fraud and the prosecution of offenders.

### ETHICS AND VALUES

The group subscribes to high ethical standards of business practice. A set of values and a behavioural code of conduct require staff to display integrity, mutual respect and openness. Members of staff have an obligation to challenge others who are not adhering to these values. The social and ethics committee is responsible for monitoring ethical practices. The group has various documented policies which require all employees to adhere to ethical business practices in their relationships with one another, suppliers, intermediaries, shareholders and investors. These policies also set stringent standards relating to the acceptance of gifts from third parties and declarations of potential conflicts of interests. A fraud prevention policy ensures that a firm stance is taken against fraud and the prosecution of offenders.

### EMPLOYEE CODE OF CONDUCT

We value conduct of the highest ethical standard in carrying out our business activities and, to this end, we are committed to ensuring that our group values are sustained in all of our operations and our engagements with customers, employees and stakeholders. Our code of conduct sets out guiding principles to be adhered to by all employees throughout the

group in order to ensure ethical performance, conduct and relationships with one another, our customers, suppliers, intermediaries, shareholders and investors.

The group invites employees to report breaches of the code to “Tip-Offs Anonymous” which is administered by an external service provider. We have anonymous tip-off reporting lines in South Africa, Namibia and Botswana. The group received 267 reports for investigation. All reports are investigated and progress updated with the whistle-blower.

***“Underpinning the group’s ethical business philosophy is the principle that all employees have a duty to act in the utmost good faith at all times by modelling behaviour which is aligned to the group’s values in all their day-to-day interactions.”***

### PRIVACY AND DATA SECURITY

Clicks Group maintains security controls based on industry best practice and the payment card industry’s (PCI) regulatory framework that are validated and certified annually. Established security and governance policies and processes restrict and manage access to key IT systems supported by logging and monitoring tools. Ongoing evaluations are performed through regular security reviews, vulnerability assessments and independent cybersecurity audits that are rotated across reputable security service providers.

Privacy and data security initiatives in progress include additional information governance processes supporting compliance with the Protection of Personal Information Act, improved segregation of duties, enhanced network intrusion detection, an automated data discovery and monitoring capability, encryption of laptops, regular awareness campaigns for all users, and increased security resource capacity.