



HUMAN CAPITAL

PERMANENT
EMPLOYEES

14 673

2016: 14 093
2015: 12 805

PERMANENT
MONTHLY PAID
STAFF TURNOVER

15.9%

2016: 17.0%
2015: 18.8%

PHARMACY
TURNOVER

18.7%

2016: 22.0%
2015: 21.9%

EMPLOYEES
COVERED BY
MEDICAL AID

29.4%

2016: 26.2%
2015: 23.1%

PERCENTAGE EMPLOYEE PARTICIPATION
IN SHARE OWNERSHIP SCHEME

70.8%

2016: 80.1%
2015: 92.3%

EMPLOYEES
COVERED BY
RETIREMENT
BENEFITS

97.5%

2016: 97.9%
2015: 98.8%

EMPLOYEES COVERED BY COLLECTIVE
BARGAINING AGREEMENTS

18.1%

2016: 17.9%
2015: 35.6%



HUMAN CAPITAL

EMPLOYEE VALUE PROPOSITION

Our company's talent strategy is to employ customer-obsessed people with a confident, "can do" attitude, who are proud and professional. This strategy is underpinned by our employees and our company values:

- We are truly passionate about our customers
- We believe in integrity, honesty and openness
- We cultivate understanding through respect and dialogue
- We are disciplined in our approach
- We deliver on our goals

Underpinning the company values, our employee value proposition focuses on people, passion and opportunities.



Group retention scheme

The group strives to retain the best talent by offering selected employees a long-term financial incentive that is aligned with shareholders' interests.

The retention scheme targets high-potential employees, black employees and those with scarce and critical skills. Of the 46 employees participating in the scheme 35% are black and 33% are women.

Group leadership model

We have designed a leadership competency framework using global benchmarks to assess and develop top talent. The skills essential for executive and senior management positions were determined through a competency analysis process, using the latest research findings.

This will provide the basis for the design of future development programmes.



The Clicks Group leadership model is called DRIVE, which stands for the following main principles:

- Delivery
- Resilience
- Integrity
- Vision
- Enterprising

There are 41 employees on the programme who are honing their skills to become the next executive or senior managers in the organisation.

LEARNING AND DEVELOPMENT

Skills development

The group is committed to developing the skills, knowledge and capability of its employees. A total of R125.8 million was invested in learning and skills development, which equates to 5.6% of basic payroll. A total of 5 679 employees (2016: 4 935) took part in learning and development interventions, which included on-the-job training, skills programmes, learnership programmes, short courses and academic qualifications. Black employees accounted for 91% of the total number of employees trained and women 63%.

Enhanced management and leadership competencies, developing scarce and critical skills, and facilitating organisational transformation topped the agenda and 85% of employees completed their individual development plans, which formed the basis for participation.

Learning and development statistics	2017	2016
Learning and development spend as a % of payroll	5.6	3.6
Learning and development spend (R'million)	125.8	95.7
Number of employees trained	5 679	4 935
Black employees as a % of all employees trained	90.8	83.0
Female employees as a % of all employees trained	56.4	62.0
Delegates on the leadership development programme	41	43
Delegates on management development programmes	386	215
Delegates on retail learnership and skills programmes	201	202
Delegates on pharmacy learnership and skills programmes	539	465
Delegates on health and safety training	458	208
Interns or graduates on workplace experience programmes	195	374
Pharmacy bursary spend (R'million)	4.4	4.3

As a leader in the South African healthcare market Clicks is the largest employer of pharmacists in the private sector. We recognise the scarcity of pharmacists and healthcare professionals and are committed to invest in the attraction, learning and development, and retention of employees. This is why we are partnering with pharmacy schools, external learning providers and other stakeholders to create a pipeline of talented, motivated healthcare professionals who choose to work for us.

The Group follows a comprehensive pharmacy development strategy that focuses on:

- continued investment in stakeholder engagement with pharmacy schools across the country;
- investing in learning laboratories at university pharmacy schools;
- managing a pharmacy bursary scheme;

- providing workplace experience through the pharmacy internship programme;
- development of pharmacists' assistants and trainees through learnership programmes; and
- the continuous professional development of pharmacists and nursing practitioners.

The group invested R4.4 million (2016: R4.1 million) in bursaries for 100 students completing the Bachelor of Pharmacy degree at registered South African universities. 79% of bursary recipients were black and 58.9% female. The group also provided opportunities to 82 students to complete internship programmes.

The group's Pharmacy Healthcare Academy is registered with the SA Pharmacy Council and is instrumental in developing pharmacists' assistants, with 584 learners registered on learnership programmes.

4 QUALITY EDUCATION



SUSTAINABLE DEVELOPMENT GOAL

The Clicks Group supports the goals of the 4th UN SDG by offering equal opportunity for education at university level to employees, including youth in the workforce through internships and permanent employment. The group also has pharmacy bursaries that help with the development of the pharmaceutical industry in South Africa.

CAREER OPPORTUNITIES

Group resourcing

We have set a target to improve the ratio of 60% internal to 40% external hires over a three-year period after the review of the quality of the talent pipeline. At the end of August 2017 the internal hires in non-pharmacy were 67% compared to 33% external hires. For pharmacy, the internal hires were 42% and 58% were external hires.

We do our best to hire South African talent, except in the case of skills that are scarce in the country. A strict sign-off process is followed for exceptions when a scarce skill needs to be employed and 99.5% of total employees are South African.

A dedicated pharmacy recruitment team operates within the Clicks brand and focuses on the recruitment of pharmacists, pharmacy graduate interns, and pharmacist assistants at the basic; post-basic and qualified post-basic level. Both of these centralised recruitment teams operate under an agreed service level agreement with business partners, which tracks the average time to fill a vacancy, cost savings and compliance to the group resourcing framework. The success of our e-recruitment strategy resulted in 66% of non-pharmacy appointments coming from the group's careers website.

Total rewards framework

Our total rewards framework offers flexibility to meet differing employee needs.

Clicks Group has endorsed a total rewards strategy to ensure that our employees are appropriately and fairly rewarded.

We offer outstanding career development opportunities across the Group and we provide our employees with excellent benefits through the Clicks Group total rewards framework:

1 Compensation

Refers to how we compensate employees for the services they have provided in line with their job objectives.

Permanent employees are appointed on the basis of an annual guaranteed pay (AGP), which consists of their total annual package, including company benefits such as medical and retirement funds.

Compensation is reviewed annually and is based on the Hay grading system, which works on the premise that each job is rated (via a point system) on the actual work/tasks and the complexity thereof.

2 Benefits

We offer a number of benefits, including membership of retirement and medical aid funds, employee discounts across our brands, employee share ownership opportunities and group life and disability cover. This includes annual, family responsibility, maternity, paternity, sick and study leave.

3 Performance and recognition

We are a performance-driven company and employees have biannual performance reviews (in February and July) to assess their performance in line with the objectives set out in their performance contracts.

Discretionary performance bonuses are paid in line with company and individual performance.

4 Talent and development

We develop employees who perform with passion and we provide our employees with growth opportunities and internal transfers and promotions are made available and supported by senior management in line with the relevant company policy.

Talent and development encompasses our DRIVE (delivery, resilience, integrity, vision, enterprising) leadership model, which outlines the competencies we have identified as essential for our leadership team.

The group recognises the importance of investing in our employees and we are committed to ensuring that all employees can realise their potential and meet their career aspirations, as well as developing scarce and critical skills.

5 Work-life integration

We understand the challenges of sourcing and retaining scarce skills, coupled with the long retail trading hours and we have introduced flexible working arrangements to ensure a full employee complement during peak trading periods and to provide work opportunities to candidates whose family/life circumstances only allow them to take up part-time permanent employment.

We also recognise that for employees to reach their potential, they need to be effective in all spheres of their life, including their wellness, relationships and personal circumstances.

The Clicks Group employee wellness programme (EWP) provides independent, confidential, professional counselling and advisory services to permanent employees and their direct household members to help them make healthy lifestyle choices.



For further information visit <http://careers.clicksgroup.co.za/>

EMPLOYEE AND SAFETY

The health and safety of employees, suppliers and customers is an important aspect of our business and health and safety committees have been established across the group. Committee members and employees receive training, while a health and safety policy covers employees, contractors and customers.

The group uses an online platform for stores to submit the necessary reports and access health and safety information.

An independent company conducts a detailed audit with a gap analysis of the programmes and procedures of the group health and safety programme on an annual basis.

The group HR director reports to the social and ethics committee, where progress with the health and safety programme is discussed and reviewed.

Description	2017	2016	2015
Health and safety committee members	657	629	606
Fire-fighters	655	576	557
First aid representatives	498	587	573
Injuries on duty	69	85	75
Occupational diseases	0	0	1
Lost days	238	223	265
Fatalities	0	0	0

BUSINESS CONTINUITY

A comprehensive business continuity policy has been developed and implemented across the business. This is presented and evaluated by the audit and risk committee for continuous improvement. The policy and procedures are reviewed on an annual basis.

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1 NO POVERTY



SUSTAINABLE DEVELOPMENT GOAL

The group aligns to minimum living wages as per the legislative framework and pursues equity in pay and empowerment of women through socio-economic development programmes. This helps to combat poverty by creating job opportunities in the direct and indirect operations of the group.

8 DECENT WORK AND ECONOMIC GROWTH



SUSTAINABLE DEVELOPMENT GOAL

The Clicks Group supports the goals of the 8th UN SDG by promoting decent work and economic growth through job creation and by providing good benefits with decent working conditions, including for young people, people with disabilities and previously disadvantaged employees, with equal pay for all. The group supports not-for-profit organisations and provides services to the public to support small and medium enterprises.

EMPLOYEE SHARE OWNERSHIP PROGRAMME

The employee share ownership programme (ESOP) was introduced in 2011 to attract and retain scarce and critical skills, accelerate transformation, build employee commitment and enable employees to share in the growth and success of the business. Executive directors and senior employees participating in the group's long-term incentive (LTI) schemes do not participate in the ESOP.

Entry to the scheme closed in 2015 and it vests in 2018 and 2019.

Through the ESOP scheme 10% of the group's issued shares (after the issue of "A" shares equating to 29.2 million "A" shares) have been placed in a share trust for allocation to all full-time permanent employees. Employees with more than five years' service, pharmacists and senior employees from designated employment equity groups received a 15% enhancement of their share allocation.

Shares are held by 5 882 employees, with black employees holding 88% and women 66% of the shares. Pharmacists comprise 5% of the ESOP beneficiaries. Participating employees receive a cash dividend annually, equal to 10% of the total dividend paid to ordinary shareholders each year.

EMPLOYEE SATISFACTION INDEX

The group does an employee satisfaction survey every second year and communicates the results to the business unit, division and department to receive feedback and create action plans so that we make this a great place to work. A comparison of the results to the previous year measures progress and determines whether greater focus is needed compared to the South African benchmark.

The group increased its employee satisfaction index (ESI) from the 66 score achieved in 2014, to 71 in 2016. In terms of employee engagement, the group outperforms the South African benchmark in seven out of the twelve dimensions, resulting in an overall employee engagement index of 70, which is on par with the SA benchmark of 69.

The next survey will take place in the next financial year 2018.

5 882
employees
hold shares

