GETTING INVOLVED IN OUR COMMUNITIES

The Dis-Chem Foundation was founded in 2006 to address social challenges in South African communities, including poverty, hunger, inequality and unemployment. The Foundation relies on funding through the Dis-Chem Benefit programme, as a percentage of every eligible purchase by a programme member is donated to the Foundation.

The work of the Foundation supports the Dis-Chem mission to be a committed and caring team that strives to provide consistent value, low prices, and service excellence for customers' health and beauty needs while caring for the communities and environments in which it operates.

The Foundation relies on implementation partners for the projects that are selected to be funded. Project criteria include being a registered non-profit organisation that has been running for more than a year. Due diligence is also performed, including verifying bank details, and direct support is required for one of our four strategic focus areas (see below).



Our community ESG goal: Invest in the communities we operate in

Strategic focus areas

Access to healthcare

Transport costs, availability or even parking can be barriers for people to access healthcare. Dis-Chem's approach is to find ways to bring healthcare to those patients. Our Dis-Chem clinics aim to help those in need on a regular basis. We also launched a community clinics initiative in August 2013 with the goal to provide healthcare to those who otherwise cannot get to a clinic to receive rehabilitative care such as physiotherapy, speech audiology and occupational therapy.

Read more about the new inner city community clinic in Tshwane in the chapter on material sustainability matters related to healthcare access and affordability from page 36.

Access to education

According to UNICEF (also known as the United Nations Children's Fund) programmatic activities in early childhood development and health, human potential needs to be nurtured in the early ages of life of every child to improve the prospects of better life outcomes and sustainable, healthier development of future generations.

In South Africa, child illiteracy is widespread, with few children owning a book. According to the latest Progress in International Reading Literacy Study, 81% of Grade 4 learners in South Africa cannot read for meaning in any language. The country ranked lowest out of the 43 participating countries in learners' reading skills[1].

To address this challenge, the Dis-Chem Foundation partnered with HOPE Worldwide South Africa, Pan Macmillan and Phoenix International Logistics. We funded the printing of 2 000 books by author Refiloe Moahloli and delivered these to the Kopano Day Care Centre in Zandspruit, a township in Johannesburg.

Dis-Chem also continued its flagship eight-year campaign to address period poverty and ensure girls complete their school education.

Read more about the Million Comforts campaign on page 80.

"With the support and contributions from our Dis-Chem Benefit programme members, the Dis-Chem Foundation is able to change people's lives and make a lasting difference for communities in need." – Jacqueline Kahlberg, Dis-Chem Foundation

[1] *https://www.sahrc.org.za/index.php/sahrc-media/news-2/item/3589-media-statement-progress-in-international-reading-literacy-study-pirls-2021-results*

Community upliftment

Since 2017, the Dis-Chem Foundation has been donating blankets to various charities and non-profit organisations across the country, providing a source of warmth during the cold winter months. The blankets are distributed to chosen organisations nominated by Dis-Chem's social media followers and Dis-Chem and Dis-Chem Baby City employees, with beneficiaries varying from old age homes to children's homes and animal shelters. We have donated over 5 200 blankets every year.

Dis-Chem also supports communities where a lack of basic services impacts health and safety.

Read more about the boreholes and vegetable garden that changed lives in the Bapong community on page 79.

Small business development

Although the Group has been able to support small enterprises in some areas of its value chain, for example in recycling (read more on page 33), it has proven very challenging to establish local manufacturers for pharmaceutical products. We operate three models:

1. Importing packaged medication directly from international manufacturers
2. Importing medication from international manufacturers with packaging done in South Africa
3. Procuring from local suppliers who also package their products locally

Unfortunately, local manufacturing is significantly more expensive and therefore is unable to compete with international suppliers. This is due to a combination of factors, including patenting rights, raw material costs, transport costs and import duties.

Dis-Chem focuses on supporting local manufacturing for non-pharmaceutical or non-trade items. For example, through an enterprise development grant, we equipped two small tailoring pods to supply uniforms to our distribution centres. Dis-Chem provided the two female entrepreneurs with training and manufacturing tools to formalise and grow their business.

Dis-Chem remains committed to supporting local suppliers where possible.

Dis-Chem's strategic focus areas align its contribution to the following SDGs:



R34 313 634 million
CORPORATE SOCIAL INVESTMENT (CSI) SPENT

R16 110 159
OF CSI SPEND ON ACCESS TO HEALTHCARE

R6 559 362
OF CSI SPEND ON ACCESS TO EDUCATION

R11 644 113
OF CSI SPEND ON COMMUNITY UPLIFTMENT

THE FOUNDATION WORKS CLOSELY WITH REGISTERED NON-GOVERNMENTAL ORGANISATIONS, NON-PROFIT ORGANISATIONS AND NON-PROFIT COMPANIES TO SUPPORT AND IMPROVE THE LIVES OF STRUGGLING COMMUNITIES, PROVIDING SUPPORT THROUGH VARIOUS CAMPAIGNS AND INITIATIVES.

Our commitment to communities

Dis-Chem's sustainability policy directs it to:

- Improve the social and economic well-being of our communities by investing in the communities we operate in through the Dis-Chem Foundation
- Participate in disaster relief for our communities experiencing natural disasters and other events affecting our communities
- Evaluate and manage our potential human rights impact on the communities
- Recognise the sensitivities involved in addressing issues related to the cultural heritage of indigenous communities
- Create sustainable partnerships to encourage long-term impactful value creation for our communities
- Implement community health and wellness support programmes

CASE STUDY

OPERATION HEALING HANDS

With public hospitals in South Africa often underfunded and understaffed, patients who cannot afford private healthcare often have to wait long periods for surgery. This can be devastating for breadwinners and people who do not have the support infrastructure to function normally.

In 2016, a group of registered surgeons in the private sector started a charity initiative to provide surgery for patients to be absorbed into the labour market sooner and thus care for their families.

Procedures are from various disciplines and include general orthopaedics, joint replacements, general surgery, urology, gynaecology, paediatric cardiology, ophthalmology and plastic surgery for skin cancer excisions.

The Dis-Chem Foundation provides monthly funding to Operation Healing Hands, which operates in Tshwane. Beneficiaries cannot be members of a medical aid and surgeries that are high-risk or highly complicated do not qualify for support. Surgeons provide their expertise and time pro bono; hospitals provide bed space and reduced fees on theatre time. However, the surgeries need funding for consumables, anaesthetics and scheduled medication.

Projects in 2023 included a case where a security guard at a primary school and church was in danger of losing a job he had been doing for many years due to cataracts developing in both eyes, affecting his sight and ability to do his job. Operation Healing Hands arranged for two operations, after which he regained his sight and job security.





The Joint Unity Meal Partnership



Many children go to school hungry. Without proper nourishment, they are unable to focus and engage in learning activities. By providing these children with a daily meal, we contribute to attentive, energetic learners who are eager to learn.

The Joint Unity Meal Partnership has been funding meal packs for children in the early childhood development phase (ages 0 to 6 years) since July 2020. It reached 3 000 children across Gauteng, 2 000 in KwaZulu-Natal, 2 500 in Limpopo and 2 500 children in Mpumalanga in the year to October 2023, distributing 200 000 nutritious meals in total. HOPE worldwide SA teams across the four provinces conduct household screening to select highly vulnerable households with young children to receive support every month. The beneficiaries complete registers as they receive their Unity Meal packs.

These nutritious meals are made possible through a collaborative effort between HOPE Worldwide SA, FUTURELIFE®, the Dis-Chem Foundation and other partners.

Dis-Chem's partnership with FUTURELIFE® gives the Dis-Chem Benefit programme members the option to transfer points from their Benefits Card when purchasing FUTURELIFE® products. For every labelled product sold, the Dis-Chem Foundation and FUTURELIFE® donate one meal.

Meals have been scientifically formulated, consider the nutrition requirements of children living with HIV or suffering from malnutrition, and are provided in ready-made pouches to early childhood development centres.















Supporting education for the future of our youth and business

In July 2023, the Dis-Chem Foundation made it possible for more than 200 persons with disabilities to be enrolled in a one-year Business Administration NQF Level 4 learnership. The learners are based in Gauteng, Limpopo, Mpumalanga, and the North West.

The learners can obtain an accredited qualification and valuable work experience through the Dis-Chem Foundation's partnership with LearnMe. The learnership will allow them to gain new skills, build their career and improve their prospects of employability.

Dis-Chem provided learners with stationery goodie bags and the Dis-Chem learning and development team shared what the Better Health Starts Here initiative entails with learners.

Future priorities

- The Dis-Chem Foundation's focus is shifting from a more traditional, philanthropic approach to be better aligned with the Group's business mission and strategy
- Dis-Chem will create more awareness about the Foundation's focus areas and projects with customers so they can join us in caring for communities
- Future projects will be more strategic, less reactive and closely aligned with the strategic pillars detailed in the ESG Strategy Summary table on page 58

Water and vegetables bring purpose and health

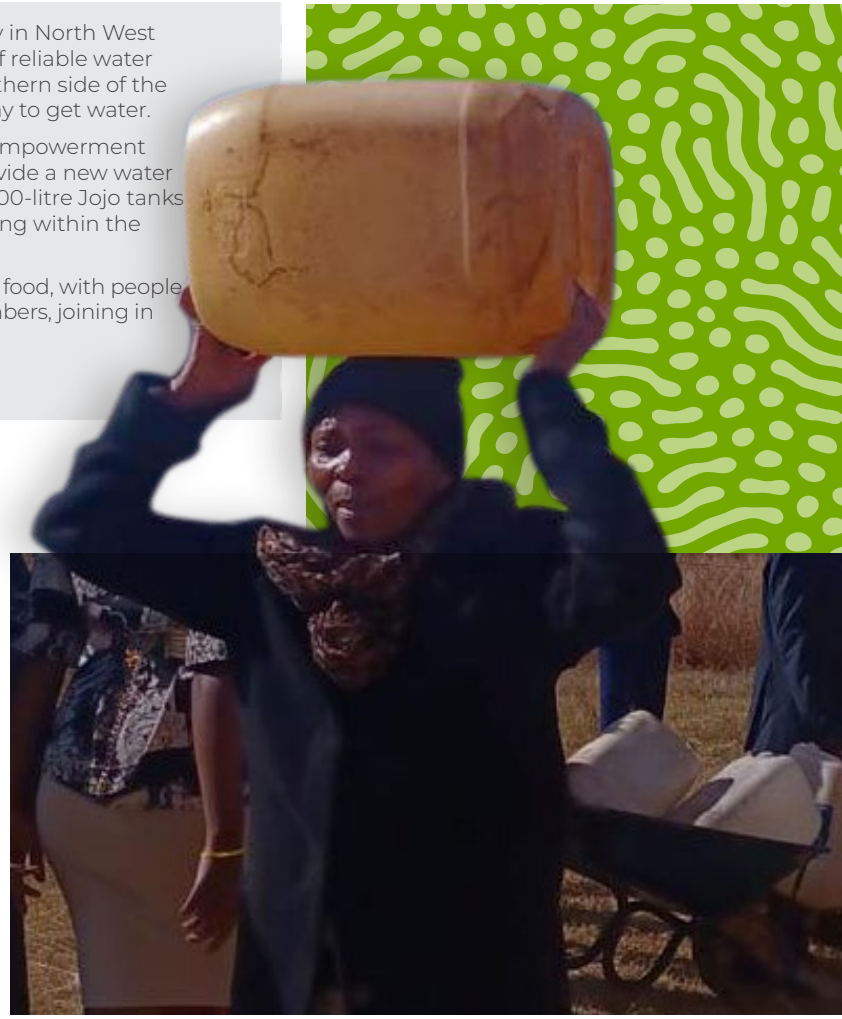
The Bapong community is situated along the N4 Bakwena highway in North West province and has been battling with poor water quality and a lack of reliable water supply for a long time. One of their only water sources is on the southern side of the highway which meant that the community had to cross the highway to get water.

With the support of the Dis-Chem Foundation and Humanitarian Empowerment Fund (HEF), three boreholes have been drilled and equipped to provide a new water source. Furthermore, a vegetable garden was planted, and two 10 000-litre Jojo tanks were installed to mitigate the water crisis and promote healthier living within the community.

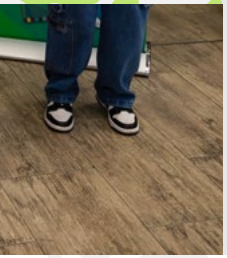
Over 40 000 residents now have access to clean water and nutritious food, with people from the community, including aged and disabled community members, joining in harvesting and replanting the vegetable garden.











We care about girls and enabling their education

According to Wits University, 7 million menstruators in South Africa miss school, university or work due to period poverty every month. Period poverty has been described as a form of human rights violation and contributes to bigger issues that magnify inequalities. Furthermore, it has physical, emotional and mental implications and further exacerbates the stigmas surrounding periods.

The Dis-Chem Foundation has been contributing to the empowerment of school girls since 2015 by providing sanitary pads and raising awareness about women's health. We give these girls the opportunity to continue their education without the burden of hygiene risks, discomfort, embarrassment or the loss of dignity.

This is the only Foundation initiative where we ask our customers to help us care for and keep girls in school. Customers can donate sanitary products in-store or via the Dis-Chem app, with our brand match partners matching every pack donated with an equal donation.

The Foundation contributes towards awareness, while our logistics partner facilitates distribution.

Million Comforts campaign

131 664
BENEFICIARIES IN 313 SCHOOLS IN SOUTH AFRICA

8 161 860
STICKS DISTRIBUTED

816 186
PACKETS DISTRIBUTED

2 367
BENEFICIARIES IN FOUR SCHOOLS IN BOTSWANA

2 000
BENEFICIARIES IN THREE SCHOOLS IN NAMIBIA

The benefits of keeping girls in school:

- The girl who was the recipient of the first pack of sanitary pads as part of the Million Comforts campaign is now a primary school teacher.
- Another beneficiary is now a fourth-year pharmaceutical student who works in a Dis-Chem pharmacy as a postgraduate student during varsity breaks.
- One of our beneficiaries received six distinctions last year in matric and is now studying Actuarial Science at Wits.







#ABETTERTOMORROWSTARTSHERE





South Africa's 2023 Rugby World Cup victory served as a unifying experience for our country, highlighting the potential for positive change in our lives. This collective spirit underscored the immense potential for positive transformation within our society.

At the helm of this momentum, our Chief Executive Officer (CEO) Rui Morais made a bold commitment, pledging R12 million towards initiatives aimed at catalysing change. This investment signifies our steadfast belief in the power of collective action and serves as a testament to our conviction that a #BetterTomorrowStartsHere.

We took the step of allowing every one of our 22 000 employees, no matter their role or position, the opportunity to vote for causes that are close to their hearts, that they strongly believe in.

Our mission is crystal clear: to use the allocated R12 million to uplift the lives of fellow South Africans. Through strategic investments in 12 projects, we aim to address pressing societal challenges and drive tangible improvements in various facets of our communities.

The 12 initiatives will positively alter the lives of South Africans across a spectrum of challenges: from food and water security, education and community upliftment, justice and inequality, healthcare and more.

Central to our ethos is the recognition that true impact requires scalability to be sustainable. We are committed to supporting projects that are not only effective in the short term but also scalable to be sustainable in the long run. By prioritising sustainability, we ensure that our interventions continue to yield positive outcomes for generations to come.

The first project to be funded is the Rhiza Babuyile Low Fee Private Clinic which aims to reach 250 000 people over five years through seven mobile clinics. The clinics will provide access to quality primary healthcare services for underserved urban, peri-urban and rural communities while also providing access to sporting facilities and coaching.



BETTER HEALTH STARTS HERE



