

# CEO'S MESSAGE

*Sustainability is at the core of every business decision we make. In the past few years, Dis-Chem has evolved from an entrepreneurial and bottom-line driven business to one where we now deliberately consider ESG impacts.*

Our decision to invest in future solar energy is a good example. The investment does not only make commercial sense but combines a positive return with energy security, lower carbon emissions and long-term cost savings.

## Navigating a dynamic context

Healthcare trends in South Africa are closely linked to the aspirations of the National Health Insurance (NHI) system's objectives. Consumers are asking for access to quality affordable personal health services based on their health needs, irrespective of their socio-economic status.

Although there is much uncertainty around the implementation of NHI, Dis-Chem fully supports the principle of better utilising capacity in the healthcare system, including clinics and pharmacies. A system that helps people access healthcare at the most appropriate level of care and cost, will be a win-win for all. Dis-Chem has the capability, national footprint, qualified

employees and infrastructure to be a key service provider in this scenario.

If South Africa could make the shift to primary healthcare that better uses available resources, we can expect better health outcomes at lower cost.

## Focus on employees

The changing role and impact of our employees is a big focus for me. They have the potential to be such positive ambassadors for Better Health Starts Here. We are working with them to bring about a culture change that will drive our ambition to be an integrated health player, as opposed to just being a standalone retail pharmacy group.

Our employees determine customers' experience of what better health means. This applies equally to frontline employees in our stores and clinics, as it does to employees picking and checking stock in the distribution centres. We all have a role in delivering better outcomes.

Over the past few years, we have truly embedded the Dis-Chem values

and behaviours. This has been a solid foundation to now amplify our brand purpose: To provide quality healthcare at a lower cost to more South Africans through an integrated healthcare ecosystem.

## A sustainable business

Dis-Chem delivered solid results for FY2024. Group revenue increased by 11.1% on the back of accelerated retail space growth. We also experienced strong growth of 21.4% in the wholesale business, where TLC and independent pharmacies attracted new customers and gained more support from their current customer base.

Building on strong past performance, we are also innovating for future growth. Dis-Chem entered into transaction agreements to invest in an innovative life insurance business to complement our current medical insurance and gap cover offerings.

## A better tomorrow

South Africa is in a turbulent phase where moments of hope and unity should be cherished. One such moment was the Rugby World Cup win in 2023, which inspired a special Dis-Chem commitment. We pledged R12 million over 12 months to worthy causes selected by our employees. We have a steadfast belief in the power of collective action, harnessed through #ABetterTomorrowStartsHere.



*"We believe Better Health Starts Here and #ABetterTomorrowStartsHere at Dis-Chem. We are actively investing behind our commitments to make better health not just a possibility, but a reality." – Rui Morais, CEO*

The rollout of this initiative complements the work done by the Dis-Chem Foundation over many years, changing millions of lives.

With our first Sustainability Report, we invite our stakeholders to read more about our efforts and long-term commitments. Our ESG governance structures and formal strategy will provide valuable future guidance and keep us accountable for Better Health Starts Here, today and into the future.