

Dis-Chem

Better health starts here



Sustainability Report

for the financial year ended 28 February

2025





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ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) PERFORMANCE AT A GLANCE

Dis-Chem achieved further milestones in the implementation of our ESG strategy during the past year. Our performance demonstrates positive outcomes for all stakeholders across our **five strategic pillars.**

Our people are our biggest asset

Build an inclusive, prosperous and safe workplace

12% ▼
Permanent employee turnover rate in South Africa
FY2024: 14.18%

18% ▲
Racial diversity at senior management
FY2024: 14.29%

0 ▼
Fatalities
FY2024: 1

R62 647 933 ▲
Employee training spend
FY2024: R45 365 240

Taking care of our planet

Minimise the impact of our operations on the environment

10 902 tCO_2e ▼
Carbon emissions in South Africa – Scope 1
FY2024: 12 906 tCO_2e

247 203 ℓ ▼
Total diesel used by generators
FY2024: 1 335 648 ℓ

Solar PV installed at the warehouses in Midrand, Durban and Cape Town

Zero waste to landfill project initiated
Target: 2030

Being there for our customers

Customer-centric service offering

14.09% ▲
Growth in Dis-Chem benefit members

0.0015% ▲
Rate of dispensing errors in South Africa
FY2024: 0.00120%

1 443 815 ▼
Number of clinic consultations
FY2024: 1 512 172

80 599 602 ▲
Total number of items dispensed
FY2024: 76 567 037

Getting involved in our communities

Invest in communities we operate in

R44 354 158 ▲
Corporate Social Investment (CSI) spend
FY2024: R34 313 634

Level 5 ▼
B-BBEE Level achieved
FY2024: Level 6

R15 219 143 ▼
CSI spend on access to healthcare
FY2024: R16 110 159

R10 464 105 ▲
CSI Spend on access to education
FY2024: R6 599 362

R18 670 910 ▲
CSI Spend on community upliftment
FY2024: R11 644 113

Confidence in our supply chain

Promote a responsible supply chain

0 ▼
Product recalls
FY2024: 1

0 ▼
Number of complaints related to product labelling
FY2024: 1

90% ▲
Palm oil suppliers that are members of the round table on sustainable palm oil (RSPO)
FY2024: 69%

95%
of food house brand suppliers have Global Food Safety Initiative (GFSI) benchmarked certification schemes.

Key: Value created | Value preserved | Value eroded

READ MORE *Read more about our performance against our ESG strategy from **page 31**.*

LEADERSHIP MESSAGES

5 ESG Executive's message
6 Message from the CEO







ESG EXECUTIVE'S MESSAGE



Key milestones in FY2025 include our recognition as the 50th-placed company in the BRICS 250 Corporate Leaders ranking for 2024, and the achievement of Sustainalytics ESG risk rating score of 21.9. (FY24: 23.7, FY23: 24). The data we collected from the smart meters informed significant investment in solar systems at our distribution centres, and other improvement initiatives.

We're proud to share with you our progress in sustainability in FY25

Dear stakeholders,

On behalf of Dis-Chem, I am delighted to present our second Sustainability Report to you.

We have made progressive improvements since we reported a year ago, demonstrating our firm commitment to the ESG journey we embarked on in FY2024.

We strengthened our safety, health and environment (SHE) capacity by establishing a SHE management team that monitors implementation of the ESG strategy on the ground.

More reliable data collection allowed us to start setting targets and developing improvement initiatives. It strengthened our reporting on performance against our five ESG strategic pillars. By linking the targets to Executive remuneration, we will be aligning management commitment to the ESG strategy.

The culture transformation project launched by Dis-Chem this year is aligning employees with the aspirations of a future-fit organisation that considers ESG in its operations and decision-making.

Our regulatory compliance remains strong, and our governance structures and controls continue to promote a culture of ethical behaviour across our value chain.

Our next steps include an in-depth review of our materiality process through stakeholder engagement to ensure a comprehensive understanding of the dependencies, impacts, risks and opportunities in our value chain.

Our 2030 zero waste to landfill project is gaining momentum.

As our data collection process matures, we are moving towards implementing science-based targets for climate and health and safety impacts in 2026.

The Sustainability Report provides more information on all of these milestones and more. We hope you enjoy reading the report.

Lesiba Kgoogo
ESG Executive

MESSAGE FROM THE CEO



We are proud of the work we are doing to embed the ESG strategy into our operations and decisions, and we are excited about the journey ahead as we continue to improve our ESG performance holistically.

Dis-Chem is taking bold steps towards creating a healthier future for all South Africans. As our drive to be an integrated health provider gains momentum, the sustainability of our business, our customers, our people and the national healthcare system in which we operate is at the centre of our decision-making.

Dis-Chem is well placed to be a key provider of quality, affordable healthcare for South Africans. We have the capability and national footprint to enable better use of current capacity in the healthcare system. Our clinics and pharmacies provide primary healthcare to our customers and communities, and our expansion into medical insurance opens up affordable solutions to people in the gap between public health services and the private medical aid industry.

This is an exciting phase for Dis-Chem as we expand our capacity and prepare our people for a greater role in providing better health outcomes for South Africans.

Considering ESG impacts across our value chain

Doing good has always been core to the Dis-Chem brand. We are formalising our approach to sustainability to ensure that we purposefully consider our ESG impacts across our value chain and in our strategic decision-making.

We have a roadmap that commits our leadership and our people to the sustainability journey. The roadmap is based on understanding our ESG impacts and establishing a system to measure, track and report on our performance. This increases our confidence in placing ESG at the forefront of impactful commercial decisions and investing in improvement initiatives to turn our commitment into reality. Outcomes of these investments are described throughout this report.

For example, we are scaling up our social investments in primary healthcare, combating gender-based violence (GBV) and food security by exploring innovative new ways to unlock more value as an organisation. A key focus is to encourage our customers, patients and policyholders to invest in our national social projects and drive our integrated healthcare agenda alongside us, while supporting causes close to their hearts in their own communities.

Understanding our ESG risks and opportunities

Our work to reduce our environmental impacts is gaining traction. During FY2025, we invested in smart meters to measure our electricity and water use, and solar systems to reduce our carbon footprint in our distribution centres.

We are reshaping Dis-Chem's organisational culture in partnership with our employees, and we continue to strengthen our people & culture capacity in a competitive talent landscape to drive the Better Health Starts Here promise we make to our customers.

In another new development, we formed a SHE management team to implement a structured approach to protecting the safety, health and wellbeing of our employees. The team has increased SHE management visibility across our operations and is guiding us as we embed a sound safety and health culture.

We are partnering with suppliers aligned to our values to maintain responsible purchasing of quality products at affordable prices and strengthen ethical practices in our supply chain.

Underpinning our ESG approach is a clearly defined governance structure and an ESG management team committed to achieving progressive, measurable milestones along the sustainability journey.

A word of thanks

There has been a concerted effort throughout Dis-Chem to advance our sustainability journey. In particular, I would like to recognise the work of our ESG Executive, Lesiba Kgoogo and his team, for constantly moving us forward and keeping us focused on what matters. I would also like to thank our HR Director, Nomfundo Vilakazi and her team, for elevating Dis-Chem's people in our sustainability discussions. I am grateful to the entire leadership team for integrating ESG into their business decisions and to all our people for implementing the ESG strategy in their areas of responsibility.

Rui Morais
Chief Executive Officer

ABOUT THIS REPORT

Our FY2025 Sustainability Report demonstrates the steady progress we are making in formalising our commitment to sustainability and implementing our ESG strategy.

Our report for the period 1 March 2024 to 28 February 2025 (FY2025) gives stakeholders a holistic view of ESG risks and opportunities, sustainability performance and future priorities. We provide information to demonstrate Dis-Chem's commitment to better health and sustainability outcomes for its stakeholders and show the progressive improvements we are making on our sustainability journey.

We report on the Dis-Chem and Baby City stores, clinics and distribution centres in South Africa, Namibia and Botswana.

The Group also includes CJ Distribution, which operates as Dis-Chem's wholesale division, supplying products to Dis-Chem's retail outlets and third-party pharmacy retailers.

While our core audience is stakeholders with an interest in ESG topics, we hope our report will be of value to our broader stakeholder community.

A full list of subsidiaries and the Group's investments in associates and joint ventures is set out in the audited Annual Financial Statements (AFS).

Reporting standards and materiality

The content of this report is shaped by what we regard as material for Dis-Chem. The following frameworks, policies and standards were consulted when we completed our materiality assessment process in FY2024:

- Sustainability Accounting Standards Board (SASB) industry standards
- World Economic Forum's Measuring Stakeholder Capitalism: Towards Common Metrics and Consistent Reporting of Sustainable Value Creation
- United Nations Global Compact (UNGC)
- United Nations Sustainable Development Goals (SDGs)
- Global Reporting Initiative (GRI)

The outcome of this process was a list of material sustainability matters that remain relevant for FY2025:

Labour and human rights	Ethical business conduct	Product quality and safety	Supply chain management	Privacy protection and data security
Product innovation	Talent attraction and retention	Waste management	Employee health, safety and wellbeing	Healthcare access and affordability

READ MORE *Read more about our materiality process and material sustainability matters from **page 20** and our ESG strategy from **page 31**.*

This year's report provides more detailed qualitative and quantitative disclosures aligned to the Johannesburg Stock Exchange (JSE) Sustainability and Climate Disclosure Guidance, 2022. Performance against KPIs and targets according to our five ESG strategic pillars is presented in the ESG data tables from page 66.

Future reporting plan

Dis-Chem acknowledges developments related to the International Sustainability Standards Board's non-financial standards, the International Financial Reporting Standards (IFRS) S1 and S2. Following the disbandment of the Task Force on Climate-related Financial Disclosures (TCFD), we are preparing to align future climate disclosures to IFRS S2, based on regulatory guidance in South Africa.

External assurance

Dis-Chem employs a combined assurance model that integrates internal and external assurance processes. The following KPIs in this report were subjected to limited independent assurance by Deloitte & Touche:

- Employment equity (racial and gender diversity at top, senior and middle management)
- Rate of permanent employee turnover
- Scope 1 carbon emissions tCO_2e at head office, warehouses and stores
- Total diesel consumption for generators at head office, warehouses and stores
- Rate of dispensing errors
- Rate of clinic patient safety adverse health events
- Number of data privacy and security incidents
- Number of product recalls
- Scope 2 carbon emissions tCO_2e at head office and warehouses
- Total electricity Consumption (kWh) at head office and warehouses
- Number of fatalities
- Number of lost time injuries (LTIs)
- and medical treatment cases (MTCs)
- Number of occupational diseases (ODs)
- Total number of recordable injuries (MTCs, LTIs and Fatalities)

The assured KPIs are indicated within the data tables. The limited assurance engagement was conducted in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised). The limited assurance report is available on page 83.

ABOUT THIS REPORT continued

We followed a rigorous content collection and approval process:

Content planning and collection
The reporting team agreed on the approach, structure and a formal data collection process, including interviews with a range of content owners. We also considered feedback from an independent rating agency, Sustainalytics.

Content approval
Content owners reviewed and approved disclosures in their areas of responsibility in the Sustainability Report.

Final sign-off
The Executive Committee and the ESG Executive Committee approved the report and submitted it to the Social and Ethics Committee and Board for final approval.

Board approval
The Board approved the Sustainability Report on 27 June 2025.



If you want to know more about us

The Sustainability Report is supplementary to Dis-Chem's Integrated Annual Report.

The Integrated Annual Report provides a comprehensive overview of the Group's performance, strategy, corporate governance, and includes the Annual General Meeting (AGM) notice and proxy. For a more holistic view of the business, we recommend reading our full year-end reporting suite, including additional information on our website at **dischemgroup.com**

Navigation and definitions

The following icons indicate that more information is available:

READ MORE *More information on **another page in this report***

READ MORE *More information on the **Dis-Chem website***

IR READ MORE *More information in the **Integrated Annual Report***

Our time frame definitions

Short term: One to three years

Medium term: Three to five years

Long term: Five to ten years

We provide readers with a glossary of terms and abbreviations used in this report on page 86.



Connect with us

We value your feedback on our report – it helps us to improve the transparency and quality of our reporting.

Send your comments, queries, or compliments to esg@dischem.co.za

ABOUT DIS-CHEM

10 We are Dis-Chem
11 Our value chain
12 Better health for our stakeholders







WE ARE DIS-CHEM

We are South Africa's leading retail pharmacy group, taking care of South Africans' healthcare needs since 1978.

Over 46 years, we have grown into a JSE-listed market leader, with a nationwide network of stores and employees, including pharmacists, nurses, customer consultants, logistics specialists and retailers. The entrepreneurial spirit and customer service ethos of our founders, Ivan and Lynette Saltzman, continue to define our brand of people-centred care that supports the right to healthcare and sustains an efficient healthcare system.

You can hold us accountable

Our purpose

To provide quality healthcare at a lower cost to more South Africans through an integrated healthcare ecosystem.

Our vision

To be the preferred and leading retail pharmacy group in Southern Africa.

Our mission

To be a committed and caring team that strives to provide consistent value, low prices and service excellence for our customers' health and beauty needs.

- To be the **preferred** partner for customers, employees, suppliers, communities that we operate in, shareholders and regulators
- To **lead** the market in product innovation and range, superior customer service and loyalty rewards
- To be the destination outlet of choice for the **retail** health, pharmacy and other personal needs of our customers, without losing the advantage of convenience
- To operate in the **Southern Africa** region, primarily South Africa, Botswana and Namibia, to take advantage of supply chain and other operating efficiencies

Our values

We fulfil our vision by living our values:

Excellence Achieve excellence by maintaining high quality and professionalism in everything we do, staying committed and having passion for what we do

Customer service Maintain excellent customer service by conveying respect, empathy, and a constant desire to improve. Display engagement and be the brand

Entrepreneurial spirit Display an entrepreneurial spirit through innovation and being unique. Staying flexible and resilient to remain competitive

Do the right thing Always do the right thing by maintaining integrity, honesty and loyalty. Ensure delivery through teamwork and accept accountability

Our operations

Our core pharmaceutical business serves customers from all income groups.

Our retail business

- Extensive network of retail pharmacy stores throughout South Africa, each with a dispensary and primary healthcare clinic
- Dis-Chem Baby City stores, including health clinics in selected Baby City stores
- Online store with Dis-Chem Direct courier service
- Dis-Chem Oncology specialist service
- The Local Choice (TLC) pharmacy brand, with franchises
- Dis-Chem Foundation
- Stores in Botswana and Namibia

Our wholesale business

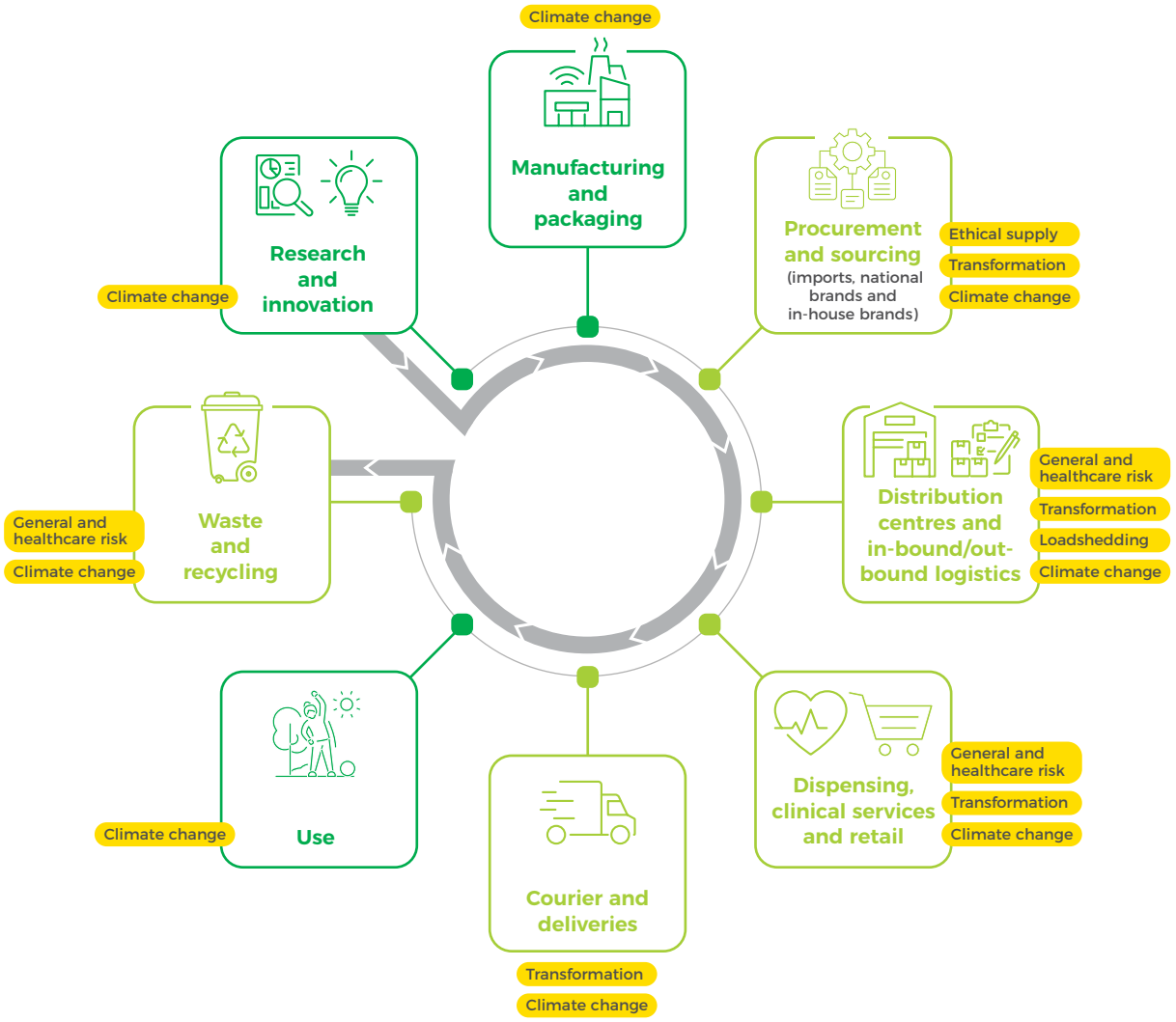
- CJ Distribution serves Dis-Chem, TLC and other independent stores
- Dis-Chem offers an extensive range of product lines with same or next-day deliveries to stores
- Dis-Chem's delivery service combines owned vehicles and third-party logistics providers

READ MORE *Read more about our locations and customer touchpoints in the Integrated Annual Report.*

OUR VALUE CHAIN

ESG risks and opportunities span Dis-Chem's value chain. We apply an integrated ESG and stakeholder engagement approach to value chain elements within our control.

- Fully or mostly within Dis-Chem's operational control
- Not within Dis-Chem's operational control



General and healthcare risk

General and healthcare risk from our operations and post-use by customers can harm the environment. We reduce, reuse and recycle to minimise waste and save costs. Circular economy business models can maximise the value of waste streams. We collaborate with suppliers and customers to reduce waste and create shared value.

Ethical supply

We rely on suppliers and work with them to develop new products and use source materials responsibly. They have to comply with our supplier code of conduct to ensure ethical working conditions and pay. Good supplier relationships can give us a competitive advantage and reduce quality, compliance and recall risks.

Transformation

A lack of transformation is a social and compliance risk for all operations. B-BBEE presents an opportunity to empower our employees and address social challenges such as reducing poverty levels and improving overall socio-economic conditions.

Loadshedding

Loadshedding and the risk of a total grid collapse continue to pose a risk to all operations. We have invested in solar energy to mitigate this risk while increasing efficiency and reducing our carbon footprint. We continue to consider other solutions such as electric vehicles and renewable storage solutions relative to our needs.

Climate change

Changing weather patterns, floods, pandemics, drought and other natural disasters can impact our supply chain and lead to unavailable stock, quality issues or unnecessary inventory. We are diversifying our supply chains to increase resilience and focusing on innovative products and services that reduce the impacts of climate change on communities and businesses.

BETTER HEALTH FOR OUR STAKEHOLDERS

Our stakeholders are impacted by our operations throughout the value chain and have an interest in co-creating mutually beneficial, sustainable outcomes.

Dis-Chem's sustainability approach to stakeholders considers the role of our stakeholders and stakeholder engagement in promoting sustainable outcomes.

Employees | Suppliers | Regulators and government | Partners and industry associations | Shareholders and the investment community | Community | Customers

Employees

Dis-Chem provides employment, training, fair remuneration and an ethical workplace for employees. Employees also receive a range of benefits, including an employee assistance programme, pension, medical aid support or insurance and gap cover. Employees can initiate a grievance procedure if they feel dissatisfied with their employment or are being treated unjustly. Dis-Chem's D-Bucks programme recognises employees who display the business values and the Code of Ethics.

Value chain elements relevant to employees

- Procurement (imports, national brands and in-house brands)
- Distribution centres and in-bound/out-bound logistics
- Dispensing, clinical services and retail
- Waste and recycling

Suppliers

Dis-Chem engages with suppliers through its supplier code of conduct, vendor onboarding requirements, contractual conditions, order forecasting and innovation opportunities. We provide fair payment conditions and enable suppliers' businesses to grow. In return, we expect them to comply with relevant labour and ethical standards, and we conduct regular quality and compliance audits of manufacturing and packaging sites.

Value chain elements relevant to suppliers

- Research and innovation
- Manufacturing and packaging
- Procurement (imports, national brands and in-house brands)
- Distribution centres and in-bound/out-bound logistics
- Waste and recycling

Staying in touch with our suppliers

We are improving our app-based vendor portal, which serves as the digital point of engagement with Dis-Chem for all our suppliers. The portal will monitor and manage regulatory and quality-related certifications and ESG-related records.

Regulators and government

Dis-Chem participates in a highly regulated healthcare system and relies on compliance from a range of stakeholders. By adhering to regulatory requirements, the Group ensures, at scale, that customers can rely on quality healthcare and positive outcomes.

Dis-Chem's regulatory and government stakeholders include:

Pharmaceutical regulators
South African Health Products Regulatory Authority (SAHPRA); South African Pharmacy Council (SAPC)

Nursing regulators
South African Nursing Council (SANC)

Company regulators
JSE; South African Revenue Service; Companies and Intellectual Property Commission

Government bodies
Department of Trade, Industry and Competition (including Competition Commission); Department of Health (DOH); Department of Forestry, Fisheries and the Environment; Department of Labour; Department of Agriculture, Land Reform and Rural Development (DALRRD)

Other bodies
National Consumer Commission (NCC); Consumer Goods Ombudsman; Independent Communications Authority; National Regulator for Compulsory Specifications (NRCS)

Value chain elements relevant to regulators and government

- Research and innovation
- Manufacturing and packaging
- Procurement (imports, national brands and in-house brands)
- Distribution centres and in-bound/out-bound logistics
- Dispensing, clinical services and retail
- Courier and deliveries
- Use (by the end-user)
- Waste and recycling

BETTER HEALTH FOR OUR STAKEHOLDERS continued

Partners and industry associations

Dis-Chem's joint venture or general practitioner (GP) partners depend on the Group to grow their businesses. Industry associations require our support and input on regulatory changes, lobbying and research. Both groups participate in the healthcare ecosystem and contribute to customer access and affordability. Our interface with medical schemes and their administrators enables us to offer customers an integrated service, including real-time claims processing.

Dis-Chem's industry stakeholders include:

- Consumer Goods Council of South Africa
- Health Professionals Council of South Africa (HPCSA)
- Board of Healthcare Funders
- Cosmetic, Toiletry & Fragrance Association of South Africa (CTFA)
- Infant Feeding Association of South Africa (IFA)
- Health Products Association of South Africa (HPA)
- Self-medication Manufacturers Association of South Africa
- Self-Care Association of South Africa

Value chain elements relevant to partners and industry associations

- Research and innovation
- Manufacturing and packaging
- Procurement (imports, national brands and in-house brands)
- Distribution centres and in-bound/out-bound logistics
- Dispensing, clinical services and retail
- Courier and deliveries
- Use (by the end-user)
- Waste and recycling

Shareholders and investment community

Dis-Chem impacts shareholders and the investment community by growing revenue, increasing profits and adding economic value throughout the value chain. Investors benefit from an ESG focus that improves operational efficiencies and supports responsible practices. Combined with sustainable growth, these efforts deliver long-term value creation that supports share price appreciation and dividend payments.

Value chain elements relevant to shareholders and investment community

- Research and innovation
- Manufacturing and packaging
- Procurement (imports, national brands and in-house brands)
- Distribution centres and in-bound/out-bound logistics
- Dispensing, clinical services and retail
- Courier and deliveries
- Use (by the end-user)
- Waste and recycling

Community

Communities are impacted by Dis-Chem Foundation projects that address a range of social and environmental challenges. The Group also manages community clinics and contracts with the government to supply chronic state medical stock through its dispensaries, including vaccinations and contraceptives.

Value chain elements relevant to community

- Distribution centres and in-bound/out-bound logistics
- Dispensing, clinical services and retail
- Courier and deliveries
- Use (by the end-user)
- Waste and recycling

Customers

Customers are impacted by Dis-Chem's provision of convenient locations for clinic services, dispensary collections and other products. They can rely on the Group's pharmacists and nurses to give reliable care and advice and trust that its products comply with regulatory requirements and quality standards. They can earn rewards through the Dis-Chem Benefit programme and contribute to community projects.

Value chain elements relevant to customers

- Research and innovation
- Manufacturing and packaging
- Procurement (imports, national brands and in-house brands)
- Distribution centres and in-bound/out-bound logistics
- Dispensing, clinical services and retail
- Courier and deliveries
- Use (by the end-user)
- Waste and recycling

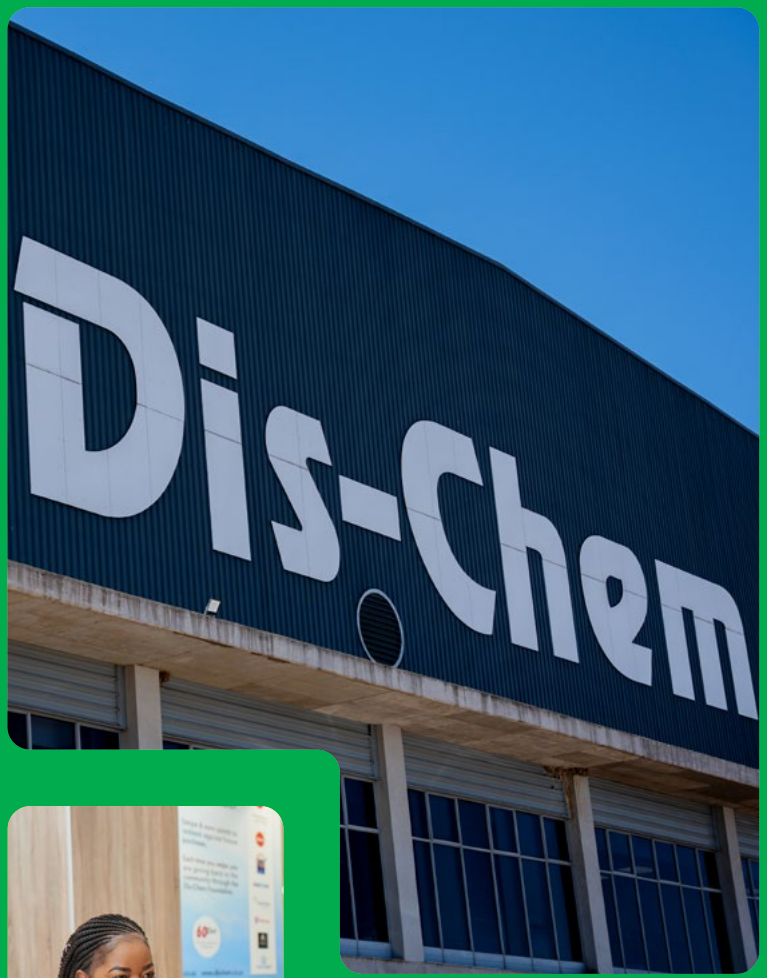
Staying in touch with our customers

The Dis-Chem customer care centre assists customers with information, deliveries, complaints and questions. Customers can contact the centre through their preferred communication channel, including telephone, WhatsApp, email or social media.

GOVERNANCE

17 Ethical business conduct
18 A highly regulated industry







GOVERNANCE

Dis-Chem is committed to high governance standards and endeavours to foster a culture of ethical conduct and business integrity. Governance underpins our ESG strategy, supporting trust-based stakeholder relationships and enabling us to deliver our Better Health Starts Here commitment.

Board oversight for sustainability

The Dis-Chem Board is accountable for and sets the direction and tone for sustainability and climate-related impacts, risks and opportunities. The Board complies with and applies the principles of the King IV Report on Corporate Governance™ for South Africa, 2016 (King IV)[1] and is committed to good governance and citizenship.

The Board charter sets out arrangements for the Board's composition, roles and responsibilities, delegation of duties, membership, meeting procedures and reporting. As per these guidelines:

- The Board comprises a balance of Executive and Non-Executive Directors, with a majority of Non-Executive Directors. A majority of the Non-Executive Directors are independent. Directors are appointed through a formal and transparent process. The Nomination Committee assists with the process of identifying suitable candidates to be proposed to the shareholders
- The size of the Board is sufficient to ensure a wide range of skills, knowledge and experience without compromising common purpose, involvement, participation and a sense of responsibility among the members. These qualities are necessary to meet Dis-Chem's strategic objectives

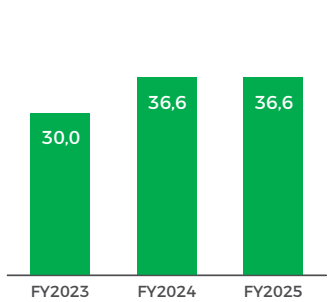
The Board must further, ***inter alia:***

- Ensure that the strategy will result in sustainable outcomes
- Consider sustainability as a business opportunity that guides strategy formulation
- Ensure that the Group is, and is seen to be, a responsible corporate citizen by considering not only the financial aspects of the business of the Group but also the impact that business operations have on the environment and the society within which it operates
- Ensure that the Group's ethics are managed effectively
- Appreciate that stakeholders' perceptions affect the Group's reputation

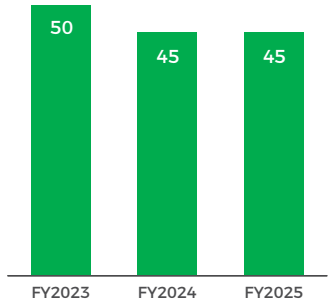
The governance report in the Integrated Annual Report sets out member profiles, independence status as well as diversity and skills indicators for the Board and all committees. Our diversity commitment is supported by a target for gender and race representation on the Board.

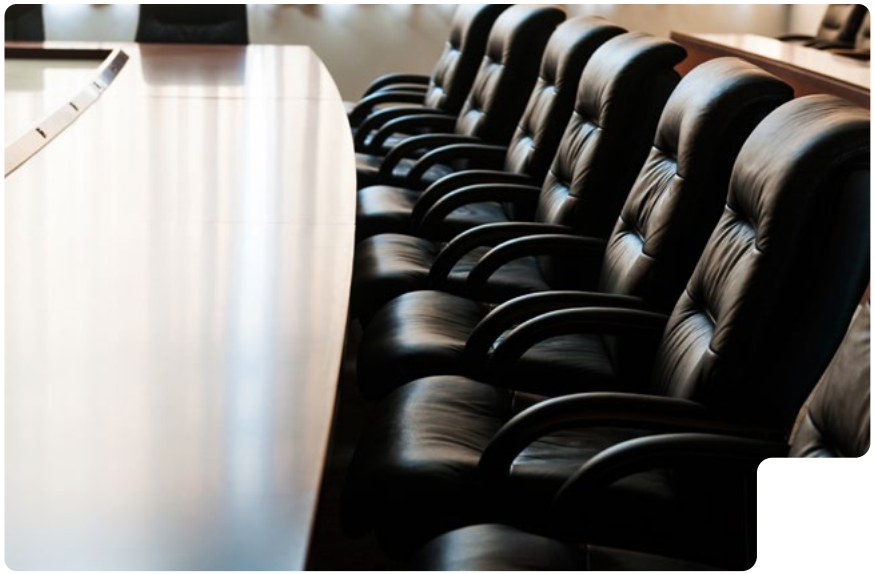
The report also sets out the Social and Ethics Committee's and Remuneration Committee's focus areas for FY2025 and priorities for FY2026.

Board members who are women
(%)



Racial diversity at Board level
(%)





1 *Copyright and trademarks are owned by the Institute of Directors in South Africa NPC and all of its rights are reserved.*

GOVERNANCE continued

The role of the SEC

The Board's Social and Ethics Committee (SEC) has oversight of the management of ESG matters, including climate risks and opportunities and health and safety risks.

The SEC is chaired by Alupheli Sithebe, an Independent Non-Executive Director. The committee meets three times per year.

The ESG Executive and the ESG Executive Committee, a sub-committee of the SEC, support the SEC in fulfilling its oversight responsibilities.

BOARD OF DIRECTORS
Overall responsibility for ESG governance and strategic direction

SOCIAL AND ETHICS COMMITTEE
- Primary ESG governance body
- Strategic ESG oversight role
- Provides feedback to the Board and shareholders

AUDIT AND RISK COMMITTEE
- ESG risks and opportunities
- ESG audit and assurance

REMUNERATION COMMITTEE
- Remuneration policy
- Inclusion of ESG metrics in the remuneration policy

NOMINATION COMMITTEE
- Ensures that there is ESG expertise on the Board

EXECUTIVE COMMITTEE
- Responsible for ESG strategy implementation
- Assesses and manages ESG risks and opportunities
- Integrates ESG into the business decision-making process
- Plans for and provides resources as required
- Periodic ESG performance review and reporting to the SEC meeting

ESG EXECUTIVE COMMITTEE
- Sub-committee of the SEC
- Ensures that governance mechanisms are implemented to drive the implementation of ESG strategy
- Periodic monitoring and review of ESG performance for successful implementation
- Makes continual improvement recommendations to the SEC and Executive team

The full Dis-Chem sustainability policy is available on our website **here***.
The policy sets out our commitment to integrate ESG into the core of our business and decision-making process, which is vital for our long-term sustainability.

* *https://dischemgroup.com/wp-content/uploads/2024/09/DIS-ESG-POL-001-Sustainability-Policy-Signed.pdf*

An integrated, strategic approach to sustainability and climate

Four Board committees are engaged on material sustainability and climate-related impacts. Read more about our integrated risk process below, which includes risks related to sustainability and climate.

These committees consider strategic trade-offs in making capital and resource allocation decisions, for example, our investment in solar energy. Our current capital allocation policy does not include explicit ESG criteria, but these are considered part of the business case for these decisions.

Capital allocation towards sustainable impact projects is limited in cases where Dis-Chem is not the owner of the property.

Dis-Chem's FY2024 ESG materiality process was a key point of integration, where a range of internal stakeholders, including the Board and Executive team, provided insights into ESG risks and opportunities as these relate to our strategy and business model. Our next priority is to quantify the potential financial impacts of these risks and opportunities through inputs from multiple teams. This will inform future budgets and targets.

Sustainability KPIs will be linked to Executive remuneration in FY2026. Read more about our remuneration policies and performance incentives in the Integrated Annual Report.

Sustainability management

The implementation of our ESG strategy and the management of sustainability and climate-related risks and opportunities rest with the ESG Executive Committee.

The committee consists of all Dis-Chem category and functional heads, covering all aspects of the business. They take full responsibility for ESG in their business units. Decisions made by the committee or support requests are channelled to the SEC, and where relevant, matters will be escalated to the Audit and Risk Committee and Board for approval.

Accountability, according to the five pillars of our ESG strategy, is allocated to Executives, including controls and procedures that relate to the management of sustainability.

READ MORE *Read more about progress against these pillars in the ESG strategy chapter from **page 31.** We track progress according to the KPIs set out in the data tables from **page 66.***

READ MORE *Read more about our stakeholders and sustainability matters from **page 21.***

ETHICAL BUSINESS CONDUCT

The Board has mandated the SEC to be the primary oversight body with regard to ethical business conduct, including anti-bribery and corruption. The SEC, as a sub-committee of the Board, reports back to the Board on all related matters.

The Board is responsible for ensuring that an appropriate system of internal controls is maintained to provide reasonable assurance that Dis-Chem's assets are appropriately safeguarded and managed, and that losses arising from fraud and other illegal acts are eliminated.

The Code of Ethics sets out Dis-Chem's expectations in terms of compliance with laws and regulations, disclosure of conflicts of interest, relationships with customers and suppliers, gifting, insider trading and more. It also addresses employment equity and environmental responsibility. The code includes a gift declaration form and sets out the whistleblowing procedure should any employee wish to report allegations of fraud, corruption or unethical behaviour.

The Dis-Chem code of ethics

While the Group supports democracy in South Africa, we do not make financial donations to individual political parties. Further to this, our Code of Ethics states:

- Dis-Chem funds, goods or services may not be used as contributions to political parties and facilities may not be made available to political parties or their candidates
- Dis-Chem's policy is to recruit, hire, promote and provide equal opportunities for all employees without regard to race, ethnic origin, sex, religion or belief, age, disability, national origin, sexual orientation or veteran status. Harassment or unequal treatment of employees is not permitted
- All employees must perform their duties diligently, effectively and efficiently, act honestly and in good faith at all times and report any harmful activity they observe in the workplace
- Various anti-corruption treaties, laws and regulations require that neither Dis-Chem and its employees, nor its representatives and agents, directly or indirectly pay commercial bribes or kickbacks, or make payments for the purpose of obtaining, retaining or directing business to any person

Dis-Chem's conflict of interest policy guides Directors and Prescribed Officers on matters relating to conflicts of interest and their management at Board level. The policy aims to promote transparency, integrity, and accountability in the decision-making process, while protecting the interests of Dis-Chem and its shareholders. For example, conflicts of interest can arise where employees are offered gifts, hospitality or other favours which might or could be perceived to influence their judgement in relation to business transactions such as the placing of orders and contracts.

Whistleblowing

The Dis-Chem whistleblowing policy is available on our website and provides a framework to comply with relevant laws and regulations for whistleblowing. Whistleblowers have the right to remain anonymous, and all information received is treated confidentially.

The SEC receives a biannual whistleblowing report detailing the number of incidents, nature of cases, level of management involvement, challenges, actions taken and trends. All relevant cases are reported to the South African Police Service (SAPS) and, where appropriate, to the applicable registered bodies such as the HPCSA. Civil recoveries are pursued by prejudiced business units where financially appropriate. As required by our policy, fraud of over R100 000 has to be reported to SAPS.

The whistleblowing policy explains the procedures to be followed, including whistleblowers' right to remain anonymous and be protected.

Ethical marketing

As a pharmaceutical retailer, Dis-Chem also focuses on ethical marketing. The Dis-Chem marketing guide sets out clear rules per category, defining what kind of marketing can be considered safe, what to avoid, and what to authorise with the technical compliance team. For example, regulated products for infants and young children up to three years are not to be distributed as free samples, and competitions may only run under strict conditions. Dis-Chem is an active participating member of the various industry bodies and complies with their respective codes of conduct.

We also apply ethical marketing principles for medicines, and medicines that are allowed to be advertised to the general public, which have to adhere to specific requirements set out by the Medicines Act and its regulations, regulated by SAHPRA. Dis-Chem adheres to these requirements in all marketing and advertising initiatives.

The Group ensures that its advertising content, irrespective of channel, is appropriate and non-offensive to all cultures, races and various heritages. Communication with customers includes educational material, such as the Better Health Starts Here podcast, radio features, the Dis-Chem magazines and customer mailers. This enables customers to make informed and ethical choices about their health.

The Dis-Chem values drive ethical behaviour

The behaviours associated with our values and Code of Ethics have been extensively communicated to employees and are incorporated into the Dis-Chem D-Bucks rewards programme.

Dis-Chem's values are included in the recruitment process as part of competency-based questionnaires and individual assessments. These values are also included in the onboarding programme to ensure new employees know and understand expected behaviour.

These interventions are supported by visible communication around the Group's values in publicly available documents, such as this report and on our website, as well as in newsletters, the intranet and internal branding.

A HIGHLY REGULATED INDUSTRY

Non-compliance with many existing or upcoming laws and regulations can have a material adverse effect on Dis-Chem's sustainability.

The healthcare industry in South Africa is subject to extensive government regulation. Dis-Chem complies with numerous laws and regulations, such as the Pharmacy Act, 53 of 1974 (Pharmacy Act), the Medicines and Related Substances Act, 101 of 1965 (Medicines Act) and the Consumer Protection Act, 68 of 2008 (Consumer Protection Act). Non-compliance can lead to a loss of licences, inability to obtain new licences, or significant monetary fines.

SAHPRA provides a list of schedules published under the Medicines Act that define different levels of regulatory control and are informed by the safety, quality and efficacy of medicines. Scheduling considers active substances, including active pharmaceutical ingredients, naturally occurring products or extracts, or finished pharmaceutical products.

National, provincial and/or local regulations relate to the licensing, ownership and regulation of pharmacies, the conduct of a pharmaceutical practice and the practice of the pharmacy profession. They also prescribe:

- Dispensing, pricing and sale of registered medicines
- The management and disposal of healthcare risk waste
- Occupational and customer health and safety matters
- The distribution, labelling, marketing and advertising of medicines
- Consumer protection

Furthermore, Dis-Chem complies with the Foodstuffs, Cosmetics and Disinfectants Act, 54 of 1972, and its regulations, regulated by the DOH.

READ MORE *Read more about our engagement with regulators in the stakeholder section on **page 12.***

Governance Structures Supporting Compliance

Read more about the following governance disclosures in the Integrated Annual Report:

- Board and Board committee meeting attendance and the number of meetings convened
- Annual evaluation of the Board and Board Committees
- Separation of Independent Non-Executive Chair and CEO roles
- Directors' other directorships
- Board committee charters
- Matters addressed by the Board, including conflicts of interest
- Matters addressed by the Board and the SEC, including related-party transactions
- Evidence of shareholder voting and disclosure of voting results

Read more about the following disclosures in the remuneration report in the Integrated Annual Report:

- Non-Dxecutive Director remuneration
- Senior Executive remuneration
- Executive remuneration
- Long-term incentives
- Malus and clawback policy for all Executives
- Process of setting remuneration

AGM results and other shareholder notices are made available through SENS announcements.

Auditor fee disclosures are available in the AFS.



OUR MATERIAL SUSTAINABILITY MATTERS

20 Our materiality process
21 Our material sustainability matters







Our material sustainability matters inform our understanding of Dis-Chem's ESG impacts and guide our strategic focus areas and decision-making.

Our material sustainability matters consider financial and non-financial aspects and impacts. These were derived from a materiality assessment during FY2024 and integrated into the enterprise risk management process. During FY2026, we will review and deepen our materiality assessment and integrate this with our financial planning.

OUR MATERIALITY PROCESS

01 RESEARCH

The ESG team considered a range of frameworks, standards and materiality examples from peer reports.

02 IDENTIFICATION

Internal stakeholders from key business units attended workshops to identify material matters across the value chain.

03 APPROVAL

The list of material topics was finalised and approved by the Executive team and the SEC.

04 INTEGRATION

The materiality assessment was integrated into the enterprise risk management process. Improvements in governance, policies and controls were identified and action plans were developed.

05 MATURITY (FY2026)

To deepen our sustainability process, we will:

- Review the robustness of our material matters and map the material matters on our value chain
- Assess Dis-Chem's dependencies, impacts, risks and opportunities on the value chain, focusing on in-house products
- Engage with our external stakeholders (where material and feasible) and our internal stakeholders on matters they consider to be material to their better health outcomes

Our most significant impacts that consider the stakeholders set out from page 12, where we also indicate the correlation between stakeholder interests and the risks and opportunities in our value chain. These material sustainability matters can have positive and negative impacts on Dis-Chem. We indicate how our strategic pillars respond to the material matters.

OUR MATERIAL SUSTAINABILITY MATTERS

Labour and human rights

We are committed to fair labour practices in our operations and have zero tolerance for child or forced labour. Respect for human rights is integral to our vision and values. We expect our suppliers to respect our stakeholders' labour and human rights and have measures in place to mitigate and control related risks.

New in FY2025

- The majority of suppliers signed the supplier code of conduct and completed self-assessment questionnaires to enhance ethical conduct and compliance

READ MORE *Read more in the Confidence in our supply chain section from **page 58**.*

What we measure

- Compliance with applicable acts, regulations and standards
- Whistleblowing system

Related strategic pillars

Our people are our biggest asset

Confidence in our supply chain

Ethical business conduct

As an essential healthcare services provider, we are responsible for upholding high standards of ethical conduct. We have a zero-tolerance approach to theft, fraud, corruption and human rights violations, and we apply ethical marketing practices. Our corporate values guide our business conduct. We monitor supplier compliance with our Dis-Chem and supplier codes of conduct.

New in FY2025

- The majority of suppliers signed the supplier code of conduct and completed self-assessment questionnaires
- Executive training on anti-bribery and anti-money laundering (AML) completed

READ MORE *Read more in the Confidence in our supply chain section from **page 58.***

What we measure

- D-bucks rewards programme
- Whistleblowing system

Related strategic pillars

Being there for our customers

Confidence in our supply chain

Privacy protection and data security

Adopting new technology and digitising services is critical to Dis-Chem's evolution and growth, and enables us to enhance our customers' experience. However, digitisation and exposure to third-party suppliers increase the Group's cybersecurity risk. We implement a range of data governance processes and controls to protect customers' and our own data. This includes managing high-risk vendors and other third-party service providers in our supply chain. Our data protection measures support data-sharing partnerships between clinic nurses and approved GPs that provide more efficient, secure and accessible services to our clinic patients.

Progress in FY2025

- Redesigned the existing POPIA training to ensure greater robustness and alignment with best practices.

READ MORE *Read more in the Being there for our customers section from **page 58.***

What we measure

- Compliance with COBIT 5 and CIS/SANS Top 18 Critical Security Controls Framework
- KPIs:
  - » Data breaches
  - » Customers affected by data breaches

Related strategic pillars

Being there for our customers

OUR MATERIAL SUSTAINABILITY MATTERS continued

Product innovation

Innovation is a strategic priority for revenue growth and good customer experience. Product or service innovation is also a key contributor to our Better Health Starts Here initiatives. We work with our suppliers to develop innovative products prioritising quality, safety and sustainability. However, innovation in the domestic industry is impacted by lengthy approval processes for new pharmaceutical products, costly label changes for some imported products, resistance by medical aids to pay a premium for new medicines and competitive generic medicines.

New in FY2025

- Introduced several new in-house products that demonstrate our focus on quality, safety and sustainability
- Implemented more sustainable packaging initiatives

READ MORE *Read more in the Confidence in our supply chain section from **page 56**.*

What we measure

- Compliance with applicable acts, regulations and standards

Related strategic pillars

- Taking care of our planet
- Being there for our customers
- Confidence in our supply chain

Product quality and safety

We prioritise the integrity of our products in line with Dis-Chem's commitment to uphold the highest standards of product safety and quality. Our rigorous product safety risk assessments, regular external supplier audits and product safety monitoring span the entire supply chain, including sourcing procedures, testing and distribution protocols.

New in FY2025

- Increased hygiene audits at Dis-Chem stores
- External audits done in stores to verify outcomes of internal audits

READ MORE *Read more in the Confidence in our supply chain section from **page 56.***

READ MORE *Read more about product recall performance in the ESG data tables from **page 66.***

What we measure

- Supplier agreements and audits
- Compliance with applicable acts, regulations and standards
- Compliance to Dis-Chem quality assurance standard
- Supplier and product compliance verification
- KPIs:
  - » Product recalls
  - » Product quality and safety complaints (in-house brands)

Related strategic pillars

- Being there for our customers
- Confidence in our supply chain

Supply chain management

An optimised supply chain is essential to delivering Dis-Chem's promise of quality and accessible healthcare at lower costs to more people. If not well managed, Dis-Chem may experience stock shortages, poor product quality and more costly product replacement or transport. These may lead to customer dissatisfaction, reputational damage, environmental impact and potential financial losses.

New in FY2025

- The majority of suppliers signed the supplier code of conduct and completed self-assessment questionnaires
- Forecasting and Replenishment (F&R) deployment complete; Inventory execution strategy centralised.

READ MORE *Read more in the Confidence in our supply chain section from **page 56** and the Taking care of our planet section from **page 22.***

What we measure

- Forecasting and replenishing system
- Supplier agreements and audits
- On-sell (out of stock) and 'Days Stock Cover'
- KPIs:
  - » Product recalls
  - » Product quality and safety complaints (in-house brands)

Related strategic pillars

- Being there for our customers
- Getting involved in our communities
- Confidence in our supply chain

OUR MATERIAL SUSTAINABILITY MATTERS continued

Talent attraction and retention

Dis-Chem relies on a range of employee skills, from entry-level retail workers to highly skilled healthcare professionals such as pharmacists, qualified pharmacy assistants and clinic nurses, and technology-focused skill sets like SAP specialists. Skills shortages in nursing pose a significant risk to the South African healthcare industry. Attracting and retaining qualified and experienced employees, particularly nurses, in a competitive labour market are strategic imperatives for Dis-Chem.

New in FY2025

- Talent management framework and process developed
- Elevate and Ignite management development programme rolled out
- More nursing bursaries to attract nurses
- Housing allowance introduced to retain nurses

READ MORE *Read more in the Our people are our biggest asset section from **page 32**.*

What we measure

- Performance and talent management framework
- Culture transformation programme
- KPIs:
  - » Employee turnover

Related strategic pillars

Our people are our biggest asset

Waste management

Dis-Chem operates in a highly regulated industry, and the waste that originates in its stores, clinics and distribution centres is subject to high levels of scrutiny when it comes to hazardous waste disposal, contamination, toxicity and waste ethics. Dis-Chem recognises that safe and sustainable healthcare risk waste management practices reduce environmental and health risks and can convert waste into reusable resources.

New in FY2025

- Zero waste to landfill programme initiated
- Initiatives to reduce cardboard and plastic packaging launched, including transition from using bubble wrap to more sustainable paper inserts for packaging

READ MORE *Read more in the Taking care of our planet section from **page 22.***

What we measure

- Sustainability policy and strategy
- KPIs:
  - » Waste recycled
  - » Waste to landfill

Related strategic pillars

Taking care of our planet

Employee health, safety and wellbeing

Dis-Chem employees often face long working hours in an environment that demands high levels of care and attention, as they need to meet customers' health-related needs. They may be exposed to hazardous materials, chemicals, viruses and other operational risks. Failure to manage these risks could result in negative material impacts, including harm to employees or litigation, fines and penalties.

New in FY2025

- SHE management team established

READ MORE *Read more in the Our people are our biggest asset section from **page 32.***

What we measure

- Medical surveillance testing and data-driven analysis of workplace health and safety performance
- KPIs:
  - » Fatalities
  - » Lost Time Injury Frequency Rate (LTIFR)
  - » Medical treatment injury frequency rate (MTIFR)
  - » Total recordable injury frequency rate (TRIFR)
  - » HIV/AIDS

Related strategic pillars

Our people are our biggest asset

OUR MATERIAL SUSTAINABILITY MATTERS continued

Healthcare access and affordability

Dis-Chem operates in a two-tiered healthcare system in which a minority of South Africans have access to private healthcare. This results in significant disparities in access to healthcare and pharmaceuticals. Dis-Chem supports universal healthcare to enable improved access to appropriate, efficient and quality healthcare services for all. Dis-Chem serves all income groups, whether they are medical aid members or cash customers and has stores in all provinces, all major centres, and in a mix of formal and informal commercial areas. Our community and mobile clinics carry state medicines and eliminate the need to travel long distances for healthcare services.

New in FY2025

- Launched Dis-Chem Life

READ MORE *Read more in the Getting involved in our communities section from **page 54**.*

What we measure

- KPIs:
  - » CSI spend
  - » Donations to Dis-Chem Foundation

Related strategic pillars

Getting involved in our communities

Being there for our customers



RISKS AND OPPORTUNITIES







RISKS AND OPPORTUNITIES

The Board, assisted by the SEC, has oversight of Dis-Chem's key ESG risks and opportunities. This includes the responsibility of setting the level of risk tolerance and limits for our risk appetite annually.

Our approach to ESG risks and opportunities

The Audit and Risk Committee plays an integral role in risk management and oversees the development and annual review of the risk policy and plan to manage the Group's risks. The committee also ensures Executive management maintains a risk register, including sustainability and climate risks, and considers and implements appropriate risk responses.

The Board received ESG training during FY2025 to ensure a common understanding of ESG risks and opportunities. The training will increase the Board's ability to provide an oversight role for the Group.

Risk management and appetite

ESG risk management is integrated into Dis-Chem's enterprise risk management framework (ERMF). The ERMF outlines the principles and processes used to manage risk appropriately. ESG risks are included in the Group's risk universe and are always considered within the risk management process.

The process of managing ESG risks and opportunities follows Dis-Chem's ERMF and the operational risk management framework (ORMF). The frameworks set out the principles for identifying, measuring, mitigating and monitoring the various risks, and are aligned to ISO 31000.

Dis-Chem followed a robust process in FY2024 to identify climate risks and opportunities, including physical and transition risks.

Dis-Chem's risk appetite framework considers risks in three broad categories:

- Risks that the Group is willing to tolerate to achieve strategic objectives
- Risks that are a part of doing business
- Risks that the Group should avoid

The framework classifies risks on a spectrum from high, medium, or low appetite, to zero tolerance. Overall, the Group has low appetite for ESG risks and zero tolerance for governance-related risks that could undermine its integrity and ethical standards.

READ MORE *Read more about climate risks, opportunities and mitigation initiatives in the Taking care of our planet section from **page 40.***

Our ESG risk management process

1 Identification and assessment
We take a top-down and bottom-up approach to risk identification.

2 Measurement
Quantitative and qualitative approaches are used in the measurement of operational risks.

3 Mitigation
We are developing a strong control environment with policies, processes and systems combined with appropriate internal controls and risk mitigation and/or transfer strategies.

4 Monitoring and reporting
Our risk reporting aims to be transparent and appropriate to meet stakeholder requirements.

RISKS AND OPPORTUNITIES continued

Our ESG risks and opportunities

Description	Strategic action plans
Dis-Chem risks polluting the environment if waste generated from its operations is not disposed of appropriately and timeously. This may harm the environment and incur fines and reputational damage.	Dis-Chem is working towards an integrated waste management process that is compliant with waste management legislation. This includes reviewing current processes, implementing improvements and introducing new solutions.
Social inequality and exclusion may lead to community unrest in areas where Dis-Chem operates if the Group does not invest in community engagement and support. It may also lead to financial loss or missed opportunities for talent development.	The Group is shifting to more strategic social investment through the Dis-Chem Foundation. Its goal is to sustainably impact communities, their livelihoods, safety and health. A long-term social and economic development plan is being crafted.
South Africa is a water-scarce country and water is a precious resource. Overuse of water in Dis-Chem's operations may lead to business interruption, higher operating costs and inability to meet stakeholder expectations.	Dis-Chem considers ESG criteria in investment decisions, including capital investment in distribution centres and stores. This includes exploring water-saving options based on data analysis, and potential water-saving initiatives. Smart metering will lead to water efficiency programmes and management, including recycling. The Group has also started assessing our exposure to water-stressed areas.
Dis-Chem risks polluting the environment while depleting natural resources through improper management of the paper and cardboard lifecycle. This can further result in non-compliance, fines, financial loss and reputational damage.	Dis-Chem is implementing measures to move towards a paperless system and drive a circular economy for cardboard. The Group is implementing improvement initiatives in its cardboard management process, including reusing, recycling and using it more efficiently.
Leakage of toxic gases from refrigeration equipment may lead to increased emissions and pose health risks to employees and the community. This could result in non-compliance, fines, financial loss and reputational damage.	Replacing existing equipment that uses refrigerant gases and has high ozone-depleting potential is critical. An emergency contact list is in place to mitigate the impact of a potential gas leakage. Dis-Chem is also investigating a process to capture and destroy refrigerant gases in an environmentally friendly manner.
The use of electricity from non-renewable sources contributes to carbon emissions and, in turn, to climate change. It also incurs higher costs associated with the use of generators during loadshedding.	Dis-Chem installed solar energy systems in its main distribution centres to complement current infrastructure and reduce the use of generators. The distribution centres improve transport efficiency by optimising route planning and implementing load consolidation. The Group will consider alternative energy options for its fleet when larger electric vehicles that suit its delivery needs become available. In the meantime, the Group will consider adopting the Euro 2 emissions standard for new vehicles.
Climate emissions contribute to climate change, increasing the risk of natural disasters and causing extreme, often sudden, damage or suffering. This may lead to increased disease burdens, inability to operate, loss of life and property, and food insecurity.	Climate risk has been integrated into the business decision-making process to make a positive contribution towards mitigating climate change. A disaster recovery plan is in place, and timely alerts and triggers are being investigated.
Dis-Chem risks reputational damage and eroding stakeholder trust if it fails to appropriately disclose ESG requirements.	Dis-Chem has implemented reporting systems and introduced accountability levels to ensure ESG data integrity. Data assurance processes have been expanded to ensure reliable and accurate internal and external data.
Transformation is a strategic imperative in South Africa to address social risks related to previous disadvantages, poverty and other socio-economic conditions.	Dis-Chem has an approved employment equity plan supported by a transformation policy and diversity and inclusion philosophy. The Code of Ethics commits the Group to equal opportunities. Nonetheless, the recruitment process considers employment equity targets. Dis-Chem's B-BBEE score improved to level 5 from level 6 in the prior year due to an increase in investment in skills training.

OUR SUSTAINABILITY JOURNEY







OUR SUSTAINABILITY JOURNEY

Dis-Chem is advancing its commitment to Better Health Starts Here as it evolves from a pharmacy retailer into a leading primary healthcare provider.

Dis-Chem's comprehensive and interconnected services enable it to extend affordable primary healthcare to more South Africans. By leveraging our extensive network of pharmacies and clinics and integrating health-centric financial services into our offerings, we enable customers to manage their day-to-day health actively. This proactive approach plays an important role in improving health outcomes by preventing the onset of severe illnesses or conditions.

As Dis-Chem expanded its business operations, it adopted a corporate culture with more structured systems, controls and decision-making. As it continues to evolve, the Group acts on its belief that integrating ESG into core business and decision-making processes is vital for its long-term sustainability. Together with our role in primary healthcare, we prioritise good environmental stewardship, investing in employees and the communities we operate in, practising good business ethics, and providing customer-centric service.

In FY2023, we formalised our commitment to sustainability. Since then, we have achieved demonstrable progress each year in our journey to implement the ESG strategy.

ESG maturity roadmap

FY2024 (H1)

Committing to sustainability

- SEC appointed an ESG Executive to support the SEC in the fulfilment of its oversight responsibilities
- ESG Executive set out a roadmap to formalise Dis-Chem's ESG commitment

FY2024 (H2)

Laying the governance and strategic foundations

- Material sustainability matters identified through a robust and integrated process
- ESG strategy developed based on the material sustainability matters
- Governance approach, structures and processes aligned with ESG strategy
- Strategic goals, focus areas and KPIs developed for each of our five strategic pillars
- Investments in data collection provided a baseline of reliable data, with selected KPIs externally assured

FY2025

Measuring progress against strategic goals

- With baseline data established, we reported Scope 2 carbon emissions
- Safety, Health, and Environment (SHE) management capacity strengthened
- Internal audit conducted on certain SHE data and scope of external data assurance processes expanded to ensure reliable and accurate internal and external data
- Selected ESG KPIs linked to Executive remuneration (effective in FY2026)

FY2026-FY27

Deepening our processes to deliver measurable ESG impact

- Enhancing our materiality and risk assessment processes and including diverse stakeholder perspectives
- Financial quantification of our material impacts to inform strategic decisions
- As our data collection process matures, we are moving towards implementing science-based reduction targets for climate and health and safety impacts in FY2027
- Reviewing the Code of Ethics to strengthen guidance on anti-bribery and Anti-money laundering (AML), and updating the whistleblowing policy
- Amending People & Culture Policy to clarify disciplinary processes
- Standardising policies and making them more accessible to employees

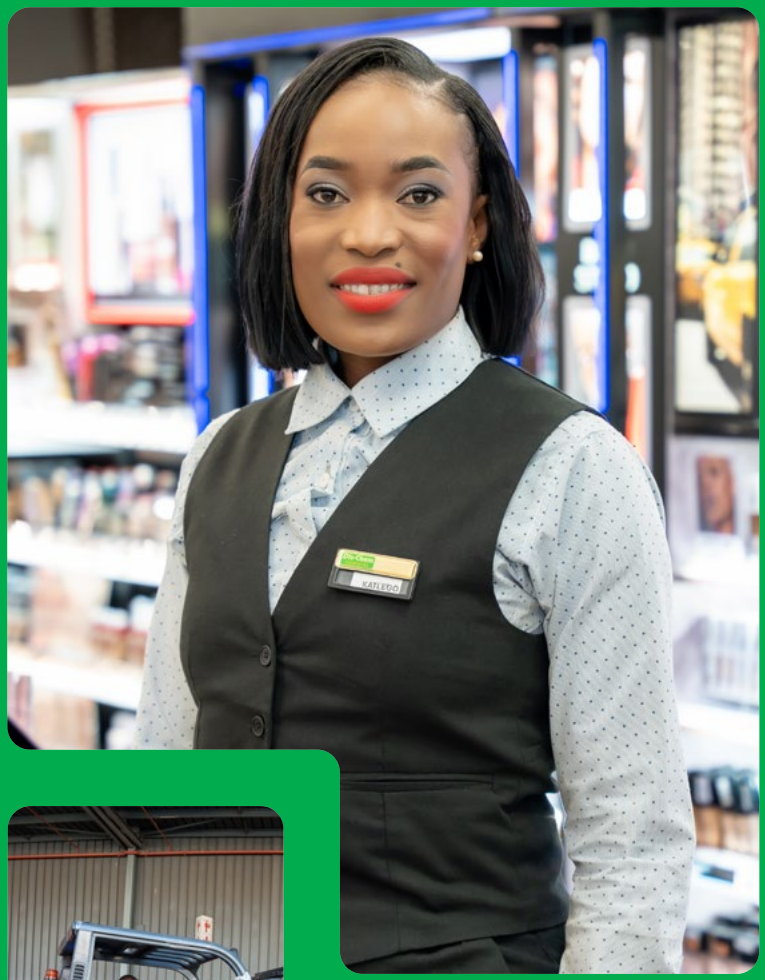
Demonstrating our commitment

Published the first Dis-Chem Sustainability Report in FY2024	Invested in smart meters in our distribution centres to measure and establish baseline data for electricity and water consumption	Invested in solar energy solutions to reduce energy use and improve cost-efficiency	Established a SHE management team responsible for identifying ESG issues and developing solutions	Initiated a CEO-led culture transformation programme to drive Dis-Chem's strategy and purpose	Reported ESG KPIs linked to Executive performance in Dis-Chem's FY2025 remuneration report

OUR ESG STRATEGY

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58 Confidence in our supply chain







OUR ESG STRATEGY continued

Dis-Chem is effectively implementing its ESG strategy and has recorded progress in all five ESG strategic pillars in the past year.

Our five strategic pillars

Dis-Chem's ESG strategy and pillars respond to our material sustainability matters and are aligned with our ESG governance approach, structures and processes. We deliver measurable impacts and use the SDGs to align to goals beyond our business, thereby contributing to better health outcomes for our broader society and the environment.

The successful implementation of Dis-Chem's ESG strategy relies on all employees delivering on its goals and targets. As such, the Group has incorporated non-financial performance indicators into Executive and senior management remuneration incentives, including the transformation and employment equity targets already established in FY2025. We report on our progress against a set of strategic goals, strategic focus areas and KPIs for each pillar. These KPIs are set out in the ESG data tables from page 66 and enable us to track our progress.

IR READ MORE *Read more about the value created, preserved or eroded for Dis-Chem, our stakeholders and society and the environment more broadly in our Integrated Annual Report.*

Better health starts here

Strategic pillars	Our people are our biggest asset	Taking care of our planet	Being there for our customers	Getting involved in our communities	Confidence in our supply chain
Strategic goals	Build an inclusive, safe and prosperous workplace	Minimise the impact of our operations on the environment	Customer-centric service offering	Invest in communities we operate in	Promote a responsible supply chain
Strategic ESG focus areas	• Diversity and inclusion • Employee retention • Investing in the training and retention of our employees • Employee health and safety	• Climate change • Use of natural resources • Waste management	• Customer satisfaction • Customer health and safety • Data privacy and security	• Access to healthcare • Access to education • Community upliftment • Small business development	• Responsible sourcing • Ethical supply chain • Product safety • Economic inclusion
SDG contribution					
Strategic enabler	Governance	Governance	Governance	Governance	Governance

OUR PEOPLE ARE OUR BIGGEST ASSET

Build an inclusive, safe and prosperous workplace

Our strategic focus areas

Diversity and inclusion

Dis-Chem's sustainability policy guides us to:

- Comply with applicable labour and human rights regulatory requirements and standards
- Respect human rights and diversity of our people
- Improve diversity and inclusion
- Recognise the right of our employees to freedom of association
- Abolish all forms of child labour, forced and compulsory labour, human trafficking and abuse
- Eliminate all forms of discrimination in the workplace

We recruit from diverse talents. Our job descriptions are free of biased terms. Internships and development opportunities are provided to historically disadvantaged South Africans (HDSAs). We keep track of diversity and inclusion through B-BBEE audits and monitoring.

Employee retention

Dis-Chem's sustainability policy guides us to implement just remuneration practices to reward and retain employees.

Investing in the training and development of our employees

The Group's sustainability policy guides us to invest in the development of our people.

Employee health and safety

Dis-Chem's operations include environments that can result in injury or exposure to disease.Employees' health and safety is deeply embedded in training, policies, procedures and reporting. All incidents are recorded and investigated.





OUR PEOPLE ARE OUR BIGGEST ASSET continued

Dis-Chem made significant progress in co-creating the organisational culture and workforce capacity to support our strategic direction and drive the Better Health Starts Here promise.



Improving People and Culture (P&C) efficiency and reducing environmental impact

The new P&C shared services solution is designed to automate manual people processes and streamline processes such as staffing of new stores through internal recruitment and succession planning. By minimising reliance on physical documentation through built-in workflows and end-to-end digital processes, the investment will deliver the sustainability benefit of significantly reducing paper usage.

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

Our performance highlights in FY2025

- **Launched a culture transformation programme** to advance Dis-Chem's strategy and purpose
- **Formalised and strengthened leadership development**, talent development and succession processes
- **Addressed retention challenges** by enhancing employee benefits for nurses
- **Implemented an HR shared services solution** to automate key people processes and free up the HR team to become strategic partners, offering employees solutions and guidance
- **Defined management KPIs** linked to the short-term incentive for the FY2025 performance cycle
- **Defined ESG KPIs** linked to Executive remuneration for FY2026 to motivate leadership commitment to the ESG strategy

OUR PEOPLE ARE OUR BIGGEST ASSET continued

Diversity and inclusion

Dis-Chem is committed to creating and maintaining an organisational culture that affords all employees the opportunities to achieve their optimal career development levels. In fulfilling this commitment, we are guided by the Dis-Chem sustainability, diversity, employment equity and learning and development policies.

A highlight this year was the start of our CEO-led culture transformation programme. The programme seeks to create an organisational culture of the future – one that will align employees with the Group's purpose and strategy.

The programme is being implemented in consultation with Dis-Chem's leadership and all employees. An external partner provides the structure and methodology to support an effective transformation process. Organisational culture and change principles will be applied to drive key strategic programmes, including culture transformation, leadership and digitisation.

Developing the culture we want to take Dis-Chem into the future

As part of its commitment to building a future-fit organisation, Dis-Chem launched a structured culture transformation programme rolled out in four key phases. The first phase, 'Your Opinion Counts', invited employees to shape the cultural journey by identifying enablers that enhance the work environment and disablers that hinder it. High levels of employee participation, supported by appointed culture champions, ensured that feedback reflected the organisation's collective voice. In the second phase, employee input was consolidated into a unified 'Dis-Chem Formula for 'Success' through a democratic voting process.

To embed the culture shift more deeply, Dis-Chem launched a creative competition in phase three, where employees submitted thousands of visual ideas that were transformed into icons to symbolise the culture journey. This culminated in the official launch of the Dis-Chem Formula for Success at CEO-led townhalls.

Looking ahead, phase four will set the tone for what is defined as the 'Living It' phase which will focus on tracking progress through clear targets and measurement tools, enabling the organisation to assess employee experience and continuously refine its culture in line with business growth and performance.

Demonstrating our support for gender equality

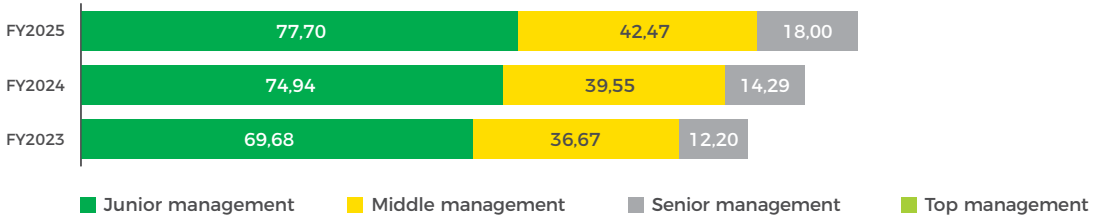
EmpowHER Hub is a campaign designed to empower Dis-Chem women by promoting gender equality and addressing the challenges women face. The programme was launched in August 2024 by Dis-Chem's female leaders and includes action plans to address key challenges identified in a survey completed by Dis-Chem's female employees.

As part of this campaign, Dis-Chem launched the **GBV Power2You Packs programme** in partnership with the Kolisi Foundation. 15 000 Power2You Packs with pepper spray, a whistle and a notebook were delivered to women across the Group. This was done in support of the 16 Days of Activism against Gender-Based Violence campaign.

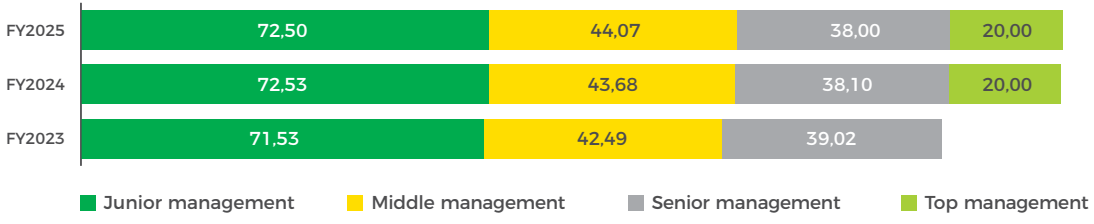
B-BBEE

Dis-Chem publishes its B-BBEE certificate on the Company website as evidence of the targets in place to support B-BBEE. The certificate sets out our B-BBEE rating and reports on the percentage of HDSAs in management positions.

Racial diversity at management levels
(%)



Gender diversity at management levels
(%)



OUR PEOPLE ARE OUR BIGGEST ASSET continued

Increasing our disclosure on diversity and inclusion

Non-discrimination
Dis-Chem's sustainability policy addresses non-discrimination or equal opportunity generally, and the Group's Code of Ethics addresses non-discrimination related to race, religion, gender, age, sexual orientation, disabilities and nationality.

Freedom of association
Dis-Chem's diversity policy includes a statement supporting the right to freedom of association, and the sustainability policy includes a statement recognising the right to freedom of association.

Involvement in labour initiatives
READ MORE *Read more about our participation in initiatives to promote gender equality on **page 34.***

Dis-Chem's recruitment practices align with international labour standards.

The Group's employment equity policy addresses the matter of employment equity, and our employment equity plan includes targets to employ people from historically disadvantaged backgrounds.

Dis-Chem offers learnerships to unemployed youth and people with disabilities.

Bullying and harassment
We address bullying and harassment in our Code of Ethics and provide a confidential reporting (whistleblowing) system.

The Group's disciplinary policy addresses manager training on handling reports or instances of bullying and harassment.

Diversity and equal opportunity
Dis-Chem's diversity policy includes a statement on improving workplace diversity and equal opportunities, and reducing discrimination based on race, religion, gender, age, sexual orientation, disabilities and nationality.

Dis-Chem participates in diversity programmes that:

- Monitor/audit diversity
- Survey employee experience
- Recruit from diverse talents
- Include employment equity skills committees
- Include mentorship programmes, including internships, learnerships and apprenticeships for HDSAs
- Include guidance on diversity
- Family-friendly leave policies support a diverse workforce
- Apply to 100% of operations
- Include managerial or Board-level responsibility for diversity and accountability at director level

Employee retention

The SEC monitors Dis-Chem's talent attraction and retention activities. The SEC is mandated to promote an organisational culture that affords all employees development opportunities to achieve their optimal levels of career development in the course of their employment at Dis-Chem.

The attraction and retention of talent in the pharmaceutical industry is material for Dis-Chem, particularly the loss of qualified and experienced Dis-Chem clinic nurses to other private or public sector healthcare providers. The Group attracts and develops nurses through nursing bursaries and practical work opportunities. During the year, Dis-Chem again awarded nursing bursaries and introduced a competitive housing allowance for clinic nurses, which reduced the number of resignations by nurses.

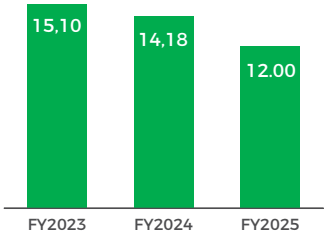
Dis-Chem creates social value by taking care of its employees in all elements of their employment. The Group supports the right to a minimum wage, in compliance with minimum wage legislation in the wholesale and retail and the security industries. Dis-Chem remunerates employees above the national minimum wage. The Group supports a living wage by providing meal subsidies, ensuring employees have access to nutritious and affordable meals at work. This initiative reduces daily living costs and contributes to employee wellbeing.

Primary private medical insurance and gap cover provided by Kaelo is fully subsidised by Dis-Chem.

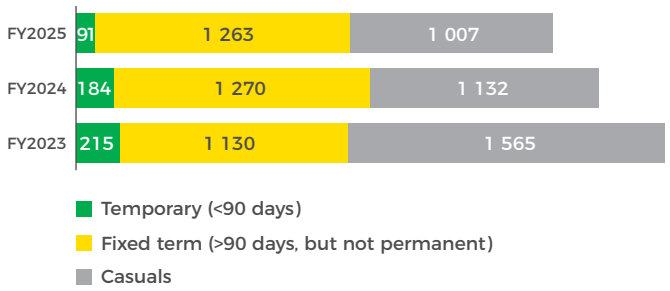
All permanent employees are required to contribute to provident funding. The Group regularly reviews its employee profile relative to the value of provident fund and medical aid contributions.

Dis-Chem's employee benefit enhancements included no prorating of bonuses for eligible employees who go on maternity leave, compassionate leave or adoption leave. This means employees are eligible to receive 100% of their bonus under these circumstances.

Rate of employee turnover (SA Permanent Employees)
(%)



Total employees – Fixed term, casual, temp
(number)



OUR PEOPLE ARE OUR BIGGEST ASSET continued

Talent management

Dis-Chem introduced a talent management framework and initiatives for talent management and succession planning. The new solution includes:

Talent reviews

Dis-Chem has implemented a structured talent review process to empower managers in engaging meaningfully with employees about their aspirations, capabilities and levels of engagement. These conversations form the foundation for assessing talent depth across the business.

Following these individual assessments, management teams collectively calibrate talent to ensure alignment and consistency in identifying future-fit individuals. This process supports strategic workforce planning by ensuring development initiatives are targeted at closing capability gaps and building the critical skills required for future business needs.

Succession management

Dis-Chem has established a strategic talent identification mechanism to proactively recognise employees with the potential to fulfil current and future roles across specialist and management pathways. This approach ensures a strong internal talent pipeline, aligned with the organisation's long-term capability needs and succession planning priorities.

Potential leadership candidates are developed through the lens of our various programmes in the Dis-Chem leadership development structure.

Insights Discovery assessments are used to gain insights into our employees' personalities, behaviours and interactions. This information enhances team effectiveness and supports talent management by identifying individual strengths and development areas. It enables the design of targeted training and development programmes tailored to specific needs.

Investing in the training and development of our employees

Dis-Chem invests significantly in development programmes that support the Group's strategy and strengthen employees' professional development.

Leadership development

The Dis-Chem leadership development programme was launched during the year, offering three-tiered programmes for different levels of leadership.

- The **Elevate** programme is a management development programme targeted at our senior regional management. The first programme was piloted in KwaZulu-Natal and delivered its first leadership graduates, who were recognised by the CEO and the leadership team
- The **Ignite** programme shapes emerging and existing leaders who have been identified as potential future leaders capable of filling management roles in line with our property expansion strategy, and those who are currently leaders. The programme aligns participants with Dis-Chem's intent of building an ecosystem and was piloted in Cape Town for our dispensary trainee managers

Senior Dis-Chem leaders were selected to participate in the 2025 International Leadership Development Programme offered by the Wholesale and Retail Sector Education and Training Authority. The programme is delivered by the University of Cape Town Graduate School of Business and exposes participants to best leadership practice in the industry internationally and locally.

Developing a talent pipeline

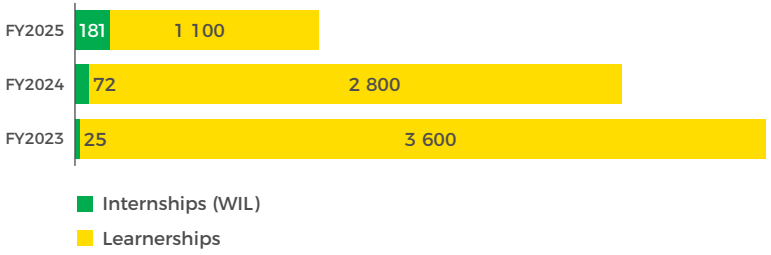
Dis-Chem contributes to the healthcare skills pool in South Africa by providing bursaries to pharmacists and nurses and comprehensive in-house training.

Pharmaceutical assistants

Dis-Chem trains its own pharmaceutical assistants on the job, with many students completing their basic or post-basic pharmaceutical qualifications at any given time. Students register with the Pharmacy Council as basic learners and usually complete the process towards a post-basic qualification in about 18 months.

During this time, they are provided with tutors while working at a Dis-Chem dispensary. We offer internships to students who have completed four years of pharmacy study and passed their university degree. Internships allow students to work for 12 months under the formal supervision of a pharmacist. They are required to complete Pharmacy Council courses, modules and exams before being certified competent and allocated for a year of community service.

Total internships
(number)



Clinic nurses

In FY2025, we increased the total number of bursary candidates studying for their qualifications. The students are from Tshwane University of Technology, the University of Pretoria, the University of Johannesburg, the University of the Witwatersrand and the Nelson Mandela University.

The Dis-Chem clinic department offers Continuing Professional Development training events for all nurses employed by the Group. Dis-Chem clinics comply with all the DOH Primary Healthcare clinic standards. All nurses employed by Dis-Chem must complete the following compulsory training courses:

- Vaccination update course
- Family planning update course
- Basic life support

As required by the DOH policy, Dis-Chem covers the cost of all compulsory training for every nurse every third year.

Employees

To broaden learning opportunities available to employees, Dis-Chem acquired LinkedIn Learning licences for employees to develop their professional skills and explore other areas of interest to grow their careers. With LinkedIn Learning, employees can learn at any time from a laptop, desktop or mobile phone, and select from a wide variety of courses. Dis-Chem integrates LinkedIn Learning with its leadership development programme to broaden participants' learning experiences and make training more accessible and engaging.

The Group offers learnerships across retail, warehousing and support functions annually. This allows unemployed youth to gain a South African Qualifications Authority (SAQA) aligned qualification and work experience. Employees also benefit from specific functional development programmes, fsuch as, in retail, dispensary, management, and leadership development.

Employees' children are eligible to apply for Dis-Chem bursaries to study in fields that provide scarce skills or skills aligned with the Group's core business.

Employee health and safety

A structured approach to health and safety management is strengthening compliance and reporting, increasing management visibility across the operations and protecting employee wellbeing.

The sustainability policy directs Dis-Chem to reduce safety and health impacts by identifying and managing safety and health risks in the workplace. The policy guides Dis-Chem to mitigate and monitor health and safety risks.

The sustainability policy and the supplier code of conduct guide Dis-Chem's commitment to the health and safety of contractors and other external stakeholders. The Group expects suppliers to provide working environments that support the health and safety of employees based on compliance with local regulations and systems that manage health and safety risks.

Dis-Chem established a SHE management team, with SHE officers located across the Group's inland and coastal divisions to ensure that the ESG strategy is implemented. Safety and health officers protect employees against harm or injuries by:

- Ensuring compliance with workplace legislation
- Identifying hazards and risks in the workplace
- Implementing controls to prevent accidents and injuries
- Embedding a safety and health culture throughout the workplace

Taking care of employee health and wellness

Dis-Chem has an employee wellness programme provided by Kaelo. The programme offers employees primary healthcare at Dis-Chem facilities, including free flu vaccinations, voluntary testing and consulting. Wellness days are hosted at our clinics.

In line with broader societal trends, Dis-Chem focuses on mental health awareness and management. Employees receive stress, anxiety and depression management sessions, and management awareness training is provided to combat the stigma associated with mental health. Clinical psychologists provide face-to-face counselling for employees.

Dis-Chem's HIV/AIDS campaigns seek to prevent and control HIV/AIDS and represent the Group's commitment to address the global health issue of HIV/AIDS. Dis-Chem continues to drive awareness of HIV/AIDS risk in its wellness clinics and outreach programmes. We participate in annual AIDS Day campaigns in partnership with Kaelo.

Avoiding harm and injuries

Safety and health training, including emergency preparedness and incident management, is compulsory for employees. Strict rules apply to the use of machinery in the distribution centres. Automated systems ensure that employees are qualified to use certain types of equipment.

Dis-Chem has several employees trained in firefighting. In-store clinics are the first port of call for injuries in the stores. Health and safety awareness is included in employee induction at stores and internal communications. All stores have standard operating procedures for the management of infectious diseases and hazards, and measures are in place to avoid transmission.

Safety and health risks identified in work environments are incorporated into the risk management system. Controls, including training, are implemented to eliminate safety and health risks and make work environments safer.

OUR PEOPLE ARE OUR BIGGEST ASSET continued

Incident management procedure

When there is a safety incident at Dis-Chem, a structured process is triggered to ensure accountability, root cause analysis, and effective resolution.

Immediate reporting
Incidents must be reported during the shift in which they occurred.

Initial containment
Immediate safety measures are implemented to prevent further harm, including medical response if needed and isolation of the incident area.

Investigation
A formal investigation is initiated within seven days and led by the SHE officer and relevant line managers. Witness statements, site inspections and available footage are used to determine root and contributing causes.

Corrective and preventive actions
Based on the identified root cause, actions are assigned with clear timelines and responsible persons. These are tracked until closure.

Management review and learning
Lessons learned are communicated to relevant departments and, where appropriate, used to update procedures and risk registers or inform training content.

Closure and monitoring
Actions must be closed within 30 days. The SHE department verifies implementation during monthly inspections and monitors recurrence risk.

Make your health count

Dis-Chem has embarked on a programme to assess health outcomes in its work environments and develop a proactive response to detecting and controlling health risks. The programme started at the distribution centres and later expanded to in-store clinics.

Dis-Chem is also investigating a medical surveillance programme for employees working in areas that may expose them to safety and health risks, such as operating machines, working at heights and handling stock manually. Using available infrastructure and services in its clinics, Dis-Chem will test employees to establish a baseline and conduct annual monitoring. All employees are given the opportunity to undergo health screenings and monitoring through Dis-Chem's employee wellness programme.

By identifying employee health and safety risks and monitoring of employee health, we can improve our understanding of the health burdens our employees face, gain deeper insights into the prevalence of certain conditions and be better informed on the value of our healthcare benefits to employees.

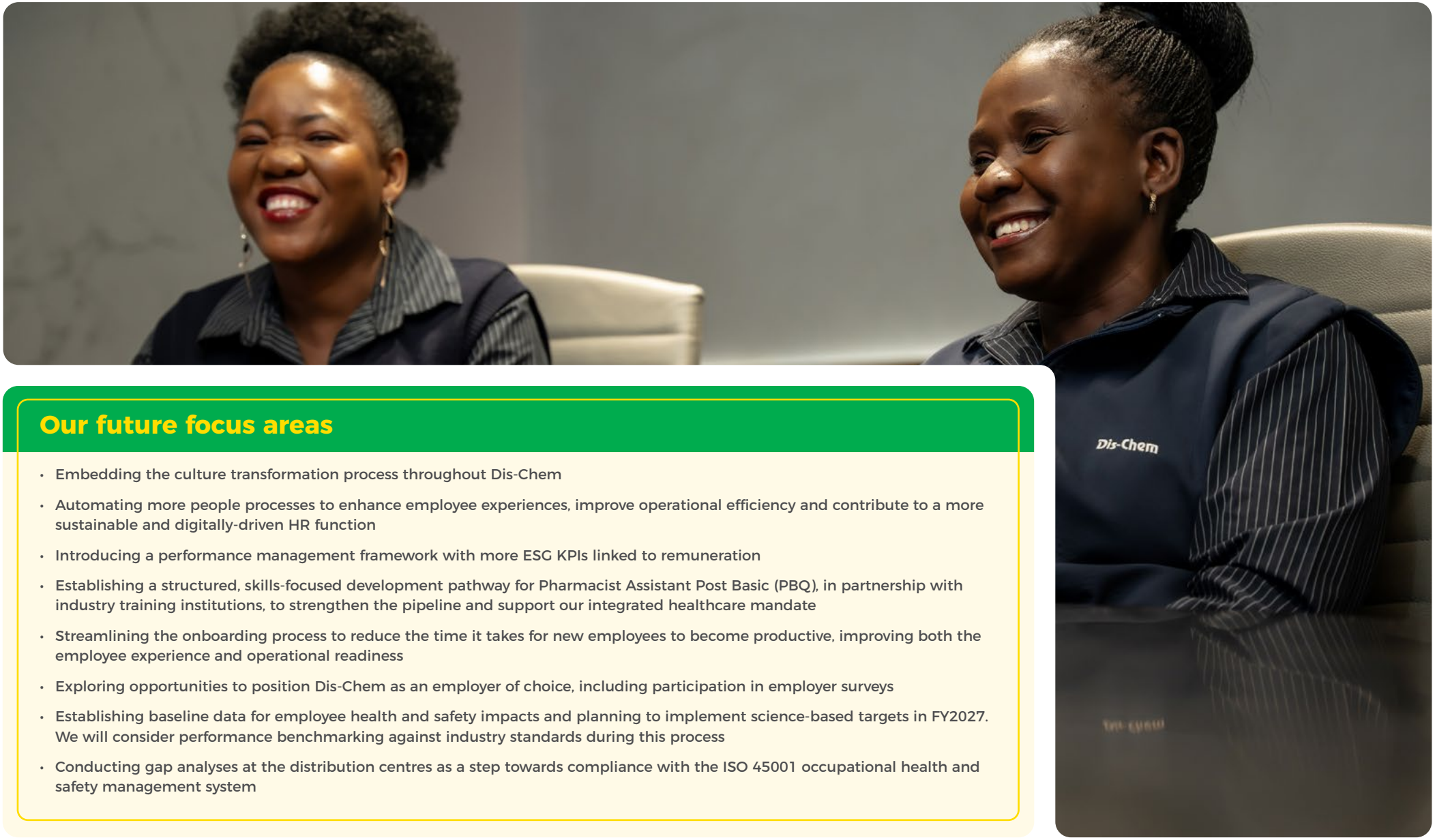
Increasing our disclosure on health and safety

Risk assessments
Dis-Chem conducts risk assessments for all new and existing operations. This is addressed in the supplier code of conduct and supplier self-assessment questionnaires for in-house brands.

Actions taken to address labour issues
Dis-Chem's supplier code of conduct addresses the prevention of child and forced labour. The Group has whistleblowing and grievance management mechanisms in place for employees. These include mechanisms to allow employee representatives to engage with management.

Communication on labour standards
Dis-Chem communicates Company policy on labour standards in the Code of Ethics. The Code of Ethics and the whistleblowing policy are available on the employee Intranet and website.

OUR PEOPLE ARE OUR BIGGEST ASSET continued



Our future focus areas

- Embedding the culture transformation process throughout Dis-Chem
- Automating more people processes to enhance employee experiences, improve operational efficiency and contribute to a more sustainable and digitally-driven HR function
- Introducing a performance management framework with more ESG KPIs linked to remuneration
- Establishing a structured, skills-focused development pathway for Pharmacist Assistant Post Basic (PBQ), in partnership with industry training institutions, to strengthen the pipeline and support our integrated healthcare mandate
- Streamlining the onboarding process to reduce the time it takes for new employees to become productive, improving both the employee experience and operational readiness
- Exploring opportunities to position Dis-Chem as an employer of choice, including participation in employer surveys
- Establishing baseline data for employee health and safety impacts and planning to implement science-based targets in FY2027. We will consider performance benchmarking against industry standards during this process
- Conducting gap analyses at the distribution centres as a step towards compliance with the ISO 45001 occupational health and safety management system

TAKING CARE OF OUR PLANET

Minimise the impact of our operations on the environment

Our strategic focus areas

Climate change

Dis-Chem recognises that its operations contribute to climate change. The Dis-Chem sustainability policy guides the Group to:

- Conduct an assessment to evaluate our climate change risks and opportunities
- Monitor and measure our carbon footprint
- Implement eco-friendly best practices and technology available to reduce our impact
- Collaborate with our stakeholders throughout our value chain to reduce climate change impacts

Use of natural resources

Dis-Chem acknowledges its responsibility to implement responsible environmental stewardship to reduce the impact of its operations on the environment. The Group's sustainability policy directs it to:

- Conduct environmental impact assessments to identify and manage impacts
- Comply with applicable regulatory requirements and standards
- Implement environmental management systems aligned to international standards
- Mobilise resources to implement best practices and technology available to reduce impacts
- Implement environmental training and awareness programmes for employees and other stakeholders
- Monitor applicable regulatory requirements and conduct audits to evaluate our compliance
- Promote the responsible/efficient use of natural resources
- Reduce emissions, releases and waste
- Monitor environmental performance and take steps to ensure continual improvement
- Implement environmental communication programmes
- Promote stakeholder partnerships to minimise environmental impacts

Waste management

Dis-Chem imports products that contribute to waste in South Africa. All imported materials are declared, and the required fee is paid to Polyco, a non-profit company that facilitates the collection and recycling of plastic packaging in South Africa.

The Group uses a combination of reverse logistics, waste management service providers, and consumer education to reduce and recycle waste.

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



TAKING CARE OF OUR PLANET continued

Dis-Chem strengthened its processes to track the Group's ESG impacts and introduced initiatives to reduce its carbon footprint and improve waste management.

Climate change

Our performance highlights and challenges in FY2025

Monitoring and measuring our electricity usage

- Our investments in smart meters to monitor and measure electricity usage at our distribution centres and stores enabled Dis-Chem to expand its disclosure to Scope 2 carbon emissions

Implementing a solar energy programme to reduce carbon emissions

- Data collected from smart meters informed our investment in solar energy solutions

Improving the efficiency of energy usage

- Our distribution centres continue to focus on improving transport logistics by optimising route planning and implementing load consolidation
- Routine fleet maintenance, optimisation and renewal ensure optimal fleet life and efficiency

Challenges to climate reduction

- Dis-Chem tested the viability of electric vehicles as a carbon reduction opportunity at some of its distribution centres. While small electric vehicles are adequate for small pharmaceutical deliveries, larger electric vehicles that are adequate for Dis-Chem's bulk deliveries are not yet available. This challenge is compounded by the ongoing potential for interrupted electricity supply in South Africa and the limited opportunity to charge the batteries of active delivery vehicles with solar power during daylight hours. We continue to monitor this opportunity as the electric vehicle market evolves. Dis-Chem is exploring the adoption of Euro 2 specifications for new vehicles and the use of supplier triangulation as strategies to reduce carbon emissions
- Dis-Chem's ability to implement carbon reduction initiatives at its retail stores in shopping malls is limited by its contractual arrangements with landlords

IR READ MORE *Read more about **our approach to climate change:***

Policy
The Dis-Chem sustainability policy includes a commitment to address CO_2/GHG emissions and reduce or avoid the impact, or improve efficiencies. Climate-related governance structures, Governance chapter, from page15.

Recognition of climate change (risk or opportunities)
Dis-Chem recognises climate change as a relevant risk or opportunity to the business. ESG risks and opportunities, page 43; Top climate opportunities, page 44.

Climate risks and opportunities
Dis-Chem details how it incorporates climate change risks and opportunities in its strategy. ESG risks and opportunities, page 44.

Climate scenarios
Dis-Chem conducted climate scenario analysis as part of its business planning. The analysis identified risks and opportunities for two climate scenarios. The Group described business impacts of the climate scenario analyses. Climate scenario planning, page 43.

Independent verification
Dis-Chem's operational GHG emissions and operational energy consumption (diesel generator consumption) were independently verified. Limited assurance was conducted in accordance with ISAE 3000 (Revised). Assurance statement, page 83.

Risk management
Dis-Chem's climate-related risk management procedures are integrated into the Group's ERMF. Specific climate-related risk management processes include, among others, risk mitigation strategies such as energy monitoring to identify inefficiencies, a diverse network of global suppliers and a supplier code of conduct to identify climate resilient suppliers. Risk and opportunities, page 44.

TAKING CARE OF OUR PLANET continued

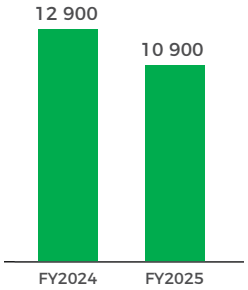
Our climate disclosures

Dis-Chem made further progress in implementing its climate-related approach, governance and improvement initiatives during the past year.

Governance	**Role of the organisation's board in overseeing climate-related issues.**	The Dis-Chem Board takes overall accountability for ESG governance, including climate. Governance, page 31.
	Role of management in assessing and managing climate-related issues.	Dis-Chem's Executive management team is responsible for ESG implementation and integration, with support from the ESG Executive Committee. Governance, page 42.
Strategy	**Climate-related risks and opportunities identified by the organisation over the short, medium and long term.**	Dis-Chem's key ESG risks and opportunities include several elements directly and indirectly related to potential climate impacts. Risks and opportunities, page 43.
	Impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning.	Dis-Chem's ESG strategy includes a Taking care of the planet pillar with a strategic goal of minimising the impact of operations on the environment. ESG strategy, page 40.
	Resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2˚C or lower scenario.	Risks and opportunities were identified for two climate scenarios and mapped per category, risk owner and considered potential consequences and controls. Dis-Chem's ESG strategy's five pillars respond to these risks and opportunities and take the relevant time periods into account for future planning and budgets.
Risk management	**Processes for identifying climate-related risks.**	A top-down and bottom-up process is used to identify ESG risks. Risks and opportunities, page 43.
	Processes for managing climate-related risks.	Dis-Chem implements robust action plans to address potential climate risks and identify opportunities in potential solutions and new processes. Risks and opportunities, page 43.
	How processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management.	The Board, Audit and Risk Committee and the SEC consider ESG risks and opportunities as part of their oversight accountability. Risks and opportunities, page 43.
Metrics and targets	**Metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.**	Dis-Chem's use of smart meters to measure water and electricity consumption at all distribution centres enabled it to expand its disclosure to Scope 2 emissions this year, and it will assist in setting science-based targets in the medium term. The Group continues to monitor use in its stores.
	Scope 1, Scope 2, and, if appropriate, Scope 3 Green House Gas (GHG) emissions and the related risks.	Dis-Chem implemented solar energy solutions at its main distribution centres which operate 24-hour shifts and constitute the bulk of emissions. The solar investments were based on an optimal energy model determined by data collected from smart meters. ESG data tables, from page 66.
	Targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	

TAKING CARE OF OUR PLANET continued

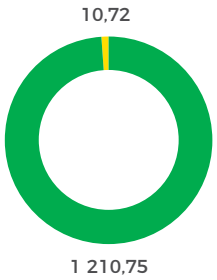
Total Scope 1 emissions (tCo_2e)



Scope 2 emissions for FY2025

12 677,97 tCO_2e

Scope 3 emissions (tCo_2e)



Scenario-based climate risk assessment matrix

Dis-Chem completed a climate risk and opportunity assessment in FY2024 in support of its commitment to disclose climate impacts and the resilience of its strategy.

The Group's climate assessment was based on the Network of Central Banks and Supervisors for Greening the Financial System (NGFS) scenario framework. Two of the hypothetical scenarios were used to understand how climate change (physical risk) and climate policy and technology trends (transition risk) could impact the business.

- **The Disorderly scenario** explores higher transition risk due to policies being delayed or divergent across countries and sectors. Carbon prices are typically higher for a given temperature outcome
- **The Hot House World scenario** assumes that some climate policies are implemented in some jurisdictions, but global efforts are insufficient to halt significant global warming. Critical temperature thresholds are exceeded, leading to severe physical risks and irreversible impacts like sea-level rise

The Group also considered South Africa's first nationally determined contribution under the Paris Agreement, carbon tax and the Green Book, which offers a repository of downscaled, baseline and future municipal climate risk data and insights.

The top inherent risks and opportunities per scenario were identified, as set out below.

RISK (1) Acute and chronic physical impacts resulting in damaged infrastructure, causing a disruption in global and local supply chains.

RISK (2) Acute physical impact of extreme weather conditions leading to a sudden halt in operations at a store or distribution centre.

RISK (3) Acute and chronic physical impacts resulting in decreased raw material availability and increased product costs.

RISK (4) Chronic physical impact of elevated temperatures resulting in deterioration of imported products.

RISK (5) Chronic physical impact of persistent water supply interruptions disrupting daily operations.

RISK (6) Acute physical impact of weather pattern uncertainties (per region) may lead to an over- or undersupply of relevant and seasonal market demand products.

RISK (7) Technological-related transitional risk leading to increased electricity supply constraints.

RISK (8) Reputation-related transitional risk resulting in share price decrease.

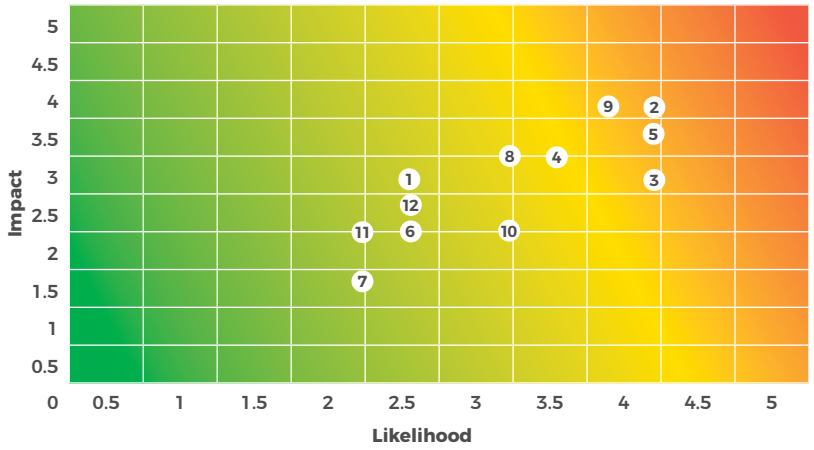
RISK (9) Market and policy transitional risk associated with increased carbon pricing, resulting in increased product costs, margin pressure and potential supplier closures.

RISK (10) Transitional and/or physical impacts having compounded macro-economic impacts, resulting in decreased disposable income, leading to decreased revenues.

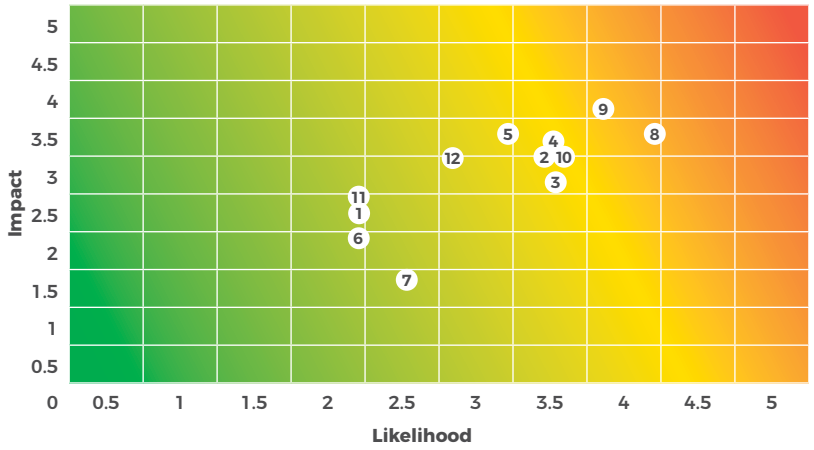
RISK (11) Legal transitional risk through non-compliance to carbon-related data disclosure frameworks.

RISK (12) Transitional risk of inadequately addressing and meeting the market demands for low-carbon and low-energy products.

Hot-house world (NDCs)



Disorderly transition (delayed)



TAKING CARE OF OUR PLANET continued

Our top climate opportunities

Opportunity	Opportunity driver
Ability to generate alternative renewable power at sites such as distribution centres.	Investment in solar energy solutions enables Dis-Chem to generate its own renewable alternative power. This significantly reduces its reliance on Eskom, mitigates rising electricity costs, and improves the security of power supply. The use of lower-emission energy sources is expected to provide a fiscal return and reduce the Group's carbon footprint.
Opportunity for energy efficiency across all facilities (owned or rented).	By building resilience to unreliable power supply, Dis-Chem can better maintain regular store operations and customer service. Less reliance on generators will contribute to lower fuel costs and carbon emissions.
Provision of energy-efficient and low-carbon products.	As awareness of sustainability increases and South Africa's energy landscape evolves, there is growing market demand for low-carbon and energy-efficient products and services. Meeting customer demand for more sustainable products and services contributes to a growing customer base and increased market share.
Opportunity to attract investors through demonstrable leadership in ESG and sustainability.	Alignment between Dis-Chem's overall business strategy and sustainability goals is enabling the Group to integrate sustainability initiatives into its core business operations. This will enhance effectiveness and improve long-term performance.
Secure alternative water supply in key locations.	Dis-Chem experiences water stressors in most of its operating regions due to municipal water outages or drought. By securing alternate water sources, rainwater or regular backup storage, the Group ensures business continuity and sound hygiene practices during periods of water stress. This may reduce the pressure to source water during droughts, infrastructure breakdowns or extreme weather conditions. Reduced reliance on municipal water supply may also reduce water costs.
Provision of labels showing transparency of supply chain and embodied carbon.	Life cycle assessments will likely become a regulatory product requirement in the medium- to long-term future. Dis-Chem in-house branded products that do not yet contain source ingredients could enhance their sales by stating the source of the product, be it food, supplements, oils or creams. This will enhance customer perception and increase sales.
Communication and enhancing current initiatives.	Dis-Chem implements many new and existing recycling initiatives, such as carton containers and reverse logistics for waste management. Communicating these initiatives more effectively will enhance customers' perceptions of Dis-Chem.
Conversion of refrigeration systems to natural systems.	The drive to reduce refrigerants is essential to reducing energy consumption and the emissions from stores and distribution centres. The conversion or replacement of higher global warming potential refrigerant systems will action this opportunity.

TAKING CARE OF OUR PLANET continued

Use of natural resources

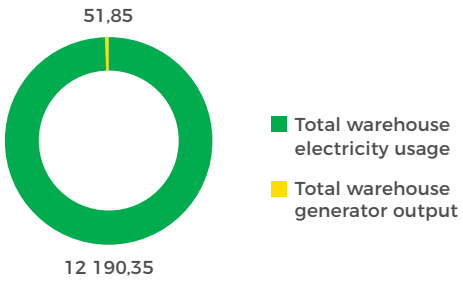
Energy use

Dis-Chem uses energy to power its distribution centres and stores. The distribution centres operate 24-hour shifts and account for the bulk of energy use to operate machinery, lighting and cooking facilities on site. During loadshedding, the Group increased its use of diesel-powered generators. Energy use at stores is monitored.

The Dis-Chem sustainability policy includes a commitment to address energy use, and to reduce or avoid the impact, or improve efficiencies. The Group has taken steps to adapt to climate change by:

- Investing in upgrades to its distribution centres to reduce electricity consumption and improve efficiency
- Assessing its suppliers for climate-related risks
- Prioritising vendors with sustainable water management practices

Total electricity usage
(MWh)



Renewable energy

Dis-Chem considers ESG impacts in its capital investment decisions, including initiatives to reduce energy and water consumption and improve the security of energy and water supply to operations.

A highlight this year was Dis-Chem's implementation of a solar energy programme at its main distribution centres.

Harnessing solar energy and technology to reduce our carbon footprint

Based on data collected from smart meters installed to measure electricity use, the Group decided to invest in solar energy to reduce its reliance on the national grid, improve the security of its power supply and reduce its carbon footprint.

Solar energy systems were installed and are operating at the Cape Town and Durban distribution centres. The systems supply all of the operations' energy needs in full sunlight, and are supplemented with municipal electricity at other times. Solar energy will become operational at the Midrand distribution centre during 2025, and the implementation of the solution at the new Longmeadow distribution centre will follow.

By powering the distribution operations with renewable energy during the day, Dis-Chem has reduced its use of diesel generators and expects the investment in solar energy to contribute to a reduction in its carbon footprint. Optimal energy supply will also enhance the consistency of store operations and customer service. The biggest reductions in electricity and diesel usage, and the related cost savings, are expected from the large Midrand and Longmeadow distribution centres.

Dis-Chem is exploring solar storage options, taking into consideration the upfront costs and risks associated with storage and overheating of solar batteries.

Water security

Dis-Chem invested in smart meters to measure water use at the distribution centres and monitor use in the stores. Other initiatives are in place to save water, including storing and reusing rainwater as grey water, primarily for ablution facilities.



Total water usage for FY2025
417 417 kℓ

Our performance highlights and challenges in FY2025

- Invested in water storage tanks and boreholes to increase water capacity at distribution centres
- Installed water-efficient taps that limit water flow and switch off automatically
- Restored an existing dam at the new Longmeadow distribution centre and invested in pumps and additional tanks to supply grey water
- An existing underground water reticulation dam that was built to capture rainwater for reuse at the Midrand distribution centre became sedimented and unusable over time

As a result of these initiatives, the distribution centres have increased the number of days they can operate without reliance on municipal water.

TAKING CARE OF OUR PLANET continued

Increasing our disclosure on use of natural resources

Policy

The Dis-Chem sustainability policy addresses the issue of water reduction and includes a commitment to reduce water or improve efficiency.

Natural resources in our supply chain

Dis-Chem integrates environmental policies with suppliers through communication (supplier onboarding documents) and provides training for relevant supplier employees to ensure that the supplier code of conduct is communicated to internal stakeholders.

The Group's third-party manufacturers and suppliers are required to complete questionnaires that address energy use, climate change impact, including CO_2/GHG emissions, water use, biodiversity, pollution, waste reduction and resource use. This enables Dis-Chem to conduct environmental risk assessments for potential new suppliers and to identify high-risk existing suppliers.

Dis-Chem manages the environmental impact of suppliers by encouraging reporting and impact reduction. A third-party manual provided to suppliers addresses ESG disclosure and impact reduction.

Stakeholder engagement

Dis-Chem started assessing its exposure to water-stressed areas and engaging with water-stressed stakeholders. The Group drills boreholes to supply affected communities with water.

Waste management

The SEC monitors Dis-Chem's activities related to the environment, health and public safety, including the impact of the Group's operations, products and services. This includes oversight of the responsible management of waste generated from our own operations.

Our sustainability policy commits us to:

- Promote the responsible/efficient use of natural resources
- Reduce emissions, releases and waste
- Monitor environmental performance and take steps to ensure continual improvement
- Implement environmental communication programmes
- Consult and encourage our stakeholders to partner with us to minimise environmental impact

Dis-Chem made further progress towards an integrated waste management system.

Dis-Chem recognises that safe and sustainable healthcare waste management practices reduce environmental and health risks, and can convert waste into reusable resources. High-risk healthcare waste includes sharps, infectious waste and pharmaceutical waste. Pharmaceutical waste is, in turn, defined as expired, unused, split or contaminated medication, medicines and vaccines, and includes packaging materials. Front-shop waste includes a range of packaging, damaged goods, testers and unsold or expired product waste.

Dis-Chem's in-house brands prioritise more sustainable packaging materials, and we ensure that product labelling includes guidance on correct waste disposal.

During the past year, Dis-Chem initiated a zero waste to landfill project to achieve its target of eliminating waste to landfill by 2030. The Group is conducting a zero waste to landfill assessment at all stores and appointing a healthcare risk waste removal company to remove waste from the stores. Waste assessments are underway at the distribution centres. We are considering ways to improve our waste separation processes and exploring alternative waste management opportunities.

READ MORE *Read more about our future focus areas on **page 47.***

Weight of waste
(tonnes)



Our operational recycling process manages the scale and complexity of waste generated in our operations



Collection

Stores separate waste into general and healthcare risk waste and compact cardboard waste. Our trucks collect the compacted waste when they deliver stock. This backhauling or reverse logistics supports the circular economy and improves efficiency.



Baling

Cardboard waste from stores is baled at the distribution centres. Mega balers sort and compress all waste other than food and healthcare risk waste. The bales are removed by a waste contractor for milling. This reduces waste going to landfill and promotes a circular economy.



Healthcare risk waste

Each pharmacy has a standard operating procedure for healthcare risk waste disposal. An accredited company collects all healthcare risk waste in bins, and all contents are recorded and locked in. Healthcare risk waste is treated and incinerated, and we receive certificates as proof of disposal.

Our performance highlights and challenges in FY2025

Initiatives to reduce cardboard packaging and promote a circular economy

- Continued our cardboard box recycle/reuse collaboration with a local Black female entrepreneur at our Delmas distribution centre, contributing to local job creation and a circular economy
- Introduced smaller cardboard boxes and implemented an order consolidation process to ensure the majority of boxes are filled to capacity and to reduce material used as space fillers

Initiatives to reduce plastic footprint

- Replaced plastic space fillers in cardboard boxes with recycled paper fillers
- Invested in more fully recyclable plastic containers (tote bins) to replace single-use cardboard containers and improve the protection of container contents. Tote bins offer a significant saving in packaging material costs, but they have high replacement costs if they are not returned after deliveries to stores
- Increased use of recyclable stainless steel containers (rolltainers) to ship stock from the Longmeadow distribution centre, significantly reducing plastic wrapping used to protect stock distributed in pallets

Targeting zero waste to landfill

- Introduced separate balers for plastic, cardboard and labels, starting with the Midrand retail facility in FY2025, to reduce landfill waste and process recyclables
- Expansion of the Cape Town distribution centre will create the opportunity for separate balers at more stores

Collaborating with others to reduce our environmental impact

Dis-Chem works with stakeholders and other parties to reduce pollution, waste or resource use. This includes making use of the same waste streams as inputs. For example, Dis-Chem collaborates with an entrepreneur to wash and reuse cardboard boxes and polystyrene coolers.

Dis-Chem plans to introduce Biogen recycling drop-off points at 10 selected Dis-Chem stores across Gauteng, making it simple for customers to return empty Biogen containers and be part of a more sustainable future. This trial programme will streamline the recycling process, ensuring that used containers get a second life instead of going to landfills.

Our future focus areas

- By establishing baselines for electricity and water consumption, Dis-Chem is able to implement more initiatives to achieve electricity and water reduction targets at its distribution centres
- We plan to implement science-based reduction targets for climate impacts in FY2027, based on progressive improvements in our data collection process
- A newly appointed industrial engineer is improving efficiencies in transport logistics, contributing to more efficient energy usage
- In our drive to eliminate waste to landfill, we are considering innovative opportunities, such as:
  - » Supplying waste for reuse as refuse-derived fuel, a low-carbon alternative fuel for manufacturers of products such as cement
  - » Exploring the potential use of wet waste as fertiliser for hydroponic gardens at our properties

BEING THERE FOR OUR CUSTOMERS

Customer-centric service offering

Our strategic focus areas

Customer satisfaction

The Customer Carelines team enhances the customer experience and journey with Dis-Chem's brand.

Our web-based customer care ticketing, tracking and escalation system enables us to immediately recognise customers when they initiate contact. We can determine if they are an existing Benefit member or customer, and if they have an existing ticket logged with us, regardless of the channel they used.

Customer queries or complaints are managed by consultants based on a pre-defined escalation process with built-in response times. This means that customer issues are addressed by the right person, at the right level.

Customer health and safety

We are committed to the best possible health outcomes for our patients. A patient's health can be negatively impacted if they receive incorrect medication of incorrect strength and/or dosage instructions. In most cases, patients notice discrepancies and errors are corrected before they leave the dispensary. We have a strict quality protocol to manage this. Every error is recorded and reported. We evaluate if treatment has been compromised and have medical malpractice insurance to cover the risk.

Data privacy and security

The data entered and stored on Dis-Chem's customer care system is compliant with the Protection of Personal Information Act, 4 of 2013 (POPIA) and subject to strict data security protocols.





BEING THERE FOR OUR CUSTOMERS continued

Dis-Chem grew customer loyalty membership and introduced innovative new healthcare products and services, while maintaining high levels of patient care.



Our performance highlights in FY2025

- **Grew Dis-Chem Benefit programme** membership and related sales
- **Invested in a new artificial intelligence** (AI)-powered social media customer engagement platform
- **Introduced new services** in clinics to support diabetes patients
- **Focused on** new and existing healthcare services for women and girls
- **Customer complaints tracked** growth in the customer base

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

BEING THERE FOR OUR CUSTOMERS continued

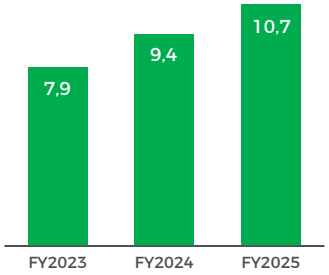
Customer satisfaction

Dis-Chem Benefit programme

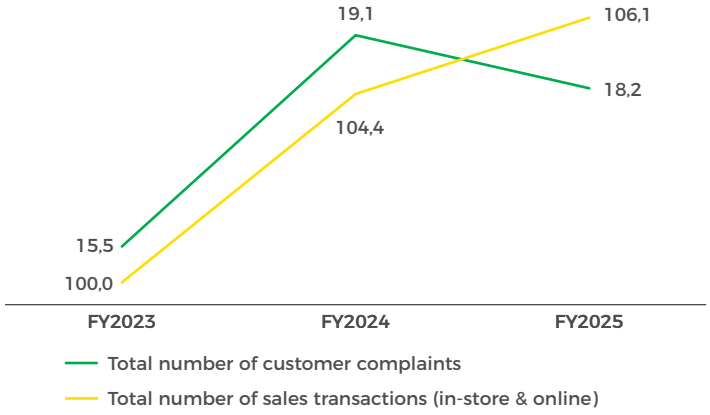
The Dis-Chem Benefit programme offers customers an extensive range of benefits and remains a key driver of customer satisfaction, business growth and community impact. Benefits include exclusive offers and discounts, accumulation of rewards to save on purchases, and use of the Benefit card to leverage partner programmes. Dis-Chem donates a percentage of every redemption at Dis-Chem and Baby City stores to the Dis-Chem Foundation, enabling members to contribute to impactful social investment projects.

A strong customer acquisition drive increased membership of the Dis-Chem Benefit programme during FY2025. Transactions by programme members also grew and remain the highest contributor to sales revenue.

Benefit members
(number in millions)



Total customer complaints (number in millions)
vs total sales transactions (number in thousands)



A responsive approach to customer complaints

We take customer feedback seriously and track complaints through a structured process. Our customer care ticketing and tracking system ensures that if we do not respond to a customer complaint within a pre-defined time, the complaint is escalated to a higher authority level, and the ticket is only closed once the customer is satisfied. This process holds us accountable to our customers and, combined with our tracking of social media sentiment towards Dis-Chem, provides insight into customer satisfaction.

Dis-Chem plans to improve customer engagement and formalise its measurement of customer satisfaction. To achieve this, it has invested in a new AI-powered social media customer engagement platform, which will be implemented in June 2025.

READ MORE *Read more about this in our future focus areas on **page 47.***

Customer recourse to the ombud

In South Africa, Dis-Chem customers can approach the Consumer Goods and Services Ombud (CGSO) if they are not satisfied or unable to resolve an issue. The CGSO enforces the Consumer Goods and Services Industry Code of Conduct by receiving and dealing with consumer goods complaints free of charge.

Dis-Chem is a CGSO participant, meaning we must comply with the code, register with the CGSO and contribute towards funding the CGSO. The CGSO investigates customer complaints, attempts to facilitate a settlement between Dis-Chem and the customer in an unbiased manner, and makes recommendations on how disputes should be settled.

Expanding the integrated health ecosystem for customers

Dis-Chem is expanding its portfolio of health-centric financial services products and integrating them with its extensive pharmacy and clinic footprint. In partnership with Kaelo, the Group provides affordable private medical insurance, gap cover, accident cover and lifestyle benefits to employed people and their dependents who are not covered by medical aid. This offering gives customers access to thousands of healthcare providers and hundreds of private hospitals. Customers can save up to R600 monthly with extraRewards when they shop at Dis-Chem, and the savings can go towards covering the monthly premium cost.

In FY2025, we launched Dis-Chem Life, a new life insurance offering that provides affordable cover and addresses a gap in cover for people living with chronic conditions, such as hypertension, diabetes or HIV. Dis-Chem Life's unique product suite and structure give value back to customers based on how well they manage their health and chronic conditions. Policyholders are supported by Dis-Chem's integrated healthcare services, with regular health checks at no additional cost via its network of clinics and access to medication and prescription reminders.

Customer health and safety

Dis-Chem focused on achieving the best possible health outcomes for its customers, introducing new services in its clinics and leveraging technology to improve cost-efficiency.

Dis-Chem's primary healthcare clinics offer a range of services to its customers and employees, including health assessments, screening, point-of-care screening, specialist oncology services and pathology. The Dis-Chem Baby clinics offer Well Baby development, vaccines, 2D sonars for pregnant mothers and full antenatal services. Our community clinics, funded by Dis-Chem Health Foundation, offer the full range of services and focus on primary healthcare.

Data-sharing partnerships facilitate efficient, secure and accessible services to clinic patients. Clinic nurses use an electronic patient record platform to facilitate a video consultation with a network-approved GP when required. Patient records are shared, and the doctor participates via a screen in the clinic with the nurse performing necessary physical examinations. The doctor recommends treatment and will provide a script that can be filled at the dispensary.

During the year, Dis-Chem clinics introduced new services to strengthen their healthcare offerings:

Diabetes nurse educator service

- Dis-Chem invested in a course for registered nurses involved in diabetes prevention, management and care. The course is offered by the International Diabetic Federation and enables nurses to provide self-management education and support to diabetes patients and their families. All Dis-Chem nurses and new nursing recruits are expected to complete the course.

Diabetes screening

- Dis-Chem is piloting the HbA1c point of care test for diabetes patients at 30 stores. The blood test shows average glucose levels over three months and alerts nurses if patients are not compliant or controlled on their diabetes medication. If the pilot is successful, Dis-Chem will roll out HbA1c screening to the rest of its clinics. The point-of-care testing is more cost-effective for patients as it does not need to be sent to a pathology laboratory.

Health services for women and girls

Prioritising sexual and reproductive health services

Research by the World Economic Forum underscores a pressing issue: significant funding gaps in women's healthcare, particularly in a world where sexual and reproductive ill-health accounts for one-third of the global burden of disease among women of reproductive age[1].

In South Africa, the impact is evident. According to government statistics, approximately 150 000 girls aged 10 to 19 gave birth between April 2022 and March 2023[2]. A 2021 report by the Department of Basic Education revealed that one in three girls who become pregnant do not return to school[3], which has long-term implications for their educational and employment prospects.

These statistics highlight the urgent need for comprehensive, accessible healthcare solutions for women and girls. In response to these challenges, Dis-Chem clinics have taken steps to improve sexual and reproductive health education and services for young women across the country. The clinics have increased their focus on educating girls and young women about safe sex practices, sexually transmitted infections (STIs) and HIV prevention. By increasing awareness and providing relevant information, Dis-Chem empowers women to make informed decisions about their health and wellbeing.

One of the main barriers to reproductive health in South Africa is poor access to contraception. To address this challenge, Dis-Chem has equipped its nurses with Article 22 permits, enabling them to conduct contraception consultations without the need for a doctor's prescription. This initiative has been a game-changer, especially for young women who may otherwise face barriers to accessing contraception.

Furthermore, Dis-Chem has secured a landmark public-private partnership contract, allowing it to expand its services across more than 200 stores. This partnership enables Dis-Chem clinics to offer government-funded baby vaccines and contraceptive supplies, helping to make these essential healthcare services more affordable and accessible.

Dis-Chem is also committed to the national drive to vaccinate both girls and boys against the human papillomavirus (HPV), a common STI that can lead to cervical cancer. In addition to promoting the HPV vaccine, Dis-Chem clinics offer an innovative rapid screening kit, which is available with routine pap smears. With the HPV kit, the patient receives an immediate result, and the nurse can recommend vaccination or other treatment.

1 *https://www.weforum.org/stories/2024/01/women-healthcare-gap/*
2 *https://www.gov.za/news/media-statements/women-youth-and-persons-disabilities-economic-consequences-teenage-pregnancy*
3 *https://pmg.org.za/committee-meeting/33580/*

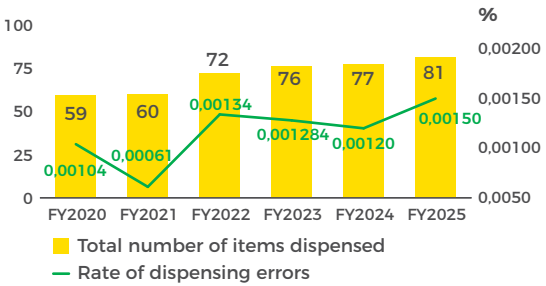
BEING THERE FOR OUR CUSTOMERS continued

Managing dispensing errors

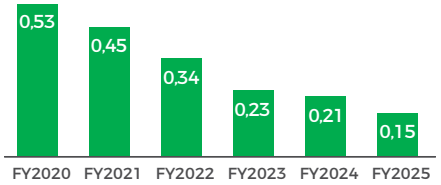
Dis-Chem's dispensary error protocol, which mandates the way we manage, measure and report errors, was updated in June 2024. This caused an increase in reporting on dispensing errors, including errors in instances where the customer was not impacted and had not taken any of the incorrect medication dispensed. To increase quality awareness, all dispensing mistakes are now reported, and dispensary employees either receive additional training or enter a disciplinary process.

There was a further protocol update in July to include reporting of POPIA breaches as medical malpractice incidents, as these could result in potential claims and legal action. POPIA incidents were subsequently excluded from the reporting, unless a customer was medically impacted. Dis-Chem is considering updating the current threshold for dispensing errors in line with more stringent quality management and reporting on this metric.

Total items dispensed (number in millions) **vs rate of dispensing errors** (%)



Rand value associated with dispensing errors (Rm)

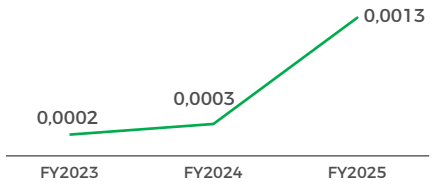


Clinic errors

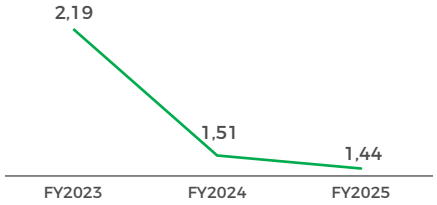
The clinics actively manage and monitor adverse health events, ensuring that any incidents are reported promptly to the DOH. This robust system of tracking and reporting is essential in maintaining the highest standards of care. The rate of adverse health events at Dis-Chem clinics is exceptionally low compared to the volume of consultations conducted. This reflects Dis-Chem's commitment to providing safe, high-quality healthcare services, underscoring the clinics' dedication to minimising risks and enhancing patient care across all Group facilities.

READ MORE *Read more in the ESG data tables from **page 66.***

Customer adverse health events (%)



Total clinic consultations (million)



Data privacy and security

The Audit and Risk Committee provides oversight of privacy protection and data security, and considers the entire data lifecycle related to creating, accessing, storing and disposing of information. The Committee ensures we have adequate systems to manage privacy protection and data security risks to avoid compliance gaps, reputational damage and financial loss.

A data governance department sets standards and implements policies to guide our approach to data management and data breach risks. It is responsible for ensuring that systems that can access Group data have the required security controls to limit any possible data breaches.

Dis-Chem adopted COBIT 5 and the CIS/SANS Top 18 Critical Security Controls Framework. This ensures process focus and ownership, including Dis-Chem's fiduciary, quality and security needs. Our privacy and data security criteria include effectiveness, efficiency, availability, integrity, confidentiality, reliability, and compliance.

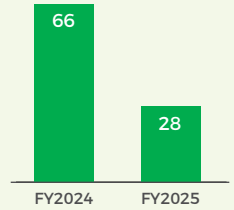
Several Dis-Chem policies guide our approach to data protection, IT disaster recovery and business continuity, third-party risk assessment and POPIA. The policies are reviewed regularly, and training is conducted to familiarise employees with data privacy requirements. Dis-Chem ensures its employees are legally bound to protect and maintain the confidentiality of any information they handle and/or process.

Dis-Chem applies a range of measures to safeguard its digital assets and protect patient confidentiality:

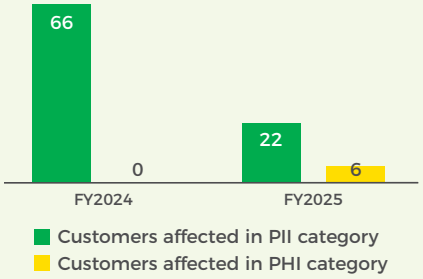
- Complies with the privacy and data security requirements of the National Health Act, 61 of 2003, which mandates confidentiality and permits personal information disclosure only under specific circumstances
- Adheres to the requirements of POPIA
- Implements data governance processes and controls to manage high-risk vendors and other third-party service providers in our supply chain

We continuously educate and test employees to foster a culture of vigilance and preparedness for cyber threats. Employees receive cybersecurity awareness videos and are tested after watching the videos to gauge the effectiveness of the training. These training statistics are tracked against employees' profiles to ensure compliance and improve security awareness.

Customers affected (number)



Total customers affected in Personally identifiable information (PII) category vs total customers affected in Protected health information (PHI) category (number)



BEING THERE FOR OUR CUSTOMERS continued

Managing data breaches

Dis-Chem has mechanisms and procedures in place to manage consumer data privacy. We maintain systems, training and controls to mitigate the risk.

Incident response process for managing and preventing data breaches

1

Reporting

A suspected data breach is reported internally, and the responsible manager completes an incident response form.

2

Investigation

An internal investigation is conducted by the information officer and the IT security team to establish if there has been a breach.

3

Disclosure

If a breach has occurred, Dis-Chem reports the breach to the Information Regulator and then to the affected parties.

4

Remediation

The information officer and necessary department heads determine if it is necessary to make any changes in Dis-Chem's processes to prevent future breaches.

Securing our data interface with suppliers

To mitigate third-party data risk, Dis-Chem implements the following robust process to contract and monitor data sharing with suppliers and other service providers.

1

Contracting

A data processing agreement is signed with each new vendor. A vendor account is then created on our third-party risk management platform.

2

Risk evaluation

Onboarding and inherent risk assessments are completed. A vendor risk level is assigned.

3

Approval

A core or lite security assessment is triggered and reviewed, approved or declined. Only when approved does the vendor become active as a service provider.

4

Monitoring

Annual security assessments are required and provided to vendors to assess any changes within the data environment.

Our future focus areas

- Implement a new AI-powered social media customer engagement platform to strengthen customer engagement across the spectrum of social media and introduce a more robust process to survey customer satisfaction
- Optimise staffing profile in dispensaries to balance customer service and cost control
- Leverage improvements in employee training and reporting practices to reduce dispensing errors
- Consider new clinic initiatives, including a new approach to calculating obesity
- Make further progress in automating manual processes, such as consent forms, to reduce paper use

GETTING INVOLVED IN OUR COMMUNITIES

Invest in communities we operate in

Our strategic focus areas

Access to healthcare

Dis-Chem's sustainability policy directs the Dis-Chem Foundation to implement community health and wellness support programmes.

Access to education

Dis-Chem addresses challenges of early childhood development (ECD) and child illiteracy in South Africa by funding projects that support ECD centres and provide academic outreach, educational materials and nutrition to young learners.

Community upliftment

The sustainability policy guides the Dis-Chem Foundation to:

- Improve the social and economic wellbeing of our communities by investing in the communities we operate in
- 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

Small business development

Dis-Chem supports small enterprises in some areas of its value chain, such as recycling. We operate three models:

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

Unfortunately, local manufacturing is significantly more expensive and, therefore, 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.

GETTING INVOLVED IN OUR COMMUNITIES continued

The Dis-Chem Foundation addresses challenges related to its four pillars – Access to Healthcare, Education, Nutrition and Community upliftment. The Foundation receives a percentage of every eligible purchase by a Dis-Chem Benefit programme member.

The SEC monitors Dis-Chem's corporate social responsibility activities, including:

- Reviewing Dis-Chem's policies relating to corporate responsibility
- Ensuring Dis-Chem considers, where appropriate, the adoption of international corporate responsibility codes and principles
- Reviewing corporate social responsibility issues and objectives material to Dis-Chem's stakeholders and identifying and monitoring their inclusion in Dis-Chem strategies, plans and policies
- Recording sponsorships, donations and charitable giving

The Dis-Chem Foundation is central to our commitment to good corporate citizenship. The Foundation coordinates all social investment activities, including the Dis-Chem community clinics and projects that further enable healthcare access and affordability.

The Foundation's focus is shifting from a traditional, philanthropic approach to better align with the Group's business mission and strategy. The projects it funds directly support one or more of its four strategic focus areas.

The Foundation relies on implementation partners for the projects 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 performed, including verifying bank details.

Dis-Chem's approach to human rights – as specified in its sustainability policy and embedded in its vision and values – guides the Foundation's work. Dis-Chem respects and supports human rights as guided by the United Nations' Guiding Principles on Business and Human Rights. Dis-Chem supports children's rights through its community investment initiatives.

READ MORE *Read about our corporate social donations and investments in the ESG data tables from **page 66.***

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

Access to healthcare

Overcoming hearing loss with early detection and technology

At the Carel Du Toit School, deaf and hearing-impaired children can learn the spoken word using hearing technology. Having been in operation for 50 years, the school recognises that children who are deaf or have a hearing impairment can develop strong speech and language skills, enabling them to thrive socially, intellectually, and emotionally in a hearing-centric society if their hearing loss is detected early.

The school's approach begins with early identification of hearing loss and application of a suitable hearing technology, such as hearing aids or cochlear implants. As evidence of the school's success, many students transition to mainstream schools to continue their education.

Man's best friend – at your service

Honey's Garden for Medical Alert Dogs SA is enriching the lives of families across South Africa by providing quality task-trained service dogs. The dogs are trained to provide support and assistance to people who have experienced trauma as a result of disability or illness.

They are trained to provide diabetes alerts, seizure response, psychiatric service and multi-purpose assistance. There are also hearing dogs for people who are deaf and fur-therapists (facility dogs) whose job is to create a calm environment. The dogs assist people with Asperger's syndrome, mobility impairments, postural orthostatic tachycardia syndrome, Ehlers-Danlos syndrome, lupus, diabetes and many more conditions.



GETTING INVOLVED IN OUR COMMUNITIES continued

Access to education

The benefits of peer-to-peer learning

The Dis-Chem Foundation once again provided support for grade 8 students from Fidelitas Secondary School who participated in a Saturday morning maths outreach programme that runs throughout the year.

Our donation of exam packs, health and hygiene products and food to the learners who are tutored by grade 10 and 11 maths students from Crawford College International, Benmore Campus, contributed to a notable improvement in the students' results, compared to the beginning of the programme.

Supporting young learners

Dis-Chem Foundation donated FUTURELIFE® meals to Phuthego Day Care Centre, an ECD centre in Diepsloot. Dis-Chem nurses instructed children about the importance of oral hygiene.

The Dis-Chem Foundation provided learners at Claremont Primary School with a full complement of the stationery they need for 2025. This ensured that all learners at the school were able to start their school year with dignity and enthusiasm.

Community upliftment

International Youth Day

The Dis-Chem Foundation was joined by colleagues and their families, together with Humanitarian Empowerment Fund (HEF), to plant a nutritious garden at The Villa of Hope in Nancefield, Soweto.

Dis-Chem Foundation hydroponic garden

The Dis-Chem Foundation launched hydroponic gardens to provide sustainable food sources to communities. While hydroponic systems are generally expensive to install, we have developed affordable hydroponic systems that yield more than conventional farming and use 95% less water.

The towers in our garden have an average time from seedling to harvest of between four and six weeks. Our harvest is currently being donated to Ubuhle Bezwe, a children's home in Tembisa, which also runs a weekly soup kitchen for the surrounding community. The Dis-Chem Foundation will go into communities to install systems and train community members in hydroponic farming.



Providing sustainable water supply for an arid community

The Dis-Chem Foundation and HEF installed a borehole in the arid Uitkyk Village in North West Province. The next step will be installing a water purification system so the community can use the water for a nutritious garden.

Small business development

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.

Supporting employment and entrepreneurship in the hospitality sector

Youth unemployment represents a significant social challenge in South Africa. Limited access to education and skills development for youth ages 18 to 26 compounds this crisis.

The Dis-Chem Foundation supports COOKtastic which develops skilled and workplace-ready staff for the hospitality industry. COOKtastic provides annual culinary training and job placement support to young people from disadvantaged and underserved communities. Food prepared by the students is taken home to share with their families.

Students are placed in a partnering restaurant or hotel on a three-month internship. Many are absorbed into permanent positions. The course also creates opportunities for small, income-generating catering businesses.

GETTING INVOLVED IN OUR COMMUNITIES continued

Employee engagement

The Dis-Chem Foundation's initiatives are open to employee volunteers, providing staff with opportunities to engage in meaningful community development efforts.

#ABetterTomorrowStartsHere

Dis-Chem's aspirational #ABetterTomorrowStartsHere campaign has gained momentum since it was launched in FY2024. Inspired by the unifying force of South Africa's 2023 Rugby World Cup victory, Dis-Chem CEO pledged R12 million towards initiatives aimed at catalysing change.

Our employees voted for projects to uplift the lives of fellow South Africans and advance our conviction that #ABetterTomorrowStartsHere. Recognising that true impact requires scalability to be sustainable, we selected and funded the following six projects with significant impact and the potential to grow. Four more projects are in the pipeline for future implementation.



Low Fee Private Clinic

Dis-Chem partnered with the Rhiza Babuyile Low Fee Private Clinic, which aims to reach 250 000 people over five years through seven mobile clinics. Dis-Chem's funding will support access to quality primary healthcare services for underserved urban, peri-urban and rural communities while providing access to sporting facilities and coaching.

During FY2025, the mobile clinics attended to patients across six provinces. New clinics will be introduced in FY2026, extending the project's reach to more patients.

Dis-Chem Lung Lab

South Africa has a high tuberculosis burden with an incidence rate of 468 per 100 000 of the population, according to the World Health Organisation.

Charlotte Maxeke Academic Hospital hosts the Lung Lab, one of a few specialist pulmonary clinics. Our funding enabled the lab to obtain cryoprobes, allowing for non-invasive biopsies and bypassing the need for surgery. It also supported local doctors to attend advanced international pulmonology conferences and share their learnings with other academic hospitals in South Africa.

To date, the Lung Lab has performed five cryobiopsies. As confidence in the procedures grows, the hospital will extend the service to patients from Helen Joseph Hospital and Chris Hani Baragwanath Academic Hospital.

Dis-Chem Wash Hub

Dis-Chem contributed funding for an innovative project to address unhygienic water supply to the Ivory Park Primary School. The wash hub system uses a circular economy process, recycling water used for handwashing to flush liquid waste into underground pipes that feed local food gardens. Solid waste is contained, dried and processed into fertilizer with the potential to be converted into biochar, a sustainable energy source for heating and cooking. This innovation offers a solution to eradicate pit toilets from South African schools.

The project creates a healthier environment for learners and residents and indirectly benefits more people.

Supporting survivors of gender-based violence and trauma

Groote Schuur Hospital IPV screening

With one in three women experiencing intimate partner violence (IPV) in their lifetime[1], hospitals play a crucial role in identifying and supporting survivors. In collaboration with Groote Schuur and the Mosaic organisation, Dis-Chem's funding supports interventions to:

- Increase women's help-seeking behaviour
- Improve screening and identification processes
- Strengthen referral pathways
- Address gaps that perpetuate silence and sustain IPV

By training healthcare practitioners and using Mosaic's safe platforms, the collaboration seeks to scale its impact, ensuring widespread assistance for women in need of help. Since March 2024, many women patients have been screened at Groote Schuur and Mitchells Plain District Hospital. Patients who screen positive for IPV intervention are linked to specialised legal and psycho-social support, safety training and safe shelters.

Changing the story of food insecurity

Dis-Chem supported the Kolisi Foundation's project to provide grocery hampers to partner organisations that support survivors of gender-based violence (GBV). The project reaches many survivors monthly, providing food hampers which also sustain their family members. By addressing food security, the project removes one of the main reasons GBV survivors return to abusive relationships.

Community Intervention Centre

Dis-Chem partners with the Kolisi Foundation to support the services of the Community Intervention Centre (CIC). The CIC operates a 24/7 helpline, providing victim empowerment and trauma support services. The helpline serves as a lifeline for individuals across South Africa who experience violence, offering immediate assistance. It enhances survivors' ability to seek help and access vital resources by ensuring support is available at any hour. Our funding ensures that individuals who experience GBV, violent crimes like armed robbery, and those in need of general counselling can receive prompt assistance and guidance from qualified counsellors.

1 *www.afro.who.int/countries/south-africa*

CONFIDENCE IN OUR SUPPLY CHAIN

Promote a responsible supply chain

Our strategic focus areas

Responsible sourcing (ethical and responsible procurement)

- Quality assurance, regulatory and category-specific compliance requirements need to be met to become a registered new supplier
- Adherence to Dis-Chem's supplier code of conduct is enforced by our experienced quality assurance and technical teams
- Cyclical audits, compliance checks and assessments are conducted to manage and mitigate risks and monitor ESG-related issues
- We have partnerships with suppliers who share our commitment to ethical practices, including fair labour practices

Product safety and quality

- Stringent quality control measures are implemented in our highly regulated pharmacy and retail environment
- Regular product testing is done to ensure label claims and safety standards are met
- Product packaging is checked to ensure clear and accurate information and regulatory compliance
- Dis-Chem site audits are conducted by an independent and accredited third-party service provider

Ethical supply chain (sustainable sources)

- We prioritise the sourcing of environmentally friendly and biodegradable products, packaging and materials
- We focus on minimising environmental impact through eco-friendly sourcing and supply chain practices
- We are committed to supporting local suppliers
- We ensure transparency and traceability of in-house products

Economic inclusion

- We support small and diverse suppliers who are drivers of job creation
- The majority of front-shop products are procured from local suppliers

CONFIDENCE IN OUR SUPPLY CHAIN continued

Dis-Chem is focused on ethical and responsible purchasing of quality products at affordable prices to maintain a best-in-class experience for our customers and strong partnerships with suppliers aligned to our values.

Our performance highlights and challenges in FY2025

The majority of Dis-Chem suppliers signed the Group's supplier code of conduct and completed self-assessment questionnaires to identify risk and strengthen ethical compliance in our supply chain

During the reporting period, 3 630 hygiene audits were carried out to drive continuous improvement and ensure compliance with food safety best practices across our operations

Dis-Chem is committed to transitioning its house brands to fully recyclable packaging. While this remains a key sustainability goal, the adoption of recyclable packaging presents financial challenges, with new solutions often costing more

We recently reviewed and elevated the minimum good manufacturing practice (GMP) standards for our food house brand suppliers to meet Global Food Safety Initiative (GFSI) benchmarked certification schemes. To date, 95% of our suppliers comply, with the remaining expected to transition by the end of this year.

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

Responsible sourcing

Dis-Chem is committed to responsible supply chain management throughout its value chain. As a leading retail pharmacy group, Dis-Chem maintains a resilient, efficient and ethical supply chain to ensure the availability, quality, and timely delivery of essential medicines and health products for customers.

Imported products

Dis-Chem imports commercial goods from a complex international network of suppliers, from China to India, Turkey, Western Europe, the Middle East and North America. We also use multi-national vendors that require stringent processes to mitigate and control any potential risks posed by parties within the supply chain.

The majority of our schedule 0 to 6 pharmaceutical products available from a Dis-Chem dispensary or over-the-counter are imported. We only list pharmaceutical products registered with SAHPRA. The manufacturer is responsible for ensuring product and/or service safety testing.

In-house brands

Dis-Chem commits its in-house front-shop brands to high standards. Suppliers and/or manufacturers of in-house brands must meet several checks and requirements before the Group conducts business with them. These include an acceptable good manufacturing practice (GMP) certification for the manufacturing facility, along with any other applicable certifications or licences over and above GMP certification..

The preliminary checks are essential to ensure compliance across multiple components of the product supply chain, such as raw material sourcing/compliance, packaging compliance, testing requirements, standard operating procedures (SOPs) and internal policies. Supplier compliance is continuously monitored, and Dis-Chem conducts regular supplier audits, including risk-based and scheduled assessments, to verify ongoing adherence to our standards.

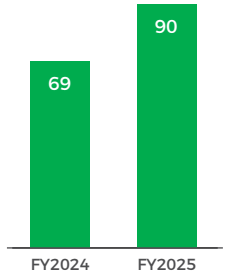
In-house brand products are managed and monitored through a comprehensive set of policies and procedures to ensure:

- Labelling and formula compliance
- Safe and high-quality products
- Customer satisfaction
- Continuous product improvement

Third-party manufacturers play a significant role in Dis-Chem's operations and product quality. Supply chain risks include concentration, scarcity, and geographic distance. To mitigate these, Dis-Chem and its suppliers diversify raw material sources and partnerships, and promote localisation where possible. Supporting the development of local suppliers also contributes to employment creation and skills development.

Our suppliers actively combat the growing supply of counterfeit products sold online. Dis-Chem is confident that its supply chains are secure and does not distribute imitation or illegal products.

Palm oil suppliers that are members of Roundtable on Sustainable Palm Oil (RSPO) – South Africa only (%)



Distribution centres

Dis-Chem's state-of-the-art distribution centres are designed for the complexities of pharmaceutical stock compliance requirements, including temperature control, batch expiry dates, stock rotation, and promotion-driven volume increases.

The Group uses a fully automated, AI-based, forecasting and replenishment system with retail-specific algorithms designed to optimise inventory levels and reduce supply chain cost. This system replenishes core, front-shop stock in our stores and pharmacies.

CONFIDENCE IN OUR SUPPLY CHAIN continued

Product quality and safety

Dis-Chem management is responsible for ensuring product quality and safety. All incident investigations into health or safety hazards are tracked and reported from detection to remediation. A health or safety hazard may be identified by many means, including:

- Customer complaints
- Detection by suppliers, industry bodies or consumer organisations, the NCC or another regulatory body
- Detection by our own employees or internal technical compliance team through internal testing programmes

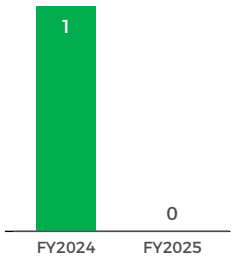
To enhance quality oversight, Dis-Chem runs several targeted, risk-based initiatives, including the Choose Safe Supplements programme, Nutritional Verification programme, and Honey Testing programme. These initiatives validate product authenticity, ethical sourcing, safety, and nutritional integrity.

All food vendors are required to possess valid, globally recognised food safety certifications—such as FSSC 22000, BRC, IFS, or Intertek FSA—benchmarking them against Global Food Safety Initiative (GFSI) standards. This requirement ensures that vendors meet statutory obligations and maintain a robust food safety management system.

The Group remains dedicated to setting the standard for safety and quality assurance in the retail industry through its external supplier audits, store manager training, and routine store audits.

During the year, Dis-Chem increased hygiene audits in its stores and engaged an external auditor to verify the outcomes of internal audits. No major risks were identified.

Products recalls
(number)



Our product compliance approach

In South Africa, in addition to category-specific requirements set out by the relevant legislation detailed in the following table, all the products available in the Group's stores, walk-in and online, must comply with the Consumer Protection Act. Products in the relevant categories must also comply with the NRCS Trade Metrology Act.

We assess product compliance per category:

Foodstuffs, infants and young children	Medicines	Medical devices	Cosmetics, toiletries and fragrances	Cleaning and disinfection	Electrical	Animal products and insecticides
Applicable regulatory bodies, acts, regulations and standards						
• National Regulator for Compulsory Specifications • Department of Agriculture, Land Reform and Rural Development • Department of Health	• Medicines Act and regulations • Pharmacy Act and regulations • Pharmacy Council	• Medicines Act and regulations • Pharmacy Act and regulations • Pharmacy Council • SAHPRA	• Cosmetics regulations • CTFA • DOH	• NRCS Foodstuffs, Cosmetics and Disinfectants Act	• NRCS • Independent Communications Authority of South Africa	• DALRRD • Medicines Act and regulations
Technical supplier/product compliance verification						
Additional information is required to verify[1]: • Packaging compliance • Proof of good practice such as Intertek FSA and GFSI-benchmarked certification scheme (BRC, IFS, FSSC 22000)	Additional information will be requested to verify: • Packaging compliance • SAHPRA registration (where applicable) • SAPC, DOH and SAHPRA licence	Additional information will be requested to verify: • Packaging compliance • SAHPRA licence • Additional site and product tests and certification, depending on class and risk	Additional information will be requested on high-risk lines: • Any reference to a medical condition, i.e. acne, eczema, dermatitis • Any potentially misleading claim • Any that claim antibacterial, antiseptic, sanitising, disinfecting, sunscreen, skin whitening, firming, anti-ageing, cellulite, slimming • Any indicating endorsements	Additional information will be requested on: • Any claims that the product is suitable for medical purposes • Any claims for antibacterial, antiseptic, sanitising, disinfecting • Any that claim endorsements	Additional information will be requested on: • Anything requiring a power source, including extension cords • Anything that emits or receives a signal	Additional information will be requested on edibles, medicines, supplements, insecticides and pesticides to verify: • DALRRD or SAHPRA registration • Good manufacturing practice

1 *Although not food, baby bottles are evaluated against infant feeding regulations*

CONFIDENCE IN OUR SUPPLY CHAIN continued

New product development

Dis-Chem is committed to developing private label products through innovation that prioritises health and wellness, while ensuring products remain affordable and accessible for our customers. Our health-focused house brands continue to evolve, offering an expanding range of healthier, plant-based, vegan, and allergy-friendly options that cater to diverse dietary needs and support better lifestyle choices.

Sustainability principles are integrated throughout the product development lifecycle. This includes a phased transition to recyclable packaging materials across all private label products, accompanied by clear on-pack recycling information to encourage responsible consumer behaviour and support circular economy practices.

We are progressively aligning our private label products with internationally recognised sustainability certifications. This includes prioritising the use of certified sustainable sources for key raw materials such as palm oil, cocoa, and soy.

Biogen platinum range - new fully recyclable packaging

Dis-Chem made further progress in its transition to fully recyclable product packaging.

The Biogen Platinum range is available in fully recyclable packaging.

Having used fully recyclable PET plastic for its containers for many years, Biogen is taking further steps to reduce its environmental impact with new labels and adhesive to ensure all packaging components are fully recyclable. The new and now fully recyclable labels mean they can remain on the containers when they are recycled, with only the lids removed, as these need to be recycled separately.

In the year ahead, Biogen will trial drop-off points at Dis-Chem stores across Gauteng to facilitate recycling. Customers can drop off empty containers as part of the trial to streamline the process. Biogen plans to expand the initiative to more Dis-Chem stores.

Product recalls

Measures are in place to uphold Dis-Chem's commitment to distributing and selling products of the highest quality. A formal product recall programme, as detailed in the Group's recall manual, is initiated whenever a product is identified as potentially posing a health or safety risk. The recall manual is fully compliant with the requirements of the National Consumer Commission (NCC) and SAHPRA for dispensary and over-the-counter products.

A product recall is initiated when a product sold by the Group presents a potential health hazard to customers. The recall process removes the product from circulation in Dis-Chem channels. In the case of a serious health hazard, Dis-Chem issues a public warning via its website and in local and regional stores to ensure public safety. Relevant government bodies are informed and, where necessary, involved to assist.

READ MORE *Read more in the ESG data tables from **page 66.***

Our product recall process and procedure

1

Notification

When a notification is received, the technical compliance team records and investigates the issue using the customer complaints management programme. This includes confirming the affected article and barcode, batch and expiry information, the nature of the defect or issue, and the proposed action.

2

Quarantine

If there are safety concerns, the product is immediately placed in quarantine. A Technical Compliance Officer is appointed and informs the category manager and supplier. A quarantine notice is sent to stores and distribution centres. Depending on the nature of the issue, the barcode is immediately blocked for sale. A product may not be released from quarantine unless there is written permission from Dis-Chem head office.

3

Product withdrawal

If a product withdrawal is necessary, the Technical Compliance Officer confirms the date of withdrawal (in most cases, immediately) and provides instructions for upliftment, return or destruction of goods.

4

Product recall

In addition to the withdrawal process, the Technical Compliance Officer assigns a recall classification, confirms the communication protocol and the level to which the recall will extend, and how affected stock will be kept safe, returned to a central point, and disposed of. Store managers confirm the number of affected units and that the affected product has been removed from shelves, placed in quarantine and sealed.

5

Communication

Dis-Chem issues a public warning via its website and stores, and notifies the NCC (in writing within two days of the initiation of a recall) and the DOH. In the case of a food recall, the local municipal inspector and the National Directorate of Food Control are also notified. The notice must set out the nature of the defect or the dangerous characteristic of the product.

6

Corrective actions

The supplier is either replaced with a GFSI-benchmarked supplier or must provide a corrective and preventive plan.

In the case of Dis-Chem in-house brands, positive release testing is conducted, and the related product can only be delivered to Dis-Chem distribution centres once the testing laboratory has confirmed that it is compliant.

CONFIDENCE IN OUR SUPPLY CHAIN continued

Increasing our disclosure on product quality and safety

Product quality and safety

Dis-Chem's sustainability policy includes a commitment to ensure product quality and safety. Product quality and safety are also governed by vendor management SOPs and the product recall process.

Description of products that present specific risk, outline nature of products and mitigating measures.

Dis-Chem's products comply with regulatory requirements and quality standards. Compliance is regularly tested through external audits, internal audits and product testing. Product safety-related emergency response procedures are available in Dis-Chem clinics on an *ad hoc* basis, but are not a regulatory requirement.

Dis-Chem store managers are trained in all regulatory requirements for products sold in Dis-Chem stores.

Dis-Chem participates in programmes that monitor product and service safety.

Dis-Chem monitors objectives or targets related to product quality and safety, such as temperature control and product expiry dates. The ESG strategy sets product quality and safety performance targets. ESG strategy, page 31.

Dis-Chem's Commercial Director is responsible for ensuring product quality and safety.

Supplier risk assessment

Questionnaires completed by Dis-Chem suppliers enable the Group to conduct supplier risk assessment.

Third-party manufacturers and suppliers undergo routine external audits, and the Group's in-house brands are audited internally to monitor regulatory compliance.

Governance report, page 15; Material ESG matters report, page 21; Confidence in our supply chain, page 58.

Ethical supply chain

Dis-Chem's vast network of suppliers assists in serving the needs of thousands of customers daily. We hold them to high standards of ethical conduct to mitigate supply chain risk and maintain customer satisfaction.

Each Dis-Chem product category has its own procurement team that identifies products and vendors, and channels them into a central procurement and store listings function. Suppliers undergo a rigorous onboarding process that assesses their compliance with the relevant regulatory and Dis-Chem requirements, before negotiating a supplier agreement and registering them on the Dis-Chem vendor portal.

Our supplier code of conduct guides ethical supply chain practices and directs suppliers to be compliant with anti-bribery and anti-corruption and other laws in countries where they operate. Suppliers must also ensure that their suppliers do not engage in unethical supply chain practices. The scope of Dis-Chem's supplier code of conduct includes all the Group's suppliers, and compliance with the code is a condition of doing business with Dis-Chem. Contravening the code may result in a review or termination of the supplier's contract. The code states suppliers may be subject to inspections and/or audits to ensure compliance. The results of supplier monitoring or auditing, including any specific actions taken in instances of non-compliance, are reported quarterly through Dis-Chem's risk management process.

Suppliers are also required to complete a supplier self-assessment questionnaire designed to enhance our understanding of possible ESG impacts in the supply chain, including issues related to labour, human rights, environmental impacts and product quality and safety. Suppliers must disclose efforts to address any impact or challenges. The evaluation informs the Group's selection of suppliers.

To date, the majority of suppliers have signed the supplier code of conduct and completed self-assessment questionnaires to enhance ethical conduct and regulatory compliance in Dis-Chem's supply chain.

Our approach to unethical conduct

Dis-Chem takes a zero-tolerance approach to theft, fraud, corruption and human rights violations.

We promote whistleblowing through training, communication and awareness. We communicate with employees through the Dis-Chem intranet, newsletters and posters distributed to our stores and distribution centres.

Whistleblowing

Call 0800 444 315

SMS 33490

Email: dischem@whistleblowing.co.za

Website: **whistleblowing.co.za**

All whistleblowing reports are formally logged and progress tracked by an independent company called Whistleblowers.

CONFIDENCE IN OUR SUPPLY CHAIN continued

Sourcing sustainable products

We support the use of sustainable products by sourcing in-house brands from suppliers that comply with relevant international standards. We sustainably source palm oil and cocoa products from suppliers with Roundtable on Sustainable Palm Oil certification and soy products with Roundtable on Responsible Soy certification.

Increasing our disclosure on ethical supply chain

Supplier policy
Dis-Chem's supplier code of conduct addresses the prevention of child labour and the prevention of forced labour as a requirement of suppliers' legal compliance.

The supplier code of conduct refers to compliance with local law on non-discrimination or equal opportunities, freedom of association and collective bargaining.

The supplier code of conduct directs suppliers to comply with fair labour and remuneration practices in areas where the Group operates.

Social supply chain policy
The supplier code of conduct addresses social risks in the supply chain and is a condition of doing business with Dis-Chem.

Risk assessment and due diligence of new business partners
Dis-Chem's supplier onboarding documents for potential new suppliers address social risks in the supply chain.

Dis-Chem's supplier manual and self-assessment questionnaires identify high-risk existing suppliers.

Dis-Chem's supplier code of conduct and self-assessment questionnaires include guidance or request information on labour, anti-bribery and anti-corruption risks in new operations or projects. Due diligences address labour risks in in-house brands. In addition, Dis-Chem requests B-BBEE certificates and has non-disclosure agreements in place.

Health and safety
The supplier code of conduct addresses supplier compliance with local laws and standards on health and safety.

Bribery policy
Dis-Chem's sustainability policy guides countering of bribery by eliminating all forms of bribery, corruption, collusion, price fixing and anti-competitive behaviour.

The Dis-Chem code of ethics specifies countering gifts, hospitality and favours, and includes a gift declaration form.

Governance report, Ethical business conduct, page 17.

Anti-corruption policy
Dis-Chem's Sustainability Report discloses the Group's anti-corruption approach.

Governance report, Ethical business conduct, page 17.

Board oversight
The Dis-Chem Board is responsible for ensuring that an appropriate system of internal control is maintained to provide reasonable assurance that Dis-Chem's assets are appropriately safeguarded and managed and that losses arising from fraud and/or other illegal acts are minimised. The SEC has comprehensive oversight of anti-corruption matters, including oversight of the Code of Ethics and whistleblowing policy.

Dis-Chem Integrated Annual Report. Governance report, Ethical business conduct, page 17.

Whistleblowing
Dis-Chem's Code of Ethics sets out the whistleblowing mechanism for employees to confidentially report allegations of fraud, corruption or unethical behaviour.

Communication
Dis-Chem communicates its anti-corruption policies on the intranet and in public disclosures.

Corruption risk assessment
Dis-Chem's AFS are audited by an external auditor. The auditor identifies risks associated with fraud.

Dis-Chem Integrated Annual Report.

Economic inclusion

Dis-Chem procured a range of personal care products from Afripure, a local small and medium-sized enterprise (SME), with a total spend of R10 085 489 in FY2025. This procurement reflects our ongoing commitment to supporting small businesses through inclusive supply chain practices. By sourcing personal care products from Afripure, Dis-Chem supports local economic participation and promotes SME sustainability in the health and wellness sector.





CONFIDENCE IN OUR SUPPLY CHAIN continued

Our future focus areas

- Strengthening risk management and controls for high-risk suppliers, based on risks identified in the completed supplier questionnaires
- Reviewing Dis-Chem's Code of Ethics to strengthen guidance on anti-bribery and AML, and updating the whistleblowing policy and programme to ensure a structured approach to confidential reporting of unethical behaviour and report processing
- Increasing testing of Dis-Chem's in-house brands to ensure quality and safety, including an independent monthly laboratory sampling programme
- Maintaining high levels of product quality and safety management as store footprint scales at a faster pace
- Working with our suppliers of cotton products to add them to our list of sustainably sourced products in FY2026
- Considering actions to build supplier capacity, including supplier training on social issues, supplier mentoring, secondments or sharing of best practices













DISCLOSURE APPENDICES

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ESG DATA TABLES

Governance	UOM	FY2025	FY2024	FY2023
FTSE/JSE Responsible investment index score (0 - 5)	No	**2,20**	2,20	1,90
Environmental Social and Governance (ESG) score - Sustainalytics (risk rating = Low 10 – 20, Med 20 – 30, High 30 – 40)	No	**21,9**	23,70	24,00
Number of Board members who are women	No	**4**	4	3
Percentage of Board members who are women	%	**36,6**	36,6	30
Racial diversity at Board level	%	**45**	45	50
Does the company include ESG into service level agreements with suppliers?	Y/N	**Y**	Y	N
Does the company formally audit suppliers and contractors for ESG compliance (including human rights)?	Y/N	**Y**	Y	N

- Not reported

ESG DATA TABLES continued

Our People
Scope – South Africa

Labour		UOM	FY2025	FY2024	FY2023
Employee movement	Total opening number of employees - permanent	No	**17 976**	17 799	16 639
	Total number of employees - fixed term (>90 days, but not permanent)	No	**1 263**	1 270	1 130
	Total number of employees - temporary (<90 days)	No	**91**	184	215
	Total number of employees - casuals	No	**1 007**	1 132	1 565
	Total number of employees - all	No	**20 563**	20 562	20 709
	Total number of permanent employees who are males	No	**6 431**	6 380	6 408
	Total number of permanent employees who are females	No	**11 886**	11 596	11 391
	Number of permanent employees who are pharmacists	No	**1 234**	1 359	1 339
	Number of permanent employees who are nurses	No	**532**	490	426
	Total number of permanent employees who are under 30 years of age	No	**4 629**	4 487	5 320
	Total number of permanent employees who are between 31 - 40 years of age	No	**7 875**	7 767	7 411
	Total number of permanent employees who are between 41 - 50 years of age	No	**4 025**	3 906	3 458
	Total number of permanent employees who are above 50 years of age	No	**1 788**	1 816	1 610
	Total number of new permanent employees hired (new engagements)	No	**2 505**	2 714	3 759
	Total number of new permanent employees who are under 30 years of age	No	**1 326**	1 454	1 696
	Total number of new permanent employees who are between 31 - 40 years of age	No	**877**	941	1 314
	Total number of new permanent employees who are between 41 - 50 years of age	No	**243**	261	486
	Total number of new permanent employees who are above 50 years of age	No	**59**	58	263
	Number of permanent employee terminations	No	**2 181**	2 537	2 599
	Total closing number of permanent employees	No	**18 382**	17 976	17 799
	Employee turnover (i.e., number of permanent employees who departed relative to the total number of permanent employees at thev beginning of the reporting period)	%	**12,00** Ⓐ	14,18 Ⓐ	15,10

- *Not reported*
Ⓐ *Assured*

ESG DATA TABLES continued

Labour		UOM	FY2025	FY2024	FY2023
Diversity and equal opportunity	Gender diversity at top management	%	**20,00** Ⓐ	20,00 Ⓐ	0,00
	Racial diversity at top management	%	**0,00** Ⓐ	0,00 Ⓐ	0,00
	Gender diversity at senior management	%	**39,22** Ⓐ	38,10 Ⓐ	39,02
	Racial diversity at senior management	%	**17,65** Ⓐ	14,29 Ⓐ	12,20
	Gender diversity at middle management	%	**44,07** Ⓐ	43,68 Ⓐ	42,49
	Racial diversity at middle management	%	**42,47** Ⓐ	39,55 Ⓐ	36,67
	Gender diversity at junior management	%	**72,50**	72,53	71,53
	Racial diversity at junior management	%	**77,70**	74,94	69,68
	Percentage of employees who are deemed 'disabled' (permanent employees)	%	**1,00**	1,14	1,15
Hours worked	Total number of person hours worked (PHW) - Reported	No	**38 710 062**	38 192 306	37 704 729
	Total number of PHW - Calculated (i.e., 1 824 HW multiplied by total workforce at year end)	No	**34 566 624**	33 944 640	33 667 392
	Variance in PHW reported, versus calculated (percentage)	%	**11,99**	12,51	11,99
Employee training and development	Total number of employees trained, including internal and external training interventions	No	**7 889**	8 895	7 832
	Rand value of employee training spend	R	**62 647 932,89**	45 365 240,00	70 483 418,00
	Number of employees who completed customer services training	No	**463**	775	723
	Total number of employees on learnerships	No	**1 097**	2 753	3 580
	Total number of employees on apprenticeships	No	**0**	0	0
	Total number of work integrated learning	No	**181**	72	25
	Percentage of learnership, apprenticeship and internship candidates that are HDSA	%	**96,20**	96,40	88,10

- Not reported
Ⓐ Assured

ESG DATA TABLES continued

Labour		UOM	FY2025	FY2024	FY2023
Employee relations	Total number of person days lost due to absenteeism	No	**29 500,44**	33 341,97	34 417,56
	Percentage of total person days lost due to absenteeism - calculated or reported	%	**0,09**	0,10	0,07
	Total number of person days lost due to industrial action (i.e., Strike action)	No	**0**	0	0
	Percentage of total person days lost due to industrial action - calculated or reported	%	**0,00**	0,00	0,00
	Total number of grievances about labour practice filed through a formal grievance mechanisms	No	**31**	20	9
	How many were addressed?	No	**31**	20	9
	How many were resolved?	No	**30**	20	9
	Total number of grievances about labour practices filed prior to the reporting period that were resolved during the reporting period	No	**0**	0	0
	Number of reports of discrimination and harassment incidents	No	**6**	7	17
	Percentage of employees covered by collective bargaining agreement	%	**9,00**	0,00	0,00
	Percentage of employees belonging to trade unions	%	**0,50**	0,40	0,40

- Not reported

ESG DATA TABLES continued

Botswana and Namibia

		UOM	FY2025 Botswana	FY2025 Namibia	FY2024 Botswana	FY2024 Namibia
Employee movement	Total number of employees - permanent	No	**85**	**253**	80	247
	Total number of employees - fixed term (>90 days, but not permanent)	No	**15**	**35**	0	21
	Total number of employees - temporary (<90 days)	No	**0**	**0**	14	2
	Total number of employees - all	No	**100**	**288**	94	270
	Total number of contractor employees (i.e., Contractors)	No	**0**	**15**	0	39
	Percentage of management (top and senior)	%	**19,00**	**10,42**	4,00	11,11
	Percentage of management (top and senior) who are women	%	**8,00**	**70,00**	25,00	7,41
	Percentage of employees who are women	%	**56,00**	**63,89**	60,00	62,59
	Number of pharmacists	No	**6**	**19**	4	12
	Total number of new employees hired (new engagements)	No	**0**	**15**	2	19
	Number of employee terminations	No	**1**	**18**	0	7
	Employee turnover (i.e., number of persons who departed relative to the total number of employees at year end)	%	**1,00**	**6,25**	4,00	2,96

- Not reported

ESG DATA TABLES continued

Health and safety

Scope – South Africa

Labour		UOM	FY2025	FY2024	FY2023
Workplace injuries	Number of fatalities (i.e., injuries on duty leading to death, excluding the deaths of workers not occurring 'at work')	No	**0** Ⓐ	1	0
	Number of first aid cases (FACs, i.e., injuries on duty leading to minor treatments, such as a plaster or a pain tablet)	No	**97**	68	94
	Number of occupational health cases (diagnosed work-related diseases)	No	**0** Ⓐ	0	0
	Number of lost time injuries (LTIs, i.e., injuries on duty leading to at least one lost day) and medical treatment cases (MTCs, i.e., injuries on duty leading to medical treatment, but no lost days)	No	**262** Ⓐ	287	203
	Total number of recordable injuries (Fatalities, OHC, LTIs)	No	**262** Ⓐ	296	236
	Fatal injury frequency rate (FIFR, i.e., number of fatalities per 200 000 person hours worked)	Rate	**0**	0,006	0
	Lost time injury frequency rate (LTIFR, i.e., number of LTIs per 200 000 person hours worked)	Rate	**1,753**	1,691	0,8
	Occupational health case rate	Rate	**0**	0	0
	Total recordable injury frequency rate (TRIFR)	Rate	**2,399**	1,744	0,9
HIV/AIDS	Total number of employees and contractors receiving voluntary counselling and testing (VCT) for HIV/AIDS (i.e., counselled)	No	**4 862**	425	444
	Total number of employees and contractors tested for HIV/AIDS	No	**4 862**	3 588	3 970
	HIV/AIds prevalence rate amongst employees	%	**2,30**	2,34	2,70
Other	Number of operational health and safety audits conducted	No	**0**	0	0
	Number of food and safety audits conducted	No	**341**	314	300
	Number of food safety product tests (Including routine microbiological tests, residues, shelf-life, nutritional information, etc.)	No	**401**	349	240
	Number of pharmaceutical product safety tests	No	**200**	304	500
	Number of store armed robbery incidents	No		6	4
Health and Safety Training	Number of employees who have been trained in fire fighting		**229**		
	Number of employees who have been trained in first aid level 1		**234**		
	Number of employees who have complete SHE representative training		**217**		

- *Not reported*
Ⓐ *Assured*

ESG DATA TABLES continued

Taking care of our planet

Emissions

Scope 1	UOM	FY2025	FY2024
Emissions from stationary sources	$KgCO_2e$	**706 174,11**	3 552 823,79
Emissions from mobile sources	$KgCO_2e$	**8 496 940,90**	7 861 806,51
Emissions from ozone depleting substances	$KgCO_2e$	**1 699 118,23**	1 459 071,82
Total Scope 1 emissions	$KgCO_2e$	**10 902 233,24**	12 926 085,85
Total Scope 1 emissions	tCO_2e	**10 902,23** Ⓐ	12 926,09 Ⓐ
Total m^2 (Head office, warehouses and stores)	m^2	**586 690,00**	572 379,00
Scope 1 emissions/m^2	tCO_2e/m^2	**0,018**	0,023

Scope 2	UOM	FY2025
Emissions from electricity purchased (HO & WH)	$KgCO_2e$	**12 677 964,00**
Emissions from electricity purchased (HO & WH)	tCO_2e	**12 677,97** Ⓐ
Emissions from electricity purchased (Stores)	$KgCO_2e$	**123 016 359,11**
Emissions from electricity purchased (Stores)	tCO_2e	**123 016,36**
Emissions from electricity self-generated - Solar PV	$KgCO_2e$	**0,00**
Emissions from non-renewable energy purchased	$KgCO_2e$	**135 694 323,11**
Emissions from renewable energy generated	$KgCO_2e$	**0,00**

Scope 2 continued	UOM	FY2025
Total Scope 2 emissions (HO, WH, stores)	$KgCO_2e$	**135 694 323,11**
Total Scope 2 emissions (HO, WH, stores)	tCO_2e	**135 694,32**
Total m^2 - stores	m^2	**436 312,00**
Scope 2 emissions - stores/m^2	tCO_2e/m^2	**0,28**
Total m^2 - Head office and warehouses	m^2	**150 378,00**
Scope 2 emissions - Head office and warehouses/m^2	tCO2e/m^2	**0,08**
Total m^2 (Head office, warehouses and stores)	m^2	**586 690,00**
Scope 2 emissions/m^2	tCO_2e/m^2	**0,2313**

Scope 3	UOM	FY2025
Emissions from waste generated	$KgCO_2e$	**468 126,25**
Emissions from water withdrawal	$KgCO_2e$	**63 910,67**
Emissions from water discharged	$KgCO_2e$	**58 148,24**
Emissions from business travel	$KgCO_2e$	**1 221 476,98**
Total Scope 3 emissions	$KgCO_2e$	**1 811 662,14**
Total Scope 3 emissions	tCO_2e	**1 811,66**

Total emissions	UOM	FY2025
Total emissions (Scope 1, 2 & 3)	tCO_2e	**148 408,21**

- *Not reported*
Ⓐ *Assured*

ESG DATA TABLES continued

Use of natural resources

Scope 1	UOM	FY2025	FY2024
Diesel		**Usage**	**Usage**
Total diesel consumption	L	**2 429 287,64**	3 261 774,80
Total diesel consumption stationary (generator)	L	**247 202,71** Ⓐ	1 335 648,04 Ⓐ
Total diesel consumption mobile (vehicles)	L	**2 182 084,93**	1 926 126,76
Petrol			
Total petrol consumption mobile equipment (vehicles)	L	**1 145 785,10**	1 165 238,01
LPG			
Total LPG consumption	L	**31 163,40**	33 579,32
Ozone-depleting substances			
R134A	Kg	**303,00**	305,50
R32	Kg	**21,15**	0,00
R409	Kg	**32,00**	0,00
R22	Kg	**68,60**	21,40
R290	Kg	**3,00**	5,00
R600	Kg	**0,00**	3,00
R410A	Kg	**56,10**	14,10
R404A	Kg	**209,80**	192,40
R407A	Kg	**0,00**	0,00
R407C	Kg	**109,30**	94,10
R507A	Kg	**2,50**	21,50

Scope 2	UOM	FY2025
Electricity		**Usage**
Total electricity purchased (HO&WH) - i.e., Eskom	kWh	**12 190 350,00** Ⓐ
Total electricity purchased (Stores) - i.e., Eskom	kWh	**118 284 960,68**
Total electricity self-generated - i.e., from solar, wind or other sources	kWh	**0**
Total non-renewable energy purchased	kWh	**130 475 310,68**
Total renewable energy generated	kWh	**0**

- Not reported
Ⓐ Assured

ESG DATA TABLES continued

Scope 3	UOM	FY2025	FY2024
Waste		**Waste generated**	**Waste generated**
Total waste generated	t	**5 677,01**	-
Total waste – reused	t	**32**	-
Cardboard – reused	t	**23**	-
Polystyrene – reused	t	**9**	-
Paper – reused	t	**0**	-
Total waste – recycled	t	**4 648,89**	-
Cardboard – recycled	t	**4 417,33**	4 572,11
Plastic – recycled	t	**150,12**	107,73
Metal – recycled	t	**0,41**	-
Tins – recycled	t	**0,00**	0,00
Paper – recycled	t	**81,03**	74,23
Total waste – landfilled	t	**827,81**	
General waste – landfilled	t	**827,81**	1 212,04
Food waste – landfilled	t	**0,00**	0,00
Total healthcare risk waste generated	t	**41,01**	0,00
Infectious waste – treated	t	**3,82**	-
Sharps – treated	t	**7,83**	-
Cytotoxic – incinerated	t	**6,58**	-
Pharmaceutical waste – landfilled	t	**0,00**	-
Pharmaceutical waste – incinerated	t	**22,78**	-
Food waste (fat trap) – waste to energy	t	**127,30**	-
Total hazardous waste generated	t	**168,31**	-
Total non-hazardous waste generated	t	**5 508,70**	-

- Not reported

Scope 3	UOM	FY2025
Water		**Water withdrawn**
Total water withdrawal	m^3	**417 416,72**
Total water withdrawal – stores	m^3	**363 640,69**
Total water withdrawal – HO & warehouses	m^3	**48 218,19**
Total water withdrawal – surface water from rivers, lakes, natural ponds	m^3	**0,00**
Total water withdrawal – groundwater from wells, boreholes	m^3	**4 057,84**
Total water withdrawal – municipal potable water	m^3	**413 358,88**
Total water withdrawal – used quarry water collected in the quarry	m^3	**0,00**
Total water withdrawal – external wastewater	m^3	**0,00**
Total water withdrawal – rainwater harvested	m^3	**0,00**
Total water withdrawal – sea water, water extracted from the sea or the ocean	m^3	**0,00**
Total water withdrawal – third parties potable	m^3	**0,00**
Water discharged – municipal effluent (75% of water withdrawn)	m^3	**313 062,54**
Water discharged – to oceans	m^3	**0,00**
Water discharged – surface	m^3	**0,00**
Water discharged – wells	m^3	**0,00**
Water discharged – off-site water treatment	m^3	**0,00**
Water disposed – beneficial/other use	m^3	**0,00**

- Not reported

ESG DATA TABLES continued

Environmental management

Labour		UOM	FY2025	FY2024	FY2023
Environmental management	Total number of environmental fines and/or non-compliances	R	**0**	0	0
	Total number of non-monetary sanctions	No	**0**	0	0
	Rand value of environmental fines	R	**0**	0	0
	Total number of cases brought through dispute resolution mechanisms	No	**0**	0	0
	Total number of environmental complaints	R	**0**	0	0
	Total number of significant/reportable spillages	No	**0**	0	0
Environmental grievance	Total number of grievances about environmental impact filed through a formal grievance mechanism	No	**0**	0	0
	How many were addressed?	No	**0**	0	0
	How many were resolved?	No	**0**	0	0
	How many grievances about environmental impacts filed prior to the reporting period that were resolved during the current reporting period	No	**0**	0	0

- Not reported

ESG DATA TABLES continued

Being there for our customers

Customer	UOM	FY2025	FY2024	FY2023
Loyalty programme				
Number of benefit members	No	**10 706 576**	9 384 367	7 885 629
Growth in benefit members (%)	%	**14,09**	18,00	15,00
Percentage of sales transactions through benefit loyalty cards	%	**81,78**	77,90	74.70
Rand value of redeemed benefits through benefit programme	R	**326 231 636,91**	308 994 165,00	312 959 622,00
Customer satisfaction				
Total number of customer complaints	No	**18 215**	19 078	15 642
Total number of customer compliments	No	**2 686**	2 121	1 562
Total number of sales transactions (in-store & online)	No	**106 119 017**	104 375 026	100 082 8100
Percentage of customer complaints (i.e., customer complaints relative to sales transactions)	%	**0,0200**	0,0200	-

Dispensary	UOM	FY2025	FY2024	FY2023
Total number of dispensaries	No	**285**	268	253
Total number of items dispensed	No	**80 599 602**	76 567 037	75 870 6570
Rate of dispensing errors	%	**0,0015** Ⓐ	0,00120 Ⓐ	0,00128
Rand value associated with dispensing errors	R	**146 583,00**	210 638,47	226 914,26
Number of pharmacists	No	**1 234**	1 359	1 339

- *Not reported*
Ⓐ *Assured*

ESG DATA TABLES continued

Clinic	UOM	FY2025	FY2024	FY2023
Adverse Health Events				
Total number of clinics	No	**599**	525	450
Total number of active clinics	No	**519**	445	438
Total number clinic consultations	No	**1 443 815**	1 512 172	2 189 7290
Total number of clinic adverse health events	No	**19**	5	5
Percentage of clinic customer adverse health events	%	**0,0013** Ⓐ	0,00023 Ⓐ	0,000228
Rand value associated with the adverse health events	R	**19 405,20**	0,00	-
Nurses information				
Total number of registered nurses	No	**532**	490	-
Number of primary care nurse specialists	No	**30**	25	-
Number of registered nurses with general nursing	No	**530**	74	-
Number of enrolled nurses	No	**2**	3	-
Number of registered nurses in Dis-Chem clinics	No	**460**	408	-
Number of registered nurses in Baby City clinics	No	**30**	35	-
Number of in-house warehouse registered nurses	No	**10**	10	-
Number of registered nurses in community clinics	No	**8**	8	-
Number of registered nurses in corporate clinics	No	**11**	12	-
Number of full time fixed-term nurses in group	No	**12**	3	-
Number of registered nurses at head office	No	**16**	14	-

- *Not reported*
Ⓐ *Assured*

ESG DATA TABLES continued

Clinic	UOM	FY2025	FY2024
Number of clinics			
Total number of clinic rooms	No	**599**	538
Number of Dis-Chem clinic rooms	No	**526**	461
Number of Baby City clinic rooms	No	**47**	49
Number of in-house warehouse clinic rooms	No	**7**	10
Number of community clinic rooms	No	**8**	8
Number of corporate clinic rooms	No	**11**	10
Total number of active clinic rooms	No	**516**	471
Number of active Dis-Chem clinic rooms	No	**460**	408
Number of active Baby City clinic rooms	No	**30**	35
Number of active in-house warehouse clinic rooms	No	**7**	10
Number of active community clinic rooms	No	**8**	8
Number of active corporate clinic rooms	No	**11**	10

Privacy and Data Security	UOM	FY2025	FY2024
Total number of data breaches recorded	No	**10** Ⓐ	5 Ⓐ
Percentage of breaches involving personally identifiable information (PII)	%	**44,44**	100
Percentage of breaches involving protected health information (PHI)	%	**55,56**	0
Number of customers affected	No	**28**	66
Number of customers affected in PII category	No	**22**	66
Number of customers affected in PHI category	No	**6**	0
Total amount of monetary losses as a result of legal proceedings associated with data security and privacy	R	**0**	0
Total amount of monetary losses as a result of investigations associated with data security and privacy	R	**0**	0
Total amount of monetary losses as a result sanctions associated with data security and privacy	R	**0**	0
Total number of non-monetary sanctions associated with data security and privacy	No	**0**	0

- *Not reported*
Ⓐ *Assured*

ESG DATA TABLES continued

Manufactured Capital	UOM	FY2025	FY2024
Sales/Manufactured Capital			
Number of product units sold during the year	No	**352 390 990**	350 604 831
Total number of sales transactions	No	**73 167 775**	71 274 123
Average revenue per sales transaction	R	**343,29**	344,10
Rand value of total inventory as at financial year end	R	**7 905 213 000,00**	7 162 558 000,00
Number of trading weeks	No	**52**	52
Average number of transactions per week	No	**1 407 072**	1 370 656

Property, Equipment & Vehicles	UOM	FY2025	FY2024
Number of new stores opened during the year	No	**21**	15
Dis-Chem	No	**20**	15
Baby City	No	**1**	0
Total number of stores	No	**330**	327
Dis-Chem	No	**285**	273
Baby City	No	**45**	54
Number of stores - in South Africa	No	**325**	321
Dis-Chem	No	**280**	267
Baby City	No	**45**	54
Number of warehouses and distribution centres	No	**6**	6
Number of warehouses and distribution centres - in South Africa	No	**6**	6
Total area of warehouses and distribution centres (m^2)	m^2	**143 623,00**	143 623,00
Total area of warehouses and distribution centres - in South Africa (m^2)	m^2	**143 623,00**	143 623,00

- Not reported

ESG DATA TABLES continued

Getting involved in our communities

CSI expenditure	UOM	FY2025	FY2024	FY2023
Total corporate social investment (CSI) spent	R	**44 354 158**	34 313 634	12 479 225
Total rand value of donations to the Dis-Chem Foundation	R	**48 872 098**	35 714 668	20 849 518.50
Rand value of donations from Dis-Chem	R	**46 296 636**	31 981 659	-
Rand value of donations from third-party donor partners	R	**2 575 462**	3 733 009	-
Rand value of CSI spend on access to healthcare	R	**15 219 143**	16 110 159	3 196 452
Rand value of CSI spend on access to education	R	**10 464 105**	6 559 362	1 258 748
Rand value of CSI spend on community upliftment (basic needs and social development, including nutrition and/or feeding programme)	R	**18 670 910**	11 644 113	8 024 025

- Not reported

Confidence in our supply chain

Supply chain	UOM	FY2025	FY2024
Total number of product quality and safety complaints (in-house brands)	No	**695**	269
Total number of complaints related to product labelling	No	**0**	1
Total number of product recalls	No	**0** Ⓐ	1 Ⓐ
Number of units returned due to product recalls	No	**0**	4 178
Rand value associated with product recalls	R	**0**	421 451,40
Percentage of palm oil suppliers that are members of Roundtable on Sustainable Palm Oil (RSPO) - South Africa only	%	**90,00**	69,00

- Not reported
Ⓐ Assured

ESG DATA TABLES continued

Economic value created and distributed

Economic values created and distributed	UOM	FY2025	FY2024
Rand value of total revenue generated	R	**39 172 347 000,00**	36 283 476 000,00
Rand value of total revenue generated in South Africa	R	**38 640 345 000,00**	35 802 046 000,00
Percentage of revenue generated in South Africa	%	**99,00**	99,00
Rand value of net profit after tax generated	R	**1 219 238 000,00**	1 020 488 000,00
Rand value of net profit after tax generated in South Africa	R	**1 185 505 000,00**	1 003 829 000,00
Percentage of net profit after tax generated in South Africa	%	**97,00**	98,00
Rand value of total compensation paid to employees, including wages and benefits	R	**5 011 676 034,63**	4 693 585 204,41
Average compensation paid to employees, including wages and benefits	R	**173 847,40**	198 358,00
Rand value of total compensation paid to employees, including wages and benefits in South Africa	R	**4 941 900 155,96**	4 633 086 589,53
Percentage of total compensation paid to employees, including wages and benefits in South Africa	%	**98,60**	98,70
Total rand value of gains realised from LTIP Awards - Executive Directors	R	**804 000,00**	573 000,00
Total rand value of compensation paid to Executive Directors - Including gains realised from LTIP Awards	R	**57 354 000,00**	55 480 000,00
Average Compensation per Executive Director (Rands) - Including gains realised from LTIP Awards	R	**11 470 800,00**	11 096 000,00
Income Disparity Ratio: average compensation paid to Executive Directors relative to average compensation paid to employees - Including LTIP	Ratio	**65.98**	55,94
Total Compensation paid to Prescribed Officers - Excluding gains realised from LTIP Awards	R	**63 942 000,00**	77 115 742,73
Average Compensation per Executive Director and Prescribed Officers - Excluding gains realised on LTIP Awards	R	**8 032 800,00**	7 711 574,27
Income Disparity Ratio: average Executive Directors and Prescribed Officer compensation relative to average employee compensation - Excluding LTIP	Ratio	**46.21**	38,88
Total Rand value of gains on the exercise of share options - Prescribed Officers	R	**3 695 000,00**	1 103 000,00
Average Compensation per Executive Director and Prescribed Officers - Including gains realised on share options and/or LTIP Awards	R	**8 332 733,33**	8 839 000,00
Wage gap ratio as per Companies Act - ratio of average compensation per top 5% to average compensation per bottom 5% of employees	R	**17,30**	17,33
Average Compensation per male employee	R	**185 460,49**	211 405,67

- Not reported

ESG DATA TABLES continued

Economic values created and distributed continued	UOM	FY2025	FY2024
Average compensation per female employee	R	**167 107,13**	191 140,62
Ratio of male:female average compensation	Ratio	**1,11**	1,11
Rand value of total taxes paid, inclusive of vat, income tax, royalties, rates and taxes, and all other payments to government	R	**1 826 653 700.05**	1 207 892 414,57
Rand value of total taxes paid in South Africa	R	**1 682 514 074.71**	1 116 294 967,67
Percentage of total taxes paid in South Africa	%	**92,00**	92,00
Rand value of funds invested in research and development	R	**39 981 478,62**	43 796 299,29
Rand value of funds invested in research and development in South Africa	R	**39 981 478,62**	43 796 299,29
Percentage of total funds invested in research and development in South Africa	%	**100,00**	100,00
Rand value of retained earnings	R	**3 722 968 000,00**	2 965 235 000,00
Rand value of current assets – total	R	**11 944 913 000,00**	10 922 955 000,00
Rand value of current assets in South Africa	R	**11 824 967 000,00**	10 812 704 000,00
Rand value of current liabilities – total	R	**10 177 823 000,00**	9 183 078 000,00
Rand value of current liabilities in South Africa	R	**10 046 467 000,00**	9 029 536 000,00
Rand value of share buybacks	R	**0,00**	0,00
Rand value of Capital Expenditures (Capex)	R	**1 402 144 000,00**	1 027 094 000,00
Rand value of Capital Expenditures (Capex) in South Africa	R	**1 401 135 232,82**	1 023 894 000,00
Rand value of stock losses due to expiry, theft, breakages and/or other	R	**49 340 581,00**	28 000 000,00

- Not reported

ASSURANCE REPORT

Independent Assurance Practitioner's Limited Assurance Report on Selected Key Performance Indicators

To the Directors of Dis-Chem Pharmacies Limited

Report on Selected Key Performance Indicators

We have undertaken a limited assurance engagement on selected key performance indicators (KPIs), as described below, and presented in the Sustainability Report 2025 of Dis-Chem Pharmacies Limited ("Dis-Chem") for the year ended 28 February 2025 (the Report). This engagement was conducted by a multidisciplinary team including environmental and assurance specialists with relevant experience in sustainability reporting.

Subject Matter

We have been engaged to provide a limited assurance conclusion in our report on the following selected KPIs, marked with an "Ⓐ" on the relevant pages in the Report. The selected KPIs described below have been prepared in accordance with Dis-Chem's internally defined criteria ("reporting criteria"). The reporting criteria is available on page 85 of the Report.

Nr.	Key Performance Indicators	Unit of Measurement	Reporting Boundary	Page in Report
1	Employment equity (race and gender at top, senior and middle management)	%	South Africa Business	Page 68
2	Rate of permanent employee turnover	Rate	South Africa Business	Page 67
3	Number of fatalities	Number	Dis-Chem Group	Page 71
4	Number of lost time injuries (LTIs) and medical treatment cases (MTCs)	Number	Dis-Chem Group	Page 71
5	Number of occupational diseases (ODs)	Number	Dis-Chem Group	Page 71
6	Total number of recordable injuries (MTCs, LTIs and Fatalities)	Number	Dis-Chem Group	Page 71
7	Total diesel consumption - generators	Litre	South Africa Business	Page 73
8	Total electricity Consumption	kWh	Dis-Chem warehouses and Head Office	Page 73
9	Scope 1 carbon emissions	tCO_2e	South Africa Business	Page 72
10	Scope 2 carbon emissions	tCO_2e	Dis-Chem warehouses and Head Office	Page 72
11	Rate of dispensing errors	Rate	South Africa Business	Page 76
12	Rate of clinic patient safety adverse health events	Rate	South Africa Business	Page 77
13	Data privacy and security incidents	Number	Dis-Chem Group	Page 78
14	Number of product recalls of in-house brands	Number	Dis-Chem Group	Page 80

ASSURANCE REPORT continued

Directors' Responsibilities

The Directors are responsible for the selection, preparation and presentation of the selected KPIs in accordance with Dis-Chem's reporting criteria. This responsibility includes the identification of stakeholders and stakeholder requirements, material issues, commitments with respect to sustainability performance and design, implementation and maintenance of internal control relevant to the preparation of the Report that is free from material misstatement, whether due to fraud or error. The Directors are also responsible for determining the appropriateness of the measurement and reporting criteria in view of the intended users of the selected KPIs and for ensuring that those criteria are publicly available to the Report users.

Inherent Limitations

The Greenhouse Gas (GHG) emission quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the *Code of Professional Conduct for Registered Auditors* issued by the Independent Regulatory Board for Auditors (IRBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International *Code of Ethics for Professional Accountants (including International Independence Standards).*

Deloitte applies the International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Assurance Practitioner's Responsibility

Our responsibility is to express a limited assurance conclusion on the selected KPIs based on the procedures we have performed and the evidence we have obtained. We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance Engagements other than Audits or Reviews of Historical Financial Information* and, in respect of greenhouse gas emissions, in accordance with the International Standard on Assurance Engagements (ISAE) 3410, *Assurance Engagements on Greenhouse Gas Statements*, issued by the International Auditing and Assurance Standards Board. These Standards requires that we plan and perform our engagement to obtain limited assurance about whether the selected KPIs are free from material misstatement.

A limited assurance engagement undertaken in accordance with ISAE 3000 (Revised) and ISAE 3410 involves assessing the suitability in the circumstances of Dis-Chem's use of its reporting criteria as the basis of preparation for the selected KPIs, assessing the risks of material misstatement of the selected KPIs whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the selected KPIs. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks. The procedures we performed were based on our professional judgement and included inquiries, observation of processes followed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above we:

- Interviewed management and senior executives to obtain an understanding of the internal control environment, risk assessment process and information systems relevant to the sustainability reporting process;
- Inspected documentation to corroborate the statements of management and senior executives in our interviews;
- Performed a walkthrough processes and systems to generate, collate, aggregate, monitor and report the selected KPIs;
- Inspected supporting documentation on a sample basis and performed analytical procedures to evaluate the data generation and reporting processes against the reporting criteria; and
- Evaluated whether the selected KPIs presented in the Report are consistent with our overall knowledge and experience of sustainability management and performance at Dis-Chem.

The procedures performed in a limited assurance engagement vary in nature and timing, and are less in extent than for a reasonable assurance engagement. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether Dis-Chem's selected KPIs have been prepared, in all material respects, in accordance with the accompanying reporting criteria.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the selected KPIs as set out in the Subject Matter paragraph above for the year ended 28 February 2025 are not prepared, in all material respects, in accordance with the reporting criteria.

Other Matters

Our report includes the provision of limited assurance on the following KPIs for the year:

1. Number of fatalities;
2. Number of lost time injuries (LTIs) and medical treatment cases (MTCs);
3. Number of occupational diseases (ODs);
4. Total number of recordable injuries (MTCs, LTIs and Fatalities);
5. Total electricity consumption; and
6. Scope 2 carbon emissions.

We were previously not required to provide assurance on these selected KPIs.

The maintenance and integrity of Dis-Chem's website is the responsibility of Dis-Chem's management. Our procedures did not involve consideration of these matters and, accordingly, we accept no responsibility for any changes to either the information in the Report or our independent limited assurance report that may have occurred since the initial date of its presentation on Dis-Chem's website.

Restriction of Liability

Our work has been undertaken to enable us to express a limited assurance conclusion on the selected KPIs to the Directors of Dis-Chem in accordance with the terms of our engagement, and for no other purpose. We do not accept or assume liability to any party other than Dis-Chem, for our work, for this report, or for the conclusion we have reached.



Deloitte & Touche
Registered Auditors

Per Jyoti Vallabh
Chartered Accountant (SA)
Registered Auditor
Partner

27 June 2025

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South Africa

ASSURANCE REPORT continued

Dis-Chem Sustainability Report Assurance Criteria

Material ESG Factor	KPI	UOM	Boundary	Definition
Diversity and inclusion	Employment equity (race and gender at top, senior and middle management)	%	South Africa Business	Expressed as the representation of permanent employees of all segments of population within levels of management (race and gender at top, senior, middle and junior management).
Employee retention	Rate of permanent employee turnover	Rate	South Africa Business	Number of permanent employees who departed relative to the total number of permanent employees at the beginning of the reporting period. Expressed as an average percentage.
Employee health, safety and wellbeing	Number of fatalities	Number	Dis-Chem Group	is an employee death resulting from a work-related incident or exposure; in general, from an injury or an illness caused by or related to a workplace hazard.
	Number of lost time injuries (LTIs) and medical treatment cases (MTCs)	Number	Dis-Chem Group	Any injury sustained during work activities that results in the temporary loss of an employee's ability to perform their regular duties. Such injuries are verified by a licensed medical practitioner and include cases where medical treatment was administered on the injured employee.
	Number of occupational diseases (ODs)	Number	Dis-Chem Group	An occupational disease is a reported disease or disorder that arises due to exposure to risk factors within the workplace. This excludes the mere aggravation or triggering of pre-existing conditions. All occupational diseases must be diagnosed and substantiated by an Occupational Health Practitioner.
	Total number of recordable injuries (MTCs, LTIs and fatalities)	Number	Dis-Chem Group	The total number of recordable injuries is the sum of all work-related incidents classified as medical treatment cases (MTCs), lost time injuries (LTIs), and fatalities.
Use of natural resources	Total diesel consumption - generators	Litre	South Africa Business	Total diesel consumption by generators for the reporting period.
	Total electricity consumption	kWh	Head office and warehouses	Total electricity consumption for the reporting period.
Carbon emissions	Scope 1 carbon emissions	tCO_2e	South Africa Business	Carbon emissions expressed as carbon dioxide equivalent (CO_2e) = Total fuel by type (stationary and mobile) + refrigerant gases used multiply by the relevant DEFRA or locally approved emissions conversion factors.
	Scope 2 carbon emissions	tCO_2e	Head office and warehouses	Carbon emissions expressed as carbon dioxide equivalent (CO_2e) = Total electricity consumed (kWh) multiplied by the relevant locally approved emission conversion factors (SA-Eskom factor).
Customer health and safety	Rate of dispensing errors	Rate	South Africa Business	Rate of dispensing errors is expressed as the total number of dispensing errors/total number of items dispensed for the reporting period (%).
	Rate of clinic patient safety adverse health events	Rate	South Africa Business	Rate of clinic patient safety adverse health events is expressed as total number of clinic adverse health events recorded/total number of clinic consultations for the reporting period.
Data privacy and security	Data privacy and security incidents	Number	Dis-Chem Group	Total number of data breaches recorded for the reporting period.
Product safety (in-house brands)	Number of product recalls	Number	South Africa Business	Total number of product recalls is the count of recalls due to product safety or failure issues for in-house brands only.

GLOSSARY

AFS	Annual Financial Statements
AI	Artificial intelligence
AML	Anti-money laundering
CTFA	Cosmetic, Toiletry & Fragrance Association of South Africa
DALRRD	Department of Agriculture, Land Reform and Rural Development
DFFE	Department of Forestry, Fisheries and the Environment
DOH	Department of Health
ERMF	Enterprise risk management framework
ESG	Environmental, Social and Governance
FIFR	Fatal injury frequency rate
GP	General practitioner
GRI	Global Reporting Initiative
GHG	Greenhouse gases
HDSA	Historically disadvantaged individual
HEF	Humanitarian Empowerment Fund
HPA	Health Products Association of South Africa
HPCSA	Health Professionals Council of South Africa
HR	Human resources
IAR	Integrated Annual Report
IFA	Infant Feeding Association of South Africa
IFRS	International Sustainability Standards Board's International Financial Reporting Standards
JSE	Johannesburg Stock Exchange
KPI	Key performance indicator
LTI	Lost time injuries
LTIFR	Lost time injury frequency rate
MTIFR	Medical treatment injury frequency rate
NCC	National Consumer Commission
NRCS	National Regulator for Compulsory Specifications
ODFR	Occupational diseases frequency rate
OHS	Occupational health and safety
ORMF	Operational risk management framework
PHI	Protected health information
PII	Personally identifiable information
PHW	Person hours worked
POPIA	Protection of Personal Information Act 4 of 2013
RSPO	Roundtable on Sustainable Palm Oil
SAHPRA	South African Health Products Regulatory Authority
SACP	South African Pharmacy Council
SDGs	United Nations Sustainable Development Goals
SEC	Social and Ethics Committee
SHE	Safety, Health and Environment
The dtic	Department of trade, industry and competition
TLC	The Local Choice
TRIFR	Total recordable injury frequency rate
UNGC	United Nations Global Compact
VCT	Voluntary counselling and testing

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