

WASTE MANAGEMENT

Dis-Chem's waste streams originate at stores, clinics and distribution centres. As we operate in a highly regulated industry, waste is subject to similarly high levels of scrutiny when it comes to hazardous waste disposal, contamination, toxicity and waste ethics.

Imported as well as locally manufactured products contribute to waste that accumulates in South Africa's landfill sites. Most of our country's landfill sites are fast approaching full capacity, with only about 10% of waste being recycled or recovered for other uses, while at least 90% is landfilled or dumped illegally¹.

The Department of Forestry, Fisheries and the Environment (DFFE) developed the National Environmental Management: Waste Act, 59 of 2008 (Waste Act) to restrict and prohibit certain waste types from going to landfill, with a ban on organic waste to landfill by 2030.

Dis-Chem recognises that safe and sustainable healthcare risk waste management practices reduce environmental and health risks, and can convert waste into reusable resources. Healthcare risk waste includes sharps, infectious and pharmaceutical waste. Pharmaceutical waste is, in turn, defined as expired, unused, spilt 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.

In the development of our in-house brands, Dis-Chem focuses on the selection of more sustainable packaging material and ensures that product labelling includes guidance on the correct way to dispose of waste.



Read more about waste management in our chapter on taking care of our planet from page 63.



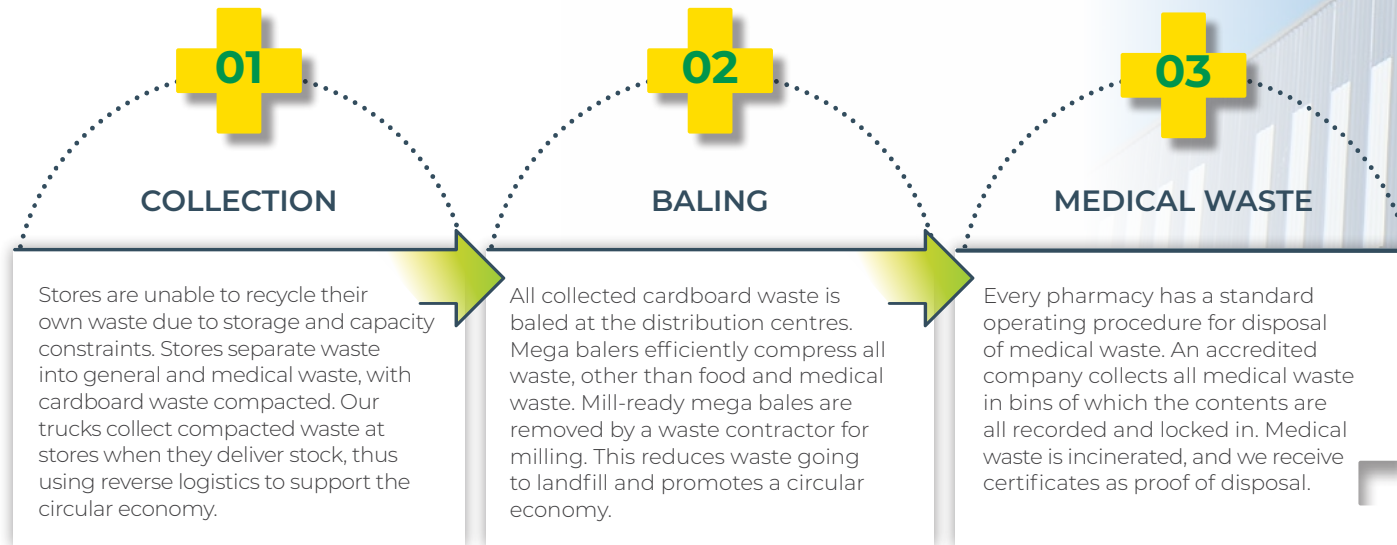
DIS-CHEM IS A REGISTERED MEMBER OF POLYCO'S EXTENDED PRODUCER RESPONSIBILITY (EPR) SCHEME IN ACCORDANCE WITH SOUTH AFRICA'S WASTE ACT REGULATIONS REGARDING EXTENDED PRODUCER RESPONSIBILITY.



¹ <https://infrastructurenews.co.za/2022/03/10/state-of-the-south-african-waste-industry/>

Our operational recycling process

As Dis-Chem expanded over the last decade, we recognised the complexity and scale of waste generated in our operations.



+ WE DO ONGOING EMPLOYEE TRAINING AND AWARENESS RELATED TO WASTE. WE ALSO PARTNERED WITH A REGISTERED WASTE COMPANY THAT DOES PLANNED PERIODIC QUALITY CHECKS WITH ANY ISSUES REPORTED TO THE ESG EXECUTIVE.



CASE STUDY

CREATING MORE JOBS AND LESS WASTE FOR DELMAS

Delmas is a small maize-farming town situated in Mpumalanga. As such, it faces the typical rural challenges of poverty, unemployment and poor local service delivery.

The original Dis-Chem wholesale business started in Delmas, where CJ Distribution (formerly known as CJ Pharmaceuticals) opened its doors in 2004. Today, CJ Distribution is one of the biggest employers in Delmas, with 720 people employed at the distribution centre in FY2024.

CJ Distribution's contribution to this community does not end with direct jobs. In trying to find a solution for packaging waste and cost, the Delmas team started working with a local black female entrepreneur. They were able to help her start a small enterprise that sorts and identifies boxes returned by drivers for reuse or recycling. Her business enabled the wholesaler to reduce the use of new boxes by 20%.

The small business, which is situated on the CJ Distribution premises, has created 10 jobs while also contributing to the circular economy in Delmas.

OUR GOVERNANCE APPROACH TO WASTE MANAGEMENT

It is the responsibility of the SEC to monitor Dis-Chem's activities with regard to the environment, health and public safety, including the impact of the Group's activities and its products or services. This includes oversight of the responsible management of waste generated from own operations.

Our sustainability policy sets out the following commitments in terms of waste management:

- ✦ 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

4 754.07

TONNES OF WASTE RECYCLED

(2023: 4 484.20 TONNES)



1 212.04

TONNES OF WASTE TO LANDFILL

(2023: 898.30 TONNES)

