Dis-Chem

Better health starts here

Sustainability Report

for the financial year ended 28 February 2026

Contents

3 ESG performance at a glance
- 4 ESG Executive's message

5 Message from the executive team

7 About this report

9 About Dis-Chem
- 10 We are Dis-Chem
- 13 Our sustainability journey
- 15 Our value chain
- 16 Better health for our stakeholders

20 Governance
- 24 Ethical business conduct
- 26 A highly regulated industry

27 Risks and opportunities
- 29 Our ESG risk management process

32 Our material sustainability matters
- 33 Our material sustainability matters overview
- 34 Our material sustainability matters

38 Our ESG strategy
- 40 Our people are our biggest asset
- 47 Taking care of our planet
- 55 Being there for our customers
- 61 Getting involved in our communities
- 65 Confidence in our supply chain

71 Disclosure appendices
- 72 ESG data tables
- 88 Assurance Report
- 92 Glossary

Environmental, social and governance (ESG) performance at a glance

Strategic pillar	ESG KPI	Performance FY2026	FY2025	FY2024
Our people are our biggest asset Build an inclusive, prosperous and safe workplace	Permanent employee turnover rate in South Africa (%)	**9.24**	12.0	14.8
	Racial diversity at senior management (%)	**18.4**	18.0	14.24
	Fatalities	**0**	0	1
	Employee training spend (R)	**48 306 8247**	62 647 933	45 365 240
Taking care of our planet Minimise the impact of our operations on the environment	Carbon emissions in South Africa – Scope 1 (tCO_2e)	**11 217**	10 902	12 906
	Total diesel used by generators (l)	**195 463**	247 203	1 335 648
	Solar PV installed (distribution centres)	**Midrand**	Durban Cape Town	–
	Zero waste to landfill Target: 2030	**Project underway**	Project initiated	–
Being there for our customers Customer-centric service offering	Growth in Dis-Chem benefit members (%)	**11.36**	14.09	18.00
	Rate of dispensing errors in South Africa (%)	**0.0026***	0.0015	0.0012
	Total number of items dispensed	**83 832 967**	80 599 602	76 567 037
	Number of clinic consultations in South Africa	**1 548 665**	1 443 815	1 512 172

* *Increase in reported error rate is primarily due to improved reporting practices, increased staff awareness and enhanced classification processes, rather than a deterioration in dispensing quality.*

– *Not reported*

Strategic pillar	ESG KPI	Performance FY2026	FY2025	FY2024
Getting involved in our communities Invest in communities we operate in	Corporate social investment (CSI) spend (R)	**41 603 450**	44 354 158	34 313634
	B-BBEE level	**5**	5	6
	Total number of environmental complaints	**0**	0	0
	Total number of employees	**22 410**	20 563	20 562
	Total number of new permanent employees hired (new engagements)	**1 855**	2 505	2 714
Confidence in our supply chain Promote a responsible supply chain	Product recalls	**1**	0	1
	Number of complaints related to product labelling	**4**	0	1
	Palm oil suppliers that are members of the Roundtable on Sustainable Palm Oil (RSPO) (%)	**95**	90	69
	Value of funds invested in research and development (R)	**44 672 000**	39 981 478.62	43 796 299.29
	Number of product units sold during the year	**369 952 524**	352 390 990	350 604 831
	Total number of sales transactions	**76 445 093**	73 167 775	71 274 123

ESG Executive's message

Lesiba Kgoogo
ESG Executive

On behalf of Dis-Chem, we are delighted to present our third Sustainability Report to you. The Report demonstrates further milestones in the ESG journey we embarked on three years ago.

During FY2026, we achieved further progressive improvements across all ESG strategy pillars. We also embarked on an externally facilitated project to review and deepen our materiality and risk assessment processes.

Dear stakeholders,

When we started in FY2024, we invested in systems to generate credible data and establish a baseline for measuring our environmental impacts. Data from smart meters at our distribution centres informed our decisions to invest in solar energy, water and waste management systems to reduce our environmental impact.

Next, we strengthened our safety, health and environment management capacity to reinforce the management of our social impacts and the implementation of all five pillars of our ESG strategy.

Based on our maturing data collection processes, we are now starting to implement science-based reduction targets for climate, health and safety impacts.

Underpinning these actions are governance structures and controls that promote ethical conduct across our value chain, and a culture transformation process that aligns our employees with Dis-Chem's transition into a future-fit organisation. By linking health, safety and Scope 2 carbon emission key performance indicators (KPIs) to our remuneration incentive plans, we are further deepening the commitment of our employees and leaders to ESG.

During FY2026, we achieved further progressive improvements across all ESG strategy pillars. We also embarked on an externally facilitated project to review and deepen our materiality and risk assessment processes, and in FY2027, we will conclude the quantification of our material financial impacts to inform our strategic decisions.

To further strengthen our ESG management capacity, we appointed Zama Pila as Group ESG Manager. Zama represents Dis-Chem on the board of the National Business Institute and presented sustainability topics at conferences and industry sustainability dialogues to advance ESG practices across Africa.

As highlighted in the message from Dis-Chem's Executive team on **page 5**, we made significant progress in integrating and embedding sustainability into the Group's business strategy and operations, positioning ESG as a strategic enabler of long-term sustainability.

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

Lesiba Kgoogo
ESG Executive

Message from the executive team

Dis-Chem is committed to being a sustainable integrated primary healthcare provider.

In FY2026, we backed up this commitment with tangible measures to manage ESG impacts across our value chain and embed sound ESG practices as strategic enablers of long-term sustainability.

Governance underpins our role as a responsible corporate citizen

As a primary healthcare provider, our extensive network of clinics and pharmacies provide quality, affordable healthcare to a growing number of South Africans, while our health-centric financial services offer solutions to people who are not able to access public health services or afford private medical aid. Our role in integrated healthcare carries with it the responsibility for the safety and wellbeing of our stakeholders and a duty to contribute nationally to better health for all South Africans.

We know that we serve our customers better and build trust with our stakeholders when our governance structures are robust and our compliance measures are effective. We also know that our employees are best positioned to prioritise customer safety and ethical conduct when their own safety and wellbeing is taken care of. To mitigate potential risks in our supply chain, we select and manage our suppliers rigorously, ensuring that they comply with our ethical standards.

Read more about our governance and risk management structures and controls on **pages 20 and 27.** We also report on improvements to our whistleblowing system and processes to reinforce ethical conduct within our organisation and supply chain.

We are embedding ESG in our culture, strategy and operations

Dis-Chem has built a reputation for community upliftment and healthcare advocacy, driven primarily by the Dis-Chem Foundation. As we evolve from a pharmacy retailer into a leading primary healthcare provider, we are integrating ESG practices into our operations as strategic enablers of business performance, continuity and long-term sustainability.

Dis-Chem's culture transformation project, implemented in partnership with our employees, is advancing the complex transition from a family-owned business to a future-fit corporate organisation.

By incorporating non-financial metrics into performance scorecards linked to remuneration, we are motivating management and employee commitment to ESG imperatives such as racial and gender employment equity, customer and employee health and safety, environmental impact reductions and regulatory compliance.

Our decisions to invest in sustainable impact projects are based on sound business principles. We start with pilot projects, ensuring they deliver measurable returns before implementing large-scale rollouts. The positive outcomes of investments in smart metres and solar energy systems at our distribution centres, including early detection of wasteful consumption, reduction in carbon emissions and lower energy costs, motivated our decision to install electricity smart metres in our stores from FY2027. More efficient use of energy and natural resources in our stores will reduce our environmental impact while contributing to our strategic goal of cost control.

Significant investment in the growth and optimisation of our stores, together with our digital health innovations and data-driven loyalty

Message from the executive team continued

programme, is increasing access to affordable, high-quality primary healthcare through our integrated healthcare ecosystem. The new Better Rewards loyalty programme gives value back to our customers and employees, while contributing to better health outcomes.

Our investments in customer and employee health and safety and our strategically aligned community upliftment projects are non-negotiable and key to our long-term resilience and sustainability.

Read more about these investments in Dis-Chem's Integrated Annual Report.

Taking bold steps towards an exciting future

As Dis-Chem expands its capacity and capability to provide better health outcomes for South Africans, we continue to deepen the role of ESG as a strategic enabler. Key focus areas during the year ahead include:

- Assessing sustainability risks and opportunities across our value chain and aligning our future climate disclosures to international reporting standards and regulatory guidance in South Africa
- Focusing on continuous improvements in performance against KPIs in our ESG strategy pillars
- Refining and expanding the impact of customer safety and satisfaction
- Aligning our socio-economic development and enterprise development investments with the Group's strategic goals
- Strengthening our relationship with strategic ecosystem partners to deepen our impact within and beyond Dis-Chem

A word of thanks

On behalf of Dis-Chem's Executive team, I would like to thank our employees for implementing the ESG strategy in their areas of responsibility. In particular, we commend our ESG Executive, Lesiba Kgoogo, for maintaining the Group's sustainability focus and forward momentum. We also recognise the leadership of P&C Director, Nomfundo Vilakazi for championing and elevating the voices of Dis-Chem employees in our culture, ethics and sustainability initiatives and conversations.

Julia Pope
Chief Financial Officer

Rui Morais
Chief Executive Officer

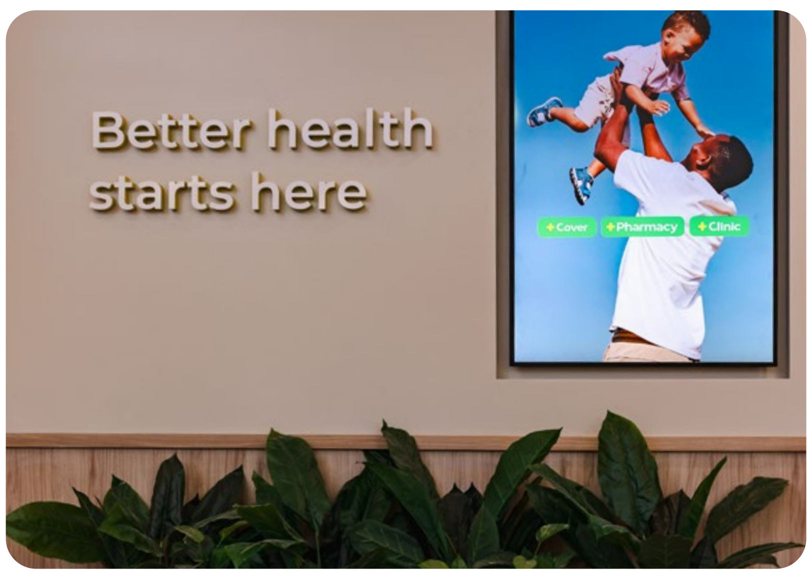
About this report

Our FY2026 Sustainability Report demonstrates the steady progress we are making in advancing our commitment to sustainability and implementing our ESG strategy.

Our Report for the period 1 March 2025 to 28 February 2026 (FY2026) 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 CJ Distribution centres in South Africa, Namibia and Botswana. CJ Distribution operates at Dis-Chem's wholesale division, supplying products to Dis-Chem's retail outlets and third-party pharmacy retailers. 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).

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.



Reporting standards and materiality

The content of this Report is shaped by what we regard as material for Dis-Chem. We considered the following frameworks, policies and standards in the development of our material sustainability matters:

- 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)
- Johannesburg Stock Exchange (JSE) Sustainability and Climate Disclosure guidance, 2022
- Task Force on Climate-related Financial Disclosures (TCFD)[1].

The outcome of a materiality assessment completed in FY2024 was a list of material sustainability matters that remain relevant and unchanged for FY2026:

- 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 well-being
- Healthcare access and affordability

*Read more about our materiality process and material sustainability matters from **page 32** and our ESG strategy from **page 38.***

Future reporting plan

Dis-Chem is completing in-depth processes to assess its impact and financial materiality (double materiality) and align future climate disclosures to the International Sustainability Standards Board's non-financial standard, the International Financial Reporting Standard (IFRS) S1 and S2, based on regulatory guidance in South Africa.

During FY2026, we conducted a dependencies, impacts, risks and opportunities (DIRO) assessment against our material matters across the value chain. Work is ongoing in FY2027 to review the material matters and further details will be disclosed in our next Sustainability Report as part of the description of the DIRO process and the IFRS quantification process that is being completed.

1 *Following the disbandment of the TCFD, we are in the process of aligning future climate disclosures to IFRS S1 and S2.*

About this report continued

External assurance

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

- Gender diversity at top management
- Racial diversity at top management
- Gender diversity at senior management
- Racial diversity at senior management
- Gender diversity at middle management
- Racial diversity at middle management
- Employee turnover (i.e., number of permanent employees who departed relative to the total number of permanent employees at the beginning of the reporting period)
- Number of fatalities (i.e., injuries on duty leading to death, excluding the deaths of workers not occurring 'at work')
- 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)
- Number of occupational health cases (diagnosed work-related diseases)
- Total number of recordable injuries (Fatalities, MTCs, LTIs)
- Total number of person hours worked (PHW) – Reported
- Fatal injury frequency rate (FIFR, i.e., number of fatalities per 200 000 person hours worked)
- Occupational health case rate (OHCR, i.e., number of occupational health cases per 200 000 person hours worked)
- Total recordable injury frequency rate (TRIFR, i.e., number of total recordable injuries per 200 000 person hours worked)
- Total diesel consumption stationary (generator)
- Total electricity purchased
- Total electricity self-generated – i.e., from solar, wind or other sources
- Total Scope 1 Emissions
- Scope 2 Emissions from electricity purchased
- Scope 2 Emissions from electricity purchased per square metre – Head office and warehouses
- Scope 2 Emissions from electricity purchased per square metre – Head office and warehouses (FY25 Baseline)
- Rate of dispensing errors
- Rate of clinic patient safety adverse health events
- Total number of data breaches recorded
- Total number of product recalls of in-house brands

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 88.**

Performance against our ESG KPIs and targets according to our five strategic pillars is presented in the ESG data tables from **page 72.**

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 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 review and approval.

Board approval

The Board approved the Sustainability Report on 30 June 2026.

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 icon indicate that more information is available:

*More information on **another page in this Report***

Our time frame definitions

Short term: One to three years

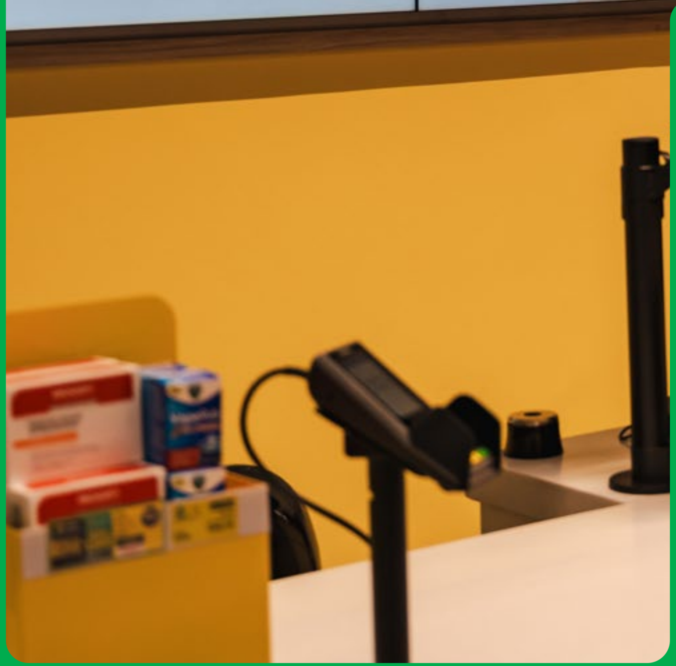
Medium term: Three to five years

Long term: Five to ten years

We provide readers with a glossary of terms and abbreviations used in this Report on **page 92.**

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
13 Our sustainability journey
15 Our value chain
16 Better health for our stakeholders

We are Dis-Chem

We are one of South Africa's leading pharmacy and retail chains, 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 pharmacies, clinics and retail outlets, offering a comprehensive range of healthcare, wellness and beauty products. The entrepreneurial spirit and customer service ethos of our founders, Ivan and Lynette Saltzman, define our brand of people-centred care, motivating our employees, including pharmacists, nurses, customer consultants, logistics specialists and retailers to provide accessible, high-quality healthcare solutions to communities nationwide.

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 as well as health-centric financial services.

- 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 **Southern Africa,** 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 uniqueness. 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.

We are Dis-Chem continued

Our ‘formula for success’

At Dis-Chem, our Culture Formula for Success is the foundation that connects our purpose, people, and strategy. It defines the behaviours, mindsets, and values that guide how we work, lead, and serve our customers every day. As we continue to evolve as a healthcare retailer, our culture provides a common framework that aligns employees across the organisation around a shared commitment to excellence, accountability, collaboration, and care.

Our culture is a critical enabler of our business agenda. It supports the execution of our strategic priorities by fostering high performance, empowering decision-making, and encouraging continuous improvement. The Culture Formula for Success on page 13 plays a vital role in advancing our sustainability ambitions. Through a strong focus on employee wellbeing, psychological safety, inclusion, ethical conduct, and responsible leadership, we create a workplace that is resilient, supportive, and future-focused. These principles help us attract, develop, and retain talented people while ensuring that our growth is underpinned by responsible business practices and a commitment to long-term stakeholder value.

Dis-Chem Culture ‘Formula for Success’ is ultimately a strategic driver. It connects our people strategy with our business objectives, and enables sustainable growth. By embedding the behaviours and values that have contributed to our success over the past four decades, we continue to build a business that delivers meaningful impact for our employees, customers, shareholders, and the communities we serve.

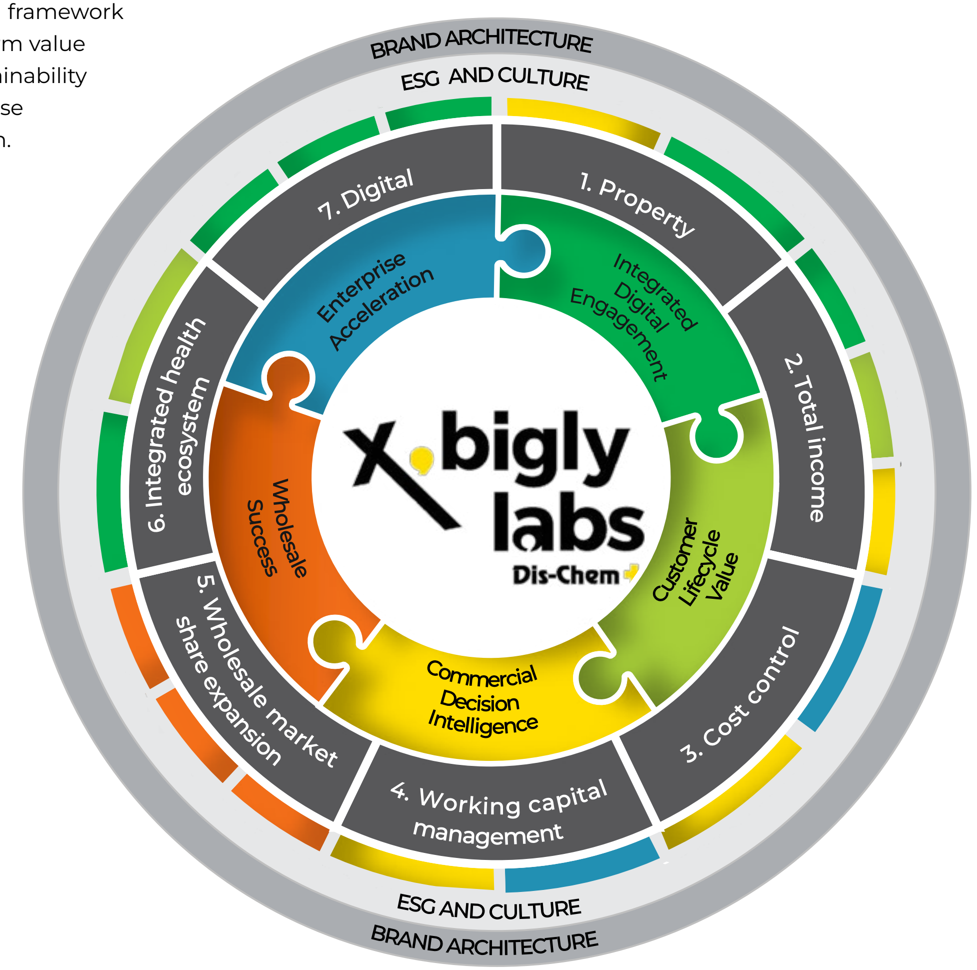
Our ESG strategic approach

Our approach to embedding ESG and sustainability into the strategy wheel

Dis-Chem’s strategy wheel remains the central framework guiding enterprise-wide priorities and long-term value creation. The formal inclusion of ESG and sustainability strengthens this framework by positioning these considerations as integral to strategy execution.

This integration ensures that environmental, social and governance factors are embedded into decision-making, risk management and operational delivery across the business. It also enhances the Group’s ability to respond to evolving risks and stakeholder expectations while aligning responsible business practices with performance outcomes.

Through this approach, ESG and sustainability support a more resilient, accountable and value-focused organisation.



We are Dis-Chem continued

Our operations

Our core pharmaceutical business serves customers from all income groups through our primary retail and wholesale operations.

Our retail business

Extensive network of **358** retail stores

309
Dis-Chem Pharmacy stores throughout South Africa, each with a **dispensary** and **primary healthcare clinic**

540
active primary healthcare clinics

42
Dis-Chem Baby City stores, including health clinics in selected Baby City stores

280
The Local Choice (TLC franchise stores)
(FY2025: 230)

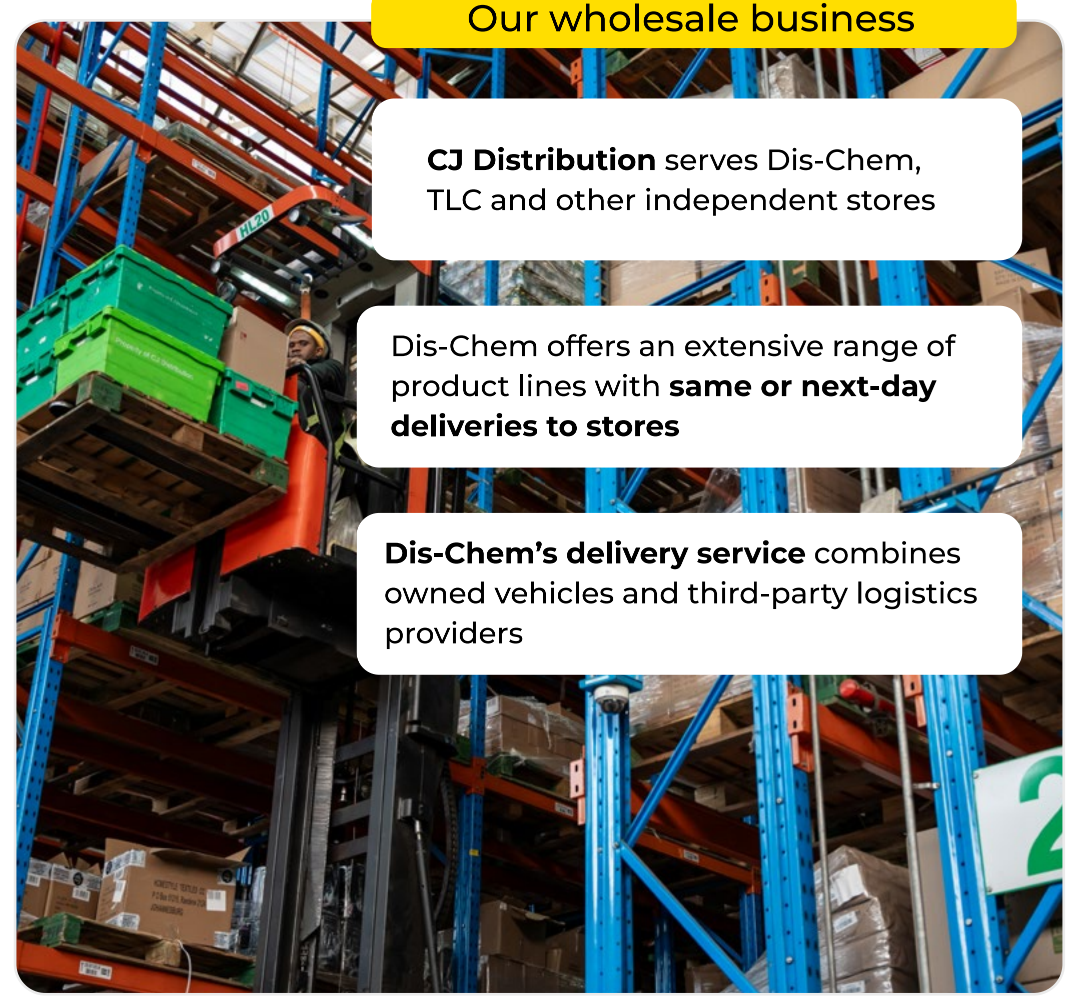
Online store with **Dis-Chem Direct** courier service

Dis-Chem Oncology specialist service

Dis-Chem Foundation

Stores in Botswana and Namibia

Our wholesale business

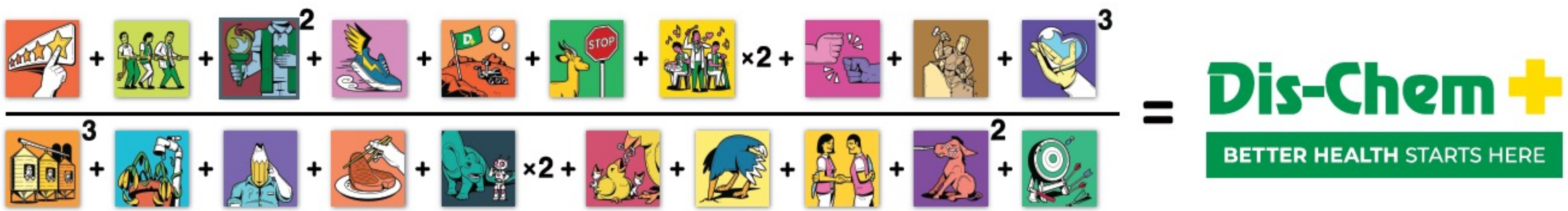


CJ Distribution serves Dis-Chem, TLC and other independent stores

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

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 extends affordable primary healthcare to a growing number of South Africans through its comprehensive and interconnected services. We enable customers to manage their day-to-day health actively by leveraging our extensive network of pharmacies and clinics and integrating health-centric financial services into our offerings. This proactive approach plays an important role in improving health outcomes by preventing the onset of severe illnesses or conditions.

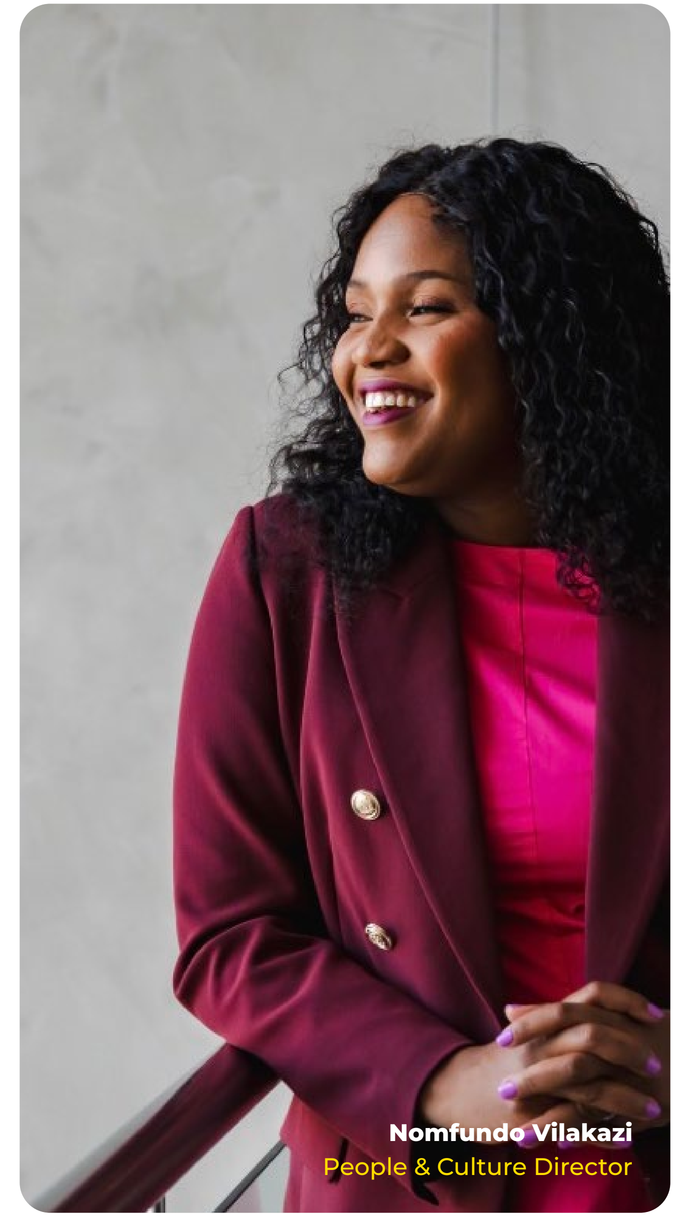
The introduction of Better Rewards in FY2026 advances our integrated health strategy by incentivising better health practices:

- Customers using our health and life insurance products receive higher discounts on the loyalty programme
- Our life insurance policyholders have access to annual health checks, with favourable testing against a baseline and good adherence to chronic medication triggering more discounts
- Customers who fill prescriptions in our dispensaries benefit from discounts on Better Rewards products in our stores for 30 days which reinforces chronic medicine adherence
- Employees receive a priority customer discount which unlocks further savings that they can redirect into their healthcare management

As we evolve and grow our business, we are taking on a role as South Africa's health authority, based on credibility, trust and delivery of integrated health services at scale. Key to our evolution is the belief that integrating ESG into our business strategy and decision-making processes is vital for our 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.

Since we formalised our commitment to sustainability three years ago, we have achieved demonstrable progress in our journey to implement the ESG strategy.



Nomfundo Vilakazi
People & Culture Director

ESG maturity roadmap

FY2024

Laying the governance and strategic foundations

- Appointment of an ESG Executive to support the Social and Ethics Committee (SEC) in fulfilling its oversight responsibilities
- Established a roadmap to formalise ESG commitment
- Identified material sustainability matters through a robust and integrated process
- Developed an ESG strategy based on the material sustainability matters
- Aligned our governance approach, structures and processes with the ESG strategy
- Developed strategic goals, focus areas and KPIs for five strategic pillars

FY2025

Measuring progress against strategic goals

- Data collection investments provided a baseline of reliable data, with selected KPIs externally assured
- Expanded the scope of external data assurance processes to ensure reliable and accurate internal and external data
- Reported Scope 2 carbon emissions
- Strengthened safety, health and environment (SHE) management capacity
- Conducted internal audit on certain SHE data

FY2026

Deepening our processes to deliver ESG impact

- Integrated ESG into Dis-Chem's business strategy
- Reviewed and deepened our materiality and risk assessment processes
- Commenced quantification of our material financial impacts to inform strategic decisions
- Reported lower Scope 2 carbon emissions
- Linked selected health and safety KPIs to executive remuneration
- Strengthened governance of anti-bribery and anti-money laundering (AML)

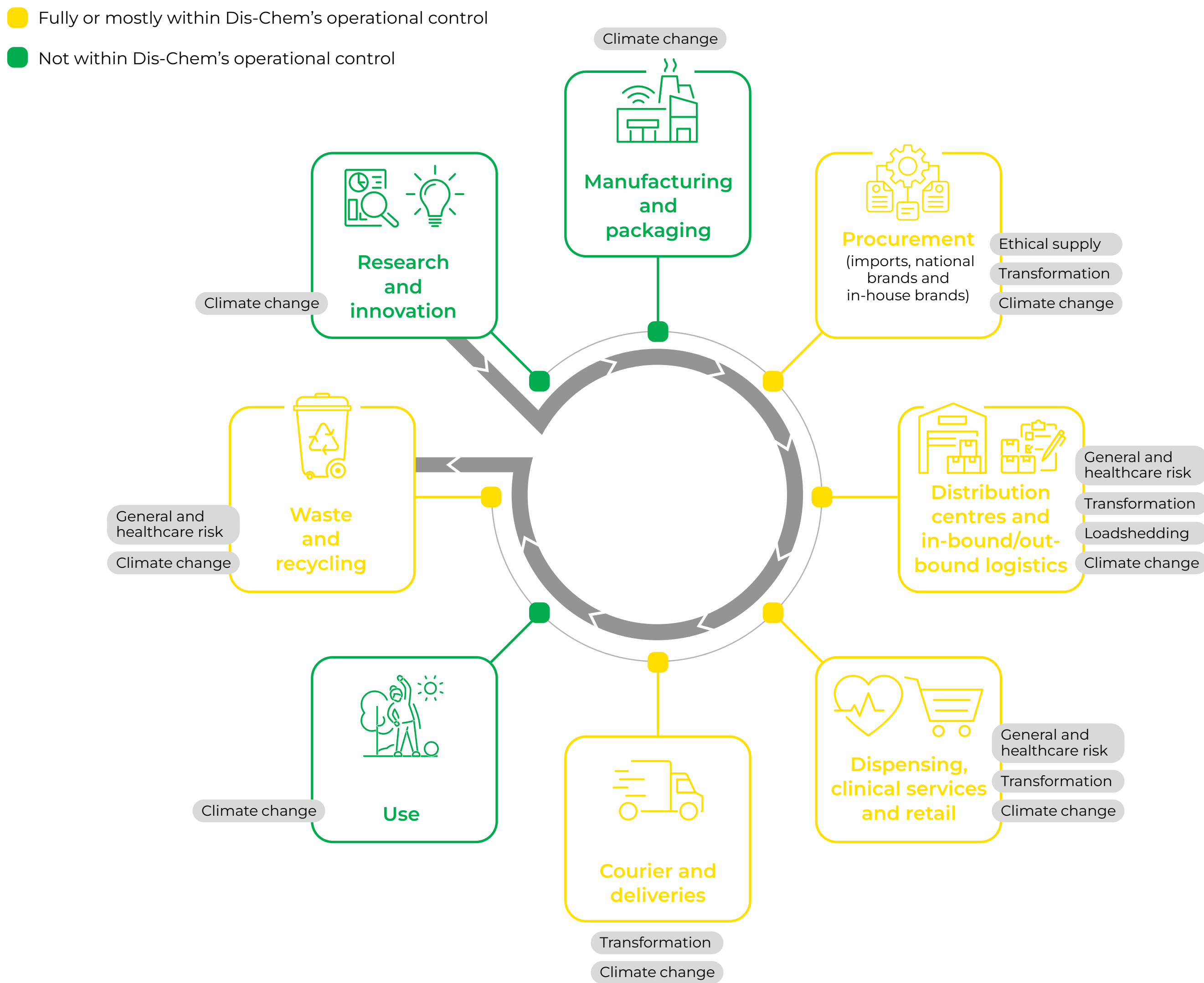
FY2027

Delivering measurable ESG impact

- As our data collection process matures, we are moving towards implementing science-based reduction targets for climate, health and safety impacts
- Additional KPIs (Scope 2 carbon emissions) will be linked to executive remuneration

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.



General and healthcare risk

General 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 stock unavailability, quality issues or unnecessary inventory. We diversify our supply chains to increase resilience and focus 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 and sustainable outcomes.

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

Our stakeholder universe

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

Employees

Dis-Chem employees are integral to Dis-Chem's long-term success and sustainability. We are committed to providing meaningful employment, fair remuneration, development opportunities, and an inclusive, ethical workplace where people can grow and thrive.

As part of our commitment to fostering a workplace culture built on fairness, respect, and transparency, employees have access to formal employee relations processes and an independent whistleblowing channel, enabling them to raise concerns, report unethical conduct, and seek resolution in a safe and confidential manner.

Through our Better Rewards programme, employees benefit from enhanced discounts that improve access to health and wellness products, supporting their wellbeing and financial value. The Values Ambassador Programme further recognises employees who exemplify our values, fostering a culture of recognition, engagement, and shared purpose across the organisation.

Value chain elements relevant to employees

- Sourcing and procurement of imported, national, and private label products
- Distribution centre operations, warehousing, and in-bound/out-bound logistics
- Retail operations, pharmacy, clinical services, and cover
- Support, and shared services functions
- Learning, leadership development, and talent management activities
- Environmental stewardship, waste management, and recycling initiatives

Staying in touch with our employees

We engage employees on ESG matters through internal communication channels, including our employee WhatsApp platform and monthly newsletter, ensuring regular updates on sustainability initiatives, wellbeing programmes, and business priorities.

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.

Better health for our stakeholders continued

Regulators and government

Dis-Chem operates within a highly regulated healthcare, retail, labour, consumer protection and skills development environment. The Group engages with multiple regulators, government departments and sector education and training authorities to ensure continued compliance, ethical business conduct, workforce development and sustainable transformation outcomes.

Dis-Chem's regulatory, government and sector stakeholders include:

- **Pharmaceutical regulators:** South African Health Products Regulatory Authority (SAHPRA); South African Pharmacy Council (SAPC).
- **Nursing and healthcare regulators:** South African Nursing Council (SANC); Department of Health; relevant provincial health departments.
- **Company, tax and market regulators:** Johannesburg Stock Exchange (JSE); South African Revenue Service (SARS); Companies and Intellectual Property Commission (CIPC); Financial Sector Conduct Authority, where applicable.
- **Government departments and public bodies:** Department of Trade, Industry and Competition, including the Competition Commission and B-BBEE Commission; Department of Employment and Labour; Department of Forestry, Fisheries and the Environment; Department of Agriculture, Land Reform and Rural Development; National Consumer Commission.
- **Consumer, communications and standards bodies:** Consumer Goods Ombudsman; Independent Communications Authority of South Africa; National Regulator for Compulsory Specifications; South African Bureau of Standards, where applicable.
- **Skills development and SETA stakeholders:** Wholesale and Retail SETA; Health and Welfare SETA; Services SETA; MICT SETA; Education, Training and Development Practices SETA. These bodies support Dis-Chem's workplace skills planning, learnerships, internships, bursaries, occupational programmes, accreditation alignment and broader transformation objectives.
- **Transformation and employment equity stakeholders:** Department of Employment and Labour; B-BBEE Commission; verification agencies; Employment Equity consultative structures; designated training and development partners.

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

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 social and environmental challenges. The Group also operates community clinics and maintains public–private partnerships with government to provide state-funded vaccinations and contraceptive services through Dis-Chem clinics. In addition, certain dispensaries supply chronic medication from state medical stock to qualifying patients.

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

Better health for our stakeholders continued

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 Better Rewards 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 or questions. Customers can contact the centre through their preferred communication channel, including telephone, WhatsApp, email or social media.

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 claims processing in real time.

Dis-Chem's industry stakeholders include:

- Consumer Goods Council of South Africa (CGCSA)
- 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-Care Association of South Africa
- National Business Initiative (NBI)
- United Nations Global Compact (UNGC)

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

Dis-Chem Pharmacies is represented on the National Business Initiative (NBI) Board through Group ESG Manager, Zama Pila, pictured with NBI CEO Shameela Soobramoney.

Better health for our stakeholders continued

Collaborating with industry and strategic partners

Dis-Chem participates in partnerships and ESG-specific initiatives to shape ESG or SHE regulatory and policy changes and advance primary healthcare in South Africa.

ESG-related memberships

Through its membership of the CGCSA, Dis-Chem engages with government stakeholders on ESG matters. We participate in the Extended Producer Responsibility (EPR), with CGCSA as our Producer Responsibility Organisation (PRO).

EPR regulations were introduced by the Department of Forestry, Fisheries and the Environment to reduce the environmental impact of waste materials. The regulations guide the collection, sorting and recycling of waste materials and involve all relevant stakeholders in the recycling process. Producers are required to pay a fee for the waste materials they put out into the market. The CGCSA acts as the PRO to ensure members collaborate to reduce environmental impact and advocate for regulatory changes. Dis-Chem also engages with the South African Bureau of Standards in setting waste management standards.

Other impactful memberships include the National Business Institute (NBI), where we are represented on the NBI's board by the Group ESG Manager, and the United Nations (UN) Global Compact.

ESG events

Dis-Chem participates in topic-specific events, such as the Sustainability and ESG Africa Conference and the Future of Sustainability Conference, demonstrating our participation in industry sustainability dialogues. The conferences bring together decision-makers to advance ESG practices across Africa. Dis-Chem's Group ESG Manager presented sustainability topics at both conferences.

Strategic healthcare partnerships

Dis-Chem's public private partnerships (PPPs) with the Department of Health (DOH) support preventative care by enabling access to state primary healthcare stocks. We have 160 PPPs with the DOH across South Africa offering family planning and baby vaccines services. With longstanding PPPs in Gauteng, Western Cape and other provinces, we developed partnerships in the Northwest and Mpumalanga provinces during FY2026.

Dis-Chem's partnership with the Wits Health Consortium (WHC) to provide free access to HIV PrEP and PEP treatments was extended to seven Dis-Chem stores during FY2026, bringing the total to ten stores that participated in the WHC's Ezintsha research project.

Looking ahead, Dis-Chem is planning two additional PPPs with the Western Cape DOH:

- Chronic medicine collection services to improve chronic medicine adherence among public sector patients in partnership with the Western Cape DOH
- A new proposition to expand access to primary healthcare for rural communities in the Western Cape agricultural sector

Governance

24 Ethical business conduct
26 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 V™ Report on Corporate Governance™ for South Africa, 2016 (King V™)[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:

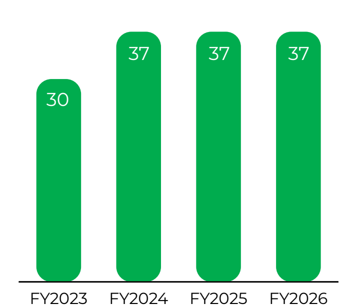
- The Board comprises a balance of Executive and Non-Executive directors, with a majority of Non-Executive Directors. A majority of the Non-Executive Directors are independent. Directors are appointed through a formal process. The Nomination Committee assists with the process of identifying suitable candidates to be proposed to the shareholders[2]
- 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*:

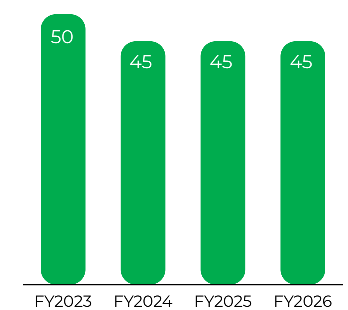
- Ensure that the strategy will result in sustainable outcomes
- Consider sustainability as a business opportunity that guides strategy formulation
- Ensure that the Group is, and is seen to be, a responsible corporate citizen by considering not only the financial aspects of the business of the Group 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, included within the Integrated Annual Report, outlines member profiles, independence status, as well as diversity and skills indicators for the Board and its committees. Our diversity commitment is supported by a target for gender and race representation on the Board.

Board members who are women
(%)



Racial diversity at Board level
(%)



The Report also sets out the Social and Ethics Committee's and Remuneration Committee's focus areas for FY2026 and priorities for FY2027.

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

2 Saul Saltzman transitioned from Director to Non-Executive Director of the Board with effect from 27 February 2026.

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, health and safety risks, and the impact of the Group's operations, products or services. This includes oversight of the responsible management of waste generated in our own operations.

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 the fulfilment of 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

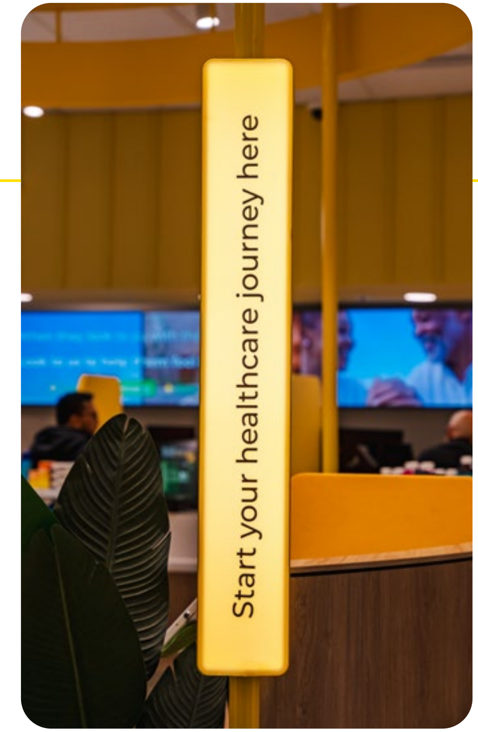
Remuneration Committee
- Remuneration policy
- Inclusion of ESG metrics in the remuneration policy

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 business decision-making process
- Plans for and provides resources as required
- Periodic ESG performance review and reporting to SEC meeting

ESG Executive Committee
- Sub-committee of the SEC
- Ensures that governance mechanisms are implemented to drive 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 Dis-Chem sustainability policy



The policy sets out our commitment to integrate ESG into the core of our business and decision-making processes, which is vital for our long-term sustainability. Among other items, the policy directs us to:

- Address non-discrimination and equal opportunity generally. The Dis-Chem Code of Ethics addresses non-discrimination specifically related to race, religion, gender, age, sexual orientation, disabilities and nationality
- Counter bribery by eliminating all forms of bribery, corruption, collusion, price fixing and anti-competitive behaviour
- Monitor safety and health, and reduce safety and health impacts by identifying and managing the risks in the workplace. The Group expects suppliers to provide working environments that support the health and safety of employees in compliance with local health and safety laws
- Ensure product quality and safety. Product quality and safety are also governed by vendor management standard operating procedures and the product recall process
- Address CO_2/GHG emissions, reduce or avoid the impact, or improve efficiencies
- Promote the responsible/efficient use of natural resources, including addressing energy and water use, reducing or avoiding the impact, or improving efficiencies
- Reduce 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

Refer to Our Governance chapter and our ESG strategy chapter, from **page 20**.

Governance continued

An integrated, strategic approach to sustainability and climate

Board committees are engaged on material sustainability and climate-related impacts. They consider strategic trade-offs in making capital and resource allocation decisions. Examples include our investment in solar energy and the decision to invest in smart meters to measure electricity and water use in Dis-Chem stores in FY2027. Our current capital allocation policy does not include explicit ESG criteria, but these are considered as part of business cases for these decisions.

Capital allocation towards sustainable impact projects is limited in cases where Dis-Chem is not the owner of distribution centre or store properties.

Dis-Chem's FY2024 ESG materiality process was a key point of integration, where a range of internal stakeholders, including the Board and executive, provided insights into ESG risks and opportunities as these relate to our strategy and business model. We have commenced a process 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 were linked to executive remuneration with effect from FY2026. Read more about our remuneration policies and performance incentives in the Integrated Annual Report.

*Read more about our integrated risk process on **pages 28 and 30**, including risks related to sustainability and climate.*

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 and 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, escalated to the Audit and Risk Committee and Board for approval.

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

Read more about progress against these pillars in the ESG strategy chapter from **page 38.** We track progress according to the KPIs set out in the data tables from **page 72.**

*Read more about our stakeholders and sustainability matters from **page 16.***

Ethical business conduct

The Board mandates the SEC to be the primary oversight body for ethical business conduct, including anti-bribery and anti-corruption. As a sub-committee of the Board, the SEC 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 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. Dis-Chem communicates its anti-corruption policies on the employee Intranet and the Dis-Chem website. The Group conducted ethics and anti-corruption related training for employees during FY2026.

The Code of Ethics, the supplier code of conduct and procurement policies were amended and approved by the SEC during FY2026. Amendments to the Code of Ethics strengthen guidance on anti-bribery and anti-money laundering.

The Dis-Chem Code of Ethics

Our Code of Ethics includes the following statements and guidance:

- 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. In addition to addressing bullying and harassment in the Code of Ethics, we provide a confidential reporting (whistleblowing) system. The Group's disciplinary policy addresses manager training on handling of reports or instances of bullying and harassment.
- 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, including gifts, hospitality and favours, 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 Audit and Risk Committee and the SEC oversee the Dis-Chem whistleblowing policy and processes. A Whistleblowing Committee reports on the incidents, nature of cases, level of management involvement, challenges, actions taken and trends. The committee membership was enhanced during FY2026 and a framework was implemented to guide whistleblowing management and compliance with relevant laws and regulations. Our whistleblowing mechanisms allow employee representatives to engage with company management.

The whistleblowing policy is available on our employee Intranet and the Dis-Chem website and explains the procedures to be followed and affirms whistleblowers' rights to remain anonymous and be protected.

All relevant cases are reported to the South African Police Services 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.

Ethical marketing

As a pharmaceutical retailer, Dis-Chem focuses on ethical marketing. The Dis-Chem marketing guide sets out clear rules per category, defining safe marketing, 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 may not be distributed as free samples, and competitions may only run under strict conditions. Dis-Chem is an active participating member of various industry bodies and complies with their codes of conduct.

We also apply ethical marketing principles for medicines, and medicines that are permitted to be advertised to the public, provided they adhere to specific requirements set out by the Medicines and Related Substances Act 101 of 1965 (Medicines Act) and its regulations, which are 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. Our communication with customers enables them to make informed and ethical choices about their health.

Ethical business conduct continued

The Dis-Chem values drive ethical behaviour

The behaviours associated with our values, the Code of Ethics and the 'Formula for success' principles of honesty, integrity and transparency are communicated to employees and incorporated into the Values Ambassador Programme.

Dis-Chem's values are included in the talent acquisition 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.

Data privacy and security

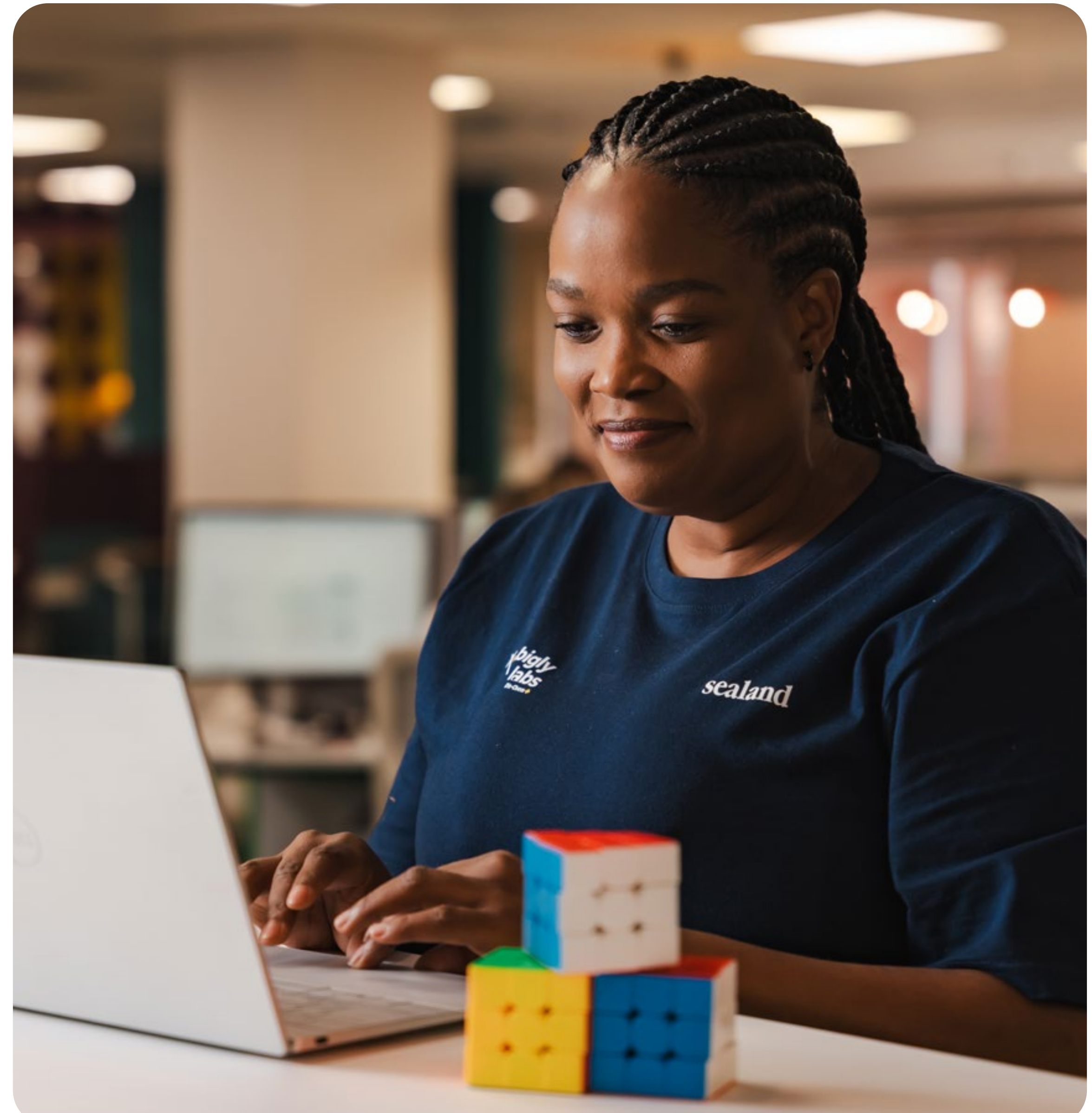
The Audit and Risk Committee (ARC) provides oversight of privacy protection and data security, and considers the entire data lifecycle related to creating, accessing, storing and disposing of information. The ARC ensures that we have adequate systems to manage privacy protection and data security risks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

The ARC serves as the Board's early warning mechanism for emerging technology and data-related risks, while ultimate accountability for oversight remains with the full Board.

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 third-party systems that can access Group data have the required security controls to limit any possible data breaches.

During FY2026, we reviewed and updated our existing IT and cybersecurity policies to align with King V™ requirements. This includes our data classification, data encryption, data management, IT governance, IT risk management, and information security policies. We monitor the adoption of innovative and disruptive technologies such as AI and align our policies to ensure ethical use of AI and incorporation of Protection of Personal Information Act 4 of 2013 (POPIA) requirements.

*Read more about our approach to data privacy and security on **page 59.***



A highly regulated industry

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

South Africa's healthcare industry 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 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.

A list of schedules published by SAHPRA under the Medicines Act define different levels of regulatory control and is 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 about our engagement with regulators in the stakeholder section on ***page 17.***

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

- Board and Board committee meeting attendance and number of meetings convened
- Annual evaluation of the Board and Board committees
- Separation of Independent Non-Executive Chairman 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-Executive 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.

Risks and opportunities

29 Our ESG risk management process

Risks and opportunities

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

Our approach to ESG risks and opportunities

The ARC 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.

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 about climate risks, opportunities and mitigation initiatives in the Taking care of our planet section from **page 47.***

ERM framework and methodology

As part of the double materiality process, and to understand the effects of our sustainability-related risks and opportunities on our strategy, we considered the philosophy and methodology of the IFRS S1 standard. We commenced with the identification and assessment of our material sustainability-related risks, and how these could reasonably be expected to affect our operations and prospects.

The operational ESG risk framework was developed based on the methodology set out in the IFRS S1 standard in relation to strategy and decision-making. The starting point was to build on the established material sustainability matters. Operational risk groups, each comprising a cluster of related risks, were mapped to these material matters and to Dis-Chem's value chain using a bottom-up approach.

Each remaining risk group was assessed separately across ESG dimensions, with root causes and causal relationships between dimensions identified. The latest operational ESG risk register was also considered and included as part of this process. Incorporating the ERM framework's scoring methodology, each dimension was evaluated for severity and likelihood on a residual basis, i.e. post control, and a threshold of 3 out of 5 was applied to determine which risk groups were sufficiently material to retain. The assessment was conducted collaboratively by operational heads, the Risk Manager and the ESG team.

The climate change risk register established in FY2024 was updated, mitigation activities identified, and the residual risks scores calculated in accordance with the methodology and process followed for the sustainability-related risks described on **page 50.** These climate risks were added to the operational ESG risk framework.

We are now in the process of refining and finalising our operational ESG and climate risk framework by testing the veracity of our controls.

The next step is developing an ESG and climate risk framework at enterprise level to be completed during FY2027. We commenced with the following steps during FY2026:

- Once the operational ESG and climate risks were identified, they were connected to our broader enterprise risk framework by grouping together risks that share similar underlying causes and could lead to similar financial or operational consequences. Where one risk had the potential to worsen another, these connections were noted for further analysis. Related risks were combined into a set of enterprise-level ESG and climate risks, and how each risk could unfold was mapped out – from its root cause through to its potential impact on the business in both the short and longer term. This included understanding the financial, operational and strategic consequences should any of these risks materialise. The process is iterative, to refine the risk groupings with each enterprise risk linked to relevant IFRS reporting requirements based on its potential financial and strategic impact on Dis-Chem.
- We are now at the stage where the enterprise ESG and climate risk framework will be reviewed internally and stress tested. Once this framework has been approved following the Dis-Chem governance processes, it will be incorporated into the current ERM framework and methodology. Furthermore, our ERM framework and methodology will be amplified with a more technical approach grounded on the IFRS S1 and S2 methodology that was used in the development of the enterprise ESG and climate risk framework, where appropriate. The work to refine and quantify the causal links between material ESG and climate enterprise risks, the operational responses and applicable financial mechanisms that will lead to operational and strategic impact on Dis-Chem with financial exposure will continue in FY2027.

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.

Our ESG risks and opportunities

Risk and residual[1] risk rating	Description	Strategic actions
Community unrest (Low; ↑)	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 reputational damage, increased crime, financial loss or missed opportunities for talent development.	• Developed community engagement framework and conducted community needs assessment • Mobile clinic outreach programme implemented in identified communities • Dis-Chem Foundation projects sustainably impact communities' livelihoods, health and safety • Structured skills development programmes in place, including nurse internships
Reliance on non-renewable sourced electricity (Moderate; ↑)	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.	• Installed solar energy systems in the distribution centres to reduce reliance on the national grid and lower Scope 1 and Scope 2 carbon emissions • Optimising route planning and implementing load consolidation to improve transport efficiency • Reviewing alternative energy systems such as electric vehicles and sustainable charging solutions
Failure to appropriately disclose ESG impacts (Low; ↑)	Failure to appropriately disclose ESG impacts, as required by the JSE, exposes Dis-Chem to reputational damage and the erosion of stakeholder trust.	• Governance oversight is embedded in sustainability reporting processes • A dedicated ESG team is responsible for JSE-aligned ESG disclosures • Selected ESG KPIs are externally reviewed and assured

1 *Residual risk refers to the risk level after applying treatment and control actions.*

Level of risk

High – Risks that cause management concern and are actively managed and mitigated

Moderate – Risks that require attention but are not an immediate cause for concern

Low – Emerging risks that are monitored but not actively managed

Year-on-year movement

↑ **Increasing residual risk rating** ↓ **Decreasing residual risk rating** → **No movement in residual risk rating**

Movements in residual risk ratings are driven by changes in requirements, legislation, business conditions or macroeconomic pressures, while reductions reflect improved controls and monitoring.

Our ESG risk management process continued

Risk and residual[1] risk rating	Description	Strategic actions
Climate change disruptions to the supply chain (Moderate, ↑)	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-related risks are integrated into operational planning • Environmental risks are considered in supply chain resilience planning • ESG supplier self-assessment questionnaires assess sustainability practices and determine supplier selection • Sourcing from multiple suppliers reduces dependency on single sources
Non-compliance with health and safety regulations (Moderate) New addition to the risk register	Failure to comply with the Occupational Health and Safety Act exposes Dis-Chem to reputational damage, fines and the erosion of stakeholder trust.	• Implemented safety and health audits at all facilities to identify and remediate gaps • Implemented system to track remedial actions and escalate overdue actions • Top 10 roles exposed to high operational risk identified and prioritised in Dis-Chem's medical surveillance plan
Inadequate management of health and safety risks (Moderate) New addition to the risk register	Failure to adequately assess, communicate and manage health and safety risks in the workplace can result in regulatory non-compliance and expose employees to health and safety risks.	• Appointed regional safety, health and environment officers and trained new officers • Implemented safety and health awareness campaigns for employees • Standardised safety and health systems and procedures • Embedding a culture of daily operational equipment checks • An incident management procedure includes investigation and shared learning
Inappropriate waste disposal (Low, ↓)	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.	• Implemented an integrated waste management process that complies with relevant legislation • Perform annual waste audits to identify and remediate inappropriate practices • Recyclable waste is separated and processed • Third-party waste management service providers remove waste from the stores, including healthcare risk waste
Water scarcity (Moderate, ↓)	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 an inability to meet stakeholder expectations.	• Implemented a comprehensive water management system across distribution centres, including water use reduction and reuse initiatives based on smart metering and data analysis • Assessed the risk of water scarcity and operational disruption • Partnering with severely water-stressed stakeholders to assist (drill boreholes) and promote responsible water use

1 *Residual risk refers to the risk level after applying treatment and control actions.*

Level of risk

High Risks that cause management concern and are actively managed and mitigated

Moderate Risks that require attention but are not an immediate cause for concern

Low Emerging risks that are monitored but not actively managed

Year-on-year movement

↑ **Increasing residual risk rating** ↓ **Decreasing residual risk rating** → **No movement in residual risk rating**

Movements in residual risk ratings are driven by changes in requirements, legislation, business conditions or macroeconomic pressures, while reductions reflect improved controls and monitoring.

Our ESG risk management process continued

Risk and residual[1] risk rating	Description	Strategic actions
Natural resource depletion (Moderate, ↓)	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.	• Implementing initiatives to reuse, recycle and make more efficient use of cardboard packaging at the distribution centres • Recyclable waste collected at the stores is separated and processed • In-house brands are prioritising more sustainable packaging materials
Leakage of toxic gases from refrigeration equipment (Moderate, ↓)	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.	• Dis-Chem applies air cooling technology instead of air-conditioning in facilities that do not require the same stringent temperature controls as the pharmacies • An emergency contact list is in place to mitigate the impact in the event of gas leakage
Transformation (Moderate, →)	Transformation is a strategic imperative in South Africa to address social risks related to previous disadvantages, poverty and other socio-economic conditions.	• Implementing 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 and the recruitment process applies employment equity targets • Dis-Chem's B-BBEE score remained at level 5

1 *Residual risk refers to the risk level after applying treatment and control actions.*

Level of risk

High – Risks that cause management concern and are actively managed and mitigated

Moderate – Risks that require attention but are not an immediate cause for concern

Low – Emerging risks that are monitored but not actively managed

Year-on-year movement

↑ **Increasing residual risk rating** ↓ **Decreasing residual risk rating** → **No movement in residual risk rating**

Movements in residual risk ratings are driven by changes in requirements, legislation, business conditions or macroeconomic pressures, while reductions reflect improved controls and monitoring.

Our material sustainability matters

33 Our material sustainability matters overview
34 Our material sustainability matters

Our material sustainability matters overview

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 reviewed and deepened our materiality assessment.

Our materiality process

1 Research

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

2 Identify

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

3 Approve

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

4 Integrate

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

5 Review and deepen

We reviewed the robustness of our material matters by conducting a dependencies, impact, risks and opportunities (DIRO) assessment against each of the material matters across the value chain, focusing on in-house (private label) products as part of the double materiality process.

The DIRO assessment refined the material matters further, specifically indicating a strong emphasis on customer focus. Throughout the assessment, we engaged with our internal stakeholders across key business units to incorporate functional and divisional insights and validate and refine the DIRO analysis.

The material matters remain relevant and unchanged in FY2026. Work is ongoing to amplify the material matters during FY2027, the detail of which will be disclosed in our next sustainability report as part of the description of the DIRO process and the IFRS quantification process that is being completed.

Our most significant impacts consider the stakeholders set out from page 16, 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 the supplier code of conduct addresses the prevention of child labour and 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 FY2026

- Enhanced whistleblowing management oversight and implemented a framework to guide whistleblowing management and compliance
- The majority of suppliers signed the supplier code of conduct and completed self-assessment questionnaires to enhance ethical conduct and compliance

*Read more in the Confidence in our supply chain section from **page 65.***

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 uphold 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 FY2026

- Amended the Code of Ethics to strengthen the guidance on anti-bribery and anti-money laundering (AML)
- Increased adoption of the supplier code of conduct and self-assessment questionnaires
- Included ESG criteria in supplier audits, along with quality and safety measures

*Read more in the Confidence in our supply chain section from **page 65.***

What we measure

- Customer satisfaction
- Whistleblowing system

Related strategic pillars

- Our people are our greatest asset
- Being there for our customers
- Confidence in our supply chain

Privacy protection and data security

Technology is a key strategy enabler. Dis-Chem adopts new technology and digitises services to enhance value to customers, improve operational efficiency and maintain its evolution and growth. However, digitisation and exposure to third-party suppliers increase the Group's cybersecurity risk. We have 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.

New in FY2026

- Reviewed and updated all data management policies in alignment with King V™ principles
- Implemented new POPIA training to ensure greater robustness and alignment with best practice
- Increased cyber awareness training and testing to identify and mitigate human risk

*Read more in the Being there for our customers section from **page 55.***

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 customer experience. Product or service innovation is a key contributor to our Better Health Starts Here initiatives. We work with our suppliers to develop innovative products that prioritise quality, safety and sustainability. However, innovation in the domestic industry is impacted by long 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 FY2026

- Introduced new in-house (private label) products that demonstrate our focus on quality, safety and sustainability
- Implemented fully recyclable packaging initiatives

*Read more in the Confidence in our supply chain section from **page 65.***

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

Dis-Chem's commitment to uphold the highest standards of product safety and quality underpins the integrity of our products. 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 FY2026

- Strengthened supplier management and compliance with independent laboratory testing of in-house (private label) products and supplier audits
- Increased adoption of the supplier code of conduct and self-assessment questionnaires enhanced supplier risk identification and management
- Upgrading vendor portal to digitise supplier onboarding, compliance documentation and reporting

*Read more in the Confidence in our supply chain section from **page 65.***

*Read more about product recall performance in the ESG data tables from **page 68.***

Related strategic pillars

- Being there for our customers
- Getting involved in our communities
- 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 FY2026

- Upgraded vendor portal will digitise supplier onboarding, compliance documentation and reporting
- Implementation of the automated forecasting and replenishment system improves inventory management efficiency and supports the 'Store of the Future'

*Read more in the Confidence in our supply chain section from **page 65** and Taking care of our planet from **page 47.***

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. 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 FY2026

- New employee value proposition and branding to attract critical talent and skills
- Better Rewards priority customer boost for employees
- Increased investment in leadership development and retail training to support strategic objectives

*Read more in the Our people are our biggest asset section from **page 40.***

What we measure

- Talent management framework
- Culture transformation programme
- KPIs:
  - » Employee turnover
  - » Culture index score

Related strategic pillars

Our people are our biggest asset

Natural capital and climate-related resource management

Dis-Chem operates within a highly regulated healthcare environment and complies with applicable environmental legislation and standards governing the management of natural resources. The Group recognises that its operations depend on and impact natural capital, including energy, water and materials. Accordingly, it focuses on improving resource efficiency, reducing environmental impacts and strengthening operational resilience. This is supported through investments in monitoring systems, sustainable practices and aligned governance frameworks to ensure consistent compliance, responsible resource use and effective management of climate-related and environmental risks and opportunities across its operations.

New in FY2026

- Expanded solar energy initiatives and smart metering to improve energy management
- Implemented water monitoring, reuse and storage solutions
- Increased recycling and adoption of sustainable packaging

*Read more in the Taking care of our planet section from **page 47.***

What we measure

- Compliance with Dis-Chem's Sustainability Policy and environmental legislation and ESG standards
- KPIs:
  - » electricity consumption
  - » water usage
  - » waste recycled
  - » waste to landfill

Related strategic pillars

Taking care of our planet

Our material sustainability matters continued

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 material negative impacts, including harm to employees or litigation, fines and penalties.

New in FY2026

- Improved the reliability of health and safety data collection and reporting
- Reported zero fatalities and fewer severe injuries and lost days associated with lost time injuries
- Appointed two new SHE officers for the distribution centres and the Free State and Northern Cape operations
- Introduced medical surveillance for employee roles exposed to higher risks

*Read more in the Our people are our biggest asset section from **page 40.***

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

Healthcare access and affordability

Dis-Chem operates in a two-tiered healthcare system with significant disparities in access to healthcare and pharmaceuticals. The Group supports universal healthcare to enable improved access to appropriate, efficient and quality healthcare services for all. We serve all income groups, whether they are medical aid members or cash customers and we have 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 FY2026

- Launched Better Rewards to enhance customer value and access to integrated healthcare
- Adherence to chronic medicines through Better Rewards pharmacy boost
- Extended primary healthcare to more communities through PPPs

*Read more in the Getting involved in our communities section from **page 61.***

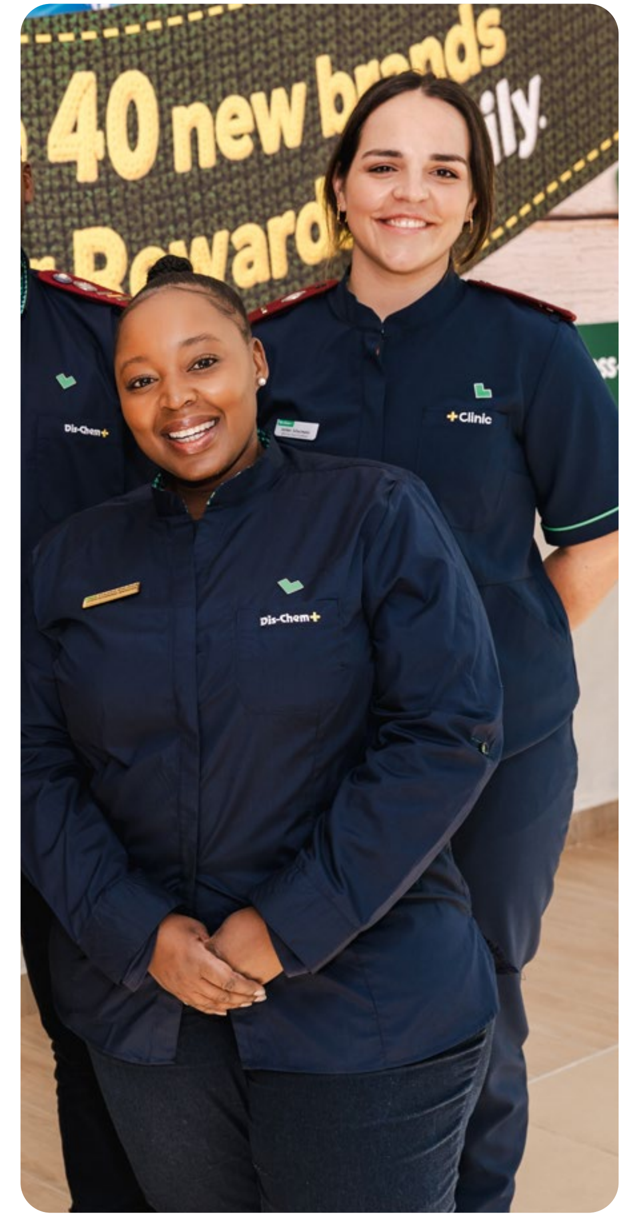
What we measure

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

Related strategic pillars

Getting involved in our communities

Being there for our customers



Our ESG strategy

40 Our people are our biggest asset
47 Taking care of our planet
55 Being there for our customers
61 Getting involved in our communities
65 Confidence in our supply chain

Our ESG strategy

Dis-Chem recorded further progressive improvements across all five ESG strategic pillars in the past year.

Our five ESG 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 with 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 ESG goals and targets. Key developments in this regard include:

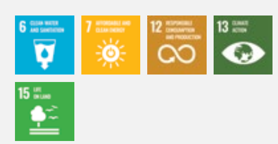
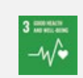
- Integration of ESG into the Group's business strategy
- Expansion of the ESG KPIs linked to Executive and senior management performance assessment for remuneration

We report on our progress against a set of strategic focus areas and KPIs for each pillar. These KPIs are set out in the ESG data tables from **page 72** and enable us to track our progress.

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

Dis-Chem

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 and respect the right of our employees to freedom of association (Diversity policy supports this right)
- 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. The Group supports the right to a minimum wage, in compliance with minimum wage legislation in the wholesale and retail industry and the security industry.

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. Employee's health and safety is deeply embedded in training, policies, procedures and reporting. All incidents are recorded and investigated.

Dis-Chem made further progress in implementing a future-fit organisational culture and workforce capacity to support our strategic direction and drive the Better Health Starts Here promise.

Our performance highlights and challenges in FY2026

- Implemented learnings from the culture transformation programme to advance Dis-Chem's strategy and purpose
- Formalised and strengthened leadership development, talent development and succession processes to support business growth
- Redesigned employee value proposition (EVP) and employee branding campaign to attract talent
- ESG KPIs linked to Executive remuneration to motivate leadership commitment to ESG

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

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 key focus in FY2026 was our CEO-led culture transformation programme that seeks to drive the integrated health vision and position Dis-Chem as a healthcare authority.

Developing a future-fit organisational culture

Dis-Chem implemented improvements identified during a culture assessment, including:

- Effective employee communication: We established a CEO Townhall, WhatsApp chat channel and Leadership Summit to increase engagement and cascade communication throughout the Group
- Enhanced employee benefits: Employees receive priority customer discounts on products listed in the Better Rewards programme
- Targeted learning and development interventions across the spectrum of management and employees to build a pipeline that supports the Group's strategic direction
- Interventions to address low culture index scores in warehouses: We implemented measures to understand inhibiting factors and enable effective engagement between management and employees

KPIs linked to management short-term incentives and Executive remuneration incentivise performance across a range of strategic objectives, including ESG and culture. Performance against the KPIs enables the organisation to evaluate progress in meeting objectives and to refine micro formulas underlying the KPIs.

Involvement in labour initiatives to promote diversity and inclusion

Dis-Chem's People & Culture Director is responsible for the Group's participation in programmes that promote diversity and inclusion.

Dis-Chem's employment equity policy and plan address employment equity and include targets to employ people from diverse and historically disadvantaged backgrounds. During FY2026, the Group implemented a new five-year employment equity plan to accelerate workforce diversity and introduced tools for employment equity committees to monitor performance against diversity targets.

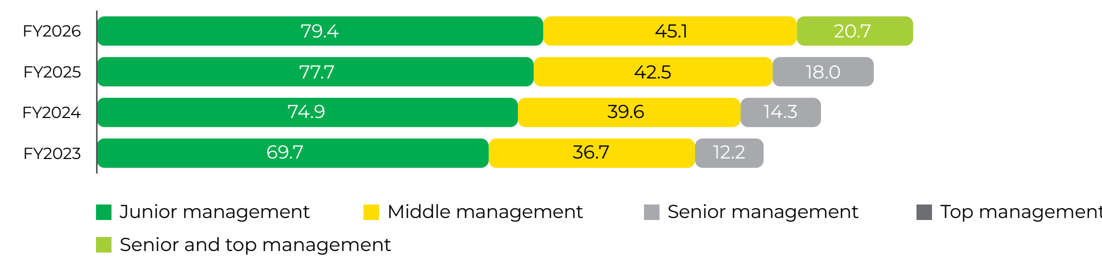
Dis-Chem demonstrates its support for gender equity through the EmpowHER campaign. The campaign is run by Dis-Chem's female leaders to address challenges women face and promote gender equity. As part of this campaign, Dis-Chem partnered with the Kolisi Foundation to deliver Power2YouPacks to Dis-Chem's female employees during the 16 Days of Activism Against Gender-Based Violence campaign. During FY2027, the Group will review processes to counter sexual harassment and bullying.

Recognising the importance of creating an inclusive and supportive workplace, People & Culture has partnered with our Integrated Health teams to better understand and address the needs of employees with disabilities (PWD). Through this collaboration, we are identifying practical solutions, enhancing accessibility, and strengthening support mechanisms to ensure all employees are able to contribute, develop, and thrive within the organisation.

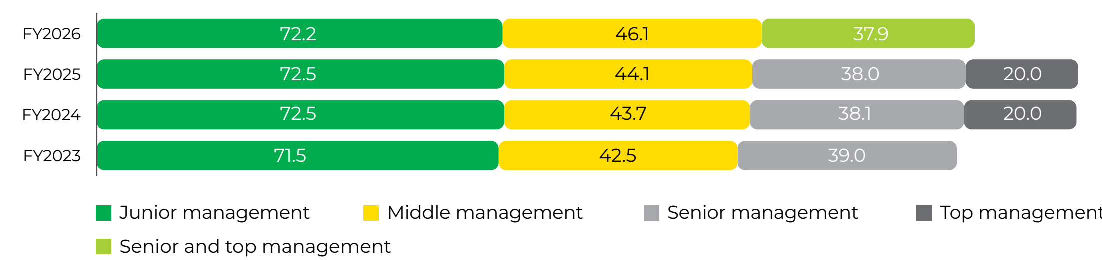
B-BBEE

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. Dis-Chem continues to achieve annual improvements in its B-BBEE contributor status. During the reporting period, Dis-Chem aligned its executive occupational level classifications across the Employment Equity (EE), Broad-Based Black Economic Empowerment (B-BBEE) and EEA9 reporting frameworks. Certain positions previously reported as Senior Management for EE purposes were reclassified to Top Management in line with EEA9 definitions. This reporting refinement enhances consistency across reporting frameworks, more accurately reflects the Group's executive leadership structure.

Racial diversity at management levels
(%)



Gender diversity at management levels
(%)



Our people are our biggest asset continued

Employee attraction and retention

Employee value proposition

Dis-Chem redesigned its employee value proposition (EVP) and employee branding campaign to attract the talent and skills it needs to grow and transform. The new EVP proposition comprises four pillars:

- **Purpose-driven culture:** Creating an inclusive environment where people feel safe
- **Holistic healthcare for our employees:** Creating a supportive care environment through our employee assistance programmes
- **Total rewards:** Providing transparent, fair and competitive pay, enhanced by Better Rewards
- **Career development:** Offering continuous learning, whether through bursaries, leadership programmes or flexible platforms for long-term careers.

Refer to the Remuneration Report in the Dis-Chem Integrated Report 2026.

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 the 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. The Group attracts and develops nurses with nursing bursaries and practical work opportunities. We award a growing number of nursing bursaries and offer a competitive housing allowance for clinic nurses.

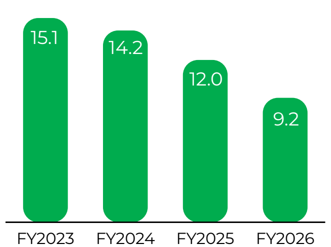
Dis-Chem creates social value by investing in the wellbeing of its employees through fair remuneration, healthcare support, and employee benefits that promote financial security and everyday wellness, supporting our commitment to a living wage.

Under Dis-Chem's Better Rewards programme, employees benefit from enhanced rewards as priority customers, with a 10% additional boost from 1 October 2025, giving them access to instant savings three weeks before the launch date.

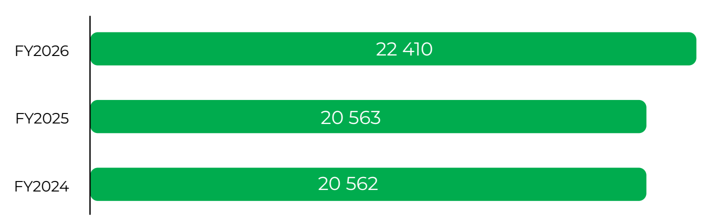
Primary private medical insurance and gap cover provided by Kaelo is fully subsidised by Dis-Chem. All permanent employees are required to contribute to provident funding.

Dis-Chem's leave policies support a diverse workforce. As an employee benefit enhancement, Dis-Chem does not prorate bonuses for eligible employees who go on maternity leave, compassionate leave or adoption leave.

Rate of employee turnover (South African permanent employees)
(%)



Growth in employees
(Number)



Talent management

Dis-Chem's talent management framework and initiatives for talent management and succession planning include:

Talent reviews

A structured talent review process enables managers and employees to engage meaningfully about employees' aspirations, capabilities and engagement levels. Management teams can identify future-fit individuals and target development initiatives to close capability gaps and build critical skills for future business needs.

Succession management

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

Our people are our biggest asset continued

Investing in the learning and development of our employees

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

Employees benefitted from enhanced learning and development initiatives, including:

- A growing talent pipeline to support additional growth of the Group's store footprint
- Expansion of group leadership development programmes to store and dispensary management
- Ongoing investment in learnerships for employed or unemployed youth

Key Training and Leadership Development Initiatives:

Increased investment in employee development during the reporting period was supported by a range of training and leadership initiatives aimed at strengthening skills, capability and organisational effectiveness.

- Better Rewards training programme
- Refresher training interventions
- Leadership Conference
- Functional Leadership Summits
- Divisional Leadership Summits

Leadership development

Potential leadership candidates are developed through our various programmes in the Dis-Chem leadership development structure. Three tiered programmes are structured for different levels of leadership.

- The Elevate programme is a management development programme targeted at our senior regional management. Retail management participated in the FY2026 programme and head office and warehouse operations will participate in FY2027.
- The Ignite programme shapes leaders who have been identified as potential future leaders capable of filling management roles in line with our store expansion strategy, and those who are currently leaders. The programme aligns participants with Dis-Chem's intent of building an integrated healthcare ecosystem. 122 store and dispensary managers participated in FY2026.
- The Aspire programme serves the development needs of top management. The programme will start in FY2027.

The Group conducted a three-day facilitated workshop for the executive leadership team, focused on new ways of work, team building and establishing mutual respect. An ongoing leadership change management workshop provides support to leadership during strategic change and business growth.

Professional development

Senior Dis-Chem leaders were selected to participate in the 2026 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 Pharmacist Assistant Post Basic qualification (PBQ) in about 18 months. During this time, they are provided with tutors while they are working at a Dis-Chem dispensary. Amendments to the PBQ curriculum temporarily disrupted the pipeline of qualified pharmacist assistants during FY2026 as course providers sought accreditation for the new curriculum.

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.

The number of learnerships declined compared to prior years, primarily due to the transition to new occupational curricula and the accreditation requirements imposed on training providers before enrolments could commence. In addition, Dis-Chem intentionally shifted its focus from high-volume, lower-impact learning interventions to high-value, high-impact internships and learnerships that create sustainable employment pathways and support critical skills development. This approach aligns with the Group's Employment Equity (EE) transformation objectives and B-BBEE Skills Development strategy by prioritising programmes that improve learner absorption, enhance representation of designated groups, and build a stronger pipeline of scarce and critical skills. Despite lower learnership volumes, internship (WIL) opportunities increased from 181 in FY2025 to 248 in FY2026, reflecting Dis-Chem's continued commitment to meaningful workplace-based learning and youth development.

Our people are our biggest asset continued

Clinic nurses

In line with the growth in Dis-Chem's store footprint, the Group continues to increase the total number of bursaries awarded to nurse candidates studying at a range of South African universities.

Dis-Chem offers Continuing Professional Development training events for all nurses employed by the Group. Dis-Chem clinics comply with all the DOH Primary Health Care 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 each nurse every third year.

All Dis-Chem clinic nurses are either accredited or in the process of completing the internationally accredited Diabetic Nurse Educator course. To ensure that all new nursing recruits are adequately equipped to provide primary healthcare, Dis-Chem introduced a one-month programme that new nurses complete online at the head office. The programme includes all continuing professional development primary healthcare courses. These are accredited and updated in line with regulatory changes.

Employees

Dis-Chem employees are able to access LinkedIn Learning to develop their professional skills and explore other areas of interest to grow their careers. Dis-Chem integrates LinkedIn Learning with its leadership development programme to broaden participants' learning experiences and make training more accessible and engaging.

The Group increased its investment in learnerships for employed and unemployed people in the retail, pharmacy and clinic operations, creating employment opportunities for HDSAs. This allows unemployed youth to gain a South African Qualifications Authority (SAQA) aligned qualification and work experience. Employees in the retail and warehouse operations benefited from specific local and international development programmes in insurance, project management and retail disciplines.

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

Employee health and safety is monitored by the Board's SEC. Dis-Chem's structured approach to safety and health management is strengthening compliance and reporting, increasing management visibility across the operations, and reducing impact through continuous improvement.

Key advances in health and safety management

- Two additional SHE officers were appointed to focus on operational safety in the distribution centres and the Free State and Northern Cape divisions. The SHE management team deploys SHE officers across the Group to embed a safety and health culture based on regulatory compliance, safety risk identification and implementation of controls to prevent incidents.
- Divisional and store managers completed legal liability training to strengthen awareness of occupational health and safety responsibilities. An independent review of compliance with safety and health regulations identified gaps which were addressed.
- Dis-Chem improved the reliability of safety and health data collection by defining key metrics, standardising data collection and establishing baseline data for the lost time injury frequency rate (LTIFR).
- The Group made progress towards certification in the ISO 45000 international occupational health and safety standard. A compliance gap analysis will be completed during FY2027 and improvement opportunities will be implemented. The ISO 45000 certification process enables the Group to build an auditable health and safety management system.

For health and safety data, refer to the ESG data tables, from **page 76.**

Avoiding harm and injuries

Dis-Chem reported zero fatalities during FY2026. The number of LTIs was consistent with LTIs reported during FY2025. However, the Group reported a decrease in severe injuries and fewer lost days associated with LTIs. These trends are attributed to a more proactive approach that is heightening awareness of health and safety risks and safety risk management procedures.

Safety and health risks identified in work environments are incorporated into the risk management system. Controls are implemented to eliminate the risks and make work environments safer. A safety and health risk review was conducted in FY2026, and the risk register was separated from the environmental impacts register to strengthen the focus on safety and health risks.

Safety and health training, including emergency preparedness and incident management, is compulsory for employees. Training was increased during FY2026, with managers completing legal liability training and several SHE officers trained in firefighting and first aid. Strict rules apply to the use of machinery in the distribution centres. Safety and health awareness is included in employee induction at Dis-Chem's head office, and internal communications such as Talk Topics highlight specific matters.

All stores have standard operating procedures for the management of infectious diseases and hazards, and measures are in place to avoid transmission. In-store clinics are the first port of call for injuries in the stores.

Our people are our biggest asset continued

Incident management procedure

A structured process is triggered in the event of a safety incident to ensure accountability, root cause analysis, and effective resolution.

1 Immediate reporting

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

2 Initial containment

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

3 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.

4 Corrective and preventive actions

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

5 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.

6 Closure and monitoring

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

Taking care of employee health and wellness

Medical surveillance

Dis-Chem conducted a health risk assessment in FY2026 to identify employee roles that may be exposed to higher risks, such as driving, working at heights, machine operation and manual stock handling. Using available infrastructure and services in its clinics, Dis-Chem will conduct medical surveillance testing on these employees to establish a baseline and conduct annual monitoring.

By identifying employee health and safety risks and monitoring 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.

Employee wellness

Dis-Chem's employee wellness programme is 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 counselling for employees.

Dis-Chem's HIV/AIDs campaigns seek to prevent and control HIV/AIDs and represent our 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.

Dis-Chem developed a case management process to support employees who are unable to perform their work duties due to injuries or other occupational health conditions that limit their performance. This will be implemented during FY2027 to support employees' return to work. The Group also identified the need for a process to support pregnant employees by assessing risks in their work environments and controlling those throughout their pregnancy and breastfeeding.

Improving efficiency and reducing environmental impact

Dis-Chem's people and culture shared services solution is contributing to efficiency improvements by automating manual processes and streamlining processes such as internal recruitment, bursary application tracking and employment equity management. By reducing reliance on physical documentation through built-in workflows and end-to-end digital processes, the solution will reduce paper usage.

Our people are our biggest asset continued

Our future focus areas

- Developing the strategic objectives to implement the new EVP proposition, including a Total Rewards philosophy and framework
- Cascading strategic messaging from the annual leadership summit to align employees with Dis-Chem's purpose
- Building a comprehensive onboarding and social engagement platform for employees
- Automating more people processes to enhance employee experiences, improve operational efficiency and contribute to a more sustainable and digitally driven People & Culture function
- Defining a new capability model for the business to upskill employees in retail operations to support the Dis-Chem strategy
- Completing ISO 45001 certification
- Implementing science-based improvement targets for employee health and safety impacts
- Implementing health and safety reporting and investigation tools to coordinate data collection and reporting of hazards and first aid incidents across the Group to understand leading safety indicators

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:

- Assess and 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 in our value chain to reduce climate change impacts

Use of natural resources

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

- Conduct environmental impact assessments to identify and manage impacts
- 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 and comply with 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

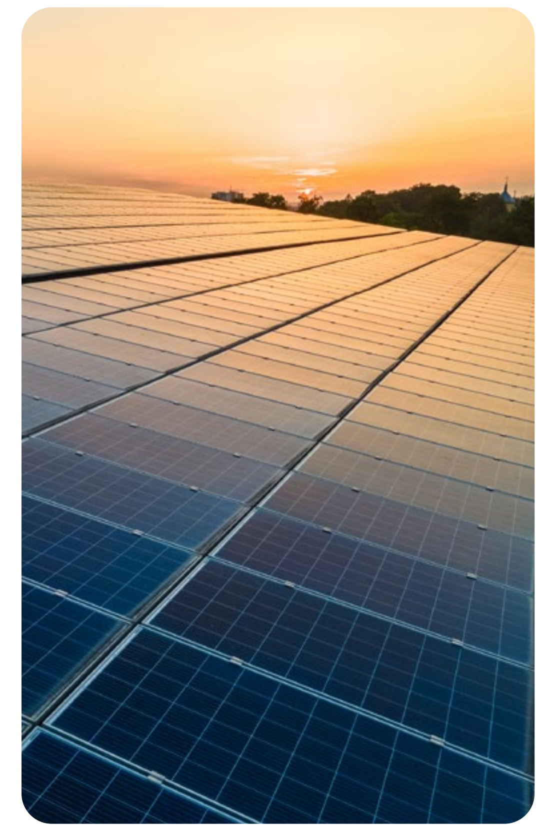
Waste management

Dis-Chem imports products that contribute to waste in South Africa. The Group complies with EPR legislation by declaring all obligated imported materials and paying the required EPR fees to the CGCSA, our registered Producer Responsibility Organisation.

The Group is implementing an integrated waste management system, based on reverse logistics, waste management service provider partnerships, and stakeholder education to reduce and recycle waste across our value chain.

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

6 CLEAN WATER AND SANITATION | 7 AFFORDABLE AND CLEAN ENERGY | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION | 13 CLIMATE ACTION | 15 LIFE ON LAND



Taking care of our planet continued

Dis-Chem's maturing data collection processes and improvement initiatives are driving reductions in its Scope 1 and 2 carbon emissions and landfill waste.

Climate change

FY2026 performance highlights and challenges

Monitoring and measuring carbon emissions

- Data collected from smart meters to monitor and measure electricity usage at our distribution centres is improving Dis-Chem's disclosure of Scope 2 carbon emissions and enabling the Group to set reduction targets

Reducing carbon emissions

- Solar energy solutions at all distribution centres are reducing Scope 2 carbon emissions from electricity and Scope 1 carbon emissions from diesel generators
- Increased use of solar energy is contributing to energy cost savings at the distribution centres

Improving the efficiency of energy usage

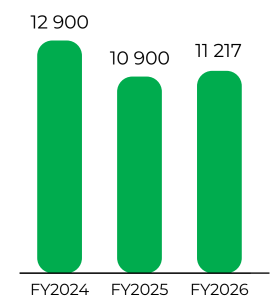
- The distribution centres continue to focus on opportunities to reduce Scope 1 emissions by optimising transport logistics. Opportunities to introduce electric vehicles (EVs) and reduce refrigerant gases are being explored

Challenges to climate reduction

- Dis-Chem's retail stores account for the bulk of the Group's electricity consumption. However, its ability to implement carbon reduction initiatives at its stores in shopping malls is limited by contractual arrangements with landlords. Installation of smart meters to measure electricity and water use in Dis-Chem stores will improve the reliability of data collection and strengthen our case in motivating improvement initiatives with landlords.
- Dis-Chem is testing EVs as a carbon reduction opportunity at some of its distribution centres. The Group is also exploring options to charge the batteries of active delivery vehicles with solar power during day-light hours or store energy for night-time charging. This would improve the viability of the EV solution.

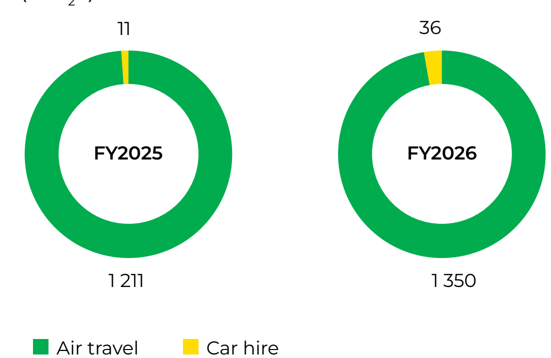
Carbon emissions

Total Scope 1 emissions (tCO_2e)



Total Scope 2 emissions (tCO_2e)

Scope 3 emissions (tCO_2e)



Read more about our approach to climate change:

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 88**.

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 27**.

For environmental data, refer to the ESG data tables, from **page 72**.

Read more about our future focus areas on **page 54**.

Taking care of our planet continued

Our climate disclosures

Dis-Chem recognises climate change as a relevant risk and opportunity for the business and incorporates climate change risks and opportunities into its strategy. The Group 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 20**.
	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 20**.
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 that relate directly and indirectly to potential climate impacts.	Risks and opportunities, **page 27**.
	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 to minimise the impact of operations on the environment.	ESG strategy, **page 38**.
	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. The ESG strategy responds to these risks and opportunities and takes 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 27**.
	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 27**.
	How processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management.	The Board, ARC and the SEC consider ESG risks and opportunities as part of their oversight accountability.	Risks and opportunities, **page 27**.
Metrics and targets	Metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process. Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions and the related risks. Targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	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 will assist in setting science-based targets in the medium term. The Group continues to monitor use in its stores. Dis-Chem implemented solar energy solutions at its distribution centres which operate 24-hour shifts. The solar investments were based on an optimal energy model determined by data collected from smart meters.	ESG data tables, from **page 72**.

Taking care of our planet continued

Climate scenario risk assessment

Dis-Chem conducted a climate scenario analysis as part of its climate risk and opportunity planning in FY2024. The analysis identified business impacts and opportunities for two climate scenarios.

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 a share price decrease.

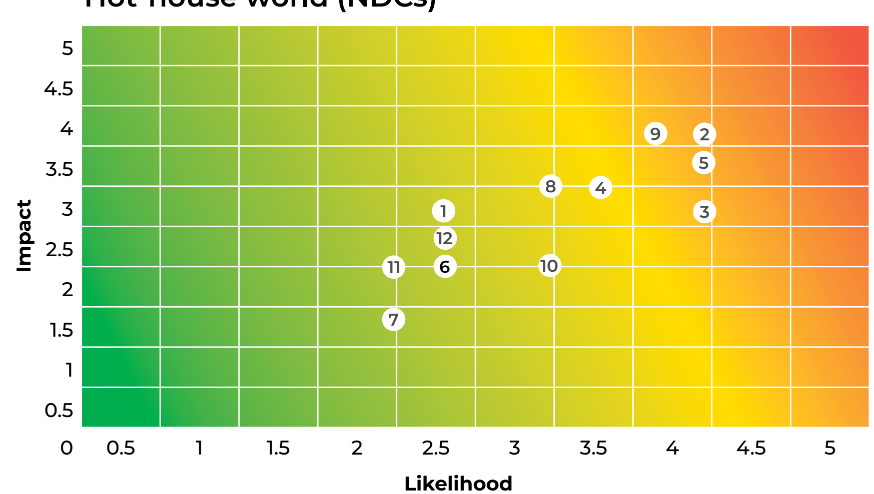
Risk 9: Market and policy transitional risk associated with increased carbon pricing, resulting in increased product costs, margin pressure and potential supplier closures.

Risk 10: Transitional and/or physical impacts having compounded macroeconomic impacts, resulting in decreased disposable income, leading to decreased revenues.

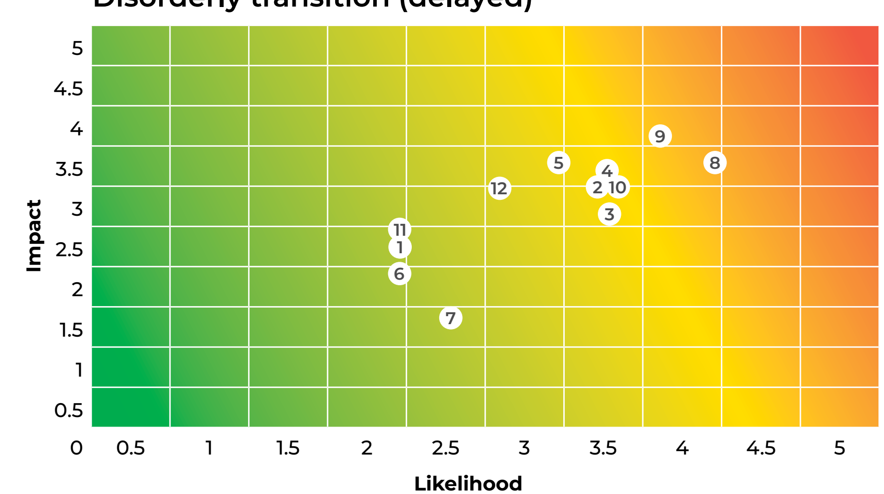
Risk 11: Legal transitional risk through non-compliance with carbon-related data disclosure frameworks.

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 enables Dis-Chem to generate renewable alternative power. This 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 at 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 is contributing 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 may increase the customer base and market share.
Opportunity to attract investors through demonstrable leadership in ESG and sustainability	Alignment between Dis-Chem's 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 alternative water sources, rainwater or regular backup storage, the Group ensures business continuity and sound hygiene practices during periods of interrupted water supply. This reduces the pressure to source water during droughts, infrastructure breakdowns or extreme weather conditions. Less reliance on municipal water supply reduces 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 could enhance customer perception and increase sales by stating the source of in-house branded products where this information is not yet provided, including food, supplements, oils or creams.
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 as well as the emissions from stores and distribution centres. The conversion or replacement of higher global warming potential refrigerant systems will realise this opportunity.

Taking care of our planet continued

Use of natural resources

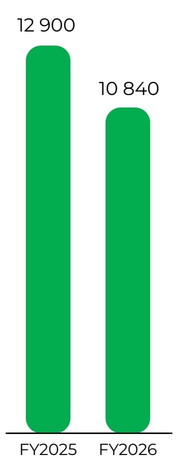
Energy use

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

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 warehouse 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.

Solar energy investments reducing carbon emissions and energy costs

Dis-Chem made further progress in the implementation of a solar energy programme at its distribution centres during FY2026. Solar energy systems at the Cape Town, Durban and Midrand distribution centres supply all of the operations' electricity needs in full sunlight and are supplemented with municipal electricity at other times.

The investment has reduced the distribution centres' reliance on the national grid, improved their energy security and reduced Scope 2 emissions. Using renewable energy during daytime has reduced the use of diesel generators at distribution centres, contributing to a reduction in scope 1 carbon emissions. Associated cost savings are expected to increase further when solar installation is completed at the Longmeadow facility. Dis-Chem expects to implement Scope 2 reduction targets during FY2027.

To optimise energy supply, Dis-Chem will start to install smart meters at its retail stores to measure electricity and water usage from FY2027. This will enable comprehensive reporting of Scope 2 emissions across the Group. Reliable data on electricity and water usage in stores will strengthen Dis-Chem's efforts to extend carbon reduction initiatives to its stores in large shopping malls.

*Read about our use of natural resources in the ESG data tables from **page 77.***

Water security

Dis-Chem uses smart meters to measure water use at the distribution centres and monitors use in the stores. Other initiatives are in place to mitigate municipal water outages and conserve water, including storing and reusing rainwater as grey water, primarily for ablution facilities.

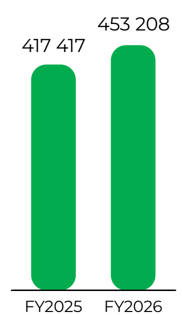
Our performance highlights and challenges in FY2026

- Data from water meters at the distribution centres improved monitoring and management of water consumption. For example, an underground water leak at the Midrand distribution centre was detected and repaired as a result of water metering.
- Several initiatives are in place to mitigate municipal water outages and harvest rainwater, including:
  - Rainwater reclamation at the Longmeadow distribution centre and use for ablution facilities
  - Use of borehole water to supplement unreliable municipal water supplies
- Additional investment in water storage tanks and boreholes to maintain operational continuity during municipal water outages.

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

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

Total water usage
(Kl)



Taking care of our planet continued

Waste management

Our performance highlights and challenges in FY2026

Dis-Chem made further progress towards its zero waste to landfill target which aims to eliminate landfill waste by 2030.

Waste assessments were conducted at all stores and distribution centres to inform waste management. The Group increased the amount of waste it recycles.

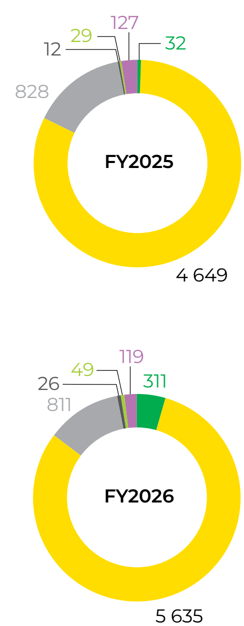
Initiatives to divert waste from landfill

- A cardboard box waste management collaboration with a local Black female entrepreneur is repurposing a significant amount of cardboard waste at the Delmas distribution centre. The initiative also contributes to local job creation and a circular economy. A similar cost-effective solution is being developed by the other distribution centres.
- Separate balers for plastic, cardboard and labels at the Midrand retail facility reduce landfill waste and process recyclables.

Initiatives to reduce the plastic footprint

- All distribution centres depleted stocks of plastic cardboard box fillers and replaced them with corrugated cardboard paper filler.
- Fully recyclable plastic containers (tote bins) are used in the Group's internal supply chain to replace single use cardboard containers. Tote bins save packaging material costs but have high replacement costs if they are not returned after deliveries to stores.
- Recyclable stainless steel containers (rolltainers) are used to ship stock from the Longmeadow distribution centre, reducing the use of wooden pallets and plastic wrapping.

Waste management
(tonnes)



- Total waste reused
- Total waste recycled
- Total waste – landfilled
- Total healthcare risk waste treated
- Total healthcare risk waste incinerated
- Food waste (fat trap) – Waste to energy

Dis-Chem recognises that sound healthcare risk waste management practices reduce environmental and health risks and can convert waste into reusable resources. Waste generated by the Group includes:

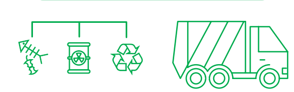
- High-risk healthcare waste (sharps and infectious waste)
- Pharmaceutical waste (expired, unused, split or contaminated medication, medicines, vaccines and packaging materials)
- Front-shop waste (a range of packaging, damaged goods, testers and unsold or expired product waste)

The Group continuously monitors changes in the regulatory environment and evaluates its compliance with healthcare risk waste management requirements. A healthcare risk waste removal company removes waste from the stores.

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

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

1 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

2 Baling

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

3 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, all contents are recorded and locked in. Healthcare risk waste is incinerated, and we receive certificates as proof of disposal.

Taking care of our planet continued

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.

During FY2026, Dis-Chem provided financial support to four small, medium and micro enterprises (SMMEs). The Group plans to implement a more structured enterprise and supplier development programme in the year ahead, including the integration of SMME suppliers into regional sustainability initiatives such as the zero waste to landfill project.

Our future focus areas

- Having set baselines for electricity and water consumption, Dis-Chem is implementing more initiatives to reduce electricity and water use.
- We plan to implement reduction targets for climate impacts in FY2027, based on progressive improvements in our data collection process.
- Dis-Chem will start installing smart meters at some retail stores to measure water and electricity use, verify use charges and set baselines for reduction initiatives.
- Planned efficiency improvements in transport logistics, including the use of data analytics to improve vehicle and fuel efficiency will contribute to more efficient energy usage.
- In our drive to eliminate waste to landfill, we are considering piloting a broad sustainability project at our new distribution centre in Gqeberha. The project will focus on waste management and integrate local waste management service providers into our supply chain.
- We plan to commence the process to achieve certification in the ISO 14001 international environmental management system.

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 Better Rewards 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 and/or dosage instructions. In most cases, patients notice discrepancies and errors are corrected before they leave the dispensary. We have a strict quality control 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.

Dis-Chem increased customer engagement by delivering more value to customers and introducing new digital solutions, while maintaining high levels of patient care.

Our performance highlights and challenges in FY2026

- Launched the value-adding Better Rewards programme, which boosted customer acquisition, loyalty membership and related sales
- Further enhanced quality management and reporting to reduce dispensing errors
- Expanded primary healthcare services to communities and prioritised reproductive and sexual health services for young women
- Invested in new digital solutions to improve customer engagement, experience and care
- Customer complaints tracked growth in the customer base

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

3 GOOD HEALTH AND WELL-BEING

Being there for our customers continued

Customer satisfaction

Better Rewards

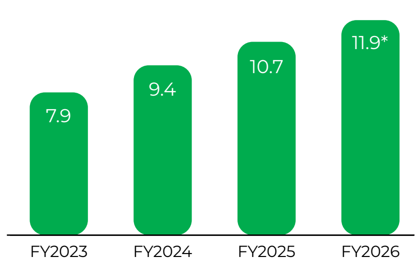
Dis-Chem replaced its 23-year old loyalty programme with the Better Rewards programme in October 2025. The new loyalty system offers customers instant, in-store discounts rather than points-based cash back. Customers receive an automatic 10% discount on more than 140 popular brands at the till, with higher targeted savings 'boosts' for health plan members and exclusive benefits for Capitec users.

Better Rewards discounts start at 10% for members and can be stacked with other benefits within the Dis-Chem ecosystem.

Key features of the Better Rewards programme

- Instant savings of 10% on over 10 000 products, including essential items, instead of waiting for monthly cash returns
- Additional 5% discount on front-shop products for customers who fill in prescriptions at the pharmacy, including over-the-counter medicines
- Targeted potential discounts of 20% to 100% for customers with Dis-Chem Health, Dis-Chem Life or gap cover policies
- A partnership with Capitec allows Capitec customers to link their card in the app to get an additional 5% discount on selected brands

Benefit members
(number in millions)



** Includes Better Rewards membership for five months, with effect from October 2025*

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.

Our customer complaints process

1 Ticketing

Complaints logged on social media, live chats or Careline channels are ticketed on our web-based customer experience platform (Sprinklr). Complaints received in stores, by email to Careline or through website enquiries are automatically ticketed on C4C (cloud for customer).

2 Tracking

Our customer experience agents assess the complaints ticketed on Sprinklr and C4C and implement a process to resolve them. If not resolvable, they are logged on C4C and automatically escalated.

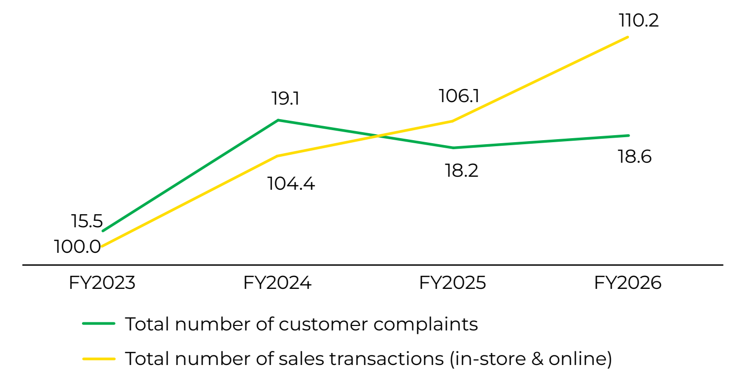
3 Escalation

C4C triggers an email to the Customer Service Manager and Careline Supervisor. The Careline Supervisor investigates the complaint and responds to the Careline email and directly to the customer by email.

4 Resolution

C4C captures the email response from the Careline Supervisor. A customer experience agent picks up the Careline Supervisor's response and closes the C4C ticket.

Customer complaints vs total sales transactions



Digital solutions for customer engagement

Dis-Chem introduced new solutions to improve customer relationship management during FY2026.

The C4C (cloud for customer) customer experience management solution increased the scope of the ticketing and tracking system and extended its functionality to Dis-Chem stores, enabling the stores to log and integrate customer complaints in the ticketing system. The enhanced functionality significantly increased the volume of customer tickets but did not result in a commensurate increase in customer complaints.

A new AI-powered solution for social media management enables Dis-Chem to access its social media presence without being tagged and to respond to customers. Dis-Chem is also able to benchmark its social media output against certain competitors. In another development, the Group implemented a new solution to assess agents' responses to customers and measure customer satisfaction with query management.

Being there for our customers continued

Dis-Chem introduced live chats on the website for the dispensary, clinic and online environments. The Group continuously enhances this solution to improve its response to customers' online queries.

To alleviate the high volume of telephone calls to stores, address the high rate of unanswered calls, and reduce pressure on pharmacists and clinic employees, Dis-Chem introduced a call to WhatsApp solution that enables customers to convert their call to WhatsApp and use the self-service option. The solution was tested at Dis-Chem Brooklyn and Dis-Chem Atholl-Oaklands and is being implemented at another 20 stores.

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.

As a registered CGSO participant, Dis-Chem complies with the code and contributes towards funding the CGSO.

Expanding the integrated health ecosystem for customers

Dis-Chem offers a portfolio of health-centric financial services products that are integrated with its extensive pharmacy and clinic footprint.

- Dis-Chem Health, in partnership with Kaelo, 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. We have seen an increasing number of customers moving from cash payments to coverage under Dis-Chem Health plans, improving their access to chronic medication.
- Dis-Chem Life 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.
- The front-shop discount for customers who fill prescriptions in our pharmacies is valid for 30 days which encourages regular prescription refills and supports chronic medication adherence.

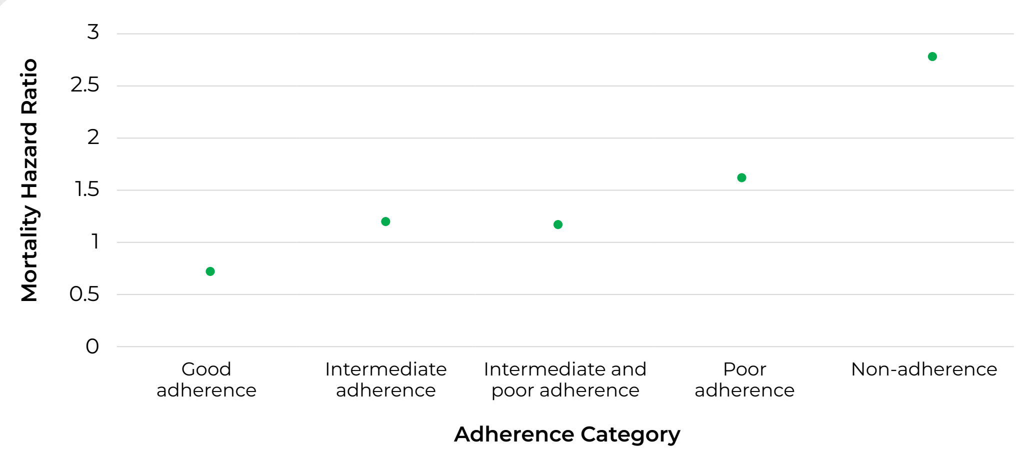
Improving health outcomes by promoting good adherence to chronic medication

Poor adherence to chronic medication is a global challenge with adherence to long-term therapy estimated to average around 50% in high-income countries and lower in developing countries (including those in Africa). A 2024 study reports 43.5% adherence to blood pressure lowering medicines in Sub-Saharan Africa driven by socio-economic factors and high pill burden.

A systematic review of medication adherence and mortality in chronic disease undertaken by Dis-Chem Product and Clinical Risk Executive, Jessica Hamuy Blanco, and others, demonstrates that:

- Good adherence to chronic medication is consistently associated with a significantly lower risk of mortality in adults with chronic conditions
- Non-adherence increases mortality risk by up to 45% in some populations

The following table shows synthesised effect measures by adherence group, where hazard ratio values greater than 1 indicate a higher risk of mortality.



Despite this evidence, the study finds that the critical role of medication adherence remains underrepresented in both clinical guidelines and health policy frameworks in South Africa. To address this gap, there is a pressing need to standardise adherence assessment methods and to develop and evaluate cost-effective interventions that improve adherence rigorously.

Dis-Chem's integrated health ecosystem contributes to the management of this challenge. The Group's affordable health plans improve access to chronic medication, its life insurance products give value back to customers who demonstrate good health practices, while the loyalty programme incentivises better adherence to chronic medication.

Being there for our customers continued

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 doctor 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.

Health services for women and girls

Prioritising sexual and reproductive health services

Dis-Chem continues to improve sexual and reproductive health education and services for young women. The clinics 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. The Group has taken the following steps to provide comprehensive, accessible healthcare solutions for women and girls:

- Equipping clinic nurses with Article 22 permits, enabling them to conduct contraception consultations without the need for a doctor's prescription. This initiative is important for young women who may otherwise face barriers to accessing contraception.
- Participating in a PPP to offer government-funded baby vaccines and contraceptive supplies at more than 200 Dis-Chem stores.
- Promoting screening and vaccination of 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.
- Responding to growing demand for HIV treatment following cutbacks in US humanitarian aid funding.

Managing dispensing errors

Dis-Chem's Dispensary Quality Management Protocol, which governs how the Group manages, measures and reports dispensing errors, was enhanced during the year to strengthen quality management and reporting practices. Increased reporting has included instances where customers initially raised concerns due to factors such as medication changes, dose adjustments, therapy changes or generic substitution; however, these cases were subsequently confirmed, following investigation, not to have resulted in the dispensing or consumption of incorrect medication and are therefore classified as "invalid" errors.

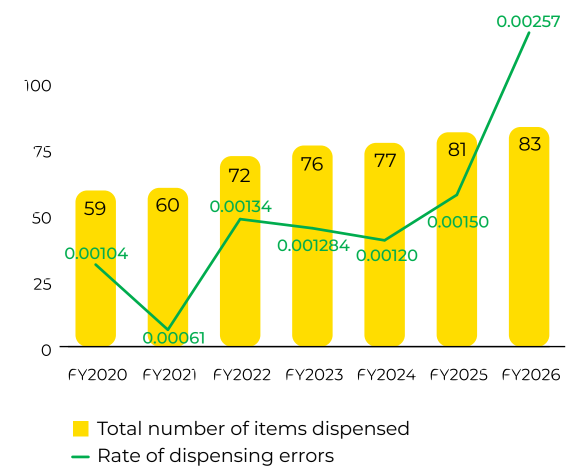
Dispensing errors remained a key focus area, with management actively driving awareness among staff and embedding quality-related KPIs into performance management for responsible pharmacists to encourage improved disclosure and reporting accuracy.

To improve the accuracy and clinical relevance of reporting, several enhancements were implemented:

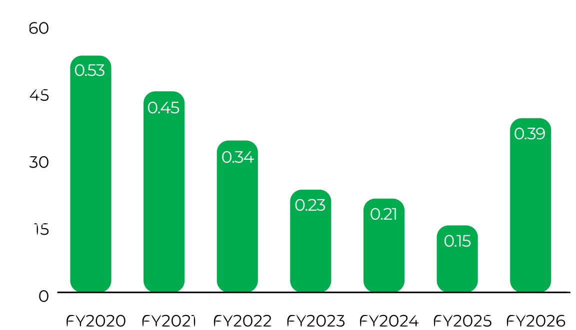
- **Refined severity grading** to clearly distinguish between errors that result in harm, those that do not cause harm, and cases that are not valid dispensing errors
- **Introduction of a structured peer review process,** incorporating regional pharmacy management and executive oversight, to promote consistency, clinical discussion and the implementation of best practice across the Group
- **Adjustments to KPIs** to support consistent and accountable reporting by responsible pharmacists
- **Targeted staffing and process improvements,** informed by insights from error reporting, including increased pharmacist capacity in high-pressure areas and updates to standard operating procedures
- **A centralised dashboard** was also developed and implemented to support the classification of dispensing errors based on severity ratings and to enhance monitoring through key risk indicators (KRIs)

These measures support improved data quality, strengthen governance and enable more effective identification and management of dispensing-related risks across the Group.

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



Rand value associated with dispensing errors (Rm)

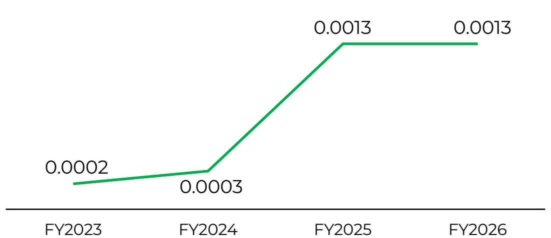


Being there for our customers continued

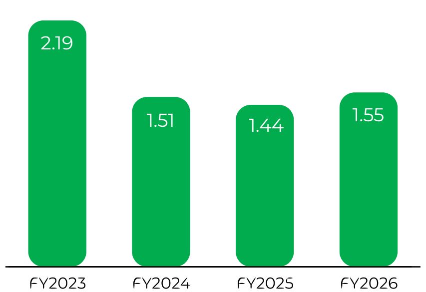
Clinic errors

The clinics actively manage and monitor adverse health events, ensuring that any incidents are reported promptly to the DOH. This tracking and reporting system 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.

Customer adverse health events
(%)



Total clinic consultations
(millions)



*Read more in the ESG data tables, from **page 72**.*

Data privacy and security

Dis-Chem adopts 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.

	FY2024	FY2025	FY2026
Number of customers affected	66	28	**386 592**

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

	FY2024	FY2025	FY2026
Total customers affected in PII category (number)	66	22	**386 589**
Total customers affected in PHI category (number)	0	6	**3**

Managing data breaches

Dis-Chem maintains a formal incident response plan aligned with NIST 800-61 and ISO/IEC 27035. The plan is reviewed and tested at least annually and includes:

- Preparation (Security monitoring, detection tools and employee training)
- Identification (Continuous monitoring and alerting mechanisms to detect potential incidents)
- Containment (Immediate measures isolate affected systems and prevent spread)
- Eradication and recovery (Threats are removed, systems are restored and integrity is validated)
- Communication (Clear escalation paths to internal stakeholders, regulators and customers)
- Post-incident review (Lessons learned are documented and controls updated to prevent recurrence)

In April 2025, Dis-Chem identified an incident relating to the process flow of its WhatsApp channel, which involved potential abuse and resulted in the unauthorised return of customer mobile numbers; all affected customers were formally notified through appropriate communication channels, and corrective measures were implemented to strengthen controls and prevent recurrence.

Being there for our customers continued

Incident response process for managing data breaches

1 Assessment
If an incident involves personal or sensitive data, we determine the scope of impact and confirm affected individuals.

2 Legal and regulatory review
We evaluate our obligations under relevant laws, such as POPIA, and contractual requirements.

3 Notification drafting
Communication is drafted to explain what happened, what data was affected, the potential risks, the steps we are taking and recommended actions for individuals.

4 Disclosure
Notifications are sent directly to affected individuals via email, letter or public website within legally mandated timelines. Regulators are notified, where required.

5 Support
Contact details are provided for support. Resources such as telephone helplines are provided to answer related queries.

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

- Launch the Store of the Future, going beyond store modernisation by delivering an end-to-end customer experience through a digitised store environment and an integrated healthcare journey
- Digitise customer services and key operational processes to improve the customer experience and free up employees' time
- Evolve the Better Rewards programme to increase value for customers
- Introduce targeted customer satisfaction assessments, including a customer satisfaction survey
- Further enhance chronic medication adherence management to improve patient health outcomes

Getting involved in our communities

Invest in communities we operate in

Our strategic focus areas

Access to healthcare → Dis-Chem's sustainability policy guides 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 affected by other events
- 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

Access to nutrition → The Dis-Chem Foundation supports nutrition initiatives that provide essential food support directly to vulnerable communities across South Africa.

The Dis-Chem Foundation addresses challenges related to its four pillars – access to healthcare, education, nutrition and community upliftment.

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's strategies, plans and policies
- Reviewing 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 aligned with the Group's business mission and strategy. The projects it funds directly support 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 UN's Guiding Principles on Business and Human Rights. Dis-Chem supports children's rights through its community investment initiatives.

*Read about our corporate social donations and investments in the ESG data tables from **page 72.***

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

1 NO POVERTY | 2 ZERO HUNGER | 3 GOOD HEALTH AND WELL-BEING | 4 QUALITY EDUCATION | 5 GENDER EQUALITY | 8 DECENT WORK AND ECONOMIC GROWTH | 17 PARTNERSHIPS FOR THE GOALS

Getting involved in our communities continued

Access to healthcare

The Dis-Chem Foundation supports initiatives that bring essential primary healthcare directly to communities across South Africa.

Chris Hani Baragwanath breast cancer initiatives

The Dis-Chem Foundation and Estée Lauder South Africa contributed to the renovation of the Batho Pele Clinic at Chris Hani Baragwanath Hospital. The Foundation also supports patients admitted for breast surgery by providing essential health and hygiene packs, offering comfort and dignity during their treatment.

The gifts of hearing and seeing

In partnership with the Mia le Roux Movement, the Dis-Chem Foundation provided four recipients with life-changing cochlear implants. The procedures were made possible by our ongoing partnerships, including Operation Healing Hands, that ensure safe surgeries, while advancing local medical knowledge and expertise. The recipients are also receiving ongoing speech therapy.

Operation Healing Hands facilitated an urgent sight-saving operation for the wife of a senior Dis-Chem manager.

Mobile primary healthcare services

Through its contributions to Pink Drive, the Dis-Chem Foundation expands access to breast cancer screenings and education nationwide. We also support other mobile healthcare organisations, including Rhiza Babuyile and The Health Foundation, ensuring that preventative care, health education and early intervention are available in remote or underserved areas.

The Dis-Chem Foundation has a broader impact through its support of essential emergency services, including Community Medics, Hatzolah, who act as first responders in critical situations.

Specialised care

The Dis-Chem Foundation supports organisations such as Little Eden, Cheshire Homes, Forest Farm and Woodside Special Care that provide specialised care to children and adults with profound physical and mental disabilities, many of whom are abandoned or have limited family contact.

Animal care and intervention

The Dis-Chem Foundation supports a network of animal and service animal shelters nationwide that provide essential care for abandoned, abused and neglected animals, while alleviating pressure on strained municipal resources. We focus on sterilisation programmes and service animal centres which play an important role in expanding access to health and support services. Service dogs aid individuals with physical disabilities.

Access to education

The Dis-Chem Foundation supports education initiatives that expand access to learning resources and create opportunities for growth and development.

Supporting young learners

On Heritage Day, the Dis-Chem Foundation and The Humanitarian Empowerment Fund (HEF) partnered with Legends Barber and Deloitte to support young children attending the early childhood development (ECD) centre in the Zenzele community. The day was celebrated with a shared traditional South African lunch, distribution of stationery packs, toothbrushes and toothpaste, and education on oral hygiene.

The Dis-Chem Foundation provided stationery requirements for the 2026 academic year to four schools in Claremont, supporting learners from Grade R through to Grade 3. The matrics from Tswelople Secondary School received matric stationery packs.

Holistic support for vulnerable children

Gqeberha-based Ubuntu Pathways is a long-standing beneficiary of the Dis-Chem Foundation. Through a comprehensive system of education, health and household support, they place 2 000 vulnerable children and their families on pathways out of poverty, from cradle to career.

Getting involved in our communities continued

Community upliftment

The Dis-Chem Foundation supports community upliftment initiatives that strengthen and empower vulnerable communities across the country.

Suzuki 7s rugby support

The Dis-Chem Foundation partnered with the HEF and Suzuki South Africa to provide nutritious meals to children participating in the Suzuki 7s Rugby programme. The programme promotes sports development and personal empowerment to primary school children from disadvantaged backgrounds.

Dreamfields

The Dis-Chem Foundation provided first aid kits to all schools participating in the Dreamfields project. The project gives 65 000 children from 396 schools across nine provinces the opportunity to play football and netball each week. 185 young community coaches are employed for five-a-side football and mini-netball competitions.

Blankets + campaign

In its tenth year of operation, the Dis-Chem Foundation's Blankets + campaign collects and distributes over 10 000 blankets, 5 000 beanies and 5 000 pairs of gloves at the beginning of winter. Recipient organisations are selected via Instagram and Facebook nominations.

International Children's Day

On 6 June, the Dis-Chem Foundation, in collaboration with its partners, celebrated International Children's Day at development centres in Alexandra, reflecting our ongoing commitment to creating safe, supportive environments where young learners can thrive.

Christmas with Brave Hearts

The Dis-Chem Foundation visited children receiving chemotherapy at the Chris Hani Baragwanath Hospital's paediatric inpatient cancer wards in December. Brave Hearts, a beneficiary of the Dis-Chem Foundation, provided nourishing meals, while Dis-Chem Baby City and our partner contributed hygiene gift bags and teddy bears to the young patients.

Homes and services for the homeless

The Dis-Chem Foundation supports homes and services for the homeless, including the Night Haven Shelter which provides safe accommodation, basic necessities and access to healthcare and social support.

Supporting the aged

The Dis-Chem Foundation supports homes for the aged, including Soweto Home for the Aged and Moria Old Age Home. The homes offer medical care, daily assistance and social support.

Access to nutrition

Feeding vulnerable communities

The Dis-Chem Foundation supports nutrition initiatives that provide essential food support directly to vulnerable communities across the country, including:

Providing **3.6 million** nutritious meals a year to ECD centres with our partners

Establishing sustainable food gardens, including Fred and Martie's Sop Kombuis in one of Johannesburg's poorest areas

As its main Christmas event in December 2025, the Dis-Chem Foundation, in partnership with the HEF supplied food hampers and meat to the hundreds of residents who rely on Fred and Martie's Sop Kombuis for daily meals.

Casa Caritas

The Dis-Chem Foundation visited Casa Caritas, a special needs home for the profoundly physically and mentally challenged, to partake in the first harvest of a conventional garden planted several months earlier. The initiative ensures that the residents receive a nutritious diet.

Middelburg water initiative

The Dis-Chem Foundation installed a borehole and a JoJo tank at a local ECD centre, Sicelo Learning Centre in Middelburg. The initiative provides the children and their families with reliable access to clean drinking water in an area challenged by water scarcity.

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.

Our media presence

We communicate the impactful work of the Dis-Chem Foundation, emphasising our ongoing commitment to community support and positive change. This includes sponsored 30-second television adverts on SABC, eTV, and DStv, as well as regular features on Primedia and community radio stations.

Campaigning for better health outcomes

Dis-Chem Executives use their social media platforms to help South Africans understand health risks and manage their primary health outcomes.

Lizeth Kruger, Dis-Chem Clinic Executive, addressed early cancer detection on LinkedIn:

"Cancer does not start in a hospital. It starts quietly, often with no pain and no obvious warning, which is why primary healthcare matters so much.

When families make time for simple screening and regular check-ins at their clinic, we give ourselves the best possible chance of finding cancer early, when it can still be treated and when lives can still be protected.

Pap smears, breast checks, prostate screening and even routine wellness visits are not small things. They are the moments where a nurse can see what the body is trying to tell us before it becomes a crisis.

Prevention is not about fear. It is about dignity, knowledge and giving yourself the opportunity to live a longer, healthier life.

Better health starts with one visit, one screen and one conversation at a time."

Jessica Hamuy Blanco, Dis-Chem Product and Clinical Risk Executive, told Quicknews how early action can end TB stigma:

"Detecting TB early remains one of the most effective ways to reduce its spread and improve recovery. Treatment typically involves a six- to nine-month course of antibiotics, with strong success rates when completed. However, early symptoms are often missed.

The signs can be missed or ignored. A persistent cough, fatigue, night sweats or weight loss are easy to dismiss as stress or a lingering illness. That delay gives TB time to spread.

Creating space for early conversations, whether at a clinic, pharmacy or with a nurse, can make the difference between early intervention and prolonged illness. And finishing treatment is non-negotiable."

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 be listed as a 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 labelling is checked to ensure clear and accurate information and regulatory compliance
- Dis-Chem store audits are conducted by an independent and accredited third-party service provider

Ethical supply chain (sustainable sources) →

- We prioritise the sourcing of environmentally friendly 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 health products, including food, sports supplements and health supplements, are procured from local suppliers

Dis-Chem focuses 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 FY2026

- Strengthened supplier management and compliance with laboratory testing of private label products and supplier audits
- Upgraded the vendor portal to digitise supplier onboarding, compliance documentation, and reporting, enabling Dis-Chem to enforce compliance requirements before product listing and automate reminders for document updates
- Strong adoption of the supplier code of conduct and self-assessment questionnaires helped the Group to identify and manage supply chain risk
- Optimising inventory levels and reducing supply chain costs with our automated forecasting and replenishment system

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

Confidence in our supply chain continued

Responsible sourcing

As a leading retail pharmacy group, Dis-Chem maintains a resilient, efficient and ethical supply chain to ensure availability, quality and timely delivery of essential medicines and health products.

Imported products

Dis-Chem imports commercial goods from suppliers in China, India, Turkey, Western Europe, the Middle East and North America. Our multi-national vendors are subject to stringent processes to mitigate and control any potential risks posed by parties within the supply chain.

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

In-house brands

Dis-Chem's in-house front-shop brands are held to high standards. Suppliers and/or manufacturers of in-house brands must meet several checks and requirements before conducting business with the Group. These include acceptable good manufacturing practice (GMP) certification for the manufacturing facility and other applicable certifications or licences.

Preliminary checks assess 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 routinely monitored. Dis-Chem conducts regular supplier audits, including risk-based and scheduled assessments, to verify adherence to our standards.

A risk-based sampling programme involving independent external laboratory testing of in-house products was initiated during FY2026. Samples were collected from stores and assessed for microbiological, chemical, and allergen parameters, with all results falling within regulatory limits and no recalls required.

In-house products are managed and monitored through policies and procedures to ensure:

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

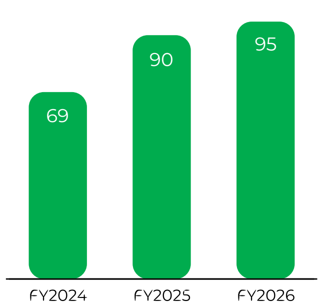
Third-party manufacturers play a significant role in Dis-Chem's operations and product quality. To mitigate supply chain risks such as concentration, scarcity and geographic distance, Dis-Chem and its suppliers diversify raw material sources and partnerships and prioritise localisation. Supporting local suppliers contributes to employment creation and skills development.

Dis-Chem is confident that its supply chains are secure and it does not distribute imitation or illegal products.

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.

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



Distribution centres

Dis-Chem's distribution centres are designed for pharmaceutical stock compliance requirements. The Group monitors objectives and targets related to product quality and safety measures, such as temperature control and batch expiry dates.

We are in the final stage of implementing a fully automated, AI-based, forecasting and replenishment system with retail-specific algorithms designed to optimise inventory levels and reduce supply chain cost. The system replenishes core, front-shop stock in our stores and pharmacies and has contributed to lower out-of-stock rates and a decrease in stockholding.

Product quality and safety

Dis-Chem's products comply with regulatory requirements and quality standards. Compliance is regularly tested through external audits, internal audits and product testing. Dis-Chem's Commercial Director is responsible for ensuring product quality and safety. All incident investigations into health or safety hazards are tracked and reported from detection to remediation.

To enhance quality oversight, Dis-Chem runs 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 in-house brand vendors are required to possess valid, globally recognised food safety certifications that are benchmarked against Global Food Safety Initiative (GFSI) standards. This requirement ensures that vendors meet basic statutory requirements and maintain a robust food safety management system.

Dis-Chem store managers are trained in all regulatory requirements for products sold in Dis-Chem stores. Dis-Chem does not yet test product safety-related emergency response procedures, but clinic nurses are readily available to respond to health or product safety-related emergencies in the stores.

Confidence in our supply chain continued

As the Group's store footprint scales, we remain dedicated to maintaining high standards for safety and quality assurance through our external supplier audits, store manager training and routine store audits.

Our product compliance approach

In addition to category-specific requirements set out by the legislation detailed in the following table, all products in the Group's South African stores, including online sales, 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, SSC 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 develops private label products through innovation that prioritises health and wellness, while ensuring products remain affordable and accessible for our customers. Our health-focused in-house brands continue to evolve, offering an expanding range of healthier, plant-based, vegan and allergy-friendly options.

As part of our integration of sustainability principles throughout the product development lifecycle, we are:

- Phasing in recyclable packaging materials across all private label products, including clear on-pack recycling information to encourage responsible consumer behaviour and support circular economy practices
- Aligning our private label products with internationally recognised sustainability certifications, including prioritising the use of certified sustainable sources for key raw materials such as palm oil, cocoa, soy and cotton

Promoting sustainable products and packaging

- LS Food Instant Cappuccino sachets are locally produced and sold in a recyclable carton
- LS Food Almond and Peanut Sandwich cookies are locally produced and sold in a recyclable carton
- LS Food Biltong range is locally produced and sold in fully recyclable packaging
- LS Food Honey packaging and labels have been converted to recyclable
- LS Food Liquid Egg whites are locally produced and sold in fully recyclable containers (also high in protein)
- Biogen Sugar Free G-Force Energy drink is locally produced
- Primal Vitamin C drink locally produced and sold in recyclable plastic

Two new health and wellness products were added to the Dis-Chem private label range:

- Informed Protein Iso-Whey Cookies & Creme and Caramel Crème
- Tony Ferguson Honey (locally packed and sold in a fully recyclable plastic bottle)

Product recalls

A product recall process is initiated if a product is identified as posing a potential health hazard to customers. The process is outlined in a recall manual which complies with the requirements of the National Consumer Commission (NCC) and SAHPRA for dispensary and over-the-counter products.

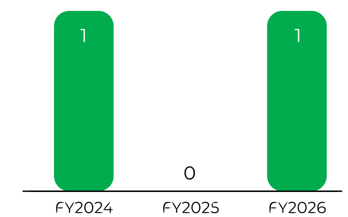
The recall process removes the product from circulation in Dis-Chem channels. In the case of a serious health hazard, Dis-Chem issues a public warning via its website and in local and regional stores to ensure public safety. Relevant government bodies are informed and, where necessary, involved to assist.

In FY26, one product recall was conducted involving Dis-Chem Paracetamol Tablets (Batch 1557), classified as a Class II, Type B recall. The recall was initiated following the identification of a manufacturing-related contamination incident, with the root cause traced to a damaged equipment component.

Importantly, the issue posed no material risk to end users, with no reported adverse events and a low likelihood of further contamination.

The recall was promptly executed in full compliance with SAHPRA regulatory requirements, including immediate quarantine, notification and product withdrawal. The process was deemed effective based on the high recovery rate achieved and the implementation of appropriate corrective and preventative actions.

Products recalls (number)



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 quarantined. 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 only be released from quarantine with 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, 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, 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

Ethical supply chain

Dis-Chem's network of suppliers serves 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.

Dis-Chem suppliers are required to adopt the Dis-Chem supplier code of conduct and complete self-assessment questionnaires that identify high-risk suppliers. Third-party manufacturers and suppliers undergo routine external audits and the Group's in-house brands are audited internally to monitor regulatory compliance. New suppliers undergo an onboarding process to assess their compliance with relevant regulations and Dis-Chem requirements before we negotiate a supplier agreement and register them on the Dis-Chem vendor portal.

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 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.

The Dis-Chem supplier code of conduct

Our supplier code of conduct addresses and guides suppliers on ethical supply chain practices including:

- Compliance with local law on non-discrimination or equal opportunities, freedom of association and collective bargaining
- Social risks in the supply chain, such as the prevention of child labour and the prevention of forced labour

The supplier code of conduct directs suppliers to:

- Comply with fair labour and remuneration practices, such as the right to a minimum wage in areas where the Group operates
- Comply with anti-bribery and corruption and other laws in countries where they operate
- Ensure that their suppliers do not engage in unethical supply chain practices
- Be subject to inspections and/or audits to ensure compliance

Managing ESG impacts 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.

Supplier self-assessment questionnaires are designed to enhance our understanding of possible ESG impacts in the supply chain, including issues related to labour, human rights, product quality and safety, and environmental impacts, including CO_2/GHG emissions, water use, biodiversity, pollution, waste reduction and resource use. 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 that are distributed to our stores and distribution centres.

Whistleblowing

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

Call 0800 444 315

SMS 33490

Email **dischem@whistleblowing.co.za**

Website **whistleblowing.co.za**

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

Confidence in our supply chain continued

Economic inclusion

Dis-Chem procured a range of personal care products from Afripure, a local small and medium-sized enterprise (SME). 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.

Our future focus areas

- Strengthen supplier risk management and controls, including:
  - » External risk-based supplier audits of quality, safety and ESG criteria, with real-time monitoring and corrective action tracking. This will be rolled out to local manufacturers, followed by international manufacturers
  - » Setting minimum GMP standards for non-food fast-moving consumer goods (FMCG) products and aligning controls with those of health products
  - » Introducing controls for animal testing on FMCG products
- Introduce a supplier engagement forum to build supplier capacity and educate in-house suppliers on ESG, procurement and legal requirements. A supplier engagement day will clarify compliance expectations and foster collaboration, with follow-up audits to assess and support supplier progress.
- As the risk management processes mature, Dis-Chem will consider implementing a supplier rating system based on certifications and audit outcomes.
- Increase recyclable packaging initiatives, including the introduction of new fully recyclable doy pouches to suppliers of the private label lifestyle food range. This will have a significant impact as the bulk of products in the range are packaged in doy pouches (flexible, cost-effective, space-saving packaging).

Disclosure appendices

72 ESG data tables
88 Assurance Report
92 Glossary

ESG data tables

Governance	UOM	FY2026	FY2025	FY2024
FTSE/JSE Responsible investment index score (0 – 5)	No	**2.8**	2.20	2.20
Environmental Social and Governance (ESG) score – Sustainalytics (risk rating = Low 10 – 20, Med 20 – 30, High 30 – 40)	No	**20.95**	21.9	23.70
Number of Board members who are women	No	**4**	4	4
Percentage of Board members who are women	%	**36.6**	36.6	36.6
Racial diversity at Board level	%	**45**	45	45
Does the company include ESG in service level agreements with suppliers?	Y/N	**Y**	Y	Y
Does the company formally audit suppliers and contractors for ESG compliance (including human rights)?	Y/N	**Y**	Y	Y

ESG data tables continued

Our People

Scope – South Africa

Labour		UOM	FY2026	FY2025	FY2024
Employee movement	Total opening number of employees – permanent	No	**18 382**	17 976	17 799
	Total number of employees – fixed term (>90 days, but not permanent)	No	**490**	1 263	1 270
	Total number of employees – temporary (<90 days)	No	**43**	91	184
	Total number of employees – casuals	No	**2 154**	1 007	1 132
	Total number of employees – all	No	**22 410**	20 563	20 562
	Total number of permanent employees who are males	No	**7 016**	6 431	6 380
	Total number of permanent employees who are females	No	**12 707**	11 886	11 596
	Number of permanent employees who are pharmacists	No	**965**	1 234	1 359
	Number of permanent employees who are nurses	No	**582**	532	490
	Total number of permanent employees who are under 30 years of age	No	**4 752**	4 629	4 487
	Total number of permanent employees who are between 31 – 40 years of age	No	**8 619**	7 875	7 767
	Total number of permanent employees who are between 41 – 50 years of age	No	**4 449**	4 025	3 906
	Total number of permanent employees who are above 50 years of age	No	**1 903**	1 788	1 816
	Total number of new permanent employees hired (new engagements)	No	**1 855**	2 505	2 714
	Total number of new permanent employees who are under 30 years of age	No	**899**	1 326	1 454
	Total number of new permanent employees who are between 31 – 40 years of age	No	**733**	877	941
	Total number of new permanent employees who are between 41 – 50 years of age	No	**198**	243	261
	Total number of new permanent employees who are above 50 years of age	No	**25**	59	58
	Number of permanent employee terminations	No	**1 822**	2 181	2 537
	Total closing number of permanent employees	No	**19 723**	18 382	17 976
	Employee turnover (i.e., number of permanent employees who departed relative to the total number of permanent employees at the beginning of the reporting period)	%	**9.24** Ⓐ	12.00 Ⓐ	14.18 Ⓐ

Ⓐ *Assured*

ESG data tables continued

Labour continued		UOM	FY2026	FY2025	FY2024
Diversity and equal opportunity	Gender diversity at top management	%	**30** Ⓐ	20.00 Ⓐ	20.00 Ⓐ
	Racial diversity at top management	%	**25*** Ⓐ	0.00 Ⓐ	0.00 Ⓐ
	Gender diversity at senior management	%	**42.11** Ⓐ	39.22 Ⓐ	38.10 Ⓐ
	Racial diversity at senior management	%	**18.42** Ⓐ	17.65 Ⓐ	14.29 Ⓐ
	Gender diversity at middle management	%	**46.58** Ⓐ	44.07 Ⓐ	43.68 Ⓐ
	Racial diversity at middle management	%	**45.46** Ⓐ	42.47 Ⓐ	39.55 Ⓐ
	Gender diversity at junior management	%	**72.22**	72.50	72.53
	Racial diversity at junior management	%	**79.80**	77.70	74.94
	Percentage of employees who are deemed 'disabled' (permanent employees)	%	**1.1**	1.00	1.14
Hours worked	Total number of person hours worked (PHW) – Reported	No	**41 515 128** Ⓐ	38 710 062	38 192 306
	Total number of PHW – Calculated (i.e., 1 824 HW multiplied by total workforce at year end)	No	**35 755 872**	34 566 624	33 944 640
	Variance in PHW reported, versus calculated (percentage)	%	**9.00**	11.99	12.51
Employee training and development	Total number of employees trained, including internal and external training interventions	No	**20518**	7 889	8 895
	Rand value of employee training spend	R	**48 306 824.37**	62 647 932.89	45 365 240.00
	Number of employees who completed customer services training	No	**690**	463	775
	Total number of employees on learnerships	No	**1615**	1 097	2 753
	Total number of employees on apprenticeships	No	**0**	0	0
	Total number of work integrated learning	No	**248**	181	72
	Percentage of learnership, apprenticeship and internship candidates that are HDSA	%	**87.43**	96.20	96.40

Ⓐ *Assured*

* *FY2026 occupational level classifications were aligned with EEA9 and B-BBEE Codes*

ESG data tables continued

Labour continued		UOM	FY2026	FY2025	FY2024
Employee relations	Total number of person days lost due to absenteeism	No	**15 104.53**	29 500.44	33 341.97
	Percentage of total person days lost due to absenteeism – calculated or reported	%	**0.04**	0.09	0.10
	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**	0.00	0.00
	Total number of grievances about labour practice filed through a formal grievance mechanism	No	**41**	31	20
	How many were addressed?	No	**41**	31	20
	How many were resolved?	No	**37**	30	20
	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	**11**	6	7
	Percentage of employees covered by collective bargaining agreement	%	**10.40**	9	0.00
	Percentage of employees belonging to trade unions	%	**0.50**	0.50	0.40

ESG data tables continued

Health and safety

Scope – South Africa

Health and safety		UOM	FY2026	FY2025	FY2024
Workplace injuries	Number of fatalities (i.e., injuries on duty leading to death, excluding the deaths of workers not occurring 'at work')	No	**0** Ⓐ	0 Ⓐ	1
	Number of first aid cases (FACs, i.e., injuries on duty leading to minor treatments, such as a plaster or a pain tablet)	No	**48**	97	68
	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	**307** Ⓐ	262 Ⓐ	287
	Total number of recordable injuries (Fatalities, MTCs, LTIs)	No	**307** Ⓐ	262 Ⓐ	296
	Fatal injury frequency rate (FIFR, i.e., number of fatalities per 200 000 person hours worked)	Rate	**0.000** Ⓐ	0.000	0.006
	Lost time injury frequency rate (LTIFR, i.e., number of LTIs per 200 000 person hours worked)	Rate	**1.42**	1.753	1.691
	Occupational health case rate (OHCR, i.e., number of occupational health cases per 200 000 person hours worked)	Rate	**0.000** Ⓐ	0.000	0.000
	Total recordable injury frequency rate (TRIFR, i.e., number of total recordable injuries per 200 000 person hours worked)	Rate	**1.48** Ⓐ	2.399	1.744
HIV/AIDS	Total number of employees and contractors receiving voluntary counselling and testing (VCT) for HIV/AIDS (i.e., counselled)	No	**3 026**	4 862	425
	Total number of employees and contractors tested for HIV/AIDS	No	**3 026**	4 862	3 588
	HIV/AIDS prevalence rate amongst employees	%	**3.90**	2.30	2.34
Other	Number of operational health and safety audits conducted	No	**1**	0	0
	Number of food and safety audits conducted	No	**261**	341	314
	Number of food safety product tests (Including routine microbiological tests, residues, shelf-life, nutritional information, etc.)	No	**595**	401	349
	Number of pharmaceutical product safety tests	No	**215**	200	304
	Number of store armed robbery incidents	No	**5**		6
Health and Safety Training	Number of employees who have been trained in fire fighting	No	**348**	229	–
	Number of employees who have been trained in first aid level 1	No	**354**	234	–
	Number of employees who have completed SHE representative training	No	**302**	217	–

- Not reported
Ⓐ Assured

ESG data tables continued

Taking care of our planet

Emissions

Scope 1	UOM	FY2026	FY2025	FY2024
Emissions from stationary sources	$KgCO_2e$	**587 963.90**	706 174.11	3 552 823.79
Emissions from mobile sources	$KgCO_2e$	**8 986 067.01**	8 496 940.90	7 861 806.51
Emissions from ozone depleting substances	$KgCO_2e$	**1 642 649.50**	1 699 118.23	1 459 071.82
Total Scope 1 emissions	$KgCO_2e$	**11 216 680.4**	10 902 233.24	12 926 085.85
Total Scope 1 emissions	tCO_2e	**11 216.68** Ⓐ	10 902.23 Ⓐ	12 926.09 Ⓐ
Total m² (Head office, warehouses and stores)	m²	**550 023.00**	586 690.00	572 379.00
Scope 1 emissions per square metre	tCO_2e/m^2	**0.020**	0.018	0.023

Scope 2	UOM	FY2026	FY2025
Emissions from electricity purchased (HO and WH)	$KgCO_2e$	**11 707 217.51**	12 677 964.00
Emissions from electricity purchased (HO and WH)	tCO_2e	**11 707.22** Ⓐ	12 677.97 Ⓐ
Emissions from electricity purchased (Stores)	$KgCO_2e$	**97 761 028.29**	123 016 359.11
Emissions from electricity purchased (Stores)	tCO_2e	**97 761.03**	123 016.36
Emissions from electricity self-generated – Solar PV	$KgCO_2e$	**0**	0.00
Emissions from non-renewable energy purchased	$KgCO_2e$	**109 468 246**	135 694 323.11
Emissions from renewable energy generated	$KgCO_2e$	**0.00**	0.00

Ⓐ *Assured*

Scope 2 continued	UOM	FY2026	FY2025
Total Scope 2 emissions (HO, WH, stores)	$KgCO_2e$	**109 468 245.80**	135 694 323.11
Total Scope 2 emissions (HO, WH, stores)	tCO_2e	**109 468.25**	135 694.32
Total m² – stores	m²	**421 300.00**	436 312.00
Scope 2 emissions – stores/m²	tCO_2e/m^2	**0.26**	0.28
Total m² (HO and WH)	m²	**159 466.00**	150 378.00
Scope 2 Emissions from electricity purchased per square metre – Head office and warehouses	tCO_2e/m^2	**0.073** Ⓐ	0.080 Ⓐ
Total m² (HO, WH, stores)	m²	**580 766.00**	586 690.00
Scope 2 emissions/m²	tCO_2e/m^2	**0.1885**	0.2313

Scope 3	UOM	FY2026	FY2025
Emissions from waste generated	$KgCO_2e$	**464 257.15**	468 126.25
Emissions from water withdrawal	$KgCO_2e$	**86 698.66**	63 910.67
Emissions from water discharged	$KgCO_2e$	**63 134.12**	58 148.24
Emissions from business travel	$KgCO_2e$	**1 386 128**	1 221 476.98
Total Scope 3 emissions	$KgCO_2e$	**2 000 218**	1 811 662.14
Total Scope 3 emissions	tCO_2e	**2 000**	1 811.66

Total emissions	UOM	FY2026	FY2025
Total emissions (Scope 1, 2 & 3)	tCO_2e	**122 685**	148 408.21

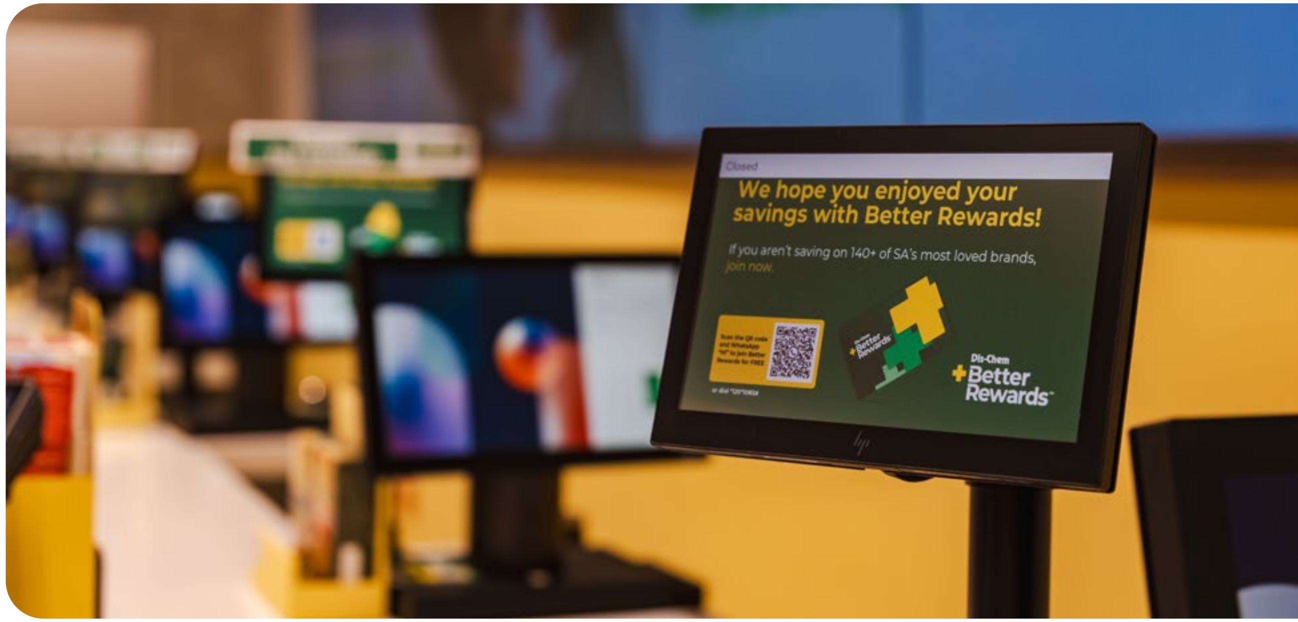
ESG data tables continued

Use of natural resources

Scope 1	UOM	FY2026	FY2025	FY2024
Diesel		**Usage**	**Usage**	**Usage**
Total diesel consumption	L	**2 640 718.37**	2 429 287.64	3 261 774.80
Total diesel consumption stationary (generator)	L	**195 462.99** Ⓐ	247 202.71 Ⓐ	1 335 648.04 Ⓐ
Total diesel consumption mobile (vehicles)	L	**2 445 255.38**	2 182 084.93	1 926 126.76
Petrol				
Total petrol consumption mobile equipment (vehicles)	L	**1 060 550.30**	1 145 785.10	1 165 238.01
LPG				
Total LPG consumption	L	**43 610.5**	31 163.40	33 579.32
Ozone-depleting substances				
R134A	Kg	**365.90**	303.00	305.50
R32	Kg	**11.95**	21.15	0.00
R409	Kg	**0.00**	32.00	0.00
R22	Kg	**48.20**	68.60	21.40
R290	Kg	**4.00**	3.00	5.00
R600	Kg	**1.00**	0.00	3.00
R410A	Kg	**74.82**	56.10	14.10
R404A	Kg	**199.10**	209.80	192.40
R407A	Kg	**0.00**	0.00	0.00
R407C	Kg	**0.00**	109.30	94.10
R507A	Kg	**36.40**	2.50	21.50

Ⓐ *Assured*

Scope 2	UOM	FY2026	FY2025
Electricity		**Usage**	**Usage**
Total electricity purchased (HO&WH) – i.e., Eskom	kWh	**10 840 016.21** Ⓐ	12 190 350.00 Ⓐ
Total electricity purchased (Stores) – i.e., Eskom	kWh	**90 519 470.64**	118 284 960.68
Total electricity self-generated – i.e., from solar, wind or other sources	kWh	**2 060 969.74** Ⓐ	0
Total non-renewable energy purchased	kWh	**101 359 486.85**	130 475 310.68
Total renewable energy generated	kWh	**2 060 670**	0



ESG data tables continued

Scope 3	UOM	FY2026	FY2025	FY2024
Waste		Waste generated	Waste generated	Waste generated
Total waste generated	t	**6 950.45**	5 677.01	–
Total waste – reused	t	**310.58**	32	–
Cardboard – reused	t	**229.46**	23	–
Polystyrene – reused	t	**81.11**	9	–
Paper – reused	t	**0.00**	0	–
Total waste – recycled	t	**5 634.91**	4 648.89	–
Percentage of waste recycled	%	**81**	82	–
Cardboard – recycled	t	**5 029.1**	4 417.33	4 572.11
Plastic – recycled	t	**212.23**	150.12	107.73
Metal – recycled	t	**0.00**	0.41	–
Tins – recycled	t	**0.00**	0.00	0.00
Paper – recycled	t	**393.58**	81.03	74.23
Total waste – landfilled	t	**810.93**	827.81	
General waste – landfilled	t	**810.93**	827.81	1 212.04
Food waste – landfilled	t	**0.00**	0.00	0.00
Total healthcare risk waste generated	t	**75.134**	41.01	0.00
Infectious waste – treated	t	**15.01**	3.82	–
Sharps – treated	t	**10.99**	7.83	–
Cytotoxic – incinerated	t	**7.06**	6.58	–
Pharmaceutical waste – landfilled	t	**0.00**	0.00	–
Pharmaceutical waste – incinerated	t	**42.08**	22.78	–
Food waste (fat trap) – waste to energy	t	**118.90**	127.30	–
Total hazardous waste generated	t	**194.03**	168.31	–
Total non-hazardous waste generated	t	**6 756.42**	5 508.70	–

Scope 3 continued	UOM	FY2026	FY2025
Water		Water withdrawn	Water withdrawn
Total water withdrawal	m^3	**453 207.86**	417 416.72
Total water withdrawal – stores	m^3	**396 418.81**	363 640.69
Total water withdrawal – HO & warehouses	m^3	**50 201.55**	48 218.19
Total water withdrawal – surface water from rivers, lakes, natural ponds	m^3	**0.00**	0.00
Total water withdrawal – groundwater from wells, boreholes	m^3	**6587.5**	4 057.84
Total water withdrawal – municipal potable water	m^3	**446 620.36**	413 358.88
Total water withdrawal – used quarry water collected in the quarry	m^3	**0.00**	0.00
Total water withdrawal – external wastewater	m^3	**0.00**	0.00
Total water withdrawal – rainwater harvested	m^3	**0.00**	0.00
Total water withdrawal – sea water, water extracted from the sea or the ocean	m^3	**0.00**	0.00
Total water withdrawal – third parties potable	m^3	**0.00**	0.00
Water discharged – municipal effluent (75% of water withdrawn)	m^3	**339 905.89**	313 062.54
Water discharged – to oceans	m^3	**0.00**	0.00
Water discharged – surface	m^3	**0.00**	0.00
Water discharged – wells	m^3	**0.00**	0.00
Water discharged – off-site water treatment	m^3	**0.00**	0.00
Water disposed – beneficial/other use	m^3	**0.00**	0.00

ESG data tables continued

Environmental management

		UOM	FY2026	FY2025	FY2024
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

ESG data tables continued

Being there for our customers

Customer	UOM	FY2026	FY2025	FY2024
Loyalty programme				
Number of benefit members	No	**11 922 886**	10 706 576	9 384 367
Growth in benefit members (%)	%	**11.36**	14.09	18.00
Percentage of sales transactions through benefit loyalty cards	%	**83.85**	81.78	77.90
Customer satisfaction				
Total number of customer complaints	No	**18 604**	18 215	19 078
Total number of customer compliments	No	**7 904**	2 686	2 121
Total number of sales transactions (in-store and online)	No	**110 275 165**	106 119 017	104 375 026
Percentage of customer complaints (i.e., customer complaints relative to sales transactions)	%	**0.02**	0.0200	0.0200

Dispensary	UOM	FY2026	FY2025	FY2024
Total number of dispensaries	No	**316**	285	268
Total number of items dispensed	No	**83 832 967**	80 599 602	76 567 037
Total number of dispensing errors		**2 157**	1 245	915
Rate of dispensing errors	%	**0.0026** Ⓐ	0.0015 Ⓐ	0.00120 Ⓐ
Rand value associated with dispensing errors	R	**385 697**	146 583.00	210 638.47
Number of pharmacists	No	**1 410**	1 234	1 359

Ⓐ *Assured*

* *Increase in reported error rate is primarily due to improved reporting practices, increased staff awareness and enhanced classification processes, rather than a deterioration in dispensing quality.*

ESG data tables continued

Clinics	UOM	FY2026	FY2025	FY2024
Adverse health events				
Total number of clinics	No	**642**	599	525
Total number of active clinics	No	**540**	519	445
Total number clinic consultations	No	**1 548 665**	1 443 815	1 512 172
Total number of clinic adverse health events	No	**16**	19	5
Rate of clinic customer adverse health events		**0.0010** Ⓐ	0.0013 Ⓐ	0.00023 Ⓐ
Rand value associated with the adverse health events	R	**9 817**	19 405.20	0.00
Nurses information				
Total number of registered nurses	No	**582**	532	490
Number of primary care nurse specialists	No	**30**	30	25
Number of registered nurses with general nursing	No	**552**	530	74
Number of enrolled nurses	No	**2**	2	3
Number of registered nurses in Dis-Chem clinics	No	**522**	460	408
Number of registered nurses in Baby City clinics	No	**30**	30	35
Number of in-house warehouse registered nurses	No	**10**	10	10
Number of registered nurses in community clinics	No	**8**	8	8
Number of registered nurses in corporate clinics	No	**12**	11	12
Number of full time fixed-term nurses in group	No	**11**	12	3
Number of registered nurses at head office	No	**16**	16	14

Ⓐ *Assured*

ESG data tables continued

Clinics continued	UOM	FY2026	FY2025	FY2024
Number of clinics				
Total number of clinic rooms	No	**642**	599	538
Number of Dis-Chem clinic rooms	No	**612**	526	461
Number of Baby City clinic rooms	No	**30**	47	49
Number of in-house warehouse clinic rooms	No	**7**	7	10
Number of community clinic rooms	No	**8**	8	8
Number of corporate clinic rooms	No	**12**	11	10
Total number of active clinic rooms	No	**552**	516	471
Number of active Dis-Chem clinic rooms	No	**522**	460	408
Number of active Baby City clinic rooms	No	**30**	30	35
Number of active in-house warehouse clinic rooms	No	**7**	7	10
Number of active community clinic rooms	No	**8**	8	8
Number of active corporate clinic rooms	No	**12**	11	10

Privacy and data security	UOM	FY2026	FY2025	FY2024
Total number of data breaches recorded	No	**5** Ⓐ	10 Ⓐ	5 Ⓐ
Percentage of breaches involving personally identifiable information (PII)	%	**50**	44.44	100
Percentage of breaches involving protected health information (PHI)	%	**50**	55.56	0
Number of customers affected	No	**386 591**	28	66
Number of customers affected in PII category	No	**386 589**	22	66
Number of customers affected in PHI category	No	**2**	6	0
Total amount of monetary losses as a result of legal proceedings associated with data security and privacy	R	**0**	0	0
Total amount of monetary losses as a result of investigations associated with data security and privacy	R	**0**	0	0
Total amount of monetary losses as a result of sanctions associated with data security and privacy	R	**0**	0	0
Total number of non-monetary sanctions associated with data security and privacy	No	**0**	0	0

Ⓐ *Assured*

ESG data tables continued

Manufactured Capital	UOM	FY2026	FY2025	FY2024
Sales/Manufactured Capital				
Number of product units sold during the year	No	**369 952 524**	352 390 990	350 604 831
Total number of sales transactions	No	**76 445 093**	73 167 775	71 274 123
Average revenue per sales transaction	R	**350.79**	343.29	344.10
Rand value of total inventory as at financial year end	R	**7 908 461 000**	7 905 213 000	7 162 558 000
Number of trading weeks	No	**52**	52	52
Average number of transactions per week	No	**1 470 097**	1 407 072	1 370 656

Property, Equipment and Vehicles	UOM	FY2026	FY2025	FY2024
Number of new stores opened during the year	No	**33**	21	15
Dis-Chem	No	**33**	20	15
Baby City	No	**0**	1	0
Total number of stores	No	**358**	330	327
Dis-Chem	No	**316**	285	273
Baby City	No	**42**	45	54
Number of stores – in South Africa	No	**351**	325	321
Dis-Chem	No	**309**	280	267
Baby City	No	**42**	45	54
Number of warehouses and distribution centres	No	**6**	6	6
Number of warehouses and distribution centres – in South Africa	No	**6**	6	6
Total area of warehouses and distribution centres (m^2)	m^2	**143 623.00**	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	143 623.00

ESG data tables continued

Getting involved in our communities

CSI expenditure	UOM	FY2026	FY2025	FY2024
Total corporate social investment (CSI) spend	R	**41 603 450.89**	44 354 158	34 313 634
Total rand value of donations to the Dis-Chem Foundation	R	**39 783 197.12**	48 872 098	35 714 668
Rand value of donations from Dis-Chem	R	**41 603 450.89**	46 296 636	31 981 659
Rand value of donations from third-party donor partners	R	**3 610 833.20**	2 575 462	3 733 009
Rand value of CSI spend on access to healthcare	R	**15 269 186.04**	15 219 143	16 110 159
Rand value of CSI spend on access to education	R	**9 615 282.30**	10 464 105	6 559 362
Rand value of CSI spend on community upliftment (basic needs and social development, including nutrition and/or feeding programme)	R	**14 898 728.78**	18 670 910	11 644 113

Confidence in our supply chain

Supply chain	UOM	FY2026	FY2025	FY2024
Total number of product quality and safety complaints (in-house brands)	No	**619**	695	269
Total number of complaints related to product labelling	No	**4**	0	1
Total number of product recalls of in-house brands	No	**1** Ⓐ	0 Ⓐ	1 Ⓐ
Number of units returned due to product recalls	No	**1231**	0	4 178
Rand value associated with product recalls	R	**46 556.42**	0	421 451.40
Percentage of palm oil suppliers that are members of Roundtable on Sustainable Palm Oil (RSPO) – South Africa only	%	**95**	90.00	69.00

Ⓐ *Assured*

ESG data tables continued

Economic value created and distributed

Economic values created and distributed	UOM	FY2026	FY2025	FY2024
Rand value of total revenue generated	R	**42 82 5 777 000**	39 172 347 000.00	36 283 476 000.00
Rand value of total revenue generated in South Africa	R	**42 247 140 000**	38 640 345 000.00	35 802 046 000.00
Percentage of revenue generated in South Africa	%	**99**	99.00	99.00
Rand value of net profit after tax generated	R	**1 035 618 000.00**	1 219 238 000.00	1 020 488 000.00
Rand value of net profit after tax generated in South Africa	R	**996 285 000**	1 185 505 000.00	1 003 829 000.00
Percentage of net profit after tax generated in South Africa	%	**96**	97.00	98.00
Rand value of total compensation paid to employees, including wages and benefits	R	**6 020 184 000**	5 011 676 034.63	4 693 585 204.41
Average compensation paid to employees, including wages and benefits	R	**225 252**	173 847.40	198 358.00
Rand value of total compensation paid to employees, including wages and benefits, in South Africa	R	**5 980 232 000**	4 941 900 155.96	4 633 086 589.53
Percentage of total compensation paid to employees, including wages and benefits, in South Africa	%	**99**	98.60	98.70
Total rand value of gains realised from long-term incentive plan (LTIP) Awards – Executive Directors	R	**6 922 000**	804 000.00	573 000.00
Total rand value of compensation paid to Executive Directors – Including gains realised from LTIP Awards	R	**72 177 000**	57 354 000.00	55 480 000.00
Average Compensation per Executive Director (Rands) – Including gains realised from LTIP Awards	R	**14 435 400**	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	**64.09**	65.98	55.94
Total Compensation paid to Prescribed Officers – Excluding gains realised from LTIP Awards	R	**24 588 000**	63 942 000.00	77 115 742.73
Average Compensation per Executive Director and Prescribed Officers – Excluding gains realised on LTIP Awards	R	**12 834 714**	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	**56.98**	46.21	38.88
Total Rand value of gains on the exercise of share options – Prescribed Officers	R	**4 938 000**	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	**14 529 000**	8 332 733.33	8 839 000.00
Average Compensation per male employee	R	**19 541.28**	185 460.49	211 405.67

ESG data tables continued

Economic values created and distributed continued	UOM	FY2026	FY2025	FY2024
Average compensation per female employee	R	**18 253.16**	167 107.13	191 140.62
Ratio of male:female average compensation	Ratio	**1.07**	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	**2 521 236 005.42**	1 826 653 700.05	1 207 892 414.57
Rand value of total taxes paid in South Africa	R	**2 422 388 929.15**	1 682 514 074.71	1 116 294 967.67
Percentage of total taxes paid in South Africa	%	**96**	92.00	92.00
Rand value of funds invested in research and development	R	**44 672 000**	39 981 478.62	43 796 299.29
Rand value of funds invested in research and development in South Africa	R	**44 672 000**	39 981 478.62	43 796 299.29
Percentage of total funds invested in research and development in South Africa	%	**100.00**	100.00	100.00
Rand value of retained earnings	R	**4 179 169 000**	3 722 968 000.00	2 965 235 000.00
Rand value of current assets – total	R	**12 341 477 000**	11 944 913 000.00	10 922 955 000.00
Rand value of current assets in South Africa	R	**12 217 732 000**	11 824 967 000.00	10 812 704 000.00
Rand value of current liabilities – total	R	**11 163 051 000**	10 177 823 000.00	9 183 078 000.00
Rand value of current liabilities in South Africa	R	**11 040 918 000**	10 046 467 000.00	9 029 536 000.00
Rand value of share buybacks	R	**0.00**	0.00	0.00
Rand value of Capital Expenditures (Capex)	R	**1 103 588 000.00**	1 402 144 000.00	1 027 094 000.00
Rand value of Capital Expenditures (Capex) in South Africa	R	**1 088 145 223.00**	1 401 135 232.82	1 023 894 000.00
Rand value of stock losses due to expiry, theft, breakages and/or other	R	**15 000 000**	49 340 581.00	28 000 000.00

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 2026 of Dis-Chem Pharmacies Limited (Dis-Chem) for the year ended 28 February 2026 (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 "(A)" 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 are available on page 91 of the Report.

Nr.	Key performance indicators	Unit of measurement	Reporting boundary	Page in Report
1	Gender diversity at top management	%	South Africa Business	page 74
2	Racial diversity at top management	%	South Africa Business	page 74
3	Gender diversity at senior management	%	South Africa Business	page 74
4	Racial diversity at senior management	%	South Africa Business	page 74
5	Gender diversity at middle management	%	South Africa Business	page 74
6	Racial diversity at middle management	%	South Africa Business	page 74
7	Employee turnover (i.e., number of permanent employees who departed relative to the total number of permanent employees at the beginning of the reporting period)	Rate	South Africa Business	page 73
8	Number of fatalities (i.e., injuries on duty leading to death, excluding the deaths of workers not occurring 'at work')	Number	Dis-Chem Group	page 76
9	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)	Number	Dis-Chem Group	page 76
10	Number of occupational health cases (diagnosed work-related diseases)	Number	Dis-Chem Group	page 76
11	Total number of recordable injuries (Fatalities, MTCs, LTIs)	Number	Dis-Chem Group	page 76
12	Total number of person hours worked (PHW) – Reported	Number	Dis-Chem Group	page 74
13	Fatal injury frequency rate (FIFR, i.e., number of fatalities per 200 000 person hours worked)	Rate	Dis-Chem Group	page 76
14	Occupational health case rate (OHCR, i.e., number of occupational health cases per 200 000 person hours worked)	Rate	Dis-Chem Group	page 76
15	Total recordable injury frequency rate (TRIFR, i.e., number of total recordable injuries per 200 000 person hours worked)	Rate	Dis-Chem Group	page 76
16	Total diesel consumption stationary (generator)	Litre	South Africa Business	page 78
17	Total electricity purchased	kWh	Dis-Chem Warehouses and Head Office	page 78
18	Total electricity self-generated – i.e., from solar, wind or other sources	kWh	Dis-Chem Warehouses and Head Office	page 78
19	Total Scope 1 Emissions	tCO_2e	South Africa Business	page 77
20	Scope 2 Emissions from electricity purchased	tCO_2e	Dis-Chem Warehouses and Head Office	page 77
21	Scope 2 Emissions from electricity purchased per square metre – Head office and warehouses	tCO_2e/m^2	Dis-Chem Warehouses and Head Office	page 77
22	Scope 2 Emissions from electricity purchased per square metre – Head office and warehouses (FY25 Baseline)	tCO_2e/m^2	Dis-Chem Warehouses and Head Office	page 77
23	Rate of dispensing errors	Rate	South Africa Business	page 81
24	Rate of clinic patient safety adverse health events	Rate	South Africa Business	page 82
25	Total number of data breaches recorded	Number	Dis-Chem Group	page 83
26	Total number of product recalls of in-house brands	Number	Dis-Chem Group	page 85

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 emission 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,* issued by the International Auditing and Assurance Standards Board. This Standard 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) 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 key information. 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 of 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 Reports 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 key information has been prepared, in all material respects, in accordance with the accompanying Dis-Chem's reporting criteria.

Limited assurance conclusion

Based on the procedures we have performed and the evidence we have obtained and subject to the inherent limitations outlined elsewhere in this report 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 2026 are not prepared, in all material respects, in accordance with the reporting criteria.

Assurance Report continued

Other matters

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

1. Total number of person hours worked (PHW) – Reported;
2. Fatal injury frequency rate (FIFR, i.e., number of fatalities per 200 000 person hours worked);
3. Occupational health case rate (OHCR, i.e., number of occupational health cases per 200 000 person hours worked);
4. Total recordable injury frequency rate (TRIFR, i.e., number of total recordable injuries per 200 000 person hours worked);
5. Total electricity self-generated – i.e., from solar, wind or other sources ;
6. Scope 2 Emissions from electricity purchased per square metre – Head office and warehouses ; and
7. Scope 2 Emissions from electricity purchased per square metre – Head office and warehouses (FY25 Baseline)

We were previously not required to provide assurance over 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 key information 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

30 June 2026

5 Magwa Crescent
Waterfall City, Waterfall
Private Bag x6, Gallo Manor, 2052
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.
Employee health, safety and wellbeing	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 ability to perform their regular duties.
Employee health, safety and wellbeing	Number of occupational health cases (diagnosed work-related diseases)	Number	Dis-Chem Group	An occupational disease is a reported disease or disorder that arises due to exposure to risk factors within the workplace.
Employee health, safety and wellbeing	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 MTCs, LTIs and fatalities.
Employee health, safety and wellbeing	Total number of person hours worked (PHW)	Number	Dis-Chem Group	Total person hours worked for the reporting period, calculated as the sum of ordinary hours worked, overtime hours worked and paid leave hours recorded in the payroll system. This excludes contractors, agency staff, locums and other third-party personnel not recorded in the payroll system.
Employee health, safety and wellbeing	Fatal injury frequency rate (FIFR)	Rate	Dis-Chem Group	Fatal injury frequency rate is expressed as the number of fatalities per 200 000 person hours worked.
Employee health, safety and wellbeing	Occupational health case rate (OHCR)	Rate	Dis-Chem Group	Occupational health case rate is expressed as the number of occupational health cases per 200 000 person hours worked.
Employee health, safety and wellbeing	Total recordable injury frequency rate (TRIFR)	Rate	Dis-Chem Group	Total recordable injury frequency rate is expressed as the number of total recordable injuries per 200 000 person hours worked.
Use of natural resources	Total diesel consumption - generators	Litre	South Africa Business	Total diesel consumption by generators for the reporting period.
Use of natural resources	Total electricity purchased	kWh	Head office and warehouses	Total electricity purchased for the reporting period.
Use of natural resources	Total electricity self-generated	kWh	Head office and warehouses	Total electricity generated from on-site renewable (solar) energy systems during 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 multiplied by the relevant DEFRA or locally approved emissions conversion factors.
Carbon emissions	Scope 2 carbon emissions from electricity purchased	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).
Carbon emissions	Scope 2 emissions from electricity purchased per square metre	tCO_2e/m^2	Head office and warehouses	Scope 2 emissions from electricity purchased divided by total floor area (square metres) of head office and warehouse facilities.
Carbon emissions	Scope 2 emissions from electricity purchased per square metre (FY25 baseline)	tCO_2e/m^2	Head office and warehouses	FY25 baseline Scope 2 emissions from electricity purchased divided by total floor area (square metres) of head office and warehouse facilities.
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 (%).
Customer health and safety	Rate of clinic patient safety adverse health events	Rate	South Africa Business	An adverse health event is recorded for each clinical service or intervention that results in patient harm. Where multiple adverse health events arise from separate services or interventions provided during the same consultation, each adverse health event is recorded individually. The adverse health event rate is calculated by dividing the number of individual adverse health events recorded by the 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	Dis-Chem Group	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
GMP	Good manufacturing practice
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

dischemgroup.com