



Our ESG strategy

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Our ESG strategy

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

Our five ESG strategic pillars

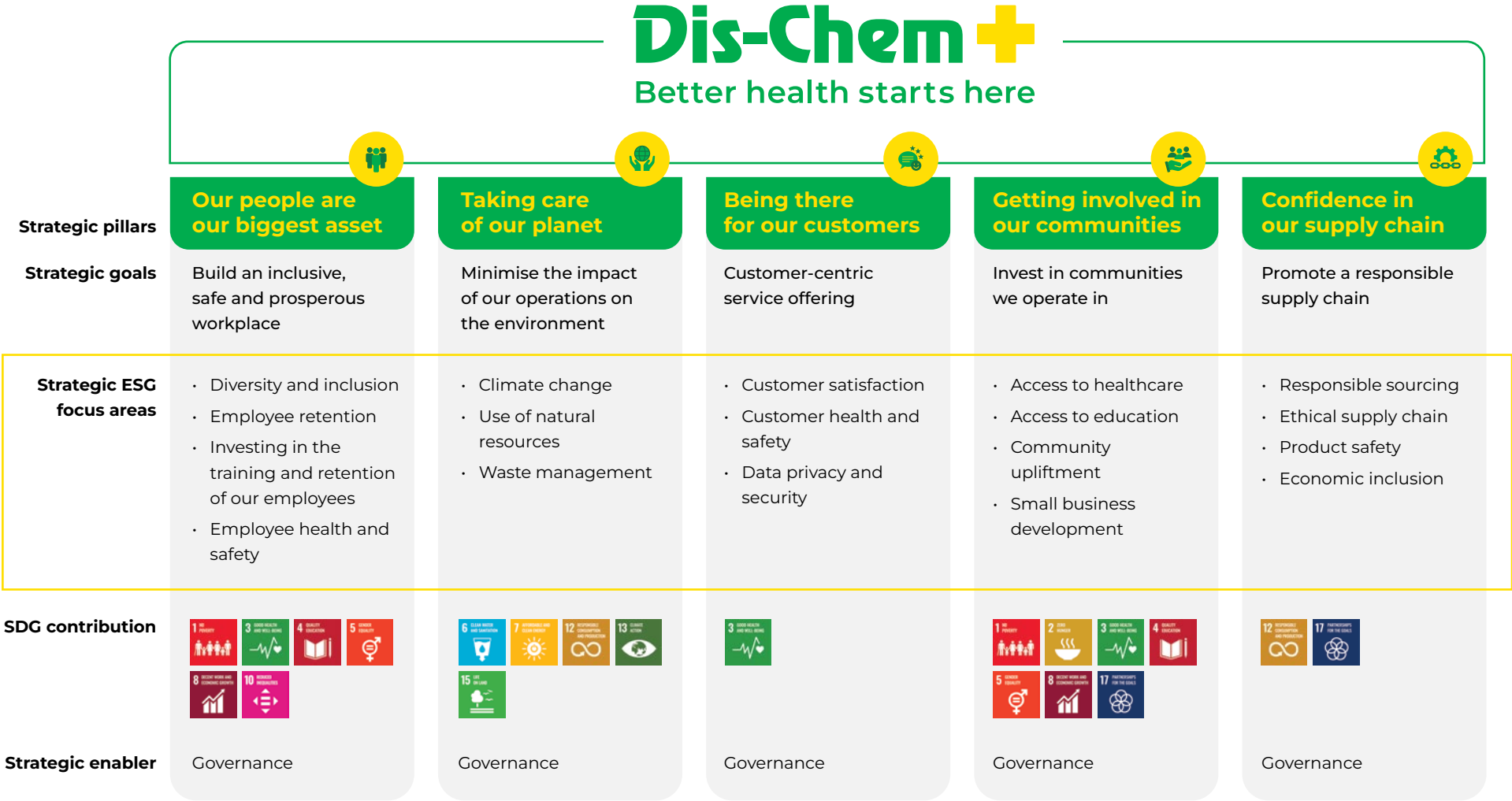
Dis-Chem's ESG strategy and pillars respond to our material sustainability matters and are aligned with our ESG governance approach, structures, and processes. We deliver measurable impacts and use the SDGs to align with goals beyond our business, thereby contributing to better health outcomes for our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



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.

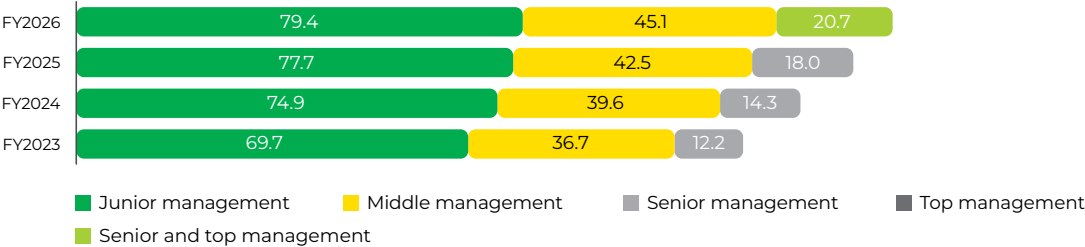
Recognising the importance of creating an inclusive and supportive workplace, People & Culture has partnered with our Integrated Health teams to better understand and address the needs of employees with disabilities (PWD). Through this collaboration, we are

identifying practical solutions, enhancing accessibility, and strengthening support mechanisms to ensure all employees are able to contribute, develop, and thrive within the organisation.

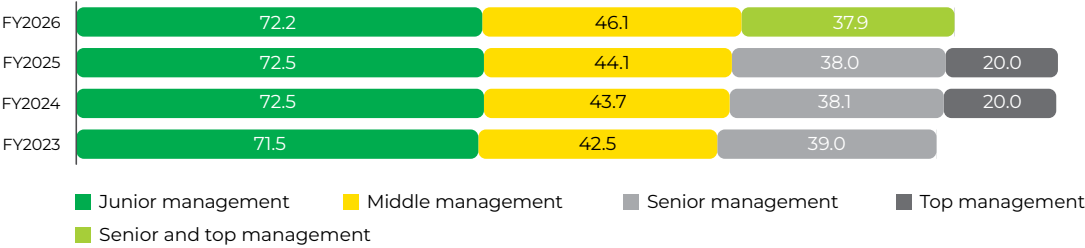
B-BBEE

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.

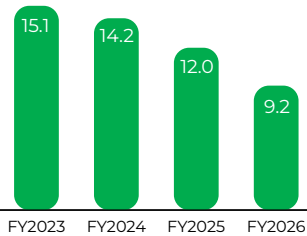
Dis-Chem creates social value by investing in the wellbeing of its employees through fair remuneration, healthcare support, and employee benefits that promote financial security and everyday wellness, supporting our commitment to a living wage.

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.

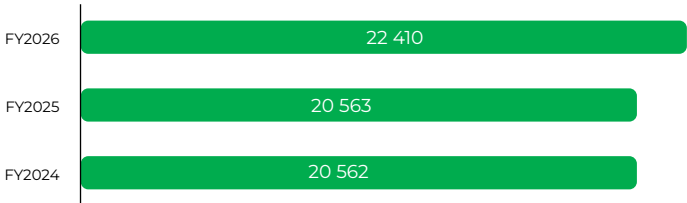
Primary private medical insurance and gap cover provided by Kaelo is fully subsidised by Dis-Chem. All permanent employees are required to contribute to provident funding.

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.

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.

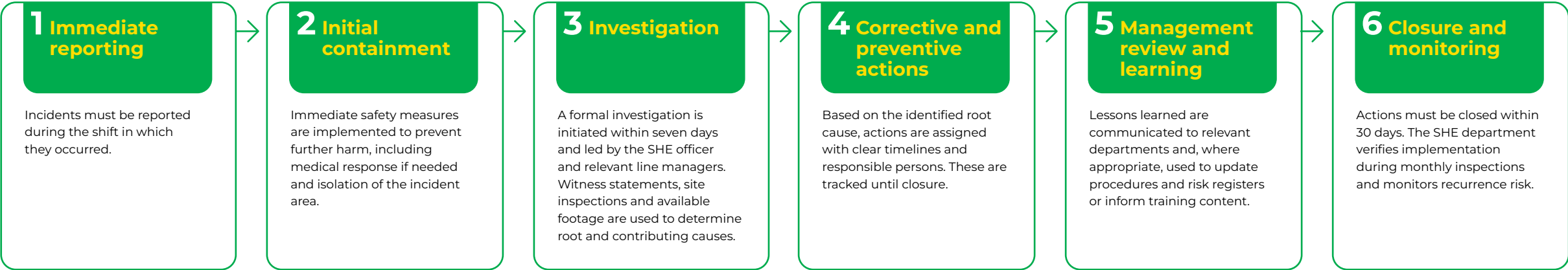
Safety and health training, including emergency preparedness and incident management, is compulsory for employees. Training was increased during FY2026, with managers completing legal liability training and several SHE officers trained in firefighting and first aid. Strict rules apply to the use of machinery 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.



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.



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 (tCO₂e)

12 900

10 900

11 217

FY2024FY2025FY2026

Total Scope 2 emissions (tCO₂e)

12 678

11 707

FY2025FY2026

Scope 3 emissions (tCO₂e)

11

FY2025

1 211

36

FY2026

1 350

Air travel

Car hire

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

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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.	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.	ESG data tables, from page 72 .
	Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions and the related risks.	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.	
	Targets used by the organisation to manage climate-related risks and opportunities and performance against targets.		

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.

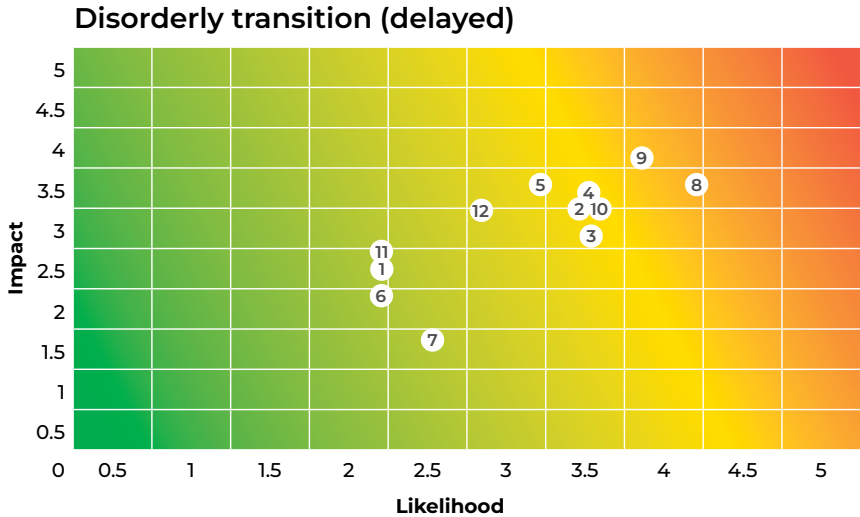
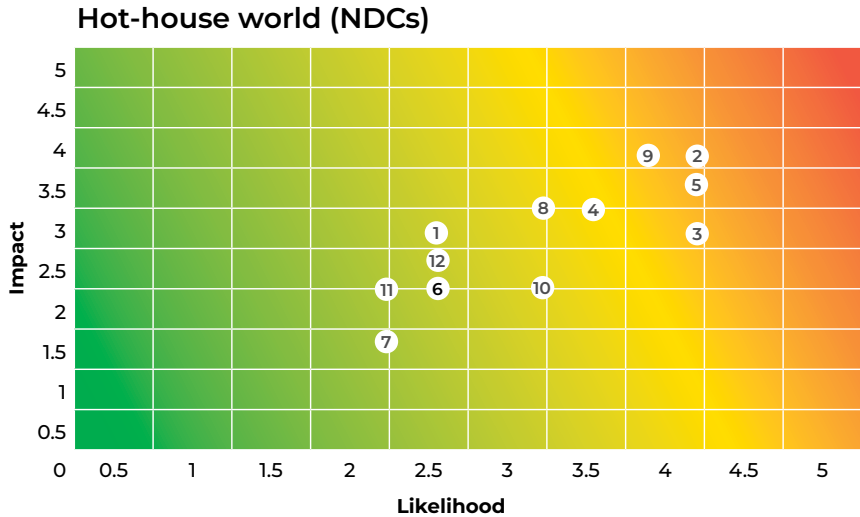
- The Disorderly scenario explores higher transition risk due to policies being delayed or divergent across countries and sectors. Carbon prices are typically higher for a given temperature outcome
- The Hot House World scenario assumes that some climate policies are implemented in some jurisdictions, 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.



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 (KI)



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.

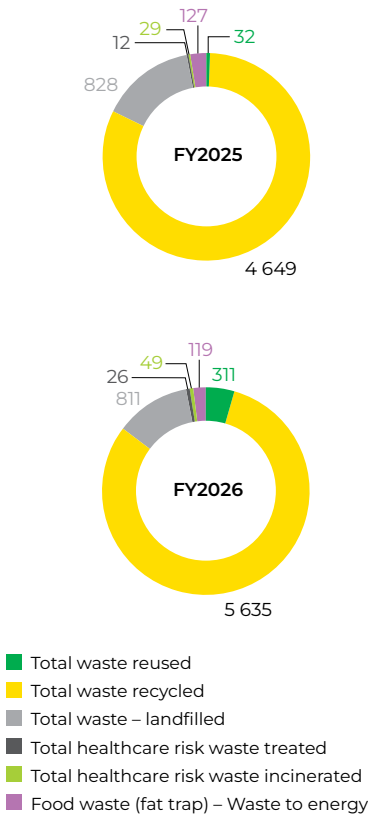
Initiatives to divert waste from landfill

- 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)



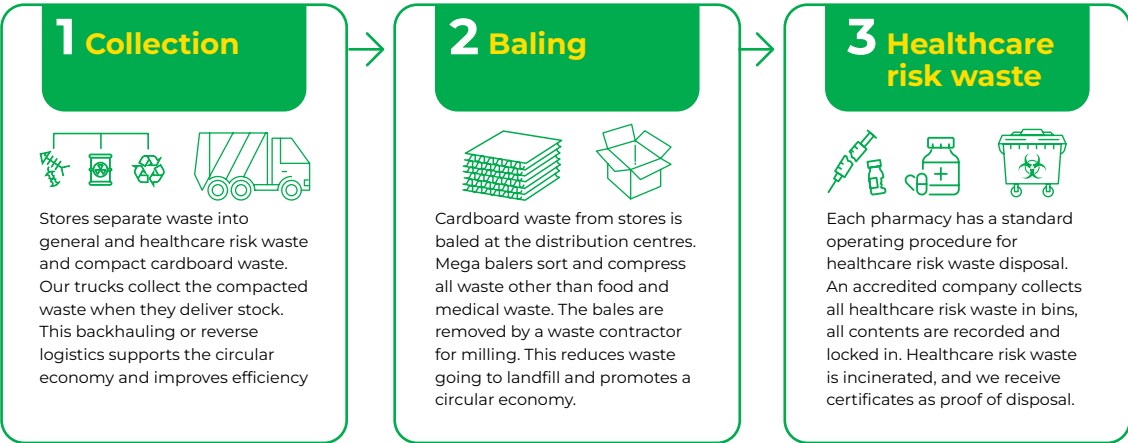
Dis-Chem recognises that sound healthcare risk waste management practices reduce environmental and health risks and can convert waste into reusable resources. Waste generated by the Group includes:

- 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



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

Invested in new digital solutions to improve customer engagement, experience and care

Expanded primary healthcare services to communities and prioritised reproductive and sexual health services for young women

Customer complaints tracked growth in the customer base

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



Being there for our customers continued

Customer satisfaction

Better Rewards

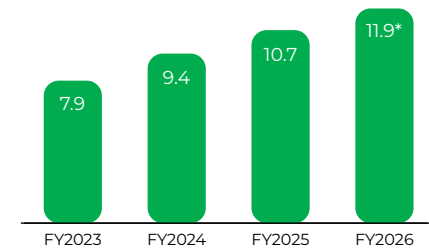
Dis-Chem replaced its 23-year old loyalty programme with the Better Rewards programme in October 2025. The new loyalty system offers customers instant, in-store discounts rather than points-based cash back. Customers receive an automatic 10% discount on more than 140 popular brands at the till, with 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

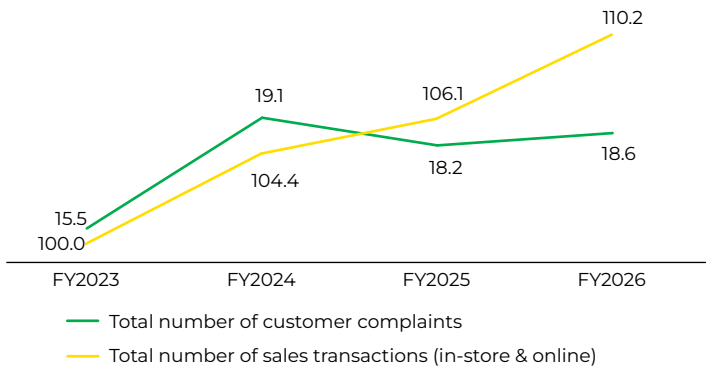
A responsive approach to customer complaints

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



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.

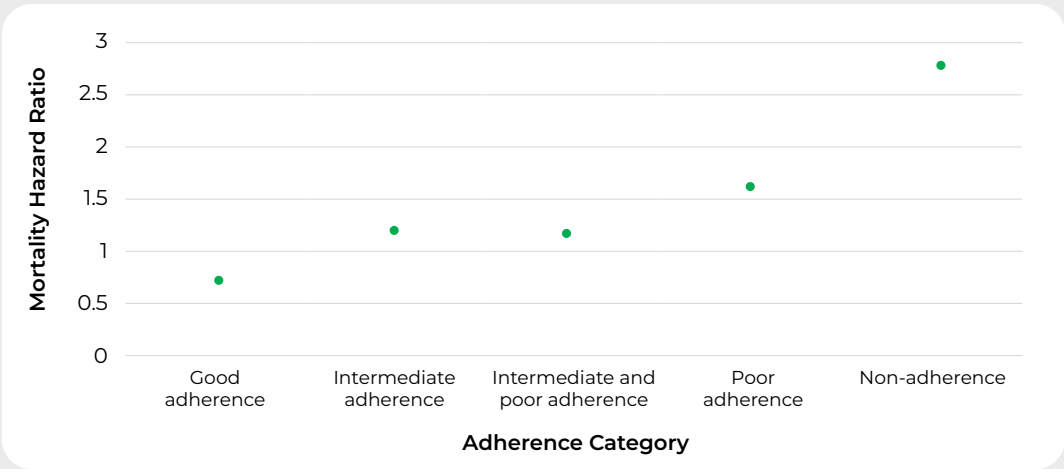
Improving health outcomes by promoting good adherence to chronic medication

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.

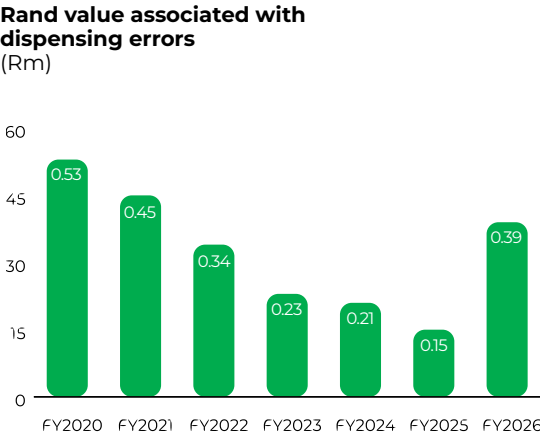
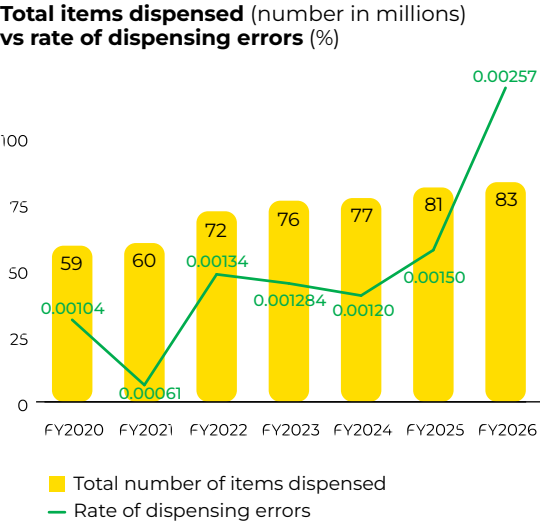
Managing dispensing errors

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.

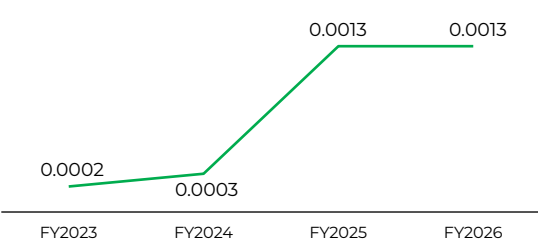


Being there for our customers continued

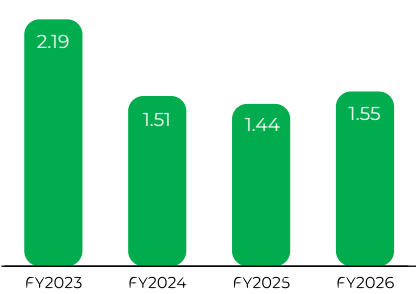
Clinic errors

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

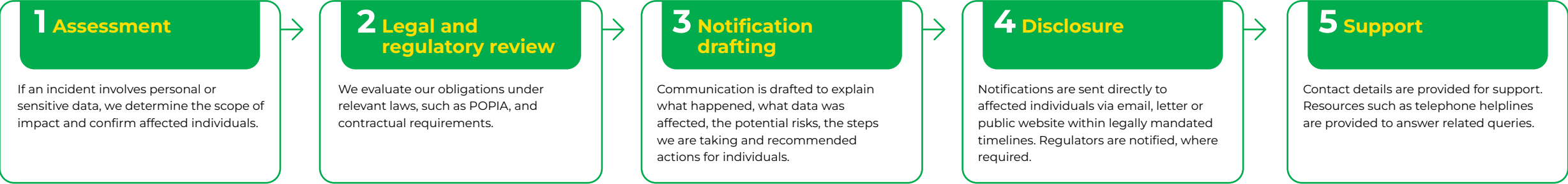
Dis-Chem maintains a formal incident response plan aligned with NIST 800-61 and ISO/IEC 27035. The plan is reviewed and tested at least annually and includes:

- 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.

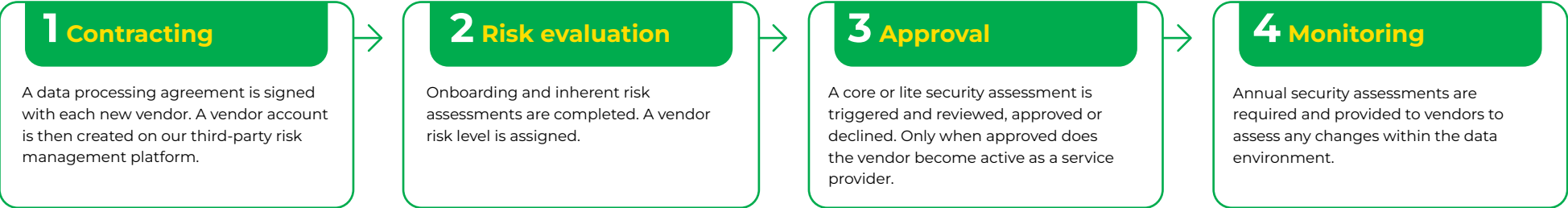
Being there for our customers continued

Incident response process for managing data breaches



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.



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:



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 Tswelopele 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

Strong adoption of the supplier code of conduct and self-assessment questionnaires helped the Group to identify and manage supply chain risk

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

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

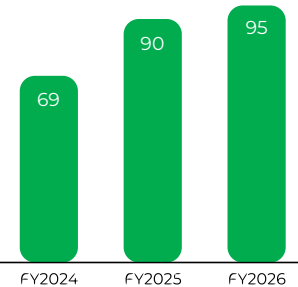
Third-party manufacturers play a significant role in Dis-Chem's operations and product quality. To mitigate supply chain risks such as concentration, scarcity and geographic distance, Dis-Chem and its suppliers diversify raw material sources and partnerships and prioritise localisation. Supporting local 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 verify¹: • 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.

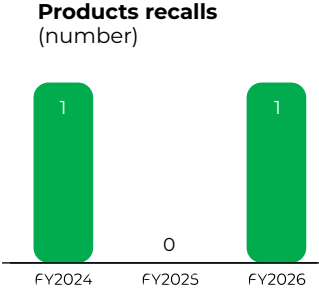
The recall process removes the product from circulation in Dis-Chem channels. In the case of a serious health hazard, Dis-Chem issues a public warning via its website and in local and regional stores to ensure public safety. Relevant government bodies are informed and, where necessary, involved to assist.

In FY26, one product recall was conducted involving Dis-Chem Paracetamol Tablets (Batch 1557), classified as a Class II,

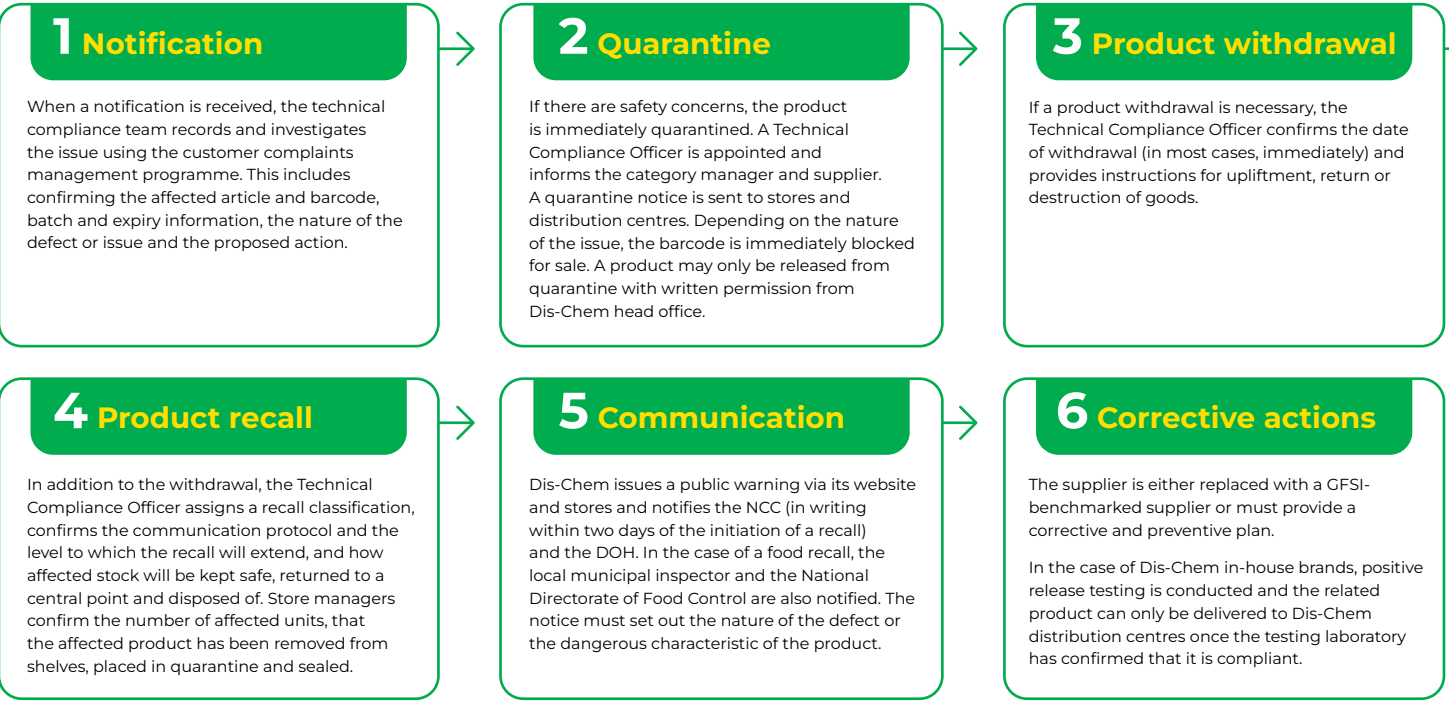
Type B recall. The recall was initiated following the identification of a manufacturing-related contamination incident, with the root cause traced to a damaged equipment component.

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.



Our product recall process and procedure



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 CO₂/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).

