



## **ENVIRONMENTAL AND CLIMATE CHANGE POLICY**

### **1. Purpose**

The Group is committed to aligning its strategy to global environmental principles, and recognises the importance of environmental responsibility and climate change in the Group's broader approach to ESG and sustainability.

The purpose of this policy is to guide the Group's actions with respect to its environmental responsibility and climate change response. Awareness of both the impact of climate change on the Group and the Group's impact on the environment must be embedded into the Group's decision-making, strategic planning, risk management approach and governance.

To support the attainment of the objectives of this policy and to promote accountability, the Group's disclosures, and its setting of metrics and targets, must be transparent, ethical, in accordance with accepted standards and norms, and made in good faith.

### **2. Scope and application of this policy**

This policy applies to all the entities and employees in the Clicks group.

The custodian of this policy is the Clicks Group Limited Social & Ethics Committee.

The CEO bears primary responsibility for the executive implementation of this policy.

### **3. Objectives**

#### *Governance*

The Board of Clicks Group Limited bears ultimate accountability for the Group's conduct in relation to the environment and climate change. This includes the sufficiency and accuracy of the Group's disclosures in this regard.

The Board exercises its oversight function through the Social & Ethics Committee, to which it delegates the management of this policy and the monitoring of the Group's conduct in relation thereto. Any changes to the policy must be approved by the Social & Ethics Committee.



The Audit & Risk Committee is responsible for the adjacent functions which fall within its remit, including responsibility for the Group's risk management process and decisions relating to external verification of material sustainability matters.

The Remuneration & Nominations Committee is responsible for ensuring that the Group's remuneration practices are supportive of the objectives of this policy, and that appointments to the board and the Group's employment practices can further capacitate and advance these objectives.

The CEO is accountable to the Board for the execution of the strategies and business processes, and for the effective management and monitoring thereof.

Through these mechanisms and structures the Group aims to ensure:

- The sustainability of the business within the triple bottom line context of the economy, society, and the environment.
- That environmental and climate change related risk management and internal controls are effective.
- That regulatory compliance and progress in meeting targets set by the Group, amongst other things, are monitored.
- Good governance regarding environmental and social practices within the Group's business, including its supply chain.
- Compliance with applicable regulatory frameworks and with any other voluntary commitments made by the Group.

As part of the Group's governance process, to promote accountability and the attainment of the Group's objectives, it encourages engaging with and educating its employees, customers, suppliers, and other stakeholders on the Group's sustainability processes and practices.

### *Strategy*

In formulating and implementing the strategy of the Group the Group will:

- Identify sustainable supply chains, increasing the Group's focus on ethical and responsible sourcing, and supporting local suppliers to reduce the Group's environmental impact and carbon footprint. The Group's Supplier Code of Ethics is a tool that the Group will use to achieve these objectives.
- Foster a culture of environmental and climate change awareness, and a commitment to a sustainable future amongst all the Group's stakeholders.

- Keep up to date with relevant national and international environmental and climate change regulation and policies. Seek to minimise the Group's adverse impact on the environment and climate change and encourage business practices that promote sustainability.
- Support and encourage responsible consumer behaviour through a climate-related engagement strategy with the Group's customers and suppliers.
- Identify regulatory, physical, and other climate-related risks and opportunities.
- Increase stakeholder engagement within the Group's upstream and downstream value chains to identify, manage and quantify climate-related risks and opportunities.
- Focus on a circular economy for the Group's Private Label products.
- Optimise the Group's distribution networks and promote business travel efficiency and reduction.
- Manage carbon emissions in response to the Paris Agreement.
- Collaborate with third parties, including suppliers, civil society, government and other businesses, to advance environmental and climate-related objectives

### *Risk management*

Environmental and climate-related risk identification and assessment informs the Group's strategies and underpins the Group's ability to operate sustainably in the contexts of climate change and the interrelationship between the Group's businesses, the environment, society and the economy. As such, it is imperative that these risk identification, assessment and management processes be undertaken regularly and conducted effectively.

- The Group will use external expert and internal resources to ensure that its environmental and climate-related risk identification and assessment processes are in accordance with accepted practices.
- The processes of identifying and assessing climate-related and environmental risks are iterative, and will be comprehensively reviewed at least every two years.
- Environmental and climate-related risk management is to be incorporated into the Group's overall risk management processes, and oversight thereof remains with the Audit & Risk Committee.

### *Metrics and targets*

Environmental and climate-related metrics and targets are essential tools to promote accountability and to ensure that the Group's performance in the context of managing and mitigating the impact of the Group's activities on the environment is effective. Where the environmental and climate-related metrics are appropriate and measurement and disclosure thereof is in accordance with internationally accepted practices, stakeholders are able to assess the Group's climate performance.

The Group accordingly will use external experts and internal resources to ensure that its environmental and climate-related metrics identified and are assessed in accordance with internationally accepted practices.

The metrics that the Group will use, and the items that the Group will measure, will be in respect of at a minimum (i) energy; (ii) water; (iii) waste; and (iv) carbon emissions.

The Group will set targets in respect of carbon emissions in support of the commitments contained in the Paris Agreement. The Group will assess annually whether it is appropriate to set targets in respect of any other environmental or climate-related matters.

Where any targets are set, the Group will disclose that target in its annual reports and will thereafter report on progress in meeting such target.

### *Disclosure*

The Group recognises the importance of transparency and disclosure. The Clicks Group is committed to:

- Describing the climate-related risks and opportunities that the Group has identified over the short, medium and long term.
- Describing the impact of significant climate-related risks and opportunities on the Group's businesses and strategies.
- Describing the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.
- Assessing, monitoring, and evaluating the Group's sustainability initiatives.
- Disclosing the Group's performance against its sustainability and climate-related targets.
- Disclosing information about the Group's sustainability processes and practices, and the Group's resource utilisation.

The sufficiency of the Group's disclosure is to be benchmarked against the disclosure requirements or recommendations set out in the JSE's Sustainability and Climate Change Disclosure Guidance, as well as platforms such as the FTSE Russell Responsible Investment Index or such other platform as the Group may determine to participate in. In undertaking to make disclosures in conformance with the JSE's Sustainability and Climate Change Disclosure Guidance, the Group is committing to internationally recognized reporting standards, such as the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD).

#### 4. Revision

The Group Environmental and Climate Change Policy will be reviewed every two years.

<b>POLICY NUMBER</b>	<b>POLICY OWNER</b>	<b>CREATION DATE</b>	<b>NEXT REVISION DATE</b>
Version 1	Social & Ethics Committee/CEO	18 October 2023	January 2025