

## Verification Opinion

In accordance with ISO 14064-3:2019 Specification with guidance for the verification and validation of greenhouse gas statements

### To the Board of Directors and Management of Clicks Group Limited, and other intended users

#### Introduction

Clicks Group Limited (*the 'Responsible Party'*), of Cnr. Searle and Pontac Streets, Cape Town, 8000 engaged The Carbon Report (*the 'Verifier'*) to perform an independent verification of Clicks Group Limited's corporate greenhouse gas emissions inventory for the financial year ending 31 August 2023.

The internally quantified and prepared GHG report is based on the requirements of the WBCSD/WRI Greenhouse Gas Protocol Corporate Accounting and Reporting Standard. The GHG report, including documented systems, processes and supporting evidence is collectively referred to as the '*GHG statement*'.

Following adjustment requests, the GHG statement against which the verification testing was conducted was stated as:

<b>FY2023 GHG Emissions</b>	<b>FY 2022/2023 metric tonnes CO<sub>2</sub>e<sup>1</sup></b>
Scope 1	5 911
Scope 2 location based	108 058
Scope 3	35 791
<b>Scope 1, 2 &amp; 3</b>	<b>149 760</b>
Outside of Scopes	676
<b>TOTAL</b>	<b>150 436</b>

The GHG emissions comprised the sources: stationary fuel combustion, mobile fuel combustion, fugitive emissions, onsite renewable power generation, purchased electricity, purchased goods and services, fuel and energy related activities, upstream transport and distribution, waste generated in operations, business travel and employee commuting.

<sup>1</sup> Includes the Kyoto greenhouse gases carbon dioxide, methane, nitrous oxide, and hydrofluorocarbons. Outside of Scope greenhouse gases include hydrochlorofluorocarbons. Global Warming Potentials based on the IPCC 5<sup>th</sup> Assessment Report (AR5).

## Responsibilities

The Responsible Party is responsible for the preparation and fair presentation of the GHG statement in accordance with the WBCSD/WRI Greenhouse Gas Protocol Corporate Accounting and Reporting Standard. This responsibility includes designing, implementing, and maintaining a data management system relevant to the preparation and fair presentation of a GHG statement that is free from material misstatement.

It is our responsibility as verifier to express a **limited assurance** opinion on the GHG statement based on our verification. We conduct our verification in accordance with the ISO 14064-3:2019 Specification with guidance for the verification and validation of greenhouse gas statements. This Standard requires that we comply with ethical requirements and plan and perform the verification to obtain limited assurance that the GHG emissions in the GHG statement are free from material misstatement.

Our verification strategy used a combined data and controls testing approach. Evidence gathering procedures included but were not limited to:

- Completeness tests
- Review of operational processes and procedures
- Sampling
- Recalculation of emissions
- Analytical tests and procedures.

The ISO 14064-3:2019 verification approach formed the basis for the verification planning and work. Data examined was historical in nature.

## Objectives, criteria and scope

The objective of the verification was to provide **limited assurance** with respect to the GHG statement in that it:

- Is without material misstatement between what is claimed and what occurred;
- Conforms to the requirements and principles of the WBCSD/WRI Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (Revised);
- Is accurate, complete, consistent, relevant and transparent;
- Has supporting data, controls and calculations to ensure accuracy.

The GHG statement and supporting evidence were evaluated against the criteria laid out by WBCSD/WRI Greenhouse Gas Protocol Corporate Accounting and Reporting Standard.

The scope of the verification included a review of the following:

- Reporting boundaries of the GHG statement including legal, operational and physical boundaries; and physical infrastructure and activities;
- Reporting time period;
- GHG emission sources including activity data;
- GHGs reported;
- Magnitude of the GHG inventory.

The reporting boundary excluded acquisitions within the reporting period as well as Netcare, Medicross and former Pick 'n Pay pharmacies, deemed not relevant or immaterial in reporting Scope 1 and Scope 2 emissions.

## **Qualification**

The GHG statement departs from the principles and reporting requirements of the WBCSD/WRI Greenhouse Gas Protocol Corporate Accounting and Reporting Standard in that:

- Scope 2 purchased electricity emissions are incomplete and under reported. The exclusion of Medicross, Netcare and former Pick 'n Pay pharmacies are deemed immaterial as their combined occupied area is 1.3% of the occupied area of the group store network.
- 15% of Scope 2 purchased electricity emissions are based on averaged data and are subject to inherent inaccuracy.
- Scope 3 transport and distribution emissions are under reported as not all transport and distribution providers are included. The extent of under reporting has not been reviewed.
- 11% of Scope 3 upstream transport and distribution emissions are based on estimated activity data and are subject to inherent inaccuracy.
- Scope 3 waste generated in operations emissions are under reported as not all waste streams are complete and/or reported. The extent of under reporting has not been reviewed.
- Scope 3 employee commuting emissions are based on assumptions and outdated sampled survey data and are subject to inherent inaccuracy.
- A failure to adhere to base year emissions recalculation policy where a base year emissions recalculation has been triggered. While the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard do not attach a timeframe to recalculation, this becomes a departure from the requirements where target achievements are assessed.

## **Limited assurance opinion**

Based on the verification process and procedures conducted in accordance with the requirements set out in ISO 14064-3:2019, there is no evidence that the GHG statement:

- Has not been prepared in accordance with the WBCSD/WRI Greenhouse Gas Protocol Corporate Accounting and Reporting Standard; and
- Is not materially correct and is not a fair representation of GHG emissions for the year ended 31 August 2023;

subject to the qualifications referenced above.

The Carbon Report identified several misstatements in the GHG statement in the verification process. Where misstatements had a material impact on the GHG statement, adjustment requests were executed.

The verification activities applied in a limited level of assurance verification are less extensive in nature, timing and extent than in a reasonable level of assurance verification.



Lead Verifier  
sustainableIT  
30<sup>th</sup> October 2023



Managing Director  
sustainableIT  
30<sup>th</sup> October 2023