

## Verification Opinion

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

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### 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 2024.

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>FY2024 GHG Emissions</b>	<b>FY 2023/2024 metric tonnes CO<sub>2</sub>e<sup>1</sup></b>
Scope 1	5 135
Scope 2 location based	106 944
Scope 3	38 158
<b>Scope 1, 2 &amp; 3</b>	<b>150 237</b>
Outside of Scopes	291
<b>TOTAL</b>	<b>150 528</b>

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<sup>1</sup> Includes direct fuels, the Kyoto greenhouse gases: carbon dioxide, methane, nitrous oxide, and hydrofluorocarbons. Hydrochlorofluorocarbons (e.g. R22) are reported under Outside of Scopes. Global Warming Potentials based on the IPCC 5<sup>th</sup> Assessment Report (AR5).

The GHG Inventory according to ISO14064-1:2018 is stated as:

<b>FY2024 GHG Emissions</b>	<b>FY 2023/2024 metric tonnes CO<sub>2</sub>e</b>
Category 1: Direct GHG emissions and removals	5 426 <sup>2</sup>
Category 2: Indirect GHG emissions from imported energy	121 329
Category 3: Indirect GHG emissions from transportation	21 513
Category 4: Indirect GHG emissions from products used by an organization	2 259
Category 5: Indirect GHG emissions associated with the use of products from the organization	
Category 6: Indirect GHG emissions from other sources	

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

## 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.

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<sup>2</sup> Includes direct fuels, the Kyoto greenhouse gases: carbon dioxide, methane, nitrous oxide, and hydrofluorocarbons as well as non-Kyoto hydrochlorofluorocarbons (e.g. R22). Global Warming Potentials based on the IPCC 5<sup>th</sup> Assessment Report (AR5).

## 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 the consolidated subsidiaries Sorbet Holdings Proprietary Limited and 180 Degrees Marketing (Pty) Ltd. In addition, Netcare in-hospital pharmacies and former Pick 'n Pay pharmacies were excluded, deemed immaterial in reported 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:

- 14% of Scope 2 purchased electricity emissions are based on averaged data and are subject to inherent inaccuracy.
- 9% of Scope 3 upstream transport and distribution emissions are based on estimated activity data and are subject to inherent inaccuracy.
- Scope 3 employee commuting emissions are based on assumptions and are subject to inherent inaccuracy.

## 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 2024;

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.



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11<sup>th</sup> October 2024



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11<sup>th</sup> October 2024