

Verification Statement

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

To the Board of Directors and Management of Clicks Group Limited

Introduction

Clicks Group Limited (*the' Responsible Party'*), of Cnr. Searle and Pontac Streets, Cape Town, 8000 engaged sustainableIT (*the' Verifier'*) to perform an independent verification of Clicks Group Limited's corporate greenhouse gas emissions inventory for the financial year ending 31 August 2017.

The internally quantified and prepared corporate GHG emissions inventory is based on the requirements of WBCSD/WRI Greenhouse Gas Protocol Corporate Accounting and Reporting Standard. The inventory, together with documented systems and processes and evidence to support the GHG inventory is collectively referred to as the '*GHG Assertion'*'.

Following corrective action, the GHG Assertion against which the verification testing was conducted was stated as:

FY2017 GHG Emissions	FY 2016/2017 metric tonnes CO ₂ e ¹
Scope 1	2 248
Scope 2 location based	96 458
Scope 3	18 791
Scope 1, 2 & 3	117 497
Outside of Scopes	936
TOTAL	118 433

Responsibilities

The Responsible Party is responsible for the preparation and presentation of the GHG Assertion.

It is our responsibility as verifier to express a **limited assurance** conclusion on the GHG Assertion based on the process and procedures conducted and evidence obtained and in accordance with ISO 14064-3: Specification with guidance for the validation and verification of greenhouse gas assertions.

Greenhouse gas quantification is subject to inherent uncertainty due to scientific uncertainty and estimation uncertainty; the latter arising from both parameter and model uncertainty. Analysing and

¹ Includes the Kyoto greenhouse gases carbon dioxide, methane, nitrous oxide, and hydrofluorocarbons. Outside of Scope greenhouse gases include hydrochlorofluorocarbons.

quantifying scientific and model uncertainty is beyond the scope of a company's inventory efforts. Parameter uncertainties are minimized through verification processes and expert judgment.

Objectives, criteria and scope

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

- It conformed with the principles and requirements of the WBCSD/WRI Greenhouse Gas Protocol Corporate Accounting and Reporting Standard;
- The calculations supporting the GHG Assertion are sufficiently accurate to be considered accurate and without material discrepancy;
- The data supporting the GHG Assertion has sufficient controls to be considered accurate and without material discrepancy.

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

The reporting boundary excluded the following entities and activities, both deemed not relevant in reporting Scope 1 and Scope 2 emissions:

- Kalahari Medical Distributors
- Musica Distribution

The ISO 14064-3 verification approach formed the basis for verification planning and work. This included an assessment of the GHG information, information system controls, GHG data, and GHG Assertion against verification criteria.

Qualification

The GHG assertion is affected by a departure from the principles and reporting requirements specified by the WBCSD/WRI Greenhouse Gas Protocol Corporate Accounting and Reporting Standard in that:

- Scope 1 mobile fuel combustion emissions are potentially under reported.
- Scope 1 fugitive emissions are potentially under reported.
- Scope 2 purchased electricity emissions are incomplete and potentially under reported.
- A percentage² of Scope 2 purchased electricity emissions are based on averaged data and are subject to inherent inaccuracy.
- Scope 3 distribution emissions are incomplete and under reported by 50 tCO₂e within the scope of activities measured.
- A percentage³ of Scope 3 distribution emissions are estimated using estimated activity data and are subject to inherent inaccuracy.
- Scope 3 employee commuting emissions estimations are based on sampled survey data and are subject to inherent inaccuracy.
- Scope 3 business travel emissions are incomplete and under reported by approximately 142 tCO₂e.
- Insufficient evidence available to conclude if Scope 3 water supply emissions are neither under nor over reported.
- A failure to disclose disaggregated emissions data by individual greenhouse gas accurately. While this departure does not conform to the agreed verification criteria to conform to the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard, the inaccuracies of the disaggregated information do not impair the usefulness of the GHG assertion.

Limited assurance conclusion

Based on the verification process and procedures conducted, which were conducted in accordance with the requirements set out in ISO 14064-3, it is our conclusion that there is no evidence to suggest that the GHG assertion:

- 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 2017;

subject to the qualifications referenced in the above qualification paragraph.

sustainableIT identified several discrepancies in the GHG Assertion in the verification process. Where these discrepancies had a material impact on the GHG Assertion, corrective action was executed.

² 8%

³ 14%



Lead Verifier
Certified in GHG Accounting (GHG Management Institute)
sustainableIT
20th November 2017



Managing Director
sustainableIT
20th November 2017