

## 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

#### 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 2020.

The internally quantified and prepared corporate GHG emissions inventory is based on the requirements of the 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 statement*'.

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

<b>FY2020 GHG Emissions</b>	<b>FY 2019/2020 metric tonnes CO<sub>2</sub>e<sup>1</sup></b>
Scope 1	2 771
Scope 2 location based	107 279
Scope 3	33 200
<b>Scope 1, 2 &amp; 3</b>	<b>143 250</b>
Outside of Scopes	457
<b>TOTAL</b>	<b>143 707</b>

The GHG emissions comprised the sources: stationary fuel combustion, mobile fuel combustion, fugitive emissions, 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.

## 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 supported 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;
- Size of the GHG inventory.

The reporting boundary excluded the Kalahari Medical Distributors entity, Musica distribution activities, and Netcare and Medicross 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 under reported.
- 9% of Scope 2 purchased electricity emissions are based on averaged data and are subject to inherent inaccuracy.
- 11% of Scope 3 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.
- Scope 3 business travel emissions are under reported by approximately 120 tCO<sub>2</sub>e.
- Scope 3 employee commuting emissions estimations are based on sampled survey data and are subject to inherent inaccuracy.
- A failure to disclose disaggregated emissions data by individual greenhouse gases accurately. While this departure does not conform to the criteria of the GHG Reporting Standard, the inaccuracies of the disaggregated information do not impair the usefulness of the GHG statement.
- A failure to adhere to base year emissions recalculation policy where a base year emissions recalculation has been triggered. While this departure does not conform to the agreed verification criteria to conform to the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard, the failure to recalculate base year emissions does not impair the usefulness of the GHG statement.

### **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 2020;

subject to the qualifications referenced in the above qualification paragraph.

The Carbon Report identified several misstatements in the GHG statement in the verification process. Where these misstatements had a material impact on the GHG statement, corrective action was 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  
Certified in GHG Accounting (GHG Management Institute)  
sustainableIT  
23<sup>rd</sup> November 2020



Managing Director  
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23<sup>rd</sup> November 2020