

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 2019.

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:

| FY2019 GHG Emissions | FY 2018/2019 metric tonnes CO₂e¹ |
|-----------------------------|---|
| Scope 1 | 3 261 |
| Scope 2 location based | 109 532 |
| Scope 3 | 18 800 |
| Scope 1, 2 & 3 | 131 593 |
| Outside of Scopes | 772 |
| TOTAL | 132 365 |

The GHG emissions comprised the sources stationary fuel combustion, mobile fuel combustion, fugitive emissions, purchased electricity, upstream distribution, employee commuting, business travel and water supply.

¹ 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 and Musica distribution activities, both deemed not relevant 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 potentially under reported.
- 8% of Scope 2 purchased electricity emissions are based on averaged data and are subject to inherent inaccuracy.
- 11% of Scope 3 distribution emissions are based on 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.
- 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.

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 2019;

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
11th November 2019



Managing Director
sustainableIT
11th November 2019

DRAFT