

INDEPENDENT VERIFICATION STATEMENT

TO THE DIRECTORS AND MANAGEMENT OF PICK 'N PAY STORES LTD.

Pick 'n Pay Stores Limited (hereafter "PnP Stores") is a JSE-listed holding company with subsidiaries and associates that operate in the FMCG retail sector in Africa. The Group has three trading subsidiaries: Pick 'n Pay Retailers (Pty) Ltd, Boxer Superstores (Pty) Ltd and Zimbabwe-based TM Supermarkets Pvt Ltd, in which it has a 49% non-controlling stake.

Pick 'n Pay Retailers (Pty) Ltd. (hereafter "Pick 'n Pay" or "PnP") commissioned GCX to perform an independent third-party verification of the Group's greenhouse gas (GHG) emissions inventory as calculated in-house for the financial reporting period 01 March 2020 to 28 February 2021 (FY2021).

The verification was performed in accordance with the International Standard **ISO14064-3 (2006)** 'Specification with guidance for the validation and verification of greenhouse gas assertions.'

VERIFICATION OBJECTIVES AND PERFORMANCE CRITERIA

The objectives of the verification were to evaluate the accuracy and completeness of the FY2021 GHG inventory and thereby raise the credibility of the Group's GHG emissions submission to CDP 2021 and other GHG disclosures.

The criteria for the verification were conformance with the principles, guidance and reporting requirements of the WBCSD/WRI *GHG Protocol Corporate Accounting Standard*, 2nd Edition, 2004 (hereafter referred to as the *GHG Protocol Corporate Standard*).

VERIFICATION SCOPE

PnP Stores requested a **limited level of assurance** for the Group's FY2021 GHG assertion. In conformance with ISO14064-3 (2006), the verification process therefore included an assessment of:

- The reporting boundaries selected;
- The quantification methodologies and emission factors applied;
- The completeness and integrity of the GHG activity data used;
- The accuracy and consistency of the GHG calculations;
- The robustness of the estimation methodologies applied;
- GHG reporting to assess conformance with the *GHG Protocol Corporate Standard* requirements.

REPORTING BOUNDARY & SPECIFIC EXCLUSIONS

In accordance with the **operational control** approach for consolidating GHG emissions, the reporting boundary included scope 1 and scope 2 GHG emissions for all PnP Stores' controlled facilities, as well as those scope 3 emissions sources that are currently reported. This included:

- **PnP SA:** 800 PnP Corporate stores, 689 PnP Franchise stores and 10 office/support facilities in SA;
- **PnP Africa:** 24 PnP Corporate stores in Zambia and 69 PnP Franchise stores in Africa (BLNS);
- **Boxer:** 265 Boxer Corporate store sites in SA and eSwatini and 6 office/support facilities in SA.

The following facilities were excluded from the reporting boundary due to data availability:

- 2 Pick 'n Pay Dotcoza Centres (online picking warehouses)

Aggregated scope 1 and scope 2 emissions for these 2 omitted facilities were deemed immaterial overall, and therefore **not relevant** relative to PnP Stores' total scope 1 and scope 2 GHG emissions.

PICK 'N PAY'S RESPONSIBILITY

Pick 'n Pay was responsible for the preparation and presentation of the GHG subject matter to GCX.

RESPONSIBILITY OF THE INDEPENDENT VERIFICATION PROVIDER (GCX)

GCX's task was to form an opinion on the GHG assertion, in accordance with the criteria of the *GHG Protocol Corporate Standard*. No site visits were conducted as this was a limited assurance engagement.

INHERENT LIMITATIONS

There is an inherent limitation in providing verification of GHG data. Non-financial data is subject to more inherent limitations than financial data, given both the nature and the methods used to determine, calculate, sample or estimate such data.

The assurance engagement did not include an examination of the derivation of emission factors, conversion factors, or other derived third-party information. GCX has not conducted any work outside of the agreed scope and we therefore restrict our opinion to the agreed subject matter.

GHG ASSERTION

After implementation of the necessary corrective action, using the operational control approach the FY2021 GHG emissions assertion for PnP Stores and subsidiaries was stated as:

FY2021 GHG Emissions	Pick 'n Pay South Africa ¹	Pick 'n Pay Africa ²	Pick n Pay Retailers ³	Boxer Superstores ⁴	Pick 'n Pay Stores Ltd.
	Tonnes CO ₂ e	Tonnes CO ₂ e	Tonnes CO ₂ e	Tonnes CO ₂ e	Tonnes CO ₂ e
Scope 1	110 174	1 976	112 151	11 270	123 421
Scope 2 Location-based	545 957	4 362	550 318	215 856	766 174
Scope 3	439 126	43 489	482 615	Not measured	482 615
Total Scopes 1, 2 & 3	1 095 257	49 827	1 145 084	227 126	1 372 210
Outside of Scopes ⁵	54 164	Not measured	54 164	Not measured	54 164
Total measured GHG emissions:	1 149 421	49 827	1 199 248	227 126	1 426 374

100% of PnP Stores Ltd. FY2021 scope 1, scope 2 and measured scope 3 GHG emissions were verified.

¹ Includes 800 PnP Corporate Stores in SA as follows: 285 Supermarkets, 21 Hypers, 262 liquor stores, 232 clothing stores 6 Distribution centres, 2 Head Offices and 3 other facilities. Electricity consumption for the 689 PnP SA Franchise stores was reported under scope 3 (455 Super/Foodmarkets, 217 liquor stores and 17 clothing stores).

² Scopes 1 and 2 include 24 PnP Corporate Stores in Zambia (23 Supermarkets and 1 liquor store) and scope 3 electricity consumption for the 69 BLNS Franchise stores (41 Supermarkets, 25 liquor stores and 3 clothing stores).

³ PnP South Africa and PnP Africa are both subsidiaries of the legal entity PnP Retailers (Pty) Ltd.

⁴ Includes 298 Boxer corporate stores on 265 sites as follows: SA - 289 stores (259 sites - 202 Supermarkets, 30 Build; 17 Punch and 10 separately billed liquor stores) as well as 6 support facilities; eSwatini - 9 stores (6 sites).

⁵ The *GHG Protocol Corporate Standard* states that emissions from non-Kyoto listed refrigerant gases should be reported separately from the scopes.

Additional Data Points Verified for CDP 2021	Pick 'n Pay Retailers (SA & Africa)	Boxer Superstores	Pick 'n Pay Stores Ltd.
Total electricity purchased (MWh)	561 402	211 623	773 025
Total gross electricity generated on-site (MWh) (100% renewable)	7 773	-	7 773
Self-generation consumed (MWh)	7 773	-	7 773
Total electricity consumed (MWh)	569 174	211 623	780 797
Year-on-year change in GHG emissions	Scope 1; Scope 2; Scope 1 & 2; Scope 3		

FINAL VERIFIER OPINION AND QUALIFICATIONS

On the basis of the limited assurance procedures followed, using the criteria of the *GHG Protocol Corporate Standard*, there is no evidence that Pick 'n Pay Stores' revised FY2021 GHG assertion:

- 1) Has not been quantified and reported in conformance with the general requirements of the *GHG Protocol Corporate Standard*; and
- 2) Is not materially correct and a fair, complete and accurate representation of the GHG data and information for the FY2021 reporting period, with the following qualifications:
 - **Scope 1:** Fuel consumption for mobile and stationary equipment (generators, forklifts/hysters and ovens/cookers) was estimated using financial spend data.
 - **Scope 1:** Refrigerant gas losses and company vehicle fuel were not reported by Boxer and PnP Zambia. Scope 1 emissions were therefore under-reported, but it was not possible to determine if the under-reporting was material.
 - **Scope 2:** For facilities without separately metered data, either municipal billed consumption or estimation was used. The estimation approaches used for FY2020 were refined and updated for FY2021 to account for the impact of Covid-19. However, all such estimation is subject to inherent inaccuracy.
 - **Scope 3:** Electricity consumption for PnP's 758 Franchise stores (689 in SA and 69 in Africa) was estimated using a regression analysis (area vs. annual consumption) based on a sample of metered franchise sites for supermarkets and liquor stores, and billed consumption for clothing stores.
 - **Scope 3:** GHG emissions from landfilled waste were under-reported by approximately 25% as data was not available for +/- 75 sites.



Signed: Kerry Evans

Lead GHG Verifier, GCX

Date: 08.06.2021



Signed: Ohad Shachar

Technical Director, GCX

Date: 08.06.2021