



WHL

**WOOLWORTHS HOLDINGS LIMITED / GREENHOUSE GAS VERIFICATION
FOR 2015 CALENDAR YEAR**



Independent Verification Statement

To the Board of Directors and Management of Woolworths Holdings Ltd.

Introduction

Woolworths Holdings Ltd. (hereafter "WHL") commissioned GCX Africa (hereafter "GCX") to perform an independent third party, limited level verification of its greenhouse gas (GHG) emissions inventory for the reporting period 01 January 2015 to 31 December 2015 (hereafter 2015).

The WHL Group is a southern hemisphere retail group with three major operating divisions: Woolworths South Africa (based in South Africa and operating across 11 countries in sub-Saharan Africa), David Jones (based and trading in Australia), and Country Road Group (based in Australia and trading in Australia, New Zealand and South Africa).

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

The intended users of this information are all internal and external interested parties/stakeholders, including CDP.

Verification Objectives and Performance Criteria

WHL's key verification objectives were to obtain assurance that the 2015 GHG inventory is accurate and complete, and to enhance the credibility of the Group's GHG emissions disclosure for CDP 2016.

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").

GHG Assertion

After implementation of the necessary corrective action, WHL's 2015 GHG emissions assertion, consolidated using the **operational control** approach, was stated as:

2015 GHG Emissions	Tonnes CO ₂ e
Scope 1	42 249.69
Scope 2 (location-based)	442 672.50
Scope 2 (market-based) ¹	442 672.50
Total Scopes 1 & 2	484 922.19
Scope 3	129 541.12 ²
Total Scopes 1, 2 & 3	614 463.31
Outside of Scopes – R-22 ³	43 475.55
Total measured GHG emissions	657 938.86

¹ Contractual instruments were not available in South Africa and Namibia during FY2015. Aside from Australia, the availability of contractual instruments in all other countries in which WHL operates is still to be confirmed.

² Includes emissions from: Cat 1. Purchased Goods & Services (Water, Office paper, Cardboard Packaging & Plastic bags); Cat 3. Fuel-and Energy-related Activities (T&D losses); Cat 4. Upstream Transportation & Distribution; Cat 5. Waste Generation; Cat 6. Business Travel (Flights, Car Hire and Hotel Accommodation); Cat 7 Employee Commuting.

³ GHG emissions from non-Kyoto Protocol refrigerant gas refills. The *GHG Protocol Corporate Standard* states that these product use emissions should be reported separately from the scopes.





Verification Scope

In conformance with ISO14064-3 (2006), the verification process included an assessment of:

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

WHL requested a **limited level of assurance** on the GHG assertion detailed above.

Specific Exclusions from Reporting Boundary

The following WHL facilities were excluded from the 2015 reporting boundary due to data availability:

- 1 RE: and 4 JTOne stand-alone stores in South Africa
- Woolworths' warehouses/depots in sub-Saharan Africa (excluding South Africa).

Reporting on the following scope 1 emissions sources was incomplete due to data availability:

- Woolworths: Generator fuel consumption for 6 warehouses/stockrooms (if applicable).
- Woolworths: Refrigerant gas refills for 6 warehouses/stockrooms and +/- 20 International stores.
- Country Road Group: Air conditioning gas and generator fuel consumption (if applicable).

The above exclusions were deemed **not relevant** relative to WHL's global scope 1 and 2 GHG emissions.

Woolworths Holdings Limited's Responsibility

WHL was responsible for the preparation and presentation of the selected subject matter and data to GCX.

Responsibility of the Independent Verification Provider (GCX)

The verification task was to form an opinion on the above GHG assertion, regarding:

1. Conformance with the general requirements of the *GHG Protocol Corporate Standard*.
2. Completeness and accuracy of the quantified GHG emissions for the 2015 reporting period.

Given that a limited level of assurance was required, no site visits were conducted.

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 GWPs, 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.



Conclusions: CDP – Climate Change

CC8.4: Exclusions from Disclosure: Scope 1 - Yes (see above) ; Scope 2 - No			
CC8.4a (Scope 1 only): Excluded emissions are not relevant (see above)			
CDP CC8.5: Data Accuracy			
Scope 1		Scope 2	
Uncertainty Range	Uncertainty Sources	Uncertainty Range	Uncertainty Sources
>2% but <5%	Data gaps; Extrapolation	>2% but <5%	Data gaps; Metering/ Measurement constraints
Data Gaps: Refrigerant gas and generator fuel data was not available for some facilities. Extrapolation: Stores' generator fuel usage was estimated from expenditure.		Data Gaps: Estimation was used where there were data gaps or unreliable data due to metering faults. 95% of consumption was measured. Metering/ Measurement constraints: Some facilities do not yet have online metering installed.	
CDP CC8.6a, 8.7a and 14.2a: Proportion of Emissions Verified			
Scope 1: 100% ; Scope 2: 100% ; Scope 3: 100%			
CC8.8: Additional data points verified: Yes Year-on-year emissions intensity figure			

Final Verifier Opinion and Qualifications

On the basis of the **limited assurance** procedures followed in accordance with **ISO14064-3 (2006)**, and using the criteria of the *GHG Protocol Corporate Standard*, there is no evidence that WHL's 2015 GHG assertion:

- Has not been quantified and reported in conformance with the general requirements of the *GHG Protocol Corporate Standard*; and
- Is not materially correct and a fair, complete and accurate representation of the GHG data and information for the 2015 reporting period, with the following qualifications:
 - Scope 1:** Estimation was used where generator fuel consumption data was not available, which is subject to inherent inaccuracy.
 - Scope 2:** Estimation was used where data was unreliable or not available, which is subject to inherent inaccuracy.
 - Scope 3:** Business travel emissions may be over-reported, as some duplicated entries were noted in Woolworths' flight reports, and there was a significant increase in hotel bed nights during 2015. However, this over-reporting is unlikely to exceed the 5% materiality threshold.
 - Scope 3:** GHG emissions from the following emissions sources are indicative only, as local emission factors were not used: Business Travel (accommodation), Recycled/composted Waste and Packaging (cardboard and plastic bags).

Signed: **Kerry Evans**
Lead GHG Verifier
GCX Africa

Date: 23.06.2016

Signed: **Ohad Shachar**
Managing Director
GCX Africa

Date: 23.06.2016



