



WOOLWORTHS HOLDINGS LIMITED



CARBON FOOTPRINT VERIFICATION STATEMENT FOR 2016 CALENDAR YEAR



Independent Verification Statement

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

Introduction

Woolworths Holdings Ltd. ("WHL") commissioned GCX Africa ("GCX") to perform an independent third party, limited-level verification of its greenhouse gas (GHG) emissions inventory for the reporting period 01 January 2016 to 31 December 2016 (hereafter 2016).

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

Verification Objectives and Performance Criteria

WHL's key verification objectives were to obtain assurance that the 2016 GHG inventory is accurate and complete, and to enhance the credibility of the Group's GHG emissions disclosure for CDP 2017.

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 2016 GHG emissions assertion, consolidated using the **operational control** approach, was stated as:

2016 GHG Emissions Tonnes CO _{2e}	WW	CRG	DJ	WHL
Scope 1	48 030	82	3 787	51 899
Scope 2 (location-based)	372 148	13 196	81 552	466 896
Scope 2 (market-based) ¹	n/a	As above	As above	As above
Total Scopes 1 & 2	420 178	13 278	85 339	518 795
Scope 3	126 335	3 149	12 202	141 687²
Total Scopes 1, 2 & 3	546 514	16 427	97 541	660 482
Outside of Scopes – R-22 ³	34 115	0	661	34 775
Total measured GHG emissions	580 628	16 427	98 202	695 257

¹ Contractual instruments were not available in South Africa and Namibia during 2016. 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.



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*.

Since WHL requested a **limited level of assurance** on the above GHG assertion, no site visits were conducted.

Reporting Boundary and Specific Exclusions

The reporting boundary included all retail stores and support facilities globally for WHL's 3 operating divisions. WHL does not have operational control over CRG concessions in Myers stores, and these therefore fall outside of the reporting boundary.

The following WHL facilities were excluded from the 2016 reporting boundary due to data availability:

- WW: 2 out of the 3 warehouses/depots in sub-Saharan Africa
- CRG: Politix (New acquisition that only fell under WHL operational control for the last 7 weeks of 2016)
- DJ: 1 new store in New Zealand

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

- WW: Generator fuel and Refrigerant gas consumption for +/- 10 International stores and +/- 8 warehouses/stockrooms (if applicable).
- CRG: 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 2016 reporting period.

Inherent Limitations

There is an inherent limitation in providing verification of GHG data, as non-financial data is subject to more inaccuracy 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 and Scope 2 – Yes (see above)			
CC8.4a (Scope 1 only): Excluded emissions are not relevant (see above)			
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 a few facilities. Extrapolation: WW 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. 94% of WHL consumption was measured. Metering/ Measurement constraints: Some facilities do not yet have online metering installed.	
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: Year-on-year emissions intensity figure			
CC11.5 Electricity: i) Purchased & Consumed; and ii) Produced Using Owned/Controlled Installations			
Total electricity consumed (MWh purchased & produced)			488 920.71
Consumed electricity that is purchased (MWh)			488 081.28
Total electricity produced (MWh renewable & non-renewable, consumed & not consumed)			859.44
Total renewable electricity produced (MWh consumed and not consumed by WHL)			859.44
Consumed renewable electricity that is produced by WHL (MWh)			839.42

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 the WHL 2016 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 2016 reporting period, with the following qualification:
 - Scope 3 GHG emissions from some Purchased Goods and Services are only indicative, as local emission factors were not available.

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

Date: 23.06.2017

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

Date: 23.06.2017



