

# WHL '15



## 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 2014 to 31 December 2014 (hereafter 2014).

For 2014 the reporting boundary was extended to incorporate all WHL operations globally, and Country Road Group (CRG) and the recently acquired David Jones retail chain in Australia are now included.

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*'.

#### Verification Objectives and Performance Criteria

WHL's key verification objectives were to obtain assurance that the 2014 GHG inventory is accurate and complete; to improve the quality of the Group's GHG reporting and to enhance the credibility of the GHG emissions disclosure for CDP 2015.

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 2014 GHG emissions assertion, consolidated using the **operational control** approach, was stated as:

**Scope 1:** 24 000.06 tonnes CO<sub>2</sub>e

**Scope 2:** 436 867.24 tonnes CO<sub>2</sub>e

**Scope 3:** 119 980.07 tonnes CO<sub>2</sub>e

**Total Scopes 1, 2 and 3: 580 847.37 tonnes CO<sub>2</sub>e**

Outside of Scopes: 40 285.35 tonnes CO<sub>2</sub>e <sup>1</sup>

**Total measured GHG emissions: 621 132.72 tonnes CO<sub>2</sub>e**

#### 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/requirements of the *GHG Protocol Corporate Standard*.

<sup>1</sup> GHG emissions from non-Kyoto Protocol refrigerant gas refills. The *GHG Protocol Corporate Standard* states that these emissions should be reported separately from the scopes.





### **Specific Exclusions from Reporting Boundary**

No facilities that are operationally controlled by WHL were excluded from the reporting boundary. However, reporting on some scope 1 emissions sources was incomplete due to data availability. The relevance of these omissions is assessed below:

| <b>Emissions source</b>                      | <b>Facilities</b>  | <b>Auditor's Comment</b>   | <b>Auditor's Opinion</b> |
|--|--|--|--------------------------|
| <b>Scope 1:</b><br>Company cars              | CRG Head office  | Small fleet  | Not relevant             |
| <b>Scope 1:</b><br>Generator fuel            | 63 international Woolworths (WW) stores; CRG Head Office & 2 warehouses                                  | Omitted facilities represent only 3.9 % of WHL's total GLA.  | Not relevant             |
| <b>Scope 1</b><br>Refrigeration & A/C* gases | 25 international WW stores (Refrigeration & A/C)<br>38 international WW stores & 6 stockrooms (A/C only) | Omitted facilities represent <2% of WHL's total GLA.<br>A number of stores are still using R-22 gas, which falls outside the scopes. | Not relevant             |
| <b>Scope 1</b><br>A/C* gases                 | CRG stores & facilities A/C  | Insignificant as CRG stores are very small and CRG does not operationally control A/C equipment in all stores.                       | Not relevant             |

\* A/C = Air conditioning

### **Woolworths Holdings Limited's Responsibility**

WHL was responsible for the preparation and presentation of the selected subject matter 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 2014 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: Carbon Disclosure Project**

|  |                            |   |   |
|--|----------------------------|---|---|
| <b>CC8.4: Exclusions from Disclosure:</b> Scope 1 - Yes (see above) ; Scope 2 - No   |                            |   |   |
| <b>CC8.4a (Scope 1):</b> Emissions are not relevant (see above)  |                            |   |   |
| <b>CDP CC8.5: Data Accuracy</b>  |                            |   |   |
| <b>Scope 1</b>   |                            | <b>Scope 2</b>  |   |
| <b>Uncertainty Range</b>   | <b>Uncertainty Sources</b> | <b>Uncertainty Range</b>  | <b>Uncertainty Sources</b>                      |
| >5% but <10%   | Data gaps; Extrapolation   | >2% but <5%   | Data gaps; Metering/<br>Measurement constraints |
| <b>Data Gaps:</b> Refrigerant gas and generator fuel data was not available for some facilities.<br><b>Extrapolation:</b> Stores' generator fuel usage was estimated from expenditure. |                            | <b>Data Gaps:</b> Estimation was used where there were data gaps or unreliable data. 92% of consumption was measured.<br><b>Metering/ Measurement constraints:</b> Some facilities do not yet have online metering installed. |   |
| <b>CDP CC8.6a, 8.7a and 14.2a: Proportion of Emissions Verified</b>  |                            |   |   |
| <b>Scope 1: 100%* ; Scope 2: 97%* ; Scope 3: 96%</b>   |                            |   |   |

**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 2014 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 2014 reporting period, with the following qualifications:
  - 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).
  - Recalculation of the base year (2007) GHG emissions inventory (due to boundary, calculation methodology and emission factor changes) is still to be completed.

Signed: **Kerry Evans**  
Lead GHG Verifier  
**GCX Africa**  
Date: 27.06.2015

Signed: **Ohad Shachar**  
Managing Director  
**GCX Africa**  
Date: 27.06.2015



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