



WOOLWORTHS HOLDINGS LIMITED  
*2018 Independent Limited Assurance Report*

# INDEPENDENT LIMITED ASSURANCE REPORT

## TO THE DIRECTORS OF WOOLWORTHS HOLDINGS LIMITED

### OUR CONCLUSION

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that:

- a) the selected key performance indicators (selected KPIs) and related disclosures as presented in the Woolworths Holdings Limited Good Business Journey Report for the 52-week period ended 24 June 2018 (Report), are not prepared and presented, in all material respects, in accordance with managements' internally defined measurement and reporting criteria for reporting the selected KPIs and related disclosures; and
- b) Woolworths' assertion that the Report is in accordance with the core-level GRI Standards is not in all material respects in accordance with the GRI Standards requirements for making that assertion.

Ernst & Young Inc. (EY) has undertaken a limited assurance engagement for the selected KPIs described below and related disclosures presented in the Woolworths Holdings Limited (Woolworths) Good Business Journey Report for the 52-week period ended 24 June 2018 (Report), and for Woolworths' assertion included on page five of the Report that the Report is in accordance with the core-level Global Reporting Initiative (GRI) Standards.

This engagement was conducted by a multidisciplinary team of environmental and assurance specialists with relevant experience in sustainability reporting.

### SUBJECT MATTER

Our limited assurance engagement was performed for the selected KPIs listed below and related disclosures as presented in the Report.

SELECTED KPIs	MANAGEMENT'S MEASUREMENT AND REPORTING CRITERIA
Water usage – head office	Total water usage (in kilolitres) for the 52-week period ended 24 June 2018 of the South African head office buildings based on the metering online system.
Water usage – distribution centres	Total water usage (in kilolitres) for the 52-week period ended 24 June 2018 of the South African distribution centres based on the metering online system.
Water usage – stores	Total water usage for the 52-week period ended 24 June 2018 of the South African corporate stores based on the metering online system.

These selected KPIs and related disclosures, prepared and presented in accordance with management's internally defined measurement and reporting criteria (management's measurement and reporting criteria), are marked with an 'A' on the relevant pages of the Report where they appear.

Management's internally developed measurement and reporting criteria for these selected KPIs and related disclosures are available on Woolworths' website: [www.woolworthsholdings.co.za/sustainability/reports/](http://www.woolworthsholdings.co.za/sustainability/reports/). Our limited assurance engagement also included Woolworths' assertion included on page five of the Report that the Report is in accordance with the core-level GRI Standards.

The scope of work was limited to the matters stated above, and did not include coverage of data sets or information unrelated to the data and information underlying the selected KPIs and related disclosures; nor did it include coverage of information reported outside of the Report, comparisons against historical data, or management's forward-looking statements.

### DIRECTORS' RESPONSIBILITIES

You are responsible for selection, preparation and presentation of the selected KPIs and related disclosures in accordance with the internally developed measurement and reporting criteria that management has specified as the basis for reporting that information, and for ensuring those criteria are made available to the Report users (disclosed on the Woolworths website). You are also responsible for the assertion that the Report is presented in accordance with the core-level GRI Standards. You are also responsible for identification of stakeholders, stakeholder information requirements, material issues and commitments with respect to sustainability performance; for selection of appropriate measurement and reporting criteria as the basis for reporting those selected KPIs and related disclosures; and for the design, implementation and maintenance of effective internal controls sufficient to enable preparation and presentation of the selected KPIs and related disclosures in the Report, and the assertion on the application of the core-level GRI Standards, free from material misstatement whether due to fraud or error.

### INHERENT LIMITATIONS

Inherent limitations of assurance engagements include the use of judgment and selective testing of data, which means that it is possible that fraud, error or non-compliance may occur and not be detected in the course of performing the engagement. Accordingly, there is some risk that a material misstatement may remain undetected. Further, our limited assurance engagement is not designed to detect fraud or error that is immaterial.

There are additional inherent risks associated with assurance engagements performed for non-financial information given the characteristics of the subject matter and associated with the compilation of source data using definitions and methods for determining, calculating, and estimating such information that are developed internally by management. The absence of a significant body of established practice on which to draw, allows for the selection of different but acceptable measurement techniques which can result in materially different measurements and can impact comparability. The precision of different measurement techniques may also vary. Qualitative interpretations of relevance, materiality and the accuracy of data are subject to individual assumptions and judgements. In particular, where the information relies on factors derived by independent third parties, our assurance work has not included examination of the derivation of those factors and other third-party information.

### OUR INDEPENDENCE AND QUALITY CONTROL

We have complied with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants as well as the Code of Professional Conduct for Registered Auditors issued by the Independent Regulatory Board for Auditors, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

In accordance with International Standard on Quality Control 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and other Assurance and Related Service Engagements*, we maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### OUR RESPONSIBILITY

Our responsibility is to perform our limited assurance engagement to express our conclusion on whether anything has come to our attention that causes us to believe that the selected KPIs and related disclosures as presented in the Report are not prepared, in all material respects, in accordance with management's internally developed measurement and reporting criteria for those KPIs; and that Woolworths' assertion contained in the Report, that the Report is in accordance with the core-level GRI Standards is not, in all material respects, in accordance with the GRI Standards requirements for making that assertion.

# INDEPENDENT LIMITED ASSURANCE REPORT (CONTINUED)

We have performed our limited assurance engagement in accordance with the terms of reference for this engagement agreed with Woolworths, including performing the engagement in accordance with the International Standard on Assurance Engagements ISAE 3000 (Revised), *Assurance Engagements other than Audits or Reviews of Historical Financial Information*, issued by the International Auditing and Assurance Standards Board. This Standard requires that we plan and perform our engagement to obtain limited assurance about whether the selected KPIs and related disclosures as presented in the Report, and Woolworths' assertion that the Report is prepared in accordance with the core-level GRI Standards, are free from material misstatement.

A limited assurance engagement undertaken in accordance with ISAE 3000 (Revised) involves assessing the suitability in the circumstances of Woolworths' use of the measurement and reporting criteria specified as the basis of preparation used for the selected KPIs and related disclosures presented in the Report, and Woolworths' application of the core-level GRI Standards for presentation of the Report, assessing the risks of material misstatement thereof, whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the selected KPIs and related disclosures in the Report.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgement and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures above we:

- Reviewed Woolworths' activities, processes and documents at group-level that support the assertions and claims made in the Report, including in respect of the selected KPIs and related disclosures
- Interviewed management and senior executives to obtain an understanding of the following matters as relevant to the sustainability reporting process:
  - Basis of preparation used for the selected KPIs and related disclosures (including the reporting criteria and reporting definitions applied)
  - Governance and accountability arrangements in respect of Woolworths' sustainability issues, including governance oversight of management's process to identify Woolworths' material issues, in particular, as relevant to the selected KPIs and related disclosures
  - Objectives and priorities for embedding and managing Woolworths' sustainability expectations and performance targets, and monitoring the progress against these
  - The processes for reporting progress and providing internal assurance to the Board and to management on Woolworths' sustainability issues, including in respect of the selected KPIs and related disclosures; and
  - The control environment and information systems relevant to preparing information used to report the selected KPIs and related disclosures, including presentation of the information in the Report (but not for the purpose of evaluating the design of particular control activities, obtaining evidence about their implementation or testing their operating effectiveness)
- Inspected supporting documentation on a sample basis to corroborate the statements of management and senior executives in our interviews
- Performed analytical procedures to evaluate the relevant data generation and reporting processes against management's measurement and reporting criteria

- Evaluated the reasonableness and appropriateness of significant estimates and judgements made by the directors in the preparation of the selected KPIs and related disclosures
- Evaluated whether the selected KPIs and related disclosures as presented in the Report and the assertion that the Report is presented in accordance with the core-level GRI Standards, are consistent with our overall knowledge and experience of sustainability performance management at Woolworths; and
- Inspected the GRI content index prepared by management to assess the Report's adherence to the core-level GRI Standards

The procedures performed in a limited assurance engagement vary in nature from, and are less in extent than for, a reasonable assurance engagement. As a result the level of assurance obtained in our limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether the selected KPIs and related disclosures presented in the Report have been prepared, in all material respects, in accordance with management's internally developed measurement and reporting criteria for those KPIs and related disclosures, and about whether the assertion that the Report is prepared in accordance with the core-level GRI Standards is in all material respects in accordance with the GRI Standards requirements for making that assertion.

## OTHER MATTERS

Information relating to prior reporting periods has not been subject to assurance procedures. Our report does not extend to any disclosures or assertions relating to future performance plans and/or strategies disclosed in the Report. The maintenance and integrity of Woolworths' website is the responsibility of Woolworths' management. Our procedures did not involve consideration of these matters and, accordingly we accept no responsibility for any changes to the selected KPIs and related disclosures, the Report, the GRI content index or to our independent limited assurance report that may have occurred since the initial date of presentation on the Woolworths' website.

## RESTRICTION ON USE OF OUR REPORT AND ON OUR LIABILITY

Our work has been undertaken to enable us to express a limited assurance conclusion on the matters stated above in our report provided to the directors of Woolworths in accordance with the terms of our engagement, and for no other purpose. Our report is intended solely for the directors of Woolworths and must not be used by any other parties.

To the fullest extent permitted by the law, we do not accept or assume liability to any party other than the directors of Woolworths, for our work, for this report, or for the conclusion we have reached. We agree to the publication of this assurance report in Woolworths' Report for the 52-week period ended 24 June 2018, provided it is clearly understood by recipients of the Report that they enjoy such receipt for information only and that we accept no duty of care to them whatsoever in respect of this report.

## *Ernst & Young Inc.*

Ernst & Young Inc.  
Director – Johanna Cornelia De Villiers  
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13<sup>th</sup> September 2018

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what we're doing, visit

We appreciate any feedback on our Good Business JourneyReport.  
Please contact [GoodBusinessJourney@woolworths.co.za](mailto:GoodBusinessJourney@woolworths.co.za)

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