

100 WHL

WOOLWORTHS HOLDINGS LIMITED

*Carbon Footprint Verification Statement
for 2017 Calendar Year*

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INDEPENDENT VERIFICATION STATEMENT

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

Introduction

Woolworths Holdings Limited (hereafter “WHL”) commissioned GCX to perform an independent third party limited-level verification of its greenhouse gas (GHG) emissions inventory for the calendar reporting period 01 January 2017 to 31 December 2017.

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 **ISO 14064-3 (2006)** ‘*Specification with guidance for the validation and verification of greenhouse gas assertions*’.

Intended users of this information are all WHL stakeholders, including internal and external interested parties and the CDP.

Verification Objectives and Performance Criteria

The objectives of the verification exercise were, by review of objective evidence, to:

1. Confirm that the 2017 GHG assertion meets the specified criteria, and as such is accurate, complete, consistent, transparent and free from material error or omission;
2. Improve the credibility of the GHG emissions disclosure in WHL’s CDP 2018 submission.

The criteria against which the verification was undertaken were the principles and requirements of the WRI/WBCSD *GHG Protocol Corporate Accounting Standard*, 2nd Edition, 2004 (*GHG Protocol Corporate Standard*).

Verification Scope

The organisational boundary was established using the operational control approach for WHL’s global business activities. The operational boundary covered all associated scope 1 and scope 2 GHG emissions sources, as well as selected scope 3 GHG emissions sources.

100% of WHL’s reported scope 1, scope 2 and scope 3 GHG emissions were verified.

In conformance with **ISO 14064-3 (2006)**, the verification process included an assessment of:

- The completeness of the reporting boundaries selected;
- The appropriateness of the quantification methodologies used (including any estimation methodologies) and the emission factors applied;
- The completeness and integrity of the activity data used;
- The accuracy and consistency of the GHG emissions and intensity ratio calculations;
- GHG reporting to assess conformance with the requirements of the *GHG Protocol Corporate Standard*.

Level of Assurance and Materiality

- The level of assurance agreed was that of **limited assurance**; hence no site visits were done.
- A materiality threshold of 5% per emissions source was applied.

Roles and Responsibilities

WHL was responsible for the preparation and presentation of the GHG data to GCX.

GCX's task was to form an independent opinion on WHL's 2017 GHG assertion regarding:

1. Conformance with the principles and reporting requirements of the *GHG Protocol Corporate Standard*;
2. Completeness and accuracy of the GHG emissions quantification.

GHG Assertion

After implementation of the necessary corrective action, WHL's 2017 GHG emissions assertion consolidated using the **operational control** approach, was stated as:

2017 GHG Emissions Tonnes CO ₂ e	WW	CRG ¹	DJ ¹	WHL
Scope 1	43 462	82	4 931	48 475
Scope 2 (location-and market-based) ²	370 459	11 346	78 722	460 527
Total Scopes 1 & 2	413 921	11 428	83 652	509 001
Scope 3 ³	125 564	2 981	11 952	140 497
Total Scopes 1, 2 & 3	539 485	14 409	95 604	649 498
Outside of Scopes - R-22 ⁴	26 213	0	173	26 386
Total measured GHG emissions	565 699	14 409	95 777	675 884

Total electricity purchased (MWh)	384 512.7	14 284.5	93 474.5	492 271.7
Total gross electricity generated (MWh) (100% renewable)	1 788.8	343.8	-	2 132.6
Self-generation consumed (MWh)	1 788.8	340.3	-	2 129.1
Total electricity consumed	386 301.6	14 624.8	93 474.5	494 400.9

Specific Exclusions from Reporting Boundary

The reporting boundary included all retail stores and support facilities globally for WHL's three operating divisions. WHL does not have operational control over WFS, franchise operations and CRG concessions in Myer stores. These operations therefore fall outside of the reporting boundary.

¹ WW GHG emissions are for the 2017 calendar year, whereas CRG and DJ reporting was for the financial year period 01 July 2016 – 30 June 2017.

² Since contractual instruments are available in the Australia and New Zealand dual scope 2 reporting is required. However, no contractual instruments were used during 2017, and so the location-based and market-based scope 2 emissions totals were the same.

³ 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.

⁴ GHG emissions from non-Kyoto Protocol refrigerant gas refills.

The following facilities were excluded from WHL's 2017 reporting boundary due to data availability:

- **WW:** The 3 international African warehouses/depots and 4 Now Now coffee shops.
- **DJ:** Botanicca Building 1 (new Head Office in Melbourne).

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

- **WW:** Generator fuel and refrigerant gas consumption for some International stores and +/- 10 warehouses/stockrooms (if applicable)⁵.
- **CRG:** Air conditioning gas and generator fuel consumption (if applicable).

Cumulatively, the above exclusions were deemed not material and therefore not relevant relative to WHL's global scope 1 and 2 GHG emissions.

Inherent Limitations

There is an inherent limitation in providing verification of GHG data, as non-financial data is subject to greater inaccuracy than financial data, given both the nature and methods used to determine, calculate, sample and estimate such data.

The assurance engagement did not include an examination of the derivation of GWPs, default 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.

Final Verifier Opinion and Qualifications

All material errors and non-conformances identified during the verification process were duly corrected.

On the basis of the **limited assurance** procedures followed in accordance with **ISO 14064-3 (2006)**, using the requirements of the *GHG Protocol Corporate Standard* as criteria, there is no evidence that WHL's 2017 GHG assertion:

- 1) Has not been quantified and reported in conformance with the principles and requirements of the *GHG Protocol Corporate Standard*; and
- 2) Is not materially correct and a fair, complete and accurate representation of WHL's GHG data and information for the 2017 reporting period, with the following qualification:
 - The scope 3 GHG emissions for some Purchased Goods and Services are only indicative, as local emission factors were not available.



Signed: Kerry Evans
Lead GHG Verifier, GCX
Date: 25.06.2018



Signed: Ohad Shachar
Technical Director, GCX
Date: 25.06.2018

⁵ For many of these sites the landlord controls the maintenance of generator and air-con equipment.

