



WOOLWORTHS HOLDINGS LIMITED

***Carbon Footprint Verification Statement
for 2018 Financial Year***

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 and water consumption data for the financial reporting period 01 July 2017 to 30 December 2018 (FY2018)¹.

The WHL Group is a southern hemisphere retail group with three major operating divisions: Woolworths (Pty) Ltd. (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 FY2018 GHG assertion and water disclosure are: accurate, complete, consistent, transparent and free from material error or omission, in accordance with the criteria outlined below;
2. Improve the credibility of WHL's GHG emissions and water disclosures for its CDP 2019 submissions.

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

Consistent with previous GHG reporting, the organisational boundary was established using the **operational control** approach for WHL's global business activities. The operational boundary included all associated scope 1 and scope 2 GHG emissions sources, as well as those scope 3 GHG emissions sources that are currently measured.

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

- The completeness of the reporting boundaries selected;
- The robustness of the Group's GHG and water data management systems and procedures;
- The appropriateness of the quantification methodologies (including estimation methodologies) and 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 compliance 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 conducted.
- A materiality threshold of 5% per emissions source was applied.

¹ Note: This is the first year for which the reporting period of all 3 entities (WW, CRG and DJ) was aligned.

Roles and Responsibilities

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

GCX's task was to form an independent opinion on WHL's FY2018 GHG and water assertions regarding:

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

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 Woolworths Financial Services, franchises and CRG concessions in non-WHL stores. These operations therefore fall outside of the WHL reporting boundary.

The following facilities that are within WHL's reporting boundary were excluded due to data availability:

- WW: SA - 4 Now-Now cafes; International - 3 warehouses; 2 offices
- DJ: Carousel store (opened April 2018)
- CRG: 5 VM Studios (+/- 1700m² combined GLA)

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

- WW SA: Generator fuel & refrigerant gas consumption for 11 warehouses/ stockrooms (if applicable)²
- WW International: Refrigerant gas consumption for +/- 15 International stores and 5 support facilities (3 warehouses and 2 offices, if applicable)
- CRG: Air conditioning gas in some strip stores (if applicable)²

Since the above exclusions (aggregated) would not exceed 5% of WHL's global FY2018 scope 1 and scope 2 GHG emissions, they were deemed **not relevant**.

GHG Assertion

After implementation of the necessary corrective action, WHL's FY2018 GHG emissions assertion consolidated using the **operational control** approach, was stated as:

FY2018 GHG Emissions (Tonnes CO ₂ e)	WW	CRG	DJ	WHL
Scope 1	42 692	82	4 060	46 834
Scope 2 (location-and market-based) ³	364 912	15 443	79 888	460 243
Total Scopes 1 & 2	407 604	15 525	83 948	507 077
Scope 3 ⁴	124 575	5 520	16 497	146 592
Total Scopes 1, 2 & 3	532 179	21 045	100 445	653 669
Outside of Scopes – R-22 ⁵	26 313	n/r	1 853	28 167
Total measured GHG emissions	558 493	21 045	102 298	681 836

100% of WHL's FY2018 scope 1, scope 2 and reported scope 3 GHG emissions were verified.

² For many of these sites the landlord controls the maintenance of this equipment.

³ Since contractual instruments are available in the Australia and New Zealand, dual scope 2 reporting is required. However, no contractual instruments were used during FY2018, and so the location-based and market-based scope 2 emissions totals were the same.

⁴ 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; Cat 9. Downstream Transportation & Distribution.

⁵ GHG emissions from non-Kyoto Protocol refrigerant gas refills.

Additional Data Points Verified for CDP 2019	WW	CRG	DJ	WHL
Total electricity purchased (MWh)	390 657	18 417	94 898	503 972
Total gross electricity generated on-site (MWh) (100% renewable)	1 818	379	-	2 197
Self-generation consumed (MWh)	1 818	377	-	2 195
Total electricity consumed (MWh)	392 475	18 794	94 898	506 167
Water Consumption (kl)	629 420	n/r	574 410	1 203 830

n/r = not reported

Inherent Limitations

There is an inherent limitation in providing verification of non-financial data, which 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 did not conduct 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 FY2018 GHG assertion and water disclosure:

- Has not been quantified and reported in conformance with the principles and requirements of the *GHG Protocol Corporate Standard*; and
- Is not materially correct and a fair, complete and accurate representation of WHL's GHG emissions and water consumption for the FY2018 reporting period, with the following qualifications:
 - GHG Reporting:** GHGs were reported in tonnes CO₂e and not separately (i.e. tonnes CO₂, CH₄, N₂O and HFC), as is also required by the *GHG Protocol Corporate Standard*.
 - Scope 3 Category 1 - Purchased Goods and Services:** Where country-specific emission factors were not available, these GHG emissions values are only indicative.
 - Scope 3 Category 5 - Waste Generated in Operations:** Overall GHG emissions from waste could not be verified as accurate due to incomplete and unreliable data.



Signed: Kerry Evans
Lead GHG Verifier, GCX

Date: 19.07.2019



Signed: Ohad Shachar
Technical Director, GCX

Date: 19.07.2019

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what we're doing, visit**

**We appreciate any feedback on our Good Business Journey Report.
Please contact GoodBusinessJourney@woolworths.co.za**
