



**WOOLWORTHS HOLDINGS LIMITED**

*Carbon Footprint Verification Statement  
for 2019 Financial Year*

**START**

# INDEPENDENT VERIFICATION STATEMENT

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

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 2018 to 30 December 2019 (FY2019).

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 other 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. During FY2019 WHL had operational control of a total of 952 corporate stores globally.

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 FY2019 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 2020 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.

<sup>1</sup> Note: FY2018 was 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 FY2019 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 - 3 Now-Now cafes; International - 3 warehouses; 2 offices (Kenya and Mauritius)
- **DJ:** Sunshine Plaza (opened 16 Sept 2018) and Newmarket, New Zealand (opened 13 June 2019).
- **CRG:** 5 VM Studios (+/- 1700m<sup>2</sup> combined GLA)

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

- **WSA:** Generator fuel & refrigerant gas consumption for 10 warehouses/ stockrooms (if applicable)<sup>2</sup>
- **WSA:** Refrigerant gas consumption for +/- 15 stores<sup>2</sup>
- **WW International:** Refrigerant gas consumption for +/- 15 non-SA stores and 5 support facilities (3 warehouses and 2 offices, if applicable)<sup>2</sup>
- **CRG:** Air conditioning gas for 55 stores (representing +/- 1.2% of WHL's total trading area)<sup>2</sup>

Since the aggregated GHG emissions for the above exclusions and omissions are unlikely to exceed 5% of WHL's global FY2019 scope 1 and scope 2 GHG emissions, they were deemed **not relevant**.

## GHG Assertion

After implementation of the necessary corrective action, WHL's FY2019 GHG emissions assertion consolidated using the **operational control** approach, was stated as:

FY2019 GHG Emissions (Tonnes CO <sub>2</sub> e)	WW	CRG	DJ	WHL
Scope 1	46 983	n/r	2 495	<b>49 478</b>
Scope 2 (location-and market-based) <sup>3</sup>	397 376	13 676	76 032	<b>487 085</b>
<b>Total Scopes 1 &amp; 2</b>	<b>444 359</b>	<b>13 676</b>	<b>78 527</b>	<b>536 562</b>
Scope 3 <sup>4</sup>	126 586	9 909	22 100	<b>158 596</b>
<b>Total Scopes 1, 2 &amp; 3</b>	<b>570 945</b>	<b>23 586</b>	<b>100 627</b>	<b>695 158</b>
Outside of Scopes - R-22 <sup>5</sup>	26 399	n/r	9	<b>26 408</b>
<b>Total measured GHG emissions</b>	<b>597 344</b>	<b>23 586</b>	<b>100 637</b>	<b>721 566</b>

n/r = not reported

**100% of WHL's FY2019 scope 1, scope 2 and reported scope 3 GHG emissions were verified.**

<sup>2</sup> Many of these sites still use R-22 refrigerant gas, which falls outside of the scopes.

<sup>3</sup> Since contractual instruments are available in the Australia and New Zealand, dual scope 2 reporting is required. However, as no contractual instruments were used during FY2019, the location-based and market-based scope 2 emissions totals were the same.

<sup>4</sup> 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 (online customer courier deliveries).

<sup>5</sup> GHG emissions from non-Kyoto Protocol refrigerant gas refills.

Additional Data Points Verified for CDP 2020	WW	CRG	DJ	WHL
Total electricity purchased (MWh)	388 682	16 537	90 403	495 621
Total gross electricity generated on-site (MWh) (100% renewable)	1 941	368	-	2 309
Self-generation consumed (MWh)	1 941	316	-	2 257
Total electricity consumed (MWh)	390 623	16 853	90 403	497 878
Water Consumption (kl)	614 910	n/r	n/r	614 910
Year-on-year change in GHG emissions: Scope 1; Scope 2; Scope 1 & 2; Scope 3				
Year-on-Year emissions intensity figure				
Change in emissions against base year: Scope 1; Scope 2; Scope 3				

## 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 FY2019 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 FY2019 reporting period, with the following qualifications:
  - GHG Reporting:** GHGs were reported in tonnes CO<sub>2</sub>e only, and not separately (i.e. in tonnes CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O and HFCs), as specified in the *GHG Protocol Corporate Standard*.
  - Scope 1 - Generator Fuel:** Consumption was estimated using financial data and included other (non-fuel) stationary equipment expenditure which could not be separated out. These emissions were therefore over-reported.
  - Scope 3 Category 1 - Purchased Goods and Services:** Where country-specific emission factors were not used, GHG emissions are only indicative (e.g. packaging materials).
  - Scope 3 Category 5 - Waste Generated in Operations:** These GHG emissions could not be verified as accurate due to incomplete and/or inconsistent data.
  - Scope 3 Category 9 - Downstream Transportation & Distribution:** These emissions could not be verified as accurate. (For WW GHG emissions were estimated from spend and for DJ/CRG service-provider calculations were used, with no transparency regarding inputs or methodology).



**Signed:** Kerry Evans  
**Lead GHG Verifier, GCX**  
**Date:** 03.08.2020



**Signed:** Ohad Shachar  
**Technical Director, GCX**  
**Date:** 03.08.2020

---

**To find out more about  
what we're doing, visit**

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

---