



WOOLWORTHS HOLDINGS LIMITED

*2020 CDP Climate Change submission
for 2019 Financial Year*

START

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

Woolworths Holdings Limited (WHL) is a southern hemisphere retail Group that has been listed on the Johannesburg Stock Exchange Limited (JSE) since 1997. It is one of the top 40 JSE-listed companies with operations in Sub-Saharan Africa, Australia, and New Zealand and has a market capitalisation of R78.2 billion as at 30 June 2019. Approximately 25% of revenue is derived from Australian operations. WHL employs more than 46 000 employees across 14 countries and trades in over 1 500 store locations. The Group trades through three operating subsidiaries, which include Woolworths Proprietary Limited (Woolworths or WSA which operates in South Africa and 11 other African countries), Country Road Group Proprietary Limited (Country Road Group or CRG) and David Jones Proprietary Limited (David Jones or DJ), the latter of which was acquired on 1 August 2014 and formerly listed on the Australian Securities Exchange (ASX). In addition, Woolworths holds a minority interest in Woolworths Financial Services Proprietary Limited (WFS), in a joint venture with Barclays Africa Group which holds the controlling interest.

Woolworths offers a range of quality private label clothing and general merchandise and a wide range of perishable, long-life, and non-food products, as well as financial services provided through Woolworths Financial Services. Country Road Group offers stylish high-quality apparel, accessories, footwear, and homeware. David Jones offers a range of international and private label brands in womenswear, menswear, shoes and accessories, beauty products, childrenswear, electronics, and general merchandise.

While the business of fashion and food retailing follows generic business processes, the WHL Group has developed key competencies over the years that enable value creation for all stakeholders and direct how we create value. We believe that the activities in our business model use our resources to optimise value creation. We also recognise the interdependencies between the resources and trade-offs between the costs and benefits offered by the resources that we must manage responsibly. We manage our broader business impact through comprehensive social, ethical, and environmental policies and practices which are defined through our sustainability strategy, known as the Good Business Journey. Unique to our business model is the extent to which the Good Business Journey supports and nurtures future access to our resources, and how we aim to generate sustainable returns for investors and shareholders over the short-, medium-, and long-term.

Through our Good Business Journey, we have embedded sustainability into every aspect of our business and every product we sell, with eight key focus areas: sustainable farming, water, waste, energy, ethical sourcing, transformation, social development, and health and wellness. Our vision is to be the most responsible retailers in the world.

Energy and Climate change

Through the energy and climate change focus area of our Good Business Journey program, we acknowledge that in order to ensure the long-term sustainability of the company and its operations, climate change adaptation is an area that requires a concerted effort. We take responsibility for the impact our value chain has on overall energy security challenges as well as climate change. Through our efforts, we continue to reduce our energy consumption, carbon emissions, and waste to landfill across our value chain.

Our commitments are to reduce our overall emissions footprint, as well as to incorporate more renewable sources of energy across our value chain. Our coordinated energy program includes the following pillars:

1. Energy Productivity
2. Reducing our carbon emissions
3. Low carbon transition

This year, we are finalising our science-based target based on the 1.5 degrees trajectory. We are also a signatory to the Energy Productivity 100 (EP100) initiative, The Climate Group’s corporate leadership initiative for energy-smart companies doing more with less to lower emissions and accelerate the clean economy. Woolworths set a target to double our energy productivity by 2020 from a 2005 baseline. We have achieved a 175% improvement in energy productivity based on our 2005 baseline.

We also remain committed to fostering relationships with industry bodies to ensure that we leverage the benefits of collective action when tackling global challenges like climate change.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Reporting year	July 1 2018	June 30 2019	No	<Not Applicable>

C0.3

(C0.3) Select the countries/areas for which you will be supplying data.

- Australia
- Botswana
- Eswatini
- Ghana
- Kenya
- Lesotho
- Mauritius
- Mozambique
- Namibia
- New Zealand
- South Africa
- Uganda
- United Republic of Tanzania
- Zambia

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

- ZAR

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

- Operational control

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

- Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Director on board	The Woolworths Holdings (WHL) Board oversees the work of the Sustainability Committee as well as our Risk and Compliance Committees. The committee ensures that the sustainability strategy positions the Group as a leader in responsible retailing in the countries in which it trades. It further oversees that the sustainability initiatives and objectives are effectively integrated into the business and that the Group operates in an environmentally responsible manner. The Sustainability Committee meets half-yearly to oversee progress in achieving all aspects of the Good Business Journey, as well as addressing any sustainability-related risks to the business. The main purpose of the committee is to ensure that the sustainability strategy and objectives are effectively integrated into the business. The Sustainability Committee is chaired by a non-executive director. The Group CEO and Woolworths CEO are members of the committee, together with three independent directors, one of whom chairs the Social and Ethics committee of the WHL Board. These independent directors each have significant expertise and experience in a range of corporate sustainability issues.

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
Scheduled – all meetings	Reviewing and guiding strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding annual budgets Reviewing and guiding business plans Setting performance objectives Monitoring implementation and performance of objectives Overseeing major capital expenditures, acquisitions and divestitures Monitoring and overseeing progress against goals and targets for addressing climate-related issues	<Not Applicable>	The role of the Sustainability Committee is to ensure that the Group's sustainable development strategy positions the Group as a sustainability leader. It further ensures that the sustainability initiatives and objectives are effectively integrated into the business and that the Group operates in an environmentally responsible manner, while meeting societal needs. Progress towards meeting climate-related targets and goals, are monitored at an operational level by the executive committee and championed by the Group Director: Marketing and Sustainability. FOCUS AREAS FOR 2020 1. Evaluating the effects of climate change and its impacts on our value chain. 2. Closing out on our 2020 Group sustainability goals and commitments and identifying the next set of forward-looking goals and targets

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Name of the position(s) and/or committee(s)	Reporting line	Responsibility	Coverage of responsibility	Frequency of reporting to the board on climate-related issues
Other C-Suite Officer, please specify (Group Director:Marketing&Sustainability)	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	Half-yearly
Sustainability committee	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	Half-yearly

C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).

The Board is the custodian of corporate governance within the Group. While the Board's primary focus is to play a key role in determining the Company's strategic direction, it is also responsible for providing continuous oversight of material matters and holding the executive management team accountable for their areas of responsibility in terms of managing the businesses. The Board's agenda is guided by a Board charter and the Board committees are mandated by their respective committee terms of reference. A minimum of four Board meetings are held every year and, together with the quarterly committee meetings, take place over a period of three to four days every quarter. Two Board meetings are held each in South Africa and in Australia to enable our Board to visit and experience operations globally and to meet with the broader leadership teams in both key territories. In addition, the Board receives a monthly update report from the Group Chief Executive Officer, and Board teleconferences are held between the quarterly Board meetings for the purpose of discussing these updates from the Group Chief Executive.

At the WHL Board level, the governance framework includes the Board committees that have been formally appointed by the Board, and these function within the powers delegated or assigned to them by the Board. The WHL Board and committees structure are supported by three aligned subsidiary governance structures for:

- Woolworths (including Woolworths Financial Services);
- David Jones; and
- Country Road Group.

The subsidiaries are separate legal entities, each with a separate Board of Directors operating according to independently defined responsibilities and authority as set out in their respective Memoranda of Incorporation and Board Charters. The subsidiary Boards are chaired by the Group Chief Executive Officer and comprise members of the executive

management and non-executive directors of the WHL Board.

This allows strategies to be reviewed and discussed at the operating entity level to ensure reporting to the WHL Board is at the right level and relevant to its strategic focus.

Board committees and their members have been constituted to allow for dedicated and focused deliberations regarding the various aspects of the business model and material issues, supported by the relevant skills, expertise, and diversity of the committee members.

In addition to the Board's custodianship of corporate governance, it is also responsible for guiding strategy and overseeing and monitoring how management implements and executes the strategy to position the Company for long-term success. Material risks and opportunities based on the operating context and the needs and expectations of stakeholders were also reviewed and mitigation measures considered.

Subsidiary committees are each chaired by an independent non-executive director of the WHL Board. The subsidiary committees operate in terms of delegated powers and clearly defined areas of responsibility and accountability. The Sustainability Committee, a sub-committee of the Woolworths Holdings Board and ensures that sustainability material risks and objectives are effectively integrated into the business strategies and initiatives. It also ensures the Group is positioned as a leader in responsible retail in the countries in which it trades. The committee is chaired by an Independent Non-executive Director and meets half-yearly to review the progress of the Good Business Journey program, as well as to approve strategic matters arising for continuity of the program. The Group Chief Executive Officer and the Woolworths SA Chief Executive Officer are members of the committee, together with three Independent Directors. These Independent Directors each have significant expertise and experience in a range of corporate sustainability issues. The David Jones and Country Road Group Executive Committees review Good Business Journey progress on a regular basis as well. Both the David Jones and Country Road Group Boards also receive Good Business Journey progress updates at each Board meeting.

Progress towards meeting 2020 targets and the related annual goals is monitored at an operational level by the Executive Committee and championed by the Group Director: Marketing and Sustainability. A Sustainability Executive Steering Committee has been established in Country Road Group. The committee meets quarterly to guide the development and implementation of the strategy, to ensure its effective integration into the business, to develop targets and review performance. The David Jones Executive Committee reviews Good Business Journey progress on a regular basis. Both the David Jones and Country Road Boards also receive Good Business Journey progress updates at each Board meeting.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	Incentivising of climate-related issues, including the attainment of targets is linked to the individual scorecards, which is linked to the Group's balanced scorecard. The Board reviews the Group's balanced scorecard quarterly to monitor the performance of the six strategic focus areas at Group and operating entity level. In order to focus on the achievement of the Group's or entity's strategy, up to 60% of an individual's performance measurement (IPM) includes objectives aligned with the achievement of the operating entity's strategic focus areas.

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive	Type of incentive	Activity incentivized	Comment
Corporate executive team	Monetary reward	Efficiency target	To achieve a performance-based culture and an alignment with shareholders, through value creation. The total reward mix is geared towards a high percentage of pay "at risk" for the achievement of stretched goals which are aligned to company performance, individual performance and employee behavior. This is to motivate executives and senior management to achieve short-term strategic, financial and non-financial objectives in the one-year business plan. Annual performance bonus paid on the achievement of one-year financial targets. Share schemes designed to incentivize Group CEO, executive directors, execs and senior- to middle-management levels across the Group, on delivery of long-term strategic goals aligned with shareholder expectations.
Environment/Sustainability manager	Monetary reward	Efficiency target	To achieve a performance-based culture and alignment with shareholders, through value creation. The total reward mix is geared towards a high percentage of pay "at-risk" for the achievement of stretch goals which are aligned to company performance, individual performance and employee behavior. This is to motivate executives and senior management to achieve short-term strategic, financial and non-financial objectives in the one-year business plan. Annual performance bonus paid on the achievement of one-year financial targets. Share schemes designed to incentivize Group CEO, executive directors, execs and senior- to middle-management levels across the Group, on delivery of long-term strategic goals aligned with shareholder expectations.
Facilities manager	Monetary reward	Efficiency target	To achieve a performance-based culture and alignment with shareholders, through value creation. The total reward mix is geared towards a high percentage of pay "at-risk" for the achievement of stretch goals which are aligned to company performance, individual performance and employee behavior. This is to motivate executives and senior management to achieve short-term strategic, financial and non-financial objectives in the one-year business plan. Annual performance bonus paid on the achievement of one-year financial targets. Share schemes designed to incentivize Group CEO, executive directors, execs and senior- to middle-management levels across the Group, on delivery of long-term strategic goals aligned with shareholder expectations.
Energy manager	Monetary reward	Efficiency target	To achieve a performance-based culture and alignment with shareholders, through value creation. The total reward mix is geared towards a high percentage of pay "at-risk" for the achievement of stretch goals which are aligned to company performance, individual performance and employee behavior. This is to motivate executives and senior management to achieve short-term strategic, financial and non-financial objectives in the one-year business plan. Annual performance bonus paid on the achievement of one-year financial targets. Share schemes designed to incentivize Group CEO, executive directors, execs and senior- to middle-management levels across the Group, on delivery of long-term strategic goals aligned with shareholder expectations.
Other, please specify (Store Managers)	Monetary reward	Behavior change related indicator	Our store managers are at the forefront of effecting behavioral change at the store level and also driving initiatives to meet reduction targets at the stores. Achievement of their targets is a key part of their balanced scorecards, determining their remuneration and bonus. We engage with our stores' staff via the Good Business Journey Champ programme. Annual performance bonus paid on the achievement of one-year financial targets. Share schemes designed to incentivize Group CEO, executive directors, execs and senior- to middle-management levels across the Group, on delivery of long-term strategic goals aligned with shareholder expectations.

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	1	3	Risks are mapped onto a heat map which depicts the level of exposure and impact of specific risks depicts the level of residual risk for each material issue, the extent of the potential risk impact, and the rate at which the material issue could impact value creation. These are rated according to the speed at which they could deliver a negative impact and also the significance of the impact.
Medium-term	3	5	Risks are mapped onto a heat map which depicts the level of exposure and impact of specific risks depicts the level of residual risk for each material issue, the extent of the potential risk impact, and the rate at which the material issue could impact value creation. These are rated according to the speed at which they could deliver a negative impact and also the significance of the impact.
Long-term	5	10	Risks are mapped onto a heat map which depicts the level of exposure and impact of specific risks depicts the level of residual risk for each material issue, the extent of the potential risk impact, and the rate at which the material issue could impact value creation. These are rated according to the speed at which they could deliver a negative impact and also the significance of the impact.

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

The Group recognises that risk management is inextricably woven into our strategy, as effective risk management is essential to achieving the Group's strategic and operational objectives. The Board sets the direction for the manner in which risk management is approached and addressed in the Group, and the Risk and Compliance Committee oversees and directs the Group's implementation of an effective policy and plan for risk management and compliance. The Board is supported in this role through the services of the Group's Enterprise Risk Management and Compliance team.

The Group applies an integrated risk management approach that is aligned to international best practice frameworks that include, among others, ISO 31000 and COSO Enterprise Risk Management. The Group's approach to risk management is pragmatic and relevant to retailing. Annually, the Group risk function facilitates a top-down review of risks with the Board and Group executives. A similar exercise is performed with each of our businesses and business units: identifying and assessing its risks; measuring them against defined criteria; and considering the likelihood of occurrence and the potential business impact.

These risk perspectives are combined to create a consolidated Group risk profile that facilitates oversight over the Group's material risks.

The Group-level risk exposures are measured against formalised risk appetite statements that are further aligned to the Group strategic objectives. Risk appetite and tolerance are core considerations for our risk response plans as they consider the relationship between the potential impact of key risks and the effectiveness of mitigating controls or management actions.

This risk appetite framework forms part of the Company's enterprise risk management system and is governed by the Woolworths Holdings Board of Directors. Risk exposures will be monitored in the context of these risk appetite statements by the Company's executive management team. The Woolworths Holdings risk management function integrates the risk appetite statements into the Company's enterprise risk management process.

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered

Direct operations
Upstream
Downstream

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

More than once a year

Time horizon(s) covered

Short-term
Medium-term
Long-term

Description of process

The Group applies an integrated risk management approach that is aligned to international best practice frameworks that include, among others, ISO 31000 and COSO Enterprise Risk Management. The Group's approach to risk management is pragmatic and relevant to retailing. As a fashion, beauty, home, and food retailer, we are faced with sustainability risks that may impact our business, both in our direct operations and in our value chain. Our response to these risks is managed through our Good Business Journey. Annually, the Group risk function facilitates a top-down review of risks with the Board and Group executives. A similar exercise is performed with each of our businesses and business units: identifying and assessing its risks; measuring them against defined criteria, and considering the likelihood of occurrence and the potential business impact. The Risk and Compliance Committee reviews the key risks of the Group and evaluates each issue in the context of the possible impact to the business and stakeholders; opportunities that may be present; suitability and effectiveness of risk mitigations and future actions; and total risk exposure in relation to the Group's risk appetite and tolerance. At Group level, risks are mapped onto a heat map which depicts the level of exposure and impact of specific risks depicts the level of residual risk for each material issue, the extent of the potential risk impact, and the rate at which the material issue could impact value creation. These are rated according to the speed at which they could deliver a negative impact and also the significance of the impact.

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	Governments have adopted a robust set of guidelines for the implementation of the 2015 Paris climate change agreement. The agreed 'Katowice Climate Package' is designed to operationalize the climate change regime contained in the Paris agreement. Under the auspices of the United Nations climate change secretariat, it will promote international cooperation and encourage greater ambition. Not only this, a few months before the COP23, a report by the IPCC also noted that urgent changes needed to cut the risk of extreme heat, drought, floods, and poverty. The world's leading climate scientists warned that there are only a dozen years for global warming to be kept to a maximum of 1.5c, beyond which even half a degree will significantly worsen the risks of drought, floods, extreme heat, and poverty for hundreds of millions of people. The science is clear that action to address the causes and impacts of climate change by a single country or small group of countries will not be successful. These agreements will impact our global operations and therefore, we will have to look at the legislative context of where we operate in order to determine the extent of these impacts and adjust our operations accordingly to drive inefficiencies. South Africa joined other countries as a proud signatory of the Paris Agreement. South Africa has set challenging draft emission reduction targets, which will require significant emission reductions by business to achieve them. One of the key means of implementing international targets is through the National Climate Change Response white paper 2011. The White Paper presents the South African Government's vision for an effective climate change response and the long-term, just transition to a climate-resilient and lower-carbon economy and society. This could potentially require investment from our budget as an affected business in clean energy and other sectors in order to adapt our business to meet some of these requirements. With this, as a company listed in South Africa, we are expected by legislation to disclose our contribution to greenhouse gases and we currently meet this expectation.
Emerging regulation	Relevant, sometimes included	We ensure that any initiatives we undertake put us in a good position to comply with future carbon or energy-related legislation, such as national building regulations standards, energy taxes such as the carbon tax regulations, allocation of carbon budgets as well as current opportunities such as energy efficiency savings incentives; or income tax exemption for savings earned from the implementation of energy efficiency initiatives or the sale of energy-efficient products. Through proactive scanning of the macro environment and trends, innovate to align some of our offerings as well as operations to comply with predicted future trends. This also feeds into our risk matrix framework and the systems we put in place to address some of the risks.
Technology	Relevant, sometimes included	While we have set targets to sourcing all our energy from renewable sources by 2030, we also recognize that technology in this area is evolving. We have developed our own rating model for stores based on the number of sustainability features they include. This allows new and existing stores to be classified as silver, gold, or platinum level stores, with the platinum level being the highest category for stores with the most sustainability features. All professional teams involved in our building developments are required to use these guidelines in building design and development. This not only requires us to actively invest in but also to explore innovations to integrate into our overall operational plans. In addition, a large percentage of our market share is derived from our food business. With climate change ravaging the areas where we mostly source (mainly fresh produce), the cost of technology to enable adaptation also adds its weight to our overall sustainability strategy.
Legal	Relevant, always included	David Jones reports to the National Greenhouse and Energy Reporting Act (2007) (NGER) in Australia which is Federal legislation that establishes a national framework for the reporting of greenhouse gas (GHG) emissions and energy consumption. The NGER is a mandatory requirement for large organisations to report energy consumption and associated emissions. In the future, the Country Road Group will also need to comply with this. In South Africa, we respond to the national Greenhouse Gas Reporting Regulations aimed at introducing a single national reporting system for the transparent reporting of greenhouse gas emissions. This is in response to ensuring that South African entities contribute towards meeting the country's reporting obligations under the United Framework Convention on Climate Change (UNFCCC) and instrument treaties to which South Africa is bound.
Market	Relevant, always included	Increases in the cost of energy and shifts in the cost of fuel over the last year have an impact on our retail and distribution network. In addition, there are energy supply issues across some of the countries in which we operate. It is envisioned that cost increases will continue with at least 7-10% plus year-on-year tariff increases being implemented by the energy regulators in South Africa. This is however anticipated to level out as more and more renewable sources of energy are implemented within our operations and globally. Global events make this space volatile for a retailer such as ourselves that has a global sourcing and distribution network. This not only impacts our logistics but also the cost of managing circular economy projects. With fluctuations in the price of oil, we have seen variable uptake across our supply chain with certain petroleum-based recyclables losing their benefit when compared to using raw materials.
Reputation	Relevant, always included	We believe that consumer demand for products that are more sustainable and produced in an environmentally and socially responsible manner will continue to grow in over the next few years. As such, if we fail to respond appropriately by supplying such goods and services, we will lose the connection and trust that we would like customers to have with our brands. Failure to respond appropriately and deliver on our sustainability commitments could have a negative impact on our reputation. At the same time, increased energy, fuel and water costs, could result in a reduction in customer's disposable income, which in turn would impact their spending with ourselves and other retailers. We are responding to these opportunities with product labeling around the origin of the product, as well as setting targets around organic products and other community and environmental initiatives that will broaden our supply base. Our stakeholders have particularly high expectations of us to be responding to sustainability challenges in a significant way, given the progress made in this area over recent years, our communication around it, and the various awards won.
Acute physical	Relevant, always included	Engagements with the Provincial and National Government Departments in South Africa on how the Woolworths Farming for the Future program and other relevant business practices can be shared with the department to assist in climate change resilience within the agricultural sphere. Since 2013, Woolworths had been working with WWF-SA and the Alliance for Water Stewardship (AWS) to address water-related risks in the supply chain. Through our strategic partnership with WWF-SA, we committed to establishing one water stewardship project a year. Our first project was in Ceres, and we have continued our support for the farmers in this area. We have expanded our engagement to the water-scarce Sabie & Crocodile catchment area, in the Mpumalanga province of South Africa – an area that is strategically important for sourcing of our citrus fruit and nuts. We have a dedicated stakeholder relationship manager with a strategy on how to engage with policymakers in this space. We have a dedicated stakeholder relationship manager with a strategy on how to engage with policymakers in this space.
Chronic physical	Relevant, always included	Engagements with the Provincial and National Government Departments in South Africa on how the Woolworths Farming for the Future program and other relevant business practices can be shared with the department to assist in climate change resilience within the agricultural sphere. Since 2013, Woolworths had been working with WWF-SA and the Alliance for Water Stewardship (AWS) to address water-related risks in the supply chain. Through our strategic partnership with WWF-SA, we committed to establishing one water stewardship project a year. Our first project was in Ceres, and we have continued our support for the farmers in this area. We have expanded our engagement to the water-scarce Sabie & Crocodile catchment area, in the Mpumalanga province of South Africa – an area that is strategically important for sourcing of our citrus fruit and nuts. We have a dedicated stakeholder relationship manager with a strategy on how to engage with policymakers in this space. We have a dedicated stakeholder relationship manager with a strategy on how to engage with policymakers in this space.

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Current regulation	Carbon pricing mechanisms
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Primary potential financial impact

Increased direct costs

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

The South African National Treasury has promulgated a phased-in tax rate of R120/t of carbon dioxide equivalent (CO₂e), increasing 10% a year during the first phase, in an attempt to curb the country's greenhouse gas (GHG) emissions. The initial phase does include a number of concessions to initial implementation that will see a much lower rate charged.

Time horizon

Short-term

Likelihood

Virtually certain

Magnitude of impact

Medium-high

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

We have not quantified the financial impact.

Cost of response to risk

467442

Description of response and explanation of cost calculation

We continue to roll-out energy efficiency and monitoring devices across our operations such as automatic doors on refrigeration at stores to efficiently control the temperature, energy-efficient LED lighting that adjusts automatically to natural light, and natural gas refrigeration, etc. We also have an online system that assists in detecting areas that require attention with regard to energy efficiency. We are able to monitor electricity use across our operations, real-time, and also detect leaks that could be contributing to inflated figures. In order to minimize taxes paid on our carbon emissions as a direct consequence of using electricity generated by Eskom, we are actively looking to implement cleaner sources of energy where feasible. This entails implementing eco-efficient ways of generating and using energy as efficiently as possible. Also, our energy reduction activities will continue to enable us to effectively monitor and reduce where required. In the last reporting year, we kick-started another solar installation on one of our biggest distribution centers. At completion, this will be a 2MW installation with the potential of providing over 30% of the facility's energy needs per year. The setting of science-based targets will also enable us to effectively monitor progression towards a net-zero carbon business as we track the reduction in our intensity figures. The cost of management for this risk lies in the provision of capacity for continuous monitoring of these regulatory changes. This will be done by dedicated personnel either from the sustainability team for continuous landscape benchmarking or from the compliance and risk enterprise teams to ensure adherence to changes. This cost is an average of around R467,442 (median management salary) for a dedicated resource. Management means senior, middle and junior management & skilled staff lumped together.

Comment**Identifier**

Risk 2

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Emerging regulation	Enhanced emissions-reporting obligations
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Primary potential financial impact

Increased indirect (operating) costs

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

The COP21 offered a turning point in climate change negotiations for the world. What was most profound was that governments were able to agree on a decisive stance to curb global emissions and ensure they remain way below the 2°C threshold. New science recommends a reduction of emissions to keep us at below 1.5°C below pre-industrial levels. For the first time, the international community has committed to net-zero greenhouse gas emissions in the second half of this century in order to hold global warming well below 2°C (with this stretch target of 1.5°C). The science is clear that action to address the causes and impacts of climate change by a single country or small group of countries will not be successful. These agreements will impact our global operations and therefore, we will have to look at the legislative context of where we operate in order to determine the extent of these impacts and adjust our operations accordingly to drive inefficiencies. South Africa joined other countries as a proud signatory of the Paris Agreement. We have commenced domestic ratification processes to enable the entry into force of the agreement in 2020. South Africa has set challenging draft emission reduction targets, which will require significant emission reductions by business to achieve them. One of the key means of implementing international targets is through the National Climate Change Response white paper 2011. The White Paper presents the South African Government's vision for an effective climate change response and the long-term, just transition to a climate-resilient and lower-carbon economy and society. This could potentially require investment from our budget as an affected business in clean energy and other sectors in order to adapt our business to meet some of these requirements. The National Development Plan in South Africa is also an enabler as it recognizes the need to reduce carbon emissions as per the recommendations of global agreements. According to the NDP, South Africa's development is affected by what happens in the region and the world. Success will depend on the country's understanding and response to such developments. Australia is also a signatory to and in November 2016 ratified the Paris Agreement. Australia has submitted a Nationally Determined Contribution (NDC) that commits Australia to reduce its GHG emissions to between 26 to 28 percent below 2005 levels.

Time horizon

Medium-term

Likelihood

Virtually certain

Magnitude of impact

Medium-high

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

We have not quantified the financial impact.

Cost of response to risk

467442

Description of response and explanation of cost calculation

We are managing these risks already by implementing a mix of energy sources across our supply chain. We work very closely with our suppliers to ensure that we are able to understand their challenges and identify areas where we can invest either financially or through knowledge sharing initiatives in order to ensure that they also adapt to the impacts of climate change adequately. Above this, we continue to employ eco-efficient ways of generating and managing energy across all our operations through our building innovation that is strict on incorporating energy-saving elements. Legislative implications are closely monitored by our risk managers and incorporated accordingly to our risk register, which is presented to the risk and compliance board committee. A preliminary investigation into the impact of solar for our operations indicated that we will achieve less than 10% of our energy through solar if we installed within all our direct operations. This creates an even stronger business case as to why energy efficiency should extend to our indirect operations as we move towards going 100% renewable by 2030 as well as ensuring we meet our energy reduction targets. The cost of management for this risk lies in the provision of capacity for continuous monitoring of these regulatory changes. This will be done by dedicated personnel either from the sustainability team for continuous landscape benchmarking or from the compliance and risk enterprise teams to ensure adherence to changes. This cost is an average of around R467,442 (median management salary) for a dedicated resource. Management means senior, middle and junior management & skilled staff lumped together.

Comment**Identifier**

Risk 3

Where in the value chain does the risk driver occur?

Upstream

Risk type & Primary climate-related risk driver

Market	Uncertainty in market signals
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Primary potential financial impact

Increased direct costs

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

Large increases in the cost of energy and large shifts in the cost of fuel over the last year are further impacting on our distribution network, as well as official travel expenses. With weakening currency across most of our countries of operation, we have seen increased energy, impacting company operations in a number of areas including the costs of electricity usage in the running of office buildings, stores, and distribution centers. It is envisioned that these will continue with at least 7-10% plus year-on-year tariff increases being implemented by the energy regulators in South Africa. This is however anticipated to level out as more and more renewable sources of energy are implemented within our operations and globally. Global events make this space volatile for a retailer such as ourselves that has a global sourcing and distribution network. This not only impacts our logistics but also the cost of managing circular economy projects. With fluctuations in the price of oil, we have seen variable uptake across our supply chain with certain petroleum-based recyclables losing their benefit when compared to using raw materials.

Time horizon

Short-term

Likelihood

Very likely

Magnitude of impact

Medium-high

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

We have not quantified the financial impact.

Cost of response to risk

467442

Description of response and explanation of cost calculation

Being proactive and innovative within our operations such as exploring bio-diesel fuel mixes. We have also, in collaboration with Imperial Group, optimised our distribution routes in South Africa to reduce fuel consumption and carbon emissions incurred by our fleet. We have also commissioned a research study on our waste management strategy in order to optimise our contribution to the circular economy. The cost of management for this risk lies in the provision of capacity for continuous motoring of these regulatory changes. This will be done by dedicated personnel either from the sustainability team for continuous landscape benchmarking or from the compliance and risk enterprise teams to ensure adherence to changes. This cost is an average of around R467,442 (median management salary) for a dedicated resource. Management means senior, middle and junior management & skilled staff lumped together.

Comment

Identifier

Risk 4

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Technology	Substitution of existing products and services with lower emissions options
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Primary potential financial impact

Increased capital expenditures

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

Under the National Building Regulations and Building Standards Act (Act 103 of 1977): the Regulation for the Environmental Sustainability of Buildings (SANS 204). SANS 204 specifies limits in maximum demand as well as energy usage for inter alia retail stores. The transition to a low carbon economy through the use of renewable energy in our operations also has an impact. Our internal green building protocol has remained the platform upon which we implement eco-friendly initiatives to drive efficiencies within our facilities. Using this protocol, we ensure that every new building is built taking into consideration eco-friendly installations. We also conduct an internal green building certification for our facilities as an indicator of where we are on the journey of transforming to being more eco-efficient. In South Africa, this certification involves rating and classifying our buildings into three categories (Platinum, Gold, and Silver) in accordance with the green design features they possess. These features not only enable us to ensure that our store facilities run efficiently, but they also help to identify stores that need improvement. We also have two stores and two distribution centers rated by the Green Building Council of South Africa.

Time horizon

Short-term

Likelihood

Very likely

Magnitude of impact

Medium-high

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

We have not quantified the financial impact.

Cost of response to risk

467442

Description of response and explanation of cost calculation

When we design a new store, we look at how to include as many energy-saving elements in the building's design as possible. We call these "green stores." We have developed our own rating model for stores based on the number of sustainability features they include. This allows new and existing stores to be classified as silver, gold, or platinum level stores, with the platinum level being the highest category for stores with the most sustainability features. The Woolworths Palmyra store in Claremont, Cape Town has become the first retail outlet in South Africa to achieve a 6-star rating certified by the Green Building Council South Africa (GBCSA), using the Green Star SA – Existing Building Performance Custom Tenant rating tool. The store stands as South Africa's greenest retail tenant environment. It has a long list of environmentally-friendly features including automated doors that help maintain the interior temperature, reclaimed heat from the refrigeration system and air conditioning that is used for under-floor heating, harvested rainwater that is used to flush the toilets, a CO2 refrigeration system, skylights that optimize natural light and fully automated lighting that guarantees no energy is wasted on lighting when natural light is available. We also have three additional stores (two in Australia) as well as two distribution centers in both South Africa and Australia that are rated by the green building councils of the respective countries. The logistics divisions of our business depend a lot on technology – from the vehicles that transport our products to the distribution centers that are equipped not only for agility but to ensure we are able to adhere to food safety standards. We have been working to ensure that our distribution facilities are as "green" or energy-efficient as possible. Woolworths partnership with Imperial Logistics for transporting our products continues to offer Woolworths a sustainable solution for our supply chain. We have established a Logistics Integration Centre (LIC) in South Africa, which gives us the ability to analyze distribution patterns and results continue to help us optimize delivery footprints. We also continue to roll out the following initiatives: FrigoBlock - a refrigerated unit that uses no diesel on its own at all but pulls its power for the alternator that runs from the truck engine. Route optimization, enabling us to have a vertically integrated system for the transportation of our products.

Comment

The cost of management for this risk lies in the provision of capacity for continuous motoring of these regulatory changes. This will be done by dedicated personnel either from the sustainability team for continuous landscape benchmarking or from the compliance and risk enterprise teams to ensure adherence to changes. This cost is an average of around R467,442 (median management salary) for a dedicated resource. Management means senior, middle and junior management & skilled staff lumped together.

Identifier

Risk 5

Where in the value chain does the risk driver occur?

Upstream

Risk type & Primary climate-related risk driver

Acute physical	Other, please specify (Extreme weather events such as flooding and droughts)
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Primary potential financial impact

Decreased revenues due to reduced production capacity

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

As a result of the El Nino cycle, we continue to feel the impacts of changes in precipitation - most areas in the southern African region experiencing drought. In the Western Cape, we recently experienced the worst drought in 100yrs. A large percentage of our profits are derived from our fresh produce and we source this largely in South Africa. The impact is therefore very high with the region experiencing threats of severe food shortages in some areas. Towns that never had issues in the water supply are running out of water. The combination of urbanization, adds to the pressure on water supply. Weather patterns can also negatively impact on raw materials (such as cotton, wool, bamboo, coffee, palm oil, soy, farming, etc.) farming by our suppliers, meaning a negative impact on some of our product supply. We are working closely with organizations to drive sustainable sourcing for all our key commodities where possible.

Time horizon

Short-term

Likelihood

Very likely

Magnitude of impact

Medium-high

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

We have not quantified the financial impact. The financial impact for this risk is associated with the loss of crop in areas that get affected negatively by the extreme climatic event and has not been quantified as yet. There is also a need, in extreme cases, to explore the relocation of a certain food crop to areas more conducive to their growth needs. This comes at a huge financial investment for the suppliers affected. In addition to this, the research required to keep track of the macro-environment is extensive and on-going in order to fully understand what the impacts are on our business and identify the best solutions.

Cost of response to risk

467442

Description of response and explanation of cost calculation

Measures that we are taking: 1. Supply diversification – suppliers/ geographies 2. Improving the resilience if supply base through our supplier programs (Woolworths Farming for the Future and Green Factory programs) - Farming for the Future is our sustainable farming approach based on working with nature instead of against it and combining the best of conventional farming with the best of organic farming. It was adopted in 2009 as a competitive strategy to address the many agricultural challenges that face South Africa—water quality and scarcity, years of ecosystem degradation, poor quality soils in many areas, food security, climate change, and rising input costs. As any farmer will tell you, it takes good soil to produce good food. - Given that a large proportion of environmental and social impacts associated with our products occur in our supply chain, Woolworths Food launched its Green Factory assessment in 2017. In this, suppliers are asked to complete a holistic assessment taking into account sustainability management, water, energy, waste, human rights, employee wellbeing, lean manufacturing, transformation, and responsible sourcing. Suppliers are ranked according to their performance with a Red, Bronze, Silver or Gold rating. The questionnaire was recently updated to incorporate additional reporting on climate change metrics and related targets as well as water efficiency and management. 3. Water stewardship - We have also been working in partnership with WWF-SA, the Alliance for Water Stewardship (AWS) in the progression of the Ceres Water Stewardship project to address water-related risks in the supply chain since 2013. Nine stone-fruit farmers in the Western Cape of South Africa volunteered their cooperation. They have worked through the AWS certification standard, first understanding and putting in place steps to reduce farm-level risks. This was followed by a process to determine catchment level initiatives to reduce collective risks. In the last year, the focus has been on implementing these catchment level initiatives which have included the formation of a community 'water savers' initiative to address challenges related to litter and sanitation in the local community, and co-coordinating alien clearing in the upper reaches of the catchment to provide better assurance of water supply to downstream users.

Comment

The cost of management for this risk lies in the provision of capacity for continuous monitoring of these regulatory changes. This will be done by dedicated personnel either from the sustainability team for continuous landscape benchmarking or from the compliance and risk enterprise teams to ensure adherence to changes. This cost is an average of around R467,442 (median management salary) for a dedicated resource. Management means senior, middle and junior management & skilled staff lumped together.

Identifier

Risk 6

Where in the value chain does the risk driver occur?

Upstream

Risk type & Primary climate-related risk driver

Acute physical	Other, please specify (Extreme weather events such as flooding and droughts)
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Primary potential financial impact

Decreased revenues due to reduced production capacity

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

Over much of the country, there is significant evidence of increases in the intensity of high rainfall events. Percentage increases in intensities are largest for the most extreme rainfall events. The intensity of 10-year high rainfall events has increased by over 50% along the east coast. In parts of the northeast, north-west and in the winter rainfall region, decreases in extreme rainfall events have occurred and in the north-east are consistent with a decline in annual rainfall totals observed since the late-1970s. Changes in the intensity of low annual maximums are less spatially coherent and mostly of smaller magnitudes. These impacts are very high with some of the regions experiencing severe food shortages. Towns that never had issues in the water supply are running out of the water, forcing water rationing by the managing agents.

Time horizon

Short-term

Likelihood

Very likely

Magnitude of impact

Medium-high

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

We have not quantified the financial impact.

Cost of response to risk

467442

Description of response and explanation of cost calculation

The sustainable farming program places us in an opportune position to address some of these constraints within our food production system. Through this, we also continue to apply the Water Footprint index (WFI) methodology which includes 116 water management parameters relating to practices on farms and in packing or processing facilities that may negatively impact water quality, for example, fertilizer application processes, alien vegetation management, etc. The main objective of the WFI is for suppliers to demonstrate a continual decrease in their water footprint over time. Analysis from the 2014/15 WFI assessment indicates that 61% of participating farmers are classified as having a 'low' water footprint, according to the independently developed scoring system. Woolworths will continue assessing WFI at its suppliers on an annual basis as part of the independently assessed sustainable farming program audits. Our sustainable sourcing strategies for our key commodities and raw materials ensures that we source from suppliers that have taken care to implement sustainable production activities that take into account fluctuating climatic conditions.

Comment

The cost of management for this risk lies in the provision of capacity for continuous monitoring of these regulatory changes. This will be done by dedicated personnel either from the sustainability team for continuous landscape benchmarking or from the compliance and risk enterprise teams to ensure adherence to changes. This cost is an average of around R467,442 (median management salary) for a dedicated resource. Management means senior, middle and junior management & skilled staff lumped together.

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Opp1

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Resilience

Primary climate-related opportunity driver

Participation in renewable energy programs and adoption of energy-efficiency measures

Primary potential financial impact

Reduced direct costs

Company-specific description

As part of the We Mean Business Coalition, we have publicly agreed to put an internal price on carbon as a tool for reducing risks, costs, and GHG emissions within our operation. In South Africa, the carbon tax was recently promulgated. We envisage an indirect impact via an increase in the electricity price as a result of the pass-through of the tax by the electricity utility. Companies that can prove that they are more efficient than the industry benchmark in their sector can be allocated additional percentage reductions in their carbon tax liability. This creates an incentive for us as a retailer to ensure that we are efficient and also ensure that we keep our emissions below the threshold if we are to benefit from the tax exemptions that come with the carbon legislation. However, this does not mean that we will not continue to engage our value chain to make our operations less energy-intensive where possible in order to reduce our impacts. Woolworths sees this as an opportunity to maximize on initiatives to drive further efficiency across our direct operations to keep our emissions as low as possible. The potential financial impact of the carbon taxes will be offset by increased efficiency within our operations, which will, in turn, drive operational costs down. Included in the proposed South African Carbon Tax policy are a number of relief measures for companies to access in order to increase their tax-free threshold (from 60% to a maximum of 90%).

Time horizon

Short-term

Likelihood

Very likely

Magnitude of impact

Medium-high

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

We have not quantified the financial impact.

Cost to realize opportunity

467442

Strategy to realize opportunity and explanation of cost calculation

The cost of management for this risk lies in the provision of capacity for continuous monitoring of these regulatory changes. This will be done by dedicated personnel either from the sustainability team for continuous landscape benchmarking or from the compliance and risk enterprise teams to ensure adherence to changes. This costs an average of around R467,442 (management salary) for a dedicated resource. Management means senior, middle and junior management & skilled staff lumped together. Remuneration is linked to the Variable Pay (VP) which consists of short- and long-term incentives with the opportunity to earn additional financial rewards over performance periods of between one and five years.

Comment

We have a dedicated team that looks into innovative options for energy and climate change space and how they can impact the business or how we can counter some of the impacts or adapt our policies as required. This team is also knowledgeable about supply chain and real estate issues. In addition to this, having an approved science-based target to reduce our emissions across the Group as well as work with our suppliers will bring us in line to reducing our overall carbon footprint, sourcing all direct energy from renewable sources by 2030 as well as the longer-term commitments of contributing to the curtailment of greenhouse gases through to 2050. We have also started to actively measure the savings incurred as a result of our initiatives. We have saved R742 million worth of electricity to date at Woolworths South Africa through energy efficiency interventions. This further strengthens the business case for continuing to implement our initiatives. Through energy-efficient initiatives such as the installation of renewable energy systems on our facilities and applying our internal green building protocol when establishing and refurbishing new facilities, we have seen cost-saving opportunities, though initially, the cost of implementation for some of these initiatives can be high. Woolworths is also able to qualitatively derive and document benefits from some of our initiatives such as diesel reduction, and value of recoveries of incorrect billings on electricity, and tax rebates, as well as energy-efficiency innovations, implemented. Tax rebates are claimed as part of Section 12L of the Income Tax Act, an energy efficiency tax incentive aimed at promoting the efficient utilization of energy and for investing in modern energy-efficient equipment by South African companies. We have also been able to replace food imports on one of our top-selling items as a result of shifting climates in South Africa and are now able to provide year-round supply locally sourced, thereby reducing the footprint of this product. This was a 5-year development project.

Identifier

Opp2

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Resilience

Primary climate-related opportunity driver

Participation in renewable energy programs and adoption of energy-efficiency measures

Primary potential financial impact

Reduced direct costs

Company-specific description

With energy and climate change one of our eight Good Business Journey pillars, we have put in place a coordinated energy program that addresses all aspects of energy and climate change across our direct and indirect operations. David Jones has been proactively reducing its electricity consumption through behavioral and structural changes since its energy efficiency program commenced in 2007. The Country Road Group has also joined in the journey and is working to actively be able to monitor energy use and consumption across its operations. This will, in turn, contribute to the overall efficiency of the Woolworths Group. Woolworths has made considerable advances in fuel and electricity efficiency and considers regulation to offer opportunities to benefit from its investment in energy efficiency and new technology. New government tax incentives make this an even more attractive focus area. Our business to business partnerships with our logistics partners also create an opportunity for innovative channels to address some of the fuel and energy-related challenges that arise when the legislation around these operational imperatives arise. We are also working closely with the company to ensure that we benefit from fuel and energy-efficient interventions within our logistics departments.

Time horizon

Short-term

Likelihood

Very likely

Magnitude of impact

Medium-high

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

In South Africa, we have experienced electricity blackouts in the past few years. With this, our operations have had to sometimes be halted to accommodate this, which translates to a loss in revenue for the business. As a result, we have seen an increase in diesel fuel usage to keep our facilities running through the use of backup generators, in addition to the fuel used for the transportation of our products. The opportunity for investing in renewable sources of energy means that should there be blackouts into the future, we will be shielded from the possible impacts of revenue loss.

Cost to realize opportunity

467442

Strategy to realize opportunity and explanation of cost calculation

This presents opportunities to explore more sustainable and integrated modes of transportation or, fuel mixes. We have been conducting scoping exercises to establish the viability of introducing different fuel mixes for our fleet. We have also introduced nitrogen refrigeration to our transport fleet and also replace some of our vehicles with those that use low sulfur diesel. We also continue to explore installing solar panels as an alternative source of electricity at some of our buildings. Lastly, we have also been investigating the pros and cons of different fleet designs. The cost of management for this risk lies in the provision of capacity for continuous motoring of these regulatory changes. This will be done by dedicated personnel either from the sustainability team for continuous landscape benchmarking or from the compliance and risk enterprise teams to ensure adherence to changes. This costs on average of around R467,442 (management salary) for a dedicated resource. Management means senior, middle and junior management & skilled staff lumped together. Remuneration is linked to the Variable Pay (VP) which consists of short- and long-term incentives with the opportunity to earn additional financial rewards over performance periods of between one and five years.

Comment**Identifier**

Opp3

Where in the value chain does the opportunity occur?

Downstream

Opportunity type

Products and services

Primary climate-related opportunity driver

Shift in consumer preferences

Primary potential financial impact

Increased revenues resulting from increased demand for products and services

Company-specific description

Regulation around labeling standards could result in greater consumer awareness and increased demand to replace inefficient products with more environmentally responsible products. Woolworths has a very strong labeling process and traceability system around a product which would put it in a good position to benefit from this. There has also been some focus on communication and marketing of these products to build awareness with existing customers. In addition to this, we are a member of packaging bodies to enable the creation of a platform where we can share value in this space. We have managed to influence the industry for instance by being the first South African company to introduce the on-pack recycling label on most of our products. This label directs the end-user on the recycling options for the different types of materials. At our own operations, we are working towards achieving zero waste to landfill. In South Africa, challenges exist in that the infrastructure for consistent recycling of all different waste streams still remains underdeveloped.

Time horizon

Short-term

Likelihood

Very likely

Magnitude of impact

Medium-low

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

We have not quantified the financial impact.

Cost to realize opportunity

467442

Strategy to realize opportunity and explanation of cost calculation

We anticipate increased customer demand for products that have been sustainably produced as environmental challenges increase. We, therefore, have a very strong labeling process and traceability system around products that would put it in a good position to benefit from this. One major milestone was the launching of our guide to the recycling of our products. This was an industry first in South Africa, intended to assist recycling efforts by making it easier for customers to recycle correctly while stimulating the growth of the recycling sector. This recycling guide is supported by several industry leaders and is a great start in ensuring that we are able to mobilize our customers to reduce waste to landfill. We also launched our zero packaging to landfill commitments in 2018. With these, we have committed that: 1. All our packaging to be reusable or recyclable by 2022 2. We have since started removing all single-use plastic through initiatives such as removing cutlery from our operations, rolling our coffee-cup recycling facilities, exchanging plastic straws for paper straws, working on removing plastic bags from our stores by 2020 as well as banning plastic-stemmed earbuds in our stores. We also support the growth of South Africa's green economy through waste recycling initiatives and making it possible for customers to recycle more easily. The Australian Packaging Covenant (APC) is a federal government initiative focused on reducing the amount of used packaging that reaches the landfill, directly impacting our Australasian operations. In the context of increased attention on climate change, water scarcity, and resource constraints, we have also increased our focus on the need to move towards a circular approach, reducing dependence on natural and virgin resources, using recycled raw materials, and revaluing waste within the supply chain. The WHL Group continues to review opportunities for innovation in this regard.

Comment

The cost of management for this risk lies in the provision of capacity for continuous monitoring of these regulatory changes. This will be done by dedicated personnel either from the sustainability team for continuous landscape benchmarking or from the compliance and risk enterprise teams to ensure adherence to changes. This costs on average of around R467,442 (management salary) for a dedicated resource. Management means senior, middle and junior management & skilled staff lumped together. Remuneration is linked to the Variable Pay (VP) which consists of short- and long-term incentives with the opportunity to earn additional financial rewards over performance periods of between one and five years.

Identifier

Opp4

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Resilience

Primary climate-related opportunity driver

Resource substitutes/diversification

Primary potential financial impact

Reduced direct costs

Company-specific description

Opportunities to develop supply chains in slightly different geographical areas, and more regional supply chains. This includes opportunities to bring small-scale farmers into the supply chain in order to compliment where our primary suppliers are struggling. Our expansion into African and Australian operations creates interesting new opportunities in this area to drive synergies. Changes in mean average temperatures could be an opportunity to introduce other types of produce, which could mean increases in our offering.

Time horizon

Short-term

Likelihood

More likely than not

Magnitude of impact

Medium-high

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

This figure has not been calculated as yet.

Cost to realize opportunity

467442

Strategy to realize opportunity and explanation of cost calculation

We have made a public commitment to join the drive for energy efficiency across our operations by implementing green energy initiatives or using renewable energy where possible. These commitments include: halving our energy impact by 50% in 2020, source all key commodities from sustainable sources, and also source all our energy from renewable sources by 2030 for the entire Group. We have also made a public commitment through the We Mean Business coalition to setting science-based targets for our carbon emissions, remove commodity-driven deforestation, and improve water security. The cost of management for this risk lies in the provision of capacity for continuous monitoring of these regulatory changes. This will be done by dedicated personnel either from the sustainability team for continuous landscape benchmarking or from the compliance and risk enterprise teams to ensure adherence to changes. This costs on average of around R467,442 (management salary) for a dedicated resource. Management means senior, middle and junior management & skilled staff lumped together. Remuneration is linked to the Variable Pay (VP) which consists of short- and long-term incentives with the opportunity to earn additional financial rewards over performance periods of between one and five years.

Comment

C3.1

(C3.1) Have climate-related risks and opportunities influenced your organization's strategy and/or financial planning?

Yes

C3.1a

(C3.1a) Does your organization use climate-related scenario analysis to inform its strategy?

Yes, qualitative, but we plan to add quantitative in the next two years

C3.1b

(C3.1b) Provide details of your organization's use of climate-related scenario analysis.

Climate-related scenarios and models applied	Details
Nationally determined contributions (NDCs)	The Nationally Determined Contributions (NDCs) embody efforts by each country to reduce national emissions and adapt to the impacts of climate change. By applying the principles of equity and common but differentiated responsibilities and respective capabilities enabled us to calculate what our contribution is in reducing our carbon emissions using the peak plateau and decline curve. We have set a science-based target in order to align with emissions reductions in line with science and in line with globally accepted benchmarks. As part of EP100 (The Climate Group's corporate leadership initiative for energy smart companies doing more with less to lower emissions and accelerate the clean economy) we also committed to halving our overall energy impact by 2020. We also submit to our national governments in line with the national mandatory reporting in both the regions within which we operate. David Jones reports to the National Greenhouse and Energy Reporting Act (2007) (NGER) in Australia which is Federal legislation that establishes a national framework for the reporting of greenhouse gas (GHG) emissions and energy consumption. NGER is a mandatory requirement for large organizations to report energy consumption and associated emissions. We have also engaged with government stakeholders and other retailers to understand how the South African GHG mandatory reporting requirements will impact us and submitted our first report this year. We have a dedicated stakeholder relationship manager with a strategy on how to engage with policymakers in this space. Our supply chain will be a great focus to enable us to meet our goals through our engagements with the stakeholders in our supply chain. We have several eco factories in our supply chain and have started implementing a green factory program to understand the full extent of the footprint within our supply chain. We also have a formalized corporate partnership with WWF-SA on a broad-based, multifaceted agreement to drive greater sustainability through selected Woolworths' products and operations. The purpose of the partnership is to amplify our collaboration on various technical projects such as the conservation of energy, freshwater ecosystems, the promotion of sustainable agricultural practices; and the protection of fish stocks.
IRENA	We have identified renewable energy as one of the ways we can scale up our efforts to meeting our carbon emissions reduction. With this, we have a target to source all our energy from renewable sources by 2030. We currently have 6 systems across the Group in South Africa and Australia and will continue to expand these. In addition, we will be working on sourcing renewable energy supplies from commercial providers where available.

C3.1d

(C3.1d) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	Given that a large proportion of environmental and social impacts associated with our products occur in our supply chain, Woolworths Food launched its Green Factory assessment in 2017. In this, suppliers are asked to complete a holistic assessment taking into account sustainability management, water, energy, waste and lean manufacturing. Suppliers are ranked according to their performance with a Red, Bronze, Silver or Gold rating. We recently updated the questionnaire to incorporate additional reporting on climate change metrics and related targets as well as water efficiency and management. In the context of increased attention on climate change, water scarcity, and resource constraints, we have also increased our focus on the need to move towards a circular approach, reducing dependence on natural and virgin resources, using recycled raw materials, and revaluing waste within the supply chain. The Group continues to review opportunities for innovation in this regard. We also communicate with customers on our energy management initiatives and how they can contribute towards them, through a suite of platforms. We also guide customers on textiles care using a wash care label on our textiles that encourage washing at 30°C.
Supply chain and/or value chain	Yes	Programs such as Woolworths Farming for the Future help us to address climate-related issues associated with the production of our food products. Given that a large proportion of environmental and social impacts associated with our products occur in our supply chain, Woolworths Food launched the Green Factory assessment in 2017. In this, Food suppliers are asked to complete a holistic assessment taking into account sustainability management, water, energy, waste and lean manufacturing. Suppliers are ranked according to their performance with a Red, Bronze, Silver or Gold rating. We recently updated the questionnaire to incorporate additional reporting on climate change metrics and related targets as well as water efficiency and management. In textiles, we also have environmental codes of practice which promote best practice for our suppliers at their facilities.
Investment in R&D	Yes	We continuously seek new energy efficient innovation to implement, especially within our real estate where we have greater influence. This innovation forms part of our internal green building protocol for our facilities. Woolworths, in partnership with Imperial Logistics, we continue to ensure that we are transporting our products using the most energy efficient equipment possible. We have established a Logistics Integration Centre (LIC) which gives us the ability to analyse distribution patterns and results continually to help us optimise delivery footprints.
Operations	Yes	The Woolworths internal green building protocol has remained the platform upon which we implement eco-friendly initiatives to drive efficiencies within our facilities. Using this protocol, we ensure that every new building is built taking into consideration eco-friendly installations. We also conduct an internal green building certification for our facilities as an indicator of where we are on the journey of transforming to being more eco-efficient. In South Africa, this certification involves rating and classifying our buildings into three categories (Platinum, Gold and Silver) in accordance with the green design features they possess. These features not only enable us to ensure that our store facilities run efficiently, they also help to identify stores that need improvement. Across the Group, we continue to drive energy efficiency and sustainable store design through some of the following features: - installing LED light fittings in all new and refurbished stores; - installing energy-efficient lighting and the use of a building management system for light switching; - using only cold water in most stores and timers on hot water systems in large stores; - At Woolworths, we have been rolling out closed-door and CO2 refrigeration systems at stores; - Using natural lighting where possible; - Using underfloor heating in the food market using waste heat and heat pumps and heat reclaim system for food market and cooling etc. We have also installed solar PV systems at our head office and three distribution centers.

C3.1e

(C3.1e) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Direct costs Capital expenditures	Significant capital and operating expenses allocation and re-allocation have been necessary to ensure our stores can remain open during interruption of utility services (such as water shortages throughout the recent drought, or load-shedding events). Investments in innovating technologies have yielded substantial reductions in occupancy costs. These tangible energy/water and financial savings continue to help us strengthen the business case to further reduce our carbon footprint.

C3.1f

(C3.1f) Provide any additional information on how climate-related risks and opportunities have influenced your strategy and financial planning (optional).

Using our internal green building protocol to facilitate the incorporation of water-efficient measures at all our facilities, we continue to drive new innovations across our business,

including water-efficient design, rainwater harvesting, and use of alternate water supplies, such as groundwater, across our operations. The cost for this is included in our annual financial planning process.

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Intensity target

C4.1b

(C4.1b) Provide details of your emissions intensity target(s) and progress made against those target(s).

Target reference number

Int 1

Year target was set

2015

Target coverage

Company-wide

Scope(s) (or Scope 3 category)

Scope 1+2 (location-based)

Intensity metric

Metric tons CO2e per square meter

Base year

2014

Intensity figure in base year (metric tons CO2e per unit of activity)

0.268

% of total base year emissions in selected Scope(s) (or Scope 3 category) covered by this intensity figure

100

Target year

2020

Targeted reduction from base year (%)

50

Intensity figure in target year (metric tons CO2e per unit of activity) [auto-calculated]

0.134

% change anticipated in absolute Scope 1+2 emissions

50

% change anticipated in absolute Scope 3 emissions

0

Intensity figure in reporting year (metric tons CO2e per unit of activity)

0.239

% of target achieved [auto-calculated]

21.6417910447761

Target status in reporting year

Underway

Is this a science-based target?

No, but we anticipate setting one in the next 2 years

Please explain (including target coverage)

Our emissions are reported for the WHL financial year (July 2018 - June 2019). This target includes scope 1&2 emissions for WHL (Woolworths South Africa, Country Road Group, and David Jones). It reflects a 10.4% decrease in emissions from the base year. Compared to last year, we saw a 5.23% increase (from an intensity of 0.228).

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?

Other climate-related target(s)

C4.2b

(C4.2b) Provide details of any other climate-related targets, including methane reduction targets.

Target reference number

Oth 1

Year target was set

2017

Target coverage

Company-wide

Target type: absolute or intensity

Intensity

Target type: category & Metric (target numerator if reporting an intensity target)

Energy productivity	square meters
---------------------	---------------

Target denominator (intensity targets only)

megawatt hour (MWh)

Base year

2005

Figure or percentage in base year

1.516

Target year

2020

Figure or percentage in target year

50

Figure or percentage in reporting year

4.171

% of target achieved [auto-calculated]

5.47603333058329

Target status in reporting year

Achieved

Is this target part of an emissions target?

Yes

Is this target part of an overarching initiative?

EP100

Please explain (including target coverage)

We have met our target, achieving a 175% productivity from a 2005 base year. This target includes data from the following subsidiaries over which WHL has operational control: Woolworths South Africa from 2005 to 2018 and David Jones from 2014 to 2018 (100% of David Jones was acquired by WHL in 2014). These two entities account for 97% of WHL energy consumption. - The following subsidiary over which WHL has operational control - Country Road Group (CRG) – has been excluded as it does not currently have a robust system to support accurate and complete reporting of energy data. Regardless, it should be noted that the CRG data contributes about 3% of the WHL total data, and is thus considered immaterial. As we improve the data reporting and management for this entity, we will incorporate it into future EP100 submissions for a complete Group view. Data Sources: - All Woolworths South Africa data has been extracted from the company's internal energy reporting system and is the same data that was used in our carbon footprint reports. This data has been independently assured by a third party since 2009. - This data includes estimates (using averages) for diesel for 2005 and 2007, petrol for 2005 to 2008, and LPG for 2005 to 2008. Thereafter, we use financial data to determine consumption. - The David Jones data (2014 to 2018) has been extracted from the company's internal energy reporting system and is the same data that is included in its annual national regulatory reporting on greenhouse gas emissions. This reporting has been subjected to annual independent third party assurance. - The scope and boundary used for the Woolworths South Africa and David Jones data changes marginally year on year, depending on the operational changes occurring in stores and distribution centers (including openings and closing, changes in store format, as well as store and distribution center expansions).

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	1	322
To be implemented*	2	54482
Implementation commenced*	2	10619
Implemented*	3	7820
Not to be implemented	0	0

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

Energy efficiency in buildings	Lighting
--------------------------------	----------

Estimated annual CO2e savings (metric tonnes CO2e)
1158.5

Scope(s)
Scope 2 (location-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
9381430

Investment required (unit currency – as specified in C0.4)

Payback period
1-3 years

Estimated lifetime of the initiative
6-10 years

Comment
Lighting upgrades to all facilities

Initiative category & Initiative type

Low-carbon energy generation	Solar PV
------------------------------	----------

Estimated annual CO2e savings (metric tonnes CO2e)
189

Scope(s)
Scope 2 (location-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
89092

Investment required (unit currency – as specified in C0.4)

Payback period
4-10 years

Estimated lifetime of the initiative
21-30 years

Comment
Energy generation reduces slightly over time, but it is guaranteed to exceed 80% of original capacity at year 25.

Initiative category & Initiative type

Low-carbon energy consumption	Other, please specify (Closed-door refrigeration)
-------------------------------	---

Estimated annual CO2e savings (metric tonnes CO2e)
6567

Scope(s)
Scope 2 (location-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
1655000

Investment required (unit currency – as specified in C0.4)

Payback period
1-3 years

Estimated lifetime of the initiative
6-10 years

Comment

Refrigeration at the store often represents the largest energy consumption source. It was with this in mind that, in 2013, Woolworths embarked on a journey to install doors on refrigeration in stores. This initiative started with a trial using framed glass doors and an initial saving of 25% in electricity use was realised. New and improved technology is now being used that consists of lightweight, frameless acrylic doors that allows consumers to see the whole display, while also significantly reducing the energy consumption in the store. An added benefit of this technology is the reduction of food waste as a result of the longer shelf life and improved cold chain maintenance. So far, a total of 132 stores have had their fridges fitted with acrylic doors.

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Compliance with regulatory requirements/standards	We ensure that any initiatives we undertake put us in a good position to comply with future carbon or energy-related legislation, such as national building regulations standards, energy taxes such as the carbon tax regulations, allocation of carbon budgets as well as current opportunities such as energy efficiency savings incentives; or Income tax exemption for revenues earned. We are able to align some of our innovations to be able to align with predicted future trends. This also feeds into our risk matrix framework and the systems we put in place to address some of the risks.
Dedicated budget for energy efficiency	Both real estate and supply chain divisions have an operational budget for energy efficiency activities. We have also put particular budget requests for energy efficiency projects such as new refrigeration technology retrofits through to our group Investment Committee when initiatives are beyond the scope of baseline budgets. In addition to this, we have a small central Sustainability CAPEX budget to drive energy, water, and waste pilot projects. David Jones also applies an incremental investment approach in efficiency measures concurrent with refurbishment activities.
Dedicated budget for other emissions reduction activities	We prioritise CAPEX budget allocation for other sustainability activities that can assist with an emission reduction or the management of climate change impacts such as our water work with suppliers.
Employee engagement	We conduct a number of employee engagement initiatives across all our direct facilities to drive carbon emission reductions, and especially the component around energy efficiency. These make use of multi channel mediums such as our Intranet, staff magazine, posters, e-mail communications, an energy & water saving toolkits and competition for stores and inclusion in balanced scorecards of real estate, operations, and store managers. We also have a Good business journey store champions program to drive awareness amongst colleagues and customers. We recently circulated a revised energy/water information toolkits to our store Good Business Journey Champs as an update and refresher around energy and water-saving awareness. At our head office, we have a plasma screen that communicates water and energy statistics in real time to our employees.
Financial optimization calculations	We conduct research on how to optimise some of our interventions and our most recent is a waste to landfill study of our direct operations. Having set targets to divert as much waste as possible from landfills, we are identifying ways to ensure that we meet these targets and also optimise our reporting so we can keep track of what goes through our operations to recycling.
Other (Tax benefits)	We continue to claim tax deductions for our energy efficiency interventions. This is implemented in terms of Section 12L of the Income Tax Act, No 58 of 1962 ("Section 12L"). Section 12L is a 95c/kWh (95 cents per kilowatt-hour) additional tax deduction for energy efficiency savings. This is for entities that can demonstrate energy efficiency savings.
Internal finance mechanisms	Driving energy efficiency through budgetary measures remains a key contributor to enable investment. We do this by tracking the savings incurred as a result of implementing an efficiency initiative.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?

Yes

C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products or that enable a third party to avoid GHG emissions.**Level of aggregation**

Product

Description of product/Group of products

The majority of our clothing is designed to be able to be washed at lower temperatures than normal (wash at 30 degrees program) and does not require ironing or dry-cleaning, which allows customers to reduce the emissions associated with the washing of clothing at home. We have also developed detergents that work optimally at these temperatures.

Are these low-carbon product(s) or do they enable avoided emissions?

Low-carbon product

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions

Other, please specify (Clothing products that can be washed at 30 degrees or less)

% revenue from low carbon product(s) in the reporting year**% of total portfolio value**

<Not Applicable>

Asset classes/ product types

<Not Applicable>

Comment

Energy-efficient technology and products, sustainable supply chains. We are engaging with our suppliers via the eco-factory supplier assessments to instill more energy saving-practices at the manufacturing level for our products. In the fashion space, a majority of our products are a "wash at 30 degrees" or below, meaning that our customers can save energy during the care of the products after purchase.

Level of aggregation

Company-wide

Description of product/Group of products

We have embarked on a journey to get a full inventory of suppliers that are on a journey to transform their facilities into more sustainable facilities. Where feasible, we are investing where feasible to assist some of the suppliers in implementing initiatives that contribute to a low carbon economy.

Are these low-carbon product(s) or do they enable avoided emissions?

Low-carbon product and avoided emissions

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions

Other, please specify (Energy efficient technology and products, sustainable supply chains)

% revenue from low carbon product(s) in the reporting year

% of total portfolio value

<Not Applicable>

Asset classes/ product types

<Not Applicable>

Comment

Level of aggregation

Group of products

Description of product/Group of products

Packaging disposal labeling on most of our products enables us to educate our customers on waste, especially how and what to recycle. This is one way in which we are trying to minimize waste to landfill.

Are these low-carbon product(s) or do they enable avoided emissions?

Avoided emissions

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions

Other, please specify (Sustainable packaging - made for recyclability)

% revenue from low carbon product(s) in the reporting year

% of total portfolio value

<Not Applicable>

Asset classes/ product types

<Not Applicable>

Comment

Energy efficient technology and products

Level of aggregation

Group of products

Description of product/Group of products

We have a range of reusable shopping bags, jeans, duvet, and pillow inners and hangers, that are made using recycled materials. We also recycle our hangers through our partnership with the hanger recycling company, Hangerman.

Are these low-carbon product(s) or do they enable avoided emissions?

Avoided emissions

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions

Other, please specify (Closing the loop)

% revenue from low carbon product(s) in the reporting year

% of total portfolio value

<Not Applicable>

Asset classes/ product types

<Not Applicable>

Comment

Circular economy activities that lead to lower life cycle energy and GHG usage.

Level of aggregation

Company-wide

Description of product/Group of products

Woolworths' overall approach to greening of the property portfolio has to date focussed primarily on utilising Woolworths own green building certification program. The system, developed internally by Woolworths SA Real Estate (Engineering) Division, awards points for green interventions included in property design, build, or fit-out. The program consists of three categories: Platinum, Gold and Silver. To date, Woolworths has 190 green stores within its portfolio.

Are these low-carbon product(s) or do they enable avoided emissions?

Avoided emissions

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions

Other, please specify (Eco-efficient buildings)

% revenue from low carbon product(s) in the reporting year

% of total portfolio value

<Not Applicable>

Asset classes/ product types

<Not Applicable>

Comment

Woolworths' approach to green buildings entails utilising an internal green building standard to ensure that all managed properties operate in the most energy-efficient way possible. The program involves rating and classifying buildings into three categories (Platinum, Gold, and Silver) in accordance with the green design features they possess. This rating system helps in allocating funding to future-proof buildings with the most energy-efficient technology. With a large part of our energy usage attributed to

our stores and distribution centers, we have focused many of our energy-efficiency initiatives on ensuring that we continue to reduce our energy usage and seek renewable energy alternatives in line with our 2030 goal to source renewable energy. In Australia, we design according to the Australian Green Building Councils criteria.

Level of aggregation

Group of products

Description of product/Group of products

We have implemented a clothing recycling project at our head office and some stores and the clothes collected are taken to a central location (The Clothing Bank - a company that repurposes and recycles surplus clothing in South Africa) to be sold, donated, or remodeled.

Are these low-carbon product(s) or do they enable avoided emissions?

Avoided emissions

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions

Please select

% revenue from low carbon product(s) in the reporting year

% of total portfolio value

<Not Applicable>

Asset classes/ product types

<Not Applicable>

Comment

Encouraging partnerships by building scale to drive collective action on a circular economy for the clothing industry.

Level of aggregation

Group of products

Description of product/Group of products

The vast majority of goods sold in our stores, by volume, are manufactured in South Africa and we continue to encourage local manufacturing wherever possible. We will only consider sourcing abroad where local or regional supplier partners are unable to provide the ideal quality, value, and innovation that our customers expect. Woolworths is also well placed to drive Enterprise Development projects and has set up teams devoted to working more closely with emerging suppliers, further supporting South African business first as part of our indirect economic contribution

Are these low-carbon product(s) or do they enable avoided emissions?

Avoided emissions

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions

Other, please specify (Local sourcing)

% revenue from low carbon product(s) in the reporting year

% of total portfolio value

<Not Applicable>

Asset classes/ product types

<Not Applicable>

Comment

Woolworths has done a country of origin assessment in order to confirm that majority of the food that it sells is South African in origin – a significant contribution to the South African economy, especially the agricultural sector.

C5. Emissions methodology

C5.1

(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).

Scope 1

Base year start

January 1 2014

Base year end

December 31 2014

Base year emissions (metric tons CO2e)

42249.68

Comment

Woolworths has set a base year for the carbon footprint calculations as the calendar year 2014, as this was the first year in which GHG emissions from David Jones and CRG were included. The base year was recalculated at the time of compiling the 2015 carbon footprint report as there was an update to the GWPs.

Scope 2 (location-based)

Base year start

January 1 2014

Base year end

December 31 2014

Base year emissions (metric tons CO2e)

442672.5

Comment

Woolworths has set a base year for the carbon footprint calculations as the calendar year 2014, as this was the first year in which GHG emissions from David Jones and CRG were included. The base year was recalculated at the time of compiling the 2015 carbon footprint report as there was an update to the GWPs.

Scope 2 (market-based)

Base year start

January 1 2014

Base year end

December 31 2014

Base year emissions (metric tons CO2e)

442672.5

Comment

Woolworths has set a base year for the carbon footprint calculations as the calendar year 2015, as this was the first year in which GHG emissions from David Jones and CRG were included. The base year was recalculated at the time of compiling the 2015 carbon footprint report as there was an update to the GWPs.

C5.2

(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)

49477.75

Start date

<Not Applicable>

End date

<Not Applicable>

Comment

Includes stationary fuel, mobile fuel, and fugitive emissions

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based

We are reporting a Scope 2, location-based figure

Scope 2, market-based

Please select

Comment

This includes: - Consumption of purchased electricity

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based

487084

Scope 2, market-based (if applicable)

<Not Applicable>

Start date

<Not Applicable>

End date

<Not Applicable>

Comment

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

Yes

C6.4a

(C6.4a) Provide details of the sources of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure.

Source

Emissions from Country Road Group backup generators

Relevance of Scope 1 emissions from this source

Emissions are relevant but not yet calculated

Relevance of location-based Scope 2 emissions from this source

Emissions are not relevant

Relevance of market-based Scope 2 emissions from this source (if applicable)

Emissions are not relevant

Explain why this source is excluded

CRG emissions from backup generators6=-

Source

Emissions for Country Road Group-owned vehicles

Relevance of Scope 1 emissions from this source

Emissions are relevant but not yet calculated

Relevance of location-based Scope 2 emissions from this source

Emissions are not relevant

Relevance of market-based Scope 2 emissions from this source (if applicable)

Emissions are not relevant

Explain why this source is excluded

Data not available

Source

Refrigerant gases from Woolworths international (Rest of Africa) stores and Country Road Group facilities

Relevance of Scope 1 emissions from this source

Emissions are relevant but not yet calculated

Relevance of location-based Scope 2 emissions from this source

Emissions are not relevant

Relevance of market-based Scope 2 emissions from this source (if applicable)

Emissions are not relevant

Explain why this source is excluded

Data not available

C6.5

(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status

Relevant, calculated

Metric tonnes CO2e

8816.58

Emissions calculation methodology

Sources of emissions: Office paper, transit carton packaging, single-use plastic shopping bags and water

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Capital goods

Evaluation status

Relevant, not yet calculated

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

This will be included when we report against our science-based target. Up till now, we have been unable to account for emission associated with capital goods.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status

Relevant, calculated

Metric tonnes CO2e

49500.01

Emissions calculation methodology

Source of emissions: Losses from transmission and distribution of electricity

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Upstream transportation and distribution

Evaluation status

Relevant, calculated

Metric tonnes CO2e

45033.52

Emissions calculation methodology

Emission sources: Road transportation and distribution

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

This data is obtained from our logistics partners

Waste generated in operations

Evaluation status

Relevant, calculated

Metric tonnes CO2e

5423.42

Emissions calculation methodology

Emissions sources: Municipal, recycling and compostable waste

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Business travel

Evaluation status

Relevant, calculated

Metric tonnes CO2e

14401.74

Emissions calculation methodology

Emissions sources: Air travel, car rental and accommodation

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

This data is obtained from our travel consultants

Employee commuting

Evaluation status

Relevant, calculated

Metric tonnes CO2e

23623.73

Emissions calculation methodology

Emission sources: Woolworths employee commuting only

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Upstream leased assets

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Not relevant

Downstream transportation and distribution

Evaluation status

Relevant, calculated

Metric tonnes CO2e

11796.84

Emissions calculation methodology

Emission sources: downstream transportation of online purchases for Woolworths South Africa, Country Road Group and David Jones

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

This data is obtained from our courier partners

Processing of sold products

Evaluation status

Relevant, not yet calculated

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Not yet calculated

Use of sold products

Evaluation status

Relevant, not yet calculated

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Not yet calculated

End of life treatment of sold products

Evaluation status

Relevant, not yet calculated

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Not yet calculated

Downstream leased assets

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Not relevant

Franchises

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Outside of organizational boundary

Investments

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

No relevant

Other (upstream)

Evaluation status

Relevant, not yet calculated

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Not yet calculated

Other (downstream)

Evaluation status

Relevant, not yet calculated

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Not yet calculated

C6.7

(C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?

No

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure

0.239

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

536561.74

Metric denominator

square meter

Metric denominator: Unit total

2238618

Scope 2 figure used

Location-based

% change from previous year

5

Direction of change

Increased

Reason for change

A large increase in stationary fuel emissions was reported. This can be attributed to the increased use of diesel for backup generation in South African facilities as a result of intermittent electricity supply.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?

Yes

C7.1a

(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).

Greenhouse gas	Scope 1 emissions (metric tons of CO2e)	GWP Reference
CO2	122.85	IPCC Fifth Assessment Report (AR5 – 100 year)
Other, please specify (R404)	16339.37	IPCC Fifth Assessment Report (AR5 – 100 year)
Other, please specify (134)	19.8	IPCC Fifth Assessment Report (AR5 – 100 year)
Other, please specify (134a)	147.79	IPCC Fourth Assessment Report (AR4 - 100 year)
Other, please specify (R407c)	1165.43	IPCC Fifth Assessment Report (AR5 – 100 year)
Other, please specify (R410a)	1974.41	IPCC Fifth Assessment Report (AR5 – 100 year)
Other, please specify (R507a)	22732.43	IPCC Fifth Assessment Report (AR5 – 100 year)
Other, please specify (417a)	216.77	IPCC Fifth Assessment Report (AR5 – 100 year)
Other, please specify (HP80/R402a)	11.15	IPCC Fifth Assessment Report (AR5 – 100 year)

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/region.

Country/Region	Scope 1 emissions (metric tons CO2e)
Australasia	2495.03
Africa	46982.72

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

By business division

By activity

C7.3a

(C7.3a) Break down your total gross global Scope 1 emissions by business division.

Business division	Scope 1 emissions (metric ton CO2e)
Woolworths (South Africa and additional 11 African countries)	46982.72
Country Road Group	0
David Jones	2495.03

C7.3c

(C7.3c) Break down your total gross global Scope 1 emissions by business activity.

Activity	Scope 1 emissions (metric tons CO2e)
Stationary Fuels	5041.74
Fugitive emissions	42730.01
Mobile fuel combustion	1706

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/region.

Country/Region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low-carbon electricity, heat, steam or cooling accounted for in Scope 2 market-based approach (MWh)
South Africa	388900.02			1940.83
Botswana	5867.81			
Ghana	87.97			
Kenya	200.73			
Lesotho	130.92			
Mauritius	983.02			
Mozambique	70.46			
Namibia	191.98			
Eswatini	614			
United Republic of Tanzania	149.1			
Uganda	16.63			
Zambia	162.93			
Australia	89516.601			316.16
New Zealand	191.82			

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

By business division

C7.6a

(C7.6a) Break down your total gross global Scope 2 emissions by business division.

Business division	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Woolworths (South Africa and additional 11 African countries)	397376	
Country Road Group	13676.49	
David Jones	76031.93	

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Increased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption		<Not Applicable>		
Other emissions reduction activities		<Not Applicable>		
Divestment		<Not Applicable>		
Acquisitions		<Not Applicable>		
Mergers		<Not Applicable>		
Change in output		<Not Applicable>		
Change in methodology		<Not Applicable>		
Change in boundary		<Not Applicable>		
Change in physical operating conditions		<Not Applicable>		
Unidentified		<Not Applicable>		
Other	29484.82	Increased	5.81	Change in emissions is calculated as a difference in emissions from last year: Last year: 507 076.92tCO2e Current year: 536 561.74tCO2e Due to organic growth and associated increase in absolute energy consumption, our carbon emissions increased accordingly year on year. In South Africa, country-specific grid emission factor has increased and this impacted our scope 2. This is a country which accounts for 79% of our total Group electricity consumed. Additionally, because of intermittent electricity supply in South Africa, our stationary diesel usage increased as diesel was used for powering backup generators in our facilities.

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Location-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 5% but less than or equal to 10%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	Yes

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	Unable to confirm heating value	0	29654	29654
Consumption of purchased or acquired electricity	<Not Applicable>		495621.26	495621.26
Consumption of purchased or acquired heat	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired steam	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	2256.99	<Not Applicable>	2256.99
Total energy consumption	<Not Applicable>	2256.99	525275.27	527532.26

C8.2b

(C8.2b) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	Yes
Consumption of fuel for the generation of heat	Yes
Consumption of fuel for the generation of steam	No
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	No

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Fuels (excluding feedstocks)

Diesel

Heating value

Unable to confirm heating value

Total fuel MWh consumed by the organization

12893.26

MWh fuel consumed for self-generation of electricity

MWh fuel consumed for self-generation of heat

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration

<Not Applicable>

Emission factor

2.68697

Unit

metric tons CO2e per liter

Emissions factor source

1. UK Government GHG Conversion Factors for Company Reporting 2019. - Diesel, 100% mineral: 2.68697kgCO2e / litre

Comment

Fuels (excluding feedstocks)

Petrol

Heating value

Unable to confirm heating value

Total fuel MWh consumed by the organization

5299.47

MWh fuel consumed for self-generation of electricity**MWh fuel consumed for self-generation of heat****MWh fuel consumed for self-generation of steam**

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration

<Not Applicable>

Emission factor

2.31495

Unit

kg CO2e per liter

Emissions factor source

1. UK Government GHG Conversion Factors for Company Reporting 2019. - Petrol, 100% mineral: 2.31495kgCO2e / litre

Comment

Fuels (excluding feedstocks)

Liquefied Petroleum Gas (LPG)

Heating value

Unable to confirm heating value

Total fuel MWh consumed by the organization

2989.99

MWh fuel consumed for self-generation of electricity**MWh fuel consumed for self-generation of heat****MWh fuel consumed for self-generation of steam**

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration

<Not Applicable>

Emission factor

1.5226

Unit

kg CO2e per liter

Emissions factor source

1. UK Government GHG Conversion Factors for Company Reporting 2019. - Gaseous Fuels: 1.52260 kgCO2e / litre

Comment

The LPG is used to generate heat for boilers at our distribution centers.

Fuels (excluding feedstocks)

Liquefied Natural Gas (LNG)

Heating value

Unable to confirm heating value

Total fuel MWh consumed by the organization

8471.29

MWh fuel consumed for self-generation of electricity**MWh fuel consumed for self-generation of heat****MWh fuel consumed for self-generation of steam**

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration

<Not Applicable>

Emission factor

51.53

Unit

kg CO2e per GJ

Emissions factor source

Australian Department of the Environment and Energy Australian National Greenhouse Accounts July 2018 - for natural gas (Australia). - Pipeline distributed CO2: 51.53 kgCO₂e / GJ

Comment

C8.2d

(C8.2d) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.

	Total Gross generation (MWh)	Generation that is consumed by the organization (MWh)	Gross generation from renewable sources (MWh)	Generation from renewable sources that is consumed by the organization (MWh)
Electricity	27224.7	27224.7	2256.99	2256.99
Heat	2989.99	2989.99		
Steam				
Cooling				

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

Description

Other, please specify (emissions per FTE)

Metric value

12.41

Metric numerator

536,561.74

Metric denominator (intensity metric only)

43244

% change from previous year

3

Direction of change

Increased

Please explain

Organic business growth

Description

Other, please specify (emissions per square meter GLA)

Metric value

0.24

Metric numerator

536,561.74

Metric denominator (intensity metric only)

2238618

% change from previous year

5

Direction of change

Increased

Please explain

Organic business growth

Description

Other, please specify (emissions per million rands (ZAR) turnover)

Metric value

7.34

Metric numerator

536,561.74

Metric denominator (intensity metric only)

73103

% change from previous year

1

Direction of change

Decreased

Please explain

Organic business growth

Description

Other, please specify (emissions per square meter of trading area)

Metric value

0.41

Metric numerator

536,561.74

Metric denominator (intensity metric only)

1299089

% change from previous year

5

Direction of change

Increased

Please explain

Organic business growth

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

WHL FY2019 GHG Verification Statement (2).pdf

Page/ section reference

2

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Scope 2 approach

Scope 2 location-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

WHL FY2019 GHG Verification Statement (2).pdf

Page/ section reference

2

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

C10.1c

(C10.1c) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Scope 3 category

Scope 3 (upstream & downstream)

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

WHL FY2019 GHG Verification Statement (2).pdf

Page/section reference

2

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?

No, we do not verify any other climate-related information reported in our CDP disclosure

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

No, and we do not anticipate being regulated in the next three years

C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?

No

C11.3

(C11.3) Does your organization use an internal price on carbon?

No, and we do not currently anticipate doing so in the next two years

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

Yes, our suppliers

Yes, our customers

Yes, other partners in the value chain

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement

Information collection (understanding supplier behavior)

Details of engagement

Collect climate change and carbon information at least annually from suppliers

% of suppliers by number

52

% total procurement spend (direct and indirect)

% of supplier-related Scope 3 emissions as reported in C6.5

Rationale for the coverage of your engagement

This is the percentage of suppliers that are part of the Woolworths Farming for the Future Programme. The Farming for the Future manages the entire farming process from the ground up, with soil quality at the heart of the program. Healthy soil requires fewer chemical inputs and less water, resulting in reduced chemical run-off and soil erosion, with positive biodiversity impacts.

Impact of engagement, including measures of success

The related auditing and certification scheme works with the farmers to continually improve their performance through the development of individual enhancement programs based on the farmers' individual needs and audit results.

Comment

Woolworths Food also launched its Green Factory assessment in 2017. In this, suppliers are asked to complete a holistic assessment taking into account sustainability management, water, energy, waste, lean manufacturing, and responsible sourcing. Suppliers are ranked according to their performance with a Red, Bronze, Silver, or Gold rating. Suppliers who completed the questionnaire to identify opportunities to improve energy, water, waste, and circular economy thinking.

C12.1b

(C12.1b) Give details of your climate-related engagement strategy with your customers.

Type of engagement

Education/information sharing

Details of engagement

Run an engagement campaign to education customers about your climate change performance and strategy

% of customers by number

100

% of customer - related Scope 3 emissions as reported in C6.5

Portfolio coverage (total or outstanding)

<Not Applicable>

Please explain the rationale for selecting this group of customers and scope of engagement

We communicate with all our customers either via direct emails, at the store level, or social media platforms with regards to what they can do to reduce their impact on the environment. This communication covers issues such as the washing and caring of clothing bought, how to manage energy usage in the household as well as how to discard of products (including waste) that are no longer wanted.

Impact of engagement, including measures of success

We have not quantified the impact of these engagements

C12.1d

(C12.1d) Give details of your climate-related engagement strategy with other partners in the value chain.

1. Woolworths has a formal and broad-based sustainability partnership with WWF-SA to drive greater sustainability through selected Woolworths products and operations.

Through this partnership, we have agreed to collaborate around a proactive response to addressing climate risk in the supply chain.

2. Woolworths engages with the National Business Initiative allows us to partner and contribute to collective engagement with other corporates on issues regarding climate, energy, and water in South Africa and how businesses can actively respond to these challenges. Woolworths has been a member of the National Energy Efficiency Leadership Network (EELN) - a program of the NBI, since 2006.

3. Government departments are crucial in assessing and discussing regulatory risks associated with climate change and, in turn, assisting us in finding ways and partnerships to mitigate where required. We are also able to provide input on policy formation through these engagements.

4. Through the We Mean Business coalition we publicly committed to :

1. Eliminate deforestation within our supply chain by focusing on the sustainable sourcing of commodities such as soy, palm oil, beef, timber and pulp
2. Double our energy productivity by 2020 through working with the Energy Productivity 100 (EP100)
3. Continue to disclose our climate change information via the CDP
4. Setting science-based targets via the Science-Based Targets Initiative
5. Improve our water security for resilience across the value chain

C12.3

(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?

Direct engagement with policy makers

C12.3a

(C12.3a) On what issues have you been engaging directly with policy makers?

Focus of legislation	Corporate position	Details of engagement	Proposed legislative solution
Clean energy generation	Support	Engagements with national government and NGOs on how we can work together in promoting greener businesses. We have a dedicated stakeholder relationships manager with a strategy on how to engage with policy makers in this space. We have a dedicated stakeholder relationships manager with a strategy on how to engage with policy makers in this space.	
Carbon tax	Neutral	We have engaged with National Treasury and the Department of Energy on the proposed carbon tax, what is required from business and how it will impact business. We have done these through focused workshops and providing commentary towards the legislative requirements behind the carbon tax. We have a dedicated stakeholder relationships manager with a strategy on how to engage with policy makers in this space. We have a dedicated stakeholder relationships manager with a strategy on how to engage with policy makers in this space.	
Adaptation or resilience	Support	Engagements with the Provincial and National Departments on how the Woolworths Farming for the Future program and other relevant business practices can be shared with the department to assist in climate change resilience within the agricultural sphere. We also undertook a water stewardship project in collaboration with WWF, Alliance for Water Stewardship, Marks & Spencer and some of our stone fruit suppliers ravaged by water shortages as a consequence of climate change. As the project progressed, the greater Breede Gouritz Catchment Management Agency got involved as a value-sharing partnership to engage stakeholders around broader water issues through collective action and to support water governance. This was to identify ways to improve and build resilience through conservation interventions for water usage. We have since started discussions for the establishment of a second water stewardship project in the Mpumalanga region of South Africa.	
Mandatory carbon reporting	Support	David Jones reports to the National Greenhouse and Energy Reporting Act (2007) (NGER) in Australia which is Federal legislation that establishes a national framework for the reporting of greenhouse gas (GHG) emissions and energy consumption. NGER is a mandatory requirement for large organisations to report energy consumption and associated emissions. In South Africa we report against the South African GHG mandatory reporting regulations.	
Energy efficiency	Support	As part of our medium to long term targets, we have made a public commitment to half our energy impact by 2020 and also, source all our energy from renewable sources by 2030.	

C12.3f

(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

Regular engagements with our stakeholder relationship management team ensure alignment with our overall climate change strategy.

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication

In mainstream reports

Status

Underway – previous year attached

Attach the document

Page/Section reference

9-12, 103-114

Content elements

- Governance
- Strategy
- Risks & opportunities
- Emissions figures
- Emission targets
- Other metrics

Comment

We publish this information in our annual sustainability report here: <https://www.woolworthsholdings.co.za/sustainability/reports/>

C15. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

None

C15.1

(C15.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Roy Bagattini	Chief Executive Officer (CEO)

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I am submitting to	Public or Non-Public Submission
I am submitting my response	Investors	Public

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