



WOOLWORTHS HOLDINGS LIMITED

*Carbon Footprint Verification Statement
for 2020 Financial Year*

START

INDEPENDENT VERIFICATION STATEMENT

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

Woolworths Holdings Limited (hereafter WHL) commissioned GCX to perform an independent third-party limited-level verification of its greenhouse gas (GHG) emissions inventory and water consumption data for the financial reporting period 01 July 2019 to 30 June 2020 (FY2020)¹.

The WHL Group is a southern hemisphere retail group with 3 major operating divisions:

- Woolworths (Pty) Ltd. (WW), based in South Africa (SA) with operations in 10 other countries in sub-Saharan Africa;
- David Jones (DJ), based in Australia and trading in Australia and New Zealand; and
- Country Road Group (CRG) based in Australia and trading in Australia, New Zealand and SA.

During FY2020 WHL had a global footprint of 2.24 million m² (GLA) and operational control over a total of 917 corporate stores.

The verification was carried out in accordance with the International Standard **ISO 14064-3 (2006)** 'Specification with guidance for the validation and verification of greenhouse gas assertions'.

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

Verification Objectives and Performance Criteria

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

1. Confirm that the FY2020 GHG and water disclosures are: accurate, complete, consistent, transparent and free from material error or omission, in accordance with the criteria outlined below;
2. Improve the credibility of WHL's GHG emissions and water disclosures for its CDP 2021 submissions.

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

Verification Scope

Consistent with historical GHG reporting, the organisational boundary for WHL's global business activities was established using the **operational control** approach.

The operational boundary included all associated scope 1 and scope 2 GHG emissions sources, as well as scope 3 GHG emissions sources that were relevant and could be reliably measured or estimated.

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

- The completeness of the reporting boundaries selected taking structural changes into account;
- The robustness of the Group's GHG and water data management systems and procedures;
- The appropriateness of the quantification methodologies (including estimation methodologies) and emission factors applied;
- The completeness and integrity of the activity data used;
- The accuracy and consistency of the GHG emissions and intensity ratio calculations;
- GHG reporting to assess compliance with the *GHG Protocol Corporate Standard* requirements.

¹ Note: FY2018 was the first year for which the reporting period of all 3 entities (WW, CRG and DJ) was aligned.

Level of Assurance and Materiality

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

Roles and Responsibilities

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

GCX's task was to form an independent opinion on WHL's FY2020 GHG and water assertions regarding:

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

Specific Exclusions from Reporting Boundary

The reporting boundary included all retail stores and support facilities for WHL's 3 operating divisions globally. WHL does not have operational control over Woolworths Financial Services, franchises, Engen stores and CRG concessions within non-WHL stores. These operations therefore fell outside of the WHL reporting boundary.

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

- WW: SA - 2 Now-Now cafes; 2 stockrooms; Old Checkers DC (still owned but no longer used)
- WW: Outside SA - 3 warehouses; 2 offices (Kenya and Mauritius)

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

- WSA: Generator fuel & refrigerant consumption for 9 non-food x-docks/stockrooms (if applicable)²
- WW: Refrigerant gas consumption for +/- 30 stores (SA and non-SA combined)²

Aggregated GHG emissions for the above exclusions and omissions are unlikely to have exceeded 5% of WHL's global FY2020 scope 1 and scope 2 emissions and were therefore deemed **not relevant**.

GHG Assertion

After implementation of the necessary corrective action, WHL's FY2020 GHG emissions assertion consolidated using the **operational control** approach, was stated as:

FY2020 GHG Emissions (Tonnes CO ₂ e)	WW	CRG	DJ	WHL
Scope 1	46 165	7	3 412	49 584
Scope 2 (location-and market-based) ³	369 860	7 899	70 608	448 368
Total Scopes 1 & 2	416 025	7 906	74 020	497 952
Scope 3 ⁴	191 482	64 593	201 394	457 469
Total Scopes 1, 2 & 3	607 507	72 499	275 414	955 421
Outside of Scopes – R-22 refrigerant	18 633	0	0	18 633
Total measured GHG emissions	626 140	72 499	275 414	974 053

100% of WHL's FY2020 scope 1, scope 2 and reported scope 3 GHG emissions were verified.

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

³ Since no contractual instruments were used in FY2020, location- and market-based scope 2 emissions were the same.

⁴ Includes emissions from: Cat 1. Purchased Goods & Services (Water, Office paper, Cardboard Packaging, Paper products, Stickers/labels, Plastic bags & ribbons); Cat 2. Capital Goods; Cat 3. Fuel-and Energy-related Activities (T&D losses); Cat 4. Upstream Transportation & Distribution; Cat 5. Waste Generation; Cat 6. Business Travel (Flights, Hotel Accommodation & Car Hire); Cat 7. Employee Commuting; Cat 9. Downstream Transportation & Distribution (courier delivery of online orders).

Additional Data Points Verified for CDP 2021	WW	CRG	DJ	WHL
Total electricity purchased (MWh)	369 495	10 721	86 067	466 283
Total gross electricity generated on-site (MWh) (100% renewable)	2 527	368	-	2 895
Self-generation consumed (MWh)	2 527	314	-	2 841
Total electricity consumed (MWh)	372 022	11 035	86 067	469 124
Municipal Water Consumption (kl)	575 077	n/r	n/r	575 077
Year-on-year change in GHG emissions: Scope 1; Scope 2; Scope 1 & 2; Scope 3				
Year-on-Year emissions intensity figure				

Inherent Limitations

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

The assurance engagement did not include an examination of the derivation of GWPs, default emission factors, conversion factors, or other derived third-party information.

GCX did not conduct any work outside of the agreed scope, and we therefore restrict our opinion to the agreed subject matter.

Final Verifier Opinion and Qualifications

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

On the basis of the **limited assurance** procedures followed in accordance with **ISO 14064-3 (2006)**, using the requirements of the *GHG Protocol Corporate Standard* as criteria, there is no evidence that WHL's FY2020 GHG assertion and water disclosure:

1. Has not been quantified and reported in conformance with the principles and requirements of the *GHG Protocol Corporate Standard*; and
2. Is not materially correct and a fair, complete and accurate representation of WHL's GHG emissions and water consumption for the FY2020 reporting period, with the following qualifications:
 - o **GHG Reporting:** GHGs were reported in tonnes CO₂e only, and not separately (i.e. in tonnes CO₂, CH₄, N₂O and HFCs), as specified in the *GHG Protocol Corporate Standard*.
 - o **Scope 1 – Generator Fuel:** Consumption was estimated from expenditure which included other (non-fuel) stationary equipment costs which could not be separated out. These emissions were therefore over-reported.
 - o **Scope 3 Category 1 - Purchased Goods and Services:** Where country-specific cradle-to-gate emission factors were not used, GHG emissions are only indicative (e.g. packaging materials).
 - o **Scope 3 Categories 11 & 12 – Use and End of life Treatment of Sold Products:** FY2020 calculated emissions were not reported and fell outside of the FY2020 audit scope.



Signed: Kerry Evans
Lead GHG Verifier, GCX
Date: 11.05.2021



Signed: Ohad Shachar
Sustainability Director, GCX
Date: 11.05.2021

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

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