

# WOOLWORTHS HOLDINGS LIMITED

*2021 WHL Carbon Footprint Verification Statement*

START

# INDEPENDENT VERIFICATION STATEMENT

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

Woolworths Holdings Limited (hereafter “WHL”) commissioned GCX to perform an independent third-party verification of the Group’s greenhouse gas (GHG) emissions inventory and water consumption data for the financial reporting period 01 July 2020 to 30 June 2021 (FY2021).

WHL is a JSE-listed retail group based in the southern hemisphere with 3 major operating divisions:

- Woolworths (Pty) Ltd. (WW), based in South Africa (SA) with operations in a further 10 countries in sub-Saharan Africa (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.

At the end of FY2021 WHL had a global footprint of 2.16 million m<sup>2</sup> (GLA) and operational control over a total of 860 corporate stores (down from 2.24 million m<sup>2</sup> and 890 stores at end of FY2020).

The GHG 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 FY2021 GHG, energy and water statements met with the specified criteria, and as such are accurate, complete, consistent, transparent and free from material error or omission.
2. Improve the credibility of WHL’s GHG emissions and water submission to the CDP, as well as other GHG disclosures.

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* (hereafter the “*GHG Protocol Corporate Standard*”).

## VERIFICATION SCOPE

Consistent with previous GHG reporting, the organisational boundary was defined based on operational control for WHL’s global business activities.

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

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

- Completeness of the reporting boundaries selected.
- Appropriateness of the GHG quantification methodologies and emission factors applied.
- Completeness and integrity of the historical activity data used.
- Accuracy and consistency of the GHG emissions and GHG intensity calculations.
- GHG reporting to assess compliance with the *GHG Protocol Corporate Standard* requirements.

## LEVEL OF ASSURANCE AND MATERIALITY

- The verification activities provided a **limited level** of assurance on the final GHG statement.
- Where relevant, a materiality threshold of 5% per emission source was applied.

## ROLES AND RESPONSIBILITIES

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

GCX was tasked to form an independent opinion on WHL's FY2021 GHG, energy and water statements regarding:

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

## REPORTING BOUNDARY AND SPECIFIC EXCLUSIONS

In accordance with the **operational control** approach for consolidating GHG emissions, the reporting boundary included scope 1 and scope 2 GHG emissions for all WHL-controlled facilities<sup>1</sup> globally, as well as the currently measured scope 3 emissions sources. As at 30 June 2021 this included:

- **WSA & Africa:** Corporate stores: 400 in SA & 67 in Africa; Non-Trading facilities: 8 Administrative & 14 Distribution warehouses/cross-docks in SA.
- **DJ:** 45 Corporate stores
- **CRG:** 438 Corporate stores (excludes all concessions)

The following facilities and/or emissions sources were once again excluded from the reporting boundary due to data availability:

- WSA: 3 Now-Now cafes; 2 stockrooms; Old Checkers DC (still owned but no longer used)
- Africa: 3 warehouses; 2 offices (Kenya and Mauritius) and refrigerant gas refills at supermarkets.

Aggregated scope 1 and scope 2 emissions for the above exclusions were deemed immaterial and **not relevant** relative to WHL's total scope 1 and scope 2 GHG emissions.

## GHG STATEMENT

Using the operational control approach and after implementation of the necessary corrective action, WHL's FY2021 GHG emissions, energy and water consumption statements were the following:

FY2021 GHG Emissions (Tonnes CO <sub>2</sub> e)	WW	CRG	DJ	WHL
Scope 1	46 038	6	1 050	<b>47 094</b>
Scope 2 (location-and market-based) <sup>2</sup>	358 839	6 237	58 908	<b>423 984</b>
<b>Total Scopes 1 &amp; 2</b>	<b>404 877</b>	<b>6 243</b>	<b>59 958</b>	<b>471 078</b>
Scope 3 <sup>3</sup>	181 669	66 961	64 333	<b>312 963</b>
<b>Total Scopes 1, 2 &amp; 3</b>	<b>586 546</b>	<b>73 204</b>	<b>124 291</b>	<b>784 041</b>
Outside of Scopes – R-22 refrigerant	17 546	0	40	<b>17 586</b>
<b>Total measured GHG emissions</b>	<b>604 092</b>	<b>73 204</b>	<b>124 331</b>	<b>801 627</b>

**100% of WHL's FY2021 scope 1, scope 2 and reported scope 3 GHG emissions were verified.**

<sup>1</sup> WHL does not have operational control over Woolworths Financial Services, franchise stores, Engen stores and CRG concessions within non-WHL stores. These operations therefore fall outside of WHL's reporting boundary.

<sup>2</sup> Since no contractual instruments were used in FY2021, location- and market-based scope 2 emissions are the same.

<sup>3</sup> Includes emissions from: Cat 1. Purchased Goods & Services (Water, Office paper, Cartons, Plastic bags & Packaging materials (cardboard, paper, plastic, metal and glass). Cat 2. Capital Goods; Cat 3. Fuel-and Energy-related Activities (T&D losses); Cat 4. Upstream Transportation & Distribution (includes online order deliveries as these costs are mostly covered by WHL); Cat 5. Waste Generation; Cat 6. Business Travel (Flights, Hotel Accommodation & Car Hire); Cat 7. Employee Commuting including emissions for head office staff working from home.

Additional Data Points Verified for CDP 2022	WW	CRG	DJ	WHL
Total grid electricity purchased (MWh)	345 757	8 824	73 711	428 292
Total gross on-site self-generation (MWh) (100% renewable solar PV)	2 414	348	-	2 762
Self-generation consumed (MWh)	2 414	348	-	2 762
Total electricity consumed (MWh)	348 171	9 172	73 711	431 054
Municipal Water Consumption (kl)	559 722	n/r	n/r	559 722
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 GHG data, which is subject to greater inaccuracy than financial data given the nature of and methods used to determine, calculate, sample or 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 our opinion is therefore restricted 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 FY2021 GHG, energy and water statements:

1. Have not been quantified and reported in conformance with the principles and requirements of the *GHG Protocol Corporate Standard*; and
2. Are not materially correct and a fair, complete and accurate representation of WHL's GHG emissions, energy and water consumption for the FY2021 reporting period, with the following qualifications:
  - **GHG Reporting:** GHGs were reported in tonnes CO<sub>2</sub>e only, and not separately (i.e. in tonnes CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O and HFCs), as stipulated in the *GHG Protocol Corporate Standard*.
  - **Scope 1 – Generator Fuel:** Consumption was estimated from expenditure and included (non-fuel) stationary equipment costs which could not be separated out. These emissions were therefore over-reported.
  - **Scope 1 – Refrigerants:** Data on gas losses for part of FY2021 were not available. Historical data was used to estimate usage for this period, which may be subject to error.
  - **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).
  - **Scope 3 Category 5 - Waste:** Reporting was incomplete as data was not available for stores in SA, Africa and New Zealand. However, most sites are leased so waste is managed by the landlord.



**Signed:** Kerry Evans  
**Lead GHG Verifier, GCX**  
**Date:** 30.06.2022



**Signed:** Ohad Shachar  
**Sustainability Director, GCX**  
**Date:** 30.06.2022

