

WOOLWORTHS

WOOLWORTHS CLIMATE CHANGE AND ENERGY POSITION STATEMENT

BACKGROUND

Woolworths recognises that the retailing industry is a potentially large contributor to climate change, either through direct operations, supply chain or customer facing activities. This creates a challenge to us as a retailer with a diverse operational footprint to take responsibility for the impacts our operations have on the planet. It also presents an opportunity for not only product innovation, but also for us to explore and implement energy efficiency activities across the business. It is also a means to encourage transformation across the value chain through collaboration for the collective preservation of our natural capital.

OUR COMMITMENT

With climate change as one of the pillars of our Good Business Journey, we have committed to increasing energy efficiency in our own operations and reducing our carbon emissions. We have committed to setting [science-based targets](#) in line with the globally agreed 2°C. Our commitment is to **reduce our relative footprint by 50% by 2020 from a 2004 baseline**. This will be enabled by taking up opportunities to invest in and implement processes and technologies within our operations to reduce our overall carbon footprint. We will also leverage on the successes of some of our current projects to further reduce energy use in our direct operations.

The implementation of our Green Store rating model allows us to apply green design practices across all Woolworths' facilities. This means that:

- We are able to rate our stores as silver, gold or platinum – thereby identifying stores that need further improvement to ensure they run efficiently;
- All our facilities are connected to the computer-based management system (Metering Online) to measure energy and usage from various automated electrical and water installations, enabling us to also monitor lighting, ventilation and air-conditioning;
- Energy and water saving equipment across our direct operations is a priority when designing new facilities;
- We use a natural gas (CO₂) instead of synthetic gas for store refrigeration in new stores and retrofits. Unlike conventional synthetic refrigeration gases, CO₂ has virtually no impact on the earth's protective ozone layer and has a much smaller effect on global warming;
- We use recycled or recyclable material in all our shelving and marketing; and,
- We install renewable energy systems on our owned buildings where feasible and have implemented solar installations at selected head office and distribution facilities in South Africa and Australia. **We have committed to source 100% renewable energy for all our direct operations by 2030.**



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Transporting and distributing products plays a central role our ability to deliver on our value proposition as a retailer. Having a sustainable transport strategy has enabled us to optimise our logistics to ensure that we transport our products in an efficient manner. This strategy is implemented in collaboration with our logistics partner, Imperial Logistics, and it entails:

- Optimization of routes travelled by our fleet through integration of the transportation schedules using an online system (Fleet Board) that can be monitored on a real-time basis;
- Increasing operational efficiencies through continuous driver training;
- Focusing on advanced vehicle technology for carbon efficient logistics operations; and,
- Implementing renewable refrigeration technology in our trucks such as using nitrogen to maintain the cold chain of our products during distribution.

Our products are a large contributor to our overall carbon footprint, and we also look into our supply chain to identify areas where we can contribute to reducing some of these impacts. Through Farming for the Future, we are able to:

- Work with our farmers on climate adaptation interventions to address impacts associated with climate change and global warming. Farming for the Future takes a holistic and scientific approach to farming by using less water, chemicals and resources, whilst building soil health and encouraging ecosystems to flourish, suppliers are able to build resilience and long term food security; and,
- Approximately 98% of our primary produce farmers are part of Farming for the Future and we are seeing improvements in capturing soil carbon through the sustainable farming practices used as part of this programme.

We also aim to help set up model 'green' factories with selected suppliers and work closely with them to find ways to reduce their carbon footprint. This will assist us in ensuring that our products are produced at factories that reduce the use and increase efficiency in the use of energy and water resources.

Woolworths also recognises the role of reducing deforestation in mitigating climate change. We are working to understand where the commodities we source (soy, palm oil, leather, etc.) come from, and how we can work to ensure that they come from sustainable sources and do not contribute towards deforestation. For more on our deforestation position please read [here](#).

COLLABORATION

Our climate change strategy also includes our stakeholders; key being our employees, industry bodies and customers.

- In 2006 we signed the Energy Efficiency Accord with the Minister of Minerals and Energy and continue working towards achieving the National Energy Efficiency



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Strategy targets as part of the Energy Efficiency Leadership Network;

- We also work very closely with the [National Business Initiative](#) (NBI) on issues such as climate change and more recently, the carbon tax and how business should respond to it. We also participate in government forums and initiatives such as the [110% Green initiative](#).
- Through our sustainability partnership with the World Wide Fund for Nature (WWF-SA), we're leveraging resources and creating a value-sharing platform that helps us address climate change related issues, especially in our supply chain; as well recognising the interrelationship between food, energy and water issues, and,
- For our customers, we promote 30°C washing temperatures for clothing. This is an important step because a significant amount of the carbon footprint of clothing can result from washing, drying and ironing.

RESEARCH

We have conducted life cycle assessments on some of our products to learn how their production impacts the environment throughout the supply chain. This type of information allows us to establish how much energy is used at different stages of the life cycle of our products and helps us to prioritise interventions and drive ways of reducing these impacts where we have influence.

TRANSPARENCY AND REPORTING

We will remain transparent and publicly report our emission profile in our annual [Good Business Journey Report](#), available on the Woolworths Holdings Limited website. Woolworths Holdings supports the work of the [Carbon Disclosure \(CDP\)](#) which encourages greater transparency from the corporate sector in how it is dealing with climate change.

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