

# EXTERNAL ASSURANCE STATEMENT

# Deloitte.

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## INDEPENDENT LIMITED ASSURANCE STATEMENT TO THE DIRECTORS OF WOOLWORTHS LIMITED IN RELATION TO THE 2017 CORPORATE RESPONSIBILITY REPORT

We have carried out a limited assurance engagement on the subject matter detailed below (the "Subject Matter") presented in Woolworths Ltd.'s ("Woolworths") 2017 Corporate Responsibility Report in order to state whether anything has come to our attention that would cause us to believe that the Subject Matter has not been reported and presented fairly, in all material respects, in accordance with the reporting criteria described below ("Reporting Criteria").

### SUBJECT MATTER AND REPORTING CRITERIA

The Subject Matter and Reporting Criteria for our limited assurance engagement for the year ended 30 June 2017 is as follows:

SUBJECT MATTER	REPORTING CRITERIA
<p><b>GRI G4 Sustainability Reporting Guidelines</b></p> <p>Woolworths 2017 Corporate Responsibility Report in accordance with the core criteria option (the "GRI self-declaration") prepared in accordance with the requirements of the G4 Sustainability Reporting Guidelines ("GRI Guidelines").</p>	<p>The GRI Guidelines and related information, publicly available at GRI's global website at <a href="http://www.globalreporting.com">www.globalreporting.com</a>, in particular the requirements to achieve the GRI Self Declaration</p>
<p><b>Selected Sustainability Indicators</b></p> <p>The FY2017 performance data and information in respect of Woolworths' Sustainability Indicators as contained in section Global Reporting Initiative within the 2017 Corporate Responsibility Report.</p> <ul style="list-style-type: none"> <li>• Environment:           <ul style="list-style-type: none"> <li>- Energy consumption within the organisation (G4-EN3)</li> <li>- Energy consumption outside the organisation (G4-EN4)</li> <li>- Energy intensity (G4-EN5)</li> <li>- Reduction in energy consumption (G4-EN6)</li> <li>- Direct greenhouse gas (GHG) emissions (Scope 1) (G4-EN15)</li> <li>- Energy indirect greenhouse gas (GHG) emissions (Scope 2) (G4-EN16)</li> <li>- Other indirect greenhouse gas (GHG) emissions (Scope 3) (G4-EN17)</li> <li>- Greenhouse gas (GHG) emissions intensity (G4-EN18)</li> <li>- Reduction of greenhouse gas (GHG) emissions (G4-EN19)</li> <li>- Total Weight of waste by type and disposal method (G4-EN23)</li> <li>- Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms (G4-EN34)</li> </ul> </li> </ul>	<p>Woolworths' definitions and approaches as described in section Corporate Responsibility Governance of Woolworths' 2017 Corporate Responsibility Report and GRI Guidelines and related information, publicly available at GRI's global website at <a href="http://www.globalreporting.com">www.globalreporting.com</a>.</p>

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## SUBJECT MATTER

## REPORTING CRITERIA

**Selected Sustainability Indicators** (continued)

- Economic performance:
  - Direct economic value generated and distributed (G4 -EC1)
- Employment:
  - Total number and rates of new employee hires and employee turnover by age group, gender and region (G4-LA1)
  - Return to work and retention rates after parental leave, by gender (G4-LA3)
  - Number of grievances about labour practices filed, addressed, and resolved through formal grievance mechanisms (G4-LA16)
  - Total hours of employee training on human right policies or procedures concerning aspects of Human Rights that are relevant to operations, including the percentage of employees trained (G4-HR2)
  - Total number of incidents of discrimination and corrective actions taken (G4 -HR3)
  - Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms (G4-HR12)
- Occupational health and safety:
  - Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region, and by gender (G4-LA6)
- Anti-corruption:
  - Communication and training on anti-corruption policies and procedures (G4 -SO4)
  - Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms (G4-SO11)

**WOOLWORTHS'S RESPONSIBILITIES**

The Directors of Woolworths are responsible for:

- ensuring that the Subject matter in the 2017 Corporate Responsibility Report is properly prepared and presented in accordance with GRI G4 Guidelines Reporting Criteria;
- confirming the measurement or evaluation of the underlying Subject Matter against the applicable criteria, including that all relevant matters are reflected in the Subject Matter information; and
- designing, establishing and maintaining internal controls to ensure that the Subject Matter information is properly prepared and presented in accordance with the Reporting Criteria.

**DELOITTE'S INDEPENDENCE AND QUALITY CONTROL**

We have complied with the independence and other relevant ethical requirements relating to assurance engagements, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Auditing Standard ASQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, Other Assurance Engagements and Related Services Engagements, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

**DELOITTE'S RESPONSIBILITIES**

Our responsibility is to express a limited assurance conclusion on the Subject Matter based on the procedures we have performed and the evidence we have obtained.

We conducted our limited assurance engagement in accordance with Australian Standards on Assurance Engagements ASAE 3000 "*Assurance Engagements Other than Audits or Reviews of Historical Financial Information*" (ASAE 3000), issued by the Australian Auditing and Assurance Standards Board in order to express a conclusion whether, based on the procedures performed and the evidence obtained, anything has come to our attention that causes us to believe that the Subject Matter has not been prepared and presented in all material respects in accordance with the Reporting Criteria. That standard requires that we plan and perform this engagement to obtain limited assurance about whether the Subject Matter is free from material misstatement.

A limited assurance engagement in accordance with ASAE 3000 involves identifying areas where a material misstatement of the Subject Matter information is likely to arise, addressing the areas identified and considering the process used to prepare the Subject Matter in the 2017 Corporate Responsibility Report. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

**ASSURANCE WORK PERFORMED**

In order to form our conclusion we undertook the following limited assurance procedures:

- Review of Woolworths' processes relating to stakeholder identification, engagement and responsiveness, including an assessment of stakeholder engagement outcomes and how this process and the outcomes have been presented in the 2017 Corporate Responsibility Report
- Review of Woolworths' process to identify and determine material issues to be included in the 2017 Corporate Responsibility Report with examination of underlying assessments and evidence on a sample basis
- Interviews with a selection of Woolworths executives and senior management, including Woolworths sustainability management team concerning the overall governance structure, corporate sustainability strategy and policies used for managing and reporting sustainability performance across the business
- In respect of the Selected Sustainability Indicators
  - interviews with a selection of Woolworths management responsible for the Selected Sustainability Indicators to understand the compilation and review processes
  - applying analytical and other review procedures including assessing relationships between the reported information and other financial and non-financial data
  - examination of evidence for a small number of transactions or events
  - analysing and inspecting on a sample basis, the key systems, processes and procedures and controls relating to the collation, validation, presentation and approval process of Selected Sustainability Indicators included in the 2017 Corporate Responsibility Report.
  - review underlying evidence on a sample basis to corroborate that the information is prepared and reported in line with the relevant reporting criteria.
- Comparison of the content of Woolworths' 2017 Corporate Responsibility Report against the criteria for a GRI self-declaration

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express an opinion providing reasonable assurance about whether the Subject Matter in the 2017 Annual report has been properly prepared and presented, in all material respects, in accordance with Reporting Criteria.

**INHERENT LIMITATIONS**

Non-financial information, including the Subject Matter may be subject to more inherent limitations than financial information, given both its nature and the methods used for determining, calculating and sampling or estimating such information. Qualitative interpretations of relevance, materiality and the accuracy of data are subject to individual assumptions and judgements. The Subject Matter should be read in the context of Woolworths' Reporting Criteria as set out in the 2017 Corporate Responsibility Report.

## LIMITATIONS OF USE

This report is made solely to the directors of Woolworths in accordance with our engagement letter dated 26th July 2017, for the purpose of providing limited assurance over Woolworths 2017 Corporate Responsibility Report. We disclaim any assumption of responsibility for any reliance on this report or on the Subject Matter to which it relates, to any person other than the directors of Woolworths or for any purpose other than that for which it was prepared.

## MATTERS RELATING TO ELECTRONIC PRESENTATION OF INFORMATION

Our limited assurance engagement included web-based information that was available via web links as of the date of this statement. We provide no assurance over changes to the content of the 2017 Corporate Responsibility Report after the date of this assurance statement.

## CONCLUSION

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the Subject Matter has not been properly prepared and presented, in all material respects, in accordance with the Reporting Criteria for the year ended 30 June 2017.

*Deloitte Touche Tohmatsu*

DELOITTE TOUCHE TOHMATSU



**PR Dobson**  
Partner

Sydney, 28 September 2017