

FIRST PUBLIC REPORT TEMPLATE

Controlling Corporation

Woolworths Limited

Period to which this report relates

Start 1st July 2006

End 30th June 2008

Part 1 – Introduction, contextual information and summary of assessments conducted thus far

Table 1.1 - Description of the way in which the corporation has carried out its assessments and over what period was each assessment taken.

Woolworths Limited is one of Australia's largest and most diversified retail companies, which operates more than 3,000 retail stores, petrol sites and hotels in Australia and New Zealand. In 2007 Woolworths released its Sustainability Strategy 2007-2015 and specifically the CO₂ reduction targets and the process by which these targets were identified and set fulfil the EEO assessment requirements. Through its Sustainability Strategy 2007-2015, Woolworths has made a commitment to significantly reduce its environmental footprint in energy, water and waste for the period 2007-2015. In particular, Woolworths has committed to reducing its projected 2015 carbon emissions by 40% from its stores, offices and distribution centres. An update to the Sustainability Strategy is now available on the Woolworth Limited website within the Corporate Responsibility Report 2008.

Assessment period: July 2007 – June 2008

During this period over 50 site assessments were conducted across the three business divisions; Supermarket and Logistics; Big W and Dick Smith Electronics which are representative of the portfolio. The assessments undertaken have been thorough and comprehensive and to the best of our knowledge, have complied with the intent and key requirements of the Energy Efficiency Opportunities legislation. The assessment process for each business division has involved multi-disciplinary teams which include personnel from corporate, site management, external consultants, supply vendors and third party service providers.

Detailed analysis of energy usage was conducted for the site assessments and representative extrapolation was undertaken against known site information for balance of the sites within each business division. The site assessments have established that the most material energy end-use for overall operations is refrigeration, air conditioning and lighting which accounts for over 90% of the total energy usage. An outcome from the assessments has been the development of detailed energy efficiency opportunity implementation plans for each business division to support the delivery of the corporate sustainability strategy carbon reduction targets. The energy efficiency opportunity implementation methodology includes: representative to identify scaleable opportunities across the group; detailed feasibility studies and technology assessments; pilot study to prove effectiveness and business case; and roll out across a group of potential sites.

Table 1.2 - Group member/business unit/key activity/site that have been assessed	Energy use per annum in the year the assessment is completed *	Energy data accuracy (if not within $\pm 5\%$) **	Reasons for not achieving data accuracy to within $\pm 5\%$ **
Supermarkets + Logistics	7.24 PJ	$\pm 5\%$	
Big W + Warehouses	0.81 PJ	$\pm 5\%$	
Dick Smith Electronics + Tandy	0.11 PJ	$\pm 5\%$	
Total	8.16 PJ	$\pm 5\%$	
Total as a percentage of total energy use of the group covered by this report	81%	$\pm 5\%$	

Part 2 - Outcomes of and business response to opportunities that have been identified and evaluated for each group member, business unit, key activity or site assessed

Business unit: Supermarkets

Table 1.3 Status of Opportunities		Number of Opportunities	Estimated energy savings per annum by payback period (GJ)			Total estimated energy savings per annum (GJ)	Accuracy %
			0 – < 2 years	2 – ≤ 4 years	>4 years		
Outcomes of assessment	Identified (accuracy ≤ ±30%)	5,855	112,948	248,876	494,260	856,085	±30%
	Identified (accuracy > ±30%)						
	**Total Identified	5,855	112,948	248,876	494,260	856,085	±30%
***Business Response	Under Investigation	281	3,384		34,347	37,732	±30%
	To be Implemented	3,303	68,486	168,960	273,548	510,994	±30%
	Implementation Commenced	2,249	26,400	79,200	184,536	290,136	±20%
	Implemented	22	14,678	716	1,829	17,223	±20%
	Not to be Implemented						

The numbers in the table are presented without decimal places therefore are subject to rounding error.

Business unit: Big W

Table 1.3 Status of Opportunities		Number of Opportunities	Estimated energy savings per annum by payback period (GJ)			Total estimated energy savings per annum (GJ)	Accuracy %
			0 – < 2 years	2 – ≤ 4 years	>4 years		
Outcomes of assessment	Identified (accuracy ≤ ±30%)	1,493	94,344	11,954	7,771	114,070	±30%
	Identified (accuracy > ±30%)						
	**Total Identified	1,493	94,344	11,954	7,771	114,070	±30%
***Business Response	Under Investigation	1,352	90,958	11,954	7,771	110,684	±30%
	To be Implemented	140	3,362			3,362	±30%
	Implementation Commenced						
	Implemented	1	24			24	±20%
	Not to be Implemented						

The numbers in the table are presented without decimal places therefore are subject to rounding error.

Business unit: Dick Smith Electronics

Table 1.3 Status of Opportunities		Number of Opportunities	Estimated energy savings per annum by payback period (GJ)			Total estimated energy savings per annum (GJ)	Accuracy %
			0 – < 2 years	2 – ≤ 4 years	>4 years		
Outcomes of assessment	Identified (accuracy ≤ ±30%)	1,924	8,906	13,325	12,329	34,560	±30%
	Identified (accuracy > ±30%)						
	**Total Identified	1,924	8,906	13,325	12,329	34,560	±30%
***Business Response	Under Investigation	1,568	8,399	13,325	12,329	34,052	±30%
	To be Implemented						
	Implementation Commenced						
	Implemented	356	508			508	±20%
	Not to be Implemented						

The numbers in the table are presented without decimal places therefore are subject to rounding error.

Details of at least three significant opportunities found through EEO assessments

Details must include a brief description of the opportunity and may optionally include details of the costs of implementation, energy/dollar savings and any other benefits (such as greenhouse reductions).

Table 1.4

Opportunity 1

Supermarkets Retail have identified six major opportunities associated with the retrofit of existing refrigeration systems which are estimated to reduce total refrigeration consumption by between 15% - 20% for a simple payback of around 4 years. A pilot involving 8 stores is earmarked for early 2008 and if successful these initiatives will be rolled out across stores nationally within a four year period.

Opportunity 2 *

Supermarkets logistics have implemented a range of energy efficiency measures across their 8 major distribution centers including:

- Upgrade of building management systems to integrate high bay lighting control
- Energy efficiency lighting fixture upgrade and installation of smart lighting controls
- Optimisation of HVAC operating hours

This project roll out cost ~\$520k and estimated savings are ~\$440k. The total energy savings are estimated at 19 TJ abating the emission of 6,100 tonnes CO₂-e.

Opportunity 3 **

Big W initiated a trial installation of occupancy sensors in back of house areas including; cash office, lunch rooms, toilets, changing rooms, manager's office and meeting rooms (total of 11 separate rooms). Data logging of lighting was undertaken to verify the savings. The project returned a simple payback of 1.8 years for a capital cost of \$2,600 per store. It is intended that this will be rolled out across Big W stores over the next 3 years.

*If there are less than three significant opportunities, provide details of those identified.

**If no significant opportunities have been identified in the assessment, a statement to this effect.

Part 4 – Declaration

The information included in this report has been reviewed and noted by the board of directors and is to the best of my knowledge, correct and in accordance with the *Energy Efficiency Opportunities Act 2006* and *Energy Efficiency Opportunities Regulations 2006*.

Mr. Michael Luscombe
Managing Director and Chief Executive Officer
Woolworths Limited

A handwritten signature in black ink, appearing to be 'M. Luscombe', written in a cursive style.