WOOLWORTHS

WOOLWORTHS FOOD WASTE AND FOOD SECURITY POSITION STATEMENT

BACKGROUND

It has been estimated that 1.3 billion tonnes of food go to waste globally each year – around a third of all food produced. This is costing the global economy an estimated one trillion dollars annually (UN FAO). Not only is the food going to waste, but the resources used to produce the food are being wasted too.

According to the WWF's <u>Food Loss and Waste: Facts and Futures</u> report (2017), approximately 10 million out of the 31 million tonnes of food produced in South Africa is wasted each year. With food security being such a key priority for South Africa, it is a significant problem that so much food is going to waste.

OUR COMMITMENT

As part of our Good Business Journey, we are committed to finding ways to reduce food waste and promote food security. This includes, but is not limited to, our surplus food programme in stores and across our supply chain – from our farms and factories – working in partnership with our suppliers.

We adopt the <u>food waste utilisation hierarchy</u>, which prioritises food utilisation and food waste avoidance or reduction in the first instance, and secondly the redistribution of surplus food for human consumption. Our goal is to ensure that no edible food should end up in a landfill.

Sustainable Farming

Our efforts in improving food security and reducing food waste start with healthy soil. We focus on promoting sustainable farming practices in our food supply chain through programmes such as Farming for the Future, that aim to reduce inputs such as chemicals, pesticides and fertilisers, reduce water use, and protect biodiversity. The result is that there is an increase in the percentage of marketable produce per hectare, and by increasing soil health; we're helping ensure food security into the future.

We also aim to minimise waste in the processing of fresh fruit and vegetables, for example, by using oddly shaped produce such as carrots and butternut in prepared foods like soups and bakes.

Packaging

Packaging plays an important role in combatting food waste by ensuring that our food is kept sufficiently protected, safe and fresh – from farm to shelf. This helps to maintain shelf-life and thereby minimise avoidable food waste.

We constantly challenge our packaging solutions to ensure they are fit-for-purpose and ensure maximum shelf-life, without compromising product quality and safety.

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On-pack Labelling and Customer Guidance

In addition to information on food nutritional content, we provide clear guidance on the preparation, cooking and storage of the private-label food products we sell.

Woolworths pioneered the practice of date marking ("Sell By" and "Best Before" or "Use By" dates) in South Africa, the latter two giving customers an indication of when food would be at its best, and when the product should be used by from a food-safety perspective.

Where possible, we also indicate on-pack recommended freezing instructions to assist customers in avoiding food waste.

Surplus Food

On an on-going basis, Woolworths donates surplus food which would otherwise go to landfill from each of our stores to more than 1000 charities annually. The surplus food is Woolworths' product that is past its "Sell By" date but before its "Use By" date.

We also offer discounts in-store to customers on selected products, such as meat, on their "Sell By" date.

Research

We recognise that much of the waste we generate as a business does not happen in our own operations, but rather in our customers' homes and in the supply chain. For this reason, we are taking steps to understand the life cycle of various products such as beef and milk to better understand where we can reduce this impact. We are also gaining a clearer understanding of where the hotspots for food waste are across our supply chain, so that we can tackle these areas more effectively. As part of our partnership with the World Wide Fund for Nature South Africa (WWF-SA), Woolworths conducted a food waste scoping study, as well as a second phase of research – zoning in on tracking food loss and the waste of spinach throughout the entire supply chain – from farm to customers' homes. This study included testing and trialing the World Resources Institute's (WRI) Food Loss and Waste protocol in the Woolworths supply chain with both processed food and fresh produce suppliers, and was possibly the first in the world where a retailer investigated one product with multiple stock-keeping units (SKUs), over 50 in the case of spinach.

TRANSPARENCY AND REPORTING

Woolworths will remain transparent about our progress on initiatives supporting food security and a reduction in food waste. We will report on our progress on an annual basis in our Good Business Journey Report, available on the <u>Woolworths Holdings Limited</u> website.

As a signatory of the <u>South African Food Waste Voluntary Agreement</u> (VA), Woolworths is committed to halving food waste to landfill by 2030, aligned to Sustainable Development Goal 12.3. Woolworths is also encouraging suppliers to sign and commit to the VA.

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