

WOOLWORTHS

WOOLWORTHS WATER POSITION STATEMENT

BACKGROUND

South Africa is a water-scarce country. In addition, the quality of our water is increasingly threatened, in part by infrastructural constraints but also through industrial and agricultural activity. Growing public awareness regarding water use, conservation and access to clean drinking water has been driven by drought, flooding, and concern about acid mine drainage issues. According to the WWF, around 60% of South Africa's water resource is used in agriculture, therefore Woolworths, as a major supplier of locally sourced fresh produce, has a role to play in water conservation. Our commitments are aligned to these key challenges and are focussed on where we have the most opportunity to positively influence outcomes.

WOOLWORTHS COMMITMENT

We recognise the responsibility that Woolworths has as a business to conserve water and promote the equitable use of available resources. We are committed to improving the efficiency of, and where possible reducing, our water consumption and managing wastewater across our own operations and supply chain through collective action, partnerships, research and education.

OUR OPERATIONS

i. Direct Operations

While we are a relatively small user of water in our own operations, we take steps to increase the efficiency of water-use throughout our real estate portfolio. Woolworths has a green building rating model, and the design or retrofit for new and existing buildings entails careful evaluation to ensure that they are designed for efficient use of water and wastewater.

We have installed a network of real-time pulse metres in almost all of our South African stores to monitor water use, identify underground leaks and also ensure we are being charged correctly for water by landlords and municipalities. We are also working to improve the self-sufficiency of our operation through rainwater harvesting and water recycling projects where possible at our head office, distribution centres and stores. Through these interventions we have seen a 41% decrease in water usage in our stores since 2008.

We also acknowledge the human right to water, sanitation and hygiene and ensure that all of our facilities maintain strict standards for hygiene. Woolworths is a signatory to the WBCSD WASH at the workplace [pledge](#).

ii. Supply Chain

We work across our Food and Clothing supply chain to ensure compliance to legislation, adoption of best practice techniques for water and wastewater management



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and by working with our local produce Foods suppliers to continually improve their water footprint. We are driving the development of green factories in our supply chain through the use of product attributes.

EMPLOYEE AND COMMUNITY ENGAGEMENT

We are committed to raising awareness among our employees and customers on the importance of water conservation through training and marketing channels. We are also committed to water awareness in education. Through our [Making the Difference](#) programme, we provide curriculum linked learning material on water, run water saving competitions and also donate water tanks. Through the Food & Trees for Africa [EduPlant](#) programme we are working with schools in the development of community food gardens which use water-wise, permaculture growing techniques.

WATER STEWARDSHIP

Woolworths has been working in partnership with WWF-SA, the Alliance for Water Stewardship (AWS) and Marks and Spencer together with nine shared stone fruit suppliers in the progression of our first [water stewardship](#) project since 2013. The project is aimed to address catchment level water-related risks within the Ceres area of the Western Cape, South Africa.

Going forward, our goal is to continue to work with more suppliers in other 'at-risk' catchment areas within South Africa, and beyond, in the development of similar multi-stakeholder, water stewardship approaches.

INNOVATION

Clothing

We consider the impact of the products we sell on water resources. We have committed to incorporating water saving attributes within Woolworths clothing and homeware, where innovation is available, and will continue to work closely with our suppliers and conduct research in order to support drive this commitment.

We support the environmentally and socially sound farming, production and manufacture of cotton textile through membership of the [Better Cotton Initiative](#), and plan to source 100% responsible cotton by 2020.

We are also working to reduce the risk related to wastewater associated with clothing production and manufacture, and have set a goal to eliminate 13 priority hazardous chemicals from our supply chain by 2020.

Farming

One of the most significant areas of impact that Woolworths is making in the supply chain is through the [Farming for the Future](#) programme. Water efficiency and the



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management of wastewater is a specific focus of the programme - by encouraging farmers to use efficient irrigation techniques and reducing the requirement for water through development of healthy soils. It also encourages farmers to use pesticides and fertilisers minimally, thereby improving the quality of wastewater at the farm. We measure our supplier's performance annually using a Water Footprint Index tool.

Life Cycle Analysis

We conduct Life Cycle Analyses on a periodic basis to assess the environmental footprint of our products. This assists us in gaining a better understanding of resource dependencies, risks and implications throughout the supply chain from the production and use of our products and can assist us in focusing our efforts.

COLLECTIVE ACTION

Water Balance

We have invested in the WWF-SA Water Balance Programme for a number of years. The scheme, launched in association with the Department of Water Affairs' Working for Water programme, has multiple objectives of reducing the impact of invasive alien plants on water supplies, restoring biodiversity and ecosystem functioning as well as creating jobs and economic empowerment.

CEO Water Mandate

Woolworths is also a member of the CEO Water Mandate - a unique public-private initiative designed to assist companies in the development, implementation and disclosure of water sustainability policies and practices.

TRANSPARENCY AND DISCLOSURE

Woolworths is committed to improving disclosure about the financial and material risks posed by water resources and our own usage reduction strategies.

We will continue transparent public reporting of our water usage and the actions we undertake to manage and protect water resources in our Good Business Journey Report, available on our [Woolworths Holdings Limited](#) website. We support the activities of the [CDP Water](#) disclosure, and voluntarily participate in its annual assessment on an on-going basis.

We will also continue to build upon our research capability for both internal and supplier use.

Please find more information on our water journey on our Good Business Journey [website](#).

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