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# GOOD BUSINESS JOURNEY

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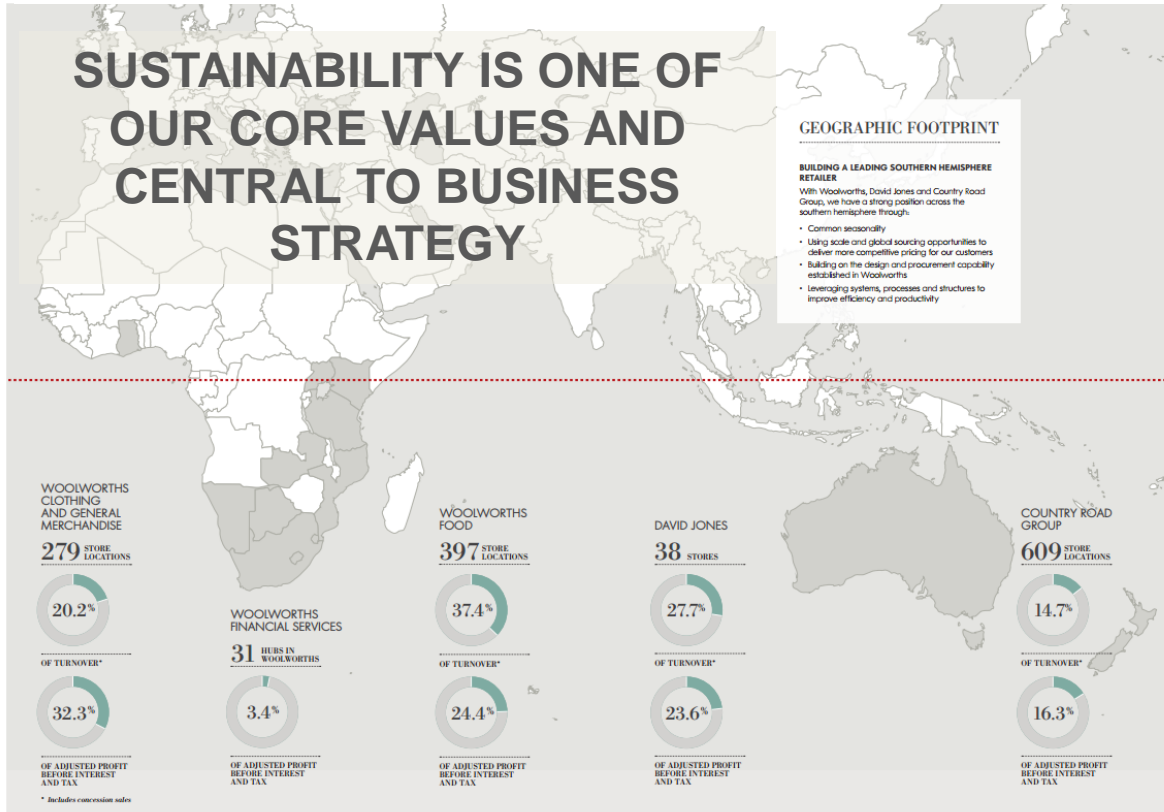
Models for Sustainable Sourcing  
Kirsten Sims, Woolworths  
November 2015



# AGENDA

- Who we are
- Context
- Good Business Journey
- Vision for Sustainable Sourcing
- Strategic enablers
  - Suppliers
  - Partners
  - Third Party Certification Schemes

# WOOLWORTHS | WHO WE ARE



# GOOD BUSINESS JOURNEY | STRATEGY

- Key focus areas for a diversified Southern Hemisphere retailer?

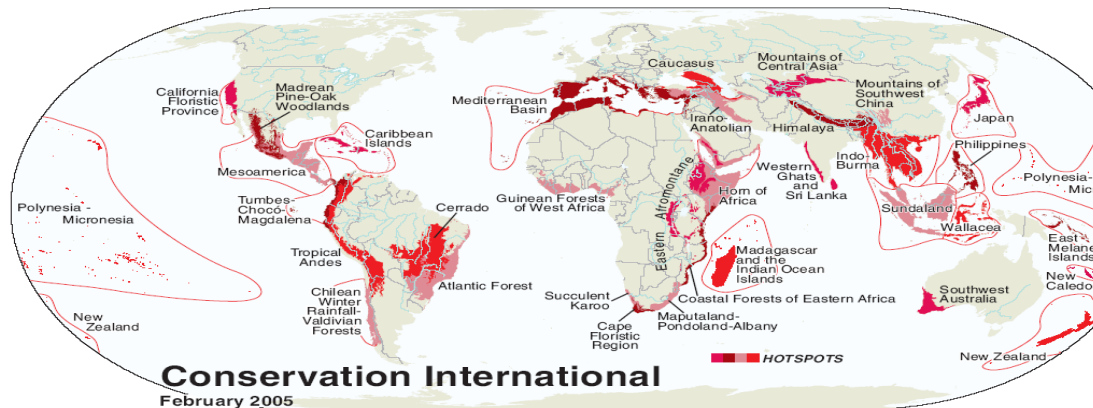


- 1 Ethical trade**
- 2 Sustainable farming** and sourcing of raw materials
- Scarce **water** resources
- Energy** efficiency and security
- Reducing **waste** across our business & helping our customers do the same
- Contributing to **social development** priorities wherever we operate
- Transformation** of our business and supply chain
- Health and wellness** for our customers and colleagues

**OUR VISION IS TO BE THE MOST SUSTAINABLE RETAILER IN THE SOUTHERN HEMISPHERE**

# SUSTAINABLE FARMING | CONTEXT

SUPPLIERS



WOOLWORTHS

# SUSTAINABLE FARMING | FARMING FOR THE FUTURE

SUPPLIERS

**Farmers are the single most important custodians of the future of sustainability. They are the owners of the land.**

Biodiversity Management - What is expected of producers?

1. Compliance to environmental & planning legislation.
2. Awareness of conservation status of natural features.
3. Sustainable management of alien vegetation, fire, game & problem animals, erosion and herbicides & pesticides.



# SUSTAINABLE FARMING | RESULTS

SUPPLIERS

Survey 2011-2013 of results from audits of Woolworths 15 largest fruit and vegetable growers:

- An average **20%** reduction in the use of synthetic fertilisers;
- An average increase of **34%** in compost use per kg produce;
- A **3%** increase in soil carbon;
- Water use reduced by 720 million m<sup>3</sup> (**16%↓**) in three years - a result of optimising irrigation and upgrading old systems;
- **18%** reduction in fossil fuel usage;
- Sustainable pest management techniques, such as integrated pest management, resulted in a substantial initial decrease (~ **50%**) - in the usage of pesticides and herbicides, as well as an increase in biodiversity.

# FARMING AND ENTERPRISE DEVELOPMENT

## DE FYNNE

SUPPLIERS

De Fynne is part of Woolworths' pioneering Farming for the Future initiative and is proud to have achieved over 70% in audits over the past two years. Today the nursery employs some 25 people and produces about 600 000 plants per year on just 1.5 rented hectares.



Video: <https://www.youtube.com/watch?v=U05w6jEnZL4>



# PREDATOR MANAGEMENT | WILDLIFE FRIENDLY LAMB

PARTNERS



- 2013 - Woolworths commits R4.7m to NGO's in the development of non-lethal predator management techniques.
- 2015 – Development and adoption of wildlife friendly protocol in consultation with various organisations.
- End 2015 – First Wildlife Friendly Lamb expected on shelves.

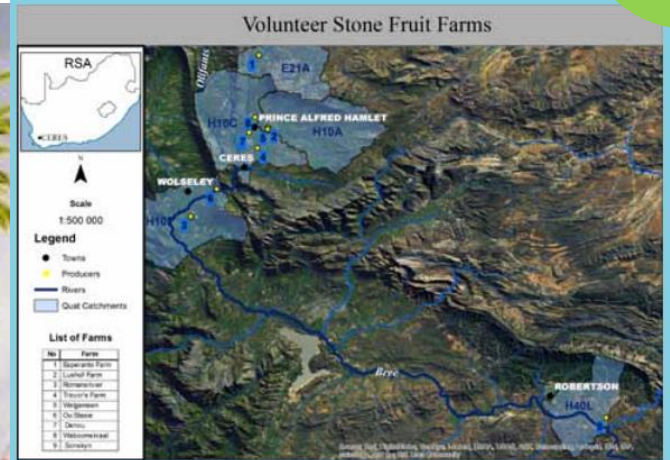


THE  
CAPE LEOPARD  
TRUST



# WATER STEWARDSHIP | WESTERN CAPE PILOT

PARTNERS



## Key outcomes:

- Information sharing & alignment with local CMA.
- Collaboration to address local sanitation and waste management issues in Prince Alfred's Hamlet (Municipality)
- engagement with the informal farmers (Department of Agriculture).
- Alien vegetation clearing in the headwaters (Cape Nature)



M&S



ALLIANCE FOR  
WATER STEWARDSHIP

CSIR  
our future through science



# TEXTILES | ORGANIC & BETTER COTTON INITIATIVE

Our Goal is to be the biggest procurer of sustainable cotton in the southern hemisphere by 2020 (60% of cotton sold to be sustainably sourced).



Through BCI membership, we're working with farmers who:

- Use less artificial chemicals
- Do their best to save water
- Care about soil quality
- Help conserve natural habitats
- Believe in a fair deal
- Take pride in producing quality cotton



# FOREST PRODUCTS | DEFORESTATION

- Deforestation Positioning Statement (5 Nov 2015) multi-commodity Focus:
  - Palm Oil (Greenpalm > segregated)
  - Soy (first SA member of the RTRS)
  - Forest products (FSC)
  - Dissolved pulp textiles (Viscose, Rayon etc.) (Canopy, 2017)
  - Leather (Leather Working Group)
  - Cocoa (UTZ)

**We're working to eliminate deforestation from our supply chain by 2020 through engaging with suppliers, partners and third party certification schemes and transparently reporting our performance e.g. CDP Forests Disclosure**





**THANK YOU**

QUESTIONS?

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