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# GOOD BUSINESS JOURNEY

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The Business Case for Sustainability

October 2014



# Agenda

- Understand your key risks
- Understand your impacts
- Measurement and quantification
- Integration
- Collaboration
- Examples
- The Business case

**RE:CYCLED**





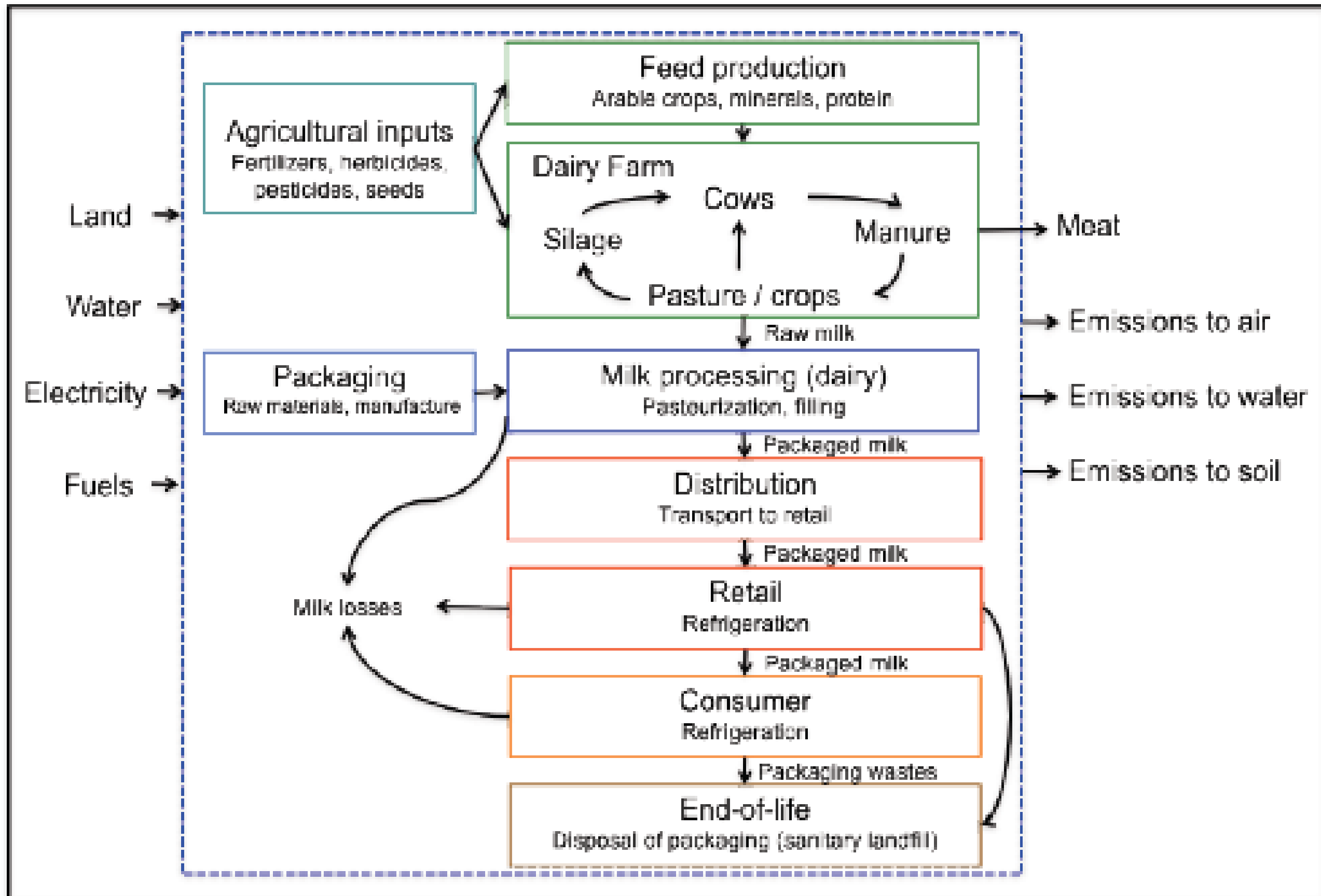


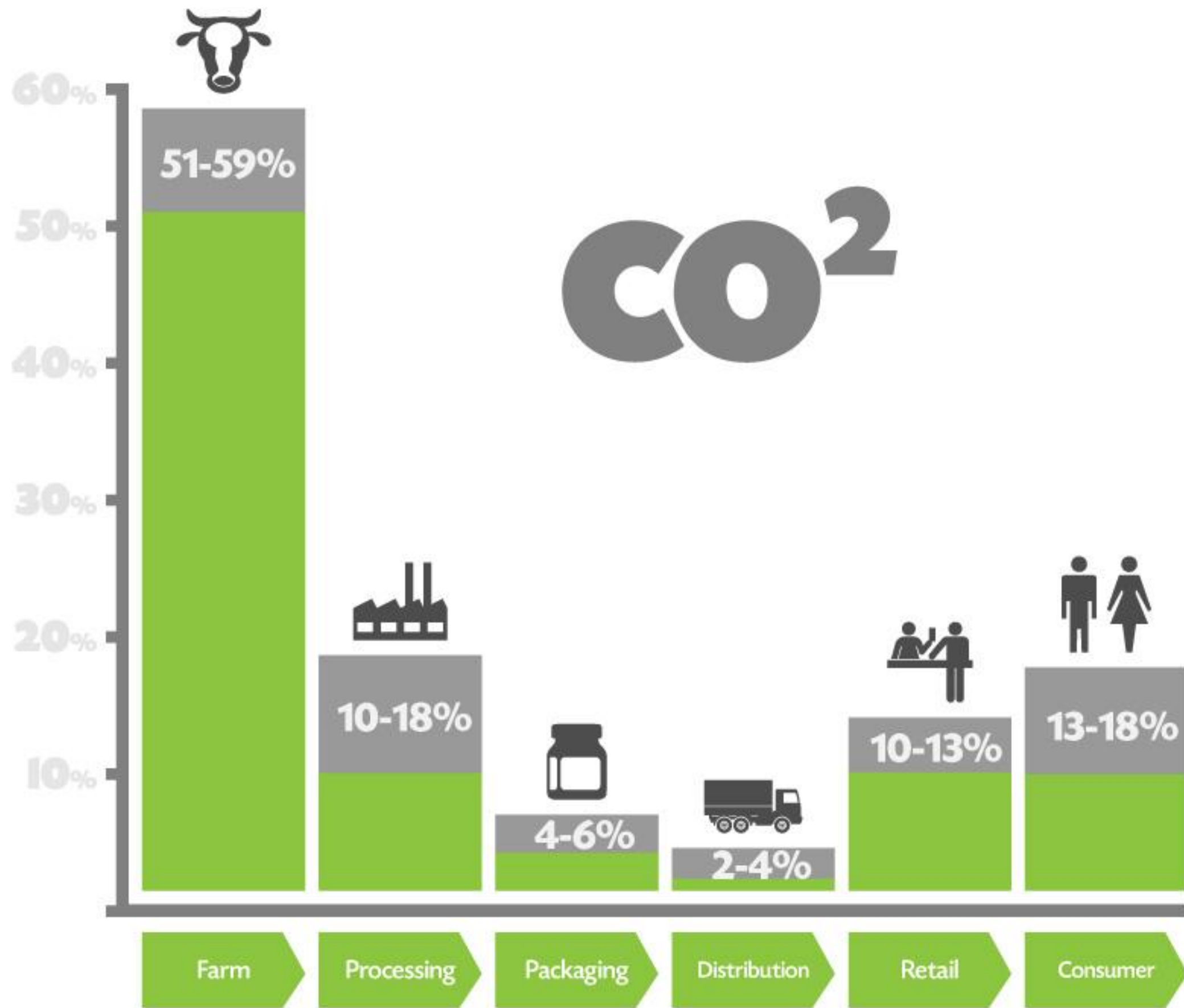


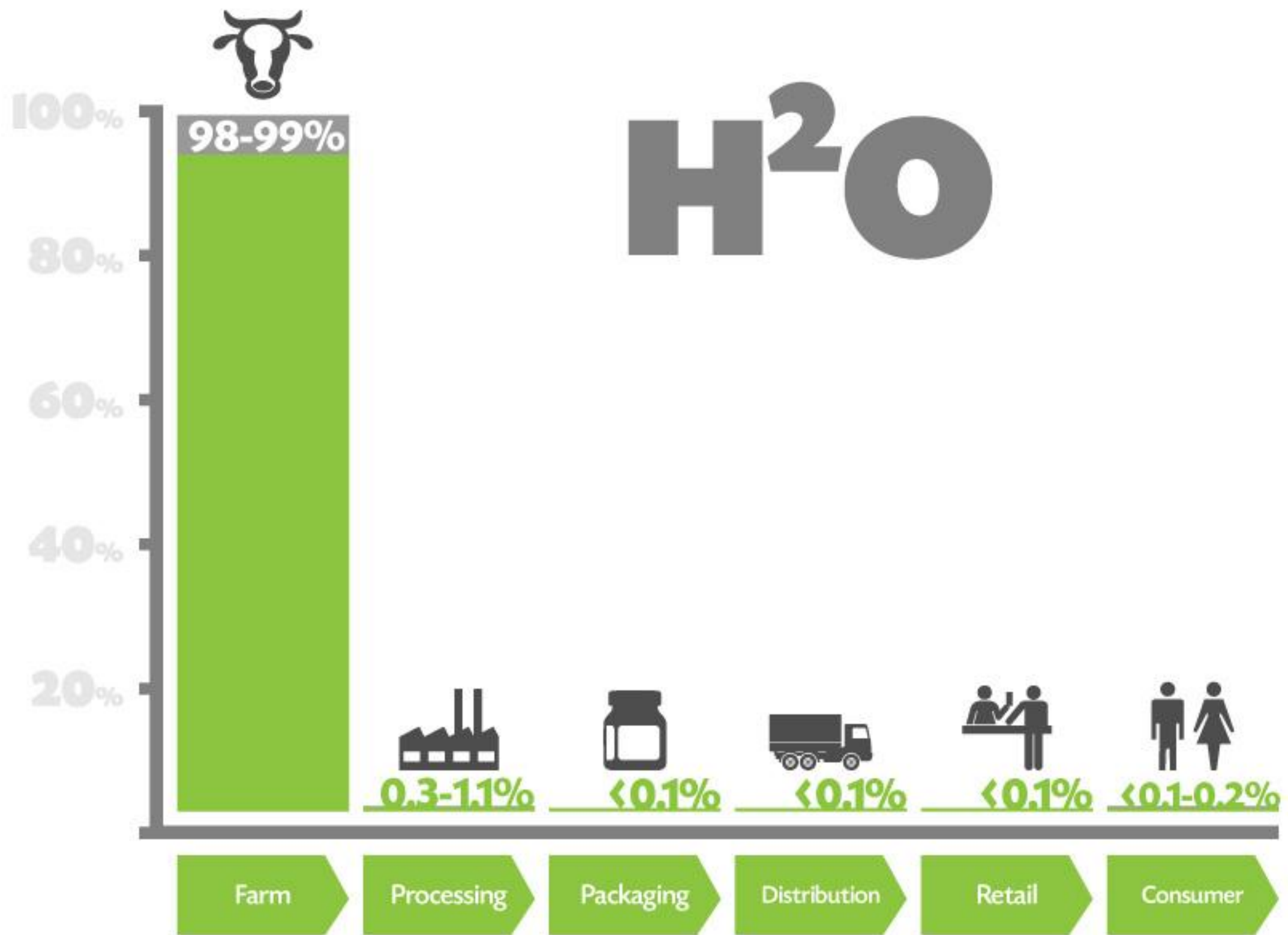
Wheat  
Fruit  
COFFEE  
Leather  
Angora  
MAIZE  
Tomatoes  
Cotton  
Sunflower  
Tea  
Rape  
Poultry  
Dairy  
Pork  
Cocoa  
potatoes  
PALM  
Rice  
Lettuce  
Beef  
SOY  
OIL  
SUGAR

## A Value Chain Approach:

Life cycle Assessment of fresh milk in the  
Western Cape









## Measurement and integration

- Set 1-5 year targets across all business units
- Revised during 2011, with new targets through to 2015
- Weightings and prioritisations assigned to all 200+ targets
- Measure progress twice per year
- Single score for whole business, each business unit, and key focus areas
- Include Gbj measures in balanced scorecards
- Assurance framework – internal and external
- Sustainability one of key pillars of overall strategy
- Sustainability one of 7 values

# GOOD BUSINESS JOURNEY 2020

- Key focus areas for a diversified Southern Hemisphere retailer?



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



# Stakeholders and Partnerships

- Dairy
- Beef
- Seafood
- Textiles
- Carbon strategy
- Water
- Research



**WORKING WITH  
WOOLWORTHS  
ON THEIR JOURNEY  
TOWARDS  
SUSTAINABILITY**







# Water Stewardship – Western Cape, Stone Fruit





# On-going - Actual water use by peach trees:

## Ceres



Sap flow probes: Tree water use



Soil moisture probes



Microclimate

- All data collected hourly  
from Oct 2013 – Sept

2014

*Measured water footprint  
33L/ fruit*



# Collective catchment action opportunities

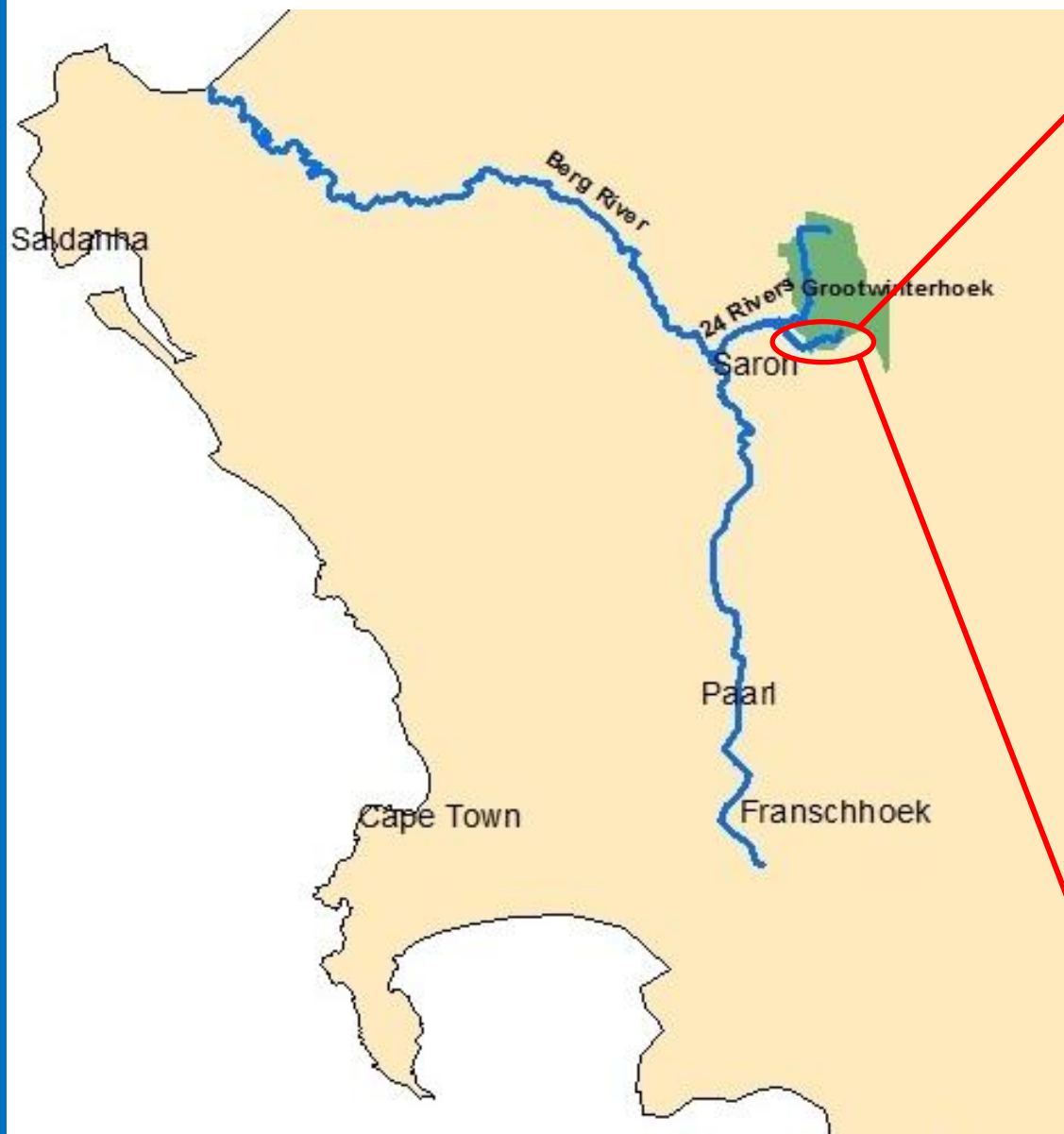
- **1. Securing the valuable water information being gathered in the project:** alignment with BOCMA water quality monitoring.
- **2. Information sharing and knowledge transfer:** Web-based tool in collaboration with BOCMA
- **3. Prince Alfred's Hamlet water quality management:** WASH, waste disposal management (in collaboration with the municipality); engagement with the informal farmers (Department of Agriculture).
- **4. Alien vegetation clearing in the headwaters** (in collaboration with Cape Nature).

Breede River upstream of Worcester





- Woolies' operational water use translates to 313 ha of alien veg.
- WB will clear 160ha in 2 catchments (Berg & Palmiet) by 2015.
- 50ha of which have already been cleared.
- Thus far 1 763 person days of work created & 130 788kl "replenished"





## GBJ by numbers – carbon, energy & water

- We've reduced energy by almost **38%** from our 2004 benchmark
- We've installed automated lighting in **all** stores
- We've opened **15** stores that meet platinum green store status
- We have **45** sites that meet green store status
- We have **26** CO<sub>2</sub> refrigeration installations
- Clean energy pilots





## GBJ by numbers – carbon and energy

- Distribution centres
- Route optimisation programme
- We are using Euro **5** technology in our trucks saving an estimated **600 000** litres of diesel per year
- We are saving an estimated **3000** tons of CO<sup>2</sup> each year by using improving refrigeration in our trucks through the eco-fridge project



## UPDATE FOR 2014

- Cost recoveries for water and electricity **R16.5m** (2 years)
- Energy efficiency savings corporate buildings **R222m** (4 years)
- Water efficiency savings **R2m**
- Shift to e-statements (paper and postage savings) **R14m**
- Paper savings/postage corporate buildings **R1m**
- RCG recycling of cartons to use for packaging and distribution to stores, resulting in **R6m** annual wrap and pack saving
- Reduction in Foods packaging and shift to RPet **R3m**
- Savings from use of increased recycled content in Foods plastic bags **R5m**
- Total **R269.5m**

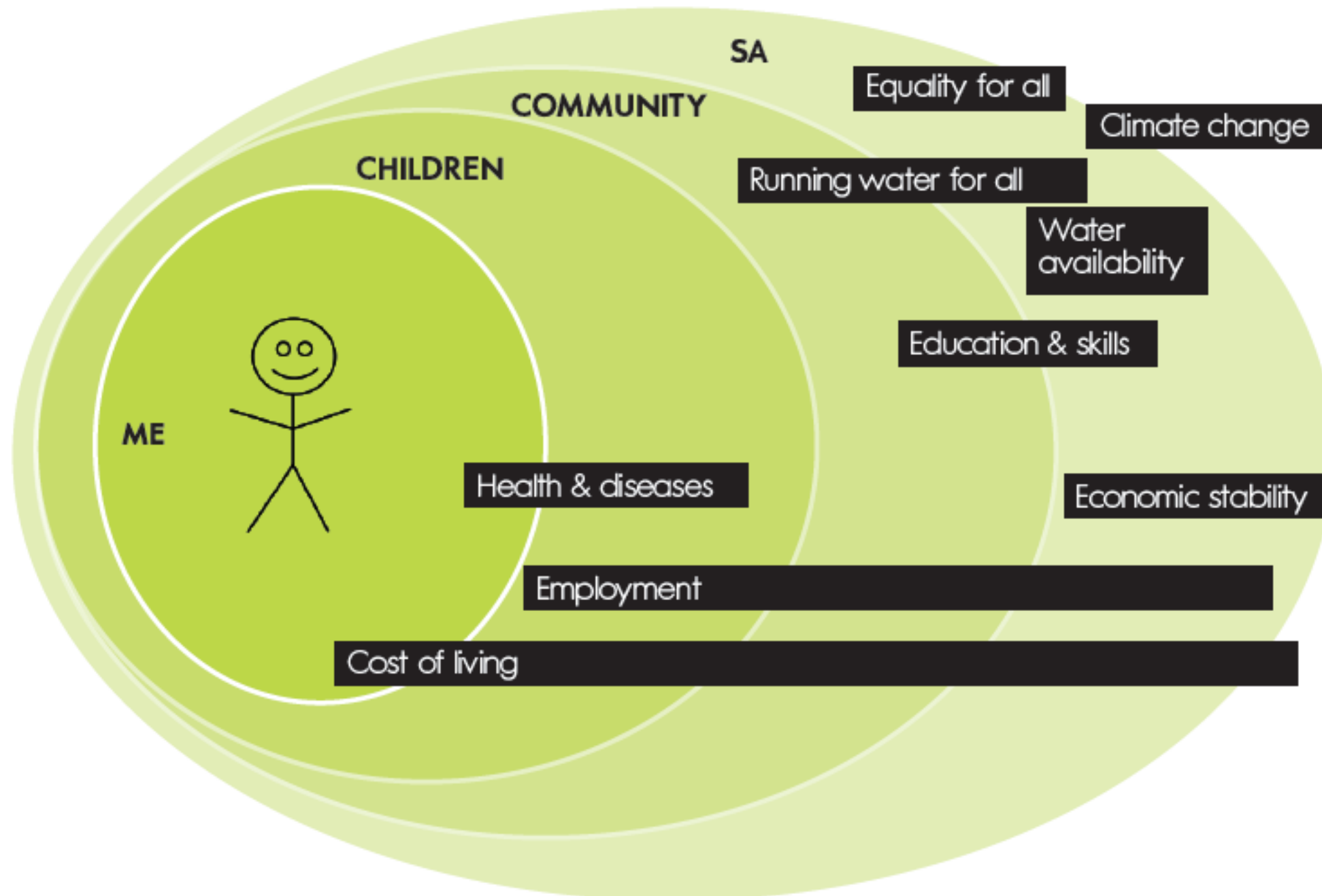


70%

OF CUSTOMERS  
FEEL VERY  
POSITIVE  
TOWARDS  
WOOLWORTHS'  
COMMITMENT TO  
SUSTAINABILITY



# POTENTIAL 2020 ISSUES THROUGH THE EYES OF CUSTOMERS



## The business case for sustainability

- Preservation of resources
- Brand differentiation
- Cost saving and operational efficiencies
- Product innovation
- Employee attraction and retention
- Growing commitment from institutions

