



WORKING WITH
WOOLWORTHS
ON THEIR JOURNEY
TOWARDS
SUSTAINABILITY



REPORT

ZA

2016

WWF-Woolworths Partnership Review

Reflections on lessons learnt 2012-2015

Design and layout: Brand Foundry

Front cover photo: © Thomas P. Peschak / WWF

Portrait images: © Helena Krige

Printed by RSA Litho.

This report is printed on Cocoon Offset.

Published in March 2016 by WWF-SA, Cape Town, South Africa.

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WWF is one of the world's largest and most experienced independent conservation organisations, with over 5 million supporters and a global network active in more than 100 countries.

WWF's mission is to stop the degradation of the planet's natural environment and to build a future in which humans live in harmony with nature by conserving the world's biological diversity, ensuring that the use of renewable natural resources is sustainable, and promoting the reduction of pollution and wasteful consumption.

wwf.org.za

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PHASE I: MEASURING MILESTONES

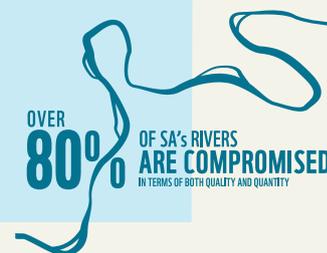
FRESHWATER

GREATER BENEFITS

Woolworths has made far deeper commitments to mitigating water risk, beyond efficiency in the supply chain, to adopt stewardship in a new catchment every year until 2020.

Milestones and achievements 2012–2015

- 9 Woolworths stone fruit supply farms participating in water stewardship to better understand good water practice.
- Farmers are testing standards to be recognised as water stewards.
- Community engagement to address water quality issues.
- Water Balance: 10-year alien vegetation clearing programme to reduce water footprint.



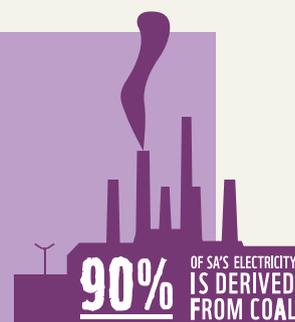
GREATER BENEFITS

Woolworths became part of the critical momentum built by companies participating in this science-based approach and helping to ensure adequate greenhouse gas reductions by businesses across the globe.

GREENHOUSE GAS EMISSIONS

Milestones and achievements 2012–2015

- Science-based scoping exercise undertaken to benchmark Woolworths's emission reduction targets against global requirements.
- Funds leveraged for a scenarios project examining the impacts of climate change on production; actions recommended for retail and government sectors.



FOOD WASTE

GREATER BENEFITS

Waste is now an important component of the WWF Food programme and Woolworths's 2020 commitments.

Milestones and achievements 2012–2015

- Full value-chain study conducted to scope extent of food waste problem.
- Over 2 000 customers participated in the survey.
- Recommendations developed for operations and customer education.
- Participation in pilot phase of World Resources Institute Food Loss and Waste Protocol.
- Study conducted on the causes of food loss and waste for one product with over 50 stock-keeping units (SKUs) right through the supply chain, possibly a world first in the retail sector.



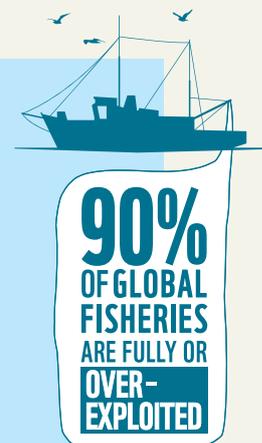
SEAFOOD

GREATER BENEFITS

WWF-SA's retailer programme works with four of the six major national retailers, with Woolworths being one of the leaders on delivery.

Milestones and achievements 2012–2015

- 92% of all seafood sold, by volume, meets 2016 targets for all wild-caught seafood.
- 2020 aquaculture targets set and detailed procurement strategies developed.
- WWF-SA small-scale fisheries learning journey supported by retailers to get a better understanding of the challenges facing coastal communities.
- Customers engaged on seafood sustainability by funding a sustainable food series on SABC3.



DAIRY

GREATER BENEFITS

Dairy research widely shared with government, financial institutions and other retailers.

Woolworths customer education reaches 8 million customers.

Milestones and achievements 2012–2015

- Dairy Life Cycle Analysis (LCA) conducted and global standards reviewed.
- Principles and indicators used to inform in-house dairy production code.
- Breed analysis study conducted to analyse best input:output ratios.
- Consumers to be educated to reduce dairy product waste.



BEEF

GREATER BENEFITS

Study findings will inform WWF advocacy approach in the livestock sector and with financial institutions.

Milestones and achievements 2012–2015

- Beef LCA first study of its kind in SA.
- LCA included maize fodder component.
- Learning used to inform new procurement code.



FRUIT AND WINE

GREATER BENEFITS

Woolworths is working to align its in-house label Farming for the Future with third-party accredited labels, including AWS and SIZA, to reduce audit pressure on farmers.

Milestones and achievements 2012–2015

- 100% of qualifying local supply farms Biodiversity and Wine (BWI) accredited by 2013.
- BWI concluded; initiative to continue as Conservation Champions for wine and fruit industry.

80%

OF THE THREATENED

CAPE FLORAL KINGDOM'S

NATURAL AREAS ARE PRIVATELY OWNED



FOOD SECURITY

GREATER BENEFITS

Key research has informed a national food system scenario planning process.

Milestones and achievements 2012–2015

- To inform the Southern African Food Lab's Future of Food: 2015–2030 Transformative Scenario planning process, Woolworths funded a synthesis review of all literature relating to food security in South Africa.



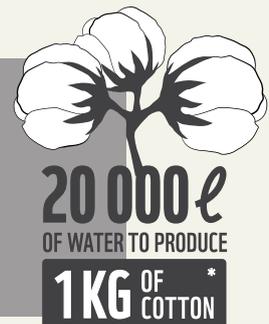
TEXTILES

GREATER BENEFITS

Public sharing of the LCA findings influenced scope of government-led Southern African Sustainable Textile Cluster.

Milestones and achievements 2012–2015

- LCA conducted for identified textiles.
- Responsible approach towards cotton and textile sourcing developed; implementation underway.
- Ambition strengthened to achieve sustainable textile strategy and fulfil 2020 commitments.



* ENOUGH TO MAKE JUST ONE SHIRT

INTRODUCTION

Through this transformational partnership, Woolworths and WWF-SA have begun to pool their respective skills and resources to deliver benefits at multiple levels.

December 2015 marked three years since WWF South Africa and retailer Woolworths embarked on a broad-based partnership aimed at furthering WWF's conservation mission. The partnership, while assisting the company's drive towards greater sustainability, was designed around WWF's priorities and programmes.

This report reviews the first three years of the WWF–Woolworths partnership in an effort to ensure that the key lessons learnt at both the individual and the institutional level are recorded and reflected upon. It contains shared reflections of the staff involved in the partnership and endeavours to give an accurate account of the successes of the partnership. Although it should not be considered as an independent audit of the partnership achievements, this report serves to ensure that both partners are held to public account in the effort to deliver benefits beyond narrow corporate interests. In providing a snapshot of the range and outputs of the areas of work, it acts as a baseline for the ambitions of the second phase of the partnership, which will run for a further five years.

Key focus areas of the strategic three year technical WWF–Woolworths partnership since December 2012:

- Freshwater: Risk filter, Water Stewardship and Water Balance
- Fish: WWF-SASSI
- Beef and Dairy: Supply chain impacts research
- Fruit and Wine: Biodiversity and Wine Initiative (now Conservation Champions)
- Textiles: LCA and engagement in learning
- Soy and Palm Oil: Sustainable sourcing commitment
- Food Waste (added in 2014)
- Research: Supply chains and food security
- Energy: Carbon footprint reduction

MESSAGE FROM WWF-SA'S CEO



The first 15 years of the 21st century were defined by fast-evolving and interrelated environmental and development challenges. Owing to the nature, scale and complexity of the challenges faced by our society, there are no easy, pre-packaged solutions to these challenges. As a result there is growing consensus among solutions-oriented institutions, such as the World Wide Fund for Nature (WWF), that no single actor is uniquely able to effect the necessary change. A constructive approach, which embraces both the opportunity and the risk, requires collaboration between for-profit, non-profit and government stakeholders.

As a global organisation operating in 100 countries across the world, WWF is uniquely positioned to collaborate on a global and local scale. In selecting our partners, WWF seeks to work with those who have the greatest potential to reduce the most pressing threats to the diversity of life on Earth, and together find solutions to conservation challenges such as deforestation, over-fishing, water scarcity and climate change. Because business drives much of the global economy, companies also have a specific responsibility to ensure that the natural resources and ecosystems that underpin their operations are used sustainably. Business is primed to lead the rapid adaptation and innovative solutions needed to drive change.

In the transition towards a sustainable economy, WWF has identified key levers of change. Forging long-term partnerships with businesses is one such lever. And they must be long term because the results we aim for are not 'quick fixes' but long-term strategic changes to industry sectors and global environmental agendas.

WWF-SA has a track record of almost 50 years of hard work and experience and of trustworthy fact finding in field and policy work. Furthermore, it is a science-based organisation that employs over 60 professional natural and social scientists. Over the past decade we have been gearing up to ensure that we have the capacity to engage in transformative partnerships as opposed to the traditional Corporate Social Investment-based engagements. These partnerships are focused on the key themes of Climate and Energy, Commodities, and Water Stewardship.

In selecting Woolworths as a partner we are able to promote better production and responsible sourcing of raw materials that otherwise drive deforestation or the unsustainable use of water; engage jointly on public policy; support the equitable sharing of natural resources; raise awareness about the need to consume more wisely, and ultimately work together to protect some of South Africa's ecologically most important places.

In our efforts to be more effective and focused on making an impact at the necessary scale, WWF will continue to seek dialogue and partnership on all levels: with the government, companies, other environmental and social organisations as well as civil society. And, as with everything we do, we remain independent and fiercely true to our cause, charting the way forward based on the best available scientific knowledge.

Morné du Plessis
Chief Executive Officer
WWF South Africa

A woman with long brown hair, wearing a white long-sleeved shirt and a black necklace, is looking upwards with a smile. A large splash of water is falling from the top right corner of the frame, creating a dynamic and refreshing scene. The background is a soft-focus outdoor setting with greenery and a body of water.

I have always seen Woolworths as a retail partner with whom the exploration of ideas and frontiers is possible – creating the scope to really be innovative and bring about unique change.

Klaudia Schacht
Manager: Water Stewardship Programme, WWF-SA

MESSAGE FROM WOOLWORTHS'S CEO



2015 WOOLWORTHS SUSTAINABILITY AWARDS

- 2015 Euronext Vigeo Sustainability Index (Emerging 70)
- 2014/2015 JSE Socially Responsible Investment (SRI) Index
- 2015 National Business of the Year Award (second year running)
- 2015/16 Dow Jones Sustainability Index (DJSI), (Woolworths is one of only five SA-listed companies to be included)

Sustainability is one of Woolworths's core values and is deeply entrenched in the heart of our business. Our Good Business Journey encompasses the issues that matter most to us as a business, and to our colleagues, customers, shareholders and other stakeholders.

In the past eight years, we have witnessed a significant change in mindset among the global population so that today doing business is no longer only about profit, but also about creating shared value and meeting responsibilities in order to contribute to economic development and give back to our people and our planet.

To Woolworths, this means leading the way by addressing the sustainability of our value chain from field to shelf and post-consumer use. From a social perspective, we strive to contribute meaningfully to developmental priorities in the countries in which we operate. We also strive for social transformation through being advocates for ethical supply chains, building long-term partnerships with our suppliers and supporting the growth of small to medium-sized enterprises.

We have also recognised that the vision of what constitutes a 'Good Business' is a continually moving target, and we must therefore push ourselves to achieve more ambitious targets and goals. As a food and clothing retailer, we form part of a complex and globalised supply chain. The potential to influence players in both the upstream and downstream value chains in order to drive positive and sustainable change presents not only an opportunity but also a challenge. We address this through applying codes of conduct, formulating sourcing policies and creating lasting supplier relationships. Our expanded southern hemisphere footprint provides a particular opportunity to further entrench the Woolworths vision and values consistently across our Australasian Country Road Group and David Jones operations while still recognising the need to respect local culture and the context of business in this region.

We want to make an ongoing impact to alleviate critical environmental and social issues in the Woolworths supply chain through focused efforts to improve working conditions, food security, nutrition and animal welfare and by creating sustainable employment and supporting local businesses. Our mission, in the next phase of our Good Business Journey strategy, is thus to firmly entrench ourselves as a leader in the African and Australian market place in order to ensure that we deliver on our vision to be the most sustainable retailer in the southern hemisphere.

Collaboration is an essential part of responding to some of the global environmental and social challenges we are facing, and our partnership with the World Wide Fund for Nature in South Africa (WWF-SA) has continued to deliver innovative research on critical issues. It is serving to maximise positive and sustainable outcomes in the areas that matter most while leveraging funding for joint work with our suppliers.

Zyda Rylands
Chief Executive Officer
Woolworths

PEOPLE AS AGENTS OF CHANGE

The initial public response to the partnership between a conservation NGO (WWF-SA) and a for-profit retailer (Woolworths) was one of surprise. Surely two such entities would have conflicting goals and therefore be unable to work effectively in partnership?

In fact, this was not the whole picture. While the ultimate goals of the two organisations may differ, there are significant similarities in values, underscored by Woolworths's understanding that sustainability is integral to the long-term success of its business. That said, short-term goals do indeed differ and so the challenge was to bring together two teams of staff with different aims and frames of reference and unite them in a common cause.

In addressing this, Woolworths strove to be transparent and demonstrated trust in WWF-SA, allowing the conservation organisation to gain a thorough understanding of the challenges and opportunities facing the retail sector. Similarly, through its hands-on, solutions-oriented involvement, WWF-SA was able to demonstrate and address some of the complexities in the food supply chain. As a result, one of the notable successes of this partnership to date has been the shared learning and capacity building of the people involved.

LEADING THE CHANGE AT WWF-SA



WWF South Africa's partnership with Woolworths has been almost a decade in the making. Initial discrete projects expanded over time, as did our shared aims to reduce production and consumption impacts and drive a transition to a more resilient food system. The result was WWF-SA's full transformational partnership with Woolworths, which was signed in December 2012. This allowed a depth of transparency and engagement that vastly improved our ability to support and drive change.

For WWF, one of the primary motivations was the opportunity Woolworths offered to learn about the challenges, successes and failures in our current food regime, enabling us to apply that knowledge elsewhere in our work.

We are two entirely different organisations with different goals, expectations and operating approaches and yet, in working together, we have come closer in our ambitions to build capacity, transfer knowledge and develop a trusting working relationship on which we can deliver significant shifts towards a more sustainable and just society.

Although the ambition to deliver social benefits cannot be achieved in the short span of a three-year partnership, we feel that the groundwork has been completed and the real hard work can begin in the next partnership phase. This phase will still meet tangible, immediate outcomes but must, if WWF is to remain accountable to its constituents, test the transformative potential of such a partnership to be a force for good by influencing social policy and eventually system change.

It has been a good journey so far, but while we have learnt a lot, we look forward to achieving more on the foundation of the deep insights gained from the past three years.

Tatjana von Bormann
Senior Manager: Policy and Futures Unit
WWF-SA

LEADING THE CHANGE AT WOOLWORTHS



Woolworths is a diversified retailer (food, clothing and homeware, financial services, and so on) with a complex supply chain, which means there is a very broad range of sustainability issues that require our response. Many of these issues are far too big or complicated for one company to resolve, so forming effective partnerships is essential if we are to make progress.

The WWF-SA team has been a great partner for us on many levels. Our collaboration has allowed Woolworths access to a broad range of biodiversity expertise, which we could never expect to have in-house, and linked us into an international WWF network with significant experience in working with companies on similar issues.

The WWF brand has been an important symbol of independent credibility in assessing our progress and providing a view to other stakeholders about the robustness of our commitments. The WWF-SA team has also been an important sounding board, challenging our strategic thinking and helping us to find solutions for complex supply chain puzzles.

WWF-SA's involvement in many of our projects has allowed us to leverage broader stakeholder involvement and even external funding to better enable us to support our suppliers.

The authenticity and commitment of the WWF-SA team have also been crucial factors in the success of the partnership, and have really helped the Woolworths Good Business Journey team to build a strong business case for the importance of NGO collaboration, resulting in a number of other joint projects with NGOs.

We are hugely excited about the next phase of our partnership.

Justin Smith
Group Head of Sustainability
Woolworths Holdings

Research shows that lasting organisational change occurs when the focus moves beyond specific deliverables or outputs to capacity creation, knowledge generation and shifting people's understanding of their work and their world. These are some of the things we believe we've achieved.

– Tatjana von Bormann, Senior Manager: Policy and Futures Unit, WWF-SA

REFLECTIONS FROM THE WWF-SA TEAM

The WWF–Woolworths partnership was made possible by a team of people from WWF-SA who led on delivery within their specific programmes.



This partnership has gone far deeper than corporate social responsibility to a genuine attempt by both organisations to intellectually and practically grapple with the challenges faced by Woolworths while also aligning with WWF’s goals to transform the agenda and practices of companies whose purchases of goods and services have an environmental footprint.

SHARED LEARNING

The private sector is a rich source of data and the challenge is to find a way that such data can be shared for broader system transformation.

Saliem Fakir
Head: Policy and Futures Unit
WWF-SA



It is so valuable to have a strong champion on both sides of a partnership, driving uptake and participation. This strength, however, becomes a weakness if it is not grown from individuals to a network of champions and, while we are making progress, this will be one of our challenges in the next phase of the partnership.

In my view, the greatest success of this partnership has been to get to the point where both sides are sharing and transferring learning, and taking this learning to influence broader shifts in society, rather than focusing only on leading best practice as a competitive advantage.

The Future of Food: 2015–2030 Transformative Scenario planning process highlighted the significant role and power Woolworths wields in the food system, and the need for strong harmonisation and convergence to work collectively across the retailer base on key issues in this sphere. The more support and sharing of knowledge that can be achieved jointly across the entire retailer base in South Africa, the quicker we are going to attain the necessary scale of impact required within the time constraints of ever-increasing degradation and resource limitations. We look forward to seeing Woolworths more open to sharing this knowledge in the future.

SHARED LEARNING

It is important to allow sufficient time at the start of a partnership to get to know and understand how each organisation operates and connects through its various units and programmes.

A partnership must have capable and influential champions, but delivery responsibilities should be shared by staff in both organisations.

Inge Kotze
Senior Manager: Sustainable Agriculture
WWF-SA



Seafood market transformation is a critical component of a holistic approach to addressing seafood sustainability throughout the seafood supply chain. National retailers are a key link in the chain because by demanding a sustainable product they have the ability to create strong market incentives for improved producer practices while at the same time speaking to consumers about responsible seafood-buying behaviour.

The seafood component of the partnership between Woolworths and WWF provided a platform to engage the majority of Woolworths's seafood suppliers (and, as a result, the source fisheries and aquaculture operations) on seafood sustainability without WWF having to work directly with each company. The partnership also provided opportunities to utilise Woolworths's communications channels to carry the WWF-SASSI messaging to consumers via television, print media, activations and digital/social media platforms.

SHARED LEARNING

The for-profit business need for market advantage must continually be balanced with the need for pre-competitive collaboration to bring about sector-wide change.

Chris Kastern
 Manager: Seafood Market Transformation
 WWF-SA



Woolworths was the first retailer to join the Water Balance programme, adding to the programme's credibility. Implementing the programme for Woolworths has been a learning curve for us too and has influenced the way in which Water Balance adapted its model and developed a refined approach for future operations.

Along the way, we've learnt much, among other things that reports do not equal communication. Through this partnership we've seen how vital clear lines of communication are to successful collaboration.

SHARED LEARNING

The more we can take private sector partners out into the field, the more transformative that relationship will be.

Partnerships should have a defined period and a well-developed exit strategy.

Helen Gordon
 Programme Manager: Water Balance programme
 WWF-SA



This partnership opened up a space for the Woolworths seafood division executives to engage in dialogue with WWF about potential programmes to improve the status of small-scale fisheries and to support these efforts. A case in point is the WWF Retailer learning journey of 2014 where Woolworths joined a number of other South African retailers on a two-day trip up the West Coast to get a better understanding of the challenges facing small-scale fishers in South Africa. As a result, WWF and Woolworths are in discussions about supporting a fishing community in Lambert's Bay and Woolworths has taken proactive steps to engage these communities in enterprise (and personal) finance management and support.

SHARED LEARNING

There are, and should be, opportunities for staff to be involved in a hands-on way by getting exposure to key issues in the field.

Mkhululi Salandela
Project Officer: Small Scale Fisheries
WWF-SA



We are excited that Woolworths is using our science-based targets methodology to evaluate their targets for reducing carbon emissions. Through this methodology, companies can set targets that deliver their share of the effort to keep the world below 2 °C global warming without compromising their growth. We hope to see other forward-thinking companies follow their example.

SHARED LEARNING

When projects are dependent on a third party, far more effort is required to get that company or individual to participate in achieving a target because the benefit is less clear to them if they do not have a direct relationship with WWF. An expressed interest does not always easily translate into committing time and sharing data.

Louise Naudé
Lead: Low-carbon Frameworks
WWF-SA



I have always seen Woolworths as a retail partner with whom the exploration of ideas and frontiers is possible – creating the scope to be really innovative and bring about unique change. This is largely due to their staff who are dedicated and willing to grapple with, understand and comprehensively address complex concepts like water stewardship.

Klaudia Schacht
Manager: Water Stewardship programme
WWF-SA



Many companies see water stewardship as an external project to fund, something that happens elsewhere. For Woolworths this was not the case. In addition to supporting water stewardship projects at the catchment level, Woolworths has fundamentally internalised the concept of stewardship and, in that way, fundamentally changed the way it operates.

Trust is so important for this sort of partnership to be successful. What we have tried to achieve together is novel and, as such, there was no clear path to follow. Both parties needed to be flexible to learn and adjust as we progressed. This has required real trust. Woolworths has completely supported our enthusiasm to achieve the end goal.

Christine Colvin
Senior Manager: Freshwater programme
WWF-SA



The partnership with Woolworths has been exciting and rewarding from a communications point of view. Woolworths consistently supports WWF's Earth Hour messaging through their platforms and has contributed to our Journey of Water campaign (which teaches urban water users about the importance of their water source areas). WWF was also pleased to have been invited to take part in the Hayden Quinn food and travel series (on SABC3 in 2014), which encouraged South Africans to make sustainable food choices.

Pedzi Gozo
Executive Manager: Communications
WWF-SA



Partnerships that exist not just for their own sake, but that inspire more broadly can lead to creating further partnerships. This is important because it is only through broad collaboration that innovation and scale of impact can be reached. This is the only way we will achieve sustainability, and is the greatest achievement of this partnership in my view.

Stephen Elliott-Wetmore
Manager: Corporate Partnerships & Innovations
WWF-SA

REFLECTIONS FROM THE WOOLWORTHS TEAM

The WWF-Woolworths partnership was made possible by a team of people from Woolworths who led on delivery within their specific programmes.



The expertise and resources of WWF are invaluable. Our approach to the environment has changed as a result of this relationship. Similarly, WWF's perspective has also changed.

We've certainly learnt that in order to be effective, such a partnership requires a clear plan with agreed outcomes.

Both parties are powerful brands in their fields and, as such, the collaboration has strengthened both brands.

SHARED LEARNING

Tighter development of the next partnership deliverables will foster greater impact.

Kobus Pienaar
Good Business Journey Manager: Foods
Woolworths



The reality is that collaboration is challenging and time consuming, but it works. The scientific views we had access to have helped us to make informed decisions, giving scientific credibility to the Good Business Journey.

SHARED LEARNING

Timelines for delivery need to reflect the constraints of the internal process of a large corporate. After all, we are only the shopkeeper at the end of a long supply chain.

Tom McLaughlin
Responsible Sourcing: Foods
Woolworths



Through WWF and the WWF-SASSI programme, retailers can have an independent partner to help transform their seafood operations. Also, through the work of the Responsible Fisheries Alliance (RFA), they have partnered with South Africa's major fishing companies to effect change on a tremendous level in the fishing sector.

Today's consumers take less at face value. They're more critical and discerning than ever before. Part of the value of partnering with an organisation like WWF, which holds us accountable, has been the credibility it affords us.

Hezron Joseph
Seafood Technologist
Woolworths



Partnerships bring together significant skills, research capabilities, industry insight and networks, which help to meet sustainability objectives.

I have learnt that collaboration among NGOs and the private and public sectors results in greater benefits for all parties involved.

Suzan Thobela

Good Business Journey Intern – WWF-SA Groen Sebenza Programme
Woolworths



I believe that the Woolworths partnership provided a unique and valuable opportunity for WWF-SA. Woolworths had already established and embedded its Good Business Journey programme across the business and made significant progress through its Farming for the Future programme. Access to the Woolworths supply chain and its customers provides a great opportunity for WWF to implement practical and visible initiatives that address the environmental, climate change and social issues facing South Africa.

The research conducted as part of this partnership has helped us to achieve a far more in-depth understanding of our supply chain and of where the biggest impact lies. We have been able to move away from relying on international research that does not necessarily take into account the South African context. The research conducted as part of the partnership has also enabled us to talk more authoritatively about certain issues that affect our supply chain.

Through this partnership, we have become more trusting of and open to working with environmental NGOs. Our marketing team has realised the importance of partnering with a credible brand like WWF to promote more sustainable choices and ensure the factual integrity of all our messaging.

SHARED LEARNING

From a communications perspective there are different expectations from a for-profit and a non-profit company. WWF is more risk averse. The corporate partner has marketing and sustainability communications capacity that could be used to promote the work and achievements of the partnership in future.

Lucy King

Good Business Journey Analyst

Woolworths



The WWF–Woolworths partnership is proof that NGO–retailer partnerships can lead to mutually beneficial outcomes for both partners in shared areas of interest. Being a test case for research initiatives such as Life Cycle Analysis and the Water Stewardship pilot project has enabled Woolworths to gain a far deeper understanding of the impacts of our operations on the environment, providing the foundation from which to learn, adapt and innovate. It is the solid reputation of WWF that lends credibility to the work that we have done in partnership. The outcomes achieved have been enhanced by WWF’s ability to bring together multiple stakeholders to work towards a common vision.

Kirsten Sims
Good Business Journey Analyst
Woolworths



Woolworths – a consumer goods retailer; WWF – an NGO in the field of biodiversity and conservation. What brings these two organisations together? Shared vision and values. This partnership is a great example of how two parties on what we would see as opposite ends of the spectrum can come together seamlessly when the most basic threads of the relationship are founded on common ground. These basic threads are the reason why the partnership works. Even with all the complexities that this partnership brings, our vision remains the same: to conserve our only planet.

Makhegu Mabunda
Good Business Journey Analyst
Woolworths



Working with the WWF team was an extremely positive experience. We started at two polar ends, but we migrated surprisingly quickly towards each other with both parties better understanding the bigger picture and each other’s role in sustainability. There was always a healthy tension between the ‘retail’ and the ‘NGO’ focus, but just enough to keep us on the right track. I think what brought us together so easily was the shared vision to improve what we were doing and to find solutions to industry challenges.

I found that the wealth of experience and knowledge of subject matter that came with the WWF team added tremendous value. They were able to constantly advise, and even assisted with elements of policy development. Through WWF, we were also connected to various organisations such as the Marine Stewardship Council (MSC), which enabled us to deliver an all-encompassing multi-faceted strategy.

Michael Basson
Seafood Technologist
Woolworths

SCIENCE AS A LEVER OF CHANGE

Life Cycle Analysis (LCA) is a globally benchmarked method for revealing and quantifying environmental impacts and resource use along the complete supply chain. A life cycle-based approach makes it possible to understand environmental hotspots and take decisions within the context of a larger system and strategy, while avoiding decisions that fix one environmental problem while causing another. The willingness with which Woolworths supported WWF's

LCA work is evidence of its commitment to look beyond 'good housekeeping' and extend its strategy to relieve environmental pressure throughout the supply chain.

The best way to discover the true cost of products and operations to people and the planet begins with sound science, which is why WWF and Woolworths commissioned research into three key areas of impact, namely Dairy, Beef and Textiles.

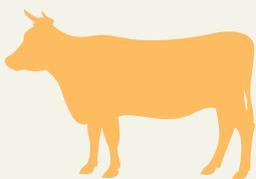
– Pippa Notten, Research Director: The Green House

Life cycle analyses were conducted for dairy, beef and textile products. The analysis of a product's life cycle aims to reveal and quantify the various inputs and outputs of the supply chain for that product or service and to identify key points or intervention that can bring about improvement. In an LCA, the environmental impact is quantified across the whole life cycle, from the extraction of raw materials, the manufacturing of materials and products, use and reuse, the disposal of waste and packaging, to transport and storage at point of sale. The process provides a comprehensive view of the environmental impacts caused by the product or service, identifying opportunities to improve efficiency and reduce risks.

DAIRY

COMMITMENT	STATUS
Research to inform sourcing policies and test conservation benefits in priority regions to reduce the environmental impacts of dairy production relating to the carbon footprint, water, land use and biodiversity by 2015.	60% of objectives met. A focus on dairy at a catchment level will be included in the next partnership period.

The Life Cycle Analysis



The dairy LCA was commissioned by WWF before the WWF–Woolworths partnership was finalised. The risks of the potentially negative impacts of dairy farming are escalating as the industry is both expanding and intensifying in response to price pressures and growing demand. To quantify and understand the risks and opportunities, WWF undertook the LCA, which Woolworths then joined as a partner on the retail component.



Because the majority of water in the supply chain goes to growing feed and pasture for the cows, the location of the farm and the source of the feed are important to limit the effect of dairy farming on the ecosystem.



**1 LITRE
OF MILK
HAS A CARBON
FOOTPRINT OF
BETWEEN 1.7 AND
2.6 KG AND TAKES
ROUGHLY 1 000 LITRES
OF WATER TO PRODUCE**

The milk supply chain was assessed according to its carbon footprint, its contribution to resource depletion and its potential damage to ecosystems (acidification, eutrophication, land and water use). While water has traditionally not been well assessed in studies of this nature, it is a key area of impact and particularly pertinent in South Africa as a water-scarce nation. A water indicator was therefore developed as part of this study.

What we learnt

The milk production phase (dairy farming and feed production – in other words, caring for the cows) by far contributes the largest part of the carbon footprint, at about 50%. Milk processing, retail and the actions of the consumer account for 33% of the total emissions in the supply chain. In fact, these phases play a greater role in the South African context than elsewhere in the world owing to:

- high emissions resulting from coal-fired power stations in South Africa that are used to generate electricity
- the propensity of South Africans to use private cars for grocery shopping.

In the production of milk, water use is not the primary issue; it is the effect of the water use on the local ecosystem that matters. The location of the dairy farm itself is therefore important, as is the source of the feed. By far the majority of water in the supply chain goes to growing feed and pasture for the cows (97%). About 300 000–370 000 l of water are extracted from ecological reserves per 1 000 l of milk (i.e. 300–370 l of water per 1 l of milk), which means that between 30 and 40% of the total water use in the milk life cycle could have a detrimental effect on ecosystems. By choosing a feed supplier that is situated in a water-secure area, the water footprint can be significantly reduced.

It takes about a thousand litres of water to produce a litre of milk.

Energy use is spread quite evenly across the dairy supply chain. Roughly 0.5 l of crude oil equivalents are required per litre of milk supplied to a customer. This is a result of the energy which goes into the production, transport, packaging and refrigeration of the milk.

Avoiding waste at the consumer and retail level is one of the clear messages of the wider LCA study. Results showed that packaging is of relatively little environmental concern when compared to the impact of wasting even a few tablespoons of milk (the carbon footprint of the packaging is equivalent to roughly five tablespoons of processed milk (75 ml)). This makes better cold chain management imperative to ensuring a longer shelf life and getting consumers to do their part by drinking the bottle to the very last drop.

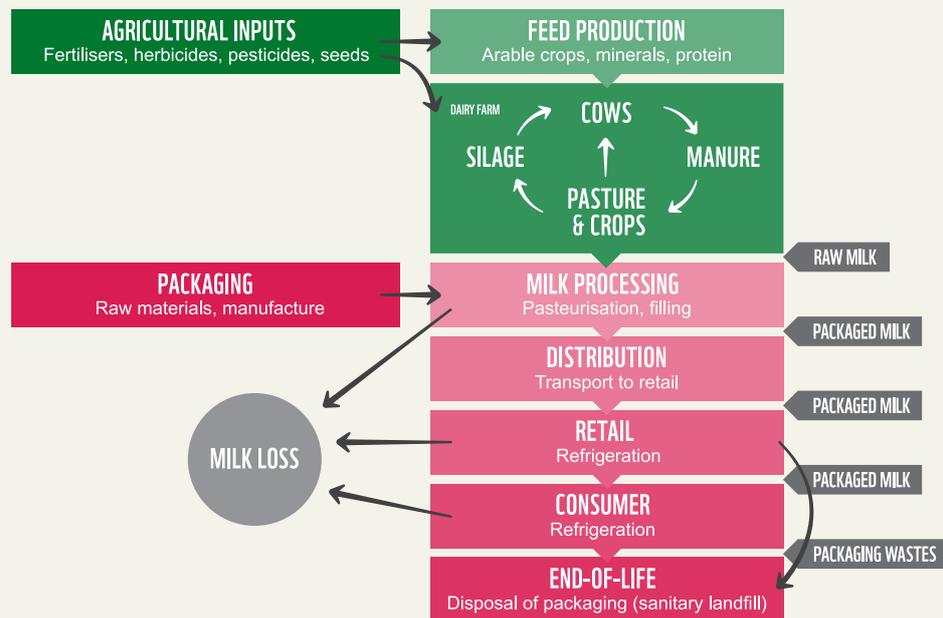
Providing a simplified analysis of the findings of the dairy LCA was groundbreaking in our engagement because it changed the way production impacts were spoken about at top level within Woolworths. Suddenly one could put numbers to the impact of a litre of milk and that is incredibly powerful, so much so that it formed the catalyst for Woolworths investing in the textile and beef LCAs.

– Tatjana von Bormann, Senior Manager: Policy and Futures Unit, WWF-SA

Action taken

Following the LCA, WWF conducted a comprehensive study of good practice and standards in the local and global dairy industry and assessed these in relation to the Farming for the Future code. The resulting recommendations were used to inform a baseline study of supplier practices. The scientific research and practitioner experience have been collated and work is now underway to implement the necessary changes through procurement standards.

DEFINING THE SYSTEM BOUNDARY FOR THE DAIRY LIFE CYCLE ANALYSIS



TEXTILES

COMMITMENT	STATUS
<p>Conduct a Life Cycle Analysis for identified textiles.</p> <p>By 2014, inform a responsible approach towards cotton and textile sourcing, to respond to the environmental impacts, with particular focus on the impact on freshwater systems.</p>	<p>Complete.</p> <p>The next partnership period will include expanded commitments in the Australian businesses of the Country Road group and David Jones.</p>

The Life Cycle Analysis

While it is a reasonable aim for a top-end retailer to supply clothing of quality and variety, the resource impact of supplying these garments needs to be integrated into the long-term planning approach. This is why the second LCA conducted in the partnership looked at textiles retailed in South Africa and made from three broadly different fibre types (cotton, polyester and viscose).

The aim of the textiles LCA was to gain a better understanding of the environmental impacts of textiles, especially in terms of where in the life cycle impacts are highest and how these differ for each fibre. For the sake of comparison, a reference T-shirt was defined, with a mass of 23 g and a useful life of 60 washes. The T-shirt life cycle included fibre production (e.g. cotton cultivation), yarn production (spinning), textile production (knitting), garment manufacture, distribution, retail, consumer use (washing, drying and ironing) and disposal. Textile supply chains are global in nature, so the geographical scope of the study was an important consideration.

What we learnt

The research revealed the following key insights:

- No single fabric performs best across all environmental impacts; each has different strengths and weaknesses.
- The biggest differences between the fabrics were found in their potential ecosystem damage and water use, with the cotton T-shirt having the highest impact across both of these. Cotton has the highest water consumption by a significant margin, requiring about 1 400 l per reference T-shirt over its life cycle (compared to about 300 l per reference T-shirt for polyester and viscose). Polyester and viscose were found to have the lowest potential ecosystem damage, although in the case of viscose this applied only to wood-based sources as bamboo-based viscose is associated with considerably more negative impacts.
- Polyester has the lowest water and land use, while recycled polyester is an even more environmentally responsible choice because it avoids the consumption of fossil fuels required for virgin polyester.

This was an important study because the findings were so different from what was expected. Instead of the bulk of the impact being at the customer level (75% of the impact lies with the customer in similar EU studies), here the customer impact was considerably less. The reason was twofold: generally Woolworths customers do their laundry on the cold water cycle and seldom tumble-dry or iron their garments, and many people donate their clothing when they no longer want it. This means the T-shirt has a second use phase and the impacts are spread over a longer period of use, theoretically making the manufacture of another T-shirt unnecessary.

These findings place a greater onus on retailers to improve sustainability at the production end.

Each project and target within this partnership achieved a different level or depth of change within Woolworths, WWF or ideally in the broader business environment. In the case of textiles, the change was fairly significant in terms of the Woolworths Clothing Strategy. The textile LCA gave Woolworths an excellent understanding of the full value chain and clear pointers for where focus was needed and action could be taken. This robust picture catalysed significant progress in the strategy and ambitions for the procurement of environmentally sustainable textiles.

– Justin Smith, Head: Sustainability, Woolworths Holdings

Action taken

The learning from this study was translated into a broader strategy in terms of textile sourcing – a sustainable textile policy with implementable next steps and a strategy for at least 60% sustainable cotton by 2020, as well as work on sustainable viscose. It also immediately resulted in the production of jeans using recycled polyester as the most environmentally sustainable textile choice.

Forty eight per cent of Woolworths’s clothing items now have energy- and water-saving attributes, for example ‘green’ jeans created from recycled plastic bottles, which consume less than half the water during manufacture than conventional denim jeans.

BEEF

COMMITMENT	STATUS
Research to inform sourcing policies and test conservation benefits in priority regions to reduce the environmental impacts of beef production relating to the carbon footprint, water, land use and biodiversity.	50% of objectives met. Beef Life Cycle Analysis complete. Action in the supply chain rolled over into the next partnership period.

The Life Cycle Analysis

The Livestock’s Long Shadow Report, released by the Food and Agriculture Organization (FAO) of the United Nations in November 2006, identified the considerable environmental impacts associated with livestock farming. The report was fairly controversial, provoking accusations that the FAO had overestimated human-caused greenhouse gas emissions that were actually attributable to livestock, while others claimed it had vastly underestimated the impacts. The beef LCA provided an opportunity to ground truth-associated impact data in South Africa and check it across the value chain. Also, whereas most studies tend to stop at the farm gate, this study endeavoured to capture environmental impacts associated with the full value chain of beef production and retail.

The study incorporated the different beef production systems relevant to South Africa, including livestock raised in intensive feedlot systems, livestock raised in extensive pasture-based systems, and a combination of the two. The subsequent stages of the beef value chain, including the abattoir, meat processing and packaging, distribution, and retail, were also included in the analysis.

The beef supply chain is fairly complex, with co-products and different grades of product encountered at every stage, making it challenging to use the LCA as a modelling framework. Essentially an LCA is a model of a simplified reality and is only as good as the data that goes into it; good data in equates good information out. In addition to the need to model co-products and waste consistently, agricultural processes tend to be highly variable, making them difficult to model simply. Abattoirs and meat processors also process a variety of meats and manufacture a range of meat products, making it a challenge to isolate the impacts of two single beef products (steak and mince).



300 ℓ
OF WATER TO PRODUCE
1 KG OF FREE-RANGE
BEEF VS 2000 ℓ FOR
1 KG OF FEEDLOT BEEF

The Woolworths study was based on a small and randomly selected sample of farms (13 in total) and those Woolworths suppliers willing to contribute to the study (three abattoirs and one meat processor). Although not likely to fully capture the full range of impacts from beef production, the small sample size was judged robust enough to give insights about the entire value chain. The abattoir stage was a focus of the study, particularly water usage and waste generated at the abattoir. Because it is the stage in the supply chain where Woolworths has the most direct supplier relationships and where impact data was predominantly absent, it was recognised that this may be the point where Woolworths would be best placed to effect positive change based on the findings of the LCA.

The Beef LCA determined the greenhouse gas emissions (carbon footprint), water consumption (water footprint) and land footprint of beef production over its whole value chain.

What we learnt

Free-range beef was found to have a higher carbon footprint than beef finished in a feedlot, although the difference between the two was slight when taking variability across the farms into account. For both feedlot and free-range beef the cattle-rearing stage dominates the carbon footprint.

Woolworths endeavours to source and supply pasture-reared beef. This product is sourced from cattle in South Africa and Namibia which graze on natural veld that is not irrigated. Free-range beef has a considerably lower water footprint than cattle finished in feedlots (300 ℓ of water extracted from boreholes, rivers and dams per 1 kg steak vs 2 000 ℓ of water extracted per 1 kg steak). This means that feedlot-finished beef has a water impact of about 25 times higher than free-range beef.

Low stocking rates, especially on Namibian farms, result in free-range beef having a high land footprint of about 2 300 m²/year per kg steak compared to 280 m²/year per kg steak for feedlot-finished beef. However, these low stocking rates are part of good veld management on the farms. All farmers participating in the study attested to managing their pastures sustainably (although this could not be verified within the scope of this study).

The findings indicated where in the beef life cycle the greatest impacts occur (so-called 'hotspot' analysis) and resulted in recommendations to Woolworths as to where efforts can best be focused to reduce the overall life cycle impacts of beef production.

While the LCA provided valuable insights, there are additional considerations and impacts in production and consumption that remain difficult to analyse in an LCA model. Some of these are relevant to consumers, like antibiotic use in feedlots. From an environmental perspective, there remains additional work to be done on supplier pasture management, veld degradation, soil carbon and biodiversity, with the associated implications for cattle-stocking rates.

Action taken

The findings of the LCA and additional landscape-level research will be used to inform the Woolworths beef procurement strategy and will help to build good supplier relationships and support networks.



Woolworths supported WWF's Journey of Water Campaign by participating in the walks and promoting the message through its marketing channels.

ACTION ON THE GROUND

WWF’s vision is a future in which people live in harmony with nature. One of the ways in which WWF aims to achieve this is through strategic partnerships with forward-thinking corporate companies. As a retailer that is mindful of sustainability, Woolworths is well placed to lead by example to reduce negative environmental impacts along its supply chain, quite simply because the Woolworths supply chain is far shorter than is typical. In most cases, Woolworths has

a direct connection to the supplier, often with exclusive relationships, allowing the company to take the risk of adopting new practices while supporting their suppliers in that process.

WATER STEWARDSHIP

COMMITMENT	STATUS
<p>Integrate water supply risk into Woolworths’s operational strategy:</p> <ul style="list-style-type: none"> Water risks of selected products and product ranges will be evaluated. By 2015, 30% reduction in water usage in Farming for the Future suppliers (Good Business Journey target). Freshwater stewardship benefits will be extended through a special focus on the critical need for basic water services in communities, and their inclusion in water stewardship action. 	<p>On track with water risk and water stewardship components.</p> <p>These initiatives will be continued in the next partnership period.</p>

The challenge

People, wildlife and businesses all rely on fresh water to survive and thrive. The availability of fresh water presents one of the greatest risks to both the global and the local economy. South Africa’s freshwater ecosystems are under increasing pressure. With 98% of the country’s stored water resources already allocated, there is less water available than ever before, and what is left is getting dirtier as we fail to protect our rivers, lakes and streams.

As a scarce natural resource under tremendous pressure, water tops the WWF list of conservation priorities in South Africa. For Woolworths, water is a primary ingredient in every product. On average globally, it takes one litre of water to produce one calorie of food. Water is also essential for sustainable communities. Access to clean, fresh water is a first-order environmental, humanitarian and business priority.

Playing our part

WWF is helping to redefine the role of the private sector in advocating, supporting and promoting better water basin governance for the benefit of people and nature. WWF’s partnership with Woolworths helped to fund the development of a Water Risk Filter specifically designed for South African conditions. The Water Risk Filter

1.7%
SOUTH AFRICA’S ESTIMATED WATER SHORTFALL BY 2025 BASED ON CURRENT WATER USE AND POPULATION GROWTH. DEMAND ALREADY SURPASSES SUPPLY IN MANY CATCHMENTS.

makes it possible for all companies and investors to assess water risks and gain guidance on what to do in response.

Woolworths has also been a founding partner in WWF’s water stewardship work. The WWF Water Stewardship programme allows companies and their supply chains to cooperate with local stakeholders such as communities and governance institutions to collectively tackle the key risks to water in a particular area.

Stewardship goes beyond being an efficient water user. It involves collaboration and collective action between the private sector and the government, other businesses, NGOs, communities and individuals to protect shared freshwater resources.

Woolworths has been working in partnership with WWF-SA, WWF-UK, the Alliance for Water Stewardship, GIZ (Deutsche Gesellschaft für Internationale Zusammenarbeit) and M&S (Marks & Spencer) to address water-related risks in the stone fruit supply chain. The project started off by working with a group of Woolworths and M&S shared stone fruit suppliers in the Western Cape to test the Alliance for Water Stewardship standard, and is now progressing to water considerations that require collective action by multiple stakeholders to manage water problems at a catchment level.

There is no doubt that Woolworths’s support and interest gave the necessary impetus to the project in terms of direct resources, supplier access and influence, making South Africa one of the first countries to develop water stewardship demonstration sites. In this way, Woolworths has been able to drive positive environmental and social change beyond supplier farms.

Many corporate companies see water stewardship as an external project to fund, something that happens elsewhere. For Woolworths this was not the case. In addition to supporting water stewardship projects at the catchment level, Woolworths has internalised the concept of stewardship, fundamentally changing the way it operates.

– Christine Colvin, Senior Manager: Freshwater Programme, WWF-SA

WATER BALANCE

COMMITMENT	STATUS
Implementation of a Water Balance agreement based on accurately quantifying operational water use to ensure a proportional investment in replenishing water through alien vegetation clearing.	On track. The final three years of a 10-year agreement which began in 2009 will be continued in the next partnership period.

The challenge

An important aspect of water stewardship involves considering innovative ways to reduce water demand and make water available outside the traditional engineering solutions of infrastructure development. This is essential to sustain economic growth and maintain healthy freshwater ecosystems.

Water scarcity poses a serious risk to companies in numerous ways, such as supply chain failures, operational crises and increasing costs. It could also derail brand management and broader corporate social responsibility programmes. These regulatory, physical and reputational risks increase the imperative for corporate involvement in water security issues.

Playing our part

WWF urges South African businesses to take ownership of the country's water challenges by doing more than merely reducing their own water demand. Companies are encouraged to make an investment back into water-provisioning ecosystems based on the extent of their water use – in essence, balancing their direct operational water use with water conservation efforts.

Through companies committing to the R3 steps (review, reduce, replenish), the Water Balance programme achieves tangible on-the-ground outcomes in some of the highest water-yield ecosystems in the country.

THE THREE Rs

Review: Participants are required to accurately measure their operational water usage.

Reduce: Participants are required to develop and implement a water reduction and efficiency strategy.

Replenish: Participants are required to invest in projects that will make available 'new' water into freshwater ecosystems in accordance with their operational water use. Currently, the Water Balance programme focuses on replenishing water through alien vegetation clearing projects.

Working with WWF-SA, farmers and local communities to remove water-thirsty alien vegetation, Woolworths enables hundreds of thousands of litres of water to remain in local rivers each year.

An investment in WWF's Water Balance programme results in improving water quantity and quality; reducing fire risks and the intensity of both fire and flood events should they occur; improving resilience to climate change, and creating incentives for best management practices while creating jobs.

– Helen Gordon, Programme Manager: Water Balance programme, WWF-SA

The Woolworths and WWF Water Balance programme has already eradicated close on 200 ha of alien vegetation, a labour-intensive process that has generated approximately 4 000 person days of work for individuals from surrounding, mostly impoverished, communities.

By balancing Woolworths's direct operational water use with efforts to preserve South Africa's rivers, the company is helping to conserve the country's water-stressed catchment areas to build a water-secure future for South Africa.



The greatest success of this partnership has been to get to the point where both sides are sharing and transferring learning and taking this learning to influence broader shifts in society, rather than focusing only on leading best practice as a competitive advantage.

Inge Kotze

Senior Manager: Sustainable Agriculture, WWF-SA



FARMING FOR THE FUTURE

COMMITMENT	STATUS
<p>Technical support to Farming for the Future's ability to deliver on four key challenges:</p> <ul style="list-style-type: none"> • governance • resource protection • conservation and development • biodiversity conservation. <p>100% compliant with the fruit industry environmental and social code by 2016.</p>	<p>75% of objectives met. Target fulfilment delayed due to changes in industry certification approach.</p>

The challenge

South Africa faces significant agricultural challenges – poor water quality, water scarcity, years of ecosystem degradation, poor quality soils in many areas, low food security, climate change and rising input costs. In this light, Woolworths has recognised that South African farming methods are often unsustainable – but how can farmers go about producing quality food while protecting the environment, preserving natural resources and providing a livelihood for the agricultural community, all without adding cost to the end product?

Playing our part

In 2009, Woolworths invited WWF to provide scientific expertise to inform ongoing improvement in the Farming for the Future approach, which aims to use best practice farming techniques for a specific soil, climate and crop combination. By benchmarking and assessing the Woolworths code requirements against major industry standards, WWF has also been instrumental in ensuring that Farming for the Future does not remain an isolated Woolworths initiative. Two of these standards are:

- SIZA (Sustainability Initiative South Africa), the standard for the horticultural sector, which holds potential for positive social and environmental impact through industry-wide participation
- the Alliance for Water Stewardship (AWS) standard, which could further reduce water-related impacts on supply farms and extend good management benefits beyond farm boundaries.

Findings will be used to improve alignment between Farming for the Future and all on-farm requirements. This will help to reduce the cost and administrative burden on farmers and make wide-scale good practice more viable.

Farming for the Future focuses on monitoring and measuring key indicators, including:

- **soil** – using correct fertilisation practices and accurately measuring soil chemical composition

‘Healthy soil is better able to retain water because it reduces the need for irrigation and water usage and requires less chemical intervention. Using fewer chemicals and pesticides helps to maintain and encourage biodiversity on farms, reduces chemical run-off into water systems and so helps to maintain water quality.’

– Kobus Pienaar, Good Business Journey Manager: Foods, Woolworths

- **irrigation water** – correctly calculating irrigation requirements, using water more efficiently and maintaining water health
- **substrate and run-off** – accurately calculating and implementing fertilisation requirements
- **enviro-legal requirements** – managing environmental, water, agricultural and heritage considerations and property zoning
- **biodiversity** – conserving endangered species and managing alien invasive plants, fires, problem animals and erosion
- **waste and waste water** – managing general farm waste, agri-industry waste and hazardous waste and processing waste water and sewerage
- **cooling and energy** – measuring energy use and implementing programmes to ensure continual improvements
- **pests and plants** – managing pests, disease and the use of agro-chemicals.

Today 98% of Woolworths’s local primary produce suppliers have adopted these methods, and assessments have shown steady improvements where farmers have correctly implemented the recommended approach.

CONSERVATION CHAMPIONS (PREVIOUSLY BIODIVERSITY AND WINE INITIATIVE (BWI))

COMMITMENT	STATUS
<p>To give technical support to deliver on four key challenges to support on-farm best practice:</p> <ul style="list-style-type: none"> • governance and management • resource protection • conservation and development • biodiversity conservation. <p>100% of qualifying local direct supply farms Biodiversity and Wine Initiative (BWI) accredited.</p>	<p>The 100% compliance target was achieved in the first year of the partnership (2013). After that the wine inventory ranged from 60 to 85% compliant.</p> <p>The project rolls over into the next partnership period under the banner of Conservation Champions.</p>

The challenge

Nearly 95% of South Africa's wine growing takes place in the Cape Floral Kingdom of the Western Cape, the richest and also the smallest plant kingdom on the planet. This area is recognised as a global biodiversity hotspot and a World Heritage Site. With 80% of the Cape Floral Kingdom in the hands of private landowners, this region has come under increasing threat from expanding agriculture, urban development and the spread of invasive alien plant species.

Playing our part

The Biodiversity and Wine Initiative (BWI) was launched in 2004 – a pioneering partnership between the South African wine industry and the conservation sector. Its mandate was threefold:

- to reduce expansion of vineyards into highly threatened habitats, ensuring the protection of endangered natural habitats and species
- to support industry-wide uptake of responsible farming practices, aimed at reducing the impact on natural resources and managing our farming landscape in balance with nature
- to position the South African wine industry with a unique selling point and differentiated marketing strategy, by promoting wine tourism and farming in harmony with nature.

The commitment was to give technical support to Farming for the Future's ability to deliver on four key challenges to support on-farm best practice, namely governance and management, resource protection, conservation and development and biodiversity conservation. This included ensuring that wine and fruit suppliers were able to comply with the fruit industry's environmental and social code and that 100% of qualifying local supply farms were members of the WWF Biodiversity and Wine Initiative (BWI-accredited) by 2013, the first year of the partnership.

In the first ten years of existence, more than 140 000 ha of conservation-worthy natural areas on farms were set aside and effectively conserved by participating BWI producers. This means that there is now a greater area in conservation than area under vineyards in the Cape winelands.

In 2015, WWF's partnership with the wine industry was therefore reframed, restructured and rebranded, with BWI evolving into the Conservation Champions programme. Ninety per cent of wine producers are now accredited by the industry's certification scheme, Sustainable Wines South Africa.

This programme aims to address new challenges and opportunities to lead best practice in the wine and fruit industry. Conservation Champions are innovators in water and energy efficiency and leaders in land and water stewardship. Participants previously at BWI entry-level, now showcase their efforts of good practice under the auspices of the industry's Sustainable Wines SA Seal.

WWF will continue to provide on-farm expert guidance to South African wine suppliers who supply to Woolworths to support biodiversity-friendly farming and, where relevant, for suppliers to upgrade to WWF's Conservation Champions status.



WWF-SASSI

COMMITMENT	STATUS
<p>By the end of 2015, all wild-caught seafood sold by Woolworths will be:</p> <ul style="list-style-type: none"> • WWF-SASSI Green-listed, or • sourced from MSC-certified fisheries (or equivalent), or • sourced from fisheries that are undertaking a credible, time-bound improvement project. <p>By the end of 2015, all aquaculture species sold by Woolworths will be:</p> <ul style="list-style-type: none"> • WWF-SASSI Green-listed, or • certified by Global GAP, Best Aquaculture Practices (BAP), Quality Trout UK (QTUK) or other credible standards, or • sourced from aquaculture operations that are engaged in a credible, time-bound improvement project, or, where applicable, • sourced from aquaculture operations that have formally committed to achieving the Aquaculture Stewardship Council (ASC) certification. <p>By the end of 2020, all aquaculture species sold by Woolworths will be:</p> <ul style="list-style-type: none"> • from aquaculture operations that are engaged in a credible, time-bound improvement project, or • WWF-SASSI Green-listed, or • ASC-certified (or equivalent), where applicable. 	<p>On track, 92% of all seafood sold, by volume, meets wild-caught sustainable seafood commitments.</p> <p>Additional supply chain challenges and aquaculture targets will be addressed in the next partnership period.</p>

The challenge

According to the Food and Agriculture Organization (FAO) of the United Nations, nearly 90% of the world's fish stocks are either overexploited or fully fished. If we do not improve the way in which we manage marine resources – and if the number of overexploited fish stocks increases in the future – then marine life and biodiversity, ocean-dependent livelihoods and the seafood choices available to consumers will increasingly suffer.



Woolworths's participation in the WWF retailer learning journey of 2014 resulted in support for a fishing community in Lambert's Bay and proactive steps to engage these communities in enterprise (and personal) finance management and support.

WOOLWORTHS SEAFOOD POLICY MILESTONES

2008

Woolworths becomes the first retailer to sign the WWF-SASSI Retail Charter.

2010

Woolworths introduces random DNA testing to ensure that species are correctly identified.

Woolworths stops selling Cape Salmon due to depleted stock status.

2012

Woolworths stops selling longline Yellowfin Tuna due to sustainability concerns.

2015

Woolworths becomes the first retailer in South Africa to stock ASC-certified products.

Playing our part

In 2004, WWF-SA launched the Southern African Sustainable Seafood Initiative (WWF-SASSI) to drive change in the local seafood industry. This project aimed to address aspects of the entire seafood supply chain, from the fisherman's hook through the seafood vendor's counter to the consumer's fork.

WWF-SASSI promotes voluntary compliance with the law – specifically the South African Marine Living Resources Act – through education and awareness. It also informs and inspires consumers to make responsible seafood choices through a number of channels. This includes the use of a handy consumer seafood pocket guide, supported by an electronic enquiry service, FishMS. The guide works with a simple traffic-light system where Green-list species indicate a sustainable choice, Orange-list species indicate that one should think twice before buying, and Red-list species should be avoided.

FISHMS

How can you find out whether a fish species is on the Green, Orange or Red WWF-SASSI list? Simply send an SMS with the name of the fish you would like to eat to 079 499 8795. You will receive an immediate response telling you whether to tuck in, think twice or avoid that option completely.



Woolworths was the first retailer to sign the WWF-SASSI Retail Charter in 2008. The company has committed to transforming its seafood operations to ensure that it procures all seafood from sustainable fisheries by 2016 and from responsible farming operations by 2020.

Today Woolworths works with the Marine Stewardship Council (MSC), the Aquaculture Stewardship Council (ASC) and WWF-SASSI to ensure that all seafood sold is responsibly sourced, meets Woolworths's commitments to sustainable seafood and is traceable back to the ship that caught it or the farm where it was raised.

Woolworths recognised that WWF's pressure on the retail sector as a whole to transform its seafood operations was based on sound market and resource intelligence. Clear objectives and expectations from both sides of the partnership made it possible for the company to accept the risks and implement the necessary procurement changes. In this way Woolworths further differentiated itself from competitors in the seafood sector. This helped to demonstrate the validity of the WWF retail sector sustainability targets and pushed others to follow Woolworths's example.

On World Fisheries Day 2015, Woolworths became the first retailer in South Africa to stock ASC-certified products. The Aquaculture Stewardship Council is a global non-profit organisation managing robust global standards for responsible aquaculture. This is a significant milestone and a major first-mover advantage for the Fishing for the Future initiative.

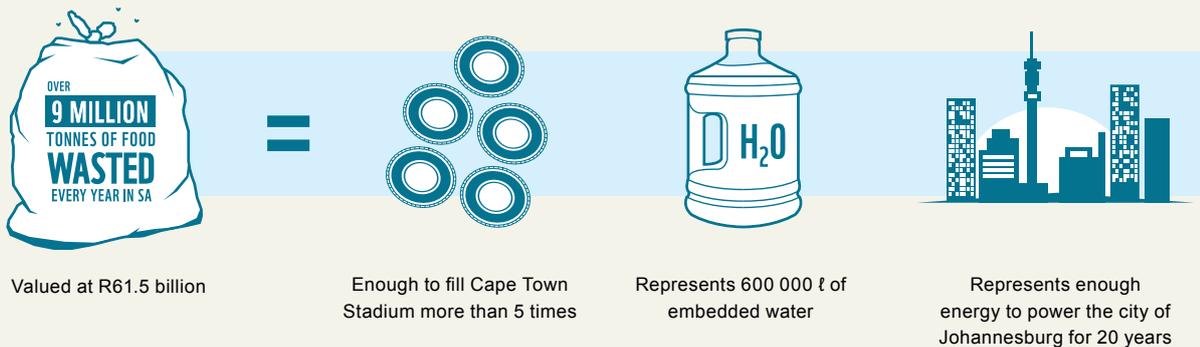
– Chris Kastern, Manager: Seafood Market Transformation, WWF-SA

FOOD WASTE

COMMITMENT	STATUS
<p>Conduct research to ascertain the amount of food wasted across the supply chain. Identify hotspots and actions to reduce food loss and waste.</p>	<p>Two supply chain studies were undertaken to identify opportunities for action.</p> <p>The hotspots in the food value chain will be addressed in the next partnership period.</p>

The challenge

More than 9 million tonnes of food are wasted in South Africa each year, and this in a nation where hunger and malnutrition are serious concerns.



Playing our part

Food waste was not an original focus of the WWF–Woolworths partnership, but WWF’s research was increasingly pointing to the urgency of addressing the massive impact on food production. Through the partnership, research has been undertaken to understand hotspots for food waste throughout the supply chain.

Woolworths made a commitment to reduce the amount of food wasted across the supply chain and to find ways to promote food security. A first step was to scope the food waste problem to understand the extent to which food waste occurs in relevant value chains and in the home of the consumer. Specific aims of the research were to:

- identify hotspots in levels and sources of waste in the value chain
- identify means to reduce the food and packaging waste delivered to landfills
- propose new ways of working and business practices across the supply chain that would prevent waste.

The research identified additional waste reduction opportunities throughout Woolworths’s operations. These included reviewing certain technical specifications for produce; conducting a robust study of one product right through the value chain to collate data; reviewing multi-pack promotions; gathering detailed customer behaviour information, and providing more guidance to customers on avoiding food waste in the home.

5%
**THE MAXIMUM
 AMOUNT OF WASTE
 THAT WOOLWORTHS
 STORES AIM TO SEND
 TO LANDFILLS**

Currently waste management efforts include fit-for-purpose packaging, on-pack information, donations of surplus food to more than 1 000 charities every year, and the promotion of sustainable farming practices.

The second phase of the research was aimed at further investigating the hotspots in the food value chain. This included testing and trialling the World Resources Institute's (WRI) Food Loss and Waste protocol in the Woolworths supply chain with their processed food supplier In2food and fresh-produce producers.

By understanding where and why food losses occur in the supply chain, Woolworths will be in a position to work more closely with its suppliers to reduce food loss on food products that have the highest yield of waste, such as Swiss chard and baby leaf spinach. In agreeing to participate in the pilot stage of the protocol, Woolworths became one of the first retailers in the world to pilot a transparent, benchmarked approach to measuring and reporting on waste.

0%
**THE AMOUNT OF
 WASTE WOOLWORTHS
 HEAD OFFICE AND
 DISTRIBUTION CENTRES
 AIM TO SEND TO
 LANDFILLS**

SPINACH STUDY

This study 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, to determine waste from farm to consumer. The highest levels of food loss and waste occurred at the farm, where in extreme cases up to 60% of the crop could be ploughed back into the soil.

Primary causes for waste at the farm were damaged harvests or over-planning by the grower. At processing, waste is caused by quality issues as well as size variations that result in failure to meet the required Woolworths procurement specifications.

Waste is an economic issue as well as an environmental one, so for the most part suppliers strive to root out the causes. However, waste can also be increased inadvertently through things like the rigid enforcement of product specifications or retail growing programmes. In recognition of the many issues that influence the quality and availability of green leafy crops, Woolworths adopts a fairly fluid approach to specifications, adapting these on a regular basis to accommodate issues of quality or the impact of weather conditions.

EMISSIONS REDUCTION, CLIMATE ADAPTATION AND MITIGATION

COMMITMENT	STATUS
<p>An analysis of the Woolworths greenhouse gas (GHG) footprint will be conducted by 2013.</p> <p>After this analysis, targets for GHG emissions will be defined.</p> <p>Good Business Journey target: 40% relative reduction in energy usage and carbon impacts by 2015.</p>	<p>Complete. The 2015 scoping study will be used to inform future planning and collaboration.</p>
<p>Understanding and improving retailer response to climate risks in the value chain.</p>	<p>Project on track; complete mid-2016.</p>

The challenge

Increased weather variability will bring about climate shocks throughout the value chain, which could seriously hamper food production and endanger food security in South Africa.

Playing our part

By combining WWF’s expertise in climate change and Woolworths’s willingness to proactively respond to the challenge of increased weather variability, solutions are being sought to ultimately reduce food security risk. This is done in two ways: by reducing emissions and by building resilience to climate shocks throughout the value chain.

There were three primary efforts in Phase I of the partnership:

- Assessment of the environmental footprint of the Woolworths cold chain and logistical operations**

Woolworths has been working to integrate sustainable technologies into the transport fleet. A study to assess the total emission savings of this strategy required the Woolworths logistics partner to participate and share data. However, the target could not be met because it was based on the erroneous assumption that third-party suppliers would be sufficiently interested in the learning and mitigation opportunities to participate.
- Assessing and reducing GHG emissions**

Woolworths participated in the Science-based Targets initiative, which was created by WWF, CDP, the United Nations Global Compact (UNGC) and the World Resources Institute (WRI) to identify and promote meaningful corporate GHG reduction targets.

The scoping study assessed Woolworths’s 2015 reduction target against different existing science-based target approaches and explored potential future targets, aiming to inform future planning and collaboration with WWF-SA. The study results recognised Woolworths for having targets that are based on robust science and are aligned with the politically agreed-upon goal of limiting global warming to a 2 °C temperature increase above preindustrial levels.

- **Building resilience to climate change at farm level**

Southern Africa is expected to experience high levels of warming and escalating intensity in weather events in the next few decades. Already, recent extreme rain and drought events have resulted in a significant cost to retailers.

To proactively address climate anomalies like these, Woolworths has set aside R1.2 million to support new technology investments and to pilot solutions to reduce supply chain risks.

With support from the British High Commission's Prosperity Fund, WWF has now partnered with Woolworths and M&S (Marks & Spencer) to conduct a study on climate risk throughout the supply chain and establish what adaptations, if any, are being made by business. The aim is to develop various scenarios to find a way to ensure food supply security by building an agricultural value chain that will be more resilient to climate stress.

COMMUNICATIONS AND CAUSE-RELATED MARKETING

The challenge

Conservation organisations are typically limited in terms of resources and opportunities to promote environmental and conservation messaging.

Playing our part

Using the significant communications channels at its disposal, Woolworths has strategically used its marketing power to promote sustainability campaigns give customers simple ways of supporting these efforts through their shopping behaviour.

- Woolworths has capitalised on media partnerships with 50/50, The Espresso Show, 3Talk with Noeleen, and with Hayden Quinn to profile relevant sustainability and conservation issues and feature WWF spokespeople.
- Reusable shopping bags featuring facts about rhinos were sold to raise money for rhino conservation projects, including WWF's Black Rhino Range Expansion Programme. Since the launch of the first edition rhino bag in 2010, Woolworths customers have helped to raise over R2.1 million for the rhino conservation efforts of a number of conservation organisations.
- T-shirts featuring rhinos were sold, with WWF as a beneficiary.
- Woolworths supported WWF's Journey of Water campaign by participating in the walks and promoting the message through its marketing channels.
- Woolworths actively supported various WWF-SASSI seafood campaigns, including the Singing Fish activation and the #SASSIstories campaign.
- WWF is a beneficiary of the MySchool MyVillage MyPlanet programme.



Woolworths customers are, on the whole, passionate about sustainability and conservation issues. Being able to grow awareness and engagement with our customers on important matters, with WWF-SA as an independent credible voice on these issues, is an important part of our Good Business Journey.

– Justin Smith, Head: Sustainability, Woolworths

PHASE II: FUTURE AMBITIONS

Working together on sustainable farming and sourcing, water, carbon and waste, to drive efficiencies and reduce negative environmental and social impacts in the entire supply chain.

The second phase of the WWF–Woolworths partnership will focus on:

- improving the stewardship of water resources nationally
- reducing the potentially negative impacts of agriculture
- improving seafood and in particular aquaculture sourcing
- exploring low-carbon pathways
- reducing food waste throughout the supply chain.

As in the first partnership period, the approach will be to focus work at the beginning of the value chain, where the production of fresh produce takes place and raw materials are sourced, and at the end, where consumption takes place and the product life stage ends. The greatest negative environmental impact occurs at these two points, where WWF-SA's work is focused.

The second phase of the partnership will be more outward-focused in its approach: it will expand beyond South Africa's national boundaries to address freshwater issues in neighbouring African countries and in Australia as well as actively engaging additional partners. The intention is to build on the momentum created in the first partnership period to ensure that projects can be taken to a much larger scale and deliver measurable societal benefits.

WWF-SA has six conservation goals. Three of these goals, those pertaining to food, climate and energy, and water, are directly served by some of the high-level targets recently set by the Woolworths Good Business Journey, namely:

- to make a community contribution of over R3.5 billion over five years
- to save 500 billion litres of water over five years
- to reduce the group's energy impact by 50% over five years
- to have responsible sourcing strategies in place for all the group's key commodities by 2020
- to ensure that all directly sourced products have at least one sustainable attribute by 2020
- to obtain all the group's energy from renewable energy sources by 2030.

Partnering with Woolworths and supporting the retailer to meet these targets is just one approach WWF-SA takes to achieve its conservation goals, so that all South Africans are able to enjoy:

- sustainable food systems that promote biodiversity conservation and food security
- a climate-resilient, low-carbon living environment that enables equitable and inclusive growth
- well-managed water resources in water-source areas, production landscapes and cities that deliver benefits to people and nature.

CHOOSE WISELY

BUY RESPONSIBLY SOURCED FISH

Making the right choice is easy. We are committed to ensuring that all our fish and seafood is responsibly sourced. So you can enjoy fish today, and tomorrow.



THE PARTNERS IN NUMBERS

1931

year that Woolworths was founded

28 334

staff employed by Woolworths SA

128

staff employed by WWF-SA

1968

year that WWF-SA was founded

100

countries in which WWF operates

13

countries in which Woolworths operates



Why we are here

To stop the degradation of the planet's natural environment and to build a future in which humans live in harmony with nature.

wwf.org.za