WOOLWORTHS HOLDINGS LIMITED

2021 CDP Water submission for the 2020 financial year

START

Woolworths Holdings Ltd - Water Security 2021

W0. Introduction

W0.1

(W0.1) Give a general description of and introduction to your organization.

Woolworths Holdings Limited (WHL) is a southern hemisphere retail Group that has been listed on the Johannesburg Stock Exchange Limited (JSE) since 1997. It is one of the top 40 JSE-listed companies with operations in Sub-Saharan Africa, Australia, and New Zealand and has a market capitalisation of R34.4 billion as at 28 June 2020. Approximately 25% of revenue is derived from Australian operations. WHL employs more than 45 000 employees across 14 countries and trades in about 1 500 store locations. The Group trades through three operating subsidiaries, which include Woolworths Proprietary Limited (Woolworths or WSA which operates in South Africa and 11 other African countries), Country Road Group Proprietary Limited (Country Road Group or CRG) and David Jones Proprietary Limited (David Jones or DJ), the latter of which was acquired on 1 August 2014 and formerly listed on the Australian Securities Exchange (ASX). In addition, Woolworths holds a minority interest in Woolworths Financial Services Proprietary Limited (WFS), in a joint venture with Barclays Africa Group which holds the controlling interest.

Woolworths offers a range of quality private label clothing and general merchandise and a wide range of perishable, long-life, and non-food products, as well as financial services provided through Woolworths Financial Services. Country Road Group offers stylish high-quality apparel, accessories, footwear, and homeware. David Jones offers a range of international and private label brands in womenswear, menswear, shoes and accessories, beauty products, childrenswear, electronics, and general merchandise.

While the business of fashion and food retailing follows generic business processes, the WHL Group has developed key competencies over the years that enable value creation for all stakeholders and direct how we create value. We believe that the activities in our business model use our resources to optimise value creation. We also recognise the interdependencies between the resources and trade-offs between the costs and benefits offered by the resources that we must manage responsibly. We manage our broader business impact through comprehensive social, ethical, and environmental policies and practices which are defined through our sustainability strategy, known as the Good Business Journey. Unique to our business model is the extent to which the Good Business Journey supports and nurtures future access to our resources, and how we aim to generate sustainable returns for investors and shareholders over the short-, medium-, and long term.

Through our Good Business Journey, we have embedded sustainability into every aspect of our business and every product we sell, with eight key focus areas: sustainable farming, water, waste, energy, ethical sourcing, transformation, social development, and health and wellness. Our vision is to be the most responsible retailers in the world.

Water

Water remains an overarching focus area of our overall Good Business Journey strategy. We recognise that as a business we have a responsibility not only to conserve water but to promote equitable use of available water resources. We are committed to improving water efficiency, and where possible reducing our water consumption and managing wastewater across our own operations and supply chain through collective action, partnerships, research, and education. Water stewardship continues to be an ongoing strategic focus for Woolworths as we continue to look deeper into how we can contribute to the resilience of others, including our suppliers and communities through collective action initiatives and by promoting sustainable production methods. It is due to the aforementioned reasons that collaborative efforts with suppliers and key strategic partners such as WWF-South Africa, the National Business Initiative, and the United Nations CEO Water Mandate remain crucial.

W0.2

(W0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date
Reporting year	July 1 2019	June 30 2020

W0.3

(W0.3) Select the countries/areas for which you will be supplying data.

Australia
Botswana
Eswatini
Ghana
Kenya
Lesotho
Mauritius
Mozambique
Namibia
New Zealand
South Africa
Uganda
United Republic of Tanzania
Zambia

W0.4

(W0.4) Select the currency used for all financial information disclosed throughout your response.

ZAR

W0.5

(W0.5) Select the option that best describes the reporting boundary for companies, entities, or groups for which water impacts on your business are being reported.

Companies, entities or groups over which operational control is exercised

W0.6

(W0.6) Within this boundary, are there any geographies, facilities, water aspects, or other exclusions from your disclosure?

Yes

W0.6a

(W0.6a) Please report the exclusions.

Exclusion	Please explain
Water Accounting data for David Jones and Country Road in Australia and New Zealand.	while 100% of the water used from the facilities of both David Jones and Country Road is discharged to local municipalities sewer systems, however, water flowing into the organizational boundaries (withdrawals) is not measured. Water-Meter rollout is still in its infancy. Water is consumed for WASH services in these facilities. While we currently do not have robust monitoring in place for water crossing the organizational boundaries of the two trading subsidiaries, we have invested in water efficiency improvements, or and water-related innovation in product design.

W1. Current state

W1.1

(W1.1) Rate the importance (current and future) of water quality and water quantity to the success of your business.

	Direct use importance rating	Indirect use importance rating	Please explain
Sufficient amounts of good quality freshwater available for use	Important	Vital	Direct use of water in admin buildings, distribution centres (DCs) and stores for consumption, sanitation, cleaning and occasionally irrigation is essential for the functioning of the facilities and the health and safety of employees. We strongly believe access to water, sanitation and hygiene (WASH) services for the general well-being of employees is intrinsically linked to productivity (in both our direct operations and supply chains). Availability of sufficient and high quality water is crucial for our business success. WHL suppliers' access to good quality freshwater is critical for the business to continuously source produce and commodities required in both our Foods (Woolworths) and Clothing businesses (Woolworths, Country Road Group and David Jones). At Woolworths, we source over 90% of our food from within the Southern Africa, a relatively water scarce region compared to the world average. Therefore, our business continuity and sustainability is commensurate with the continued functioning of the agricultural sector and the availability of good quality (fit for purpose) water resources for our primary and secondary suppliers. We also recognize that our business success is linked to the continuous and adequate access to WASH services for the communities within which we operate. Local communities are the backbone of our continued business success. WHL recognizes the importance of water to human well-being and for the functioning of ecosystem services.
Sufficient amounts of recycled, brackish and/or produced water available for use	Important	Important	Whilst our direct operations (stores, DCs and admin buildings) use predominantly municipal water, we are trying to reduce our dependence on treated water by supplementing water use with grey water and recycled water in our DCs for non-potable water uses. This has been a growing focus area as uncertainty of water supply and water tariffs continue to increase, particularly in South Africa. The use of recycled water is considered important for both our foods and clothing supply chains, particularly in the face of increasing water scarcity in South Africa.

W1.2

(W1.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?

	% of sites/facilities/operations	Please explain
Water withdrawals – total volumes	76-99	Water use in our direct operations is monitored and measured by a real-time pulse-meter network installed in 99% of Woolworths sites which monitors municipal water use across our facilities, including groundwater withdrawals at the head office. The water consumption reports from the online metering system are generated on a monthly basis. Country Road Group and David Jones in Australia are still in the early stages of installing water meter meters across their facilities. And are excluded in the water accounting.
Water withdrawals – volumes by source	76-99	Water use in our direct operations is monitored and measured by a real-time pulse-meter network installed in 99% of Woolworths sites which monitors municipal water use across our facilities, including groundwater withdrawals at the head office. While rainwater is essential for keeping our facilities operational during draughts periods, we do not actively monitor rainwater harvesting in all our sites. In South Africa, the persistent multi-year drought presented an opportunity to amend the store specifications so that the installation of backup water tanks became standard for stores in high-risk areas across the country. At the moment, the tanks are installed on a needs basis. In Australia, Country Road Group has 100 000 liter rainwater tanks at its distribution center – the Omni-Channel Fulfilment Centre (OFC). The rainwater collected in this facility is used for cold water taps, irrigation, and urinals.
Entrained water associated with your metals & mining sector activities - total volumes [only metals and mining sector]	<Not Applicable>	<Not Applicable>
Produced water associated with your oil & gas sector activities - total volumes [only oil and gas sector]	<Not Applicable>	<Not Applicable>
Water withdrawals quality	100%	The groundwater water which is withdrawn in our head offices and Montague Gardens Food DC is treated by reverse osmosis. We monitor Electric Conductivity, Total Dissolved Solids, pH concentration, and temperature to determine the water's fitness for the purpose daily. We largely use municipal water and we are confident in the quality delivered, as such, we don't monitor municipal water quality.
Water discharges – total volumes	100%	100% of all water from our direct operations is discharged via sewer to the relevant local municipal treatment facilities
Water discharges – volumes by destination	100%	Whilst effluent disposal costs are tracked against water meter data for financial recoveries monthly, we do not actively monitor and report discharge data since we do not discharge significant volumes of wastewater. All water from our direct operations is discharged via sewer to the relevant local municipal treatment facility. And our water discharge volumes are estimated from the municipal invoices.
Water discharges – volumes by treatment method	100%	All water from our direct operations is discharged via sewer to the relevant local municipal treatment facility. Volumes are tracked against water meter data and estimated against effluent disposal costs.
Water discharge quality – by standard effluent parameters	Not relevant	Water is largely utilized for WASH services in our facilities, and we are working to improve our wastewater quality. David Jones has started trialing electrolyzed water (e-water) technology, an organic, less toxic, and sustainable solution for cleaning. It works by using electrolysis technology to dilute a salt solution through an electrolyzer that segregates the ions formed, producing two oppositely charged solutions with altered physical and chemical properties. This reduces the need to use harmful chemicals for cleaning.
Water discharge quality – temperature	Not relevant	
Water consumption – total volume	76-99	Water use in our direct operations is monitored and measured by a real-time pulse-meter network installed in 99% of our Woolworths facilities. We do not directly measure discharge volumes as it is estimated from effluent disposal costs from the municipalities. This allows us to estimate water consumption. In the reporting year, water consumption was estimated to be ≈ 60.4 megaliters.
Water recycled/reused	51-75	In Woolworths corporate buildings we have shifted to 64% greywater usage.
The provision of fully-functioning, safely managed WASH services to all workers	100%	As a signatory to the WBCSD WASH workplace pledge, we acknowledge the human right to water, sanitation, and hygiene. We continue to ensure that all of our facilities maintain strict standards for hygiene and all WHL employees have access to adequate, and safe WASH services. We complete occupational hygiene audits in all of our facilities on an annual basis which ensures that all of our facilities provide fully functioning WASH services to all workers.

W1.2b

(W1.2b) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, and how do these volumes compare to the previous reporting year?

	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Total withdrawals	603.72	Lower	The water withdrawals volume decreased by 9.6%, resulting in a relative reduction of 64.3 megaliters year on year. The decrease in water withdrawals reflects the disruption of 'business as usual' in our operations due to the COVID-19 national lockdown in the 4th quarter of the reporting year, as well as the upscaling of greywater recycling and re-use in our corporate buildings and distribution centers.
Total discharges	543.32	Lower	This figure is estimated from effluent disposal costs from municipal invoices.
Total consumption	60.4	Lower	This decrease is driven by the COVID -19 lockdown, in which the business made provisions for non-essential workers to work remotely. This has resulted in a decrease in water, sanitation, and hygiene (WASH) related water use in our facilities.

W1.2d

(W1.2d) Indicate whether water is withdrawn from areas with water stress and provide the proportion.

	Withdrawals are from areas with water stress	% withdrawn from areas with water stress	Comparison with previous reporting year	Identification tool	Please explain
Row 1	Yes	1-10	About the same	WRI Aqueduct	Our corporate buildings, and some of our DCs and Stockroom are located in Cape Town, and according to WRI Aqueduct Atlas the City has extremely high Water Stress Index of >80%. And 83 of our stores are located across the Western Cape Province. The province is divided into two catchment areas (Breede-Gouritz, and Berg-Olifants Catchment Area), with varying hydro-climatological and hydro-ecological variables. The Breede-Gouritz Catchment has an water stress index index ranging from low >10% to medium high (20-40%), While the Berg-Olifants Catchment Area has high (40-80%) to extremely high water stress index of >80% .The increasing water stress indicates an increasing competition among water users in the province especially in the industrial and densely populated Cape Metropole, while agriculture irrigation and livestock largely drive water consumption in the hinterland. As such, water shortages remain prevalent in the broader Western Cape semi-arid region. It is within this context that we have set a target focusing mainly on reducing our water footprint in the Breede-Gouritz and the Berg-Olifants water management areas (WMAs). We also intensified our water stewardship activities in these catchments focusing on our stone fruit agricultural supply chain. These water stewardship activities involve: ground water development and clearing of alien species in the riverine and riparian zones with the aim of increasing the ratio of available renewable water supplies to total water withdrawals.

W1.2h

(W1.2h) Provide total water withdrawal data by source.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Fresh surface water, including rainwater, water from wetlands, rivers, and lakes	Relevant but volume unknown	<Not Applicable>	<Not Applicable>	Rainwater is essential for keeping our facilities operational during draughts periods, we do not actively monitor rainwater harvesting in all our sites. In South Africa, the persistent multi-year drought presented an opportunity to amend the store specifications so that the installation of backup water tanks became standard for stores in high-risk areas across the country. At the moment, the tanks are installed on a needs basis. In Australia, Country Road Group has 100 000 liter rainwater tanks at its distribution centre – the Omni-Channel Fulfilment Centre (OFC).
Brackish surface water/Seawater	Not relevant	<Not Applicable>	<Not Applicable>	
Groundwater – renewable	Relevant	6.46	Much lower	54% of the withdrawal volumes of 11.976 megaliters in our head office is renewable groundwater. Groundwater withdrawals decreased by 54.2% as a result of reduced water demand, driven by COVID-19 lockdown.
Groundwater – non-renewable	Not relevant	<Not Applicable>	<Not Applicable>	
Produced/Entrained water	Not relevant	<Not Applicable>	<Not Applicable>	
Third party sources	Relevant	597.26	Lower	The decrease in water withdrawals reflects the disruption of 'business as usual' in our operations due to COVID-19 lockdown in the second half of the reporting year, as well as the upscaling of greywater recycling and re-use in our corporate buildings and distribution centers.

W1.2i

(W1.2i) Provide total water discharge data by destination.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Fresh surface water	Not relevant	<Not Applicable>	<Not Applicable>	
Brackish surface water/seawater	Not relevant	<Not Applicable>	<Not Applicable>	
Groundwater	Please select	<Not Applicable>	<Not Applicable>	
Third-party destinations	Relevant	543.32	Lower	All water from our direct operations is discharged via sewer to the relevant local municipal treatment facility. Volumes are tracked against water meter data and estimated against effluent disposal costs.

W1.2j

(W1.2j) Within your direct operations, indicate the highest level(s) to which you treat your discharge.

	Relevance of treatment level to discharge	Volume (megaliters/year)	Comparison of treated volume with previous reporting year	% of your sites/facilities/operations this volume applies to	Please explain
Tertiary treatment	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	
Secondary treatment	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	
Primary treatment only	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	
Discharge to the natural environment without treatment	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	
Discharge to a third party without treatment	Relevant	543.32	Lower	100%	All water from our direct operations is discharged via sewer to the relevant local municipal treatment facility. Volumes are tracked against water meter data and estimated against effluent disposal costs.
Other	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	

W1.4

(W1.4) Do you engage with your value chain on water-related issues?

Yes, our suppliers

Yes, our customers or other value chain partners

W1.4a

(W1.4a) What proportion of suppliers do you request to report on their water use, risks and/or management information and what proportion of your procurement spend does this represent?

Row 1

% of suppliers by number

51-75

% of total procurement spend

51-75

Rationale for this coverage

All Woolworths tier 1 suppliers are bound to Woolworths business codes of practice and are required to comply with the standards set on the codes. We are committed to upholding high social, ethical, and environmental standards in the supply chain. Tier 2 suppliers are also encouraged to follow good environmental practices and subscribe to environmentally sound principles. We also focus our engagement with Woolworths Foods and some WHL Clothing suppliers that operate in water-stressed areas. This encompasses all of our South African primary produce suppliers as well as around 65% of secondary suppliers through the Farming for the Future program. We also engage suppliers through our green factory assessment program which currently covers about 80% of foods suppliers by procurement spend. For the Clothing, Beauty, and Homeware business, we engage suppliers across the world to address inefficient water consumption and wastewater management in line with our chemical detox strategy. And through our science-based target in line with 'Business Ambition for 1.5°C,' WHL has committed that 25% of its suppliers by spend covering purchased goods and services, will have science-based targets by 2024 because we recognize the links between 'water-related physical risks' arising from long-term shifts in climate patterns.

Impact of the engagement and measures of success

Water availability and quality is a key component of the Farming for the Future program and directly impacts the sustainability of our fresh produce suppliers as well as the cost of food. We use Water Footprint Index (WFI) that takes into account 116 parameters linked to water use efficiency, wastewater, alien vegetation among others, and helps to track an individual supplier's progress year on year. The success of the program has entrenched the culture of resource efficiency across the value chain and continues to improve livelihoods through skills development and jobs creation. Our Factory Assessments enable us to grade our suppliers based on their environmental management. We aim to drive progress in the areas most important to us (water being one of them) and improve scores of our supply base year on year. This program enables us to visibly map potential water risks within the supply chain.

Comment

W1.4b

(W1.4b) Provide details of any other water-related supplier engagement activity.

Type of engagement
Incentivizing for improved water management and stewardship

Details of engagement
Water management and stewardship action is integrated into your supplier evaluation
Water management and stewardship is featured in supplier awards scheme

% of suppliers by number
51-75

% of total procurement spend
51-75

Rationale for the coverage of your engagement
Coverage applies to Woolworths SA food suppliers. The focus for Woolworths is the primary farming and processing supply base in South Africa as they supply over 95% of our fresh produce. Their access or lack thereof to good quality freshwater resources is of high strategic importance to Woolworths (since they operate in a water-scarce country).

Impact of the engagement and measures of success
We integrate sustainability into Woolworths food suppliers using the Green Factory and Farming for the Future programs into overall supplier scorecards - alongside elements including quality, delivery, cost, etc. Good performance on these programs is incentivized, we are likely to build long business relationships with high-scoring companies as we use these scores in the overall evaluation of a supplier. Both initiatives have a strong water focus. Suppliers who are part of Farming for the Future score higher using our Green Factory Assessment are further rewarded with sustainability attributes for their products. We have a goal to have at least one sustainability attribute for every product we sell by 2020. We are observing a positive response from our customers towards Farming for the Future labeled products.

Comment

Type of engagement
Innovation & collaboration

Details of engagement
Encourage/incentivize innovation to reduce water impacts in products and services

% of suppliers by number
51-75

% of total procurement spend
26-50

Rationale for the coverage of your engagement
Significant amounts of water and chemicals are used throughout the fashion supply chain, from the farming and production of raw materials to the wet processing, dying, and manufacturing of garments. All Country Road Group manufacturers are required to adhere to our high ethical, social, and environmental standards and sign the Environmental Code of Practice for the dyeing, printing, and finishing of merchandise supplied. This code aims to ensure that within existing technology, no dye or chemical used in the production of garments, fabrics, leather, and/or textile-related products present unacceptable health or environmental risk during manufacturing, use, or disposal. This engagement makes it obligatory for effluent from each textile wet processing facility to be treated prior to discharge to a receiving water system either on-site or at an effluent treatment plant whose discharge content limits are regulated by a local and/or national governmental authority.

Impact of the engagement and measures of success
All the foregoing requirements naturally form part of an environmental impact review undertaken as part of a supplier's environmental management system. This is increasingly taking form through the implementation of informal internal systems that are built into the operating procedures of the suppliers to minimize the environmental impacts of the supplied products. With regards to addressing our water footprint associated with the sourcing of key strategic raw commodities, Country Road Group has partnered with tanneries that are accredited to the Leather Working Group – an environmental standard that promotes best practice in chemical management and wastewater treatment. While cotton is the largest material used across Country Road Group and David Jones private label collections, the businesses have focused on supporting sustainable cotton farming practices which use less water and chemicals in the production process.

Comment

W1.4c

(W1.4c) What is your organization's rationale and strategy for prioritizing engagements with customers or other partners in its value chain?

As a business, we have an important role to play in promoting good behavior with regard to resource use. We recognize that water is a limited and finite resource and water has no substitute. Water is essential for well-functioning ecosystem services upon which our business and local communities interdepend. Our strategic posture is gradually shifting from a 'stakeholder view' (i.e., shared value or triple bottom line thinking)to a 'systems view'. We are adopting a 'systems view' because we recognize that our operations are embedded within, and bounded by the social, economic, and environmental systems. Our main objective through these engagements is building capacity in the supply chain for continuous improvement of resource efficiency and management, as a means of improving social and environmental outcomes and to ensure non-negotiable adherence to our businesses Codes of Practices.

Through our businesses Codes of Practices, we are committed to upholding high social, ethical, and environmental standards in the supply chain. This is underpinned by our strong values, 'sustainability' in particular, which is the foundation of our brand and is well integrated into the way we do business, measure performance, and reward the right behavior. We are committed to ensuring that our business and suppliers operate in a way that respects and protects the environment. Not only as a result of our customer's expectations, but we believe that suppliers and business partners that share our values, and adhere to social and environmental standards are important for our business sustainability and brand equity.

We also communicate regularly through various media platforms and in-store on our water, commitments, and progress to customers, employees, and suppliers via our marketing and communication channels to help grow awareness among these stakeholders.

W2. Business impacts

W2.1

(W2.1) Has your organization experienced any detrimental water-related impacts?

No

W2.2

(W2.2) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?

No

W3. Procedures

W3.3

(W3.3) Does your organization undertake a water-related risk assessment?

Yes, water-related risks are assessed

W3.3a

(W3.3a) Select the options that best describe your procedures for identifying and assessing water-related risks.

Direct operations

Coverage
Full

Risk assessment procedure
Water risks are assessed as part of an enterprise risk management framework

Frequency of assessment
More than once a year

How far into the future are risks considered?
More than 6 years

Type of tools and methods used
Enterprise Risk Management
Other

Tools and methods used
Internal company methods
National-specific tools or standards
Other, please specify (Climate projections, Farming For the Future audits)

Comment
Water is a strategic assessment focus across the entire Woolworths Holdings Group; therefore it is included within the enterprise risk assessment process in all Group companies, as well as bi-annual sustainability reviews with each business unit. The assessment process aims to be as thorough as possible, therefore includes all of our direct operations. Our risk assessments include assessment of short-term e.g. drought to long-term e.g. climate change risks. In addition, we put water risk assessments in our comprehensive Farming For the Future program.

Supply chain

Coverage
Partial

Risk assessment procedure
Water risks are assessed as part of an enterprise risk management framework

Frequency of assessment
More than once a year

How far into the future are risks considered?
3 to 6 years

Type of tools and methods used
Tools on the market
Enterprise Risk Management
International methodologies
Other

Tools and methods used
WWF Water Risk Filter
IPCC Climate Change Projections
Internal company methods

Comment
Risk assessments primarily focused on where we have good visibility, e.g. Woolworths Foods supply chain, which is well understood. Assessing supply chain risk in the clothing supply chain is more complicated due to the complex and globalized nature of clothing manufacture – hence supplier risk assessment among our clothing suppliers is limited to a few keys, strategic facilities at this stage. We conduct water risk assessments in the Foods value chain using Woolworths 'Farming for the Future annual water availability and quality risk assessment'.

Other stages of the value chain

Coverage
Partial

Risk assessment procedure
Water risks are assessed in an environmental risk assessment

Frequency of assessment
More than once a year

How far into the future are risks considered?
1 to 3 years

Type of tools and methods used
Other

Tools and methods used
Internal company methods

Comment
Water risks (and climate change) are included as a consideration when we are developing and reviewing strategies related to the sourcing of key raw material inputs e.g. cotton, cocoa, coffee.

W3.3b

(W3.3b) Which of the following contextual issues are considered in your organization's water-related risk assessments?

	Relevance & inclusion	Please explain
Water availability at a basin/catchment level	Relevant, always included	We understand that water scarcity is a global challenge that requires local solutions. Woolworths Farming for the Future annual water availability and quality risk assessment to assess water availability at basin level to assess risks associated with water availability and water quality.
Water quality at a basin/catchment level	Relevant, sometimes included	Irrigation water quality is a consideration in our sourcing of fresh produce, from a human health perspective. Continuous evaluation and monitoring are completed by buying and technology team. Through our Chemical Detox and Eco-Factories programs we are working with our Fashion, Beauty, and Homeware (FBH) private label suppliers in China, India, Bangladesh, Mauritius, Madagascar, and South Africa to not only ensure compliance but to improve the quality of effluents beyond compliance standards so to minimize the environmental impacts. Suppliers need to produce effluent permits and report on the water quality parameters that are monitored in situ.
Stakeholder conflicts concerning water resources at a basin/catchment level	Relevant, always included	Given that agriculture uses 60% of water resources in South Africa, it is critical that we identify any current or possible risks in relation to stakeholder conflict, particularly in the face of increasing water scarcity. Not managing these risks appropriately may impact our reputation and social license to operate. We rely on our Risk and Governance and Corporate communications and PR teams as well as buyers and technical teams to identify and evaluate stakeholder risks and engage directly with farmers on such issues in our Farming for the Future audits to identify possible catchment/community conflict.
Implications of water on your key commodities/raw materials	Relevant, always included	Availability of raw materials required for our Foods and Clothing products (produce, meat, coffee, cocoa, soy, palm oil, and cotton, etc.) is extremely important to ensure the profitability and longevity of our business. Aside from internal technical knowledge of buying teams, we work with strategic partners such as WWF to identify implications of our operations and our products on water use as well as and vice versa through life cycle assessments and other strategic research projects. Broadly we use the Water Risk Filter as a useful tool to evaluate commodity-specific risks. For some commodities, we rely on input from industry associations/assurance providers such as the Better Cotton Initiative (BCI) and UTZ (cocoa) to feed into our risk management processes.
Water-related regulatory frameworks	Relevant, always included	Our internal Risk, Legal and Compliance teams continually assess changes to regulatory regimes, water pricing forming a component of the internal knowledge base that we rely on. Broadly we use tools such as the Water Risk Filter to identify high-level risks from a regulatory capacity standpoint. At a more detailed level, we assess risks in relation to changes in water-use allocations and water use licensing through our farming for the Future program and are engaged around the subject of water tariffs through our partnership with the National Business Initiative.
Status of ecosystems and habitats	Relevant, always included	Biodiversity impacts and their interaction with water issues are particularly important in our Foods supply chain. Through Farming for the Future, we are able to assess the impacts of a farm on local level biodiversity and ensure a certain standard of ecosystem stewardship. In addition through work with WWF (and various other organizations), we are able to identify ways we reduce these risks at a local level, for example through supporting alien vegetation clearing. Tools such as the SA Vulnerability Atlas provide a good understanding of the implications of climate change on biodiversity and ecosystems.
Access to fully-functioning, safely managed WASH services for all employees	Relevant, always included	We acknowledge and uphold the human right to water, sanitation and hygiene and ensure that all of our facilities maintain strict standards for hygiene. Woolworths is a signatory to the WBCSD WASH at the workplace. All of our facilities are required to operate in accordance with strict health and safety requirements, and are regularly audited against these requirements. We have utilized the WASH Self Assessment tool to assess our initial risk exposure. Our suppliers and service providers are bound by the Woolworths Code of Business principles and our first tier suppliers undergo an Ethical Audit a third party auditor. Hygiene is one component of this audit and ensures that all suppliers have.
Other contextual issues, please specify	Relevant, always included	Water is not only central to our business continuity but is large of strategic importance in our supply chains, to the functioning of ecological systems, a driver of local economies, and also a prerequisite for human well-being. Given the increasing competing water need, it has become clearer to us that isolated and unilateral approaches are inadequate towards addressing the inherent complexities in water challenges. Instead, actions to address water-related problems require collective and concerted efforts between the communities, both private and public sector including civil society organizations and local stakeholder representatives at all levels. This proposition has given us an opportunity to forge working relationships with broader society. As a signatory of the UN-Global Compact, Woolworths has been proactive in supporting and participating in various stakeholder alliances so to encourage collective action towards addressing complex water challenges and realize positive water outcomes at scale and in line with global goals i.e. SDG6

W3.3c

(W3.3c) Which of the following stakeholders are considered in your organization's water-related risk assessments?

	Relevance & inclusion	Please explain
Customers	Relevant, always included	We have seen a remarkable increase in interest from our customers in relation to water particularly due to the water scarcity issues currently being faced in South Africa. It is critical that we consider this in the development of new products, suppliers, and stores to minimize reputational and brand risk and also ensure that we communicate our progress and commitment to water management. We engage with customers on a continual basis through a variety of media and communications channels, including in-store plasma screens, social media, and traditional marketing.
Employees	Relevant, always included	Access to clean water for our employees is fundamental to the operation of the business, therefore the risk of employees not having access to water is always factored into our risk assessments. We work with our employees in creating awareness around water issues at work and in the home through training, communications, and competitions on an ongoing basis.
Investors	Relevant, always included	Woolworths is committed to improving disclosure about the financial and material risks posed by water issues and our own usage reduction strategies on behalf of investors and also responding to concerns raised by them. We report related data through the CDP, annual sustainability reporting, and a variety of other benchmarking indices on an ongoing basis.
Local communities	Relevant, sometimes included	We have seen an uptick in interest from communities we operate in, particularly during the drought and water restrictions, and as such are increasingly looking at our business in the context of local water users and our 'right to operate. We also monitor community risks among our supply base and view our water stewardship and farming for future projects as being one way we can promote collective thinking and cooperation among catchment users. This engagement occurs in stores (through water messaging and awareness drives), via media e.g. TV, at project level workshops, e.g. as part of our Water Stewardship community meeting.
NGOs	Relevant, always included	NGOs play an important role in communicating the expectations of stakeholders to Woolworths and the retail industry more generally; as such they are factored into our risk assessments. We engage with NGOs at shareholder and public or scheduled meetings as and when the need arises, as well as through structured partnerships with WWF-SA, catchment management agencies, and others.
Other water users at a basin/catchment level	Relevant, sometimes included	Given that agriculture uses 60% of all of South Africa's water resources and that risk within a catchment is a factor of available supply vs demand, it is important to understand the nature of dependency of other water users in a catchment particularly within our Foods supply chain. As part of our Ceres water stewardship project in collaboration with WWF-SA, we are engaging water users around the use of groundwater, which is an emerging risk as a result of the drought. We recognize our unique position in the value chain to be able to bring together water users and suppliers in order to address water risks.
Regulators	Relevant, always included	We are increasingly engaging with water regulators (e.g. the national Department of Water and Sanitation (DWS), and the Department of Agriculture and Forestry (DAFF) at the policy discussion level, in aligning our approach in support of national objectives as well as sharing industry insight. This engagement occurs both on an Adhoc basis, as well as scheduled stakeholder engagement seminars.
River basin management authorities	Relevant, sometimes included	In South Africa, we have been working with the oldest and best functioning Catchment Management Authorities (CMAs) in the country through our Ceres Water Stewardship project. The legal and policy framework for the future of CMAs in South Africa is uncertain, however.
Statutory special interest groups at a local level	Relevant, sometimes included	This is included on an ad-hoc basis as projects require.
Suppliers	Relevant, always included	We work across our supply chain to manage risks associated with fresh water and wastewater and are committed to improving practice at the supplier level. At Woolworths, we work with Foods suppliers directly through the Farming for the Future and the Green Factories program aimed at primary producers, and scheduled supplier training and development. Clothing suppliers are engaged by relevant technical experts within the business who are working to eliminate the use of certain chemicals through our Eco-Factories and Detox programs on an ongoing basis.
Water utilities at a local level	Relevant, always included	Where necessary we engage with utilities at a local level around tariffs, billing, and infrastructure projects (including Rand Water and Umgeni Water). Typically this engagement is on an as-needed basis at present, or via work being completed by our partner organization, the National Businesses Initiative related to water pricing. We also support and engage with local municipalities on a regular basis, e.g. City of Cape Town Water and Waste Forum. The forum is aimed at sharing practical knowledge and support for taking action amidst the water scarcity climate and other environmental issues prevalent at the Cape Town Metro in which we are headquartered.
Other stakeholder, please specify	Relevant, always included	Media: To enable communication of water awareness programs and initiatives we engage the media on a regular basis.

W3.3d

(W3.3d) Describe your organization's process for identifying, assessing, and responding to water-related risks within your direct operations and other stages of your value chain.

The water risk assessment process aims to be as thorough as possible and includes all of our direct operations and suppliers where we have good visibility e.g. Woolworths Foods supply chain, which is well understood (basin-level assessment). Our clothing supply chain is more complicated due to the complex and globalized nature of clothing manufacture – hence supplier risk assessment among our clothing suppliers is limited to a few key, strategic facilities (regional-level assessment).

We rely on a number of methods to assess water risks at a medium-long time horizon. For direct and local suppliers we assess risks at a basin level using available datasets WRI Aqueduct, NWIS, and long term climate projections (CSAG). In our supply chain, we also rely on internal buyers and technologists who engage regularly with farmers, suppliers, and other stakeholders. At a value chain level, we use life cycle analyses to assess product life cycle impacts which enable a better understanding of sourcing decisions and strategies.

Water is included in biannual BU reviews with the Head of Sustainability. Where risks are significant they will be incorporated into WHL's enterprise risk management framework. Dedicated risk teams conduct a risk assessment with EXCO's annually. The methodology assesses risks on exposure and controlled residual basis, where mitigation measures are taken into account. The risk assessment is reviewed with the relevant risk owner on a quarterly basis to assess any exposure/mitigation changes taking into account various scenarios. Risks are assessed in terms of their impact on our core function i.e. ability to trade as a retailer given our operational context, and brand reputation.

Water risks identified the food supply chain resulted in the investment in our Farming for the Future program. This level of understanding informs sourcing strategies e.g. guided suppliers away from growing water-intensive produce in water-stressed areas. It also guides strategies for raw materials e,g. cotton.

W4. Risks and opportunities

W4.1

(W4.1) Have you identified any inherent water-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes, both in direct operations and the rest of our value chain

W4.1a

(W4.1a) How does your organization define substantive financial or strategic impact on your business?

To WHL, a substantive impact would arise where the company was not able to complete its core function as a result of the impact indirect operations or the supply chain, or that a financial, reputational, regulatory or customer impact arises, as per the WHL Enterprise Risk Management Framework. The framework defines risks according to a sliding scale e.g. CRITICAL (substantive) risk is defined as an event with a “high” likelihood (>90%) and a loss in BU profit of between 2.5 - 7.5%, through to a “possible” likelihood (31-50%) event with a potential to impact individual business unit profit by 15%. From a reputational perspective, a substantive change is defined as reputational damage that puts the company at risk of being affected by limited to persistent widespread negative comments or perceptions.

WHL’s combined assurance endeavors to maximize risk and governance oversight, maximize control efficiencies and optimize overall assurance to the audit and risk committee. The defined risk universe is reviewed and updated annually by the WHL Risk and Governance teams taking into account existing management controls, reviews, and self-assessment, the reviews conducted by internal assurance providers, compliance monitoring, key risk profile changes, reviews conducted by external assurance providers, management reviews and self-assessment and extent of assurance coverage.

W4.1b

(W4.1b) What is the total number of facilities exposed to water risks with the potential to have a substantive financial or strategic impact on your business, and what proportion of your company-wide facilities does this represent?

	Total number of facilities exposed to water risk	% company-wide facilities this represents	Comment
Row 1	84	1-25	Applies to buildings fundamental to business continuity: Foods distribution centers, head-office as well as our stores in the Western Cape Province (the Cape Town Metropole in particular). The region has been declared a disaster area in the recent past due to drought, the impacts of which are expected to pervade over the next few years. Climate change projections also indicate a general drying trend in the Western Cape.

W4.1c

(W4.1c) By river basin, what is the number and proportion of facilities exposed to water risks that could have a substantive financial or strategic impact on your business, and what is the potential business impact associated with those facilities?

Country/Area & River basin

South Africa	Berg-Olifants

Number of facilities exposed to water risk

84

% company-wide facilities this represents

1-25

Production value for the metals & mining activities associated with these facilities

<Not Applicable>

% company’s annual electricity generation that could be affected by these facilities

<Not Applicable>

% company’s global oil & gas production volume that could be affected by these facilities

<Not Applicable>

% company’s total global revenue that could be affected

Unknown

Comment

While the drought conditions vary temporally and spatially in the Western Cape province, the overall drought status outlook of the province has been on the decline, this is according to the drought status overview published by the Department of Water and Sanitation (DWS). In the Western Cape, these facilities are mainly located within 'drainage basin G' in the Berg-Olifants catchment area. As of June 2019, this drainage area has been identified to be of high risk in terms of water availability and water quality based on the Woolworths Farming for the Future annual water availability and quality risk assessment.

W4.2

(W4.2) Provide details of identified risks in your direct operations with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.

Country/Area & River basin

South Africa	Berg-Olifants

Type of risk & Primary risk driver

Physical	Increased water stress

Primary potential impact
Disruption to sales

Company-specific description
This applies to buildings that are fundamental to business continuity: distribution centers, head-office as well as our stores in the Western Cape. The region experienced severe drought in the recent past, the impacts of which are expected to pervade over the next few years. Disruptions in operations following water supply interruptions and/or increased water restrictions would cause disruption to business operations and sales. This can potentially hinder access to safe and adequate WASH services and this is likely to compromise the health and safety of Woolworths employees and that of our customers. This situation is likely to be significantly worsened by the effects of climate change under the business as usual scenario. As highlighted in South Africa's National Climate Response paper — current projections suggest that the limits of economically viable land-based water resources will be exceeded by 2050 and the downscaled climate modeling suggests that the western and interior parts of the country will be more prone to drought. Climate Change and the increasing population growth will further exacerbate water stress in the Berg-Olifants. The inability of Woolworths stores, plus several strategic admin buildings in the Western Cape to trade would have a severe impact on the Woolworths brand and profitability.

Timeframe
More than 6 years

Magnitude of potential impact
Medium-high

Likelihood
More likely than not

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure - minimum (currency)
<Not Applicable>

Potential financial impact figure - maximum (currency)
<Not Applicable>

Explanation of financial impact
We have not quantified the financial impact.

Primary response to risk
Establish site-specific targets

Description of response
The consequence of a persistent multi-year drought in the city's catchment areas presented one of the most significant risks ever faced by Woolworths, which is headquartered in Cape Town. To deal with this risk, Woolworths invoked an emergency task force, led by senior business management, to develop requisite business continuity plans. While still maintaining required levels of hygiene, the following processes were incorporated into operating plans: Installation of backup supply tanks for all stores in the Western Cape region so to harness and store rainwater. Incorporation of Greywater recycling and re-use. We rolled out smart metering systems to monitor water consumption in real-time and other water efficiency measures through our internal green building protocol to reduce our water withdrawals in the catchment. We also developed a formalized cleaning procedure to maintain hygiene in stores, minimizing the use of potable water. We developed a groundwater abstraction system (with Reverse Osmosis purification capacity) at our Cape Town distribution center and expanding head office 1.4 ML groundwater treatment plant capacity. We are continuing to replace the water-cooled refrigeration system at our Food DC with the air-cooled system. This is to manage higher operating costs due to the increased water tariffs and to remain competitive.

Cost of response

Explanation of cost of response
The cost of management for this risk lies in the provision of capacity for continuous motoring of these regulatory changes. This will be done by dedicated personnel either from the sustainability team for continuous landscape benchmarking or from the compliance and risk enterprise teams to ensure adherence to changes. This cost is an average of around R467,442 (median management salary) for a dedicated resource. Management means senior, middle, and junior management & skilled staff lumped together.

W4.2a

(W4.2a) Provide details of risks identified within your value chain (beyond direct operations) with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.

Country/Area & River basin

South Africa	Breede-Gouritz

Stage of value chain
Supply chain

Type of risk & Primary risk driver

Physical	Increased water stress

Primary potential impact
Increased production costs due to changing input prices from supplier

Company-specific description
Water is central to everything we do. We rely on a steady and clean supply of water across our entire value chain to grow, process, and manufacture our clothing and food products. As the climate changes freshwater resources are becoming increasingly scarce and insufficient in terms of both water quality and availability to meet agricultural, industrial, and domestic water needs and to maintain ecosystems. It follows therefore that water scarcity in the Breede Gauritz Catchment area will not only impede local economic development but human health and livelihoods. In the Cape Town metropole, water tariffs have been increased following the implementation of punitive charges for high water users. This has resulted in a significant increase in operating costs relating to the purchase of water for Woolworths suppliers. Higher water tariffs also put additional cost pressures on our customers, who are already fighting the escalating cost of living. To our suppliers, water will remain a key economic input. As the water supply becomes more erratic and uncertain, it will impact food price inflation, product quality, safety, and availability to Woolworths customers.

Timeframe
More than 6 years

Magnitude of potential impact
High

Likelihood
Likely

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure - minimum (currency)
<Not Applicable>

Potential financial impact figure - maximum (currency)
<Not Applicable>

Explanation of financial impact
We have not quantified the financial impact.

Primary response to risk

Supplier engagement	Promote greater due diligence among suppliers

Description of response
The Annual Water Footprint Index Assessments, as part of the Farming for the Future audits, are conducted with aim of decreasing suppliers' water footprints over time and to determine any inherent risk to the supply of products to Woolworths. This assessment covers 116 parameters, including irrigation water usage and quality, wastewater, and legal compliance. There are currently 483 farmers on the Farming for the Future program, of which 304 are secondary suppliers (all in all, providing coverage of 84% of Woolworths private label produce and horticulture lines). An annual Green Factory assessment is conducted whereby currently 130 supplier sites (all of whom are our large, strategic, exclusive, local, private label suppliers) self-assess and report on key sustainability issues including water management and risk, freshwater, and wastewater usage, and water quality.

Cost of response

Explanation of cost of response

W4.3

(W4.3) Have you identified any water-related opportunities with the potential to have a substantive financial or strategic impact on your business?
Yes, we have identified opportunities, and some/all are being realized

W4.3a

(W4.3a) Provide details of opportunities currently being realized that could have a substantive financial or strategic impact on your business.

Type of opportunity
Efficiency

Primary water-related opportunity
Cost savings

Company-specific description & strategy to realize opportunity
Through roll out of Improved monitoring via real-time metering, focus on water awareness and training with employees, and investment in water harvesting, storage, and recycling technologies we have reduced the amount of water used in our operations since 2007, and have also improved the accuracy of billing thereby leading to significant savings from billing recoveries. Water management KPIs have also been incorporated into the balanced scorecards (linked to financial incentives) of our real estate, stores, distribution centers, and sustainability teams regarding operational water reduction targets in all Group companies. Woolworths sends detailed reports to every facility on a monthly basis indicating how the store/ DC/ admin building is performing against its specific format benchmark (per m2). Supplier water efficiency targets are built into the scorecards of our Food and Clothing sourcing and technology teams. The influence of KPIs has led to greater visibility and focus on water as a key material issue, with the outcome being progressed towards our water reduction commitments.

Estimated timeframe for realization
Current - up to 1 year

Magnitude of potential financial impact
Medium

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
914059

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact
This figure is an estimate based on the municipal water savings that have been realized across our buildings in South Africa, as derived on the metering data.

Type of opportunity
Products and services

Primary water-related opportunity
Sales of new products/services

Company-specific description & strategy to realize opportunity
Our Good Business Journey is a source of innovation in our products. In 2015, we have set a target to ensure that every product we sell has at least one sustainability attribute, which may include, inter alia: production in an energy and water-efficient factory, made with eco-chemicals, new manufacturing processes that reduce water use, inclusion of recycled content, among others. We have developed a number of products that offer customers the chance to tread lighter on the environment, such as Farming for the Future products, recycled polyester clothing (uses less water); recycled polyester jeans made with eco-chemicals (and free from sandblasting) as well as phosphate-free washing detergents, among many others. In the year we developed a new range of bath products in response to the drought, designed to be quick rinse and grey-water safe (for use in the garden). We believe that the high levels of sustainability awareness amongst our customers, coupled with concerns about water scarcity and quality challenges in SA, will create a strong market for water-efficient products.

Estimated timeframe for realization
Current - up to 1 year

Magnitude of potential financial impact
Medium

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact
We have not quantified the financial impact.

Type of opportunity
Markets

Primary water-related opportunity
Stronger competitive advantage

Company-specific description & strategy to realize opportunity
We have done significant research on water-related risks in certain key catchments, and the on-the-ground information found that our suppliers were up to three times more water-efficient than the global average for certain products (e.g. peaches). This enables us to work with the suppliers on a broader catchment level rather than divest from risky regions. We are also looking at longer-term water impacts on regions to identify other sourcing opportunities in water-rich areas elsewhere in Africa. Through working with suppliers to reduce water use, improve wastewater management; and address wider-catchment level risks through collective action in water stewardship initiatives we are able to improve the resilience of our supply chain against future supply risks and therefore materially benefit the future of our business.

Estimated timeframe for realization
1 to 3 years

Magnitude of potential financial impact
High

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact
We have not quantified the financial impact.

Type of opportunity
Other

Primary water-related opportunity
Other, please specify (To make strides against SDG 6 through collaborative efforts)

Company-specific description & strategy to realize opportunity
Water is not only central to our business continuity but is large of strategic importance in our supply chains, to the functioning of ecological systems, a driver of local economies, and also a prerequisite for human well-being. Given the increasing competing water need, it has become clearer to us that isolated and unilateral approaches are inadequate towards addressing the inherent complexities in water challenges. Instead, actions to address water-related problems require collective and concerted efforts between the communities, both private and public sector including civil society organizations and local stakeholder representatives at all levels. This proposition has given us an opportunity to forge working relationships with broader society. As a signatory of the UN-Global Compact, Woolworths has been proactive in supporting and participating in various stakeholder alliances so to encourage collective action towards addressing complex water challenges and realize positive water outcomes at scale and in line with global goals i.e. SDG6 We are working with WWF-SA, UN CEO Water Mandate, and the National Business Initiative (NBI) for the advancement of context-based water targets in South Africa. In 2017 we funded an NBI study to identify cross-sectoral and cross-country water stewardship linkages between large SA corporations. We are also engaging the WRI on enterprise-wide water targets.

Estimated timeframe for realization
More than 6 years

Magnitude of potential financial impact
Medium

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact
We have not quantified the financial impact.

W5. Facility-level water accounting

W5.1

(W5.1) For each facility referenced in W4.1c, provide coordinates, water accounting data, and a comparison with the previous reporting year.

Facility reference number
Facility 1

Facility name (optional)
Head office complex

Country/Area & River basin

South Africa	Berg-Olifants

Latitude
-33.9

Longitude
18.4

Located in area with water stress
Yes

Primary power generation source for your electricity generation at this facility
<Not Applicable>

Oil & gas sector business division
<Not Applicable>

Total water withdrawals at this facility (megaliters/year)
11.97

Comparison of total withdrawals with previous reporting year
Much lower

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes
0

Withdrawals from brackish surface water/seawater
0

Withdrawals from groundwater - renewable
6.46

Withdrawals from groundwater - non-renewable
0

Withdrawals from produced/entrained water
0

Withdrawals from third party sources
5.5

Total water discharges at this facility (megaliters/year)
10.77

Comparison of total discharges with previous reporting year
Much lower

Discharges to fresh surface water
0

Discharges to brackish surface water/seawater
0

Discharges to groundwater
0

Discharges to third party destinations
10.77

Total water consumption at this facility (megaliters/year)
1.19

Comparison of total consumption with previous reporting year
Much lower

Please explain
During the national lockdown in the 4th quarter of the reporting year, non-essential employees were encouraged to work from home, affecting demand for water supply, sanitation, and hygiene (WASH) services.

Facility reference number
Facility 2

Facility name (optional)
Montague Gardens Distribution Centre

Country/Area & River basin

South Africa	Berg-Olifants

Latitude
-33.9

Longitude
18.5

Located in area with water stress
Yes

Primary power generation source for your electricity generation at this facility
<Not Applicable>

Oil & gas sector business division
<Not Applicable>

Total water withdrawals at this facility (megaliters/year)
37.73

Comparison of total withdrawals with previous reporting year
Much higher

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes
0

Withdrawals from brackish surface water/seawater
0

Withdrawals from groundwater - renewable
0

Withdrawals from groundwater - non-renewable
0

Withdrawals from produced/entrained water
0

Withdrawals from third party sources
37.73

Total water discharges at this facility (megaliters/year)
33.95

Comparison of total discharges with previous reporting year
Much higher

Discharges to fresh surface water
0

Discharges to brackish surface water/seawater
0

Discharges to groundwater
0

Discharges to third party destinations
33.95

Total water consumption at this facility (megaliters/year)
3.77

Comparison of total consumption with previous reporting year
Much higher

Please explain
In 2018/19 water was rationed in the facility following a multi-year drought, where Cape Town's water reservoirs were nearly depleted. The unusually challenging and long-lasting draught started in 2015. The drought was spread across the Western Cape province, in which Cape Town is the largest city. Water scarcity in the region worsened in 2018 following three consecutive years of unpredictable and low rainfall during the winter period. The municipality made an urgent call to residents and businesses to reduce their water usage.

Facility reference number
Facility 3

Facility name (optional)
83 stores (division 4) in the Western Cape Province (up from 77 stores)

Country/Area & River basin
Please select

Latitude
-33.2278

Longitude
21.8569

Located in area with water stress
Yes

Primary power generation source for your electricity generation at this facility
<Not Applicable>

Oil & gas sector business division
<Not Applicable>

Total water withdrawals at this facility (megaliters/year)
79.2

Comparison of total withdrawals with previous reporting year
Lower

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

Withdrawals from brackish surface water/seawater
0

Withdrawals from groundwater - renewable
0

Withdrawals from groundwater - non-renewable
0

Withdrawals from produced/entrained water
0

Withdrawals from third party sources
79.2

Total water discharges at this facility (megaliters/year)
71.2

Comparison of total discharges with previous reporting year
Lower

Discharges to fresh surface water
0

Discharges to brackish surface water/seawater
0

Discharges to groundwater
0

Discharges to third party destinations
71.2

Total water consumption at this facility (megaliters/year)
8

Comparison of total consumption with previous reporting year
Lower

Please explain
During the national lockdown in the 4th quarter of the reporting year, Fashion Home & Beaty stores were closed as a means to combat the spread of the novel coronavirus affecting the demand for water supply, sanitation, and hygiene (WASH) services in our stores.

W5.1a

(W5.1a) For the facilities referenced in W5.1, what proportion of water accounting data has been externally verified?

Water withdrawals – total volumes

% verified
76-100

What standard and methodology was used?
Assurance procedures followed in accordance with ISO14064-3 (2006)

Water withdrawals – volume by source

% verified
76-100

What standard and methodology was used?
Our water withdrawals are independently audited as part of our Carbon Footprint report by the Global Carbon Exchange. The verification is carried out in accordance with the International Standard ISO 14064-3 (2006) 'Specification with guidance for the validation and verification of greenhouse gas assertions.

Water withdrawals – quality

% verified
Not verified

What standard and methodology was used?
<Not Applicable>

Water discharges – total volumes

% verified
Not verified

What standard and methodology was used?
<Not Applicable>

Water discharges – volume by destination

% verified
Not verified

What standard and methodology was used?
<Not Applicable>

Water discharges – volume by treatment method

% verified
Not verified

What standard and methodology was used?
<Not Applicable>

Water discharge quality – quality by standard effluent parameters

% verified
Not verified

What standard and methodology was used?
<Not Applicable>

Water discharge quality – temperature

% verified
Not verified

What standard and methodology was used?
<Not Applicable>

Water consumption – total volume

% verified
Not verified

What standard and methodology was used?
<Not Applicable>

Water recycled/reused

% verified
Not verified

What standard and methodology was used?
<Not Applicable>

W6. Governance

W6.1

(W6.1) Does your organization have a water policy?

No, but we plan to develop one within the next 2 years

W6.2

(W6.2) Is there board level oversight of water-related issues within your organization?

Yes

W6.2a

(W6.2a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for water-related issues.

Position of individual	Please explain
Director on board	The Woolworths Holdings Board oversees the work of the Sustainability Committee as well as our Risk and Compliance Committees. The Sustainability Committee, a sub-committee of the WHL Board, provides a single point of view and direction for all WHL sustainability focus areas, incl. water and meets half-yearly to oversee progress in achieving all aspects of the Good Business Journey, as well as addressing any sustainability-related risks to the business. The main purpose of the committee is to ensure that the sustainability strategy and objectives are effectively integrated into the business. The Sustainability Committee is chaired by a non-executive director. The Group CEO and Woolworths CEO are members of the committee, together with three independent directors, one of whom chairs the Social and Ethics committee. These independent directors each have significant expertise and experience in a range of corporate sustainability issues.

W6.2b

(W6.2b) Provide further details on the board's oversight of water-related issues.

	Frequency that water-related issues are a scheduled agenda item	Governance mechanisms into which water-related issues are integrated	Please explain
Row 1	Scheduled - all meetings	Monitoring implementation and performance Overseeing acquisitions and divestiture Overseeing major capital expenditures Providing employee incentives Reviewing and guiding annual budgets Reviewing and guiding business plans Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding strategy Reviewing and guiding corporate responsibility strategy Reviewing innovation/R&D priorities Setting performance objectives	The role of the Sustainability Committee is to ensure that the Group's sustainable development strategy positions the Group as a leader in retail where it has operational presence. It further ensures that the sustainability initiatives and objectives are effectively integrated into the business and that the Group operates in an environmentally responsible manner, while meeting societal needs. Progress towards meeting climate-related targets and goals, are monitored at an operational level by the executive committee and championed by the Group Director: Marketing and Sustainability.

W6.3

(W6.3) Provide the highest management-level position(s) or committee(s) with responsibility for water-related issues (do not include the names of individuals).

Name of the position(s) and/or committee(s)
Other C-Suite Officer, please specify (Group Director: Marketing&Sustainability)

Responsibility
Both assessing and managing water-related risks and opportunities

Frequency of reporting to the board on water-related issues
Half-yearly

Please explain
Progress towards meeting water targets and goals are monitored at an operational level by the executive committee and championed by the Group Director: Marketing and Sustainability. The management and coordination of sustainability across all our operations sit with the Group Head of Sustainability., who reports to the Group Director: Marketing and Sustainability.

Name of the position(s) and/or committee(s)
Sustainability committee

Responsibility
Both assessing and managing water-related risks and opportunities

Frequency of reporting to the board on water-related issues
Half-yearly

Please explain
The Sustainability Committee, a sub-committee of the Woolworths Holdings Board, has oversight of the Group's sustainability strategy. The committee is chaired by a non-executive director and meets twice a year to review the progress of our sustainability program, as well as to approve strategic matters arising for the continuity of the program. The Group Chief Executive Officer and the Woolworths SA Chief Executive Officer is member of the committee, together with three independent directors. These independent directors each have significant expertise and experience in a range of corporate sustainability issues. The David Jones and Country Road Group Executive Committees review Good Business Journey progress on a regular basis as well. Both David Jones and Country Road Group Boards also receive Good Business Journey progress updates at each Board meeting.

W6.4

(W6.4) Do you provide incentives to C-suite employees or board members for the management of water-related issues?

	Provide incentives for management of water-related issues	Comment
Row 1	Yes	Incentivising of sustainability-related KPIs, which include water-related targets. The attainment of sustainability KPIs is linked to the individual scorecards, which is linked to the Group's balanced scorecard. The Board reviews the Group's balanced scorecard quarterly to monitor the performance of the six strategic focus areas at Group and operating entity level. In order to focus on the achievement of the Group's or entity's strategy, up to 60% of an individual's performance measurement (IPM) includes objectives aligned with the achievement of the operating entity's strategic focus areas.

W6.4a

(W6.4a) What incentives are provided to C-suite employees or board members for the management of water-related issues (do not include the names of individuals)?

	Role(s) entitled to incentive	Performance indicator	Please explain
Monetary reward	Corporate executive team	Improvements in efficiency - direct operations Improvements in efficiency - supply chain	To achieve a performance-based culture and an alignment with shareholders, through value creation. The total reward mix is geared towards a high percentage of pay "at risk" for the achievement of stretched goals which are aligned to company performance, individual performance and employee behavior. This is to motivate executives and senior management to achieve short-term strategic, financial and non-financial objectives in the one-year business plan. Annual performance bonus paid on the achievement of one-year financial targets. Share schemes designed to incentivize Group CEO, executive directors, execs and senior- to middle-management levels across the Group, on delivery of long-term strategic goals aligned with shareholder expectations.
Non-monetary reward	Please select	Please select	

W6.5

(W6.5) Do you engage in activities that could either directly or indirectly influence public policy on water through any of the following?
Yes, direct engagement with policy makers
Yes, trade associations
Yes, funding research organizations

W6.5a

(W6.5a) What processes do you have in place to ensure that all of your direct and indirect activities seeking to influence policy are consistent with your water policy/water commitments?

WHL is a member of the United Nations Global Compact CEO Water Mandate. Through this, we have become a participant in a pilot project for setting context-based targets for water. This pilot project will also assist us in re-framing our water targets into more contextual targets. This will help in not only enhancing the existing water stewardship work we are engaged in but also frame our work within a more holistic view in addressing the unique challenges and needs of those areas in managing water resources. In the last year, together with the NBI, Woolworths hosted the CEO Water Mandate in South Africa to initiate discussions on setting context-based water targets in the countries. Woolworths has formed research-based partnerships with NGOs, WWF-SA, and has been engaging with the national South African Department of Water and Sanitation in water policy. We are a signatory to the We Mean Business Water commitment and are working with the CEO Water Mandate, National Business Initiative, and the Alliance for Water Stewardship to drive water stewardship awareness and work in South Africa. Woolworths is a member of various public policy and trace association groups including, inter alia: Business Unity South Africa, Consumer Goods Council of South Africa. We engage at a public policy level with various government departments (e.g. Department of Water and Sanitation) through our stakeholder engagement directorate.

W6.6

(W6.6) Did your organization include information about its response to water-related risks in its most recent mainstream financial report?

No, but we plan to do so in the next two years

W7. Business strategy

W7.1

(W7.1) Are water-related issues integrated into any aspects of your long-term strategic business plan, and if so how?

	Are water-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	Yes, water-related issues are integrated	11-15	Sustainability and embedding the Good Business journey across our operations is a long term business objective.
Strategy for achieving long-term objectives	Yes, water-related issues are integrated	11-15	Water is identified as a key risk to WHL's long term business objectives, therefore has been considered seriously in the strategy for achieving long term business objectives. Investment in initiatives like the Woolworths Farming for the Future program have been developed on the back of this strategic approach.
Financial planning	Yes, water-related issues are integrated	5-10	Key Good Business Journey/ Water CAPEX requirements are included in financial planning cycles, as are programmes such as Farming for the Future. In addition, further budgetary needs for business unit level Good Business Journey targets and commitments are considered in financial planning for each business unit prior to the start of each financial year.

W7.2

(W7.2) What is the trend in your organization's water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?

Row 1

Water-related CAPEX (+/- % change)

12

Anticipated forward trend for CAPEX (+/- % change)

20

Water-related OPEX (+/- % change)

-14

Anticipated forward trend for OPEX (+/- % change)

-5

Please explain

We have increased CAPEX to trial water efficiency measures in our facilities such as ultra-low flow toilets in Woolworths' facilities and electrolyzed water (e-water) technology for David Jones facilities. We anticipate that CAPEX will increase as we continue rolling out water meters for David Jones and Country Road. Spend on municipal water withdrawals has decreased as a result of decreased demand for water supply due to lockdown in the fourth quarter of the reporting year, and the use of renewable groundwater in our headquarters. Municipal water Withdrawals decreased by 9.6% in Woolworths' facilities, However, we anticipate that this spending will increase when employees fully return to work.

W7.3

(W7.3) Does your organization use climate-related scenario analysis to inform its business strategy?

	Use of climate-related scenario analysis	Comment
Row 1	Yes	WHL has set Science-Based Targets in line with 'Business Ambition for 1.5°C'; "Woolworths Holdings Ltd commits to reduce absolute scope 1 scope 2 GHG emissions 50% by 2030 from a 2019 base year. Woolworths Holdings Ltd commits that 25% of its suppliers by spend covering purchased goods and services, will have science-based targets by 2024" The targets covering greenhouse gas emissions from company operations (scopes 1 and 2) are consistent with reductions required to keep warming to 1.5°C.

W7.3a

(W7.3a) Has your organization identified any water-related outcomes from your climate-related scenario analysis?

Yes

W7.3b

(W7.3b) What water-related outcomes were identified from the use of climate-related scenario analysis, and what was your organization's response?

	Climate-related scenarios and models applied	Description of possible water-related outcomes	Company response to possible water-related outcomes
Row 1	Nationally determined contributions (NDCs)	South Africa has committed to contribute to the global effort to combat climate change in terms of the United Nations Framework Convention on Climate Change (UNFCCC) and its Paris Agreement. The country produced its first Nationally Determined Contribution (NDC) to the UNFCCC in 2015, committing to keeping national greenhouse gas emissions within a range from 389 Mt CO2-eq for 2025 and 2050. According to the Department of Environment, Forestry and Fisheries (2021) the updated NDC with the 2030 target range (398-440 Mt CO2-eq) is consistent with South Africa's fair share, and this is an ambitious improvement on the 2015 NDC target. WHL has set Science-Based Targets in line with 'Business Ambition for 1.5°C'. This is a prism through which we explore the potential impacts of limiting global warming to 1.5°C above pre-industrial levels, and related global emission pathways in order to assess business implications of water-related risks and to strengthen our response to the threat of climate change. The NDC provides context for WHL to explore forward-looking scenarios of water risks (plausible futures of climate and socio-economic changes based on i.) rapid decarbonization that limits global warming below 1.5°C, and ii.) where emissions remain high and physical climate change-related impacts dominate). Through these scenarios, we aim to test our business strategic resilience (Good Business Journey) and explore management response options.	WHL is also assessing business implications, through the use of scenario analysis as recommended by the Task Force on Climate-related Financial Disclosure (TCFD), such that corporate and investors can better understand potential risks and opportunities posed and presented by the changing environmental contexts, such that WHL can contribute towards long-term systems resilience.

W7.4

(W7.4) Does your company use an internal price on water?

Row 1

Does your company use an internal price on water?

No, but we are currently exploring water valuation practices

Please explain

There is certainly value in using internal water pricing, however, at this stage, we are focusing on finalizing an appropriate enterprise-wide target. In addition, we are looking to establish a context-based water target for the water basin in which we are active in a water stewardship project. We also plan to expand our water stewardship work in South Africa to a second water basin in the North of the country.

W8. Targets

W8.1

(W8.1) Describe your approach to setting and monitoring water-related targets and/or goals.

	Levels for targets and/or goals	Monitoring at corporate level	Approach to setting and monitoring targets and/or goals
Row 1	Company-wide targets and goals Business level specific targets and/or goals Basin specific targets and/or goals	Targets are monitored at the corporate level Goals are monitored at the corporate level	Water is identified as one of the material issues within the business and is therefore one of the eight key focus areas of our group-wide sustainability program. We operate in some of the most water-stressed parts of the world, goal and target setting are incorporated across all businesses and geographies, although these are a lot more advanced in South Africa due to the maturity of our program in the country compared to Australia. At this stage, our target and goal setting is based on best practice and not science-based. We use available tools and research (e.g. life cycle assessments, water stewardship, scientific research) to develop targets and goals. We are engaged in the use of context-based targets starting in mid-2018, and therefore are planning to be able to take a more nuanced, scenario-based approach in the future. We also focus on delivering strategic business value (making ourselves and our suppliers more efficient and resilient) and also meeting the development priorities of the countries in which we operate, e.g. education and food security in South Africa. We also consider our role in delivering against SDG 6 in line with Ambition 2030 when developing these targets. Water management KPIs have been incorporated into the corporate balanced scorecards of our real estate, stores, DCs, and sustainability teams regarding operational water reduction targets in all Group companies. Woolworths sends detailed reports to every facility on a monthly basis indicating how the store/ DC/ admin building is performing against its specific format benchmark (per m2). Supplier water efficiency targets are built into the scorecards of our Food and Clothing sourcing and technology teams. The influence of KPIs has led to greater visibility and focus on water as a key material issue, with the outcome being progressed towards our water reduction commitments.

W8.1a

(W8.1a) Provide details of your water targets that are monitored at the corporate level, and the progress made.

Target reference number
Target 1

Category of target
Water use efficiency

Level
Company-wide

Primary motivation
Reduced environmental impact

Description of target
This 2020 target necessitates municipal-water intensity reduction in our direct operations by 50% in stores, 70% in administrative buildings, and 50% in Distribution Centres against the 2007 base year. This target is in line with WHL's sustainability strategic objective of improving resource efficiency, water recycling, and re-use, as well as intensifying municipal water augmentation across direct business operations.

Quantitative metric
% reduction of water withdrawals from municipal supply

Baseline year
2007

Start year
2010

Target year
2020

% of target achieved
100

Please explain
We observed a 59.5% reduction in water consumption (K/m2) across Woolworths stores against a 2007 baseline (an improvement of 2.9% year-on-year). Water consumption in South Africa DCs per distributable unit (DU) was 0.33 Kl/m2, against the 0.40 KL/m2 upper threshold. In our Head Office campus, we have installed alternative water systems to augment municipal water. 54% of the water used in our offices in the reporting year was groundwater which is withdrawn and purified on-site to meet some of our daily water needs. Over the years we have focused on behavioral change among Woolworths employees, municipal water augmentation, and investment in water efficiency measures to achieve these incremental changes in our direct operations.

Target reference number
Target 2

Category of target
Water consumption

Level
Basin level

Primary motivation
Reduced environmental impact

Description of target
Reduce municipal water withdrawals in water-stressed areas relative to 2015 base-year. We recognize the continuous increase of competing water needs within the water-stressed locales in which we operate. Woolworths is proactively working towards reducing municipal water consumption in the water-stressed catchments and augmenting its water supply with renewable groundwater where possible.

Quantitative metric
% reduction in total water consumption

Baseline year
2015

Start year
2016

Target year
2020

% of target achieved
100

Please explain
Woolworths is headquartered in Cape Town, Western Cape Province. The province falls predominantly within the BreedeGouritz and the Berg-Olifants water management areas (WMAs). These are the most water-stressed WMAs in South Africa, and Cape Town is one of the most urban stressed water regions in the country. The city's catchment areas present significant water risks for Woolworths with regards to business continuity, the same applies to our suppliers, local communities, and the functioning of ecosystem services. As a result, in the reporting year, water consumption in the Berg-Olifants and Breede-Gouritz catchments (which falls within the Western Cape province) was reduced by 42%, 44%, and 50.7% for stores (division 4), head office, and distribution centers respectively in the reporting year compared to 2015.

W8.1b

(W8.1b) Provide details of your water goal(s) that are monitored at the corporate level and the progress made.

Goal
Promotion of sustainable agriculture practices

Level
Business

Motivation
Risk mitigation

Description of goal
Grow uptake of the Woolworths Farming for the Future program among primary and secondary supplier base in Southern Africa to further promote sustainable (water-efficient) farming practices among a wide supplier base. This is recognized as an integral part of our long-term Foods business division strategy since more than 95% of our fresh produce is supplied in South Africa. Irrigated agriculture uses 60% of the country's available water resources, and the risks associated with food security from water security (ranging from increasing water prices and insecurity of water supply) cannot be overstated. South Africa has been classified as a water-stressed semi-arid country, with limited annual rainfall compared to the world average. Through Farming for the Future, we also aim to share and promote supplier best practices through capturing and sharing the learnings from top suppliers across multiple indicators of the program. Through this program, we engage with farmers to reduce water wastage and pollution. Farmers are encouraged and supported to improve soil quality which in turn increases water retention. We support the adoption of efficient irrigation techniques, minimal use of pesticides and fertilizers, to improves the quality of wastewater on farms.

Baseline year
2007

Start year
2007

End year
2020

Progress
The Woolworths Farming for the Future program manages the entire farming process from the ground up, with soil quality and water efficiency at the heart of the program. Healthy soil requires fewer chemical inputs and less water, resulting in reduced chemical run-off and soil erosion, with positive biodiversity impacts. The related auditing and certification scheme works with the farmers to continually improve their performance. Progress is measured by our Water Footprint Index (WFI) tool which makes use of 116 parameters that include water use parameters for relevant water-related practices on-farm and processing facilities. The environmental aspects used in the WFI calculations include, inter alia, soil management, irrigation water management, environmental legal requirements, biodiversity management, pest management, and wastewater processing. This information is collected through the annual or bi-annual independent audit by Enviroscientific (ES). In the reporting year, this assessment was rolled out to 91 secondary suppliers, who demonstrated a 4.1% improvement against this index compared to the previous year.

Goal
Watershed remediation and habitat restoration, ecosystem preservation

Level
Company-wide

Motivation
Increase freshwater availability for users/natural environment within the basin

Description of goal
It's estimated that over 7% of South Africa's water is being lost to water-hungry invasive alien vegetation. The Ceres area in the water-stressed Breede-Catchment is home to many of Woolworths' fruit and vegetable suppliers, and the availability (or lack thereof) of freshwater resources in this area is of strategic concern to Woolworths. It was for this reason that Woolworths and Marks & Spencer, together with WWF-South Africa, the Alliance for Water Stewardship, and the German Development Bank (GIZ) initially identified the opportunity to work with a group of stone fruit farmers in the area with the aim to help identify shared water challenges that could be solved collectively. Through our strategic partnership with WWF-SA, we committed to establishing one water stewardship project a year. We have two water stewardship projects to date, one in the Ceres region with our stone fruit suppliers and the other in Mpumalanga, where a majority of our tropical fruit, sugar, and citrus suppliers operate.

Baseline year
2007

Start year
2014

End year
2020

Progress
We continue to partner with WWF-SA's through the Water Balance project, which aims to protect some of South Africa's most vulnerable water source areas through the removal of alien (invasive) vegetation. With funding from Woolworths, an alien clearing coordinator was appointed to manage this project and work in partnership with farmers, government agencies, and water-use associations. Additional funds were raised via other donor sources to aid in the expansion of the alien clearing program. The success of this program has resulted in alien plant clearing of more than 115 hectares in the Breede catchment, to release freshwater back into the environment. This model has been replicated in Riviersonderend (which supplies Theewaterskloof – the largest dam in the Western Cape which holds more than 40% of Cape Town's water supply). We continued to work with various stakeholders (the Titus Irrigation Board, the Breede-Gouritz CatchmentManagement Agency, LandCare, and WWF-SA) in the Ceres area to develop a geohydrological conditions baseline for irrigation. Together we will further unpack the long-term and short-term groundwater level trends to understand the aquifer's sustainable yields. Together with WWF-SA, Inkomati-Usuthu Catchment Management Agency has explored and identified opportunities for collective action on water stewardship projects in the greater Sabie and Crocodile catchments an area that is strategically important for sourcing our citrus fruit and nuts.

Goal
Providing access to safely managed Water, Sanitation and Hygiene (WASH) in local communities

Level
Country level

Motivation
Increase freshwater availability for users/natural environment within the basin

Description of goal
Woolworths committed to investing in water infrastructure for schools and announced the launch of an ongoing MySchool MyVillage MyPlanet fund, the Woolworths Water Fund to improve and provide water infrastructure for schools around drought-prone areas. The project aims to create greater resilience; water sustainability and water sovereignty at schools by installing water tanks for rainwater harvesting and storage. In line with our aim to support innovative and scalable programs, we have also partnered with the UN Children's Fund (UNICEF) and the Gauteng Department of Education. Through this partnership, we aimed at installing 30 handwashing stations at 30 under-resourced schools.

Baseline year
2018

Start year
2018

End year
2022

Progress
In the reporting year, 31 schools have been provided with proper water infrastructure in the form of 2 x 10 000 liter tanks, piping, guttering, fixing of boreholes, filtration systems, and pumps. The next phase of installations is planned for the Eastern Cape, with 18 schools already identified as beneficiaries. Installation of water tanks is on a needs basis, and we will continue to do so as the need arises. MySchool MyVillage MyPlanet donated R650 000 to the Woolies Water Fund to help extend their efforts to get water tanks and filtration systems into schools across the Western and Eastern Cape. They are also upgrading previously installed systems with bulk hand-washing stations and soap. The additional 18 schools identified for the installation of rainwater harvesting tanks will also receive hand-washing stations.

Goal
Engagement with suppliers to reduce the water-related impact of supplied products

Level
Business

Motivation
Reduced environmental impact

Description of goal
Through our responsible sourcing strategy, we engage with suppliers with the goal of minimizing the water-related impacts of private label-supplied products. Our 'responsible sourcing' strategy involves the procurement of products as well as raw material commodities in ways that promotes a healthy environment. This involves the uptake of sustainable cotton, so to achieve 100% use of sustainable cotton (Better Cotton Initiative, organic cotton) across our private label brands by 2020, and to improve wastewater quality beyond compliance requirements through our chemical detox strategy of eliminating hazardous chemicals in all Woolworths private-label apparel by 2022.

Baseline year
2014

Start year
2014

End year
2022

Progress
As we use more cotton than any other fiber across our fashion business, we have an important role to play in encouraging sustainable agricultural practices in cotton production. In the reporting year, Woolworths sourced Better Cotton for the equivalent of 92% of all cotton garments (up from 80%). This improvement is largely manifested through the strong partnership with Better Cotton Initiative (BCI) and our focus on engagement and training programs with employees and top clothing suppliers. On the other hand, our Chemical detox strategy is a phased approach and entails engaging suppliers to achieving zero discharge of all 11 priority hazardous chemicals from the life-cycle and all production procedures that are associated with the making and using of all products Woolworths clothing sells by 2022. Due diligence and testing are in place to ensure the chemicals adhere to and can be verified against the OEKO-TEX® 100 standards. To date, Woolworths has eliminated hazardous chemicals from 54% of our products, which is below our target of 70% for 2020.

W9. Verification

W9.1

(W9.1) Do you verify any other water information reported in your CDP disclosure (not already covered by W5.1a)?
Yes

W9.1a

(W9.1a) Which data points within your CDP disclosure have been verified, and which standards were used?

Disclosure module	Data verified	Verification standard	Please explain
W1 Current state	Water withdrawals.	Other, please specify (ISO14064-3 (2006))	Water usage at our direct operation is verified as part of Scope 3 GHG emission in the annual carbon footprint verification process.
W1 Current state	Water withdrawals	Other, please specify (Limited Assurance by Ernst and Young: Water usage for Woolworths head office, stores, and distribution centres)	The Group has always looked at obtaining an independent opinion on our progress as a crucial part of gaining and maintaining credibility with our stakeholders. ERM was also engaged to perform a limited assurance engagement for certain quantitative information contained in this current report as follows: - Water usage for Woolworth's head office, stores, and distribution centers

W10. Sign off

W-FI

(W-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

W10.1

(W10.1) Provide details for the person that has signed off (approved) your CDP water response.

	Job title	Corresponding job category
Row 1	Group Head of Sustainability	Business unit manager

W10.2

(W10.2) Please indicate whether your organization agrees for CDP to transfer your publicly disclosed data on your impact and risk response strategies to the CEO Water Mandate's Water Action Hub [applies only to W2.1a (response to impacts), W4.2 and W4.2a (response to risks)].

Yes

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I am submitting to	Public or Non-Public Submission
I am submitting my response	Investors	Public

Please confirm below

I have read and accept the applicable Terms

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We appreciate any feedback on our Good Business Journey Report.
Please contact ***GoodBusinessJourney@woolworths.co.za***