

Sustainability at the heart of business



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As a supporter of TEDxCapeTown and in the spirit of 'ideas worth sharing', Justin Smith shares what he has learnt in helping make sustainability part of the DNA of one of South Africa's most loved brands. Through their Good Business Journey, Woolworths has received numerous local and international accolades for their role as sustainability champions.

It's not often that a South African company is recognised by the World Economic Forum as one of the top sustainability champions of the developing world. Or to be named the World Responsible Retailer three times in five years (once sharing that place with Marks & Spencer).

Accolades are wonderful, but ultimately we've received this level of recognition because we've set ourselves the goal of placing sustainability at the centre of the way we do business. For Woolworths, this goal of sustainability at the heart of business is indeed an idea worth spreading.

Good business journey

In brief, our Good Business Journey is Woolworths' comprehensive plan to make a difference in six key areas, all of them challenges facing not only South Africa, but the world at large: <u>Energy</u>, <u>Water</u>, <u>Waste</u>, <u>Sustainable Farming</u>, <u>Sustainable Fishing</u>, <u>Transformation</u>, and <u>Social Development</u>.

Why do we call it a journey? Because real change is not achieved overnight - it happens one step at a time. We don't have all the answers. And we have been wrong many a time. So here are some things we've learnt on our sustainability journey which we hope will inspire other organisations - large and small - on their path.

1. Change your approach to business

The only way to accomplish your sustainability goals is by fundamentally changing your approach to business. For this to happen initiatives must be championed from the top and focus on business strategy imperatives.

For instance, by focusing on technology innovation and resource efficiency in real estate, logistics and the product groups, Woolworths has saved more than R155m in the last five years by reducing relative energy and fuel usage, packaging and increasing the use of recycled materials in our operations and products.

2. Influence the world around you, positively

Understand and acknowledge that all of your operations influence the world around you - the natural environment as well as the society we are part of.

The acknowledge part is not always easy. Ultimately it is important to be committed to limiting the negative impact of operational activities while enhancing the good your company does for the planet and its people.

3. Build collaborative partnerships

To affect real change, true sustainability needs to be about partnerships. We have invited our suppliers, business partners, NGOs and customers to join us on this journey.

Together we've been making some <u>real progress</u>, from providing 100% organic and Fairtrade certified coffee at our W Cafés to contributing hundreds of millions of rands to social development and <u>much</u>, <u>much more</u>.

4. Benchmark and measure your progress

We've prioritised more than 200 indicators at every level of our business to help us evaluate our performance across each of the key focus areas of our Good Business Journey.

Internal audit teams check and verify these progress indicators twice a year and we have regular external assessments.

5. Seek innovative solutions

Be innovative in the way you find solutions for sustainability and listen to other people's ideas. Many of our initiatives are the result of some really bright ideas from creative minds who are as passionate about making a difference in the world they live in.

Sustainability as a new way of business

One of our 'ideas worth spreading', and a real success story, is Farming for the Future. It is a unique approach to farming

developed by the experts in our business with support from our farmers, as well as partners like the World Wide Fund for Nature (WWF) and Enviroscientific.

It is this holistic approach to the farming process that aims to grow food more in harmony with nature. The underlying success of the programme is the focus on good soil. Now, more than ever, we believe good soil produces good food, retains and thus saves more water, and has less chemical run-off.

All of the farmers who grow produce for us (with the exception of our organically certified producers) have begun implementing new methods of farming which include irrigating only if and when crops need more water, rather than irrigating as a matter of course.

The work we've done is a small example of a trend that is accelerating across the globe. Ultimately, we must all look at sustainability as "a way of business". With the world's population exceeding 7 billion, governments, business and civil society must work together if we are to house, clothe, feed and develop this growing and increasingly aspirant population.

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ABOUT JUSTIN SMITH

Justin Smith is head of the Woolworths Good Business Journey (Sustainability Programme). He is responsible for the strategy, structure and integration across the business to deliver its over 200 targets across transformation, social development, environmental issues and climate change.

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