

Document: Water policy

South Africa is a water scarce country and the decline in the availability and quality of water is heightening water security as a social and business risk. Various regions in South Africa have experienced droughts in recent years, which has impacted farmers and communities throughout South Africa. This highlights the importance of ensuring that we use water sparingly and that measures are implemented to mitigate the risk of water shortages in our own operations and in our wider value chain. We have implemented a range of water-saving initiatives as well as water awareness campaigns for our staff and customers. Even though Pick n Pay is not a water intensive user in our own operations, our stores cannot operate without access to water, and our broader supply chain is highly dependent on access to high quality water sources.

RISKS FOR PICK N PAY

- Increased water stress or scarcity leading to disruption of operations, and higher commodity and product prices.
- Unavailability of stock which could lead to reputational damage to our brand. Any reputational damage experienced by customers and suppliers could potentially result in a decrease in sales resulting in loss of market share.
- Declining water quality and pollution can lead to significant impacts on the communities and customers we serve.
- Water shortages may lead to store closures.

WATER COMMITMENT

Pick n Pay respects the national resolution which recognises the right to safe and clean drinking water and sanitation as a basic human right. Although our water footprint in direct operations is limited, we understand that water is a key driver in our wider supply-chain. We will continuously work with our suppliers to improve efficiency measures in high water stressed areas. Our policy not only aims to reduce water usage, but also to increase its value as a resource, throughout our supply chain and consumer base. **Our target is to reduce water intensity by 20% by 2025 from a FY2018 baseline.**

- We are committed to water efficiency and sustainable use of water across our operations. We have installed online water meters at most of our operations. We will also seek innovative ways to reduce water use as well as continue to work with NGOs in educating consumers about ways to save water.
- We will meet or exceed all applicable legislative and regulatory requirements with respect to water quality and consumption.

- We have engaged NGOs and are working with our fresh produce suppliers to reduce water consumption. We will provide our small suppliers with training and assistance for managing the impacts of water scarcity.
- Pick n Pay will continue to work collectively with all our stakeholders to mitigate the risks associated with water scarcity.
- We will continue to participate in water stewardship programs such as the CDP to assist us in addressing the global water crisis and will use our marketing channels to raise awareness amongst customers and other relevant stakeholders.
- We are committed to aligning our efforts to international standards and conventions such as the United Nations Sustainable Development Goals.