

Water Policy

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Version 5.0

Introduction

It is a core value of Nature's Pride to do 'Good Business'. We put people and the environment at the heart of our operations while pursuing a healthy business that creates shared benefits and contributes to a better world. How we pursue this long-term goal is detailed in our 2019-2023 Sustainable Business Framework that can be consulted on our website. In this framework water is an essential element, reflecting its importance to our business. This document further outlines our position concerning water and the steps we will take to advance responsible water use.

Context

Around the world, water challenges are growing as weather patterns change while the global population and consumption continue to grow.

The water situation in our sourcing areas is the result of a complex interaction between the local context and international value chains. We realize we are only one actor in a much bigger value chain and we cannot control other actors' operations. Nor are we the only buyer in sourcing areas or a direct stakeholder in the catchments we source from. Notwithstanding these limitations, Nature's Pride, as a leading European importer of exotic fruits and vegetables, is dedicated to playing its role in addressing water challenges.

Our goal and approach

Our goal is to advance responsible water use at farm and catchment level in our sourcing areas. To achieve this we follow the Alliance for Water Stewardship's definition and approach: *'Water stewardship is the use of water that is socially equitable, environmentally sustainable and economically beneficial, achieved through a stakeholder-inclusive process that involves site- and catchment-based actions'*.¹ We will work with our procurement team, our growers, clients, non-governmental organizations, sector organizations, and knowledge partners to further this goal.

The current situation

Since the establishment of Nature Pride, the cornerstone of our approach to sustainability has been to pick our suppliers wisely. Out of a pool of thousands of potential suppliers from around the world, we choose to work with growers that have a demonstrated commitment to sustainability. We enter into long-term partnerships in which we pursue continuous improvement and shared value.

For many years Nature's Pride has worked intensively with our dedicated growers on improving labor conditions. Since 2017, responsible water use has been added to these efforts. Over the past years, our growers have gone to great lengths to advance sustainable water use within their sphere of influence.

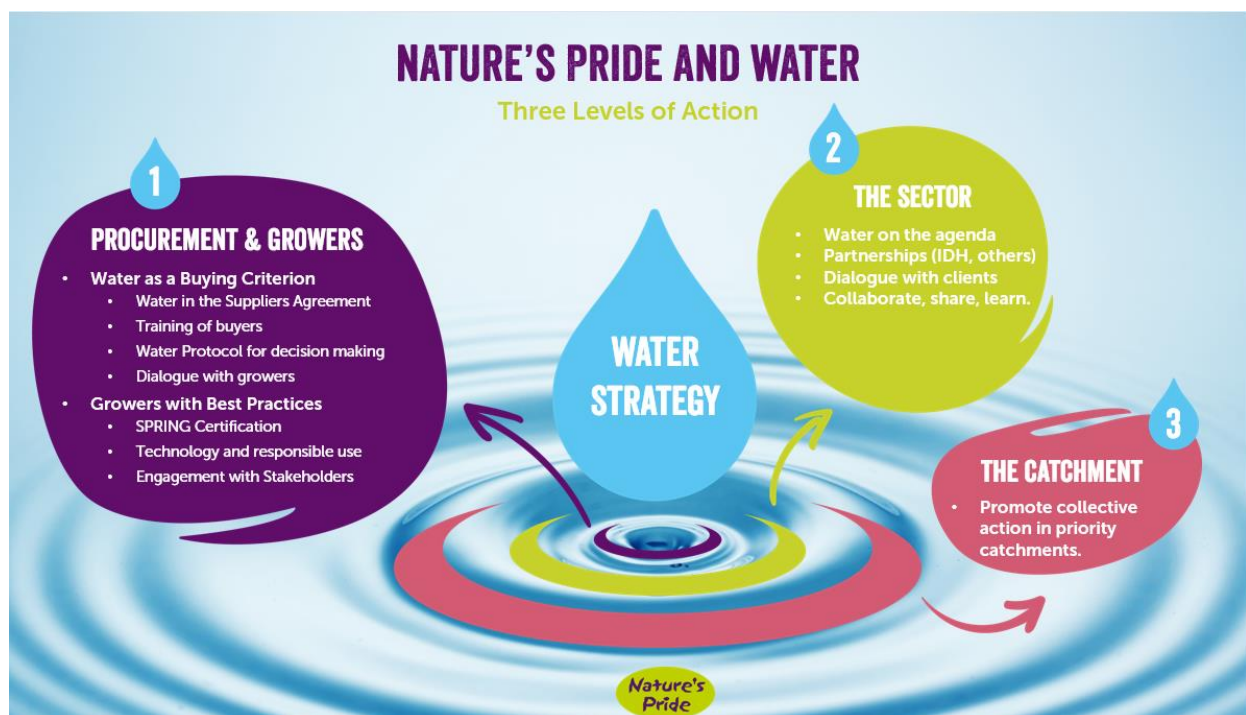
¹ www.a4ws.org

This includes adequate water permits; state-of-the-art irrigation technology; intelligent soil and farm management; construction of reservoirs to use natural water flows (rivers) to irrigate and to re-charge aquifers instead of using groundwater; building infrastructure to treat wastewater of nearby cities and using this for irrigation instead of groundwater; *not* using the total amount of water they are entitled to according to their permits; and *not* planting parts of their land, precisely because they are aware of the broader socio-economic context.

However, it is increasingly becoming clear that individual actions are not enough. The water challenges the world faces are complex and accelerating in the context of climate change.

In 2017 Nature's Pride embarked on a process to deepen its understanding of the impact its products have on the availability of water at catchment level. We started to work with water experts on two core objectives: 1) increase our understanding of the technical aspects of water management at catchment level and determine our role and responsibility, 2) define concrete activities that we can undertake with our growers and other stakeholders to advance water stewardship at farm and catchment level.

This resulted in our Water Strategy which entails actions on three levels:



In **level 1, procurement and growers**, Nature's Pride has the most influence. Ultimately, we decide whom we buy products from. At this level, we have laid the groundwork for our buyers to be able to take water into account in their procurement decisions. We have added a section about water to our Suppliers Agreement, our official guideline for suppliers; we have also created water risk maps for our sourcing locations around the world and a Water Protocol which guides buyers in their procurement decisions based on the water situation a given sourcing. Also, we have developed an in-house training about water which covers all the core concepts, including for example the water cycle, risk assessment, and water resilient value chains. Our first group of buyers graduated from this course in Q3 of 2020 and in Q1 2021

we have started the second edition. Finally, in the field of best water practices, Nature's Pride's growers were among the first in the world to achieve SPRING certification, GLOBALG.A.P.'s new water add-on. In 2021 we have set the goal to roll-out this certification to 60% of our priority growers. We have put IT-systems in place to track our progress.

In **level 2, sector collaboration**, we pursue the promotion of responsible water use at sector level. Here we have reasonable influence as one of the bigger players in our sector. As Chair of the Sustainability Initiative Fruits and Vegetables (SIFAV)² which is hosted by the Sustainable Trade Initiative³, we have worked closely together with other actors in the value chain in formulating the Water KPIs for our sector for the coming 5 years.

Early March 2021 Nature's Pride, together with two dozen other European value chain partners, signed the new SIFAV 2025 Agreement. This prolongation of the previous SIFAV 2020 Agreement is an important milestone that contains ambitious social and environmental KPIs for the coming five years. In the field of responsible water management, our goal at sector level is two-fold: implementation of water standards (third-party verification) for 70% of volume from high water risk countries, and reduction of water use to best practice levels in 3 jointly selected catchments around the world. We take these commitments very seriously and will be a dedicated partner for achieving these sector-wide water KPIs.

In **level 3, the catchment**, Nature's Pride's influence is limited since we are only one buyer among many with only a few suppliers in any given catchment. Notwithstanding this limitation, Nature's Pride has made it a key objective to be a constructive promoter of collective action in priority catchments. In 2020 we partnered with IDH The Sustainable Trade Initiative to trial Catchment Passport© methodology developed by water experts Good Stuff International. The Passport process facilitates alignment, articulation, and engagement of stakeholders, both local and international, in visualizing which concrete steps can be taken towards a more water resilient value chain. The trial was executed in Ica, Peru, with the participation of more than 25 local stakeholders. The outcomes of the Ica Catchment Passport© were received with great interest by a group of 70 representatives of the European market in a workshop in early 2021.

It is very clear to us that only through collective coordination of *all* water users can water consumption within a catchment be brought within sustainable levels. We will continue to consolidate the application of the Catchment Passport© methodology during 2021.

Our ultimate goal

Ultimately, we want to practice and promote water stewardship globally throughout our value chain and contribute to bringing water use in priority catchments within annually renewable levels by catchment. We cannot achieve this alone but will do everything in our power to achieve this goal and bring adequate partners on board.

We invite you to join us.

2 <https://www.idhsustainabletrade.com/initiative/sifav2025/>

3 <https://www.idhsustainabletrade.com/>