

Maasdijk, 15 March 2022 Version 6.0

## 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 generating shared benefits that contribute 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 the steps we take to advance responsible water use in our value chain.

## Context

Water is the source of life. In addition to being essential for drinking water and hygiene, water is indispensable to make our everyday items ranging from our clothes to cell phones, to –most essentially– our food. Like any living organism, fruits and vegetables need water to grow. Nature's Pride understands that it is virtually connected to the water situation in producing countries through the fruits and vegetables it imports. With this comes a responsibility to do our fair share to contribute to responsible water use.

### Our goal and approach

We do this by promoting water stewardship at farm and catchment level in our sourcing areas. 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.<sup>1</sup> We work with our procurement team, our growers, clients, non-governmental organizations, governments, sector organizations, and knowledge partners to further this goal.

### Where we come from

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 2018, 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.

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

<sup>&</sup>lt;sup>1</sup> www.a4ws.org

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 2018 Nature's Pride embarked on a process to better understand water in its value chain. 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.

**NATURE'S PRIDE - WATER STEWARDSHIP Three Levels of Action** SECTOR ADVOCACY **PROCUREMENT & GROWERS** Water as a Buying Criterion Water in the Suppliers Agreement Training of buyers WATER Water Protocol for decision making Dialogue with growers STRATEGY **Growers with Best Practices** The first to implement water audits Water saving practices (tech, reuse, soil) STEWARDSHIP IN ORIGIN Engagement with Stakeholders **Collective action in** Chile, Peru, and Spain WASH projects

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

**Level 1**, **procurement and growers**, concerns our own operations. Here we have the most influence since, ultimately, we decide whom we buy from and under which conditions. At this level, we enable our buyers 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 created water risk maps for our sourcing locations around the world and a Water Protocol that guides buyers based on the water situation in a given location. Also, we have developed an in-house water training that covers all core concepts, from the water cycle, to risk assessment and water resilient value chains. 28 buyers have already graduated from this course. The third edition will start in Q2 this year. In addition, in the field of best water practices, Nature's Pride was the first to globally roll out the GLOBALG.A.P. SPRING water audit. In 2021, 60% of priority fields from strategic growers in high water risk countries did a water audit. We track progress continuously.

In **level 2**, **sector advocacy**, we promote 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)<sup>2</sup> which is hosted by IDH - the Sustainable Trade Initiative<sup>3</sup>, we worked closely together with many other actors in the value chain in formulating the water goals for our sector till 2025.

Early March 2021 Nature's Pride, together now nearly 40 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 goals 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 three jointly selected catchments around the world. We take these commitments very seriously and will be a dedicated partner for achieving these sector-wide water goals.

In **level 3, the catchment**, Nature's Pride's influence is limited since we are only one buyer with a handful of suppliers in any given catchment, where many other water users also take water from the same source. 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 create the Ica Catchment Passport. This is a stakeholder-inclusive, collectively created, and locally validated technical description of the water situation in the catchment. It 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. After Ica, we did the same exercise one year later in Aconcagua, Chile, together with the Netherlands government Partners for Water program and many local stakeholders. In 2022, we will continue to mobilize our value chain partners to collectively support responsible water management at catchment level in Chile and Peru.

# 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.

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

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