

## **How John Lewis is working with suppliers through the Covid-19 pandemic and supporting vulnerable workers**

The coronavirus pandemic has hit the global retail industry hard. As a retailer that sells a broad range of products from technology to fashion and home goods - we have seen strong demand from customers for products which have improved their lives and those of their families during the lockdown; such as desks, computers, food preparation and exercise equipment. We have prioritised the supply of these products to meet that demand but the impact of coronavirus has meant that supply has in some cases been disrupted; and we have been working hard with our suppliers to manage these challenges.

Understandably, with customers staying at home we have seen a dramatic drop off in demand for other products; especially some areas of clothing. This sudden change in demand has meant we have had to make some urgent and difficult decisions.

As we would in all situations, we have had collaborative conversations with each of our suppliers to find mutually agreeable solutions to manage revisions in stock requirements. Our approach has been to do the best we can for each supplier.

Having good and close relationships with our suppliers is a priority for us, and we recognise the importance of our ethical commitments to them.

We have either paid in full for any own-brand finished products or committed to pay in full once they are shipped - as is standard industry practice. Where we have had no choice but to cancel orders, if work had already begun to produce goods then we have committed to take these orders at a later date or pay in full for raw material costs incurred by our suppliers before 23 March, when the UK went into lockdown.

Where work had not begun we are very aware of the need to support vulnerable people who will be impacted by our cancellations and the overall industry drop in demand. We have committed to help fund their wages and will work with a third party to ensure funds reach those workers most in need.

We have long term relationships with our suppliers and are therefore now placing new orders with the same suppliers who we had to reduce or cancel orders with. We are also working with our suppliers to offer accelerated payment terms to them over the coming months for orders in process.

As countries return to work following lockdown, or where factories have continued production during this period, we are asking our suppliers to act responsibly in line with the latest government and WHO advice, as well as to observe the John Lewis Partnership Responsible Sourcing Code of Practice (RSCOP), which sets out our commitment to workers' rights and our very strict expectations of all our suppliers regarding issues of pay, working hours, health and safety and child labour.