

JOHN LEWIS
& PARTNERS

JOHN LEWIS
PARTNERSHIP

WAITROSE
& PARTNERS

MODERN
SLAVERY
STATEMENT

2018/19

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1. INTRODUCTION

This statement has been published in accordance with the Modern Slavery Act 2015. It sets out the steps taken by John Lewis plc and other relevant group companies during the year ending 26th January 2019 to prevent modern slavery and human trafficking in its business and supply chains.

Over 100 years ago, John Spedan Lewis began an experiment into a better way of doing business.

He set out a model for the John Lewis Partnership that was both commercial and democratic, which included staff (Partners) in decision making while making clear their rights and responsibilities as employee-owners. As Partners today, we uphold these responsibilities in our approach to modern slavery and human rights and we are committed to acting with integrity in our communities and with our suppliers.

Modern slavery is one of the most severe breaches of human rights and we're determined to make a difference. However, identifying modern slavery and exploitation is increasingly challenging, particularly in the context of migration and wider socio-economic trends. While the retail industry's approach is improving, modern slavery remains an enormous challenge and risk to business. One that can only be addressed through true collaboration between business, civil society and government.

We know that auditing alone will not identify and tackle worker exploitation and modern slavery. However, I'm proud of the progress we're making in our industry, alongside our peers from other retailers, to tackle these issues at the root cause, working with suppliers to raise standards and supporting initiatives that offer support to survivors.

We have been tackling human rights issues in our supply chains since long before the introduction of the Modern Slavery Act in 2015, building our programmes over many years through stakeholder collaboration, increasing transparency and reporting on our progress annually. This is our fourth statement, and most detailed one yet and we welcome any future amendments to the Act which raise the standard on corporate transparency on human rights. To understand how our modern slavery approach fits within our overarching corporate responsibility strategy, see our annual Corporate Responsibility Report - A Better Way of Doing Business available on www.johnlewispartnership.co.uk.

TRACEY KILLEN

Partner & Director of Personnel



2. OUR BUSINESS

The John Lewis Partnership is the UK's largest employee-owned business with two cherished retail brands: John Lewis & Partners and Waitrose & Partners. The Business is owned in Trust for our 84,000 Partners (employees).

Recent years have seen unprecedented changes in retail and the Partnership has responded by differentiating and reinventing itself to remain fit for the future. Economic conditions are creating uncertainty in the market, putting additional pressures on retailers and increasing the strain on our unique ownership model. Through this uncertainty, the Partnership is holding ground, securing our business for the future.

You can read more about our business in our Annual Report and Accounts and our annual Corporate Responsibility Report on:

www.johnlewispartnership.co.uk

1,481

John Lewis & Partners
factories

50

territories stock Waitrose
& Partners products

11

distribution
centres

2

customer
contact centres

1,019

Waitrose & Partners
factories

49

John Lewis & Partners
sourcing countries

5

Partnership hotels
for Partners to use

1

soft furnishings
factory

349

Waitrose &
Partners shops

38

countries exported
to by johnlewis.com

3

sourcing offices in
India and Hong Kong

1

Waitrose &
Partners farm

52

Waitrose & Partners
sourcing countries

21

customer delivery hubs

3

head offices in
London and Bracknell

1

content production
hub

51

John Lewis &
Partners shops

12

John Lewis & Partners
shop-in-shops worldwide

3

Waitrose & Partners
cookery schools

1

Heritage Centre

3. POLICY

The John Lewis Partnership Responsible Sourcing Code of Practice (RSCOP) sets out our commitment to worker rights and our expectations of our suppliers. It is based on the Ethical Trading Initiative (ETI) Base Code. Clause 1 of the code states that employment must be freely chosen, with no forced, bonded or involuntary labour.

The RSCOP is approved and signed by the Chairman of the John Lewis Partnership and the Managing Directors of Waitrose & Partners and John Lewis & Partners. It can be found on www.johnlewispartnership.co.uk. It is applicable to all suppliers of goods and services, including branded and own-brand suppliers in all sourcing countries for John Lewis & Partners, Waitrose & Partners and Goods Not For Resale (the products and services we purchase for the running of our business).

Suppliers trading with the Partnership are expected to be compliant in meeting their contractual requirements and all relevant John Lewis Partnership policies, including the RSCOP. In applying the policy, suppliers must also comply with all relevant national and other applicable laws. If there are areas of the RSCOP where they aren't able to comply, they should explain to the Partnership how their policies, processes and standards address the fundamental principles of that provision and how their standards were developed in collaboration with workers.

Our RSCOP is the first point in a continuous improvement journey with a supplier and we recognise that further down our supply chains, suppliers need more support in meeting its requirements.

4. GOVERNANCE

Strong governance over how we are managing and mitigating the risk of modern slavery and other human rights issues in our supply chains is critical in ensuring we are meeting and exceeding our responsibilities as a retailer and the requirements of the Modern Slavery Act.

Governance of human rights in the Partnership is part of our wider Corporate Responsibility governance. The Partnership Board, chaired by our Chairman, Charlie Mayfield, sets the strategic direction for Corporate Responsibility, including human rights. The Director of Personnel has Partnership Board level responsibility for human rights. Craig Inglis, John Lewis & Partners Customer Director, and Rupert Thomas, Waitrose & Partners Commercial Director, have accountability for human rights and responsible sourcing performance in John Lewis & Partners and Waitrose & Partners respectively. These Directors sit on the Management Boards of their brands.

The Partnership Corporate Responsibility Committee (CRC), a sub-committee of the Partnership Board is our most senior level authority with responsibility for human rights as part of our broader CR strategy. The Committee meets quarterly and signs off the ethical trading strategies as well as oversee the associated KPIs including our annual ETI performance assessment.

As part of a programme of work which aims to simplify governance across the Partnership the CR Committee held its last meeting in March 2019 and is now in the process of disbanding. A new Executive Corporate Responsibility Group, chaired by the Managing Director, Waitrose & Partners, will be established to have responsibility for human rights on behalf of the Executive Team.



5. RISK ASSESSMENT AND DUE DILIGENCE

5.1 Assessing Risk:

John Lewis & Partners and Waitrose & Partners source and sell different types of products with very different supply chains and associated risks. Therefore, both brands take a tailored, risk-based approach to monitor compliance to both our wider RSCOP and the risk of modern slavery.

JOHN LEWIS & PARTNERS

- We use an industry leading risk assessment tool to understand country level risk which highlights those countries that are considered high risk.
- Where we consider risks to be high, we require additional due diligence to be in place to protect workers. For example, in Vietnam and Bangladesh and have adjusted our standard due diligence approach in these regions, joining the International Labour Organisation's Better Factories Programme and the Bangladesh Accord as a result.
- We have also commissioned external, in-depth country assessments for emerging sourcing regions in response to buying trends to better understand risk (e.g. Romania, Poland and Taiwan).
- Our auditing programme indicates those risks most prevalent in our supply chains - such as health and safety risks.
- We have also developed a bespoke risk self-assessment questionnaire to ensure that we have an effective monitoring process in place to manage and mitigate risks in artisanal supply chains where a traditional risk assessment process or audit does not work. We will use the details of these assessments to inform the next steps of monitoring of on-going conditions.



WAITROSE & PARTNERS

- Waitrose & Partners use the Food Network for Ethical Trade (FNET) country risk assessment which combines multiple different risk indices, including the Global Slavery Index, to give an informed overview of risk relevant for the food sector.
- We also work with the Wilberforce Institute for the Study of Slavery and Emancipation (WISE) to undertake in-depth risk assessments within high risk areas of our fresh produce supply chains. Reviewing the risk associated with our specific supply chains, they identified several countries as presenting a high risk of modern slavery including the UK, Spain, Italy, Chile and Peru.
- Following this process, on the ground assessments took place in these key risk supply chains, which involved worker interviews, local trade union and NGO engagement and also document reviews. We are working with suppliers to address the issues raised. During 2018, we reviewed how we can expand these assessments to other product areas and have begun a trial with selected seafood supply chains.
- At farm level, we conduct risk assessments and offer training and resources to combat modern slavery. The Waitrose & Partners Livestock Steering Group has produced a self-assessment questionnaire for the livestock farmers, with supporting guidance on how to implement improvements in areas they identify as high risk. The Waitrose & Partners Farm Assessment is used in all fresh produce farms and is a second party assessment designed to highlight risk areas and opportunities for improvements.

GOODS NOT FOR RESALE (GNFR)

Goods Not For Resale are the products and services we procure to run our business - such as agency labour and paper and packaging.

- We focus on prioritising those areas where modern slavery risks are higher such as agency labour for our distribution and warehousing operations.
- We have invested in a new supplier assurance system which will host supplier data and allow us to better communicate our policies and processes with our GNFR suppliers.
- As a core member of the Indirect Procurement Human Rights Forum (facilitated by Sedex), through collaboration, we identify best practice, standards and emerging areas of risk.

5. RISK ASSESSMENT AND DUE DILIGENCE CONTINUED

5.2 Ongoing Monitoring:

Risk assessment activities highlight those areas which require on-going monitoring and engagement. We monitor compliance and progress against our RSCOP in a number of ways:

John Lewis & Partners requires factories to have an audit in place before orders can be placed with them. New suppliers to John Lewis & Partners must submit an audit report for each factory that makes products bearing the brand logo. Only factories that meet the requirements of the RSCOP are approved. Those that do not meet these requirements have a period of time in which to make improvements before they can be proposed again for approval to work with us.

Waitrose & Partners take a risk-based approach to determining where audits are required. Final processing and packing sites (Tier 1) and critical supply chain sites (such as abattoirs, fish processing or fresh produce packaging sites) are required to register on SEDEX and complete a Self Assessment Questionnaire (SAQ). These sites are then risk assessed based on the FNET country risk assessment, previous audit results, where they are available, and the results of the completed SAQ. Where sites have not had a previous audit the SAQ will demonstrate, amongst other things, the site's capacity for implementing ethical trade based policies. Sites that are considered high or medium risk must have independent ethical audits in place.

When conducting an audit, both brands require suppliers to use independent auditors who have the right expertise and local knowledge.

In 2018/19, John Lewis & Partners did not identify any instances of modern slavery. Waitrose & Partners identified 12 instances where management processes did not support a strong approach to tackling modern slavery. Corrective actions for these sites are currently being worked through. 5% of over 1900 farms surveyed through the Waitrose & Partners Farm Assessment did not have the correct Right to Work documentation processes. These issues are being resolved through training as part of the Waitrose & Partners worker welfare programme.

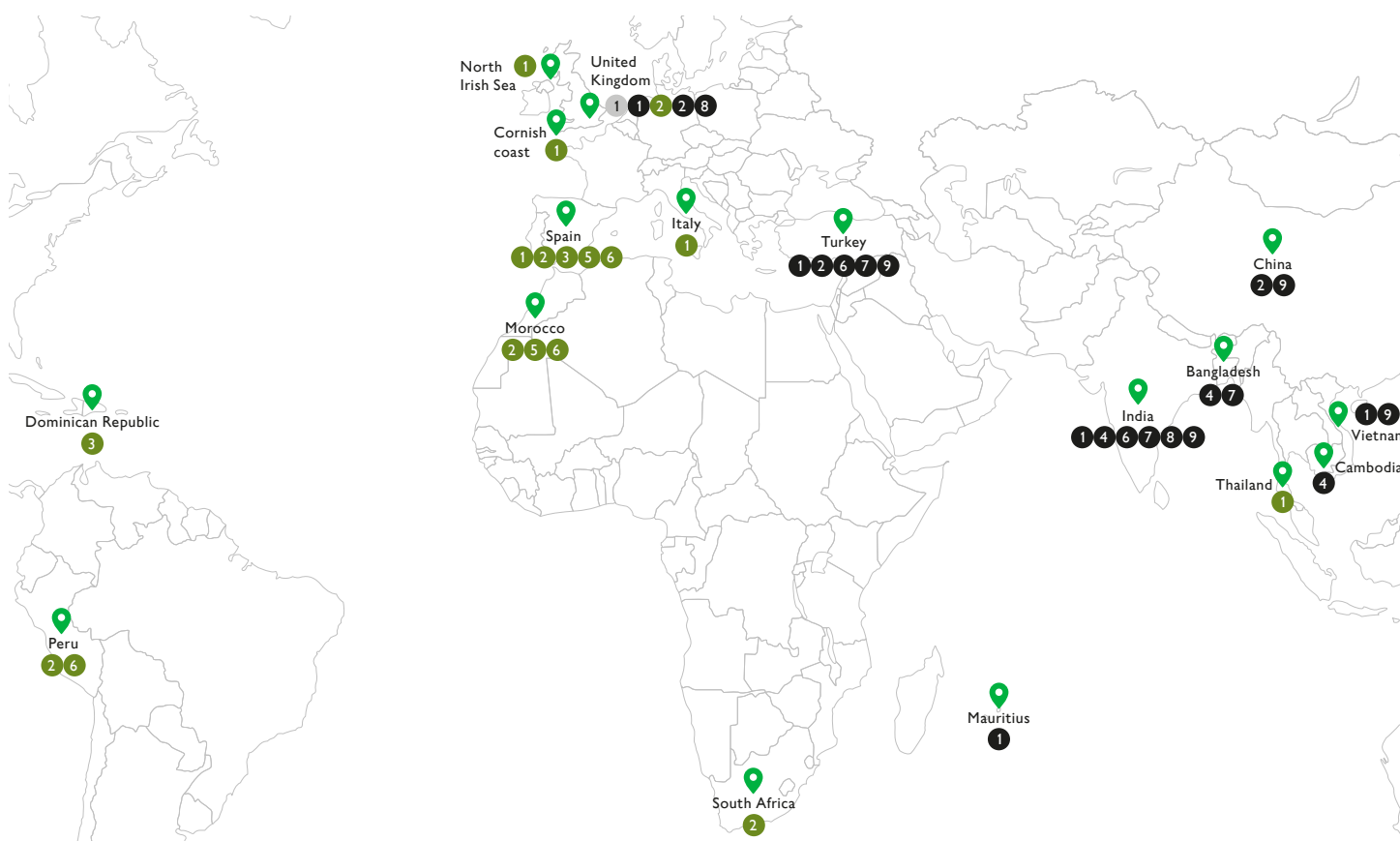


6. OUR SALIENT HUMAN RIGHTS ISSUES

In 2015, we first followed the United Nations Guiding Principles on Business and Human Rights (UNGPs) to establish a set of Partnership-wide salient human rights issues. The principles provide a framework for companies to prevent, address and remedy human rights issues in business operations and value chain. They also help identify a company's salient human rights issues - those particular human rights issues which are worsened by a company's activity. Identifying salient human rights issues is a critical first step in a human rights due diligence process, which allows you to focus on the human rights at risk of the most severe negative impact through the company's activities and business relationships.

Our understanding of those issues is constantly developing and in 2018, with support from Shift, the leading centre of expertise on the UN Guiding Principles on Business and Human Rights, we reviewed our salient human rights issues, outlined below.

We address these issues through the multiple approaches described throughout this statement and in particular through the initiatives described in 7. Training and Programmes. The risk of modern slavery in our supply chains remains one of the most severe human rights risks we have identified and continues to be a priority focus.



Human Rights Area	Specific Human Rights Issue
Employment is freely chosen	1: Risk of modern slavery
Worker voice	2: Poor worker/manager dialogue
Wages	3: Low wages
	4: Industries where wages may not meet basic needs
Harassment and discrimination	5: Sexual harassment
	6: Discrimination
Health and safety	7: Poor working conditions
Job security	8: Employment may be precarious or unstable
Child labour	9: High risk of children being involved in work due to inherent cultural differences and/or poverty

Company
● John Lewis & Partners
● Waitrose & Partners
● Goods Not For Resale

7. TRAINING AND PROGRAMMES

7.1 Partner Training:

We train our Partners to ensure they can spot the signs of modern slavery and provide training and resources to suppliers to help them raise standards in our supply chains, collaborating on long-term, capacity-building projects that help our suppliers manage the risks in their supply chains.

- All John Lewis & Partners supplier-facing Partners must complete mandatory responsible sourcing e-learning on an annual basis. The course is reviewed continuously and includes specific training on modern slavery.
- At Waitrose & Partners, the ethical trade team holds specialist sessions on topics relating to modern slavery which Partners can nominate themselves to attend. Those Partners who work closely with suppliers, such as the Technical Managers for supply chains have regular sessions with the ethical trade team to assess risk and ensure we are aware of the implications of sourcing in particular countries and industries.
- More in depth training on ethical trading and modern slavery is provided by our responsible sourcing teams in both brands who tailor training to focus on the different geographical and product supply chains.
- All Partners in our Central Procurement Department have successfully completed Corporate Ethical Procurement and Supply Certification (CIPS).

7.2 Supplier Training:

- Through Stronger Together UK - a multi stakeholder initiative which aims to reduce modern slavery, Waitrose & Partners have trained over 450 suppliers on how to address risks of modern slavery in their supply chains.
- We have further supported Stronger Together in their expansion to South Africa where almost 200 individuals, representing over 110 businesses from Tier 2 and Tier 3 of our supply chains have been trained.
- We have also committed to being a founder sponsor of the Stronger Together Spain initiative in response to the risks we have identified through our assessments (see Supply Chain Programmes).
- John Lewis & Partners trained their UK suppliers in 2016 through the Fast Forward Programme which covered employment practices and modern slavery. These suppliers have transitioned to the new Better Jobs Programme - read more on p10.



7. TRAINING AND PROGRAMMES CONTINUED

7.3 Supply Chain Programmes:

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Better Jobs Programme:

In 2018, John Lewis & Partners launched The Better Jobs Programme. Working with our UK suppliers, we're piloting a new way of working collaboratively with them to make sure every worker in our supply chain is listened to. We're giving our suppliers guidance and dedicated resources through an online portal based on a new framework spanning seven areas of work: Growth, Reward, Security, Job Design, Respect, Health and Wellbeing and Voice.

Suppliers complete the framework which they can then use to measure their performance in each thematic area and benchmark against other sites in the programme. We are also surveying employees' views on their day-to-day experience of the workplace and their insights into what makes a good job. We will take these responses and, working with suppliers, use them to define the areas of activity they should prioritise, tracking progress year on year. Starting in the UK and then moving into China, we'll support our suppliers to explore how they can create better jobs for their people.

A governing group that includes Partners from Sourcing, Corporate Social Responsibility and Personnel, along with external representatives from the Chartered Institute for Personnel and Development, the Institute for Employment Studies and the Joseph Rowntree Foundation, is providing insight and overseeing progress.

Turkey:

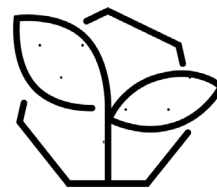
Turkey is an important sourcing country for quality fashion and home products but we were concerned the Syrian migrant crisis was creating conditions where labour exploitation could occur. We joined the Ethical Trading Initiative Turkey Programme in 2016. We also partnered with a Turkish human rights specialist to carry out detailed risk assessments at each factory and subcontracting unit with an independent consultant, which did not uncover any exploitation. We did, however, find low levels of worker representation. We are now working with suppliers to deliver training to workers and factory managers on setting up worker representative committees or unions on site so that workers can have a say about how the kind of improvements they would like to see in their workplace.

China:

Working with the ethical trade consultancy Impactt, other retailers and a selection of our suppliers in China, we have implemented a long term management training programme which aims to raise standards in our China supply chains. Module 3 of the training was completed in October 2018, which focused on working hours and wages. The focus of this module was to look at the regulatory requirements, as well as introducing effective management tools to ensure workers earn minimum wage and receive legal overtime premiums. Managers were also trained to understand and analyse the root causes of excessive overtime and develop action plans to improve hours and wages management. At the beginning of the training module, our factories had on average only 47% of the appropriate processes in place, but this improved dramatically to over 80% by the end of the training module. The final module concludes in June 2019, and we are looking at how we can support the participating factories to embed what they have learned into their business practices long-term.



REWARD



GROWTH



RESPECT



7. TRAINING AND PROGRAMMES CONTINUED

WAITROSE & PARTNERS

Stronger Together:

We have supported Stronger Together in the UK since 2013 and in total, over 450 of our suppliers have undergone training in modern slavery.

We helped support the set up of Stronger Together in South Africa. This programme has been funded by the UK Home Office Modern Slavery Innovation Fund. We are also working on a pilot programme with the Ethical Trading Initiative (ETI) to support effective worker/management dialogue in South Africa which we hope will improve relations between workers and management.

Spain:

We are also supporting Stronger Together as they expand their work to Spain. Spain is an important sourcing region for fresh produce. We recognise the risk of exploitation of migrant workers, often employed as produce pickers in the sector. Our risk assessment also shows there are further issues relating to the distances that workers are being transported between farms and workers being charged for this transport as well as undeclared hours being worked and low pay.

In response to the risks we've identified, we also support the Spanish Ethical Trade Network, which are grower-led forums, working to collaboratively raise standards from the ground up at a regional level.

Responsible Car Wash Programme:

In 2015, we conducted WISE assessments on our own operations and identified our third-party car wash services as a potential risk area for worker exploitation, though we did not uncover specific cases of modern slavery. As a result, Waitrose & Partners are one of the founder retail sponsors for the Responsible Car Wash Programme which was launched at the House of Lords in October 2018. This programme aims to support best practice in hand car washes and reduce the prevalence of modern slavery in the sector by operating a voluntary certification programme rather than a licensing programme. The programme is supported by other retailers, the modern slavery charity UNSEEN and a number of government agencies including the GLAA alongside industry representatives.

Worker Accommodation:

Waitrose & Partners have worked with other retailers to support an online training course which demonstrates best practice for providing caravan accommodation, particularly within the UK. We recognise that accommodation is one of the growing risk areas for instances of modern slavery and particularly for seasonal workers on farms. The training demonstrates how to ensure accommodation is legally compliant and does not pose a risk to workers' health, safety and welfare.

Italian Tomatoes Working Group:

We are working with the ETI Italian tomatoes working group to tackle labour exploitation and the illegal recruitment by gangmasters on farms in the regions we are sourcing from. We recognise that the modern slavery risks in Italy are serious and we cannot address the systemic issues on our own. For this reason we are working with other retailers and suppliers to take a combined industry approach.

Transparency:

In 2018, Waitrose & Partners published their Tier 1 production site list alongside the John Lewis & Partners list on the Partnership website. We believe transparency is a key element in tackling modern slavery and human rights risks. These lists are updated every 6 months.

Waitrose & Partners Foundation:

The Waitrose & Partners Foundation was established in 2005 to improve the lives of the people who grow, pick and pack our products. A percentage of the sale of Foundation products is invested back into the country of origin - co-funded with our dedicated suppliers. Over £11 million has been invested back into community projects such as crèches, clinics and training with projects decided on by the needs of the communities. The Foundation also aims to strengthen the voice of farm workers through active worker committees, where workers decide on how the money is spent in their community.

Until recently, the Foundation had grown organically, with different country operating models making it difficult to measure success on the ground. So in 2018 we developed a new strategy for the Foundation, based on the results of an operational review. This new model aims to address the systemic issues in countries we source from and will help further our ethical trade programmes. The Foundation now operates in seven countries with recent expansion to Costa Rica, Senegal and The Gambia. And, over the next few years we will continue to expand our reach to more farms, new products and new countries.



7. TRAINING AND PROGRAMMES CONTINUED

7.4 Survivor Support:

Across the Partnership, we're working with our suppliers to prevent modern slavery and raise standards in our supply chains. We also have an opportunity to provide valuable support through initiatives that aim to help survivors of modern slavery find long term, meaningful employment.

- In 2018, we signed up to support Bright Future - an employment programme for survivors of modern slavery which aims to provide long term employment opportunities. We are currently working with Partners in our shops and branches to identify opportunities to provide placements for candidates on the programme.
- The John Lewis & Partners Foundation provided funding for Business in the Community (BITC) to carry out a two-year project which aims to develop a new programme of work focused on providing support to survivors of modern slavery. BITC is working with frontline organisations and companies in its membership to deliver support services and employability activities such as workplace insight days and mentoring with business volunteers, which improve the integration prospects for slavery survivors in the UK.



8. EFFECTIVENESS

Our due diligence processes are robust and help us to uncover areas in our supply chains where the risks of modern slavery are greatest. However, modern slavery is a criminal activity and the signs can often be difficult to identify, so tools such as ethical audits can only get us so far. That is why we go further with the initiatives described in this statement.

- During 2018/19, John Lewis & Partners did not identify instances of modern slavery in its supply chain. In previous years, audit data from the Fast Forward programme (see our 2016/17 Modern Slavery Statement) has highlighted the need for our suppliers to have more robust due diligence of their own suppliers and labour providers used to ensure modern slavery is not occurring.
- In 2018, Waitrose & Partners was alerted to a possible case of modern slavery in a Tier 1 site. We immediately involved the relevant authorities, including the GLAA and followed the Retailer Protocol for Handling Cases of Modern Slavery in the UK Supply Chain. Although conditions of modern slavery were not found, the claim did highlight some management system issues which led to pay delays during a change of on-site recruitment agency. These issues had been rectified in a timely manner and all affected staff had been supported through the process and there was deemed to be no further action necessary. We worked collaboratively with the authorities throughout and are working with the supplier to strengthen key processes to avoid further cases of this happening.

“ This case was a textbook example of how to handle the initial reports in a controlled and stable manner, while protecting evidence and people within the process. The team's effective deployment of a management HUB and professional engagement with the GLAA and Waitrose & Partners was first rate. ”

- Director at supplier to Waitrose & Partners

9. WHO WE WORK WITH



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INCORPORATED AND REGISTERED IN
ENGLAND AND WALES,
UNDER COMPANY NO. 233462

www.johnlewispartnership.co.uk