



A BETTER



WAY

Corporate Responsibility
Report 2018/19



OF DOING



BUSINESS



JOHN LEWIS
& PARTNERS

JOHN LEWIS
PARTNERSHIP

WAITROSE
& PARTNERS

We believe the John Lewis Partnership is a better way of doing business. We put the happiness of our Partners at the centre of everything we do.

CONTENTS

Click to navigate

00

INTRODUCTION

- 04 A joint welcome
- 05 The Partnership difference
- 06 Our year in review 18/19
- 07 Our strategy
- 08 Three big challenges of our time

01

ALWAYS FAIR

- 10 People and supply chains
- 12 Farming and fishing
- 14 Raw materials and sustainable sourcing

02

TRANSFORMING LIVES

- 17 Community and volunteering
- 19 Diversity and inclusion
- 20 Health and wellbeing

03

NEVER WASTEFUL

- 23 Buildings and transport
- 25 Waste and plastics
- 27 Reuse and repurpose

04

REPORTING

- 29 Our KPIs
- 30 Governance / Assurance
- 31 SDGs



A JOINT WELCOME

THE JOHN LEWIS PARTNERSHIP is an experiment in being a better way of doing business for our Partners, customers and society. When market conditions are benign, it can be easier to demonstrate how we achieve this. It's when the market is less favourable that we are really tested and that is why I am so proud of our achievements this year.

Despite the challenges facing the retail sector, we have intensified our efforts across this agenda. We coordinate activity through three commitments: Always Fair, Transforming Lives and Never Wasteful. This allows both our brands, John Lewis & Partners and Waitrose & Partners, to demonstrate where they lead and the core programmes that underpin our activities.

As ever, Partners are our unique competitive advantage and that is why we continue to focus on our ambition to become Britain's Healthiest Workplace and to be a truly diverse and inclusive organisation. We believe that these agendas are integrally linked to the work we do to help communities and the health of our customers.

On a broader scale, the world has again witnessed the effects of climate breakdown, whether that's unseasonable temperatures in the UK, devastating floods in Mozambique, or reduced crop yields from changes in rain patterns. Having met our last set of environmental targets, I am pleased that we have announced a new set of

targets to ensure our operations are at net zero carbon by 2050, at the latest, in line with the goals of the Paris Accord.

We have also continued to innovate our approach to tackling modern slavery, while keeping the focus on the global plastic waste problem.

Often, the challenges we all face can seem intractable and best efforts are rarely enough. But I hope this report demonstrates that, by keeping a relentless focus, through both good times and bad, it is possible to make progress.



SIR CHARLIE MAYFIELD
Chairman
John Lewis Partnership



ROB COLLINS
Partner & Managing Director
Waitrose & Partners

FOR WAITROSE & PARTNERS, quality food is a way of life. Our food touches the lives of millions of people, from our customers to those who make, grow and pack our products. So it's vital that we do the right thing at every step along the way - something we're firmly committed to and passionately believe in.

Last year, I visited Kenya to see the work our Waitrose & Partners Foundation carries out in the farming communities who grow our fresh fruit and vegetables. The Foundation is a powerful illustration of my belief that we must be a business that gives more than it takes: working in partnership with our suppliers and farmers to deliver amazing produce that benefits local communities.

Our customers are more engaged than ever and respond positively to our initiatives, such as removing coffee cups and other single-use plastics. And, in many instances, they're challenging us to go further. This year, we published our Plastics Plan showing our commitment to eliminating unnecessary plastic while striking the right balance between its removal and ensuring we're keeping our food fresh and minimising food waste.

They also want us to continue to show leadership in animal welfare. We're delighted to have been recognised for the fifth time by the Business Benchmark on Farm Animal Welfare as one of the best five companies in the world for our farm animal welfare standards. We're excited too about our new stretching commitment to support the European Chicken Commitment in partnership with Compassion in World Farming.

I am excited by the momentum that is building around our sustainability actions and plans. In 2019, we will continue to develop greater leadership through innovation and focus on this vitally important area for our customers and Partners.

AT JOHN LEWIS & PARTNERS, we take our responsibilities as employee-owners seriously and we believe the Partnership model, with values that empower us all to take responsibility for how we act, is a better way of doing business. Our customers are becoming more mindful about what they buy and we are proud that our products stand for quality and longevity. As our customers' expectations continue to evolve and we reinvent what it means to be a department store, we have an opportunity to go even further.

We're increasing the amount of sustainable materials we use, such as Better Cotton Initiative sourced cotton and recycled polyester. We're also very conscious of what happens to our products when they've reached the end of their life and, in particular, the issue of fashion and textile waste. We're experimenting with exciting new services that help our customers responsibly dispose of their products when they are finished with them. Last year, we piloted an innovative new platform that allowed customers to have their John Lewis & Partners bought fashion items collected from their home, regardless of condition, to be reused or recycled, and work is well underway to upscale this.

Acting responsibly is about a lot more than the products we sell. We're leading the way with initiatives such as the Better Jobs Programme, which aims to bring our values into our supply chain, working in collaboration with our UK suppliers to help them create better jobs for their employees.

And, as ever, our Partners will be key to ensuring we meet our commitments. Our Partner volunteering is at the heart of this. By creating meaningful volunteering opportunities, we can build personal relationships that benefit our local communities and us as Partners by developing skills and unlocking potential in a mutually beneficial way.



PAULA NICKOLDS
Partner & Managing Director
John Lewis & Partners

THE PARTNERSHIP DIFFERENCE

Our ownership model means Partners are invested in how the business is run and this extends beyond just how we make a profit.

Partners embrace A Better Way Of Doing Business in their day-to-day roles, supporting our programmes and helping us achieve our targets.

We bring groups of expert Partners from around the business together to help develop our strategy, in response to pressing issues such as climate breakdown and plastic pollution.

Through democratic channels, such as our elected Partnership Council or writing into our internal magazine, the Gazette, they highlight the issues that are important to them and have the opportunity to shape and influence our plans. Because for us, it's personal.

Read more about our unique ownership model and how we are different in The Partnership Difference - our Annual Report and Accounts 2019.



“Although there’s been progress in wider society, it’s vitally important that our LGBTQ+ Partners and allies have a strong network where we can come together to build a supportive and inclusive community.”
LIANA
Partner & Trading Manager

“The Partnership has given me the opportunity to do a Golden Jubilee Trust secondment with the modern slavery charity - Hope For Justice where I worked on modern slavery awareness raising and advocacy for victims. I now work with them one day a week and I’m able to support the Partnership’s modern slavery strategy, alongside my day job working with and supporting communities local to our High Wycombe branch. It’s amazing to be able to work hands-on with Hope For Justice and bring that knowledge to my day-to-day role.”
DAWN
Partner & Community Liaison Coordinator

“I was really keen to support the sustainability plans for the relaunch of John Lewis & Partners Womenswear range. In my role, I was able to move our care labels and swing tickets to recycled and more sustainable alternatives with no price increase. It’s a small change, but is important in the long term and helps set a new standard for our labelling.”
CAROLINE
Partner & Own-Brand Design Manager

G CARRIER BAGS
We have 5p disposable shopping bags, which some customers prefer to use instead of 5p bin liners because they can also use them to carry their shopping home. I suspect I’m not the only checkout Partner who recognises weekly requests for seven or more 5p bags from customers who don’t want any bags for life.
I don’t think there are many Partners who are happy to see our bags going to landfill in this manner but I don’t see any easy solution to the problem. Could we charge 20p for a single-use bag? If we simply stop supplying 5p bags, will customers buy bin liners and learn to reuse bags? Do we have a solution to this problem?

OUR YEAR IN REVIEW

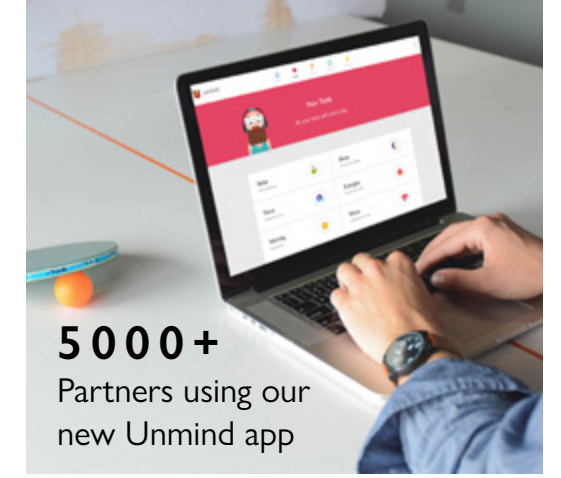
18



NEW TARGET:
**NET ZERO
CARBON
BY 2050**

THOUSANDS
OF HOURS
VOLUNTEERED

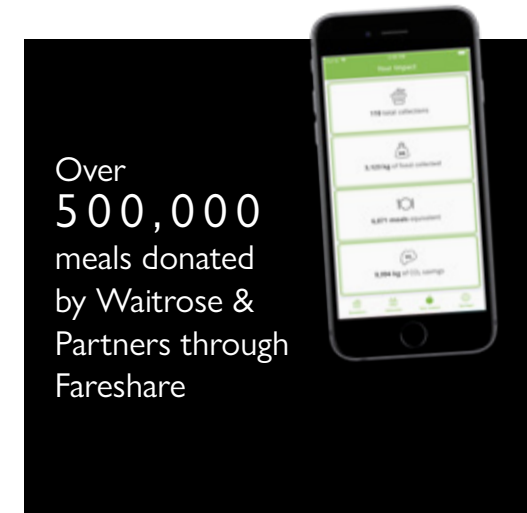
by Partners in the community in
local communities and through
the Golden Jubilee Trust



5000+
Partners using our
new Unmind app



100+
Wellbeing Champions
across the Partnership



Over
500,000
meals donated
by Waitrose &
Partners through
Fareshare



**ACHIEVED
DISABILITY
CONFIDENT
LEADER STATUS**



/ 19

WAITROSE
& PARTNERS
LAUNCH £1M
PLAN PLASTIC
FUND



NEW
PACKAGING
TARGETS

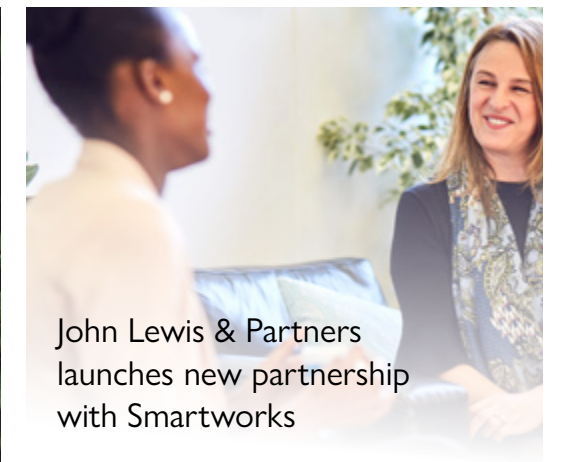
41%
of John Lewis
& Partners
Fashion
cotton from
sustainable
sources



100%
of confectionery cocoa
to be certified Fairtrade
certified by end 2019



Expanded
the Waitrose
& Partners
Foundation to
Costa Rica,
Senegal, The
Gambia



John Lewis & Partners
launches new partnership
with Smartworks

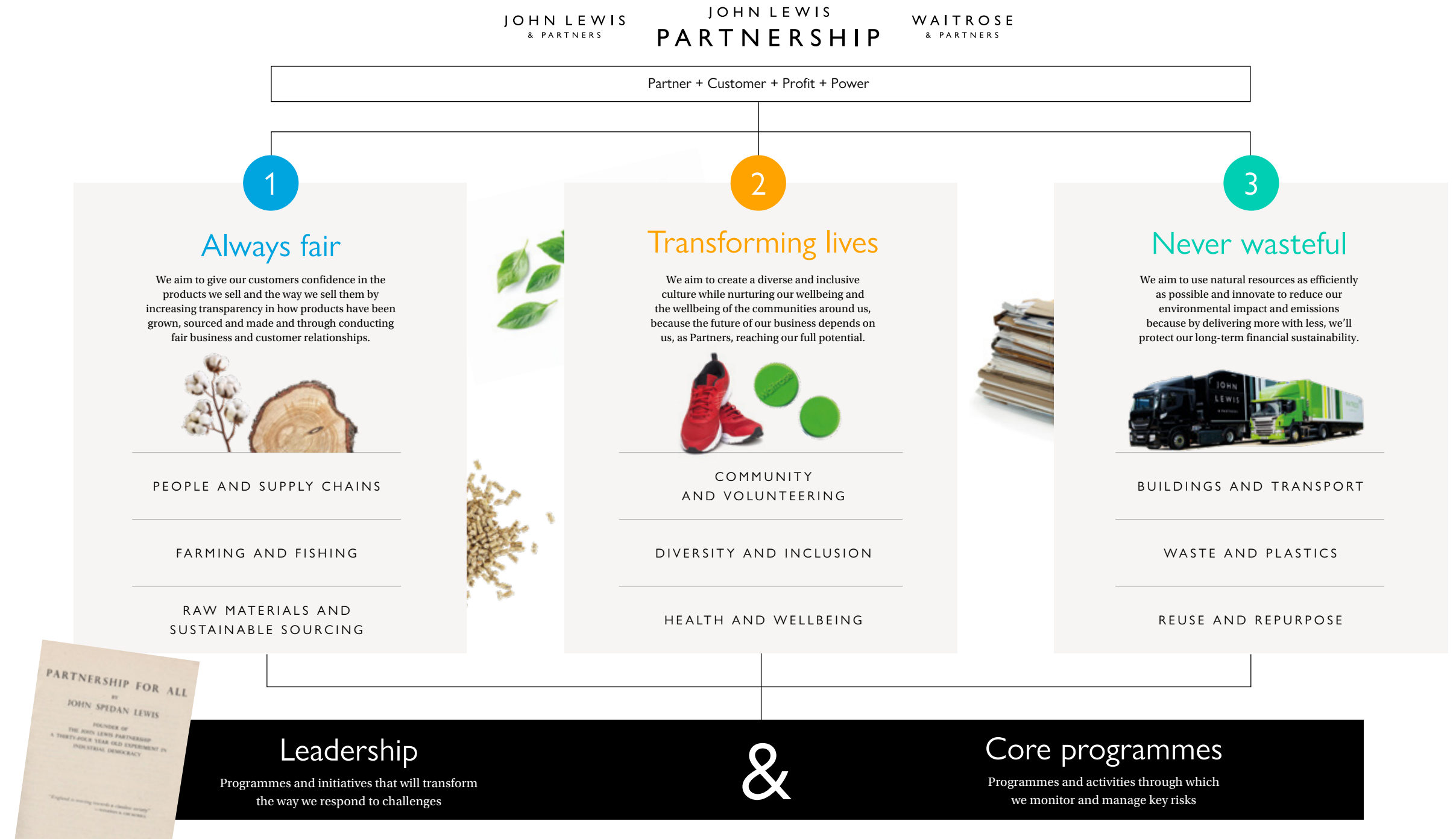
ONE PARTNERSHIP, TWO BRANDS, THREE COMMITMENTS

We put the happiness of our Partners at the centre of everything we do and we believe this approach is a better way of doing business.

As an employee-owned business we're not just interested in short-term profit but also in safeguarding our long term future. We were founded with a written Constitution, based on clear and enduring principles, which set out our responsibilities to each other, to those we do business with and to the wider community.

Our Constitution and responsibilities continue to shape our priorities and commitments. But, now, more than ever, we need to accelerate the progress we are making on our environmental and social impacts to ensure our business is fit for the future.

Our corporate responsibility strategy directly supports the Partnership's business plan and has three overarching commitments; Always Fair, Transforming Lives and Never Wasteful. Our approach is based on ensuring we manage our key risks through ongoing programmes while leading on those areas where we can have the most impact.



THREE BIG CHALLENGES OF OUR TIME



Climate breakdown is the single greatest challenge facing our planet today.

There is widespread scientific and political consensus on this. However, last year's media coverage brought to the public consciousness the fact that we are running out of time. The Intergovernmental Panel for Climate Change report, published last year, found that urgent changes are needed if we are to reduce the effects of climate change - and estimated we have just 12 years to minimise the worst impacts. Now, more than ever, businesses must respond with ambitious plans to address the issue.

This year, we are launching our new environment targets - a set of targets and ambitions that will last until 2050 and see us reduce our environmental impact - helping us secure our business for the future.

We've successfully reduced our operational emissions by 71% since 2010 but there is more to do.

That's why we've committed to being net zero carbon emissions in our own operations by 2050, at the latest. This ambitious target means minimising as much of the carbon emissions we produce through our operations as we can and producing more renewable energy than we use for those emissions we can't reduce - such as air travel.

Reducing the impact across our offices, shops and distribution network is critical, but we know we must also look at the impact of our supply chains to make a real difference on climate change, especially when it comes to farming and raw materials. You can read more about what we're doing to address this in Raw Materials and Sustainable Sourcing on p14.



In the UK alone, official government figures suggest that there are 13,000 people trapped in modern slavery, with anti-slavery organisations estimating the figure is much higher. Globally, Anti Slavery International estimates it to be 40.3 million people. We source from over 70 countries and are acutely aware of the risks of modern slavery in our supply chains.

Although public and business awareness of modern slavery has risen to prominence since the introduction of the Modern Slavery Act in 2015, there still appears to be little progress in tackling this issue at a global level. We've been addressing human rights issues in our supply chains long before the act was introduced and although both our capacity to tackle it and the wider industry's approach is improving, the risk of modern slavery persists.

The complexity of modern slavery, in the context of migration and wider socio economic trends, makes it hard to identify. That's why we've taken a different approach. In addition to our compliance-based model of factory checks, we are working with our suppliers, through training and collaborative industry initiatives to ensure workers' rights are upheld. Beyond that, we're taking our Partnership values and unique expertise as an employee owned business into our supply chain through the Better Jobs Programme Read more on p10.

We've been reporting on our progress in tackling modern slavery since 2015 in our annual Modern Slavery Statement, available at johnlewispartnership.co.uk



Last year was characterised by unprecedented customer interest in plastic packaging and reducing the use of unnecessary plastic is a challenge we're committed to. Waitrose & Partners has established an ambitious set of new targets, such as making all our own-brand packaging reusable, widely-recyclable or home compostable by 2023.

However, plastic packaging plays an essential role in protecting our products and extending the shelf life of our food, helping us to reduce food

waste. But, with millions of tonnes of packaging sent to landfill every year, better waste management and recycling systems are needed to create value from waste. You can read about our progress on waste and packaging on p25.

Business models that allow customers to repair, reuse and extend the lives of products must become the new norm. This is known as the Circular Economy. Traditionally, we've been focused on diverting waste from landfill, with good progress made so

far, but in the future we must focus on minimising the use of resources and making sure products can be collected for future reuse and recycling.

This year, we piloted an innovative new approach in this area - allowing some John Lewis & Partners customers to have clothing bought from our shops and website in the past five years collected from their home, and be paid immediately for each item regardless of its condition. Those items are then either resold or recycled into new products. Read more on p27.

Always Fair

01 We aim to give our customers confidence in the products we sell and the way we sell them by increasing transparency in how products have been grown, sourced and made and through conducting fair business and customer relationships.



PEOPLE AND SUPPLY CHAINS

We take a long term view, working with our suppliers to continually raise supply chain standards, manage risks and ultimately, create better jobs for all workers.

We tackle human rights issues in supply chains through a combination of compliance and collaborative programmes with our suppliers. As Partners, we have a say in how our business is run and we want to bring this principle into our supply chain too. We believe that unless workers have a voice, real and lasting improvement in their employment conditions won't happen.

Our approach

John Lewis & Partners and Waitrose & Partners make and source thousands of own-brand products, from the UK and across the world. In the majority of cases we source from suppliers, although we have our own Waitrose & Partners Farm, the Leckford Estate in Hampshire, and a soft furnishings factory, Herbert Parkinson, in Lancashire.

We risk assess our supply chains and focus on those which carry the greatest risk. Our Responsible Sourcing Code of Practice (RSCOP),

based on the Ethical Trading Initiative (ETI) Base Code, sets out our expectations of all suppliers. Our compliance programmes monitor suppliers adherence to RSCOP and we work with both suppliers and external experts to address issues in our supply chain and raise standards.

Programme highlights

In Turkey, John Lewis & Partners will be supporting our factories in training and setting up worker representative committees, so that workers can decide the improvements they would like to see in their workplace.

28 of John Lewis & Partners' factories in China that signed up for our 4-module training programme will be participating in the last of the modules this year, which is focused on worker manager dialogue.

We will work with these factories to implement learnings, that support making sustainable improvements in their workplaces.

We'll also be expanding the Waitrose & Partners Foundation in addition to carrying out programmes with Fairtrade that look at living wages in our banana supply chain in the Dominican Republic.

You can read more about these initiatives and our approach to ethical trade in our 2018/19 Modern Slavery Statement.

100% OF WAITROSE & PARTNERS CONFECTIONERY COCOA TO BE FAIRTRADE BY THE END OF 2019

30

UK factories enrolled in Better Jobs Programme

Detailed risk assessment of sites in Turkey employing over

6,000 workers

WAITROSE & PARTNERS FOUNDATION EXPANDED TO SENEGAL AND THE GAMBIA



Launching the Better Jobs Programme

Our first principle states that the Partnership's ultimate purpose is the happiness of its members, through their worthwhile and satisfying employment in a successful business.



And we think that you can only feel truly happy at work if you know that you have a voice. We believe that this principle shouldn't just apply to our Partners, but to everyone - starting with the people who make our products.

In 2018, John Lewis & Partners launched the Better Jobs Programme with our UK supply base. We're using the values and expertise of the Partnership to support suppliers to provide good jobs and to develop great employees.

We will be providing our suppliers with 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 questions on the framework about each area and can access resources highlighting both industry and John Lewis & Partners best practice examples in each area.

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.

We developed the programme with help from both internal and external experts as well as some of our suppliers. To date we have 30 factories participating in the programme and will roll out to the remainder of our UK supply base during 2019.

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 and the Joseph Rowntree Foundation, is providing insight and overseeing progress.



Growing the Waitrose & Partners Foundation

The Waitrose & Partners Foundation was set up in 2005 to improve the lives of the people who grow, pick and pack our produce.

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. 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.



Our investment strengthens our relationships with growers and we saw that last year during Kenya's unprecedented rains. Even though production volumes were down, we received our orders across this period. It's examples like this which demonstrate that this is not only good for the workers but it's good for us too."

EMMA COUPE
Partner & Horticulture Buyer,
Waitrose & Partners

Because of the creche there is now somewhere safe for parents to leave our children when we're at work. Before, it was difficult for mothers to work but now we can earn and know that our children are well cared for."

MERCY BIWOTT
Employee & Worker Committee
Chair at Ravine Roses, Kenya



Looking after worker welfare on farms

Waitrose & Partners aims to have the most ethical farming practices. This means making sure the workers on the farms where we source our products are treated fairly. The Waitrose & Partners Worker Welfare Programme aims to raise awareness of worker rights in our meat, poultry, eggs and milk supply chains and provide farmers with the tools and skills needed to ensure the responsible employment of their workers.

Through the programme, everyone working within these supply chains is being provided with access to an independent confidential reporting line - enabling them to raise concerns, particularly in areas where employees are indirectly recruited or provided through labour agencies. This provides workers with the security to report concerns and seek help where they need it.



We have a partner who wants to invest into the people on our farms, and their families. Workers now want to work for us and when they are healthy, happy and know that their children are getting the best head-start, they are more productive."

SIZWE MAGAGULA
Human Resources Manager, Westfalia, South Africa
(supplier of avocados)

FARMING AND FISHING

RETAINED TIER 1 STATUS IN THE BUSINESS BENCHMARK ON FARM ANIMAL WELFARE

Increased third party verified responsible fish sourcing to

91.2%

NEW MARKET LEADING CHICKEN WELFARE COMMITMENT

As Partners, we are passionate about every step of the food supply chain - from field to fork. We believe that with the right approach, our food can be a force for good.

Farming and food production in the UK is facing significant challenges. Soil degradation, biodiversity and other environmental risks will require our suppliers to adapt to new ways of farming. We value our close relationships with our suppliers, farmers, growers, fisheries and fishermen and will continue to support them in addressing these issues.

Our approach

We build long-term relationships with farmers and producers who share our commitment to sustainable and ethical practices and the welfare of workers.



At the heart of our agricultural and fisheries strategy are our Farming Partnerships. These are led by Partners in collaboration with suppliers including the Agronomy Group, Livestock Steering Group and the Fish Forum, who help to shape our approach. We work in close partnership with these suppliers, helping them to take the lead in their industries to address the challenges that we've collectively identified.

Sustainable agriculture

We carry out assessments of our fresh produce, livestock and farmed fish supply chains, looking at a range of key areas including the continuous improvement of animal health and welfare standards, water use, biodiversity, and soil management. Through these assessments, we aim to share Waitrose & Partners values, set standards, ensure compliance and reward best practice. We also use independent assurance or certification standards on all our farms, such as Red Tractor, Global Gap, LEAF and Soil Association.

In partnership with our farmers

At Waitrose & Partners, we believe we have the best farmer relationships. Our farmers are key to our success. Without them, we couldn't deliver the high quality, responsibly sourced food that our customers demand.

We pioneered supplier groups in food retailing - groups of farmers working closely with us to ensure the highest standards for us and a fair return back to the farm. A great example is our dairy supply chain. We collaborate closely with both our conventional and organic dairy farmers to drive efficiency, quality and animal health and welfare standards while setting the farm gate milk price in close cooperation with them. For Waitrose & Partners, we believe our farmers are best placed to judge the fairest return.

Our Responsible Efficient Production (REP) framework, is a retailer-leading, detailed assessment of best practice covering aspects of responsible production including soil, water quality, biodiversity, animal health and social issues. Developed through our Farming Partnerships and implemented across all our livestock supply chains - including aquaculture. We're now undertaking the second phase, which will be underpinned by a range of knowledge exchange workshops to help build resilience across our supplier base and deliver continuous improvement.



Pioneering in organic food

We championed the sale of organic food in supermarkets and we continue to lead with Waitrose Duchy Organic, which celebrated its 25th anniversary in 2017. Founded by HRH The Prince of Wales, Duchy Originals has come a long way since its inception. Waitrose Duchy Organic is now the UK's largest own-label organic brand and the second largest UK organic brand overall.



01.2 Always fair Farming and fishing



The supply of fully traceable, responsible seafood is critical to the Waitrose & Partners business. In today's climate of rising consumer demand, diminishing wild fish stocks and with issues of illegal, unreported and unregulated fishing, full traceability from catch to our customers is of vital importance."

JEREMY RYLAND-LANGLEY
Partner & Aquaculture and Fisheries Manager



91.2% 2017/18 - 89.6%

of our own-brand fish and shellfish comes from verified third party responsible sources



Ghost gear refers to any fishing gear that has been abandoned, lost or otherwise discarded, and is the most harmful form of marine debris. The Global Ghost Gear Initiative is the world's largest, cross-sectoral alliance committed to solving this problem.

Fish

We have been working on responsible seafood sourcing for over 20 years and we work to ensure our suppliers only source fish from fisheries or farmed aquaculture operations that are responsibly managed. We recognise a number of independent third party standards for wild caught and farmed fish including the Marine Stewardship Council (MSC) and Aquaculture Stewardship Council.

Waitrose & Partners suppliers must ensure that fish are caught using fishing methods that minimise by-catch of vulnerable fish and non targeted fish species, causing minimal impact on habitats and non-targeted species such as coral, sea birds and marine mammals. We support fishing practices that minimise discards and avoid the capture of immature and undersize fish.

Our fish suppliers must demonstrate a high level of traceability for all our wild caught fish and shellfish. Traceability, as well as supporting food safety, helps to minimise the risk of illegally caught fish entering the Waitrose & Partners supply chain. This as an essential step in preventing this criminal activity that causes serious economic losses, undermines conservation efforts in fisheries and damages the food security of nations and individuals.

We have also signed up to the Global Ghost Gear Initiative which aims to combat discarded nets in the marine environment.



Raising the bar on animal welfare

We're proud of our track record on animal health and welfare but aim to continuously improve our approach. That's why we've signed up to the 'European Chicken Commitment', a standard supported by 28 animal welfare NGOs.

We're promising to build on our existing standards by introducing a new breed of chicken across our supply chain by 2026. The new breed will grow more slowly, meaning a better quality of life for the chicken with no compromise on product quality.

Animal health & welfare

We believe that compassionate farming and good business go hand-in-hand and our long-term relationships with our farmers help ensure we deliver consistent animal welfare practices that meet our high standards.

In our UK supply chains, the Waitrose & Partners welfare requirements extend beyond Red Tractor Assurance, with additional, independently verified, bespoke standards that farmers must adhere to.

We are one of a handful of businesses that has consistently achieved Tier 1 status for the Business Benchmark on Farm Animal Welfare (BBFAW) since 2015. In 2017, we were also awarded the Compassion in World Farming (CIWF) Best Retailer Award and Cage Free Award for our commitment to cage-free systems (both awarded biennially).

In 2018, we brought together a group of independent animal welfare experts and suppliers to form the Waitrose & Partners Animal Welfare Development Group. Our focus is on working with this group to develop the next generation of market-leading animal welfare measures.

Antibiotics

Our customers are concerned about the use of antibiotics in livestock, so in 2017, Waitrose & Partners became one of the first supermarkets to publicly share comprehensive data on the use of antibiotics in its livestock supply chains. All our supply chains have committed to minimise the use of antibiotics, and to only use critically important antibiotics as a last resort and where animal health and welfare may otherwise be compromised.



RAW MATERIALS AND SUSTAINABLE SOURCING

We aim to reduce our use of resources, source materials more sustainably and provide trusted provenance and traceability.

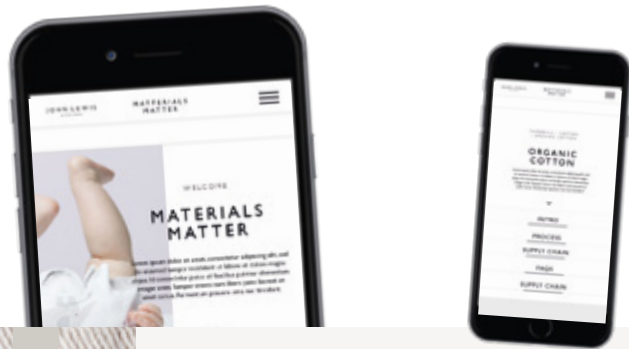
Our approach

We focus on the materials that we source in the highest volumes and that have the highest environmental impact - such as palm oil for Waitrose & Partners and timber for John Lewis & Partners. Embedding responsible sourcing practices and providing training for sourcing teams is essential, with our buying and technical Partners driving progress against our targets.

We work with expert consultancies and independent third-party certification bodies to inform our processes and provide guidance. However, we recognise that raw material certification won't solve everything and we work collaboratively with our suppliers and industry peers to drive improvements.

Deforestation

Palm oil, soya and wood-pulp plantations are some of the major drivers of deforestation. Forests are important for fighting climate breakdown by soaking up carbon in the atmosphere and we are particularly focused on ensuring that our products never contribute to deforestation. Read more on [p15](#).

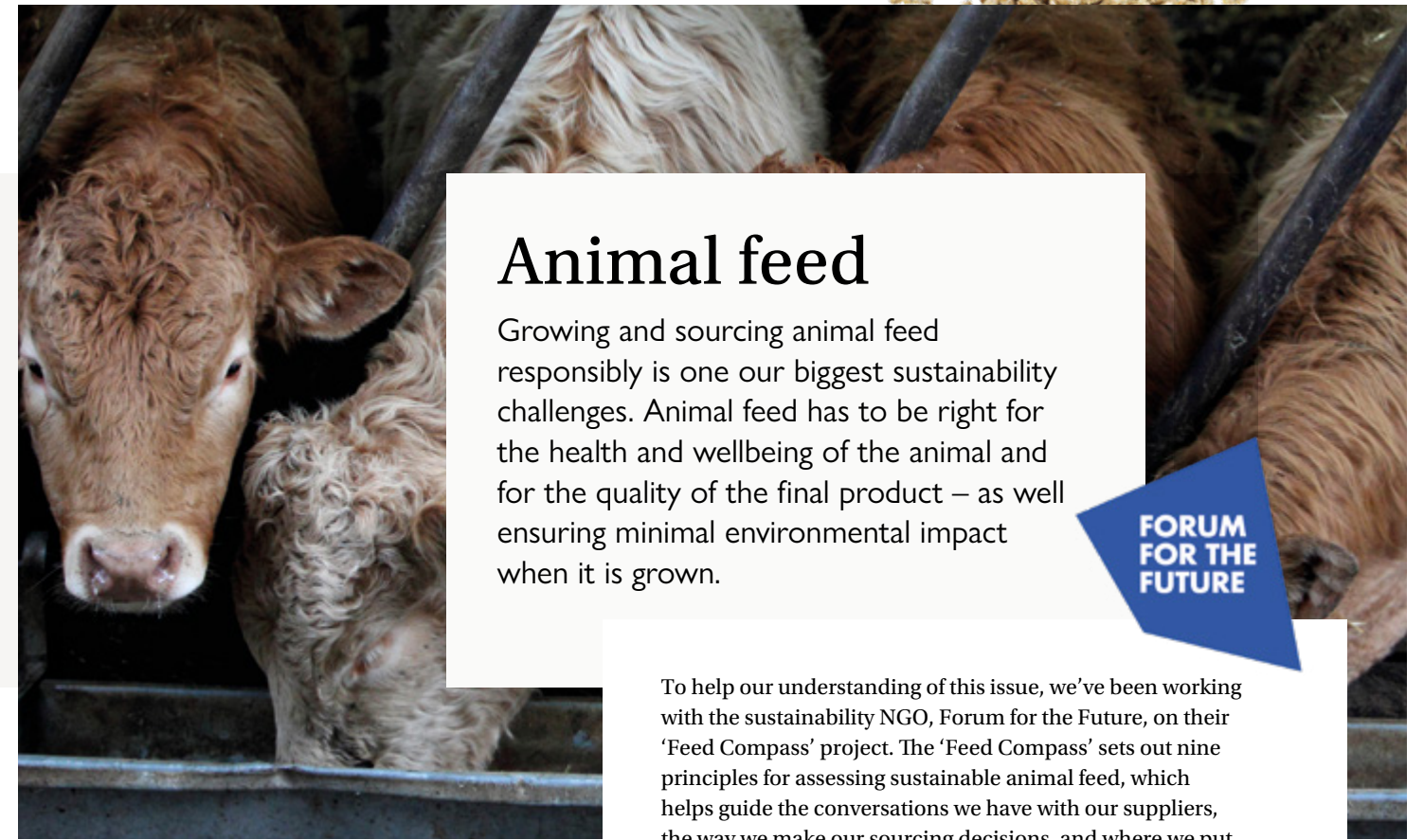


Materials Matter

John Lewis & Partners use a wide mix of materials to make their products. Buying and technical Partners work with suppliers to source these materials in a more sustainable way including timber, cotton, recycled polyester, leather and feather and down.

To help our buyers navigate the complexities of sourcing sustainable materials, we've developed Materials Matter - a guide for buyers to use when developing new ranges, looking at new suppliers or reviewing existing assortments. The guide is designed to support the sourcing process as we transition our supply base to more sustainable materials. We are currently expanding the guide further and moving it to a new online platform for our Partners and suppliers to access.

In 2019, we'll also be focusing on improving the traceability of some of our key raw materials with a focus on cashmere and mohair, working with our supply chain to guarantee traceability back to the farm. We'll report more on our progress next year.



Animal feed

Growing and sourcing animal feed responsibly is one of our biggest sustainability challenges. Animal feed has to be right for the health and wellbeing of the animal and for the quality of the final product – as well as ensuring minimal environmental impact when it is grown.

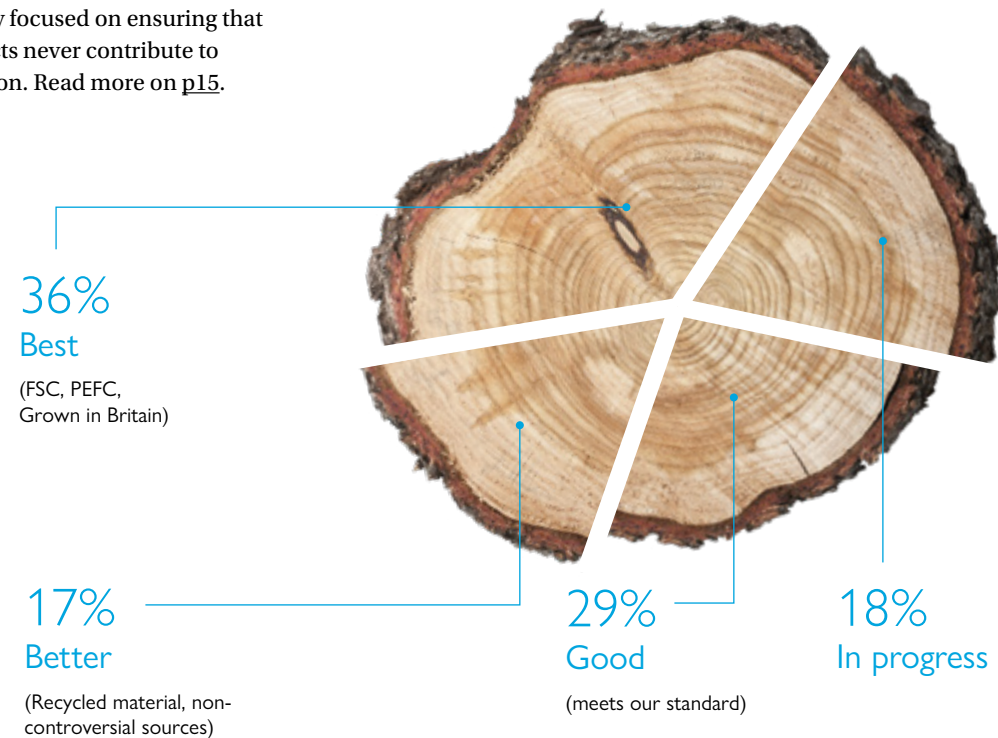


To help our understanding of this issue, we've been working with the sustainability NGO, Forum for the Future, on their 'Feed Compass' project. The 'Feed Compass' sets out nine principles for assessing sustainable animal feed, which helps guide the conversations we have with our suppliers, the way we make our sourcing decisions, and where we put our focus for the future. Using this framework as a guide, we will continue to work with our suppliers to explore more sustainable feed options for livestock and fish - such as UK-grown soya or insect protein.

This kind of diversification can both help to relieve pressure on key regions of the world where soya is grown, and ensure more resilient supply chains that give farmers better control of their inputs. Our Forage Protein Programme, where farmers in our beef, lamb and milk supply chains grew new crops for animal feed on their farms, is a key example of this. Following this five year Innovate UK funded project, collaborating with industry and academic partners, we launched a range of Waitrose & Partners Farming Foundation grass and protein mixes for our farmers to grow.

In many supply chains, soya continues to be an important and high profile component of animal feed. Where this is the case, we work to ensure it's certified sustainable.

JOHN LEWIS & PARTNERS TRUSTED TIMBER



01.3 Always fair

Raw materials and sustainable sourcing



Cotton

Cotton farming requires large quantities of water and pesticides and we are committed to improving cotton farming practices globally. In 2014, we signed-up to the Better Cotton Initiative (BCI) to join the collective movement for more sustainable cotton farming. Our membership helps fund farmer training across the world. We source relatively small volumes of cotton for our own-brand products compared to other major retailers so we believe we can have the biggest impact through industry collaboration. In 2018, John Lewis & Partners increased its BCI cotton sourcing to 25%, with good progress made in fashion buying offices, as a result of increased engagement and training for



MATERIAL	TARGET	18/19	17/18
Timber	JOHN LEWIS & PARTNERS: 100% of the timber and paper in our own-brand products to come from trusted sources by year end 2020/21	TOTAL: 82% best: 36% better: 17% good: 29% in progress: 18%	By Volume / By Count 53% / 32% ¹
	WAITROSE & PARTNERS: 100% of the timber and paper in our own-brand products to come from trusted sources by year end 2020/21	TOTAL: 97% best: 84% better: 0% good: 13% in progress: 3%	-
Cotton	JOHN LEWIS & PARTNERS: 50% of own-brand cotton to be sourced from sustainable sources by 2020	TOTAL: 25% fashion: 41% home: 19%	12%
	WAITROSE & PARTNERS: 100% of own-brand cotton to be sourced from sustainable sources by 2020	37%	26%
Soya	WAITROSE & PARTNERS: 100% of the soya used in animal feed for the production of own-brand meat and farmed fish products, milk, and eggs to be certified sustainable or organic by 2020 ^{2,3} (the scope of our soya target has been expanded for 2018/19)	51% certified sustainable physical supply 15% certified organic physical supply 34% RTRS credits	69% certified sustainable physical supply 5% certified organic physical supply 16% RTRS credits
Palm oil	WAITROSE & PARTNERS: 100% of palm oil and palm kernel oil based ingredients and derivatives used in own-brand products to be RSPO physically certified by 2020	92% RSPO physically certified 8% RSPO credits	72% RSPO physically certified 28% RSPO credits
Feather and down	JOHN LEWIS & PARTNERS: 100% of feather and down from certified responsible sources by year end 2020/21	We're working with all our feather and down suppliers to implement certified responsible standards in our feather and down supply chains and we're on track to meet our target.	

Palm oil

Palm oil is a vegetable oil used in food, cleaning products and cosmetics. Growing palm oil can have negative environmental and social consequences - from deforestation to worker exploitation.

However, we don't believe a boycott of palm oil is the answer - instead we work to help put the industry on a sustainable footing. All of Waitrose & Partners' palm oil sourcing has been

certified by the RSPO (Roundtable on Sustainable Palm Oil) since 2012. Our target is for all palm-based ingredients to be physically certified to RSPO standards and we use RSPO credits for the remainder until that target has been achieved.

Through this approach, and our ongoing collaboration with suppliers, the RSPO, NGOs, and other retailers and businesses across the palm oil supply chain, we can incentivise palm oil producers to adopt higher ethical and sustainability standards.

1. This data refers to our old target: 100% of our own-brand timber and paper products will be from responsible and sustainable sources by year end 2020/21 (By Volume / By Count).

2. We accept RTRS, Proterra, Danube/European and ISCC+ (with add-ons) certified soya; we prioritise segregated or mass balance supply chains but also use credits.

3. In 2016/17 and 2017/18 the scope of reporting for soya in animal feed was restricted to suppliers who were members of the Waitrose & Partners Livestock Steering Group, covering non-organic feed only. In 2018/19 this was expanded.



Timber

We aim to promote sustainable forestry and curb the global trade in illegal timber, working with our suppliers to offer customers timber products they can trust.

This year we have adopted a new Partnership-wide approach to timber sourcing and updated our reporting to better reflect the strength of our due diligence processes and commitment to sustainable sourcing.

Our previous categories of "Sustainable" and "Responsible" have been updated to "Better" and "Best" and we have included a new category of "Good", where sources meet the strict requirements of our timber standard. All three categories now fall under the umbrella of 'Trusted Timber' as they either meet or exceed the high standards of our timber standard.

We have set a new, Partnership target to achieve 100% of the timber and paper in our own-brand products to come from trusted sources by year end 2020/21 and we are broadly on track to meet this target. We will continue to work with our suppliers to increase the amount of timber we source from our top two categories of Better and Best.

Soya

Soya is a key ingredient in animal feed, particularly for our pigs, poultry and farmed fish. Most soya is grown in South America, where deforestation and clearance of native vegetation is a risk.

We have a target to ensure any soya used in our animal feed is responsibly sourced. This year we have increased our reporting scope and calculated our soya footprint for whole eggs, liquid milk, and all meat and fish products (including ingredients) across our own-brand products. Of this, 51% was certified sustainable via physical supply chains (mass balance or segregated), 15% was certified organic and the remainder was certified via Roundtable on Responsible Soya (RTRS) credits, which support responsible producers. This year via our credits purchase we supported six farms in the Maranhao and Piaui areas of Brazil, which have, on average, 37% of their land given over to environmental reserves.

We will continue to work to certify our own supply chains, expand our scope still further, and to be an active member of the UK Roundtable for Sustainable Soya.

Transforming lives



02 We aim to create a diverse and inclusive culture while nurturing our wellbeing and the wellbeing of the communities around us, because the future of our business depends on us, as Partners, reaching our full potential.

COMMUNITY AND VOLUNTEERING

Over
£870K
donated by the John Lewis & Partners Foundation

GOLDEN JUBILEE TRUST AWARDS 24,500 HOURS OF PARTNER VOLUNTEERING TO 52 ORGANISATIONS

Waitrose & Partners celebrates

10
YEARS
of Community Matters

JOHN LEWIS & PARTNERS LAUNCHES PARTNERSHIP WITH SMARTWORKS

Our success depends on the communities where our Partners and customers live and work continuing to thrive and we're committed to transforming lives.

The Partnership was founded on the principles of social equality and fairness; and to provide happiness for Partners through their worthwhile employment. The Partnership's Founder, John Spedan Lewis was emphatic about the 'volcanic dangers of maintaining a society with deep inequalities', and explicit about the ability of a Partnership to reward each according to their talents and skills, and to look after its members. As such, Partners are the first community from which everything else develops. We aim to bring our Partnership values to the communities in which we operate and this has shaped our approach today.

Partner volunteering

We offer Partners the opportunity to give their time and skills to charities, schools and community organisations. Volunteering can be a valuable development and wellbeing opportunity for our Partners. Research suggests community involvement has a huge impact on employee wellbeing outcomes. In the coming year we aim to promote and increase volunteering opportunities so more Partners can benefit.

We already offer one of the leading volunteering programmes in our industry - the Golden Jubilee Trust. The scheme offers Partners the opportunity to volunteer their time with a charity of their choice for up to six months at full pay.

Local communities

Our network of shops and branches means that Partners can support local community initiatives across the UK. For example, all John Lewis & Partners branches have Community Liaison Coordinators

or specialist assistants who manage our relationships with charities and community groups in their local communities. They provide important support to our national programmes and build an in-depth knowledge of the challenges in their local communities.

Both John Lewis & Partners and Waitrose & Partners support local charities and organisations near their branches through Community Matters schemes, in which customers nominate and vote for one of three charities to decide how donations are allocated. In 2018/19, over £4 million was donated to charities through this scheme.

Through John Lewis & Partners' Bringing Skills to Life (BSTL) we have reached over 26,000 children in the last year, with online learning resources and competitions designed to develop practical and creative skills, including an innovation challenge focused on the circular economy.



Golden Jubilee Trust

Our flagship volunteering programme - the Golden Jubilee Trust (GJT) - was set up in 2000 to mark the 50th anniversary of the Second Trust Settlement signing (when John Spedan Lewis transferred his remaining shares and ultimate control to the Trustees). The Trust gives practical help to UK charities by placing Partners on volunteering secondments for up to six months, while on full Partnership pay and benefits. This year 24,500 hours of Partner volunteering were awarded to 52 organisations. Our Partners say that the secondments give them a real boost and help them to adapt to new and challenging situations, while charities report a positive impact on their organisation.

In 2018, we partnered with Samaritans, with 20 secondments to help them with their retail offer. The Partnership has a longstanding relationship with Samaritans through Partner Support mental health services, but this is the first time that the GJT has offered a combined set of secondments and the level of interest from Partners was unprecedented.



02.1 Transforming lives Community and volunteering

Strategic partnerships

Through longer-term, strategic partnerships, we aim to support the most vulnerable people in our communities. We have partnered with the Trussell Trust to provide food bank donation points in 128 of our branches. We've also extended our partnership with the FareShare Go programme, making it easier for branches to let local charities know about surplus goods in our shops - read more on [p26](#).

The Prince's Countryside Fund is a charity that aims to secure a brighter future for British farmers. Waitrose & Partners contributes to The Prince's Countryside Fund each year to help support people living in the British countryside. The Fund's flagship project is The Prince's Farm Resilience Programme, which supports over 250 family farms per year.

In the year ending January 26th 2019, sales from our Waitrose & Partners Duchy Organic products generated a contribution of £3.49 million to Duchy Originals, the social enterprise arm of The Prince of Wales's Charitable Fund (PWCF), to support good causes across the UK. PWCF, founded in 1979, aims to transform lives and build sustainable communities through grants to initiatives in conservation, health, environment and youth training projects in the UK and overseas.

Celebrating a decade of Community Matters

In 2018, Waitrose & Partners celebrated a decade of its Community Matters 'green token' scheme, in which customers vote for one of three good causes to decide how donations are allocated.

More than £30 million has been donated to charities, community groups and good causes since 2008. To mark the milestone, many Waitrose & Partners shops across the country showcased some of the local causes that have been popular with customers and Partners since the scheme began. Many shops also held celebrations for charities which have benefited from the scheme.

"We're very proud to be able to play our part in the community and support those causes that matter most to our customers. We'd like to thank all the charities who have been part of the scheme over the past ten years, as well as our Partners who do so much for our local communities."

TOR HARRIS
Partner & Head of CSR, Health & Agriculture



Supporting charities through the John Lewis & Partners Foundation

The John Lewis & Partners Foundation was established in 2007 to benefit the communities in which we operate, with a focus on projects that support skills building and employment for disadvantaged communities.

The Foundation has granted over £870,000 to charities in 2018/19, supporting 26 projects.

For example, the Foundation supported Body and Soul, an innovative charity which provides a community-based, holistic package of care to address the damaging effects of childhood adversity for people of all ages. The Foundation also provided a grant to The Passage which seeks to provide resources to encourage, inspire and challenge homeless people to transform their lives. The Passage runs the UK's largest Resource Centre for homeless people which is based near our London Head Office and is used by up to 200 clients every day. Head Office Partners have also supported the Passage for a number of years through an ongoing mentoring programme.

You can read more about the vital work the charities we are supporting through the Foundation at

www.johnlewisfoundation.org



Smart Works

As part of the launch of John Lewis & Partners Womenswear in Autumn 2018, John Lewis & Partners partnered with Smart Works, a UK charity that provides high quality interview clothes, mentoring and interview training to unemployed women in need. So far, we have donated clothes from our collections and Partners have volunteered their hours to provide mentoring support.



DIVERSITY AND INCLUSION

We know that diversity is key to running a successful organisation and we aim to give every Partner in the business the opportunity to reach their potential.



Our approach

UK legislation, covering age, disability, race, religion, gender and sexual orientation among others, sets minimum standards. However an effective diversity and inclusion strategy goes beyond legal compliance and seeks to add value to an organisation, contributing to employee wellbeing and engagement. If the Partnership is to survive the current challenging retail environment and thrive in the future, it is vital we embrace the diversity of thoughts and ideas that an inclusive workforce brings.

We aim to create a culture in which people can be themselves at work, so they can add real value to the business and feel valued themselves. More than that, we know we must make real changes in how we enable under-represented groups to progress in the Partnership.

We have Diversity and Inclusion and Equal Opportunities policies which set out our standards. Although we refer to specific demographics, we believe that diversity goes well beyond protected characteristics and we seek to provide support and adjustments to help all Partners reach their potential.



As a network, our purpose is to help the Partnership recognise, value and unlock the potential of BAME Partners but more specifically, there is a real and urgent need to increase the representation of BAME Partners at senior levels."

B A Z
Partner & Branch Manager



Our networks

We run eight networks, mainly sponsored by senior leaders, which exist to educate, influence and challenge the business. These networks are: LINKage, Working Parents, UNITY, Gender Equality Network (GEN), Pride in the Partnership, Faith, Belief and Religion, Ability and School of Thought. The networks are designed to influence the business and raise awareness of matters that are important to groups of Partners across the business.

Where we see under-representation, we take positive action. For example, in 2014, we set a goal to increase the representation of black, Asian and minority ethnic (BAME) Partners in management positions to 10% by 2020. In 2018, our result was 9.57%. We have introduced initiatives such as bias training and although we are closing the gap, there is more to do.

We have achieved our aim of being a Disability Confident Leader, a Department for Work and Pensions sponsored mark that aims to help companies successfully employ and retain people with disabilities and those with health conditions.

NETWORK	DESCRIPTION
LINKage	Our intergenerational or age network. It aims to build awareness of the benefits and challenges of an intergenerational workforce.
Working Parents	Working Parents aims to support individual working parents and inspire the way that the Partnership supports working parents.
UNITY	The Partnership's official network for BAME (black, Asian and minority ethnic) Partners.
Gender Equality Network (GEN)	GEN aims to challenge stereotypes and influence the business in its thinking as it relates to gender.
Pride in the Partnership	The Partnership's LGBT+ network, which promotes inclusivity and provides support.
Faith, Belief and Religion	Aims to educate, celebrate and challenge the Partnership on faith and religion.
Ability	A group of Partners who face mental, physical and learning challenges, who aim to raise awareness.
School of Thought	Aims to help Partners understand their unique qualities and perspectives and use them to challenge the status quo.



HEALTH AND WELLBEING

We've always invested in the health and wellbeing of our Partners and provided our customers with the highest quality products to help them live a healthy, balanced lifestyle.

Key societal health challenges, such as rising obesity and stress and mental health issues are prompting retailers to review how they support the health of their employees.

We have always believed in the importance of investing in health and wellbeing, we even had a Partnership Health Service before the NHS. Today, we are more committed than ever to helping Partners manage their health and unlock their potential.

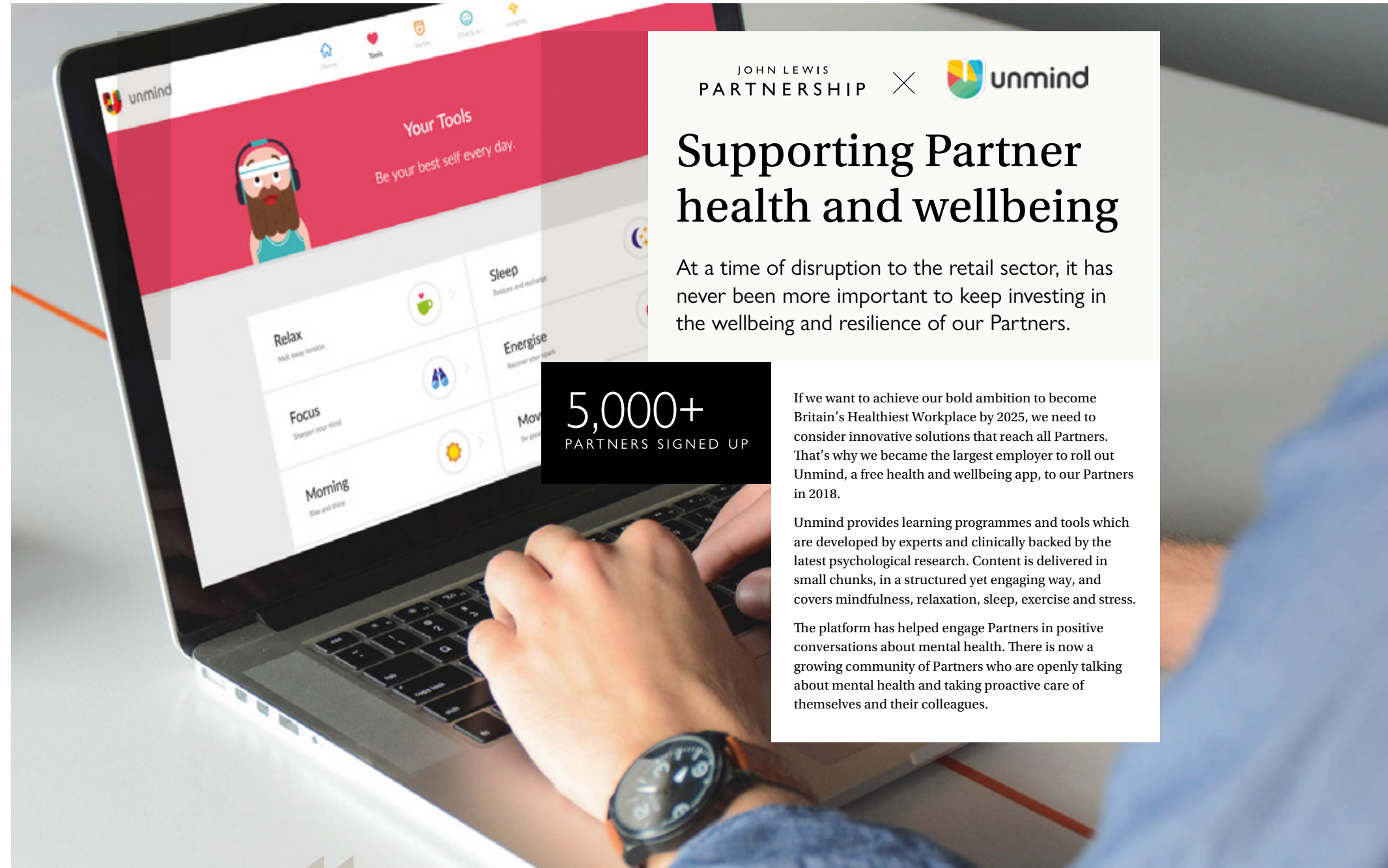
We have two teams who specifically focus on health and wellbeing for our Partners. Partner Support offers a helpline for emotional and practical support as well as financial mediation, while Partnership Health Services provide physiotherapy, counselling and other health services. More recently, we've been focusing on mental health and physical health, piloting new initiatives such as our new Unmind app.

Steps we're taking

We provide a mental health service which gives Partners access to counselling and cognitive behavioural therapy for Partners experiencing mild to moderate conditions.

We have also built a network of over 400 wellbeing champions across over 130 business locations, who are encouraging wellbeing initiatives, such as outdoor activities, to drive health and wellbeing in their branch or business unit.

In 2018 a new, free health and wellbeing app 'Unmind' was rolled out to all Partners.



JOHN LEWIS PARTNERSHIP × unmind

Supporting Partner health and wellbeing

At a time of disruption to the retail sector, it has never been more important to keep investing in the wellbeing and resilience of our Partners.

5,000+ PARTNERS SIGNED UP

If we want to achieve our bold ambition to become Britain's Healthiest Workplace by 2025, we need to consider innovative solutions that reach all Partners. That's why we became the largest employer to roll out Unmind, a free health and wellbeing app, to our Partners in 2018.

Unmind provides learning programmes and tools which are developed by experts and clinically backed by the latest psychological research. Content is delivered in small chunks, in a structured yet engaging way, and covers mindfulness, relaxation, sleep, exercise and stress.

The platform has helped engage Partners in positive conversations about mental health. There is now a growing community of Partners who are openly talking about mental health and taking proactive care of themselves and their colleagues.



"We were the first large employer to offer the Unmind tool and it will help Partners understand and look after the mental health of themselves and those around them."

YULIA O'MAHONY
Partner & Head of Wellbeing



Meeting our customers' health needs

We understand that it can often be hard to know what's really healthy. In response to this, in 2018 we trained over 100 healthy eating specialists to provide in store advice to our customers.

Our training is certified by the Association for Nutrition to Level 1 of the Catering Framework and delivered by Waitrose & Partners' professional team of qualified nutritionists.

The course focuses on better understanding food labels and using the Eat Well government guide to a balanced diet, and comprises of curated store tours and tasting events that encourage healthier choices. Early results have been promising, with approximately a 20% uplift in sales of the healthier products sampled across shops taking part. This demonstrates how important it is to meet our customers' health needs when it comes to maintaining our position in the market.



GOOD HEALTH LOGO ROLLED OUT TO OVER 2000 PRODUCTS

400+

Wellbeing Champions across the Partnership

100

Healthy Eating Specialists trained in Waitrose & Partners stores

18TH OUT OF 49 LARGE BUSINESSES IN BRITAIN'S HEALTHIEST WORKPLACE SURVEY



x 63m

63m teaspoons of sugar removed from soft drinks

Britain's Healthiest Workplace

The Partnership has set itself a bold ambition to become Britain's Healthiest Workplace by 2025, to honour our founding principles and go further to unlock the potential of our Partners. In 2018, we were ranked at 18th out of 49 large businesses and we'll be working on improving our position year-on-year.

Customer health & nutrition

Our approach to customer health and nutrition is based on improving the nutritional quality of our own-brand food and enabling our customers to make healthy choices through better information.

Our work has spanned a decade and has focused on salt, saturated fat and calories and more recently sugar and portion size.

We work closely with our suppliers on continuous nutritional improvements to Waitrose & Partners own-label products, which includes removing sugar, while maintaining taste and quality.

We have continued to reduce sugar in our customers' baskets with over 716 tonnes removed. This includes work on breakfast cereals, yogurts and soft drinks whilst ensuring we continue to offer great choices for our customers.

Between 2015 and 2018, we have taken out 480 tonnes of sugar from our soft drinks and cordials ahead of the Soft Drinks Industry Levy which came into force in April 2018.

We're making it easier to choose food that's both delicious and nutritious, in store and online with the introduction of our new Good Health label, now rolled out to over 2,000 products.



Never wasteful

03 We aim to use natural resources as efficiently as possible and innovate to reduce our environmental impact and emissions because by delivering more with less, we'll protect our long-term financial sustainability.



BUILDINGS AND TRANSPORT

Our aim is clear: we're committed to being part of the solution rather than part of the problem. That means reducing our emissions and decreasing our use of natural resources.

How we operate our business - from the energy used to run our stores to the fuel used to power our transport fleet - creates greenhouse gas emissions which are warming the earth and changing the climate.

Reducing our emissions is critical and we have made considerable progress on this already - achieving our most recent targets ahead of schedule, resulting in a 71% reduction in our carbon emissions against a 2010 baseline. We achieved this by purchasing energy from renewable sources such as wind power.

However, we must be even more ambitious if we are to minimise the worst impacts of climate breakdown. That's why, this year, we've committed to making all our operations net zero carbon by 2050 at the latest. This target is in line with the pathway set by the Intergovernmental Panel on Climate Change (IPCC) to limit global warming to 1.5C.

How will we achieve this?

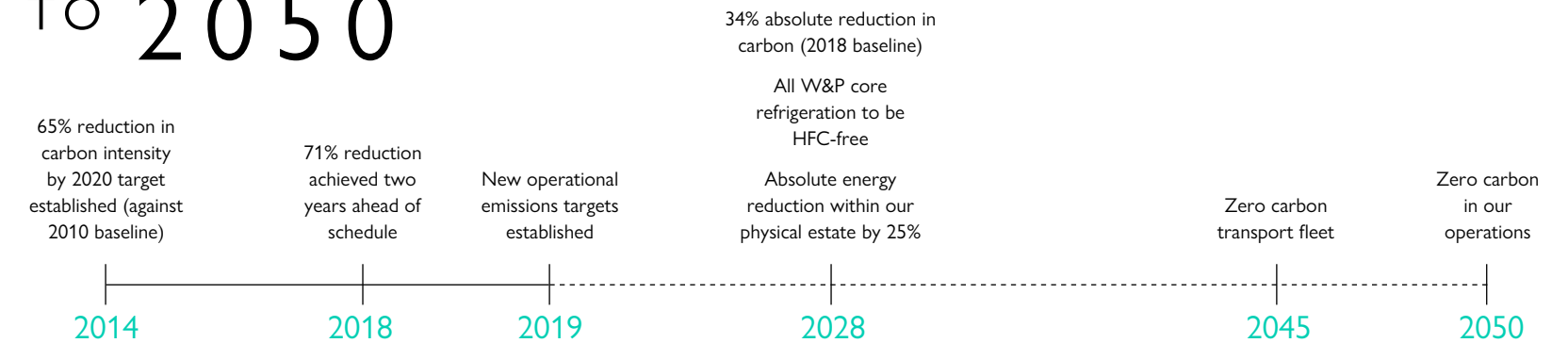
We will initially focus on making significant emissions reductions in the vital period of the next ten years to decarbonise our operations as much and as quickly as possible. By 2028, we will remove a third of carbon from our operations through a significant investment in new refrigeration technology, biomethane-powered trucks, electric vans and renewable electricity.

Achieving these targets will be challenging in the current retail climate however we have committed to our biggest ever investment spend towards decreasing our operational impact in order to achieve these goals.

We will also be assessing emissions impact outside of our operations. We already carry out assessments of Waitrose & Partners fresh produce, livestock and farmed fish supply chains, looking at a range of aspects including water use, biodiversity and waste and energy - see [p12](#).

We also have commitments to source key raw materials sustainably ([p14-15](#)) and ambitious targets to reduce plastic waste ([p26](#)).

OUR JOURNEY TO 2050



Rolling out a zero carbon fleet

Addressing the impact of our transport fleet is critical in achieving our zero carbon target, as transport contributes over 40% to our operational carbon emissions. That's why we've established an industry leading aim to have a zero carbon transport fleet by 2045.

In order to achieve this, we will need to transition to a fully electric heavy vehicle fleet. However, current technology and infrastructure does not support this so we have invested in biomethane trucks. As the UK's electric vehicle infrastructure improves over the coming decades, we will develop our transport strategy in response - switching our heavy vehicle, van delivery and e-commerce fleets to electric vehicles.

In the meantime, we will be converting all heavy trucks to biomethane by 2028. We pioneered the use of biomethane trucks in the UK. Running for up to 500 miles on the gas that is created as a byproduct of decomposing food waste, they emit 83% less CO₂ than standard diesel alternatives and are more cost efficient.

THIS YEAR, WE COMMITTED TO MAKING ALL OUR OPERATIONS

NET ZERO CARBON BY 2050

Net zero means that we will remove all the carbon emissions we can but for emissions we can't, such as our own livestock or air travel, we will balance the difference by generating our own renewable energy.

03.1 Never wasteful Building and transport



Sustainable and healthy buildings

The Partnership's Sustainable and Healthy Buildings strategy aims to make sure our buildings are efficient and sustainably built and maintained. We know that if we want to be Britain's Healthiest Workplace, we need our physical environment to be healthy too.

Ultimately, we want our buildings to have a positive impact on the wellbeing of the people that use them.

We track the sustainability performance of our new build construction projects and have certified over 100 branches under the BREEAM process. This means that we have the highest number of BREEAM-certified buildings of any retailer. When we refurbish a building we work with our supply chain partners to achieve our goal of combining sustainability with innovation. For example, we've recently worked with a major paint supplier on a recycled paint trial, which we hope to roll out as part of our refurbishment programme.

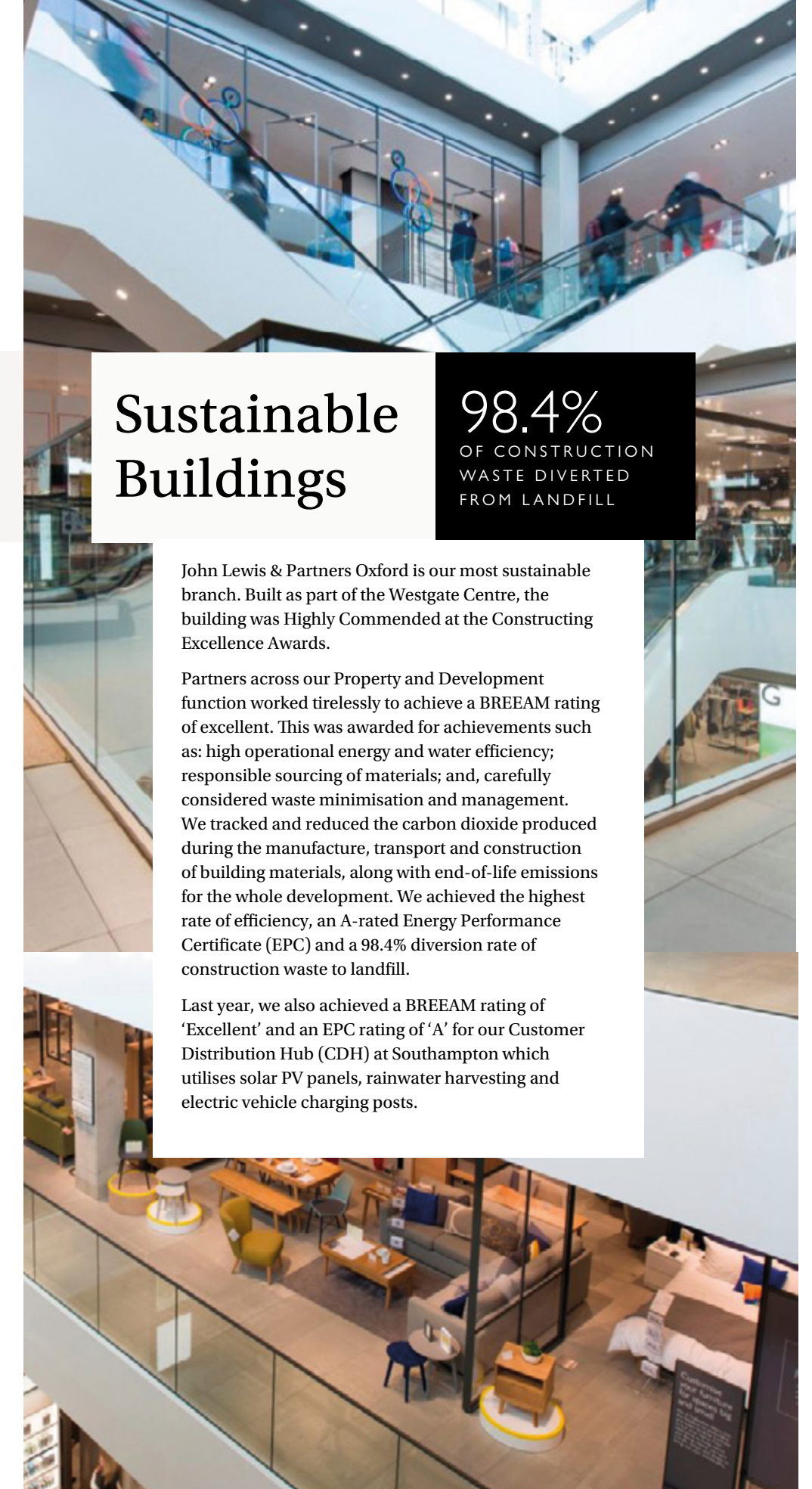
Assessing our buildings for climate risk

In 2019, we will continue reviewing our buildings to assess our exposure to risk from climate change, such as flood costs, reduced water supply and power outages. We will also be looking at our indoor air quality and strengthening guidelines to ensure our buildings are healthy for Partners and customers.

TARGET	18/19	17/18
By year end 2020/21 we will achieve a 65% reduction in carbon intensity (tonnes per £m) against a 2010 baseline.	-71%	-69.6%
By year end 2020/21 we will reduce energy consumption (kWh per ft ²) by 20% against a 2010 baseline.	-23.8%	-23.2%
We will ensure refrigerant emissions leakage is no more than 7% entrained volume by year end 2015/16.	4.93%	6.22%
By year end 2020/21 we will achieve a 5% reduction in carbon intensity from distribution (tonnes per £m) against a 2010 baseline.	-8.8%	-7.4%
<p>John Lewis Partnership new targets</p> <p>ZERO CARBON IN OUR OPERATIONS BY 2050 with an interim aim of 34% absolute reduction by 2028 (2018 baseline)</p> <p>Keep refrigerant gas leakage rate to UNDER 7%</p> <p>An absolute ENERGY REDUCTION within physical estate of 25% by 2028 from a 2018 baseline</p>	<p>All Waitrose & Partners core refrigeration to be HFC free BY 2028</p> <p>85% of all operational waste to be recycled by 2028</p> <p>NO OPERATIONAL WASTE WILL BE SENT TO LANDFILL</p>	<p>RESPONSIBLE DEVELOPMENT FRAMEWORK (RDF) to be applied to all projects to deliver a lean and efficient physical estate</p> <p>All electricity procured by the Partnership to be renewable-certified</p> <p>All heavy delivery to be biomethane by 2028</p>

Creating more energy efficient refrigeration

To further drive energy efficiency in our operations, we will be making a significant investment in shelf blade technology for our food refrigeration cabinets. Shelf blade technology works by pinching the air between two blades, directing escaping cold air back into the refrigeration cabinet and creating a "curtain" of cold air. This means that there is less cold air escaping into the aisle, making it warmer in stores for customers and Partners. Initial trials have proven successful in terms of energy savings and improved temperatures for product, with minimal impact on product offer and operational procedures.



Sustainable Buildings

98.4%
OF CONSTRUCTION WASTE DIVERTED FROM LANDFILL

John Lewis & Partners Oxford is our most sustainable branch. Built as part of the Westgate Centre, the building was Highly Commended at the Constructing Excellence Awards.

Partners across our Property and Development function worked tirelessly to achieve a BREEAM rating of excellent. This was awarded for achievements such as: high operational energy and water efficiency; responsible sourcing of materials; and, carefully considered waste minimisation and management. We tracked and reduced the carbon dioxide produced during the manufacture, transport and construction of building materials, along with end-of-life emissions for the whole development. We achieved the highest rate of efficiency, an A-rated Energy Performance Certificate (EPC) and a 98.4% diversion rate of construction waste to landfill.

Last year, we also achieved a BREEAM rating of 'Excellent' and an EPC rating of 'A' for our Customer Distribution Hub (CDH) at Southampton which utilises solar PV panels, rainwater harvesting and electric vehicle charging posts.

WASTE AND PLASTICS

We're designing waste out of our business, managing waste responsibly and tackling the issue of plastic pollution.



WE ARE COMMITTED TO THE WRAP & IGD FOOD WASTE REDUCTION FRAMEWORK WHICH HAS TARGETS TO:

Halve food waste in our own operations by 2030 using 2018 as a baseline

Work with our suppliers to halve food waste in our supply chains by 2030

Help halve UK household food waste by 2030

Waste

Our approach is simple. We aim to reduce and reuse where possible and where this isn't possible, we maximise the amount we recycle. We divert 99% of our operational waste from landfill and are aiming for 100% by end 2020/21.

We have a new aim of 85% of our operational waste (such as the plastic and cardboard our deliveries come in) to be recycled by 2028 and we are currently at 68%.

Reducing food waste

Last year we were pleased to have achieved our food waste target and this year we have been working hard to set out our longer term strategy. We have committed to the Institute of Grocery Distribution (IGD) and Waste and Resources Action Programme (WRAP) food waste reduction framework which sets out an industry-wide food waste target and consistent measuring and reporting methodology. We have re-baselined our food waste data based on this methodology using 2018 data.

Unfortunately, in our last reporting year, our absolute tonnage of food waste increased for a number of operational reasons including increased wastage over the Christmas period of 2017. We were successful in tackling this in the 2018 Christmas period and are confident that our food waste figure will reduce again in 2019.

Wherever possible, our shops look for local organisations that we can donate surplus food to and our distribution centres donate food to Company Shop. Where we can't donate, the last resort for any remaining food and organic matter waste (including horticultural waste and coffee grounds) is to use it to generate energy through anaerobic digestion.

Plastics

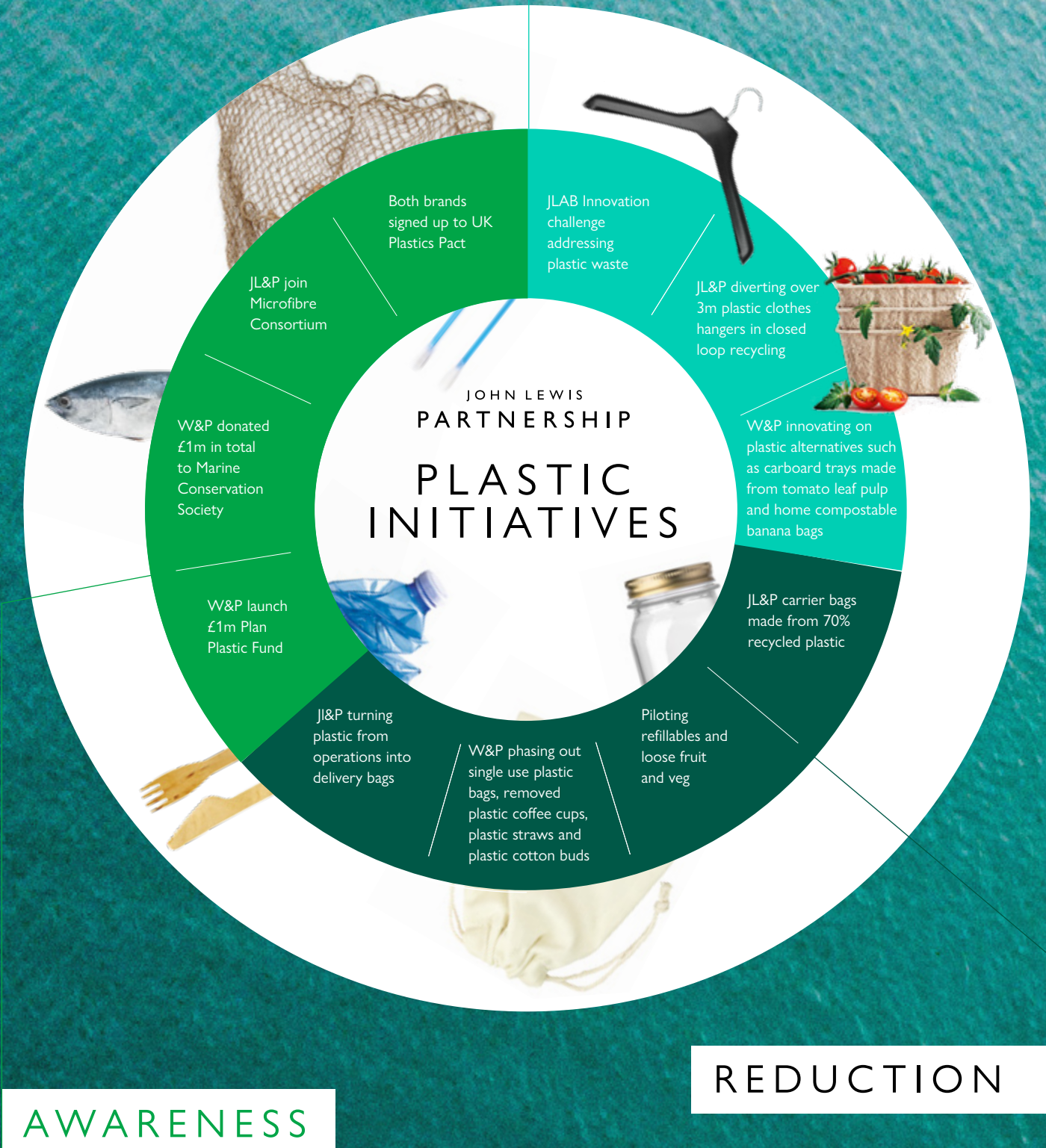
Both John Lewis & Partners and Waitrose & Partners tackle the problem of plastic packaging in different ways, focusing on the areas they have the most influence over. Our customers and Partners have made it clear we must take all the measures we can and we're committed to going further.

All John Lewis & Partners carrier bags are made from 70% recycled plastic. Click & Collect boxes contain recycled content and we're working on improving box sizes and filler packing in order to reduce waste further. We also turn plastics from our operations into plastic delivery bags, which contain 45% recycled material. In 2017, we also introduced a plastic clothes hanger recycling process. Previously, we were sending all our discarded garment hangers to landfill. Our warehousing Partners identified the opportunity to change this and worked with our hanger supplier to create a closed-loop solution, diverting nearly three million hangers from landfill.

For Waitrose & Partners, plastic plays an essential role in keeping our food fresh for longer and reducing food waste, both in store and in our customers' homes.

We have an ambitious plastics strategy which sets out our approach in detail. We have already taken important steps to eliminate unnecessary plastic, removing disposable coffee cups from our shops, eliminating microbeads from our own-brand products and investing in innovative alternatives.

INNOVATION



AWARENESS

REDUCTION

03.2 Never wasteful Waste and plastics



Waitrose & Partners commitments

All our own-brand packaging TO BE WIDELY-RECYCLED, REUSABLE OR HOME COMPOSTABLE by 2023.

70% of the plastic in our own-brand product packaging is already widely recyclable. WE AIM TO INCREASE THIS TO 80% BY 2020 AND 100% BY 2023.

By the end of 2019 we will have removed black plastic from all our own-brand products.

IN 2019 we will work further with our customers to determine which plastic packaging can be removed without decreasing quality and reducing shelf life.

In 2019 we will pilot refillables in our shops and test even more LOOSE PRODUCE RANGES

We have replaced loose fruit and veg bags with home-compostable alternatives and REMOVED SINGLE USE CARRIER BAGS

£1 MILLION

in grants to fund projects targeting the prevention of plastic pollution through the Waitrose & Partners Plan Plastic.



JOHN LEWIS PARTNERSHIP



cupclub



Our JLAB programme enables start-ups and established businesses to pitch and trial their innovative products and services with the John Lewis Partnership. In 2018, we launched an innovation challenge through JLAB, focusing entirely on plastic waste and calling on businesses with knowledge and expertise of this issue to develop innovative solutions to reduce our plastic waste. Ten businesses were shortlisted with ideas on alternative packaging, chemical recycling, sustainable materials and plastic-free products. We are now working with CupClub™, an innovative returnable packaging service for drinks that will now be trialed in the Partnership's head office in London.

In 2018, John Lewis & Partners, alongside other retailers, joined the Microfibre Consortium to support research, collaboration and innovation in response to potential impacts of microfibres in our oceans and marine environment.



Partnering with FareShare to tackle food poverty

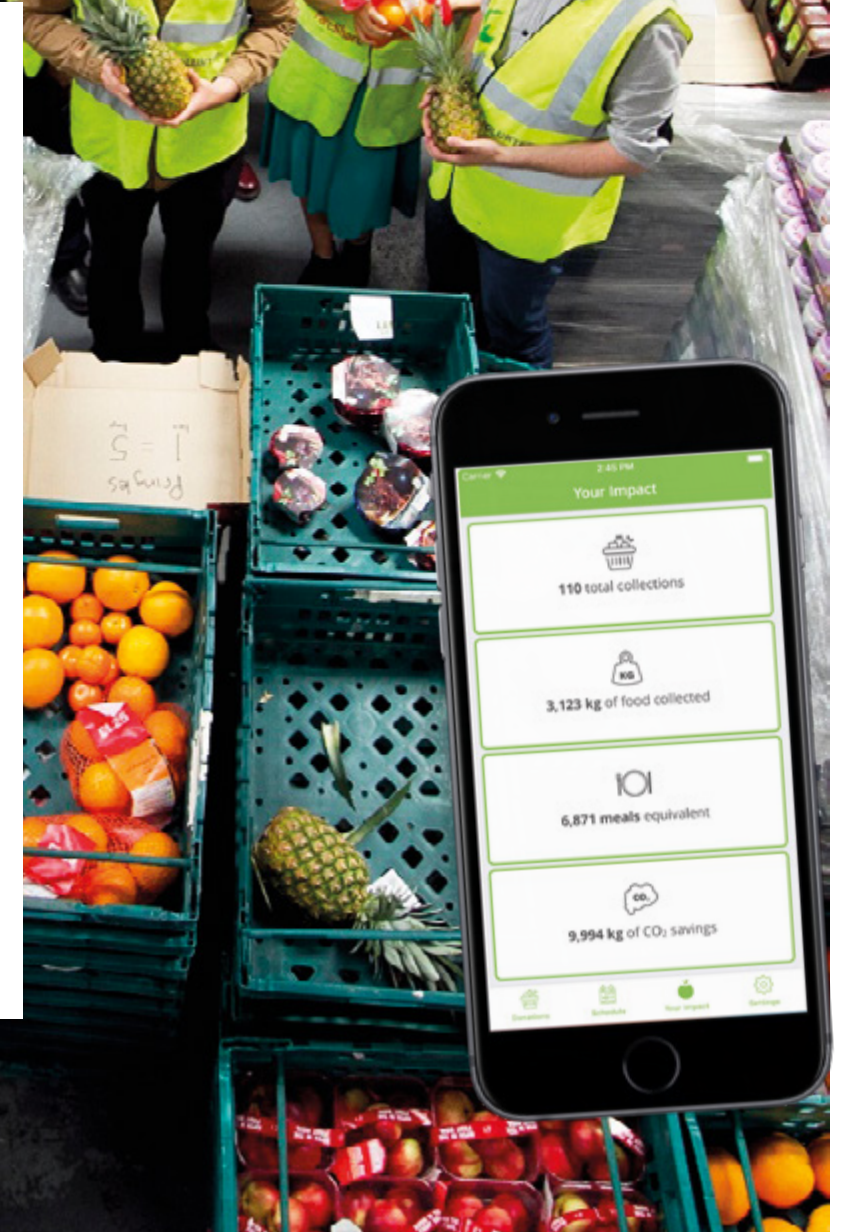
Our partnership with FareShare goes from strength to strength as we help the food redistribution charity respond to escalating levels of food poverty in the UK.



Waitrose & Partners has extended the number of its shops participating in the FareShare Go programme to all full-size supermarkets. Powered by the FoodCloud food redistribution technology, branches can easily let local charities know about surplus goods. Waitrose & Partners shops are already established in donating food to local charities and this IT platform aids communication between shops and food redistribution groups.

Shops simply input details of available food into an app and connected charities receive a text alert of which items are ready for collection. This builds on the relationships shops already have with local groups as well as recruiting new ones, with the technology making the process even simpler and quicker. In 2018, Waitrose & Partners began working with FareShare and by the end of our financial year, we had donated the equivalent of over 500,000 meals.

FareShare was established as a food redistribution charity over 20 years ago. It provides a range of services including a support team to recruit and audit charities and community groups to the FareShare Go model. The team ensures only groups which can safely collect, store and prepare food are linked with a local shop. This guarantees all Waitrose & Partners surplus food will go to organisations properly equipped to provide meals to vulnerable communities.



REUSE AND REPURPOSE



MOVING TOWARDS A CIRCULAR ECONOMY

Piloting fashion buy-back

In 2018, John Lewis & Partners piloted an industry-leading fashion buy-back service designed to reduce clothing landfill waste and encourage customers to invest in quality products. Developed in collaboration with the social enterprise Stuffstr, we offered to buy back and collect our customers unwanted clothing, bought from John Lewis & Partners. Customers were paid immediately for each item regardless of its condition.

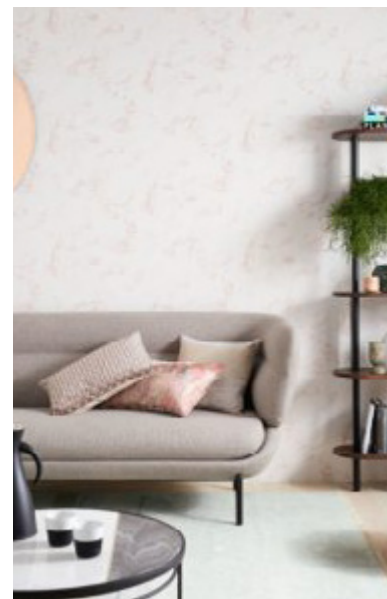
The service linked to data on what the customers bought from John Lewis & Partners over the past five years and provided a current market price for each item. Once a customer had a minimum of £50 worth of clothing to sell a courier would collect the products within as little as three hours. As soon as the products were collected, the customer was emailed a John Lewis & Partners e-gift card for the value of the items they sold. Items bought back were then either resold, mended or recycled.

Of the 133 customers who were invited to participate, 83% reported that they would shop more at John Lewis & Partners if the buy-back service was offered - meaning this programme could be good for business too and we are looking at how we bring the knowledge from this programme to our customer loyalty team. Our long-term aim is to encourage customers to buy better, high-quality items which will lengthen the life cycle of the products we sell by ensuring customers will be able to receive a reward at the end of the purchase.

Every item has value, even old socks, and we want to make it as simple as possible for John Lewis & Partners customers to benefit from their unwanted clothes. This service gives customers an incentive to buy high quality, longer-lasting products, and buying such products is a win for both customers and the environment."

JOHN ATCHESON, CEO of Stuffstr

We're innovating and finding new ways to support our customers to ensure our products are kept out of landfill and in use for longer.



Our approach

In the context of a business like ours, a circular economy means designing, making and selling products in a way that produces no waste or pollution, keeps materials in use for longer and helps promote natural ecosystems.

The current economic model of extracting natural resources, producing products and then disposing of them at the end of their lives is not sustainable for the planet. We know that if we want to reduce the environmental impact of our business we must move to a more circular business model.

This will be challenging but could also help us grow our business in new ways.

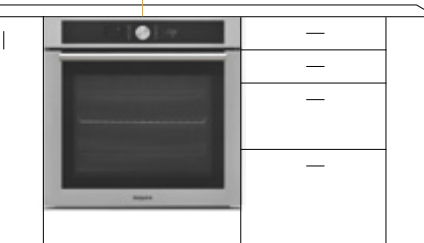
We're at the start of our journey and so far, we've mostly focused on product reuse which helps extend the life of our products, while providing our customers with a way of disposing of their products responsibly.

MATTRESSES

In 2018, we collected over 66,000 of our customers' mattresses, with 100% of waste diverted from landfill.

ELECTRONICS

Through our appliance disposal service, we collect customer Waste Electrical and Electronic Equipment (WEEE) which is reused or recycled where possible.



CLOTHING

We've piloted an innovative new approach to clothing reuse and recycling - see case study.



SHOES

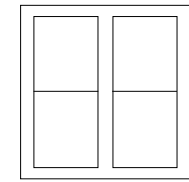
In 2018, we piloted in store shoe collection and have now partnered with Barnardo's to expand this to more stores.

SOFAS

In 2018, Our sofa reuse scheme saw 6,500 items collected from customers homes, then reused or recycled by charities, helping over 1900 households.

CARPETS

In 2013, we began collecting and reprocessing carpet offcuts generated by our fitters and creating new underlay from it.



Reporting



OUR KEY PERFORMANCE INDICATORS

18/19

1. This data refers to our old target: 100% of our own brand timber and paper products will be from responsible and sustainable sources by year end 2020/21 (By Volume / By Count).

2. We accept RTRS, Proterra, Danube/European and ISCC+ (with add-ons) certified soya; we prioritise segregated or mass balance supply chains but also use credits.

3. In 2016/17 and 2017/18 the scope of reporting for soya in animal feed was restricted to suppliers who were members of the Waitrose & Partners Livestock Steering Group, covering non-organic feed only. In 2018/19 this was expanded.

* Data included within KPMG LLP's independent limited assurance scope

RAW MATERIALS AND SUSTAINABLE SOURCING (P14 - 15)	18/19	17/18
JOHN LEWIS & PARTNERS: 100% of the timber and paper in our own-brand products to come from trusted sources by year end 2020/21	TOTAL: 82% best: 36% better: 17% good: 29% in progress: 18%	By Volume / By Count 53% / 32% ¹
WAITROSE & PARTNERS: 100% of the timber and paper in our own-brand products to come from trusted sources by year end 2020/21	TOTAL: 97% best: 84% better: 0% good: 13% in progress: 3%	-
JOHN LEWIS & PARTNERS: 50% of own-brand cotton to be sourced from sustainable sources by 2020	TOTAL: 25% fashion: 41% home: 19%	12%
WAITROSE & PARTNERS: 100% of own-brand cotton to be sourced from sustainable sources by 2020	37%	26%
WAITROSE & PARTNERS: 100% of the soya used in animal feed for the production of own-brand meat and farmed fish products, milk, and eggs to be certified sustainable or organic by 2020 ^{2,3} (the scope of our soya target has been expanded for 2018/19)	51% certified sustainable physical supply 15% certified organic physical supply 34% RTRS credits	69% certified sustainable physical supply 5% certified organic physical supply 16% RTRS credits
WAITROSE & PARTNERS: 100% of palm oil and palm kernel oil based ingredients and derivatives used in own brand products to be RSPO physically certified by 2020	92% RSPO physically certified 8% RSPO credits	72% RSPO physically certified 28% RSPO credits
WASTE & PLASTICS (P25-26)		
Divert 100% of waste from landfill by year end 2020/21	99%	98.2%
75% operational waste to be recycled by year end 2020/21	68%	67.2%
WAITROSE & PARTNERS: 100% of own-brand packaging to be widely recyclable, reusable or home compostable by 2023	85%*	-
WAITROSE & PARTNERS: 50% reduction in operational food waste by 2030 (new target)	Baseline: 6,969 tonnes*	-
BUILDINGS & TRANSPORT (P23-24)		
By year end 2020/21 we will achieve a 65% reduction in carbon intensity (tonnes per £m) against a 2010 baseline	-71%	-69.6%
By year end 2020/21 we will reduce energy consumption (kWh per ft ²) by 20% against a 2010 baseline	-23.8%	-23.2%
We will ensure refrigerant emissions leakage is no more than 7% entrained volume by year end 2015/16	4.93%	6.2%
By year end 2020/21 we will achieve a 5% reduction in carbon intensity from distribution (tonnes per £m) against a 2010 baseline	-8.8%	-7.4%

GOVERNANCE

The Corporate Responsibility Committee (CRC) is responsible to the Board for the oversight of the Partnership's Corporate Responsibility policy and Corporate Responsibility objectives.

The members of the Committee at the date of this report are Keith Williams (Chair of the Committee and Non-Executive Director), David Hay (Elected Director), Becky Wollam (Elected Director), Dame Fiona Reynolds (independent external member) and Laura Wade-Gery (Non-Executive Director).

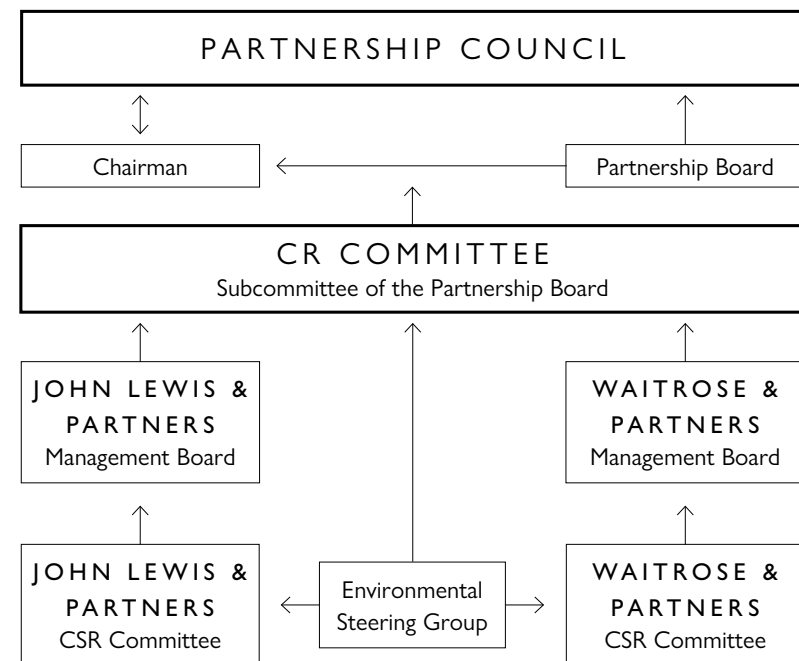
You can read more about the CRC on page 66 of the 2018/19 Annual Report and Accounts available on www.johnlewispartnership.co.uk

The Waitrose & Partners and John Lewis & Partners Divisional Corporate Social Responsibility Committees have oversight of the Divisional strategies and priority issues. The Environmental Steering Group, formed of subject matter

experts across the business, focuses on our environmental strategy.

Our Constitution provides a framework of governance to safeguard the Partnership's future, both more broadly, and in terms of our responsibilities as a business. It is supported by a Corporate Responsibility policy and specific standards and guidance on aspects of the CR agenda such as Labour Standards (RSCOP).

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 on behalf of the Executive Team. The Executive Corporate Responsibility Group will oversee progress, monitor performance against targets, assess CR risks and monitor how emerging risks are identified and mitigated.



ASSURANCE

KPMG has issued an unqualified opinion over the selected data. KPMG's full assurance statement is available on our website at www.johnlewispartnership.co.uk/csr

GLOBAL GHG EMISSIONS DATA	18/19	17/18	16/17
SCOPE 1 (TONNES CO₂E)			
Combustion of fuel and operation of facilities, refrigeration	168,029*	176,611	193,796
SCOPE 2 (TONNES CO₂E)			
Electricity purchased and heat and steam generated for own use:			
Location-based	182,978*	227,334	269,986
Market-based	7,352*	6425	7,401
SCOPE 3 (TONNES CO₂E)			
Water, business travel, waste to landfill and transmission and distribution losses from purchased electricity	44,373	50,510	55,901
Intensity measurement (tonnes CO ₂ e per £m sales):			
Location-based	34.2	39.3	45.7
Market-based	19.0	19.9	22.6

We engaged KPMG LLP to undertake independent limited assurance over selected data highlighted in this report with a * using the assurance standard ISAE 3000 and, for selected greenhouse gas data, ISAE 3410.

The Reporting Criteria that we used as the basis of preparing the selected non-financial data in this report are the John Lewis Partnership's Basis of Reporting as set out at www.johnlewispartnership.co.uk. Non-financial information and greenhouse gas quantification, in particular, is subject to more inherent limitations than financial information. This report should be read together with the Reporting Criteria.

Internal Review

For the remaining information and data points within this report, the Partnership's Group Corporate Responsibility team determines which assertions are deemed to be high-risk or to have an inherently high risk of error and-or impact on reputation if mis-stated. We carry out testing which includes a range of evidence-gathering procedures. For some assertions, this might be limited to making enquiries of other Partners, while for some it may include corroborating information with third-party documentation, or recalculating data sets. Where we are unable to obtain what they consider appropriate corroborating evidence, the assertion is not published or amendments are made where evidence contradicts the assertion. Every best effort is made to ensure all data is true and accurate.

Greenhouse Gas Emissions

The Partnership is committed to reducing our environmental impact, sourcing renewable energy, finding more efficient ways to distribute our goods and managing our waste and use of resources. We have already achieved our target of a 65% reduction in carbon intensity (tonnes per £m of revenue) against a 2010 baseline. We have now set a new target to be net zero carbon emissions by 2050. The table above provides more detail on our greenhouse gas emissions and a description of what each 'Scope' means. We measure these emissions to ensure we are making progress against our targets.

Methodology

The Partnership has reported on all of the Greenhouse Gas (GHG) emission sources as required under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013. The methodology used to calculate our GHG emissions is the GHG Protocol Corporate Accounting and Reporting Standard (revised edition), using the operational control approach on reporting boundaries. This covers the properties where the Partnership has operational control and is financially responsible for the utility supply. Data has been calculated using Defra 2017 emission factors, with the exception of certain refrigerants, and emission sources associated with our Leckford Farm, which are taken from industrial and academic sources. Further detail on the methodology is set out within the John Lewis Partnership Basis of Reporting available on our website.

SUSTAINABLE DEVELOPMENT GOALS

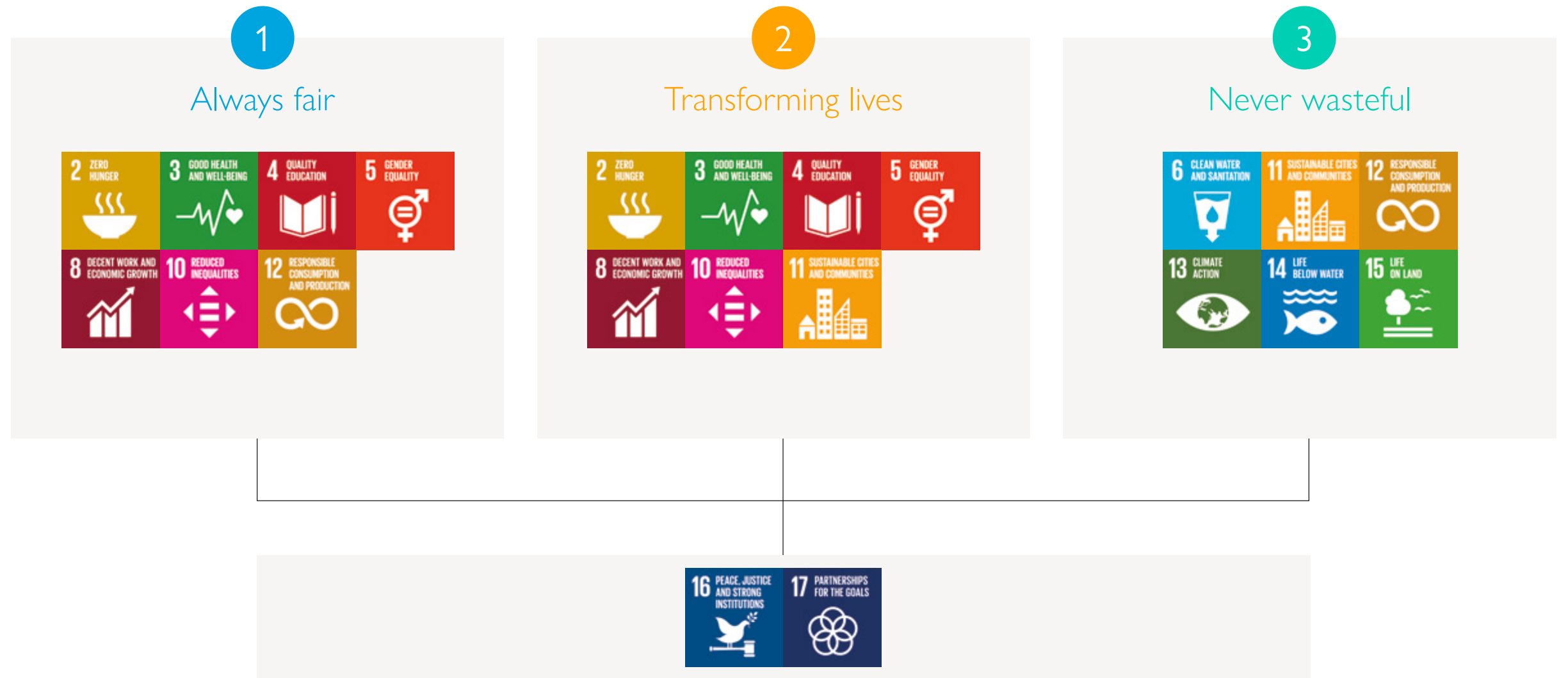
We are committed to the aims of the United Nations Sustainable Development Goals (SDGs) – a framework of international priority areas to tackle the biggest challenges the world is facing.

Through our business activities, we impact directly or indirectly on all SDGs. There are some where our activity or relationships have a greater impact and those are the ones we have identified as our priority SDGs. We also recognise that the SDGs are intrinsically linked and in order to make meaningful progress in one area, multiple other goals must be considered.

We believe that through partnership in our industry and collaboration with civil society and government, we can help achieve a prosperous and resilient society for all in

which our Partners, customers and industry can thrive, within the means of our planet. Throughout this report you can read cases of where we collaborate to drive progress.

Our process for prioritising our CR activities is aligned with the SDGs business guidance and our programmes support the ambitions of our priority SDGs.



TO FIND OUT MORE ABOUT THE GOALS AND HOW YOU CAN CONTRIBUTE VISIT WWW.GLOBALGOALS.ORG

