

*Have you
ever wondered...*



Corporate Social Responsibility in an enterprising Partnership

...*about*

Contents

01	Welcome from the Chairman
02	Climate change
05	Packaging, waste and recycling
08	Sustainable construction and regeneration
10	Ethical supply chain management
13	Sustainable sourcing
16	Health and nutrition
18	Building sustainable communities
20	What we have achieved . . .
21	. . . and what you can do

1

Climate change

2

Packaging, waste and recycling

3

Sustainable construction and regeneration

4

Ethical supply chain management

5

Sustainable sourcing

6

Health and nutrition

7

Building sustainable communities



The importance we attach to our environmental and social responsibilities is embedded in the DNA of the Partnership.

We are able to make long-term decisions in the best interests of Partners, customers, the environment and the wider community because we do not have to answer to external shareholders. We aim to reduce continually our impact on the environment through the way we source our products, build our shops and run our business, and we remain committed to supporting the communities we trade in.

We do all these things – and much more besides – because they are the right thing to do, and because they make good business sense. But in doing so, they present us with significant business challenges, requiring us to assess constantly and prioritise the issues we face and how best to address them.

Our Partners, customers and suppliers, and many industry experts, share these concerns. Like us, they wonder about how we can reduce our energy use and the waste we generate, source our products responsibly and support the people who supply them, run our operations more sustainably, and improve the communities around us. In summary, the Partnership difference is all about working together to create long-term value for our Partners, customers and suppliers.

In this report, we have focused on seven key issues that matter most to our Partners, customers and other stakeholders. Our responses aim to be engaging, accessible and honest.

The last year has seen a flurry of CSR activity in our industry, as many companies have sought to champion their green credentials to customers and others. The Partnership has a longstanding commitment to conduct its business in a socially and environmentally responsible manner. But we need to ensure that Partners are fully aware of the extent of our current work, the progress we have made in many CSR arenas, and the recognition our performance has had from organisations such as Business in the Community, Compassion in World Farming, Retail & Leisure International and the Marine Conservation Society.

If you're one of the many Partners who wants to know more about our CSR activity, this report is for you – to confirm what we stand for, to share what we have achieved so far and to outline our priorities for tackling the many challenges that lie ahead.

Charlie Mayfield
Chairman, John Lewis Partnership



1 Climate change

“I was wondering who supplies our energy, and whether we have any plans to commit to using renewable sources in the future?”

Stuart Lawson, Supermarket Assistant, Waitrose Gloucester Road



Why is it important?

Climate change is today's greatest environmental challenge. Average temperatures could rise by 5°C within 50 years, and extreme weather events like floods, storms and droughts could become more frequent, potentially leaving 200 million people displaced and up to 40% of the world's species extinct. This is largely due to the increase in carbon dioxide (CO₂) and other greenhouse gases in our atmosphere, much of which comes from burning fossil fuels for energy and transport. Although the effects of climate change are unpredictable, the message is clear: we must act now to reduce our contribution to its causes.

Energy

We need 650 million kWh of gas and electricity to power our shops, offices, Leckford Estate and our distribution operations, but this energy is also our single biggest contributor of CO₂

emissions. As a growing business, we must therefore use energy as efficiently as possible, and switch to renewable resources where we can.

Transport

To keep our shelves stocked and our business running, our 1,700 commercial vehicles and 1,110 company cars travel 43 million miles a year – that's 0.14% of the UK's total, and our second largest contributor of CO₂ emissions. To limit our impacts on the environment and our local communities, we avoid unnecessary mileage and use the cleanest technology available.

Waste

The waste we produce also impacts on our climate. As rubbish decays in landfill sites, it produces methane, a greenhouse gas judged to have 20 times more impact on climate change than CO₂. See page 5 for more information.

Our ongoing objectives are to:

reduce carbon dioxide emissions for all UK operations by 10% by 2010 (on target), 20% by 2020, and 60% by 2050

improve the energy efficiency of our shops and offices by 20% by 2010 (based on 2003–04 baseline)

reduce the number of miles driven year on year (per £million sales)

source all our electricity from renewable sources by October 2007.

What are we doing about it?

We're one of 18 companies forming the Corporate Leaders' Group on Climate Change, part of HRH The Prince of Wales's Business & the Environment Programme, which is committed to supporting the Government in developing new, long-term policies for tackling climate change. This includes the recently proposed Climate Change Bill, which will provide a clear, credible, long-term framework for the UK to reduce CO₂ emissions and ensure steps are taken towards adapting to the impacts of climate change.

Saving energy

As a growing business with more shops and longer trading hours, our energy consumption is only likely to increase, so we are working with the Carbon Trust, a Government-funded company, to improve our energy efficiency. Since 2005, our Partnership-wide energy awareness campaign, 'Save Energy, Share the Savings', has encouraged everyone to:

- turn down heating and air conditioning
- switch off lights and computers
- use more energy-efficient technologies where possible.

Shops receive monthly energy reports that highlight whether they have met their efficiency targets, and enable them to monitor trends, identify problems quickly, and share best practice. A new Energy Awareness Manual has recently

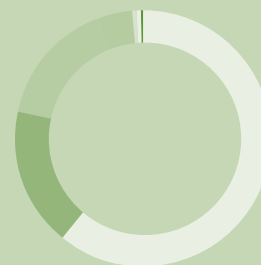
been developed for all shops, providing guidance on when and how to use energy efficiently. We also support the Environment Agency's annual promotion of World Environment Day, encouraging Partners to make small lifestyle changes to protect the environment.

In John Lewis, we are replacing tens of thousands of halogen display lights with more efficient alternatives, while both John Lewis and Waitrose support calls by Government to phase out sales of conventional light bulbs. We will also start promoting energy-efficient bulbs in fitting instructions, and all our own-brand white goods we sell have an 'A' energy efficiency rating.

Freezing our refrigeration costs

More than 60% of Waitrose's energy is used for refrigeration, so we have concentrated on this area by phasing out ozone-depleting chlorofluorocarbons (CFCs) as a refrigerant, working to remove hydro-chlorofluorocarbons (HCFCs) too, well before the 2010 deadline required by law, and trialling natural refrigerants. We are also investing £55 million in our refrigeration units, replacing open upright freezer cabinets with ones with doors or using night blinds to retain the cool air, and investigating how best to reclaim the heat they generate.

Partnership carbon footprint 2006-07



61.1%	Electricity
17.4%	Distribution
15.8%	Gas
4.4%	Waste and waste collections
0.7%	Business miles in company/private cars
0.4%	Other energy
0.2%	Air travel

10.6%

like-for-like reduction in the Partnership carbon footprint over the last year and an absolute reduction of 1.2%

15%

improvement on energy efficiency since 2003 in both Waitrose and John Lewis

Sourcing alternative energy

We believe that renewable energy sources will provide a sustainable, long-term alternative to fossil fuels. Although work in this area continues, we already:

- source geothermal heat for our John Lewis shop in Southampton
- sponsor Thames Valley Energy (TV Energy), an agency developing renewable energy resources in the region
- use wind turbines and solar panels to power free-range poultry sheds at our Leckford Estate, where we also have 40 acres of willow coppice providing wood for renewable power generation.

We currently derive over 40% of our electricity from renewable sources, and through an agreement with EDF Energy, all our electricity will come from fully renewable sources in October 2007.

Reducing food miles

Unsurprisingly, 'food miles' – the distance food travels between where it is produced and where it is sold – is a major challenge. Although we continue to support trade with developing countries, we attempt to reduce food miles by:

- supporting local and regional producers
- trialling supplier deliveries direct to shops
- 'transport optimisation' – more efficient loading and computerised route planning
- using vehicles on outward or return journeys (forward- and back-hauling), which saved the Partnership over 2 million miles in 2006-07.

Carbon footprinting and labelling

Our current priority is tackling the CO₂ emissions from our UK operations (350,000 tonnes in 2006/07), but we are also aware of the impact associated with the CO₂ emitted during the production, distribution and consumption of products.

Our Head of Corporate Social Responsibility, Nick Monger-Godfrey, co-chairs the Institute of Grocery Distribution (IGD) working group on carbon footprinting for the food and grocery sector. He will also represent the IGD and retail sector on the British Standards Institute (BSI) group alongside the Carbon Trust and Defra, which will establish standards for calculating a product's or service's total carbon footprint from source to store.

There is still a long way to go in working out whether 'carbon labelling' can be economically viable and how it can be made meaningful to consumers. We therefore plan to explore:

- how it might work alongside other sustainability statements and assurance schemes
- whether this information will help customers to make more informed decisions
- whether consumers understand the potential trade-offs (eg, reducing air-freighted produce could reduce carbon emissions but could also affect the wealth and wellbeing of overseas agricultural workers and their communities).

On the right road

Owning a commercial fleet means we can specify and service the vehicles and engines we use and trial new technologies. Our lorries all have rounded front corners and aerodynamic side-skirts to minimise wind resistance and fuel consumption, and Waitrose's refrigerated lorries have advanced cooling systems that do less damage to the environment. John Lewis' 130 multi-deck trailers further reduce emissions by saving 4 million miles every year.

All new vehicles are equipped with the latest Euro 5 engines where they are

available, so that the emissions from our vehicles are the cleanest that can be achieved using available technology. We have evaluated many alternative fuels, but with very limited success. However, we continue to be active in projects which we believe can deliver useful information for moving towards sustainable solutions. Rail travel has also been considered, and while not totally practical, we are working with other groups to investigate the consolidation of several operations/journeys to create an opportunity for bespoke rail services to be provided between certain locations.

What others are saying...

... *about renewable energy:*

"Financial and management support from Waitrose has enabled Thames Valley Energy to continue with its programme of community renewables initiatives, which have provided small wind turbines, solar panels and wood heating systems for a number of schools and public buildings in the Thames Valley. In addition, by growing energy crops on its estate in Hampshire as part of a wider programme to investigate on-site renewable energy solutions (wind energy, wood chip boilers and waste digestion), Waitrose has shown commitment to producing sustainable energy itself, acting as a beacon for other private sector companies to follow."

Keith Richards OBE, Managing Director, Thames Valley Renewable Energy Agency

... *about carbon footprinting:*

"Companies throughout the food and grocery sector agree that a single, common method for calculating embedded carbon in products and services is essential to accurately measure and address emissions. Getting this right is not an easy process but IGD's Carbon Footprinting Working Group, co-chaired by Nick Monger-Godfrey and Nigel Dickie (Heinz), is helping to ensure the BSI 'Publicly Available Specification' will be fit for purpose and useful."

James Northen, Head of Policy Initiatives, Institute of Grocery Distribution (IGD)

Read more about...

- ... our efforts to reduce energy use and CO₂ emissions at www.johnlewispartnership.co.uk/ourresponsibilities
- ... carbon labelling at www.carbontrust.co.uk
- ... calculating your carbon footprint at www.direct.gov.uk/actonco2
- ... World Environment Day at www.unep.org/wed/2007/english/
- ... carbon offsetting at www.climatecare.org.uk
- ... the IGD at www.igd.com/sustainability

Key priorities for the future



Continue to evaluate biofuels to fully understand carbon intensity, and impact on food security and pricing.



Evaluate the feasibility of product carbon measurement and labelling.



Continue with our five-year refrigeration replacement programme.

2 *Packaging, waste and recycling*

“I often wonder where we stand on selling products that are over-packaged. What are we doing to reduce packaging?”

Anne Page, Supermarket Assistant, Waitrose Daventry



Why is it important?

Waste and recycling

The UK produces 330 million tonnes of waste a year – that’s the weight of three average saloon cars per person – which has a huge impact on the environment, from unsightly litter to sprawling landfill sites. It is also a financial burden, in terms of the money spent on unwanted goods and the costs associated with its treatment and disposal. The Partnership alone generates over 30,000 tonnes of waste a year, and disposal currently costs in the region of £4 million a year.

Most of the UK’s unrecycled waste (76%) is buried in landfill sites. But with space expected to run out within the next 10 years, something has to be done... now. That’s why we actively support recycling, both within our business and by our customers, and throughout our supply chain, if it saves resources, prevents pollution and is economically viable.

Packaging

Packaging is essential for the integrity and safety of our products, but overpackaging has environmental and financial costs. In a survey by *The Independent* in July 2007, 92% of shoppers said they wanted to see a reduction in the amount of packaging, and 93% wanted to see a rise in recyclable packaging, so we are keen to find a balance between reducing packaging and making sure it still protects our products in transit and on the shelf.

Waitrose generates 90% of the Partnership’s 100,000 tonnes of packaging, and although packaging makes up only 4% of the waste going to landfill, it is an issue of particular concern to our customers. Packaging recovery rates in the UK have risen from 6% in 1997 to over 60% today, but we remain committed to minimising the amount of packaging we use and exploring the viability of new materials.

Our ongoing objectives are to:

- recycle 75% of all Waitrose waste by year-end 2012
- recycle 50% of all John Lewis waste by year-end 2010
- eliminate growth in packaging by 2008
- help to reduce the overall environmental impact of carrier bags by 25% by year-end 2008
- actively encourage our customers to reuse and recycle more.

What are we doing about it?

A slimmer bin

By recycling 49% of its own waste, Waitrose saved 19,906 tonnes from going to landfill in 2006/07, while John Lewis saved a further 3,337 tonnes. The John Lewis recycling rate (28%) has improved, and we believe recently revised waste and recycling procedures will further improve recycling levels and save money.

Under the terms of the Packaging Waste Regulations, we are also legally obliged to recover and recycle 55–80% (depending on the material) of our product packaging. We do this by contributing over £1 million a year towards a recycling compliance scheme, which invests in kerbside collections and public recycling centres so that customers can recycle the packaging they take home. We also use returnable transit packaging for around 41 million trips annually through our Waitrose supply chain.

Encouraging customers

To help our customers to recycle, where possible, we clearly identify the materials used in our own-label packaging, and we are currently working with the Waste and Resources Action Programme (WRAP) and other retailers to develop concise, consistent recycling messages.

Where space permits, we also offer recycling points in our Waitrose car parks for materials such as clothing, glass and paper, and encourage customers to reuse and recycle plastic bags, or switch to more sustainable alternatives (see next page).

Reducing packaging

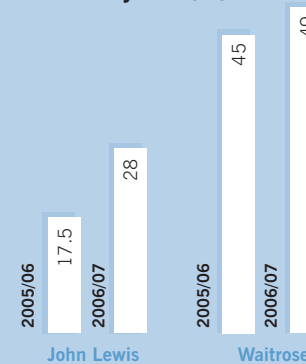
As a signatory of the Courtauld Commitment, Waitrose is committed to eliminating packaging growth by 2008. We have already reduced packaging consumption relative to sales by 33% since 2000, and our packaging designers are working to improve its performance and, where possible, reduce its weight. As part of our commitment, 50% of our organic produce now comes in degradable, biodegradable or compostable packaging.

Pulling the plug on electrical waste

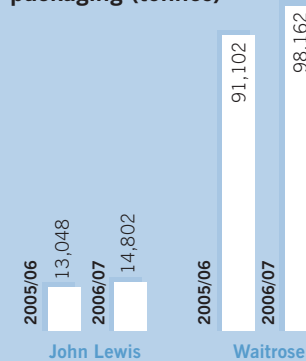
From July 2007, the UK's Waste Electrical and Electronic Equipment (WEEE) Regulations allow people to recycle old electrical and electronic appliances at sites across the UK, free of charge, helping to reduce the amount of electrical waste being disposed of in landfill or incinerated.

We fully support this legislation, and have helped to establish the Distributor Take-Back Scheme (DTS), through

Waste recycled (%)



Weight of product packaging (tonnes)



20%

relative increase in weight of waste recycled in Waitrose shops since 2005–06

31%

relative increase in weight of waste recycled in John Lewis shops since 2005–06

which £10 million will be invested in local recycling facilities for electrical items. As a manufacturer of own-brand electrical products, we also have a responsibility for recycling waste electricals. So we are funding a compliance scheme to do this on our behalf. Our customers can learn more about the legislation, and their recycling options, through in-store leaflets and online at www.recycle-more.co.uk.

All John Lewis and Waitrose Food and Home shops also offer mobile phone recycling. For each phone, customers receive a £5 gift voucher, while £1 is donated to the children's mental health charity YoungMinds, John Lewis' charity of the year; alternatively, they can opt to donate all the money. In the first six months, 2,405 recycled handsets have raised £4,207.

Fighting food waste

Waitrose has been working with FareShare to help collect and redistribute surplus 'fit for purpose' product from Waitrose shops, where and when this is appropriate, practical and in a position to be used by the charity. And to reduce the amount of food rejected because of its appearance, Waitrose now promotes visually imperfect produce for cooking and jam-making through its Cooks' Ingredients range.



Carrier bags

Disposable plastic carrier bags have an environmental impact and cost us money. Waitrose provides around 300 million of the 9 billion free carrier bags handed out by UK retailers every year, so we are keen to offer our customers alternatives where we can. These include:

Since 1997, Waitrose has sold an average of 2 million **Bags for Life** a year, saving an estimated 50 million bags and 6,000 tonnes of plastic annually.

Both Waitrose and John Lewis sell reusable, biodegradable and climate neutral **jute bags**, and Waitrose's Quick Check service will soon be launching a new style Quick Check bag also made from the same material.

Waitrose regularly runs 'Bag for Life' awareness campaigns to **promote responsible behaviour**.

In February 2007, the Partnership signed up to a national **Voluntary Code of Practice on Carrier Bags**, working with the Government and other retailers to reduce the environmental impact of carrier bags by 25% by the end of 2008.

In support of this, Waitrose has already trialled special '**green tills**' where free plastic bags aren't provided. Our Saffron Walden shop became carrier-bag-free for two weeks to help evaluate customer appetite for a potentially bagless supermarket of the future.

Waitrose and John Lewis are introducing plastic carrier bags made from 30% **recycled material**.

Waitrose has recently introduced **carrier bag** recycling points in every shop, while John Lewis is trialling them in Sheffield and Southampton.

What others are saying...

... *about food donations:*

"FareShare is currently working with Waitrose to identify opportunities to capture surplus 'fit for purpose' product throughout Waitrose's supply chain – from manufacturers of own-brand product, along with Waitrose depots and shops, as and where appropriate – redistributing this in the most efficient, safe and socially sound way to community organisations across the UK working with disadvantaged people. FareShare has also worked with John Lewis and Waitrose to look into the opportunities of extending the partnership to include surplus non-food products."

Jon Pelluet, Corporate Development Manager, FareShare

... *about our trials to reduce plastic bag use:*

"WRAP is delighted to work with Waitrose as it embraces the goals of the Courtauld Commitment by taking action on packaging waste and tackling issues such as carrier bag use. These are significant steps forward, which will reduce the impact of carbon dioxide emissions and climate change."

Dr Liz Goodwin, Chief Executive Officer, WRAP

Read more about...

- ... our efforts to reduce waste and packaging, and to increase recycling, at www.johnlewispartnership.co.uk/ourresponsibilities
- ... FareShare's food donation scheme at www.fareshare.org.uk
- ... responsible waste management and local recycling services at www.recycle-more.co.uk and www.recyclenow.com
- ... the WEEE Distributor Take-Back Scheme at www.recycle-more.co.uk
- ... Waste and Resources Action Programme (WRAP) at www.wrap.org.uk

Key priorities for the future



Roll out food donation scheme to those shops where FareShare can provide a collection service.



Apply packaging material identification labelling to own-brand products by end 2009 to help customers to recycle or compost it.



Widen availability of long-life reusable carrier bags, and increase recycled material in bags to 30% by year-end 2007.

3 Sustainable construction and regeneration

“I was wondering whether we ever consider sustainable technologies like solar panels and wind turbines when constructing new buildings?”

Danny Bruce-Tagoe, Selling Assistant – Electricals, John Lewis Brent Cross

24%

like-for-like reduction in CO₂ emissions from John Lewis Oxford Street following its refurbishment

7%

increase in floor selling space in Waitrose in 2006, as a result of 12 acquisitions, two new builds, four extensions and nine refurbishments

Why is it important?

The next 10 years will see the Partnership carry out an ambitious programme of building, acquisition and refurbishment, so that all our shops meet our customers' expectations. We aim to build at least 10 new John Lewis shops, with plans already announced for Liverpool, Leicester, Oxford, Leeds, Sheffield, Cardiff and Portsmouth.

Waitrose has similar ambitious plans for growth, with nine new shop openings already planned across the UK. This gives us a tremendous opportunity to ensure they are designed to suit their surroundings, and are built responsibly and operate sustainably, so that we minimise our environmental impact.

As an employer of distinction, we aim to bring sustainable employment opportunities to regeneration areas in the form of high-quality jobs and training for local people. We believe in keeping town and city centres vibrant and economically sustainable, which means maintaining the shops we have in these locations and, when looking for new shops, choosing town and city centre sites where we can.

When we build new shops, we work closely with local authorities, developers and community groups to find out the views of local people, from the time of choosing the site to the shop's opening, ensuring that we integrate shopping within the town or city and maximise its attractiveness to residents and visitors.

Our ongoing objectives are to:

- actively manage and reduce the environmental impacts of our built assets
- design our shops to suit their surroundings and offer long-term value to the local community
- provide healthy, comfortable and productive environments for our Partners and customers
- bring sustainable employment opportunities to regeneration areas.

What are we doing about it?

A framework for sustainable construction

The Partnership is committed to constructing and maintaining comfortable, efficient buildings with low operating costs and reduced environmental impact that deliver long-term value to our Partners, customers, suppliers and the wider community.

Working with one of the UK's leading sustainable development charities, Forum for the Future, we have developed a Sustainable Construction Framework for the retail sector. The framework, launched in February 2007, has helped us to define clear objectives and immediate, practical steps to improve the planning, design, construction and operation stages of every building and refurbishment project. Each building project will now start with a Sustainability Action Plan (SAP), drawn up before the submission of any planning application. We recognise that we can't achieve these objectives alone, and success will depend on a partnership approach, with developers and contractors all buying into the same aims.

We have also put aside our competitive instincts to offer this framework to all retailers, encouraging them to adopt it as a practical step towards their own aspirations in this field.

Considering environmental impacts

We have considered all forms of renewable energy at our stores but it is a challenge to find solutions that are economically viable. Small solar panels and wind turbines are used at our Leckford Estate, but even where space is sufficient, costs and planning issues can be prohibitive.

However, solar thermal energy can be economic on a new build and is being actively considered for new Waitrose shops, while biomass boilers, which burn woodchip, are being installed at our new John Lewis Oxford store and our new distribution centre.

Town centre regeneration

We believe our retail offering can play an essential role in the regeneration and continued prosperity of town centres. As a long-term employer and neighbour, we act with fairness and integrity in all our local relationships, and encourage investment to create a positive experience for shoppers.

For example, being keen to see London's West End transformed into a modern, dynamic and accessible shopping destination, we have been refurbishing our flagship Oxford Street John Lewis shop with more natural light, better air circulation, efficient escalators, and highly efficient boilers, catering equipment and lighting.

In doing so, like-for-like CO₂ emissions were reduced by 24%. Development of John Lewis department stores such as Leicester, Sheffield and Liverpool forms part of a much larger masterplan to create cities with wider opportunities, better shopping and easier urban living.

We also intend to play a key role in the East London regeneration programme, with John Lewis and Waitrose shops being planned adjacent to the Olympic site, creating a strong attraction for customers and generating around 800 jobs.



Read more about...

- ... our work on sustainable construction and regeneration at www.johnlewispartnership.co.uk/ourresponsibilities
- ... Forum for the Future at www.forumforthefuture.org.uk
- ... BREEAM (Building Research Establishment Environmental Assessment Method) at www.breeam.org/retail.html

What others are saying...

... about our approach:

"The Sustainable Construction Framework does not outline our aspirations for the future, it lays down the practical steps we can take today to minimise our environmental impact. It is being used right now on new store developments and refurbishments across the Partnership, making a real difference to the impact we have on the environment and on the communities in which we operate."

Charlie Mayfield, Chairman,
John Lewis Partnership

"In helping to develop the Sustainable Construction Framework, I was greatly impressed by the appetite among Partners for specifying and procuring more sustainable buildings. Sustainable construction projects present significant technical and financial challenges, but a positive, 'can do' attitude from the start will certainly help. I look forward to visiting some inspiring and innovative shops in the near future."

Martin Hunt, Head of Built Environment,
Forum for the Future

Key priorities for the future



Apply the Sustainable Construction Framework to all new builds and achieve BREEAM 'excellent' status or equivalent.



Extend recycling construction waste in John Lewis and Waitrose builds and refurbishments.



Increase use of recycled materials in new builds to 20%.

4 Ethical supply chain management

“Waitrose was at the forefront of work which led to the introduction of the Gangmasters Licensing Act. I was wondering what else the Partnership is doing to safeguard workers in its supply chain against exploitation?”

Paul Whitehouse, Chairman, Gangmasters Licensing Authority



Why is it important?

Our partnerships with our worldwide network of suppliers help us to offer customers around 400,000 product lines across John Lewis and Waitrose. Through these relationships, we aim to give customers trust in how our products are produced and confidence that everyone in the supply chain is treated fairly.

To do that, our suppliers work with us – not for us – as partners. Together, we strive to maintain long-term, mutually beneficial relationships that help them (and also their suppliers) to create sustainable, responsible and commercially viable businesses that provide long-term, satisfying employment.

Our ongoing objectives are to:

work with our suppliers to maintain long-term, mutually beneficial relationships based on honesty, fairness and courtesy

ensure our supply chains obey the law and respect the wellbeing of their employees, their local communities and the environment

develop and support schemes that contribute to the communities where our suppliers live and work.

What are we doing about it?

Setting out our expectations

The Partnership aims to uphold internationally agreed standards of labour, and we expect our suppliers to respect the rights and wellbeing of their employees, protect the natural environment and promote high standards of animal welfare.

Our **Responsible Sourcing Code of Practice** sets out our expectations of suppliers on issues such as:

- pay, benefits and working hours
- working conditions, and health and safety
- the use of forced, bonded or child labour
- the right to employee representation and worker associations
- equality of treatment
- respect for the environment regarding the sourcing of raw materials, waste disposal, energy use, and the use of chemicals and pesticides
- animal welfare standards, for those raised for food as well as those used for work and transport.

Helping suppliers comply

All Waitrose and John Lewis own-brand suppliers receive a copy of the Code of Practice and must commit to meeting its requirements. But we don't stop there: we monitor our suppliers against our expectations, and help them to improve where necessary. Our aim is to raise awareness, encourage suppliers to be honest about the issues they face

and share best practice so that we can work together to make realistic, long-term improvements.

Because our products are sourced, directly or indirectly, through literally thousands of suppliers and agents, it is impossible to provide 100% confirmation that every supplier throughout our supply chain fully observes the Code at all times.

However, we use the **Supplier Ethical Data Exchange (Sedex)**, the largest global database of labour standards, to enable our suppliers to complete a self-assessment of their workplace practices and to share this information with us and their other customers through a secure website. Where we believe sites are not meeting our Code or where there is potential for local labour standards to fall below what we consider to be acceptable, we commission an independent ethical audit. Control audits are also used to verify the accuracy of the self-assessment information.

To help suppliers to register and share information through Sedex, we offer email and telephone helpdesks, provide manuals with step-by-step guidance and run supplier conferences. We have also produced a **Responsible Sourcing Supplier Workbook** to help suppliers:

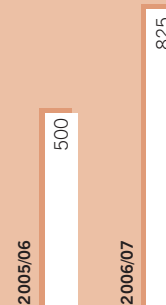
- understand the issues and implications for their business
- identify key areas of risk and assess their operations against them
- develop practical solutions to meet the requirements of our Code of Practice
- demonstrate continuous improvement and commitment to the Partnership's standards.

As the people who manage our day-to-day relationships and place orders, our buying teams have a critical role to play in ensuring suppliers meet our requirements. Therefore, all our buyers and technologists undergo responsible sourcing training.

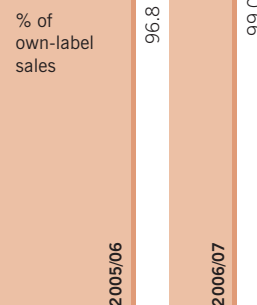
Supporting homeworkers

Some of John Lewis' suppliers face complex challenges in meeting the requirements of our Code, especially in places where subcontractors work from home. By definition, homeworkers operate in small, dispersed units where labour standards are difficult to monitor and workers are often open to exploitation. In response, John Lewis has carried out a consultation with suppliers of jewellery, cushion covers, metalware and textile industries from India, working with exporters, contractors and workers to address the challenges they face in implementing our Code in this informal sector.

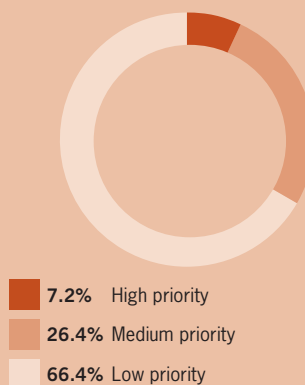
John Lewis suppliers registered on Sedex



Waitrose suppliers registered on Sedex



Waitrose suppliers priority category



Licensing gangmasters

Waitrose was a co-founder of the **Temporary Labour Working Group (TLWG)**, set up to establish a set of voluntary minimum standards concerning wages, working hours and conditions in the UK food industry. The standards became the basis for the **Gangmasters Licensing Act**, which now makes being or using an unlicensed provider of agricultural or food-processing labour illegal.

231

John Lewis Responsible Sourcing Code audits in 2006–07

769/825

Waitrose/John Lewis own-brand supplier sites in the Responsible Sourcing Programme

250,000

workers covered by our Waitrose Responsible Sourcing Programme

Creating sustainable communities

As a socially responsible retailer sourcing large amounts of citrus fruit from South Africa, we were keen to contribute towards the country's long-term development and the sustainable production of citrus fruit. The Waitrose Foundation, an independent charitable organisation established two years ago, provides direct financial support to improve the welfare of farm workers and their local communities. In 2006–07, the Foundation's scope was extended to include avocados, grapes, stone fruit and mangoes.

Through a unique agreement with importers, export agents and growers, some of the profits from sales of South

African fruit bearing the Waitrose Foundation logo are passed back down the supply chain. This directly supports social, educational and health projects for the farm workers, their families and their communities. The Foundation raised £544,000 in 2006–07 and expects to raise £600,000 in 2007–08. Locally elected worker councils decide how these funds should be spent, whether it's on healthcare and crèches or adult education classes and training. In line with the South African Government's aspirations for black economic empowerment, the programme will ultimately offer grants for buying land, to be held in trust on the workers' behalf.

Rewarded with a 'Big Tick'

Waitrose received a Big Tick reaccreditation at this year's awards (see What we have achieved on page 20) and was named a 'National Example of Supply Chain Excellence' for its Responsible Sourcing Programme and the Waitrose

Foundation at the Business in the Community Awards for Excellence 2006. The work of Waitrose Partners and suppliers was also recognised in an Institute of Business Ethics report published in September 2006 as a 'good practice' example.



What others are saying...

... about our responsible sourcing programme:

"As an early proponent of ethical trade, Waitrose has advocated greater co-operation throughout the retail sector. In 2004, along with three other major retailers, Waitrose helped to found the Supplier Ethical Data Exchange (Sedex). Waitrose continues to support Sedex through capacity building, knowledge sharing and plays an active role as a Board Director. As John Lewis embarks upon a similar journey with its suppliers, it has also added its support by choosing Sedex for its ethical database needs."

Tara Norton, General Manager, Sedex

... about the Waitrose Foundation:

"The Waitrose Foundation is a unique model, with a wide sense of local ownership and buy in – many members see it as a local initiative sensitive to their needs. Last year there was already clear evidence of funded initiatives starting to deliver social benefits to workers. All this has been made possible by an innovative financing model, some very good local management and leadership, and commitment by all to making the Waitrose Foundation a success."

Rob Hale, Director of Ethical Business Services, Africa Now

Read more about...

- ... our efforts to improve working conditions throughout our supply chain at www.johnlewispartnership.co.uk/ourresponsibilities
- ... the Waitrose Foundation at www.waitrose.com/foundation
- ... the Supplier Ethical Data Exchange at www.sedex.org.uk
- ... the Institute of Business Ethics at www.ibe.org.uk
- ... the Gangmasters Licensing Authority at www.gla.gov.uk
- ... Business in the Community at www.bitc.org.uk

Key priorities for the future



Continue to ensure 95% of high-priority, own-brand suppliers complete an ethical self-assessment and are registered on Sedex.



Ensure all 'high-priority' Waitrose and John Lewis suppliers are audited by independent auditors.



Extend Waitrose Foundation across all fruit categories, and purchase first in-trust farm.

5 Sustainable sourcing

“Greenpeace has consistently challenged retailers to ensure products such as timber and seafood are sourced responsibly. We wonder what actions you are taking to remove products that can’t be guaranteed to come from legal and sustainable sources?”

Andy Tait, Biodiversity Campaign Manager, Greenpeace UK



Why is it important?

Customers increasingly want to know where our products come from, the materials they use and how they are produced. And while a complex global network of suppliers makes some of these questions challenging to answer, we remain committed to bringing our customers the best products at the best prices.

Consumers also need to be aware of the facts and challenges associated with sourcing products sustainably, so we carefully train our Partners, honestly label our products, and offer accessible information to customers both in-store and online.

Our ongoing objectives are to:

- ensure all suppliers apply high standards in quality, safety, environment and animal welfare
- ensure all our products are traded fairly
- pay our suppliers a fair price and keep costs low for our customers – but not at any cost
- continue to promote local, regional and British food, and support small, local and regional producers.

What are we doing about it?

Safe and sound

Any breach in our quality and safety standards can undermine customer trust and confidence, and could ultimately affect our financial performance, so ensuring the integrity of our products, and the highest standards in safety, quality, environment and animal welfare, is essential.

In both John Lewis and Waitrose, our dedicated technologists, in conjunction with our buying teams, ensure every product we sell is safe to use and fit for purpose, and that our own-label branded and exclusive products comply with all relevant consumer legislation and safety standards. Within Waitrose, our technologists also ensure the provenance and traceability of all own-label food.

A focus on farming

- We aim to use the best farming techniques for the environment, such as **Integrated Crop Management (ICM)**, which ensures the best site selection and minimal use of chemicals.
- Waitrose is the only retailer to insist all its British growers adopt the **Linking Environment and Farming (LEAF)** standard, including our own Leckford Estate, which is a LEAF demonstration farm. By 2010, the whole Waitrose supply base worldwide for conventional fruit, vegetables and horticulture will be LEAF accredited.

- Waitrose **Select Farm** sets the everyday high standards for quality and animal welfare across all our meat, fish, poultry, milk and cream. Waitrose has a policy of continuous improvement and working in partnership with suppliers to ensure sustainable production for the future.
- **WildCare**, part of our Select Farm milk scheme and developed with UK Wildlife Trusts, also sets environmental standards that require at least 10% of a farm's area to be set aside for wildlife habitats.
- Waitrose excludes all genetically modified (GM) ingredients in our own-brand food and it is also our objective to use non-genetically modified crops in animal feedstuffs, where it is commercially viable to do so, from sustainable assured suppliers.
- In addition, organic ranges form a high percentage of the Waitrose offer. Twice named 'Organic Supermarket of the Year' by the Soil Association, Waitrose introduced a new Organic range in September 2006 and now offers more than 1,500 organic products.

Staying local

All Waitrose shops now have a local and regional offering, which covers in excess of 300 producers supplying over 1,200 product lines. To communicate our support for UK suppliers, **shelf-edge ticketing** and **product 'stamps'** help customers to find products from

18%

Waitrose's share of organic produce sold in UK supermarkets

£12.6 million

Waitrose's annual turnover last year from local and regional products

100%

of our beef, pork, fresh chicken, eggs, milk and cream is British

63%

of our garden furniture is Forest Stewardship Council (FSC) certified

their local area. Waitrose initiatives like our **Small Producers Awards** and **'Meet the Buyer'** and **'Meet the Farmer'** events, which introduce customers to local producers, also champion small producers and promote local food. This summer's **'Best of British'** campaign highlighted seasonal British food and the people who grow, rear or produce it, and we now have dedicated display areas for **regional fruit and vegetables** in 148 shops.

Fair trade

Waitrose works to ensure all its own-label products are traded fairly but also supports established schemes such as Fairtrade, which certifies producers against internationally recognised trading standards. Fairtrade items generate a guaranteed price to cover production plus a 'social premium' to be reinvested in suppliers' businesses or local communities.

Waitrose stocks a wide range of Fairtrade products, including our own-label Fairtrade coffee and chocolate. During 2007, we have converted to only selling Fairtrade bananas and roses, as well as 25% of other flowers, and also launched Fairtrade sugar and cereal bars, as well as own-brand organic and Fairtrade ice creams. John Lewis sells Fairtrade flowers and will stock new Fairtrade cotton garments in the autumn.

Toeing the line

Waitrose's rigorous policy for sustainable fishing and fish farming – to source all fish from well-managed fisheries using responsible fishing methods – has been highly commended by Greenpeace and rated top in the latest Marine Conservation Society (MCS) League Table. By being able to trace the origins of all the fish we sell, we can be sure that our sources are not only legal, which is important to avoid undermining conservation measures, but also that we provide the best quality fish in the industry.

To make it easier for customers to identify sustainably sourced fish:

- we do not sell any varieties considered endangered or over-fished
- we have an active programme to include alternative species from sustainable sources
- we work closely with independent certification bodies like the Marine Stewardship Council which uses a 'blue tick' to identify fish from sustainable sources
- our farmed fish comes from our Select Farm sites which are selected for their respect for marine ecosystems and ongoing conservation measures including the sustainability of the fish feed
- we use selective fishing methods that minimise the impact on the environment, and stock the largest range of line-caught fish.

Wooden it be good?

John Lewis furniture uses around 30 different species of timber from 40 countries, so checking that sources are legal is a considerable undertaking. Nevertheless, we take our responsibility seriously and are committed to ensuring that, in the long term, all our timber comes from well-managed, sustainable forests.

At the moment, our timber sourcing policy focuses on garden furniture, not least because we have one of the widest selections on the high street. But we acknowledge we still have more to do, which is why our timber policy will cover all wood-based products from 2008.

Working with sustainable forestry consultancy ProForest, our assessment system encourages suppliers to move towards only using FSC-certified sources. This process involves independent audits, banning timber of unknown or illegal origin, and helping suppliers to improve their forest management practices. Currently, all our garden furniture is sourced from FSC-certified timber (63% of sales volume) or from suppliers in transition towards certification.

As a member of the Roundtable on Sustainable Palm Oil (RSPO), we are also working with suppliers to source palm oil from independently certified, sustainable plantations.

Animal welfare

At Waitrose, quality, traceability and animal welfare go hand in hand, earning us the Compassionate Supermarket of the Year title from leading animal welfare charity Compassion in World Farming twice in a row.

For instance:

- we know every one of our livestock and fish farmers and work with them to ensure the highest standards of animal husbandry
- **Select Farm** chicken has the lowest stocking density on the high street, with natural daylight, straw bales and the space for an active environment keeping the birds fit and healthy
- all own-label eggs have been free range since 2000 and we only include free range eggs in own-label chilled and frozen food, with an advanced conversion programme in other areas.

The Partnership's approach to animal welfare also includes:

- a strict 'no fur' policy
- a total ban on animal testing for own-label cosmetics, toiletries, baby care and personal care products and ingredients, and encouraging branded suppliers to do the same
- supporting the Convention on International Trade in Endangered Species (CITES).

What others are saying...

... about our sustainable sourcing policies:

"We commend Waitrose for their dedication to sustainable fishing and for selling the greatest number of fish – 26 species – from our Fish to Eat list, which comprises 65% of their overall fish sales. Waitrose also does not sell any species from our Fish to Avoid list."

Sam Fanshawe, Director, Marine Conservation Society

"John Lewis has shown its commitment to sustainable sourcing through its approach to garden furniture. I commend the Partnership for now extending this commitment across its extensive range of wood products."

Neil Judd, Director, ProForest

Read more about...

... farming standards at www.soilassociation.org and www.leafuk.org

... Greenpeace's campaigns at www.greenpeace.org.uk

... trading fairly at www.fairtrade.org.uk and www.fairtradeforbritishfarmers.co.uk

... marine conservation and our sustainable fishing policy at www.mcsuk.org and www.waitrose.com/fish

... sustainable timber at www.fsc.org and www.proforest.net

... the Roundtable on Sustainable Palm Oil at www.rsपो.org

... animal welfare at www.rspca.org.uk and www.ciwf.org.uk

Key priorities for the future



Continue to stock more farmed fish from sustainably managed farms.



Double Fairtrade food sales in key areas from 2006 levels by year-end 2008.



Ensure all garden furniture is FSC-certified by end of 2009, expand timber policy and implement our Sustainable Palm Oil strategy.

6 Health and nutrition

“Many of our customers *wonder* about the nutritional content of the food they eat. Here’s how we are helping customers to better understand this information.”

Nicola Radford, Nutritionist, Waitrose

4,800

customer queries answered by our nutritionists in the last 12 months

£400,000

Waitrose’s annual investment in Waitrose Education



Why is it important?

As a leading UK food retailer, Waitrose has an important role to play in helping to improve the health of the population. Current issues include childhood obesity and diabetes, and access to reliable information.

We believe that a balanced diet is a key component of health and wellbeing. To help meet the needs of our customers, we actively consider nutrition when developing our products. We select ingredients that are safe to eat, taste good and also meet the highest nutritional standards, and work hard to raise consumer awareness by honestly labelling our products, and offering accessible and professional information online and in our shops.

As well as being passionate about food, Waitrose harnesses its knowledge and experience of the food chain, from farm to fork, to support a number of engaging educational programmes.

Our ongoing objectives are to:

- provide customers with healthier food choices, and clearly label and communicate nutritional benefits
- educate young people about healthy eating and nutrition
- reduce or remove unnecessary additives and allergens
- promote responsible drinking.

What are we doing about it?

Proud of our product knowledge

To offer every customer the best experience in our shops, we need Partners who share this objective and have the passion and necessary skills. We encourage them to be enthusiastic about the products they sell and knowledgeable about where our products come from and how they are made.

We run a number of product specialist programmes for fish, meat, cheese and wine, and a similar programme for fruit and vegetables, through which Partners learn about issues such as sustainable sourcing and animal welfare through visits to suppliers, as well as important information on cooking and nutrition. They in turn train their colleagues, ensuring all Partners in our shops are better placed to help customers to make informed choices.

Informed choice

To help customers even further:

- we have front-of-pack **traffic light labelling** on many convenience foods
- we are actively lowering **saturated fat** in new products and reviewing existing products for total **fat, salt and sugar**
- we are continuing to **reduce the salt** content in a wide range of products, working towards the maximum salt intake target proposed by the Food Standards Agency (FSA) – 6g for adults – three years ahead of its 2010 goal

- we are working with our suppliers to reduce or remove **unnecessary additives and allergens**
- we have improved the navigation and content of our www.waitrose.com/nutrition website
- we are extending the use of **nutritional icons**, such as omega 3 and five a day, on packaging.

Nutrition and dietary advice

We have improved our Nutrition Advice Service through the introduction of an online 'ask the nutritionist' section, through which customers can receive professional help and advice.

We have also increased the number of fact sheets we offer on common dietary conditions, and continue to provide information on our own-label products, including lists of products free from eggs, gluten, milk and nuts.

Sharing our passion for food

Recognising that the food habits we learn in our early years can influence health in later life, Waitrose is committed to educating young people about health and nutrition, teaching them where their food comes from, and how to make more educated decisions about the food they buy in the future.

Under the 'Waitrose Education' banner, initiatives designed to address gaps in the school curriculum, and encourage

young people's interest in food through practical experience, include:

- **nutritional tips** and **meal plans** for children under 10, which help parents to encourage their children to eat well-balanced diets
- the **Food for Thought activity pack**, developed with Farming And Countryside Education (FACE), which helps pupils at Key Stages 3 and 4 to understand the impacts of food production, packaging and transport, and provides teachers with additional tools for follow-up work
- dedicated **food studios** at Waitrose shops at Southend, Salisbury and Cheltenham, and the **Waitrose Food Pod**, a mobile food education studio, all providing advice, information and interactive cookery workshops
- the **Academy of Culinary Arts Specialised Chefs' Scholarship**, which has helped more than 160 apprentices graduate from a prestigious three-year diploma course at Bournemouth and Poole College.

Giving labelling the green light

Waitrose was the first retailer to implement the Food Standards Agency's 'traffic light' labelling system, making it quick and easy for customers to make healthier food choices across a wide range of food products. The system colour-codes products red, amber and green for high, medium and low levels of fat, saturates, salt and sugar per 100g and per portion. Front-of-pack

traffic light labelling currently appears on ready meals, sandwiches, pizzas, vegetable accompaniments, beefburgers, pies, sausages, breaded chicken and fish.

Promoting responsible drinking

As a leading drinks retailer, Waitrose promotes responsible drinking and prevents under-age sales through a combination of labelling, signage and other communications with customers, earning us two consecutive Responsible Drinks Retailing Awards.

Other initiatives include:

- producing *Alcohol and You*, a brochure promoting sensible drinking, in conjunction with Alcohol in Moderation (AIM)
- sponsorship of AIM's Drinking and You website, as well as providing alcohol and health advice on our own websites
- introducing units of alcohol labelling on our own-brand products.

1,200

UK secondary schools requesting Food for Thought activity packs

What others are saying...

... *about nutritional labelling:*

"Waitrose has made considerable improvements in reducing salt levels and shows a consistent and committed approach to both front-of-pack traffic light labelling and back-of-pack labelling giving Guideline Daily Amounts."

National Consumer Council Research report,
Short-changed on health?, November 2006



Read more about...

... our efforts to promote health and nutrition, our nutritional tips and our meal plans at www.waitrose.com/nutrition

... the Food Standards Agency at www.food.gov.uk

... the National Consumer Council at www.ncc.org.uk

... our efforts to promote responsible drinking at www.waitrose.com/drink/drinkingandyou

... the specialised Chef's Scholarship at www.thecollege.co.uk

... Farming And Countryside Education at www.face-online.org.uk

Key priorities for the future



Continue to roll out front-of-pack traffic light labelling on categories recommended by the FSA.



Improve our healthier options offer and work with suppliers to reduce the use of artificial colours.



Continue to expand the Nutrition Advice Service to meet the demand for information on nutrition and health.

7

Building sustainable communities

“It’s fantastic that the Partnership gave me the opportunity to be seconded to the DePaul Trust.”

Kim Archer, Selling Assistant, John Lewis, Bluewater

“Kim’s time, effort and expertise has been invaluable. We wonder how we would have coped without this support.”

Gill Ashbury, The DePaul Trust



£1 million

value of products donated by our John Lewis National Returns Centre to Barnardos, the British Heart Foundation and FareShare

£5.8 million

contributed to charity and community groups in 2006–07 (1.8% of pre-tax profits)

Why is it important?

Being a force for good in the community was an important part of our Founder’s vision for the Partnership, and Partners throughout the business have taken that to heart ever since. Our Constitution states our aim ‘to contribute to the wellbeing of the communities where we operate’. This starts with providing good service to our customers, but it’s also about developing partnerships at a local level, and devoting time and energy to initiatives aimed at building healthier communities.

The good thing is, it’s not just the local community that benefits. Fundraising, volunteering and other initiatives also help us to broaden our own skills and experience, which in turn raises our profile and enhances our reputation, helping us to recruit and retain the best people.

Our ongoing objectives are to:

- offer every customer the best possible shopping experience
- contribute to our local communities through charitable giving, volunteering and longer-term community investment
- build lasting relationships with local organisations and community groups
- donate at least 1% of pre-tax profits to the community.

What are we doing about it?

Going one step beyond

As a responsible member of the community, we want to ensure all customers are welcomed into our shops and that every customer is treated as an individual. Our shops provide a safe, accessible and enjoyable environment for our customers, ensuring our products are quick to find, our shops are easy to navigate, and information is easy to access and simple to understand.

In the case of disabled customers, we take steps to ensure each customer receives the same high level of service. We have integrated the principles of accessibility into the design, construction and operation of all our shops and we continually strive to improve access and respond to customer feedback.

As a co-owned business, with all 68,000 Partners having a say in how the business is run and a share in its profits, our Partners take particular pride in serving their customers and community. This dedication and expertise has deservedly earned external recognition: John Lewis and Waitrose were named Britain’s favourite retailers by *Which?* two years running. Customers also voted Waitrose and John Lewis Britain’s top shops in the 2006 and 2007 Consumer Satisfaction Index conducted by retail analysts Verdict Research.

What others are saying...

Giving to good causes

Financial support is an important part of our community investment, both as a company and as individuals, and we use the London Benchmarking Group's model to calculate the value of our non-financial contributions. Across the Partnership, we gave **£5.8 million (1.8% of pre-tax profits)** to charities and community groups last year. We also run a **Give As You Earn scheme** that enables Partners to make tax-free donations, directly from their pay, to registered charities and other organisations.

In February 2007, Partners raised a staggering **£316,000** during our charity week. Waitrose shops supported many local charities while John Lewis chose YoungMinds as their first divisional charity of the year.

Volunteering to help

By giving their time and skills, our Partners make a genuine difference to local people's lives. We actively support their efforts through:

- elected **Charity and Community Committees and dedicated local community budgets**, where Partners use their local knowledge to decide how to support which projects
- **Victoria time-bank**, enabling John Lewis and Corporate head office Partners to undertake up to 30 hours of community or charity work a year during working hours

- the **Cares** programme of independent business-led charity Business in the Community (BITC), through which some John Lewis Partners participate in community-related team challenges
- BITC's **Seeing is Believing** programme, founded by HRH The Prince of Wales, which organises senior management visits to explore how businesses can help to tackle social issues. The Chairman and four other directors have participated in the scheme and the Chairman will lead a visit in the autumn.

Golden Jubilee Trust

The Golden Jubilee Trust (GJT) was established as an independent charity in April 2000 to enable Partners to apply for volunteering secondments with UK registered charities for up to six months.

Partners' skills and experience are matched with the needs of the charities being supported, and since it was founded, the GJT Board of Trustees has made 287 awards to Partners who have given over 114,000 hours to more than 280 UK charities. Last year alone, Partners donated 19,580 hours to community work, and in return developed new skills and built personal confidence. The business also benefits from their increased motivation and satisfaction.

Please see overleaf for the recent recognition the GJT has received.

61,622

Hours contributed by Partners to community activities during company time in 2006–07

15%

Increase in overall Partnership community contributions in 2006–07



Read more about...

- ... our work in the community and charitable giving, including webcasts of Golden Jubilee Trust case studies, at **www.johnlewispartnership.co.uk/ourresponsibilities**
- ... the Business in the Community at **www.bitc.org.uk**
- ... the London Benchmarking Group at **www.lbg-online.net**
- ... Give As You Earn, the Golden Jubilee Trust and other community volunteering opportunities at **jlpnet**

... about the Golden Jubilee Trust:

"One of Angela's strengths was providing a warm, professional and sensitive response over the telephone. We will miss her greatly and feel very indebted to John Lewis for the time she has given us. We could never have achieved all that we have done as a service in the last six months without her generous contribution via the Golden Jubilee Trust."

Jo, Service Manager, Southampton Rape Crisis and Star Project about GJT secondee Angela Braybook, John Lewis Southampton.

... about employee fundraising:

"We have been overwhelmed by the ideas and support that John Lewis Partners have put into YoungMinds. Not only have they raised significant funds for the charity but have embraced our mission wholeheartedly and have promoted YoungMinds at every opportunity. Working with John Lewis has shown the effect that a true partnership can have on the lives of children, young people and families."

Barbara Herts, Chief Executive, YoungMinds

Key priorities for the future



Continue to measure our overall contribution to community initiatives, and contribute at least 1% of our pre-tax profits.



Improve our processes for measuring the outputs and impacts of our community programmes where appropriate.



Increase Partner participation in employee volunteering programmes across our shops and head offices.

What we have achieved...



Our 'high' five

The John Lewis Partnership has been awarded five Business in the Community Awards for Excellence ('Big Ticks') this year for:

- **Waitrose Education** (Merrill Lynch Raising Achievement in Young People Award category)
- **Waitrose Local and Regional Sourcing** (Northern Foods Rural Action Award category)
- **John Lewis Newcastle Vocational Placement Programme** (Merrill Lynch Raising Achievement in Young People Award category)
- **Waitrose Responsible Sourcing and the Waitrose Foundation** (reaccredited) – which was last year named BITC's National Example of Supply Chain Excellence
- **John Lewis Partnership Golden Jubilee Trust Employee Volunteering Programme** (reaccredited) – highly commended at last year's National Awards.

The Big Tick is awarded to companies able to demonstrate excellence in the way that they organise and integrate their responsible business practices and who can show a positive impact both on society and on the business.

Building a reputation

Our commitment to sustainable construction principles saw the Partnership being shortlisted in the 'Retail Client of the Year' category of *Building* magazine's 2006 Building Awards, with John Lewis singled out by the judges as 'placing itself at the heart of the regeneration agenda'.

The Partnership received the Retail & Leisure International Award for sustainability in 2007 for its work on sustainable construction.

Partnership goes platinum

The Partnership maintained its leadership position in Business in the Community's Corporate Responsibility Index, achieving 'platinum' status in this year's index. The results were announced in the Companies that Count supplement of *The Sunday Times* on 6 May 2007. Platinum ranking is awarded to those companies reaching a score equal to or above 95%; the Partnership retained its overall score of 96.5%.

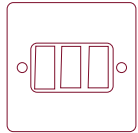
A source of ongoing success

In 2006/07, our approach to sustainable sourcing helped Waitrose:

- retain the Compassion in World Farming (CIWF) 'Compassionate Supermarket of the Year' award
- win a CIWF Good Egg Award, in recognition of its ongoing commitment to animal welfare, for not having sold any caged shell eggs for seven years
- win the supermarket category in the 2005 RSPCA Good Business Awards, nominated again in 2006
- secure the 'greenest supermarket' accolade in the National Consumer Council's first consumer-focused environmental rating
- top the Marine Conservation Society's Sustainable Seafood Supermarket League Table in 2007.

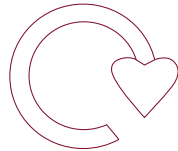


...and what you can do



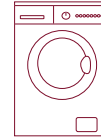
1 Reduce your carbon footprint

- Turn off appliances and lights when they're not being used.
- Save fuel by driving smoothly and regularly checking tyre pressures.
- Drive a fuel-efficient car, which is cheaper to run and has lower emissions and lower vehicle tax.
- Walk, cycle or take the bus or train if you can.
- Wash clothes at 30°C, and in full loads.



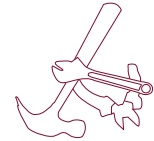
2 Reduce, reuse, recycle

- Recycle as much as you can, including mobiles and other electrical items.
- Use reusable containers and shopping bags.
- Buy recycled paper products.
- Reduce junk mail through the Mailing Preference Service at www.mpsonline.org.uk
- Only dispose of paint, batteries and oil at a proper facility.
- Compost your garden and kitchen waste.



3 Make your house green

- Choose energy-efficient light bulbs and appliances with 'A' energy ratings.
- Consider switching to a 'green' electricity supplier.
- Turn down your heating and consider cavity wall insulation.
- Fix dripping taps – a drip a second can waste 13 litres a day.
- Install a water butt to catch rainwater for your garden.



4 Work wisely

- Hire or borrow items rather than buying them if you don't use them much.
- Repair something rather than replace it when you can.
- Buy things you can reuse rather than disposable items.



5 Shop ethically

- Look for organic produce at Waitrose shops or outlets listed at www.whyorganic.org
- Consider Fairtrade, sustainably sourced, cruelty-free and free-range products, and avoid battery eggs and GM foods.
- Buy fresh, seasonal and local fruit and vegetables to reduce transport costs and emissions.
- Buy loose items in bulk to reduce packaging waste.
- Buy sustainably sourced wooden furniture and DIY materials – look for FSC or PEFC labels.



6 Stay healthy

- Read 'traffic light' and other labels to identify low fat, salt, sugar and calorie products.
- Eat five portions of fruit and vegetables a day.
- Exercise for 30 minutes a day three times a week.
- Drink up to 2 litres of water a day.
- Stay within Government guidelines for alcohol intake.



7 Get involved

- Explore local volunteering opportunities through the Golden Jubilee Trust, the John Lewis time-bank and BITC's Cares programme.
- Give to your favourite charity directly from your pay through Give As You Earn.

Acknowledgements

We would like to thank the Partners in this report for the questions they've raised and for showing a keen interest in our approach to CSR. We would also like to thank the Partners who helped put this report together and all Partners, whose hard work and dedication helps us to achieve our objectives in this area.

Further information about corporate social responsibility at the John Lewis Partnership can be found at www.johnlewispartnership.co.uk/ourresponsibilities

If you have any comments regarding this report or would like an audio or large print version, please contact:

Nick Monger-Godfrey
Head of Corporate Social Responsibility
Partnership House, Carlisle Place
London SW1P 1BX
Email: csr@johnlewis.co.uk

Design and copywriting: Flag

Printed by ISO 14001-accredited Beacon Press using their Pureprint® environmental print technology. The electricity was generated from renewable sources and vegetable-based inks were used throughout. On average, 84% of any waste associated with this report is recycled.

This report is printed on Take 2 silk, a paper produced from well-managed forest and other controlled sources certified by the Forest Stewardship Council (FSC).

The greenhouse gas emissions associated with the production and distribution of this report have been offset through Climate Care, which on the John Lewis Partnership's behalf is investing in sustainable energy, fuel efficiency and reforestation projects.

Date of publication: 10/07



greenbee  John Lewis Waitrose