

# *A natural progression*

**Corporate Social Responsibility**  
Report 2009



**Our customers,  
products and  
suppliers**



**Our  
people**



**Our  
environment**



**Our  
communities**

*John Lewis Partnership*

## Our CSR communications

We aim to be open, honest and balanced in our corporate social responsibility (CSR) communications, telling our Partners, customers, suppliers and others with an interest in our business how we are doing against the commitments we have set ourselves and the range of standards we aspire to.

The Partnership's CSR activity and resulting communications have always been discreet; we have never been a company to shout about our achievements. We prefer to act first and talk later. We also appreciate that we don't have all the answers, but we do recognise that we need to challenge ourselves to talk more about what our position is and what our aspirations are.

Stakeholders – both from within and beyond the Partnership – have an ever-greater appetite for information about our CSR performance, and communication to meet those needs is a challenge, not least because it needs to cover such a wide range of social, economic and environmental issues. So we are committed to being clear about our priorities, to better communicating what we do as a business and to taking a more targeted approach to our communication to meet these ever-changing and specific needs.

We also recognise the important role our Partners have to play in engaging people in this agenda and the need to fully harness their potential, both as co-owners of the business and as advocates (see **Our stakeholder engagement**). This is something we will be focusing on in the coming year. In all our communications, we will strive to use everyday language to make sure people fully appreciate our achievements and challenges.

## About this report

Our current reporting trend is that every two years, we produce two separate Waitrose and John Lewis CSR reports, and in the interim years, we produce a Partnership-level summary of our CSR performance, achievements, challenges and external recognition.

This Partnership-wide CSR report, aimed largely at the informed CSR community, summarises our 2008/09 progress, and signposts Partners, customers and other interested parties to the CSR section of the Partnership website ([www.johnlewispartnership.co.uk/ourresponsibilities](http://www.johnlewispartnership.co.uk/ourresponsibilities)), where more information is published.

We have previously offset the greenhouse gas emissions associated with the production and distribution of our reports through the organisation Climate Care, and used paper stock produced from well-managed forests certified by the Forest Stewardship Council. This year, we have taken these efforts to report our CSR performance in a sustainable way one stage further, and have produced an online report.

### CSR OVERVIEW

Find out how being an employee-owned business makes us different, how we have reviewed our CSR strategy and how our governance structures help us to embed CSR across our business.

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CSR OVERVIEW

### IN THIS SECTION

- Our customers
- The best of British
- Waitrose and John Lewis products
- Our suppliers



### OUR CUSTOMERS, PRODUCTS AND SUPPLIERS

We're committed to dealing fairly with our suppliers, selling responsibly sourced quality products and deepening our relationships with loyal customers.

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OUR CUSTOMERS, PRODUCTS AND SUPPLIERS

### IN THIS SECTION

- The employee ownership model
- Embracing diversity
- Skills and training
- Partner engagement
- Benefits and rewards



### OUR PEOPLE

We aim to provide worthwhile, satisfying employment in a successful business to people of ability and integrity, treat them with respect and courtesy, and recognise and reward their contributions.

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OUR PEOPLE

### IN THIS SECTION

- Charitable contributions
- Partner-led activities
- Volunteering
- Waitrose Education
- Town centre investment



### OUR COMMUNITIES

We make a positive difference to the communities where we do business. And it's not just local people that benefit; our Partners also gain new skills and confidence from participating in charitable and community initiatives.

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OUR COMMUNITIES

### IN THIS SECTION

- Reducing our carbon footprint
- Improving energy efficiency
- Transport and refrigeration emissions
- Sustainable construction
- Waste, recycling and packaging



### OUR ENVIRONMENT

We are committed to reducing our impact on the environment and promoting good environmental practice. We have programmes, processes and targets in place to ensure we continue to deliver our environmental commitments.

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OUR ENVIRONMENT

### OUR STAKEHOLDER ENGAGEMENT

To help us deliver our commitments, we continue to develop strategic partnerships and alliances with other organisations, and respond to the concerns of all our stakeholders.

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OUR STAKEHOLDER ENGAGEMENT

### OUR PERFORMANCE

Read more about the commitments and targets we have set ourselves, and the progress we have made in 2008/09 towards achieving them.

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OUR PERFORMANCE

## Chairman's message

The economic environment over the past year has been challenging for all of us. But being a co-owned business has allowed us to make the best decisions for the long-term and remain committed to doing what's right, so that we emerge from the recession stronger and fitter.



Over the last year, we have undertaken an in-depth evaluation of our corporate social responsibility (CSR) activity, asking searching questions about where we want to be and how we might address the sustainability challenges of the future. As a result of external benchmarking, opinion research and consultation with key stakeholders such as our Partners and customers, we now have a much better understanding of our CSR performance, identifying our successes as well as those areas where we need to do more. That process has helped us to define and embed new commitments and targets into our business plans, and allowed us to develop a clearer set of priorities in four core CSR areas: our customers, products and suppliers; our people; our communities and our environment.

This report illustrates the journey we've taken, and our continued commitment to doing business in a socially and environmentally responsible manner. By sharing our performance and achievements, and the external recognition we have received, we aim to demonstrate the significant progress made across the Partnership over the last year. This progress has been supported by the efforts we have made to further strengthen our management structures and governance arrangements. Through the newly established Responsible Business Group, which I chair, we have taken steps to ensure our values are embedded in the everyday decisions and actions of our business.

We have generated considerable forward momentum in our business over the past 12 months, extending and improving our offer to customers. We have invested in multi-channel and new online concepts across our business. In Waitrose, we have launched our extremely popular 'essential Waitrose' range, and in John Lewis, we have reinforced our 'Never Knowingly Undersold' commitment and launched a value range. We haven't compromised on our social, ethical and environmental standards either.

Our objectives of reducing our environmental impact and promoting good environmental practice are also progressing. Through our new carbon commitment, we

are now seeking absolute changes in our emissions, not just improvements in relation to the size of our business, and are working to develop a meaningful target. Waitrose Altrincham, which opened in October 2009, was the first new store to utilise our new refrigeration system, which will help us to phase out hydrofluorocarbons and cut our carbon footprint by 20% through the use of a natural refrigerant. In addition, all our electricity continues to come from green sources and all our new shops are built in line with our Sustainable Construction Framework.

Our longstanding commitment to dealing fairly with our suppliers, from UK designers to South African fruit farmers, means that we sell responsibly sourced, quality products. We have also made a significant positive contribution to the communities in which we operate, through our employee volunteering programmes, Waitrose's successful Community Matters scheme and donations to this year's John Lewis Charity of the Year, Contact the Elderly.

Customers have been playing their part too. In John Lewis, the 'Make a Difference' promotion has highlighted our fantastic range of organic, Fairtrade, energy-efficient, recycled and recyclable products; Waitrose's support for the film *The End of the Line* helped to highlight the risk to our marine life posed by unsustainable fishing practices; and we have taken further steps to reduce packaging and encourage the reuse and recycling of carrier bags.

With sustainability at the centre of our agenda, we have retained our focus on growth, opening new John Lewis and Waitrose shops and developing new formats such as John Lewis at home and convenience shops in Waitrose. We are also finding new routes to market, like Waitrose's partnerships with Welcome Break and Boots. 2010 may be difficult and the economic recovery may be slow and drawn out, but we still remain ambitious. As we look to the future, we are confident that our Partners' dedication and expertise will continue to drive the commercial success of our business – and ensure that our commitment to operating in a socially and environmentally responsible way is at the heart of everything we do.

**Charlie Mayfield** Chairman, John Lewis Partnership  
November 2009

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## About the Partnership

The John Lewis Partnership is the UK's largest and longest-lasting employee-owned business. Between them, our 69,000 permanent Partners share in the benefits and profits of a business with a turnover of over £6.9 billion in 2008.

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## Who we are...

### John Lewis

Our 28 department stores stock in the region of 350,000 separate product lines covering home and giftware, electrical items and fashion, while our new John Lewis at home store in Poole and the John Lewis Home outlet in Swindon offer more select product ranges.

### Johnlewis.com

Our online business, with over 80,000 lines, consistently ranked one of the UK's top online shopping destinations.

### Waitrose

Our 221 supermarkets are dedicated to offering high-quality fresh food, value and customer service, and combine the convenience of a supermarket with the expertise of a specialist shop. Our shops are complemented by our online shopping services including WaitroseDeliver, Homeshop, WaitroseWineDirect and WaitroseEntertaining, all available via waitrose.com

### Greenbee

Our direct services company, [www.greenbee.com](http://www.greenbee.com), offers a range of services selected by the Partnership, including home, travel, pet, wedding, event and car insurance products, life cover and a phone and broadband package, along with travel offers and the latest theatre, event, music and sports tickets.

### Leckford Estate

Bought by our founder in 1928, the estate covers 4,000 acres in Hampshire and includes [Leckford Farm](#), which produces milk, poultry, fruit and mushrooms for sale in Waitrose shops, [Longstock plant nursery](#) and [Longstock Park water garden](#).

### Herbert Parkinson

Part of the John Lewis Partnership since 1953, our manufacturing business makes own-brand furnishings, fabrics and curtains for John Lewis at its production site in Lancashire.

## Branching out

To ensure we continue to meet the needs of our customers, we need to be flexible about the shops we create and the way we sell our products. For example, Waitrose has established the 'market town' format in several locations and, more recently, our first 'convenience' shops in Nottingham, Bristol and Crouch End, North London, offering corner-shop service in a contemporary setting. John Lewis is also expanding its reach, investing £6 million in developing new smaller-format John Lewis at home stores, the first of which opened in Poole in October 2009. Focusing on homeware, electronics and home technology, the new format will typically be a third of the size of a normal department store and if successful, up to 30 similar shops could open across the UK. Our John Lewis Home outlet in Swindon also offers an ever-changing assortment of mostly imperfect furniture and large electrical appliances at reduced prices.

This adaptable approach also applies to the locations we choose for our shops. Having supplied Waitrose products to Dubai for five years through the Spinney's supermarket chain, we have now gone one step further, by opening our first Waitrose shops there, through a licensing partnership with Fine Fare Food Market LLC. The first shop, which employs 150 people, is located in the 9 million square foot Dubai Mall, and a second in the Marina Mall. Closer to home, Waitrose also opened two franchised outlets at Welcome Break motorway service areas in May 2009. The two outlets on the M40 and M25 should give 9 million motorists access to our brand. Based on a successful trial, we will open a further nine Welcome Break sites, with the first three opening in November.

We will trial a smaller Waitrose convenience format in 2010 and have identified a long-term potential for 300 additional convenience shops. We have also begun discussions with Boots with a view to trialling the sale of very selective product ranges in each other's stores, including Boots supporting Waitrose with healthcare and wellbeing ranges, and Waitrose supporting Boots with food products. These developments present a significant and exciting opportunity for us to grow our business by increasing the accessibility of our brand to even more customers, in more places.

"Working with business partners of this quality, with their strong reputations and extensive representation, will mean we make a dynamic entry into convenience and fully exploit the business opportunity. One of the questions I'm asked most often is: 'When can I have a Waitrose near me?'. I believe that this combination of our own convenience format and strategic relationships is the best way to extend our reach to customers who don't yet have access to a Waitrose."

Mark Price, Managing Director, Waitrose

## What makes us different

Like any business, the John Lewis Partnership is commercial and competitive, but we believe our co-ownership business model gives us three significant advantages.

- ➔ It allows us to take a long-term view. We can build lasting, mutually beneficial relationships with our suppliers, customers and neighbours, because we don't have to deliver short-term gain for shareholders.
- ➔ We can maximise the value of employee ownership. Partners have worthwhile, secure and fulfilling employment, which generates loyalty, pride, job satisfaction, knowledge and empowerment.
- ➔ We can act in the interests of society. As a long-term employer and neighbour, our desire is to conduct all our business with integrity and courtesy, behave as a good corporate citizen and contribute to the communities where we operate.

## Our business model



“Our business model with its focus on Partners, secures their experience and commitment and fosters a desire to perform, for their teams, for their customers and ultimately through the Partnership, for themselves. We call it the Partner-Customer-Profit circle. Many businesses have something similar – the employee-customer-profit chain – but there's a key difference. There's a break at the end of their chain where the profit flows mainly to external shareholders. In our business it flows to our Partners and so the circle starts all over again. That's a powerful differentiator.”

**Charlie Mayfield, Chairman**

## CSR strategic review

Over the years we have made significant progress in embedding CSR into our everyday business practices. Our performance, achievements and the independent recognition we have received demonstrate this. However, in 2008 we decided it was the right time to take stock of where we were on our CSR journey and to look at how we might tackle some of the more challenging CSR opportunities. This has led to a review of our commitments and priorities, the development of a framework to support their delivery and the establishment of a new **CSR governance structure** (see page 6).

This work is ongoing, and some of the new targets and commitments will require further review and stretch. In the future we will measure and report our progress against them in four core CSR areas: our customers, products and suppliers; our people; our communities and our environment.

Over the coming year our focus will remain on mobilising the new governance groups; driving forward our CSR programmes; continuing to improve the robustness of our internal processes and controls; and refining our approach to stakeholder engagement and communication.

## Our Responsible Business Group members:

- Charlie Mayfield** Chairman (chair)
- Tracey Killen** Director of Personnel, and Partnership Board representative for CSR
- Nigel Keen** Director of Building & Services (chair of Environment Steering Group)
- David Jones** Divisional Registrar, John Lewis (co-chair of Marketplace Steering Group)
- Tony Solomons** Retail Director, Waitrose (co-chair of Marketplace Steering Group)
- Paul Backhouse** Head of Employment Strategy and Policy (chair of Workplace Steering Group)
- Susan Donovan** Director of Communications (chair of Community Investment Committee)
- Gemma Lacey** General Manager, CSR
- Charlotte Cool** Head of Public Affairs

## CSR governance

When John Spedan Lewis set up the Partnership, he created a governance system – set out in a Constitution – that would be both competitive and democratic. The terms of our **Constitution** (available on [www.johnlewispartnership.co.uk](http://www.johnlewispartnership.co.uk)) clearly define how the business, and individual Partners, are expected to behave towards customers, suppliers, the environment, the wider community and each other. Along with these general provisions, specific CSR governance structures have been developed, so that social, ethical and environmental issues can be managed efficiently and effectively.

As our CSR agenda becomes ever-more established and widespread, we have refreshed our governance arrangements to ensure they provide strategic direction and a sound system of internal control. They also agree CSR policies and programmes, regularly review performance, priorities and positioning, and report and provide assurance to the Partnership Board.

Our new CSR governance structure (see diagram below) contains a recently constituted Responsible Business Group – see panel – led by Chairman Charlie Mayfield, and comprising senior managers from across the business. This management committee replaces our previously separate Waitrose, John Lewis and Partnership CSR committees, to provide a Partnership steer on CSR. Several Partnership-wide steering groups focusing on different aspects of CSR sit under this group.

## Risk management

We map and prioritise the risks and opportunities that are important not just to our business but to our other stakeholders as well. Over the last year we have introduced a new process for tracking environmental legislation that ensures clear accountabilities for delivering compliance. We are also refreshing our broader approach to identifying and assessing CSR risks and opportunities throughout the business. Responsibility for tracking and assessing risks, opportunities and legislation lies with the CSR team, supported by our four Steering Groups (see diagram below).

## Our CSR governance structure





## Our customers, products and suppliers

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The Partnership aims to attract, retain and deepen relationships with loyal customers. We do this by building their trust and confidence in our reputation for value, choice, good service and honest trading, and behaving as good citizens in everything we do.

### Commitments

**Our Waitrose Customer Service mission statements are that our customers will:**

- ➔ experience excellent service that differentiates us from our competitors
- ➔ enjoy a consistent and integrated service across all formats and channels
- ➔ be able to interact with Waitrose in the ways that suit them best.

**John Lewis aims to:**

- ➔ offer every customer the best possible experience, backing up the product offer with an outstanding level of service from initial purchase to after-sales, whether it's face to face, online or over the telephone
- ➔ ensure all selling Partners have excellent product knowledge and communication skills.

### John Lewis

- Named 'best high-street retailer' in the *Which?* Awards in June 2009.
- Voted 'Britain's favourite retailer' in *Verdict Research's* Consumer Satisfaction Index for the second time in a row.
- Topped the latest UK Customer Satisfaction Index from the Institute of Customer Service, scoring 90.9% in an online poll of 24,000 people.

## Our customers

### Committed to service

Giving great service is something we take pride in as co-owners of our business. We know that empowered and happy Partners will ensure our customers are happy, and so drive loyalty to our brand. Good service has to be management-led, but we believe in empowering Partners too, training them to make their own decisions. Read more about [skills and training](#) on page 16.

Our Partners' dedication to service on a daily basis is a key factor in driving our business forward, so it was particularly rewarding to have their efforts recognised by our customers (see Awards and recognition below).

### Combining value, quality and ethics

The Waitrose reputation for freshness, quality, safety and provenance is the reason its customers choose to shop there, and its 'Price Commitment' is a promise to bring customers consistently good value for money. To reinforce this commitment, by October 2009, the new 'essential Waitrose' identity had been rolled out across 1,400 own-brand, everyday products. This brand-new range of products at affordable prices provides an easily recognisable brand without compromising the quality standards and sourcing integrity that customers expect from Waitrose.

John Lewis aims to provide the best value on the high street by offering a wide range of great-quality products, which are fairly priced and supported by excellent service. Never Knowingly Undersold has represented this commitment to value since 1925 and remains central to our business.

Our quality standards are high, we are committed to [responsible sourcing](#) (see pages 11 to 14) and have a regular programme of benchmarking John Lewis branded products against the competition. The wide range of products we sell means we can offer items to suit most budgets, from our newly launched value range to exclusive products from the best British designers. And, with a dedicated team checking and matching the prices of our competitors, our prices are some of the most competitive on the high street, even during sales. Our Partners' vested interest in our business success is reflected in the impartial advice and excellent after-sales support we provide. We have recently strengthened our Never Knowingly Undersold promotional material, to better communicate these value messages to our customers.



### Awards and recognition



#### Waitrose

- Voted 'favourite supermarket' in an online poll of 36,000 viewers of BBC1's *Watchdog* programme, and by readers of *Good Housekeeping* magazine for the fourth time.
- Pipped John Lewis in the *Which?* annual retailers survey, making it a Partnership one-two for the fourth year.



## Waitrose sources 100% own-brand:

### BRITISH

Pork (including sausages)\*  
Chicken  
Bacon  
Beef\*  
Fresh veal  
Fresh duck

Fresh goose  
Fresh lamb (when in season)  
Fresh venison (when in season)  
Eggs  
**UK AND IRISH**  
Fresh turkey

\*Excludes speciality products such as continental cured and cooked meats

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## The best of British

### John Lewis: flying the flag

John Lewis has never forgotten its heritage, and supports British manufacturing wherever possible, offering suppliers fair prices, building long-term relationships and helping them to reinvest in their businesses. We own a production unit in the north of England, Herbert Parkinson, which produces our own-brand duvets, pillows, furnishing fabrics and ready-made curtains, and provides our made-to-measure curtain service.

In autumn 2009, we focused on the very best of British design, craftsmanship and quality in our home ranges, reflecting the vision, quirkiness, quality and value that continue to make the UK a global style leader. Products included the *Melrose Armchair*, covered in a 100% British wool fabric; iconic lighting from *The Original BTC* and *Anglepoise*; and *Nick Munro's* collection of upholstered furniture.

Using local suppliers can make a real difference to the lives of people in that community. For instance, 85% of the employees of Blindcraft, which supplies John Lewis Edinburgh with handmade mattresses and beds, are registered disabled. With the support of Edinburgh City Council, Blindcraft provides meaningful employment and channels its profits back into projects to help disabled and blind people in the city.

### Waitrose: local, regional and British

Waitrose's local and regional sourcing initiative, which retained its Business in the Community 'Big Tick' this year, is one of the most established in the food sector. Through the scheme, which now covers around 465 producers, we aim to sell the best local and regional food, support smaller suppliers and strengthen our relationships within the communities in which we operate. All Waitrose shops sell regional beer, most have a broader local and regional offering with shelf-edge ticketing and product labelling detailing the origins and provenance of each product, and our new Market Town format shops have an even wider range.

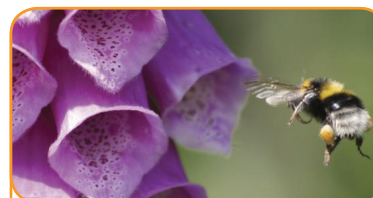
Agriculture is an essential part of Britain's heritage, and retailers can play a vital role in safeguarding the future of farming and the countryside (see **Sustainable agriculture standards** on page 9). With producers facing ever-increasing expectations to deliver traceability, meet higher environmental standards and maintain the countryside, Waitrose believes experiences should be shared. 'Meet the buyer' events are held every year around the UK, giving our suppliers direct access to Waitrose buyers and food technologists, and helping them to understand our expectations.

Other specific initiatives include inviting local farmers into shops to meet customers and talk about their products, and supplier conferences and industry workshops, which help smaller producers to understand food legislation and ensure best practice is shared throughout our supply chain and beyond.



### Rest assured:

Working with long-established manufacturers, we use the finest materials and methods used by generations of bed makers to create our range of John Lewis own-brand mattresses and beds that are wholly British-made. Likewise, two-thirds of our upholstery ranges and all of our John Lewis kitchens are made in British factories.



### The bees' knees:

Our dairy farmers are giving a boost to dwindling numbers of bumblebees, vital for the pollination of many crops, by putting up special nesting boxes. The new initiative is part of **Waitrose Wildcare**, our Wildlife Trust-audited habitat scheme.

# 2014

Year in which Waitrose Leckford sparkling wine will be available – the result of planting our own vineyard at our **Leckford Farm** in 2009

Business in the **AWARDS**  
Community **2009** ✓  
Big Tick re-accreditation

## Commitments

### Waitrose:

- ➔ To supply the best-quality produce in season, and when sourcing worldwide fruits, vegetables and flowers aim to minimise environmental impact by working to achieve LEAF.
- ➔ Continue to only source fish from sustainable wild sources and responsibly farmed aquaculture.
- ➔ Working with our livestock producers, maintain industry-leading standards on animal welfare and the environment.
- ➔ Work with suppliers to improve our offer on healthier everyday products.
- ➔ Continue to develop our Nutrition Advice Service to meet the demand for nutrition and health information.
- ➔ Remove all artificial colours from own-brand products by the end of April 2009 (target met).



### Taking stock:

Our 1,900 livestock producers all became members of the Farming and Wildlife Advisory Group (FWAG) in 2008. **FWAG** promotes sustainable production methods focusing on resource, energy and waste management. We have also set up over 30 livestock producer groups which give producers an assured market, clear direction and a stable base on which to build their businesses and invest in the future.

# 2,150+

Local and regional product lines available in Waitrose, 68% of which are delivered directly to our shops (see page 8)

## Waitrose products

### Sustainable agriculture standards

The traceability and provenance of our products and ingredients is a critical part of the trust and confidence our customers have in us, and is crucial to our ongoing business success. As farmers ourselves, we understand the importance – and the challenges – of maintaining high standards in agricultural production and environmental management. We have rigorous sourcing policies in place, and adhere to a growing number of certification, verification and farm assurance schemes throughout our supply chain.

For example, Waitrose is the only UK retailer to have all its British fruit, vegetable and major flower growers meeting the **LEAF** (Linking Environment and Farming) Marque certification standard of environmental stewardship. We are working to extend this standard globally for 2010 and through a grant from the Department for International Development's Food Retail Industry Challenge Fund, Waitrose and its project partners will be able to support farmers in sub-Saharan Africa, assisting them in developing sustainable production techniques and extending the reach of the LEAF Marque.

We have been selling organic products, grown under sustainable production methods, for over 20 years. In 2008/09, our organic sales remained relatively steady despite the recession and our UK market share grew to 18.2%. Waitrose's 3,000 organic product lines, including 600 own-brand products, include health and beauty products, wine, ice cream, fillet steak and chocolate.

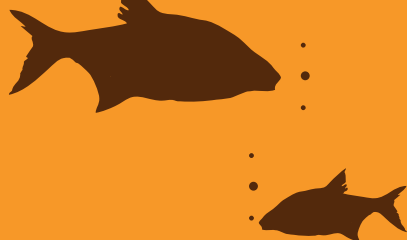
### Animal welfare

For us, animal welfare is 'business as usual'. We take the issue extremely seriously, and work to ensure all the livestock throughout our supply chain is treated with respect and care. Many of our standards go beyond legal requirements and have been recognised by organisations such as the **RSPCA** and **Compassion in World Farming**. In the three years since they were established, Waitrose has twice won a Good Egg award from Compassion in World Farming, most recently for converting to only free-range eggs in all own-brand products.

Because we carefully select our processing partners to minimise the transport times from suppliers and any potential adverse welfare implications, our 'time to slaughter' journey times fall well within current EU legislative requirements. For example, 70% of the lamb we source in Wales is produced within 40 miles of the processor in Powys. Our business focuses on livestock supplied from within the UK, but if we had to source product from outside the country, we would never consider importing live animals for processing.

# £273.5 million

Value of Waitrose organic sales



### Further information:

- ➔ Origin of our food:  
[www.waitrose.com/food/originofourfood/index.aspx](http://www.waitrose.com/food/originofourfood/index.aspx)
- ➔ Waitrose health and nutrition:  
[www.waitrose.com/food/healthandnutrition/index.aspx](http://www.waitrose.com/food/healthandnutrition/index.aspx)

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## Responsible fishing

Since launching its responsible fishing policy 12 years ago, Waitrose has worked continually to ensure all its fish comes from sustainable sources or is farmed from responsible farming systems. We also work alongside organisations such as the [Marine Stewardship Council](#) and the [Marine Conservation Society](#) to introduce alternative species such as pollock, tilapia and coley that are not endangered or over-fished, and ensure all the fish we sell is fully traceable and caught using responsible methods that minimise environmental damage.

Waitrose, with 10% of UK supermarket fish sales (compared to an overall 4% market share), was named Seafood Multiple Retailer of the Year at the Seafood Awards 2009, organised by industry body [Seafish](#), for its commitment to sustainable fishing, with the judges highlighting staff training and customer education in particular.

To investigate the level of awareness of the issues facing the industry, Waitrose commissioned a YouGov survey of 2,000 UK adults in May 2009. The results showed that 78% of those polled don't try to buy sustainable seafood and 72% were unaware that species such as blue fin tuna are close to extinction.

In the wake of these findings, Waitrose sponsored the nationwide premiere of [The End of the Line](#), on World Oceans Day in June 2009. The world's first major documentary film to expose the impact of overfishing, described by producer George Duffield as "the greatest environmental disaster that people haven't heard about", enabled us to engage with a wider audience about our commitment in this area. Watch a short clip of the film [here](#).

## Health, nutrition and responsible drinking

According to *British retailing: A commitment to health*, a report by the British Retail Consortium, the UK retail sector is responding to the obesity crisis by giving the public healthier choices and more information about the food they buy. Waitrose has already met many of the targets for the reduction of sugar, salt and saturated fats proposed by the [Food Standards Agency \(FSA\)](#), and the use of healthier unsaturated fats, along with guidance on portion size, are both part of our ongoing work with suppliers to improve everyday products.

We also introduced calorie and allergen labelling on our own-brand alcoholic drinks in December 2008, launched a gluten-free range in March 2009, no longer manufacture own-brand products with artificial colours, and continue to provide nutrition and health information through our [Nutrition Advice Service](#), recipe cards and on-pack 'traffic-light' labelling on over 1,000 products.

We remain committed to highlighting the sensible drinking message to both customers and Partners. In practice, this means that our shelf-edge ticketing carries alcohol unit information, we adopt a 'think 21' approach to asking for proof of age, using a third party to conduct mystery shopping exercises and support a number of organisations, including the [Drinkaware Trust](#).

"More people are asking about where our fish comes from than ever before, and want to find out more about Waitrose's sustainable fish policies. And once people become aware, most want to buy sustainable fish – and I'm proud to help them eat fish guilt-free."

Tim Sheehan, Fish Specialist,  
Waitrose West Ealing

# 1,000+

Number of products with FSA on-pack 'traffic-light' labelling

# 12 years

Length of time Waitrose has had a responsible fishing policy

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### Key challenge: palm oil

Waitrose is a member of the [Roundtable on Sustainable Palm Oil](#), and the Palm Oil Group within the British Retail Consortium, which is actively pursuing the development of sustainable palm oil for the UK market. We are transparent in the labelling of our products and are also reviewing our entire own-brand product range and looking at the feasibility of incorporating certified sustainable palm oil into own-brand products. As part of this, we are currently in discussions regarding introducing 'Green Palm' into Waitrose own-brand products from a Waitrose supplier on a trial basis. [Green Palm](#) operates entirely separately from the physical supply chain but is designed to enable manufacturers and retailers of products containing palm oil and its derivatives to support the production of sustainable palm oil. We aspire to use 100% certified sustainable palm oil in own-brand products by 2015.



## Commitments

### John Lewis:

- ➔ Continue to only source timber from sustainable sources and have 100% of our outdoor furniture ranges FSC-certified for 2010 season.
- ➔ By 2012, we will have 30% of our indoor furniture ranges FSC-certified. Also by 2012 a further 20% of our indoor furniture ranges will be either actively progressing towards FSC certification or certified by other schemes.
- ➔ Continue to ensure 95% of domestic large electrical appliances sold are A rated or above.
- ➔ In 2010, double the number of Fairtrade lines in both existing and new categories.
- ➔ By 2012 100% of our own-brand paper products will be manufactured from recycled or FSC (or equivalent) sources.
- ➔ Work with our suppliers to improve the sustainability of the materials we use in own-brand products.



EcoHome exhibition, Geffrye Museum, London.  
Photographer Jayne Lloyd

### Home truths:

With more people looking to reduce their energy and water consumption, and save money in the process, John Lewis supported the 'EcoHome' exhibition at the **Geffrye Museum** in London in autumn 2009. This exhibition highlights the small changes that people can make, from using energy-efficient appliances to not leaving TVs and computers on standby.

# 100%

**John Lewis large electrical appliances  
A or A+ rated for energy efficiency**



## John Lewis products

### Promoting more sustainable products

Our technical and buying teams work closely together to ensure every product we sell is safe and fit for purpose. We are also committed to ensuring the integrity of products. John Lewis's 'Make a difference' promotion from February to April 2009 showcased our range of 'environmentally friendly products that don't cost the earth'. The promotion highlighted the many responsible and desirable products we sell, from organic beauty products and cotton linen to biodegradable cleaning products, and Fairtrade hampers to doormats made from recycled tyres, cotton and bottle tops. The promotion involved window displays, banners and posters – made from recyclable paper and water-based inks – as well as information points, an online campaign and competitions.

As an example, John Lewis has a strong position on energy-efficient electrical appliances. It always seeks to stock items with the lowest energy consumption, and all of its own-brand domestic large electrical appliances are A or A+ rated for energy efficiency. Demonstrating that appliances are getting greener all the time, 11 shops took delivery of the first A++ appliances in March 2009. The three washing machines have water-saving tilting drums and two fridge-freezers come complete with space-age insulation. We also sell items bearing the **Energy Saving Trust's** 'Energy Saving Recommended' logo.

"EcoHome is a timely exhibition, marking the impact that environmental considerations now have on the choices people make for their homes. Capturing the eco-home movement in full swing through this exhibition is exciting and thought-provoking, and showcases just some of the small steps we can take to make a big difference."

**Sean Allam, Head of Product Sourcing,  
John Lewis**

"The 'Make a difference' promotion shows customers that we can help them to reduce their own environmental impact. And in the current economic climate, it is also good to show how environmentally responsible products can be cost-savers too."

**Claire Gibbens, Promotions Manager,  
John Lewis**

### Testing the water

As the Government looks to cut average water use to 120 litres per person by 2030, customers are also looking for the most water-efficient appliances, and some of the best can be found at John Lewis. They include our own-brand DishDrawer dishwasher, which can utilise one drawer for small loads, and our 'A+' rated washing machine with a flow sensor to calculate the optimum amount of water required for the load.

## Further information:

- ➔ 'Make a difference':  
[www.johnlewis.com/eco](http://www.johnlewis.com/eco)
- ➔ Sustainable timber:  
available on  
[www.johnlewis.com](http://www.johnlewis.com)

CSR OVERVIEW

## Sustainable timber

We first developed our policy on timber product sourcing in 2004. We have made a commitment to ensure that timber used in our products has been sourced with the least possible damage to the natural environment. Since making this policy commitment, we have made steady progress in implementing a staged approach across the major buyerships of wood products.

In 2009, 83% of our outdoor range was Forest Stewardship Council (**FSC**) certified and we are on track to have 100% of our outdoor furniture independently certified in time for the 2010 season. We continue to communicate our approach to our suppliers and in May 2009, we held a Supplier Timber Day, attended by indoor furniture suppliers as well as representatives from FSC and **ProForest**. This helped us to define our future targets for indoor furniture and we are now working on targets for other wood-based products.

## Spin-off project

Concerned about reported poor labour standards and human rights violations in Uzbekistan's cotton industry, we recognise we must do more to understand the depth and complexities of the supply chain for our cotton products. In collaboration with an external consultancy, we have started to map the provenance of the cotton used in the furnishing textiles from one of our suppliers. This is a challenging task as cotton supply chains typically include many different processes; nevertheless, we are committed to applying the lessons learned from this work to the remainder of our cotton supply base, both in home and fashion.

## Cafés with a conscience

Showing that our commitment to responsible sourcing, British farming and ethical food standards is truly Partnership-wide, John Lewis restaurants:

- only use fish sourced from well-managed, sustainable fisheries, and Red Tractor-certified beef, lamb, pork, chicken and turkey
- source fresh produce from UK-based Red Tractor- or LEAF-accredited growers wherever possible
- stock coffee blended from 100% Fairtrade arabica beans, as well as Fairtrade sugar and tea
- sell hot chocolate that helps to fund wells in Ghana, and **One water**, which supports fresh water systems in Africa (see page 21).

In addition, our disposable plastic cups and plates are all recyclable, we are striving to reduce packaging, and at some stores, food waste is composted. Last year, John Lewis won a Good Egg Award from Compassion in World Farming for its work on sourcing free-range eggs for customer and Partner catering.

# 83%

John Lewis outdoor range Forest Stewardship Council accredited in 2009



## Leading lights:

John Lewis and Waitrose have both signed up to a voluntary agreement with Defra and other retailers to phase out inefficient incandescent light bulbs by 2012. To date, this was completed for all 75–100W bulbs in Waitrose and John Lewis in January 2009, and John Lewis now stocks 90 types of energy-efficient bulbs.



## Greener ways to play:

John Lewis has a selection of toys with eco-credentials to help children to learn about the environment and protect the planet. They include fully biodegradable, compostable and recyclable PlayMais building bricks; the solar-powered Solar Go Go car; a Potato Clock kit; the Ecoboo range made entirely from sustainably sourced bamboo; and a cuddly sheep, that doubles as a rattle, made from bamboo and organic cotton.

OUR CUSTOMERS,  
PRODUCTS AND SUPPLIERS

OUR PEOPLE

OUR COMMUNITIES

OUR ENVIRONMENT

OUR STAKEHOLDER  
ENGAGEMENT

OUR PERFORMANCE

## Commitments

- ➔ Continue to ensure that all own-brand suppliers are registered on Sedex and complete a self-assessment questionnaire.
- ➔ Risk-assess our supply base to determine high-priority suppliers to undergo independent, third-party audits.
- ➔ Explore alternatives in categories and industries where Sedex is inappropriate.
- ➔ Agree terms of payment with our suppliers in advance and pay promptly in accordance with these terms.

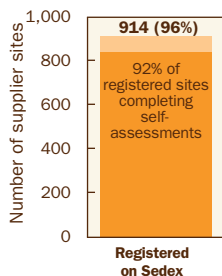


### Setting up shop:

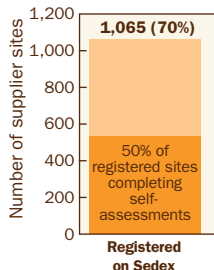
All major food retailers, including Waitrose, are required to comply with the Groceries Supply Code of Practice (GSCOP) by February 2010. GSCOP, the result of an investigation by the Competition Commission, is designed to protect suppliers from excessive risks and undue costs. A Waitrose project team will ensure all terms, agreements and contracts in place are fully compliant by the deadline, and the terms and spirit of GSCOP communicated to all suppliers.

### Suppliers registered on Sedex

#### Waitrose (952 supplier sites)



#### John Lewis (1,521 supplier sites)



## Our suppliers

### Responsible sourcing

We believe in working in partnership with our 5,400 suppliers, treating all those in our supply chain honestly and fairly, and supporting them in 'obeying the law and respecting the wellbeing of their employees, their local communities and the environment', a statement ingrained in our Constitution.

All our own-brand suppliers must commit to meeting the requirements of our Partnership-wide Responsible Sourcing Code of Practice. The Code, based on internationally agreed conventions on workers' rights, covers issues including child and forced labour, health and safety, working hours and wages. We also expect our suppliers to be honest about the issues they face and share best practice, so we can work together to make realistic, long-term improvements.

Our own-brand suppliers are required to register on **Sedex** – the largest global database on labour standards – and complete a self-assessment questionnaire, in order for us to assess the labour standards and working practices at their sites; high-priority sites are also independently audited. Approximately 1,900 Partnership own-brand supplier sites are currently registered on Sedex. This process is cyclical, with regular data updates and audits, and the ongoing management of non-compliance should any supplier fall short of our high standards. Because of planned growth in own-brand products, through 2009 John Lewis has spent time considering how to support this and ensure they are working with the best suppliers to realise their ambition. As a result, they have renewed their ethical and technical supplier assessment framework, which is now being launched to suppliers.

### Supporting our suppliers

The principles of fairness, flexibility and openness that we foster with our suppliers extend to paying suppliers on time, and giving them clear guidance on our payment terms. Our commitment to such best practice measures was reflected in the Partnership becoming a co-supporter of the Government's Prompt Payment Code, a voluntary scheme launched by Lord Mandelson, the Secretary of State for Business, Enterprise and Regulatory Reform, in December 2008.

Given the current economic environment, we have taken other constructive steps to help the businesses we trade with, especially small enterprises, to remain viable. Waitrose has introduced a milk price pledge, through which we agree to pay our dairy farmers a premium over the market price, and for many years now, we have had in place a pricing model for British pig farmers, which takes into account the cost of sustainable production methods and ensures our suppliers receive a fair return (see also **Trading fairly** and **Waitrose Foundation** on page 14).

### Further information:

- ➔ Responsible sourcing:  
[www.johnlewispartnership.co.uk/ourresponsibilities](http://www.johnlewispartnership.co.uk/ourresponsibilities)
- ➔ Waitrose Foundation:  
[www.waitrose.com/food/originofourfood/foundation.aspx](http://www.waitrose.com/food/originofourfood/foundation.aspx)

## Trading fairly

We remain committed to bringing our customers the best products at the best prices in a sustainable way. This requires us to trade fairly with our suppliers and support established schemes, such as Fairtrade, that contribute to the sustainable development of the communities where farmers and workers live.

To promote the increasingly wide range of Fairtrade products we sell in our shops, cafés and restaurants, the Partnership again supported Fairtrade Fortnight in March 2009. John Lewis's 'Make a difference' campaign promoted Fairtrade items alongside other environmentally responsible **products** (see page 11), while Waitrose produced materials to educate customers on how the Fairtrade premium helps farmers in developing countries. Waitrose Managing Director Mark Price also visited Rwanda to see the work of the Fairtrade Foundation first-hand and to forge stronger links.

John Lewis is also dealing with increasing numbers of suppliers, across several product areas, such as Traidcraft and People Tree, that are trading fairly and making a difference to the lives of those involved in manufacturing.

## Waitrose Foundation

The Waitrose Foundation is based on the principle of returning a percentage of profits from our sales to the farm workers who grow the produce. The first Foundation, based in South Africa, was launched in 2005 and, in its first four years, has been involved in funding over 100 projects. These are chosen by the farm workers themselves, and cover areas such as education, sport, social and skills development, and healthcare. In 2008, we launched education bursaries for the children of the farm workers, and these are currently helping four students to study chemical engineering, financial management and human resources management.

During 2009, Sam Cliff, a Waitrose placement student, spent six months in South Africa, setting up the Foundation website and quarterly newsletter, which updates both the farms and our Partners with news and progress. Sam also wrote a blog on the Waitrose.com website and a series of articles in our internal magazines, the *Chronicle* and the *Gazette*.

The Waitrose Foundation has raised over £2 million since it was launched and has touched the lives of more than 16,000 farm workers and their families. Building on this success, we launched two further Foundations in 2009: one in Ghana for prepared fruit, and another in Kenya covering flowers and vegetables. With the inclusion of Ghana and Kenya, there will be over 100 products in the Foundation range, including wine and marmalade. The increased funds generated will enable us to help more communities to build a better future.

# 300

**Total number of Fairtrade products available in Waitrose and John Lewis (including seasonal product lines)**



### Great Scot:

To support the UK's best small food and drink producers, Waitrose launched the Made in Britain Awards with *Country Living* magazine. 2009's Food Champion of the Year was Alistair Barge, who owns Gigha Halibut, one of only two halibut farms in the UK. Alistair (pictured middle, with Waitrose Managing Director Mark Price and *Country Living* Editor Susy Smith) has been farming Atlantic halibut for four years on Gigha in the Hebrides, and his innovative, land-based fish farm, powered by a community-owned wind farm, now accounts for 80% of all halibut produced in Scotland and is conserving this species which is endangered in the wild. Alistair won £10,000 and the chance to supply Waitrose supermarkets.

# 16,000

**Farm workers and their families benefiting from community projects funded by the Waitrose Foundation**

# Our people

Providing worthwhile and satisfying employment in a successful business.

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In our Constitution, we state our aim to employ and retain people of ability and integrity, who are committed to working together and to supporting our business principles. The relationships we have with our Partners are based on mutual respect and courtesy; we aim to recognise and reward their individual contributions.

## Commitments

### By working in Partnership, we:

- ➔ take responsibility for our business success by delivering the right experience for all our customers and generating profits for us all to share
- ➔ build relationships Powered by our Principles – honesty, respect and encouragement. We expect these behaviours of each other and demonstrate them at all times
- ➔ create real influence over our working lives by taking opportunities to develop ourselves, balance work and life priorities, and support others.

## The employee ownership model

The John Lewis Partnership is the UK's largest employee-owned business, with all 69,000 permanent staff (Partners) sharing the responsibility and the rewards of running our business. This vision of co-ownership instigated by our founder John Spedan Lewis, has the happiness of our people as its ultimate purpose, and we have always acted on the principle that there should be more to a job than just work and pay.

## Strengthening our Partnership

Our Partner element makes us unique and we need to continue to ensure our approach is clear. Over the last year, we have undertaken research to better understand our Partners' motivations, so that we can continue to offer them compelling and engaging employment. This research revealed the key elements which influence the Partner experience, and which matter most to them as: leadership; recruiting to our values; fairness; flexible hours; continuous development; wellbeing and healthcare; Partnership benefits; and CSR.

This insight has informed the three commitments of our Partner Strategy (see left) and allowed us to clarify a number of goals and programmes covering all aspects of the Partner experience. For example, to support our leadership goal ('all leaders can deliver commercial success and our Partner commitments, consistently demonstrating the Partnership leadership behaviours'), we have rolled out newly developed leadership behaviours that reflect our values.

We have set out a clear internal framework to govern who should be defined as a Partner. Where people fall outside of this scope – for example our supply arrangement with Boots (see [Branching out](#), page 4) – we review the standards those employers provide to ensure they are aligned with, and supportive of, our own principles and values.

## Shaping up for the future

Our unique structure is based on building a sustainable business, in which we all have shared rights and responsibilities, management is directly accountable for their actions, and our relationships are built on honesty, respect and encouragement.

To ensure the Partnership remains successful, we need to continuously look at how we can improve the efficiency and effectiveness of our business. This is particularly true as we face the toughest trading situation for many decades. Management must take decisions in the best interests of the Partnership's future success, even where this may mean posts are declared redundant or terms of employment are changed. In such circumstances, we have a commitment to make every effort to provide Partners with continued employment in the Partnership.





### Keeping the faith:

We understand the importance of respecting how different individuals practise their faith. For example, Partners at Waitrose Canary Wharf enjoyed an Eid meal to celebrate the end of Ramaddan, while in October, Brent Cross and our Waitrose head office held special dinners for Diwali, observed by Hindus and Sikhs. Customers are equally important. In Waitrose, our Kosher assortment, for example, has now been expanded and extended to 37 shops, while 35 shops have year-round Asian products, with special promotions during Eid and Diwali.

“Our aim is to be a business where our leaders feel confident with, and have a full understanding of, the diversity in their teams, so that they can ensure Partners have a consistent and motivating experience of the Partnership.

This goes to the heart of our ultimate purpose and drives business advantage.”

**Tracey Killen, Director of Personnel**

### Embracing diversity

The Partnership is committed to providing equal employment opportunities for all, and developing a working environment in which all Partners have a relevant, consistent and rewarding experience.

We are currently focusing on giving our line managers the support, confidence and understanding required to foster a healthy and respectful relationship between them and their teams. We already do much to celebrate individual differences, and our ‘Fair Treatment’ policy ensures discrimination of any kind is not tolerated. We will continue to focus on supporting good practice through initiatives like our diversity toolkit. This provides Partners with practical advice and information on a range of issues from race and religion to age and gender equality, and gives managers the tools to embrace a diverse workforce.

Part of our vision is to nurture a culture that values the differences of all those who are engaged in the Partnership – not just Partners. Embracing diversity will therefore help us to appeal to a wider range of customers, suppliers and neighbours too.

### Skills and training

We want our customers to find well-trained Partners who can talk with passion and confidence. We invest in every Partner’s long-term development, taking a broad approach to their individual needs. By committing to the development of the best skilled and motivated teams on the high street, we believe we can sustain a competitive advantage that drives a cycle of success, wealth creation and investment.

We offer a wide range of in-house training and ensure access to development opportunities is available to all. We recognise that many of our Partners no longer want or expect to have just one job for life, so it’s important the learning and development we offer is transferable, nationally recognised and accredited wherever possible.

In April 2009, Charlie Mayfield joined other major retailers in launching the **National Skills Academy for Retail**. The Academy will support better training in the retail industry by developing a national network of walk-in skills shops.

### Safety and occupational health

We are committed to ensuring all our Partners and customers can rely on a safe, healthy environment for them to work or shop in. We use an established risk assessment system to identify and prioritise the significant issues associated with our operations and employ effective control measures to minimise the potential for incidents occurring.

# 14.6%

Proportion of ethnic Partners  
(at end July 2009)

# 3.3%

Sick hours as a proportion of  
contracted hours (at end July 2009)

## Partner Survey snapshot

Response rate:

# 90%

(2008: 93%)

Average Partnership score:

# +13.0

(2008: +12.9)

# 69%

of shops matched/exceeded target score of +12

"While the movement in this year's Partner Survey results is not as great as we've seen in previous years, I recognise those results were hard won against a much tougher economic and trading climate. I'm particularly pleased to see the evidence of good communication around the need for change. How changes are managed and delivered is as important to the future of the Partnership as the changes themselves."

Charlie Mayfield, Partnership Chairman

# 68,700

Total number of Partners  
(at end July 2009)

# 17.1%

Partnership Partner turnover  
(July 2008–July 2009) – the retail industry average is 40%

## Partner engagement

To make a truly democratic business, we need to give our Partners the knowledge to challenge the decisions we make and the power to influence them.

To improve their access to knowledge, we brief Partners on all major business decisions, hold AGMs, produce a range of online communication tools and printed publications, including our Partnership magazine *the Gazette*, *The Waitrose Chronicle* and local store publications, with their lively letters pages, and hold regular roadshows and presentations.

Partners can also influence decision making and challenge management on performance through a democratic network of elected councils, committees and forums, at a local, divisional and Partnership level. These include our recently revamped Partnership Council, whose role is to hold the Chairman to account, to make key governance decisions and to influence policy. Recent issues have included increasing the benefit of shopping discount and widening access to the pension scheme, while also addressing the issue of pensioners living longer. To give Councillors greater influence, a number of specialist groups, designed to focus on the Partner, Customer and Profit areas of our **Partnership business strategy**, have been created. An optimum number of elected Councillors, down from 81 to a maximum of 70 has also been agreed.

## Partner Survey

It matters to us what our people think of the Partnership and in 2009, we ran our annual Partner Survey for the sixth year. In the survey, over 60,000 Partners (90%) shared their views on a range of issues, from pay and working hours to personal development and job satisfaction.

Reflecting understandable concerns about job security, the proportion of Partners who agreed with the statement 'I feel secure in my employment' fell by 7% to 80%. However, despite the uncertain economic climate, the average score rose slightly and 169 shops (69%) matched or exceeded our target score, while the PboP index – which gauges Partners' feelings on how Powered by our Principles (PboP) is being demonstrated – stayed the same. Previous years' results have helped to drive positive change, and once again, these latest scores will allow us to replicate what we have been doing well and highlight where we must do better.

For example, Waitrose Wolverhampton focused on communication, with Partners encouraged to share successes and achievements such as good sickness levels and hygiene awards. Meanwhile, John Lewis Solihull concentrated on raising awareness of the Partnership's democratic bodies, with branch forum representatives wearing 'I am your democratic body' t-shirts and holding Dragon's Den-style sessions to explain the functions of the various forums and councils.

### In this report:

- ➔ What makes us different: **page 5**
- ➔ Governance: **page 6**
- ➔ Local employment: **page 22**

### Further information:

- ➔ About working for us: [www.johnlewispartnership.co.uk](http://www.johnlewispartnership.co.uk)
- ➔ Employee Ownership Association: [www.employeeownership.co.uk](http://www.employeeownership.co.uk)
- ➔ John Lewis Partnership jobs: [www.jlpjobs.com](http://www.jlpjobs.com)

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# 13%

Partnership Bonus in 2009



## Charting the right course:

The Partnership firmly believes in fostering a culture of learning and development among all Partners. As part of that commitment, we contribute 75% of the cost of studying for any university degree and 50% of the cost of any non-vocational training course.



## Hale and hearty:

Occupational health advisors such as Amber Williamson (pictured) offer Partners advice on a wide range of issues. The Partnership's occupational health service also undertakes individual health assessments, advises on compliance with legislation, oversees the rehabilitation and return to work of Partners following absence, runs the First Aid at Work programme and promotes health initiatives at both local and national levels.

## Benefits and rewards

Recognising the growing diversity of Partners, we are committed to developing a total reward package that offers competitive pay and distinct market-leading benefits, as well as a share of our profits, in the form of an annual Bonus (13% of salary in 2008/09).

We also offer a wide range of benefits, designed to help Partners to balance their work and home lives, and stay committed to long-term careers with us. These include a non-contributory, final salary pension scheme, discounts on most purchases from John Lewis and Waitrose, and extended paid leave after 25 years' service. Flexible working options can play a significant role in reducing recruitment costs, retaining valuable employees, improving productivity and reducing absenteeism, and our policy goes beyond statutory requirements, enabling all Partners to ask for a more flexible arrangement to be considered.

We provide subsidised dining arrangements, offer financial support to Partners who want to continue their education or learn new skills, and when Partners retire, specific retirement welfare and social benefits are also available. Partners also have access to emotional and practical support, to improve both their professional and personal lives, so that they can do their best at work.

## Partners in Sport

Partners in Sport (PinS), launched in October 2008, assists Partners in pursuing sports and encourages them to lead a healthy lifestyle. Running until the London Olympics in 2012, the scheme has three main themes:

**Succeeding in Sport** helping Partners and their close relatives who compete at a high level to fulfil their Olympic dreams

**Discovering Sport** designed to encourage participation in physical activity by all Partners

**Coaching in Sport** enabling Partners to train as sports coaches.

Through one element of Discovering Sport, Branch Bids, Partners can now get help and funding for team-based sporting activities, whether it's forming a five-a-side football team to running a t'ai chi or yoga group, or even going on regular rambles. The new package will also offer Partners diet and nutrition advice, free health checks and individual fitness plans.

The Coaching in Sport programme, run in partnership with Sports Coach UK, attracted 60 Partners in its first pilot year, and there are 300 places on offer in 2010. We hope Partners will then take their skills and qualifications in football, athletics, cricket and swimming into the community by coaching local individuals and teams.

# 60 Partners

signed up to the **Coaching in Sport programme**

## Our communities

Our Partners make a positive difference to the communities where we do business

Being a force for good in the community has always been a part of the Partnership's vision. And it's not just local people who benefit from our fundraising, volunteering and community initiatives. Our Partners gain new skills and experiences too, boosting their confidence and helping to build their sense of pride.

### Commitments

- ➔ Contribute at least 1% of pre-tax profits to community initiatives.
- ➔ Using the LBG model, develop processes and tools to identify and measure the outputs and impacts of sizeable community investment projects and our community programmes.
- ➔ Provide support to overseas disasters through the British Red Cross.
- ➔ Increase the number of Golden Jubilee Trust secondments in line with business growth.

# £7.5 million

Partnership-wide community contributions in 2008/09 (equivalent to 1.85% of pre-tax profits)

### Charitable contributions

In 2008/09, the value of our Partnership-wide charitable and community contributions was over £7.5 million, which is equivalent to 1.85% of our pre-tax profits, as measured using the **London Benchmarking Group** (LBG) model. This is up from £6.2 million (1.63% of pre-tax profits) the previous year.

An online community investment database is widely used by John Lewis and we are exploring ways to further improve the measurement and reporting of the value and impacts of our community activity, as well as how we can extend the database to Waitrose.

### Partner-led activities

Our Partners decide how the Partnership gives money and time to the community. Individuals also make tax-free donations to charities, directly from their pay, through a Give As You Earn scheme.

Waitrose shops supported many local charities through **Community Matters** (see page 20) while John Lewis Partners have raised over £95,000 for the division's Charity of the Year, which in 2009 is Contact the Elderly, who host monthly tea parties for elderly people through a national network of volunteers. Fundraising activities ranged from Bollywood dancing and Indian food at an Asian evening in Leicester to pushing a lorry three miles down the King's Road in London. We also hope to complement our fundraising initiatives with a new Partner volunteering programme to support the charity, to create a new group in every location where we have a shop, manufacturing unit or distribution centre, and foster long-lasting links with our own retired Partners.

Corporate Partners raised over £38,000 for their Charity of the Year COSMIC (Children of St Mary's Intensive Care). The money will be used to refurbish the unit's Parents' Room, to relaunch its accommodation service and to publish a Parents' Guide.

### International rescue

We continue to make significant donations to emergency overseas relief and donated £50,000 to the British Red Cross Disaster Fund, which makes monies available at short notice for emergency help. During 2008/09, the Fund provided immediate, often life-saving, aid for victims of the Myanmar cyclone, a major earthquake in China, hurricanes in the Caribbean and those feeling the conflict in the Democratic Republic of Congo.

## Community Matters

Since its launch last year, Waitrose's Community Matters initiative has donated over £3 million to a wide range of charities and community groups. This is a unique scheme as it is Waitrose customers who nominate, Partners who select and customers who decide, through a token vote, how much of £1,000 each month is going to be given to each of the three charitable groups.

Two John Lewis shops are taking part in a 12-month trial to explore new ways of engaging customers in supporting community projects. Cribbs Causeway has introduced 'Community Works', based on the Waitrose 'Community Matters' model, with blue tokens being given to customers to 'vote' when they visit the restaurant or the espresso bar, while Glasgow Partners organised a successful football tournament for local primary schools, and are sponsoring a local athlete looking to compete in the 2014 Commonwealth Games.

## Volunteering

Our Partners make a genuine difference to local people's lives and create strong links with the community by giving their time and skills. This provides charities with valuable resources and the skills to meet their own objectives and serve the needs of the wider community.

We have schemes in place to support volunteering efforts, including our Golden Jubilee Trust secondment scheme (see below) and a community scheme that encourages Partners in John Lewis and at head office to get involved with local projects. For example, at head office, projects ranged from running weekly lunchtime clubs at a local primary school, redecoration of a local homeless shelter and organising a picnic for children from a local community group to one-to-one mentoring and offering planning advice to a local children's charity on the layout of their office space. Through these two schemes Partners volunteered over 57,000 hours last year.

## The Golden Jubilee Trust

The Golden Jubilee Trust (GJT), our flagship volunteering scheme, is an independent charity through which Partners can undertake voluntary secondments with UK-registered charities for up to six months. Through the GJT, 50 Partners volunteered more than 23,000 hours during the year, an increase of 5% on last year, and the highest annual figure to date. 382 Partners have now donated over 160,000 hours to more than 370 UK charitable organisations since it was founded in April 2000. In return, Partners can develop new skills, grow in confidence, take on new responsibilities and become more motivated, satisfied employees.

# 23,618

Partner volunteering hours donated through  
50 Golden Jubilee Trust secondments in 2008/09



"I've been a trustee of the charity, A Smile for a Child, which supports disadvantaged and disabled children, since it was set up last year by former Waitrose Partner Chris Read. As the charity is at an early stage, it needs all the help it can get. I wanted to do more, so he suggested I apply to the GJT. I used my three-month secondment to design a new website and set up a regional office in London. I've learnt a lot about the charity, and the Trust, and since I've been back at work, a couple of my colleagues have asked me how to go about applying."

**Hitesh Wadhwa** (Waitrose GJT secondee) – A Smile for a Child



"I had worked on conservation programmes in the Norfolk Broads before, but because of my rota hours, I wouldn't have been able to take part in the National Trust volunteer programme without getting a GJT secondment. Working at the charity one day a week was great for me as I still felt connected to my department. The experience was very rewarding and I hope my secondment inspires other Partners to go and do something similar."

**Vicky Crump** (John Lewis GJT secondee) – National Trust



## 1 million

**Children learning to grow fruit and vegetables through the RHS' Campaign for School Gardening**

"With the Campaign for School Gardening the idea is to try to get children to eat healthily and to understand about creating a little garden. What we're doing can be summed up as 'sow, grow, cook and eat' – showing children how easy it is to plant a seed that will grow into something you can eat. It's a fantastic scheme and, with concerns about childhood obesity higher than ever, our sponsorship shows how committed we are to the health and wellbeing of future generations."

Amanda Dance, Event Manager,  
Waitrose Education



## 1,800

**People benefiting from one of four PlayPump™ water systems in Africa**

### Second nature

In honour of our founder, the Partnership runs two charitable bodies that support causes linked to John Spedan Lewis's own interests in nature, plants and animals.

- The John Spedan Lewis Foundation uses the income from a trust fund to support projects spanning horticulture, birds, insects, conservation and environmental education. The fund donated almost £140,000 in 2008/09 to 21 organisations, an increase of 78% on the previous year that was largely due to the purchase of a large collection of hawkmoths for the Natural History Museum and the launch of a three-year PhD studentship.
- The John Spedan Lewis Trust for the Advancement of the Natural Sciences (JSLTANS) aims to promote an interest in the natural sciences among Partners. The Trust has adopted parts of our Leckford estate (see [Who we are](#) on page 4) as nature reserves, supports conservation volunteers and runs a programme of annual lectures.

### Waitrose Education

Waitrose has a passion for good food and healthy eating, and uses a range of initiatives to encourage children and young adults to eat well and learn where their food comes from. Through Waitrose Education, we invested £400,000 in an established range of projects, including our Food for Thought Activity Pack, which has now been requested by 200 secondary schools (52% of all secondary schools in the UK), and free educational workshops involving 21,000 children. The Waitrose Education programme was re-accredited by Business in the Community in 2009 and awarded a 'Big Tick'.

In March 2009, Waitrose announced a three-year sponsorship of the Royal Horticultural Society's Campaign for School Gardening, which aims to encourage schools to set up gardens, so that pupils learn about plants and gardening. Over 7,000 schools are already involved in the scheme, which aims to get 80% of UK primary schools growing fruit and vegetables by the end of 2010.

### One water

One year's sales of ethical One water through John Lewis catering outlets have raised enough money to fund two PlayPump™ water systems in Africa. The first was installed in a village in Lesotho, where it now brings clean, fresh water to a community of almost 1,800 people, and the second is planned for Malawi. Five pence from each bottle sold goes into a charitable scheme that funds the installation of pumps powered by children's roundabouts. Waitrose has also funded two PlayPumps™ from sales of One water, one in Lesotho and one in South Africa. Watch a video about the installation of the first PlayPump™ [here](#).

**In this report:**

- ➔ Health, nutrition and responsible drinking: **page 10**
- ➔ Waitrose Foundation: **page 14**
- ➔ Sustainable construction: **page 28**

**Further information:**

- ➔ Business in the Community: **[www.bitc.org.uk](http://www.bitc.org.uk)**
- ➔ Contact the Elderly: **[www.contact-the-elderly.org.uk](http://www.contact-the-elderly.org.uk)**
- ➔ One water: **[www.onewater.org.uk](http://www.onewater.org.uk)**
- ➔ Golden Jubilee Trust **[www.johnlewispartnership.co.uk/ourresponsibilities](http://www.johnlewispartnership.co.uk/ourresponsibilities)**

## Town centre investment

We value vibrant and economically sustainable town and city centres, and believe our retail offering can play an essential role in their long-term prosperity. When considering a new development, we explore all potential aspects and impacts, from transport to architecture to public safety, with local authorities and developers, and engage with community groups to ensure they will suit their surroundings and offer long-term value to the community (see also [Sustainable construction](#) on page 28). This not only ensures we create comfortable, attractive environments for customers and Partners, but also helps to build stronger relationships with our community.

## Local employment

As an employer and neighbour, we invest in creating positive experiences for shoppers, which will enhance an area's economic vitality and provide sustainable employment for local people. Our shops often form a key part of large, mixed-use projects like the St David's 2 retail development in Cardiff, where our new John Lewis shop will provide a quarter of the 4,000 new jobs. In one of the biggest-ever recruitment drives in Wales, the Partnership committed to encourage, train and recruit local people into rewarding, fulfilling jobs by signing Cardiff Council's training and employment charter.

## Accessibility

Whatever the format of our shops and services, we want to ensure all customers can access our products. We integrate the principles of accessibility into the design, construction and operation of our shops and services, and aim to meet each customer's individual needs, whether they need assistance due to hearing, sight or mobility issues, or require information in different formats and languages.

## Business protection

The Partnership is working closely with the Home Office and the British Retail Consortium on measures to progress standards for working in partnership with communities across the country to help to make them safer. In parallel with this work, Partners from John Lewis and Waitrose shops are successfully working within, and in some cases leading, safer community schemes where these are already in place. For example, Waitrose Biggin Hill is an active member of the Neighbourhood Watch Scheme, providing facilities and resources which benefit smaller retailers, residents, businesses and the police; it leads the local traders' association; and provides subsidised dining facilities for local police officers, whose daily presence has helped to reduce shop losses from theft.

"Well over 90% of John Lewis Cardiff Partners are from Wales, and 725 of the 780-strong team are new to the Partnership, with many having never visited a John Lewis. So to make sure everyone knew how to provide the best customer service, we provided 5,200 days of training in John Lewis shops for our new Partners before we opened."

**Liz Mihell, Managing Director,  
John Lewis Cardiff**



## A welcome in the hillside:

As the first John Lewis store in Wales, we were keen to integrate the Welsh language into our new Cardiff shop and its dual-language microsite, and our efforts to reflect the community in which we work were praised by the Welsh Language Board.

## Charlie talks shop:

Business in the Community appointed Charlie Mayfield as the new Chairman of its Business Action on Economic Renewal leadership team in March 2009. The team is made up of business leaders dedicated to corporate responsibility and is playing an important role in defining how local economies can be sustained through investment, enterprise and employment.

# Our environment

Reducing our impact on the environment and promoting good environmental practice



Making the right decision for the long term is one of our founding principles, and environmental sustainability is key to this approach. We have programmes, processes and targets in place to ensure we continue to deliver our environmental commitments.

## Commitments

- ➔ We are committed to looking for absolute changes in CO<sub>2</sub>e emissions despite the fact that we are a growing business.



### Seeing the wood from the trees:

We are corporate supporters of the Prince's Rainforests Project, set up by HRH The Prince of Wales to highlight the link between rainforests and climate change, and to work with governments, industry and non-profit organisations to fight rainforest destruction. As part of the global awareness campaign, **our Chairman Charlie Mayfield has been filmed pledging his support**, and many of our individual Partners have signed up too.

## The carbon challenge

Climate change is arguably the biggest environmental challenge we face today, with average temperatures rising and extreme weather events increasingly frequent. The UK Government has a long-term target to reduce greenhouse gas emissions by 80% by 2050, and we are committed to developing policies and initiatives to support that goal. The UK's interim target is to reduce emissions by 34% by 2020; however, this may increase to 40% following discussions at Copenhagen in December this year. We have already made significant cuts in our CO<sub>2</sub>e (CO<sub>2</sub> equivalent) emissions relative to the size of our business. We are now committed to looking for absolute changes in our overall CO<sub>2</sub>e emissions. We are working through what needs to be done to deliver this commitment and will publish a target in due course. This carbon reduction commitment is supported by a range of initiatives and targets covering direct emissions such as those from company-owned vehicles, fuel combustion and refrigeration, and indirect emissions such as those associated with electricity use and waste management.

## Reducing our carbon footprint

As a growing business, total gross emissions increased by less than 1% in 2008/09 to just over half a million tonnes. However, our Partnership-wide carbon management programme has helped to reduce CO<sub>2</sub>e emissions, on a normalised basis, from 99 tonnes CO<sub>2</sub>e per £million of sales in 2001 to 73 tonnes. This 27% like-for-like reduction exceeds our previous reduction target of 20% by 2020. In 2008/09, we conducted a thorough review of the methodology we use to calculate our carbon footprint. This reassessed our reporting boundary (**see diagram on page 24**) and materiality, as well as the emissions factors we apply, enabling us to align our emissions reporting with current good practice; for example, we now include emissions associated with refrigeration and cooling, and the impacts of our Leckford Farm operations. We will seek to continue to develop our reporting in line with guidance on the reporting of emissions recently published by Defra and DECC.

### John Lewis Partnership GHG emissions (CO<sub>2</sub>e)

	Tonnes CO <sub>2</sub> e		
	Baseline year 2001/02	2007/08	2008/09
Scope 1*	183,015	192,751	185,947
Scope 2*	199,313	255,607	264,879
Scope 3*	60,445	54,510	54,431
<b>Total gross emissions</b>	<b>442,773</b>	<b>502,868</b>	<b>505,258</b>

\*See diagram on page 24 for description of scope boundaries

27%

Like-for-like reduction in Partnership CO<sub>2</sub>e emissions per £m sales against 2001

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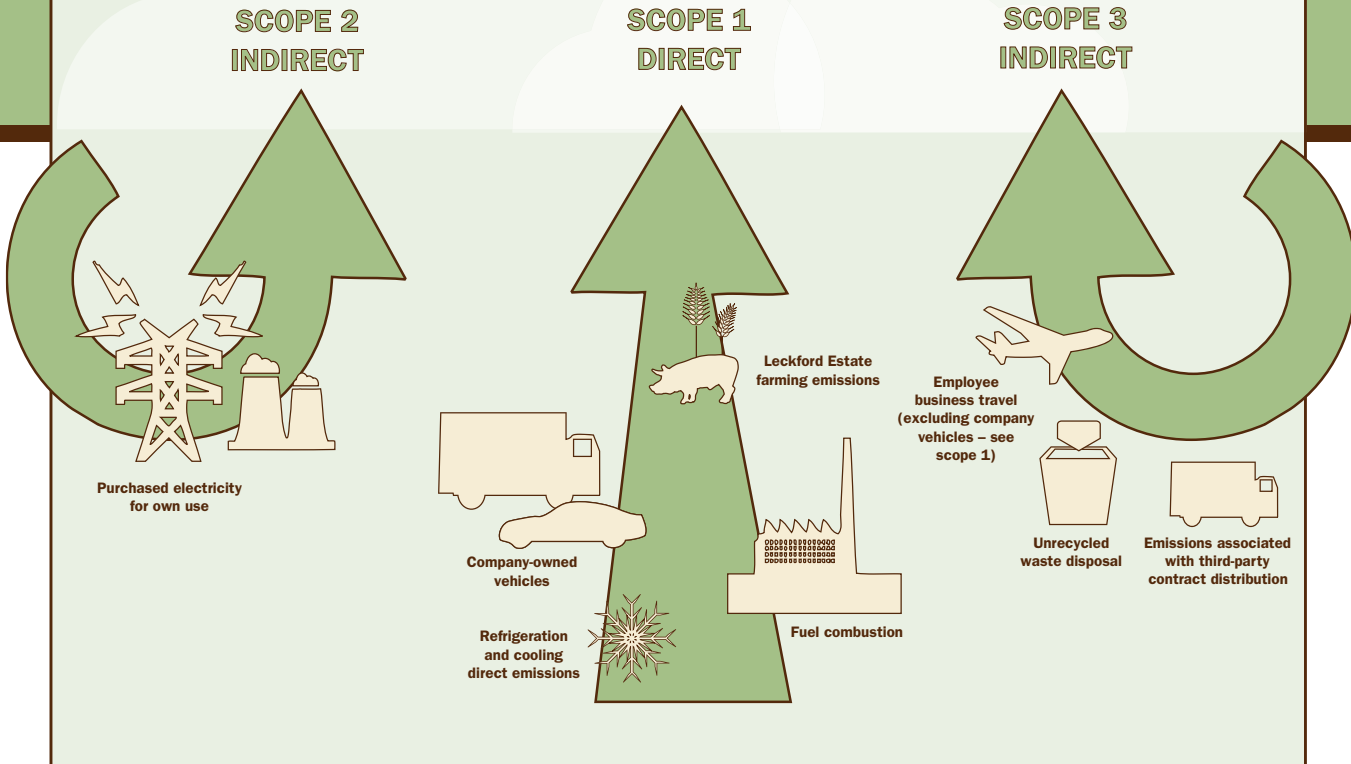
OUR PERFORMANCE



# OUR CARBON FOOTPRINT BOUNDARY

## GREENHOUSE GAS (GHG) EMISSIONS

(also referred to as CO<sub>2</sub> equivalent – CO<sub>2</sub>e – emissions)



## OUTSIDE THE BOUNDARY

Production of goods, customer usage and waste

Employee commuting

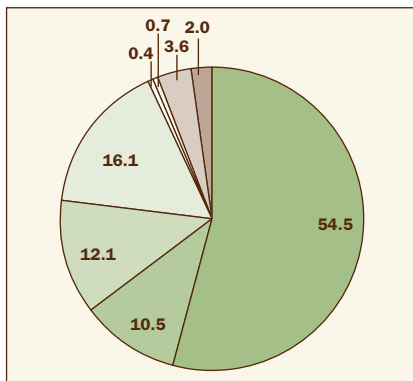
Customers' travel to stores

Stores operated under franchise or licence arrangements (see **Branching out** on page 4)

Third-party providers to Greenbee and other areas of our business

Production of purchased materials

Partnership carbon footprint (%) 2008/09



- Electricity 54.5%
- Gas 10.5%
- Distribution 12.1%
- Refrigeration and cooling direct emissions 16.1%
- Business rail and air travel 0.4%
- Business miles in company cars 0.7%
- Unrecycled waste and waste collections 3.6%
- Leckford Farm 2.0%

### Reducing our impacts

- ➔ We remain committed to using energy as efficiently as possible in our buildings and equipment, and using renewable resources where we can (**see page 25**).
- ➔ We are committed to limiting the impacts our commercial fleet and company cars have on the environment (**see page 26**).
- ➔ We are committed to halving the impact of our refrigeration and cooling direct emissions (**see page 27**).
- ➔ We work hard to reduce the waste we create. As well as developing solutions for diverting waste from landfill by recycling, we help our customers to do the same (**see page 29**).

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## Commitments

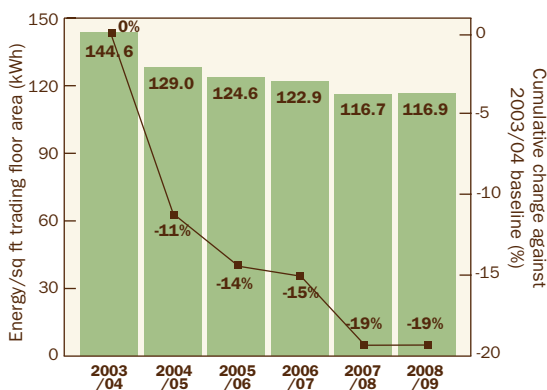
- ➔ Improve the energy efficiency of our shops by 20% by 2010 (per square foot trading floor area, based on 2003 baseline).
- ➔ Continue to source 100% of our electricity from green sources and consider all forms of renewable energy for our shops and head offices.
- ➔ Reduce energy-related transport CO<sub>2</sub>e emissions from shop deliveries by 15% by 2013 (compared with 2005 and relative to £million sales).

### Energy efficiency

John Lewis



Waitrose



# 100%

Partnership purchased electricity derived from certified 'green' sources including hydroelectric generation, biomass, wind farms, energy from waste, and combined heat and power

## Improving energy efficiency

In 2008/09, we used 765 million kWh of gas and electricity across our UK operations. This energy usage is the biggest contributor to our operational CO<sub>2</sub>e emissions. Our total energy use was actually 2% higher than last year, and our overall consumption is only likely to increase further as our business grows. However, through an ongoing Partnership-wide energy management programme, we have improved our shop energy efficiency to 116.9 kWh per square foot of trading floor area in Waitrose and 50.9 kWh per square foot of trading floor area in John Lewis, respectively a 19% and 17% improvement against our target to deliver a 20% improvement by 2010 based on a 2003/04 baseline.

Our Partners have a critical role to play in helping us to meet our environmental targets, so we continue to use Partner-focused education materials such as in-store Energy Awareness Manuals. Access to 'real-time' energy use data allows Energy Champions in each shop to monitor energy use, and work with maintenance teams to overcome heavy or erratic energy consumption. We continue to work with external bodies, such as the Carbon Trust, to learn new ways of improving our energy efficiency, and regularly conduct energy efficiency reviews of our estate, both internally and using external advisors.

During this year, we recommissioned the heating, ventilation and air conditioning (HVAC) systems, lighting and refrigeration in 75% of our existing Waitrose shops, optimising their operation and raising awareness of the benefits of managing our engineering systems; we plan to continue this and do the same in John Lewis during 2010.

## Going for green

We continue to look to renewable energy as a sustainable, long-term alternative to fossil fuels. Through an agreement with our energy supplier, we already source all our electricity from 'green' sources. Other solutions have included local agreements, brokered by Green Energy UK, such as the ones that have enabled Waitrose Rickmansworth to source energy from a combined heat and power (CHP) scheme on a tomato farm and John Lewis Cardiff to receive power from a waste recycling plant.

Waitrose's range of renewable energy initiatives, which includes photovoltaics and a biofuel-powered generator at Wimborne, wind turbines at the Leckford Estate and a trial of the anaerobic digestion of **food waste** (see page 30) saw it named **Retailer of the Year at the Rosenblatt New Energy Awards**, which recognise significant contributions to renewable energy. We are actively pursuing the possibility of further site-based energy production from fully renewable sources.

## In this report:

- ➔ Sustainable timber:  
**page 12**

## Further information:

- ➔ The Prince's Rainforest Project:  
**[www.rainforestsos.org](http://www.rainforestsos.org)**
- ➔ Act on CO<sub>2</sub>:  
**[www.direct.gov.uk/actonco2](http://www.direct.gov.uk/actonco2)**



### Key challenge: indirect transport impacts

Recognising that our responsibilities for minimising our impact on the environment from transport extends beyond our own vehicles, we have been working with **Forum for the Future** to more fully assess the wider extent of our current business impact. This broader view encompasses activities such as Partner travel to work, customer travel to our shops, and supply chain distribution, and preliminary work suggests that these vastly overshadow our own direct impact. We will continue to explore this issue and intend to introduce commitments and programmes in this area that will help to deliver meaningful reductions.

### Key challenge: biofuels

We are currently trialling pure plant oil (PPO) in seven vehicles, which reduces CO<sub>2</sub> emissions by 60% over ordinary diesel fuel. We are also exploring dual-fuel engines which would enable a blend of diesel and PPO to be used. However, the use of biofuels – crops grown for fuel rather than food – is a contentious issue and the long-term implications of such a solution need further consideration. There may also be opportunities to use agricultural waste (such as straw) as a fuel source in the future.

## Driving transport improvements

The Partnership's 2,000+ commercial vehicles and company cars travelled 48 million miles and together with third-party contract distribution produced 61,000 tonnes of CO<sub>2</sub>e last year. This represents 12.1% of the Partnership's total CO<sub>2</sub>e emissions and an improvement of 7% of CO<sub>2</sub>e per £million sales since 2005/06 – well on our way to our 2013 target of 15%.

Our work to reduce the impact of our road haulage operations on the environment, overseen by our Transport CO<sub>2</sub> Reduction Steering Group, includes providing viable delivery options for local and regional producers dealing in small volumes and using computerised route planning and 'load consolidation' systems to streamline our supply chain and minimise unnecessary journeys. We also make use of otherwise empty vehicles on outward or return journeys (forward- and backhauling), which avoided over 2.2 million miles in 2008/09.

Having our own fleet allows us to select which vehicles and engines to use, and trial new technologies where appropriate. Our lorries all have aerodynamic features to improve fuel efficiency, Waitrose's refrigerated lorries use advanced, high-efficiency refrigeration systems and John Lewis's multi-deck trailers have enhanced capacity, reducing mileage.

However, adding an extra 200 home delivery vans will add 1,300 tonnes (75%) to the CO<sub>2</sub>e footprint of Waitrose's e-commerce operations, while John Lewis's enhanced delivery service, introduced in March 2009 to support business growth and reduce our reliance on third-party carriers, will require more than 75,000 journeys to be made by our own vehicles in 2009. The location of new stores, in relation to our distribution centres, also presents a challenge. For example, as a traditionally southern retailer, Waitrose has few shops in the north of England and Scotland. As a result the CO<sub>2</sub>e produced by the distribution fleet in servicing our two shops in Edinburgh represents 4% of our total transport emissions, the new Waitrose store in Glasgow (opened in November 2009) will add a further 2%. We participated in an ENDS Carbon benchmarking study earlier this year and, among other findings, the report concluded that the carbon efficiency of distribution is primarily affected by the scale of a company's operations. Over time, we hope to benefit from such efficiencies; in the meantime we will utilise the presence of our John Lewis shops in Scotland to lessen our impact.

### On your bike:

Forty-seven Waitrose shops, including St Neots, Cambridge and Brighton, now have cycle trailers for pedal-powered customers to tow their shopping home with. And it's not just customers we're trying to encourage: a new scheme, PartnerCycle, was launched in July 2009 enabling Partners to 'hire' bikes as a tax-free benefit, with the value being deducted directly from their salary.



## Commitments

- ➔ Halve the impact of our refrigeration and cooling direct CO<sub>2</sub>e emissions by 2012 (relative to 2008 baseline).
- ➔ Reduce water use per square foot trading floor area by 20% by 2012 (relative to 2008 baseline).

"For the past 15 years, we've kept up with changing legislation, moving from ozone-depleting CFC-based refrigeration systems to using HFCs. But with our decision to move to natural refrigerants, we're now setting trends, not following them."

**Nigel Keen, Director of Building & Services**



## Doing IT by the book:

Illustrating the expertise and dedication of our Partners, Gary Hird, Strategy Manager, Computer Services, is also the author of *Green IT in Practice*, published in September 2008. The book is a guide to setting up a green IT programme, how it can reduce a company's carbon footprint, and the importance of engaging employees and suppliers. Putting this into practice the Partnership has a programme of sustainable IT initiatives, which has so far included: server and desktop 'virtualisation'; ensuring new hardware is 'gold'-rated by the **Electronic Product Environmental Assessment Tool (EPEAT)**; and greening our data centre. The Partnership is a founder member of the cross-industry **Environmental IT Leadership Team**, run in conjunction with the charity Global Action Plan.

# 17.5%

Approximate energy saved by cooling our data centre to 24.5°C rather than 21°C

## Freezing our emissions

Currently, around 16% of our total Partnership carbon footprint comes from the release of refrigerant gases, with Waitrose's refrigeration the biggest source of these emissions. Demonstrating the importance of this issue, we have recently committed to halve the impact of our refrigeration and cooling direct emissions by 2012 compared to 2008 levels, and have begun a three-year programme to achieve this challenging target.

We are introducing sub-metering for refrigeration, as well as lighting and heating, ventilation and air conditioning (HVAC), as standard in our new Waitrose shops. We have also taken the decision not to use high global warming potential hydrofluorocarbon (HFC) gas for refrigeration in all new shops and major refurbishments from 2010 onwards. To achieve this, we have developed, and are implementing, a new refrigeration system that uses a propane-based natural refrigerant, which will cut our carbon footprint by 20%. The first new store to utilise this system, Waitrose Altrincham, opened in October this year.

In addition, our five-year £55 million programme to phase out ozone-depleting hydrochlorofluorocarbon (HCFC) refrigerants by the end of 2009 is on track to be completed on time. This has contributed significantly to improving our shop energy efficiency through the use of more energy-efficient refrigerated cabinets, secondary door curtains fitted on our walk-in coldrooms and night blinds fitted to all chilled cabinets.

## Changes in the pipeline

We are not big users of water, but still recognise the need to actively manage our consumption. Our total water usage has increased by 14% since 2007/08 to just over 1.33 million m<sup>3</sup> in 2008/09. Our shop water consumption is equivalent to 0.13m<sup>3</sup> per square foot trading floor area in John Lewis, and 0.16m<sup>3</sup> in Waitrose in 2008/09. Our target is to achieve a 20% reduction by 2012.

A review of our estate highlighted that only a few of our shops had meters that could be read remotely. In 2009, we made the decision to install additional water meters in all existing shops, allowing accurate, real-time water usage to be reported and used to inform our programme of water-reduction measures. This work is due to be completed in January 2010.

To support our efforts, we have enlisted the help of a number of water specialists who have carried out several shop surveys. Following their recommendations, we are reviewing all taps and water-using equipment and trialling waterless urinals, low-flush cisterns and rainwater harvesting. Additional areas of focus will include ice disposal from fish counters, and Partner and customer catering operations.

# 0.13m<sup>3</sup> / 0.16m<sup>3</sup>

John Lewis/Waitrose water use per sq ft trading floor area in 2008/09

### Further information:

- ➔ Forum for the Future:  
[www.forumforthefuture.org.uk](http://www.forumforthefuture.org.uk)
- ➔ BREEAM:  
[www.breeam.org/retail.html](http://www.breeam.org/retail.html)
- ➔ Considerate Constructors Scheme:  
[www.ccscheme.org.uk](http://www.ccscheme.org.uk)

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## Commitments

- ➔ Apply amended Sustainable Construction Framework to all new builds and refurbishments.
- ➔ Achieve a minimum BREEAM standard of 'Very Good' for all new shops.
- ➔ Increase the use of recycled materials for all projects, and publish benchmarks by end of 2009.
- ➔ Achieve a minimum of 95% building waste recycling on all new building projects in 2010.
- ➔ Register all construction sites under the Considerate Constructors Scheme from 2010.

## Sustainable construction

The Partnership's programme of building, acquisition and refurbishment in 2009 and beyond remains ambitious, despite the challenging retail climate, but will also see a number of different routes to market.

By the end of 2009, Waitrose will have opened 22 new shops, and will also submit a planning application for a shop on the Isle of Wight. A new John Lewis store opened in Cardiff in September, our first John Lewis at home opened in October and a second Foodhall opened in August this year at John Lewis Bluewater. John Lewis and Waitrose will open in Stratford in 2011 and we remain committed to opening John Lewis Sprucefield in Northern Ireland.

These shops will provide a significant opportunity to minimise the environmental impact of our buildings, by ensuring they are all built responsibly and operate sustainably. To achieve this, we are refreshing our Sustainable Construction Framework and are aiming to finalise a new publication by the end of 2009. The framework will continue to be applied to all new construction and refurbishment projects, helping us to define clear objectives and practical steps to improve the planning, design, construction and operation stages of every project.

All projects start with a Sustainability Action Plan, which reflects our sustainable construction policy and principles, details how the building's key impacts will be addressed, and sets performance targets against which the project will be measured. We are also working to improve the sustainability of the interior fittings used in our shops in terms of their recycled content, sourcing, packaging, procurement and delivery to sites.

From 2010, each new construction site will be registered and regularly assessed under the **Considerate Constructors Scheme**. All new shops will also be assessed by the **Building Research Establishment's Environmental Assessment Method (BREEAM)**, a leading benchmark for sustainable design and construction best practice. The minimum BREEAM standard we aim to achieve will be 'Very Good', but a checklist of options will help us work towards an 'Excellent' rating.

## Construction materials and waste

We have a good track record in recycling construction waste and every site has a waste management plan, under which a minimum recycling rate of 95% will be required from 2010. We recycled over 99% of our building waste at our new John Lewis in Cardiff, and our Sustainable Construction Working Group is currently exploring whether 100% is feasible in future years, as well as looking at how to measure a building's recycled material content by volume. The development of targets and research into new measurement tools for all future projects is ongoing. For example, we will also be targeting a reduction in overall waste volumes and are committed to measuring these through 2010 with a view to set rigorous targets for future years. We also plan to measure the carbon emissions of our construction projects in 2010.



### Better building:

During the construction of John Lewis Cardiff, less than 14 tonnes of waste was sent to landfill, and the remainder (99%) was recycled. The recycled waste streams were: wood (557 tonnes), plastic (56 tonnes), cardboard and paper (146 tonnes), metal (47 tonnes), gypsum and plasterboard (129 tonnes) and inert/hardcore material (2373 tonnes).

## Commitments

- ➔ Divert 95% of our operational waste from landfill by 2013.
- ➔ Recycle 75% of both John Lewis waste and Waitrose waste by year-end 2012.

"Partners are recycling more at home and quite rightly expect us to do the same things. The only trouble is that we don't have a local authority coming to our shops free of charge to pick up our recyclables; we have to establish separate arrangements for the treatment of our commercial waste streams. We are working hard at improving our segregation of waste and seeking out the correct recycling route for each waste stream."

Arthur Sayer, Recycling and Waste Manager

## Waste reduction and recycling

The 340 million tonnes of waste produced every year in the UK not only has an environmental impact, such as the generation of methane and the lack of landfill space, but a financial one too. For example, the 29,534 tonnes of waste we were unable to recycle in 2008/09 cost in the region of £3 million to dispose of. For all these reasons, we actively support waste reduction and recycling initiatives within our business, by our customers and throughout our supply chain.

Last year, we diverted 49% of our operational waste from landfill, up from 47%, and recycled just over 28,000 tonnes of waste. This included 307 tonnes of Waitrose food waste (see **Fighting food waste** on page 30). With John Lewis recycling 43% of its waste (up from 39%) and Waitrose 50% (up from 49%), we remain on track to meet our targets (see Commitments).

The business has recycled transit packaging materials such as cardboard and plastic from its shops and distribution centres for more than 20 years, and our shops and head offices also recycle office paper, confidential paper, plastic cups, toner cartridges, glass, magazines, cans and bottles.

In an attempt to maximise opportunities, John Lewis and Waitrose have teamed up on several initiatives. For example, John Lewis vehicles backhaul cardboard and polythene waste from our shops – including Waitrose shops at Rushden and in Scotland – to its Distribution Centre in Northampton, and from June, introduced backhauling of mixed waste paper too. This makes good use of the available lorry space and reduces our dependence on third-party collectors. We are also committed to reducing **construction waste** (see page 28).

## Closing the loop

In February 2009, John Lewis began segregating waste acrylic display material for reprocessing into new plastic products, diverting over 4 tonnes from landfill in the first three months, and we are also starting to reclaim expanded polystyrene – mainly from the packaging around white goods – through Wastecare, the contractor we use for collecting old electrical appliances. A processor then converts it for use in plaswood, which could be used in new Partnership buildings.

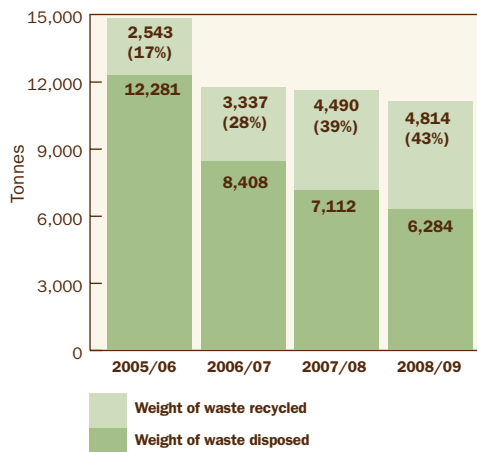
## Waste to burn:

We recognise that 'energy from waste' solutions will need to be employed to deal with the proportion of general waste that cannot currently be recycled. Modern incineration plants are emerging that have the capability of creating energy with minimal impact. Waitrose plans to send non-recyclable waste from its head office in Bracknell to the first purpose-built 'energy from waste' incineration facility, due to be commissioned in autumn 2009.

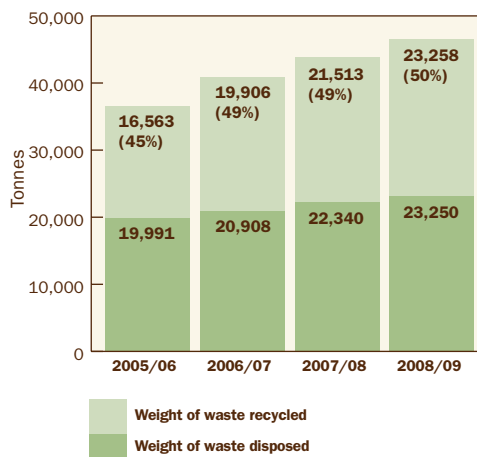


## Waste generation

### John Lewis



### Waitrose



### Further information:

- Local waste management and recycling:  
[www.recycle-more.co.uk](http://www.recycle-more.co.uk)  
[www.recyclenow.com](http://www.recyclenow.com)



### In this report:

- Carrier bags:  
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## Fighting food waste

We continue to support the **Waste and Resources Action Programme** (WRAP) in its commitment to reduce food waste in the UK by 155,000 tonnes by March 2010 (against 2008 levels). To help customers to avoid wasting food, Waitrose puts recommended serving sizes or number of servings on packaging where possible, is making 'use by', 'best before' and 'display until' date codes more prominent, and is increasing awareness through publications, leaflets and [waitrose.com](http://waitrose.com). We support WRAP's **Love Food Hate Waste** campaign and Waitrose also has an agreement with food charity FareShare that allows them to acquire and distribute surplus own-brand food in our supply chain to good causes, and through a similar deal, Company Shop can also now purchase surplus food from suppliers for onward discount retailing in staff shops.

As part of our efforts, 50 Waitrose shops now send their food waste to an anaerobic plant in Bedford. Here, it is mixed with pig slurry; the methane created is turned into 'green' energy, and the residue is used to make a high-nutrient fertiliser. Last year, 307 tonnes of waste were diverted from landfill through this trial scheme, which was extended to Peter Jones in 2009. However, the large-scale expansion of such a scheme is restricted by the current lack of anaerobic digestion facilities in the country, so we are also exploring trialling on-site aerobic digestion of food waste from John Lewis Cambridge.

## Encouraging customers

We look for ways to help customers do their bit too. We clearly identify the materials used in our own-brand packaging, to aid recycling, provide recycling points for clothing, glass and paper in our car parks, where space permits, and encourage customers to reuse and recycle plastic bags or switch to more sustainable alternatives (see Hot topic: carrier bags on page 31).

As a retailer and a producer of own-brand electrical products, we fulfil our obligations under the UK's Waste Electrical and Electronic Equipment (WEEE) Regulations by contributing to the **Distributor Take Back Scheme** (DTS), which helps to fund local recycling facilities for electrical items enabling people to recycle old appliances at sites across the UK free of charge. We will also be introducing battery recycling points, which will be a legal requirement for retailers of batteries from February 2010, to support the UK Government's target to achieve a recycling rate of 25% of all household batteries by 2012.

# 61.4 MWh

Green energy generated from food waste through anaerobic digestion in 2008/09



### All set for handsets:

All John Lewis and Waitrose Food and Home shops offer mobile phone recycling. For each handset, customers receive a gift voucher, while £1 is donated to John Lewis's Charity of the Year, or customers can opt to donate all the money. £8,250 was raised for John Lewis's 2008/09 Charity of the Year, Wallace and Gromit's Children's Foundation. (See page 19 for more on this year's **Charity of the Year**.)



### New scheme beds down:

In 2008, John Lewis introduced a recycling scheme for mattresses and divan sets, where the metal, wood, foam and fabric components are separated and recycled at a shredding plant in Nottingham, and has recently begun trials at Cribbs Causeway and Milton Keynes to recycle carpet waste.

### Further information:

- ➔ Courtauld Commitment: [www.wrap.org.uk/courtauld](http://www.wrap.org.uk/courtauld)
- ➔ On-pack recycling label scheme: [www.onpackrecyclinglabel.org.uk](http://www.onpackrecyclinglabel.org.uk)
- ➔ Industry Council for Packaging and the Environment (INCPEN): [www.incpen.org](http://www.incpen.org)

## Packaging

Packaging is essential for the integrity and safety of our products, but too much packaging has both environmental and financial costs. We remain committed to minimising the amount of packaging we use – 147,508 tonnes in 2008/09 – and exploring the viability of new materials.

Under the terms of the Packaging Waste Regulations, we are obliged to recover and recycle up to 80% of our product packaging, depending on the material. We support this legislation, and contribute over £1 million a year towards a recycling compliance scheme that invests in domestic collections and public recycling centres.

**John Lewis** is actively working to reduce own-brand packaging across its assortment by using the least amount of the most appropriate packaging material in every case. We have delivered more than 50 examples of lightweighting so far and will continue to do so. We are also replacing unrecyclable plastic packaging with more environmentally responsible options including cardboard where appropriate. For example, in men's accessories, we have developed new packaging formats for bow ties and cravats which will remove an estimated 0.43 tonnes of packaging per year, as well as provide a cardboard-only solution.

Along with WRAP and other major UK food companies, **Waitrose** is a signatory to the Courtauld Commitment, whose first target – zero packaging growth by the end of 2008 – has been achieved. We have reduced the weight of our packaging by 13% since 2007/08, and remain committed to eliminating unnecessary packaging and developing new recycled, recyclable and lightweight solutions, including smoked salmon packaging which has been reduced by 50%, the removal of labels on own-brand egg boxes (saving 35 tonnes of packaging a year) and wine bottles made from 60% recycled glass that deliver a 30% reduction in weight. The launch of 'essential Waitrose' saw the introduction of a number of lines with reduced packaging.

Keen to build on the success of the existing Courtauld Commitment, WRAP is engaging with key stakeholders, including existing signatories, to develop a post-2010 Courtauld Agreement. This agreement looks to move beyond simply reporting reductions in the weight of packaging and recognise its full environmental impact. This will demonstrate packaging optimisation by accounting for other environmental improvements such as increasing the use of recycled content and increased recyclability.

Working with WRAP, the **British Retail Consortium** and other leading retailers, we developed a standard on-pack recycling labelling scheme for packaging, launched in 2008 and to be applied to all John Lewis and Waitrose own-brand product packaging by the end of 2009. The initiative replaces the previous range of recycling symbols and messages with a single RecycleNow logo and an icon to indicate the recyclability of the packaging.

## Commitments

### Waitrose:

- ➔ Reduce own-brand packaging by 2013 on a like-for-like basis, compared with 2005, and work with suppliers to encourage similar reductions.
- ➔ Apply packaging recyclability labelling to own-brand products by year-end 2009.
- ➔ Achieve a 50% reduction in the number of single-use carriers taken by customers by spring 2009 (target met, see below).

### John Lewis:

- ➔ Reduce own-brand packaging on a like-for-like basis, delivering 50 new examples of 'light weighting' per year.
- ➔ Ensure all paper and card own-brand packaging can be recycled and is made from a recycled or sustainable source.
- ➔ Reduce the use of own-brand plastic packaging material and eliminate the use of non-recyclable\* plastics.
- ➔ Apply packaging recyclability labelling to all new own-brand products by year-end 2009.

\* as defined by [on-pack recycling label scheme](#)

## Hot topic: carrier bags



In December 2008, the UK Government, British Retail Consortium (BRC) and leading supermarkets agreed to a 50% cut in the number of single-use carrier bags given out to customers by spring 2009, measured against a 2006 baseline, in a bid to radically reduce the consumption of single-use carrier bags. Although retailers gave away 420 million fewer single-use carrier bags in May 2009 than May 2006, a reduction of 48%, plastic bags are still a hot topic, and we remain committed to continuing to reduce their use and environmental impact.

Through promoting our Bag for Life and other reusable bags, Partner training and prominent communications encouraging customers to reuse their existing bags, Waitrose has reduced single-use carrier bag usage by 50% in May 2009 compared to May 2006. Waitrose Dorchester has gone one step further and is trialling bagless deliveries through its WaitroseDeliver service. John Lewis has also made progress, reducing carrier bag usage by 6% by providing a variety of reusable bags and introducing a reusable Bag for Life in all shops. We have also introduced standard plastic bags made from 95% recycled material.



## Working with others

To help us on our CSR journey and support the delivery of our CSR commitments, we continue to work with a wide range of organisations to develop strategic partnerships and alliances, lend our support to independent initiatives and campaigns, or use their help to establish our own initiatives.

For example, we undertook an external benchmarking exercise using the 'Leadership Matrix' developed by sustainable development charity **Forum for the Future**. This confirmed our leadership position in a number of areas such as products and services, supplier relations and community, but also identified opportunities for improvement in the areas of governance, embedding CSR in the business and environmental performance. We have also worked with Forum for the Future to more fully assess the extent of our **indirect transport impacts** (see page 26) and in devising and improving our **Sustainable Construction Framework** (page 28).

The issue of global climate change is one obvious issue where effective solutions cannot be found in isolation. To help to drive the agenda forward, we participate in collaborative initiatives with key organisations. For example, we are:

- a member of the **Corporate Leaders Group on Climate Change**, which supports governmental frameworks for reducing the UK's carbon emissions
- one of the **London Development Agency's Green500**, which are committed to reducing carbon emissions by 60% by 2025
- a signatory to the **British Retail Consortium's** Climate Change Initiative, 'A Better Retailing Climate', which includes commitments to reduce a number of environmental impacts, including energy and resource use, transport emissions, waste and packaging
- one of several retailers on the **Retail Energy Forum**, which shares best practice on energy efficiency and the built environment.

Senior leaders across our business have also taken on leading advocacy roles to make progress in areas of importance to our business. They include:

### Charlie Mayfield

Partnership Chairman, who, in March 2009, became the Chairman of Business in the Community's Business Action on Economic Renewal leadership team (see page 22). Then, in April 2009, Charlie joined other major retailers in launching the **National Skills Academy for Retail**, which will support better training in the retail industry by developing a national network of walk-in skills shops. He is also a commissioner of the **UK Commission on Employment and Skills (UKCES)**. The Commission, formally launched in April 2008, aims to benefit employers, individuals and Government by advising how improved employment and skills systems can help the UK become a world-class leader in productivity, in employment and in having a fair and inclusive society.

### Andy Street

Managing Director of John Lewis, is a Board Director of **London First**. London First works on behalf of the capital's leading employers to make London the best city in the world in which to do business. Its priorities include transport, employment and skills, and planning and development.

### Mark Price

Managing Director of Waitrose, now chairs The Prince's Rural Action Programme, a **Business in the Community (BITC)** initiative designed to engage businesses to sustain the rural economy, protect the environment and protect our cultural heritage and landscape through the way in which they do business.

### David Jones

Divisional Registrar for John Lewis, sits on BITC's Marketplace Leadership Team, and helps to guide its work on the marketplace which covers issues related to suppliers, customers, products and services, and business integrity – for example one area of work is responsible marketing.

### Jeremy Collins

Head of Retail Development at John Lewis, represents the Partnership on the **British Council of Shopping Centres (BCSC)**, who have joined property developers, shopping centre owners and other retailers together in signing up to the BCSC's Sustainability Charter, which outlines commitments designed to address the energy, waste, water and community impacts of shopping centres.

# Engaging with our stakeholders

We believe that being a responsible retailer means respecting the interests of all our stakeholders. This involves listening and actively responding to their concerns and acting on their behalf, as well as being honest in our expectations and intentions and reporting our performance fairly. Understanding the interests of our stakeholders helps inform our thinking and feeds into our CSR risk and opportunity assessment, which in turn shapes our CSR vision, programmes and commitments. Below, we outline some of the ways we actively involve our key stakeholders.

## Partners

### WHY WE ENGAGE

Because our Partners are all owners of the business and share in its success, they get to have a say in how the business is run, as well as an equal percentage share in its profits.

Giving our Partners a 'voice' is central to the principles of co-ownership and we engage the views and opinions of our Partners through a number of key channels.

Our Partners also have an 'external voice' through their vital role as advocates for our business and all that we do.

### HOW WE ENGAGE

- Conduct an annual Partner Survey
- Hold AGMs and other meetings to foster loyalty and understanding
- Provide printed publications, including letters pages in *the Gazette* and *the Chronicle*, hold regular roadshows and presentations, including video presentations by the Chairman and Managing Directors and provide online communication tools – such as the 'Ask Mark' (Mark Price) section on our intranet
- Through Councils, forums and committees at local, divisional and Partnership level
- CSR governance groups

### OUTCOMES

90% of Partners responded to the 2009 Partner survey. Following this, individual branches are looking at what the scores are saying and are working to understand what actions can be taken at a local level as well as what can be fed into our divisional and Partnership Councils.

2010 will see the launch of a revised Partner survey to reflect the new Partner Strategy **Commitments** (see page 15). A number of Partner focus groups have been held, as well as invaluable feedback gained from the Partnership Council to ensure the revised survey is easy to understand and resonates with Partners.

Questions raised by our Partnership Council have focused on our work to reduce carrier bags and how we collaborate on CSR across our business. Our Partners are also keen to understand what tangible action they need to take to support our CSR commitments and how we can arm them better to respond to customer enquiries on sustainability issues. We will be addressing these points in 2010.

Our letters pages in *the Gazette* and other internal magazines continue to provide a means for Partners to express any view on the Partnership. These are a keystone of the Partnership's open culture, playing a vital role in keeping Partners informed as co-owners of the business and in holding management to account. Letters are handled in a way unique to the Partnership, allowing Partners greater freedom of expression than would generally be permitted elsewhere.

## Customers

### WHY WE ENGAGE

We aim to deal honestly with our customers and secure their loyalty and trust by providing outstanding choice, value and service. We want to hear what our customers think and how we can do things better. Only by gathering feedback on our performance can we maintain and raise our standards of customer service and keep our customers satisfied.

### HOW WE ENGAGE

- Focus groups
- Customer satisfaction and opinion research and surveys
- Feedback through customer service teams and online feedback forms
- Customer forums on [waitrose.com](http://waitrose.com)

### OUTCOMES

Focus groups have told us that the issues that matter most to our customers are reducing packaging, improving the nutritional value of food and responsible sourcing, both in terms of the standards in the supply chain and the sustainability of our products.

We are already making good progress in these areas. We communicate our policies and positions via customer-facing websites, magazines and other instore point-of-sale material, as well as through our Partners. We are working with our marketing teams to further develop our customer communications.

## Suppliers

WHY WE ENGAGE	HOW WE ENGAGE	OUTCOMES
<p>Our relationships with our suppliers are based on honesty, fairness, courtesy and prompt attention. Our aim is to build lasting relationships with suppliers.</p> <p>We have always recognised that our responsibility to them extends to their employees and suppliers. We are committed to working with our suppliers to help them build sustainable businesses, commercially, ethically and environmentally, and provide long-term, satisfying employment.</p>	<ul style="list-style-type: none"> <li>• Supplier conferences, forums and workshops</li> <li>• Day-to-day communications between suppliers and our buying teams and technologists</li> <li>• Supplier Working Groups</li> <li>• Partnered projects</li> <li>• Waitrose 'Meet the Buyer' and 'Meet the Farmer' events</li> <li>• Dedicated supplier online data-exchanges and specific initiatives such as our responsible sourcing programme</li> </ul>	<p>In 2008, we ran a supplier workshop with Business in the Community as part of their Plough to Plate project. Focus areas for this discussion were raising awareness of where food comes from and supplier-retailer collaboration to reduce environmental impact.</p> <p>Partnered projects include Waitrose working with fresh produce suppliers to assess carbon in the supply chain as well as working with LEAF to use the LEAF Marque at a global level, and John Lewis working to understand the cotton supply chain and how it impacts those working within it.</p> <p>We have developed an online <b>e-learning tool</b> on ethical sourcing as well as a workbook to support UK growers. Both these projects aim to help suppliers better understand the elements of our Responsible Sourcing Code of Practice. In 2009, John Lewis held a Supplier Timber Day with furniture suppliers to communicate its ambition and for suppliers and buyers to discuss targets for the future proportion of indoor furniture ranges to be FSC-certified.</p> <p>To promote awareness of our suppliers internally and externally we publish supplier feature articles in <i>the Gazette</i> and <b>JLP e-zine</b>. Suppliers also play a key role at the annual Waitrose Spring Food Festival.</p>

CSR OVERVIEW

OUR CUSTOMERS, PRODUCTS AND SUPPLIERS

OUR PEOPLE

## Government, local authorities and regulators

WHY WE ENGAGE	HOW WE ENGAGE	OUTCOMES
<p>As a responsible company we aim to meet the spirit as well as the letter of the law. We engage with governments and regulators to raise awareness of the nature and uniqueness of our business and to provide a considered view on issues that impact our business, particularly those that may affect our Partners, our customers and the communities in which we operate.</p>	<ul style="list-style-type: none"> <li>• Government consultations, Select Committee sessions and meetings</li> <li>• Engage in regular dialogue with policy makers on key issues affecting our Partners, our customers and the communities in which we operate</li> <li>• Sit on various business leader forums and policy advisory groups</li> <li>• Work with trade associations such as British Retail Consortium (BRC) and Scottish Retail Consortium (SRC) and other industry groups</li> <li>• Work closely with local authorities during the planning and construction of all our new builds</li> <li>• Work closely with regulators such as the Environment Agency and the Health &amp; Safety Executive to make sure that the Partnership operates in compliance with the law</li> </ul>	<p>Representatives from the Partnership provided evidence at a number of Government Select Committees covering waste, health, farming and town centres first policy.</p> <p>We responded directly or through the BRC and its Scottish counterpart the SRC to government consultations covering issues such as carrier bags, packaging and waste.</p> <p>We are active on a number of business leaders forums and government policy advisory groups, including the Climate Change Leaders Group, the BRC and the Retail Energy Forum.</p> <p>We have worked on industry initiatives such as the BRC's A Better Retailing Climate initiative, launched in April 2008. This sets out the retail industry's collective environmental ambitions. We have also been signatories to two voluntary agreements aimed at reducing the number and environmental impact of single-use carrier bags.</p> <p>Our Corporate Communications team has introduced an <b>online parliamentary e-newsletter</b> for MPs on areas of government policy. This has included regular updates on our responsible business practices.</p>

OUR COMMUNITIES

OUR ENVIRONMENT

## NGOs, campaign groups and consumer associations

WHY WE ENGAGE	HOW WE ENGAGE	OUTCOMES
<p>We recognise the benefits and importance of proactively engaging with NGOs to understand their views on a broad range of issues.</p> <p>We continue to work proactively with non-governmental organisations and consumer associations by entering into constructive engagement on campaign issues that we believe should be supported or that are relevant to our business.</p>	<ul style="list-style-type: none"> <li>• Meetings</li> <li>• Collaboration on joint projects</li> <li>• Surveys and research</li> <li>• Information requests about our performance</li> </ul>	<p>We have ongoing partnerships with a wide range of organisations such as the Marine Conservation Society, Farming and Wildlife Advisory Group, Wildcare, LEAF and the Prince's Rainforests Project.</p> <p>We have responded to a number of NGO surveys and benchmarks covering issues such as refrigeration, beef sourcing and palm oil.</p>

OUR STAKEHOLDER ENGAGEMENT

OUR PERFORMANCE

# Our performance against key commitments

Commitments and targets are at a Partnership level unless otherwise stated.

	COMMITMENTS AND TARGETS	STATUS	PROGRESS MADE DURING 2008/09	MORE INFO ON PAGE
	<b>OUR PRODUCTS AND SUPPLIERS</b>			
CSR OVERVIEW	All own-brand supplier sites to register on Sedex and complete self-assessment; independently audit high-priority suppliers	Waitrose: Met  John Lewis: Ongoing compliance and continuous improvement programme underway	Waitrose: 914 suppliers (96%) registered on Sedex; 92% completed self-assessments; 305 sites sharing audit reports via Sedex, all priority suppliers audited. John Lewis: 1,065 suppliers (70%) registered on Sedex; 50% completed self-assessments; 700 sites sharing audit report via Sedex	13
OUR CUSTOMERS, PRODUCTS AND SUPPLIERS	Pre-agree terms of payment; pay promptly and fairly	Met – ongoing	Payment terms included in standard terms and conditions; Partnership signed Government's prompt payment code; Waitrose milk price pledge to dairy farmers and premium paid to British pig farmers; both Waitrose and John Lewis support Fairtrade products	13–14
OUR PEOPLE	<b>Waitrose:</b> We are committed to nurture and develop smaller suppliers and strengthen relationships within the community	Ongoing	465 producers supplying 2,150 local and regional lines; 155 shops with dedicated regional display areas for produce	8
	<b>Waitrose:</b> To supply the best-quality produce in season, and when sourcing worldwide fruits, vegetables and flowers aim to minimise environmental impact by working to achieve LEAF	Ongoing	Overseas growers starting to achieve LEAF Marque certification; DFID grant supporting LEAF roll-out in sub-Saharan Africa	9
	<b>Waitrose:</b> Maintain industry leading standards on animal welfare	Ongoing	'Best of British' campaign; 1,900 Waitrose producers signed up to FWAG, 'time to slaughter' journey times fall well within current EU legislative requirements, focus on livestock supplied from within the UK	9
OUR COMMUNITIES	<b>Waitrose:</b> We are committed to continue to only source fish from sustainable wild sources and responsibly farmed aquaculture	Ongoing	Sponsored UK release of film <i>The End of the Line</i> ; named Seafood Multiple Retailer of the Year at the Seafood Awards 2009 by industry body Seafish	10
	<b>Waitrose:</b> Work with suppliers on healthier everyday products	Ongoing	Waitrose has met many of the FSA targets including salt reduction and saturated fat content; provided guidance on portion control; launched gluten-free range in March 2009; Waitrose products no longer made with artificial colours; on-pack FSA 'traffic light' labelling on over 1,000 products	10
OUR ENVIRONMENT	<b>Waitrose:</b> Adopt a clear black and white label format for nutrition messages on front of pack throughout 2008	Met	Continued roll-out of health and wellbeing design style including on new essential Waitrose range and customer leaflets	10
	<b>Waitrose:</b> Continue to expand the Nutrition Advice service to meet demand for nutrition and health information	Ongoing	Continued increase in number of enquiries. PartnerHealth scheme launched and promoted internally. Enhanced nutrition information available to head office Partners to help facilitate responses to customer enquiries	10
OUR STAKEHOLDER ENGAGEMENT	<b>Waitrose:</b> Remove all artificial colours from own-brand products by the end of April 2009	Met	Products no longer manufactured with artificial colours. New policy published to supply base	10
	<b>Waitrose:</b> Support the Roundtable on Sustainable Palm Oil (RSPO); develop a sustainable palm oil strategy	Ongoing	Continue to support the Roundtable; members of a retailer palm oil work group which works together with a retailer representative who sits on the RSPO executive board. Investigating 'Green Palm' for trial use in a sample of Waitrose own-brand products; aspire to use 100% certified sustainable palm oil in own-brand products by 2015	10
OUR PERFORMANCE	<b>Waitrose:</b> Continue to support Fairtrade products through Fairtrade fortnight and in store promotions, including dedicated point-of-sale materials and Fairtrade farmer stories	Met – ongoing	We met our 2008 target to double the sales of Fairtrade food products and in 2009 again supported Fairtrade Fortnight with strong promotional activity and point-of-sale information. Worked to forge stronger links with Fairtrade Foundation; Mark Price (Waitrose Managing Director) visited Rwanda to witness first hand how beneficial the work of Fairtrade is	14

COMMITMENTS AND TARGETS	STATUS	PROGRESS MADE DURING 2008/09	MORE INFO ON PAGE
<b>OUR PRODUCTS AND SUPPLIERS CONTINUED</b>			
<b>John Lewis:</b> Continue to support Fairtrade products	Met	£1.1 million sales during Fairtrade Fortnight 2009 (11% uplift on pre-promotion sales); 120 Fairtrade lines available New target: In 2010, double the number of Fairtrade lines in both existing and new categories	14
<b>John Lewis:</b> All outdoor furniture to be FSC-certified for 2010 season; extend timber sourcing policy to all wood-based furniture and non-furniture products	On track	83% outdoor furniture FSC-certified in 2009; 4% of indoor furniture FSC-certified New target: By 2012, 30% of our indoor furniture ranges will be FSC-certified and a further 20% will be either actively progressing towards FSC certification or certified by other schemes	12
<b>John Lewis:</b> Continue to ensure 95% of domestic large electrical appliances are A rated or above	Met – ongoing	100% of domestic large electrical appliances A or A+ rated	11
<b>John Lewis:</b> Offer credible assortment of products that enable customers to lead a more energy-efficient lifestyle	Met	Wide range of products made from recycled or organic materials on offer, as well as Fairtrade and energy-efficient products. Products highlighted via 'Make a difference' promotion New target: In 2010, increase, by at least 50%, lines in the following categories: organic, sustainable lifestyle, sustainable raw materials and recycled	11–12
Phase out sale of incandescent light bulbs by 2012	On track	Voluntary agreement with Defra; incandescent 75–100W bulbs phased out; 90 energy-efficient bulbs available at John Lewis	12
<b>OUR PEOPLE</b>			
Expand diversity awareness training for managers	Met	Launched diversity toolkit which provides Partners with practical advice and information on a range of diversity issues	16
Continue to increase average Partner survey score	Met	60,000 Partners (90%) responded to the 2009 survey; average score rose slightly; 169 shops (69%) matched or exceeded the target score	17
Aim to achieve an upper quartile score on percentage of Partners who agree/strongly agree for each question in the Partner survey	New target	We will use external benchmarking to measure our progress and performance	17
<b>OUR COMMUNITIES</b>			
Contribute at least 1% of pre-tax profits to charitable and community initiatives	Met	£7.5 million (1.85% of pre-tax profits) contributed	19
Provide support to overseas disasters through the British Red Cross	Met	£50,000 donation made	19
Increase participation in Golden Jubilee Trust volunteering programme	Met	23,618 hours donated, highest ever annual figure (5% increase on 2007/08)	20
Roll out Partners in Sport (PinS) scheme	Met – ongoing	PinS initiatives rolled out since October 2008; Partners being trained as sports coaches; high-potential athletes getting support towards 2012 Olympics; participation in physical activity being encouraged	18
<b>Waitrose:</b> Measure impacts of Waitrose Foundation; increase product range; extend geographical range; promote achievements	Met	Further £700,000 raised in 2008/09; 100 projects involving 16,000 people in South Africa; rolled out to Ghana and Kenya; product range expanded to 100 products; communications include customer leaflets, waitrose.com info and blog by placement student	14

COMMITMENTS AND TARGETS	STATUS	PROGRESS MADE DURING 2008/09	MORE INFO ON PAGE
<b>OUR ENVIRONMENT</b>			
<b>Carbon:</b> We are committed to looking for absolute changes in our overall CO <sub>2</sub> equivalent emissions despite the fact that we are a growing business. We are working through what needs to be done to deliver this commitment	New commitment	In 2008/09 we made further progress against our previous target – to reduce CO <sub>2</sub> emissions by 10% by 2010, 20% by 2020 and 60% by 2050 (2001 baseline, relative to £million sales). Our emissions were 73 tonnes CO <sub>2</sub> e emissions per £million sales (27% reduction against 2001)	23
<b>Energy:</b> Source all electricity from green sources and consider all forms of renewable energy for our shops and head offices	Met	100% electricity from green sources through our energy supplier. We continue to explore opportunities for generating renewable energy at our stores	25
<b>Energy:</b> Improve shop energy efficiency by 20% by 2010 (kWh per sq ft trading floor area, 2003 baseline)	On track	Reduction in shop energy efficiency in: Waitrose: 19%; John Lewis: 17% against baseline	25
<b>Transport:</b> 15% reduction in energy-related transport CO <sub>2</sub> e emissions from deliveries by 2013, relative to £million sales (2005 baseline)	On track	61,257 tonnes of CO <sub>2</sub> e emissions produced; 7% improvement in CO <sub>2</sub> e tonnes per £million sales	26
<b>Refrigeration:</b> Halve the impact of our refrigeration and cooling direct emissions (CO <sub>2</sub> e emissions tonnes) by 2012 (baseline 2008)	New target	Leakage reduction programme introduced; new refrigeration technology implemented in Waitrose Altrincham (opened October 2009), which will be used in all new/refurbished Waitrose shops. In final year of our previous commitment to deliver a five-year £55 million refrigeration investment programme to replace equipment and improve efficiency	27
<b>Water:</b> Reduce shop water use by 20% per trading square foot by 2012 (2008 baseline)	New target	Target baseline data: John Lewis 0.13m <sup>3</sup> per square foot trading floor area, Waitrose 0.16m <sup>3</sup> per square foot trading floor area. John Lewis achieved a 7% reduction against 2008/09, Waitrose saw a 15% increase.	27
<b>Sustainable construction:</b> Apply Sustainable Construction Framework (including sustainable interiors – fixtures and fittings framework) to all new builds; achieve minimum BREEAM standard of 'Very Good' (with a menu of options to be considered on each project to take us to 'Excellent')	On track	Framework applied to all new builds and refurbishments; 100% build achieved required BREEAM standard	28
<b>Sustainable construction:</b> Increase the use of recycled materials in all projects	Work in progress	2009 has seen us carry out work to understand our current materials specifications and what options are available with greater recycled content. Recycled content of key materials used on all projects will be measured in 2009/10 to enable us to commit to targets for future years	28
<b>Sustainable construction:</b> Achieve a minimum of 95% building waste recycling on all new building projects in 2010	Revised target – on track	99%+ building waste recycling at John Lewis Cardiff; also targeting a reduction in waste volume, we are committed to measure volumes in 2010 to enable rigorous target setting; less than 6.5 tonnes of waste per 100m <sup>2</sup> on the first project to be measured	28
<b>Waste:</b> Divert 95% of our waste from landfill by 2013; recycle 75% waste by year-end 2012	New and revised targets	49% Partnership waste diverted from landfill via recycling solutions (Waitrose: 50%; John Lewis: 43%)	29
<b>Waste – Waitrose:</b> Help WRAP to reduce UK food waste by 155,000 tonnes by March 2010 (2008 baseline)	On track	Initiatives: portion size leaflet; review of portion sizes; recommended serving size/servings per pack; greater prominence to date codes; customer information	30
<b>Packaging – Waitrose:</b> Reduce own-brand packaging by 2013 (2005 baseline)	Progress underway	124,598 tonnes of packaging produced; 13% reduction against 2007/08	31
<b>Packaging – Waitrose:</b> Apply on-pack recyclability labelling to own-brand products by year-end 2009	On track	Being applied when lines introduced or redesigned, approximately half our own-brand assortment carries this labelling	31
<b>Carrier bags – Waitrose:</b> 50% reduction in single-use carrier bags by spring 2009 (2006 baseline)	Met	Waitrose delivered a 50% reduction. This target superseded our previous commitment to reduce the environmental impact of carrier bags by 25% by year-end 2008, which was also met. Waitrose also met its target to increase the recycled material in carrier bags (now 33% recycled material)	31

COMMITMENTS AND TARGETS	STATUS	PROGRESS MADE DURING 2008/09	MORE INFO ON PAGE
<b>OUR ENVIRONMENT CONTINUED</b>			
<b>Packaging – John Lewis:</b> Reduce use of own-brand plastic packaging material and eliminate the use of non-recyclable plastics (as defined by the <b>on-pack recyclability labelling scheme</b> )	Progress underway	For example, the majority of our core own-brand bed linen lines were previously packaged in PVC bags but we have now introduced a new special polythene blend which is lighter and more recyclable (where facilities exist)	31
<b>Packaging – John Lewis:</b> Reduce own-brand packaging on a like-for-like basis, delivering 50 new examples of 'light weighting' per year	Met and exceeded	Working with suppliers, we have reduced the amount of packaging in areas such as toys, linens, men's accessories and cookshop. We are working on areas such as mirrors, lighting, clothes care and cleaning, and nursery	31
<b>Packaging – John Lewis:</b> Apply on-pack recyclability labelling to own-brand products by year-end 2009	Met	Applied to all own-brand packaging and new lines	31
<b>Packaging – John Lewis:</b> Ensure all paper and card own-brand packaging can be recycled and is made from a recycled or sustainable source	Progress underway	We have specified to all our suppliers that all paper and card packaging must be either from a sustainable source, such as FSC-certified material, or made from recycled material with a high recycled content. We ensure that this paper and card is recyclable under the on-pack recycling label scheme	31

CSR OVERVIEW

OUR CUSTOMERS, PRODUCTS AND SUPPLIERS

OUR PEOPLE

OUR COMMUNITIES

OUR ENVIRONMENT

OUR STAKEHOLDER ENGAGEMENT

OUR PERFORMANCE

## Scope and boundary of this report

Our CSR reporting focuses on those areas of our business where we have operational control including:

- John Lewis and John Lewis at home stores
- Johnlewis.com
- Greenbee offices (excludes third-party providers)
- Head offices, Partnership holiday centres and Sir Bernard Miller conference centre
- Herbert Parkinson
- Leckford Estate
- Owned and operated distribution and warehousing operations, unless otherwise stated
- Waitrose stores (including market-town format and convenience stores)
- Waitrose.com including WaitroseDeliver

Increasingly the Partnership is exploring other routes to market for our products and services by working with other businesses such as Waitrose Welcome Break stores and stores operated in Dubai by Fine Fare Food Market LLC (see **Branching Out** page 4). These are excluded from our CSR reporting boundary and KPIs. However, we are committed to working with business partners whose values align with, and are supportive of, our own principles and values.

# *John Lewis Partnership*

## Acknowledgements

We would like to thank all our Partners for showing a keen interest in our approach to CSR, and 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](http://www.johnlewispartnership.co.uk/ourresponsibilities)

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