

John Lewis Partnership

A clear view

CORPORATE SOCIAL RESPONSIBILITY REPORT 2011



John Lewis | Waitrose



CONTENTS

Introduction

What makes us different?	1
Chairman's statement	2
Our progress	3
Our performance summary	4

Our people P6

Our people

Co-ownership: a common purpose	7
Our Partner Strategy	7
Engaging with our Partners	8
Helping Partners be the best they can be	9
Inspiring leadership	9
Rewarding performance	10
Embracing diversity	11



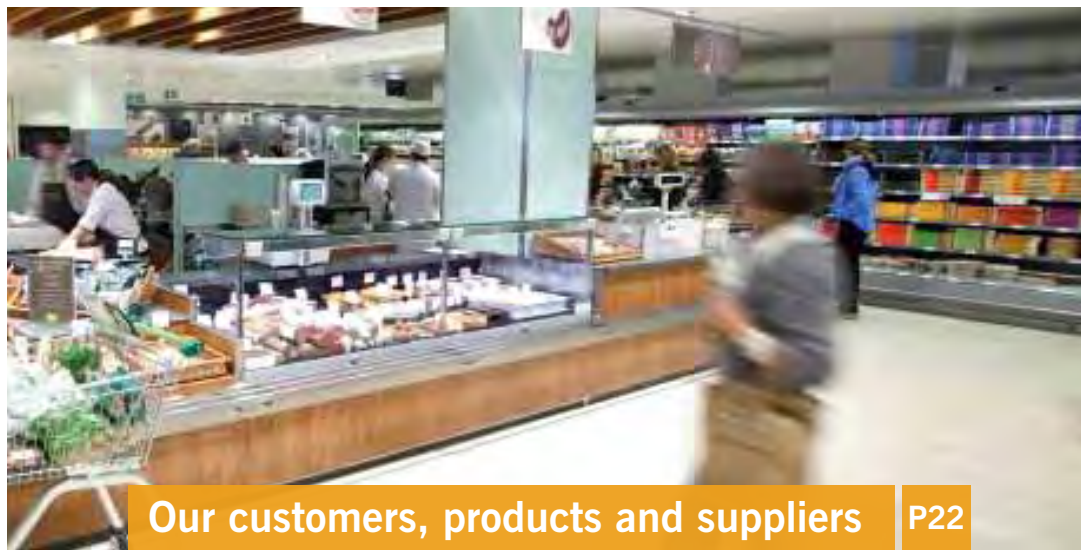
Our environment P12

Our environment

Climate change	13
Transport and distribution	15
Energy	16
Refrigeration	17
Water use	17
Responsible development	18
The natural environment	19
Packaging, waste and recycling	19

Our customers, products and suppliers

Our customers	23
John Lewis: Bringing Quality to Life	24
The Waitrose way	26
Trading responsibly	29



Our customers, products and suppliers P22

Our communities

A strategic review	31
Community investment	32
Getting Partners involved	33
Local investment	33

CSR overview

About this report	34
Governance and risk management	34
Our material issues	35
Assurance and independent recognition	35
Our stakeholder engagement	36
Collaboration and influence	37
GRI index	38



Our communities P30



76,500

employees, called Partners*



£369.7m

profit before Partnership bonus and tax in 2010/11



18%

of annual salary paid as a bonus to Partners in March 2011

What makes us different?

We are one of the UK's leading retail businesses. But our business is different – our values and our culture set us apart.

The John Lewis Partnership is the largest employee-owned company in the UK, and as such, our 76,500* Partners effectively own the business. They share both the responsibilities and the rewards of co-ownership, and their commitment has underpinned our growth and success for over 80 years.

As a business, we are commercial and competitive. As a Partnership, we are also democratic. Our Partners have a voice, our profits are shared and there is a genuine sense of pride in taking individual responsibility for our collective success.

Our commitment to CSR

Corporate social responsibility (CSR) has always been part of the way we do business. Our commitment to acting responsibly is strengthened by our values of respect, honesty and fairness; by sharing the rewards and responsibilities of ownership; and by conducting our business with integrity and courtesy. Our founder's ideals, set out in our [Constitution](#), are the inspiration behind our approach.



Read more about our approach to CSR in [CSR overview](#)

Our Partnership-wide CSR commitments

Our people

- Provide worthwhile and satisfying employment in a successful business.
- Create real opportunities for Partners to live sustainably.

Our environment

- Deliver a 15% absolute reduction in our operational carbon footprint by 2020/21.
- Deliver excellence in environmental practice across our business.

Our customers, products and suppliers

- Create sustainable supply chains through supplier partnerships based on honesty, fairness and respect.
- Ensure that sustainability, as well as quality, characterises the products and services we sell.
- Bring sustainability to the heart of our customer communications to help to promote sustainable choices.

Our communities

- Create sustainable communities where we do business.

Our business

Waitrose: 259* shops and an online shop, [waitrose.com](#) and a cookery school

John Lewis: 28* department stores; four* John Lewis 'at home' shops; a John Lewis Home outlet in Swindon; an online store, [JohnLewis.com](#); and an online provider of life and general insurance, [johnlewis-insurance.com](#) and [broadband internet access and telephone services](#)

Partnership Services: shared services division. Consisting currently of Financial Processing and Procurement, but soon to encompass other support functions. Delivers a joint governance framework for the entire company, meeting the needs of Partners through simple and efficient services and processes

Herbert Parkinson: manufacturing business in Lancashire producing furnishings and fabrics for John Lewis

Leckford Estate: 4,000-acre estate including a farm, plant nursery and water garden

Corporate: sets Partnership-wide strategy, policy and governance. Also provides some shared services to support the trading divisions.

*as at July 2011.

Chairman's statement

Key figures

AVERAGE NUMBER OF EMPLOYEES

2010/11	74,800
2009/10	70,000
2008/09	68,000

TOTAL REVENUE £M

2010/11	7,361.8
2009/10	6,734.6
2008/09	6,267.2

PROFIT BEFORE PARTNERSHIP BONUS AND TAX £M

2010/11	369.7
2009/10	306.6
2008/09	407.0

PROFIT FOR THE YEAR RETAINED IN THE BUSINESS £M

2010/11	127.4
2009/10	106.5
2008/09	233.5

PARTNERSHIP BONUS £M

2010/11	194.5
2009/10	151.3
2008/09	125.4

2010/11 saw the Partnership reap the benefit of decisions made to invest during the recession. Both John Lewis and Waitrose had strong sales growth, increased market share, developed their online offers, and opened new shops and formats.

Continuing this sustainable, commercial success requires a real commitment to doing business responsibly. For us, this commitment is not only driven by good economics, but also by the Partnership spirit and our sense of doing the 'right thing', as set out in our core purpose and principles.

A year in review

We took a more strategic approach to CSR in 2010/11, by embedding our commitment even further into our investment plans and commercial decision-making. This included reviewing our CSR programmes, setting challenging targets and developing initiatives to focus on over the coming years. At a divisional level, we established 'Bringing Quality to Life' in John Lewis and 'the Waitrose way' – initiatives to help our customers make more informed and sustainable choices.

After careful consideration, we set an ambitious carbon reduction target to achieve a 15% absolute reduction in operational CO₂ equivalent emissions by 2020/21, against a 2010/11 baseline. To achieve this, we've developed a detailed carbon reduction plan including initiatives such as developing renewable energy generation centres at our shops.

We also reviewed our community strategy to better define what community means in our growing business. This has given us food for thought on developing our community investment and engagement, and I look forward to reporting our progress next year.

Looking ahead

We have ambitious plans to grow our business, but one thing is clear: the Partnership is committed to achieving this growth responsibly.

Building on what we've learnt so far, we will continue to invest in responsible, sustainable ways of doing business.

Charlie Mayfield
Chairman, John Lewis Partnership

Our progress

For full details of our progress go [online](#)

This year, we rationalised the targets we report on to better reflect the CSR commitments we are actively working on.

● Target met
 ● Target on track or ongoing
 ● Target not met
 More information available online

COMMITMENTS AND TARGETS	STATUS	MORE INFO
Our environment		
Carbon: Deliver a 15% absolute reduction in operational carbon dioxide equivalent (CO ₂ e) emissions (2010/11 baseline) by 2020/21.	NEW	13
Water: Reduce shop water use by 20% per square foot trading floor area by 2013/14 (2010/11 baseline) by 2020/21.	NEW	17
Waste – Waitrose: Divert all shop-generated food waste from landfill by 2013 and dispose of waste in the most environmentally appropriate way.	NEW	21
Energy: Source all electricity from green sources and consider all forms of renewable energy for our shops and head offices.	● ● ●	16
Transport: Deliver a 15% reduction in energy-related transport CO ₂ e emissions from deliveries by 2013/14 relative to £million sales (2005/06 baseline).	● ● ●	15
Refrigeration – Waitrose: Halve the impact of our refrigeration and cooling direct emissions (CO ₂ e emissions tonnes) by 2012/13 (baseline 2008/09).	● ● ●	17
Responsible development: Apply Responsible Development Framework (including sustainable interiors – fixtures and fittings framework) to all new builds; our minimum acceptable BREEAM standard will be 'Very Good', which will only be accepted where it is not practical to achieve 'Excellent'.	● ● ●	18
Responsible development: Increase the use of recycled materials in all projects.	● ● ●	18
Responsible development: Achieve a minimum of 95% building waste recycling on all new building projects in 2010.	● ● ●	18
Responsible development: Every new construction will be registered with the Considerate Constructors Scheme (CCS) and achieve a score of at least 35 out of 40.	● ● ●	18
Waste: Divert 95% of our waste from landfill by 2013; recycle 75% waste by year-end 2012.	● ● ●	20
Packaging – Waitrose: Reduce own-brand packaging by 2013 (2005 baseline) and work with suppliers to encourage similar reductions.	● ● ●	19
Packaging – Waitrose: Apply on-pack recyclability labelling to own-brand products by year-end 2012. (Revised target end date.)	● ● ●	19
Packaging – John Lewis: Apply on-pack recyclability labelling to own-brand products by year-end 2009.	● ● ●	19
Packaging – John Lewis: Reduce use of own-brand plastic packaging material and eliminate the use of non-recyclable plastics, as defined by the on-pack recyclability labelling (OPRL) scheme.	● ● ●	19
Packaging – John Lewis: Deliver 100 new examples of 'lightweighting' in 2010.	● ● ●	19
Packaging – John Lewis: Ensure all paper and card own-brand packaging can be recycled and is made from a recycled or sustainable source.	● ● ●	19

COMMITMENTS AND TARGETS	STATUS	MORE INFO
Our people		
Aim to achieve an upper quartile score on percentage of Partners who agree/strongly agree with each question in our annual Partner Survey.	● ● ●	8
Our customers, products & suppliers		
Waitrose: By December 2015, 100% of the soya in own-brand products to come from Roundtable on Responsible Soy certified sources.	NEW	
Waitrose: Continue to only stock fish that is responsibly sourced from wild sources and farmed aquaculture, and work towards 100% third-party sustainability certification. (Revised target.)	● ● ●	
Waitrose: Use 100% Certified Sustainable Palm Oil (CSPO) in own-brand products by the end of 2012.	● ● ●	27
John Lewis: Extend timber sourcing policy to all wood-based furniture and non-furniture products.	● ● ●	25
John Lewis: By 2015, 50% of our own-brand indoor furniture ranges (Living and dining, Bedroom, Nursery, Fitted furniture and Upholstery) to be Forest Stewardship Council-certified. (Restated target.)	● ● ●	25
John Lewis: By the end of 2012, 100% of own-brand paper-based products to be made from recycled material, FSC-certified or Programme for the Endorsement of Forest Certification (PEFC) sources.	● ● ●	25
John Lewis: Continue to ensure 95% of domestic large electrical appliances, excluding tumble dryers, are A-rated or above.	● ● ●	25
John Lewis: In 2010, double the number of Fairtrade lines in both existing and new categories, and increase by at least 50%, lines in the following categories: organic and sustainable raw materials.	● ● ●	25
John Lewis: Increase both the Green Living range (previously referred to as 'sustainable lifestyle') and recycled ranges to 300 products (from 133 and 147, respectively) by end of 2011.	● ● ●	25
All own-brand supplier sites to register on Sedex and complete self-assessment; independently audit high-priority suppliers.	● ● ●	29
Phase out sale of incandescent light bulbs by 2012.	● ● ●	
Our communities		
Contribute at least 1% of pre-tax profits to charitable and community initiatives.	● ● ●	32
Using the London Benchmarking Group (LBG) model, develop processes and tools to identify and measure the outputs and impacts of sizeable community investment projects and our community programmes.	● ● ●	31
Provide support to overseas disasters through the British Red Cross.	● ● ●	32
Increase participation in Golden Jubilee Trust volunteering programme.	● ● ●	33
Continue Partners in Sport scheme.	● ● ●	10

INTRODUCTION

OUR PEOPLE

OUR ENVIRONMENT

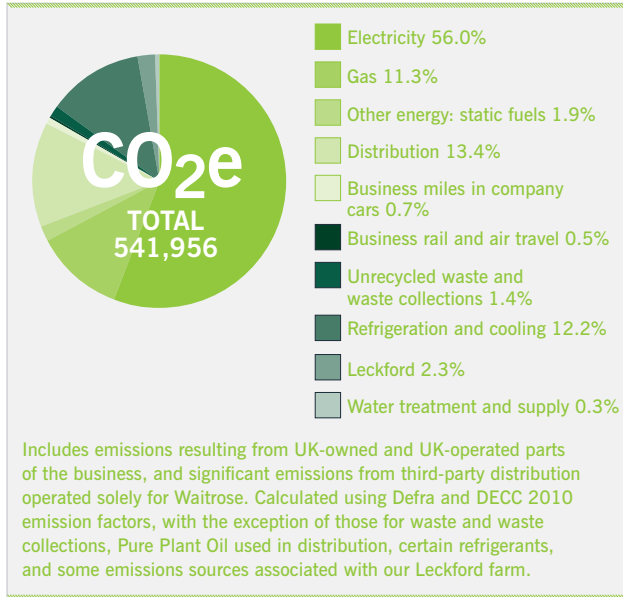
OUR CUSTOMERS, PRODUCTS & SUPPLIERS

OUR COMMUNITIES

CSR OVERVIEW

Our performance summary

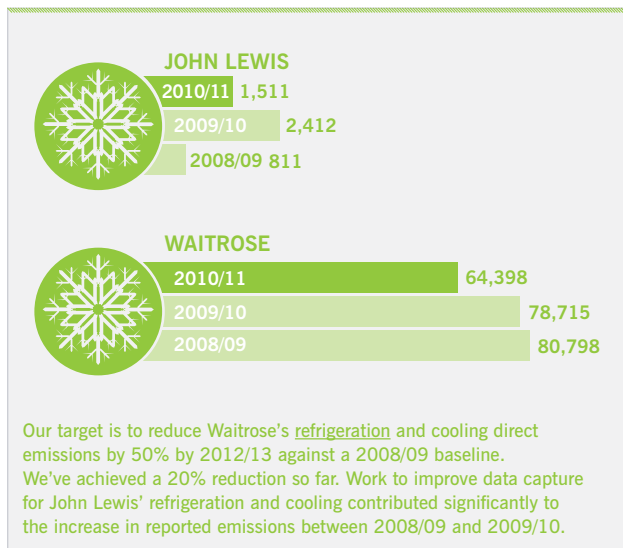
PARTNERSHIP 2010/11 EMISSIONS, TONNES CO₂e



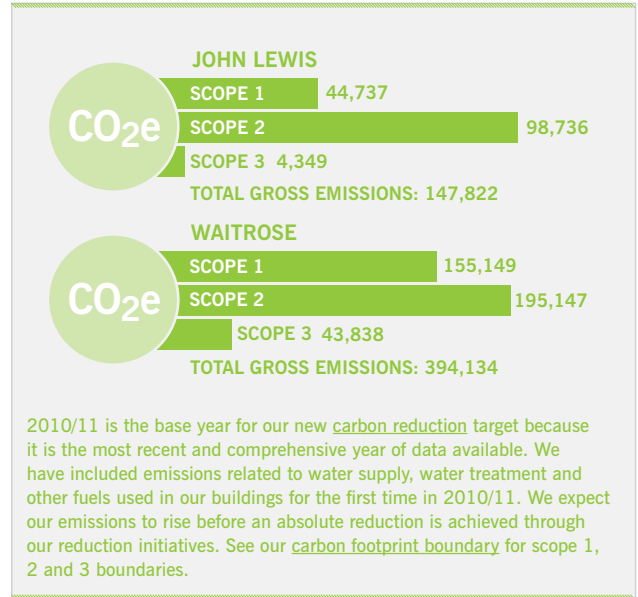
TRANSPORT-RELATED CO₂e EMISSIONS, TONNES PER £M SALES



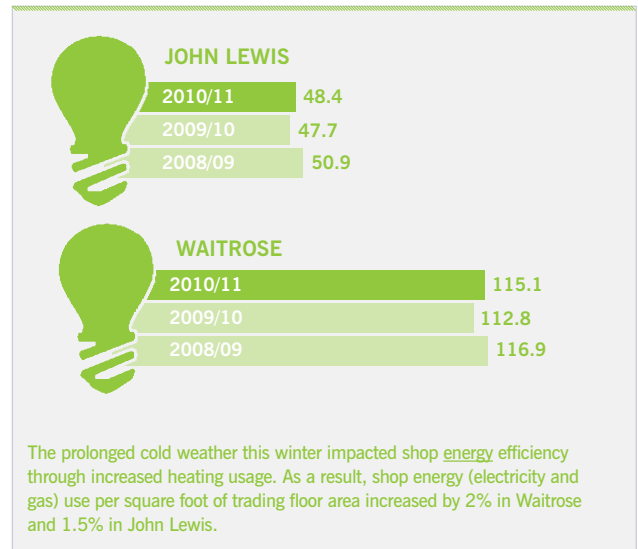
REFRIGERATION AND COOLING DIRECT EMISSIONS, TONNES CO₂e



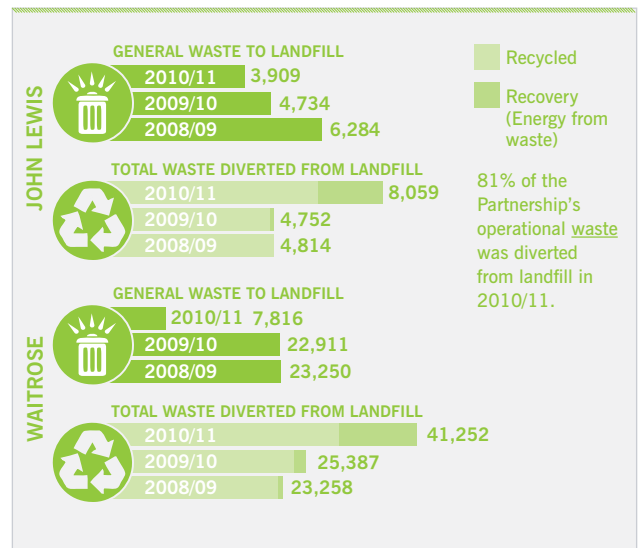
WAITROSE AND JOHN LEWIS 2010/11 EMISSIONS, TONNES CO₂e



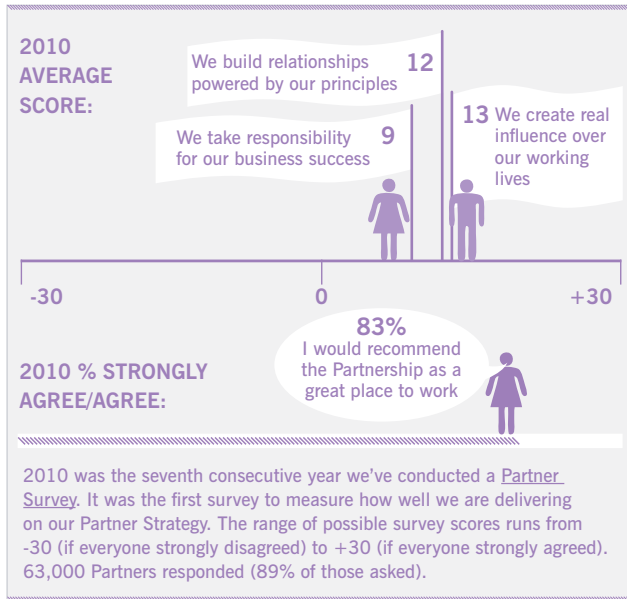
SHOP ENERGY EFFICIENCY, KWH PER SQUARE FOOT OF TRADING FLOOR AREA



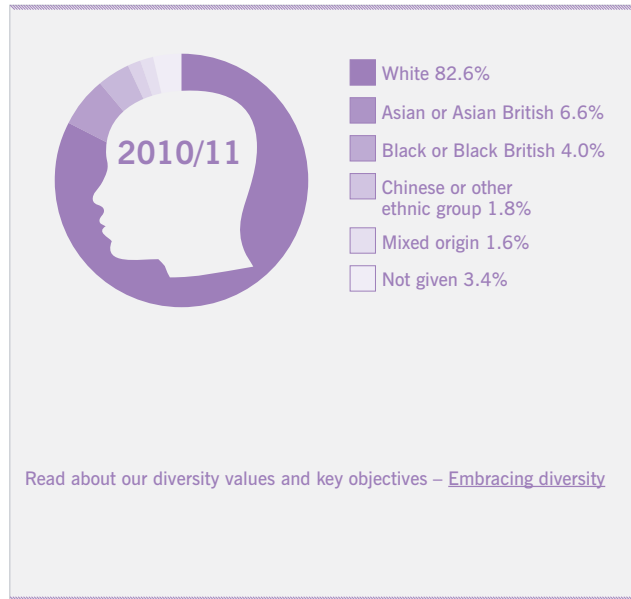
WASTE, TONNES



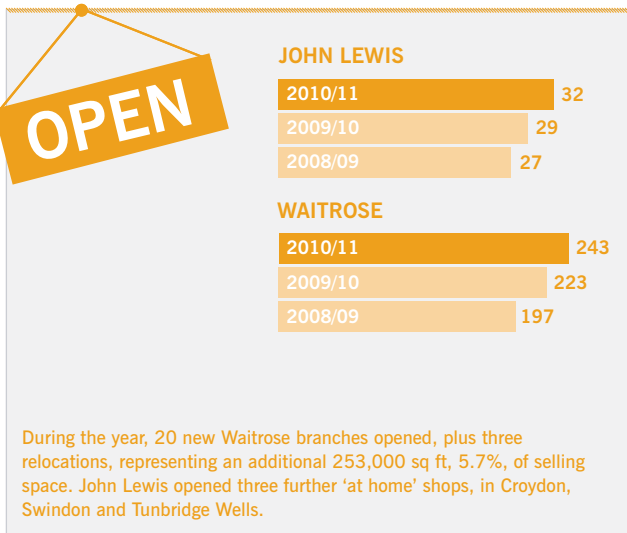
PARTNER SURVEY RESULTS



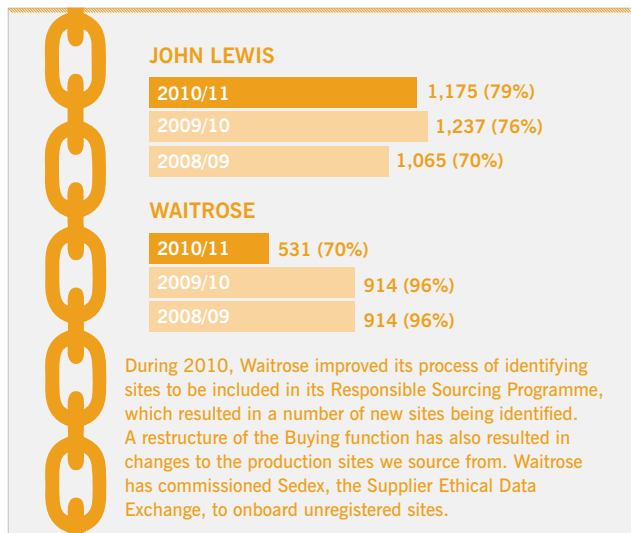
PARTNER DIVERSITY



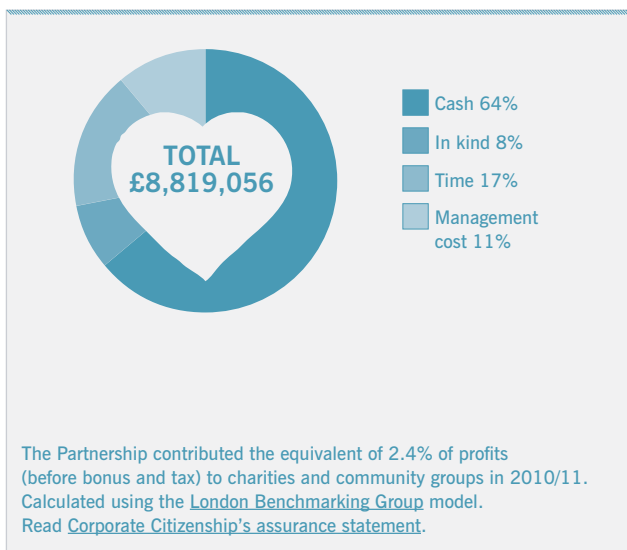
NUMBER OF SHOPS AT YEAR END 2010/11



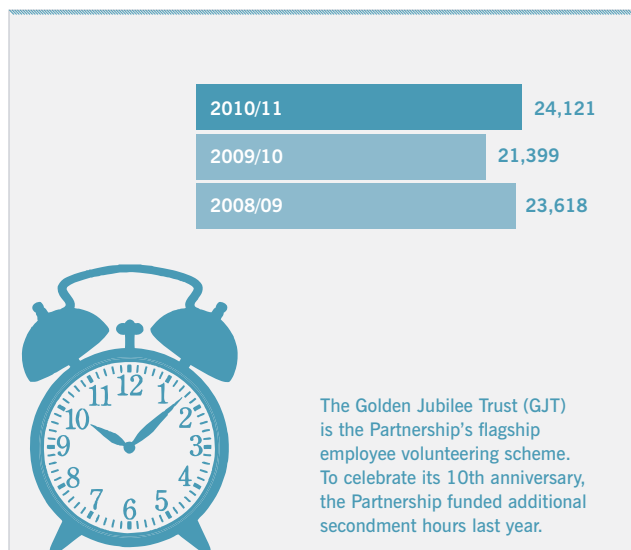
OWN-BRAND PRODUCTION SITES REGISTERED ON SEDEX, NUMBER (AND % OF TOTAL)



2010/11 CONTRIBUTIONS TO CHARITIES AND COMMUNITY GROUPS, £



TIME INVESTED IN CHARITIES BY GOLDEN JUBILEE TRUST SECONDEES, PARTNER HOURS





Our people...

our uniqueness

The Partnership view

Our Partners are the heart of our business. Investing in them means investing in our long-term success.

“Unlike other companies whose shareholders are outside the business and only own shares for a short time, our shareholders work in the business. They spend, in some cases, their whole careers with us.”

TRACEY KILLEN, DIRECTOR OF PERSONNEL,
JOHN LEWIS PARTNERSHIP

ACHIEVEMENTS

- Invested around £90 million in benefits to our Partners
- Created a Leadership Team Development programme
- John Lewis won the Workingmums.co.uk Top Employer Award 2010 for Employee Engagement

LOOKING AHEAD

- Increase the number of women in senior management positions
- Launch an apprenticeship programme
- Explore how to deliver more choice in our market-leading benefits package

Co-ownership: a common purpose

Being a Partnership is about much more than sharing profits; we share a common purpose. Our Partners are all owners of the business and with ownership comes responsibility, as our success rests on providing the best-quality products and services to our customers.

As a result of increasing interest in our business model, we produced a [guide to employee ownership](#) and are helping other companies to learn more about the benefits of co-ownership. See [Collaboration and influence](#).

Research by Cass Business School indicates that employee-owned businesses are more resilient and stable, have outperformed the market during the downturn and create new jobs more quickly than conventionally structured businesses. They demonstrate the same levels of profitability, but deliver better customer satisfaction.

An assessment by [nef consulting](#) also found that our Partners have a higher sense of wellbeing than the average employee, supported by the Partnership's unique ownership and governance structure.

Our Partner Strategy

We want our Partners to have a clear sense of direction. To achieve this, our Partner Strategy defines three Commitments:

- **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** – by demonstrating honesty, respect and encouragement at all times.
- **Create real influence over our working lives** – by taking every opportunity to develop ourselves, balance work and life priorities, and support each other.

To motivate and engage Partners on these Commitments, we ran a competition to make a Partner-led film about them. We also produced support materials for managers in our branches such as a board game, leaflets and posters. In 2011/12, we will consider further activities to continue the momentum behind this engagement, as well as helping us to explain to new joiners what it's like being a Partner.

The success of the Partner Strategy centres on maintaining a clear view of what Partners feel about their experience of the Partnership. We need to make sure that this experience is relevant, rewarding and effective in encouraging Partners to demonstrate their responsibility as co-owners.

When John Spedan Lewis, our founder, set up the Partnership, he established a [Constitution](#) to govern it. The first principle states that the Partnership's purpose is to 'balance the happiness of all its members, through their worthwhile and satisfying employment in a successful business'.

IMAGE: Our March 2011 Partnership Council meeting



83%

of our Partners would recommend the Partnership as a great place to work



18%

of annual salary paid as a bonus to Partners in March 2011

Engaging with our Partners

Engagement improves motivation and morale, and creates a workplace where everyone feels valued and able to perform at their best. As co-owners, Partners naturally have a say in how we run our business. Our democratic network of [elected councils, committees and forums](#) enables Partners to voice their views, and challenge management on business activity.

In 2010/11, Partnership Council meetings included sessions where Partners described 'what it feels like to be a Partner'. There were positives such as pride, the excitement of growth, surviving the credit crunch and the chance to shape the future. There were negatives too: concerns about pay, the need for better communication and frustration with technology. These honest insights are invaluable in helping us to address Partners' concerns and areas for improvement.

We also communicate through our intranet and regular publications, including our in-house magazines *the Gazette* and *the Chronicle*. We produce online videos; for example, our 'Charlie in Conversation' videos show Chairman Charlie Mayfield talking with Partners about their views. Partners are then able to comment and continue the dialogue with him on the intranet.

Partner Survey

We seek Partners' views on specific issues through regular focus groups and an annual Partner Survey. Our Partner Survey provides a way of getting feedback on issues ranging from pay and working hours to personal development and job satisfaction.

Our 2010 survey gathered the views of 89% of our workforce and 83% said they would recommend the Partnership as a great place to work. Also in 2010, we aligned our Partner Survey with our three [Partner Commitments](#) and, together with measures such as performance reviews, we used the results to set three Partner Strategy priorities:

- helping Partners be the best they can be
- inspiring leadership
- rewarding performance.

We also benchmark our survey scores against other companies. In the results of the 2010 survey, the Partnership was in the top 25% of companies for 15 of 28 questions. The survey findings are taken into consideration when deriving the priority areas for our Partner Strategy, and also inform business planning at Partnership, divisional and local levels.

The 2011 Partner Survey conducted in May will provide valuable feedback from Partners on our progress. Results will be available internally from late July and the overall results for the Partnership will be available on the Partnership's website later this year.

"Our engagement with Partners is based on the pride in the service and standards they offer, as well as the team ethic we've developed within the business. Partners genuinely enjoy working with each other and this translates into high levels of performance."

LAURA WHYTE,
PERSONNEL DIRECTOR, JOHN LEWIS

"When you are thinking about the decisions you make, you think: this is my business, this is my shop, what should I be doing?"

GILL ARMSTRONG,
BRANCH MANAGER, WAITROSE WITNEY



View our performance data

PARTNER SURVEY RESULTS



Embedding CSR into our daily activities relies on Partner involvement, so it makes sense to engage Partners when developing CSR strategies. For example, in [reviewing our community programme](#), we held focus groups with Partners to gain their input on our approach. We also gained valuable Partner feedback during a session on CSR at our March 2011 Partnership Council meeting.

Helping Partners be the best they can be

Our long-term success rests on our ability to attract and retain talented, motivated Partners who share our values. Once with us, we want them to fulfil their potential and take on new challenges.

Development starts with a thorough induction and orientation programme, and continues through a range of training opportunities, appraisals and access to numerous learning resources. Many of our in-house training programmes also lead to transferable and accredited qualifications.

Over the next few years, we will focus on establishing key career paths, developing leaders, supporting our Partners and identifying new diversity priorities.

While we already have some apprentices working for us, for example Jack Hathaway below, we are planning to launch a national apprenticeship programme in John Lewis and Waitrose in the coming years. This will create more jobs for 16- to 18-year-olds and improve skills in our local communities. Apprentices gain experience, on-the-job training, a nationally recognised qualification and a wage.

Inspiring leadership

Having high-calibre managers leading the Partnership and continually raising standards helps us to maintain our market position.

We have created a Leadership Team Development Programme for all senior management Partners. It includes individual learning on issues such as driving performance, developing potential, stakeholder management and influencing skills, as well as shared development opportunities.

We have also created a Partnership-wide Development Programme for senior leaders who have been identified as having potential for greater responsibility in the future. The programme consists of Partners invited from all divisions and includes workshops, seminars, individual coaching, mentoring and visits to other market leading organisations. The programme is designed to support the Partners' leadership development, meet individual learning styles and create a pan-Partnership network.

“I’ve been here since July 2010 and I’ve really enjoyed it so far. I enjoy the class work that we do at the automotive training provider, S&B Automotive Academy, but it’s great to go out and practise what you’ve learnt.”

**JACK HATHAWAY, APPRENTICE,
CENTRAL TRANSPORT**

BITC awards

John Lewis' Horizons programme received a Big Tick award in Business in the Community's 2011 National Awards for Excellence. The Horizons programme builds excellence and flexibility through developing Partners' skills, knowledge and behaviours. John Lewis Newcastle also achieved a Big Tick in the Skills in the Workplace category for its work on fulfilling potential.



Rewarding performance

To attract and retain talented people, we offer a competitive salary and a market-leading benefits package. In addition, we share profits in the form of an annual bonus which, in March 2011, paid 18% of annual salary – equivalent to nine weeks' pay.

Our benefits package is designed to help Partners to balance their work and home lives, and encourage them to have long careers with us. It includes a non-contributory, defined benefit final salary pension scheme, staff discounts on most purchases and six months' paid leave after 25 years' service. We invested around £90 million in benefits throughout the 2010/11 financial year.

Last year, we produced individual annual reward statements to help Partners to understand the value of their total reward package. We are also exploring the possibilities of developing a flexible benefits package for Partners.

We are increasingly involved in promoting wellbeing. For example, Partners in Sport (PinS) is our unique programme to engage Partners in sport and encourage them to lead a healthier lifestyle in the run-up to the London 2012 Olympic and Paralympic Games, which John Lewis is sponsoring. In 2010, 190 Partners registered with the PinS Partner Coaching programme, which offers Partners the opportunity to train as sports coaches.

Another benefit is that Partners can stay, at a subsidised rate, at one of our five holiday centres. For those who want to continue their education or learn new skills, we also offer financial support and several sabbatical and extended leave options.

 [Read more about how we reward Partners online](#)

Our long-term aim is to develop a Partnership-wide performance framework that reflects our [Partner Commitments](#) and enables both transparent career development and effective performance-related pay.



The Partnership has modern wooden cabins on our [Leckford Estate](#), which have proven popular as a holiday destination with our Partners. The estate is a working farm that supplies produce to Waitrose but also offers golf, cricket, bowling, tennis and swimming, as well as fly-fishing on the river Test.

“Our holiday centres aim to ensure all Partners can afford a holiday with their families and enjoy their leisure time. It is recognised that where individuals have access to a wide range of leisure opportunities and can develop outside of work, they will come back to work refreshed and relaxed.”

**CAROLE DONALDSON,
RESOURCING MANAGER, JOHN LEWIS**



Partners at Waitrose Cobham celebrate the annual bonus announcement in March 2011.

Embracing diversity

A diverse workforce attracts talent and creates a dynamic, innovative culture.

Diversity in the Partnership is based on three values:

- Partners are treated as individuals, with respect, honesty and fairness
- our employment policies are fair and provide equal opportunities for all, regardless of age, gender, ethnicity, social background, religion, disability or sexuality
- the Partnership respects and reflects the communities we operate in.

Following feedback from the 2010 Partner Survey, we have set three key objectives to focus on, and we have established a diversity working group to deliver these:

- improving the proportion of ethnic minorities in our management teams
- providing better support to our managers to manage their increasingly diverse teams
- understanding, valuing and supporting disability in the workplace.

We support and assess our performance with Race for Opportunity, which campaigns for improving employment opportunities for ethnic minorities, and the Employers' Forum on Disability, the leading employers' organisation focused on disability as it affects business.

John Lewis won the Workingmums.co.uk Top Employer Award 2010 for Employee Engagement, with particular recognition for how engagement fed into initiatives that improved parents' work-life balance. For example, the Partnership owns and operates a number of hotels, lodges and caravans for Partners to stay at with their friends and family.

Our commitment to diversity extends beyond our business to members of the community, helping those from disadvantaged backgrounds to gain skills, qualifications and experience. For example, we offer a Business and Technology Education Council (BTEC) placement programme to build students' confidence and help them to develop workplace skills.

We also partner Government agencies and non-profit organisations such as JobCentre Plus and Remploy, which provide opportunities to those with the greatest barriers to employment.



Glyn Cheshire's 20-year airline career ended at the age of 43 when he found out that he had epilepsy. But as a result of getting in touch with Remploy – an organisation that provides services for people experiencing barriers to work – Glyn gained employment at John Lewis in Solihull.

➔ [View our performance data](#)
PARTNER DIVERSITY



“We want to be a diverse business and our aim is for all Partners to have a consistent, equitable and motivating experience. This goes to the heart of our ultimate purpose and drives business advantage.”

TRACEY KILLEN, DIRECTOR OF PERSONNEL,
JOHN LEWIS PARTNERSHIP



Our environment... our investment

The Partnership view

It's clear that securing the sustainability of the environment and natural resources will help to ensure the continuity of future generations and of our business.

"For our business, the evidence is compelling enough and we know that we cannot continue as we are – we must find more ways to be less wasteful and more respectful of our planet as a whole."

**NIGEL KEEN, DIRECTOR PROPERTY SERVICES,
JOHN LEWIS PARTNERSHIP**

ACHIEVEMENTS

- Set a Partnership-wide 2020/21 absolute carbon reduction target
- Waitrose trialled vans fuelled by biomethane gas extracted from a landfill site
- John Lewis delivered 100 examples of lightweighting in its packaging

LOOKING AHEAD

- Implement and make progress on our carbon reduction plan
- Divert 99% of waste from landfill for all 2011 building development projects
- Monitor developments in biofuels as alternative fuel sources
- Create new energy centres to generate renewable energy for our shops



Climate change

No one disputes that the world is getting hotter, ice shelves are melting, species are becoming extinct, climates are changing and fossil fuels are being used up. The case for action is stronger than ever.

Our 10-year carbon reduction plan

We have developed a carbon reduction programme and set a target to achieve a 15% absolute reduction in our operational carbon footprint by 2020/21 against a 2010/11 baseline. Moving from a relative to an absolute reduction target marks a significant change in our approach.

In setting this target, we kept our plans to grow the size of our business at the forefront of our mind. We created a forecast of business growth and its potential effects on our carbon footprint, and overlaid this with our plans to reduce emissions. This gives us a clear view on how we will achieve our target.

Continuing to engage Partners in helping us to reach our target will be key. We plan to develop an engagement programme to show Partners what they can do to help to tackle different environmental issues at home and at work.

While we have focused on setting a long-term carbon reduction approach for our own operations, we plan to look in more detail at the carbon impacts of our supply chain and our customers in the future. We will also regularly review our progress and explore opportunities to stretch beyond 15% and further align with Government targets.

“We are very pleased to see the Partnership commit to reducing its operational carbon emissions by 15% over the next 10 years – especially given that the company expects strong growth over the same period. This demonstrates awareness within the Partnership that tackling climate change is a precondition of ensuring future success. The Partnership has also recognised the scale of the emissions that lie outside its direct corporate boundary. It has most to gain from building climate resilience in its supply chain, by offering low-carbon products and services, and by helping its customers reduce their impacts. We would therefore like to see the company address these wider risks and opportunities more explicitly.”

JONATHON PORRITT, FORUM FOR THE FUTURE



81%

of Partnership's operational waste diverted from landfill



20%

reduction in Waitrose's refrigeration and cooling direct emissions since 2008/09

Our carbon footprint

While sales grew by 10.6%, our total emissions only increased by 4.7%, to 541,956 tonnes in 2010/11. This equates to a 5.3% reduction in carbon dioxide equivalent (CO₂e) emissions on a normalised basis per £m sales.

Much of the increase in absolute emissions is due to improving our emissions coverage: we have included water supply, water treatment and other fuels used in buildings in our 2010/11 baseline.

The diagram (below) shows the boundary and emissions scopes for our carbon reduction target. It includes emissions resulting from UK-operated parts of the business and significant emissions from third-party sites used exclusively by Waitrose. It excludes potential emissions reductions from green tariff electricity or project-related emissions reductions (offsets).

Carbon data

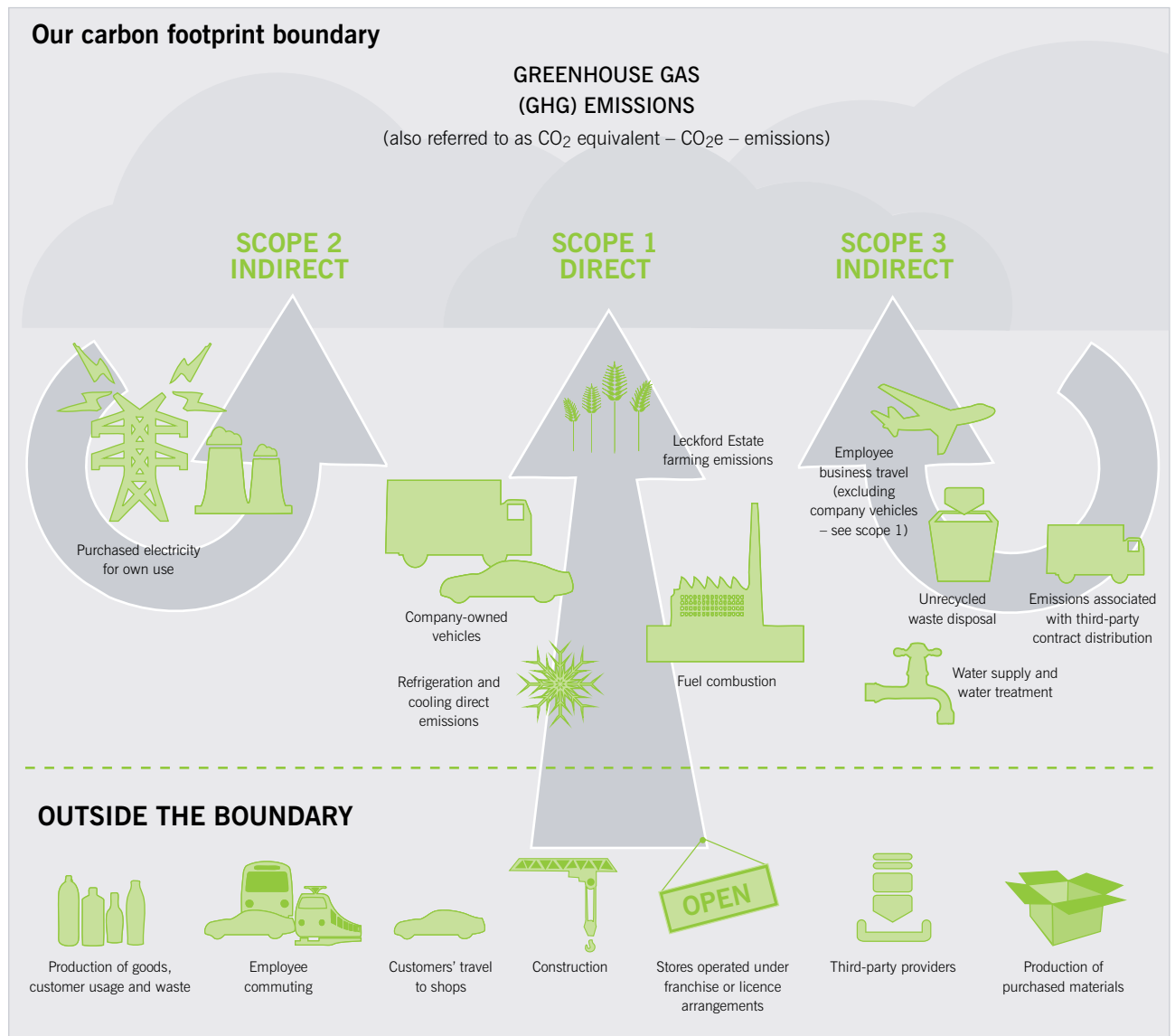
We continually work to improve the data quality and granularity for the emissions sources we currently report on. For example, since our last report, we have installed automatic meter readers in our shops, which provide accurate and timely data to support better energy management.

We participate in the Government's Carbon Reduction Commitment (CRC) Energy Efficiency Scheme by monitoring and reporting carbon emissions associated with building energy use. We are also a founding member of the Freight Transport Association's Logistics Carbon Reduction Scheme for transport emissions.

➔ View our performance data

EMISSIONS

We expect our total emissions to rise for a few years before an absolute reduction is achieved through our carbon reduction initiatives.



Transport and distribution

The miles driven by our fleet of commercial vehicles represent our second largest source of carbon dioxide equivalent (CO₂e) emissions.

In 2010/11, our emissions from transport (including exclusive third-party distribution) were just under 73,000 tonnes – a 5.9% improvement per £million sales since 2005/06. However, the last year saw a 0.3% increase, largely due to bringing frozen food distribution in-house, as well as making more store and home deliveries. We also increased backhauling (making use of trucks on their journeys back from distributing products). While reducing overall distribution mileage, this shifts emissions from supplier vehicles to our own.

Waitrose was the first UK grocer to link the planting of trees, here in the UK, to the activity of its home delivery vehicles. By working in partnership with the [Woodland Trust](#), every [waitrose.com](#) delivery helps plant new trees.

Making our fleet more fuel-efficient

Our fleet vehicles have rounded corners, side skirts and low-resistance tyres for the greatest fuel efficiency. Both John Lewis and Waitrose use multi-deck trailers, which provide a significant carbon saving compared to conventional trucks.

We are also fitting aerodynamic mouldings to the front of older multi-deck trailers. We plan on using a wind tunnel or computer modelling adopted from the aerospace and Formula 1 industries to optimise vehicle aerodynamics.

Good driving also reduces fuel consumption and the risk of accidents. By setting a 53mph speed limit for our primary distribution vehicles, against a national limit of 56mph, fuel consumption improves by 3%.

We are also implementing vehicle telematics to assess driving styles and fuel efficiency, which could save 4% of CO₂ per vehicle every year. Our aim is to have telematics in all primary distribution vehicles by the end of 2011.

Exploring alternative fuels

In addition to using seven heavy vehicles fuelled by pure plant oil and five electric urban delivery vehicles, we are exploring other low-carbon technologies and alternative fuels, such as using our own and our suppliers' food waste to generate biomethane gas.

We are also monitoring developments in other advanced biofuels, particularly those grown on marginal land in developing countries, which can reduce carbon and provide employment and investment where it is most needed.

➔ [View our performance data](#)

TRANSPORT-RELATED
CO₂e EMISSIONS

John Lewis has been running an eco-delivery trial, through which customers can choose a more environmentally favourable delivery slot when a vehicle is already in their area. This helps us to reduce miles travelled.

The Partnership was a founding member of the [Logistics Carbon Reduction Scheme](#), a voluntary scheme to record, report and reduce carbon dioxide equivalent emissions from UK freight. The Scheme, managed by the Freight Transport Association (FTA), positions the logistics sector in the lead as Government challenges businesses to respond to national and international climate change targets. It provides a simple and cost-effective way for businesses of all sizes to use the same measurement techniques to measure carbon dioxide emissions from logistics activities and report them on a common basis.



Eco-vans on the horizon

Waitrose is the first supermarket to trial vans fuelled by biomethane gas extracted from a landfill site in Surrey. We worked with the manufacturer to modify them for our refrigeration equipment. They will save four tonnes of CO₂ per vehicle per year and will qualify for a fuel discount on the London Congestion Charge, reducing our costs.

Energy

Our approach is to make changes for the long term, so that improved energy efficiency becomes embedded throughout our business. We continue to fit the latest technology into our existing estate and new shops, and to engage Partners in helping to deliver reductions locally.

We are committed to reducing the impact of the energy we use. Our approach is to reduce energy demand and use low-carbon sources of energy. For example, our refurbishment of Waitrose Richmond resulted in a circa 60% reduction in carbon dioxide equivalent emissions – a result partly achieved by lower electricity and gas usage.

Our improvements in operational energy efficiency were offset by the prolonged cold weather last winter, which significantly impacted our gas consumption, due to increased heating needs. In 2010/11, our overall shop energy efficiency was 115.1kWh per square foot in Waitrose and 48.4kWh per square foot in John Lewis, representing a 2% and 1.5% drop in efficiency respectively.



View our performance data

SHOP ENERGY EFFICIENCY



Closing the door on energy loss

The Partnership is supporting the national 'Close the Door' campaign to save energy. This campaign aligns with our store practices, such as installing automatic doors to shopfront entrances.

Research from the University of Cambridge found that closing a door when heating is turned on reduces energy use by up to 50% and cuts a shop's annual emissions by up to 10 tonnes of CO₂ – equivalent to three return flights from London to Hong Kong.

Renewable sources

Our electricity is currently derived from 'green' sources. We are keen to improve both the provenance of our energy sources and the quality of the information we subsequently provide.

Through agreements with our energy suppliers, from October 2011 virtually all of our electricity (circa 97%) will be sourced from renewable sources such as wind, water power, biomass, municipal and industrial waste, and landfill gas. While this is from 'grid' sources, we are also investing in generating our own renewable energy, such as at our first energy centre at Waitrose East Cowes (see below).

In addition, electricity from a tomato suppliers' combined heat and power scheme is powering our Waitrose Rickmansworth store, while a waste recycling plant produces energy for John Lewis Cardiff, and John Lewis Southampton sources heat from the local geothermal district heating scheme (of which energy is partly derived from naturally occurring underground heat). The remaining electricity is provided via a small number of inherited energy contracts.

On site renewables

Creating renewable energy centres to operate off-grid is a key initiative in our [carbon reduction plan](#). We hope to install up to 150 renewable energy centres or equivalent means of generating renewable energy by 2020/21.

In 2010, we received planning permission for a woodchip-fuelled combined cooling heat and power plant at our new Waitrose East Cowes shop on the Isle of Wight. The energy centre is currently under construction. This will provide the electricity, heating and cooling needs for the shop and some of the surrounding new developments. The woodchip will be sourced locally and to deliver wider benefits, we have designed a visitors' area to provide information for the local community.

Refrigeration

As Waitrose is responsible for the majority of the Partnership's refrigeration and cooling emissions, it has committed to halving these emissions by 2012/13, compared to 2008/09 levels.

To date, through our extensive leak prevention programme and the continued implementation of our recently developed low-carbon propane-based, water-cooled refrigeration system, a 20% reduction has already been achieved.

So far, we have 26 branches operating on this efficient low-carbon refrigeration solution and we continue to roll this out across our existing estate to completely replace traditional refrigeration by 2020/21. All new branches adopt this solution as standard.

In branches that still use hydrofluorocarbons (HFCs), we continue to trial the addition of a cherry and almond scent to further aid the detection of leaks.

Our efforts have also been externally recognised: at the Refrigeration and Air Conditioning Magazine Cooling Industry Awards in 2010, we won Low Carbon Achievement of the Year and Retail Project of the Year. We were also highly commended for Environmental Collaboration of the Year, in recognition of reduced refrigeration emissions resulting from working with our supply chain.

In 2011, Waitrose topped the Environmental Investigation Agency's (EIA) third Chilling Facts survey on supermarket refrigeration for the second time.

"Waitrose's new climate-friendly refrigeration made significant savings in both energy and costs. In one store, it managed to reduce its refrigeration carbon footprint by a whopping 69%."

EIA CHILLING FACTS III

➔ **View our performance data**
REFRIGERATION AND COOLING DIRECT EMISSIONS



Cool fridge benefits

We saw an impressive circa 60% reduction in Waitrose Richmond store's carbon dioxide equivalent emissions, as a result of implementing various carbon reduction initiatives during store refurbishment. These included:

- replacing all HFC-refrigerated cabinets and associated plant with simple natural refrigerant
- capturing cold air spillage from open-front refrigeration cases and redistributing it to areas that require cooling
- using the heat produced from the cooling of refrigeration cases to heat the aisle space
- installing equipment which reduces incoming voltage, and therefore energy consumption.

Water use

While we do not use significant amounts of water, relatively speaking, we still recognise the need to manage our consumption carefully.

We now have more accurate water data for our shops because we installed additional water meters and sub-meters, providing real-time water consumption information, so that we can make and measure improvements. This has provided us with a baseline from which to set a new water target; we aim to reduce our shop water use by 20% per square foot of trading floor area by 2013/14, against a 2010/11 baseline.

We mainly use water in our customer and Partner restaurants and toilets, and for cleaning. Our plans for reducing water use include better water monitoring and new technologies such as air-flush urinals, low-use water-flush cisterns and sanitary water supply shut-off valves.



Responsible development

Responsible development means building shops that offer healthy, comfortable, safe and productive environments for their users. This not only lowers our long-term operating costs but also improves our Partners' working conditions and our customers' shopping experience.

Since launching our 2010 Responsible Development Framework, we have seen increased understanding and changing behaviours. Our Partners and suppliers are now more aware of the environmental impact of our work; many more now recognise what responsible development means, why it matters and how they can make a difference.

As a result, we made significant progress against our 2010 responsible development targets. Here are some examples:

TARGET	PERFORMANCE
Achieve a <u>Considerate Constructors Scheme</u> score of 35 out of 40	Average: 35 Best score: 37
Recycle 95% of construction waste	Average: 95% Best score: 100%
Waste volumes at a maximum of 6.5 tonnes per 100m ² (gross internal area)	Average: 6.4 tonnes Best score: 6 tonnes
Achieve Building Research Establishment Environmental Assessment Method (BREEAM) 'Excellent', or 'Very Good' only by exception	Achieved

We have launched an updated 2011 Responsible Development Framework to build on the success and learning of 2010 and to set more stretching targets. Our new 2011 targets include:

- registering every new construction site with the Considerate Constructors Scheme and achieving a score of at least 37 out of 40 (exceeding industry best practice and aligning with BREEAM's 'Excellent' rating)
- for all new shops, the minimum BREEAM standard to be achieved will be 'Excellent', or 'Outstanding' where renewable energy sources are available
- diverting 99% of our construction, demolition and excavation waste from landfill for all 2011 projects
- reducing the volume of waste generated during a project to 6 tonnes per 100m² (gross internal area)
- ensuring all projects use materials that have, on average, 30% recycled content.

To enable us to set a wider range of targets in 2012, we will also look to:

- develop and establish appraisals of whole-life costs during 2011
- monitor site energy use during construction to calculate the carbon footprints of construction sites
- audit redundant or stored shop equipment, and develop a strategy for reuse or recycling
- complete an energy audit during the feasibility stage of all extension and major refurbishment projects.

 [Read more about responsible development online](#)



We are putting our Responsible Development Framework into practice in developing flagship low-carbon John Lewis and Waitrose shops adjacent to the Olympic Park in Stratford.

“Our policy needs to be applied in practice, every day, guiding and improving the way we work. Our Partners make sure that this happens and that dedication is enabling us to build a business that successfully balances short-term success with a long-term future.”

TONY JACOB, HEAD OF CONSTRUCTION, ENGINEERING AND ENVIRONMENT

The natural environment

Like most businesses, the Partnership has an impact on the natural environment and biodiversity. As part of our approach to [responsible development](#), we will produce biodiversity action plans for all new and major refurbishment projects from 2012. This is part of our aspiration to go over and above the requirements necessary to achieve [BREEAM](#) accreditation. We will also develop educational tools for Partners and our supply chain to ensure delivery of good environmental practice.

Over 2011, we are reviewing our broader approach to protecting and enhancing biodiversity in order to develop a clear way forward. We intend to define what biodiversity and ecosystem services means to us, review our current response, and identify strengths and gaps in our current activities as well as future opportunities.

Packaging, waste and recycling

Minimising packaging

We are continually exploring packaging optimisation initiatives which do not affect product quality or safety, and do not incur any further waste in the supply chain.

The targets that John Lewis set for 2009/10 have now become standards for our own-brand packaging: removing packaging completely where possible and using the smallest amount of material as normal practice. John Lewis delivered 100 examples of using less material in packaging 'lightweighting' in 2010/11 including removing plastic and polystyrene from eight lines of toys, reducing the card backing used for 30 lines of Cookshop products and reducing the plastic used for 30 lines of curtain poles.

Waitrose audited its own-brand packaging in 2010 to understand how to reduce packaging without compromising product quality or shelf life. We completed 20 projects, with one example being our new meat flow-wrap packs, which use significantly less material and have a lower carbon impact (see right). We plan to develop this further across the meat range.

In 2011, Waitrose will be working with its suppliers to review existing packaging and new formats that are more environmentally sustainable or that use materials from more renewable sources. John Lewis will also continue to reduce packaging, trial the use of recycled PET and remove polystyrene and packing material from, for example, lighting and small electrical products.

Waitrose is also a signatory of the second phase of the [Courtauld Commitment](#), to contribute to collectively achieving a:

- 10% reduction for grocery packaging
- 4% reduction for household food and waste
- 5% reduction for product and packaging waste in the supply chain.

Waitrose is sponsoring a three-year PhD student at the University of Sussex investigating the foraging of bees. We have held several Bee Days for farmers in 2011 where specific types of farms are assessed and the University disseminates information and discusses knowledge requirements on supporting bees.



A full roll-out of our new flow-wrap packs for our minced beef, diced beef and poultry is estimated to save more than 90 tonnes of plastic and 214 tonnes of CO₂ in the first year alone.



100

examples of John Lewis using less material in packaging in 2010/11



Carrier bags

We aim to reduce customer use of single-use carrier bags by offering, encouraging and educating customers about more environmentally responsible alternatives. We are also committed to reducing the environmental impact of our bags.

John Lewis has standard single-use carrier bags made from 95% recycled material and continues to promote its reusable jute, organic cotton and recycled plastic bags as well as its Bag for Life.

During 2011, Waitrose will make some big changes to its carrier bag range including increasing the recycled content to 50% for its single-use bags and 100% for its Bag for Life. Waitrose will also be launching an exciting new range of reusable bags in the autumn.

In 2011, John Lewis and Waitrose will implement local arrangements in line with regulatory charging requirements for single-use carrier bags in Wales.

Reducing waste to landfill

Our long-standing objective is to reduce waste wherever possible, and to reuse or recycle more of the waste we do produce. Not only does this improve our environmental impact, it also reduces the costs associated with waste disposal.

The Partnership diverted 81% of its operational waste from landfill, up from 52%. This included recycling 37,275 tonnes of waste and a further 12,036 tonnes was sent to energy from waste solutions. We are on track to meet our waste targets to divert 95% of our waste from landfill by 2013.

Maximising recycling

We have recycled transit packaging materials such as cardboard and plastics from our shops and distribution centres for more than 20 years. More recently, we have started backhauling waste cardboard, plastic and polystyrene to increase the volumes that can be recycled. Our shops and head offices continue to recycle office paper, plastic cups, toner cartridges, glass, magazines, cans, batteries and bottles.

John Lewis recycled 51% of its waste in 2010/11 (up from 50%) and Waitrose recycled 63% (up from 53%). We are on track to meet our targets for Waitrose and John Lewis to both recycle 75% of their waste by year-end 2012.

Key waste management actions for 2011:

- extend polystyrene waste collections to all John Lewis sites
- extend backhauling of mixed waste paper to all Waitrose shops
- extend food waste separation and processing via anaerobic digestion
- establish a food waste strategy for John Lewis
- publicise recycling and waste best-practice document to our Partners
- install recycling bins in all Waitrose dining rooms
- enable local shop food donation more widely.

By using a new general waste contractor in 2010, Waitrose now receives tonnage figures for more of its waste and has a greater understanding of the end destinations for mixed waste materials. In addition, the majority of mixed waste previously being landfilled is now either being incinerated to generate energy or being mechanically separated for recycling.

81%

of the Partnership's operational waste diverted from landfill

51%

of John Lewis waste recycled

63%

of Waitrose waste recycled



View our performance data

WASTE



Reducing waste, recycling and reusing

Waitrose is making use of the latest technology at a new plastic sorting factory in Lincolnshire, helping to reduce waste plastic. State-of-the-art equipment sorts hard plastics and turns them into new materials. The recycled material can then be turned into food packaging.

“Hard plastics, like trays and vending-machine bottles, have historically been much harder to recycle than soft plastics, so this is a great solution.”

**MIKE WALTERS, OPERATIONS MANAGER
RECYCLING AND WASTE, JOHN LEWIS
PARTNERSHIP**

Food waste and anaerobic digestion

We now send food waste to anaerobic digestion (AD) plants from 114 Waitrose shops and five John Lewis shops.

We were the first UK food retailer to use AD plants for our own operational food waste to generate electricity, heat and a high-nutrient fertiliser.

We are working with [FareShare](#), a registered charity, and [Company Shop](#) to redistribute food within our supply chain that we cannot sell.

Waitrose endeavours to minimise food waste by ordering accurately and giving the customer the maximum shelf-life and best quality. We are also exploring how to enable local shop food donation more widely.

Encouraging customers to recycle

The Partnership is keen to help customers to recycle more. One way we do this is to label the materials used in our own-brand packaging where possible. We have worked with Waste and Resources Action Programme (WRAP), the [British Retail Consortium](#) and other retailers to agree standardised recycling labelling for packaging.

We have supported the [on-pack recycling label scheme](#) further by adding a 'recycle in store, with your carrier bags' label to a small selection of our plastic packaging. So far, this includes the new Waitrose own-brand potato bags, and we will extend this to our Waitrose own-brand kitchen towel wrap, bathroom tissue wrap and bags for cereals.

We further support customers by offering recycling facilities where space or local collection arrangements allow. We provide recycling points for plastic carrier bags in our Waitrose shops and both our John Lewis and Waitrose shops offer battery recycling facilities. John Lewis also run a bed recycling scheme – taking away customers' old beds on delivering a new one – and support the recycling of electrical and electronic appliances by helping to fund the Distributor Take Back Scheme under the Waste Electrical and Electronic Equipment regulations.

“Waitrose is making strong progress towards our target to apply on-pack recyclability labelling to own-brand products by year-end 2012. We already have around 6,000 lines that now include the label.”

**KAREN GRALEY, PACKAGING AND REPROGRAPHICS
MANAGER, WAITROSE**





Our customers, products and suppliers... our responsibility

The Partnership view

Our customers want to know where our products come from and how they have been produced.

“The sustainability of our products is especially important to us, and is essential for our ongoing business success. Our customers rely on our commitment to selling responsibly sourced, safe, quality products.”

**CHARLIE MAYFIELD, CHAIRMAN,
JOHN LEWIS PARTNERSHIP**

ACHIEVEMENTS

- Waitrose won the *Which?* annual supermarket survey
- John Lewis was named Britain's favourite retailer by retail analysts Verdict
- 25% of the palm oil used in Waitrose own-brand products is from RSPO-certified sources
- 100% John Lewis own-brand paper and card packaging made from either recycled or FSC-certified materials

LOOKING AHEAD

- 100% of soya used in Waitrose own-brand products to be from Roundtable on Responsible Soy certified sources by the end of 2015
- 50% of John Lewis indoor furniture ranges to be FSC-certified by 2015
- Increase the reach of Waitrose Foundation and John Lewis Foundation projects

Our customers

By building strong relationships with our customers, we have earned their trust in our reputation for quality, price and service. We want to know what our customers want and we maintain an ongoing, open dialogue with them.

Our service

In 2010/11, our Partners' dedication to service has been recognised in many customer satisfaction surveys and awards:

- Waitrose won the *Which?* annual supermarket survey of 12,000 people and received five stars for product quality, customer service, range and availability, and store environment.
- JohnLewis.com was voted one of the top online shops in the latest *Which?* online survey and was named best high street retail website by Webcredible, a user experience consultancy, in its 2010 usability report.
- John Lewis was named Britain's favourite retailer in a poll of 6,000 shoppers by retail analysts Verdict.
- At the [Institute of Customer Service's](http://Institute of Customer Service) UK Customer Satisfaction Awards 2011, based on a survey of 26,000 people, John Lewis won the 'People's Choice' trophies for Most Trusted Organisation and Most Reliable Organisation, while Waitrose won Most Responsive Organisation and Valued Customer.

Extending our reach

We have seized numerous opportunities to reach more customers:

- During 2010/11, Waitrose opened 20 new shops, nine of which were new convenience shops; these included our first smaller-format convenience shop in London trialling the name 'Little Waitrose'.
- In early 2011, Waitrose opened five shops in the Channel Islands, the first to be operated outside the UK, and opened its first branch in Bahrain under our licence agreement with Fine Fare Food Market LLC.
- JohnLewis.com saw significant growth in 2010/11 sales (up 38% on the previous year) and we had great success from our 'at home' shops.
- As part of our growth strategy to invest in existing shops, John Lewis will launch a new in-store beauty spa concept in its Reading and Cheadle shops in summer 2011.
- John Lewis will be opening a shop adjacent to the Olympic Park in Stratford and two more 'at home' shops in 2011, as well as a full-line department store in Birmingham in 2014.

➔ **View our performance data**

NUMBER OF SHOPS AT YEAR-END



John Lewis: Bringing Quality to Life

CSR has always been at the heart of John Lewis' approach to business. During 2010, we decided to refresh our approach and gather all John Lewis' CSR activities under one banner: 'Bringing Quality to Life'. It provides a shared vision and common goals for us to work towards, and has three main focus areas:

A BETTER WAY OF DOING BUSINESS

Bringing quality to life through a better way of doing business, from our unique Partnership structure to our commitment to reducing our impact on the environment

ENCOURAGING SUSTAINABLE LIVING

Bringing quality to life through the products and services we sell by ensuring they are responsibly made and by helping customers choose and use them in ways that are more sustainable

COMMUNITY LINKS

Bringing quality to life through the communities we touch, whether local to our shops or to our suppliers throughout the world

We have set up a steering group to oversee this strategy. In 2011 we will engage Partners through a roadshow and begin to launch our new vision to suppliers. We will continue to develop our plans and review our key performance indicators and measures.

A better way of doing business

Our aim is to utilise our co-ownership business model to support our new vision.

We intend to involve Partners and suppliers in our plans to make our products, our operations and our supply chain more sustainable. For example, the success of our efforts to embed our approach to [Responsible Development](#) relies on us fully engaging Partners and suppliers. We will also promote and encourage more sustainable choices and behaviours.



“Bringing Quality to Life has brought together all the elements of our CSR strategy. Under this vision, we are actively engaging our Partners – their passion will drive change for the business. Bringing Quality to Life fundamentally underpins our commitment for providing quality products combined with excellent service.”

CHRISTINE KASOULIS, HEAD OF BRAND DEVELOPMENT, JOHN LEWIS

Community links

Our vision is of people working in partnership to bring quality to people's lives. By acting locally wherever we do business, we will help transform the communities of which we are a part and be recognised for both what we do and the way we do it. This ranges from dealing with suppliers fairly to supporting the local people around our shops. Read more in [Trading responsibly](#) and [Our communities](#).

The John Lewis Foundation is one of our models for engagement with suppliers, in the UK and overseas. The Foundation makes grants to projects with a supplier or Partner link to improve disadvantaged communities in which suppliers live and work.

One of our retired Partners, Tricia Hamilton, former John Lewis Director of Buying, Fashion, spent six months doing voluntary work at a women's refuge in Tamil Nadu in India. The Foundation donated £5,000 to fund refurbishment and redecoration, making a tangible difference to the women's lives. Our [sustainable cotton](#) farmer training programme will also be supported by the Foundation.

Supporting UK manufacturers

John Lewis is committed to British manufacturers and is working to increase the number of its suppliers producing products in the UK. We also ran a UK supplier showcase event.

A Yorkshire-based bed maker supplies our 'Natural Collection' mattresses containing wool and hemp grown on its own farm. Our commercial support and belief in long-term supplier relationships enabled the supplier to establish its own farm to grow raw materials – which travel fewer miles and make better products. The Yorkshire wool we now use is springier and better for mattress construction than the New Zealand wool we previously used.

Our own [Herbert Parkinson](#) business in Lancashire produces home textile products including woven fabric, pillows and duvets, and bespoke home furnishings. Herbert Parkinson emphasises unique design, quality and service. Last year, its retail sales exceeded £47 million.

Encouraging sustainable living

With our broad product offering, we affect our customers' lives in many ways and so it's our responsibility to help them to choose quality products and services that offer ways to live a more sustainable life.

This involves making sure our products are sourced and manufactured responsibly (see [Responsible Sourcing](#)); helping customers to reduce their waste through reuse and recycling; increasing our sustainable product ranges; and educating customers about making more sustainable choices. In 2011, we will make more product information available online, in literature, on packaging and on point-of-sale material that will help customers to do this.



The product lifecycle

We care about where our products come from and how they are made – and so do our customers. By understanding product lifecycles, we can give customers information about product provenance, quality and sustainability. With this in mind, we are investigating how we can make products more sustainable throughout their lifecycle.

Sourcing raw materials

We aim to source the raw materials that we use sustainably, and some key areas we are focusing on include timber, paper and cotton.

Timber and paper

We have traced the forest origin of wooden garden furniture since 2003 and we are making good progress against our commitment to extend this programme to all wood products, including pulp and paper. For example, all John Lewis own-brand paper and card primary packaging is now made from either recycled or FSC-certified materials. During 2010, we reviewed our timber programme to ensure the responsible sourcing of all our wood products and to see where we could be more ambitious.

As a result, we improved our traceability programme to offer customers a greater range of [Forest Stewardship Council](#) (FSC)-certified products and set ourselves specific targets:

- 100% of timber in our outdoor living furniture to remain FSC-certified, and we aim to source 50% of our own-brand indoor furniture from FSC-certified sources by 2015
- all John Lewis own-brand paper-based products to be made from recycled material, FSC-certified or [Programme for the Endorsement of Forest Certification](#) (PEFC) sources by the end of 2012.

Cotton

We recognise our responsibilities to improving working conditions in our cotton supply chains. We are currently working with an external organisation to develop a sustainable cotton farmer training programme. This programme aims to educate conventional cotton farmers in India on more sustainable farming methods and in doing so hopes to reduce their production costs and improve their livelihoods.

We are members of the [Department for Environment, Food and Rural Affairs](#) (Defra) Sustainable Clothing Roadmap which aims to improve the sustainability of clothing, and the [British Retail Consortium](#) Clothing Working Group to promote change across UK retailers.

Sustainable manufacturing

The recessionary climate in the UK inevitably had an impact on our targets to increase Fairtrade, organic, Green Living, recycled and sustainable raw material product lines. Our customers expect John Lewis to offer these types of products at market-leading value. We are looking at how to help customers live more sustainable lives and our targets will change to reflect our future priorities.

- We have a [Fairtrade](#) licence to produce and import John Lewis own-brand Fairtrade cotton products. We are also exploring how else we can make Fairtrade items work successfully in our product ranges.
- We sell responsibly sourced brands such as [People Tree](#) clothing and [Made](#) jewellery (pictured above).
- We increasingly source our own-brand products from [UK manufacturers](#) and we plan to actively source more British products where possible, especially where design and quality are at the forefront of the product.

Durability: Quality, long-lasting products

- Researching what 'value' means to our customers indicates that it increasingly includes sustainability of raw materials and longevity of product life.
- In 2011, we introduced our most energy-efficient collection of large appliances. All our own-brand large electrical appliances are A-rated or above for energy efficiency, and come with a three-year guarantee.

End of life: Recycling or reusing

- We offer a mattress and divan recycling service for our customers, and are exploring opportunities to extend this to other areas such as furniture and carpets.
- We provide in-store recycling facilities for batteries.
- We support the recycling of electrical and electronic equipment by funding the Distributor Take-Back Scheme.



The Waitrose way

In 2010/11, Waitrose felt it was time to consolidate its CSR thinking and refine its CSR strategy. We call this the Waitrose way. It covers the four key areas that really resonate with our customers: championing British, living well, treading lightly and treating people fairly.

As a business, we need to ensure that everything we buy and sell not only looks and tastes delicious but is also sourced responsibly, with care for the environment and the suppliers with whom we trade. It is what our customers expect from us and what we expect of ourselves. We want to reassure our customers that just by shopping with us they are doing the right thing. The Waitrose way provides a clear and simple mechanism to communicate this message.



Championing British The Waitrose way

We believe in always bringing people British food and produce at its best and in celebrating British seasonal food at its very best.

Our seasonal food policy commits us to stocking and clearly promoting British products in season both in-store and through wider communications. Championing British starts at home: the Partnership has its own working farm on the [Leckford Estate](#) in Hampshire.

We have a part to play in finding long-term solutions to food security, climate change and other issues affecting future agricultural production. We are sponsoring the Chair of Sustainable Agriculture at Aberystwyth University, and the establishment of a Centre of Excellence for UK Farming (CEUKF), helping the UK food sector to meet the increasing challenges of production and sustainability.

The CEUKF was formed in 2010 and coordinates a growing network of expertise and partners. It has begun practical work to benchmark Sustainable Efficient Production at farm level, to enable the development of practical tools to promote best practice.



Living well The Waitrose way

Waitrose believes that eating well should be enjoyable. We provide a wide range of imaginative and nutritious choices to inspire people to eat more healthily.

In line with our three-year nutrition strategy, refreshed in 2009, we have extended our reach by introducing [our cooking school](#) and improving the nutritional profile of our own-brand products. For example:

- we have made it easier for customers and Partners to eat more healthily through the introduction of LOVE life – a range of nutritionally balanced foods
- our nutrition team continues to provide practical help and advice consistent with adopting a healthier lifestyle, through our publications and online
- we actively consider the nutritional profile of products during development and throughout the product lifecycle.

We are also actively engaged with the [Public Health Responsibility Deal](#) – an agreement between the Government, industry and health organisations, containing a set of goals to improve public health.



“Whatever we touch, we aim to make better. For us, this is just the way we do business. While other businesses struggle to reconcile ethical values with commercial realities, we find them inseparable from our definition of a good, healthy business.”

**QUENTIN CLARK, HEAD OF SUSTAINABILITY
AND ETHICAL SOURCING, WAITROSE**



**THE PRINCE'S
COUNTRYSIDE
FUND**

Waitrose is supporting [The Prince's Countryside Fund](#), set up to secure a sustainable future for British agriculture and the wider rural economy. The Fund's logo appears on all our own-brand milk and Duchy Originals from Waitrose products to communicate this commitment to our customers.



Treading lightly The Waitrose way

We believe in making the right choices for the environment by reducing packaging, waste and CO₂ emissions, and responsibly sourcing our food.

As farmers ourselves, we understand both the challenges and the importance of maintaining high standards of agricultural management. We work with our farmers, growers and suppliers to achieve the highest standards of quality, safety, and environmental and animal welfare across our supply chain. For example, read about our work in [Promoting trade with Africa](#).

Building on our previous work with key suppliers to improve their water efficiency and stewardship, and reduce their carbon emissions, Waitrose is introducing supplier targets in the areas of carbon, waste and water.

We are working on initiatives to reduce food waste and packaging, and increase recycling, to further minimise our environmental impact. See [Packaging, waste and recycling](#).

We are also striving to improve the sustainability of our products more widely, and one example of this is our work on palm oil.


Palm oil

The palm oil industry has a significant impact on forests around the world. As an active member of the [Roundtable on Sustainable Palm Oil \(RSPO\)](#) and the Retailer Palm Oil Working Group hosted by the British Retail Consortium, we work with our suppliers to develop robust and auditable traceability systems for palm oil.

Our target is to have 100% Certified Sustainable Palm Oil in our own-brand products by December 2012. By the end of 2010, 25% of the palm oil in our products was from RSPO-certified sustainable sources, and we plan to increase this to 75% by December 2011 and 100% by the end of 2012. In the interim, all palm oil sourced for our own-brand products is covered by the Greenpalm certificate trading programme, endorsed by the RSPO.

We remain committed to clearly labelling our own-brand products so that those containing palm oil can be identified by customers. Once the RSPO Executive Board sanctions the use of a trademark logo for sustainable sources, Waitrose will consider adding it to product packaging.

Mushrooms, apples and milk are just some of the Waitrose products from the Partnership's working farm on the [Leckford Estate](#), which is certified to the [LEAF \(Linking Environment and Farming\)](#) standard.

 [Read more about our agricultural standards online](#)



In May 2011, Waitrose was the first supermarket to commit to sourcing 100% of the soya in own-brand products from [Roundtable on Responsible Soy](#) certified sources by December 2015.



Treating people fairly The Waitrose way

We believe in treating our customers, Partners, farmers and suppliers fairly as well as supporting local charities and community groups through our [Community Matters](#) scheme.

Our relationships with suppliers are based on integrity, fairness and respect; working with them as partners is fundamental to delivering high-quality goods and services to our customers. For example, our farmers are paid fair prices which include a significant premium to cover the cost of additional work required to achieve and maintain our high standards and to allow them to reinvest in their farms. Read more about our relationships with suppliers in [Trading responsibly](#).

Fairly traded products

We are working with the [Fairtrade Foundation](#), the [Rainforest Alliance](#) and our own Waitrose Foundation (below) to enhance our range of fairly traded products – products that help the communities in which they were produced. Looking forward, we will develop our Fairly Traded policy further and expand both our range of Waitrose Foundation lines and Fairtrade, both in branded and own-brand products.

Waitrose Foundation

The Waitrose Foundation is a supply chain partnership that returns a percentage of profits from the sale of produce to fund projects chosen by the farm workers and smallholders who grew it.

In 2010/11, we had more than 200 projects in South Africa, Kenya and Ghana. For example:

- in Kenya, in the Rift Valley where many of our roses are grown, the Foundation equipped a resource centre with internet-enabled computers for the entire community to use
- in Ghana, we funded the building of one school and the refurbishment of two others, and provided the first sanitation facilities for a village of over 2,000 people.



Read more about the [Waitrose Foundation online](#)

Promoting trade with Africa

The UK government Department for International Development set up the Food Retail Industry Challenge Fund (FRICH), which gives grants to retailers or food manufacturers to fund projects promoting trade with smaller-scale farmers in Africa, thereby reducing poverty.

Waitrose, supported by a FRICH grant, is working with Linking Environment and Farming (LEAF) to help Kenyan farmers learn about sustainable agriculture and how to improve crop yields and quality. This will help them to achieve the standards required to get their produce onto UK shelves in Waitrose shops.



Read more and watch the farmers' stories [online](#)



“The Waitrose Foundation is an extension of the morals we hold close to us. The branch is very community focused, almost like a family, and it’s important that we can make a difference in Africa too. As well as sourcing our products there, we’re giving something back.”

SOPHIE AH-YAVE, SECTION MANAGER,
WAITROSE CROYDON



“With the support we are getting from Waitrose and FRICH and the new LEAF demonstration farm that has been set up nearby, we are confident that we will make it. There is no other industry here – farming for export and for the local market can bring great development opportunities.”

ANTHONY MUCHEKE, KENYAN FARMER

Trading responsibly

It makes business sense for us to trade responsibly with our suppliers – our business relies on their products and services. For the Partnership, this means acting responsibly towards the workers who make the products we sell and ensuring both worker rights and legal production conditions are met.

Responsible Sourcing

Our [Responsible Sourcing Code](#) sets out our expectations of suppliers on issues such as pay and working hours. Through our Responsible Sourcing Programme, we monitor how suppliers are meeting our expectations and, where problems occur, we work with suppliers to improve labour standards and worker welfare.

We use independent third-party ethical audits and the Supplier Ethical Data Exchange ([Sedex](#)), a secure and confidential web-based database, to manage ethical and responsible practices within our supply chains. Through Sedex, our supplier companies can demonstrate that they behave responsibly towards their workers.

We recognise that compliance to a code and auditing are not always enough to affect meaningful sustainable improvements in the lives of those who work in our supply chain. Our Buying teams have a role to play too, and in recognition of this, John Lewis has developed a Responsible Buying training programme which all Buying Partners will complete by the end of 2011.

Working with others

We both support and run initiatives with other organisations to improve our supply chain working conditions.

- In India, John Lewis works with a group of suppliers that ensure that children of weavers don't work on looms but attend a school which John Lewis supports. We also invest in local environmental and community projects.
- John Lewis is developing a sustainable cotton farmer training programme to educate conventional [cotton farmers](#) on more sustainable farming methods.
- In preparation for the UK Bribery Act, we arranged for a leading non-governmental anti-corruption organisation to produce a briefing note for Waitrose and John Lewis suppliers on the legislation. We also arranged a training course for suppliers and employment agencies on 'Preventing Illegal Workers', run by the [Association of Labour Providers](#).
- The [Equality and Human Rights Commission](#) set up a taskforce following its inquiry into recruitment and employment in the UK's meat and poultry processing sector, and Waitrose has been involved in taskforce meetings. The inquiry brought to light widespread poor treatment of agency workers. In response, Waitrose asked all its meat and poultry suppliers to confirm their position on the recommendations outlined in the report.
- John Lewis created a Guide to our Responsible Sourcing Code to support suppliers in meeting its requirements. Initially being published in English and Chinese, the Guide will be sent to every supplier by mid-2011.
- Waitrose supported Fruit South Africa, an alliance of various fruit exporting sectors, in the development of the Ethical Trading Handbook for South African Fruit Growers. It is based on the [Ethical Handbook for UK Growers](#), commissioned by Waitrose, other leading food retailers and the ethical trade organisation Impactt, and we have arranged for all Waitrose Foundation farms in South Africa to receive a copy.





“Done well, Responsible Sourcing can benefit all of us by meeting the expectations of our Partners and customers, strengthening relationships with our suppliers, and most importantly, improving people's lives by improving their working conditions.”

LUCY SHAW, RESPONSIBLE SOURCING MANAGER, JOHN LEWIS

Partnership joins Ethical Trading Initiative

In June 2011, the Partnership joined the [Ethical Trading Initiative](#) (ETI). We recognise the value of the ETI's collaborative, tripartite arrangement between businesses, trade unions and NGOs. We believe this approach delivers a breadth of understanding of complex supply chain issues, making it easier to make improvements on a greater scale and at a faster pace in order to reach more sustainable solutions. Our experience to date means we are in a good position to make an effective contribution to the ETI. In addition, we anticipate that the independent scrutiny of our programmes will provide opportunities for us to further develop and strengthen our approach.

 **Read more about our suppliers [online](#)**

 **View our performance data**
OWN-BRAND PRODUCTION SITES REGISTERED ON SEDEX, NUMBER (AND % OF TOTAL)



Our communities...

our commitment

The Partnership view

Our community vision is to be truly public spirited, bringing people together to create happier and healthier communities.

“Being a force for good in the community has always been part of the Partnership’s commitment to being a better form of business. Our Partners like to get practically involved at a local level where they can make a real difference and benefit from the experience by learning new skills.”

GEMMA LACEY, HEAD OF CSR,
JOHN LEWIS PARTNERSHIP

ACHIEVEMENTS

- Undertook a Partnership-wide review of our community programme
- The Partnership donated £75,000 to the British Red Cross Disaster Fund in November 2010
- 10-year anniversary of the Golden Jubilee Trust celebrated with 24,000+ hours of secondments

LOOKING AHEAD

- Create more opportunities for our Partners to get involved in community activities
- Deliver training and jobs at our shops in Stratford, adjacent to the Olympic Park
- Develop John Lewis’ ‘Community Room’ initiative and extend Waitrose Community Matters to waitrose.com customers



A strategic review

With our ambitious business growth plans bringing us into contact with new and varied communities, the Partnership's CSR team conducted a strategic review of our community programme in 2010.

This review involved research and engagement to understand both Partner and external perceptions of our programme, and to benchmark it with our peers. Feedback from focus groups indicated that Partners enjoyed the freedom of choice and diversity of community activities. However, there were some initiatives they were unaware of, depending on which area of the business they worked in.

Feedback from our community partner organisations highlighted that while they considered the Partnership to be 'a great partner to work with', they felt our contributions could be increased by drawing more support from customers or suppliers.

In our strategic review:

- 88% of Partners agreed that the community programme is fine as it is but needs to be communicated better
- 78% of Partners agreed that a consistent approach to Partner involvement across the business was needed and guidance to support this should be developed and communicated.

A clear, consistent community approach

We want Partners, customers and other stakeholders in the community to know what they can expect from the Partnership on community involvement and support. This means having a clear management structure for effective, efficient decision-making.

As a result of our review (see above), we plan to reassess our community governance groups to make sure community activities across our business deliver value to our communities, our business and our Partners.

We will refresh our key performance indicators and targets so we can better plan, measure and evaluate our community activity. We will also help our branches to understand their community needs, tailor their programmes accordingly and develop stronger partnerships with key community organisations.

Building on the success of current initiatives such as the Golden Jubilee Trust, we are exploring new and more flexible ways of encouraging Partners to get involved in their communities both at work and in their own time.

Additionally, under our Responsible Development programme, we will work with communities to understand how we can build new shops to be an integral part of community life.



£8.8 million

Partnership-wide charitable and community contributions in 2010/11



4,100

net new jobs created in 2010

Community investment

In 2010/11, Partnership-wide charitable and community contributions totalled over £8.8 million, equivalent to 2.4% of our pre-tax profits, as measured using the London Benchmarking Group model.

John Lewis

Our [Bringing Quality to Life](#) vision highlights our desire to improve the lives of our suppliers and local communities by supporting local, regional and national initiatives. See [John Lewis Foundation](#) for our work with our suppliers' communities.

John Lewis' 2010 Charity of the Year was [Beating Bowel Cancer](#). The charity, selected by Partners, benefited from numerous fundraising activities as well as our mobile recycling scheme, which gave a donation for every phone received. In total, we raised £350,000.

Following feedback from Partners, we decided on a new approach in 2011. Each branch will support a local cause of their choice under a particular category, which for 2011/12 is 'welfare', focusing on local charities that help the homeless.

We will also be trialling two new initiatives in 2011. In our Watford, Newcastle, Glasgow and Cardiff shops, we will provide a Community Room for charities and community groups to use. This is to help ensure our shops become a genuine resource for the community.

In our John Lewis 'at home' shops and four department stores, we will trial a John Lewis Community Matters initiative where customers can decide how we donate to community organisations. Depending on their needs, we will either offer Partner volunteering, donate products or provide financial assistance.

Waitrose

Through [the Waitrose way](#), we want Waitrose to be at the heart of our communities. Our Community Matters scheme involves our customers helping to decide how much we donate to selected organisations. In 2010/11, we donated £2.7 million to 8,500 worthy causes.

We aim to develop the scheme to allow flexibility for local organisations that would prefer to have a Partner volunteer than a donation. We are also keen to raise customer awareness of organisations that need regular volunteers via our Community Matters boards. In 2011, we hope to launch Community Matters online to encourage [waitrose.com](#) customers to participate in our community programme.

In recognition of the challenges facing nearly one million young people in the UK not in education, employment or training, we will be trialling a new programme in late 2011 for those with few or no qualifications, and no work experience.

"We were delighted to see the Partnership increase its annual donation to the British Red Cross Disaster Fund to £75,000 in November 2010. Over the last year, donations have helped people affected by natural disasters in Panama, Colombia, Niger and New Zealand."

NICOLA MOORE, CORPORATE PARTNERSHIP EXECUTIVE, BRITISH RED CROSS

Music Matters

The Partnership has a long tradition of supporting music in order to enhance people's lives. We have now established a scheme called Music Matters and we invite bids from a wide range of organisations, made through local branches. Bids for one-off donations of between £1,000 and £5,000 are considered on an annual basis.

more than
£1 million

donated to the [Prince's Charities Foundation](#) to date, based on sales of [Duchy Originals](#) from [Waitrose](#) products

➔ **View our performance data**

CONTRIBUTIONS TO CHARITIES AND COMMUNITY GROUPS



Food education

Waitrose sponsors the [Royal Horticultural Society's Campaign for School Gardening](#), which aims to have 80% of the UK's 21,500 primary schools actively using a garden by the end of 2012. In January 2011, 12,679 schools had already signed up.

We also sponsor the Specialised Chefs Scholarship at Bournemouth and Poole College, offer a wide variety of demonstrations and events in our cookery studios, and continue to be a partner member of [Farming and Countryside Education](#).

Getting Partners involved

Encouraging Partners to get involved in our community activities reinforces our commitment not just to our communities, but to our Partners as well. They can develop their confidence, learn skills, take on new responsibilities and become more motivated.

Our signature volunteering programme is the Golden Jubilee Trust (GJT), established as a charity in 2000. Through the GJT, any Partner can apply for a full- or part-time volunteering secondment with a UK-registered charity for up to six months. We hit a record in 2010 with Partners spending over 24,000 hours on GJT secondments.

Building on the success of this scheme, we are exploring new and more flexible ways of encouraging Partners to be more active in their local communities.


 [Read more about the GJT online](#)

Local investment

Our shops are very much a part of the communities they are based in. When planning new shops, we engage with community groups to ensure they will suit the surroundings and offer long-term value. We also make sure that we build stronger relationships with our neighbours and attract, train and recruit local people into rewarding, fulfilling jobs.

The Partnership is playing a key role in the East London regeneration programme, by developing flagship low-carbon John Lewis and Waitrose shops adjacent to the Olympic Park in Stratford, Newham. Together, they will create up to 930 jobs. We are also committed to offering free employment training and at least 250 job opportunities to the long-term unemployed.

In 2011, Andy Street, Managing Director, John Lewis, was appointed the first Chair of the Greater Birmingham and Solihull Local Enterprise Partnership. This role will allow Andy to play a leading part in regeneration and growth, which are vital to the UK's economic recovery, particularly in a region of increasing significance to the Partnership.

 [Read more about our local investment online](#)

In 2010, the Partnership commissioned [nef consulting](#), the strategic consultancy arm of the new economic foundation, to assess the social and economic impact of opening a new shop. It found that:

- local economic impacts include the benefits of construction expenditure, money spent by Partners locally and trade from additional expenditure drawn to the town centre
- through wages, the average John Lewis and Waitrose shops contribute £9.1 million and £1.7 million to the local economy respectively
- Partners have higher wellbeing than the national average, supported by the Partnership's unique ownership and governance structure. Scores are 10–15% above the national benchmark for wellbeing at work.

See a summary of nef's findings [online](#).



[View our performance data](#)

[TIME INVESTED IN CHARITIES BY GOLDEN JUBILEE TRUST SECONDEES](#)

“The GJT programme is one of the benefits that makes the Partnership such a unique place to work. People find it difficult to believe that the scheme is open to all Partners, that they are paid as normal while on secondment and their job awaits them when it is finished.”

ANDREW SLATER, CHAIRMAN, GOLDEN JUBILEE TRUST AND HEAD OF BRANCH, JOHN LEWIS, WELWYN

Retailer of the Year

Waitrose was named 'Retailer of the Year' at the British Council of Shopping Centres Gold Awards. The awards recognise achievements in retail-led developments and projects that drive regeneration and improvement in the quality of the built environment. Waitrose was praised for its brand development and its ambitious expansion plan in 2010.

CSR overview

About this report

This is a Partnership-wide report of our CSR performance, achievements, aims for the future and external recognition, including the operations of both John Lewis and Waitrose. Our report covers the areas we have identified as most material to our business and focuses on the areas of our business where we have operational control. Therefore, stores in the Middle East operated by Fine Fare Food Market LLC, and arrangements with Boots and Welcome Break are excluded from our CSR reporting boundary and key performance indicators.

Our report covers our operations' activities from summer 2010 to spring 2011 and unless stated otherwise, figures in this report relate to our trading year running from February 2010 to January 2011. We produce our CSR report annually; our last report was published in August 2010, and our reports are available on [our website](#).

Looking forward, our aspiration is to better align the publication of our CSR report with our Annual Report and Accounts, published in April.

In reporting our performance, we are guided by the Global Reporting Initiative's (GRI) G3 Sustainability Reporting Guidelines and consider this report to be aligned with a GRI checked level B. For information relating to the Guidelines, please see our [GRI index](#). This report is produced for our key stakeholders as detailed in [Our stakeholder engagement](#).

Governance and risk management

Effective governance and risk management are essential for running our business responsibly, and benefiting our stakeholders over the long term.

Our business' [governance](#) system focuses on being both commercial and democratic, and includes three governing authorities: the Partnership Board, the elected Partnership Council and the Executive Chairman. The Board is responsible for our overall management and performance, and approving our long-term objectives.

Led by our Chairman, Charlie Mayfield, our Responsible Business Group is the heart of our [CSR governance arrangements](#) and is supported by steering groups. It has made great progress in driving change across the Partnership with recent highlights including our new [carbon reduction plan](#) and [community investment review](#).

In 2010/11, we enhanced our CSR governance to drive forward our programmes. For example, we strengthened our Environment Steering Group with a Carbon Reduction Group. In 2011, we will be reviewing the role and purpose of the Responsible Business Group to ensure it remains robust in supporting us as we further develop our CSR agenda.

Managing risk

Our Audit and Risk Committee meets four times a year to review the effectiveness of the Partnership's internal controls and risk management systems. Read more about our business risk management [online](#).

We have a formal process to assess and prioritise our CSR risks, which helps us to decide where to focus our efforts and identify opportunities. In 2010, we conducted an internal assurance audit on CSR to assess our key CSR management controls. As a result, we continue to implement new processes and ways of working to improve our internal control. For example, we are implementing a new database for improved tracking of the CSR risks and opportunities we face and our internal audit team will participate in our [assurance](#) process for this, and future, CSR reports.

We welcome your feedback on this report and our approach to CSR. If you have any comments or questions, please email us at csr@johnlewis.co.uk.

Our material issues

We care what our stakeholders think. That's why our key CSR issues are those which we identified as most important or 'material' to our stakeholders and to our business.

This identification process involves regularly assessing the topics we discuss with key stakeholders and is guided by the recommendations of the Global Reporting Initiative (GRI).

Our most material issues include:

- employing and retaining people of ability and integrity, who support our business principles of honesty, respect and encouragement
- engaging our Partners and customers to promote sustainable living
- dealing fairly with our suppliers and selling responsibly sourced, quality products
- making a positive difference to the communities where we do business
- responding and adapting to climate change
- minimising the impact of our built operations
- reducing the waste we generate and increasing the proportion that can be used as a resource.

Materiality matrix



Assurance and independent recognition

Our co-ownership structure, built on the principles of openness and transparency, supports our commitment to open and honest disclosure and reporting. We do not currently seek formal external assurance for our CSR reporting in its entirety. Our Internal Audit department conducted an assurance review of this report, and some elements of our data were externally reviewed. For example, Corporate Citizenship, a specialist corporate responsibility consultancy, reviewed and assured our community investment data collation processes. Read its assurance statement [online](#).

We also believe that our involvement in external initiatives such as BITC's Corporate Responsibility Index, as well as stakeholder feedback and the best-practice standards and independent certification schemes we use, add value and credibility to our CSR programmes and reporting.

Business in the Community **CORPORATE RESPONSIBILITY INDEX 2011**

The Partnership was named a Platinum company by scoring 95% in the 2011 [Business in the Community Corporate Responsibility Index](#), the UK's leading benchmark of responsible businesses. Results were published in June 2011.

Our stakeholder engagement

Collaborating and building relationships with our stakeholders is critical to our continued business success. We seek open dialogue with our stakeholders to help us to understand their views on issues that impact our business.

During 2010, internal stakeholder and governance groups were involved in a review of our stakeholder engagement activities, which included prioritising and developing both new and existing relationships. Read more about why and how we [engage with our stakeholders](#).

STAKEHOLDER	2010/11 ENGAGEMENT HIGHLIGHTS
Partners	<ul style="list-style-type: none"> We used the results of the 2010 Partner Survey to inform our Partner Strategy priorities as we recognise that our success centres on maintaining a clear view of what Partners feel about their experience of the Partnership. 2010/11 Partnership Council meetings included interactive sessions with Councillors giving feedback on our business plan, business strategy, and Partner issues such as pay policy and our learning and development offer. We also gained valuable input during a session on CSR at our March 2011 meeting. The Partnership ran focus groups with Partners to help to shape our community programme going forward. See A strategic review.
Customers	<ul style="list-style-type: none"> In the Institute of Customer Service's UK Customer Satisfaction Awards 2011, John Lewis won the 'People's Choice' trophies for Most Trusted Organisation and Most Reliable Organisation, while Waitrose won Most Responsive Organisation and Valued Customer. John Lewis and Waitrose launched official social media channels including Facebook, YouTube and Twitter to connect with customers, share news and gather feedback. John Lewis has also launched a website which delivers a mobile optimised version of Johnlewis.com for smartphone devices. Waitrose has launched an official iPhone app and the waitrose.com Forum continued to spark discussions on issues including health, nutrition and sustainability.
Suppliers	<ul style="list-style-type: none"> In India, John Lewis works with a group of suppliers that invests in local environmental and community projects, and ensures children of weavers do not work on looms but attend a school that John Lewis supports. In 2010/11, we had more than 200 Waitrose Foundation projects running in South Africa, Kenya and Ghana to support farm workers and their communities. Working closely with our suppliers has resulted in 120 sustainable packaging projects. See Packaging, waste and recycling.
Government and regulators	<ul style="list-style-type: none"> The Partnership is engaged in a dialogue with Ministers and parliamentarians on the new National Planning Policy Framework, highlighting the benefits of a 'town centre first' approach that supports the long-term development and regeneration of town and city centres. The Partnership is providing evidence to the Prime Minister's Task Force on Childhood and Families, the UK Department for Business Innovation and Skills (BIS) Consultation on Modern Workplaces and Labour's Policy Review into Family Life on its experience of family-friendly working practices. The Partnership has an engagement programme supporting our Carbon Reduction Plan, which seeks to simplify the UK Carbon Reduction Commitment Energy Efficiency Scheme and influence policies that will drive investment in renewable technologies for both business and consumers.
NGOs and campaign groups	<ul style="list-style-type: none"> Waitrose, along with other supermarket retailers, commissioned Africa Now, an international development organisation, to investigate child labour in vanilla production in Madagascar. We are supporting the national 'Close the Door' campaign to help save energy. See Energy. The Partnership engaged with Forum for the Future when setting our new carbon reduction target. See Climate change.
Local communities	<ul style="list-style-type: none"> Waitrose and John Lewis hosted a successful pilot event to help branches develop deeper relationships with local government and decision-makers. Attended by 50 external stakeholders, the event included valuable round-table discussions on working together to deliver growth, promoting social wellbeing and driving competitive regional advantage. We interviewed various community partner organisations in our review of our community programme. See A strategic review. For our shops adjacent to the Olympic Park, we are engaging with local communities and government agencies to train and recruit unemployed people. See Local investment. Our 'at home' shop openings in Croydon, Tunbridge Wells and Swindon all involved a number of stakeholders from the local community and we hosted preview events for key stakeholders.
Media	<ul style="list-style-type: none"> The Partnership created various short films about our business, available online. The John Lewis autumn-winter press show was a great success with hundreds of journalists, bloggers and retail analysts visiting over the two-day event. The unveiling of the new Oxford Street womenswear fashion floor was attended by a range of journalists and designers. Waitrose held an event for media to launch its range of nutritionally balanced foods, LOVE life. Waitrose held an event at Highgrove to launch the Duchy Originals from Waitrose brand.

Collaboration and influence

To support the impact of our CSR programme and activities, we partner external organisations on various initiatives. Our senior executives are also active in various associations which are relevant to our business:

- Charlie Mayfield, Chairman, John Lewis Partnership, is now non-executive Chairman of the **UK Commission on Employment and Skills**. This is an opportunity to raise the profile of our Partner development, learn from others and influence how the Government supports business in providing employment for the next generation.
- Andy Street, Managing Director, John Lewis, is on the Board for **London First**, a business membership organisation working to make London the best city in which to do business. Andy has also been appointed the first Chair of the **Greater Birmingham and Solihull Local Enterprise Partnership**, and will lead the economic rejuvenation of the region.
- Mark Price, Managing Director, Waitrose, is now Chairman of **Business in the Community** (BITC). The Partnership has been a long-standing member of BITC, helping to define what responsibility looks like in the workplace, marketplace, environment and the community. In September 2010, he was also appointed as a non-executive director of the Channel 4 board.
- Nigel Keen, Director, Partnership Property Services, is now the retail representative on a new Government committee, the **Green Economy Council**, which will discuss how government and industry can work together to support the transition to a green, low-carbon economy.
- Lesley Ballantyne, Director, Operational Development, John Lewis, has been appointed Mentor for the Government's **Pathfinder Mutuels** initiative, advising public-sector staff as they prepare for employee ownership.
- Patrick Lewis, Partners' Counsellor and Partnership board member, has joined the Government's **Mutuals Taskforce**, helping people to become semi-independent mutual companies under the Government umbrella.
- Andrew Moys, Director of Communications, is the Partnership's representative on the UK Department for Business Innovation and Skills Employee Engagement Task Force which will share best practice and raise the profile of employee engagement in delivering growth and wellbeing.

“We’re delighted to welcome Waitrose’s Managing Director, Mark Price, as Chairman of BITC and I’m confident our movement will continue to grow under his leadership. Mark has an impressive track record for innovation in sustainable retailing, demonstrating that responsible business can result in profitable business.”

STEPHEN HOWARD, CHIEF EXECUTIVE, BUSINESS IN THE COMMUNITY



Engaging with the Government on creating more job opportunities

Our Chairman Charlie Mayfield joined other major British employers for talks with the Prime Minister and Chancellor in January 2011. Each employer outlined the jobs they plan to create in the years ahead. Charlie confirmed that the Partnership had ‘invested heavily’ in our business throughout the recession and created net 4,100 new jobs in 2010 alone.

The Partnership will create a similar number of opportunities in 2011, primarily through plans to open 39 new Waitrose shops, a John Lewis store in Stratford and two more John Lewis ‘at home’ shops.



GRI index

































This report is aligned with the Global Report Initiative (GRI) G3 Sustainability Reporting Guidelines, at a GRI checked application level B. To find information relating to each indicator, use the links in the index below. For a detailed explanation of the indicators, visit www.globalreporting.org.

Report Application Level	C	C+	B	B+	A	A+
G3 Profile Disclosures <small>OUTPUT</small>	Report on: 1.1 2.1 - 2.10 3.1 - 3.8, 3.10 - 3.12 4.1 - 4.4, 4.14 - 4.15		Report on all criteria listed for Level C plus: 1.2 3.9, 3.13 4.5 - 4.13, 4.16 - 4.17		Same as requirement for Level B	
G3 Management Approach Disclosures <small>OUTPUT</small>	Not Required	Report Externally Assured	Management Approach Disclosures for each Indicator Category	Report Externally Assured	Management Approach Disclosures for each Indicator Category	Report Externally Assured
G3 Performance Indicators & Sector Supplement Performance Indicators <small>OUTPUT</small>	Report on a minimum of 10 Performance Indicators, including at least one from each of: Economic, Social and Environmental.	Report Externally Assured	Report on a minimum of 20 Performance Indicators, at least one from each of: Economic, Environmental, Human rights, Labor, Society, Product Responsibility.	Report Externally Assured	Report on each core G3 and Sector Supplement* Indicator with due regard to the Materiality Principle by either: a) reporting on the Indicator or b) explaining the reason for its omission.	Report Externally Assured

*Sector supplement in final version

Reporting level key

-  Reported
-  Partially reported

DISCLOSURES ON MANAGEMENT APPROACH	REPORTING LEVEL	LOCATION AND NOTES
EC: Economic performance		Our constitution , Our strategy , Customers, products and suppliers , Chairman's statement , Annual report – Chairman's statement
EC: Market presence		Our constitution , Our strategy , Customers, products and suppliers , Chairman's statement , Annual report – Chairman's statement
EC: Indirect economic impacts		Our constitution , Our progress , Our communities
EN: Materials		Our progress , Our environment – Responsible development , Our environment – Packaging, waste and recycling , Governance , CSR policy
EN: Energy		Governance , Our progress , Our environment – Energy , CSR policy
EN: Water		Governance , Our progress , Our environment – Water use , CSR policy
EN: Biodiversity		Governance , Our environment – The natural environment , CSR policy
EN: Emissions, effluents and waste		Governance , Our progress , Our environment – Packaging, waste and recycling , Our environment – Refrigeration , Our environment – Climate change , CSR policy
EN: Products and services		Governance , Our progress , Our customers, products and suppliers – John Lewis: Bringing Quality to Life , Our customers, products and suppliers – treading lightly , CSR policy
EN: Compliance		Governance , CSR policy , Compliance
EN: Transport		Governance , CSR policy , Transport and distribution , Our progress
EN: Overall		Governance , CSR policy , Our progress , Our Environment , Our customers, products and suppliers
LA: Employment		Governance , CSR policy , Our progress , Our employees , Working for us
LA: Labor/management relations		Governance , CSR policy , Our progress , Our people , Our employees , Working for us
LA: Occupational health and safety		Governance , CSR policy , Our people , Safety and occupational health
LA: Training and education		Governance , CSR policy , Our progress , Our people , Training and development
LA: Diversity and equal opportunity		Governance , CSR policy , Our progress , Our people , Opportunities for all
HR: Investment and procurement practices		Governance , CSR policy , Our progress , Our customers, products and suppliers
HR: Non-discrimination		Governance , CSR policy , Our progress , Our customers, products and suppliers , Responsible sourcing code of practice
HR: Freedom of association and collective bargaining		Governance , CSR policy , Our progress , Our customers, products and suppliers , Responsible sourcing code of practice
HR: Child labor		Governance , CSR policy , Our progress , Our customers, products and suppliers , Responsible sourcing code of practice
HR: Forced and compulsory labor		Governance , CSR policy , Our progress , Our customers, products and suppliers , Responsible sourcing code of practice
HR: Security practices		Governance , CSR policy , Our progress , Our customers, products and suppliers
HR: Indigenous rights		Governance , CSR policy , Our progress , Our customers, products and suppliers
SO: Community		Governance , CSR policy , Our communities , Our community
SO: Corruption		Governance , CSR policy , Our customers, products and suppliers
SO: Public policy		Governance , CSR policy , Our progress , Collaboration and influence
SO: Anti-competitive behavior		Governance , CSR policy , Our constitution
SO: Compliance		Governance , CSR policy , Our customers, products and suppliers , Our constitution
PR: Customer health and safety		Governance , CSR policy , Our customers, products and suppliers , About our products
PR: Product and service labelling		Governance , CSR policy , Our customers, products and suppliers , Labelling
PR: Marketing communications		Governance , Our constitution , CSR policy , Our customers, products and suppliers
PR: Customer privacy		Governance , Our constitution , CSR policy , Our customers, products and suppliers , Waitrose.com privacy statement , John Lewis Partnership privacy statement , Johnlewis.com privacy statement
PR: Compliance		Governance , Our constitution , CSR policy , Our customers, products and suppliers , About our products , Compliance

INDICATOR	REPORTING LEVEL	LOCATION AND NOTES
1.1	➔	Chairman's statement
1.2	➔	Chairman's statement, Our progress, Our environment, Our material issues, Governance and risk management
2.1	➔	What makes us different
2.2	➔	Our business
2.3	➔	Our business
2.4	➔	Back cover
2.5	➔	About this report
2.6	➔	What makes us different, About us
2.7	➔	Our business, Our customers, products and suppliers
2.8	➔	What makes us different, Our business, Chairman's statement, Annual Report 2011 pages 38-39
2.9	➔	There were no significant changes during the reporting period.
2.10	➔	Our people – Embracing diversity, Helping Partners be the best they can be, Our customers, products and suppliers – Our service, Our community – Local investment, Our environment – Refrigeration, Assurance and independent recognition
3.1	➔	About this report
3.2	➔	About this report
3.3	➔	About this report
3.4	➔	Back cover
3.5	➔	About this report, Our material issues
3.6	➔	About this report
3.7	➔	About this report
3.8	➔	About this report
3.9	➔	Our performance summary, Key performance data
3.10	➔	Waitrose's 2008/09 and 2009/10 data and divisional data for transport-related CO ₂ e emissions per £m sales have been amended due to changes in the applied emission conversion factors. These changes also affect the total emissions and subtotals of scope 1 and scope 3 emissions. Historical recycled waste data has been amended to show separately the waste tonnages treated by energy from waste solutions (recovery).
3.11	➔	There were no significant changes during the reporting period.
3.12	➔	GRI index, CSR report
3.13	➔	Assurance and independent recognition
4.1	➔	Governance and risk management
4.2	➔	Governance and risk management
4.3	➔	Partnership Board
4.4	➔	Governance and risk management, Our stakeholder engagement, Our people – Engaging with our Partners, The Partnership
4.5	➔	All Partners with direct functional responsibility for CSR, including senior managers and board members, have CSR performance objectives within their job descriptions. Annual pay reviews reflect individual performance against their job description and the local market rate. All Partners are held to account by their managers to uphold our Constitution, which includes economic, social and environmental elements. The Chairman is held to account by the Partnership Council. The share of profits allocated to Partners is fixed each year by the Partnership Board and is distributed as the same percentage of gross annual pay for all Partners. Partners with exceptional performance may be rewarded at any time with a cash bonus payment by local management. To recognise and reward Partners in a spontaneous and personal way for behaviour which promotes and supports Partnership values the Partnership also has a non-financial recognition policy.
4.6	➔	Annual Report – Directors' report
4.7	➔	Governance and risk management, Annual Report – Directors' report
4.8	➔	CSR policy, Our principles, Our views
4.9	➔	Governance and risk management
4.10	➔	All Partners are held to account by their managers to uphold our Constitution, which includes economic, social and environmental elements. In addition, CSR issues are included in the annual performance review for board members with specific responsibilities for CSR (eg Director of Personnel). The Chairman is ultimately accountable for the Partnership's commercial performance and responsible for upholding the constitution. He is held to account by the Partnership Council.
4.11	➔	The John Lewis Partnership does not formally apply the precautionary principle – the idea that if the consequences of an action are unknown but could be negative, then it is better to avoid that action – to our decision-making processes. However, we do employ this approach in certain areas of our activities, such as addressing climate change.

INDICATOR	REPORTING LEVEL	LOCATION AND NOTES
4.12	➔	Our people, Our customers, products and suppliers, Our communities, Our environment, Our stakeholder engagement, Collaboration and influence, Assurance and independent recognition
4.13	➔	Our people, Our customers, products and suppliers, Our communities, Our environment, Our stakeholder engagement, Collaboration and influence, Our associations
4.14	➔	Our stakeholder engagement
4.15	➔	Our stakeholder engagement, Engaging our stakeholders
4.16	➔	Our stakeholder engagement, Engaging our stakeholders
4.17	➔	Our stakeholder engagement
EC1	➔	What makes us different? (key figures), Chairman's statement, Annual Report pages 38-40, 53 and 56
EC2	Ⓜ	Our environment
EC3	Ⓜ	Annual Report pages 8-9
EC6	Ⓜ	Local, regional and British sourcing, Our customers, products and suppliers – the Waitrose way; Championing British, Our customers, products and suppliers – John Lewis: Bringing Quality to Life Supporting UK manufacturers
EC7	Ⓜ	Our communities – Local investment
EC8	➔	Our communities – Local investment
EC9	Ⓜ	Our communities – Local investment, Collaboration and influence
EN2	Ⓜ	Our environment – Responsible development
EN3	➔	120,820 GJ fuel oil, 577 GJ LPG, 587,817 GJ diesel, 166 GJ petrol, 1,143,560 GJ natural gas
EN4	Ⓜ	1,940,463 GJ
EN5	Ⓜ	Our environment
EN6	Ⓜ	Our customers, products and suppliers
EN7	Ⓜ	Our environment
EN8	➔	Key performance data. We report municipal water supplies data only, other water sources are currently not material.
EN12	Ⓜ	Our customers, products and suppliers, Our environment
EN14	➔	Our environment – The natural environment
EN16	➔	Our environment, Key performance data
EN17	➔	Our environment, Key performance data
EN18	➔	Our environment
EN22	➔	Our performance summary. Levels of hazardous waste are immaterial to the organisation.
EN23	➔	There have been no significant spills during the reporting period.
EN26	Ⓜ	Our customers, products and suppliers
EN28	➔	Key performance data
EN29	➔	Our environment, Our performance summary, Key performance data
LA1	➔	Key performance data
LA2	Ⓜ	Key performance data
LA5	➔	For any change that affects 20 or more Partners, we comply with statutory regulations for collective consultation. For changes affecting fewer Partners we advise a minimum of four weeks but this is more often than not 13 weeks.
LA6	Ⓜ	Safety and health
LA7	Ⓜ	Key performance data
LA11	➔	Our people, Opportunities for all, Training and development, Pay and benefits
LA13	Ⓜ	Key performance data
HR2	➔	Our customers, products and suppliers, Responsible sourcing, Responsible sourcing programme
SO1	➔	Our communities, Local investment
SO5	➔	Our stakeholder engagement, Collaboration and influence, Engaging our stakeholders
PR1	Ⓜ	About our products
PR3	➔	Our environment, About our products, Sustainable products
PR5	➔	Our customers, products and suppliers – Our service, Customer service

Contact us

Further information about CSR at the John Lewis Partnership can be found on our [website](#)

If you have any comments regarding this report, please contact:
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Design and copywriting: Flag

Date of publication: 07/11



John Lewis Partnership