



How we stack up  
Corporate Social Responsibility Report 2008

Waitrose

Waitrose is one of the UK's leading food retailers and forms part of the John Lewis Partnership, which has a unique system of employee co-ownership. All 69,000 employees ('Partners'), roughly 40,000 of them at Waitrose, have a say in how the business is run and a share in its profits.

Waitrose, now over 100 years old, operates more than 190 supermarkets, supported by four distribution centres, and offers around 40,000 core product lines. Its head office is in Bracknell, Berkshire.

Waitrose also owns and manages the 4,000-acre Leckford Estate in Hampshire.

Waitrose's gross sales in 2007 rose by 6.8% to just under £4 billion (£3,950 million), over half the Partnership's total sales of £6.8 billion.

For information about the Partnership's other businesses, visit [www.johnlewis.com](http://www.johnlewis.com) and [www.greenbee.com](http://www.greenbee.com).

All data in this report covers the period February 2007 to January 2008 unless otherwise stated.

**Front cover:** British-grown organic open portabella mushrooms.



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## CSR: business as usual

For Waitrose, Corporate Social Responsibility (CSR) is just 'business as usual'. Protecting the environment, sustainable product sourcing, responsible farming and agriculture, long-term supplier relationships, good customer service – they're all integral parts of how we do things, each and every day.

The importance we attach to these responsibilities is embedded throughout our business operations, from the shop floor to the boardroom, simply because we do not answer to external shareholders. We make long-term decisions about how we source our products, build and operate our shops, and support the communities we trade in for the best interests of all our stakeholders. We also do these things, and much more besides – which I hope this report demonstrates – because they are the right thing to do and because they make good business sense.


The marketplace has brought many challenges since I took over as Managing Director last year, but we have celebrated much success too. We have embarked on an unprecedented growth programme, building new shops, refurbishing and modernising others, and even a move into licensing our brand internationally, with the first Waitrose opening in Dubai in October 2008.

At Waitrose we believe that few things in life are as important as the food people buy. Good, healthy food is not just essential but also one of life's great pleasures so we extend the notion of partnership to our suppliers, ensuring we deliver the very best quality products to our customers at a fair and honest price. We don't buy fresh produce on the open market, rather we source from farmers and growers with whom we have long-standing relationships.

Whenever we work with our British producers, we are doing much more than striking a deal with suppliers – we are making agreements with the people who ensure our country's long-term ability to feed itself. We recognise that our suppliers long-term viability is much more important than any immediate savings. For example, we have introduced a structured pricing plan for British farmers supplying our beef. In a very challenging year for the British lamb industry, we sustained the prices we paid to our farmers above a depressed market rate. By the end of this year, we will have switched to 100% British bacon to support UK pig farmers.

Beyond our shores, the Waitrose Foundation has been expanded to provide more investment in social, educational and health projects in communities where our South African fruit farmers live and work. And Partners also called for greater democracy, so we changed our Partner engagement structures so that everyone will have even more of a voice in the business.

 Read Mark Price's blog at [www.waitrose.com](http://www.waitrose.com)

 Partners can send in questions to Mark via the 'Ask Mark Price' section of our intranet

Looking at the not-so-distant future, one major challenge that lies before us all, both society as a whole as well as the food industry, is how we are going to feed an ever-growing population. In 1900, there were 1.5 billion people in the world; in 2000, there were 6 billion; and by 2050, there will be 9.5 billion. Yields are already levelling off, so the way we manage food, and the relationship we all have with food, has to change. We believe our partnership approach to supplier relationships, the importance we attach to food quality, provenance and traceability as well as our agri-environmental efforts are just a few of the small steps we can all take to meet this global challenge.

In this report, as with last year's Partnership-wide publication, we have focused on seven key areas that matter most to our Partners, customers, suppliers and other stakeholders. Their passions and concerns mirror ours; like us, they want to know how we are reducing our energy use and the waste we generate, sourcing our products responsibly and supporting the people who supply them, running our operations more sustainably and improving the communities around us.

We trust this report provides some of the answers to these questions by demonstrating how our performance 'stacks up' on these material issues, confirming what we stand for, sharing what we have achieved so far and outlining our priorities for the future.

### Mark Price

Managing Director, Waitrose



# What makes us different

Like any business, the John Lewis Partnership is commercial and competitive, but it is also the UK's largest and longest-lasting example of employee ownership. Rather than having employees and shareholders, our Partners co-own the business.

## Who we are

We believe our co-ownership business model gives us three significant advantages:

- > It allows us to **take a long-term view** - we can build lasting relationships with all our stakeholders, from customers to suppliers, because we're not driven by the need to deliver short-term gain for the City.
- > It means we can **maximise the value of employee ownership** - Partners have worthwhile, secure and fulfilling employment, which generates loyalty, pride, job satisfaction, knowledge and empowerment.
- > It enables us to **act in the interests of society** - as a long-term employer and neighbour, our long-held desire is to conduct all our business relationships with integrity and courtesy, behave as a good corporate citizen and contribute to the communities where we operate.


## Our business model



## The spirit of the Partnership

There are many aspects of our business that make the Partnership different from other businesses. For example:

- > As co-owners, we share the responsibility for our own successes and failures. This sense of collective responsibility is reflected in the low turnover (25%) and sickness (3%) rates that Waitrose exhibits compared with others in our sector.
- > Profits are also shared equally, in the form of an annual Bonus (20% of salary in 2007-08), which gives everyone a shared purpose and a tangible reason to do their job to the best of their ability.
- > We support a healthy work-life balance through flexible working, and a range of leisure activities, clubs and societies, career breaks, long leave and a flexible retirement policy.
- > We support Partners to fulfil their potential, often promoting from within, and offering internal training and career development programmes.
- > We nurture a creative, innovative culture that values difference and diversity.
- > In addition to competitive pay and benefits, we offer Partners a final salary pension scheme, Bonus Save, a Government approved share incentive plan and five subsidised holiday centres around the country.

 The spirit of the Partnership is captured in a short video on [www.johnlewispartnership.co.uk](http://www.johnlewispartnership.co.uk)

*"The Partnership returned £324 million to Partners last year in the form of a bonus, pensions and other benefits. That's an enormously powerful demonstration that our business is different."*

Charlie Mayfield Chairman, John Lewis Partnership

### Governance and structure

Our structure is underpinned by the highest levels of corporate governance. This gives managers the freedom to be entrepreneurial and competitive in how they run the business, while giving all our Partners the rights and responsibilities of ownership through active involvement in the business.

At the top level, the Partnership has three governing authorities. **The Partnership Council**, unique in corporate governance, is directly elected by Partners, holds the Chairman and executives to account, and appoints five non-executives to **the Partnership Board**. The Board has five executives and two external non-executives appointed by **the Chairman**, including the Managing Directors of John Lewis and Waitrose.

Find out more about our governance authorities on [www.johnlewispartnership.co.uk](http://www.johnlewispartnership.co.uk)



### Engaging with our Partners

Our ultimate goal is the happiness of our Partners, who share the responsibilities of ownership as well as its rewards, profit and knowledge. To achieve this, they need access to knowledge and the power to influence decision making and challenge performance, which between them make the Partnership a vibrant democracy.

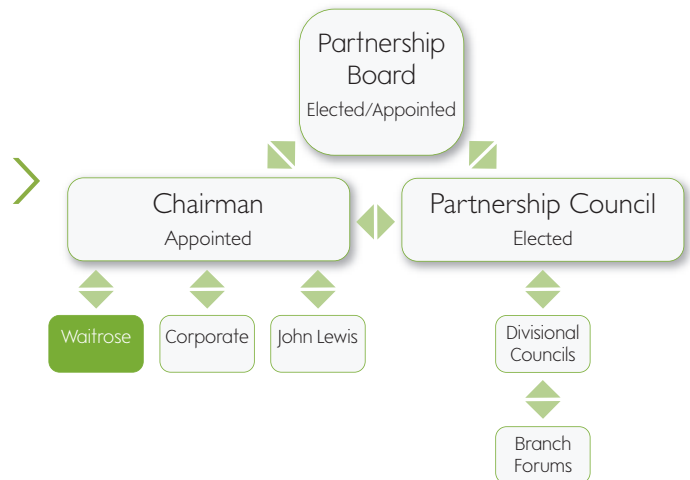
To improve their access to knowledge, we:

- > brief Partners before, or at the same time as, external audiences on any major business decisions
- > hold AGMs for Partners to foster understanding and loyalty
- > provide a range of local and business-wide online communication tools and printed publications, including our Partnership magazine *the Gazette* and the *Waitrose Chronicle*
- > hold regular roadshows and presentations, including video presentations by the Chairman and Managing Director.

Partners can also influence decision making and challenge management on performance through:

- > a democratic network of elected councils and committees
- > local, divisional and Partnership-wide forums, such as PartnerVoice, Waitrose's shop-level forum.

### Our governance structure



A lively letters page in *the Gazette* provides a forum for any Partner to ask any question about the business - anonymously if they wish. All published letters are answered by an appropriate member of management.

### Partner engagement in action

Across the Partnership, 94% of our Partners (Waitrose: 94%) - 62,000 in total - participated in our **annual Partner survey**, well above our target of 85%. The survey asks Partners - anonymously and confidentially - for their views on a wide range of issues such as job satisfaction, pay, career development, management, their shop, the democratic bodies and the Partnership as a business. In 2007-08, our average score across the Partnership increased from 11.0 to 12.4 (Waitrose: 12.3).

These are the average scores of all responses to each question. So if, for example, everyone strongly agreed with the statement, the score would be 30; if they all disagreed strongly, the score would be -30; and if half agreed and half disagreed, the score would be 0.

### Waitrose - sample 2007 survey scores



# An engaging Partnership

We believe that being a responsible retailer means respecting the interests of all our stakeholders. This involves listening to them and actively responding to their concerns, as well as being honest in our expectations and fair in the reporting of our performance. Here, we outline some of the ways we actively involve our key external stakeholders in shaping our CSR vision and programmes.

## Customers

We encourage opinions, both positive and negative, from customers by providing clear contact information and gathering views directly through focus groups, opinion surveys, online feedback forms and a customer forum on our relaunched waitrose.com website. We also provide them with information through our monthly customer publication, *Waitrose Food Illustrated*.

In late 2007, we commissioned Ipsos MORI to conduct opinion research about CSR issues and consumer behaviour, to better understand Partner and customer views on CSR and the level of importance they give them. This involved 13 focus groups comprised of customers and non-customers, Partners, managers and Partnership Councillors. The survey revealed that for both Partners and customers, the three most important issues were:

- > packaging, waste and recycling
- > improving the nutritional value of our food
- > responsible sourcing, both in terms of labour standards in the supply chain and the sustainability of products.

"Waitrose seems to be making an effort to reduce packaging in the last few months."

Customer 35-55, central London

"The member of staff said, 'At this time of the year, we can't stock this particular type of fish'. It was very impressive!"

Customer 55+, Southampton



## Suppliers

As well as day-to-day communications with our suppliers, we:

- > engage with them through conferences, forums, partnered projects, workshops, open days, and our 'Meet the Buyer' and 'Meet the Farmer' events (which introduce customers to local producers)
- > showcase local and small producers at our three-day Waitrose Spring Food Festival at Leckford Estate
- > hold supplier forums to share best practice on issues such as energy efficiency and carbon reduction.

Our weekly Partnership-wide magazine *the Gazette* also features articles on suppliers, which allow us to showcase their CSR credentials and how we work closely with them through long-term, mutually beneficial partnerships.

"We believe in trading fairly, not just with growers but the whole supply chain."

Simon Pattinson Montezuma's Chocolate, Chichester (pictured, top left)

"Farming hasn't been easy in recent years, but we hope that relationships such as the one we have with Waitrose will help us to continue to farm here for many years to come. At the end of the day, we're producing high-quality British food to be sold by a British retailer and eaten by British people."

Martin Jones sheep farmer, Launceston, Cornwall (pictured, top middle)

"Waitrose has really gone that extra step to help us to put our ideas into action. One of these was our traceability website, where customers can enter a serial number from the packet to find out which farm it came from, when it was harvested, and even who picked it."

Tom Amery Technical Director, The Watercress Company (pictured, top right)





## Local communities

We are committed to contributing to the communities in which we operate, and we aim to build long-term relationships with local community and interest groups. For example, our Branch Marketing Guide contains guidance to help shop Partners to develop effective community involvement plans. We also carry out public consultations before finalising planning applications for all new shops and refurbishments.



## Industry and other organisations

We actively participate in a number of industry groups and forums, and sit on various policy advisory and working groups covering issues from food standards to packaging. We support the work of organisations like Linking Environment and Farming (LEAF), the Marine Conservation Society and the Marine Stewardship Council, and respond to and support relevant campaigns from non-governmental organisations (NGOs) including Greenpeace on issues such as soya, palm oil and sustainable fishing.

In October 2007, in conjunction with sustainable development charity Forum for the Future, we held a senior managers CSR conference. The purpose of this event was to build awareness and understanding of the importance of sustainability to long-term business performance, and to debate how the Partnership could respond to the dilemmas associated with the sustainability agenda.

*“You should use new legislation to your advantage, and ensure nutrition and health claims are honest and transparent.”*

**Professor Judy Buttriss** Director General, British Nutrition Foundation

*“As a retailer, can you source current products and services more sustainably? Can you harness innovation and bring to market new products and services that can help you and your customers be more sustainable in the future?”*

**Dr Sally Uren** Director, Business Programme, Forum for the Future

*“Expectations have risen; people want to see retailers do more on certain issues. As issues become more familiar, they become part of what is expected. This is an opportunity for the Partnership, and perhaps for building a new basis for trust.”*

**Jenny Dawkins** Research Director, Ipsos MORI Reputation Centre



## Government and other authorities

We work closely with Government, local authorities and regulators such as the Environment Agency and the Health and Safety Executive to make sure we operate within the law. We also engage in regular dialogue with policymakers over legislation in areas that may impact our business, such as packaging, carrier bags and waste.



Climate change is one of the world's greatest environmental challenges. Average temperatures are rising, and extreme weather events like floods, storms and droughts are becoming more frequent, largely due to the increase in carbon dioxide (CO<sub>2</sub>) and other greenhouse gases in our atmosphere. Much of this comes from burning fossil fuels for energy and transport, so we need to use energy as efficiently as possible, switch to renewable resources where we can, avoid unnecessary mileage and use the cleanest technology available.

## Climate change

### Ambition

To reduce our overall carbon impact.

### Targets

- > Reduce carbon dioxide emissions for all UK operations by 10% by 2010, 20% by 2020 and 60% by 2050 (relative to our 2001 trade)
- > Continue to source 100% of our electricity from green sources and consider all forms of renewable energy for our shops and head offices
- > Improve the energy efficiency of our shops and offices by 20% by 2010 (based on 2003 baseline)
- > Aim for a reduction of 15% in energy-related transport CO<sub>2</sub> emissions from stores deliveries by 2013 (compared with 2005 levels)

 More information and detailed data can be found on [www.johnlewispartnership.co.uk](http://www.johnlewispartnership.co.uk)

 See the John Lewis CSR report for more information on our sister company

### Reducing our carbon footprint

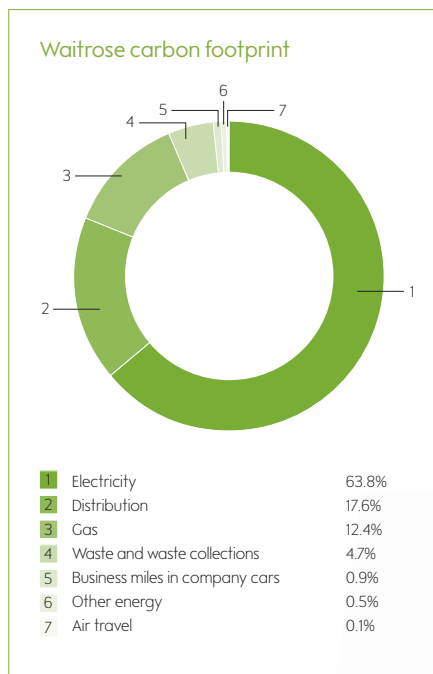
As a growing business, our carbon emissions are increasing. The Partnership's total carbon emissions in 2007 were up 8% to just under 380,000 tonnes (251,574 tonnes attributable to Waitrose). But as a result of a strict carbon management programme, we have seen a 16% reduction in emissions, relative to sales, between 2001 and 2007, and we are currently on track to achieve our 20-year reduction target.

However, the issue of climate change is a global one, and effective solutions cannot be found in isolation. To help to drive the agenda, the Partnership has participated in collaborative initiatives. These include:

- > membership of the **Corporate Leaders Group on Climate Change**, a group of senior executives from 20 major UK and international companies, supporting government frameworks for reducing the UK's CO<sub>2</sub> emissions including the Climate Change Bill
- > signing up to the **British Retail Consortium's Climate Change Initiative**, 'A Better Retailing Climate', which includes commitments to reduce energy and water use, transport emissions, waste and packaging, and to support suppliers, Partners and customers in reducing their environmental impacts
- > being one of several retailers on the **Retail Energy Forum**, which shares best practice on energy efficiency and the built environment
- > participating in research by **Edinburgh University** to compare the carbon impacts of all major UK supermarkets and identify best practice
- > our Chairman attending the **Business in the Community May Day Summit**, at which 1,700 business leaders were challenged to commit to at least one of six climate change pledges
- > joining the **Green500**, a London Development Agency initiative asking the capital's top organisations to reduce carbon emissions by 60% by 2025.



We are phasing out ozone-depleting refrigerants and investing £55 million over five years to replace our refrigeration equipment and improve efficiency.

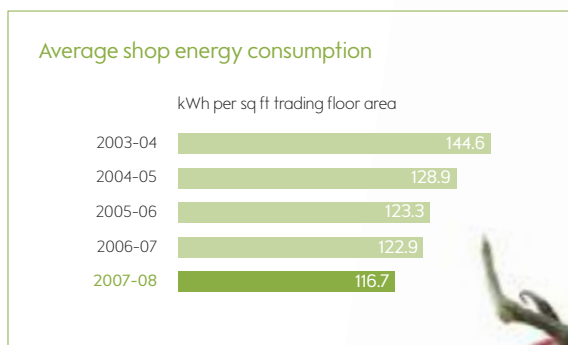


### Energy use

Waitrose used 454 million kWh of gas and electricity to power its shops, offices, Leckford Estate and distribution operations last year, at a cost of around £25 million. This total energy use has increased over the last five years, largely as a result of significant business growth. However, we have been able to improve our energy efficiency and develop commercially viable low-carbon technologies, which we believe will provide a long-term alternative to fossil fuels, with support from the Carbon Trust.

# 19%

Improvement in shop energy efficiency since 2003–04



### Tomato source

Going further in the search for green energy sources, Waitrose Rickmansworth has the distinction of being the first Waitrose shop to be powered by our tomato suppliers. The shop, which opened in November, receives power from two tomato farms in Chichester and Stansted through Green Energy UK. The farms' combined heat and power units produce heat for the greenhouses, CO<sub>2</sub>, which helps the growing process, and electricity, which Waitrose purchases for its shop in Rickmansworth.

"All our shops currently obtain their electricity entirely from green sources, but we felt 'tomato power' was worth exploring. In addition to being environmentally sound, this surplus energy helps the farms generate additional income, so everyone benefits."

Bill Wright Energy and Environment Manager, John Lewis Partnership

### Alternative energy

Improving our energy efficiency will reduce, but not avoid, CO<sub>2</sub> emissions, and we believe that renewable energy will provide a sustainable, long-term alternative to fossil fuels. Since October 2007, 100% of the Partnership's electricity (up from 40% in 2006-07) has been derived from green sources through EDF Energy.

Through long-term agreements with a range of suppliers, EDF ensures enough green energy is fed into the National Grid to meet the needs of companies wanting to purchase it, including the Partnership. We purchase energy derived from hydroelectric generation, biomass, landfill gas, energy from waste, certified combined heat and power (CHP) plants, and wind farms, but not from nuclear power. Although securing green power contracts for the future remains a challenge, we are committed to doing so.

### Refrigeration programme

We are now in the third year of a five-year programme that will see £55 million invested in new refrigeration equipment. As part of this investment, we are replacing open upright freezers with cabinets with glass doors and using flexible doors on our walk-in coldrooms, or night blinds to retain cool air. All of this has helped us to achieve the 19% improvement in shop energy efficiency. We are also phasing out hydro-chlorofluorocarbons (HCFCs) well before the 2010 deadline required by law.

### Water consumption

We are not big users of water, but we recognise we need to consume less of this precious and increasingly scarce resource. Our improved monitoring of water consumption is helping us to gain a better understanding of our performance in this area. Waitrose water use increased by 5% in 2007 to 641,744m<sup>3</sup> but remained static relative to business growth over the year at 28m<sup>3</sup> per full-time equivalent Partner.

64%

Proportion of our electricity use accounted for by refrigeration

100%

Electricity generated from certified green sources

Waitrose supports calls by the Government to phase out the sale of conventional incandescent light bulbs by the end of 2011. We also encourage customers to look for the 'Energy Saving Recommended' label, indicating the bulb has met Energy Saving Trust criteria and standards.



### Engaging Partners

Although we are investing in more energy-efficient systems at a corporate level, individual Partners have a critical role to play. This includes:

- > energy champions promoting energy efficiency throughout the business
- > a Partnership-wide energy awareness campaign, 'Save Energy, Share the Savings'
- > an energy awareness manual, *Saving Carbon and Cutting Costs*, which provides Partners with guidance on how to use energy efficiently
- > monthly energy reports to help shops to monitor performance against efficiency targets.

We also support the Environment Agency's annual promotion of **World Environment Day** on 5 June. This year's campaign, 'Stand up to Climate Change', highlighted ways to cope with some of the inevitable consequences of our changing climate, ranging from adapting gardens to meet the evolving needs of local wildlife through to training as a volunteer with emergency relief organisations such as the Red Cross.

### Engaging suppliers

Through the Institute of Grocery Distribution (IGD) Carbon Footprinting Working Group, we are assisting the British Standards Institute's Publicly Available Standard (PAS) 2050 Committee in developing a national standard for measuring a product's or service's total carbon footprint, from source to end of life. The Carbon Trust is also developing a standard for communicating and reducing the carbon footprint of consumer products. Both committees expect to complete their work later this year.

A pilot project for the produce sector, which is being coordinated by the Waitrose Supplier Agronomy Group, is helping suppliers to make accurate and meaningful reductions in carbon emissions.

LANCASTER  
UNIVERSITY



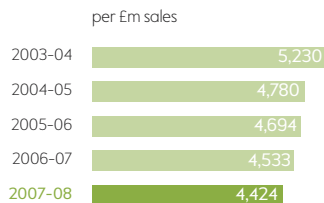
A partnership with Lancaster University has seen 120 buyers, technical managers and growers from our own supply chain attend a week-long Responsible Agronomy course at the Lancaster Environment Centre. Such interaction gives all our fruit, vegetable and horticulture suppliers the chance to engage on issues from climate change to new plant science research.

## Transport

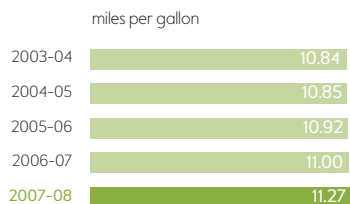
Our aim is to reduce the distance food travels between where it is produced and where it is sold - 'food miles' - by identifying the most efficient means of transport, supporting local and regional producers, and improving our route planning systems.

In 2007-08, our 795 commercial vehicles drove 17.5 million miles. Owning a commercial fleet allows us to specify the vehicles we use, the technology they use to reduce resistance and fuel consumption, and the advanced cooling systems needed for our refrigerated lorries. So that the emissions from our vehicles are the cleanest that can be achieved using available technology, we also equip our fleet with the latest Euro 5 engines whenever possible. All our vehicles currently meet the Euro 3 engine requirements of London's Low Emission Zones (LEZs), and we expect to meet the need for Euro 4 engines, which we began trialling in 2005, ahead of the 2012 deadline.

### Commercial miles driven



### Commercial fuel efficiency



## Further information

- > [www.carbontrust.co.uk](http://www.carbontrust.co.uk)  
carbon footprinting and reduction
- > [www.direct.gov.uk/actonco2](http://www.direct.gov.uk/actonco2)  
calculate your carbon footprint
- > [www.igd.com/sustainability](http://www.igd.com/sustainability)  
Institute of Grocery Distribution
- > [www.cpi.cam.ac.uk/bep/clgcc](http://www.cpi.cam.ac.uk/bep/clgcc)  
Corporate Leaders Group on Climate Change
- > [www.bitc.org.uk](http://www.bitc.org.uk)  
Business in the Community

## Green machines

The Partnership's transport operation is our second largest contributor of CO<sub>2</sub> emissions, so we have investigated many alternative, lower-carbon fuels. In our latest trial, we are running five lorries on rapeseed oil, which has a cleaner production process than biodiesel and the associated carbon footprint is up to 20% lower. If this is judged to be effective and sustainable, we will consider rolling it out to more fleet vehicles. The Partnership currently only uses biofuels in line with Government legislation, as defined in the Renewable Transport Fuel Obligation (RTFO). This is primarily due to the difficulty in obtaining assurances from suppliers as to its source and sustainability.

In a clear signal to the commercial vehicle industry that we are keen to explore new ways of reducing the impact of road haulage on the environment, our Chairman Charlie Mayfield has challenged commercial vehicle manufacturers to develop prototype eco-vans, electric, hybrid and other low-carbon vehicles for us to trial. The challenge is being run jointly with Cenex, the UK's national Centre of Excellence for Low Carbon and Fuel Cell Technologies.

# 1,583,044

Avoided miles through back and forward hauling

## A new centre of attention

Through transport consolidation initiatives, where a preferred haulier collects from a number of suppliers before delivering to one of our Regional Distribution Centres (RDCs), we are lowering our total mileage, ensuring greater load efficiency and providing a more viable option for suppliers dealing in small volumes.

Joining Bracknell, Bardon and Brinklow, we launched our fourth RDC at Aylesford, near Maidstone in Kent, in September 2007. The multimillion-pound site is now the hub of deliveries to 30 shops in Kent and Sussex, and has reduced our reliance on the M25.



# Packaging, waste and recycling

## Ambition

To divert waste away from landfill by reducing, reusing, recycling or recovering energy from all our commercial waste and packaging.

## Targets

- > Recycle 75% of all Waitrose waste by year-end 2012
- > Eliminate packaging growth by year-end 2008
- > Reduce own-brand packaging by 2013 on a like-for-like basis, compared with 2005, and work with suppliers to encourage similar reductions
- > Apply packaging recyclability labelling to own-brand products by year-end 2009
- > Help to reduce the overall environmental impact of carrier bags by 25% by year-end 2008
- > Continue to explore ways to reduce food waste and provide practical information in-store and online to raise customer awareness of this issue
- > Continue anaerobic digestion trials



More information can be found on [www.waitrose.com](http://www.waitrose.com)

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# 36%

Reduction in packaging consumption relative to sales since 2000

According to the Environment Agency, the UK produces 330 million tonnes of waste a year and three-quarters of the UK's unrecycled waste goes to landfill. This has a huge impact on the environment, from unsightly litter to sprawling landfill sites. It is also a financial burden; for instance, the 22,000 tonnes of waste Waitrose generates costs us about £2.2 million a year to dispose of. With landfill space running out and the fact that sites produce methane, a greenhouse gas with 20 times more impact on climate change than CO<sub>2</sub>, we need to act now.

## Packaging

Doing the right thing for the long term is one of our founding principles and environmental sustainability is key to this approach. We're addressing a whole range of issues in this area, not least actively reducing packaging and encouraging our customers to reduce their use of plastic bags.

Packaging is essential for the integrity, safety and usability of our products, but overpackaging has environmental and financial costs. Waitrose is responsible for 86% of the 117,000 tonnes of packaging a year used by the Partnership.

Waitrose is a signatory to the Courtauld Commitment, a voluntary agreement between the Government-funded Waste Resources and Action Programme (WRAP) and major UK grocery organisations that supports less packaging and food waste ending up in household bins. Collectively, we have now achieved the first Courtauld target of delivering zero packaging growth, despite a sharp increase in sales.

Waitrose remains committed to eliminating unnecessary packaging and balancing reductions in packaging with ensuring our products remain protected both in transit and on the shelf. This can be seen in the gradual move towards transporting fresh fish in vacuum packs rather than polystyrene. Waitrose also looks for opportunities for reuse, which is why we use returnable transit packaging for around 41 million trips annually through our supply chain.

Our latest initiatives include:

- > reducing the weight of the cardboard sleeve of our breaded fish by 33%, salad bag film by 14% and Delicatezze range plastic pots by 20% by removing the lid
- > strawberry punnets and lids now made from 100% recycled polyethylene terephthalate (PET)
- > removing all the cardboard from our 2008 range of Easter eggs and using plastic with 40% recycled PET.



We are committed to reducing packaging and we are introducing innovative recycled and recyclable materials.



### Our packaging obligations

Under the terms of the Packaging Waste Regulations, we are obliged to recover and recycle up to 80% (depending on the material) of our product packaging. We fully support this legislation, and contribute over £1 million a year towards a recycling compliance scheme that invests in kerbside collections and public recycling centres so that customers can recycle the packaging they take home. The legislation has driven improvements in packaging recovery rates from 6% in 1997 to over 60% today.

### Carrier bags

The total number of bags given away by retailers fell by roughly a billion last year, but that's still 12.4 billion free bags (or 233 per person), 94% of which came from supermarkets. Although bags represent just 0.3% of landfilled waste, the Chancellor has announced the intention to introduce legislation forcing supermarkets to charge for plastic carrier bags, if voluntary action to encourage customers to reuse and recycle bags does not bring about a significant reduction.

As a signatory to a national Voluntary Code of Practice on Carrier Bags in February 2007, we have been working with the Government-funded Waste and Resources Action Programme (WRAP) and other retailers to reduce the environmental impact of carrier bags by 25% by the end of 2008. Our efforts have included:

- > promoting our **Waitrose Bag for Life** - which costs 10 pence and is replaced free of charge when damaged or worn out, with returned bags being recycled into 'plaswood' furniture, among other things, which we donate to good causes
- > selling a range of **reusable jute bags** including designs for Quick Check self-scan users
- > trialling bags made from **33% recycled material** that carry **stronger messaging** about reuse and recycling
- > pilot schemes for **bag-free 'green tills'** and making our Saffron Walden shop completely carrier-bag-free for two weeks
- > introducing **prominent communication** to customers in every shop prompting them to reuse their existing bags.

As a result of these activities and an increased focus on training of in-store Partners, we have seen a reduction in carrier bag usage of nearly 30% this year (a reduction of 40 million bags). Although feedback on green tills and bagless shops was positive, they have not brought the sustained reductions we needed to meet our targets. We will continue to focus on Partner training and customer awareness which in trials have shown reductions in carrier bag use of between 45% and 60%. We are optimistic that we can achieve an overall 50% reduction by May 2009.

### Encouraging customers

To help our customers to recycle more, we clearly identify the materials used in our own-label packaging where possible. We have also reviewed our back-of-pack packaging information and issued revised guidelines to ensure our packaging information is clear, consistent and easy to understand.

As part of these guidelines, we have worked with WRAP, the British Retail Consortium (BRC) and some of the retail signatories to the Courtauld Commitment to agree a standard recycling labelling scheme for packaging. This voluntary initiative will replace the current array of recycling symbols and messages with a single RecycleNow logo and an icon to indicate whether the packaging is:

- > 'widely recycled' - recycled by over 65% of local authorities
- > 'check locally' - recycled by 20-65% of local authorities
- > 'not currently recycled' - recycled by under 20% of local authorities.

Our aim is to introduce the new labelling across all our own-brand products by 2009.

In 2007, Waitrose became the exclusive supermarket stockist of organic milk sold in an 'eco-pak'. Produced by a co-operative of 20 organic dairy farmers, the milk is sold under the Calon Wen label and was trialled in stores in London and Wales. The pouch uses 75% less plastic than the equivalent bottle and with the recent launch of Waitrose Select Farm milk pouches, they are now available in every store.



We handed out nearly 4 million Bags for Life last year, an increase of 63%. The bag has saved between 50 and 80 million plastic bags a year since it was introduced in 1997, and will soon be made from 100% recycled material.

### Electrical waste

Electrical and electronic appliances make up one of the fastest growing waste streams in the UK.

Since July 2007, the UK's Waste Electrical and Electronic Equipment (WEEE) Regulations allow people to recycle old electrical and electronic appliances at sites across the UK free of charge. To help customers to identify which products are recyclable (or should be considered for repair or reuse), all new electrical and electronic products sold now carry a 'crossed-out wheelie bin' symbol.

As a retailer of electrical products, we have a legal obligation under these regulations. This involves contributing funds to the Distributor TakeBack Scheme (DTS), which is investing £10 million in local facilities so customers can locally recycle old electrical and electronic appliances free of charge. In 2008, we have reinforced our communications to customers and Partners to ensure that they are aware of the WEEE Regulations and the recycling options open to them.

As a producer of own-brand electricals, we also fund, based on our market share, the recycling of waste electricals. This is done through a separate compliance scheme.

### Battery recycling

A new EU Batteries Directive will begin its transposition into UK law in September 2008. The Directive aims to create a framework for collecting and recycling batteries, supported by a labelling scheme to demonstrate to consumers the risks associated with the disposal of batteries. Waitrose will play its part to help achieve the Government target of recycling 25% of all household batteries by 2012.

### Recycling initiatives

Our waste and recycling procedures continue to deliver significant improvements, helping us towards our ongoing objective to recycle 75% of all Waitrose waste by the end of 2012. In 2007-08, we recycled almost half (49%) of our waste, saving over 21,500 tonnes from going to landfill - see graph below.

In an attempt to maximise the recycling opportunities across the business, we have:

- > introduced battery recycling and polystyrene briquette-making at Cambridge
- > shared backhauling capacity at Rushden and in Scotland with our sister company John Lewis
- > drawn up plans to send non-recyclable waste from our head office in Bracknell to the first purpose-built 'energy from waste' incineration facility, due to be commissioned next year.

The necessary focus and drive for such schemes comes from the newly formed Recycling and Waste team, which makes our business better placed to achieve our published recycling targets, and better able to provide Partners with clear information and simple guidance about effective recycling.

### Waste recycling

weight of waste recycled (tonnes)

2003-04	15,229
2004-05	13,975
2005-06	16,563
2006-07	19,906
2007-08	21,513

Carrier bag recycling facilities can now be found in every shop and where space permits, we offer recycling points in our car parks for materials such as glass and paper. The first Waitrose-branded recycling facilities have been installed at our refurbished shop in St. Neots, Cambridgeshire and our new shop in Brackley, Northamptonshire.



# £420

Average value of wasted food per UK household every year

## Food waste

According to WRAP's recent report *The Food We Waste*, we throw away around one-third of the food we buy in the UK, of which 61% - 4.1 million tonnes - could have been eaten. That means that, in addition to the £1 billion it costs local authorities to send this waste to landfill, we spend £10 billion every year on food that is just thrown away. But if we put a stop to such waste, we could save the equivalent of 18 million tonnes of CO<sub>2</sub> emissions each year - the equivalent of taking one in five cars off our roads.

To raise awareness of the issue with Partners and customers, we are supporting WRAP's 'Love Food, Hate Waste' campaign, launched in November 2007, by providing practical information both in-store and online. This includes placing prominent 'best before' and 'use by' dates on our products, recommending realistic portion sizes and developing functional packaging designed to prolong shelf life.

We aim to minimise food waste through accurate ordering and ensure any food waste we do produce is diverted from landfill. Initiatives have included working with FareShare to help to collect and redistribute surplus 'fit for purpose' products from Waitrose shops and distribute them to disadvantaged groups in the community. Unfortunately, these trials did not prove viable for FareShare and we are now exploring other ways of working with them. Five Waitrose shops are currently trialling sending their food waste to an anaerobic digestion plant in Bedford, to create 'green' electricity.

We also work collaboratively with our suppliers to ensure our quality and delivery specifications minimise food wastage. We have also endeavoured to accept food that is cosmetically imperfect in order to support our suppliers in the event of unforeseen and difficult weather conditions. For example, last year, a large percentage of the UK apple crop was damaged by hail, but we accepted the fruit for sale and communicated this to our customers.

We are also working with our farmers and growers to reduce waste within the supply chain. For example, we have been working very closely with a group of 100 banana growers in the Windward Islands to look at how fruit is cultivated and transported with the aim of reducing wastage on selection in the UK. Our initial findings have shown that wastage from shipped fruit has reduced from an estimated 40% in 2002 to less than 3% in 2008. For a high-volume product like bananas, this makes a considerable difference to food wastage and the competitiveness of the supply chain many of whom, in the case of the Windward Islands, run smaller-scale family businesses.



## 14 MWh

'Green energy' generated by our anaerobic digestion trial after three months

## Further information

- > [www.wrap.org.uk](http://www.wrap.org.uk)  
Waste and Resources Action Programme
- > [www.recycle-more.co.uk](http://www.recycle-more.co.uk) and [www.recyclenow.com](http://www.recyclenow.com)  
Electrical and wider household recycling schemes
- > [www.waitrose.com/foodwaste](http://www.waitrose.com/foodwaste) and [www.lovefoodhatwaste.com](http://www.lovefoodhatwaste.com)  
Food waste initiatives

Our ambitious plans for growth provide a significant opportunity to minimise the environmental impact of our built assets and offer long-term value to the local community. This involves ensuring all our shops suit their surroundings, are built responsibly and operate sustainably. We also believe in keeping town centres vibrant by maintaining the shops we have in these locations, and choosing city centre sites where possible.

## Building and operating sustainable shops

### Ambition

To build and operate sustainable, low-impact shops that provide healthy and comfortable environments for our Partners and customers.

### Targets

- > Apply our Sustainable Construction Framework to all new builds and work towards achieving BREEAM (Building Research Establishment Environmental Assessment Method) 'excellent' status or equivalent
- > Recycle more of our building waste and increase the use of recycled materials in new builds to 25%



More information and detailed data can be found on [www.johnlewispartnership.co.uk](http://www.johnlewispartnership.co.uk)



See the John Lewis CSR report for more information on our sister company

### Our expansion strategy

Our aim to double the size of our business by 2017 has seen an extensive and ambitious programme of building, acquisition and refurbishment. During 2007-08, we opened new shops from Christchurch to Cheadle Hulme, and acquired six shops from Somerfield, Co-op and Budgens. Other recent additions - four Woolworths shops in prime London locations - will create up to 700 jobs, attract up to 200,000 new customers, and take our total number of shops in the capital to 44.

Waitrose has also announced plans to trial smaller shops, mainly in market towns. These will dedicate about half of their selling space to fresh food, much of which will be locally sourced, reflecting the ambience of a traditional grocery shop. The first of these new-format shops opened in St. Neots, Cambridgeshire, in May 2008.

Welcome  
to our  
shop



Waitrose  
**COMMUNITY  
MATTERS**



Every month this branch  
donates £1000 between  
three local good causes  
that you choose.



In Branch Wine Chiller  
Free Fish Kettle Loan  
Free Wine Glass Loan  
Waitrose Entertaining  
Home Delivery Service  
QuickCheck  
Carry to Car Service



All new in-store graphics are made from paper or card, making them fully recyclable, and signage equipment is fully deconstructable so it can be recycled at the end of its life.

Over 20%  
of new build construction materials  
will come from recycled sources

#### Sustainable construction programme

Our Sustainable Construction Framework, developed with Forum for the Future and launched in February 2007, ensures that each building project now starts with a Sustainability Action Plan (SAP) drawn up before the submission of any planning application. This ensures that sustainability principles are adopted in the planning, design, construction and operation phase of every building and refurbishment project.

The SAP provides:

- > a vision for the building, reflecting our sustainable construction policy and principles
- > a summary of the key sustainability impacts of the proposed building
- > a set of actions explaining how the impacts will be addressed
- > sustainability performance targets against which the project will be measured.

We recognise that these objectives can't be achieved alone and the framework is therefore dependent on a partnership approach with local authorities, developers, contractors, councils and local residents all buying into the same aims.

The Partnership has joined property developers, mall owners and retailers in signing up to the British Council of Shopping Centres (BCSC) Sustainability Charter, which outlines commitments designed to address the energy, waste, water and community impacts of shopping centres.

#### Fitter fixtures

As an extension to the Sustainable Construction Framework, we are working to identify ways to improve the sustainability impacts of the design and construction of interior fixtures and fittings for all shops across the Partnership. This major project covers areas such as shelving units and signage, which are being designed to be fully dismantled and deconstructed so that the individual materials can be recycled.

For example, magnetic hanging boards are being replaced with recyclable card-based signs and their messaging will be more generic. This will mean they will need replacing less often, thereby reducing the volume of material we use and dispose of.

"The successful adoption of the Sustainable Construction Framework clearly demonstrates an appetite within the Partnership to deliver more sustainable stores. Building on this framework, we are currently working with designers within both Waitrose and John Lewis to finalise a set of sustainable design principles that everyone can sign up to. These will act as a stimulus for innovation and creative thinking about store interiors, ensuring sustainability is placed at the heart of the Partnership's design and fit-out decisions."

Martin Hunt Head of Built Environment, Forum for the Future

#### Market town formats

Following extensive customer research, our new market town format has been designed to be a 'fresh shop at the heart of the community', meeting the needs of customers wanting more local food. They stock more local lines, give them more prominence, and provide food maps of producers in the local area, while Partners have become more engaged with local suppliers by sharing sales information and placing orders. The new format is also increasing our visibility in the local community, with a 'Welcome Wall' in the entrance for customers to share information about local events, recycling facilities (where possible), lockable cycle racks and small cycle trailers available for loan.



The Partnership has joined the Environmental IT Leadership Team, a cross-industry user group aiming to develop more sustainable IT strategies.

# breeam



We are working towards the BREEAM 'excellent' standard in all our new buildings, which all exceed current building regulations. BREEAM provides assessment methods and tools for our construction professionals, helping them to understand and mitigate the environmental impacts of the developments they design and build.

The Partnership's £50 million investment in the Stratford City retail and leisure development adjacent to the Olympic site in East London will generate about 800 jobs, boost the economy, help to regenerate the area for the local community and provide a lasting legacy long after 2012.



## Retail and town centre development

Waitrose prides itself on working closely with the local community to ensure any proposal we put forward for a new or existing shop best meets the needs of an area. We liaise with stakeholders, local retailers and the public to better understand their needs and evaluate the development's potential effect on the surrounding environment.

We do this through a series of open communications, including public exhibitions, newsletters and media releases designed to encourage informed discussion and deliver a carefully considered proposal.

When working on plans for any development, our objective is to provide a shopping experience that will add to the vibrancy of an area and enhance its economic vitality. By offering a wider choice of quality foods and services to complement that of existing retailers, we believe our shops have a positive knock-on effect for the high street, helping to make it a favourite destination for shoppers. We place great value on becoming part of a town's fabric and if a development is given the go-ahead, we welcome the opportunity to contribute towards its long-term prosperity.

"There is a lot of anticipation and excitement in the community about Waitrose arriving and rejuvenating the town. Other supermarkets wanted to develop on the edge of town, but we have seen the detrimental effect that has on established retailers in other places, and we didn't want that."

Mike Best Mayor of Crewkerne



### Access for all

As a responsible member of the community, we want to ensure all customers are welcomed into our shops and can access our products and services. We are also committed to meeting the requirements of the Disability Discrimination Act (DDA) and have integrated accessibility principles into the design, construction and operation of all our shops.

Our multi-channel approach - online shopping, call centres and home delivery - helps to ensure everyone can access our goods in whichever way is easiest for them, while leaflets, literature and corporate documents are provided in alternative formats such as audio and large print. In-store, we have introduced self-scan services and self-pay checkouts, and offer facilities and services to make shopping easier for disabled customers, those with prams and pushchairs, and customers with other accessibility needs. These range from packing assistance and carry-to-car services to the provision of specialised trolleys, hearing loops at customer service desks and designated parking areas.

All Partners receive general training that raises their awareness of the need to be vigilant, and respond accordingly, to each customer's individual needs. Guidelines are also contained within our online Branch Operating Procedures, which are available to all shop Partners.

### Safety and health

Legally, we have to make sure our working environment is safe and healthy. We set and maintain high standards, and aim to predict and prevent safety and health risks from people, plant or processes, with management responsible for implementing our Partnership-wide Safety and Health policy.

We are in the process of changing to a risk-based approach to safety management and bringing our incident reporting and investigation process in line with that of John Lewis. We hope to complete both changes by the end of 2009.



Our new-format shops provide customers who cycle with lockable bike racks and small shopping trailers for loan.

### Further information

- > [www.forumforthefuture.org](http://www.forumforthefuture.org)  
Forum for the Future
- > [www.breem.org/retail](http://www.breem.org/retail)  
BREEAM



Working in partnership with a worldwide network of suppliers enables us to offer our customers around 40,000 product lines and helps customers to have trust in how our products are produced and sourced, and confidence that those who supply them are treated fairly. To do that, our suppliers work with us - not for us - and together, we maintain mutually beneficial relationships that help them, and their suppliers, agents and distributors, to create responsible businesses providing long-term employment.

## Supplier relationships


### Ambition

To trade fairly, ensuring everyone in our supply chain is treated with honesty, fairness and respect.

### Targets

- > Train all food technologists and buyers on the Responsible Sourcing Code of Practice and supplier assessment programme
- > Continue to ensure own-brand suppliers are registered on Sedex (Supplier Ethical Data Exchange), complete a labour standards self-assessment and high-priority suppliers are independently audited
- > Support suppliers and their labour providers in complying with the Gangmasters Licensing Act
- > Review the operation and impacts of the Waitrose Foundation

 More information can be found on [www.waitrose.com](http://www.waitrose.com)  
 More information and detailed data can be found on [www.johnlewispartnership.co.uk](http://www.johnlewispartnership.co.uk)

 See the John Lewis CSR report for more information on our sister company

### Our approach to sourcing responsibly

Waitrose's relationships with its suppliers are long-term, mutually beneficial partnerships built on honesty, fairness and mutual respect. We aim to uphold internationally agreed standards of labour, and we expect our suppliers to respect the rights and wellbeing of their employees, support their communities, protect the natural environment and promote high standards of animal welfare. This commitment to sourcing responsibly is engrained in our Constitution and implemented via two initiatives that were collectively awarded Business in the Community (BITC) 'Big Tick' awards in 2007 and 2008 (see page 40):

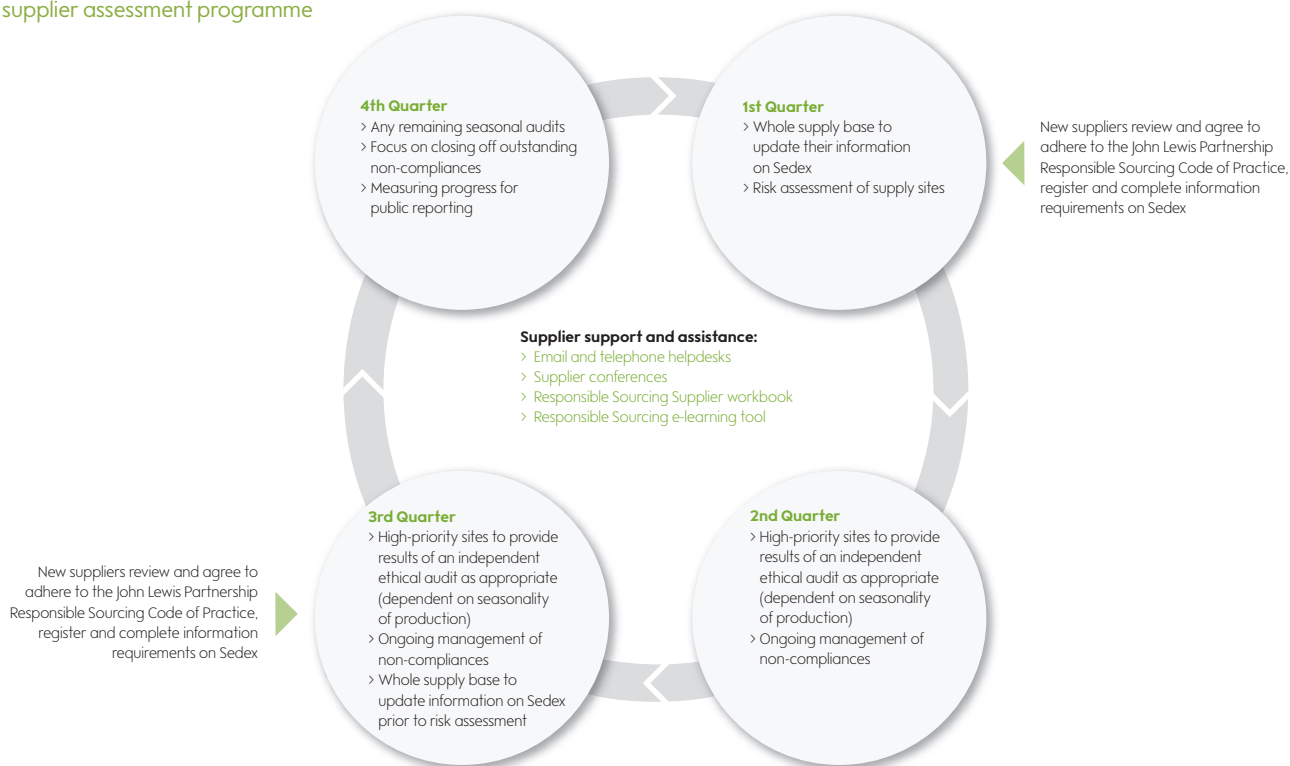
- > the Waitrose Responsible Sourcing Code of Practice and supplier assessment programme, which set out our views on acceptable working conditions and measure suppliers' compliance with our requirements (see page 24)
- > the Waitrose Foundation, a unique partnership with South African fruit farmers that provides investment to improve community welfare (see page 26).

The fundamental objectives of both schemes are to raise labour standards in the supply chain, positively contribute to improving the lives and welfare of workers and their local communities, and ensure the continued commercial success and sustainability of our suppliers.

### Setting out our expectations

By assessing our suppliers against our Responsible Sourcing Code of Practice, which sets out our expectations in nine different languages, we can ensure they obey the law and respect the wellbeing of their employees, their local communities and the environment. It covers issues such as pay and benefits, hours, working conditions and health and safety, the use of forced, bonded or child labour, employee representation and worker associations, equality of treatment, respect for the environment and animal welfare. The Code is periodically reviewed, and minor amendments last year included an additional clause requiring confidential mechanisms to allow workers to report any sub-standard practices or mistreatment.

## Our supplier assessment programme



### Helping suppliers to comply

Our aim is to encourage our suppliers to be honest about the issues they face and share best practice so that we can work together to make realistic, long-term improvements.

Waitrose continues to use Sedex, the largest global database of labour standards, to enable our suppliers to self-assess their labour standards and workplace practices against the expectations set out in our Code of Practice. Sedex now covers 22,000 sites of employment in more than 143 countries, and through its members' online database, we can access over 240 ethical audit reports – many more than we commission – which helps to avoid duplication of effort and minimises 'audit fatigue'. All Waitrose Foundation farms are now independently audited as part of the supplier assessment programme (see page 26).

We have recently agreed to extend our Responsible Sourcing programme to include non-food merchandise. In December 2007, we began discussions with key suppliers for business clothing and consumer packaging. Two suppliers have already agreed to work with Waitrose to share information; they have since registered on Sedex and are in the process of completing self-assessments for all Waitrose production facilities.

As part of the ongoing development of its self-assessment questionnaire, Sedex has introduced new sections on business integrity (focusing on bribery and corruption) and the environment. In January 2008, a number of Waitrose suppliers helped to develop questions on managing environmental impact. These questions are now available on Sedex to all members, while a risk-assessment scoring mechanism for them is expected later this year.

# 941

Sites registered on Sedex supplying Waitrose own-label products

# 250,000

People working on Sedex-registered sites of employment, supplying Waitrose own-label products

### Licensing gangmasters

Waitrose co-founded the Temporary Labour Working Group to establish voluntary standards on wages, hours and conditions in the UK food industry. These standards shaped the Gangmasters Licensing Act, which regulates the agricultural temporary labour market by making it illegal to be or use an unlicensed provider of agricultural or food processing labour. To date, more than 1,200 agencies, labour providers and 'gangmasters' have been inspected and licensed by the Gangmasters Licensing Authority (GLA), and 70 licences have been revoked.

By working closely with the GLA to gather comprehensive information for suppliers on their legal requirements, retailers' expectations and agency labour best practice, major food retailers, including Waitrose, are helping to combat worker exploitation, raise awareness and reduce the number of illegal labour providers in the UK.

A man with a beard and mustache, wearing a light orange cap and a red polo shirt, stands in an orange orchard. He is smiling slightly and looking towards the camera. He is wearing a silver watch on his left wrist. In the foreground, there are wooden crates filled with ripe, yellow-orange fruit. The background shows rows of orange trees with green leaves and some fruit.

The Waitrose Foundation, launched in 2005, has supported more than 19,000 farm workers on 32 farms in South Africa through 58 different community projects.

**19,000**

## Waitrose Foundation

As an importer of large amounts of fruit from South Africa, we are keen to contribute towards the sustainable development of the communities where the fruit is grown. We do this through an agreement with importers, export agents and growers, which enables us and our suppliers to pass back a proportion of the profit for every product bearing the Waitrose Foundation logo. Extended from citrus fruit, the scheme now includes all categories of fruit sourced from South Africa.

The Waitrose Foundation is an independent charitable organisation, established three years ago, which allows us to develop and support schemes that contribute to the communities where our suppliers live and work. In line with the South African Government's aspirations for black economic empowerment, the programme will ultimately offer grants for buying land, to be held in trust on the workers' behalf.

Since the Foundation's launch, 58 social, educational and health projects, selected by the worker councils on the farms, have been set up, improving the quality of life for more than 19,000 workers (up from 5,000 workers in 2005) on 32 farms. The projects cover training in literacy, IT, technical and life skills to help workers to earn a living outside the fruit-growing season.

Examples include:

- > Katco's Adult Basic Education Training (ABET), which has 240 farm workers engaged in its literacy programme, and a new sewing project to meet the local demand for work overalls
- > La Colline Farm's capacity building programme, which has seen 17 farm workers enrolled in its ABET adult literacy programme
- > an AIDS awareness campaign hosted by Bavaria Farm, with locals from the surrounding farms and communities coming to learn more, be tested and receive counselling and treatment
- > a crèche in Westfalia, where all the young children from the farms can now receive both first-stage education and nutritious food
- > bursaries for college education.

"The Waitrose Foundation is set to make a sterling contribution to the development of human capital and empowerment of people in South Africa. Its programme is innovative, pioneering and appears genuine in the face of the social and economic challenges of the country. We are most pleased with this initiative and support it with much anticipation."

**Mohammed Karaan** Vice-Chairperson of the South African Government's National Agricultural Marketing Council

## Further information

- > [www.sedex.org.uk](http://www.sedex.org.uk)  
Supplier Ethical Data Exchange
- > [www.gla.gov.uk](http://www.gla.gov.uk)  
Gangmasters Licensing Authority
- > [www.bitc.org.uk](http://www.bitc.org.uk)  
Business in the Community
- > [www.waitrose.com/foundation](http://www.waitrose.com/foundation)  
Waitrose Foundation



# Sustainable products

## Ambition

To sell responsibly sourced quality products.

## Targets

- > Double Fairtrade food sales in key areas from 2006 levels by year-end 2008
- > By 2010, ensure the whole Waitrose supply base worldwide for conventional fruit, vegetables and horticulture is LEAF accredited
- > Ensure we recruit and nurture smaller suppliers and strengthen our relationships within the community through promoting local and regional food



More information can be found on [www.waitrose.com](http://www.waitrose.com)

More information and detailed data can be found on [www.johnlewispartnership.co.uk](http://www.johnlewispartnership.co.uk)



See the John Lewis CSR report for more information on our sister company

# 4%

Increase in Waitrose sales of organic and LEAF-certified products

Our customers increasingly want to know where our products come from, how they were produced and what they contain, and that we pay our suppliers a fair price. With a global network of suppliers, some of these questions are a challenge to answer, but we remain committed to trading fairly with our suppliers and bringing our customers the best products at the best prices in a sustainable way.

## Provenance, traceability and trust

Full traceability of our products and ingredients is critical to our success and to consumer confidence, so our rigorous ethical sourcing policies, supported by inspections and farm assurance schemes, are used to ensure the highest standards of production, animal welfare and trading throughout our supply chain. We work hard to inform our customers about sourcing issues too, through Partner training, accessible information in-store and online, and on own-brand labelling, which contains nutritional information, country of origin and certifications to relevant, independently verified ethical standards such as Linking Environment and Farming (LEAF) and the Marine Stewardship Council (MSC).

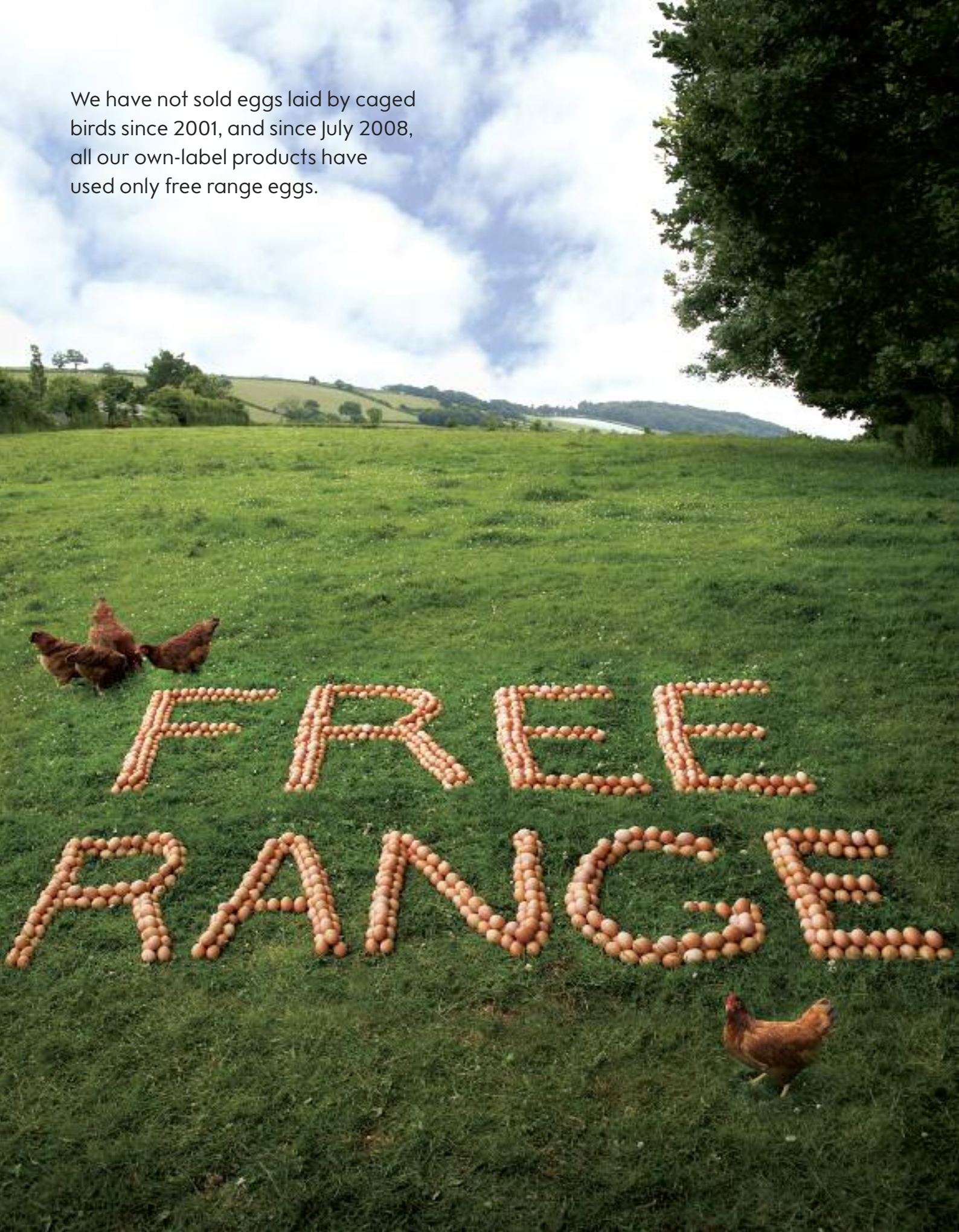
## Making our Marque

We are the only UK retailer to insist all our British fruit and vegetable growers adopt the LEAF certification standard. LEAF, an independent charitable organisation, helps farmers to improve standards of environmental stewardship through reduced pesticide use, protecting threatened species, conserving water and energy, and preventing soil erosion. The LEAF Marque has appeared on all our UK produce for two years, and all our major British flower suppliers have been LEAF accredited since May 2008. We are currently working with overseas growers so that all our fruit, vegetables and horticulture will be LEAF-Marqued by 2010. Our own estate in Leckford, Hampshire, holds the LEAF Marque and is one of the LEAF farms that takes part in Open Farm Sunday, when the public gets to see exactly how the food they buy is produced.

## Organics

We have been selling organic products, grown under sustainable production methods, for over 20 years, and Waitrose currently accounts for 17% of the UK organic market through sales of more than 1,650 products, ranging from pet food to preserves and tea to toiletries. We have twice been voted 'Organic Supermarket of the Year' by the Soil Association.

We have not sold eggs laid by caged birds since 2001, and since July 2008, all our own-label products have used only free range eggs.



### Select Farm

In addition to the national animal welfare standard Farm Assured, the Waitrose Select Farm standard sets the benchmark for quality and animal welfare across our meat, fish, poultry, milk and cream products. Our Select Farm milk, for instance, comes from just 65 farmers who maintain and promote industry-leading standards of stockmanship, animal welfare and hygiene; in return, we pay each farmer a premium in recognition of the extra work and care involved. Similarly, Select Farm chickens benefit from low stocking densities and live in environments with natural daylight, straw bales and the space to enjoy healthy, active lives.

### WildCare

The Select Farm Milk scheme requires our dairy farmers to follow the WildCare environmental standards, developed with the Wildlife Trusts. This ensures that at least 10% of a farm's area is left as 'wildlife habitat', encouraging a greater diversity of animal and plant species to flourish. Through the scheme, each farm has been supplied with a purpose-built owl nesting box to help farmers to encourage barn owls to thrive.

Waitrose  
**SELECT  
FARM**

The dairy at our Leckford Estate is one of the exclusive group of farms that supplies Waitrose Select Farm milk. We've also launched Waitrose Traditional Milk in all our shops - the first line of milk to be produced exclusively from our own herd of cows at Leckford.



In 2007, Waitrose came equal first in the Marine Conservation Society's Sustainable Seafood Supermarket League Table and was also named the Sea Fish Industry Authority's Seafood Multiple Retailer of the Year.



### Responsible fishing

In developing our Responsible Fishing policy, we have consulted widely with non-governmental organisations and conservation groups such as Greenpeace, the Marine Stewardship Council (MSC) and the Marine Conservation Society (MCS). For a fish to be termed 'sustainable' by Waitrose, it must be a species not commonly regarded as endangered or over-fished, come from a well-managed fishery with scientifically based quotas, be caught using selective fishing methods that minimise damage to the environment, and be fully traceable from catch to consumer.

To achieve these standards, we:

- > alleviate the pressure on the most popular fish by using alternative species such as pollack, coley and tilapia
- > stock one of the largest ranges of line-caught fish on the high street
- > work closely with independent certification bodies like the MSC, which uses a 'blue tick' to identify fish from sustainable sources
- > only use farmed fish from Select Farm sites selected for their respect for marine ecosystems, animal welfare standards and conservation measures.

At a time when many of our more traditional fish are under threat, there is a need for customers to broaden their palates with a wider selection of fish. For example, we've sold frozen coley, a fish often fed to pampered cats, for many years but in January 2008, Waitrose introduced it across its fresh fish counters. Coley is fast becoming the ingredient of choice for customers keen to buy fish 'responsibly', as it is line-caught from Icelandic waters.

"We think it won't be long before coley and chips becomes a Friday supper staple in households across the country."

Jeremy Langley Fish buyer, Waitrose

"The introduction of coley will not only help to alleviate pressure on other species but also encourage consumers to enjoy the delights of lesser-known seafood."

Phil MacMullen Head of Environment, Sea Fish Industry Authority

### Local and regional sourcing

Through our local and regional sourcing initiative, we aim to sell the best-quality range of local and regional food, ensuring we recruit, nurture and support smaller suppliers and strengthen our relationships within the community. Running since 2001, it is one of the most established in its sector, with sales rising by 58% to £21 million in 2007-08. Our Regional Fresh Produce programme was named Best Business Initiative at *The Grocer* magazine's prestigious 2007 Gold Awards.

All Waitrose shops offer some local or regional products, and 155 of them now have dedicated display areas for regional fruit and vegetables, up from 86 in 2006. Shelf-edge ticketing highlights the origins and provenance of each product, helping customers to find items from their local area, but in response to customer feedback for more specific labelling, we will be focusing on the exact origin of products and highlighting their qualities.

Our dedicated team of buyers constantly work to improve our local and regional range, and we now source over 1,400 product lines (an increase of 17% since last year) from more than 465 smaller-scale producers. Some, like Farrington Oils, the 2006 winner of the Waitrose Small Producers Awards, supply all our shops but others, such as Hampshire Cheeses, the 2007 Supreme Champion, can still benefit from selling their produce to a multiple retailer like Waitrose but without having to serve our entire network. Building on the success of our Small Producers Awards, we have joined forces with *Country Living* magazine to launch the Made in Britain Awards - to reward the best independent artisan food production in Britain.



Waitrose sells a higher percentage of British apples than any other supermarket - over 70% are home-grown during the British season.



We doubled our range of English wines in 2007 to 28, and we will become the first UK retailer to plant vines in England - on our own Leckford Estate.

### Save our bacon

We already source all our fresh pork and over 90% of our bacon from the UK, but we are the first major retailer to commit to buying only British bacon by the end of the year. At a challenging time for the industry, with nine out of 10 pig farmers considering quitting for good, our payment model takes the cost of production into account, and ensures our suppliers receive sustainable returns.

We also believe there are strong animal welfare reasons for buying British pork and bacon, as the UK has higher standards than many parts of Europe.

To help to raise public awareness, celebrity chefs Gordon Ramsay, Rick Stein and Heston Blumenthal have backed *Waitrose Food Illustrated's* 'Save Our Bacon' campaign. Members of the public can sign a petition and pledge to buy British pork at [www.waitrose.com/saveourbacon](http://www.waitrose.com/saveourbacon).

**SAVE  
OUR  
BACON**





### The best of British

Waitrose makes support for British farmers the rule rather than the exception, and places them at the heart of our business by offering them fair prices, nurturing long-term relationships and helping them reinvest in their businesses. All our beef, venison, duck, goose, milk, cream and eggs are British, while all our turkey comes from Britain or Ireland, as does our lamb when it is in season. And by the end of October 2008, we will use only tender British chicken in Waitrose food.

Our message to consumers in 2007 - promoting British farming and highlighting seasonal food - helped to connect our customers with the people who produce the food they eat, and was aided by holding twice as many 'Meet the Buyer' and 'Meet the Farmer' events.

In conjunction with *Country Living* magazine, we launched a major consumer awareness campaign called 'Fair Trade for British Farmers' in 2007. Slogans such as 'no cows = no countryside' and 'no farms = no fields' reinforced the message that to preserve the rural economy, farmers need to receive a decent price for their produce. To protect British farmers from price volatility in a challenging market, we introduced new baseline prices for beef and lamb, well above the market rate, in late 2007, and outlined structured price increases over the next 18 months to help farmers to plan ahead more confidently. The move, a first for a British supermarket, has been welcomed by the National Farmers' Union and builds on our policy of building long-term partnerships with our suppliers to secure a sustainable supply of home-grown produce. Waitrose's work on supporting British farmers earned us the Consumer Initiative of the Year title at *The Grocer* Gold Awards in June 2008. See page 40 for more information.

"I am passionate about supporting British farmers and growers, and believe we do more than any other retailer to support British agriculture."

Mark Price Managing Director, Waitrose

Waitrose supports a Greenpeace-led moratorium to combat deforestation in the Amazon for the cultivation and sourcing of soya.



We do not directly source palm oil, a versatile raw material and ingredient used in hundreds of food products. However, Waitrose is a member of the Round Table on Sustainable Palm Oil (RSPO) which is committed to promoting the growth and use of sustainable palm oil.



### Fairtrade

In addition to working to ensure our own-label products are traded fairly, we also support established schemes such as Fairtrade, which contribute to the sustainable development of the communities where farmers and workers live. An estimated 7.5 million people in the developing world benefit from the sale of Fairtrade items, which guarantee a minimum price to cover production costs plus a 'Fairtrade premium' to be reinvested in farmers' businesses or the workers' local community.

Now covering over 3,000 products from footballs to flowers, Fairtrade sales in the UK exceeded £490 million in 2007, an increase of 73%. During the same period, our Fairtrade sales rose by 76%, as we launched Fairtrade sugar, cereal bars and ice cream, and Fairtrade tea, coffee and sugar available in our cafés. In spring 2008, we again supported Fairtrade Fortnight with in-store and online promotions.



Our 180 Fairtrade lines, including coffee, chocolate, bananas, roses and wine, give us a 15% share of the UK market.

### Further information

- > [www.soilassociation.org](http://www.soilassociation.org)  
Organic farming standards
- > [www.leafuk.org](http://www.leafuk.org)  
LEAF
- > [www.farmsunday.org](http://www.farmsunday.org)  
Open Farm Sunday
- > [www.greenpeace.org.uk](http://www.greenpeace.org.uk)  
Greenpeace
- > [www.fairtrade.org.uk](http://www.fairtrade.org.uk)  
Fairtrade Foundation
- > [www.msc.org](http://www.msc.org) and [www.mcsuk.org](http://www.mcsuk.org)  
Marine Stewardship Council and Marine Conservation Society
- > [www.rspca.org.uk](http://www.rspca.org.uk)  
Animal welfare
- > [www.rsपो.org](http://www.rsपो.org)  
Roundtable on Sustainable Palm Oil
- > [www.waitrose.com/ourcompany/leckfordestate.aspx](http://www.waitrose.com/ourcompany/leckfordestate.aspx)  
Leckford Estate

As a leading food retailer, we believe we have an important role to play in addressing public concerns around health issues associated with poor diet. We actively consider nutrition in the food we offer, and support a number of educational initiatives to improve young people's knowledge and interest in food. We take pride in serving our customers well and sharing our knowledge, so all our Partners are carefully trained, our products honestly labelled and information made accessible to customers both in-store and online.


## Health and nutrition


### Ambition

To help customers and Partners achieve a healthy balanced diet through the delivery of quality products, developed with nutritional integrity, supported by effective services and clear messages.

### Targets

- > Work with suppliers to improve our offer on healthier everyday products and to reduce additives by July 2009
- > Adopt a clear black-and-white format for nutrition messages on front of pack throughout 2009
- > Continue to use the FSA traffic light labelling scheme on recommended categories
- > Continue to expand the Nutrition Advice Service to meet the demand for nutrition and health information
- > Remove all artificial colours from own-label products by the end of April 2009

 More information can be found on [www.waitrose.com](http://www.waitrose.com)  
More information and detailed data can be found on [www.johnlewispartnership.co.uk](http://www.johnlewispartnership.co.uk)

 See the John Lewis CSR report for more information on our sister company's commitment to the customer experience

### A love of food

Waitrose is committed to educating young people about nutrition and food. It seems consumers share our beliefs, with a recent Ipsos MORI survey of 2,000 consumers indicating that health and nutrition was an area they felt we should focus on. Our passion for food extends to providing practical information about reducing food waste through our support for WRAP's 'Love Food, Hate Waste' campaign (see page 17).

Under the 'Waitrose Education' banner, we invest approximately £400,000 a year in initiatives designed to encourage young people's interest in food. The programme, reaccredited by BITC in 2008 and awarded a 'Big Tick', is divided into four key strands:

- > Our nutritional tips and meal plans help parents to encourage younger children to eat well-balanced diets.
- > The Food for Thought activity pack, developed with Farming And Countryside Education (FACE), teaches secondary school pupils at Key Stages 3 and 4 about the impacts of food production, packaging and transport, and provides teachers with tools for follow-up work. Nearly half (48.9%) of the secondary schools in England have requested the pack.
- > Our dedicated food studios in our Southend, Salisbury and Cheltenham shops and the mobile Waitrose Food Pod provide advice, information and free educational workshops to children, reaching 550 schools. To date, a further 17 events have been held in 2008.
- > We sponsor the Academy of Culinary Arts Specialised Chef's Scholarship, which has helped 189 apprentices graduate from a three-year diploma course at Bournemouth and Poole College. This course includes practical experience through visits to suppliers, buyers, Waitrose nutritionists and the Leckford Estate.



More than 18,500 children visited our food education studios and mobile Food Pod last year.

### Health and nutrition

As a leading UK food retailer, Waitrose has an important role to play in providing reliable information to address current issues such as obesity, diabetes and heart disease, and helping our customers to make informed choices about the food they eat.

We firmly believe that a balanced diet is a key component of health and wellbeing, so we actively consider nutrition when developing our products, selecting ingredients that are safe to eat, taste good and meet the highest nutritional standards. And in support of the Government's goals for reducing saturated fat intake and the risk of heart disease, we continue to develop healthier everyday choices. These include reduced- or half-fat varieties, and since January 2008, a number of ready meals and desserts that are low in saturated fat.

### Labelled with love

We firmly believe that clear front-of-pack labelling can assist customers in making healthier choices, so we are continuing to highlight key nutritional benefits such as Omega 3 and '5 a day', and aim to have all nutrition messages in a standard black-and-white format by the end of 2009. Over 1,000 products now carry the Food Standards Agency (FSA) 'multiple traffic light' labelling on their packaging, and all recipe cards and publications carry key nutritional information per serving.

Our work with suppliers also continues, with a focus on reformulation to improve the nutritional and allergen profile of our products, and remove unnecessary additives. Our work on the 2010 FSA salt reduction targets is nearing completion for many categories.

### Nutrition and dietary advice

Through our online Nutrition Advice Service, customers and health professionals can get help and advice on a wide range of food issues. Our fact sheets on common dietary conditions remain popular, and we provide information on own-label products that are free from eggs, gluten, milk and nuts. Our first 'Meet the Expert' events, held in our Cheltenham, Salisbury and Southend shops in January 2008, not only showcased our new range of healthier ready meals but gave customers the chance to consult our Nutrition team face to face.

### Promoting responsible drinking

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

Other initiatives include:

- > producing the Alcohol and You brochure in conjunction with Alcohol in Moderation (AIM)
- > sponsoring AIM's Drinking and You website, as well as providing alcohol and health advice on [www.waitrose.com](http://www.waitrose.com)
- > introducing calorie and units of alcohol labelling, as well as the Department of Health's recommended limits, on our own-brand products.

In March 2008, Waitrose appointed celebrated chef Neil Nugent to the newly created role of Executive Chef, helping us to maintain quality and enhance our product development programme.



### Skills and training

Our plans to recruit at least 90,000 new Partners over the next five years will require significant investment in training. We acknowledge that doubling the size of our business, without compromising on customer service, is a major challenge, so developing the skills of new and existing Partners will be critical. The appointment of Partnership chairman Charlie Mayfield to the UK Commission on Employment and Skills (UKCES), launched in April 2008 to encourage employers to invest in workforce skills, can only support our ambitions.

### Customer feedback

To consistently offer our customers what they want, we need to find opportunities to listen to them, be open to feedback and act quickly on what they tell us, particularly if we've got something wrong.

We use formal methods of feedback, such as customer surveys, panels, focus groups, online feedback forms and regular mystery shopping, to give us a good snapshot of customer satisfaction (see Stakeholder engagement on page 6). Our regular brand perception research shows we are performing well against our competitors on ethically sourced products, local and regional sourcing, fair treatment of staff and suppliers, and avoiding unhealthy additives or ingredients, but packaging and making healthy options easier to find are areas where we need to improve. Focus groups have shown that the nutritional value of food is equally important to our Partners.

## Further information

- > [www.food.gov.uk](http://www.food.gov.uk)  
Food Standards Agency
- > [www.thecollege.co.uk](http://www.thecollege.co.uk)  
Specialised Chef's Scholarship
- > [www.face-online.org.uk](http://www.face-online.org.uk)  
Farming And Countryside Education
- > [www.waitrose.com/nutrition](http://www.waitrose.com/nutrition)  
Waitrose health and nutrition information
- > [www.drinkingandyou.com](http://www.drinkingandyou.com) and  
[www.waitrose.com/drink/drinkingandyou](http://www.waitrose.com/drink/drinkingandyou)  
Responsible drinking websites

### Tracking satisfaction

Waitrose has replaced its Customer Relationship Index with a Customer Loyalty Index, based on a customer satisfaction tracker derived from shop-level customer surveys. Used in conjunction with our Mystery Shopper programme, this provides a fuller picture of the customer experience, covering both perception and reality, and helps us to identify shop-specific causes of satisfaction and dissatisfaction that can be passed directly to the shop manager.

Waitrose has also achieved considerable success in a number of external customer satisfaction surveys. See page 40 for further details.

## Selling through service

We want to provide a level of choice, value and service that really sets us apart from our competitors. We aim to delight our customers by understanding their individual needs, meeting and - where possible - exceeding their expectations, and ensuring that each one receives the same high level of service.

Through our 'Fresh on Service' initiative, we encourage Partners to use language and behaviour that communicates our enthusiasm for food, and our knowledge about our products. Specialist training programmes for fish, meat, cheese and wine have enabled almost 1,000 Partners to learn more about sustainable sourcing and animal welfare through visits to suppliers, as well as important information on cooking and nutrition. They, in turn, can share their expertise with colleagues, ensuring all Partners are better placed to help customers to make informed choices.

"The service ethos is deeply engrained in how we work, and great customer service and quality products remain the cornerstones of what we do."

Mark Price Managing Director, Waitrose



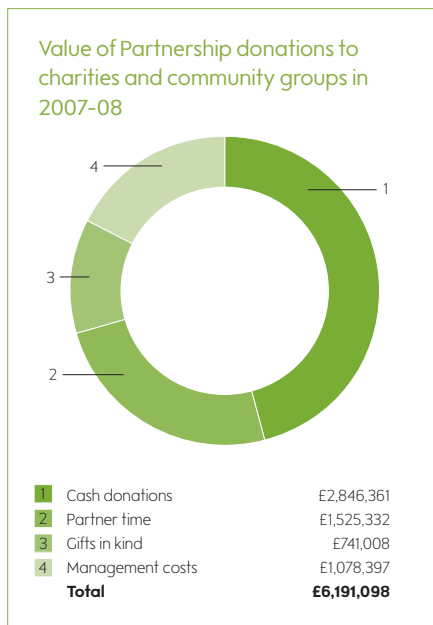
## Supporting our communities

### Ambition

To make a positive contribution to our communities through investing in local initiatives and encouraging Partner involvement.

### Targets

- > Invest at least 1% of our pre-tax profits in our communities
- > Increase Partner participation in employee volunteering
- > Using the LBG model, improve measurement of outputs and impacts of our community programmes



Our Constitution states our aim 'to contribute to the wellbeing of the communities where we operate'. This goes beyond good customer service to encompass developing strong, long-lasting partnerships at a local level, and devoting time and energy to building healthier communities. The local community obviously benefits, but fundraising and volunteering give our Partners the opportunity to broaden their own skills and experience too, which in turn enhances our reputation and improves the service we offer.


### Community investment

The objectives of our Community Investment Programme are to ensure:

- > the value we add to the community – as a business and as individuals – has lasting impact, and reinforces who we are as a business
- > Partners feel pride in being part of the Partnership
- > we engage and involve our customers and other key stakeholders
- > our impact in our local communities can be measured and communicated.

A more streamlined and coordinated approach to the governance of community giving has been recently developed, with a focus on investing in projects that have a real, measurable impact on the community. As well as increasing collaboration with the John Lewis division, there will be greater engagement and involvement at a local level. This will ensure that the wealth we create is shared and distributed locally where our Partners live and work, with individual shops responsible for developing local community programmes, monitoring the impact of their efforts and communicating their achievements.

We use the London Benchmarking Group model to measure and monitor our overall community contribution, calculating the total cash donations made to charities and community groups, as well as gifts in kind, Partner time volunteered and the costs associated with managing our community activities. Our total contribution in 2007-08 was £6.2 million (Waitrose: £3.0 million), an increase of 6% on the previous year. This represents 1.63% of our Partnership-wide pre-tax profits.

 More information and detailed data can be found on [www.johnlewispartnership.co.uk](http://www.johnlewispartnership.co.uk)

 See the John Lewis CSR report for more information on our sister company

All our shops support local charities and community groups nominated by customers. Each month, three good causes are selected by Partners and share £1,000 based on customer votes.



**COMMUNITY MATTERS**

**The Bath Church of England Primary School**

The Bath Church of England Primary School is a vibrant, inclusive community where every child is valued and encouraged to learn, grow and thrive. The school is a member of the Church of England and is a member of the National Governors' Association. The school is a member of the National Governors' Association and is a member of the National Governors' Association.

**COMMUNITY MATTERS**

**Witney & District Museum**

The Witney & District Museum is a vibrant, inclusive community where every child is valued and encouraged to learn, grow and thrive. The museum is a member of the National Governors' Association and is a member of the National Governors' Association.

**COMMUNITY MATTERS**

**The Blue Cross**

The Blue Cross is a vibrant, inclusive community where every child is valued and encouraged to learn, grow and thrive. The Blue Cross is a member of the National Governors' Association and is a member of the National Governors' Association.

**Waitrose**

**COMMUNITY MATTERS**

Please place your token into the box of your chosen good cause. Thank you.



**COMMUNITY MATTERS**

Please place your token into the box of your chosen good cause. Thank you.



**£1000**

### Our approach to financial support

Fundraising, sponsorship and donations to good causes form an important part of our total community investment. We contribute both as a company and as individual Partners, actively supporting store fundraising efforts, so it is important that Partners have a say in how our collective contributions are best allocated locally. Our Community Committee (with elected Partner representatives) also makes donations on behalf of Waitrose.

A new initiative - Waitrose Community Matters - was rolled out across all our shops this summer. The scheme enables customers and Partners at each shop to nominate local charities and community groups for company support, of which three are selected each month by Partners. Customers get a token at the checkout, which enables them to vote for one of the causes at the shop exit, and the number of votes determines each charity's share of a monthly donation of £1,000. Following its success, it will be rolled out to our farm shop and nursery customers at Leckford, while Partners at our Aylesford Distribution Centre and Bracknell head office will vote on charities.

### Employee volunteering

We encourage all our Partners to participate in employee volunteering programmes. Our Partners give their time and skills, making a real and genuine difference to local people's lives, actively forge links with and become involved in the local communities where they live and work. But employee volunteering doesn't just provide an opportunity to give something back to the local community, reinforcing our commitment to being a responsible retailer. Partners can also develop new skills and benefit from increased confidence and motivation.

A key component of our employee volunteering programme is the **Golden Jubilee Trust (GJT)**, which enables any Partner to volunteer for a part- or full-time secondment with a UK registered charity for up to six months.

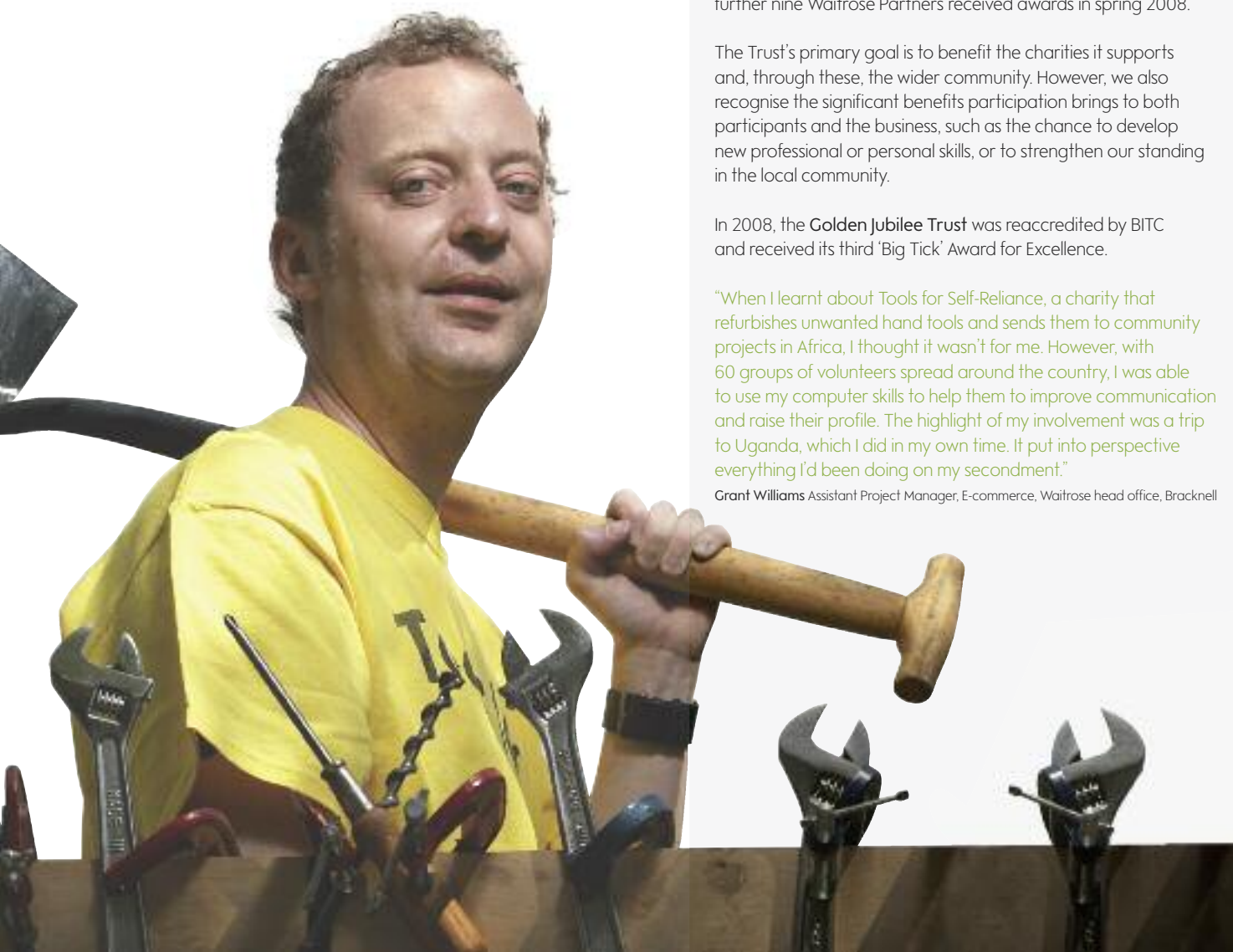
The **GJT** matches Partners' abilities and experience with the needs of the charities being supported, creating strong links with the community and providing the charities with the valuable resources they need. Since it was set up in 2000, the **GJT** has supported 331 Partners across the Partnership, who have given over 136,000 hours to over 300 charities. In 2007, the Board of Trustees made awards to 12 Waitrose Partners who donated 4,221 hours through the Trust, up from 3,944 in 2006, and a further nine Waitrose Partners received awards in spring 2008.

The Trust's primary goal is to benefit the charities it supports and, through these, the wider community. However, we also recognise the significant benefits participation brings to both participants and the business, such as the chance to develop new professional or personal skills, or to strengthen our standing in the local community.

In 2008, the **Golden Jubilee Trust** was reaccredited by BITC and received its third 'Big Tick' Award for Excellence.

"When I learnt about Tools for Self-Reliance, a charity that refurbishes unwanted hand tools and sends them to community projects in Africa, I thought it wasn't for me. However, with 60 groups of volunteers spread around the country, I was able to use my computer skills to help them to improve communication and raise their profile. The highlight of my involvement was a trip to Uganda, which I did in my own time. It put into perspective everything I'd been doing on my secondment."

Grant Williams Assistant Project Manager, E-commerce, Waitrose head office, Bracknell





## One water

An estimated 1 billion people don't have access to clean water and 2 million people die each year from water-related diseases – facts that the founders of One, an ethical bottled water, recognised. All profits from the sales of One water go to fund pumps that provide clean water for African villages, and through our commitment to responsible trade, we have been selling bottles of One water in Waitrose.

But these aren't just any pumps, they're PlayPumps™, which are sited over a borehole – usually near a rural school – and powered by a children's roundabout, so that rather than spending hours each day fetching clean water, children can now come to school, then take the water home with them.

Each retailer selling One water determines the price at which it buys the water, and how much money it donates. Having sold 500ml bottles, we now sell 750ml bottles and have increased our donation per bottle from 3 pence to 10 pence. Forty-four PlayPumps had been installed by the end of 2007, providing clean water to over 120,000 people in more than 80 communities, including the first Waitrose-funded PlayPump at Matsaseng in South Africa's North West Province.

We are now making One water available in all our shops and cafés, and hope to extend the range we sell.



A video about the installation of the first Waitrose PlayPump and the real difference that fresh clean water makes to a community is available at [www.johnlewispartnership.co.uk](http://www.johnlewispartnership.co.uk).

*"Education is the only way out of poverty for these children. They now get to spend more time at school and are thriving because they aren't thirsty and dehydrated. Some schools now have enough water to grow vegetables so the children are better fed, and a couple are selling surplus produce and reinvesting the money into the school."*

Kelly Phillips Head of Africa, One water



Longstock Park Water Garden, part of our Leckford Estate, is rated one of the finest gardens of its type in Europe, and is open to the public on alternate Sunday afternoons from April to September. Proceeds from these visits go to local charities.

## Business protection and combating crime

Our Partners, customers, shops and other assets are all protected appropriately against the risks we face, and we work actively with others to contribute to the wellbeing of the communities in which we operate.

We are represented in, and in some cases lead, local business efforts to create safer communities through information sharing, radio information networks, providing Special Constables to the 'Shopwatch' community policing scheme, and developing close links with the police. For example, Waitrose Biggin Hill in Kent is an active member of the NeighbourhoodWatch scheme, co-funds high street CCTV facilities, and provides the police with rest facilities and subsidised dining for their breaks, extending their presence in the local community.

As a future priority, we are working as part of the National Retail Crime Steering Group, administered by the British Retail Consortium, to develop a coherent strategy to respond to retail crime in the UK. We also remain alert for opportunities to support local social initiatives that emphasise ethical and respectful behaviour, such as local youth schemes.

## Let's Get Cooking

Waitrose is a key partner for the Let's Get Cooking pilot project, a five-year, Lottery-funded programme that will invest £20 million in setting up 5,000 school cooking clubs. Addressing issues such as obesity, health, nutrition and education, the aim is to inspire up to 1.5 million children to improve their food preparation and cooking skills, and increase their intake of healthy food. Working with the first few primary schools that signed up to the scheme, Partners from Waitrose and John Lewis in Sheffield will be involved in a range of employee volunteering, pro bono work and in-kind support.

## Further information

- > [www.bitc.org.uk](http://www.bitc.org.uk)  
Business in the Community
- > [www.johnlewispartnership.co.uk/ourresponsibilities](http://www.johnlewispartnership.co.uk/ourresponsibilities)  
Our community
- > [www.onewater.org](http://www.onewater.org)  
One water
- > [www.letsgetcooking.org.uk](http://www.letsgetcooking.org.uk)  
Let's Get Cooking project
- > [www.lbg-online.net](http://www.lbg-online.net)  
London Benchmarking Group

# External recognition

External awards, accolades and other benchmarking measures not only give Partners a sense of recognition for a job well done, they also help us as a business to regularly check that we're responding to material issues in the right way. Below, we highlight a selection of our achievements in 2007 and 2008.

-  More information can be found on [www.waitrose.com](http://www.waitrose.com)  
More information and detailed data can be found on [www.johnlewispartnership.co.uk](http://www.johnlewispartnership.co.uk)
-  See the John Lewis CSR report for more information on our sister company



## A Big Tick in the box

Waitrose was awarded three **Business in the Community Awards for Excellence** ('Big Ticks') in 2008 for our Waitrose Education programme; our local and regional sourcing initiative; and responsible sourcing and the Waitrose Foundation. The Partnership also picked up an award for the Golden Jubilee Trust. Big Ticks are awarded to companies demonstrating excellence in their responsible business practices and a positive impact on society as well as their business.

## Index linked

For the third year running, the Partnership was named a Platinum company by scoring more than 95% in the **BITC Corporate Responsibility Index**, the UK's leading benchmark of responsible businesses. Results were published in *The Times*' Companies That Count supplement in May 2008.

## Another satisfied customer

In January 2008, Waitrose was named the top high street retailer for customer service, scoring 87% in an annual *Which?* survey of 11,000 shoppers, and came second for customer satisfaction in retail analysts Verdict's poll of over 6,000 shoppers. Waitrose also enjoyed success in the **National Customer Satisfaction Index** conducted by the Institute of Customer Service, topping the supermarket sector with an 'outstanding' 85%. The survey asked 6,000 people to rate companies for professionalism, complaint handling, competence and friendliness.

## Pleased to 'B' green

Waitrose was ranked top for the second year running with a 'B' rating, alongside Sainsbury's and Marks & Spencer, in the **National Consumer Council's Green Supermarket** report in October 2007.

## League leaders

Waitrose came joint top (with Marks & Spencer) in the 2007 **Marine Conservation Society's Sustainable Seafood Supermarket League Table** and our growing reputation for animal welfare has again been recognised by the 2007 **RSPCA Good Business Awards** judges, who placed us top in the 'supermarket' category.

## Food, glorious food!

Waitrose was named 'favourite supermarket' in the fourth annual **Good Housekeeping Food Awards**, which honour exceptional contributions to the British food industry, and our own-brand products won in 13 of the 18 categories they were entered for at the 2007 **Quality Food Awards**.

## Going for Gold

In June 2008, Waitrose won the Consumer Initiative of the Year title at **The Grocer Gold Awards** for its British Farming Counts initiative, which includes television adverts, 'Meet the Farmer' events and the 'Fair Trade for British Farmers' campaign.

# Performance against key priorities

This section summarises our progress and achievements against the key priorities set over the last two years.

KEY: ● Achieved ● In progress ● Not achieved

Key priorities 2006-08	Status	Progress and achievements (2007-08 unless stated)
<b>Climate change</b>		
Reduce CO <sub>2</sub> emissions by 10% by 2010, and 20% by 2020, relative to sales.*	<span style="color: orange;">●</span>	16% reduction (2001-02 baseline).
Improve energy efficiency by 20% by 2010.	<span style="color: orange;">●</span>	19% improvement (2003-04 baseline).
Source all electricity from green sources by October 2007.*	<span style="color: green;">●</span>	100% electricity from green sources through an agreement with EDF Energy.
Reduce miles driven year on year (per £million sales).	<span style="color: green;">●</span>	4,424 miles per £million sales (2% decrease).
Continue £55 million refrigeration replacement programme.	<span style="color: orange;">●</span>	Third year of five-year programme.
<b>Packaging, waste and recycling</b>		
Recycle 75% of all Waitrose waste by year-end 2012.	<span style="color: orange;">●</span>	49% of waste recycled.
Eliminate growth in packaging by year-end 2008.	<span style="color: green;">●</span>	36% reduction since 2000, relative to sales.
Help to reduce environmental impact of carrier bags by 25% by year-end 2008.	<span style="color: orange;">●</span>	Usage reduced by almost 30% this year (equates to 40 million fewer bags).
Apply packaging material identification labelling to own-brand products by end 2009.	<span style="color: orange;">●</span>	Phased in from July 2008.
Widen availability of long-life reusable carrier bags; increase recycled material in plastic bags to 30% by year-end 2007.	<span style="color: green;">●</span> <span style="color: orange;">●</span>	Nearly 4 million Bags for Life handed out (63% increase); trialling carrier bags with 33% recycled content; BFL to contain 100% recycled material in the new year.
<b>Building and operating sustainable shops</b>		
Apply Sustainable Construction Framework to all new builds; achieve BREEAM 'excellent' status or equivalent.*	<span style="color: orange;">●</span>	All new builds start with Sustainability Action Plan; sustainability principles adopted at every stage of project. Work towards BREEAM status ongoing.
Recycle more of our building waste and increase the use of recycled materials in new builds to 25%.	<span style="color: orange;">●</span>	Over 20% of construction materials derived from recycled sources.
<b>Supplier relationships</b>		
95% of own-brand suppliers to register on Sedex and complete self-assessment	<span style="color: green;">●</span>	99% of own-brand suppliers registered on Sedex and completed information requirements.
Extend Waitrose Foundation across all fruit categories; purchase first in-trust farm.	<span style="color: green;">●</span> <span style="color: orange;">●</span>	Product extended from citrus fruit to all fruit categories sourced from South Africa; continuing to explore opportunities for purchasing in-trust farm.
<b>Sustainable products</b>		
Double Fairtrade food sales by year-end 2008.	<span style="color: orange;">●</span>	76% increase in sales (2006 baseline).
Support Roundtable on Sustainable Palm Oil; develop Sustainable Palm Oil strategy.	<span style="color: orange;">●</span>	Membership of RSPO; ongoing strategy development.
<b>Health and nutrition</b>		
Continue to roll out front-of-pack 'traffic light' labelling on categories recommended by FSA.	<span style="color: orange;">●</span>	First retailer to use FSA's labelling; now on wide range of products.
Improve healthy options offer.	<span style="color: orange;">●</span>	Ongoing reduction of artificial flavours, and additives; new black-and-white nutrition labelling being phased in by March 2009.
<b>Supporting our communities</b>		
Contribute at least 1% of Partnership pre-tax profits to charity and community initiatives.*	<span style="color: green;">●</span>	1.63% of pre-tax profits contributed.
Increase Partner participation in employee volunteering.*	<span style="color: green;">●</span>	96,846 hours contributed (increase of nearly 60%).
Using LBG model, improve measurement of outputs/impacts of community programmes.*	<span style="color: orange;">●</span>	Total contributions: £6,191,098 (6% increase); implementing systems to improve measurement.
<b>Partners</b>		
Improve average Waitrose response rate/score in Partner survey.	<span style="color: green;">●</span>	Waitrose response rate: 94% (target: 85%); average score: 12.3 (target: 12).
Implement Partnership-wide career break policy.*	<span style="color: green;">●</span>	Policy introduced July 2006.
Expand diversity awareness training for managers.*	<span style="color: orange;">●</span>	Diversity Toolkit in development; training driven by local needs.

\* Partnership-wide priority and performance.

### Acknowledgements

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Further information about corporate social responsibility at Waitrose can be found at [www.johnlewispartnership.co.uk/ourresponsibilities](http://www.johnlewispartnership.co.uk/ourresponsibilities)

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