

*John Lewis Partnership Sustainability Report 2013*

# *Achieving more through collaboration*



John Lewis | Waitrose

# Contents

<i>1</i>	<i>Chairman's statement</i>
<i>2</i>	<i>At a glance</i>
<i>4</i>	<i>Our unique business</i>
6	A Partnership approach
8	Bringing Quality to Life
12	The Waitrose way
16	Our stakeholders
18	Governance
19	Reporting and assurance
<i>20</i>	<i>Promoting positive choices</i>
21	Sustainable choices
23	Health and nutrition
<i>25</i>	<i>Integrity in our supply chain</i>
26	Improving workers' lives
29	Raw materials
32	Local sourcing
35	Food quality and safety
<i>36</i>	<i>Safeguarding the environment</i>
44	Responsible development
46	Climate change
49	Energy
51	Transport
53	Refrigeration
55	Waste
58	Water
60	Packaging – Waitrose
62	Packaging – John Lewis
<i>64</i>	<i>A great place to work</i>
66	Our Partner strategy
69	Diversity and inclusion
72	Career development
73	Work experience
75	Volunteering
77	Health, safety and well-being
<i>79</i>	<i>Our role in communities</i>
81	Community investment
84	Charitable foundations
<i>85</i>	<i>GRI Index</i>

Read our full  
report at [johnlewispartnership.co.uk/  
sustainabilityreport](http://johnlewispartnership.co.uk/sustainabilityreport)

## Chairman's statement

*“When John Spedan Lewis started his bold experiment in employee ownership, he understood that more could be achieved when people worked in collaboration with each other.”*



Sir Charlie Mayfield,  
Chairman, John Lewis Partnership

**At the John Lewis Partnership we measure success through our ability to sustain and enhance our position both as an outstanding retailer and a thriving example of employee ownership. Our strategy has always been to remain at the forefront of retail today while preparing the Partnership for tomorrow and, for this reason, we have embedded sustainability and responsibility into our business plan, an approach which is delivering tangible results.**

While sales at both Waitrose and John Lewis grew well ahead of their respective markets, we continued to lead the retail sector with our work to reduce the impact of our buildings. We are the only UK retailer with 'Outstanding' BREEAM Retail rated stores. Waitrose has met its target to ensure 100 per cent of palm oil in its own brand products is from certified sustainable sources while the John Lewis Foundation has funded the training of 1,500 Indian cotton farmers and their families in more sustainable methods of farming. Our Partners spend more than 60,000 hours a year volunteering in their communities and our Carbon Plan continues to drive innovation through all our operations. We have also been working hard to promote the benefits of employee ownership. This year our 84,700 Partners received a bonus of 17 per cent, equivalent to nearly 9 weeks' pay, and we are delighted that the Government has formally recognised the benefits of this approach to capitalism. This year's Sustainability Report provides a comprehensive summary of all we are doing.

Yet we recognise that there is still more to do as the scale of the challenges we face becomes more evident. Our world is one of increasing climate instability, biodiversity loss, resource scarcity and economic tension. The Partnership's ability to hold a long-term view while simultaneously adapting to a quickly changing market has been our strength in uncertain times. We realise the need to harness this resilience in addressing these ever more apparent environmental, economic and social pressures. I have confidence that the unique relationships we have with our suppliers, our customers and the communities we trade in will serve us well in working together to meet this challenge.

When John Spedan Lewis started his bold experiment in employee ownership, he understood that more could be achieved when people worked in collaboration with each other. Our sustained commercial success is the proof that he was right. By staying true to his vision and working together we will continue to meet our responsibilities to society and the environment in an increasingly complex, interdependent world.

**Sir Charlie Mayfield, Chairman,  
John Lewis Partnership**

# At a glance

## Highlights



### Performance

Grew sales at both Waitrose and John Lewis ahead of respective markets resulting in a bonus of 17 per cent being paid to our 84,700 Partners, equivalent to nearly 9 weeks' pay.



### New shops

Extended our retail estate. John Lewis shops opened in Newbury, Chichester, Ipswich and Exeter and Waitrose shops opened in 19 locations across the UK.



### Buildings

The only UK retailer with 'Outstanding' BREEAM (Building Research Establishment Environmental Assessment Method) rated shops. John Lewis Partnership buildings represent 32 of the top 42 BREEAM Retail buildings.



### Transport

Award-winning alternative fuels, vehicle design and route planning initiatives. Continued work with Cambridge University and the Centre for Sustainable Road Freight to explore measures expected to reduce vehicle drag.



### Packaging

John Lewis is the first retailer to use non-Oxy biodegradable additives within a specified bag range enabling the material to degrade without the need for light or air. Five new efficient packaging formats introduced in John Lewis and Waitrose like-for-like food packaging weight reduced by 40 per cent since 2005.



### Carbon reduction

In line with achieving our carbon plan we have: further developed low carbon refrigeration systems; updated the Responsible Development Framework to strengthen our focus on minimising carbon; and introduced LED lighting as standard for retrofit and new build projects.



### Food

Waitrose signed two additional Public Health Responsibility Deal pledges on calorie reduction and helping consumers increase their fruit and vegetable intake. Drove forward our healthier eating initiatives with LOVE life menu plans, food ranges, advice for customers and cleverly designed 'Prep and Portion' utensils.



### Supply Chain

Waitrose met the challenging target, to of ensuring 100 per cent of palm oil in its own-brand products is from certified sustainable sources. The John Lewis Foundation has funded 1,500 Indian cotton farmers to be trained in more sustainable methods of farming.



### Community investment

Contributed 3.09 per cent of pre-tax, pre-bonus profits to community investment. £1.1 million invested in time through Partner volunteering in 2012/13 and 240,000 dedicated volunteering hours provided through the Partnership's flagship scheme the 'Golden Jubilee Trust' since its inception.



### Creating opportunities

Offered 5,000 work placements, created 3,800 net new jobs and 83 per cent of newly created positions were filled by local recruits.

*At a glance continued*

*Challenges*



**Partner strategy**

Addressing the diverse employment market. Tackling the changing aspirations and needs of a multi-generational workforce while managing the changing business needs through training and redeployment of Partners.



**New developments**

Negotiating a complex legislative landscape as we seek to invest for the long-term when policy horizons are often short term.



**Supply chains**

Transparency in supply chains is a challenge for the retail sector. We are working to continually strengthen the integrity of our supply chain by maintaining visibility and access to our supply lines so that we can maintain control over the social and environmental footprint of our products. The availability and commercial viability of certified raw materials to cover the breadth and depth of our assortment and continued investment to raise the bar in the welfare standards of those who make our products are examples of some of the challenges we face.



**Carbon reduction**

Reducing absolute operational carbon dioxide equivalent emissions in a growing business. For example, as our retail estate ages it becomes increasingly challenging to contain certain emissions such as refrigerant gas losses. In tandem with this our home delivery sector is increasing rapidly and there are difficulties in sourcing sufficient sustainable bio methane for dual fuel vehicles.



**Engaging customers**

While quality and value remain top of customers' minds, customers are increasingly becoming more interested in the social and environmental aspects of the products they buy. Our challenge is to provide easy access to information, should they require it, at the point of sale – online, in shop communications, or through the knowledge of our branch Partners – while balancing this with the breadth of other information customers require to make a purchase.

*Awards & Recognition*

**These are just some of the awards and recognition we received in 2012/13:**

- Our John Lewis shops in Scotland received a reaccreditation of the BITC Big Tick Award for Excellence for their joint Work Inspiration Programme. This is an initiative run in partnership with local schools providing one to one mentoring sessions and meaningful work experience to pupils
- The Partnership Central Transport team achieved a Big Tick 2012 for its approach to 'Low Carbon Distribution' in the Anglo American Responsible Supply Chain Award category in the National Awards for Excellence 2012
- John Lewis Sheffield won a Local Impact Award in the Business in the Community Yorkshire and Humber Awards for its Community Matters scheme
- Britain's Top Employer recertification – The Corporate Research Foundation recertified the Partnership as one of Britain's Top Employers
- The Partnership received a Gold award in the Transport for London Fleet Operator Recognition Scheme
- We were awarded 'Most Attractive Potential Employer' by Ranstad who surveyed the public on the types of organisations for whom people would like to work
- John Lewis was voted 'Britain's favourite electricals retailer' in the Verdict Consumer Satisfaction Index
- Waitrose was named Favourite Food & Grocery retailer 2012 at Verdict's annual Consumer Satisfaction Awards
- Waitrose was a winner of a Good Pig Award for use of high welfare pork across own-label ranges in Compassion in World Farming 2012
- Waitrose won Good Housekeeping 'Favourite Supermarket' Award 2012. This is the fifth time Waitrose has won.

# Our unique business

## **We believe that our Partnership model and its underlying principles deliver a better way of doing business.**

John Lewis Partnership is the largest and longest-running example of employee ownership. With 84,700 Partners and a huge range of first-class products provided through our retail brands, John Lewis and Waitrose, we are a leading force in UK retailing.

- 39 John Lewis stores
- 290 Waitrose branches
- 84,700 Partners (employees)
- 3,800 net new jobs created in 2012/13
- 17 per cent Partner bonus paid in 2012/13
- Multi award-winning retailing brands
- Around 350,000 product lines sold through John Lewis
- Around 9,700 own-label food products sold by Waitrose
- Gross sales up 9.3 per cent to £9.54 billion in 2012/13
- Over 1.5 million more customers choosing to shop with Waitrose or John Lewis than last year.

## *Overview*

### **A Partnership approach**

How is employee ownership key to the Partnership's success?

### **Bringing Quality to Life**

What is Bringing Quality to Life about?

### **Our stakeholders**

How does the Partnership engage with its stakeholders?

### **The Waitrose way**

What is the Waitrose way?

### **Governance**

How does the Partnership ensure it is living up to the Founder's values?

### **Reporting and assurance**

Why does the Partnership report?

*Our unique business continued*

**Our approach**

In 1914, our founder John Spedan Lewis laid the foundations for a different kind of business. His vision was of a great commercial enterprise whose success would be measured by those working in it, and its service to the community.

Today, the John Lewis Partnership is the largest employee-owned company in the UK. We carry forward our founder’s vision and ultimate purpose – the happiness of all members, through their worthwhile and satisfying employment in a successful business.

The Partnership is owned in trust for its employee members (Partners). We all share the responsibilities of ownership and its rewards:

- **Profit** – our success relies on the contribution and dedication of many people. Partners (employees) receive a share of profits through an annual bonus payment
- **Knowledge** – Partners are responsible for knowing, complying with and upholding the Partnership’s principles
- **Power** – Three governing authorities share power: the Partnership Council; the Partnership Board; and the Chairman.

**Why this matters**

We believe that our Partnership model and its underlying principles demonstrate a better way of doing business because:

- **Accountability** – we collectively and democratically share responsibility for our business
- **Values** – we complement social, ethical and environmental principles with sound business practice for sustainable, commercial success
- **Sharing profit** – all Partners share profits equally as a percentage of annual pay, up to and including the Chairman
- **Democracy** – Partners are owners and are involved in how we run our business
- **Long-term** – the legacy of our founder John Spedan Lewis means we take a longer term view in all our plans
- **Performance** – we stand and fall on the performance we generate, year in and year out.

The Partnership’s co-ownership status is fundamental to creating the right conditions to sustain competitiveness in a changing world.

*Data*

	2011/12	2013/13
<b>Waitrose</b>		
Number of shops at year end	272	290
Average selling space (million sq ft)	4.9	5.2
Operating profit (£ million)	260.6	292.3
Gross sales (£ million)	5,400.4	5,763.9
<b>John Lewis</b>		
Number of shops at year end	35	39
Average selling space (million sq ft)	4.2	4.6
Operating profit (£ million)	157.9	216.7
Gross sales (£ million)	3,329.1	3,777.4

## A Partnership approach

*The Partnership's ultimate purpose is the happiness of all its members, through their worthwhile and satisfying employment in a successful business.*

Principle One,  
John Lewis Partnership Constitution

**The Partnership operates with a difference borne from our co-ownership model and Constitution – a framework for 'industrial democracy', where employees share knowledge, power and profit to create a better form of business.**

Our Constitution provides the principles and rules for how we do business and defines what makes our approach different from others and the high standards of behaviour we set ourselves.

The Partnership's primary purpose is 'the happiness of all members through their worthwhile and satisfying employment in a successful business'; to achieve this we aim to:

- Give all Partners a relevant, consistent and rewarding experience during their career
- Take responsibility for our business success
- Build relationships powered by our principles
- Create real influence over our working lives.

### Overview

#### Why this matters

The Partnership's employee ownership status makes a significant difference because our business is held in trust for the benefit of all members.

This provides stability and the security to invest in our Partners, build and improve our business and realise the competitive advantage of our Partnership model.

We produce plans safe in the knowledge that we are building a sustainable business where the needs of customers, Partners and commercial ambition are balanced.

We respect the interests of all the people touched by our business – our Partners, customers, suppliers and the wider community. We develop strong relationships with people inside and outside our business so that together we can deliver our vision for sustainability and long-term business success.

#### Our approach

In last year's report, we outlined three strategic priorities which set the direction and targets to achieve our ultimate purpose in the next phase of our growth:

- Increase the advantage of Partners
- Realise our market potential
- Grow efficiently.

The retail landscape is marked by radical changes in: technology; consumer expectations; the economy; and the profile of the high street in the UK. Against this backdrop and through our unique business model we are well-positioned to take advantage of the market.

Key to our success is the commitment and dedication of our Partners who are the first point of contact for customers, suppliers and other stakeholders. Collectively, we work to anticipate and respond to changing needs and our ownership model promotes a long-term perspective towards building a successful and sustainable business.

In 2012/13, we formulated our plans with an aim to:

- Consistently add value to each customer experience and empower our Partners to act as owners
- Work closely with suppliers who share our values to create more sustainable products which benefit the wider community and environment
- Grow our business efficiently and responsibly and reward collective effort.

#### Future plans

Partners are co-owners in our business and together they drive our business philosophy.

In 2013/14, we will focus on engagement, capabilities and efficiencies.

We aim to:

- Increase Partner capability, contribution and success by setting clear expectations and accountabilities, while providing the training and framework for Partners to have more influence over their own career – supported by a single clear Personnel framework
- Increase our knowledge of customers across our multi-channel business to better understand their needs, how they like to shop and the range of customers served
- Deliver efficient shops and improve our carbon efficiency by using the knowledge gained from our 'Point of Focus' shops where we test new technologies, to our wider retail estate
- Engage Government to ensure our voice is heard in areas that affect the Partnership, such as planning, regulation and tax changes. This will ensure that policy is communicated across the business, help us to embed risk management and comply with obligations.



## *A Partnership approach continued*

### *Achievements & challenges*

#### **Key achievements**

- John Lewis's online business grew to over 25 per cent of turnover
- New John Lewis 'at home' shops opened in Newbury, Chichester and Ipswich and a new format shop in Exeter
- Waitrose online sales grew by 49 per cent and eight convenience branches and 11 new core shops opened
- The Partnership achieved a market-beating sales performance of 9.3 per cent growth despite continuing challenges in the economic climate.

#### **Key challenges**

- Continuing our successful sales growth in a subdued market
- Continuing to ensure we invest in information technology and distribution infrastructure in the right way to give customers a seamless 'omni-channel' shopping experience
- Transparency in supply chains is a challenge for the retail sector – the Partnership continues to strengthen the integrity of the supply chain and expertly source new products
- Diverse employment market – different expectations, aspirations and needs with Partners' spanning generations and ethnicities
- Changing business needs – training and redeployment of Partners into new roles.

# Bringing Quality to Life

*“From helping customers make more sustainable choices, to being fair in our business relationships and supporting local communities, Bringing Quality to Life is something we do every day in important, simple and rewarding ways.”*



Stephen Cawley,  
Head of Sustainability,  
John Lewis

## Bringing Quality to Life helps us share John Lewis's sustainability vision and ambitions in a cohesive way, underlining our business ethos and focus.

John Lewis is built on the Partnership's founding principles which cover our entire business. We believe in:

- Being a good corporate neighbour
- Working together for the long-term
- Promoting healthy communities
- Helping customers to lead more sustainable lives.

Bringing Quality to Life has a broad agenda encompassing our activities with customers, Partners, suppliers, communities and other stakeholders and is grounded in our founding principles:

- **A better way of doing business** – doing the right things for the long-term and using the Partnership's principles to power our business. For further detail about how we are encouraging 'a better way of doing business' through working with our supply chain – please see Integrity in our supply chain.
- **Encouraging sustainable living** – helping customers to do the right thing and to ensure that customers continue to trust in our brand
- **Supporting our communities** – recognising that healthy communities are necessary for the long-term success of a healthy business. For further detail on John Lewis's community programmes – see Our role in communities.

## Overview

### Our approach

John Lewis's Bringing Quality to Life banner underpins John Lewis's sustainability programmes and creates better recognition and clarity of our intended actions, both within our business and with external stakeholders.

In 2012/13, we have encouraged better engagement in all areas of sustainability among our buying teams and a 'champion' now operates in each buying team. Working together in this way helps us to further embed our programmes.

During 2012/13, we have also undertaken a rebranding exercise to create greater clarity in the application of our Sustainable Product Identifier. The Identifier was previously only used on externally endorsed products and we have expanded its use to cover four key customer categories:

- Saving water
- Reducing waste
- Saving energy
- Protecting nature

We will launch these icons in 2013. The new look and feel Sustainable Product Identifier will, in the future, be used on all elements of John Lewis's sustainability programme. For example: in-shop; on our Community Matters materials; and on more than 2,000 of our own-brand products. We will also launch advice online to help customers live more sustainable lives.

### Future plans

The John Lewis Bringing Quality to Life pillars have helped us to better align our resources and gain traction among our buying teams and with key suppliers. For 2013/14, our aim is to further embed our sustainability efforts aided by a dedicated team that works together with our stakeholders.

We want to support UK industry wherever possible. In 2012/13, we increased the number of UK suppliers to John Lewis and, over the coming year, we aim to extend our reach through a range of initiatives.

For example:

**Made in UK** – this product identifier is a small Union flag symbol which highlights goods that are designed and manufactured in the UK. We aim to increase sales of UK-made products by 15 per cent by 2015.

**StartUp Britain** – we support UK business, wherever possible. StartUp Britain is a national enterprise campaign set up by entrepreneurs for entrepreneurs, harnessing the expertise and passion of Britain's leading businesspeople to celebrate, inspire and accelerate enterprise in the UK.

Through this campaign, we invited some 13 entrepreneurs to pitch their products to John Lewis buyers. Each entrepreneur received mentoring time with John Lewis's buyers and a product range from one of the entrepreneurs is now stocked at John Lewis.

So far, two pitch events have been held, with further mentoring opportunities for entrepreneurs resulting in approximately five potential and immediate opportunities for the entrepreneurs. For 2013/14, two events are planned. The next 'Pitch event' will be held in September 2013.

**PopUp Britain** – the retail arm of the StartUp Britain campaign is launching new retail outlets designed to both fill empty shop space on the high street and house new start-up brands at a low entry cost. Visual Merchandisers from Peter Jones used their expertise to support all aspects of the design, shop fit and merchandising of the new London-based outlet called PopUp King's Road, as well as one based in Victoria.

## Bringing Quality to Life continued

*“It was great meeting the farmers and seeing the impact that our project has made on their lives. The difference the project has made will be long-lasting.”*



Neha Singh,  
HR Business Partner at  
John Lewis's Indian Sourcing Office

### Achievements & challenges

#### Key achievements

- Bringing Quality to Life strategy refined and rolled out
- Bringing Quality to Life rebranding exercise undertaken
- Developed Sustainable Product Identifier icons to cover water, waste, energy and protecting nature and introduced new supporting icons
- Launched first range of John Lewis Foundation cotton products
- Increased number of UK-based suppliers used by 17 per cent
- Launched our sofa re-use scheme.

#### Key challenges

- Communication – there are a broad range of stakeholders both within and external to our business. We aim to continually improve how we communicate our aims with those touched by our plans
- Bringing Quality to Life has a broad agenda and we continue to tackle concepts that will promote better social and environmental performance.

### Case study

#### John Lewis redistributes used furniture to disadvantaged families

Working in partnership with the Furniture Reuse Network (FRN), a charity which co-ordinates 400 re-use organisations, we aim to collect some of the 10 million items of furniture thrown away in the UK every year from our customers when they buy a new piece of furniture.

Following a successful pilot this year at John Lewis Liverpool, which saw 192 sofas reused and/or recycled, we are set to launch this scheme nationwide to collect and pass on household furniture items to people who could otherwise not afford new furniture.

It is anticipated that the scheme will result in 65 per cent of returned sofas being reused, 20 per cent repaired or refurbished and then reused and 15 per cent broken down into component parts and responsibly recycled.

#### John Lewis Foundation cotton products launched in-shop

In September 2012, John Lewis launched its first range of bath mats made using John Lewis Foundation cotton.

The crop is the product of a three-year project set up last year by the John Lewis Foundation in association with CottonConnect to help cotton farmers in Morbi, in the Rajkot area of Gujarat, western India, to reduce their input costs and increase their livelihoods.

Farmers were trained, both in classrooms and in the field, on areas such as reducing water usage, understanding the impact of pesticides and fertilisers and encouraging biodiversity. Aspects covered included using insects that are natural predators of cotton pests as a natural alternative to chemical pesticides. The handbook provided as part of the training was so successful that even farmers not enrolled in the programme have asked for copies.

Neha Singh, HR Business Partner at John Lewis's Indian Sourcing Office, visited the farmers earlier this year. “It was great meeting the farmers and seeing the impact that our project has made on their lives,” she says.

“It was my first visit to a cotton farm and it left an impression on me, especially the realisation that once the project finishes these farmers will continue to follow the procedures that we have taught them. The difference the project has made will be long-lasting.”

*Bringing Quality to Life continued*

*Targets*

Targets: Unless otherwise stated, new targets relate to activity to be achieved within the 2013/14 financial year. Where previously reported targets relate to an ongoing process, these have been reported in the narrative of the report.

**Sustainable choices**

Target 2012	Progress Made	New target
By year end 2013/14, double the number of products that carry the John Lewis Sustainable Product Identifier (2011 baseline) that help our customers make sustainable choices when shopping.	<p><b>On track.</b> The Sustainable Product Identifier was launched in 2011, covering 1,000 products.</p> <p>We are working to refresh this activity and replace the existing symbol with clearly identifiable logos in four categories:</p> <ul style="list-style-type: none"> <li>- conserves energy</li> <li>- protects nature</li> <li>- reduces waste</li> <li>- saves water</li> </ul> <p>The new logos will be launched in 2013 and used through a variety of channels, in-shop and online.</p>	<p>Target remains.</p>
		<p>Launch advice online to help customers to live more sustainable lives.</p>
		<p>Launch a trial in partnership with the Department of Energy &amp; Climate Change (DECC) to show the lifetime electricity running costs on all washing machine, washer/dryer and tumble dryer ranges.</p>
By year end 2015/16, our range of own-brand electrical appliances to be the most energy and water efficient in the UK.	<p><b>On track, new target:</b></p> <p>100% of John Lewis own-brand large electrical appliances are A rated or better – this is our minimum standard. We will continually assess this standard as technology and market changes take place to ensure that our offer remains leading.</p> <p>We recognise that current water-saving technologies for washing machines, washer-dryers and dishwashers are not as advanced as for energy-saving. Our priority for the next two years is to develop our minimum standards for water efficiency, in line with our energy efficiency standard, working with our suppliers to innovate and to adopt the most appropriate water-saving technologies in new product design.</p>	By the end of 2014/15 establish our minimum standards for water efficiency in large electrical appliances.

*Bringing Quality to Life continued*

**Raw materials**

Target 2012	Progress Made	New target
By year end 2015/16, all John Lewis own-brand wooden products to come from recycled or certified sustainable sources.	<b>In progress.</b> We are encountering difficulties sourcing recycled or certified sustainable material but we are continuing to work with our buying teams and suppliers to achieve this target.	Target remains.
By year end 2012/13, all John Lewis own-brand paper products to come from recycled or certified sustainable sources.	<b>Target revised.</b> As with wooden products, we are encountering difficulties sourcing certified material. We are still committed to ensuring all our own-brand paper based products come from sustainable sources and we continue to work with our suppliers to achieve this.	100 per cent of own-brand paper based products to be made from recycled or certified sustainable sources by end 2014.
Improve the sustainability of John Lewis own-brand clothing and textiles by increasing our use of sustainable raw materials, reducing their impact in use and providing opportunities for customer recycling.	<p><b>On track, new targets in place.</b> In 2013, we will become signatories to the Sustainable Clothing Action Plan which commits us to improving the sustainability of clothing across its lifecycle.</p> <p>We have started measuring our baseline carbon, waste and water footprint of textiles. This will inform the action we will take under the three key areas covered by the plan:</p> <ul style="list-style-type: none"> <li>- design</li> <li>- reuse and recycling</li> <li>- influencing consumer behaviour.</li> </ul>	<p>New targets below.</p> <p>Collect and measure our baseline data for carbon, water and waste usage within our own-brand garment supply chain and put an action plan in place to achieve the WRAP Sustainable Clothing Action Plan sector targets.</p> <p>By end 2015, 25 per cent of cotton (by volume) used in own-brand products to be from sustainable sources, and 50 per cent by the end 2020.</p>

**Made in UK**

Target 2012	Progress Made	New target
By year end 2015/16, increase the number of UK-sourced products offered to support UK manufacturing and make it easier for customers to choose UK products.	<p>On track, target revised. During 2012/13 we increased our UK supply base by 17 per cent from 132 suppliers to 154.</p> <p>We have updated the target this year to increase sales of UK products by 15 per cent by the end of 2015.</p>	By end 2015, in support of UK manufacturing, increase the sales of UK-made products by 15 per cent based on a 2012 baseline.

## The Waitrose way

*“We believe there are few things in life that are more important than the food you eat and that gives us a responsibility to provide great value food that is enjoyable to eat, healthy, nutritious and produced in a responsible way.”*



Quentin Clark,  
Head of Sustainability, Waitrose

### **The Waitrose way helps us share our Waitrose sustainability vision and goals with key audiences – it captures our philosophy and defines our focus.**

Waitrose believes in championing British produce, treading lightly on the environment, supporting customers to live well and treating people fairly

**Championing British** – we believe in bringing our customers British food and produce at its very best, celebrating the British food season and working with the best local and regional suppliers

**Treading lightly** – we believe in making the right choices for the environment by reducing packaging, waste, water and CO<sub>2</sub> emissions and responsibly sourcing our food

**Treating people fairly** – we believe in treating our customers, Partners, farmers and suppliers fairly as well as supporting local charities and community groups through our Community Matters and Partner volunteering schemes

**Living well** – we believe that eating well should be enjoyable. We provide a wide range of imaginative and nutritious choices to inspire people to eat more healthily.

### Overview

#### **Why this matters**

There are few things in life that are more important than the food you eat and we believe that gives us a responsibility to provide great value food that is enjoyable to eat, healthy, nutritious and produced in a responsible way.

We build long-term relationships with our suppliers, so that we can work together to provide food in a way that takes care of our animals, protects our environment, saves resources and generates a fair and sustainable income for farmers and producers.

At Waitrose, we are always seeking the more sustainable alternative so that we can continue to provide great food far into the future and build our customers' trust.

We want our customers to know that in a busy life, just by shopping at Waitrose they are voting for a supermarket that can be trusted to do the right thing.

To help share our work, we have created 12 commitments in the areas that matter most to people and we are inviting customers to join us in making things better for us all.

#### **Our approach**

By providing high quality food, we also aim to protect the environment, support communities which produce that food and help customers to live more sustainably.

Our key priorities are about finding ways to reduce the footprint of our business and engaging with our customers and the communities where we trade.

#### **Our strategy**

In 2013/14, our key priorities are to find ways to reduce the footprint of our business and better engage with our customers and the communities in which we trade.

We know that customers trust our strong ethical credentials, but it's important that we continue to earn that trust through sharing our good work. We will therefore continue to apply the principles of the Waitrose way 12 commitments:

- 1. Cutting energy** – we aim to reduce our carbon footprint by 2020, even though our business will double in size.
- 2. Shrinking waste** – by reducing packaging, making it easier to recycle and sending zero food waste to landfill. By the end of 2016, we will have halved packaging against a 2005 baseline and increased the amount customers can recycle.
- 3. Fishing responsibly** – Waitrose only stocks responsibly caught or farmed fish and by the end of 2016, all our fish will be independently verified as sustainable and not from a species at risk.
- 4. Doing the right thing by farmers** – our carefully chosen farmers share our values and their animals are reared to Waitrose's own high standards. We will continue to set the standard with Waitrose products, always seeking ways to improve the quality of care.
- 5. Backing British** – together with our farmers, we'll continue to use the best sustainable farming methods. Every year we spend over £1 billion with British farmers and suppliers.
- 6. Championing regional suppliers** – we provide delicious local food from family businesses and independent suppliers. In the next five years, Waitrose will support thousands of food heroes and hundreds of small companies.
- 7. Organic** – Waitrose is already the leader in organic sales on the high street. In the next five years, alongside the Prince of Wales's Charitable Foundation, we will give more than £10 million to charitable causes through sales of Duchy Original from Waitrose – including support for agricultural sustainability through the Duchy Future Farming Programme.
- 8. Giving something back** – we are sharing more than £3 million of profit each year through our Community Matters scheme and we are making time for our Partners to volunteer for good causes. By 2017, Waitrose will have given over 400,000 hours of volunteering and more than £20 million to over 50,000 local causes.
- 9. More fairly traded products** – Waitrose Foundation and fairly-traded products are already available. In the next five years, the Waitrose Foundation will invest over £7 million to help communities in Africa.

## *The Waitrose way continued*

10. **We are in it together** – we are owned by our Partners, so share values as well as profits, and we are one of the largest co-owned businesses in the world.
11. **Helping customers make healthy choices** – by clearly labelling our food and providing online nutritionists to give personalised help and advice.
12. **Making good food better** – we are cutting salt without compromising taste. In the next five years, we will continue to focus on the nutritional benefits across our range, as well as reducing the amount of salt, sugar and saturated fats.

## *Achievements & challenges*

### Key achievements

- All Waitrose fresh beef, pork, chicken and eggs are UK-produced and our shelves are filled with seasonal produce like spring lamb, seasonal game and fresh fruits, vegetables, plants and flowers
- Improved customer engagement around responsible drinking, including linking food and wine
- Extended LOVE life range of healthy options
- Launched Community Matters online
- Continued the Waitrose Supplier Awards to acknowledge the hard work and improving environmental performance of our supply base
- Zero food waste to landfill achieved three months ahead of schedule
- Extended our Partner volunteering programme.

### Key challenges

- Climate change – increasingly frequent extreme weather conditions can affect the yield and quality of the UK harvests which can impact on the availability and price of home grown food
- Encouraging behaviour change and customer engagement
- Increasing the contribution and engagement of Waitrose where we trade through the development of the Waitrose Foundation.

## *Case study*

### LOVE life – Replacing ‘Dull’ with ‘Delicious’

Waitrose own-brand LOVE life range of nutritionally balanced foods is satisfying customers’ appetite for good quality, sensible eating as a means of controlling weight and staying healthy.

From nuts and seeds to ready meals, the brightly packaged ranges are making it easier for customers to choose foods that fit in with their nutritional needs. There are around 300 LOVE life products and Waitrose chefs use their knowledge to create delicious combinations that add nutritional value without compromising on taste. For example, whisked lentils give a creamy texture without the fat, and adding herbs increases flavour without the need for too much salt.

We have also developed a range of new ‘Prep and Portion’ kitchen utensils, cleverly designed to measure out the right amount of pasta, nuts, cheese, etc – a first for any supermarket.

Nutritionist Joanne Lunn had noticed that a lot of people eat healthy food, but sometimes they eat too much of it. “It’s an area where we know people are struggling, as plates and bowls are so much bigger these days and we feel the need to fill them,” she explains. “We hope customers will find the new portion control kitchen tools useful.”

*The Waitrose way continued*

*Targets*

Unless otherwise stated, new targets relate to activity to be achieved within the 2013/14 financial year.

Where previously reported targets relate to an ongoing process, these have been reported within the narrative of the report.

Target 2012	Progress Made	New target
Apply on-pack recyclability labelling to all own-brand products by the year end 2012/13	<p><b>Achieved for approximately 72 per cent of products.</b> The remainder did not include the labelling due to lack of space on the pack or because we have yet to update certain packaging designs.</p> <p>We will continue to roll out on-pack recyclability labelling on all new product developments, where space permits.</p>	Ongoing
		Trial customer recycling initiatives for packaging and products at end of first life.
		Develop and promote initiatives to reduce customer food waste.
		Support at least one campaign in the Government's 'Change4Life' programme.
		Support the pledges of the Government's Public Health Responsibility Deal.
		Roll out the updated front of pack traffic light label to help customers make informed choices.
Use 100 per cent Certified Sustainable Palm Oil (CSPO) in own-brand products by year end 2012/13.	<p><b>Achieved.</b> 100 per cent of the palm oil and palm kernel oil-based ingredients and derivatives are covered by one of three mechanisms facilitated by the Roundtable on Sustainable Palm Oil (RSPO).</p>	Target achieved
By year end 2015/16, 100 per cent of the soya in own-brand products to come from certified sustainable sources including RTRS Certified soya and Pro Terra Certified Soya.	<p><b>On track.</b> There is currently no segregated certified soya available so this target is an ambitious task. We are undertaking a number of steps including reviewing sustainable soya-certification schemes, analysing and mapping our supply chain sources and exploring soya substitutes. This year, due to lack of availability of certified soya, we purchased RTRS soya credits to cover usage of soya as ingredients in own-brand products. The non-GM soya beans used in the production of our soya milk are Pro Terra certified.</p>	Target remains



*The Waitrose way continued*

Target 2012	Progress Made	New target
Continue to only stock fish that are responsibly sourced from wild capture fisheries and farmed aquaculture operations and work towards 100 per cent third-party verification by year end 2016/17.	<b>On track.</b> Waitrose sources from over 172 wild fisheries and farming systems, 66 (38 per cent) of which are third-party verified.	Target remains
		All paper and wooden products to be FSC, PEFC or made from recycled wood by December 2015.
		Move all Waitrose corned beef to British, with the exception of pre-packed sliced.

## Our stakeholders

### Why this matters

As a leading retailer, with a large retail estate and diverse portfolio of products offered, there are many people touched by our business – our Partners, customers, suppliers, local people and wider communities.

We listen to those we are connected with and share details of our company's performance, ambitions and aspirations as we serve the interests of today as well as tomorrow.

Democracy means the voice of the people being heard and we are responsive to that through our 'industrial democracy' employee-ownership model. We work together with a wide range of stakeholders and engage Government, academic institutions, non-governmental organisations, suppliers, customers – as well as our Partners – in our plans.

### How we engage

#### Our unique business

- **Partnership Council** allows Partners to question the Chairman about any aspect of the Partnership's business plan. It represents an excellent check and balance to serve the best interests of our business and to inform our plans through Partners' collective voice
- **Partnership Counsellor's Directorate** serves the business by focusing on management accountability and Partner engagement and works to ensure that the Partnership is run for the collective benefit of all Partners
- **Partner Communications** from internal magazines, our intranet and newsletters through to Partner Voice, the democratic body within all our locations, we listen and share information with our Partners
- **Government engagement** helps to ensure that our voice is heard where legislation and policy affects our customers and our business, for example, the future shape of our high streets.

#### Promoting positive choices

- **Public Health Responsibility** we actively engage with our suppliers to ensure our pledges on nutrition and wellbeing are embedded within our supply base. We in turn help our customers to make better choices through how we label our products and a wide variety of customer promotional activities. We are also active supporters of the Government's 'Change4Life' strategy
- **Customer feedback** is encouraged through a wide range of customer communication channels such as: customer panels; customer research; online forums; and feedback to Partners
- **Customer engagement** – we want customers, regardless of how they shop, to be provided with clear and understandable information about our products and how our offering can help them live more sustainable lives.

### Safeguarding the environment

- **Shared learning** can encourage significant progress.

We work with academic institutions such as Cambridge University to develop aerodynamic transport; Imperial University on the saleability of bio-methane and its standardisation; and the Centre for Sustainable Road Freight to develop best practice approaches for transport

- The Partnership is engaged in industry working groups at the British Retail Consortium (BRC) including environmental policy, timber and palm oil
- We continue to engage in a wide range of initiatives to promote the sustainable use of resources including through our membership of the Sustainable Clothing Action Plan, led by WRAP and we are signatories to the Courtauld Commitment to improve resource efficiency and reduce the carbon and wider environmental impact of the grocery sector.
- **Supplier engagement** – we look to our Partners in the supply base to deliver environmental improvements across the value chain and provide the tools and encouragement to support them. For example, through the Waitrose way awards we recognise suppliers who demonstrate exemplary environmental good practice in their businesses; and we work with our construction Partners to reduce the embodied environmental footprint of building materials
- **Government engagement** – during 2012, we engaged with Government on a number of topics including consultations on environmental policy, regulation and initiatives such as the Carbon Reduction Commitment (CRC) Energy Efficiency Scheme, biofuels and the lifetime electricity running costs of appliances
- **Drawing on expertise** – we seek the views of specialists in helping us to take the right approach. For example, this year we consulted with local conservation groups and the Avon Wildlife Trust when developing a biodiversity plan for our new-build Waitrose at Chipping Sodbury.

#### Integrity in our supply chain

- **Collaboration** – we are actively involved in raising standards across the retail sector and supply chains. For example, we are an active member of the working group of the Equality and Human Rights Commission (EHRC), meat and poultry processing enquiry to improve recruitment and employment practices in the UK meat and poultry processing sector. We have also joined the Trade and Global Value Chains (TGVC) partnership to help farmers and workers improve working conditions and are members of the Ethical Trading Initiative (ETI)

*Our stakeholders continued*

- **Supplier development** – improving conditions for workers and sourcing more sustainable products cannot be achieved without shared understanding and active involvement from our suppliers. We achieve this through a number of different engagement channels such as: training sessions involving suppliers and buyers; regular one to one meetings; and support materials like our timber and Responsible Sourcing Code of Practice handbooks. Where suppliers are leading the way we seek to learn from their approach and share best practice with the rest of our supply base.

*A great place to work*

- **Partner surveys** are conducted annually and present the single largest collective opportunity for all Partners to feedback their opinions on how they feel about working for the Partnership
- **Communications channels** such as forums, the Gazette and Chronicle magazines together with the Partnership Counsellor's Directorate ensure that our Partners' voices are heard
- **Diversity and inclusion** – we work with a number of stakeholder groups including: Stonewall; Business Disability Forum; Vanguard Diversity Network; and Remploy Asian Marketing Group to support and promote diversity and inclusion and in support of our Partner strategy
- **Employee ownership** – we act in an advisory role to Government and others interested in building relationships through employee ownership and share insights we have gained over our 80 years of operating as an employee-owned company.

*Our role in communities*

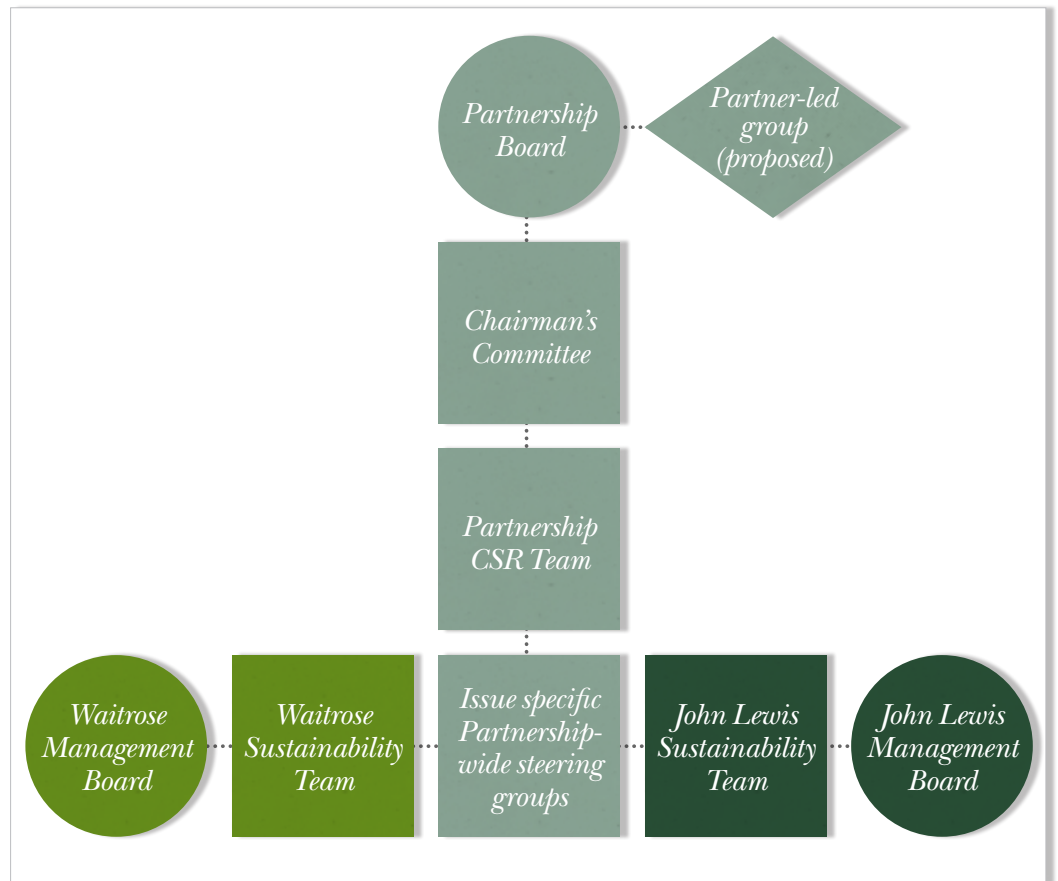
- **Community investment** – we involve our customers and our Partners in deciding where to invest in local communities and seek opportunities for Partner growth and development through volunteering
- **Getting the most from our charity partnerships** – we work closely with the charities we support to seek the most effective ways to direct our efforts. This way we are confident that we are all getting the most out of our time and investment.

# Governance

**Power in the Partnership is shared between three governing authorities: the Partnership Council; the Partnership Board; and the Chairman.**

In last year's online Sustainability Report, we highlighted our intention to review how the Partnership's CSR governance is managed. As a result of this review, it was decided that the Chairman's Committee should have oversight of CSR and Sustainability in order to strengthen existing governance and assurance arrangements. A dedicated CSR session will be held at the Chairman's Committee twice annually.

We consider that this change will allow for clearer decision-making, accountability and rigorous challenge and further support the differences that our co-ownership model offers.



# Reporting and assurance

## About this report

The report focuses on our activities, progress and achievements within our trading year 29 January 2012 to 26 January 2013 unless stated otherwise. We profile the steps being taken in pursuit of our business sustainability targets where we have operational control. Stores in the Middle East operated by Fine Fare Food Market LLC and arrangements with partner organisations Boots, Waitrose Welcome Break and South Korea's Shinsegae department store, are excluded from the scope of our sustainability reporting boundary and key performance indicators unless otherwise indicated.

We produce our sustainability report annually as a point in time record of our progress towards our goals; our last report was published in October 2012 and was our first in an online format. The report includes links to additional information on our website as well as third-party information.

In reporting our performance, we are guided by the Global Reporting Initiatives (GRI) Sustainability Reporting framework and consider this report to be aligned with a GRI self-declared level B. For more information see our GRI Index

We welcome your comments. If you have any questions or would like to request a printed summary of this report, please email: [csr@johnlewis.co.uk](mailto:csr@johnlewis.co.uk).

Or write to:

Benet Northcote, Head of CSR  
John Lewis Partnership, Partnership House  
Carlisle Place, London SW1P 1BX

## Reporting important issues

This sustainability report allows us to share with others our plans for creating a successful and sustainable business. We consider the key audiences for this report to be: the 'sustainability community' (sustainability think tanks and thought leaders, journalists involved in sustainability issues, organisations involved in rating and ranking organisations on overall or issue-specific sustainability positions; academics and students as well as sustainability consultants); NGOs and campaigners; Partners and our interested customers. Others with an interest in this report will likely include: those seeking employment in the Partnership; representatives from Government bodies; our suppliers and our competitors.

## Materiality – what we include

For the purposes of this report, we consider material information to be that which is of greatest interest to, and which has the potential to affect the perception of, those stakeholders who wish to make informed decisions and judgements about our commitment to sustainability. Our key stakeholders are our Partners, customers and local communities where we operate, our suppliers, Government, non-governmental organisations (NGOs) and campaign groups. In this report we profile the steps being taken in the areas that matter most:

- our customers
- our products and suppliers
- our people
- our communities
- our environment.

## Report assurance

Our co-ownership structure, built on the principles of openness and transparency, supports our commitment to open and honest disclosure and reporting. We do not currently seek formal external assurance for this report in its entirety.

A combination of internal and external assurance checks have been carried out on the data and assertions in this report and the Corporate Social Responsibility content of the Business Review in the Partnership's Annual Report and Accounts. External assurance was carried out by Two Tomorrows for the more specialist and complex datasets: our community investment and carbon emissions.

We will review the options for increasing our level of assurance for our 2014 sustainability report.

# Promoting positive choices

*“We understand that not everybody has the time to investigate the rights and wrongs of every product, so our aim is simple: we will do that on their behalf.”*



Quentin Clark,  
Head of Sustainability, Waitrose

**Our business is grounded in the principles set by our visionary Founder, John Spedan Lewis. His insight drives our business today and is realised through the Partnership's goal to provide outstanding choice, value and service.**

Providing choice for customers is vitally important and we aim to do this within the framework of our values. For us, this means we aim to:

- Help our customers to make informed choices
- Provide clear and better advice.

### **Sustainable choices**

How does the Partnership make it easier for customers to make sustainable choices?

### **Health and nutrition**

How does Waitrose help customers to live healthier lifestyles?

### **Why this matters**

We want to make it easy for customers to make sustainable and healthy choices. We believe that by presenting effective solutions for customers and helpful ways for them to join with us, customers can have the things they want in a better way.

We train our Partners to give impartial and knowledgeable advice and have begun to incorporate sustainability credentials across a broad range of products. This is supported by logos on products and product information in our shops.

## Sustainable choices

**One of the reasons that people shop with us is the trust they have in our brands and that we are doing the right thing. We work continually to earn and keep our customers' trust and loyalty.**

By ensuring that the products we sell meet ever-higher sustainability credentials, we are working on behalf of our customers and accept the responsibility to make positive choices on their behalf through the in-depth knowledge we have about our products and the way they are sourced.

### Overview

#### Why this matters

Providing choice for our customers is vitally important and we work within the framework of our values. For example, Waitrose only supplies responsibly sourced fish and we will delist any species that are known to be unsustainable or considered likely to become so. Interestingly, many of the actions that result in greater sustainability – like the capture method – also lead to higher quality fish. This combination of quality and responsibility has led to our unrivalled success in fish sales.

#### Progress in 2012/13

In 2012/13, we made changes to our product offering by:

- Converting all Waitrose own-label tea to Fairtrade and increasing our range of Fairtrade coffee to give growers a fairer deal on their produce
- Waitrose launching a new own-label range of low temperature washing detergents to help customers use less energy, save money and protect the environment
- Converting to Roundtable on Sustainable Palm Oil (RSPO) certified palm oil which affects our soap ranges and food products
- Moving to new, more sustainable, packaging formats for John Lewis and Waitrose products
- John Lewis launching its first range of bath mats using cotton grown by farmers in India trained in sustainable farming methods through the John Lewis Foundation
- Waitrose growth in organic sales, selling close to a quarter of all organic food bought in supermarkets compared to selling around 5 per cent of all groceries.

#### Challenges

Our Partners are fully engaged in taking on the many challenges presented by our ambition to promote positive choices. For example:

- **Complexity of our product assortment** – the breadth and depth of our assortment covering both branded and own-brand lines, and our vast supply base, makes the task of ensuring our values are sustained in the products we sell a great undertaking. Our continued engagement with buying teams and suppliers in taking ownership of this is paramount

- **Informing customers** – while quality and value remain top of customers' minds, customers are increasingly becoming more interested in the social and environmental aspects of the products they buy. Our challenge is to provide easy access to information, should they require it, at the point of sale – online, in shop communications, or through the knowledge of our branch Partners – while balancing this with the breadth of other information customers require to make a purchase
- **Buying local** – Variations in climate, soil type and geography mean that not all foods can be grown everywhere and this is the basis for the regional production of certain types of food, for example, tomatoes from the South Coast because of the higher light levels, apples from Kent and vegetables from the rich soils of East Anglia
- **Livestock production** – a focus entirely on efficiency and reduction in carbon footprint can only be achieved at the expense of an animal's welfare. Meanwhile, free-range eggs are less carbon efficient than battery production and intensive pig production may be more efficient than outdoor rearing. However, our choice is clear – we will always favour the welfare of the animal first
- **Importing food** – can raise environmental concerns but at the same time there are social dilemmas to consider, if we are to support and encourage developing areas of the world through a 'trade not aid' principle.

#### Future Plans

Partnership makes a difference. It is through our Partners' passion and energy that we are able to engage our customers and advise them on the options available – Partners are the first point of contact.

We train Partners who are engaged in actively advising customers so that unbiased information is given and we encourage customer feedback through a range of channels.

Our labelling, own brand packaging and promotions in shops also highlight products that deliver an additional benefit, for example:

- Certified products, such as FSC (Forest Stewardship Council), Rainforest Alliance and Soil Association
- Fairly traded and British-sourced goods
- Energy use of our electrical goods.

## *Sustainable choices continued*

In 2013/14, we will continue helping customers choose well by bringing sustainability into the heart of our customer communications.

We will:

- Work with DECC (Department of Energy and Climate Change) to display the running cost of large electrical goods at the point of sale and develop our standards on water efficiency for dishwashers, washing machines and washer-dryers
- Extend use of the Sustainable Product Identifier at John Lewis – to help customers find products more easily
- Include customer messaging around the energy-saving benefits of washing their clothes at 30°
- Highlight British Farming sustainability aspects such as through LEAF (Linking Environment and Farming) certification labelling
- Highlight recyclability labelling to encourage customer recycling and provide initiatives to make it easier for customers to recycle products at end-of-first-life
- Continue to use our strength to realise the market potential and build scale towards efficiently growing our range of positive product options.

## *Achievements & challenges*

### **Key achievements**

- New packaging formats for meat ranges introduced which significantly reduce the amount of packaging needed
- Converted Waitrose own-label tea to Fairtrade and increased the range of Fairtrade coffees offered
- Launched new own-label range of low-temperature washing detergent
- Completely converted to certified sustainable palm oil in our own brand food and soap ingredients.

### **Key challenges**

- Livestock production – balancing productivity with animal welfare (see: our approach)
- Importing food – food miles versus production in environments needing less energy for lighting or heating
- Buying local versus supporting developing countries
- Balancing customer communications on sustainability with other product information
- Ensuring customers understand labelling, and assessing resulting behaviour change.

## *Case study*

### **Start – promoting sustainable lifestyles**

The 'Start' programme is an initiative launched by HRH, The Prince of Wales in 2009. It aims to promote and celebrate sustainable lifestyles and Waitrose has been involved in the initiative since its establishment.

The campaign fits neatly with Waitrose's core values and brings the Waitrose way to life in a proactive and upfront way, showing customers that shopping sustainably is as simple as shopping at Waitrose.

Joey Tabone, Director of Start said: "Start's underlying message is all about what people can 'start' to do rather than about what they have to stop doing and this rings true for Waitrose. Like Start, they also see the sustainability challenge as an opportunity to be proactive and create positive change."

Commenting on the programme, Jane Clarke, Manager Sustainability and Ethical Sourcing at Waitrose said: "We value the practical nature of Start September as an initiative that can actually impact on people's behaviour. It highlights some of the great sustainable products and ideas that are already available and gives customers an incentive to try out new products. It also keeps the conversation going about how living more sustainably is something that can enrich our lives and can be easily achievable with simple lifestyle changes."



## Health and nutrition

*“Our aim is to be the first choice UK retailer, offering the best choice for everyday healthy food and for customers’ varied nutritional needs.”*



Moira Howie,  
Nutrition Manager, Waitrose

### **We believe that delicious food and drink and a healthy lifestyle go hand-in-hand.**

We aim to improve the nutritional value of foods across a wide assortment of food types; from everyday cupboard items to indulgent foods and treats.

We aim to be the number one place for customers to shop for inspiration on healthier eating and for those with special dietary needs including food allergies.

### *Overview*

#### **Why this matters**

Living well is about enjoying the benefits that come from a healthy diet and an active lifestyle and we understand that sometimes making changes can be difficult. Our goal is to make it easier. We believe supermarkets have a role to play in tackling societal problems associated with unhealthy living such as obesity and diabetes.

Our commitment to ‘Living Well’ signals our support to help people re-establish some lost cooking skills, with simple everyday recipes appearing each week in our free Waitrose Weekend publication. We also want to help our customers manage any dietary requirements they may have, be it losing or maintaining weight, managing diabetes or cholesterol or avoiding food allergens.

We are committed to helping people feed themselves and their families well whether they prefer to: cook from scratch using fresh ingredients; pick up a convenient and tasty ready meal; or, ‘assembly cook’ – taking a few semi-prepared products to prepare a quick and healthy meal after work when time is precious. We can cater for all these needs and occasions.

#### **Our approach**

Waitrose has worked with Government on front-of-pack traffic light labelling since its inception in 2006, recognising that clear on-pack labelling is important in helping consumers make healthier choices. In addition we provide dedicated help, advice and inspiration through online forums, in branch and on the Waitrose website ([www.waitrose.com](http://www.waitrose.com)) through our team of nutritionists.

In 2012/13, we have focused on:

**Products** – expanding LOVE life, our dedicated range of products which make healthy food enjoyable and delicious

**Education and advice** – provided via three annual LOVE life magazines, free to customers, which encourage a happier and healthier life for individuals and their families; and updated health and nutrition pages on [waitrose.com](http://waitrose.com). Nutritional advice to help encourage behavioural change was delivered in a series of features and web chats on the Waitrose Facebook page

**Communication** – promoted nutrition in Waitrose Weekend, a 500,000 circulation free weekly publication which highlights food, physical activity, and health and beauty.

**Weight loss** – an eight-week LOVE life weight loss initiative took place in January and February 2013 and included motivational steps, hints and tips for customers. The initiative was supported by billboard posters, newspaper advertisements and a social media presence to help our customers achieve the best results.

We have also signed two additional Public Health Responsibility Deal pledges:

- Calorie reduction pledge (March 2012) – to embed the principles of calorie reduction through work with our suppliers and to continue ‘reformulations’ that favour calorie reduction, including work on portion size
- Helping consumers increase their fruit and vegetable intake. Through our ‘Harvest’ magazine, published six times a year, we focus on recipes which encourage a broader range of fruit and vegetable intake. Partners based in branch advise on the best quality fruit and vegetables for the season and these are featured in our monthly recipe cards.

#### **Alcohol**

We have a wide-ranging approach to the issues associated with alcohol and there are a number of policies which support our position and general stance, for example, we:

- Never sell below cost
- Have never been prosecuted for under-age sales
- Never sell spirits at half price
- Only sell beers below 5.5 per cent in our wine bars
- Include the Department of Health guidance on the labels of all of our own-label products
- We highlight the Alcohol By Volume (ABV) on shelf-edge tickets for our lower alcohol range
- Engage customers on responsible drinking, including linking food and wine
- Support the Public Health Responsibility Deal pledge to remove 1 billion units from the market.

#### **Future Plans**

We have a long-term commitment to help customers to live well and believe that people should eat healthily throughout the year.

Our strategy is to take a balanced approach to our overall offer and carefully consider how we can help, advise and support customers – both in the products provided and in the way products are developed and communicated.

We aim to make good food even better by:

- Focusing on nutritional benefits
- Adding grains and vegetables
- Reducing salt and sugar
- Considering portion size to minimise waste and help manage calorie intake.

## Health and nutrition continued

Our packaging and labelling highlights foods with naturally occurring nutritional benefits, for example, those that are rich in Omega 3 or fibre. Our goal is to help our customers make the best choices they can to improve the nutritional value of their shopping basket.

In 2013/14, and in line with our three-year nutrition strategy, we will:

- Further improve the nutritional value of our food assortment and encourage healthier choices through product promotions
- Continue to reduce fat, sugar and salt without compromise to taste and highlight nutritional benefits clearly on packs
- Provide practical diet, health and lifestyle advice across our multi-channel platforms
- Support the Government's drive to improve public health through adoption and public reporting on two Public Health Responsibility Deal pledges
- Roll out the updated front-of-pack traffic light label to help customers make informed choices.

## Achievements & challenges

### Key achievements

- Launch of gluten-free products under our LOVE life range to further meet the needs of customers seeking to avoid gluten
- Driving forward our healthier eating initiatives with LOVE life menu plans and advice for customers and support for the Department of Health 'Change 4 Life' Be Food Smart campaign. For Partners, promoted campaign-endorsed recipes in our dining rooms and distributed more than 40,000 Be Food Smart leaflets
- Adoption of two additional Public Health Responsibility Deal pledges on calorie reduction and helping consumers increase their fruit and vegetable intake.

### Key challenges

- The reduction of salt remains a technical challenge in some foods, for example cooked meats
- Establishment and maintenance of consumer behaviour change that favours positive health outcomes
- Translating emerging science into products – practical application with commercial relevance.

## Case studies

### Waitrose Indian range of foods assessed for calorie content

Waitrose's range of Indian ready meals was reviewed and relaunched during 2012 and we decided to take a closer look at the entire category with a view to reducing the number of calories consumed. The move fits with our commitment to the Government's Public Health Responsibility Deal 'Calorie Reduction' pledge which aims to embed principles of lower calories through the supply chain. This year, we achieved an 8 per cent reduction in calories across the range while extending our overall offer with 20 new lines.

"By working in partnership with our suppliers we are able to achieve our goals and the review of our Indian range of ready meals is a clear testament to that" said Moira Howie, Nutrition Manager at Waitrose.

The reduction was achieved through a change in cooking methods which effectively eliminated oil in the preparation of the raw ingredients, thereby contributing to the overall calorie reduction. We aim to apply the same principles for all products developed within the Indian food category and we are challenging our product developers and suppliers to do the same in different ranges.

### LOVE life weight loss initiative

Customers keen on losing weight have received a helping hand from Waitrose.

Recognising that New Year resolutions can sometimes fall flat as the year gets under way, we decided to help customers commit to a longer-term change in behaviour.

For eight weeks during January and February, customers were offered weight loss support through Waitrose's LOVE life initiative. Delicious recipes and menu plans, cooking advice and hints and tips on how to improve the nutritional content of the daily diet were available free in Waitrose Weekend – a 500,000-run weekly magazine distributed throughout Waitrose shops.

To maintain momentum and help customers achieve the best results, the whole campaign was supported by consumer billboard posters, newspaper articles and an online social media presence.

Commenting, Moira Howie, Nutrition Manager at Waitrose, said: "We want to inspire our customers to eat well and stay healthy and motivate them to achieve the results that they are looking for."

# Integrity in our supply chain

*“We believe that our Partnership model allows us to make a difference. We want to assure customers who shop with us that we are taking into account the most important issues.”*

John Clague, Technical Manager,  
Compliance, Waitrose

**At the Partnership, we aim to do the right thing in the right way with integrity and care using our principles and values to promote good work.**

We want customers to feel reassured that by shopping with us they are making the right choice and voting with their feet to encourage supply chain improvements. Customers trust us to tackle challenging issues on their behalf and we take our responsibility seriously.

We build our Partners' awareness and understanding of sustainability issues and empower them to play their part. We work methodically and pragmatically to ensure that key issues are covered and recognise that a continuous approach is needed to maintain processes and improvement.

## Overview

### Improving workers' lives

How can the Partnership stimulate change for workers in the supply chain?

### Local sourcing

How does the Partnership support UK design, manufacturing and agriculture?

### Raw materials

What is the Partnership doing to source raw materials sustainably?

### Food quality and safety

Why is food traceability fundamental to the way Waitrose sources?

## Our approach

At the John Lewis Partnership, we take a broad and long-term view and know that successful supply chain management comes from continually working to improve standards – this underpins our whole approach.

We believe that through our unique business we can influence and promote supplier improvements, so we work collaboratively with our suppliers and other stakeholders and promote the use of cross-industry initiatives and third-party certification to stimulate best practice.

We believe in building relationships based on trust and mutual benefit and trade responsibly with our suppliers, involving them in our plans and encouraging open dialogue and transparency.

Our aim is to manage the integrity of our products and supply chain by:

- Responsibly sourcing raw materials and goods
- Improving working practices in the supply chain
- Nurturing supplier development
- Ensuring food quality and safety
- Sourcing locally.

## Improving workers' lives

*“Through the Ethical Trading Initiative we can tackle industry-wide supply chain issues collectively, which helps us to accelerate the pace of change.”*



Stephen Cawley,  
Head of Sustainability and Responsible  
Sourcing, John Lewis

**At the Partnership, our ultimate purpose is clear – the happiness of our Partners through their worthwhile and satisfying employment in a successful business. Our philosophy is focused on people and we extend our approach to how we work with others.**

Our Partnership principles form the foundation for our relationships and guide how we go about developing and dealing with those in our supply chain. We aim to help our suppliers improve the lives of their employees.

The Partnership's Responsible Sourcing Code of Practice is closely aligned with the Ethical Trading Initiative (ETI) base code and sets out our expectations on a number of issues including health and safety, child labour, forced labour and working hours. Each of our trading divisions has a Responsible Sourcing programme, enabling us to monitor our own-brand suppliers' compliance with our Code of Practice. A cornerstone of our Responsible Sourcing programmes is transparency and continuous improvement. The programmes allow us to identify areas for improvement and to support suppliers to make the necessary improvements.

### Overview

#### Why this matters

Fairness is central to the philosophy of our business.

In uncertain economic conditions and with increasing pressure on global supply chains, there is a risk that working conditions and worker welfare measures may be overlooked in the pursuit of serving the demands of fast-paced consumer markets. As one of many retailers facing this dilemma, we cannot afford to be complacent.

We seek to address this issue by:

- **Stakeholder communication** – engaging a wide range of external stakeholders including workers, Non-Governmental Organisations (NGOs), trade associations, and existing and potential suppliers in our Responsible Sourcing programmes
- **Supplier compliance** – requiring all own-brand suppliers to register on Sedex (The Supplier Ethical Data Exchange) before they begin trading with us and using Sedex data and our third-party audit programme to assess our suppliers' ethical compliance
- **Assessing risks** – incorporating worker welfare into existing processes such as the Waitrose Farm Risk assessment and technical site visits at John Lewis supplier factories
- **Working collaboratively** – utilising our membership of the Ethical Trading Initiative (ETI) and our connections with other organisations to work collaboratively to improve global working conditions
- **Developing programmes** – to improve working conditions at the lower tiers of the supply chain.

The breadth and complexity of the supply chain can make interaction on the ground challenging in many sourcing regions. We intend to use our new sourcing office in India and other opportunities such as Buying Partners' overseas site visits to support our Responsible Sourcing programmes.

#### Progress in 2012/13

Our first-tier own-brand supplier sites are risk-assessed on a regular basis. Sites identified as high priority are required to undergo an independent ethical audit and to make improvements where issues are identified. High priority sites may be those operating in regions where workplace issues are more prevalent, so we use industry-recognised tools to assess these types of risks. In addition to this, in Waitrose we also select a number of low and medium priority sites to receive an ethical audit.

This year, John Lewis launched an independent risk assessment for new suppliers to allow visibility of issues at production sites before the supplier is used. Sites that do not pass this assessment are not contracted to supply.

To further help improve working conditions in our supply chain, we provide suppliers with tools, guidance and bespoke support on labour standards.

In 2012/13, we have undertaken a number of actions, for example:

- We continued to work collaboratively on a range of cross-industry initiatives; see our case study 'Improvement through collaboration'
- Our John Lewis rugs supplier development group, based in Varanasi, India, began a review of a supplier development programme launched in 2006. Our aim is to assess the impact of the programme on improving working conditions, hiring practices, productivity, pay and benefits and to enable suppliers to self-monitor and make continuous improvements
- Waitrose, in cooperation with two other supermarkets, supported a trial of a supply chain transparency tool for the UK food industry called 'Aspiration Exchange', developed by Responsible Trade Worldwide
- Waitrose continued to work with UK meat and poultry industry stakeholders to improve recruitment and employment practices in the sector – this follows the Equality and Human Rights Commission's Meat and Poultry Processing Inquiry
- Recognising the importance of migrant workers in our supply chain, we commissioned an independent consultancy to carry out interviews and focus groups with migrant workers at Waitrose and John Lewis supplier production sites in India and the UK. See case study: 'Migrant workers project' for more detail
- We ran improved Responsible Sourcing training workshops for all the Partnership's buying, technical, merchandising and Corporate Social Responsibility personnel to help build knowledge and skills on Responsible Sourcing practices

## *Improving workers' lives continued*

- We continued to promote our John Lewis Responsible Sourcing Handbooks to highlight workplace issues to suppliers and Partners
- We began mapping our supply chain at lower tiers to better understand the Responsible Sourcing issues in our supply chain.

### **Future Plans**

During 2013/14, we aim to:

- Develop our training for buyers to highlight how purchasing practices can impact on labour standards
- Work with suppliers to improve their long-term view of ethical issues and promote continuous improvement
- Focus on supplier improvements through the Responsible Sourcing programme and ethical trade initiatives to increase the scale and impact of our activities
- Launch the John Lewis Responsible Sourcing Handbook online in English and simplified Chinese and begin to develop a range of guidance tools for Waitrose suppliers
- Develop a set of online training modules in Waitrose to help our buyers and technologists monitor responsible sourcing issues at supplier sites.

## *Achievements & challenges*

### **Key achievements**

- Responsible Sourcing workshops and training sessions held for all buying, technical and CSR teams
- Increased engagement with suppliers to support them in self-management of workplace issues
- Greater involvement in industry collaboration to improve working conditions in global supply chains.

### **Key challenges**

- Access to overseas production sites
- Influencing our suppliers to continually maintain high standards of working practices in their production sites and to keep us informed of progress
- Maintaining visibility of our supply chain beyond the first tier in complex global supply chains.

## *Case studies*

### **Migrant workers project**

We recognise the importance and significance of migrant workers in our supply chain and that this group of workers is vulnerable to particular issues during their recruitment and employment. With this in mind, in 2012 we commissioned Impactt, an organisation that supports companies in improving working conditions and livelihoods across supply chains. We asked them to carry

out research at John Lewis supplier sites in India and Waitrose supplier sites in the UK to understand the employment issues related to this group of workers.

The research set out to uncover:

- Reasons for migration
- Benefits from migration (migrants and their families)
- The key issues and challenges they face as migrant workers
- Their aspirations for the future.

This first stage of research highlighted a set of experiences and common themes related to their employment and livelihoods, and enabled us to develop a clear set of guidelines and recommendations.

Going forward, we will promote the key findings to our suppliers and work with them on improvements. Issues will include: help in finding accommodation; providing a fair system for agency workers to transition to permanent employment; and encouraging a healthy work-life balance.

### **Improvement through collaboration**

In June 2011, the Partnership joined the Ethical Trading Initiative (ETI), which aims to improve the lives of workers internationally through an alliance of companies, trade unions and voluntary organisations. ETI builds alliances in key sourcing countries and internationally, to address problems that occur not only in individual workplaces, but that also affect entire countries and industries.

This year, Waitrose began working with ETI's Peruvian Edible Horticulture Working Group. The group aims to understand and improve the social impact of UK trade on working conditions in the Peruvian value chain supplying produce – asparagus, avocados, mangoes, grapes and citrus – to the UK market. The first stage was a visit to Peru to bring together key local stakeholders including government, civil society, union and industry to discuss issues specific to this supply chain and identify solutions that can be jointly taken to address some of the challenges.

Similarly, John Lewis has begun participation in ETI's Vietnamese Wooden Furniture Working Group. In 2013/14, we will embark on the programme by visiting production sites and in-country stakeholders, along with Oxfam and the Trades Union Congress, to research in-depth the issues specific to Vietnam and this industry. The ambition is to develop objectives that support sustained improvements to working conditions.

John Lewis is also a participant in ETI's Southern India Garments programme, which aims to drive positive changes in the recruitment, working conditions and welfare of women employed in the textiles and garments sectors in Tamil Nadu, India. As a result of our involvement, we have begun a process of mapping subcontracting units and mills within the garment supply chain. We will use data to understand ethical risk in these areas and work with suppliers on making improvements as appropriate.

*Improving workers' lives continued*

*Targets*

Target 2012	Progress Made	New target
<p><b>John Lewis:</b> By year end 2013/14, all key factories supplying John Lewis own-brand products to have action plans in place to improve the working lives of their workers.</p>	<p><b>On track.</b> Throughout 2012, we continued to monitor supplier sites for compliance against our Responsible Sourcing Code of Practice. Our process ensures that all site audits are followed up with corrective action plans that are closed off within agreed time periods and we work with suppliers closely to support them through these improvements.</p> <p>This process is well established. Going forward, for both trading divisions, the focus will be to deliver a set of Responsible Sourcing training and tools for suppliers and key Partners to support them in managing key worker impacts in their supply chains.</p>	<p>Target replaced.</p>
		<p><b>John Lewis:</b> During 2013, pilot and then roll out a training programme for suppliers to develop their capabilities in improving working practices at production sites.</p>
		<p><b>John Lewis:</b> All buyers, technologists, designers and merchandisers trained in our Buying Responsibly training module by the end of 2013.</p>
		<p><b>Waitrose:</b> By the end of 2014, develop a set of key tools and guidance for suppliers to support them in addressing workplace issues.</p>
		<p><b>Waitrose:</b> By the end of 2014, develop a set of online training modules to equip technologists and buyers in monitoring responsible sourcing issues at supplier sites.</p>
<p><b>John Lewis:</b> Work with key factories in each of our main product areas to introduce effective environmental management processes, by year end 2015/16, to address waste, water and energy usage and share the lessons learned through the remainder of our supply base.</p>	<p><b>Not achieved, target revised.</b> This year we gathered information from UK supplier sites to understand the best practice environmental management approaches at manufacturing sites.</p> <p>We will begin to trial the environmental assessment module in the Sedex Members Ethical Trade Audit (SMETA) as a mechanism for monitoring social, as well as environmental compliance at supplier sites.</p>	<p>Trial the environmental assessment module of SMETA at a selection of supplier sites.</p>

## Raw materials

### The Partnership is committed to promoting sustainable sourcing and uses third-party certification to encourage improvements.

As a leading retailer, we aim to carefully source raw materials from long-term sustainable supply chains. We understand that sourcing of raw materials can have a significant impact on people, environments and ecosystems, if not managed considerately.

We are committed to understanding and maintaining control over the provenance of the raw materials that we use and the welfare standards within our supply chain. We have the processes in place to allow us to increase the traceability and transparency of our supply chains and we aim to use independently verified certification schemes where possible.

### Overview

#### Why this matters

Understanding the origins of our raw materials is important to us. We want the Partnership's purchasing practices to deliver a positive effect on the social, environmental and economic conditions of the regions where we work and trade. We are committed to promoting sustainable sourcing and the use of third-party certification to encourage improvements.

The priority raw material sectors that we address are:

- Timber and paper-based products
- Eggs, meat, poultry and other animal derivatives
- Marine fisheries, aquaculture and fishmeal
- Palm oil and soya
- Tea and coffee
- Cotton.

These particular areas have been identified for priority to help tackle issues like:

- Reducing deforestation and biodiversity loss
- Water use and managing the use of fertilisers and pesticides
- Improving animal welfare standards
- Avoiding overfishing and sourcing responsibly through managed aquaculture
- Reducing social conflicts and land right issues
- Promoting legal and sustainable raw material sourcing
- Reducing poverty by raising productivity and therefore income for smallholder farmers.

#### Our approach

Our rigorous standards are supported by technical policies to ensure that the products we sell meet our expectations as well as those of our customers.

For example, we take seriously the welfare of the animals in our supply chain. This extends beyond the primary product, as we aim to use the same quality meat and free-range eggs in our ready meals as we sell in our fresh ingredients. Our close relationship with suppliers ensures controlled welfare conditions.

We apply a set of strict criteria to the fish and seafood we sell at Waitrose:

- Only species not regarded as threatened or endangered are stocked
- Fish is caught from well-managed fisheries with scientifically based quotas
- Use of responsible fishing methods is required
- Fish must be fully traceable from 'catch to customer'.

Our target is to have all Waitrose fish covered by third-party verification by year end 2016/17.

**Third-party certification** schemes provide assurance that the impact of raw materials is managed and monitored. Where relevant certification schemes are available, we adopt them to support the independent verification of our activities.

**Fairtrade** – Waitrose was the first supermarket to sell loose Fairtrade bananas and is the first national supermarket to sell 100 per cent Fairtrade bananas in all shops. All Waitrose own-brand tea is Fairtrade, while coffee growers are known to us personally which ensures that high standards at each plantation is maintained.

**Timber and paper** – At John Lewis, 100 per cent of our outdoor wooden furniture is Forest Stewardship Council®-certified because we are conscious that the use of hard-wearing tropical hardwoods in this product category presents a risk.

In 2012/13, we updated our timber and paper sourcing policy to include a sustainability-rating table and introduced a new timber database so that our buying teams can work with suppliers to evaluate performance and identify opportunities for improvement.

Additionally, we have prepared suppliers and buyers for the requirements of the new EU Timber Regulations 2013. This includes training on the FSC system to raise awareness of the benefits and opportunities to purchase sustainably certified products.

*Raw materials continued*

**Palm oil** – in last year’s Sustainability Report, we highlighted our target to have 100 per cent certified sustainable palm oil in our own-brand products by year end 2012/13. This is the most challenging timescale in the industry; however, we have achieved our target and deadline:

- 100 per cent of our own-brand palm oil and palm kernel oil based ingredients and derivatives are covered by one of three mechanisms facilitated by the Roundtable on Sustainable Palm Oil (RSPO)
- RSPO ‘Book&Claim’ GreenPalm certificates are the only credible option available to offset usage from uncertified supply chains. We will reduce the dependence on purchasing these certificates as physically certified supplies become available. We will also focus on reducing the volume of palm oil used
- Through our technical policies and active membership of the RSPO, we encourage suppliers to adopt schemes which help to promote improvements.

**Soya** – we aim to source 100 per cent of the soya used in our own-brand products from certified sources including RTRS certified soya and Pro Terra certified soya by year end 2015/16.

There is currently very little segregated certified soya available so this is an ambitious task. This year, due to the lack of available certified soya, we purchased RTRS soya credits to cover the use of soya as an ingredient in our own-brand products. We are also undertaking a number of steps including:

- Reviewing sustainable soya certification schemes
- Analysing and mapping our supply chain sources
- Exploring soya substitutes
- Identifying certified sustainable soya usage in our supply chain animal feed.

**Fur** – John Lewis operates a ‘no fur’ policy for all branded and own-brand products. This includes farmed fur (such as mink and fox) and fur which may be a by-product of the food industry (such as rabbit). We are a member of the Fur Free Retailer programme administered by the Fur Free Alliance, an international programme which provides accurate customer information about a retailer’s fur policy.

**Future Plans**

The Partnership’s work to tackle the key issues concerning raw material sourcing continues.

In 2013/14, we aim to:

- Issue a revised site approval audit checklist and pre-visit questionnaire to all new own-brand suppliers via Waitrose technologists, incorporating raw material provenance requirements
- Participate in the Sustainable Vanilla Initiative (SVI), to promote long-term sustainable supply of natural vanilla
- Begin to develop a sustainable textiles strategy and become members of the Better Cotton Initiative (BCI) with a view to introducing BCI cotton into our product ranges
- Continue to engage with buyers and suppliers on the Partnership’s raw materials policies
- Make continuous improvements to our new timber database, and engage suppliers and buying teams further in understanding and improving processes within their supply chains
- Maintain our commitment to 100 per cent FSC certification for outdoor wooden furniture and increase certification in other product categories
- Measure the environmental impact of our textiles. John Lewis is a signatory of the Sustainable Action Plan led by WRAP and active members of the ‘in use’ working group. This year we will measure the baseline carbon, waste and water footprint of clothing and textiles to identify opportunities for improvement
- Roll out the use of John Lewis Foundation cotton from our tufted bath mat to other product categories
- Continue to only stock fish that is responsibly sourced from wild capture fisheries and farmed aquaculture operations and work towards 100 per cent independent third-party verification by year end 2016/17
- Continue to work towards sourcing 100 per cent certified soya by year end 2015/16, including soya certified by the Roundtable on Responsible Soya and Pro Terra
- Develop programmes in other key commodities such as leather and tropical fruits.



*Raw materials continued*

*Achievements & challenges*

**Key achievements**

- Achieved our target to source 100 per cent palm oil covered by one of three mechanisms facilitated by the Roundtable on Sustainable Palm Oil by December 2012
- Actively engaged with the Roundtable on Responsible Soy Association (RTRS), the Roundtable on Sustainable Palm Oil (RSPO), the Pro Terra Foundation and the British Retail Consortium's Timber Working Group
- All Waitrose fish continues to be responsibly sourced from wild capture fisheries and 38 per cent is third-party certified
- Improved transparency in our timber and paper supply chains. Engaged suppliers and buying teams in improving the sustainability rating of our product assortment.

**Key challenges**

- The availability and commercial viability of certified raw materials
- Encouraging suppliers to take an active role in sourcing raw materials verified as more sustainable
- Maintaining visibility, and therefore control, of our supply chains from manufacturing sites right through to the source of raw materials.

*Case study*

**Waitrose achieves its palm oil target**

Palm oil is an important ingredient in cakes, patisserie, biscuits and sweet and savoury pastry products, as well as soaps, but there is serious and growing public concern that not all of it is produced sustainably.

The development of new palm oil plantations in the tropical areas of Asia, Africa and South America has resulted in the conversion of large areas of forests with high conservation value. This threatens the rich biodiversity in these ecosystems. Orang-utan habitats and indigenous populations have particularly been affected by palm oil production.

The Roundtable on Sustainable Palm Oil (RSPO) – a global, multi-stakeholder initiative on sustainable palm oil – was established in 2003 to tackle these problems head on. Waitrose has been a member of RSPO since 2006 and, in 2011, committed to ensuring that all own-brand products contain only Certified Sustainable Palm Oil by 2012.

This target has been achieved and we have been commended by the Roundtable on Sustainable Palm Oil (RSPO) as the first UK retailer to use its trademark logo on products that use palm oil in significant quantities.

## Local sourcing

**The Partnership supports UK design, manufacturing and agriculture. We invest for the long-term and build sustainable supply chains that will support local economies and our own business success.**

The Partnership aims to support local and regional suppliers wherever possible to offer customers a wide range of regional goods and British designed and manufactured products.

Our approach includes a commitment to champion British-made goods, in recognition of the significant proportion of employment generated by SMEs (small and medium-sized enterprises), and we support UK suppliers through a range of initiatives including:

- 'Made in UK' – John Lewis supporting UK manufacturing
- 'Championing British' – Waitrose promoting British produce
- The Waitrose Farming Partnership.

### Overview

#### Why this matters

Supporting local and regional suppliers helps to strengthen local economies, provide employment opportunities and market access to distribute products and goods.

By working closely with our local farmers, manufacturers and regional suppliers we encourage shorter supply chains and promote reinvestment in local communities.

#### Our approach

The Partnership supports UK design, manufacturing and agriculture wherever possible. We invest for the long-term and build sustainable supply chains that will support local economies and our own business success.

At Waitrose, Championing British supply has been at the heart of our strategy for almost two decades and is central to sourcing quality, traceable foods that are seasonal and produced to high welfare standards. We work closely with regional farmers and growers to achieve the best in seasonal fruit, vegetables, game, meat and dairy products.

By championing British food and suppliers, we are supporting jobs and the economy and importantly our farmers, who are stewards of the countryside and help to look after our environment and our wildlife.

We pioneered the 'producer group system' almost 13 years ago, through which we work closely with our farmers and offer them sustainable returns on their products. We pay a significant premium to the farmers for the additional work needed to achieve and maintain our high standards and to allow them to re-invest in their farms.

Our short supply lines and long-term business relationships means that we can be confident in the quality and provenance of our food. British producers are within close reach. This helps us to work more closely with our suppliers on the important things, such as:

- Investing in the future and sustainability of food production in the UK
- Quality food that you can trust
- Animal welfare
- Reducing their impact on the environment.

Variations in climate, soil type and geography means that not everywhere can grow everything well and this is the basis for the regional production of certain types of food. South coast tomatoes, because of the higher light levels, apples from Kent and vegetables from the rich soils of East Anglia are all examples of this.

This year, we launched the first British-sourced corned beef, using our existing beef farmers, to replace supplies from South America. The corned beef, canned in Shropshire, is sourced using less popular cuts, such as the shin and flank. This supports our commitment to utilise the whole carcass, therefore ensuring British farmers get a fair price for their meat.

In 2012, The Prince of Wales's Charitable Foundation launched The Duchy Originals Future Farming Programme in partnership with Duchy Originals from Waitrose and delivered by the Soil Association. One of the key aims of the programme is to help farmers across the country make the best use of renewable resources and sustainable management techniques in order to build soil fertility and control pests and diseases. The programme reached 570 farmers and growers in the first six months of its launch. Mark Price, Waitrose Managing Director, says: "Waitrose is especially proud to be involved with the Duchy Future Farming Programme as it complements other areas of agricultural work we are supporting. This is a timely programme that is set to deliver real benefits on farm, exactly what good research should do."

Within John Lewis, we are committed to supporting UK manufacturing and aim to increase the sales of UK made goods by 15 per cent, by 2015. To help promote UK design and quality, we created the 'Made in UK' identifier – a small Union flag symbol – to highlight products made by UK suppliers.

We want to support UK business and encourage entrepreneurship and have increased the number of UK suppliers to John Lewis from 132 to 154 during the year. Through our support for UK manufacturing and design we consider that John Lewis's contribution during 2012/13 is in the region of £508 million.

## Local sourcing continued

During 2012/13, we started what we hope will become a long-term relationship with 'Start up Britain'. We invited a number of entrepreneurs to visit John Lewis buyers to present their products and have guaranteed mentoring time to a selection of companies who have the potential to sell their products through our shops.

In 2012/13, we have also:

- Extended the John Lewis 'Made in UK' Union flag identifier to more than 4,000 UK-made own-brand products
- Launched the Waitrose Farming Partnership to guide all Waitrose farming-focused initiatives. The launch underlines our commitment to British farmers and we aim to carry out research to help reduce farmers' dependency on imported soya beans for animal feed, helping them to save money on farm supplies
- Waitrose became the first retailer to offer British corned beef
- Received the 'Good Pig' Award in recognition of high welfare standards in pork rearing across Waitrose's entire range of British farmed products.

### **The 'Made in UK' Union flag identifier appears on more than 4,000 John Lewis own-brand products made in the UK**

#### **Future plans**

In 2013/14, we will continue to promote initiatives that underpin our commitment to local sourcing.

For example, we will:

- Promote John Lewis's 'Bringing Quality to Life' and 'Made in UK' initiatives to suppliers and invite them to share our journey
- Review and extend the 'Made in UK' product range and roll out the logo to more products
- Continue to support British farmers and invest in the farmers and suppliers behind our fresh products, in line with our 'Waitrose way' commitments
- Continue to produce crops, milk, meat, fruit and vegetables at the Partnership's Leckford Estate farm for sale in our supermarkets
- Continue to support artisan suppliers through the complexity of launching a product including help with packaging, barcodes and food safety – to give customers confidence and trust in locally sourced goods
- Launch the Waitrose way 12 commitments. One of the focus areas is to back British and regional suppliers.

## Achievements & challenges

### **Key achievements**

- Increased the number of UK businesses supplying to John Lewis and began our engagement with 'StartUp Britain'
- Launched the Waitrose Farming Partnership to support British farmers
- Won the 'Good Pig' Award in recognition of high welfare standards in pork rearing.

### **Key challenges**

- Managing the impact of climate change on weather conditions and the resulting effect on crops
- Complexity of product launches for artisan suppliers and providing sufficient support to nurture smaller suppliers
- Achieving scale through local sourcing.

## Case studies

### **Bringing farmers into the fold**

Underlining our commitment to British farming, Waitrose has launched the Waitrose Farming Partnership (WFP) as the umbrella for all its farmer-focused initiatives.

Central to the programme's remit is research that will help farmers to better manage costs in their businesses and reduce the dependency on imported soya beans for animal feed. Two major projects are underway.

Firstly, the £2 million Optibean (Faba bean) project is the outcome of a research and development funding competition managed by the Technology Strategy Board in partnership with UK Government body DEFRA, the Scottish Government and Biotechnology and Biological Sciences Research Council. The four-year project is focused on sustainable protein production. Waitrose livestock suppliers are working with bean breeder Wherrys and others to assess the use of Faba beans as an alternative to soya in animal feed. Feeding trials are being carried out in Waitrose's pig, poultry and fish supply chains.

The second initiative is a £2 million, five-year, match-funded project which looks at Waitrose ruminant livestock suppliers. It is supported by the Technology Strategy Board and aims to develop ways to incorporate home-grown protein into feeding procedures. Eight commercial Waitrose farms will be joined by the project's partners – Dovecote Park (beef), Dairy Crest (milk), Coombe Farm (organic milk), Dalehead Foods (lamb), Aberystwyth University, Bangor University and seed company, Germinal Holdings.

*Local sourcing continued*

Heather Jenkins, Director of Agricultural Strategy at Waitrose said: "This work with our partner organisations is very exciting and could deliver significant benefits for our farmers, helping to shield them from market volatility. We firmly believe the Waitrose Farming Partnership will deliver, to our farmers and growers, real practical benefits to help their businesses thrive, building on our already market-leading commitment to British farming."

**Waitrose supplier receives a 'Good Pig' Award from Compassion in World Farming**

Waitrose pork supplier, Dalehead Foods, received the prestigious 'Good Pig' Award from Compassion in World Farming (CIWF) at the Good Farm Animal Welfare Awards in 2012, in recognition of its commitment to farm animal welfare.

The awards, now in their sixth year, recognise and award food companies that are committed to implementing substantial policy changes that result in positive impacts for farm animals. For example, rearing animals in light, airy barns with fresh straw bedding and environmental enrichment encourages rooting and play behaviour.

All Waitrose own-brand pork, sausages, bacon and gammon, pork pies, sausage rolls and Scotch eggs, as well as the pork used in sandwiches and ready meals, comes from outdoor bred pigs as a minimum standard (excluding continental meats such as Parma ham).

Heather Jenkins, Director of Agricultural Strategy at Waitrose, said: "Good animal welfare is a priority and a key point of difference for Waitrose. Having our work and the efforts of our farmers recognised by this important award from Compassion in World Farming is absolutely fantastic and a real endorsement of our approach to pig farming."

## Food quality and safety

*“Food traceability is important to us. At Waitrose, our sourcing strategy helps us trace the provenance of our foods. We focus on local farming to promote short supply chains and work with our suppliers to continually improve standards.”*



Jane Clarke, Manager,  
Sustainability and Ethical Sourcing,  
Waitrose

### Waitrose is a brand of integrity which is trusted by our customers, Partners and suppliers.

We aim to deliver safe and legal products which meet Waitrose's strict quality criteria and enforce a number of checks, including independent third-party audits in line with BRC (British Retail Consortium) and IFS (International Food Standard) standards. We commission targeted product testing to ensure that products meet our strict product integrity criteria.

News headlines in early 2013 prompted concerns about the use of horse meat within some supermarket meat products. At Waitrose, we are able to prove the authenticity of our food. Our short and integrated supply chain gives us the ability to trace the source of meat going into our products.

### Overview

#### Why this matters

The provenance of ingredients and the traceability of our supply chain are crucial as we seek to ensure that customers can entirely trust the quality and safety of the foods that they buy from us.

As supply chains become increasingly global, it is vital that the traceability controls we have in place cover all aspects and span new and emerging markets. We will continue to review and strengthen our due diligence activities.

We never forget that our customers must trust the products they buy and have confidence that the Waitrose brand stands for integrity and good quality. We continue to review all of our policies and procedures to ensure they reflect the evolving global supply chain.

#### Our approach

Events in the last twelve months have highlighted concerns over the complexity of some food supply chains, particularly in regard to meat products.

Confident in our working methods, standards and compliance, we have been able to prove the authenticity of our products and illustrated the Partnership's approach during a major issue which affected all of the industry.

We continue to build close relationships with farmers and growers as well as the manufacturers we use to source our products. Our approach is to continually develop our auditing process and compliance testing to verify the security of supply.

The majority of fresh meat in our own-brand products is British. This includes all pork, chicken and beef – the only exceptions are some Irish turkey, New Zealand lamb and venison, which feature between British seasonal game, and our authentic continental meat ranges.

### Future plans

The questions arising around meat traceability have focused our attention on planning for the future. We are using the experience to help shape future systems and techniques that may be employed for investigation and will work with Government and key stakeholders to develop more robust forensic and multi-species testing.

Some of the key issues that we will focus on for 2013/14 include:

- Food authenticity – to ensure a product's origins. This extends beyond meat traceability and will cover areas like fish, olive oil and orange juice
- Traceability – to be able to check products and ingredients across the supply chain and promote measures that confirm compliance in accordance with our strict policies. We will continue to strengthen our due diligence activities, review meat traceability across all meat species and re-look at our testing programme regarding authenticity
- Allergens – to focus on reducing the risk of cross-packing in the supply base and subsequent product recalls. There are challenges around known 'threshold levels' and the best practice to minimise issues.

### Achievements & challenges

#### Key achievement

- Proving the integrity of our meat supply chain during a major issue affecting the whole industry.

#### Key challenge

- Continual development of overseas production sites.

### Case study

#### Dovecote Farm

As customers continue to look for reassurance that the meat they buy has been sourced in an ethical and responsible way, increasingly questions have been asked about the integrity and traceability of food in the supply chain.

We have long-standing collaborative working relationships with our meat processors and farmers and, notably, we maintain a short supply chain to reduce the risk of any fraudulent activities.

Our dedicated beef supplier, Dovecote Park, has been working with us since 1997. All beef products sold through Waitrose including our fresh meat range and prepared foods – like ready meals, sandwiches, frozen foods and cooked meats – are sourced from Dovecote Park.

Commenting on how Waitrose buys its meat, Jane Clarke, who leads Waitrose's championing British strategy, said: "All our meat comes from a dedicated supply chain. We have a group of over 1,000 beef farmers working with Dovecote Park, providing traceability back to each farm. In the case of our Aberdeen Angus and Hereford beef, this can be traced back to the sire (father) of the cattle."

# Safeguarding the environment

*“This year saw us continuing to push the boundaries, exceeding all expectations and setting the benchmark for sustainability within the construction and property management sectors.”*



Nigel Keen,  
Director of Property Services,  
John Lewis Partnership

**The Partnership has always planned and made decisions based on the long-term benefits to our customers, Partners and the communities where we work. Safeguarding the environment is a key element of this.**

We continue to refine our approach to find the best ways to reduce our environmental footprint and we work with our supply chain and customers to help them lower their impact on the environment. We continually seek new ways to increase efficiencies, reduce waste and encourage Partners to help us meet our environmental targets.

## Overview

We take our role as a responsible retailer, employer and member of the community very seriously and our plans always take into account the impacts and long-term benefits to our customers, Partners and the communities where we work.

Our environmental programmes seek to:

- Reduce the amount of natural resources used while lowering our operational carbon and other greenhouse gas emissions
- Manage our estate so that it meets the needs of our customers, Partners and the wider community, and has minimal impact on the environment
- Recognise and reward good environmental practice in our supply chain and in our business.

## Responsible development

How does the Partnership develop its estate in a responsible way?

## Energy

How does the Partnership build energy efficiency into its operations?

## Refrigeration

How can continuous improvements be made in refrigeration?

## Waste

How does the Partnership take ownership of its waste?

## Packaging – John Lewis

How does John Lewis use innovation to reduce the impacts of packaging?

## Climate change

What is the Partnership doing to tackle climate change?

## Transport

What is the Partnership doing to reduce fuel-related transport emissions?

## Water

What is the next step for the Partnership in managing water usage?

## Packaging – Waitrose

How does Waitrose minimise the environmental impacts of packaging and its disposal?

## Progress & Future plans

### Progress in 2012/13

During 2012/13 we have paid particular attention to:

- Launching our 2013 Responsible Development Framework which sets out our vision, not just for the way we design and build new shops, but also how we manage our entire estate. This framework supports our delivery of a range of commitments and objectives of the Waitrose way and Bringing Quality to Life at John Lewis
- Identifying and focusing on new technologies that have application across our estate. For example, LED lighting is now standard following successful trials at Waitrose Stratford-upon-Avon and John Lewis 'at home' Ipswich
- Developing our modelling techniques to scenario-plan. This enables us to understand the impact our decisions have on our carbon reduction plan and allows us to mitigate risks, anticipate and respond accordingly
- Increasing the use of dual fuel in larger vehicles, resulting in better engine efficiency and cleaner emissions.

For further information on how we involve our customers and suppliers in reducing their environmental impact see Promoting positive choices; the Waitrose way and Bringing Quality to Life.

### Future plans

Our unique Partnership model underpins our ambition to safeguard the environment.

We are committed to growing our business efficiently. By encouraging behaviour change and nurturing the dedication and specialism of our Partners we are making good progress.

In 2013/14, our emphasis will continue to focus on:

- Responsible development
- Climate change
- Energy
- Transport
- Refrigeration
- Water
- Waste
- Packaging

## Safeguarding the environment continued

## Targets

Unless otherwise stated, new targets relate to activities to be achieved within the 2013/14 financial year.

Where no reference to trading divisions is given, the target applies to the entire Partnership.

Where previously reported targets relate to an ongoing process, these have been reported within the narrative of the report.

## Responsible development

Target 2012	Progress Made	New target
Produce biodiversity action plans for all new and major refurbishment projects.	<b>Target revised:</b> All new and major refurbishment projects were designed and built with consideration for biodiversity impacts and we produced action plans for one of our major projects. What we have learnt from these projects will allow us to develop a biodiversity strategy for our estate.	By 2015, undertake a high-level biodiversity assessment covering our existing JLP estate to identify biodiversity assets and risks, and adopt a Biodiversity Action Plan for the estate.
We have a long-term aspiration to use materials that have on average 30 per cent recycled content and we will work to make year-on-year improvements towards this goal.	<b>Ongoing, target revised.</b> This year sites reported between zero per cent and 44 per cent recycled content for materials used on site. We remain committed to better equipping and supporting our construction suppliers to monitor and manage this more closely. We will develop a detailed sustainable materials strategy for the Partnership estate which will direct our policies and specifications in respect of standards, which will include recycled content, embodied impact, responsible sourcing and related issues	By 2015, develop a sustainable materials strategy for the Partnership estate.

## Climate change

Target 2012	Progress Made	New target
Deliver a 15 per cent absolute reduction in operational carbon dioxide equivalent (CO <sub>2</sub> e) emissions (2010/11 baseline) by year end 2020/21.	<b>On track.</b> Our carbon dioxide equivalent emissions (CO <sub>2</sub> e) increased by 5.3 per cent* in 2012/13 to 556,478 tonnes*. During this period gross sales rose by 9.3 per cent equating to a decrease in emissions intensity of 3.6 per cent* in the period.	Target remains.

\*These figures were misstated in our annual report and accounts for 2012/13 due to an editorial error. All figures stated here are correct for the year 2012/13.

*Safeguarding the environment continued*

**Energy**

Target 2012	Progress Made	New target
Ensure that every new shop opening, extension and major refurbishment publicly displays an Energy Performance Certificate (EPC) rating – this is a recognised EU standard familiar to all Partners.	<b>Achieved.</b> Under the Energy Performance in Buildings Directive we are now required to display an Energy Performance Certificate in every shop.	Target achieved.

**Transport**

Target 2012	Progress Made	New target
Deliver a 15 per cent reduction in energy-related transport CO <sub>2</sub> e emissions from deliveries by year end 2013/14 relative to £million sales (2005/06 baseline).	<b>On track.</b> We have made an improvement of 10.8 per cent* against our 2005/06 baseline.  We have also set an additional target this year that includes all emissions from transport, not just deliveries.	Target remains.
		Reduce absolute CO <sub>2</sub> e emissions from transport by 15 per cent by 2020-21 against a 2010-2011 baseline.

**Refrigeration**

Target 2012	Progress Made	New target
Waitrose will halve the impact of its refrigeration and cooling direct emissions (CO <sub>2</sub> e) by year end 2012/13 (baseline 2008/09).	Not achieved. Leakage has increased by 8.9 per cent in the last year, and decreased by 16.8 per cent from the baseline. Please see the refrigeration section for further explanation on our continued work in this area to reduce leakage of refrigeration systems.  We have set new targets for controlling leakage and reducing the Global Warming Potential (GWP) of refrigerant gases that will allow us to achieve significant CO <sub>2</sub> e reductions going forward.	
		By 2015 reduce leakage of refrigerant to no more than 10 per cent of entrained volume.
		Only utilise refrigerant gases that have a GWP of no more than 10 where new systems are installed.



## Safeguarding the environment continued

## Waste

Target 2012	Progress Made	New target
Divert 95 per cent of waste from landfill by year end 2013/14.	<p><b>On track.</b> We diverted 92.1 per cent of our operational waste from landfill last year.</p> <p>We will report on progress against this deadline in next year's report. We have also set a new target to take us to 2015/16.</p>	Target remains.
		Divert 98 per cent of our operational waste from landfill by year end 2015/16.
Recycle 75 per cent waste by year end 2012/13.	<p><b>Almost achieved.</b> We recycled 63 per cent of our operational waste in 2012/13. When energy recovered from food waste through anaerobic digestion is included, we achieved 74.3 per cent narrowly missing our target of 75 per cent by year end 2012/13.</p> <p>When we set our strategy and target for recycling there was no industry consensus on whether food waste sent to anaerobic digestion was considered as recycling. We viewed it as an integral part of our strategy to meet this target.</p> <p>We will report next year on progress and the development of new targets in this area.</p> <p>We have set a new target to take us to 2015.</p>	Combined materials recycling plus recovery of energy from food waste to be 85% of total operational trade waste by year end 2015/16.
Divert all Waitrose shop-generated food waste from landfill by year end 2012/13 and dispose of waste in the most environmentally appropriate way.	<p><b>Achieved.</b> We met our target to divert all Waitrose shop-generated food waste from landfill by year end 2012/13 (excluding Channel Islands) through food donations and anaerobic digestion.</p>	

## Water

Target 2012	Progress Made	New target
Reduce shop water use by 20 per cent per square foot of trading floor area by year end 2013/14 (2010/11 baseline).	On track. Shop water use per square foot of trading floor area reduced by 14.3 per cent against our baseline.	Target remains.

*Safeguarding the environment continued*

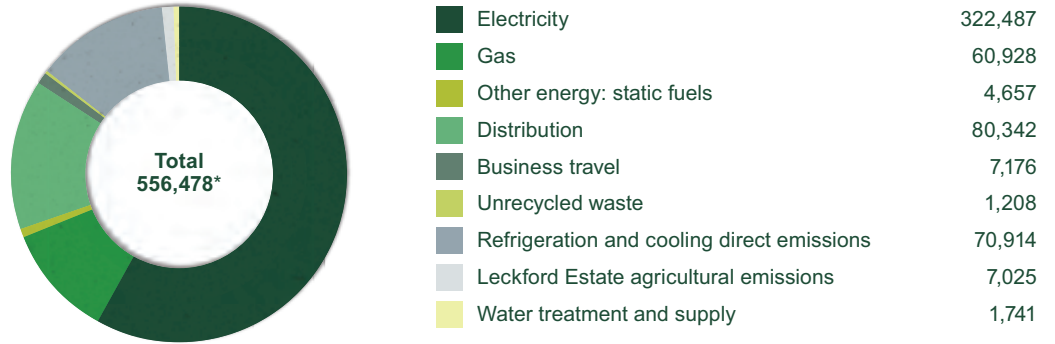
**Packaging**

Target 2012	Progress Made	New target
Reduce our food packaging consumption by 50 per cent by 2016, based on our like-for-like usage since 2005.	<b>On track</b> We have reduced food packaging by 40 per cent against our baseline.	Target remains.
		Following the successful trial of closed loop recycling of carton transit packaging into John Lewis click-and-collect boxes, in 2013 extend this to own-brand duvet boxes and Made in UK products.
		Following the introduction of biodegradable plastic bags for John Lewis duvet covers, sheets and pillow cases, in 2013 extend this to include ready-made curtains and pillow bags.

*Safeguarding the environment continued*

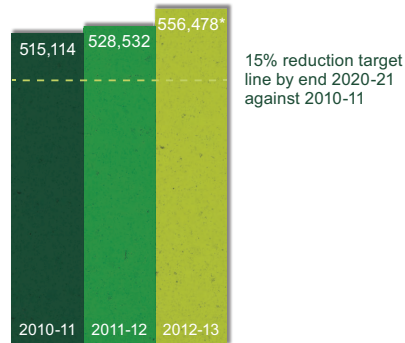
*Data*

Partnership greenhouse gas emissions (tonnes CO<sub>2</sub>e) breakdown



\* This figure was misstated in our annual report and accounts for 2012/13 due to an editorial error. This figure is correct for the year 2012/13.

Partnership greenhouse gas emissions (tonnes CO<sub>2</sub>e)



\* This figure was misstated in our annual report and accounts for 2012/13 due to an editorial error. All figures stated here are correct for the year 2012/13.

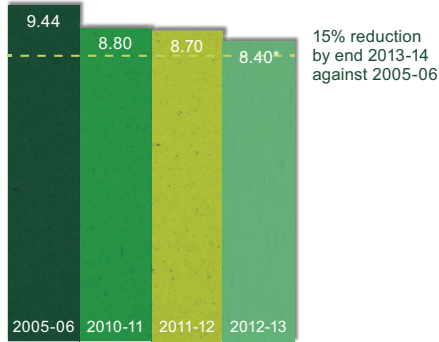
Partnership greenhouse gas emissions (tonnes CO<sub>2</sub>e per £m sales)



\* This figure was misstated in our annual report and accounts for 2012/13 due to an editorial error. All figures stated here are correct for the year 2012/13.

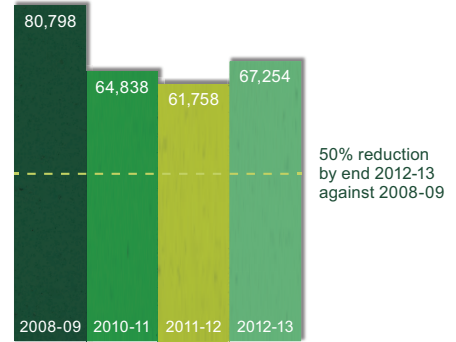
*Safeguarding the environment continued*

Partnership transport-related greenhouse gas emissions (tonnes CO<sub>2</sub>e per £million sales)



\* This figure was misstated in our annual report and accounts for 2012/13 due to an editorial error. All figures stated here are correct for the year 2012/13.

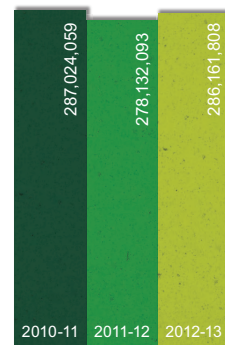
Waitrose refrigeration and cooling direct emissions (tonnes CO<sub>2</sub>e)



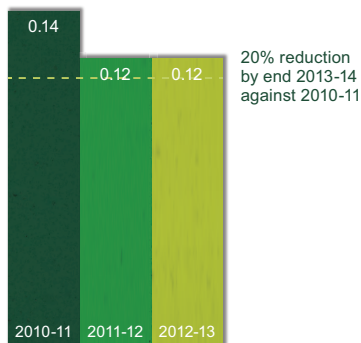
Waitrose energy consumption (gas and electricity, kwh)



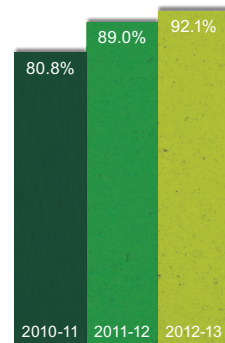
John Lewis energy consumption (gas and electricity, kwh)



Partnership shop water consumption per square foot trading floor area (cubic metres)

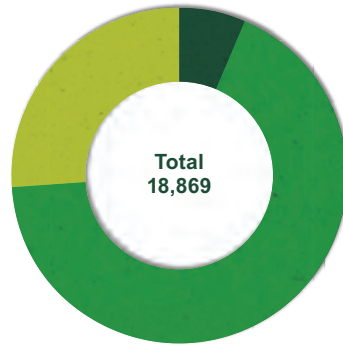


Proportion of Partnership generated waste diverted from landfill



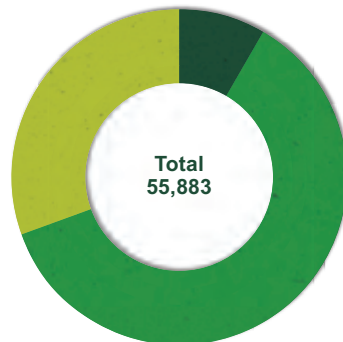
*Safeguarding the environment continued*

John Lewis weight of waste generated (tonnes)



Waste disposed to landfill	1,247
Waste recycled (excluding food waste)	12,737
Waste diverted to energy from waste facilities	4,885

Waitrose weight of waste generated (tonnes)



Waste disposed to landfill	4,673
Waste recycled (excluding food waste)	34,280
Waste diverted to energy from waste facilities	16,930

# Responsible development

*“The Partnership’s Responsible Development Framework sets out our vision, not just for the way we design and build new shops, but also for the way we manage our entire estate.”*



Naomi Wells,  
Head of Future Planning and Sustainable  
Development, John Lewis Partnership

**The Partnership has always approached every construction project in what we would now call a ‘sustainable way’. In 2007 we published the first framework document of our methodology and made it publicly available to encourage our teams, supply chain and developers to embrace it and stretch the ambitions on what can be achieved by working together.**

To date, we have focused mainly on the construction process and the teams involved have consistently exceeded all expectations. This success has given us the confidence to go even further. The aspiration of our 2013 Responsible Development Framework is to design, operate and manage our estate in a manner that meets the needs of our customers, Partners and the wider community, while creating minimal impact on the environment during construction, operation and disposal.

## Overview

### Our approach

The Responsible Development Framework sets our standard of environmental management and our broader social impact, relating to all our buildings and infrastructure. It identifies ten long-term objectives related to key environmental and health and well-being subjects that are on the minds of our Partners, customers and suppliers.

Our framework is publicly available to encourage collaboration. We work with our property supply chain partners to encourage innovation and creative solutions.

A key feature of the Responsible Development Framework is our desire to focus on trialling new technologies and ways of working. Successful methods are then applied across our estate. We believe this way of working is sustainable and drives value.

### Progress in 2012/13

During 2012/13, we started updating the framework to include social, economic and environmental impacts across our whole property portfolio rather than just new construction and refurbishment projects.

Our approach now covers the whole life of buildings including acquisition, design, build, refurbishment, operations and maintenance and disposal, and sets out what is important to us for years to come.

The key features of the refreshed framework are:

- A complete, joined up approach
- Longer-term aims and targets
- All the estate, not just new build and refurbished shops, is included
- A broader sustainability focus rather than solely environmental factors.

### Future plans

We will work towards our ten long-term objectives which we refer to as ‘Points of Focus’. These are supported by a series of aims and targets in the following areas:

1. Minimise our carbon emissions
2. Stop waste
3. Plan and build considerately
4. Save water
5. Choose and use materials wisely
6. Collaborate to find new solutions
7. Deliver great shops for our customers
8. Create healthy workplaces
9. Enhance community well-being
10. Think and act responsibly

## Responsible development continued

With so much already being achieved, we wanted to push ourselves even further. We have set a series of aims and targets for each of our 10 objectives.

We have set minimum sustainability standards for construction, which we will continue to deliver against in 2013/14. For example:

- We will continue to measure and certify our building projects to recognised sustainability standards such as BREEAM (Building Research Establishment Environmental Assessment Method)
- We require a minimum score of 40 out of 50 in the 'Considerate Constructors' scheme, a national initiative set up by the construction industry to monitor and manage construction site impacts on the general public, the workforce and the environment.
- Our required standard for the volume of waste generated during a project is less than 6 tonnes per 100m<sup>2</sup> (gross internal area)
- We will divert a minimum of 99 per cent of our construction waste from landfill
- 100 per cent of timber used in the construction process will come from certified sustainable sources
- We ensure that projects are followed up with an in-shop Partner briefing to encourage better energy and water-saving behaviours and ensure the environmental performance of our built environment is maintained.

In 2013/14, our process for trials at 'Point of Focus' shops will be maintained in order to:

- Trial new methods, materials and technology
- Determine a level of measured risk and investment
- Test and collect data to enable us to measure success
- Include successfully trialled new methods, materials and technology into all future projects.

## Achievements & challenges

### Key achievements

- Identifying and focusing on new technologies that have application across our estate. For example, LED lighting is now standard following successful trials at Waitrose Stratford-upon-Avon and John Lewis 'at home' Ipswich shops
- Leading the retail sector on BREEAM (Building Research Establishment Environmental Assessment Method) projects certified to final, post-construction stage. John Lewis Partnership buildings represent 32 of the top 42 BREEAM rated retail buildings; and we are the only retailer with BREEAM 'Outstanding' shops.

### Key challenge

- Negotiating a complex legislative landscape and short-term policy horizons, as we seek to invest for the long term. For example, the CRC energy efficiency scheme, electricity demand and feed in tariffs.

## Case study

### Waitrose Chipping Sodbury – a showcase for responsible development

Waitrose Chipping Sodbury is our latest 'Point of Focus' shop. The newly built shop which is due to open in October 2013 will feature an array of biodiversity initiatives and new energy saving technologies.

The latest generation of water-cooled refrigeration systems and small-scale biomass technology will be trialled at the shop and it is estimated that implementing these solutions will result in carbon savings of 28 per cent. In taking these actions, we are not only reducing our requirement for electrical energy but also lowering our reliance on natural gas and reducing the impact of refrigerants' global warming potential (GWP).

A detailed Biodiversity Plan is in place for the development which proposes a number of targets and actions for: maintaining and enhancing habitats and breeding sites for wildlife; promoting use of locally grown native plants; and encouraging a greater knowledge and involvement in the biodiversity and geology of the site. The plan was created following extensive consultation with local conservation groups, the local authority's ecologist and biodiversity officer, as well as the Avon Wildlife Trust.

We are looking forward to assessing the outcome of this development and using the lessons learnt to disseminate good practice where we can across the rest of our estate and externally.

## Climate change

*“This has been a pivotal year in our carbon reduction plan and we have gained greater confidence on how to deliver our plan for 2020.”*



Naomi Wells,  
Head of Future Planning and Sustainable  
Development, John Lewis Partnership

**The concerns about climate change are becoming increasingly real. Changes in weather patterns, depletion of fossil fuels and scarcity of resources – these are just some of the issues that continue to drive us in playing our part in mitigating the worst impacts of climate change by reducing our impact on the environment.**

We also recognise the need to adapt and future proof our business against the impacts of climate change and take advantage of the opportunities that this critical issue presents.

We are committed to tackling climate change and have identified significant actions to bring emissions down against the backdrop of a growing business. We are working to reduce absolute operational CO<sub>2</sub>e emissions by 15 per cent by 2020/21 against our 2010/11 baseline.

### Overview

#### Our approach

As a leading retailer and employer, we take our responsibilities seriously.

We not only want to do our part in helping to reduce the impacts of business on the environment and climate, but also believe that we have the potential to drive change in the marketplace and work with others to tackle this issue together.

#### Progress in 2012/13

During 2012, we have continued to focus on reducing our operational carbon dioxide equivalent (CO<sub>2</sub>e) emissions by 15 per cent by 2020/21 against our 2010/11 baseline.

The task is a significant challenge, particularly for a growing business. This year we have gained greater confidence on how to deliver our plan for 2020 and the role technology will play.

As highlighted in last year's report, we anticipated that our emissions would rise for a few years before decreasing in response to the implementation of a range of emission savings projects.

In 2012/13, despite challenging external economic and market conditions the Partnership increased sales by 9.3 per cent while our CO<sub>2</sub>e emissions rose at a rate of 5.3 per cent\*. Our CO<sub>2</sub>e for the year was 556,478 tonnes\*. This represents a decrease in greenhouse gas emissions intensity of 3.6 per cent\* in the sales period.

\*These figures were misstated in our annual report and accounts for 2012/13 due to an editorial error. All figures stated here are correct for the year 2012/13.

We are committed to growing efficiently and responsibly. We are encouraging the application of new technology through:

- Energy efficiency solutions, e.g. LEDs
- Alternatives to fossil fuels, e.g. biomass boilers
- Low carbon refrigeration systems, e.g. water-cooled refrigeration
- Incorporating sustainability into the fabric of our buildings, e.g. recycled content in building materials
- Diverting waste from landfill, e.g. by exploring closed loop recycling solutions and waste to energy opportunities
- Exploring and applying transport solutions that save on carbon emissions.

#### Future plans

For 2013/14, we believe that there is a challenge and opportunity to have a team of specialists helping us to look for the next innovation and continually reducing our carbon emissions.

Our Responsible Development Framework sets out our vision and direction to minimise carbon, stop waste, save water and consider adaptations to future climate change in the development and management of our estate.

Our aims in relation to minimising carbon are that we will:

- Identify and develop further renewable technologies to support on site energy generation
- Continue to drive energy wastage out of our business and make energy efficiency a top priority in our estate
- Trial further new technologies that have application across our estate.



*Climate change continued*

*Achievements & challenges*

**Key achievements**

- Further developed our low carbon refrigeration system to deliver additional energy savings
- LED lighting is now standard following successful trials at Waitrose Stratford-upon-Avon and John Lewis 'at home' Ipswich shops.

**Key challenges**

- Reducing absolute operational carbon dioxide equivalent emissions in a growing business
- Significant time and investment is required to develop and test new technology in order to secure solutions that are right for our retail business and meet our commitments to reduce our environmental impact
- Securing a range of low-carbon on-site energy-generation solutions for our estate.

*Case study*

**Waitrose and John Lewis 'at home' in Ipswich**

When the opportunity arose for John Lewis Partnership to trial the creation of two new shops opening under one roof, it was a chance not to be missed. The joint Waitrose and John Lewis 'at home' shop in Ipswich, which opened in November 2012, is located on a former steel foundry, a brownfield site on the outskirts of Ipswich.

The project has achieved a BREEAM rating of 'Excellent' for the building and a number of engineering solutions have been incorporated to reduce electricity, water and gas consumption. We estimate the overall electricity saving will be 18 per cent using the previous Swindon 'at home' project as the benchmark and we are confident that we will achieve similar savings in water and gas. The shops have been engineered and designed to share certain parts of the main plant. For example, the chillers provide cooling for both shops and the shops jointly use an emergency generator.

Three specific engineering solutions were incorporated at the Ipswich site: LED lighting; displacement ventilation; and water-cooled refrigeration for Waitrose's chilled and frozen cabinets.

LED lighting was installed on all sales floors and within the back office operations at both shops. This followed a number of successful trials on Partnership projects where the lighting effects were tested and developed. On average, LED demonstrated a 10 per cent reduction in energy costs compared to equivalent shops using traditional lighting solutions and provided enhanced lighting effects on products and visual merchandising displays.

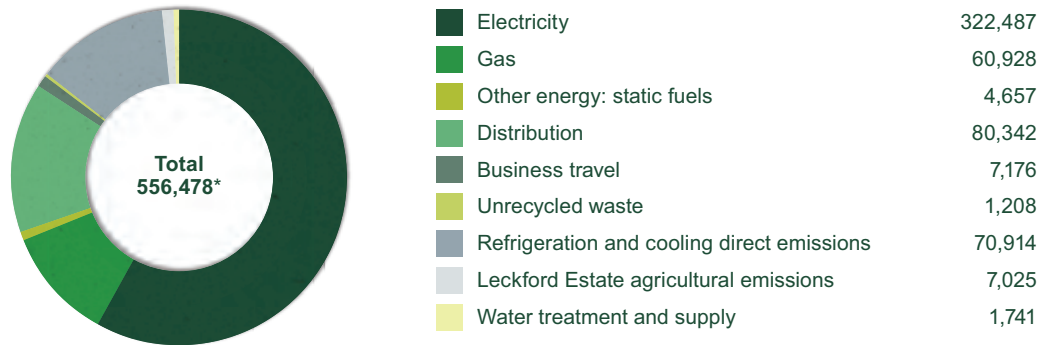
Displacement ventilation design enables conditioned air to be delivered far more effectively and efficiently than traditional methods. Through its simpler plant design, manufacturing and installation costs are lower and we estimate it to save around 15 per cent of operational energy demand.

Water-cooled refrigeration, as opposed to the more traditional refrigerant gas options used to achieve cooling offers significant benefits such as a lower global warming potential (GWP) and it is more efficient to run and maintain.

Climate change continued

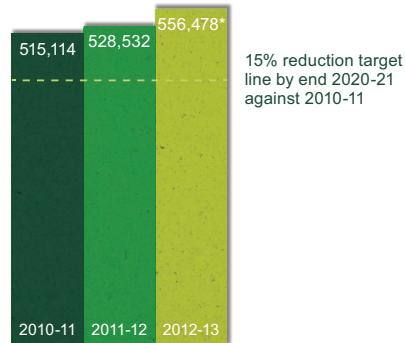
Data

Partnership greenhouse gas emissions (tonnes CO<sub>2</sub>e) breakdown



\* This figure was misstated in our annual report and accounts for 2012/13 due to an editorial error. This figure is correct for the year 2012/13.

Partnership greenhouse gas emissions (tonnes CO<sub>2</sub>e)



\* This figure was misstated in our annual report and accounts for 2012/13 due to an editorial error. All figures stated here are correct for the year 2012/13.

Partnership greenhouse gas emissions (tonnes CO<sub>2</sub>e per £million sales)



\* This figure was misstated in our annual report and accounts for 2012/13 due to an editorial error. All figures stated here are correct for the year 2012/13.

# Energy

*“We aim to improve the energy efficiency of our shops by carefully considering the sustainability of our designs, measuring the environmental performance of our buildings and how others will use the space. Our ambition is to create better workplaces that reduce emissions and mitigate the risks of climate change.”*



Tony Jacob,  
Head of Construction, Engineering and  
Environment, John Lewis Partnership

## Energy is a fundamental requirement for us to run our business and is the single largest contributor to our operational carbon footprint.

Rising electricity, gas and oil prices have an impact on the cost of running our shops.

We are continually seeking, developing and implementing solutions that drive energy efficiency and carbon reduction.

We aim to:

- Reduce the impacts of rising energy costs on our business
- Increase our use of renewable energy sources
- Generate energy on-site wherever possible
- Build energy efficiency measures into every aspect of building design, operation and maintenance.

## Overview

### Why this matters

Energy emissions are the biggest contributor to our operational carbon footprint. Energy, however, is crucial to operating and growing our business. The ways we procure, use and generate energy present opportunities for us to contribute to the UK Government's carbon reduction target and our own carbon reduction plan.

The UK has witnessed rising energy prices for both commercial and domestic users and energy security and resilience\* is now a pressing issue.

\*Daily activities have become increasingly dependent on access to energy sources. Securing future supply through renewable sources and improved energy efficiency is important for future commercial and domestic needs.

### Progress in 2012/13

Our overall objectives are to:

- Design our operations and estate to deliver long-term absolute carbon reduction in line with the commitments of our carbon reduction plan and in support of the UK Government's carbon reduction plan
- Make energy efficiency a top priority and drive wastage out of our business
- Adopt cleaner sources for the energy we use
- Generate energy on site
- Ensure our business can continue to operate in the event of energy supply instability.

For example, during 2012/13, we have specified LED lighting as standard throughout the Waitrose and John Lewis estate for new and refurbished shops. LEDs will provide a saving of 45 per cent of the electricity required for lighting in Waitrose and 60 per cent for John Lewis. Overall, we estimate LEDs will deliver a 10 per cent reduction in shop electricity demand compared to equivalent shops using traditional lighting solutions. This follows successful trials at Waitrose Stratford-upon-Avon and Waitrose and John Lewis 'at home' Ipswich shops.

We have learnt much from energy centre installations at our Waitrose shops in East Cowes and Bracknell. We are reviewing the current format to develop a range of low-carbon energy-generation solutions for our estate. We intend to trial further on-site generation in 2013 and are also reviewing further feasibility studies for our estate.

### Future plans

We aim to raise awareness of our key priorities internally and externally and continue to work with Government to help link and join policies.

During 2013/14, we aim to:

- Continue to develop and integrate solutions in order to align all energy streams, minimise wastage and maximise the use of renewable sources
- Focus on closed-loop waste-to-energy and on-site renewable energy generation
- Use the best available technology in the development of new shops, e.g. through our Waitrose new build at Chipping Sodbury and refurbishment at Waitrose Newbury we plan to install biomass boilers to deliver the heating requirements and reduce the Partnership's reliance on fossil fuels
- Introduce the next-generation refrigeration systems to new shops. We plan to install a new version of our water-cooled refrigeration system at the Waitrose Burgess Hill extension, Chipping Sodbury new build and Newbury refurbishment projects. This is expected to produce a reduction in electricity demand of approximately 22 per cent compared to the installation of a standard low carbon water-cooled system
- Trial new refrigerated cabinets that will lead to further savings in our overall electrical consumption within a shop
- Improve building management systems (heating, cooling and lighting) to drive down energy consumption and improve working and shopping environments for our Partners and customers.

Energy continued

Achievements & challenges

Key achievements

- Successful trials of new solutions that deliver long-term value in energy and carbon reduction
- Successful retrofit of LED lighting installed throughout Waitrose Cirencester achieved an overall 13 per cent electrical saving and 170 tonnes CO<sub>2</sub>e This gives us the confidence to roll out this technology.

Key challenges

- Rising utility costs and taxes
- Unlocking small-scale on-site renewable energy generation technologies that are cost effective
- Conflicting policies and legislation around climate change issues and energy use
- Reducing the environmental impact of our estate by changing Partners' behaviour.

Case study

LED lighting in John Lewis

We have been monitoring and testing the technical developments in LEDs for many years but previously found they were not viable for our sales floor lighting due to insufficient output and colour rendering. The availability, affordability and performance of LED lights have advanced at a considerable pace in recent years.

LED lighting is now being rolled out across new and refurbished shops following successful trials of LED lighting at John Lewis 'at home' Croydon, John Lewis Oxford Street's womenswear department and in John Lewis 'at home' Ipswich. Implementing LED lighting results in an average 60 per cent reduction in the energy used for lighting our John Lewis shops, a key contributor in reducing our carbon impact.

Commenting on the initiative, Stuart Watson, Engineering Manager, John Lewis said: "LEDs are now able to provide a viable solution for our lighting that is better than that of the traditional lighting currently used. Following successful trials, LED lighting will now be specified as standard in all new and refurbished buildings throughout the Waitrose and John Lewis estate."

Data

Waitrose energy consumption (gas and electricity, kwh)



John Lewis energy consumption (gas and electricity, kwh)



# Transport

*“We are always striving to reduce emissions. Operationally we focus on efficiency and collaboration. Technically, we engage in trials and academic research, so there is a process of continuous improvement and innovation.”*



Justin Laney,  
General Manager, Central Transport,  
John Lewis Partnership

## Distribution activity is the second largest generator of carbon equivalent emissions in our business.

We are committed to reducing absolute CO<sub>2</sub>e emissions from transport by 15 per cent by 2020 (against a 2010/11 baseline) and we have clear plans in place to help us deliver our goal, including:

- Reducing mileage
- Using dual-fuel trucks
- Improving the aerodynamic performance of our vehicles
- Using biomethane as a low carbon-fuel for trucks.

## Overview

### Our approach

Transport and distribution activities amount to about 15 per cent of the Partnership's operational CO<sub>2</sub>e (carbon dioxide equivalent) emissions and can be one of the most difficult areas to tackle.

Reducing CO<sub>2</sub>e emissions from vehicles often presents more challenges than lowering emissions in buildings which may take advantage of renewable materials, lighting and more developed technology.

We are working towards delivering a 15 per cent reduction in fuel-related transport emissions from deliveries by 2013/14, against our 2005/06 baseline, with further reductions planned by 2020 to include business travel, as well as distribution.

### Progress in 2012/13

Our top priority is to reduce mileage and in 2012/13 we continued to focus on load-planning techniques to fit more on each truck and reduce the number of journeys needed. We utilise double-deck trailers and careful route planning as part of a package of measures to reduce the number of miles travelled.

We aim to use low-carbon fuels wherever possible and our approach is to benchmark the Partnership's performance against best practice examples.

In addition, we are improving miles per gallon performance through the use of:

- Low-drag vehicles which benefit from round profile edges and lower on-road weight
- Telematics, via a dashboard system, which helps promote the highest driving standards
- Lower top speeds when driving on motorways.

In 2012/13, we have worked with academic institutions and key stakeholders to research and test methods to reduce vehicle drag. For example, we have:

- Continued to work with Cambridge University Engineering Department and the Centre for Sustainable Road Freight to explore specific measures that are expected to reduce drag. Models of our trucks are being tested to explore the effects of 'boat tailing' the rear of the trailer, and smoothing the underside
- Won Government funding, as part of an £11 million demonstration programme to help establish and run a fleet of 20 additional low-carbon dual-fuel heavy goods vehicles. £1 million over four years has been secured for two separate projects.

### Future plans

A significant challenge is sourcing the right choice of low-carbon fuels.

Biomethane has great promise, but there are uncertainties that must be addressed before it can be rolled out comprehensively. These include ensuring that sufficient biomethane, from sustainable feed-stocks, is available, and that the fuelling infrastructure is in place. It also requires vehicle manufacturers to provide a wider choice of vehicles that meet the latest emissions regulations, and for Government policy to provide longer-term stability in fuel duties. We believe these issues will be resolved, and that dual-fuel vehicles operating on biomethane will offer a good alternative for vehicle operators. We also believe it will offer benefits in the important area of local air quality in urban areas.

In 2013/14, the Partnership will continue to:

- Work with Imperial College Biofuels Department to identify long-term sustainable biofuels and their feed-stocks
- Talk to different agencies and Government bodies to encourage biomethane for transport
- Work with those involved in manufacturing sustainable biomethane, either individually or through the Anaerobic Digestion and Biogas Association (ABDA). Our preferred way of sourcing biomethane is to purchase it from producers injecting it into the grid, and then, through virtual tracking and local extraction, compress it locally for use in our vehicles.

Transport continued

Achievements & challenges

Key achievements

- Reduced tonnes of transport-related carbon dioxide equivalent (CO<sub>2</sub>e) emissions per million pounds of sales by 3.2 per cent\*
- Extended the rollout of multi-temperature, double-deck trailers in Waitrose
- Rolled out a route-optimisation planning system across the Waitrose distribution network to help avoid unnecessary mileage and highlight opportunities for backhauling and front-hauling
- Increased the use of dual-fuel in larger vehicles
- Responsible Supply Chain Award Big Tick 2012 received for work in investing in alternative fuels and improving vehicle design and route planning
- Led further academic research into aerodynamics and biofuels.

\*This figure was misstated in our annual report and accounts for 2012/13 due to an editorial error. All figures stated here are correct for the year 2012/13.

Key challenges

- Sourcing sufficient sustainable biomethane for dual-fuel vehicles
- Uncertainty over the business case for gas as a fuel, driven by the lack of certainty over gas fuel duty
- Rapid growth of home delivery increasing the carbon intensity of the transport operation
- Reducing business mileage in company cars.

Case studies

University of Cambridge and John Lewis Partnership collaboration

Cambridge University, working in collaboration with the John Lewis Partnership, has completed a wind tunnel research project which uses scientific research methods to study the effects of aerodynamic drag on tractor-semitrailer combinations and the impact on fuel reduction.

The project was completed in August 2012 and the findings have evolved into a broader initiative together with Heriot-Watt University in Edinburgh and six industrial partners.

The collective have worked together to define best practice in aerodynamics which will be used by the Centre for Sustainable Road Freight and issued to its members.

The Partnership wins funds from the Department for Transport

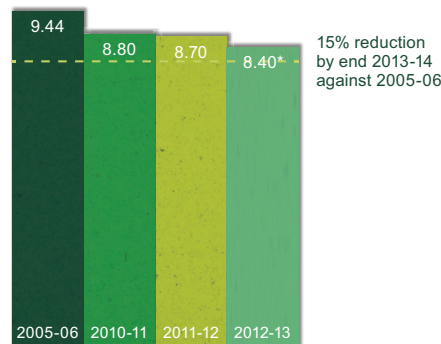
John Lewis Partnership has been awarded a grant from the Department for Transport (DfT) to support its work in promoting low-carbon transport.

The grant will enable six ultra low-carbon articulated vehicles to be built, using advanced aerodynamics, engineless refrigeration, gas dual-fuel and numerous other fuel saving measures. A significant carbon emission reduction of 70 per cent is sought by using biomethane dual-fuel.

Commenting on the project, Justin Laney, General Manager, Central Transport says: "We are thrilled to have won this grant from DfT which will demonstrate just how far we can go using a combination of best practice and applying new technologies in a practical way."

Data

Partnership transport-related greenhouse gas emissions (tonnes CO<sub>2</sub>e per £million sales)



\* This figure was misstated in our annual report and accounts for 2012/13 due to an editorial error. All figures stated here are correct for the year 2012/13.

# Refrigeration

*“Our ambition is to radically reduce our refrigeration and cooling emissions. Our low carbon natural refrigeration solution remains the solution of choice for all new buildings, major refurbishment projects or end of life replacement.”*

Jim Burnett, General Manager,  
Engineering, Waitrose

## Reducing emissions from refrigeration is a vitally important aspect of the Partnership's overall carbon reduction plan.

Installing hydrocarbon water-cooled refrigeration systems with cold air retrieval and integration to heating systems, represents a significant shift away from traditional refrigeration standards. This is our low-carbon natural refrigeration solution.

These new systems save considerably on gas and electricity and radically reduce the impact of refrigerant gas losses. While we continue to invest in and replace traditional systems with hydrocarbon water-cooled refrigeration, we have set a target to contain the existing refrigerant gases within our estate to a leakage rate of no more than 10 per cent of the entrained volume by 2015.

## Overview

### Our approach

Refrigeration and cooling generate direct CO<sub>2</sub>e emissions through leaked refrigerant gases.

The need for refrigeration makes Waitrose shops the focal point when assessing the actions taken to reduce these emissions. All major food retailers are focusing on refrigeration but we are pioneering water-cooled refrigeration to ensure that the Partnership maximises the re-use of waste energy and efficiently uses cold air retrieval to replace air conditioning.

Reducing the volume and impact of leaks is vital for us to achieve our carbon reduction plan and is a crucial consideration as we grow our business.

### Progress in 2012/13

During the past year, there was a smaller capital investment in equipment replacement in the existing state than was originally planned and this led to an increase in refrigerant leakage.

In addition, our focus on leak detection has led to an increase in the number of leaks discovered. These factors have meant that we did not meet our target of halving the impact of our refrigeration and cooling direct emissions (CO<sub>2</sub>e emissions tonnes) by year end 2012/13 (baseline 2008/09). We remain committed to reducing the impact of refrigeration and have set new targets.

For transport refrigeration, our strategy is to: reduce refrigerant refill size and leakage; reduce emissions from the dedicated engines which drive mobile refrigeration equipment; and seek out low global warming potential (GWP) refrigerants. Work in all these areas continued in 2012/13; our new rigid vehicles no longer have dedicated engines for refrigeration and we are making good progress with truck trailer refrigeration.

In our estate, we continually focus on containment to reduce leakage of refrigerant gases. For example, we have increased the sensitivity of our leak detection equipment so that leaks are identified as early as possible allowing us to address any issues as quickly as possible.

We are also installing low-carbon natural refrigeration into our new shops as well as our refurbished shops. Just under a third of our Waitrose shops now operate with our low-carbon natural refrigeration system.

### Future plans

For 2013/14, the predicted estate refurbishment spend will double compared to 2012/13. This investment will fund low-carbon natural refrigeration installations reducing the volume and impact of leakage; resulting in fewer CO<sub>2</sub>e emissions.

We have also set new targets for this area:

- Firstly, from 2013/14, we will only use refrigerant gases that have a GWP (Global Warming Potential) of less than 10, such as our water-cooled refrigeration option, when putting in new and replacement refrigeration systems
- Secondly, our target is to reduce refrigerant leakage to no more than 10 per cent of entrained volume by continuing to ensure that leakage across our estate is contained. We will begin our focus on the shops where there is the greatest opportunity to improve refrigerant containment and will continue to use audit engineers to proactively visit branches to carry out leak detection and take action accordingly.

Refrigeration continued

Achievement & challenge

Key achievement

- New water-cooled refrigeration systems now installed in approximately a third of our Waitrose shops.

Key challenge

- Continuing to drive our containment programme as our retail estate ages becomes more difficult.

Case study

Next-generation refrigeration systems

Waitrose's new build shop at Chipping Sodbury, the refurbishment at Newbury and the Burgess Hill extension will use the next generation of refrigeration systems.

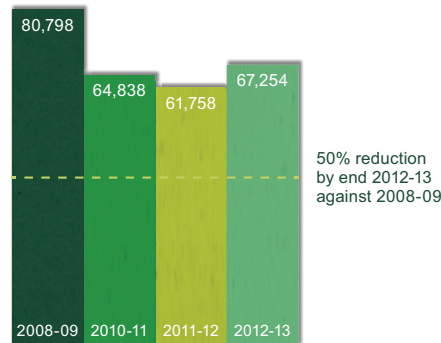
The water-cooled refrigeration system which uses propane and propene has been updated and improved to change the way that chilled water drives heat out of the refrigeration system. The adaptation will generate further savings in the electricity demand and therefore running costs and CO<sub>2</sub>e emissions.

The new system further reduces our use of refrigerant gases and is the natural progression from our award-winning low-carbon refrigeration system.

It will allow easier refurbishment of existing plant and cabinets which will also support Waitrose's refurbishment programme and reduce the dependency on HFCs, common types of refrigerants which are potent greenhouse gases.

Data

Waitrose refrigeration and cooling direct emissions (tonnes CO<sub>2</sub>e)





# Waste

*“Our waste strategy is clear: we want to retain ownership of our waste through to the final destination and we aim to recycle exclusively within the UK to make the best use of closed loop opportunities within a circular economy.”*



Mike Walters,  
Operations Manager, Recycling and Waste,  
John Lewis Partnership

## Reuse and recycling not only prevents waste, it also reduces the use of virgin materials and the energy and water associated with processing them.

We aim to continue to improve the Partnership's waste management systems by following the UK waste hierarchy:

- Reduce
- Reuse
- Recycle
- Recover energy
- Responsible disposal.

## Overview

### Our approach

Reliance on fossil fuels for energy and materials will not be sustainable in the long term and, at the Partnership, we are working hard to use waste to make products that can be brought back to use within the business.

Where reuse or recycling is not possible we aim to derive greater value from our waste by generating energy through anaerobic digestion of unavoidable food waste and incineration of non-recyclable items. Longer term various options for obtaining energy-from-waste could help support our desire to increase our energy security.

The Partnership's approach is to retain ownership of our waste through to the final destination and we aim to recycle exclusively within the UK.

Working with a small number of 'best example' specialist UK waste contractors, we are able to drive innovation and encourage investment in the UK's waste recycling infrastructure.

### Progress in 2012/13

Our approach helps to minimise any risk to continuity of supply to waste processing plants and we can effectively exploit 'closed loop' opportunities within a circular economy whenever they arise.

For example, through a pioneering initiative to recycle carpet offcuts we are able to 'close the loop' by providing a recycled feedstock for the manufacture of one of our fastest selling John Lewis underlay lines.

We diverted 92.1 per cent of our operational waste from landfill last year, by:

- Segregating more recyclable material at source
- Recovering energy from unavoidable food waste
- Processing general waste through Materials Recovery Facilities (MRFs) to extract recyclable elements from the residual waste.

We met our target to divert all Waitrose shop-generated food waste from landfill by year end 2012/13 (excluding Channel Islands) and expect to divert John Lewis hospitality food waste from landfill in 2013.

### Future plans

We work collaboratively across the whole Partnership to better understand further uses for 'end of first life' items. For example, as part of our Responsible Development Framework, Partners in a number of departments are fostering closer links to better use waste materials:

- Transit plastic packaging and used carrier bags are baled and reprocessed into planks to make garden furniture
- Cardboard is reprocessed in the UK and used in the production of 'Click and Collect' customer boxes.

In 2013/14, we will also continue to:

- Simplify waste collection and treatment across the Partnership
- Embed sustainability and waste considerations into Partners' work activities to encourage recycling
- Find 'closed loop' solutions for products that our customers find difficult to recycle
- Articulate our 2015 vision, to 'Breathe new life into waste', dramatically shifting the perception of waste as something destined for disposal into raw material that may have further use
- Identify reuse opportunities for construction waste
- Extend food waste energy recovery roll-out to include all John Lewis shops
- Progress environmental training QCF (Qualification and Credit Framework) for Partners to encourage better waste management
- Work towards achieving our 95 per cent landfill diversion target, by 2013/14 year end.

## Achievements & challenges

### Key achievements

- Diverted 92.1 per cent of our operational waste from landfill
- Met target to divert all Waitrose shop-generated food waste from landfill three months ahead of schedule (excluding Channel Islands)
- Launched a pioneering carpet recycling initiative to use offcuts in the production of John Lewis recycled underlay.

### Key challenges

- Building capacity to recycle certain types of plastic e.g. black ready meal food trays are currently impossible to recycle through local authority recycling plants
- Space for recycling and managing segregated waste streams within offices.

*Waste continued*

*Case studies*

**John Lewis Partnership partners with Centriforce to recycle plastics in the UK**

John Lewis Partnership has committed to developing a 'closed loop' waste plastics strategy. Through a pioneering new contract with the UK's largest independent plastics recycler, Centriforce Products based in Liverpool, the new arrangement will guarantee that each year some 3,000 tonnes of soft plastic waste from the Partnership is recycled into useable products.

Centriforce will reprocess distribution packaging and used Waitrose 'Bags for Life'. They will be transported to central distribution centres by returning John Lewis and Waitrose vehicles – allowing the retailer to maintain complete control and responsibility for its waste flows, ensuring as much as possible is recycled.

The Partnership is exploring opportunities to reuse Centriforce products such as plastic planks and sheeting in its new shop construction programme to achieve a true 'closed loop' in its plastics waste stream.

The new contract builds on a relationship developed over more than five years where Centriforce has recycled a proportion of John Lewis Partnership's waste. The contract follows Centriforce's recent investment in its own mixed plastics sorting line, a facility vital to guarantee the processing capacity needed by the Partnership.

"The John Lewis Partnership is taking a visionary approach to its plastics waste management which is an example of good practice not only for other retailers, but for any businesses with multiple outlets or sites nationwide," said Centriforce's Managing Director Simon Carroll.

**Using Waitrose's surplus food to feed people in need**

During the year, Waitrose introduced a food donation programme which enabled branches to donate any surplus food fit for consumption to local charities. These charities, such as Esther Community Enterprises (ECE) with whom we started our donations programme, collect and redistribute food to those in need within the local community. Food that is not fit for consumption can either be donated for animal consumption or is sent to Anaerobic digestion to generate energy. All of our Waitrose shops are equipped to donate surplus food to local charities. Around a third of shops currently donate and we are actively encouraging local charities to approach us so that we can roll this out further.

**John Lewis closes the loop with carpet recycling trial**

In 2013, in the first trial of its kind, John Lewis 'closed the loop' by launching a carpet recycling initiative, which sees carpet offcuts recycled in partnership with Anglo Recycling.

Under the scheme, offcuts are collected by John Lewis Trafford and Cheadle flooring fitters and deposited in collection containers provided by Anglo Recycling at the shop's combined service building near Stockport. Anglo Recycling transfers the material to their nearby recycling plant in Rochdale and processes it into recycled material. One of John Lewis's suppliers includes this recycled material in the manufacture of one of John Lewis's underlay lines.

Furthermore, two major John Lewis carpet suppliers were also approached to support the initiative and now provide manufacturing offcuts to Anglo Recycling.

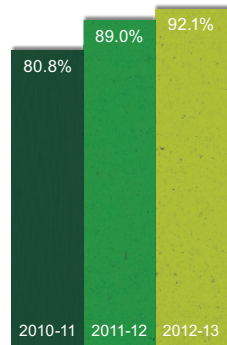
Mike Walters, John Lewis Partnership Operations Manager for Recycling and Waste, commented: "The Partnership believes in retaining ownership of its waste, working towards ensuring recyclable material is treated exclusively in the UK and the most appropriate reuse, recycling or disposal method is used. This pioneering initiative aligns with our sustainability strategy and our vision of closing the loop wherever possible. At the same time as delivering a sustainable product to our customers, we deliver quality."

The trial started in January 2013 and over half a tonne was collected in the first month.

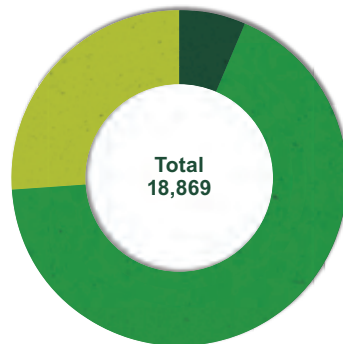
Waste continued

Data

Proportion of Partnership generated waste diverted from landfill

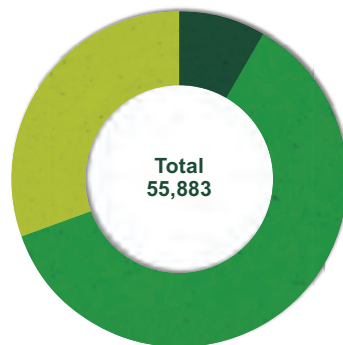


John Lewis weight of waste generated (tonnes)



Waste disposed to landfill	1,247
Waste recycled (excluding food waste)	12,737
Waste diverted to energy from waste facilities	4,885

Waitrose weight of waste generated (tonnes)



Waste disposed to landfill	4,673
Waste recycled (excluding food waste)	34,280
Waste diverted to energy from waste facilities	16,930

# Water

*“We recognise the need for a more integrated and holistic water strategy that builds on our current actions. We invite others to join with us to share thinking so that together we can make further progress.”*

Toby Marlow,  
General Manager, Sustainable  
Development, John Lewis Partnership

**We recognise the need to reduce water usage and wastage, so we carefully review its use across a range of building types at Waitrose and John Lewis shops, as well as our offices and distribution centres.**

Saving water is one of the Partnership's ten long-term 'Points of Focus'.

We aim to:

- Use less water
- Discharge less waste water
- Identify and act on significant water demand
- Strengthen our water strategy.

## Overview

### Our approach

Water is one of our 'Points of Focus' in our ambition to safeguard the environment because we acknowledge that there are challenges and concerns regarding water scarcity.

We are committed to managing our own water use carefully even though the Partnership does not use significant quantities of water in its retail estate, relative to some industry sectors. Water also has a relatively low carbon emission level and cost, however, we understand the importance of managing our own water use carefully.

We also believe that we can promote water awareness with customers and in our supply chain.

### Progress in 2012/13

We aim to reduce the amount of water used across the Partnership's retail estate through improved monitoring and management. Our target is to reduce water consumption per square metre of trading floor area in our shops by 20 per cent by 2013/14, against a 2010/11 baseline.

During 2012/13, the Partnership delivered an 8.3 per cent reduction in water consumption per square foot of trading floor area in John Lewis compared to 2011/12. Waitrose's water consumption remained the same year-on-year at 0.13 m<sup>3</sup> per square foot of trading floor area. To date the Partnership has delivered a 14.3 per cent reduction against our 20 per cent reduction target for the year end 2013/14.

### Future plans

As part of our Responsible Development Framework, we are focusing on reducing demand and using water efficiently by seeking opportunities presented through refurbishments, new builds and changing our operational procedures and ways of working.

We aim to:

- Discharge less waste water from our estate to the piped network
- Identify and act on any significant water demand from the development of our estate
- Continue to review and benchmark water usage across a range of building types within Waitrose and John Lewis shops, our offices and distribution centres.

During 2013/14, we will continue to engage Partners to use water efficiently.

Our emphasis on the importance of water will continue through customer and supply chain initiatives, such as:

- Waitrose's supplier targets and awards
- John Lewis and Waitrose Foundations
- Sustainable Product Identifier labelling in John Lewis to promote customer awareness.

The Partnership recognises the need to develop an integrated and holistic water strategy and we invite others to share their ideas and thinking to help us further underline the importance of water.

## Achievement & challenge

### Key achievement

- Continued focus on water reduction e.g. waterless urinals and low-flush toilet systems.

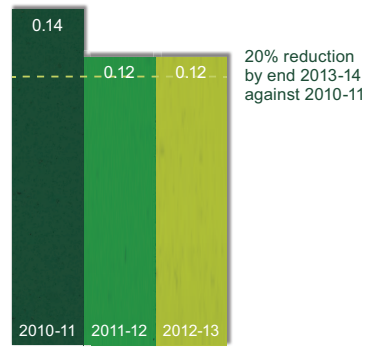
### Key challenge

- Developing a more holistic water strategy that includes our own operations, our customers' and our suppliers' water footprint.

*Water continued*

*Data*

Partnership shop water consumption per square foot trading floor area (cubic metres)



## Packaging – Waitrose

**As our business further develops its multi-channel platforms there are changing needs in terms of how we deliver products to our shops and customers and this has an impact on our ability to reduce packaging.**

Packaging allows us to facilitate the Partnership's brand values, and serves an essential purpose to:

- Protect products and reduce wastage
- Ensure product safety and quality
- Display legal and essential information
- Communicate to our customers.

As a multi-channel retailer, we serve customers through department stores, 'at home' shops, supermarkets, online and via mobile devices. Depending on the application and need, the variety of packaging materials required can be diverse.

The changing profile of our business, particularly with increasing online shopping, means that packaging is important to protect and deliver products in the best condition.

In John Lewis and Waitrose, we have clearly defined strategies to reduce the volume of packaging materials used. We also look for the most sustainable alternative. We want to delight customers through our packaging and at the same time provide important information in a legible way and make products easy to find on the shelf.

### Overview

#### Our approach

We are pragmatically addressing each challenge that our growing business encounters.

We aim to reduce packaging wherever possible and use the smallest amount of the most appropriate material. We do this by working with suppliers to find original and creative solutions.

#### Progress in 2012/13

At Waitrose, our vision is to develop innovative own-brand packaging which has a reduced environmental impact, ensures ease of use and displays products most effectively.

We are committed to reducing the tonnage and carbon footprint of all own-brand packaging and aim to minimise the environmental impacts of the material and its onward disposal.

We aim to use an assortment of recyclable packaging which consumers can recycle from home, using council collection facilities. We therefore engage with local authorities to understand the future infrastructure and the measures we can take to simplify recycling for customers.

Progress against our packaging aims in 2012/13 included:

- Extended meat packaging improvements to pork and lamb
- Introduced 'Skin pack' – meat that is vacuum packed directly onto trays for improved quality, extended shelf-life and reduced packaging. This will result in over a 20 tonne reduction in plastic usage per annum as well as improving the product quality, while reducing wastage and increasing availability. There have also been significant improvements in distribution efficiency because of the reduced space requirements
- Developed dual lacquered foil tray for top tier of ready meals which is lightweight and can be easily recycled.
- Re-designed 'Good to Go' packaging which offers savings in weight and the volume of material used.

Waitrose supports the 'On Pack Recycling Labelling' scheme, governed by WRAP (Waste and Resources Action Programme) and the Courtauld Commitment for all our own-brand packaging. WRAP carried out an audit of our On Pack Recyclability Labelling (OPRL) for our own brand packaging in 2012, demonstrating that approximately 72 per cent of our of our own label products currently carry OPRL in accordance with the set definitions. The audit concluded that usage of the OPRL was good and some recommendations were made about how this could be improved further. We have been working on these recommendations and will continue to ensure that OPRL is included on all new product packaging where space permits.

#### Future plans

We have a long-term commitment to reduce the impacts of packaging. Our objectives include our commitments made as a signatory of the Courtauld Commitment which defines clear targets and objectives for future activity.

In 2013/14, we aim to:

- Work with manufacturers and recycling facilities to review the recyclability of black trays used for ready meals as in some local authorities they are undetectable through the recycling stream.

In line with our broader aims we will continue to:

- Reduce the carbon impact of grocery packaging
- Increase expertise in our supply base and efficiency processes
- Provide transparency of our successes and share results and cost benefits to promote best practice.

*Packaging – Waitrose continued*

*Achievements & challenges*

**Key achievements**

- Applied on-pack recyclability labelling to 72 per cent of Waitrose own label products
- Extended meat packaging improvements to pork and lamb
- Introduced 'Skin pack' – meat that is vacuum packed directly onto trays for improved quality, extended shelf-life and reduced packaging
- Developed dual lacquered foil tray for top tier of ready meals which is lightweight and can be easily recycled
- Re-designed 'Good to Go' packaging which offers savings in weight and the volume of material used.

**Key challenges**

- **Supplier capability** – we want innovative packaging but do not want to impose capital expenditure on our supply base, which is why Waitrose covered the cost of packaging kit for our new meat packaging solution
- **Infrastructure** – local authorities have waste management agreements in place and we must work closely to understand future solutions
- **Material sourcing** – as alternative materials are sought we must carefully assess the stability and security of new materials and manage their implementation
- **Cost** – innovation requires an investment and a decision on how to mitigate or share the burden of cost most appropriately
- **Customer expectations** – assessing how and where customers consume food will affect packaging in years to come
- **EU food information regulation** – must be implemented by January 2015, mandatory changes are expected. The implications may have an impact on the size of packaging used which may affect our stated packaging commitments.

## Packaging – John Lewis

### As our business further develops its multi-channel platforms there are changing needs in terms of how we deliver products to our shops and customers and this has an impact on our ability to reduce packaging.

Packaging allows us to facilitate the Partnership's brand values, and serves an essential purpose to:

- Protect products and reduce wastage
- Ensure product safety and quality
- Display legal and essential information
- Communicate to our customers.

As a multi-channel retailer, we serve customers through department stores, 'at home' shops, supermarkets, online and via mobile devices. Depending on the application and need, the variety of packaging materials required can be diverse.

The changing profile of our business, particularly with increasing online shopping, means that packaging is important to protect and deliver products in the best condition.

In John Lewis and Waitrose, we have clearly defined strategies to reduce the volume of packaging materials used. We also look for the most sustainable alternative. We want to delight customers through our packaging and at the same time provide important information in a legible way and make products easy to find on the shelf.

### Overview

#### Our approach

We are pragmatically addressing each challenge that our growing business encounters.

We aim to reduce packaging wherever possible and use the smallest amount of the most appropriate material. We do this by working with suppliers to find original and creative solutions.

#### Progress in 2012/13

In John Lewis, our aim is to remove packaging completely wherever possible. Otherwise, we will use the smallest amount of the most appropriate material in every case.

At John Lewis in 2012/13, we have:

- Removed PVC and replaced with biodegradable polyethylene. For example, all bed linen bags previously used PVC and now polyethylene bags are used instead
- Become the first UK retailer to use a non-Oxy biodegradable additive in a specified bag range. This means that if it went to landfill, a bag would degrade in five years without the need for light or air to decompose
- Encouraged suppliers to reduce excess packaging on delivered goods and reduce the overall amount of packaging used
- Encouraged nominated suppliers to send zero waste to landfill

- Continued to encourage suppliers to ensure packaging is recyclable and require all packaging to state the recyclability of packaging materials used.

We have also introduced five new packaging formats, specifically:

- iPod case gift boxes that reduce the need for additional gift wrapping
- Unbranded mattress protector, pillowcase, sheeting and curtain bags that customers can reuse
- Shower curtains in reusable bags and the bags are made out of used shower curtain material
- Toy and stationery reusable packs.

#### Future plans

At John Lewis, we aim to have an influence on the amount of packaging that is used in making deliveries to customers and how that packaging is subsequently used.

There are challenges in reducing packaging because the changing nature of our business means that items are often in transit significantly longer before they reach a customer, for instance with online purchases. Hence more robust packaging is needed and this challenges our aim to use lighter weight materials where possible.

Our ambition is to reduce packaging for products bought online while at the same time limiting damage and returns. We can achieve this by suitably protecting vulnerable items such as: lighting; china and glass; and toys. To assist us in this we have:

- Installed an automatic box maker at our Magna Park distribution centre to size packaging appropriately and reduce the amount of void-fill material required
- Installed an auto-bagging machine to cut bags to bespoke sizes.

In 2013/14, we plan to:

- Increase customer awareness of how John Lewis is tackling packaging reduction in line with our Bringing Quality to Life strategy
- Introduce John Lewis Jiffy bags to prevent accidental double bagging in our distribution centres and save approximately 400 tonnes of plastic per annum
- Continue working with suppliers to reduce transit packaging
- Re-bale and reprocess transit packaging plastic materials in the UK to make second life products such as garden furniture, bricks and pathways in line with our closed-loop recycling activities
- Reprocess cardboard from delivered goods and convert within the UK for subsequent use by the Partnership's 'click and collect' customers – potentially 1.8 million recycled boxes
- Extend the closed-loop scheme to all UK suppliers
- Extend use of polyethylene to curtain packaging and large pillow bags.



## Packaging – John Lewis continued

### Achievements & challenges

#### Key achievements

- Five new efficient packaging formats introduced
- Reduced home delivery transit packaging through automation of carton box lines
- Reduced multipack tights packaging by 7 per cent
- Introduced a biodegradable bag for all sheeting, duvet cover and pillow case bags
- Further reduced packaging in seven lines of toy packaging including the introduction of reuse for three toy and stationery product lines
- Made savings in the amount of card and plastic used in a number of areas, e.g. almost 13 tonnes of card saved by removing card bases/lids from placemats and coasters.

#### Key challenges

- With such a variety of different products it is difficult to achieve scale in the same way as other large retailers
- Changing to a multichannel business means an increasing number of touch points before items reach a customer so more robust packaging is needed – this challenges our aim to use lightweight materials where possible
- Removal of internal polystyrene in packaging and the lack of alternatives in the wider supplier base, e.g. India – we are working with suppliers and specialists in the marketplace to find solutions.

### Case study

#### Five new efficient packaging formats introduced at John Lewis

iPod cases, shower curtains and stationery are just some of the products that have received close scrutiny from John Lewis with a view to making their packaging reusable.

During 2012/13, five new packaging formats have been introduced specifically to address our aim to reduce packaging wherever possible and make it reusable.

Other products that have received close attention include mattress protector bags and storage coverings, which are now unprinted so that they may have multiple uses. Our focus is on making sure that any waste materials can be reprocessed as part of our broader closed-loop recycling efforts.

Commenting on the packaging, Mark Gallen, Packaging Design and Production Manager for John Lewis, said: "This approach makes a lot of sense. We need packaging to protect our goods and there's every reason to think about how we can use materials more effectively. These new packaging formats are definitely a step in the right direction."

# A great place to work

*“We encourage Partners to play their role as co-owners so that together we can make the Partnership a great place to work.”*



Paul Backhouse,  
Deputy Partners' Counsellor,  
John Lewis Partnership

## Partners share the responsibility and rewards of co-ownership.

Our 'industrial democracy' ensures all Partners have a say in how the Partnership is run. We regularly seek Partners' views on a range of issues and use the insights gained to shape our business decisions.

In the 2012 Partner Survey, 82 per cent of Partners recommended the Partnership as a great place to work.

## Overview

### Our Partner strategy

How can the Partnership ensure that people work together as effectively as possible to grow the business?

### Career development

How does the Partnership make Partners' roles meaningful, engaging and satisfying?

### Volunteering

How does volunteering benefit the business?

### Diversity and inclusion

How does a diverse workforce create commercial advantage?

### Work experience

How does the Partnership ensure it is supporting priority groups?

### Health, safety and well-being

How do the Partnership health services support a productive workplace?

## Our approach

**The John Lewis Partnership is a unique retail business.**

**The Partnership is also the largest and longest running example of employee ownership, with 84,700 employees who are all Partners in the business.**

Partners share the responsibilities of ownership and its rewards – profit, knowledge and power – because the Partnership is held in trust for its members.

Our business thrives because of what we believe to be important:

- Humanity has a place in the commercial world
- Our ultimate purpose helps to ensure we make balanced business decisions
- Working collaboratively produces better results
- We are creating a legacy and building a sustainable business for the long-term.

## Progress in 2012/13

The Partnership was established with a Constitution and principles which steer us to a better way of doing business. We have a democratic structure that represents Partner opinion in business decision making and we share information as well as profits through a Partnership Bonus and generous conditions of employment.

The Partnership's Registry department ensures that ownership is at the heart of our long-term success and focuses on management accountability and Partner engagement.

In 2012/13, Registry has focused on 'driving the Partnership difference' by challenging and encouraging Partners to play their role as co-owners.

Roles within Registry are being reshaped to strengthen how this is delivered. Our focus is:

- **Partner Assurance** – to give co-owners the confidence that the Partnership is being run in line with what we believe to be important
- **Democratic Engagement** – to create insight into Partner opinion and drive the health and effectiveness of democracy at all levels
- **Partner support** – confidential emotional support, coaching and advice services for current and retired Partners.

The Partnership believes in freedom of speech and information sharing through a number of channels administered by the Registry, for example:

- Partner Surveys
- In-house journals e.g. the Chronicle
- Partner Forums

Registry reviews feedback from Partners and helps the senior management team to consider outcomes and next actions.

## Future plans

### Transforming our processes

The Partnership continues to flourish and we aim to grow efficiently, sustainably and in a scalable way. Continually transforming and refining our processes allows the Partnership to implement new methods which maximise our effectiveness. This enables Partners to deliver the ever-improving service that our customers expect from us.

Over the past year, we have focused on strengthening our Personnel, IT, Finance and Procurement infrastructure to deliver a consistent Partnership-wide way of working. Our aim is to:

- Deliver operational support more efficiently
- Provide consistent centralised support and easier access to helpdesks
- Provide specific expertise through specialist teams
- Providing Partners with the tools to be able to self-serve where appropriate.

*A great place to work continued*

*Case study*

**Partner survey online trial**

In 2012, we carried out an online survey trial involving 12,000 Partners from across the Partnership to assess the ease of use and process savings achievable by moving from paper-based questionnaires to responding online.

Partners from Waitrose, John Lewis, Corporate and Partnership Services spanning a variety of functions – including head office, sales, distribution and residential clubs – were invited to take part. Partners completed their surveys on a secure external website and we provided communication materials to support the message that survey responses would be entirely confidential.

Response rates were similar to that of Partners completing the survey on paper and 90 per cent of Partners who responded in the online trial agreed that they were satisfied with the experience.

One of the benefits of an online survey is a reduction in the amount of paper used. It also saves on processing costs and reduces the time for reports to be published.

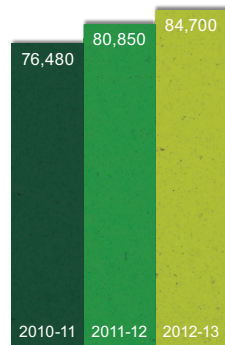
The success of the online trial has given us the confidence to move the entire survey to online completion in 2013.

For details of the Partner Survey results, see the Partnership Strategy page.

*Targets & data*

Target 2012	Progress Made	New target
Achieve an upper quartile score on percentage of Partners who agree/strongly agree with each question in our annual Partner Survey.	Achieved in 13 out of 28 questions.	Target remains.

Total number of Partners



## Our Partner strategy

*“The Partnership’s co-ownership model, together with its core purpose – satisfying employment within a successful business – is more than governance and strategy, it is fundamental to our culture and a better way of doing business.”*



Juliet Mountain,  
Manager, Insight and Personnel Strategy,  
John Lewis Partnership

### **Partners achieving their best at work is a key source of competitive advantage for the Partnership; they are the focus of our investment.**

In exchange for the rewards of co-ownership, our focus is on creating a working environment that enables every Partner to contribute to the growth of the Partnership. As co-owners of our business, Partners invest their discretionary effort in work that is meaningful to them and the Partnership, builds capability, supports innovation and enhances productivity.

### Overview

#### **Our approach**

In last year’s Sustainability Report, we highlighted the Partnership’s strategic priorities which set the direction to achieve our ultimate purpose as we grow our business.

The Partner Strategy is a three-year plan created using internal and external insight to prioritise four key areas of development which support the Partnership’s aims to: ‘Increase the Advantage of Partners’ and ‘Grow Efficiently’.

This is the first time the Partnership has developed a single plan for our Partners that will be implemented across all business divisions. It demonstrates a commitment from our Executive Directors to ensure that our business success is achieved through and for our Partners.

#### **Partner Survey:**

In 2012/13, for the ninth consecutive year, we carried out a Partner Survey.

We measured how well the Partnership is meeting three commitments, to:

- Take responsibility for our business
- Build relationships powered by our principles
- Create real influence over our working lives.

More than 88 per cent of Partners responded and almost 12,000 Partners took part in a trial to complete their survey online. All 28 questions asked have been benchmarked using data provided by ORC and Kenexa – employee research companies who collect and share employee survey results from hundreds of UK companies. In the survey, the Partnership was in the top 25 per cent of organisations for 13 out of 28 questions, including:

- 82 per cent of Partners would recommend the Partnership as a great place to work
- 81 per cent of Partners said they are treated with respect
- 80 per cent of Partners said they are kept informed about what is going on in our business
- 69 per cent of Partners said they have opportunities to keep developing their skills and potential.

The Partnership Council discusses the survey results with the Partnership’s Chairman, to help determine Partner priorities for each coming year.

As a result of insights gained from last year’s survey, the Partnership’s democracy and IT systems which support personal development have been strengthened; the outcomes are shared in our Partner data.

Next year, we will review our approach to the survey content ensuring that questions remain relevant to the Partner strategy.

#### **Reward within the Partnership**

Our approach to reward ensures that each Partner is paid a competitive rate of pay linked to their performance along with a distinctive market-leading benefits package – this includes a non-contributory defined benefit final salary pension scheme.

A significant element of Partner reward is the Partnership Bonus. This is shared equally as a percentage of annual pay among all Partners at all levels up to and including the Chairman. The bonus relates directly to the success of the Partnership as a whole and in 2012/13 this was 17 per cent of a Partners’ basic salary pay which is equivalent to seven weeks’ pay.

An exceptional aspect of working for the Partnership is the wide range of leisure and voluntary benefits on offer to our Partners and retired Partners, including:

- A wide range of Partnership subsidised clubs and societies including music, sailing, riding, skiing, drama, and photography
- Access to five exclusive residential clubs in some of the most beautiful parts of the country
- A corporate memberships at museums and art galleries
- A £250 ‘leisure learning’ subsidy available for courses taken outside of work
- Generous discounts on most Waitrose and John Lewis purchases
- Six months’ paid leave after 25 years’ service.

Each Partner receives an annual Partner reward statement detailing the value of their individual reward package.

## Our Partner strategy continued

### Progress in 2012/13

During 2012/13, the Partnership Board agreed a clear strategy for Partners which focuses on the unique advantage of our co-owned business and on delivering a consistent experience for Partners.

Four themes support the delivery of the Partnership's aims, these are:

- **Market beating contribution and proposition** – to bring to life what it means to be an owner in our business; ensuring the benefits of ownership are truly valued, linking good performance with pay and refreshing our democracy to provide Partners with unique and real influence
- **Meaningful work and careers** – to be clear about where our Partners can add the most value, positively building the competitive capabilities we need, equipping Partners to develop themselves and make the most of their careers, and promote a proactive approach to health and well-being
- **Inclusive and vibrant community** – to positively cultivate an inclusive community of Partners, encourage market-leading community volunteering and equip our leaders to foster a real sense of belonging
- **Energising processes and tools to do the job** – to develop working structures that are effective and agile and support our aim to grow efficiently, provide the right services and tools and build our ability to change well.

During 2012/13, we worked to gain clarity on Partners' needs and expectations and ran working groups across the Partnership to gain deep insight into our Partners' career experience and aspirations.

In 2012/13, we also:

- Launched our universal performance management framework, called 'My Performance', to provide appraisal, coaching and online development tools to support our Partners' capability and confidence. The approach is simple, automated, and focuses upon great conversations rather than process. It measures and values equally 'What' a Partners does and 'How' a Partner does it
- Developed a qualifications training programme which is mapped into competencies and appraisals so that Partners can gain qualifications at work
- Strengthened our commitment to volunteering as a strategic focus across the Partnership and refined divisional plans
- Reviewed our reward strategy to give Partners options over their reward package
- Developed a centralised occupational Health Services Hub to provide health advice and physiotherapy services to Partners
- Contributed to our evolving business strategy through the Partnership's democratic engagement processes.

### Future plans

The Partnership's co-ownership model is about a better way of doing business and is fundamental to our core purpose; satisfying employment within a successful business.

During 2013/14, we will continue to focus on 'Increasing the Advantage of Partners' to support our aim to 'Grow Efficiently'.

We plan to:

- **Integrate our Partner agenda:** tie our Partner agenda even more closely into delivering our customer and commercial goals
- **Provide inspirational leadership:** raise the capability within our leadership teams to support continuous improvement across the Partnership
- **Improve roles, systems and processes:** design our infrastructure to provide greater opportunities for Partners to add real value and increase their earnings
- **Develop Partners:** enable Partners to acquire the right skills so they are adaptable and have satisfying and meaningful careers.

We also aim to:

- Use insights gained from our transition to the 'My Performance' appraisal and personal development framework to inform divisional action plans
- Redefine a compelling proposition for Partners
- Help Partners understand the true value of our existing benefits and explore opportunities to support buying and selling of holidays
- Begin to develop a better way of understanding the value that we derive from the co-ownership model.

## *Our Partner strategy continued*

### *Achievements & challenges*

#### **Key achievements**

- 3,800 net new jobs created
- Development of the Partner strategy – the first time the Partnership has developed a single Partner plan to be implemented across all business divisions
- Market-beating financial results despite a subdued economic climate
- Growing our multi-channel business efficiently and effectively
- Recognition as one of Britain's Top Employers as recertified by the Corporate Research Foundation, and Most Attractive Potential Employer by Ranstad
- More than 2,000 Partners qualified in non-management pathways
- Supporting each other and our business through our transformation programmes.

#### **Key challenges**

- Developing the right Partner capabilities
- Strengthening talent and making work meaningful and satisfying for all Partners
- Identifying the skills and capabilities that will help Partners to realise their personal aspirations and investing in that capability.

### *Case study*

#### **Benefits at John Lewis Partnership: PartnerCycle**

The Partnership is currently in its fourth year of running PartnerCycle, a government backed cycle to work scheme.

PartnerCycle allows Partners, through salary sacrifice, to hire a bike and safety equipment from the Partnership for commuting to and from work. The Partnership has partnered with Cyclescheme, a network of over 1,800 independent bike retailers nationwide.

The scheme has proven very successful. Over four years, almost 2,000 Partners have participated. In response to demand from Partners, the scheme will be expanded in 2013 allowing Partners to sign up twice a year, whereas in previous years the scheme was run on an annual basis.

# Diversity and inclusion

*“Our purpose is to be an inclusive business that recognises and values difference to help us make better decisions, spark innovation and develop talent. This goes to the heart of our ultimate purpose, our commitment to the well-being of our communities, our commercial advantage and our future success.”*

Peter Meyler,  
Personnel Strategy Manager,  
John Lewis Partnership

## Diversity and Inclusion sits within the 'Inclusive and vibrant community' priority of our Partner plan and is therefore a strategic priority for the Partnership.

The Personnel Directors from Waitrose and John Lewis are leading our three-year plan on behalf of the Partnership that focuses on:

- Ensuring we recruit, develop and progress a diverse population of Partners
- Ensuring we create the right conditions and have the right policies and processes in place to support inclusive working
- Changing awareness and behaviours to deliver a market-leading proposition and performance through and for Partners
- Using insight to understand challenges, measure performance and target improvements.

## Overview

### Our approach

Diversity and inclusion is a strategic priority within the Partnership. The employment market is becoming increasingly diverse and we provide equal opportunity for our Partners and for those applying for employment, regardless of individual differences such as: gender; ethnic origin; disability; sexual orientation; age; social background; religion and beliefs.

We recognise that people have different expectations, aspirations and needs and we are committed to developing a vibrant and inclusive Partnership community that reflects these differences.

We want every Partner to have the confidence to be themselves at work and to develop their skills and capabilities so that they add real value to our business and feel valued.

Our aim is to ensure that every Partner has a consistently motivating experience of the Partnership. This is at the heart of our ultimate purpose, our competitive advantage and our future success.

We monitor and report to the Partnership Board on key aspects of diversity: age; gender; ethnicity; length of service and job level.

### Progress in 2012/13

Our approach to inclusion builds on the Partnership's Constitutional principles: integrity; courtesy; honesty; fairness; and trust. We understand that living up to our values gives Partners a better experience of working in the Partnership and creates additional value in our business. It also helps us to:

- Build our capability to attract, develop and retain talented Partners
- Innovate to create better ways of working
- Respond to the needs of current and future Partners and customers
- Further improve our reputation as a trusted and inclusive place to work and shop.

At the Partnership, when opening new shops we recruit from the local communities where we operate. For example, at new John Lewis shop locations in the last two years recruitment levels were split as follows:

- Stratford City – Partners filled 20 per cent of roles; 80 per cent of jobs were recruited externally (98 jobs went to priority groups – defined as those who have been unemployed for more than six months)
- Ipswich – Partners filled 10 per cent of roles; 90 per cent were recruited externally
- Exeter – Partners filled 15 per cent of roles; 85 per cent of roles were recruited externally, of which 16 posts went to priority groups.

To further support the Partnership's inclusion aims, during 2012/13, we have:

- Worked to improve our knowledge and insight from both within the Partnership and externally to help us build a strong strategic framework for diversity and inclusion
- Introduced an e-learning programme to help managers raise their awareness and understanding on the importance of diversity and inclusion
- Launched a religious holiday calendar to help Partners recognise and celebrate each other's faiths and religions.

Additionally, during the year, a group of Partners have established their own lesbian, gay, bisexual, and transgender (LGBT) network called: 'Pride in the Partnership'. This group currently has a membership of around 130 Partners and we anticipate that as we increase activity levels around diversity and inclusion Partners will have a greater appetite to create their own networks.

*Diversity and inclusion continued*

**Future Plans**

Future activities will focus on achieving our ambition of being an inclusive business that recognises and values difference to help us make better decisions, spark innovation and develop talent.

In 2013/14, as part of our three-year diversity and inclusion plans include:

- Developing a clear and overarching diversity and inclusion policy to ensure that we go well beyond simply meeting the minimum legal standards
- Ensuring our external recruitment, performance management and internal selection processes are consistent, fair and free from unconscious bias
- Develop a framework for establishing and supporting networks within the Partnership. Our intention is to support learning and talent development and to encourage Partner influence through our democratic channels
- Continue to build our knowledge and experience through our involvement with external network groups and forums such as: Stonewall; Remploy Asian Marketing Group and the Business Disability Forum
- Provide greater online support and e-learning programmes to support managers on matters like: unconscious bias and emotional and cultural intelligence, so that they have the skills and capabilities to lead inclusively.

We also aim to:

- Develop a more effective process for making reasonable adjustments for disabled Partners
- Use Government initiatives and apprenticeships to up-skill Partners with educational needs in areas like literacy and numeracy

- Build on our pre-employment initiatives with groups like – The Prince’s Trust, Remploy and Jobcentre Plus
- Support Government Initiatives to help young people in the early stages of their career
- Invest in Partners’ functional skills and offer support with English, Maths and ICT including additional learning needs
- Work with external agencies to build on education and pre-employment initiatives
- Carry out a piece of work in John Lewis to better understand and optimise inter-generational working
- Sponsor the ‘Food Award’ at the Asian Leadership awards through Waitrose.

*Achievements & challenges*

**Key achievements**

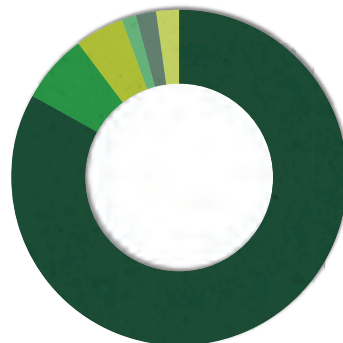
- Commitment to Diversity and Inclusion being a key strategic priority within our Partner strategy and plan
- Diversity and inclusion awareness e-learning programme launched to managers
- Issued an updated Partnership Inclusion calendar.

**Key challenges**

- Ensuring that our focus on diversity and inclusion extends beyond demographic and protected characteristics to focus on the skills, talents and backgrounds of individuals
- Supporting different individual needs, expectations and aspirations within the Partnership
- Facilitating inter-generational working
- Framework for supporting diverse networks within the Partnership.

*Data*

Partner diversity

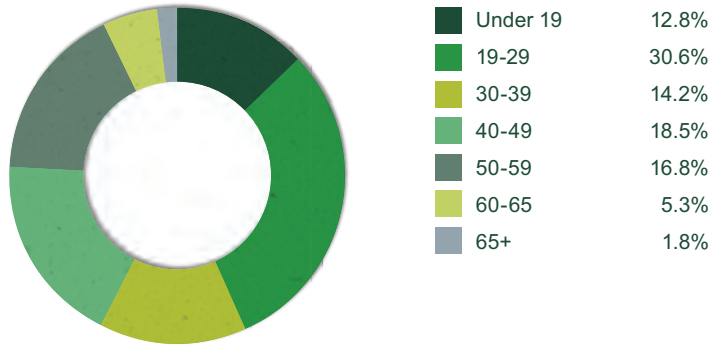


White	83.3%
Asian or Asian British	6.6%
Black or Black British	4.6%
Chinese or other ethnic group	1.6%
Mixed origin	1.9%
Not given	2.0%

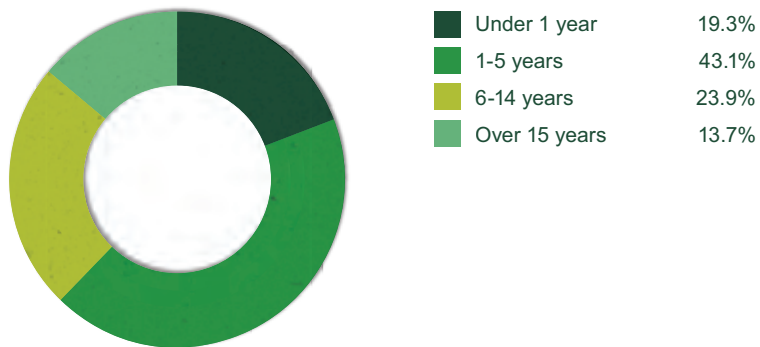


*Diversity and inclusion continued*

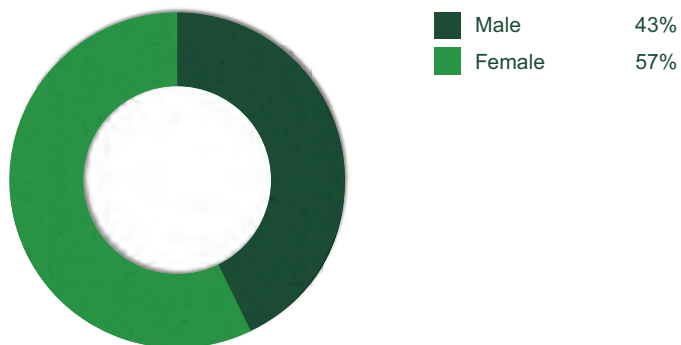
Age profile of Partners



Length of service



Gender



## Career development

*“Our Partners are the source of a unique advantage. We aim to help them develop their potential as co-owners in our successful business and want to make their roles satisfying and engaging.”*

Kate Nicholson,  
Talent Manager, John Lewis

**As the Partnership grows across multiple channels and locations, we are helping our Partners to improve their skills so that they benefit from the career development opportunities of our evolving business.**

In meeting our ultimate purpose, we want to make Partners' roles meaningful, engaging and satisfying.

### **Our approach**

We believe that Partners provide our business with a unique competitive advantage.

We invest in our Partners for the long-term and take a life cycle approach to support people from pre-employment to retirement. We also seek to develop people and their skills, from apprenticeships to learning pathways, so that Partners can gain qualifications while they work. Retired Partners continue to receive benefits and the support services of the Partnership.

Engaging and cultivating talent is central to our leadership plans and is a key element of the Partnership's performance management framework.

### **Progress in 2012/13**

#### *Performance Management Framework*

The Partnership's Performance Management Framework has been designed by Partners for Partners. The simple and easy to use framework aims to provide a consistent Partner experience by focusing on continuous coaching rather than a once a year appraisal. Partners are measured on 'What they do' in line with their objectives and job descriptions and 'How they do it' through the Partnership and Leadership Behaviours.

Behavioural indicators describe what it means to be a Partner and the expectations of each role within the Partnership. Partner performance is rated on the same scale throughout the Partnership and will provide us with performance insights both horizontally and vertically across the business.

#### *Talent management*

Our talent development programme is focused on helping Partners to understand their strengths and, through guided support, translating that knowledge into new levels of competence.

To help our Partners meet their aspirations, we provide direct experience in different functions and exposure to sponsors, stakeholders and senior leaders – this allows talented Partners to build their profile and networks.

Our programmes place great emphasis on support through coaching, feedback and mentoring.

#### *Career development*

We want our Partners to feel personally fulfilled in their careers. Career development is aligned with performance and talent management so that development discussions are focused around each Partner's motivations and values.

Central to our career development philosophy is the knowledge that by Partners developing their unique potential, and invariably new skills, a sustaining cycle of confidence, self-awareness and success is generated. This not only benefits the individual, but also the Partnership.

We aim to enable Partners to undertake challenging learning, which when combined with support and investment, enhances Partners' employability skills.

### **Future Plans**

#### *Qualification pathways*

As part of our commitment to improve the skills of our Partners, the Partnership offers an extensive range of vocational qualifications which are assessed alongside Partners' usual work.

The certificates and diplomas are externally verified and available via numerous pathways covering the Partnership's operations, for example: visual merchandising and sales, logistics operations, catering, procurement, finance, personnel and project management.

In 2013/14, we will pilot our first Level 6 vocational qualification – equivalent to an honours degree. This adds to the entry-level to Level 5 qualifications offered and further underlines our commitment to professionalise the retail sector. The degree Level 6 qualification will be aimed at our Partners in senior management roles.

For more detail on how we help our Partners to develop their skills, see Our Partner strategy.

## Work experience

*“We embed competencies into our appraisals so that Partners can gain qualifications while they work.”*

Suzy Welby,  
Education and Qualifications Manager,  
John Lewis

### Youth unemployment is currently a significant challenge that needs to be tackled.

Nearly half of young people not in employment, education or training in England have no experience of sustained work and many find it difficult to shift from study to work.

The Partnership takes a complete view and provides a comprehensive training offer.

### Overview

#### Our approach

The Partnership understands the significant problems concerned with young people not in education, employment or training (NEETs).

Youth unemployment in the UK is currently at 20.5 per cent, and 1.65 million 18 to 24 year olds are economically inactive (not in work and not looking for work)\*. There is a risk that a significant number of young people are not managing to successfully transition from study to paid work.

The Partnership wants to provide access for young people and the long-term unemployed to get into work – and we want them to stay and build meaningful and successful careers by working with us.

Our work experience programmes are designed to deliver great opportunities and prospects across a range of sectors. Within the Partnership, appraisals are aligned and closely mapped with qualifications allowing Partners to learn and earn at the same time.

Charlie Mayfield, Chairman of the Partnership, is Chairman of the UK Commission for Employment and Skills (UKCES). The UKCES provides independent challenge, advising government on employment and skills strategy, targets, policies and progress.

\*Youth Unemployment Statistics: February to April 2013 – Commons Library Standard Note; <http://www.parliament.uk/briefing-papers/sn05871>

#### Progress in 2013/14

##### Meaningful careers

During 2012/13, we developed a clear Partner strategy focused on delivering meaningful and satisfying careers for Partners. All our efforts are dedicated to meeting the Partnership's strategic direction, to:

- Increase the advantage of Partners
- Realise the market potential
- Grow efficiently.

We have opened new shops to contribute towards neighbourhood regeneration and we look to attract and retain local people when recruiting – in John Lewis on average, around 83 per cent of new recruits have come from the local area\*. New shops, as well as our existing retail estate, present ideal opportunities for those looking for work experience.

\*Calculated from recruitment data at opening of John Lewis Exeter, Ipswich and Stratford

#### Supporting priority groups

During our employment programmes, applications from those who are: long-term unemployed; not in education, employment or training; or disabled receive additional focus.

In 2012/13, we have:

- Offered up to 5,000 work placements across the Partnership
- Recruited 67 retail apprentices within the 16 to 24 age range
- Extended graduate training schemes
- Ringfenced job assessment opportunities in new branch openings through JobCentre Plus and Remploy resulting in 176 Partners employed – this represents a 34 per cent success rate from the opportunities ringfenced
- Waitrose and The Prince's Trust 'Get into' programme resulted in work placements for 80 young people within Waitrose.

#### Future plans

During 2013/14, we will:

- Support the UK Commission for Employment and Skills (UKCES) by providing transferable skills training to Partners in line with the UKCES agenda
- Continue to support pre-employment partnerships by working with Jobcentre Plus and Remploy to help those wanting to work to achieve their goal
- Continue to support youth unemployment with apprenticeship through to management programmes. Qualifications will be accredited by the Chartered Management Institute
- Build our employment, traineeships and apprenticeships in line with our response to the Whitehead Review and Richard Review
- Develop apprenticeship programmes focused on technology, head office functions and retail
- Continue to roll out 'Get into' work placements in Waitrose
- Support Adult Vocational Week to blend classroom learning and work experience.

## Work experience continued

### Achievements & challenges

#### Key achievements

- 94 per cent of apprentices have been retained through our programmes
- 83 per cent of new John Lewis shop positions created were filled by local recruits\*
- 176 Partners recruited through pre-employment partnerships representing a 34 per cent success rate
- Rolled out 'Get into' logistics, retail and administration work placements within Waitrose
- Launched ICT, Maths and English qualifications in John Lewis.

\*Calculated from recruitment data at opening of John Lewis Exeter, Ipswich and Stratford

#### Key challenges

- Tackling youth unemployment
- Readyng long-term unemployed people to work
- Developing satisfying and meaningful work programmes.

### Case study

#### The Birmingham Growth Alliance Partnership

John Lewis Birmingham will open in Autumn 2014 as part of the total redevelopment of New Street station in Birmingham. The retailer is a signatory of the Birmingham Growth Alliance Partnership – an initiative which aims to support the growth of Birmingham as a world class destination.

The Birmingham Growth Alliance Partnership – comprising John Lewis, Network Rail, Birmingham City Council, Retail Birmingham, Jobcentre Plus, Skills Funding Agency and the National Apprenticeship Service – aims to capitalise on the opportunities arising from the development.

John Lewis, Network Rail and Birmingham City Council signed a charter signifying their collective commitment to prioritise local people, particularly those in priority groups, when offering roles and training opportunities. It is hoped that Birmingham residents will gain access to more than 1,000 new jobs created by the development of the new Grand Central Birmingham shopping centre and Birmingham New Street station.

Andy Street, Managing Director of John Lewis (pictured above right with Sir Albert Bore, Leader of Birmingham City Council and Dyan Crowther, Network Rail) said: "Our aim as an employer is to reflect the community in which we trade and I am delighted to sign this charter, which underlines our commitment to providing local jobs for local people. We want to ensure that the opportunities created by the new Grand Central development are accessible to all and benefit Birmingham and we look forward to welcoming new Partners into our business."

# Volunteering

## **Our ambition is to deliver the 'best in class' approach to Partner volunteering.**

Our Partner strategy has a clearly stated commitment to support volunteering; Partner plans reflect our approach.

We provide volunteering opportunities for Partners through our flagship volunteering programme the Golden Jubilee Trust, and through divisional volunteering programmes.

## *Overview*

### **Our approach**

We support a wide range of activities and constantly appraise how best to support those around us.

As part of our Partner development plans, we believe that volunteering can help Partners to hone their skills, improve their adaptability and create satisfying and meaningful careers.

We aim to develop a best in class approach to Partner volunteering which deploys Partners' skills within the community for the benefit of society while supporting Partner development and building good community relations.

### **Progress in 2012/13**

Helping others is an important aspect of how we work. We believe that our Partners can improve their skills, gain new experiences, strengthen their networks and deliver a tangible benefit to society through volunteering.

We believe that volunteering can help us achieve our strategic aims to 'increase the advantage of Partners' and 'grow efficiently' and this is reflected in our Partner strategy.

#### *Golden Jubilee Trust*

The Golden Jubilee Trust is our flagship volunteering programme, established in 2000. Since that time, more than 240,000 hours have been dedicated to volunteering and resulted in 610 Partners participating in temporary assignments with UK charities.

In 2012/13, the Golden Jubilee Trust awarded a total of 17,494 secondment hours which has allowed 55 Partners to volunteer with 54 UK charities.

### **Future plans**

#### *John Lewis volunteering commitment*

Recognising the potential to boost volunteering activity at John Lewis, one of our greatest steps forward this year has been the setting of volunteering targets for 2013/14. We anticipate a 70 per cent increase in the number of hours volunteered by Partners during work time, boosting the total to more than 33,000 hours.

Clear guidance defining what constitutes volunteering and how it should be recorded is now being developed for our shops. For 2013/14, we plan to have robust processes in place to empower branch managers to manage their volunteering programmes effectively.

#### *Golden Jubilee Trust*

Areas of work covered through Golden Jubilee Trust volunteering include:

- Environment
- Arts and culture
- Social welfare
- Health
- Education and young people.

In addition, during 2013/14:

Partner secondments have been identified to support Business in the Community (BITC) Business Connectors programme and 'Bringing Talent to Life' – volunteering, mentoring and personal development activities.

Furthermore, through a range of dedicated activities undertaken by John Lewis and Waitrose we will support:

- Waitrose Community Matters Partner Volunteering
- Food banks and food donation outside Waitrose shops
- Skills development across all ages and literacy improvements in adults and children through John Lewis Bringing Skills to Life.

## Volunteering continued

### Achievements & challenges

#### Key achievements

- 9 per cent increase in time donated through Partner Volunteering
- Waitrose Community Matters Partner Volunteering scheme launched
- Volunteering approach embedded within our Partner strategy
- £1.1 million invested in time through volunteering across the Partnership
- 75,000 working hours a year allocated for Waitrose Partners to invest in volunteering
- Business in the Community (BITC) Business Connector programme supported in Waitrose.

#### Key challenges

- Allowing Partners to be released to complete volunteering activity
- Communicating our programme to the wider community to enable volunteering that helps to support customers
- Consistently recording information on community activity across all of our branches.

### Case study

#### Supporting inclusive theatre through the Golden Jubilee Trust

The Chickenshed Theatre Trust, a renowned inclusive theatre company based in North London, was the beneficiary of a John Lewis Partnership secondment providing the Trust with a Partner's support for one day a week over 21 weeks.

Dominic De Bruxelles, a Visual Merchandiser at Peter Jones, had long been searching for the most appropriate charity and with the help of his local Community Liaison Coordinator found that the Chickenshed Theatre was the perfect match for his creative talents. In 2011, the charity opened a Kensington and Chelsea branch where through workshops they are using skilled practitioners to teach. Participants of all ages, abilities and backgrounds work together to develop their talents and perform original work created by the performers themselves.

Chickenshed's new branch was looking for help to enhance the production as they lacked the necessary experience. Their objective was to improve the performance for participants and audience members alike and to maximise the fundraising from supporters and potential donors.

During the secondment, Dominic helped the theatre to meet this aim with improved production values at the 2013 Spring Show and Fundraising Gala. By working alongside the team and other volunteers, he created a professional blueprint for designing future performances and events.

## Health, safety and well-being

*“With challenges to funding within the NHS, it’s more important than ever that the Partnership’s Health Service supports Partners as our business grows.”*



Nick Davison,  
Head of Partnership Health Services,  
John Lewis Partnership

### **The Partnership’s approach towards health, safety and well-being links explicitly to our founder’s vision – the creation of worthwhile and satisfying employment.**

Partners must be mentally and physically fit for work in order to be productive in their roles and provide the quality service that our customers expect.

‘Altogether Healthier’ is our vision. This programme underlines our commitment to support Partners as our business grows with a comprehensive in-house Partnership Health Service.

### *Overview*

#### **Our approach**

The Partnership’s health service predates the United Kingdom’s National Health Service (NHS) by almost two decades and was introduced to support the long-term sustainability of the business.

In 1924, the Partnership’s founder John Spedan Lewis stressed the importance of health when he said:

“Happiness must be definitely pursued as an end in itself but it should, I think, come third in order. Health should come first, income should come next and happiness should come last of all. No one should be allowed to work in a way that is plainly doing grave damage to his health.”

Today, there are challenges to NHS funding, people are living longer and have extended working lives.

The Partnership’s health service is our proactive response to developing a healthier business capable of supporting a productive workplace.

#### **Progress in 2012/13**

During 2012/13, we have worked to create a single model for Occupational Health across the Partnership to enhance the service that we offer and build insight, long-term health and resilience among Partners.

Our approach has involved bringing together four separate group-wide health services into one comprehensive Partnership Health Service.

We aim to improve Partners’ health and happiness cost effectively and increase Partner productivity and profitability. Our aim is to:

- Enable Partners to release their competitive advantage by being fit and healthy for work
- Reduce the impact and cost of absence
- Improve the long-term health of the Partnership
- Provide a consistent health service for our Partners.

During 2013, we are reviewing our approach to mental health and stress and are working to develop solutions that help Partners to manage during difficult periods. Specifically, we will test an initiative focused on understanding and developing mental resilience.

Additional assistance is available to Partners through access to:

- Employee Assistance – 24/7 support and counselling programme provided by consultancy PPC
- Confidential Occupational Health advice services
- Counsellor support through the Retail Trust.

#### **Future plans**

A great deal of work has been done to lay the foundations for our improved and consolidated Partnership Health Service.

#### **Future health focus**

We aim to provide solutions that will support the business with:

- Proactive, preventative elements
- Early intervention – through earlier identification and referral
- Health advice – medical advice, guidance and support tailored to the Partner’s role and work environment
- Physiotherapy and podiatry services
- Health surveillance – bespoke health monitoring for Partners working in areas which are associated with specific risks due to their nature. This includes working at night and those affected by respiratory concerns or in conditions that are subject to noise, dust and allergens.

In 2013/14, we plan to improve the effectiveness of our service and efficiency by offering:

- A central medical triage service at our Health Hub based in Bracknell
- An enhanced approach to Case Management
- An in-depth approach to manage stress and mental health across the business – this will include a remote access service and online support.

We also intend to explore voluntary health-screening for Partners and will proactively focus on improving the long-term health of the Partnership.

## *Health, safety and well-being continued*

**Safety:** remains a line management responsibility. The focus is on identifying significant risk, developing risk control strategies and implementing them effectively at the local level. Local safety risk registers and independent audits of branches are used to inform the respective Partnership Boards of safety performance and areas for improvement.

The Partnership Safety Department assists new branches to complete their safety risk management documentation on day one, and advises them thereafter on the mitigation of any significant local safety risks. The department is also responsible for leading the investigation into significant incidents and reviewing the content of risk assessments.

Partnership Health Services will continue to:

- Provide safety advice where there is a specific health implication and where required
- Establish 'Day 1 Risk Assessments' for new John Lewis branches in advance of opening
- Review Risk Assessments in relation to specific incidents.

## *Achievements & challenges*

### **Key achievements**

- 'Altogether Healthier' vision established
- Partnership Health Services consolidated into one comprehensive offer
- Standalone health management system introduced to provide improved sophistication, confidentiality and an enhanced level of detail.

### **Key challenges**

- Challenges to NHS funding and the impact on waiting times and service availability highlights the need for greater self-reliance in key areas
- Improving health management systems and database and using this data to generate greater insight
- Managing long-term sickness which is disproportionately high within the Partnership, although absence levels are in line with the retail sector
- Influencing reward through our health and well-being strategy.



# Our role in communities

*The Partnership aims to obey the spirit as well as the letter of the law and to contribute to the well-being of the communities where it operates.*

Principle 7,  
The Constitution of the  
John Lewis Partnership

**The Partnership supports a broad and diverse range of good causes and we aim to create healthier, happier and sustainable communities wherever we do business.**

We believe in acting locally enabling us to be flexible in how we respond to the needs of our communities and to deliver the most direct and helpful benefit to those that we aim to support.

Furthermore, we have committed to contribute at least 1 per cent of the Partnership's pre-tax profits every year to charitable and community activities.

## Overview

### Our approach

As a responsible leading retailer we understand that we can contribute towards building stronger communities. Community engagement is important to us, our customers, Partners and suppliers. It presents opportunities for people to come together and tackle some real societal issues. We want to build trust and for our customers to see us as a positive presence in communities.

Involvement in our communities is also an essential element of our Partner strategy.

Partners are able to reinvest their skills into the community for the benefit of society while at the same time learning new skills which supports Partner development.

### Community investment

How does the Partnership respond to the needs of local communities?

### Charitable foundations

How do the Partnership Foundation projects encourage supplier communities to thrive?

## Targets

Target 2012	Progress Made	New target
Contribute at least 1 per cent of pre-tax profits to charitable and community activities.	<b>Exceeded.</b> Our total investment in community activities this year represents 3.09 per cent of our pre-tax profits.	Ongoing.
		Launch the John Lewis 'Bringing Skills to Life' programme.
		Launch the Waitrose Schools programme.

*Our role in communities continued*

*Data*

Value of Partnership contributions to charities and community groups

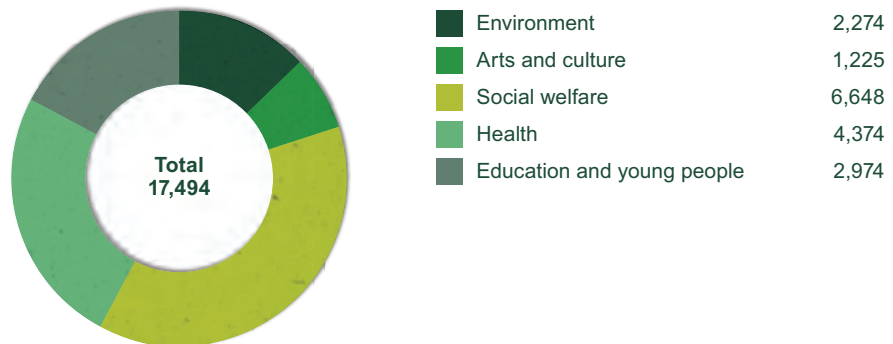


\* This figure was misstated in our annual report and accounts for 2012/13 due to an editorial error. This figure is correct for the year 2012/13.

† As defined by London Benchmarking Group model.

‡ This figure includes a total of £2,826,995 generated for The Prince of Wales's Charitable Foundation through royalties paid from the sale of Duchy Originals from Waitrose.

Partner hours awarded for secondment to charities by the Golden Jubilee Trust



## Community investment

*“While achieving my personal goal of making a difference, I have learnt a great deal from my experience as a Business Connector and developed a number of new skills.”*



Andy Gibbon,  
Branch Manager, Waitrose and regional  
BITC Business Connector,  
Rural North Yorkshire

### Making a positive contribution to the community is a Constitutional commitment outlined within our founding principles.

We aim to create a positive circle of benefit which helps communities, charities and local causes, customers, Partners and the Partnership.

### Overview

#### Our approach

The Partnership aims to engage customers, Partners and suppliers to make a lasting change in the community. Within the Partnership's Constitution, one of the seven Principles is concerned with the community: 'The Partnership aims to obey the spirit as well as the letter of the law and to contribute to the well-being of the communities where we operate.'

Across the UK, customers and communities are supported by us with provisions, cash donations, volunteer time or simply as a meeting point.

Our community focus allows us to have a positive impact and reinvest where we work and live.

#### Progress in 2012/13

The Partnership aims to respond to the needs of local communities, drive local regeneration and, where possible, make a direct economic contribution through employment and support for good causes.

The single most important thing to us when determining how to invest in our communities, is the local need. Therefore, we focus on locally led initiatives that reflect the needs of the communities where we work; our customers help to decide which local causes to support and our Partners hold a significant responsibility in deciding how.

Our Community Matters scheme started in Waitrose and during the year was rolled out to Waitrose.com and to all John Lewis shops. The scheme, which donates funds to local charities chosen by our Partners and customers, has channelled nearly £15 million of business profit to charities and good causes. In the last year alone, the figure donated through the scheme was more than £4.8 million.

Our commitment to support community activity remains strong. Some of the key achievements in 2012/13 include:

- **Investment:** Partnership-wide charitable and community contributions totalled £12.6 million\*. This is equivalent to 3.09 per cent\* of our pre-tax pre-bonus profits, measured using the London Benchmarking Group model
- **Partner strategy:** we have strengthened the importance of community involvement and included specific measures within our Partner strategy so that Partners can proactively help to address key business challenges while benefiting society

\*These figures were misstated in our annual report and accounts for 2012/13 due to an editorial error. All figures stated here are correct for the year 2012/13

- **Community Rooms:** we extended the number of John Lewis branches that offer dedicated space and well-equipped meeting room facilities free of charge for use by local charities and community groups. Local causes that use our spaces include: Autism (Aberdeen); Epilepsy Action; Mind; Workstart; and school clubs
- **Food banks:** we began a relationship with national food donation charity the Trussell Trust to hold locally led and flexibly timed food donation collections outside Waitrose shops. Throughout the year customers can donate groceries which are then packed into food parcels to be distributed to people in crisis.
- **Local community champions:**
  - Waitrose supported Business in The Community (BITC) Business Connectors programme by providing two Branch Managers to undertake a six month secondment with training from BITC to work in communities with the greatest need. The managers engage with local organisations to understand the issues which face local communities and create links to address these needs. We will continue the programme with two more Waitrose BITC Business Connectors in 2013/14
  - At John Lewis, we have dedicated Community Liaison Coordinators (CLCs) in all of our full line department stores. The CLCs work very closely with the local community, forging links and relationships, providing support through volunteering, fundraising or the provision of a meeting room.

Furthermore, the Partnership has strong growth plans and we have opened new shops and attracted new talent to work within our business.

During 2012/13, 3,800 net new jobs were created and we have recruited locally to staff our new shops. For example, at three major John Lewis shops opened in the last two years – Stratford, Ipswich and Exeter – approximately 83 per cent of Partners were recruited from the local community.

## Community investment continued

### Future plans

The Partnership's key focus moving forward is to build on the plans and relationships that have been established.

#### Waitrose

At Waitrose, we have a long-term commitment to treating people fairly, as set out in the Waitrose way.

In 2013/14, we aim to:

- Encourage 7-11 year olds to grow their own produce and sell it outside our shops to customers. The initiative to 'Grow and Sell' will help children to identify where food comes from, the importance of seasonality and the processes involved in producing food. It will also help children to develop enterprising skills by selling food to customers. Waitrose shops will work with local schools on the initiative
- Support key stage 2 primary school children to live a healthy lifestyle by delivering key messages through Partner volunteering
- Develop a relationship with a national food bank charity to offer collections outside our shops at a time to suit their needs
- Waitrose branches will begin advertising volunteering vacancies on Community Matters boxes where local causes are seeking support, thereby facilitating customer volunteering.

#### John Lewis

Within John Lewis, we have developed a strategic platform – 'Bringing Skills to Life' to strengthen our approach and focus. Through a structured programme its aim is to develop skills which help to transform communities.

In 2013/14, we aim to:

- Develop 'Bringing Skills to Life' skills programmes spanning generations and covering:
  - **Primary schools** – to support design and creative skills gaps within the curriculum by providing themed lesson plans: 'Design & Make', 'Cook & Share' and story-telling. We also plan to provide volunteer workshops, where Partners from a branch can run a lesson in a school, and activity cards so that parents can support their children's learning within the home
  - **Secondary school and young people** – we are developing an employability programme in partnership with UKYouth that will be trialed in 2013
  - **Older people** – to promote digital inclusion working collaboratively with organisations such as Age UK.
- Inspire others to invest in communities through our Community Matters programme, local branch initiatives and charitable events
- Continue local volunteering and skills sharing using our experts to merchandise charity shops and hold haberdashery workshops for community groups and causes
- Increase the amount of time our Partners can volunteer during work hours by 70 per cent.

## Community investment continued

### Achievements & challenge

#### Key achievements

- Contributed 3.09 per cent of pre-tax, pre-bonus profits to community investment \*
- Invested an additional £1 million in Waitrose Community Matters through our Christmas advertising campaign and support for food banks
- Rolled out Community Matters to all John Lewis branches
- Allocated 75,000 working hours over the year for Waitrose Partners to invest in volunteering
- Invested £9.7 million cash through charitable giving, community investment and commercial initiatives
- £479,000 in-kind contributions made across the Partnership, increase of 24 per cent compared with 2011/12
- £1.1 million invested in time through Partner volunteering, charitable giving and supplier initiatives
- John Lewis developed Bringing Skills To Life strategy to focus on improving skills and transforming communities
- Launched Community Matters Partner Volunteering in Waitrose
- Supported BITC Business Connector programme in Waitrose
- Rolled out Community Event Planner and Toolkit to John Lewis Community Liaison Coordinators – providing tools to be used within the community.

\*This figure was misstated in our annual report and accounts for 2012/13 due to an editorial error. This figure is correct for the year 2012/13.

#### Key challenge

- Our locally led community investment model makes it more challenging to manage and measure our contributions and impacts consistently across the business.

### Case studies

#### Waitrose food banks

To support some of the 13 million people across the UK living below the poverty line Waitrose has begun a relationship with a national food bank charity, the Trussell Trust.

Over the past year, demand for food 'handouts' has doubled and in many cases the recipients are not necessarily those who are welfare dependent. Often it's for people who are working but can't afford to buy food during hard times. Food banks pack groceries into food parcels to be distributed to people in crisis.

The food bank initiative began as part of Waitrose's campaign, 'Giving More this Christmas' where during the festive season the retailer invited local food banks to collect grocery donations outside its shops. It will continue as an ongoing scheme.

Commenting on the initiative, Tina Varns, Sustainability and Ethical Sourcing Manager at Waitrose said: "Our customers helped feed up to 10,000 families with a collective donation of groceries to local food banks. Through 'Give More this Christmas', we helped to assist people who have fallen on hard times with donations of food, time and money and we cannot thank our customers enough for their support."

Waitrose community giving programmes are locally led and flexible. Working with the Trussell Trust, we will hold collections outside our shops throughout the year. Waitrose Partners will further support the initiative through volunteering.

See Volunteering for further information about Partner volunteering.

#### John Lewis Cardiff helps children to read

John Lewis has participated in Cardiff Council's literacy scheme as part of the Welsh authority's 'Knowledge is power' project.

Cardiff Council's Language, Literacy and Communication strategy aims to support and develop community based initiatives that improve the literacy levels of the wider community. The Council looks for community support to improve literacy levels of school-aged pupils and adults who wish to improve their reading.

Following an advertisement in John Lewis Cardiff's Chronicle newsletter, some 30 Partners registered their interest in the scheme.

Cardiff Council sent two trainers to lead a Partner session to demonstrate how pupils learn to read and the different ways volunteers can support reading. John Lewis department managers were kept informed of the process and supported Partners with the time needed for training.

Partners involved in the project are delighted with the difference it makes.

Helen Cahill, Community Liaison Coordinator at John Lewis Cardiff store, said: "The reading scheme is an absolutely brilliant thing to do as it really shows how small things can have a massive impact in the local community. The minute you help a child understand a new word is a wonderful feeling and you know that it is something they will go on to use every day for the rest of their lives."

## Charitable foundations

### Our Charitable Foundations help to change lives for the better.

The Waitrose Foundation is in its seventh year and, so far, more than £6 million has been raised funding projects in Ghana, Kenya and South Africa.

The John Lewis Foundation was established in 2007 and supports the well-being and environment of communities producing John Lewis products both overseas and in the UK.

### Our approach

Our Foundations reflect the Partnership's business philosophy which is built on sound principles where we act in the interests of society. We provide financial and practical support for a wide range of projects in supplier communities.

From basic sanitation facilities, to setting up schools or providing leadership programmes – there are numerous ways that we can use our skills and resources to help others.

The Partnership's Foundations are successful because the models are linked to a commercial perspective based on providing help rather than simply a handout.

Our relationships encourage trade and are based on working for the long-term.

### Progress in 2012/13

We partner with established in-country charities to fund projects that benefit local people and work to combat problems by providing practical solutions across a range of issues.

#### *The Waitrose Foundation*

The Waitrose Foundation has funded more than 300 projects, for example:

- In Ghana, an agricultural resource 'Centre of Excellence' was opened during the year providing a facility for mango growers. It will also be used by Yilo-Krobo secondary school when teaching agricultural science
- In Kenya, funding for a new maternity unit has allowed a KHE Karie dispensary to be upgraded to a health centre. In turn, this has attracted annual government funding so that the centre will receive adequate supplies and staffing
- Rainwater Tanks were provided at Sun Citrus primary school to ensure that water is available when municipal services are limited. The new tanks help to reduce the risk of illnesses caused by polluted water.

#### *The John Lewis Foundation*

In 2012/13, John Lewis Foundation's association with the Cotton Connect programme entered its third year. During this time over 1,000 farmers have received training on sustainable working practices.

John Lewis shops now stock a range of tufted bath mats made using cotton grown by the farmers. Over the coming year, a further 500 farmers will be enrolled into the programme.

### Future Plans

#### *The Waitrose Foundation*

During 2012/13, the Waitrose Foundation joined the Trade and Global Value Chains (TGVC) partnership with other food and clothing retailers, local charities and governments to help farmers and workers improve working conditions.

The Waitrose Foundation's youth leadership development programme in South Africa will be supported by the Department for International Development towards enabling young people working on Waitrose Foundation Farms to secure the future of their communities and local economies.

#### *The John Lewis Foundation*

Two additional John Lewis Foundation projects have been agreed:

- Funding the building and running of a new girls Academy in Badohi Uttar Pradesh, India to give the opportunity for approximately 160 girls to continue studying up to the age of 15. The Foundation has partnered with 'Care & Fair', an established charity in India which operates 13 schools. The building is due to open in 2014 and will be sited where John Lewis hand-made rugs are made
- Working with the British Asian Trust on education and employment projects in India

# GRI index

This report is aligned with the Global Reporting Initiative (GRI) G3 Sustainability Reporting Guidelines, and we consider this report to be a GRI self-declared application level B.

For a detailed explanation of the indicators, visit the GRI website ([www.globalreporting.org](http://www.globalreporting.org)).

## Management approach disclosures

Indicator	Reporting level	Location and notes (online) refers to <a href="http://www.johnlewispartnership.co.uk">www.johnlewispartnership.co.uk</a>
EC1	Fully	Chairman's statement, Community investment, Our Partner strategy, Career development, 2013 Annual Report & Accounts.
EC2	Partial	Safeguarding the environment – Climate change, Energy.
EC3	Partial	2013 Annual Report & Accounts Business Review (page 19) (online).
EC6	Partial	Responsible sourcing, Integrity in our supply chain, Improving workers lives, Local sourcing.
EC7	Partial	Work experience, Diversity and inclusion.
EC8	Fully	Our communities, Work experience, Diversity and inclusion.
EC9	Partial	Community investment.
EN2	Partial	Safeguarding the environment – data, Waste – Case study: John Lewis closes the loop with carpet recycling trial.
EN3	Fully	Safeguarding the environment – data. Data on the amount of direct energy produced is not available.
EN4	Partial	Safeguarding the environment – data.
EN5	Partial	Safeguarding the environment – energy.
EN6	Partial	Our unique Business – Bringing Quality to Life.
EN7	Partial	Safeguarding the environment – data.
EN8	Partial	Safeguarding the environment – data. We report municipal water supplies data only.
EN11	Partial	Safeguarding the environment – Responsible Development – Waitrose Chipping Sodbury – a showcase for responsible development.
EN12	Partial	Safeguarding the environment – Responsible Development – Waitrose Chipping Sodbury – a showcase for responsible development.
EN13	Partial	Safeguarding the environment – Responsible Development – Waitrose Chipping Sodbury – a showcase for responsible development.
EN14	Fully	Safeguarding the environment – Responsible Development – Waitrose Chipping Sodbury – a showcase for responsible development.
EN15	Partial	Our views: endangered species (online).
EN16	Fully	Safeguarding the environment – data.
EN17	Fully	Safeguarding the environment – data.
EN18	Fully	Safeguarding the environment – climate change; energy.
EN22	Fully	Safeguarding the environment – data. This is not split by hazardous and non-hazardous waste.
EN23	Fully	There have been no significant spills during the reporting period.
EN26	Partial	Our Unique Business – Waitrose way and Bringing Quality to Life.

## GRI index continued

Indicator	Reporting level	Location and notes (online) refers to <a href="http://www.johnlewispartnership.co.uk">www.johnlewispartnership.co.uk</a>
EN27	Partial	Safeguarding the environment – Waste – Case study John Lewis closes the loop with carpet recycling trial; John Lewis – Packaging.
EN28	Fully	There have been no fines or non-monetary sanctions for non-compliance with environmental laws and regulations this year.
EN29	Fully	Safeguarding the environment – transport.
LA1	Fully	Data download.
LA2	Fully	Data download.
LA5	Fully	For any change that affects 20 or more Partners, we comply with statutory regulations for collective consultation. For changes affecting fewer Partners we advise a minimum of four weeks but this is more often than not 13 weeks.
LA6	Partial	Safety and health (online).
LA7	Partial	Data download.
LA8	Fully	Safety and health (online).
LA11	Partial	A great place to work – Career development, Work experience.
LA12	Fully	A great place to work – Our Partner strategy.
LA13	Fully	Data download.
HR2	Partial	Responsible Sourcing (online).
HR3	Partial	Integrity in our supply chain – Improving workers' lives.
SO1	Partial	Community investment.
SO5	Partial	Our stakeholders.
SO6	Fully	Annual report and accounts (online) – page 34.
SO7	Partial	There have been no legal actions for anticompetitive behavior, anti-trust, or monopoly practices.
PR1	Partial	About our products (online).
PR3	Partial	Our customers (online), Responsible sourcing (online), About our products (online).
PR5	Partial	Customer service (online).
EC: Economic performance.	Fully	Our Constitution, (online) Our strategy (online), Chairman's statement, Annual report (online) – Chairman's statement (p.2), Business review.
EC: Market presence.	Fully	Our Constitution (online), Our strategy (online), Chairman's statement, Annual report (online) – Chairman's statement (page 2).
EC: Indirect economic impacts.	Fully	Our Constitution (online), Our role in communities.
EN: Materials.	Fully	Safeguarding our environment: Responsible development.
EN: Energy.	Fully	Safeguarding our environment – energy.



*GRI index continued*

Indicator	Reporting level	Location and notes (online) refers to <a href="http://www.johnlewispartnership.co.uk">www.johnlewispartnership.co.uk</a>
EN: Water.	<b>Fully</b>	Safeguarding our environment – Water.
EN: Biodiversity.	<b>Fully</b>	Safeguarding our environment.
EN: Emissions, effluents and waste.	<b>Fully</b>	Safeguarding our environment – Waste.
EN: Products and services.	<b>Fully</b>	Our unique business: The Waitrose way and Bringing Quality to Life.
EN: Compliance.	<b>Fully</b>	Responsible development (online), Compliance (online).
EN: Transport.	<b>Fully</b>	Responsible development (online), Safeguarding our environment – Transport.
EN: Overall.	<b>Fully</b>	Governance (online), Responsible development (online), Our Constitution (online).
LA: Employment.	<b>Fully</b>	A great place to work – Our Partner strategy, Our Constitution (online).
LA: Labor/management relations.	<b>Fully</b>	Annual report and accounts (online) Business Review (p.26) A great place to work – Our Partner strategy.
LA: Occupational health and safety.	<b>Fully</b>	Safety and health, Annual Report and Accounts 2013 (online) p.27.
LA: Training and education.	<b>Fully</b>	A great place to work – Career development, Work experience, Annual Report and Accounts 2013 (online) p.27.
LA: Diversity and equal opportunity.	<b>Fully</b>	A great place to work – Diversity and inclusion, Opportunities for all (online).
HR: Investment and procurement practices.	<b>Fully</b>	Responsible sourcing, Integrity in our supply chain – Improving workers' lives, Responsible sourcing code of practice (online).
HR: Non-discrimination.	<b>Fully</b>	CSR policy (online), Governance (online).
HR: Freedom of association and collective bargaining.	<b>Fully</b>	CSR policy (online), Governance (online).
HR: Child labor.	<b>Fully</b>	Responsible sourcing (online), Integrity in our supply chain – Improving workers' lives, Responsible sourcing code of practice (online).
HR: Forced and compulsory labor.	<b>Fully</b>	Responsible sourcing (online), Integrity in our supply chain: Improving workers' lives, Responsible sourcing code of practice (online).
HR: Security practices.	<b>Fully</b>	CSR policy (online).
HR: Indigenous rights.	<b>Fully</b>	Responsible sourcing (online), Integrity in our supply chain – Improving workers' lives, Responsible sourcing code of practice (online).
SO: Community.	<b>Fully</b>	Our role in Communities.
SO: Corruption.	<b>Fully</b>	Our Constitution (online).
SO: Public policy.	<b>Fully</b>	Annual report & accounts (online) p.34.
SO: Anti-competitive behavior.	<b>Fully</b>	Annual report & accounts (online) – GSCOP, p.34.

*GRI index continued*

Indicator	Reporting level	Location and notes
SO: Compliance.	Fully	Governance (online), CSR policy (online), Our customers (online), Our constitution (online) – p.31. <small>(online) refers to <a href="http://www.johnlewispartnership.co.uk">www.johnlewispartnership.co.uk</a></small>
PR: Customer health and safety.	Fully	Integrity in our supply chain – Food quality and safety.
PR: Product and service labelling.	Fully	Customer service (online), Promoting Positive Choices.
PR: Marketing communications.	Fully	Never knowingly undersold (online), CSR policy (online).
PR: Customer privacy.	Fully	Privacy policy.
PR: Compliance.	Fully	Product safety (online).

*GRI index continued*

## Standard disclosures

Indicator	Reporting level	Location and notes (online) refers to <a href="http://www.johnlewispartnership.co.uk">www.johnlewispartnership.co.uk</a>
1.1	Fully	Chairman's statement.
1.2	Fully	Chairman's statement, Our unique business, Annual Report and Accounts (online) – Business Review.
2.1	Fully	Our unique business.
2.2	Fully	Our unique business.
2.3	Fully	Our unique business.
2.4	Fully	Reporting and assurance.
2.5	Fully	Reporting and assurance.
2.6	Fully	A Partnership Approach, 2013 Annual Report & Accounts (online).
2.7	Fully	2013 Annual Report & Accounts (online).
2.8	Fully	Our unique business, 2013 Annual Report & Accounts (online).
2.9	Fully	No significant changes during the reporting period.
2.10	Fully	At a glance – Awards & Recognition.
3.1	Fully	Reporting and assurance.
3.2	Fully	Reporting and assurance.
3.3	Fully	Reporting and assurance.
3.4	Fully	Reporting and assurance.
3.5	Fully	Reporting and assurance, Our stakeholders.
3.6	Fully	Reporting and assurance.
3.7	Fully	Reporting and assurance.
3.8	Fully	Reporting and assurance.
3.9	Partial	Data download.
3.10	Fully	Community and carbon figures were misstated in our annual report and accounts for 2012/13 due to an editorial error. All figures stated in this report are correct for the year 2012/13. Safeguarding the environment – Data; Our role in communities – Data.
3.11	Fully	No significant changes during the reporting period.
3.12	Fully	GRI Index.
3.13	Fully	Reporting and assurance.
4.1	Partial	Governance, Annual Report and Accounts (online).
4.2	Fully	Governance, Annual Report and Accounts (online).
4.3	Fully	Annual Report and Accounts (online).

*GRI index continued*

Indicator	Reporting level	Location and notes (online) refers to <a href="http://www.johnlewispartnership.co.uk">www.johnlewispartnership.co.uk</a>
4.4	Fully	Partnership Council (online), The Partnership (online) .
4.5	Fully	All Partners with direct functional responsibility for sustainability, including senior managers and board members, have sustainability performance objectives within their job descriptions. Annual pay reviews reflect individual performance against their job description and the local market rate. All Partners are held to account by their managers to uphold our Constitution, which includes economic, social and environmental elements. The Chairman is held to account by the Partnership Council. The share of profits allocated to Partners is fixed each year by the Partnership Board and is distributed as the same percentage of gross annual pay for all Partners. Partners with exceptional performance may be rewarded at any time with a cash bonus payment by local management. To recognise and reward Partners in a spontaneous and personal way for behaviour which promotes and supports Partnership values the Partnership also has a non-financial recognition policy.
4.6	Fully	2013 Annual Report and Accounts – Directors' report (online).
4.7	Fully	2013 Annual Report and Accounts – Directors' report (online).
4.8	Fully	Governance, Partner strategy, Our Constitution (online), Responsible Sourcing Code of Practice (online).
4.9	Fully	Governance Partnership Council (online), Partnership Board (online), Management Bodies (online), Chairman's Committee.
4.10	Fully	All Partners are held to account by their managers to uphold our Constitution, which includes economic, social and environmental elements. In addition, sustainability issues are included in the annual performance review for board members with specific responsibilities for sustainability (eg Director of Personnel). The Chairman is ultimately accountable for the Partnership's commercial performance and responsible for upholding the constitution. He is held to account by the Partnership Council.
4.11	Fully	The John Lewis Partnership does not formally apply the precautionary principle – the idea that if the consequences of an action are unknown but could be negative, then it is better to avoid that action – to our decision-making processes. However, we do employ this approach in certain areas of our activities, such as addressing climate change.
4.12	Partial	Integrity in our supply chain – Improving workers' lives, Engaging our stakeholders (online), Our associations (online), At a glance – Awards & recognition.
4.13	Fully	At a glance – Awards & recognition, Our associations (online), Our stakeholders.
4.14	Fully	Our stakeholders, Our associations (online).
4.15	Fully	Engaging our stakeholders (online), Our associations.
4.16	Fully	Engaging our stakeholders (online).
4.17	Fully	Our stakeholders, Engaging our stakeholders (online).

## Contact us

Further information about sustainability at the John Lewis Partnership and our full report are available online at [johnlewispartnership.co.uk](http://johnlewispartnership.co.uk). If you have any comments regarding this report, please contact:

**Benet Northcote**

Head of Corporate Social Responsibility  
John Lewis Partnership  
[csr@johnlewis.co.uk](mailto:csr@johnlewis.co.uk)

