

People in supply chains

As many global supply chains become more complex, we're seeking greater transparency in the supply to our business.

Every worker in these supply chains must be treated fairly and rewarded appropriately for their work. We take this responsibility seriously and aim to positively impact workers' lives.

Factory audits play an important role in safeguarding the human rights of workers in supply chains. However, they only capture a snapshot in time and may not accurately reflect ongoing challenges. For this reason, over the past year, we have increased our focus on initiatives such as human rights impact assessments to evaluate our biggest risks. Through these assessments, we gain a deeper understanding of risks in our supply chains and, as a result, will collaborate more closely with our suppliers on any follow-up interventions.

Another focus area has been our Better Jobs programme, which enables our suppliers to hear direct feedback from their workforce about the needs, and ideas for better job satisfaction, of those who grow, pick, pack and make products and provide services for our business.

We became signatories of the UN Women's Empowerment Principles (WEPs) in March 2022. The Principles set out seven steps that business and other sectors can take to advance and empower women in the workplace. Endorsing the WEPs demonstrates our commitment to empowering women in the workplace and creating gender-inclusive supply chains.



Our progress



It helped me learn about a better way of communication with employees. Better communication can build a better worker relationship, which is good for the growth of the company.”

ZONGFA WANG
Better Jobs workshop participant and
factory manager at Weihai Yunxiang
Embroidery Co Ltd.

Human rights in Italian fresh produce supply chains

Despite our support for projects such as the Ethical Trade Initiative (ETI) Italian tomatoes working group, low wages, poor working conditions and a lack of effective grievance mechanisms continue to present risks in the Italian tomato industry, particularly in southern Italy.

In 2021, we co-developed a pilot project with Oxfam to help address some of these human rights issues, leading to our supplier implementing new grievance and resolution policies and mechanisms. We are liaising with the ETI working group to share the learnings and next steps from our pilot.

Human rights in tea supply chains

Following reports in March 2021 of gender-based abuse on the Lujeri Tea Estate, Malawi, Waitrose stood by its direct supplier – the only retailer to do so – to ensure that improvements at the estate were made. This included establishing clear grievance processes and a training programme for workers, which is underway, on recognising and tackling discrimination. We also began conducting human rights impact assessments within our wider tea supply chains, initially focusing on issues faced by smallholder farmers in Kenya. We plan to work alongside key stakeholders in the Kenyan tea sector to develop actions that address the assessment’s forthcoming recommendations.



The Better Jobs programme

This reporting year, our [Better Jobs programme](#) included suppliers of Waitrose and goods not for resale (GNFR), as well as John Lewis. In total, 50 suppliers took part: 29 in the UK covering 31 sites and 2,399 worker responses; and 21 in China covering 24 sites and 3,580 worker responses. The data identified a number of key challenges for workers, including mental health. We will develop initiatives for managers and workers to better understand the nuances of these challenges and facilitate improvements.

Better Jobs China

Based on the results of the 2020 Better Jobs China survey, in July 2021 we ran two workshops across 13 factories to improve communication and the management of difficult conversations. In total, the workshops were attended by 17 managers and 23 workers.

Since inception, 80 supplier sites across the UK and China have engaged with the Better Jobs programme. 11,000 worker responses have so far helped us design and deliver programmes within our supply chain aimed at improving the lives of employees.

Supporting sustainable livelihoods – the Waitrose & Partners Foundation

The Waitrose & Partners Foundation strives to ensure sustainable livelihoods for supply-chain workers and their families around the world. In Kenya, one of the Foundation’s initiatives helps workers access affordable loans. Since it launched in 2019, the programme has provided more than 5,000 loans to over 4,000 people, enabling them to invest in projects including additional income-generating activities. In South Africa, the Foundation is running a training programme to equip farm health workers with the skills to support fellow workers’ wellbeing following the pressures of Covid-19. So far, 99 workers have been trained. In Ghana, the Foundation supported the development of an agritech lab trialling new technology and agricultural practices to improve efficiencies and reduce costs for struggling small-scale farmers. This activity is scheduled to continue into 2022.

Improving traceability

During 2021, we conducted in-depth risk and human rights impact assessments on a number of our supply chains below tier 1⁵. Since 2019, we have been developing our approach to improving traceability and due diligence in the lower tiers of our artisan hand-woven rugs supply chains. During 2021, alongside established consultant ASK India, we began a programme supporting our suppliers to formalise their working arrangements and conditions. In this first phase, ASK India carried out training for Partners in our Indian Sourcing Office to develop their skills for assessing risk and supporting improvements at informal sites. We are also investigating on-the-ground monitoring programmes to verify ongoing compliance with our code of conduct.

⁵ A tier is defined as a stage in the supply chain carrying out a particular activity in the production of a product. For example, tier 1 is defined as: sites manufacturing a finished product, or where the majority of assembly and packaging of the product bearing the John Lewis or Waitrose label occurs.

Our challenges

Transparency and traceability

Through our programme of factory audits of our Tier 1 sites we know that there is room for improvement in our management of factory compliance, and in the past year have introduced new systems and processes to enable this, with greater visibility and improved ethical compliance against our goals. This work is however ongoing, and in 2022 we are committed to implementing and embedding further improvements, including training, system-based controls, and internal reporting.

We also continue to invest in programmes that provide increased transparency and traceability beyond tier 1 across our extensive supply base and are actively identifying the best partners and initiatives to address the salient risks identified.

Identifying risks to human rights in these tiers continues to be a challenge due to the complexity of global supply chains. At present, we take a risk-based approach beyond tier 1 but recognise we need to do more.

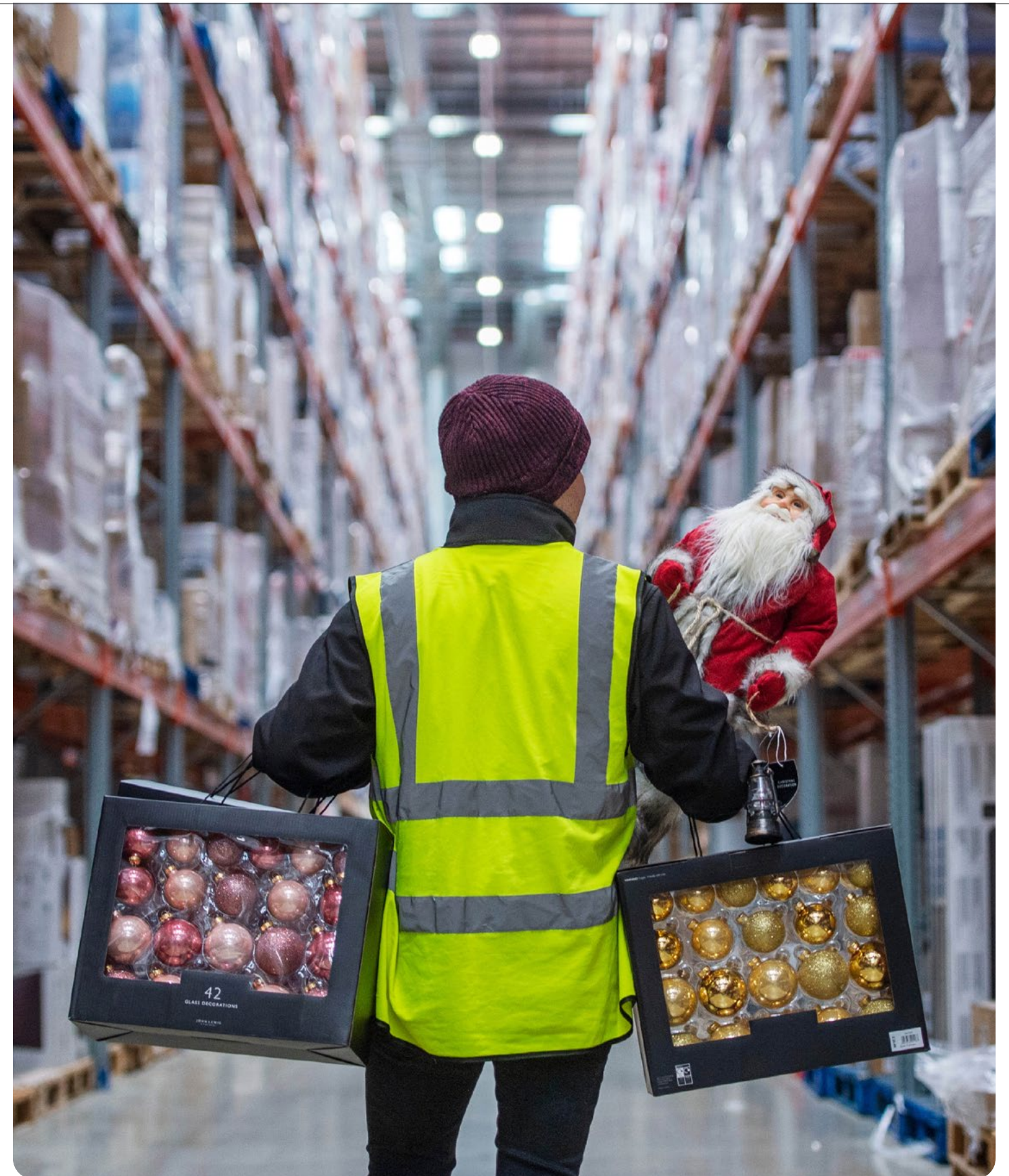
Supporting vulnerable workforces

The ongoing impacts of Covid-19 have continued to put pressure on global supply chains, sometimes making it harder for vulnerable workers to meet their basic needs. One way in which we have supported some of our most vulnerable supply-chain workers is through our participation in the project, convened by the Ethical Trade Initiative, 'Securing workers' rights in a Covid-19 context in East African agriculture supply chains', alongside several other retailers and suppliers.

Programme interventions included business continuity training, Covid-19 management training, financial literacy initiatives and support to develop kitchen gardens. More than 10,000 workers are estimated to have benefited.

UK labour shortages

Labour shortages in the UK affecting key links in our operations and supply chains remain a challenge for us and our suppliers. We will continue to work together to find solutions. A combination of factors, including leaving the EU and the pandemic, mean food production sites have not always been able to meet their labour demands. Warehouse operations, including our own, found it difficult to recruit workers for the 2021 peak seasons, leading to an increased reliance on contingent labour providers. We continue to engage with the UK government and the National Farmers Union to share insights and identify ways of collectively supporting our suppliers.



CASE STUDY

Supporting factory workers with young families in Vietnam

As part of a homework exercise the parents were set a simple activity they could easily do at home to help them spend more time and bond with their children. The parents encouraged their children to draw family photos. Parents fed back that the children had a good time with the drawing activity.



In June 2021, in response to the ongoing pandemic, Vietnam's government announced a strict 'three on the spot' model, meaning that in order for factories to remain open, workers had to live, rest and work within the factory premises. This model generated increased financial and health-related stress among workers, not least for parents forced to leave children with carers.

We collaborated with The Centre for Child Rights and Business in Vietnam to organise a family support programme for current and potential parent workers at eight suppliers. The online training sessions, delivered in October 2021, aimed to promote healthy parent-child bonds throughout the pandemic, helping workers navigate a stressful situation. The sessions explored approaches to health, safety and wellbeing, including stress and anxiety, and covered topics such as children's rights and safeguarding, communicating with children more effectively and organising outdoor activities for children.

90%

stated that the training met their expectations.

Positive outcomes from the programme included:

- Parents expressed increased confidence in their ability to parent their children during the pandemic.
- Participants changed their perspective on the importance of interacting and communicating with their children during everyday activities.
- Participants considered whether they should adapt aspects of their parenting style to deal with the unique situational pressures.

In total, 72 workers (66 female and six male) participated in nine online sessions. Of the participants, 93% agreed that the content was helpful in strengthening their relationships with their children and 90% stated that the training met their expectations.

Looking forward

During 2021, alongside 35 other businesses, we called on the UK government to bring forward important legislation mandating companies to conduct human rights and environmental due diligence. Throughout 2022, we will continue to monitor the progress of this legislation, which, as well as driving higher standards of human rights and environmental due diligence across supply chains, will ensure justice for the victims of poor practice.

The UK labour shortages continue to impact our operations, particularly during peak periods when we rely on contingency labour to meet our requirements. Following the work of our internal working group in 2020 and 2021, we are partnering with the Slave-Free Alliance to carry out further gap analyses and modern slavery risk assessments in our GNFR supply chains.

In 2022, the UK sees the launch of the Modern Slavery Intelligence Network (MSIN), a non-profit collaboration of retailers and suppliers from the UK food and agriculture sectors, of which Waitrose is a founding partner. Created in response to Operation Fort, the UK's largest-ever modern slavery investigation, MSIN's mission is to disrupt and prevent modern slavery and labour exploitation.



Over the year ahead, our Better Jobs programme will expand to two new countries, South Africa and India, and include suppliers in our produce, garment and home accessories categories. Every relationship will be overseen by an Advisory Board of local professionals who will help us consider the unique challenges and salient issues of each country. We also intend to align the Better Jobs programme with our refreshed Partnership Purpose, sharing details of similar challenges between our business and our supply base and establishing best practice to address them.

The Waitrose & Partners Foundation will continue to improve its impact framework to ensure it is maximising improvements for the livelihoods of those working within Waitrose supply chains. In 2021, centrally funded projects focused on managing the impacts of the Covid-19 pandemic. Building on this, 2022 will see the Foundation invest in climate- and nature-related programmes, helping Foundation farmers increase their resilience to the changing climate.