ETHICS & SUSTAINABILITY BETTER JOBS PROGRAMME 2020/21

A summary of findings from the second year of the programme in the UK and launch of the pilot programme in China.

JOHNLEWIS & partners JOHN LEWIS PARTNERSHIP

WAITROSE & partners

THE BETTER JOBS PROGRAMME

THE JOHN LEWIS BETTER JOBS PROGRAMME WAS LAUNCHED IN THE UK IN 2019. THE AIM OF THE PROJECT IS SIMPLE: TO SUPPORT OUR SUPPLIERS TO BUILD BETTER JOBS FOR THE PEOPLE WHO MAKE OUR PRODUCTS.

Recognising that many of our highly skilled supplier base felt restricted by the repetitive nature of 'tick box' audit formats back in 2015, we embarked on a process to understand how we could move beyond a standardised audit method. Informed by experience from our Model Factory Programme (please see page 7 of the 2016/17 Human Rights and Modern Slavery Report for further information), experts from the John Lewis Partnership and an Advisory Group consisting of representatives from the Joseph Rowntree Foundation, the Institute of Employment Studies, and the Chartered Institute of Personnel and Development (CIPD), came together to collaborate on what better jobs might look like for the John Lewis Partnership.

The employee survey was inspired by our own Partnership Your Voice survey, a survey run every year for all Partners to participate in (for further information about the survey, or the creation of the Better Jobs programme please see page 4-5 of the 2019 Better Jobs Report)

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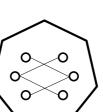
and the CIPD Good Work Index. The Good Work Index is a national survey measuring and reporting evidence on jobs and people's experience of work in the UK. Using these insights and their widespread knowledge of working practices, our expert team developed Better Jobs. We are now in our second year of the programme. This year we have also piloted a version of Better Jobs in China.

The framework has seven themes which, collectively, we think make a Better Job: Voice, Growth, Reward, Security, Job Design, Respect and Health & Wellbeing. Better Jobs is a worker centric programme. At its heart is the World of Work Survey which asks workers' views across each of the seven themes. In parallel, the supplier management teams are asked to think about how the jobs they offer then support those same themes, providing examples of innovative practice that can then be shared with others. They share their responses in a custombuilt portal, that also provides resources and guidance on each of the framework themes.

"The John Lewis Partnership is leading the way on understanding and supporting job quality in its supply chains. Over recent years there's been a lot of exciting work done on job quality or 'good' or 'fair work' but this has focused mainly on how employers treat their own workers. This emphasis is understandable, but as a society, if we really want to improve job quality sustainably, we must take a wider view. Employers must of course continue to look at their own employees' working lives, but the next logical step is to also look at one's supply chain. In doing this, the Better Jobs Framework is breaking new ground."

JONNY GIFFORD | Senior Adviser for Organisational Behaviour CIPD & Better Jobs Advisory Group Member





We started the Better Jobs programme because we wanted to bring the voice of the worker into our programme. We also wanted to be able to share our own, and learn from others', insights. We do this in several ways:

RESOURCE SHARING

Firstly, we continue to grow and develop the content on the Better lobs portal, where case studies are shared from John Lewis, suppliers and other expert sources, and suppliers can see how their workers are responding to the survey in comparison to their peers.

ENGAGEMENT

Secondly, we use the output from the programme to directly engage with the suppliers taking part, helping them to set relevant action plans.

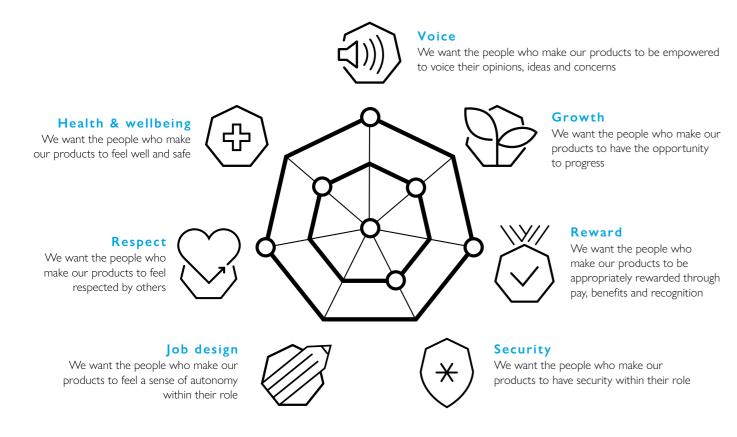
CAPABILITY BUILDING

Finally, we're developing specific strategies based on the insights from the Better Jobs programme and feeding them in to our wider supply chains.

- In this summary report we share some of the key facts, figures and insights from year two of our UK programme, as well as a short summary of the China pilot.
- We are hugely grateful to the suppliers that have taken part both in the UK and China, despite the very disruptive and challenging year we've all faced.

THE BETTER JOBS FRAMEWORK

THE BETTER JOBS PROGRAMME CONSISTS OF TWO PARTS: A FRAMEWORK THAT HELPS SUPPLIERS THINK ABOUT THE WAYS THEY SUPPORT, ENGAGE AND REWARD THEIR EMPLOYEES, AND THE WORLD OF WORK SURVEY THAT CAPTURES THE VIEWS OF THE WORKERS THEMSELVES.



We use the same framework themes for both the UK programme and China pilot but the questions and format differ, taking into account the local context. The Advisory Board in each location has helped us understand that context.

This year we made some significant changes to the survey to take into account the huge impact of Covid-19 on suppliers and their employees.

We included topics around furloughing, new questions on the effects Covid-19 has had on household income, as well as having an increased focus on the health and wellbeing of workers - recognising the impact the pandemic may have had on worker welfare.

We also introduced some additional questions in the framework to explore the relationship between John Lewis and our suppliers during the pandemic, particularly focusing on the importance of communication.

We would normally run comparisons against the CIPD Good Work Index to give us a national benchmark for our own Better lobs UK results. However, this year, the CIPD report uses data from January 2020. We ran our survey in September 2020, and the world was a very different place. This made any type of meaningful comparison impossible. For this reason, we have instead made light-touch comparisons to the CIPD Covid-19 snapshot surveys. These were conducted by YouGov on a monthly basis between April and September 2020, examining people's experience of work during the Covid-19 pandemic.



ADVISORY BOARD UK

LOUISE WOODRUFF

Policy and Research Manager, Joseph Rowntree Foundation

Louise is leading on work with employers to develop good working practices, particularly on addressing in-work poverty in low paid sectors.

JONNY GIFFORD Senior Advisor for Organisational Behaviour, CIPD

Jonny has been conducting applied research into employment, people management and organisations for almost 15 years.

STEPHEN BEVAN Head of HR Research Development, Institute for **Employment Studies**

Stephen has conducted research and consultancy on highperformance work practices, employee reward strategy, performance management, staff engagement and retention, and 'good work'.

CHINA

KAN WANG Associate Professor of Labour Relations, China University of Labour Relations

Professor Wang has rich experience in studying employment relationship evolvement and labour union development in textile and electronic industries in major supply chain areas in China.

YUCHENG LIANG Professor of Sociology, Sun Yat-Sen University

Professor Liang has been leading the China Labour-force Dynamics Survey (CLDS) since 2010, a national survey capturing the dynamic changes in communities, families and labour.

BETTER JOB

40% OF SUPPLIERS BY SPEND TOOK

PART IN THE BETTER JOBS UK PROGRAMME IN 2020

1,870 WORKERS IN THE UK SUPPLY CHAIN TOOK PART IN THE WORLD OF WORK SURVEY IN 2020

1/4 ABOUT A QUARTER OF WORKERS SURVEYED ARE FOREIGN NATIONALS

WE RAN THE SURVEY AND FRAMEWORK FROM MID-AUGUST TO EARLY NOVEMBER. UNSURPRISINGLY, THE PRESSURES OF COVID-19 FEATURED HEAVILY IN BOTH SETS OF RESPONSES.

45 suppliers took part in the programme this year. 29 of those suppliers were new to Better Jobs in 2020. Three of these were Waitrose suppliers, piloting the framework only, ahead of a wider Waitrose rollout during 2021.

In 2019, we had 23 suppliers complete the framework and over 800 employees participating in the survey. Considering the difficulties experienced this year, we are extremely pleased with the growth of the programme in year 2.

This means that since inception, 52 suppliers are using the Better Jobs framework, and more than 2,600 World of Work Survey responses have been collected.

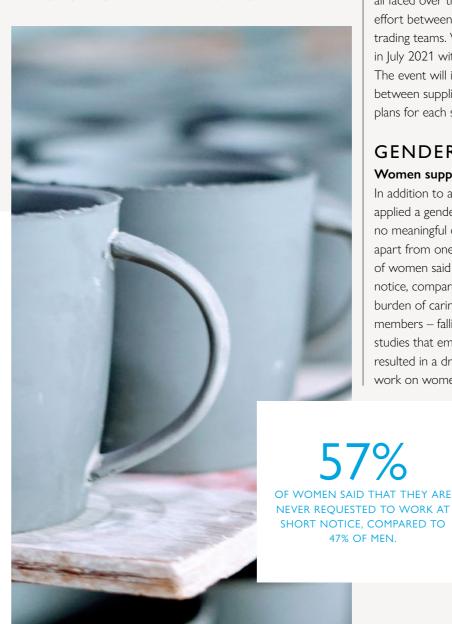
"The last year has obviously been a turbulent one, with lockdown and furloughing (a word that many had not even heard previously) featuring prominently. It's prompted much discussion on what workers need from and value in their jobs and working lives."

JONNY GIFFORD

Senior Adviser for Organisational Behaviour CIPD & Better Jobs Advisory Group Member

INSIGHTS OVER TIME - WHAT HAS CHANGED **BETWEEN 2019 AND 2020?**

A core collective of suppliers from the 2019 Better Jobs Programme also completed the Programme in 2020. Whilst the World of Work Survey differed significantly this year due to the changes made to take into account the impact of Covid-19, some overarching comparisons were possible. We saw an increase in positive responses against the Voice and Respect themes, perhaps highlighting the success of our suppliers at keeping their employees both well-informed, and heard, throughout the pandemic. Conversely, we saw a decline in Growth and Security, likely a direct response to the uncertainty of the period. The rest of the themes remained broadly the same across the board, giving us a good baseline to compare against in 2021.



WHAT ARE OUR TAKEAWAYS?

There was a standout takeaway for us this year, and that was the relatively high number of workers (30%) reporting that they feel anxious at work. Whilst this was in line with national averages reported in the CIPD Covid-19 snapshot survey, we think this is clearly an area that needs work. Linked to this is the question of workload - the same number of workers reported that they feel they have an excessive workload. Furthermore, we found a clear correlation between flexibility and how anxious people felt at work. The more that employees were able to have some flexibility - in their hours of work and shift patterns - the more in control they felt, and subsequently, less anxious.

Based on this, we are directly focusing on how to build resilience among workers to help them cope with the challenges we have all faced over the past 18 months. This will be a collaborative effort between suppliers and their employees, and the John Lewis trading teams. We are kicking off this area of focus with an event in July 2021 with insight from expert speakers on this topic. The event will include knowledge sharing and peer learning between suppliers and will be built upon with individual action plans for each supplier.

GENDER

Women supporting the care economy:

In addition to analysing each question individually, we also applied a gender lens across the survey. Interestingly, there were no meaningful differences in responses from men and women, apart from one question where scores differed significantly. 57% of women said that they are never requested to work at short notice, compared to 47% of men. This is may be down to the burden of caring duties – such as for children and older family members - falling to women during the pandemic. This reflects studies that emerged during 2020 showing that Covid-19 resulted in a dramatic increase in the burden of unpaid care work on women.

Applying a gender lens across Better Jobs helps us to understand how gender differences play out within our specific supply chains. We are aware that men and women often experience the workplace differently and therefore we are reviewing how we can best support women in our supply chains. For more information, please refer to our Women in John Lewis Partnership Supply Chains report.



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SECURITY

Despite the pandemic, over 70% of workers still felt secure in their job:

Only 9% of workers in the Better Jobs survey felt they might lose their jobs, in comparison to 23% of people surveyed in the CIPD Covid-19 snapshot survey. This was up from 13% in the January CIPD Good Work Index report. This shows, firstly, how significantly the pandemic has impacted job security. Secondly, the positive response may be a reflection of John Lewis' supplier base who are almost entirely (over 95%) permanent employees, in comparison to 80% of workers surveyed in the CIPD Good Work Index 2020. These permanent contracts may be adding an extra layer of security in difficult times.

Whilst all non-food suppliers reported using the Government furlough scheme at the start of the pandemic, most reported production capacity (at the time of survey) almost back at pre-Covid levels, with the average capacity at 91%.

Though capacity was recovering, suppliers were struggling to return to pre-pandemic productivity levels due to the adjustments that were needed to keep workers safe.

From an employer perspective, 69% of suppliers said that they received regular trading updates from John Lewis which helped them to better plan through the pandemic.

"We've extended our product lines so people are able to socially distance and keep safe."

John Lewis supplier

"The John Lewis Partnership buying team have been very supportive with lead times and flexibility on delivery options and dates."

John Lewis supplier

GROWTH

Early signs of a skills shortage?

Over half of the workers reported that changes at work had meant they have needed to learn new skills.

Suppliers responded that they've had to increase training of workers to cover those who've left or been put on furlough, or simply in response to massive increases in demand for some suppliers.

"With the huge demand of orders to manufacture and process daily, our staff have been shadowing colleagues and have upskilled."

John Lewis supplier



HEALTH & WELLBEING

Some workers are clearly feeling the pressure but overall, wellbeing scores were up:

Just over 30% of workers reported that they felt under pressure and anxious at work. This reflects the average seen in the national CIPD Covid-19 snapshot survey. A similar number reported that they felt that they have an excessive workload, perhaps as a result of the aforementioned skills shortage.

On the other hand, the majority - almost 70% feel that their working environment supports their wellbeing. Positively, this was slightly up on last year and is favourable in comparison to the CIPD Covid-19 snapshot survey. In addition to this, over 60% of workers feel full of energy and enthusiasm at work.

"Some of our skilled staff returned home to their native country as a result of the lockdown and have not returned."

John Lewis supplier

80%+

OF SUPPLIERS INVOLVED STAFF DIRECTLY IN THE PLANNING AND DECISION-MAKING PROCESS TO ADJUST TO THE PANDEMIC

JOB DESIGN

Flexible working makes a difference:

Evidence from the survey suggests that facilitating flexible working has been the most effective way to reduce the anxiety and pressure workers feel.

76% of suppliers had introduced more flexible working hours, such as staggered start and finish times, and giving people time off for caring priorities.

"We have allowed staff to work from home as much as possible, we have allowed staff to work different shift patterns to allow flexibility in child care, we have allowed staff flexibility in start times and finishing times to avoid peak travel times. We have allowed swapping of shifts between people on the factory floor to allow more flexibility where needed."

John Lewis supplier

"The company gives me flexibility when it comes to hours and breaks. They take care of our health and wellbeing. I feel like I belong here."

Worker at a supplier facility



REWARD

Unsurprisingly household income was impacted:

A sizeable proportion of workers – almost 40% - reported that their household income was significantly impacted by Covid-19. This differs in comparison to the CIPD Covid-19 snapshot survey, where over half of workers surveyed found their financial security had worsened since the onset of the pandemic.

A similar percentage in the Better Jobs Programme were unaware of their benefits package. We will be exploring this finding in 2021 as we expect that these benefits could make a difference in such uncertain times.



RESPECT

Purpose matters:

Over 80% of the workers surveyed agreed or strongly agreed with the statement: 'I understand how my work supports the positive impact the organisation has on the lives of others'.

Examples given both by workers responding to the survey and suppliers responding to the framework, included repurposing of manufacturing for PPE, donations of food, support for workers and their families, and support for the local community. For workers, this was reflected in a strong sense of respect and pride for their jobs. It is likely that this sense of purpose is closely linked to the high proportion of workers feeling part of a supportive team.

"During lockdown and after we reopened [...], we manufactured over 200k face coverings for front line workers."

John Lewis supplier



VOICE Communication helps reduce uncertainty:

Over 80% of employers included their employees in the planning and decision making around adjustments needed during the Covid-19 lockdown and subsequent reopening. This compares to the CIPD Covid-19 snapshot survey where only 55% of workers felt that they had been given enough information about the return to work.

This demonstrates a thoughtful approach from John Lewis Partnership suppliers and may be indicative of the open relationship between John Lewis and their supply chain. 70% of suppliers mentioned that they had received regular trading updates from John Lewis during the pandemic, which in turn helped them plan more efficiently.

The CIPD Covid-19 snapshot survey revealed that consultation between employers and employees can reduce anxiety about returning to the workplace. Our Better Jobs survey suggests that good communication and flexible working [see lob Design] have both been key to reducing the levels of anxiety felt by workers in our supply chains.

OF WORKERS REPORTED THAT THEIR HOUSEHOLD INCOME HAS BEEN SIGNIFICANTLY

IMPACTED BY COVID-19

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CASE STUDY

RUCOMFY BEAN BAGS

rucomfy bean bags are a small family-run business based in Blackburn, Lancashire. They have been operating for 36 years and have been working with the Partnership for five years.

With an extraordinary response rate of 98% - 49 out of 50 workers – completing the World of Work Survey, rucomfy performed consistently highly against all seven themes.

Against the framework, rucomfy reported that they have supported flexible working for employees during the pandemic and ensured regular communication (even throughout lockdown) for all staff through a Whatsapp group.

During the pandemic, rucomfy pivoted, manufacturing over 200,000 face coverings for front line workers, reopening a second warehouse to ensure employees were able to social distance safely. They have been focused on upskilling workers in this period, which was reflected through feedback in their survey, with the significant majority of workers feeling that they have the right skills for their job.

BETTER JOBS CHINA

16 FACTORIES TOOK PART IN THE BETTER JOBS

2,940+

WORKERS IN THE CHINA SUPPLY CHAIN TOOK PART IN THE WORLD OF WORK SURVEY IN 2020

59%

OF WORKERS RESPONDING TO THE SURVEY IDENTIFIED AS FEMALE OF WORKERS WERE AGED BETWEEN 30 AND 50

OUR TEAM IN HONG KONG WORKED TOGETHER WITH OUR LOCAL CONSULTANCY PARTNERS, CARNSTONE ASIA, AND THE BETTER JOBS CHINA ADVISORY GROUP, TO ADAPT AND DESIGN THE WORLD OF WORK SURVEY AND FRAMEWORK TO ENSURE IT WAS RELEVANT FOR WORKERS IN CHINA.

This was a pilot project, with the key aim of testing the process and format. We ran a webinar with a group of key suppliers, explaining the project and introducing the Advisory Group. 15 suppliers accepted the invitation to take part in the pilot, with a total of 16 factories included across those suppliers. "It has been very helpful to review the survey data in the EKO organisation. The data has already been used as a catalyst for more regular communication with factory workers, and in identifying training needs that will improve the skills that the workers are looking for. Overall, this kind of survey is very helpful in prompting managers & supervisors to give more focus and attention to the needs of employees."

QUOTE FROM EKO UTILITY (UK) LTD (Factory: Inox Bin Products Limited)

BROAD TRENDS:

This was a pilot so the numbers of suppliers was relatively small, and inevitably we're focusing on those with a close relationship to John Lewis. So, we should be careful not to draw any conclusions for our wider supply base. That said, the pilot produced some interesting results. Here are the key findings:



VOICE

Workers are able to voice their opinion:

The workers responding to the survey felt 'able to voice their opinion' with 74% of workers strongly agreeing with this statement.



HEALTH

Workers felt that their physical working environment supports their wellbeing:

With 84% agreeing with this statement. This was very positive. 70% of suppliers thought that John Lewis had supported them during the pandemic to ensure worker safety.

But, as with the UK, a third of workers said that they recently felt under pressure and anxious.



REWARD Household income has been impacted by the pandemic:

Similarly to the responses in the UK survey, a considerable proportion of workers, 50%, reported that their household income had been significantly impact by Covid-19.



SECURITY

Production capacity was unsurprisingly still not back to pre-pandemic levels for all factories:

But suppliers were able to better plan due to timely updates from John Lewis.

11 of the 16 factories reported capacity below prepandemic levels. Five were back up to, or producing more, than before the pandemic.

80% of suppliers reported that John Lewis had kept them up to date with trading updates and that this had helped them to better plan.

From an employee perspective, 85% of workers responding reported that they felt secure in their jobs.

PLANS FOR 2021

ENGAGEMENT IN BOTH THE SURVEY AND FRAMEWORK HAVE BEEN HIGH, ESPECIALLY CONSIDERING THE VERY DIFFICULT YEAR THAT OUR SUPPLIERS HAVE BEEN THROUGH. FROM THE FEEDBACK WE'RE RECEIVING. WE BELIEVE THAT SUPPLIERS ENGAGED IN THE PROCESS FIND BETTER JOBS USEFUL AND PRACTICAL, GIVING THEM IMPORTANT INSIGHTS ON THE JOBS THEY'RE PROVIDING.

For John Lewis, the programme helps us to better understand those working in our supply chains, and is a positive way to engage supplier partners. Below we outline our plans for the coming year. In addition to this, we are also considering piloting Better Jobs in a third country.

UK

For the UK programme, all suppliers taking part have access to the Better Jobs online portal. Here they can see how their framework responses compare, by theme, to the responses given through the worker survey. They can also see what their responses look like compared to the average for all suppliers. They can use this to inform their strategies going forward.

The John Lewis Human Rights Team have shared the results with the John Lewis Buying functions, and are following up directly with each supplier to discuss their results, identify best practice that can be shared with other suppliers, and talk through their specific action plans.

To support this, we will continue to update and add additional resources on the platform against each theme, including: supplier case studies, insights from our own work with our Partners, as well as tools and materials from our Advisory Board and other key experts.

We will be holding a virtual event in July 2021, with suppliers that have previously taken part in the Programme, suppliers that would like to take part in the future, the Advisory Board and the John Lewis trading teams in attendance. We will be covering the findings from the 2020 Better Jobs Programme, with a specific focus on how to build resilience in our supply base. The event will broadly focus on two topics:

- How to support good mental health and resilience of workers as we emerge from the pandemic; and
- How to better manage workload pressures. It will include expert speakers on these topics and our Advisory Board will also be in attendance. The event will launch our focus on resilience this year.
- In 2021 we want to expand the Better Jobs Programme further, with a target to get participation from suppliers covering at least 60% of our total John Lewis spend in the UK. Alongside this, we will be expanding the Better Jobs Programme to include more Waitrose suppliers.



CHINA

In April 2021, we held an online webinar session to bring together all of the 16 supplier factories that took part in the China programme. We shared what we've learned from the pilot, and the Advisory Group shared insights from their own research



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