

Transparency in Supply Chains  
Statement and Human Rights  
progress report.





# Tackling Modern Slavery

## Transparency in supply chains statement.

**This statement is made pursuant to Section 54 of the Modern Slavery Act 2015. It constitutes our modern slavery and human trafficking statement for the 2016 calendar (and financial) year. Last year, the John Lewis Partnership published our first modern slavery and human rights report. This year's report provides an update on progress over 2016/17.**

### Our business

The John Lewis Partnership operates 48 John Lewis shops across the UK, johnlewis.com, 352 Waitrose shops, waitrose.com and business to business contracts in the UK and abroad. The business has annual gross sales of over £11bn. It is the UK's largest example of an employee-owned business where all 86,700 staff are Partners in the business. We sell 400,000 products sourced from more than 90 countries. There have been no material changes to our business operations over the past year.

### Our approach

Our Founder, John Spedan Lewis, instilled a culture of acting with courtesy and kindness in the Partnership. This extends not only to our co-owners, but to all those with whom we interact. Our approach to tackling modern slavery is influenced by these business values. It forms part of our broader human rights strategy, through which we work to raise labour standards, improve working conditions and create fairly rewarded employment.

We know that complex supply chains can pose greater risks for vulnerable workers and therefore much of our activity focusses on this area. Given the increased awareness and understanding of modern slavery

more cases are being exposed. A high profile example in the UK involved a factory supplying one of our suppliers (see page 7). We have learned from these cases to strengthen our approach and further protect vulnerable workers. We have taken the following actions:

#### Policy and commitment

We have updated our supplier Responsible Sourcing Code of Practice (RSCOP). This is aligned with revisions to the Ethical Trading Initiative (ETI) Base Code and makes clear reference to the Modern Slavery Act.

Waitrose has worked with its strategic partner, Dalehead Foods, to help implement the RSCOP beyond tier one, in Waitrose livestock supply chains for the first time.

#### Due diligence and risk assessment

We have long established due diligence programmes in Waitrose and John Lewis to monitor implementation of our standards and drive improvements. Over 2016/17, we built a more detailed picture of risks in key supply chains, with Waitrose's work with the Wilberforce Institute and John Lewis' Model Factory Programme. We established a more robust compliance programme for Goods Not For Resale (GNFR). We have also supported the ETI on the development of their due diligence framework and are in the process of testing this in the Spanish agricultural sector.

#### Awareness and collaboration

We have worked hard to raise awareness of modern slavery and collaborate with others to find solutions for workers. Senior leaders in the business have

engaged with policy makers and spoken on public panels to discuss risks and share best practice. We have partnered with Just Enough UK to educate more than 9,300 primary school children about modern slavery, to raise awareness of this issue over the long term. In higher risk areas, we also continue to champion Stronger Together, Fast Forward in the UK, and international initiatives such as Project Issara in Thailand. Internally, we have also trained teams on human rights across the business, from our central procurement function to John Lewis buying teams.

#### Socio-political changes

We have continued to respond to changing political landscapes and are committed to working with our suppliers in these areas. For example, in Turkey, the Syrian refugee crisis is complicating a challenging labour rights environment. In response to this, John Lewis, and other UK retailers have joined an ETI platform which aims to strengthen the industry's ability to address key human rights issues. Similarly, Thailand is a major sourcing country for shellfish retailers. Waitrose extended its auditing programme in Thailand to gain more visibility of the seafood industry and to engage workers on the ground.

In this statement and report we have tried to further increase transparency on the risks to workers, share insights that we have gained through our ethical trade programmes, and be clear about the steps that we have taken to protect vulnerable workers. Business cannot tackle modern slavery alone, and so we are committed to working with a range of stakeholders to protect workers.

#### More information

More detailed financial and non-financial performance information including our Annual Report and Accounts can also be found [online](#).

Download our Responsible Sourcing Code of Practice [online](#).



Read more about our business on page 3



Read more about due diligence on page 4



Read more about risks in our supply chain on page 6



Read more about our collaborations on pages 7, 8, 9

**Tracey Killen**  
Director of Personnel

## Introduction to this 2016/17 update

The John Lewis Partnership is a different kind of business. A business where every employee is a co-owner. Through our democratic structures, journalism and communications channels, our Partners have a voice. We can challenge and influence business decisions and strategy.

Acting with courtesy and kindness is a thread that runs through the Partnership and one that we look to extend to all the people that we interact with through our supply chains, in our shops and in our local communities. Respecting the rights of these people is a key priority for our business.

In 2016, we published a [full report](#) which outlined our human rights strategy and plans. It covered our Partners, our customers and workers in the supply chain.

The purpose of this report is not to repeat all the information that we included in 2016. It is to provide an update on progress against our plans, share transparent information about the issues and challenges we have faced, and exceed the requirements of the transparency in supply chains clause of the Modern Slavery Act.

This update focusses on workers in our supply chains. The global nature of our supply chains and the diversity of products and services that we use and sell, means that this is where the greatest complexity, and therefore risks, lie. Our strategy and programmes address the most salient issues faced by workers and are delivered in those areas where we can have the greatest impact.

More information about our Partners and customers can be found in our [Annual Report and Accounts](#)

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In its pursuit of these business interests, the Partnership is influenced properly by considerations of humanity.



John Spedan Lewis,  
Fairer Shares 1954



## Key developments

### Improved governance and policy

We have updated our RSCOP and extended its scope to cover 'Goods Not for Resale' (GNFR). Our Partnership and Divisional governance committees have shown leadership and commitment in overseeing our strategy and plans.

### Increased advocacy and engagement

We have engaged and communicated on human rights and labour standards internally, with our suppliers, and with our peers, on public platforms, with policy makers and, of course, with workers in our supply chains.

### More supplier collaboration

Supplier engagement is integral to improving labour standards for workers and we have advanced our programmes and pilots.

### Deeper understanding of risks and salient issues

Through our programmes, stakeholder engagement and further risk assessments we have gained a deeper understanding of the salient issues faced by workers at a more local level.

### Extending the scope of our work

We have carried out further investigation into our raw materials supply chains, increased focus on GNFR and extended our due diligence requirements beyond tier one in key product areas.

## Transparency

Respecting human rights and tackling modern slavery is about making clear commitments, progressing against those commitments and being honest about the challenges faced. This report is written in the spirit of transparency and acknowledges that while we have made progress, there are still areas on which we need to work.

## Our business

We are focussed on addressing the most salient human rights issues in the supply chains of the products we buy and sell across Waitrose and John Lewis.

The John Lewis Partnership operates 48 John Lewis shops across the UK, johnlewis.com, 352 Waitrose shops, waitrose.com and business to business contracts in the UK and abroad.

We have 86,700 Partners. Giving our Partners a voice is central to the principles of co-ownership and we are committed to promoting worker engagement through our supply chains. Engaging with workers provides them with an opportunity to shape and improve their working conditions.

Our two divisions – Waitrose and John Lewis – depend on growers, manufacturers, packers, drivers and suppliers in the UK and around the world to bring great quality products to our customers.

However, given the different types of products that they sell their supply chains are very different.

The Partnership also works with agency, contract and temporary workers to provide essential support services and to help during peak trade periods such as Christmas and Black Friday. These workers are involved in IT, distribution, driving, cleaning and maintenance.

In 2015 we carried out a comprehensive analysis of our operations and activities to better understand our potential areas of influence and impact. Following the UN Guiding Principles Reporting Framework we identified the most salient issues faced by workers, and developed our strategy to drive improvements in these areas. Throughout the report you will see how we have been tackling these issues through our programmes.

### Waitrose

14,900

Own-brand products predominantly food items with an increasing portfolio of non-food

70

Sources from more than 70 countries

Seasonal sourcing cycles need to be carefully managed

1,066

Final packing and production sites and 1,068 fresh produce growers

### John Lewis

65,875

own-brand home, fashion, electrical and technology products

1,600

sources from over 1,600 factories in more than 50 countries

3

Key manufacturing countries are China, India and the UK

## Salient human rights issues for workers in our supply chains



### Worker engagement

Effective communication channels for workers to express opinions and positively influence working conditions.



### Vulnerable workers

Protecting those workers who are most vulnerable to exploitation such as migrant workers, women and children.



### Workers' wages

Wages should at least be enough to meet basic needs and provide some discretionary income.



### Informal supply chains and smallholders

Protecting workers in informal and unregulated supply chains such as home workers, artisanal suppliers, subcontractors and smallholders.



### Worker safety

Maintaining good health and safety practices.

### The United Nations Guiding Principles

The UN Guiding Principles (UNGPs) on Business and Human Rights are a set of guidelines for companies to prevent and address negative impacts on human rights by business.

### Salient issues

The UNGP describes a company's salient human rights issues as those human rights that stand out because they are at risk of the most severe negative impact through the company's activities or business relationships. The Partnership aims to make a positive impact where the risk is greatest.

## Supply chain due diligence developments

The foundation of our human rights strategy is robust policies and monitoring processes. In 2016, we developed our due diligence further to ensure we have the right processes in place to manage risks in our supply chains.

### Policy

In 2016, we reviewed and updated our supplier RSCOP which is aligned with revisions to the ETI Base Code. [Download our RSCOP](#)

### Management and governance

John Lewis and Waitrose have teams of ethical trading experts who, under a Partnership-wide policy, set direction, monitor due diligence processes, drive beyond compliance work, and lead stakeholder engagement.

Waitrose has 20 technical managers who are newly accountable for ethical compliance in their product areas. This change broadens the responsibilities of compliance to those closest to suppliers and allows the ethical trading experts to focus on beyond compliance programmes addressing more systemic issues in supply chains.

John Lewis has a sourcing office in India which manages the ethical trade compliance programme on-the-ground for its Indian suppliers and some Waitrose non-food products.

We have also appointed a Corporate Social Responsibility lead in our procurement function, who is driving our strategy development for Goods Not For Resale (GNFR). These are the products and services we buy and use as a business. We are particularly focussing on labour providers.

Given the priority the business places on human rights, our Partnership and Divisional corporate responsibility committees have dedicated a significant proportion of their agenda in 2016/17 to ethical trade and labour standards to provide effective oversight and challenge to the business.

### Risk assessment

We assess human rights risk in our supply chain using independent risk data such as the Maplecroft global risk tools, the United Nations Guiding Principles (UNGP) and International Trade Union Confederation (ITUC) Annual Survey. In 2016/17 we have deepened our understanding of risks in specific supply chains. For example, our understanding of European fresh produce supply chains through our work with the Wilberforce Institute (see page 7), in the Dominican Republic through our work with Fairtrade (see page 9), through our employment practice programme in the UK furniture supply base (see page 7), through our worker-manager dialogue pilot in China (see page 8) and our health and safety programme in India (see page 9).

### Supplier approval and monitoring

Waitrose and John Lewis have clear processes in place for supplier approval and monitoring to assess how they are implementing the RSCOP, and ensure they are meeting our standards. Continuous improvement is key and factories work through improvement plans to address non-conformances and agree corrective actions. Auditing is an essential tool in identifying potential risks. For example during 2016/17 Waitrose's auditing process identified eight instances where management processes had not been followed as they should have, which could have increased the risk of modern slavery.

However, identifying systemic issues such as modern slavery requires deeper engagement with our supply chains than auditing alone.

We continue to review our due diligence process. For example, in 2016 John Lewis adopted new requirements through the Better Work Programme for four high-risk countries that we source from: Cambodia, Vietnam, Indonesia and Bangladesh. It is a comprehensive programme looking to improve the working conditions and competitiveness of the clothing industry. It brings together all levels of the garment and footwear industry as well as the International Labour Organization and International Finance Corporation.

Waitrose has extended due diligence beyond tier one to some of its fresh produce growers, by introducing human rights questions into the Waitrose Farm Assessment.

### Internal training

Each year, all John Lewis supplier-facing Partners must complete mandatory responsible sourcing e-learning. In 2016 over 400 Partners completed the training and the course makes specific reference to the Modern Slavery Act. In addition, 70 partners in our Central Procurement Department have successfully completed Corporate Ethical Procurement and Supply certification.

## Waitrose

25%

Final packing and production sites in high risk countries

388

Independent ethical audits assessed in 2016/17

## John Lewis

590

Audits assessed in 2016/17

80%

Factories assessed that meet minimum requirements

1,782

Workers engaged through supply chain projects

## Overview of progress in 2016/17

Looking beyond compliance, and focussing on our key supply chains, both divisions have made significant progress in the key programmes they have established to address the most salient risks.

### Waitrose

#### Fresh produce



Read more  
on page 7

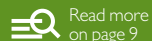
Working with the Wilberforce Institute, completed risk assessments on 13 sites in the UK, Spain and Italy growing mushrooms, leeks, cabbages, salad crops, tree fruit and tomatoes.

Working with suppliers to drive improvements and share best practice across the supply base.

Developed new strategy for the Waitrose Foundation to align it with the business's sourcing, ethical and technical priorities, address salient human rights risks, and expand to more sourcing countries by 2020.

Extensive stakeholder consultation over 2016/17 and attained Management Board sign-off.

#### Commodities



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on page 9

Progressed partnership with Fairtrade.

100% of our bananas, cane sugar and in store coffee are Fairtrade.

Developed four strands to our partnership with Fairtrade in the short-term which include supporting conversion of Fairtrade Javanese coffee producer groups, improving wages for banana workers in the Dominican Republic, Fairtrade endorsement of the Waitrose Foundation and strategic marketing to raise awareness of worker welfare issues.

#### Meal solutions and meat, fish, poultry and eggs

Continued key collaboration, for example Project Issara – a multi-stakeholder programme between retailers, NGOs and civil society to increase understanding of issues in the Thai seafood supply chain.

Member of the Food Information Network for Ethical Trading, a framework for retailers and suppliers to improve human rights in global food supply chains through a common approach to the identification and management of risks.

Worked with its strategic partner, Dalehead Foods to help implement the RSCOP in Waitrose livestock supply chains for the first time.

### John Lewis

#### UK



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on page 7

Delivered training covering UK employment law and the Modern Slavery Act to 107 UK suppliers during 2016/17.

Ten factories took part in the Model Factory Programme which involved detailed audits to identify issues related to their employment practices.

Workers in participating factories completed surveys to give confidential feedback on their experience of being at work.

#### India



Read more  
on page 9

Launched a health and safety e-learning training programme for 50 managers in ten factories in India.

John Lewis will monitor progress of managers taking the course and will review how this pilot project can be adapted to our wider supply base.

#### China



Read more  
on page 8

Launched pilot in three factories to improve constructive and effective dialogue between workers and managers and drive improvement in labour practices.

Managers participated in training and on site workshops to support more open conversations with their workers.

133 workers consulted.

### Goods Not For Resale (GNFR)

Appointed a CSR lead to carry out risk assessment and develop strategy.

Reviewed RSCOP requirements of GNFR.

Trained 70 Partners in the Procurement Department on ethical procurement practices.

Carried out risk assessment of temporary labour supply chain and engaged labour providers.

Worked with Sedex to initiate first retail industry GNFR Working Group to develop best practice approaches to assessing suppliers.



## Understanding our supply chains

We source our products from more than 90 countries around the world. Over the past year we have deepened our understanding of the systemic issues that workers can face in these supply chains. The map below shows some of our sourcing regions and the risks workers can face as learned through our programmes and collaborations.

### Europe

We source extensively from Europe for both fresh produce and multiple non-food items. Although closer to home, these supply chains still present challenges:

#### United Kingdom

John Lewis works with more than 150 factories producing furniture and other home products. Waitrose sources fresh produce from over 300 fresh produce growers and the Partnership works with labour providers for agency and temporary workers.

Through our work with the Wilberforce Institute (see page 7), our Model Factory Programme (see page 7), and our due diligence programmes, we know that workers can face risks arising from:

- Informal recruitment in seasonal supply chains
- Lack of scrutiny of labour providers
- Lack of awareness of good employment practice

#### Spain

An important sourcing country for Waitrose tomatoes, cucumbers and kale. Through our work with the Wilberforce Institute we know that practical steps that can be taken to mitigate risks include:

- Formalising recruitment processes
- Strengthening personnel processes and improving systems to raise awareness of and identify forced labour
- Ensuring that workers have an effective mechanism to share concerns anonymously

### Central and South America

An important sourcing region for fresh produce such as melons, pineapples, bananas and asparagus. From insight we have gathered and our work through the Waitrose Foundation, we have a better understanding of some of the salient human rights risks.

#### Costa Rica

Costa Rica is a major source of pineapples for Waitrose. Our research indicates there is risk around:

- Collective bargaining
- Working hours
- Worker wages

#### Dominican Republic

Through our partnership with Fairtrade (see page 9) we know that some risks to workers in these regions include:

- Worker wages
- Poor manager worker dialogue
- Worker representation and collective bargaining

### Asia

We source products from across the Asian continent including garments and home textiles as well as Waitrose seafood. Specifically, India is an important sourcing country for our towelling and sheeting. We have a sourcing office based in Gurugao, which helps to manage the ethical trade programme. We are focussed on addressing some of the key challenges that workers can face:

#### China

John Lewis sources from almost 780 factories in China. We know from our extensive monitoring programme that priority areas to focus on for workers are:

- Improving worker voice mechanisms
- Improving health and safety standards
- Addressing working hours and excessive overtime

#### India

John Lewis sources from 187 factories in India. Priority areas to address in this country are:

- Improving health and safety
- Informal and unregulated supply chains which can make improving worker rights more challenging

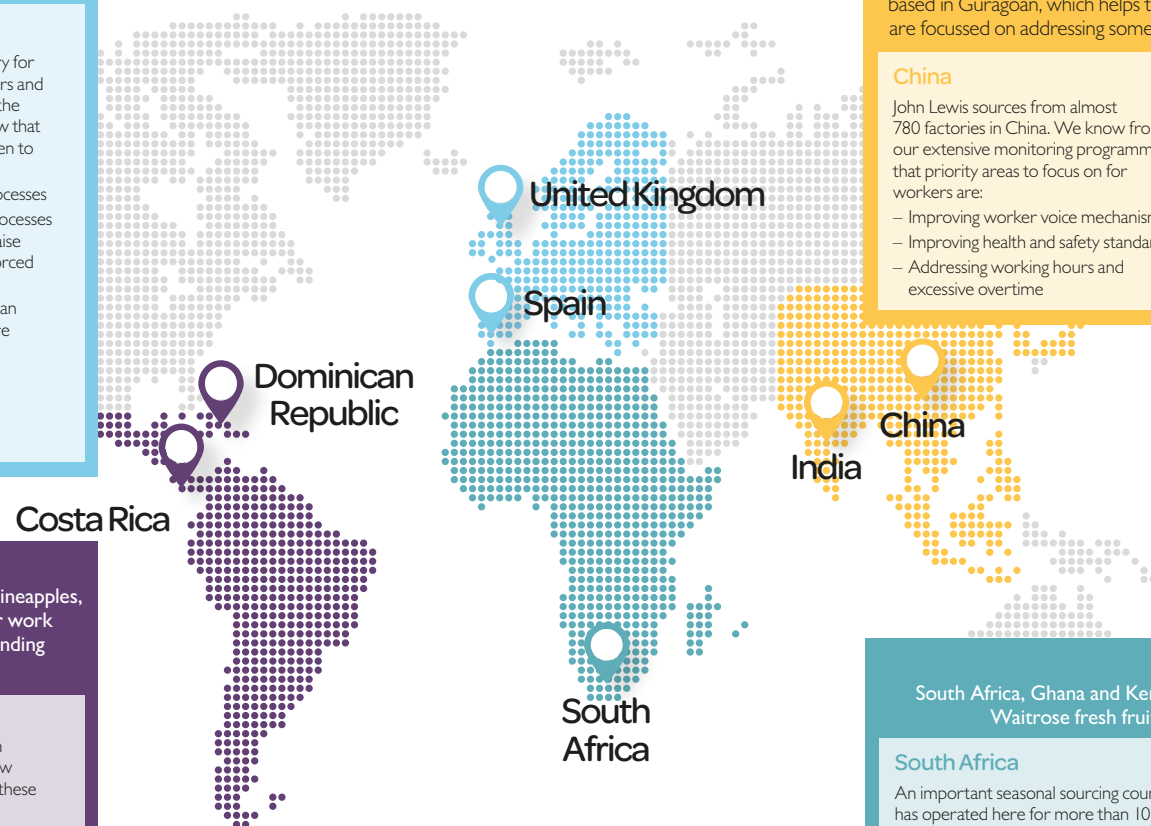
### Africa

South Africa, Ghana and Kenya are strategic sourcing countries for Waitrose fresh fruit, vegetables and horticulture.

#### South Africa

An important seasonal sourcing country for Waitrose. The Waitrose Foundation has operated here for more than 10 years and understands that in South Africa key risks to workers arise due to:

- Reliance on migrant workers who are more vulnerable to exploitation
- Unstable political climate
- Poor worker engagement channels



## Protecting vulnerable workers

Within complex supply chains, some workers are more vulnerable to exploitation. The people most at risk vary depending on the supply chain, country, type of work, length of contract or cultural norms. We supported the ETI in the development of their vulnerable workers toolkit which highlights vulnerable groups, including women, migrant workers and temporary workers.

The solutions for these workers are complex, and therefore the Partnership is committed to identifying vulnerable workers and looking for ways to protect them and drive changes in working conditions.



At Hypnos, it is vital that we make sure our culture, processes and systems are in line with, or exceed, current legislation. There is no doubt that the Fast Forward audit went in to far more detail, highlighting points that will help us become a leader in the field of ethical trading and manufacturing.



**James Keen**  
Managing Director Hypnos Ltd

## Fresh produce supply chains



Fresh produce supply chains often rely on migrant and seasonal workers at peak times of the year. This means that workers may move from farm to farm, working for short periods at each site. Ensuring that the recruitment process is robust, and working conditions are effectively managed, is essential to protect these workers.

### Partnering with the Wilberforce Institute

To understand the potential risks of modern slavery in our Waitrose supply chains we are partnering with the Wilberforce Institute on Slavery and Emancipation, part of Hull University. The experts at Hull University have carried out site specific risk assessments.

### Progress in 2016

Due diligence checks have been conducted at 17 sites across the UK, Spain and Italy, supplying produce such as mushrooms, leeks and tomatoes.

Priority growing sites were identified according to future strategy and where we have greater sourcing leverage.

The assessments involved engagement with a range of local stakeholders including workers, industry bodies, NGOs and local trade union representatives.



### Key insights

Whilst there was a lot of good practice in the supply chains assessed, we identified some management processes which need to be addressed to reduce the risk of modern slavery:

- Ensuring workers understand their rights, contracts and pay arrangements is key
- Workers need to be engaged in their local language through interpreters
- Robust record keeping is needed to monitor right to work, working hours and recruitment
- Clear standards for and more rigorous assessment of labour providers is required

### Next steps

Reports have been compiled at country level and by site. The country level reports and trends have been shared with all suppliers operating in that country to raise awareness and drive best practice.

Individual action plans have been developed for sites to address any areas for improvements and our suppliers are working closely with our ethical trading team on these plans.

We will use these insights to drive improvements across our supply chains in these countries and beyond.

## UK furniture supply chains



In 2016, the owner of Kozee Sleep, a UK bed manufacturer, was convicted of conspiracy of trafficking individuals within the UK. John Lewis had previously used this factory, and although an audit had been conducted, it became clear through the trial that there was evidence of criminal concealment in this case. It can be particularly difficult to uncover cases of human trafficking through a standard audit process. As a consequence of this case, John Lewis reviewed and substantially changed the way it works with UK-based suppliers, specifically to identify and protect vulnerable workers.

### Fast Forward

We are a member of the Fast Forward programme which aims to measure and improve labour standards, increase supplier transparency and protect vulnerable workers in the UK. As part of this programme, John Lewis hosted a number of workshops for suppliers covering modern slavery, right to work, contracts and health and safety.

### The Model Factory Programme

John Lewis also launched a Model Factory Programme which tested a new detailed auditing methodology used by the Fast Forward initiative. It also conducted confidential online worker surveys at each participating factory with the support of worker representative councils and union representatives. It is hoped that feedback from these surveys will support managers to facilitate more meaningful discussions with their workers to address issues that will improve their experience of being at work.

### Progress in 2016

107 suppliers took part in Fast Forward employment practice workshops

10 factories selected to take part in the Model Factory Programme

1,603 workers took part in the confidential survey

### Key insights

The Fast Forward audits have shown that there is room for improvement on recruitment processes and personnel checks so that they are robust and fit for purpose. In addition, many suppliers have limited due diligence measures in place to assess labour providers used to supply their workers.

### Next steps

In 2017 we will work with Model Factory Programme participants to review results of worker surveys and audits. We will support them to develop action plans and complete training programmes to address issues identified. We will also look to extend the Fast Forward audit methodology for all suppliers' factories in the UK.





## Engaging workers

We believe that worker engagement is central to respecting human rights and driving improvements in labour standards. Giving workers a clear voice and enabling worker-manager dialogue will help them to shape and improve working conditions in areas that matter the most to them. This is a central principle of our work and we are trialling different ways of promoting this through our supply chain.



The action taken so far has set Waitrose apart from other retailers. Growers see that Waitrose is committed, increasing trust and encouraging long-term supply relationships that will benefit everyone.



**Jim Flambert**  
Technical Director, Primafruit

## Worker committees and the Waitrose Foundation



The Waitrose Foundation was established more than 10 years ago. It currently operates in three of Waitrose's strategic sourcing countries in Africa – South Africa, Ghana and Kenya. A percentage of the profits of products from Waitrose Foundation farms is returned to the local communities.

### Waitrose Foundation Aim

**Thriving rural farming communities underpinning sustainable supply chains through engaged and happy employees, effective farming operations, and proactive community development.**

To date, it has supported socio-economic development through engaging workers in our supply chains to identify and implement projects in their local communities.

### Vision for the future

In 2015 and 2016, Waitrose revised the strategy of the Foundation to align it with the business's sourcing, ethical and technical priorities, and determine if the model can be expanded to more strategically important fresh produce countries around the world.

Worker engagement remains central to the new model, and will be shaped by on-the-ground expertise in Waitrose Foundation countries to support our suppliers to develop in this area. By addressing salient issues through this strong network and implementing a rights-based approach to socio-economic development, the Waitrose Foundation will continue to have a positive impact in our sourcing communities, whilst simultaneously increasing people's awareness of their rights in our supply chain.

### Progress in 2016

- A clear strategy has been developed with extensive collaboration between buying and technical teams
- Carried out extensive on-the-ground engagement with key stakeholders including Waitrose senior management, growers, NGO experts and policy makers
- Expansion plan developed focussing on hubs in Central America, South America, Western Africa, Eastern Africa and South Africa

**12**

Waitrose has committed to expanding this model to 12 countries by 2020

## Worker engagement in China



John Lewis sources from almost 780 factories in China. Factory managers are sometimes concerned about worker committees disrupting productivity and creating unrest in the workplace. However, poor worker engagement can compound poor productivity rates and increase absenteeism and staff turnover.

### Worker-manager dialogue

John Lewis has partnered with Impactt, an expert ethical trade consultancy to deliver a pilot programme that aims to build managers' confidence in engaging workers to address specific workplace concerns, and build the foundations for meaningful and sustainable communication.

The pilot involves training for managers on effective engagement. It also includes workshops to gather worker insights about current communication channels in the factory, and actions that could improve the experience of being at work.

**133**

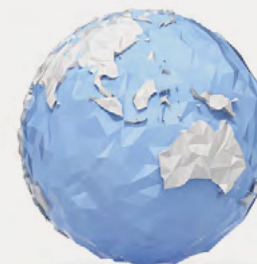
Project engaged 133 workers to discuss their experience at work and what would make a difference to them

### Progress in 2016

- Selected three key factories to partner with us on the pilot
- Developed and delivered joint worker-manager workshops to share learnings, build trust and break down communication barriers
- Developed training for workers on effective engagement and raising grievances
- Project engaged 133 workers to discuss their experience at work and what would make a difference to them

### Next steps

- Complete follow up visits to all factories to discuss progress, review the pilot process and evaluate improvements needed
- Further develop the programme so that it can be scaled up across our supply base in China



## Other key programmes

Addressing the most salient risks in our supply chains requires focussed programme work to both increase our understanding of the issues, and ultimately, improve conditions for workers. This year we have made significant progress on improvement programmes addressing issues such as worker wages, health and safety standards, and vulnerable workers in our supply chains.



The determinants of wage levels are complex and multi-faceted, resulting from the interplay of market structures, public agencies, laws and negotiations.



Creating shared value in the Dominican Republic banana industry  
International Labour Organization (The Lab), 2016

## Improving worker wages in the Dominican Republic



In 2015, we entered into a strategic partnership with the Fairtrade Foundation through which we are aiming to increase the breadth and depth of the positive impact on worker welfare and livelihoods across our respective networks. We recognised that by working together we could achieve much more.

### Banana supply chain in the Dominican Republic

One of the four strands to the partnership is to tackle salient issues within Waitrose's Fairtrade supply chains. We are therefore investigating how worker wages on banana plantations in the Dominican Republic can be improved, so that by 2020 they are closer to living wage benchmarks. This programme is a collaboration between Waitrose, Fairtrade, and our direct suppliers.

### Progress in 2016

- Carried out a site visit to the Dominican Republic to speak to exporters, managers, workers and association representatives on the issue of worker wages; established a multi-stakeholder working group to discuss and understand the challenges and drive the programme forward
- Commissioned independent research to identify recommendations on how to tackle issues
- Convened a workshop with key stakeholders in the banana industry to discuss recommendations and agree next steps



### Insight

- An analysis by the International Labour Organization found that there were significant constraints faced by the Dominican Republic banana industry
- Workers productivity is low and up skilling in soft skills is needed
- Current plantation performance-incentive schemes are not fully understood by workers and not effective motivating factors
- Plantation management and supervision systems are not maximising worker potential

### Plantation workers in the Dominican Republic

80%

non-native workers

9 years

average time in country

25%

in country less than three years

63%

migrated for this job

13%

live with their families

### Next steps

Based on this insight develop a programme to tackle systemic issues identified.

## Promoting health and safety in India



John Lewis sources from almost 200 factories in India. Informed by our auditing programme, we are focussed on improving factory health and safety. Factory managers have often not been adequately trained in health and safety and have a limited understanding of the implications of poor practices. This means that they are not always equipped to ensure their workplaces are safe.

### Health and safety e-learning

John Lewis worked with Greengrade, an expert learning and assessment provider to develop an online training tool based on the ETI base code and industry best practice. The training material is uploaded on a tablet device which is used by the factories.

Managers create their own unique profile and begin working through the material, with the flexibility to fit learning in and around their production schedule. Once confident in their understanding, they take an online exam to gain a certificate.

### Progress in 2016

Ten factories were selected across a range

of product categories including jewellery, handbags and lighting and 50 managers were nominated to undertake the training. All factories are currently progressing through the training.

As the training is online, John Lewis will be able to review analytics to see the level of knowledge and gaps.

### Next steps

- We will monitor the improvements that the training has made through audits and visits
- We hope to roll out this manager training programme more widely in India and also review how best to engage workers directly to increase their health and safety awareness

## Training women cotton farmers



Cotton is one of John Lewis's key raw materials for home and fashion products. Raw material supply chains can be complex with multiple tiers and processes.

With cotton, there are particular human rights risks at the farmer level around worker wages and livelihoods.

In 2016, John Lewis partnered with Cotton Connect, a cotton supply chain consultancy to fund a farmer training project in Maharashtra, India. The focus of the project is to train women cotton farmers on the skills and tools needed to support their livelihoods through sustainable farming methods.

1,500

Over the course of three years, the project aims to train and support over 1,500 women farmers in the region

The human rights impact of key raw materials that go into making John Lewis products will continue to be a focus in 2017.



## Forward looking plans

In November 2016, we held our second stakeholder roundtable, with expert NGOs, other businesses and policy makers, in which we had a constructive discussion about our strategy, our progress and where we can do more.

There was a strong consensus in the group that addressing modern slavery as part of a broader human rights strategy is the right approach – modern slavery cannot be tackled in isolation.

There are some key areas that we plan to develop in the coming year based on what we have learned and stakeholder feedback:

### Delivering our core programmes

Throughout the document we have updated on progress against our plans. There is more work to do to deliver these plans, learn from them and take them to scale across our supply chains. We will also strive to understand the impacts and outcomes of these programmes.

### Engagement of workers

We will continue to test and learn from different approaches to worker engagement. We will continue to promote worker representation and look to consult trade unions to help guide our work.

### Deeper understanding of issues

We will continue to seek to understand the issues workers face at local levels in our supply chains and engage suppliers to address issues such as women's empowerment and caste discrimination.

### Addressing issues in raw material supply chains

In 2017, we will look at ways to address human rights issues identified alongside our environmental sustainability strategies for our key raw materials, such as cotton.

### Procurement practices

We will look to strengthen our procurement processes for GNFR, establishing clear standards for our labour providers, engaging Partners across the business and carrying out due diligence.

## UN Guiding Principles Reporting Framework Index

### Transparency in supply chains guidance

#### Modern Slavery Act

Organisation's structure, its business and its supply chains	Pages 3 and 6 <a href="#">Annual Report and Accounts</a>
Policies	Pages 1 and 4 <a href="#">Responsible Sourcing Code of Practice</a>
Due diligence	Page 4
Risk areas	Pages 3 and 6
Steps taken	Pages 4, 5, 7, 8, 9
Effectiveness of steps	Pages 4, 5, 7, 8, 9
Training and capacity building	Pages 4, 5, 7, 8, 9

#### UN Guiding Principles Reporting Framework Index

A1	What does the Company say publicly about its commitment to respect human rights?	2016/17 <a href="#">Human Rights and Modern Slavery Report</a> <a href="#">Human Rights Statement</a> <a href="#">Responsible Sourcing Code of Practice</a>
A2	How does the Company demonstrate the importance it attaches to the implementation of its human rights commitment?	<a href="#">Annual Report and Accounts</a> Human Rights and Modern Slavery Report 2016/17
B1	Statement of salient issues	Page 3
B2	Determination of salient issues	Pages 5, 6, 8 and 10 <a href="#">Human Rights and Modern Slavery Report 2015/16</a>
B3	Choice of focal geographies	Pages 8, 9, 10 and 11 <a href="#">Human Rights and Modern Slavery Report 2015/16</a> Page 6 <a href="#">Human Rights and Modern Slavery Report 2016/17</a> <a href="#">Responsible Sourcing Code of Practice</a>
C1	Does the Company have any specific policies that address its salient human rights issues and, if so, what are they?	Pages 7, 8, 9
C2	What is the Company's approach to engagement with stakeholders in relation to each salient human rights issue?	Pages 4, 6, 7, 8, 9
C3	How does the Company identify any changes in the nature of each salient human rights issue over time?	Page 19 <a href="#">Human Rights and Modern Slavery Report 2015/16</a>
C4	How does the Company know if its efforts to address each salient human rights issue are effective in practice?	Pages 7, 8, 9
C5	How does the Company enable effective remedy if people are harmed by its actions or decisions in relation to a salient human rights issue?	Page 4 <a href="#">Human Rights and Modern Slavery Report 2016/17</a> Pages 15, 16 <a href="#">Human Rights and Modern Slavery Report 2015/16</a>



