Last autumn, John Lewis published its first ever Social and Environmental Performance Report, and Waitrose its second. In so doing the Partnership joined a small yet increasing number of UK companies willing to publicly and voluntarily report on their social and environmental performance.

These publications are freely available and give a thorough account of our corporate policies and principles, describe how we go about managing these issues and report on our progress and performance. The purpose of this booklet is to summarise the work of both divisions and to focus on those issues we believe to be of most interest to our customers and Partners – as opposed to technical information relevant to campaign groups and government bodies.

A company’s success is no longer judged just on its financial performance but is also based upon how well it respects the interests of all its stakeholder groups. In our case this involves Partners, suppliers, customers and the local communities in which we operate. While this concept, known as Corporate Social Responsibility (CSR) is new to many organisations, our Constitution has set out our views on these issues since the Partnership’s foundation in 1929. The Constitution is as relevant today as ever and has provided us with a unique reference point from which to develop our social and environmental improvement programmes.

Through the Partnership’s CSR committee, chaired by the Partnership’s Deputy Chairman David Reckie, we have identified four key areas on which to focus:

- In the community – our commitment to improve the well-being of our local communities
- Responsible sourcing – our work with suppliers to ensure the highest standards in product quality, appropriate working conditions and respect for workers’ rights
- Environmental performance – initiatives to save energy, minimise waste and manage our environmental impact
- The Partnership and Partners – the benefits of belonging to the UK’s oldest co-ownership organisation

Our achievements to date are a result of the hard work of Partners working in all areas of our business, and I hope that our shared commitment will enable us to maintain these high standards throughout 2003 and beyond.

Nick Monger-Godfrey, Head of Environmental Management, John Lewis & Waitrose

CONTENTS

4. In the Community
6. Product Integrity
8. Supplier Assurance
10. Environmental Performance
12. The Partnership and Partners
14. How You Can Help
16. Useful Contacts
IN THE COMMUNITY

JOHN LEWIS PARTNERSHIP

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The Partnership aims

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Treating our customers as individuals underlies

ACCESS MATTERS

our approach to customers with disabilities: all

OUR staff are trained to provide a sensitive, helpful service. Working with consultants, Access Matters, both divisions are auditing branch accessibility to identify where and how improvements can be made. Although some parts of older buildings remain inaccessible to wheelchair users, we do make a difference by assisting with shopping, packing and carrying to car. In addition, John Lewis offers free local home delivery, while Waitrose provides wheelchairs and adapted trolleys and is evaluating hearing loops on service counters. For blind or usually impaired customers and Partners we produce our promotional publications such as Waitrose Seasons in large print and on audio tape.

LEARNING BY LISTENING

Naturally we can only improve standards by listening to our customers, and both divisions employ focus groups to gather customer feedback. Monitoring customer complaints and appreciations helps us measure customer satisfaction. Last year we achieved our goal of receiving more appreciations than complaints in 15 of our 26 John Lewis stores. Overall at John Lewis the number of customer complaints fell seven per cent in 2002/3 to just one complaint for every 7,000 customer transactions – a figure we are all proud of.

CHARITABLE GIVING

We recognise that organisations can make differences to charities in ways that individuals cannot. Last year the Partnership donated around £1.5 million to charity, equivalent to 1.1 per cent of the Partnership’s profit. However, what really sets us apart is the role our Partners play. More than 60 per cent of our total contribution last year was donated through our charities committees, meaning that elected Partners, not management, are able to choose which charities to support.

BRENT CROSS

CHARITIES COMMITTEE,

CHARITY OF THE YEAR

By its own initiative John Lewis Brent Cross Charities Committee decided to nominate a Charity of the Year, the first of which was St Joseph’s Pastoral Centre for adults with learning difficulties. The charity was involved with the conversion of an old school and our contribution helped refurbish two rooms. Local Partners helped with DIY and the committee supplied funds for furnishings, curtains, beds and lighting. Sarah Bourne, Charities Secretary, comments: “It was a pleasure to offer furnishings and together with local Partners help transform an unused building into carer accommodation.”

SUPPORTING VOLUNTARY ACTION

The £5 million Golden Jubilee Trust, established to celebrate the 50th anniversary of the Partnership’s Second Settlement in 2000, seconds Partners to registered charities so that they can put specific vocational and personal skills to good use. To allow a Partner to be seconded the trust will support volunteers for up to six months. Since the scheme’s inauguration, more than 100 Partners have taken part, with over 37,000 hours invested in community projects. Beneficiaries include charities that care for sick and elderly people and welfare and counselling organisations.

GOLDEN JUBILEE SECONDMENT, WILDFOWL AND WETLANDS TRUST, ARUNDEL

Peter Saker, Supermarket Assistant, Waitrose, Burgess Hill, was seconded to the Wildfowl and Wetlands Trust as education assistant.

Internal funds were no longer available due to the expense of restoration work following serious flooding, and the post would have gone unfilled had not the Golden Jubilee Trust enabled Peter to take up the job on a voluntary basis.

Looking back on his summer 2002 secondment, Peter says: “My thanks go to the Trust for enabling me to complete a highly rewarding project in such a wonderful setting.”

IN THE HEART OF TOWN

Many of our branches focus their business in town centres, which helps to make them environmentally sound and socially beneficial. Our attractive and pleasing stores fit in with local architecture and contribute to the quality of life in the towns we serve. Waitrose Belgravia (pictured right), which opened on 1 April this year, is a Grade II-listed building where shelves are curved to accommodate the original 1830s staircase.

At Peter Jones – another listed building – we worked closely with planners and heritage organisations to modernise the store while retaining original features such as the ground floor pendant lighting and bronze hand rails.

ACCESS MATTERS

Treating our customers as individuals underlies our approach to customers with disabilities: all
Our produce comes from two food production systems: organic and conventional. Waitrose supports both methods and sets high standards to ensure responsible practices’

THE ORGANIC DIFFERENCE
Organic foods have been available across a wide range of produce, from bread and wine to baby food, since 1983. Standards differ by food group, for example for organic crops the use of synthetic fertilisers is limited, whereas for livestock, organic feed and outdoor rearing are encouraged and restrictions on growth promoters imposed.

Waitrose currently accounts for ten per cent of the organic market with more than 1,200 organic lines. Our supermarkets were the first to offer flowers grown organically in Holland; we also work with two organic banana producers from the Dominican Republic who supply their produce exclusively to Waitrose.

Crop suppliers to Waitrose operate an ‘authenticity’ programme to certify that each consignment is free of GM organisms, and fruit and vegetable produce is regularly screened for pesticide and insecticide residues.

CONVENTIONAL FARMING
Equally high standards are extended to conventional farmed produce. Waitrose sources conventional crops grown from Integrated Crop Management Systems (ICMS) using best horticultural practices, site selection and chemical controls. The Assured Produce scheme regulates all our UK produce to ICMS standards and these audits are being extended worldwide. For livestock, strict Farm Assured protocols ensure that animals are reared in the most natural conditions possible and free range produce is offered where our animals have access to open space.

500,000 PRODUCTS, ONE SHOP
With so many products it is difficult to know for certain that all come from sustainable sources. Our department stores focus on addressing product areas where we suspect that standards may be below acceptable levels. For example, we have become increasingly aware of international concerns about illegal logging and unsustainable forestry practices.

Working with ProForest, we are developing our own sustainable timber assessment criteria.

QUALITY CONTROL
Both divisions are committed to ensuring every product we sell is safe. Waitrose has operated the Hazard Analysis Critical Control Points system for more than ten years. We use the system to identify food safety hazards that could occur at any stage from production to point of sale, and to ensure that full measures are in place to control them.

FOOD FACTS
● No Waitrose own-label product contains GM ingredients
● All our own-label eggs are free range and Lion Quality Assured
● One third of all the chickens we sell are organic or free range
● We know every farmer who produces every pint of our milk
● All Waitrose lambs are reared on open pasture
● We are farmers. We grow our own mushrooms, apples, wheat and eels on our own 4,000 acre farm in Hampshire
● All fresh pork, beef and poultry is British

SUSTAINABLE FISHING
All Waitrose fresh cod and haddock come from the Icelandic fishery, which is considered to be one of the most well-managed fisheries in the Northern Hemisphere. It is our policy to buy from well-run fisheries that practise sustainable methods.

Due to concerns about declining stocks, we no longer sell shark, bluefin tuna, black marlin, whitebait, Atlantic skate, Patagonian toothfish or caviar. Our tuna and swordfish are line-caught to prevent mammals such as dolphins being caught in error.

DAIRY TALES
Waitrose has set up demonstration farms in co-operation with our suppliers.

Waitrose Select Farm Milk is the result of a partnership with a group of farmers chosen for their outstanding levels of animal welfare, feed and hygiene.

Last year we began selling Le Poulet d’Or corn-fed free range chickens, with some of the birds coming from our own Leckford estate in Hampshire.

The birds, exclusive to Waitrose, live in purpose-built, solar-and-wind-powered houses, demonstrating that renewable energy sources have a place on the farm.
For many years we have recognised our responsibility for our suppliers and their employees. We seek to build lasting relationships with them based on trust and a clear understanding of mutual rights.

JOHN LEWIS RESPONSIBLE SOURCING PRINCIPLES

The Partnership understands that customers have concerns about the sources of our products, especially regarding the treatment of workers, the welfare of animals and the environment. Our Responsible Sourcing Code sets out our expectations for suppliers in these areas.

OUR SOURCING CODE COVERS:
- Pay
- Working Hours
- Working Conditions
- Health & Safety
- Employment of Children
- Forced Labour
- Employee Representation
- Equality of Treatment
- The Environment
- Animal Welfare

SUPPLIER AUDITING

We are aware that it is not enough just to have such a code, but we must also ensure it is being followed. At Waitrose all our own label suppliers undergo a detailed assessment programme, based on current best practice. As a condition of trade, each supplier must self-assess their compliance with our code and is encouraged to submit their responses via a purpose-built website. All supplier responses are then independently audited by experts Bureau Veritas Quality International.

John Lewis works with more than 8,000 suppliers from 45 countries. Our initial DS audit programme has been based in the Far East – where we believe there is a greater risk of workplace standards falling below acceptable levels – and we have made significant progress in auditing our supplier base there. In a typical year this involves 200 site inspections; last year we terminated business with two suppliers who were unable or unwilling to comply with our code. Our suppliers are in no doubt that if they are not prepared to follow our guidelines they will lose our business.

FAIRTRADE

At Waitrose we have increased our Fairtrade range. In our branches you will now find Cafédirect and Teadirect, Divine Chocolate and Green & Black’s Maya, Equal Exchange Organic Cocoa and Fairtrade bananas. Buying these products provides direct, additional benefit to workers in the developing countries where they are produced and assists marginal producers by giving them access to markets they would not otherwise have. However we also support non-Fairtrade producers. When tropical storm Lili devastated 80 per cent of banana suppliers’ crops in the Windward Islands last year, our financial support helped farmers replant.

The Partnership’s aim is to work with suppliers to improve conditions where they fall below standard. In May 2003, Waitrose hosted the Blue Mountain Supplier Conference, inviting hundreds of suppliers to contribute to the week-long event. The aim was to refresh supplier knowledge of our principles and audit programme, while enabling them to give feedback and share best practice.

Waitrose has also been instrumental in encouraging greater female participation on workers’ councils in Central and Southern Africa. We have identified the need for more creche facilities and helped fund the Vaaldrift Creche at Kakamas, South Africa.

RESPECTING CULTURAL NORMS

In parts of rural India, making hand-made carpets provides much-needed extra income for many families. Many of the rugs we stock at John Lewis are produced by families in their own homes. Recognising the special relationship we have with local families in Ghosia, India, we were delighted to be asked by our supplier to contribute to funding a school for their children and others locally. The new school is extending opportunities for girls up to 15, who are not traditionally the main beneficiaries of education.
ENVIRONMENTAL PERFORMANCE

improves the rate of miles per gallon. scheduling deliveries for off-peak hours minimises vehicle movements, while carbon dioxide. Computerised route planning reduce fuel use and consequently emissions of last year – a number of projects are helping us.

T
have calculated its ‘carbon footprint’ to identify the source and volume of our emissions of carbon dioxide – the gas most damaging to the environment.

MORE MILES, LESS FUEL

Despite driving more miles – some 27 million last year – a number of projects are helping us reduce fuel use and consequently emissions of carbon dioxide. Computerised route planning minimises vehicle movements, while scheduling deliveries for off-peak hours improves the rate of miles per gallon. We have made additional progress in reducing mileage by using emptied vehicles to collect stock from suppliers (known as Continuously Regenerating Traps) to our commercial vehicles to reduce harmful emissions. We also fit exhaust filters known as Continuously Regenerating Traps to our commercial vehicles to reduce harmful emissions even further – in some cases as much as 90 per cent. More than 50 per cent of our fleet are now fitted and we aim to have all our commercial vehicles using CRT technology by 2005.

In 2002 we were delighted to receive the Transport Action Cleanup Green Fleet Award in recognition of our commitment to minimising vehicle impact on the environment.

ENERGY EFFICIENCY

Last year the Partnership spent over £18 million on energy. Sixty per cent of Waitrose use is for refrigeration, while John Lewis uses a similar proportion for cooling and heating, lighting and ventilation. Although we are using more energy, we are taking steps to become more efficient. Last year Waitrose improved energy efficiency by five per cent for electricity and nine per cent for gas, and a similar trend is being followed at John Lewis. Helping us achieve our targets are sophisticated Building Energy Management Systems which continuously monitor and adjust refrigeration and ambient temperatures. Further reductions are being achieved through a lighting refurbishment programme in 18 DS branches where halogen display lamps are being replaced with ceramic metal halide with a 60 per cent decrease in energy consumption.

GO GREEN

As a Partnership, the management of environmental issues involves everybody. We actively pursue the use of alternative fuels in our company car fleet; if our Partners use a company car, they can choose diesel or liquefied petroleum gas (LPG) as an alternative to petrol. We now have over 75 Partnership LPG vehicles, which helped us avoid emitting 125 tons of carbon dioxide last year.

In recognition of our commitment to alternative fuels in our car fleet, Central Transport was awarded Greenfleet’s Innovation in Transport Award for 2003.

WASTE NOT, WANT NOT

We recognise the Partnership’s duty to minimise the amount of waste we produce and to recycle as much as possible. Packaging materials account for a considerable proportion of the waste that we produce, so we encourage a returnable crate system that transports as many goods as possible without the need for packaging. Last year, more than 19 million trips by our company cars were made using this system in Waitrose alone, which helped avoid 9,500 tons of waste cardboard. In addition, around 18,000 tons of cardboard are recycled each year.

The Waitrose Bag For Life scheme is another key environment initiative. Sold for only 10p, the bag is reusable many times, replaced for free and then recycled, thus saving many wasteful free carrier bags. Waste bags are made into plaswood garden furniture which we frequently donate to schools and charities.

WE MANAGE THE RISK

We recognise the Partnership’s duty to manage the risk of accident to employees and others who may be affected by our operations. We achieve this by a risk rating system which helps us grade drivers by accident frequency and severity. Over 1,000 Partnership drivers are members of ROSPA. We have also devised a risk rating system which helps us grade drivers by accident frequency and severity.
The Partnership’s ultimate purpose is the happiness of all its members, through their worthwhile and satisfying employment in a successful business.

**CONSTITUTION OF THE JOHN LEWIS PARTNERSHIP**

A business can be judged by the welfare of its employees. Partners in the UK’s largest and longest surviving co-ownership company have a say in how our business is run, and benefit from the spirit of democracy and fairness on which the Partnership is based.

**ENCOURAGING COMMUNICATION**

The best way for Partners to express views on how we can improve the business is to join a branch Committee for Communication (C4C). These elected bodies meet regularly to discuss any branch issue and, most importantly, are able to speak freely as the minutes are non-attributable. There is a direct link with the Chairman through his representatives who chair the meetings.

**SUPPORT WHEN YOU NEED IT MOST**

The Partnership is differentiated by its support network, the first line of which is our registrars who provide all Partners with confidential advice and act as mediators in business disputes. Partners who fall upon unexpected hardship can seek support from our democratically elected Committees for Claims – an extension of John Spedan Lewis’s belief that any decent family would rally round to help when needed. In 2001/2 the committees gave £624,000 in Partner support.

**DEMOCRACY AND FAIRNESS**

Our aim is to build a fulfilling work environment for every Partner based on opportunity, variety, fairness and Dignity at Work, and we are heartened by our high retention rates. More than one in four DS employees have over ten years’ service, and in 2002 over 200 Partners achieved 25 years’ service, qualifying for a period of long leave. We take pains to represent male and female Partners equally at all levels. While we are aware that Partners from ethnic backgrounds are under-represented at management level, we are pleased that female staff hold a good proportion of managerial positions. At John Lewis female staff represent 61 per cent of our Partners, 54 per cent of managers, 27 per cent of branch Managing Directors and 40 per cent of DS Management Board directors.

**SHARING IN OUR SUCCESS**

Discounts, a non-contributory, final-salary pension scheme, access to holiday centres and membership of clubs and societies are further advantages of belonging to the Partnership. Many of these benefits are extended to our retired Partners.

**WHAT DO PARTNERS REALLY THINK?**

A Partner survey is being introduced this year to act as an objective measure of just how well the Partnership is fulfilling its First Principle (quoted opposite). Laura Whyte, Assistant Chief Registrar, Central, is Project Manager for the survey that she believes will supplement the Partnership’s established channels of communication. She says: “We wanted to make the questions accessible and interesting so Partners will think it is worthwhile to reply.” Survey questions are being distributed with pay slip envelopes throughout the year; the first survey was conducted in June.

**VOCATIONAL TRAINING**

Annie Roberts, Sales Assistant, Fashion Fabrics, Robert Sayle, is in the first year of a quilting and patchwork course. The course, which is completely subsidised by the Partnership, covers creative and technical aspects of quilting, as well as the craft’s history. Annie chose to undertake the training because of a strong personal interest in this area combined with a wish to pass on her skills to the large customer base enjoyed by the Cambridge store. She will receive a City & Guilds certificate on successful presentation of her work at a final year exhibition held in London.

**LONG LEAVE TRAVEL**

Roy Jackson, Branch Manager, Waitrose Marlow, took long leave last year. Of his backpacking trip abroad he says, “I had the opportunity to enjoy many different cultures and people of the world when travelling on long leave. Backpacking overland through Africa, China, Japan, Australia and New Zealand, Argentina, Galapagos Islands and the Inca Trail in Peru afforded a lifetime’s experience.”

**PERSONNEL COURSE**

Gemma Rayner, Personal Assistant, Robert Sayle, completed a Certificate in Personnel Practice earlier this year. The training course looked at all stages of the recruitment process and staff appraisal, with particular emphasis on the legal aspects of personnel. Gemma was keen to enrol on the Partnership-subsidised scheme, since as a well-established member of Robert Sayle’s personnel department, she wanted to maintain her skills in this area and increase her knowledge for her own, and for her department’s benefit.
HOW YOU CAN HELP

SAVE ENERGY AND WATER
● Switch off all lights and electrical appliances when not in use, choose energy-efficient appliances and turn down your thermostat – turning it down by just one degree centigrade can save up to 10 per cent on heating bills.
● Always wait for a full load of laundry before using your washing machine and use cooler washing cycles.
● Fix dripping taps – they can waste up to 13 litres of water a day.
● Install a Hippo Water Saver in your toilet cistern. This can save up to 3.5 litres of water each time you flush.

RECYCLE
● Recycle as much waste as you possibly can.

BRANCH OUT
At work, check to see which recycling facilities are offered by your branch.

TRAVELLING
● If you drive to work, try to share your journey with colleagues who live near to you.
● Walk or cycle instead of using the car for short journeys.
● Turn off your engine if you are going to be stationary for more than two minutes.
● Consider changing to an alternative fuels car that produces fewer emissions.

SHOPPING
● Be an ethical shopper. Consider Fairtrade, organic and cruelty-free produce and try to avoid battery eggs and GM foods.
● Contact the Soil Association to locate your nearest organic outlet.
● Buy fruit and vegetables that are in season to help reduce the enormous transport costs resulting from importing produce. Look out for ‘Waitrose Locally Produced’ in our supermarkets.
● Buy recycled or recyclable products such as toilet paper and stationery.
● Take your own carrier bag when shopping or consider investing in a ‘Waitrose Bag For Life’.

IN THE GARDEN
● Let your grass grow a little longer – it will need less water.
● Start a compost heap or wormery – these recycle organic waste, including food, and produce excellent compost.
● Plant a tree. Trees provide shade, filter carbon dioxide and attract local bird species.
● Avoid the use of household pesticides.
● Install a water butt to catch rainwater for garden feeding.
● Use non-toxic organic fuels to light your barbeque.
USEFUL CONTACTS

● Nigel Brotherton, Chair, Department Stores Corporate Social Responsibility Committee
● Nigel Burton, Chair, Waitrose Corporate Social Responsibility Committee
● Christian Cull, Head of Press & PR Waitrose
● Helen Dickinson, Head of Press & PR Department Stores
● David Felwick, Chair, Partnership Corporate Social Responsibility Committee
● John Foley, Chair, Waitrose Responsible Sourcing Committee
● Chris Jones, Secretary, Golden Jubilee Trust
● Nick Monger-Godfrey, Head of Environmental Management John Lewis & Waitrose
● Frank Moore, Head of Merchandise Standards
● Mary Visozo, Head of Food Technology Waitrose

FIND OUT MORE

● Business in the Community, www.bitc.org
● Scottish Business in the Community, www.sbscot.com
● The Department of Environment, Food and Rural Affairs, www.defra.gov.uk
● Ethical Consumer, www.ethicalconsumer.org
● Friends of the Earth, www.foe.co.uk
● Greenpeace, www.greenpeace.org
● Hippo Water Cisterns, www.hippo-the-watersaver.co.uk
● Home Energy Efficiency Advice, www.saveenergy.co.uk
● Organic Fuels, www.greenheat.co.uk
● Mailing Preference Service, www.mps@dma.org.uk
● Soil Association, www.soilassociation.org
● Recycle More, www.recycle-more.co.uk
● Wasteline, www.wasteline.org

If you would like further information on any of the issues reported in this booklet, please refer to the original divisional reports (available via the Intranet or Internet, or on request from Nick Monger-Godfrey).