

John Lewis Partnership

sustainability report
2012



Chairman's statement

'Everything we do – including our approach to sustainability – is aligned with our aims to increase the competitive advantage of our Partners, realise the full market potential of our brands and grow our business efficiently.'

Charlie Mayfield, Chairman,
John Lewis Partnership

In 2011/12, the Partnership achieved a good sales performance in a tough year for the economy. Profound changes are taking place in the retail sector and, importantly, this was a year when we upped the pace of innovation and investment. That came at the price of some short-term profit. Our good performance was the result of our 81,000 Partners' determination to give customers the best possible shopping experience. As always, the Partnership spirit is an intrinsic part of how we operate and is now, more than ever, crucial to our better and more sustainable way of doing business.

We were recognised as one of Britain's Top Employers by the Corporate Research Foundation, and retained our Workingmums.co.uk top overall employer award. Our Partners are key to this success. They embody our principles of respect, integrity and courtesy, and as owners of our business are actively involved in decision making.

A business like the John Lewis Partnership can set ambitious sustainability targets but it is only through successfully harnessing Partners' passion and energy that we can achieve engagement and participation across every aspect of our sustainability agenda. It also ensures that sustainability is placed at the heart of our decision making and informs a balanced approach to growth to achieve long-term commercial success.

Growing efficiently

We are committed to growing efficiently and responsibly and demonstrated this during the year by opening new stores with significant sustainability features incorporated into the fabric of the buildings. Waitrose Stratford City (adjacent to the Olympic Park) was named Britain's 'greenest' shop within a shopping centre, and was awarded a BREEAM (Building Research Establishment Environmental Assessment Method) 'Outstanding' rating, the first post-construction outstanding rating for a retail building in the world. Refurbishment of John Lewis Cheadle achieved a BREEAM 'Excellent' rating.

Working closely with suppliers who share our values, our trusted brands are ensuring that the products we sell meet ever higher sustainability credentials and enable us to help our customers to make informed choices. In John Lewis, for example, we have introduced a Sustainable Product Identifier. Some 1,000 products currently carry the label and we'll extend its use further in 2012. As part of the Waitrose way, we have introduced environmental supplier targets for carbon, waste and water. This complements our work to increase the sustainability credentials of key product ingredients such as palm oil and soya.

Looking ahead

One of the key challenges that lies ahead is to achieve our target of a 15 per cent reduction (against our 2010/11 baseline) of operational carbon dioxide equivalent emissions by 2020/21. This task is significant, particularly for a growing business, but we have worked hard to put together a detailed carbon reduction plan focusing on areas where our carbon footprint is greatest. While achieving this is our main focus, we are also exploring how best we can influence carbon emission reductions in areas which extend beyond our direct control. For example, by building climate resilience into our supply chain, as well as considering broader environmental impacts such as water and biodiversity.

We continue to build on our award winning Community Matters scheme, looking to enhance the value we can bring to local communities, Partners and the business. In 2012 we have created new Partner volunteering opportunities and will look to build on these in 2013.

Everything we do – including our approach to sustainability – is aligned with our aims to increase the competitive advantage of our Partners, realise the full market potential of our brands and grow our business efficiently. Over the coming year we will be refining our strategy to ensure that our Partners, suppliers and customers are at the heart of our commitment to truly sustainable success.

Charlie Mayfield, Chairman, John Lewis Partnership

At a glance

'The Partnership achieved a good sales performance in a tough year for the economy. Profound changes are taking place in the retail sector and, importantly, this was a year when we upped the pace of innovation and investment.'

Charlie Mayfield, Chairman,
John Lewis Partnership

In 2011/12, we steadily built on our strengths and as a result of our Partners' concerted efforts we made effective progress towards our sustainability aims.

Awards and achievements

To assess the quality of our management and performance we participate in benchmarks such as Business in the Community's (BITC) Corporate Responsibility (CR) Index (www.bitc.org.uk), the UK's leading benchmark of responsible business practice.

In 2012, we maintained our leadership position by retaining Platinum status. Our performance is also recognised by a number of independent organisations. Here we list our awards and achievements.

The Partnership

- Gross sales up 6.4 per cent to £8.7 billion.
- Opened 32 new stores.
- 4,400 net new jobs created; a further 1,900 expected in 2012/13.
- 14 per cent bonus paid to Partners in 2012 (£165.2 million), equivalent to an extra seven weeks' pay.
- Business in the Community **Platinum ranked company** (www.bitc.org.uk).

Our products, suppliers and customers

- John Lewis and Waitrose jointly named '**Retailer of the Year**' 2011 (www.retailweekawards.com).
- 100 per cent of Waitrose own-brand chicken eggs sold in 2011/12 were UK sourced.
- 40 per cent of Waitrose cut flowers sold in 2011/12 were sourced from the UK.
- Over 1,000 John Lewis products labelled with new Sustainable Product Identifier in 2011.
- £465 million retail value of UK manufactured products sold in John Lewis during 2011/12.
- First Waitrose supplier environmental awards held in April 2012.
- Continued sourcing of certified sustainable raw materials such as palm oil, timber and fish.

Awards

- For the second consecutive year, Waitrose won the coveted **Grocer of the Year Gold Award 2011** (www.thegrocergoldawards.co.uk) for 'market leading innovation and momentum'.
- Waitrose was named the UK's Most Compassionate Supermarket 2011 by **Compassion in World Farming** (CIWF, www.ciwf.org.uk). This is the fourth time Waitrose have won the award, having previously won in 2004, 2006 and 2010.
- Waitrose were joint 1st in the WWF Palm Oil Buyers Scorecard 2011.

Our people

- 82 per cent of Partners recommended the Partnership as a great place to work.
- 36 per cent of the Partnership board are women.
- 15.9 per cent voluntary turnover of Partners.
- Invested £381 million in benefits to our Partners in 2011/12.
- Absence and sickness levels at 3.4 per cent in 2011/12.

Awards

- In March 2012, the Corporate Research Foundation certified the Partnership as one of **Britain's Top Employers** (www.britainstopemployers.co.uk).
- The Partnership retained the Workingmums.co.uk **Top Overall Employer Award** for 2011 (www.workingmums.co.uk) and also won the Childcare Award. Judges of the Childcare Award commented that the Partnership had a comprehensive and broad range of policies and practices which address a wide range of childcare issues. The accolade of Overall Top Employer was awarded to the organisation deemed to have outstanding policies on work-life balance, diversity, career development and flexible working.

At a glance

continued

Awards and achievements *(continued)*

Our communities

- Contributed £40-50 million value into local economies through Partners' spending.
- John Lewis Partners volunteered over 28,000 hours.
- The Partnership donated 3.07 per cent of pre-tax, pre-bonus profit to charities and community groups.
- Partners awarded 21,000 hours for Golden Jubilee Trust secondments.
- Community Rooms launched in John Lewis and extended to Waitrose.
- Community Matters launched in John Lewis shops.

Awards

- John Lewis Peter Jones won the 'Partnership in Practice' Award at the Backing Business Awards from the Royal Borough of Kensington and Chelsea.
- John Lewis Cribbs Causeway, Bristol, received the Social Responsibility Award at the Bristol Post Business Awards 2012.
- John Lewis shops in Scotland received a Business in the Community **Big Tick 2012** (www.bitc.org.uk) for their joint Work Inspiration Programme in Channel 4's Work Inspiration Award category.
- Won the **Big Society Award 2012** (www.number10.gov.uk) for £10 million of Waitrose profit donated through Community Matters.

Our environment

- On track to deliver a 15 per cent reduction in CO₂e emissions by 2020/21.
- Opened Waitrose Bracknell to test our latest environmental initiatives including electric car charging points and sun tubes.
- Two renewable energy centres built to generate on-site energy in 2012.
- Closed loop recycling of plastics introduced.
- Recovered energy from food waste from more than 200 Waitrose shops.
- Developed LED lighting solution at Waitrose Stratford-upon-Avon and trialled for roll out in all new lighting installations.

Awards

- The Partnership won in two categories at the inaugural **People and Environment (PEA) Business Awards** (www.peabusinessawards.com) in January 2012. Winning the Corporate Social Responsibility (CSR) and Building and Construction prizes for the Partnership's carbon reduction achievements, efforts in educating customers and Responsible Development framework.
- The Partnership received a **Gold Award in the Transport for London Fleet Operator Recognition Scheme (FORS)** (www.fors-online.org.uk). FORS is a membership programme which covers 28 per cent of all freight vehicles in London and aims to improve and promote best practice in London's freight deliveries. The scheme also provides a quality and performance benchmark for the freight industry to help companies become safer, greener and more efficient.
- Waitrose Stratford City was named Britain's 'greenest' shop within a shopping centre and was awarded an 'Outstanding' rating by the **Building Research Establishment Environmental Assessment Method (BREEAM)** (www.breeam.org), — the world's first post-construction 'Outstanding' rating for a retail building. It was also awarded BRE Retail Project of the Year at the BREEAM Awards 2012.
- Waitrose received the top honour in the Environmental Investigation Agency's (EIA) '**Chilling Facts**' survey (www.chillingfacts.org.uk) for the second time in 2011.
- The Partnership achieved recertification of the **Carbon Trust Standard** (www.carbontruststandard.com) in June 2012, for continued progress in reducing operational carbon emissions.
- The Partnership's property services team installed and worked closely with the manufacturer to develop the world's first hydrofluoroolefin (HFO) chiller leading us to be shortlisted in **Air Conditioning and Refrigeration News Awards** (www.acrnewsawards.com) for refrigeration project of the year.
- The Partnership achieved a Big Tick 2012 for its approach to low carbon distribution in the **Anglo American Responsible Supply Chain Award** category in the Business in the Community (BITC) Awards for Excellence 2012 (www.bitc.org.uk).

At a glance

continued

Challenges

Sustainability is a complex and diverse subject with many challenges, risks and dilemmas. We believe in being honest and open about our challenges. Those which are a current or future focus are listed below.

We are committed to sharing our experiences in a collaborative way to build long-term partnerships that will help us to deliver a more sustainable business.

Our products, suppliers and customers

- Working locally and globally with suppliers to embed and drive improvements in their operations and the sustainability of our products.
- Achieving 100 per cent third-party sustainability verification of key commodities, e.g. palm oil and soya, fish, timber and cotton. For example, there is currently no segregated Round Table on Responsible Soy (RTRS) certified soya available; physical supply chains for certain palm oil product derivatives are currently not certified and are unlikely to be available in the certified form until later next year or beyond. Additionally, we are experiencing difficulty in obtaining more FSC (Forest Stewardship Council) wood for our John Lewis wooden product ranges so we are having to utilise PEFC (Programme for the Endorsement of Forest Certification), recycled and other sustainable wood sources.
- Embedding responsible sourcing principles into our day-to-day business practices, improving awareness and accountability for delivery within our buying teams, and building capacity in our supply base to drive sustainable improvements.
- Increasing customer and Partner understanding and appetite for making choices towards a more sustainable lifestyle.

Our people

- Maximising the contributions, skills, talent, performance and experience of our Partners to create an effective and efficient organisation.
- Providing a meaningful working life and increasing job satisfaction.
- Energising our processes, tools and technology to support Partners in their jobs.
- Creating an inclusive and vibrant workplace community.
- Driving changes in Partner behaviour to support delivery of our sustainability goals.

Our communities

- Our locally empowered community investment model makes it more challenging to measure our total community impact and value.
- The sheer breadth of activity can be confusing to Partners and community groups looking to engage with us.

Our environment

- Understanding and assessing the complex sustainability implications of alternative transport fuels.
- Reducing energy related transport emissions due to the pattern of business growth. This is now significantly different to that envisaged when our transport target was set. An increased number of small shops and home deliveries together with increased distribution miles due to expansion into areas outside of our traditional south-eastern base, has disproportionately increased emissions per £ million sales.
- Understanding and fully maximising the benefits of legislation and available incentives.
- Evolving our energy centre model to provide secure, sustainable and renewable energy for our operations. Site availability, security of fuel supply and available capital are key issues.
- Reducing the environmental impact of our existing estate through the use of innovative and new technologies.
- Driving industry progress towards increasing the use of recycled materials in construction and refurbishment projects.
- Finding solutions to divert waste from landfill as small dispersed quantities of differing waste streams such as glass, wood and cans prove difficult and unattractive for major waste contractors to collect separately.
- Understanding how we positively affect the biodiversity of the areas we operate in.

At a glance

continued

Targets and commitments

Our targets and commitments help us to monitor and assess how successful we are in meeting our sustainability objectives each year. Below is a summary of our progress.

Unless otherwise stated, commitments and targets are at a Partnership level and 'year end' refers to the end of our trading year which runs from February to January.

We have amended some target end date references to more consistently use the end of our trading year as the measurement point.

We plan to review our targets during 2012 to create a hierarchy of targets, more clearly linked to our Partnership and divisional sustainability strategies.

Our products – Waitrose

Targets and commitments	Status	Progress made during 2011/12
By year end 2015/16, 100 per cent of the soya in own-brand products to come from certified sustainable sources including RTRS Certified soya (target revised).	On track	There is currently no segregated RTRS certified soya available so this target is an ambitious task. We are undertaking a number of steps including reviewing sustainable soya certification schemes, analysing and mapping our supply chain sources and exploring soya substitutes. We have purchased RTRS soya credits to cover usage of soya as ingredients in own-brand products. We have revised this target to enable the use of other certified sustainable sources.
Continue to only stock fish that are responsibly sourced from wild capture fisheries and farmed aquaculture operations and work towards 100 per cent independent third-party accreditation by year end 2016/17.	On track	Waitrose sources from over 160 wild fisheries and farming systems, 52 (32.3 per cent) of which are independently third-party accredited. We have revised this target by setting a target date of year end 2016/17.
Use 100 per cent Certified Sustainable Palm Oil (CSPO) in own-brand products by year end 2012/13.	On track	68 per cent of the palm oil in our own-brand products came from RSPO-certified sustainable sources. The remainder is covered by Greenpalm certificate trading programme endorsed by the RSPO (Roundtable on Sustainable Palm Oil). Physical supply chains for certain oil palm product derivatives are currently not certified and are unlikely to be available in the certified form until later next year or beyond. The RSPO has recognised that for companies with ambitious time bound commitments, the purchase of Greenpalm certificates to offset usage of these materials is the only credible option available. We will therefore continue to cover such usage in this way. Waitrose was the first UK retailer to use the RSPO logo which is on our own-brand soap. Waitrose soap accounts for 40 per cent of our total palm oil use.
Phase out sale of incandescent light bulbs by 2012.	On track	We worked with the supply base to ensure we have cleared stock and introduced an improved range of energy saving options for consumers, and clear point of sale guidance as to the cost and environmental benefits of the new technologies in line with EU legislation changes, which came into effect in September 2012.

At a glance

continued

Targets and commitments (continued)

Our products – John Lewis

Targets and commitments	Status	Progress made during 2011/12
Extend timber sourcing policy to all wood-based furniture and non-furniture products.	Achieved	
By year end 2015/16, 50 per cent of our own-brand indoor furniture ranges (Living and Dining, Bedroom, Nursery, Fitted Furniture and Upholstery) to be Forest Stewardship Council (FSC) certified.	Target revised	<p>17 per cent of our indoor furniture was FSC certified by the beginning of 2012. We are experiencing difficulty in obtaining more FSC wood which does put us at risk of missing our 2015 target.</p> <p>The introduction of the EU Timber Regulation 2013 effective 3 March 2013, has led to the review of our existing target. We are focused on ensuring all products within scope of the new regulations meet the requirement and we are on track with meeting this deadline. We recognise that customers will expect all John Lewis product to meet the standard and our priority beyond March 2013 will be to ensure all own-brand wooden products meet the standard.</p> <p>Revised target: By year end 2015/16, all John Lewis own-brand wooden products will come from recycled or certified sustainable sources.</p>
By year end 2012/13, 100 per cent of own-brand paper based products to be made from recycled material, FSC certified or Programme for the Endorsement of Forest Certification (PEFC) sources.	On track	<p>We have encountered difficulties with availability and disclosure of supplier data. However this target remains a priority and we believe will be achieved by the end 2012/13. We will consider delisting those products which are not compliant.</p> <p>Our target has been revised to enable us to utilise a wider range of certified sustainable sources.</p> <p>Revised target: By year end 2012/13, all John Lewis own-brand paper products will come from recycled or certified sustainable sources.</p>
By year end 2013/14, we will double the number of products that carry the John Lewis Sustainable Product Identifier (2011 baseline) that help our customers make sustainable choices when shopping.	New target	<p>The Sustainable Product Identifier was launched in 2011 with 1,000 products.</p> <p>This target now replaces our previous targets on Fairtrade, Green Living and recycled products.</p>
Increase both the Green Living range and recycled ranges to 300 products by end of 2011 (previously 133 and 147 respectively).		This has now been replaced by the product identifier target above.
Phase out sale of incandescent light bulbs by 2012.	On track	John Lewis met the deadline of September 2012 for the phase out of 40W and 25W incandescent light bulbs.

At a glance

continued

Targets and commitments (continued)

Our products – John Lewis (continued)

Targets and commitments	Status	Progress made during 2011/12
We will improve the sustainability of John Lewis own-brand clothing and textiles by increasing our use of sustainable raw materials, reducing their impact in use and providing opportunities for customer recycling.	New target	
By year end 2015/16, the range of John Lewis own-brand electrical appliances will be the most energy and water efficient in the UK.	New target	
By year end 2015/16, in support of UK manufacturing, we will increase the number of British-sourced products offered and make it easier for customers to choose British products.	New target	

Our suppliers

Targets and commitments	Status	Progress made during 2011/12
All own-brand supplier sites to register on Sedex and complete self-assessment; independently audit high priority suppliers.	Ongoing	91 per cent of John Lewis own-brand supplier sites were registered on Sedex (1,221 sites). We have identified 573 of these sites as high priority for auditing and so far 286 (50 per cent) have been audited. 82.2 per cent of Waitrose own-brand supplier sites were registered on Sedex and completed a self-assessment. During 2011, Waitrose carried out two risk assessments (April and October) and 26 sites were identified as high priority. Of those, 76 per cent have had a valid SMETA audit.
John Lewis: We will work with key factories in each of our main product areas to introduce effective environmental management processes, by year end 2015/16, to address waste, water and energy usage and share the lessons learned through the remainder of our supply base.	New target	
John Lewis: By year end 2013/14, all key factories supplying John Lewis own-brand products will have action plans in place to improve the working lives of their workers.	New target	

Our people

Targets and commitments	Status	Progress made during 2011/12
Aim to achieve an upper quartile score on percentage of Partners who agree/strongly agree with each question in our annual Partner Survey.	Ongoing	In the 2011 Partner Survey, the Partnership was in the top 25 per cent of companies for 15 out of 28 questions. We continue to take the survey results into consideration when deriving the priority areas for our Partner Strategy and conducting business planning at Partnership, divisional and local levels.

At a glance

continued

Targets and commitments (continued)

Community investment

Targets and commitments	Status	Progress made during 2011/12
Contribute at least 1 per cent of pre-tax profits to charitable and community activities.	Achieved – ongoing	Partnership-wide charitable and community contributions totalled £10.9 million, equivalent to 3.07 per cent of our pre-tax, pre-bonus profits.
Using the London Benchmarking Model, develop processes and tools to identify and measure the outputs and impacts of sizeable community investment projects and our community programmes.	Ongoing	We are working to identify Partnership and divisional community activities where we can clearly demonstrate community impact. Guidance has been provided to John Lewis Community Liaison Co-ordinators to help them better plan and manage their community activity and consider the outputs and impacts of that activity.
Continue Partners in Sport scheme	Achieved	In the run up to the London 2012 Olympic and Paralympic Games, we supported 503 Partners in their development as sports coaches. These coaches have contributed more than 90,000 hours to local communities. While the programme ended in summer 2012 the coaches will continue to contribute their services into communities, creating a legacy of children and adults participating in sport and activity.

Carbon

Targets and commitments	Status	Progress made during 2011/12
Deliver a 15 per cent absolute reduction in operational carbon dioxide equivalent (CO ₂ e) emissions (2010/11 baseline) by year end 2020/21.	On track	We anticipated our emissions would rise for a couple of years before decreasing in response to the implementation timescales of a range of emissions-saving projects. Our CO ₂ e emissions grew slightly by 2.5 per cent to 530,147 tonnes, a period in which sales grew by 6.4 per cent and we opened 32 new stores.

Transport and distribution

Targets and commitments	Status	Progress made during 2011/12
Deliver a 15 per cent reduction in energy-related transport CO ₂ e emissions from deliveries by year end 2013/14 relative to £million sales (2005/06 baseline).	On track	<p>Energy-related transport emissions reduced by 7.9 per cent, relative to sales, against our 2005/06 baseline.</p> <p>We are working hard to achieve this target. It has been made more challenging by the pattern of business growth which is now significantly different to that envisioned when the target was set. The rate of growth of small shops and home delivery, coupled with increased distribution miles due to expansion into areas outside of our traditional south-eastern base, has disproportionately increased emissions per £million of sales.</p> <p>We have many initiatives that are expected to reduce emissions to levels exceeding the target. Our challenge will be to implement these fast enough to meet the target by the end of 2013/14. There is therefore currently a risk that the target will not be met in this timescale.</p>

At a glance

continued

Targets and commitments (continued)

Refrigeration

Targets and commitments	Status	Progress made during 2011/12
Waitrose will halve the impact of its refrigeration and cooling direct emissions (CO ₂ e emissions tonnes) by year end 2012/13 (baseline 2008/09)	On track	<p>Through our reduction programme, refrigeration and cooling direct emissions have reduced by 24.5 per cent against our 2008/09 baseline. We will continue to focus on containment to reduce this further and will continue to roll out our low carbon water-cooled refrigeration system into our new shops and existing estate.</p> <p>While there is a risk that our current short-term target may not be met, our longer-term strategy to remove harmful refrigerant gas leakage from our estate by 2020/21 remains on track.</p> <p>The Partnership continues to maintain a leadership position in this area as recognised by the Environmental Investigation Agency's (EIA) 'Chilling Facts' survey.</p>

Waste

Targets and commitments	Status	Progress made during 2011/12
Divert 95 per cent of our waste from landfill by year end 2013/14.	On track	We diverted 89 per cent of our waste from landfill.
Recycle 75 per cent waste by year end 2012/13.	On track	66 per cent of the Partnership's waste was recycled.
Divert all Waitrose shop-generated food waste from landfill by year end 2012/13 and dispose of waste in the most environmentally appropriate way.	On track	Waitrose has developed a food waste hierarchy which promotes waste reduction, food donation for human and animal consumption, anaerobic digestion and finally combustion or landfill if there is no other viable alternative. By the end of March 2012, some 23 Waitrose shops were involved in donating food to local charities, community groups, zoos or animal sanctuaries. Over 200 Waitrose shops are sending food waste to anaerobic digestion or composting.

Water

Targets and commitments	Status	Progress made during 2011/12
Reduce shop water use by 20 per cent per square foot of trading floor area by year end 2013/14 (2010/11 baseline).	On track	Shop water use per square foot of trading floor area reduced by 12.3 per cent against our baseline.

At a glance

continued

Targets and commitments (continued)

Packaging

Targets and commitments	Status	Progress made during 2011/12
Waitrose: Reduce own-brand packaging by year end 2012/13 (2005 baseline) and work with suppliers to encourage similar reductions.	On track – target superseded	Through our new product development programme we continue to improve much of our packaging, this includes: <ul style="list-style-type: none"> – 50 per cent reduction in frozen fish lines, by changing from a carton and bag to a printed bag – 39 per cent reduction in our Iberico range of cooked meat packs, gained by pack optimisation and removal of the outer sleeve <p>This target has been superseded by a new Waitrose packaging strategy target to reduce our food packaging consumption by 50 per cent by 2016, based on our like for like usage since 2005. This, in conjunction with the Waitrose way, will ensure we improve own-brand packaging.</p>
Waitrose: Apply on-pack recyclability labelling to own-brand products by year end 2012/13 (revised target end date last year).	Achieved	Waitrose continues to support the on-pack recycling labelling scheme. With over 8,000 Waitrose own-brand products now carrying the on-pack recycling label, more than 80 per cent of our packaging is now complete, for the remaining lines the packaging formats are too small to include in a legible format.
John Lewis: Reduce use of own-brand plastic packaging material and eliminate the use of non-recyclable plastics, as defined by the on-pack recyclability labelling (OPRL) scheme.	Ongoing	This target is being met as we review all our existing and new packaging. Our packaging standards stipulate: the removal of plastic wherever possible, that we will not use PVC and that recyclable plastic will be used as appropriate (i.e. where it provides the best packaging material for the product in terms of clarity, strength and protection).

At a glance

continued

Targets and commitments (continued)

Responsible development

Targets and commitments	Status	Progress made during 2011/12
For new shops, the overall minimum BREEAM (Building Research Establishment Environmental Assessment Method) standard we aim to achieve will be 'Excellent' or 'Outstanding' where renewable energy sources are available (target revised).	Target exceeded	<p>Waitrose Stratford City was awarded first retail BREEAM post-construction 'Outstanding' certification in the world, with two additional projects at East Cowes and Bracknell scheduled to achieve the same level of accreditation. All Waitrose and John Lewis projects have continued to deliver stretching environmental solutions, while maintaining focus on carbon and capital reduction. During the course of 2011/12 the target minimum standard was amended to 'Very good' from 'Excellent' so that our attention and capital expenditure focused directly on carbon reductions and areas of specific value.</p> <p>All projects continue to follow the BREEAM process with sample selections attaining full accreditation. Where exemplar projects move through our project process, we will continue to stretch our targets, seeking BREEAM accreditation to 'Excellent' and, where our renewable strategy allows, to 'Outstanding'. To date, Waitrose and John Lewis lead the BRE register for accredited BREEAM projects and this approach is now firmly embedded within our business activities.</p>
Divert 99 per cent of our construction, demolition and excavation waste from landfill for all 2011/12 projects.	Achieved	We continue to demonstrate continual improvement year on year. We diverted 98.4 per cent of our construction, demolition and excavation waste from landfill. However, when figures relating to significant excavation or incumbent waste gained through acquisition are discounted then the 99 per cent target is achieved.
Register every new construction site with the Considerate Constructors Scheme (CCS) and achieve a score of at least 37 out of 40.	Target revised	<p>All new build and refurbishment projects achieved an average score of 35 out of 40, maintaining our previous score. During 2011/12 the CCS scoring matrix was reappraised. As such, maintaining an average of 35 across the programme is an excellent result demonstrating our ongoing commitment to being a good neighbour during construction and refurbishment projects.</p> <p>This target will be amended to achieve a score of 36 out of 40 for 2012/13 in line with the new scoring matrix from CCS and BREEAM.</p>
Reduce the volume of waste generated during a project to 6 tonnes per 100m ² (Gross Internal Area).	Achieved	Waste generated during construction projects was reduced to an average volume of 5.9 tonnes per 100m ² , down from an average of 6.2 tonnes per 100m ² last year.
We will produce biodiversity action plans for all new and major refurbishment projects from 2012.	New target	Our new projects and major refurbishments will be producing biodiversity action plans. During 2011/12 we trialled this approach on one John Lewis shop and one Waitrose shop with good success.

At a glance

continued

Targets and commitments (continued)

Responsible development (continued)

Targets and commitments	Status	Progress made during 2011/12
Target all projects to use materials that have on average 30 per cent recycled content, all new standards to ensure recycled content is considered as part of sign-off.	Not met	<p>While we have not met this target, progress continues to be made in this area. Four of 39 projects achieved in excess of 30 per cent.</p> <p>We remain committed to our aspiration to increase the use of recycled materials. During 2012/13 we will work with the industry to help push this element of construction project specification forward.</p> <p>Revised target: We have a long-term aspiration to use materials that have on average 30 per cent recycled content and we will work to make year-on-year improvements towards this goal.</p>
Use 100 per cent of timber from certified sustainable sources in the construction process.	Majority achieved	32 of 39 sites met the target. This demonstrates good progress on previous years and we remain committed to further improving our performance.
Explain to all new Partners, at the time of handover, how their shop has been designed to minimise its impact on the environment and how Partners can help.	Achieved	<p>This was achieved as part of standard handover processes.</p> <p>Our aim for 2012/13 is to improve the standard of these handovers in all cases. We will ensure that monitoring procedures are in place to measure installed versus designed performance and will increase the use of available industry tools.</p>
Ensure that every new shop opening, extension and major refurbishment publicly displays an Energy Performance Certificate (EPC) rating – this is a recognised EU standard familiar to all Partners.	On track	<p>We continue to achieve our goals for the display of Energy Performance Certificates in our Partner areas for our new space and major refurbishment projects.</p> <p>Of the 31 shops where this was applicable, we met our target in 17 shops with a further 14 on track to meet this objective, currently these shops are awaiting external verification.</p>

At a glance

continued

Data

Economic

John Lewis	2009/10	2010/11	2011/12	Change on last year#
Number of shops at year end ¹	29	32	35	3
Average selling space (m sq ft)	3.9	4.0	4.2	5.0%
Operating Profit (£ million) ²	160.4	198.4	157.9	-20.4%
Gross sales (£ million)	2,889.2	3,231.7	3,329.1	3.0%
Waitrose				
Number of shops at year end ¹	223	243	272	29
Average selling space (m sq ft)	4.2	4.6	4.9	6.5%
Operating Profit (£ million) ²	266.8	274.9	260.6	-5.2%
Total sales (£ million)	4,532.3	4,974.6	5,400.4	8.6%

Calculated relative to the previous year, including data expressed as a percentage.

1 Data relates to number of shops trading at the end of the trading year.

2 The basis of allocation of pension costs to the divisions was changed for 2012. The comparatives have also been re-presented in respect of John Lewis Insurance operations to be on a consistent basis to the current year.

Our suppliers

	Waitrose 2011/12	John Lewis 2011/12
Number of own-brand suppliers	385	890
Percentage of own-brand suppliers registered on Sedex*	93	98
Number of own-brand production sites	730	1,181
Number of own-brand production sites registered on Sedex*	600	1,074
Percentage of own-brand production sites registered on Sedex*	82	91

* Sedex (the Supplier Ethical Data Exchange: www.sedexglobal.com) is a web-based database to manage ethical and responsible practices within global supply chains.

Our people

Partner Survey results	2010/11	2011/12	2012/13
Average score			
We take responsibility for our business success	9	9	8
We build relationships powered by our principles	12	12	11
We create real influence over our working lives	13	13	12
Response rate	89%	90%	89%
% agree/strongly agree to 'I would recommend the Partnership as a great place to work'	83%	84%	82%

Data includes Partners working at Waitrose Welcome Break stores and Shell Waitrose outlets.

The Partner Survey is conducted annually in April and May. The range of possible scores runs from -30 (if everyone strongly disagreed) to +30 if everyone strongly agreed.

At a glance

continued

Data (continued)

Our people (continued)

Age profile of Partners	2009/10	2010/11	2011/12	Change on last year#
Under 19	14.4%	13.9%	12.2%	-12.5%
19-29	27.3%	28.5%	30.0%	5.1%
30-39	15.3%	14.9%	15.2%	2.1%
40-49	19.8%	19.3%	19.8%	2.4%
50-59	16.5%	16.1%	16.9%	5.1%
60-65	5.3%	5.8%	4.7%	-18.3%
65+	1.3%	1.5%	1.2%	-19.3%

Calculated relative to the previous year, including data expressed as a percentage.

Partner diversity	2009/10	2010/11	2011/12	Change on last year#
White	83.2%	82.6%	83.3%	0.9%
Asian or Asian British	6.9%	6.6%	6.8%	3.3%
Black or Black British	4.1%	4.0%	4.5%	11.3%
Chinese or other ethnic group	2.0%	1.8%	1.7%	-5.6%
Mixed origin	1.5%	1.6%	1.7%	7.5%
Not given	2.3%	3.4%	2.0%	-42.1%

Calculated relative to the previous year, including data expressed as a percentage.

Partner length of service	2011/12
Under 1 year	17.0%
1-5 years	41.0%
6-14 years	27.1%
Over 15 years	14.9%

Partners' gender	2011/12
Male	46%
Female	54%

At a glance

continued

Data (continued)

Community investment

Contributions to charities and community groups*	2009/10	2010/11	2011/12	Change on previous year [#]
Total value of cash contributions (£)	5,071,801	5,653,931	8,421,023	48.9%
Total value of time contributions (£)	1,348,400	1,476,510	1,008,239	-31.7%
Total value of in-kind contributions (£)	550,020	716,895	385,789	-46.2%
Total value of management cost contributions (£)	972,659	971,720	1,035,891	6.6%
Total value of cash, time, in-kind and management costs charitable and community investment contributions (£)	7,942,881	8,819,056	10,850,941	23.0%
Community investment as a percentage of profits before Partnership bonus and tax	2.59%	2.40%	3.07%	27.7%
Additional contributions leveraged from Partners, customers and suppliers (£)	1,633,701	1,527,104	1,096,665	-28.2%

Golden Jubilee Trust secondment hours by charity focus area	2009/10	2010/11	2011/12	Change on previous year [#]
Environment	3,666	4,956	2,324	-53.1%
Arts and culture	390	2,096	1,404	-33.0%
Social welfare	8,506	8,949	8,759	-2.1%
Health	5,738	5,279	4,535	-14.1%
Education and young people	3,099	2,841	3,979	40.1%
Total	21,399	24,121	21,001	-12.9%

Calculated relative to the previous year.

* As defined by London Benchmarking Group model.

At a glance

continued

Data (continued)

Carbon

	2001/02 tonnes CO ₂ e			%
	Waitrose	John Lewis	Total*	
Electricity	120,598	82,036	202,635	49.2%
Gas	19,861	27,548	47,409	11.5%
Other energy: static fuels	88	–	88	0.02%
Distribution	27,610	13,271	40,881	9.9%
Business travel	2,413	2,198	4,610	1.1%
Unrecycled waste	10,142	2,932	13,074	3.2%
Refrigeration and cooling direct emissions	102,957	not reported	102,957	25.0%
Leckford Estate agricultural emissions	not reported	not applicable	not reported	not reported
Water treatment and supply	not reported	not reported	not reported	not reported
Total gross emissions	283,668	127,985	411,653	100%

	2010/11 tonnes CO ₂ e			2011/12 tonnes CO ₂ e			%
	Waitrose	John Lewis	Total*	Waitrose	John Lewis	Total*	
Electricity	194,119	97,991	292,110	209,559	104,055	313,613	59.2%
Gas	40,450	20,393	60,843	36,946	16,591	53,537	10.1%
Other energy: static fuels	2,304	3,973	6,277	2,197	2,461	4,659	0.9%
Distribution	53,972	18,565	72,537	57,494	18,344	75,838	14.3%
Business travel	3,742	2,797	6,539	3,934	3,061	6,995	1.3%
Unrecycled waste	1,697	796	2,493	965	647	1,612	0.3%
Refrigeration and cooling direct emissions	64,624	2,400	67,023	61,000	3,905	64,905	12.2%
Leckford Estate agricultural emissions	7,502	not applicable	7,502	7,319	not applicable	7,319	1.4%
Water treatment and supply	1,055	639	1,694	1,041	628	1,669	0.3%
Total gross emissions	369,464	147,554	517,018	380,456	149,691	530,147	100%

At a glance

continued

Data (continued)

Carbon (continued)

	Tonnes CO ₂ e 2001/02	Tonnes CO ₂ e 2010/11	Tonnes CO ₂ e 2011/12
Scope 1	179,536	193,129	182,260
Scope 2	199,313	281,164	301,809
Scope 3	32,805	42,725	46,077
Total gross emissions*	411,653	517,018	530,147
Gross emissions per £m sales*	97	69	67

Our carbon footprint includes emissions resulting from UK owned and operated parts of the business, it also includes significant emissions from third-party operated distribution sites that are solely operated for Waitrose.

Unless otherwise stated environmental data relating to Corporate and Partnership Services activities, where available, has been apportioned equally between John Lewis and Waitrose.

Our annual reporting period runs from 1 February – 31 January the following year, in line with our business' financial (trading) year. 2010/11 data has been updated and 2011/12 data has been calculated using Defra-DECC 2011 emission factors, with the exception of those for Pure Plant Oil being used on a trial basis in a small number of Waitrose distribution vehicles, certain refrigerants, and some emissions sources associated with our Leckford farm.

2010/11 is the base year for our carbon reduction target. Data for 2010/11 and 2011/12 has been verified by the Carbon Trust

Energy

John Lewis	2009/10	2010/11	2011/12	Change on last year#
Total energy consumption (gas and electricity) (kWh)	263,723,275	287,024,059	278,132,093	-3.1%
Average branch energy consumption per square foot of trading floor area (kWh)	47.7	48.4	47.1	-2.7%
Waitrose				
Total energy consumption (gas and electricity) (kWh)	521,536,649	569,648,988	575,794,049	1.1%
Average branch energy consumption per square foot of trading floor area (kWh)	112.8	115.1	105.9	-8.0%

Energy associated with all shops, offices and owned and operated distribution centres has been included. For Waitrose energy for Leckford has also been included. Energy used at outsourced distribution centres is not included.

Unless otherwise stated environmental data relating to Corporate and Partnership Services activities, where available, has been apportioned equally between John Lewis and Waitrose.

Calculated relative to the previous year, including data expressed as a percentage.

At a glance

continued

Data (continued)

Transport and distribution

John Lewis	2009/10	2010/11	2011/12	Change on last year#
Commercial miles travelled	18,273,582	19,909,832	23,477,196	17.9%
Transport related CO ₂ e (tonnes) per £m sales	5.29	5.74	5.51	-4.1%
Back- and forward-hauling mileage	551,156	525,999	456,780	-13.2%
Business mileage in company-owned cars	3,179,335	3,449,404	4,147,204	20.2%
Company car MPG*	38.9	36.9	39.0	5.7%
Waitrose				
Commercial mileage	23,792,957	27,417,559	31,469,139	14.8%
Outsourced distribution mileage	12,282,606	13,387,163	14,268,853	6.6%
Transport related CO ₂ e (tonnes) per £m sales	10.50	10.85	10.65	-1.9%
Avoided mileage from back- and forward-hauling	1,778,894	2,252,390	2,686,480	19.3%
Business mileage in company cars	7,310,562	7,909,702	8,427,330	6.5%
Company car MPG*	38.9	36.9	39.0	5.7%
Partnership*				
Transport related CO ₂ e (tonnes) per £m sales	9.44	8.84	8.69	-1.7%

Historic data for transport related CO₂e (tonnes) per £m sales has been updated to reflect changes in Defra-DECC emissions factors.

Waitrose has a number of distribution centres that are operated on our behalf by contractors, this is reported as outsourced distribution mileage.

Unless otherwise stated environmental data relating to Corporate and Partnership Services activities, where available, has been apportioned equally between John Lewis and Waitrose.

* Partnership wide data

Calculated relative to the previous year, including data expressed as a percentage.

Refrigeration

	2009/10	2010/11	2011/12	Change on last year#
Waitrose refrigeration and cooling direct emissions (tonnes CO ₂ e)	78,715	64,624	61,000	-5.6%
John Lewis refrigeration and cooling direct emissions (tonnes CO ₂ e)	2,412	2,400	3,905	62.7%

Waitrose refrigeration and cooling direct emissions includes emissions associated with Leckford Estate and outsourced distribution. Leckford Estate emissions were not available in 2008/09 are therefore not included when measuring our performance against target.

Unless otherwise stated environmental data relating to Corporate and Partnership Services activities, where available, has been apportioned equally between John Lewis and Waitrose.

Calculated relative to the previous year, including data expressed as a percentage.

At a glance

continued

Data (continued)

Waste

John Lewis	2009/10	2010/11	2011/12	Change on last year [#]
Weight of waste disposed to landfill (tonnes)	4,734	3,909	3,250	-16.9%
Weight of waste recycled (tonnes)	4,712	6,126	7,955	29.9%
Weight of waste diverted to energy from waste facilities (tonnes)	40	1,933	2,361	22.1%
Total	9,486	11,968	13,566	13.4%
Waitrose				
Weight of waste disposed to landfill (tonnes)	22,911	7,816	3,922	-49.8%
Weight of waste recycled (tonnes)	23,703	31,149	36,372	16.8%
Weight of waste diverted to energy from waste facilities (tonnes)	1,684	9,978	13,304	33.3%
Total	48,298	48,943	53,598	9.5%

Data relates to operational trade waste only.

Data for Waitrose waste diverted to energy from waste facilities for 2010/11 has been amended for consistency by removing third-party contractor waste.

Unless otherwise stated environmental data relating to Corporate and Partnership Services activities, where available, has been apportioned equally between John Lewis and Waitrose.

Calculated relative to the previous year, including data expressed as a percentage.

Packaging

John Lewis	2010/11	2011/12	Change on last year [#]
Weight of primary packaging supplied to end user (tonnes)	15,957	17,639	10.5%
Weight of secondary and tertiary (transit) packaging (tonnes) ¹	1,237	1,529	23.6%
Waitrose			
Weight of primary packaging supplied to end user (tonnes)	111,570	118,860	6.5%
Weight of secondary and tertiary (transit) packaging (tonnes) ¹	2,259	2,519	11.5%

Data based on calendar year.

Calculated relative to the previous year, including data expressed as a percentage.

Unless otherwise stated environmental data relating to Corporate and Partnership Services activities, where available, has been apportioned equally between John Lewis and Waitrose.

1. Weight of secondary and tertiary (transit) packaging is based on packaging obligated under the Producer Responsibility (Packaging Waste) regulations

At a glance

continued

Data (continued)

Water

John Lewis	2010/11	2011/12	Change on last year#
Water consumption (cubic metres)	594,979	612,697	3.0%
Store water consumption per square foot trading floor area (cubic metres)	0.11	0.12	9.1%
Waitrose			
Water consumption (cubic metres)	884,267	765,696	-13.4%
Store water consumption per square foot trading floor area (cubic metres)	0.17	0.13	-23.5%
Partnership			
Store water consumption per square foot trading floor area (cubic metres)	0.14	0.12	-12.3%

As a result of installing additional water meters in late 2009/10 we now have more accurate water data for our shops. Due to uncertainties in the accuracy of data we have not reported consumption and efficiency data for 2009/10.

Unless otherwise stated environmental data relating to Corporate and Partnership Services activities, where available, has been apportioned equally between John Lewis and Waitrose.

Calculated relative to the previous year, including data expressed as a percentage.

Environmental prosecutions

	2009/10	2010/11	2011/12
Number of environmental prosecutions	0	0	0

Our approach

We are one of the UK's leading retail businesses. But our business is different – our values and our culture set us apart.

Our commitment to acting responsibly is strengthened by our values of respect, honesty and fairness; by sharing the rewards and responsibilities of ownership; and by conducting our business with integrity and courtesy. Our founder's ideals, set out in our constitution, are the inspiration behind our approach.

Our business

The John Lewis Partnership is one of the UK's leading retailers and the largest employee owned company in the UK. With 81,000 Partners (our employees), first class brands and a unique business model, we are well placed to continue our success and to take advantage of the changing market.

- John Lewis: 29* department stores; eight* at home shops; online store, johnlewis.com; provider of life and general insurance (www.johnlewis-insurance.com) and broadband internet access and telephone services (www.johnlewisbroadband.com); a John Lewis Home outlet in Swindon and a Lancashire-based fabrics and furnishing manufacturing operation, Herbert Parkinson.
- Waitrose: 285* Waitrose food shops in the UK and Channel Islands; online shop waitrose.com; a cookery school (www.waitrose.com); the Leckford Estate – a 4,000-acre estate includes a farm, plant nursery and water garden in Hampshire; and business to business contracts in the UK and abroad.

* as at end September 2012

What makes us different?

The uniqueness of our business comes from the Partnership's co-ownership model and our constitution.

Our values and culture allow us to balance social, ethical and environmental principles with sound business practice for sustainable, commercial success. We believe that our model is a better way to do business and enables us to achieve our ultimate purpose – the happiness of all our members through their worthwhile and satisfying employment in a successful business. Because the Partnership is owned in trust for all members, we democratically and collectively share the responsibility, rewards, profit, knowledge and power of co-ownership. Our long-term view and the loyalty and dedication of our Partners are the source of our competitive advantage.

Extending our reach

We are steadily building our presence by complementing the growth of our shops with new formats like convenience shops, new partnerships and online retailing to reach more customers:

- during 2011/12, Waitrose achieved 400,000 extra transactions per week. We opened 29 new Waitrose shops (including 15 convenience stores) and completed 14 refurbishments plus one shop relocation; this represents an additional 8.7 per cent (401,697 square feet) of selling space.
- through business to business partnerships four new Waitrose Welcome Break shops were opened, bringing the current total to 17; and in September to October 2011 we trialled two new Waitrose convenience stores at Shell petrol filling station sites.
- by opening John Lewis Stratford City, adjacent to the Olympic Park. John Lewis was the Official Department Store Provider to London 2012, which saw London 2012 shops open in all our full line department stores. We also helped furnish lounge and reception areas at Games-time venues.
- John Lewis multi-channel and online operations grew by 26.3 per cent in 2011 achieved through: increasing the number of products sold online; expanding our Click & Collect service allowing customers to collect from all John Lewis shops and some Waitrose shops; and extending our johnlewis.com delivery catchment to cover locations in mainland Europe, the Nordic countries and Ireland.

Our approach *continued*

Our business priorities

Our business strategy priorities

Our Partnership business strategy is built around three aims which set the direction and targets to achieve our ultimate purpose in the next phase of our growth:

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

Our sustainability strategy is aligned to and supports delivery of these three aims.

Increase the competitive advantage of our Partners

We are continuing to look at ways to maximise the contribution, skills, talents, performance and experience of our Partners by:

- clarifying where Partners can add greatest value, giving the right support to deliver that value and providing honest, straightforward and timely feedback and appropriate reward and recognition for their contribution.
- recognising what meaningful work and job satisfaction means for Partners, equipping them to make the most of their careers with the Partnership while building the capabilities and agility we need to succeed as a business.
- ensuring Partners have the effective and efficient processes, tools and technology needed to maximise their contribution to the Partnership.
- creating strong and inclusive communities that recognise and value diversity and bring people together both inside and outside of the business.

Our Partners own our business so have a vested interest in its success. They are at the heart of our service offering, embodying our values of trust, respect and fairness and they are the energy and passion that drives our work to be an evermore responsible and sustainable business.

By building our Partners' awareness and understanding of sustainability issues and empowering them to play their part in tackling these, they in turn can become powerful advocates, helping to protect and enhance the reputation of our business. Put simply, we can't achieve our sustainability goals without them and they also provide the most effective way for us to engage our customers.

Partner action can take many forms. From helping us to cut costs and protect the environment through reducing energy and water use, segregating and recycling waste so we send less waste to landfill and increase recycling revenues, driving commercial vehicles more efficiently reducing fuel costs and CO₂e emissions, to active involvement in our local communities, and informing our customers about the sustainability credentials of our products and services.

Realise our market potential

The Partnership is one of the most respected brands internationally. Our distinctive values and approach to great products and service have been instrumental to achieving this. We are responding to social and technological trends with multi-channel services and fulfilment, and we offer best in class products through our own-brand ranges.

Providing sustainable products and services is key to building brand trust, enhancing customer value and increasing competitiveness.

We source from British suppliers wherever we can to support the local and national economy. We give customers the best value through great products, at great prices, supported by great service. By also ensuring that sustainability as well as quality characterises the products we sell, the Partnership remains a retailer that customers can trust.

We are extending and developing our product ranges and bringing sustainability to the heart of our customer communications. This makes it easier for customers to make sustainable choices through clearer communications, including in store signage, labelling and services which encourage greater reuse and recycling. Work is also underway to leverage the opportunities associated with low carbon products and services; helping both Partners and customers to reduce their environmental and broader sustainability impacts.

Our approach *continued*

Our business priorities (continued)

Grow efficiently

The Partnership is committed to responsible and efficient growth. Our environmental approach in particular provides opportunities for us to refine processes and invest in ways that save time and money, as well as benefiting the environment.

Intelligently designed and responsibly built stores, offices and other environments, provide great places for our Partners to work in and our customers to shop in. They also lower our long-term operating costs.

Our operational emissions reduction goal of 15 per cent by 2020/21, supported by measures like the creation of renewable energy centres to reduce our reliance on the national grid and the development of alternative fuels and technologies for our vehicles, also assist in driving environmental efficiencies and cost.

'We are using fresh insight to inform and refresh the Partnership's position on sustainability.'

Gemma Lacey, Head of Corporate Social Responsibility, John Lewis Partnership

Partnership approach to sustainability

The external landscape has changed considerably with sustainability now integral to good business management for many companies.

For us, too, sustainability is being embedded across every aspect of our business, supported by the development and implementation of more sophisticated divisional sustainability strategies in the form of John Lewis' **Bringing Quality to Life** and the **Waitrose way**.

This presents us with an exciting opportunity to review and redefine the relationship between the Partnership's centre and our two trading divisions. We are using fresh insight to inform and refresh the Partnership's position on sustainability. This will help us to differentiate sustainability in a way that is consistent with our co-ownership model and our business aims. We are looking to build this around the people that drive and influence our business and reflective of the difference co-ownership brings. This work is underway and we look forward to sharing our journey with you as it unfolds.

Governance

We operate with a difference borne from our visionary founder's ambition to create a business powered by people and strong guiding principles. Our constitution, established at the company's inception, means that power is shared between three governing authorities: the Partnership Council; the Partnership Board and the Executive Chairman. This ensures Partners are instrumental in all that we do, including helping to shape, manage and deliver our sustainability goals.

Overall responsibility for sustainability continues to rest with the Director of Personnel. Operational management responsibility for sustainability is delegated from the Chairman to the Managing Directors of John Lewis and Waitrose, who in turn give responsibility to individual Board members. We provide an annual update to the Partnership Board and regularly discuss aspects of our sustainability programme with the Chairman's Committee.

In Waitrose, a Management Board Director is responsible for each of the four Waitrose way pillars. In John Lewis, the Bringing Quality to Life Steering Group, chaired by the Head of Brand Development, supported by working groups focused on each pillar of Bringing Quality to Life, is responsible for defining and driving delivery of the plan. This group reports to the John Lewis Management Board through the Buying and Brand Director.

The groups are further supported by Bringing Quality to Life champions, Partners based at shop management level across the business. These champions help us to ensure that we are responsive to the needs of our customers and communities and that Bringing Quality to Life is adopted and nurtured at a local level.

The Partnership's Property Services Director has overall responsibility for environmental issues as they relate to our property portfolio.

Our approach continued

Partnership approach to sustainability (continued)

Our Partners work together, learning from each other to create the best possible outcome. Cross functional steering groups, such as the Partnership's Environmental Steering Group and the Partnership and divisional Community Investment Committees set the direction, monitor performance and manage risk. More action focused working groups, such as the waste working group, encourage practical solutions, innovation and delivery in line with our broader strategic aims.

Our Responsible Business Group, led by our Chairman and established in 2009, served us well in creating a more co-ordinated and strategic approach to sustainability across our business. However, having reviewed the role and purpose of this group, we have decided that a fresh approach is required to streamline our governance framework to allow for clearer decision making, accountability and more rigorous challenge. Future assurance arrangements will be proposed as part of our review of our sustainability strategy.

'We have absolute faith and belief in our values. Our strategy is to secure long-term relationships with suppliers and we are committed to doing the right things, in the right way. When asked, we can give answers and our methods are fully transparent. Our fundamental objective is that our customers know that just by shopping with us they are doing the right thing.'

Quentin Clark, Head of Sustainability and Ethical Sourcing, Waitrose

The Waitrose way

During 2010/11, we developed the Waitrose way to help us share our sustainability goals with key audiences. The Waitrose way defines our approach to sustainability and spans the key Waitrose brand values important to our customers, Partners and suppliers:

- **Championing British** – We believe in always bringing our customers British food and produce at its very best, celebrating the British food season and working with the best local and regional suppliers.
- **Treading Lightly** – We believe in making the right choices for the environment by reducing packaging, waste, water and CO₂ emissions, and sourcing our food and raw materials responsibly. At Waitrose, product stewardship and maintaining the highest levels of agricultural and environmental management are our key focus at home and abroad. We look closely at our operational impact on the environment and ask all own-brand suppliers to reduce their business footprint too.
- **Treating people fairly** – We believe in treating our customers, Partners, farmers and suppliers fairly as well as supporting local charities and community groups through our Community Matters and Partner volunteering schemes.
- **Living Well** – We believe that eating well should be enjoyable. We provide a wide range of imaginative and nutritious choices to inspire people to eat more healthily and are ahead of targets for salt reduction.

Our Sustainability and Ethical Sourcing team works across our business to deliver these goals. When further guidance and agreement is required, Waitrose way policies and strategies are included for discussion at Waitrose Management Board meetings and on the agenda of the various Partnership steering groups. In our shops we have a network of Branch Manager CSR (Corporate Social Responsibility) Champions who help deliver and formulate policy.

The Waitrose way



Our approach continued

'Bringing Quality to Life fundamentally underpins our commitment for providing quality products combined with excellent service.'

Paula Nickolds, Buying Director
Home, John Lewis

Bringing Quality to Life

In 2010/11, we established **Bringing Quality to Life** as the banner to share John Lewis' sustainability vision and goals with our customers, Partners, suppliers and other interested stakeholders. We involve these key stakeholders in our sustainability activities to help determine and ensure we address what matters most to them.

Bringing Quality to Life has three pillars:

- **A better way of doing business** – Bringing Quality to Life through a better way of doing business, from our unique Partnership structure to our commitment to reducing impacts on the environment.
- **Encouraging sustainable living** – Bringing Quality to Life through the products and services we sell by ensuring they are responsibly made, and by helping customers choose and use them in ways that are more sustainable.
- **Engaging with our communities** – Bringing Quality to Life through the communities we touch, whether local to our shops, or to our suppliers throughout the world.



Stakeholder engagement highlights

Building strong relationships with people inside and outside our business is key to delivering our vision for sustainability and long-term business success.

We respect the interests of all the people touched by our business – our Partners (our employees), customers, suppliers and the wider community. It is important that we listen and respond to their concerns, are honest in our expectations and fair in how we communicate our performance.

Our people

Our annual Partner Survey has continued to inform our Partner priorities and associated work streams, including development of a new performance management system, job levelling (looking at roles across the business to understand levels of responsibility and requirements) and the way in which we run change programmes.

In 2011/12, Partnership Councillors had the opportunity to influence the Partnership's pay policy, as well as question the Chairman on the Partnership's three-year business plan, the end of year results and the Partner Survey.

Working with global corporate responsibility consultancy, Corporate Citizenship, we interviewed senior managers to understand the views, ambitions and expectations of Waitrose, John Lewis and the business as a whole regarding the past, present and future aspirations for sustainability in the Partnership. We will reflect on the key themes identified to create the right future approach to sustainability for the Partnership.

To better engage Partners in sustainability:

Waitrose way 'promises' have been introduced at Waitrose shops and head office departments where Partners' commit to actions that help save money and benefit the business and the environment.

John Lewis Bringing Quality to Life Champions have helped to drive delivery of our vision by running road shows to raise awareness of our objectives.

We have relaunched an environmental Portal for all Waitrose shops offering useful hints and tips to help Partners reduce energy and waste consumption, as well as providing store specific energy and waste reports. We plan to roll this out to all John Lewis shops in 2012.

We introduced more environmental product discount offers through PartnerGreen (part of our benefits programme) to help Partners engage in tackling environmental issues at home.

Our customers and communities

Community Matters Online has been launched giving Waitrose shoppers the opportunity to vote and influence the share of £25,000 donated to one of three national charities every three months.

To strengthen and build community relations, we advertise customer volunteering vacancies on behalf of the local causes supported under our Community Matters scheme.

Our approach *continued*

Stakeholder engagement highlights (continued)

Our suppliers

UK suppliers were invited to a 'Made in UK' event with John Lewis buyers to discuss issues and showcase products. The event was used to seed future products ahead of the launch of the 'Made in UK' product identifier.

A high proportion of the livestock farms supplying Waitrose are members of voluntary industry schemes which provide the opportunity to create, enhance and protect wildlife habitats on their farms as well as protect streams and rivers. A significant number are also engaged in local initiatives working with charities, national agencies and communities.

Government

Waitrose remains actively involved in the Public Health Responsibility Deal (www.responsibilitydeal.dh.gov.uk) – an agreement between Government, industry and NGOs with goals for public health improvement. Waitrose has adopted 10 pledges around food and drink.

During 2011/12, we responded to a number of Government consultations on environmental policy and regulation, including the Green Deal, the Carbon Reduction Commitment (CRC) Energy Efficiency Scheme and the Red Tape Challenge. We've also had meetings with senior officials at the Department for Energy and Climate Change and the Department for Communities and Local Government, as a business and through policy groups such as the UK Green Building Council, to share our views.

NGOs, campaign groups and industry collaborations

John Lewis actively participates, along with other retailers, brands, recyclers, sector bodies, NGOs and charities, in the Sustainable Clothing Action Plan led by the Waste Resources and Action Programme (WRAP, www.wrap.org.uk). The collective ambition is to improve the sustainability of clothing across its life cycle, reducing resource use and securing recognition for corporate performance by developing sector-wide targets.

As a member of the Ethical Trading Initiative (ETI, www.ethicaltrade.org) the Partnership is working with other businesses, trade unions and NGOs to engage in projects that will deliver sustainable solutions to improve the lives of those working in global supply chains.

The Partnership is engaged in a number of industry working groups at the British Retail Consortium (BRC) including environmental policy, timber and palm oil. We are a signatory to the BRC's A Better Retailing Climate (www.brc.org.uk).

Waitrose is a signatory to Courtauld Commitment 2 (www.wrap.org.uk) and is engaged in dialogue with WRAP and other signatories regarding its successor.

The Partnership is a member of WRAP's Product Sustainability Forum (www.wrap.org.uk), a collaboration of more than 80 organisations comprised of grocery and home improvement retailers and suppliers, academics, NGOs and UK Government representatives. The forum provides a working platform to measure, reduce and communicate the environmental performance of grocery and home improvement products.

Our buyers of large electrical appliances are also working with WRAP to improve the recycling of LED TV screens. John Lewis consulted with various leading NGOs ahead of rolling out the Sustainable Product Identifier and worked with social enterprise Bioregional to think about how to extend the Identifier's coverage and relevance to customers.

John Lewis was elected onto the Sedex Product Development Advisory Group, which will assist the Sedex Secretariat to prioritise and finalise proposed future developments. Sedex (www.sedexglobal.com) is a not-for-membership organisation dedicated to driving ethical improvements in global supply chains.

Waitrose is a corporate member of Linking Environment and Farming (LEAF, www.leafuk.org), the organisation that promotes environmentally responsible farming. Leckford is a LEAF demonstration farm and participates in Open Farm Sunday sponsored by Waitrose.

Waitrose responds to the Environmental Investigation Agency's annual 'Chilling Facts' survey (www.chillingfacts.org.uk) on refrigerant loss.

Our approach *continued*

Stakeholder engagement highlights (continued)

Collaboration and influence

To support the impact of our sustainability programme and activities, we partner external organisations on various initiatives. Our senior executives are also active in various organisations which are relevant to our business:

- Charlie Mayfield, Chairman, John Lewis Partnership, is Chair of the UK Commission on Employment and Skills (www.ukces.org.uk). This is an opportunity to directly influence how the Government supports business in providing employment for the next generation, learn from other organisations and raise the profile of our Partner development programme.
- Andy Street, Managing Director, John Lewis, is on the Board for London First (www.london-first.co.uk), a business membership organisation working to make London the best city in which to do business; Chair of the Greater Birmingham and Solihull Local Enterprise Partnership (www.birmingham.gov.uk), leading the economic rejuvenation of the region; and a member of the Prime Minister's Business Advisory Group (www.number10.gov.uk).
- Mark Price, Managing Director, Waitrose, has been Chairman of Business in the Community (BITC – www.bitc.org.uk) since January 2011. The Partnership is a long-standing member of BITC, helping to define what responsibility looks like in the workplace, marketplace, environment and the community. Mark is also Chair of Trustees for The Prince's Countryside Fund (www.princescountrysidefund.org.uk) and he has been a non-executive director of the Channel 4 board since September 2010.
- Patrick Lewis, Managing Director Partnership Services and a Partnership board member, is a member of the Government's Mutuels Taskforce (www.mutuals.cabinetoffice.gov.uk), helping people to become semi-independent mutual companies under the Government umbrella.
- Andrew Moys, Director of Communications, is the Partnership's representative on the UK Department for Business Innovation and Skills Employee Engagement Task Force (www.bis.gov.uk) which shares best practice and raises the profile of employee engagement in delivering growth and well-being.

Report content and assurance

Our co-ownership structure, built on the principles of openness and transparency, supports our commitment to open and honest disclosure and reporting.

About this report

The report focuses on our activities, progress and achievements from summer 2011 to summer 2012 and unless stated otherwise, figures in this report relate to our trading year running from February 2011 to January 2012. We profile the steps being taken in pursuit of our business sustainability targets where we have operational control. Stores in the Middle East operated by Fine Fare Food Market LLC and arrangements with partner organisations Boots and Waitrose Welcome Break are excluded from the scope of our sustainability reporting boundary and key performance indicators unless otherwise indicated.

We produce our sustainability report annually as a point in time record of our progress towards our goals; our last report was published in July 2011. This year we have evolved our Partnership-wide report into an online format for the first time. The report includes links to additional information on our website as well as third-party information.

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

We welcome your comments. If you have any questions or would like to request a printed summary of this report, please contact us at: csr@johnlewis.co.uk.

Or write to:

Gemma Lacey, Head of Corporate Social Responsibility
John Lewis Partnership, Partnership House
Carlisle Place, London SW1P 1BX

Our approach

continued

Report content and assurance *(continued)*

Reporting important issues

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

Materiality – what we include

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

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

Report assurance

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

We have sought greater internal and external assurance for information included in this year's report. These assurance checks were conducted in March to include the information in the Partnership's Annual Report and Accounts so that combined internal and external assurance covers all numerical assertions in the Corporate Social Responsibility section of the Business Review. External assurance was used for the more specialist and complex datasets: our community investment and carbon emissions.

During 2012/13 we will continue to improve our data processes in light of these recommendations. We will also review the options for increasing our level of assurance for our 2013 sustainability report.

We also believe that our involvement in external initiatives, benchmarks and awards and the best practice standards and independent certification schemes we use, add value and credibility to our programmes and reporting. Our performance is recognised by a number of independent organisations.

Below we summarise the improvements we have made during 2011/12 in response to assurance conducted for last year's Corporate Social Responsibility report.

Response to Internal Audit report assurance process in 2011/12

During the production of last year's report our Internal Audit department provided a level of assurance by testing a number of the assertions we included. In response to points raised during this process we have made improvements in data processes. For example, we have worked with Partners throughout the business to increase our emphasis on ensuring that information provided for reporting is accurate and auditable. In addition, as part of our carbon reduction programme we have been implementing a new software system to house all emissions data: energy; transport; waste; water and refrigerants, Leckford Estate's agricultural emissions and business travel.

Our approach *continued*

Report content and assurance (continued)

Response to Corporate Citizenship community data assurance in 2011/12

Corporate Citizenship, a specialist corporate responsibility consultancy, reviewed and assured our community investment data collation processes in 2011/12. In response to this we have:

- reviewed our shop surveying techniques, so that the sample used for the Waitrose division better reflects the store portfolio including the number of convenience shops within our estate.
- simplified our shop survey form to better support us in collecting more accurate and meaningful data as well as high level information on the key causes supported.
- reviewed our data collection methods and agreed ways to simplify and standardise our approach across the Partnership. This has included ensuring that we record appropriate costs for our in-kind contributions such as charities and community groups using our meeting room facilities.
- continued to explore the use of our online database so that more data is available centrally with a greater level of transparency. As a result, we intend to use the system to capture a much greater proportion of the Waitrose division's community investment data from 2012 onwards.
- started to develop a method for measuring community impacts and outputs of our investment in a more co-ordinated manner; our longer-term aspiration is for the impacts of our contributions to be recorded on our online database.

Our customers

'We listen carefully to our customers and we strive to serve them even better; understanding their needs and giving both new and existing customers what they want through as many channels as possible.'

Bina Kantaria, Customer Excellence Manager, John Lewis

We value and respond to the needs of our customers. We have earned their trust in our reputation for quality and price and our Partners' work to constantly improve the service we offer. Our customers increasingly want to know that our products and services have been sourced and produced responsibly, so we are making it easier to make healthy and sustainable choices.

Our customer service

Our 81,000 Partners are determined to give customers the best possible shopping experience.

In 2011, our Partners' dedication to service was acknowledged in many surveys and awards:

- John Lewis and Waitrose were jointly named as Retailer of the Year, at **Oracle Retail Week awards 2011** (www.retailweekawards.com) as decided by peers and competitors. John Lewis also won Marketing/Advertising Campaign of the Year for our Never Knowingly Undersold.
- Waitrose was awarded first place in Which? magazine's supermarket survey of over 11,000 shoppers for the third year running in December 2011. Read more on www.which.co.uk.
- John Lewis was voted **Britain's Favourite Retailer 2011** for the eighth time in 12 years by retail analysts Verdict.
- Waitrose received two People's Choice Awards 2011 for 'Valued Customer' and 'Most Responsive Organisation', while John Lewis won the awards for 'Most Trusted Organisation' and 'Most Reliable Organisation' – from a poll of 26,000 members of the public at **The UK Customer Satisfaction Awards** (www.instituteofcustomerservice.com).
- John Lewis Edition won Customer Magazine of the Year at the November 2011 PPA Awards (Professional Publishers Association).
- John Lewis was named the UK's most trusted home insurance provider in the **Moneywise Customer Service Awards 2012** (www.moneywise.co.uk).

'The Sustainable Product Identifier is there to help customers find their way through the green maze and make more sustainable choices. We want to tell the story behind the product. We are already known for offering great product advice and this is about offering a great service while making choices for sustainable living too.'

Stephen Cawley, Manager Merchandise Standards and Responsible Sourcing, John Lewis

Sustainable living

With our broad product offering, we affect our customers' lives in many ways and so it's our responsibility to help them choose quality products and services that offer ways to live a more sustainable life.

Through the Waitrose way and Bringing Quality to Life, we are bringing sustainability to the heart of our customer communications. Sustainability can be a complex landscape so we aim to keep our messages simple and clear.

John Lewis Partners are focused on Bringing Quality to Life and helping customers to choose and use products that are more sustainable. We have a number of initiatives and programmes in place to achieve this including:

- 'Made in UK' (see page 36).
- Sustainable Product Identifier (see page 31).
- Increasing the sustainability of the key raw materials used in our products, such as timber and cotton (see page 38).
- The John Lewis Foundation (see page 38).

Waitrose Partners are focused on integrating the Waitrose way into our marketing strategy to form a key part of our customer communications, for example, through in-store signage, customer publications and events on:

- Championing British (see page 36).
- Living well (see page 32).
- Treading lightly by improving the sustainability of products like fish and product ingredients such as palm oil and soya (see page 38).
- Treating people fairly through the Waitrose Foundation (see page 37).

Our customers

continued

Sustainable living (continued)

John Lewis' Sustainable Product Identifier

In 2011, John Lewis launched a Sustainable Product Identifier, a green symbol which highlights products with a positive sustainability story and helps customers make more informed choices. Our strategy was only formulated after consultation with various leading non-governmental organisations. We identified products which had positive sustainability stories to tell and we will promote those specific products which meet certification standards:

- **FSC** (Forest Stewardship Council, www.fsc.org)
- **PEFC** (Programme for the Endorsement of Forest Certification, www.pefc.co.uk)
- **Fairtrade** (www.fairtrade.org.uk)
- **Energy Savings Trust** (www.energysavingtrust.org.uk)
- **Rainforest Alliance** (www.rainforest-alliance.org)
- **Soil Association** (www.soilassociation.org)
- **BUAV** (British Union for the Abolition of Vivisection, www.buav.org)
- **Go Cruelty Free** (www.gocrueltyfree.org/shopper)

The Sustainable Product Identifier appears on over 1,000 products sold in John Lewis and in 2012 we plan to extend the reach of the identifier, to highlight even more products that will help our customers lead more sustainable lives. For example, a bath mat using cotton grown by farmers in India, supported by the John Lewis Foundation was launched in stores in October 2012.

Supporting customers to reuse and recycle

We aim to enhance our customer recycling strategy by providing an end of life solution for some of the major product lines which we sell.

Currently:

- we offer in-store recycling for batteries.
- we continue to support the recycling of electrical and electronic equipment by funding the Distributor Take-Back scheme (www.dts.valpak.co.uk) and offer collection of large electricals (www.johnlewis.com).
- Waitrose provide carrier bag recycling in all stores.
- John Lewis have introduced innovative schemes such as mattress recycling and are trialling furniture reuse.

The Partnership is reviewing additional recycling and recovery options with a view to extending our customer recycling services. For example, we hope to provide recycling options for:

- low energy light bulbs.
- water filters.

Mattress recycling

According to the National Bed Federation, around 2 million mattresses are manufactured in the UK every year. However, when they come to the end of their life, many mattresses go to landfill as recycling centres cannot handle the diverse range of materials that they contain.

The John Lewis recovery and disposal solution for mattresses and divan bases solves this problem. When we deliver a new bed or mattress, we charge a small fee to take away customers' old mattresses and dispose of them responsibly. By partnering with two waste collection companies, we have created a flexible solution.

Fabric, polyurethane foam, metal springs and flock can be recycled while the disposal process of bed bases creates new energy. Between June 2011 and June 2012, more than 80,000 used mattresses were collected from John Lewis customers and recycled. Working in this way, John Lewis turns the problem of waste into an opportunity and allows our recycling partners to benefit as well.

Our customers

continued

Supporting customers to reuse and recycle (continued)

Furniture Re-Use Network

At the end of 2011, John Lewis Liverpool launched a sofa reuse pilot. We worked in partnership with the Furniture Re-Use Network, a charity that acts as the national co-ordinating body for 400 UK reuse organisations which collect household items and passes them on to people in need.

John Lewis Liverpool customers buying a new sofa can have their old one taken away. The sofas are rehomed with people in the local area. Sofas that do not meet relevant safety legislation and therefore cannot be reused are broken down into their component parts and responsibly recycled, diverting waste away from landfill.

The pilot has been successful and we are now putting in place plans to extend this service in 2012.

Nutrition and health

As a food retailer Waitrose believe that eating well should be enjoyable. We provide a wide range of imaginative and nutritious choices to inspire people to eat more healthily. This is part of the Waitrose way.

To help customers and Partners eat a broader variety of foods every day, in June 2011 we launched Love life, a nutritionally balanced range of more than 270 products. A further 500 everyday products will carry the Love life nutritional benefit indicator on packaging, helping customers and Partners to make healthier choices.

In January 2012, we added Love life 'you count', to our range with a desire to help those customers counting calories and in March 2012, we launched Love life 'free from', a selection of gluten free treats and breads especially for those following a special diet. We also introduced calorie labelling in all Waitrose cafes.

The whole range is supported by a dedicated Waitrose Love life magazine providing inspirational lifestyle advice around food, health and exercise. For example, the January 2012 edition contained a 21 day menu and exercise planner designed to help customers eat fewer calories and get into shape.

Our nutrition team continues to provide advice and support on healthy living through our publications and online nutrition pages (www.waitrose.com/nutrition). These have been updated to support our Love life proposition enabling our customers to access more relevant and meaningful information around food, health and wellness.

Waitrose remains actively involved in the Public Health Responsibility Deal – an agreement between Government, industry and non-governmental organisations with goals for public health improvement. Waitrose adopted 10 separate pledges around food and drink.

Our products and suppliers

‘Our approach enables us to integrate our sustainability values with business best practice. This helps us to safeguard relationships with our suppliers and gives them, as well as our customers a clear view of our expectations.’

Lucy Shaw, Manager Responsible Sourcing, John Lewis

We are committed to selling responsibly sourced products, dealing fairly with suppliers, engaging with customers and acting in their interests and providing excellent value and unrivalled customer service.

Responsible sourcing

As a responsible retailer, the Partnership aims to source products from long-term sustainable supply chains, which minimise environmental impact and create trust and value for everyone involved.

It makes business sense for us to trade responsibly with our suppliers – our business relies on their products and services. We appreciate that our suppliers face many challenges and we aim to take a balanced approach. Our strategy is to secure long-term relationships by working closely with them, involving them in our plans and treating them fairly and ethically.

We share information openly and make suppliers aware of our goal to create a more sustainable supply chain. We encourage a sense of joint responsibility, helping our suppliers to grow alongside our own business. We undertake joint business planning, and fair terms and conditions provide security for long-term investment decisions. This enables both parties to realise the benefits.

Recognising that suppliers own trading arrangements, accreditations and status can change, we encourage a two way dialogue at all times.

For example: Artko, a supplier based in the north of England, supplies some of John Lewis’ wall art ranges. We are working alongside Artko, providing the trading commitment needed to allow them to expand and develop new artists, such as British painter Sue Fenlon, who is now one of our best-selling artists. Our continuing commitment illustrates the value that we place on supporting businesses that strategically fit our own and enabling small businesses to grow by providing commercial assurances.

Responsible sourcing programmes

Our responsible sourcing programmes allow us to monitor the extent to which suppliers meet the requirements of our Responsible Sourcing Code. When we identify a shortfall, we work collaboratively with our suppliers to bring about improvements in labour standards and worker welfare.

To assist us, we gather information from our suppliers using **Sedex** (Supplier Ethical Data Exchange, www.sedexglobal.com) and from that identify and prioritise risk factors within our supply chains. This informs the supplier sites that are prioritised for an independent audit.

The Partnership works collaboratively with peer organisations to find solutions and to encourage mutual understanding. For example, as a member of the **Ethical Trading Initiative** (ETI, www.ethicaltrade.org), the Partnership is working with other businesses, trade unions and NGOs to engage in projects that will deliver sustainable solutions to improve the lives of those working in global supply chains. The ETI vision is of a world where all workers are free from exploitation and work in conditions of freedom, security and equality.

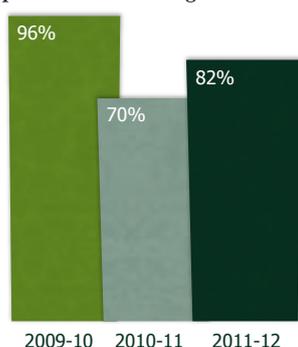
This unique alliance enables the many common issues that cannot be easily addressed by individual companies to be tackled collectively. It also provides us with independent scrutiny which we believe will help us further develop and strengthen our Responsible Sourcing programmes. Since joining, both Waitrose and John Lewis have been able to engage in projects that will deliver sustainable solutions for our business, and for those working in the supply chains. We consider that our involvement in the ETI will help to build our knowledge of the issues.

Our products and suppliers

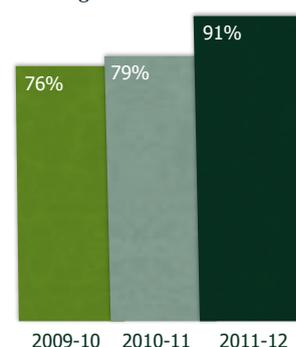
continued

Responsible sourcing (continued)

Proportion of Waitrose own-brand production sites registered on Sedex*



Proportion of John Lewis own-brand production sites registered on Sedex*



	Waitrose 2011/12	John Lewis 2011/12
Number of own-brand suppliers	385	890
Percentage of own-brand suppliers registered on Sedex*	93	98
Number of own-brand production sites	730	1,181
Number of own-brand production sites registered on Sedex*	600	1,074
Percentage of own-brand production sites registered on Sedex*	82	91

* Sedex (the Supplier Ethical Data Exchange: www.sedexglobal.com) is a web-based database to manage ethical and responsible practices within global supply chains.

During 2010, Waitrose improved its process of identifying sites to be included in its Responsible Sourcing Programme, which resulted in a number of new sites being identified. A restructure of the Buying function also resulted in changes to the production sites sourced from; Waitrose commissioned Sedex to onboard unregistered sites.

To ensure that John Lewis products are only made in the best possible factories we strengthened our factory approval process in 2011, by requiring all new factory sites to undergo a combined technical and ethical audit within the first three months of trading. In 2012, John Lewis will further strengthen this approach by having all new factory sites undergo an audit before orders are placed.

Looking forward

In 2012 the Partnership will work to increase the percentage of our own-brand suppliers that are Sedex registered and have completed online self-assessment questionnaires. John Lewis has set a target for all key factories supplying John Lewis own-brand products to have action plans in place to improve the working lives of their workers by year end 2013/14 and for the top 10 factories in each of our three key product areas (furniture, garments and textiles, and homewares) to have an effective environmental management programme in place which addresses waste, water and energy usage by year end 2015/16.

Our products and suppliers

continued

Supporting our suppliers

To support our Responsible Sourcing Programme, we have set up various initiatives and tools to help suppliers and those in our supply chain.

These include supplier manuals with step-by-step guidance and supplier conferences to raise awareness, share best practice and generate feedback to constantly improve standards in the supply chain. For example:

- In order to help suppliers better understand the requirements of our Responsible Sourcing Code of Practice and their responsibilities for delivering them, John Lewis produced a supplier guide to Responsible Sourcing, this was issued to all own-brand suppliers. The guide identifies practical measures that suppliers can take and includes a checklist covering topics such as health and safety, labour standards and equality. The guide was produced in both English and Chinese and has been enthusiastically received by John Lewis suppliers since its issue in mid-2011.
- To support recommendations made by the Equality and Human Rights Commission (EHRC) in 2011, Waitrose issued and promoted guidance to suppliers on recruitment and employment practices in the UK within meat and poultry processing sectors. The EHRC guidance aims to establish good management practices for the UK meat and poultry sector and to protect workers from discrimination.
- Waitrose have an established local and regional product sourcing programme; through their buddy scheme they aim to encourage local suppliers and make it easier for them to work with us. Waitrose have recently started to provide sales data by store to help regional and local suppliers track and increase their sales with us and they will be launching answers to frequently asked questions online.
- As part of the Waitrose way, Waitrose have introduced environmental supplier targets for carbon, waste and water. Our ambition, in the long term, is for all our goods and services to be sourced from suppliers who share our vision and common objectives for a more sustainable future.
- To acknowledge the hard work and improving environmental performance of our supply base, the first Waitrose way supplier awards took place in April 2012. The best performers in waste, water and carbon management were identified through an assessment by an independent panel of judges including Conservative MP for Richmond Park and North Kingston, Zac Goldsmith. Read about the award winners (www.waitrose.presscentre.com).

Fairly traded products

The Partnership strives to trade fairly with its suppliers and supports established schemes such as Fairtrade, which contribute to the sustainable development of the communities where farmers and workers live. Working with the Fairtrade Foundation, the Rainforest Alliance and our own Waitrose Foundation and John Lewis Foundation we aim to further expand on the ranges offered.

John Lewis currently sells a limited range of Fairtrade products and is discussing with the Fairtrade Foundation how to extend the number of these products we sell and how we can engage our buying teams more fully with the ethos of Fairtrade.

Waitrose annually supports Fairtrade Fortnight, and continues to build its Fairtrade offer. Waitrose was the first supermarket to sell loose Fairtrade bananas, and all bananas sold at Waitrose have been sourced this way for the last five years. During 2011, Waitrose converted its own-brand tea to Fairtrade as well as extending the range of Fairtrade coffee we sell to over a third of the assortment.

Our products and suppliers continued

‘John Lewis is committed to supporting UK manufacturing and there are many examples across all the products we sell. British-made carpets are synonymous with quality, luxury and performance and 91 per cent of all John Lewis branded carpets are made in the UK. We also work with some of the top UK based upholstery makers to ensure John Lewis sofas and armchairs offer the best quality, craftsmanship and comfort.’

Anna Rigby, Head of Buying Home Accessories and Gifts, Textiles and Carpets, John Lewis

‘As one of the longest serving manufacturers of premium outerwear in England, we are delighted that John Lewis is working with us and showing support for British heritage and UK manufacturing, as well as giving support to the local economy.’

James Eden, Managing Director, Cooper & Stollbrand

Supporting UK business

Wherever possible we support UK manufacturing and agriculture. We develop long-term supply relationships to help our suppliers provide long-term employment and to ensure that we can put in place the required standards to support our brands.

‘Made in UK’ identifier

- The retail value of John Lewis own-brand UK manufactured products exceeded £465 million in financial year 2011/12.
- 13 per cent of John Lewis own-brand supplier factories are located in the UK.

The provenance of our goods is one crucial aspect that we always consider as we increase the range of high quality lines offered. John Lewis has always been a keen supporter of British designed and manufactured goods, and we even have our own factory based in the North of England, Herbert Parkinson, which makes fabric, duvets and pillows.

To reflect our long-standing commitment to British manufacturing, we created a ‘Made in UK’ identifier to highlight products made in this country by the 137 British suppliers we work with. The identifier – a small union flag symbol – will enable customers to find and identify these products more easily, and make an informed choice about the products they buy.

In fashion, John Lewis works with UK manufacturers, such as Cooper & Stollbrand (www.cooperstollbrand.co.uk), a family-run tailoring business in Manchester, which prides itself on quality and craftsmanship to make the ‘John Lewis and Co’ menswear range.

We continually review the ranges offered and are committed to ensuring that the ‘Made in UK’ identifier accurately reflects the products it denotes. We are committed to increasing the number of British-sourced products we offer by year end 2015/16 and to highlight them in-store and online to make it easier for customers to choose British products, if that is their preference.

The Waitrose way – championing British

We believe in always bringing our customers home-grown food and produce at its very best, celebrating the British food season and working with the best local and regional suppliers.

Aligning ourselves with producers who share our values supports our quest to continually offer great quality food. Our strategy allows us to carefully monitor the provenance of the meat, fish and produce we sell, and we benefit from a shorter supply chain with proximity to our stores. As a result, the freshness of our food supports our quality agenda. Waitrose seasonal food policy highlights our overall commitment.

In summer 2011, we celebrated the best of British seasonal produce with a point of sale campaign, and we continue to clearly promote British products in season both in store and through our advertising and promotions.

The Partnership’s own working farm is adding to our expanding range of food and drink. In October 2011, Leckford Estate harvested four tonnes of grapes over two days. Through our collaboration with the leading wine producer Ridgeview, the grapes will be turned into our first own-brand English sparkling wine.

We continue to source British wherever possible. A high proportion of our key ingredients are British, including all our chicken, beef, fresh pork, ham (excluding continental meats) and, since spring 2012, all Waitrose tinned corned beef. 40 per cent of Waitrose cut flowers sold in 2011/12 were sourced from the UK. We are mapping all our ingredients and identifying where we can get sufficient quantities and the quality we require to move to British supply.

We continue to source the best local products from suppliers near our shops. Our flexible distribution model allows us to accept direct deliveries from smaller suppliers and we run a number of ‘Meet the buyer’ events in key regions to find new suppliers and products.

Our products and suppliers continued

'Climate change will fundamentally alter the way in which we produce food; conventional and organic agriculture will become closer. There will be different approaches for different parts of the world, but there will be more collaboration between the two – and it will be driven by the need to save energy.'

Heather Jenkins, Director, Buying and Agriculture Strategy, Waitrose

'In five years' time, we aim to have created a national cluster of retailers, researchers and other delivery partners, who share a common vision: To ensure that the UK is the best place to grow safe and nutritious food in the face of climate change and other sustainability challenges.'

Professor Wayne Powell, Steering board member of CEUKF and Director of IBERS, Aberystwyth University

'I worked at Tambuzi growing and packing roses but I have now retired and my children are working there. I have seen Tambuzi support us vigorously and now I hear that the Waitrose Foundation is going to support us more and am very happy that my children work at Tambuzi and ensure that quality flowers are sent to Waitrose in the UK.'

John Mambo Maina, elder from the community, Kenya

Sustainable food and farming

We understand that we share the environmental risks and opportunities of our supply chain. In the face of climate change risks, food security is a major future issue.

We have a role in developing strategies to grow safe and nutritious food.

As the world's population grows, greater demands are placed on the earth's resources. To help us understand the worldwide issues and challenges in food security we ask all our growers to complete farm risk assessments as part of the Waitrose sustainable agriculture policy. The Waitrose Agronomy group comprises Waitrose Partners and suppliers who work together to review the data gathered and determine actions and priorities. The group then work collaboratively with specialists in research and development and other science based disciplines to lead areas of product quality and agricultural strategy. Biodiversity is one indicator within the five pillars of sustainable farming.

Waitrose is the sponsoring Chair of Sustainable Agriculture at Aberystwyth University and supported the establishment of a Centre of Excellence for UK Farming (CEUKF). The CEUKF is a pioneering supply chain partnership designed to address climate related sustainability challenges for the UK food sector. Together, our ambition is to drive best practice, develop skills and provide evidence to support government policy. The stakeholder partners in this initiative are:

- Waitrose
- The Institute of Biological, Environmental and Rural Sciences (IBERS) at Aberystwyth University
- The National Institute of Agricultural Botany (NIAB TAG)

Our foundations

Our founder, John Spedan Lewis, built our business on sound principles where we act in the interests of society; the Partnership's Foundations remain true to this ethos, providing financial support for a wide range of projects.

Waitrose Foundation

In November 2011, our Chairman Charlie Mayfield returned to Africa to witness how the Waitrose Foundation turns Waitrose's financial contributions into projects that will support communities. So far, more than £4 million has been raised which funds more than 240 projects in Ghana, Kenya and South Africa. For example:

- in Ghana, more than 2,000 residents have access to a sanitation facility which enhances the health status of communities, encourages food hygiene and reduces communicable diseases. The region's annual cholera outbreak was reduced to zero following installation of the facility.
- installing solar powered street lighting in the town of Ravine, Kenya, has improved security on the major footpaths workers use to walk home at night.
- in South Africa, workers from the Golden Frontiers Citrus farm have been trained to turn scrap metal into a range of saleable goods. The project generates income, selling bed frames, flower pots, candle holders and more.
- two graduates from the Waitrose Foundation bursary education scheme have now gained professional jobs. Joline Isaacs working with ABSA bank and Conré Jantjies gaining employment with an audit and accounting firm, LPD.

During 2012 we will continue to look for opportunities to extend the Waitrose Foundation products into more ranges.

Our products and suppliers *continued*

'People come first. Everything we do is to ensure that wherever they are in the supply chain, people end up better off – from what they're paid to the hours they work. If we are not making a difference to people's lives, we have to question whether we're doing the right thing.'

Stephen Cawley, Manager
Merchandise Standards and
Responsible Sourcing, John Lewis

'In the UK, around two million tonnes of clothing is purchased per annum. As 90 per cent of UK clothing is imported, our activities have a significant overseas 'footprint'. The road map is based on the co-ordinated action of key clothing and fashion stakeholders – the people best placed to make effective improvements.'

Sustainable Clothing Roadmap
Progress Report, 2011

Our foundations (continued)

The John Lewis Foundation

Established in 2007, the John Lewis Foundation supports the well-being and environment of communities producing our products both overseas and in the UK. The Foundation awards charitable grants to fund education projects and to encourage employment in disadvantaged communities.

In 2011, the Foundation made a grant to develop a three-year cotton farmer training programme in India, with the help of Cotton Connect (www.cottonconnect.org), the aim being to create change at farm level in our cotton supply chains. The programme aims to help train cotton farmers to move towards better farming methods by reducing water usage and the impact of pesticides and fertilisers and encouraging biodiversity, especially insects that are natural predators of cotton pests. This helps reduce the impact on the local environment and improves the livelihoods of the farmers and their families by reducing their production costs.

Where possible we try and use some of the cotton produced in John Lewis products. For instance, we aim to convert the cotton used in our tufted bath mat over to Foundation cotton in October 2012.

Sourcing raw materials

We care about where our products come from and the origins of our raw materials.

A significant challenge for us as a retailer is to develop a strategy which allows us to react and respond to supply chain impacts on biodiversity, ecosystems and forestry practices, while maintaining the integrity of our channels of supply.

Timber

By volume, the biggest raw material John Lewis sources is timber. John Lewis has committed to sourcing only responsibly produced timber, wood and paper pulp for all own-brand products and where practicable, to give preference to products made from recycled wood or wood that is independently certified as coming from responsibly managed sources. Forest Stewardship Certified (FSC) is our preferred certification scheme, given its high credibility and recognition among our customers, however, we will also use other certification schemes such as Programme for the Endorsement of Forestry Certification Schemes (PEFC).

In recognition of the importance of forests to the environment and communities, the European Union (EU) is introducing legislation that will prohibit the importing of illegally logged timber. The new EU Timber Regulation comes into force in March 2013. We welcome this legislation as it rewards good producers and encourages global improvements in forestry management.

John Lewis targets and successes include:

- maintained 100 per cent FSC certified timber in John Lewis outdoor furniture range.
- by year end 2015/16, all John Lewis own-brand wooden products will come from recycled or certified sustainable sources.
- all John Lewis own-brand paper products will come from recycled or certified sustainable sources by year end 2012/13.
- we have replaced our standard copier paper in shops with a 100 per cent recycled grade.

Cotton

John Lewis actively participates in the Sustainable Clothing Action Plan (SCAP) led by WRAP. SCAP's members consist of major retailers, brands, recyclers, sector bodies, NGOs and charities with the collective ambition of improving the sustainability of clothing across its life cycle. By bringing together industry, Government and the third sector, SCAP aims to reduce resource use and secure recognition for corporate performance by developing sector-wide targets.

Although the issues are complex and target setting difficult, we recognise our responsibilities to understanding the impacts of our cotton supply chain and take steps where we can.

Our products and suppliers

continued

Sourcing raw materials (continued)

Fish

Waitrose ensures all our wild caught and farmed fish are responsibly sourced. All our fish must comply with our own responsible sourcing policies and we are advocates of third-party certification, whenever available, for example through the Marine Stewardship Council (MSC, www.msc.org) or Global Trust (www.gtcert.com), as evidence of sustainability. We work closely with organisations such as the Marine Conservation Society (MCS, www.mcsuk.org) to ensure we do not stock any endangered or threatened species.

In 2011, Waitrose became one of the first members of the Sustainable Seafood Coalition (SSC, www.clientearth.org), a group of seafood retailers. SSC members have voluntarily decided to sell seafood that is currently underutilised or discarded and to encourage consumers to eat a wider variety of sustainable seafood.

Waitrose is committed to continuing to only stock fish that is responsibly sourced from wild capture fisheries and farmed aquaculture operations and work towards 100 per cent independent third-party accreditation by year end 2016/17. We source from over 160 wild fisheries and farming systems, 53 (32.3 per cent) of which are independently third-party certified. We achieved a silver grading in the Marine Conservation Society's Supermarket Seafood Survey 2011 (www.mcsuk.org), commended for the 'Best Wild Caught Fish Policy' and zero sales of 'fish to avoid'.

Palm oil and soya

As a leading retailer, we aim to fully understand the origins of the raw ingredients which go into our products. Tracking and tracing the sources of palm oil and soya are two key issues for us.

In November 2011, Waitrose was awarded joint first position in the WWF Palm Oil Buyers' Scorecard (<http://wwf.panda.org>) for our commitment to sourcing sustainable palm oil:

- 100 per cent Certified Sustainable Palm Oil (CSPO) to be in our own-brand products by year end 2012/13.
- 68 per cent (fully certified palm oil) achieved as at the end of 2011, the remainder is covered by Greenpalm certificate trading programme endorsed by the Roundtable on Sustainable Palm Oil (RSPO, www.rspo.org).
- Waitrose are the first UK retailer to use the RSPO logo which is on our own-brand soap; soap accounts for 40 per cent of our total own-brand palm oil use.

Traceability of palm oil is a difficult task which underlines that we have a steep climb to meet a target of 100 per cent CSPO by year end 2012/13. Physical supply chains for certain palm oil derivatives are currently not certified and are unlikely to be available in the certified form until later next year or beyond. To help us address this, Waitrose are an active member of the Roundtable on Sustainable Palm Oil (RSPO) and participate in the Retailer Palm Oil Working Group. We are committed to working with suppliers to reduce the impacts on forests around the world and support robust traceability systems for palm oil and its production.

Encouraged by our progress on palm oil, in May 2011 Waitrose became the first supermarket to declare our intent to source 100 per cent of the soya in our own-brand products from certified sustainable sources by year end 2015/16 including soya certified by the Roundtable on Responsible Soya (RTRS). As there are currently no segregated RTRS certified soya supplies available we recognise that this is an ambitious task. We are undertaking a number of steps including reviewing sustainable soya certification schemes, analysing and mapping our supply chain sources and exploring soya substitutes. We have purchased RTRS soya credits to cover usage of soya as an ingredient in our own-brand products.

We look forward to sharing details of our progress in this area with interested parties through our stakeholder engagement channels and in next year's sustainability report.

Our people

‘The world in which we live is changing, and the way we want to work and interact is changing too. So, we need to take all the things we do and ask: “How can we make things truly flexible and more accessible for Partners?”’

Tracey Killen, Director of Personnel,
John Lewis Partnership

‘Having the opportunity to develop skills and potential in the workplace is one of the largest areas of decline for the companies we were benchmarked against while, for the Partnership, the proportion of Partners agreeing to this improved.’

Claire Wragg, Manager Partner
Survey, John Lewis Partnership

The John Lewis Partnership is a pioneering and successful business. To meet the challenges of a rapidly developing retail sector and employment landscape our Partners (our employees) are working together to grow and modernise the business, enabling us to increase their competitive advantage and grow sustainably and efficiently while continuing to meet our ultimate purpose – the happiness of all Partners through their worthwhile and satisfying employment in a successful business.

Our Partner strategy

The Partnership is built on clear guiding principles which steer our business. As Partners, each of us shares in the responsibilities of ownership as well the rewards, profit, knowledge and power.

We have a clear intention to demonstrate that the Partnership is a better way of doing business by increasing the competitive advantage of our Partners. This is underpinned by three commitments, to:

- **take responsibility for our business success** – by delivering the right experience for all our customers and generating profits for us all to share.
- **build relationships powered by our principles** – by demonstrating honesty, respect and encouragement at all times.
- **create real influence over our working lives** – by taking every opportunity to develop ourselves, balance work and life priorities, and support each other.

Partner Survey

We regularly seek Partners' views on a range of topics through our democratic channels and we carry out a Partner Survey annually. More than 68,000 Partners responded to our Partner Survey conducted in 2011. This represented a 90 per cent response rate. The survey provided insights and many ideas for consideration.

- 82 per cent of Partners said they feel respected – placing us in the top 25 per cent when benchmarked against equivalent survey question results at other companies.
- 81 per cent of Partners said they felt informed about what's going on in our business. Placing us in the top 10 per cent when benchmarked against other companies.
- 80 per cent feel they are treated fairly.
- 81 per cent of Partners feel secure in their employment.
- 92 per cent of Partners are satisfied with other benefits.

The Partnership Council discusses the annual survey results with Chairman Charlie Mayfield in order to identify strengths to be celebrated and the areas we need to continue to improve. In 2011, areas that were identified for improvement because their score did not place the Partnership in the top quartile of benchmarked organisations included democracy and IT systems. As a result of the survey outcomes, in March 2012 an amendment to the Partnership's pay policy was agreed by the Partnership Council. The survey results also influenced the Partnership's decision to roll out line manager capability training and to increase investment in IT systems across the business.

Discussions about the results of the 2012 Partner Survey have taken place this summer and Partnership Council meetings will help determine the Partner priorities for the coming year.

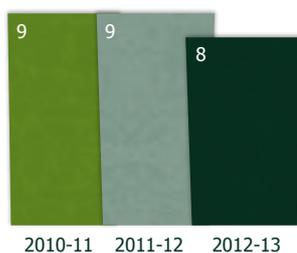
Our people

continued

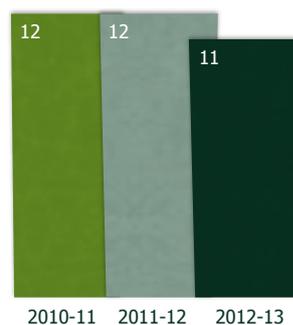
Our Partner strategy (continued)

Partner survey results

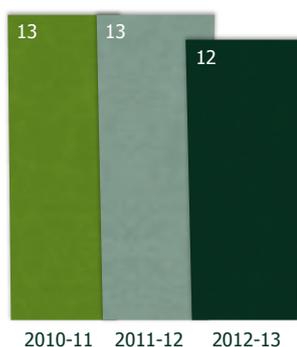
We take responsibility for our business success



We build relationships powered by our principles



We create real influence over our working lives



	2010/11	2011/12	2012/13
Average score			
We take responsibility for our business success	9	9	8
We build relationships powered by our principles	12	12	11
We create real influence over our working lives	13	13	12
Response rate	89%	90%	89%
% agree/strongly agree to 'I would recommend the Partnership as a great place to work'	83%	84%	82%

The Partner Survey is conducted annually in April and May. The range of possible scores runs from -30 (if everyone strongly disagreed) to +30 if everyone strongly agreed.

Data includes Partners working at Waitrose Welcome Break and Shell Waitrose outlets.

Our people continued

'It's more important than ever that we help all those we can. I am absolutely delighted that we have so many local, previously unemployed people working right here adjacent to the Olympic Park, in one of our newest flagship shops.'

Noel Saunders, Managing Director,
John Lewis Stratford

Embracing diversity and inclusion

Our aim as an organisation is to create a truly inclusive and vibrant community that recognises, values, utilises and celebrates the diversity of skills, talents, experiences and backgrounds of all those touched by our business whether they are Partners, customers, suppliers or members of the wider community.

It is important that our Partners feel comfortable being themselves at work and it is vital if we are to genuinely increase our competitive advantage.

This aim is one of the core priorities sitting at the heart of our Personnel strategy. Our diversity and inclusion working group chaired by Tracey Killen, Director of Personnel, is a cross functional and divisional group responsible for developing our approach to diversity and inclusivity.

This approach helps us to attract and retain a wide array of talent, and creates a dynamic, innovative culture that is open to new ideas and suggestions.

Diversity in the Partnership is based on three values:

- Partners are treated as individuals and with respect, honesty and fairness.
- our employment policies are fair, inclusive and provide opportunities for all regardless of age, gender, ethnicity, social background, religion, disability or sexuality.
- we respect the communities in which we trade.

We monitor and report to the Partnership board, one of our three governing authorities, on key aspects of Partner diversity such as: age; gender; ethnicity; and length of service on a quarterly basis. We are also considering the merits of extending this to include disability, sexual orientation and religion.

Among our 81,000 Partners:

- 12 per cent are under 19 years.
- 30 per cent are aged 19-29 years.
- 17 per cent are aged between 50 and 59 years.
- 6 per cent are over 60.
- 14.8 per cent of our Partners are from an ethnic minority.
- 54 per cent of Partners in our business are female.
- Women make up 36 per cent of the Partnership board.

In 2011, the Partnership signed up to the 30% Club (www.30percentclub.org.uk), the organisation with a goal to have 30 per cent of businesses boards made up of women by 2015.

To support our managers in managing their increasingly diverse teams, the Partnership has produced an online toolkit with guidance on diversity and inclusion. A mandatory e-learning training package, educating managers on this subject has been designed and rolled out and to date at least 80 per cent of managers have completed it. A faith calendar highlighting major religious holidays and festivals so they can be recognised and celebrated was produced and circulated across the business at the beginning of the year.

We also work with Government agencies and non-profit organisations to provide opportunities to those with the greatest barriers to employment. For example, when it opened last year, John Lewis Stratford employed almost 80 per cent of Partners for the new shop from the local community. This provided employment of people who had been out of work for three years or longer.

Our people

continued

Embracing diversity and inclusion (continued)

Age profile of Partners

	2009/10	2010/11	2011/12	Change on last year#
Under 19	14.4%	13.9%	12.2%	-12.5%
19-29	27.3%	28.5%	30.0%	5.1%
30-39	15.3%	14.9%	15.2%	2.1%
40-49	19.8%	19.3%	19.8%	2.4%
50-59	16.5%	16.1%	16.9%	5.1%
60-65	5.3%	5.8%	4.7%	-18.3%
65+	1.3%	1.5%	1.2%	-19.3%

Partner diversity

	2009/10	2010/11	2011/12	Change on last year#
White	83.2%	82.6%	83.3%	0.9%
Asian or Asian British	6.9%	6.6%	6.8%	3.3%
Black or Black British	4.1%	4.0%	4.5%	11.3%
Chinese or other ethnic group	2.0%	1.8%	1.7%	-5.6%
Mixed origin	1.5%	1.6%	1.7%	7.5%
Not given	2.3%	3.4%	2.0%	-42.1%

Partner length of service

	2011/12
Under 1 year	17.0%
1-5 years	41.0%
6-14 years	27.1%
Over 15 years	14.9%

Partners' gender

	2011/12
Male	46%
Female	54%

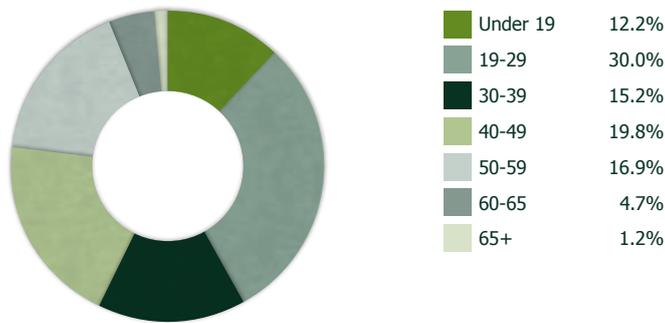
Data includes Partners working at Waitrose Welcome Break stores and Shell Waitrose outlets.

Calculated relative to the previous year, including data expressed as a percentage.

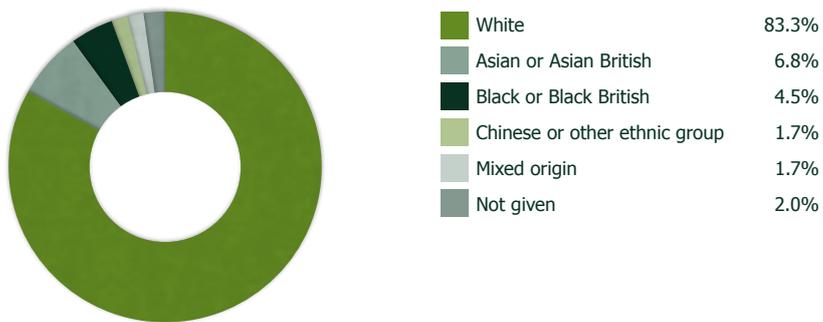
Our people continued

Embracing diversity and inclusion (continued)

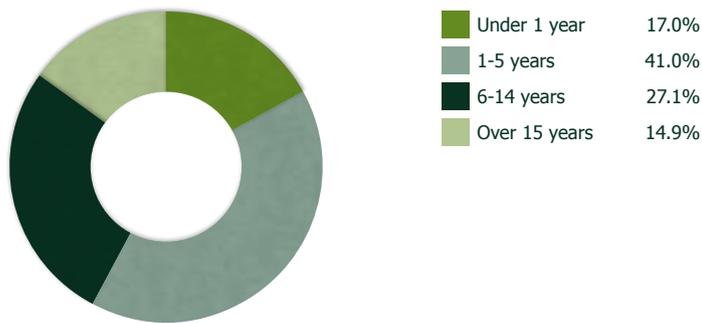
Age profile of Partners



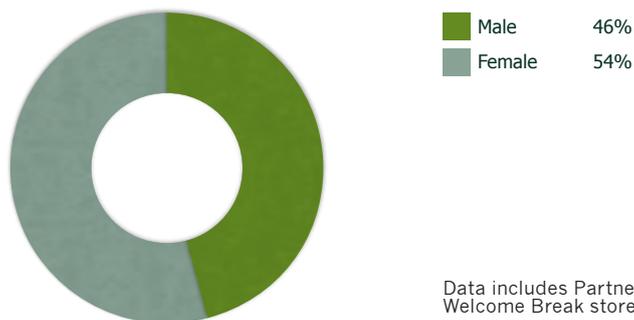
Partner diversity



Partner length of service



Partners' gender



Data includes Partners working at Waitrose Welcome Break stores and Shell Waitrose outlets.

Our people continued

'A lot of retailers have a staff turnover in the order of 50 per cent per year, so for every £100 that you spend on training, £50 of it walks out the door every year. Whereas, we have a turnover of less than 20 per cent, and a core that stays for a very long time. If you are selling complex products, nothing can beat that experience.'

Charlie Mayfield, Chairman,
John Lewis Partnership

Career development

We want to attract and retain Partners by demonstrating that we are building a sustainable and successful future for our organisation and the communities we trade in, both now and in the future.

We want Partners to stay with us and take on new challenges and we aim to provide exemplary leadership that inspires and empowers. Increasing the competitive advantage of Partners will help to improve job satisfaction and increase the value added by each Partner role within the business, as well as fulfil Partners' potential for new opportunities and career development.

We have a long history of employing apprentices. In fact many of our managers, including most of those in our vehicle department, started as apprentices. We plan to continue growing our own talent in this way.

Growing our talent

As an inclusive organisation, we aim to realise the talents of all our Partners in the broadest spectrum of activities possible. Talent reviews ensure that line managers can assess all Partners in respect of individual performance and potential, considering the current role and future possibilities.

We have renewed our focus on leadership and development with clearer measures and expected behaviours based on **our constitution**. We have introduced pan-Partnership Leadership programmes to create consistency and enable career paths across the Partnership. In 2012, we have recently launched a new Partnership-wide performance management framework.

A vital step underpinning career development and retaining talent is the transparency of job profiles and expectations. We have reviewed and profiled approximately 2,250 roles into a hierarchy of 10 levels across the Partnership. This will provide greater consistency, simplicity and understanding of our organisational structure. Increasing the visibility of roles and highlighting the skill requirements will provide clearer career paths so that Partners can influence personal development and better identify opportunities for career development.

Our first-class training provides transferable skills and often external accredited qualifications.

Work-life balance

Partners are also looking to us to provide greater balance between their lives inside and outside of work. More than 50 per cent of our Partners work less than 30 hours per week. Our Partnership policies support flexibility to help Partners balance their work and home lives:

- all Partners have the right to request flexible working.
- we allow compressed hours to allow Partners to manage their commitments.
- we allow home-working, subject to role restrictions.
- short weekly contracts are available.
- sabbatical and extended leave options are available.
- where Partners are in term-time education, we support their educational commitments by encouraging holiday period employment.
- one week of paid study leave per year can be taken by Partners studying for a managerial or professional qualification related to their work.

Performance management

To keep pace with the needs of our growing business, we want to equip Partners with the right skills to maximise their contribution and create value for both themselves and the business.

All Partners receive an annual review of performance; this is a constitutional requirement. In 2012, we have replaced multiple approaches to performance management with a new Partnership-wide performance management framework which will help us better understand individual capability. The framework sets out clearly how we expect Partners to behave and included a single set of criteria to evaluate performance. This will complement our Leadership Development programme.

We are also providing additional support to all 6,800 line managers, giving them the confidence and capability to set clearer goals, provide feedback and manage honest and robust conversations.

Our people *continued*

Career development (continued)

Reward within the Partnership

Our approach to reward ensures that each Partner is paid a competitive rate of pay linked to performance along with a distinctive market leading benefits package. This includes a non-contributory defined benefit final salary pension scheme, available to all Partners after three years' service.

A significant element of Partner reward is the Partnership bonus. This is shared equally as a percentage of annual pay among all Partners at all levels up to and including the Chairman. The bonus relates directly to the success of the Partnership as a whole and in 2011/12 this was 14 per cent of pay which is equivalent to seven weeks' pay.

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

Our choice of benefits includes:

- generous discounts on most Waitrose and John Lewis purchases.
- six months' paid leave after 25 years' service.
- funding towards work related further education.
- leisure activities such as access to: five residential holiday clubs – three star equivalent at subsidised rates, a variety of sport and activity clubs including sailing, riding, skiing, drama, music, and photography.
- a voluntary benefits package which provides discounts and deals on a range of products and services.

Partner health and well-being

Since 1929, the Partnership has supported Partners' health and happiness.

Our range of health services includes dedicated Occupational Health Advisors operating in three John Lewis, Waitrose and Corporate divisional teams and access to physiotherapy, counselling, health surveillance and podiatry, delivered by a selection of third-party specialist providers.

During 2012, we have developed our Health Strategy, 'Altogether Healthier' through the alignment of our divisional health proposition and the development of a new range of services for Partners.

We have signalled our determination to actively support the health and well-being of our Partners by committing to the Government's public health initiative Health at Work which is a key element within the wider Health Responsibility Deal (www.responsibilitydeal.dh.gov.uk) programme and we encourage Partners to live healthier and fitter lives.

For example, Partners in Sport (PinS) captured the spirit of the Olympic and Paralympic Games and has enabled Partners to have a healthier and active lifestyle. The programme:

- enabled our Partners to bid for funds to engage in sport, activity or review their lifestyle through fitness and dietary advice.
- offered Partners the opportunity to train as sports coaches.
- helped Partners and their close relatives who compete at a high level to fulfil their London 2012 aspirations.

In the run up to the London 2012 Olympic and Paralympic Games, we supported 503 Partners in their development as sports coaches. These coaches have contributed more than 90,000 hours to local communities. We also offered Partners the opportunity to work at the London Organising Committee of the Olympic and Paralympic Games (LOCOG) in the build-up to the Games.

As part of the Waitrose way, health and well-being among Partners is encouraged with daily complimentary fruit. Echoing our healthy eating ethos, and to reduce the potential for wasted perishable fruit, Waitrose Partner dining room kitchens create smoothies and fruit salads for Partners.

The Partnership is also supporting 'Stoptober' (www.smokefree.nhs.uk), the Department of Health's employee focused campaign on smoking cessation during October 2012.

Our people *continued*

'Waitrose has set a new gold standard in this area.'

Martina Milburn, Chief Executive,
The Prince's Trust

'We believe that it is more important than ever that we play an active role in supporting and safeguarding the areas we trade in and the people who live there. It's also essential that, in these difficult economic times, we give young people opportunities to develop their careers – they are the future of our business and our industry.'

Mark Price, Managing Director,
Waitrose

Work experience

Following successful trials last year at the Waitrose Aylesford distribution centre and Waitrose shops in London, in spring 2012, Waitrose launched a new scheme in partnership with The Prince's Trust.

The scheme provides two-week work placements for around 80 young people in our distribution centres, shops and head office. Delivered through The Prince's Trust 'Get into' programme, the scheme aims to add tangible value as each placement has independent accreditation from ASDAN (Award Scheme Development and Accreditation Network, www.asdan.org.uk).

By supporting the scheme, Waitrose wants to help young people get jobs. Waitrose provides quality on the job training and a buddy mentor, while The Prince's Trust finds groups of people from disadvantaged backgrounds, with little or no work experience. The Prince's Trust was chosen for its track record in placing people in work.

Last year, more than three in four young people supported by The Prince's Trust moved into work, education and training. The combined effort will deliver a quality work placement and improve the employment potential and skills of the programme graduates.

In 2012, we will roll out this programme to new delegates at these locations:

- Get into...Logistics at Waitrose regional distribution centres in Aylesford and Bracknell.
- Get into...Retail at Waitrose shops in London, Surrey and Cheshire.
- Get into...Administration at our Waitrose Head Office in Bracknell.

Our trials demonstrated strong transition levels with 10 of the 12 delegates now working: five graduates from the scheme have become permanent Partners at Waitrose; three are working for our recruitment agency partner at Aylesford; and two young people went on to work elsewhere.

Transforming our processes

As we continue to grow and modernise our business we want to develop a more efficient and scalable operation while building the capability of the Partners delivering the infrastructure to support our future plans.

By transforming our processes, we are able to support the Partnership's growth in a sustainable way. Specifically, two of our significant change programmes in 2011 have focused on Personnel and IT.

These programmes will improve efficiencies while empowering Partners by giving them clear roles, responsibilities and opportunities for personal development and provide tools for strong decision making. The Partnership's customers' will receive the ever improving service they expect of us and that we expect of ourselves.

Personnel

In 2011/12, we embarked on improving our Personnel processes to design and implement a consistent pan-Partnership way of working. We involved 250 Partners in workshops to capture feedback and ideas on how to proceed and presented our plans to the Partnership Council.

Our future Personnel model means that we will be able to:

- deliver operational support more efficiently and free up Personnel teams within the divisions to support the business more strategically.
- provide consistent and simple access to Personnel services through online tools (from work or home) as well as a centralised Personnel Service Centre.
- provide unified and consistent centralised support and management of administrative processes.
- deliver improved and more efficient processes to support line managers.
- ensure specialist teams are available to provide specific expertise and support.

The set-up of the Personnel function within Partnership Services (our shared services division) is central to achieving these goals.

Our people *continued*

Transforming our process (continued)

IT

Our business as a multi-channel retailer has a growing number of shops and increased online activity. To support our growth strategies we are developing a flexible, scalable operating IT model, based on industry standard processes, capability and services.

To preserve our competitive advantage, we maintain a significant internal specialist IT team focused on delivering IT solutions to meet our customer and Partner needs.

The programme's key deliverables are to:

- set up the structures required to deliver the future IT function.
- improve efficiency and performance of IT.
- change the ways of working to deliver the target operating model.

Our communities

'Our vision is to bring people together to create happier, healthier communities. We will do this through our Partners investing their time and energy in building strong, long-lasting relationships with our communities wherever we do business.'

Tina Varns, Community Investment Manager, Waitrose

We are committed to making a positive difference to the communities where we trade.

Community impact

We believe that we can play a vital role in supporting towns and city centres. We want to build stronger relationships with our neighbours and attract, recruit and retain local people. An important element of our role is revitalising and renewing the sense of community in town and city centres.

We are actively engaged in Government consultations on how to improve planning for town centres and favour the town centre first (TCF) approach which will help to ensure the vitality of high streets. We formally responded to the Mary Portas Review: Future of the High Street consultation (www.bis.gov.uk/highstreet). The Partnership also worked with the British Retail Consortium (www.brc.org.uk) to formulate an industry-wide response in February 2012 to the Minister of State for Housing and Local Government.

The Waitrose Effect and John Lewis Effect documents provide further detail on our approach to being part of our local communities. This year we held workshops for the Head of Branch of our John Lewis shops to support them in developing relationships with their local communities, including stakeholders from local government, the police and community organisations. Waitrose has developed a community engagement guide to assist branch managers with developing community relationships.

We created 4,400 net new jobs with a further 1,900 expected in 2012, and we have ambitious plans for the coming years. We aim to attract, train and recruit local people into rewarding, fulfilling jobs. When John Lewis Stratford opened, almost 80 per cent of Partners for the new shop came from the local community and some had been out of work for three years or longer.

Independent research from NEF Consulting reinforces the role that the John Lewis Partnership has to play in the revitalisation of town centres. In Leicester, 60 per cent of local businesses attributed the improved perception of Leicester to the opening of John Lewis in the city. That figure was 75 per cent in Liverpool, while in Wimborne Dorset, 79 per cent of local businesses reported that Waitrose had a positive (or no) impact. The research also highlighted that Partnership bonus results in £40-50 million being recycled annually into local economies through Partner spending.

Our communities

continued

Community impact (continued)

Measuring our community investment

In 2011/12, Partnership-wide charitable and community contributions totalled £10.9 million, equivalent to 3.07 per cent of our pre-tax pre-bonus profits, measured using the London Benchmarking Group model.

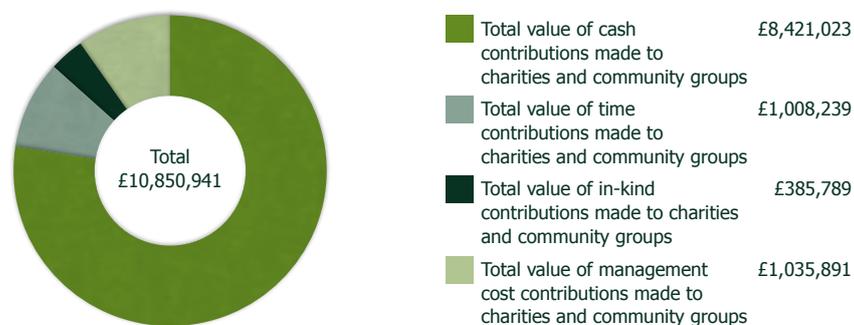
Contributions made to charities and community groups*

	2009/10	2010/11	2011/12	Change on previous year#
Cash contributions (£)	5,071,801	5,653,931	8,421,023	48.9%
Value of time contributions (£)	1,348,400	1,476,510	1,008,239	-31.7%
Value of in-kind contributions (£)	550,020	716,895	385,789	-46.2%
Value of management cost contributions (£)	972,659	971,720	1,035,891	6.6%
Total value of cash, time, in-kind and management costs contributions (£)	7,942,881	8,819,056	10,850,941	23.0%
Community investment as a percentage of profits before Partnership bonus and tax	2.59%	2.40%	3.07%	27.7%
Additional contributions leveraged from Partners, customers and suppliers (£)	1,633,701	1,527,104	1,096,665	-28.2%

Calculated relative to the previous year, including data expressed as a percentage.

* As defined by London Benchmarking Group model.

Contributions made to charities and community groups*



* As defined by London Benchmarking Group model.

Our communities continued

'I was cycling home from work and went right past a local estate just as a huge fire was taking hold. I phoned work straight away, and we started organising food and supplies to help the 60 families who had been evacuated from the building.'

Lene Wood, Community Liaison
Co-ordinator, John Lewis Kingston

Our community approach

Our Partners are powerful advocates of our values and can help to transform the communities in which we trade.

The Partnership is at the heart of the many communities we serve, and we believe that it makes sense to act locally wherever we do business. We want to find broader ways to ensure that we are responsive to the needs of local communities, and that Partners are inspired to make a contribution.

We support a diverse range of community initiatives and we constantly appraise and prioritise how we can best serve our communities to maximise the positive impact we can have. Uniquely in UK retail, each full line John Lewis shop has a dedicated Community Liaison Co-ordinator and our Waitrose shops have appointed the Section Manager Personnel as the local Community Lead. These Partners are responsible for community engagement in their location and they champion community issues as part of the Waitrose way and John Lewis Bringing Quality to Life agenda. They are responsible for delivering:

- Community Matters – our scheme which uses tokens to enable customers to decide on which charities or community groups they would like us to support.
- Community Rooms – our initiative to provide space within our shops to local causes and charities.
- Partner volunteering.
- local initiatives.

Good neighbours

Opening new stores provides us with a significant opportunity to contribute towards neighbourhood regeneration and allows us to play a role in building stronger communities. By applying our Partners' skills and the resources and expertise of our store construction partners we are able to support local communities as part of our new build and development projects. For example, during 2011/12 we:

- collaborated with Wates to provide construction industry days to a local Bracknell school; carried out a one-week community project to renovate a Launchpad charity centre; and refurbished an adventure playground for SNAP – Special Needs Adventure Playground.
- worked with R G Carter on several community projects including: Great Malvern Conservation Trust restoration of park furniture for community use; community gardens clearance; providing health and safety awareness at a community school; and provided path coastal clearing and painting support.

Response to riots

In summer 2011, the riots which affected some high streets across Britain shocked and saddened many and had a serious impact on the livelihoods of numerous people and businesses. It also reinforced the social and economic challenges faced by communities already struggling with deprivation.

The Partnership offered support to some of the affected communities and our actions included:

- using our community programmes to provide local support and encouraging our shops to engage with the Local Authority Economic Development Officer to determine how best to respond and collaborate.
- asking our Personnel teams to be sympathetic to requests from Partners undertaking public service roles such as Special Constables and Army reservists.
- supporting our Partners and their families impacted by the riots.
- £10,000 donation to the Retail Trust High Street Heroes appeal to extend support to retailers, shopkeepers and their families.

Our communities

continued

'The Big Society Awards are all about recognising the work that people like Waitrose are doing to bring about what I care about most: a bigger, stronger society. And Community Matters is helping to do just that.'

David Cameron, British Prime Minister*

Community Matters

Our Community Matters scheme uses tokens to enable customers to decide how much of a monthly or quarterly total is given to three charities or community groups, nominated by customers and selected by Partners.

In 2011/12, we donated over £3 million to local good causes through Community Matters. This scheme originated in Waitrose and following a successful trial was extended to all John Lewis shops in 2012. John Lewis has expanded the scheme to allow causes to receive support in the form of volunteered Partner hours and products, as well as in financial support. By customising our approach according to local needs, we hope to raise awareness of local causes and encourage customers to participate in the programme.

To date the scheme has:

- donated £10 million of Waitrose profit.
- seen £39,000 donated by John Lewis during trials in 2011/12. Once fully established in John Lewis more than £450,000 will be donated per annum.
- provided waitrose.com shoppers with the opportunity to vote and influence the share of £25,000 donated to one of three national charities every three months through Community Matters Online.

In January 2012, Prime Minister David Cameron met and presented the Big Society Award 2012 (www.bigsocietyawards.org) to Waitrose Managing Director Mark Price in recognition of Community Matters.

'I was struck by the idea when I heard about the voluntary sector being under real pressure. What we as a business have is space in the heart of communities. So we started Community Rooms with four of our shops, and it's grown from there. It is simply a natural place where community groups can meet in shops.'

Andy Street, Managing Director, John Lewis

Community Rooms

Located across towns and cities, our shops play an important role in providing a meeting point that is often central to the community.

Launched in John Lewis and extended to Waitrose, we provide space in a number of our shops for use by local charities and community groups, free of charge. The spaces are fitted with meeting room facilities such as internet access and audio visual equipment and are being used for events ranging from volunteer recruitment fairs and activity classes to regional meetings and working group sessions. Users of the rooms have included the ACVO (Aberdeen Council of Voluntary Organisations) for business unit meetings, MS Society for self-management courses, the National Autistic Society for social skills training and the Citizens Advice Bureau for regional team meetings.

Partner volunteering

Volunteering gives our Partners the chance to make a practical difference locally and provides valuable resources, skills and expertise to help charities and community groups meet their objectives.

Since starting our flagship volunteering programme – the Golden Jubilee Trust – with a £5 million endowment in 2000, more than 540 Partners have participated in full or part-time secondments with a UK registered charity for up to six months. In 2011/12, the Golden Jubilee Trust awarded a total of 21,000 hours, allowing 58 Partners to support 57 UK charities.

John Lewis Partners invested over 28,000 hours in voluntary community activities and many have found that the experience can be life changing, helpful in supporting their own personal development and builds long-lasting links with the charities they are involved in.

Our communities continued

Partner volunteering (continued)

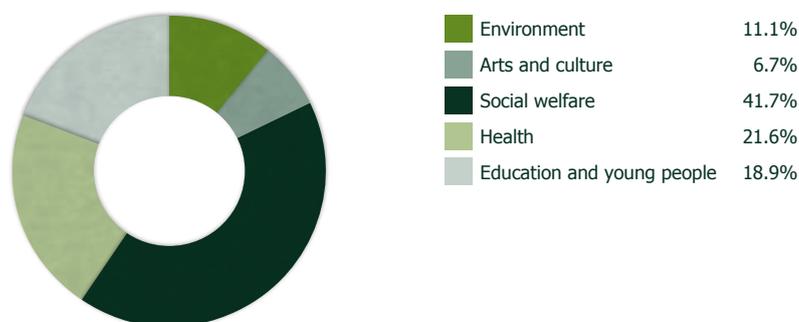
In autumn 2011/12, Waitrose trialled a localised volunteering programme to complement our Golden Jubilee Trust scheme. As a result, Waitrose launched a new Community Matters Partner Volunteering scheme in 2012 where every Waitrose shop will volunteer up to 250 hours with the flexibility for the number of hours to be scaled according to the shop size. Customers and local causes will be able to submit bids for volunteering time. In addition, up to 750 hours will be delivered by regional distribution centres and up to 1,500 hours will be provided by the Bracknell head office site. In total we anticipate around 75,000 man hours will be contributed each year through this scheme to the benefit of our local communities.

Partner hours awarded for secondment to charities by Golden Jubilee Trust

Charity focus area	2009/10	2010/11	2011/12	Change on previous year#
Environment	3,666	4,956	2,324	-53.1%
Arts and culture	390	2,096	1,404	-33.0%
Social welfare	8,506	8,949	8,759	-2.1%
Health	5,738	5,279	4,535	-14.1%
Education and young people	3,099	2,841	3,979	40.1%
Total	21,399	24,121	21,001	-12.9%

Calculated relative to the previous year.

Type of charity benefitting from secondment hours awarded in 2011/12 by the Golden Jubilee Trust



Our environment

‘At the Partnership we have gone well beyond simply having the environment on our agenda. We are intelligently embedding sustainability into the thinking of all our business areas and the mindset of our Partners. Together we can bring about change that will protect the planet by making responsible choices. It is good for our business, our Partners and our customers.’

Nigel Keen, Director of Property Services, John Lewis Partnership

As a Partnership, we are committed to minimising the impact we have on the environment we operate in.

Our environmental programmes, innovations and targets ensure we continue to reduce our impact on the environment as well as seeking opportunities to enhance it.

Our key areas of focus are:

- lowering operational carbon and other greenhouse gas emissions.
- designing and building new stores with the community, biodiversity and emissions reduction in mind.
- packaging, waste and recycling.

Nigel Keen, Partnership Director of Property Services, has overall responsibility for environmental issues as they relate to our property portfolio.

Climate change

We recognise the need to adapt and future proof our business against the impacts of climate change and take advantage of the opportunities that this critical issue presents by offering products and services with a lower climate impact.

During 2011, our activities have focused on developing a programme to help Partners understand how to tackle different environmental issues at work and at home.

Along with our 10-year carbon reduction plan, we have also been working to understand and quantify the carbon and broader environmental impacts of our supply chain. In Waitrose this has involved engaging with suppliers to collate emissions data, developing a consistent approach to reporting and sharing best practice ideas and actions. In John Lewis we have plans to collate environmental data from suppliers during 2012.

We also plan to look in more detail at the carbon impacts of our customers; through the Waitrose way and Bringing Quality to Life we are encouraging customers to make more sustainable choices.

Our 10-year carbon reduction plan

As part of our commitment to tackling climate change, we aim to deliver a 15 per cent absolute reduction in operational carbon dioxide and other greenhouse gas emissions by 2020/21, against our 2010/11 baseline.

We have developed a range of tools to help monitor and measure progress against our target. The information generated by these tools has helped us to be clearer about the risks to our carbon reduction plan associated with, for example, business growth and the evolving policy landscape. Our tools enable dissemination, discussion and engagement around key issues within and across our operational functions and groups.

Our environment

continued

Climate change (continued)

The tools also help us to monitor:

- **our initiatives delivery**, we monitor progress towards implementation of initiatives which will support delivery of the carbon reduction target.
- **our emissions projections**, we track how actual measurements, initiatives delivery and anticipated business growth will potentially impact on our operational carbon footprint, projecting these impacts through to 2020/21.
- **our carbon footprint**, we assess how our operational carbon footprint is changing throughout the year in relation to the previous years' emissions and to where we think we need to be by the end of this year.

Our footprint

We expected our emissions to go up for a short period before they came down in response to implemented initiatives. This is what we have seen in 2011; while sales grew by 6.4 per cent, our total emissions increased by 2.5 per cent to 530,147 tonnes. Factors affecting this performance include business growth – we opened 32 new stores in 2011/12 and greater electricity consumption in 2011/12 compared to 2010/11. However, this was partly offset by a mild winter causing lower gas consumption in 2011/12 compared to 2010/11, the collective efforts of our Partners persistently managing emissions and the implementation of a range of carbon saving initiatives. These carbon saving initiatives included:

- the integration of hydrocarbon water-cooled refrigeration systems with cold air retrieval, dramatically saving on gas, reducing electricity consumption and radically reducing global warming potential from refrigerant gas losses.
- developing renewable energy centres to reduce our reliance on fossil fuels.
- air sealing of buildings on all major refurbishments, extensions and new shop projects.
- going far beyond building regulations to ensure that minimal levels of energy are needed to operate our buildings and that energy is kept within our space rather than escaping into the atmosphere.
- vehicle telematics to reduce distribution emissions.
- reducing levels of operational waste and waste sent to landfill.

In early 2012, we obtained verification of our 2010/11 and 2011/12 operational carbon emissions from the Carbon Trust. We will be working to continue to improve our data and data processes.

The Partnership achieved recertification of the Carbon Trust Standard in June 2012, for continued progress in reducing operational carbon emissions.

Our Environment Steering Group is continuing to lead the development and delivery of our carbon plan. It reviewed the carbon reduction plan annual performance and progress during its March 2012 meeting and an update was provided to the Chairman and the Partnership board.

Looking ahead, we will further drive new and pioneering technology to support our carbon reduction plan.

Our environment

continued

Climate change (continued)

	2001/02 tonnes CO ₂ e			%
	Waitrose	John Lewis	Total	
Electricity	120,598	82,036	202,635	49.2%
Gas	19,861	27,548	47,409	11.5%
Other energy: static fuels	88	–	88	0.02%
Distribution	27,610	13,271	40,881	9.9%
Business travel	2,413	2,198	4,610	1.1%
Unrecycled waste	10,142	2,932	13,074	3.2%
Refrigeration and cooling direct emissions	102,957	not reported	102,957	25.0%
Leckford Estate agricultural emissions	not reported	not applicable	not reported	not reported
Water treatment and supply	not reported	not reported	not reported	not reported
Total gross emissions	283,668	127,985	411,653	100%

	2010/11 tonnes CO ₂ e			2011/12 tonnes CO ₂ e			%
	Waitrose	John Lewis	Total	Waitrose	John Lewis	Total	
Electricity	194,119	97,991	292,110	209,559	104,055	313,613	59.2%
Gas	40,450	20,393	60,843	36,946	16,591	53,537	10.1%
Other energy: static fuels	2,304	3,973	6,277	2,197	2,461	4,659	0.9%
Distribution	53,972	18,565	72,537	57,494	18,344	75,838	14.3%
Business travel	3,742	2,797	6,539	3,934	3,061	6,995	1.3%
Unrecycled waste	1,697	796	2,493	965	647	1,612	0.3%
Refrigeration and cooling direct emissions	64,624	2,400	67,023	61,000	3,905	64,905	12.2%
Leckford Estate agricultural emissions	7,502	not applicable	7,502	7,319	not applicable	7,319	1.4%
Water treatment and supply	1,055	639	1,694	1,041	628	1,669	0.3%
Total gross emissions	369,464	147,554	517,018	380,456	149,691	530,147	100%

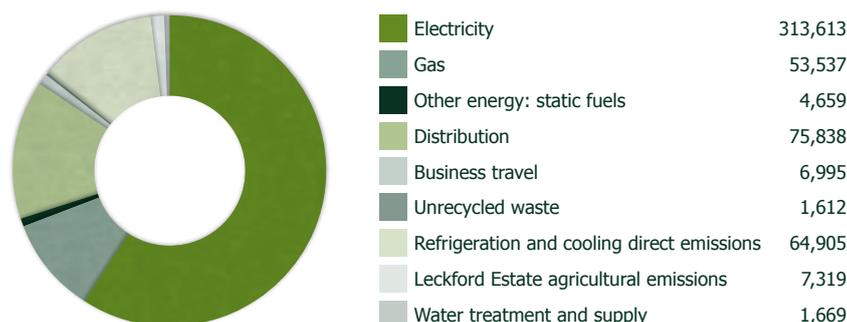
Our environment

continued

Climate change (continued)

2010/11 is the base year for our carbon reduction target. Data for 2010/11 and 2011/12 has been verified by the Carbon Trust.

2011/12 tonnes CO₂e



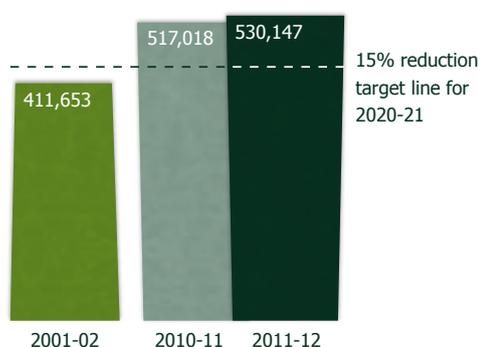
	Tonnes CO ₂ e 2001/02	Tonnes CO ₂ e 2010/11	Tonnes CO ₂ e 2011/12
Scope 1	179,536	193,129	182,260
Scope 2	199,313	281,164	301,809
Scope 3	32,805	42,725	46,077
Total gross emissions	411,653	517,018	530,147
Gross emissions per £m sales	97	69	67

Our carbon footprint includes emissions resulting from UK owned and operated parts of the business, it also includes significant emissions from third-party operated distribution sites that are solely operated for Waitrose.

Our annual reporting period runs from 1 February – 31 January the following year, in line with our business' financial (trading) year. 2010/11 data has been updated and 2011/12 data has been calculated using Defra-DECC 2011 emission factors, with the exception of those for Pure Plant Oil being used on a trial basis in a small number of Waitrose distribution vehicles, certain refrigerants, and some emissions sources associated with our Leckford farm.

Unless otherwise stated environmental data relating to Corporate and Partnership Services activities, where available, has been apportioned equally between John Lewis and Waitrose.

Partnership total gross emissions tonnes CO₂e



Our environment

continued

'We are very pleased to be working with the John Lewis Partnership on the sustainability of their road freight operations. The close collaboration between the company and the University helps us to perform fundamental research into fuel reduction measures, based on good science and focused on meeting the company's ambitious CO₂ reduction goals. The initial activities have concentrated on reduction of aerodynamic drag from tractor-semitrailer combinations. We anticipate that this will expand to a broader range of fuel reduction measures in the near future.'

David Cebon, Professor of Mechanical Engineering, University of Cambridge

'Fleetboard [telematics] really makes you think about the way you drive, not only for economy but for safety too. Drivers at Magna Park are constantly looking for ways to improve which is great for the environment, great for other road users and great for the business. It confirms the professional way we approach our work.'

Darren Graves, Large Goods Vehicle driver at Magna Park, John Lewis Partnership

Transport and distribution

Transport and distribution activity is the second largest generator of CO₂e emissions in our business. We are working towards delivering a 15 per cent reduction in energy related transport CO₂e emissions from deliveries by 2013/14 (relative to £million sales), against our 2005/06 baseline.

In 2011/12, transport emissions were 75,838 tonnes, representing a 1.7 per cent reduction compared to 2010/11 and 7.9 per cent improvement against our target baseline.

Our fleet and fuel efficiency

The range of vehicles and the environmental pedigree of the Partnership's own fleet is considered to be industry leading with features such as:

- very low drag design using 12 individual measures to improve aerodynamic and rolling resistance. For example, round profile edges, side skirts, low height and low weight design.
- low-resistance tyres.
- over 200 double deck trailers including multi-temperature versions for Waitrose.

We collaborated with Cambridge University on a wind tunnel research project to further reduce drag on vehicles. The project was completed in August 2012 but has been extended for another year. The outcomes will influence the design of future vehicles and create best practice models for further carbon emission savings.

Careful scheduling reduces the number of miles travelled, and allows us to use the same vehicle for shop deliveries and collecting stock from suppliers. While this ensures that we make best use of the transport space available, it does mean that emissions previously accounted for by suppliers are now included in our footprint. In return a number of our suppliers will deliver to our shops on their return journey from delivering stock to our distribution centres. Sharing vehicle space in these two ways avoided over three million miles being travelled last year.

Load planning enables us to combine loads to fit more on each truck, and to reduce the number of journeys needed. We have made changes to delivery planning and increasing trailer fill in both John Lewis and Waitrose, leading to a reduction in loads dispatched per year.

Telematics support our carbon reduction plan and help us to monitor driver performance and to encourage more efficient driving styles; raising the overall standard of driving by individuals and the fleet as a whole. Improved miles per gallon has resulted in a 5 per cent saving in carbon emissions. We also limit our heavy goods vehicles to 52 miles per hour rather than the legal maximum heavy goods vehicle speed limit of 56 miles per hour, saving a further estimated 3 per cent in emissions through improved mile per gallon performance.

We participate in groups such as the Centre for Sustainable Road Freight Transport consortium project and the **Freight Transport Association Logistics Carbon Reduction Scheme** (www.fta.co.uk) to share best practice and improve ways of working.

Alternative fuels

Large goods vehicles (LGVs) generate around 70 per cent of our transport emissions, therefore fuel choice is crucial to making improvements. We see gas dual-fuel technology as one of the most promising ways of reducing emissions from LGVs. We have eight dual-fuel vehicles where between 30 and 60 per cent of the diesel requirement is displaced by gas. Two of the eight vehicles use biomethane gas extracted from a landfill site, while the remaining six use grid gas. The part substitution of diesel with these gases offers both cost and CO₂e emissions savings.

We recognise that in some areas air quality is a real problem, and we need specialist solutions to tackle it, particularly for smaller vehicles operating in urban environments, such as home delivery vehicles. We have five electric powered vans and five other vans running on biomethane. In addition, we have a light truck powered by grid gas. These dedicated gas vehicles produce a fraction of the harmful soot and smog-causing emissions of diesel vehicles. This helps to address air quality issues and reduces congestion charges.

Our environment

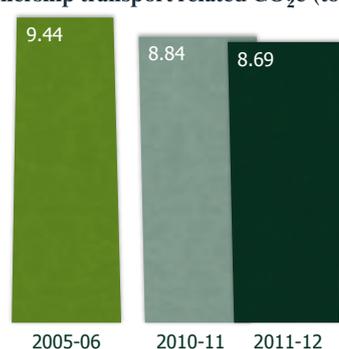
continued

Transport and distribution (continued)

Transport related CO₂e emissions per £m sales

John Lewis	2009/10	2010/11	2011/12	Change on last year#
Commercial miles travelled	18,273,582	19,909,832	23,477,196	17.9%
Transport related CO ₂ e (tonnes) per £m sales	5.29	5.74	5.51	-4.1%
Back- and forward-hauling mileage	551,156	525,999	456,780	-13.2%
Business mileage in company-owned cars	3,179,335	3,449,404	4,147,204	20.2%
Company car MPG*	38.9	36.9	39.0	5.7%
Waitrose				
Commercial mileage	23,792,957	27,417,559	31,469,139	14.8%
Outsourced distribution mileage	12,282,606	13,387,163	14,268,853	6.6%
Transport related CO ₂ e (tonnes) per £m sales	10.50	10.85	10.65	-1.9%
Avoided mileage from back- and forward-hauling	1,778,894	2,252,390	2,686,480	19.3%
Business mileage in company cars	7,310,562	7,909,702	8,427,330	6.5%
Company car MPG*	38.9	36.9	39.0	5.7%
Partnership				
Transport related CO ₂ e (tonnes) per £m sales	9.44	8.84	8.69	-1.7%

Partnership transport related CO₂e (tonnes) per £m sales



Historic data for transport related CO₂e (tonnes) per £m sales has been updated to reflect changes in Defra-DECC emissions factors.

Waitrose has a number of distribution centres that are operated on our behalf by contractors, this is reported as outsourced distribution mileage.

Unless otherwise stated environmental data relating to Corporate and Partnership Services activities, where available, has been apportioned equally between John Lewis and Waitrose.

* Partnership wide data

Calculated relative to the previous year, including data expressed as a percentage.

Our environment

continued

Transport and distribution (continued)

Progress against our target has been made more challenging by the pattern of business growth which is now significantly different to that envisioned when the target was set. The rate of growth of small shops and home delivery, coupled with increased trunking miles due to expansion into areas outside of our traditional south-eastern base, has disproportionately increased emissions per £million of sales. We have many initiatives that are expected to reduce emissions to levels exceeding the target. Our challenge will be to implement these fast enough to meet the target by the end of next year. There is therefore currently a risk that the target will not be met in this timescale.

Looking ahead

Our plans for 2012 onwards include:

- greater use of dual-fuel in larger vehicles with an emphasis on using biomethane.
- extending the roll-out of multi-temperature, double deck trailers in Waitrose.
- helping to create a gas vehicle fuelling infrastructure for large goods vehicles in the UK.
- exploring vehicle fill and further reducing the number of vehicle journeys.
- reducing drag emissions through advanced aerodynamics and weight reduction.
- developing a framework to determine the best and most sustainable transport fuels for the future.
- reducing emissions from vehicle based refrigeration equipment

Energy

In 2011/12, the energy efficiency of our shops improved by 8.0 per cent in Waitrose and by 2.8 per cent in John Lewis.

We are tackling energy reduction in two key ways: introducing technology to reduce usage and supporting Partners in operating our buildings more efficiently.

For example, LED lighting has been successfully installed in our selling area lighting at our recently opened Waitrose Stratford-upon-Avon shop, delivering a reduction in the electricity demand of the lighting installation as well as the shop's overall electricity consumption. All new lighting installations will now adopt this solution as standard throughout the Waitrose trading estate. John Lewis is scheduled to trial LED lighting at our new shop in Ipswich later this year where we anticipate similar savings in energy demand.

Environmental champions are in place in all shops and work with our maintenance teams to help reduce our energy consumption through implementing best practice. These champions help to raise awareness of energy use with all Partners, identify initiatives that will help the business reduce its energy consumption, as well as reduce waste and water use.

In February 2012, Waitrose launched a new portal which provides site level reporting and communication materials. In our shops, Maintenance Managers discuss energy consumption reports with branch management teams to identify focused areas to reduce energy use further. This will be extended to John Lewis shops in 2012.

For 2012, a tool entitled, 'Ten ways to save' has been produced to promote conversations and act as a catalyst to encourage a range of monthly actions in John Lewis stores. For example, it details making adjustments to lighting timers to encourage Partners to change light settings as the seasons change and includes an energy calculator which allows Partners to work out the carbon used and determine a cost for activities.

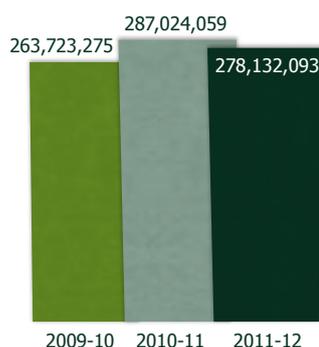
Our environment

continued

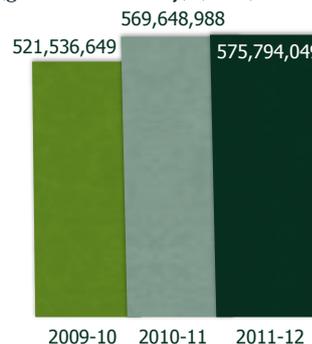
Energy (continued)

John Lewis	2009/10	2010/11	2011/12	Change on last year [#]
Total energy consumption (gas and electricity) (kWh)	263,723,275	287,024,059	278,132,093	-3.1%
Average branch energy consumption per square foot of trading floor area (kWh)	47.7	48.4	47.1	-2.7%
Waitrose				
Total energy consumption (gas and electricity) (kWh)	521,536,649	569,648,988	575,794,049	1.1%
Average branch energy consumption per square foot of trading floor area (kWh)	112.8	115.1	105.9	-8.0%

John Lewis total energy consumption (gas and electricity) (kWh)



Waitrose total energy consumption (gas and electricity) (kWh)



Energy associated with all shops, offices and owned and operated distribution centres has been included. For Waitrose energy for Leckford has also been included. Energy used at outsourced distribution centres is not included.

Unless otherwise stated environmental data relating to Corporate and Partnership Services activities, where available, has been apportioned equally between John Lewis and Waitrose.

Calculated relative to the previous year, including data expressed as a percentage.

On site renewable energy

In 2011/12, we made great progress in constructing and testing our first energy centres at our Waitrose stores in East Cowes and Bracknell. These energy centres are an important component of our 10-year carbon reduction plan and more are planned for 2012 and subsequent years.

Rising electricity, gas and oil prices have a significant impact on the cost of running our shops. Local scale energy centres help us to lower our carbon emissions, control costs; and be more self-sufficient and selective in the fuel sources we use to generate power.

Our energy centres allow us to generate our own electricity, heating and cooling from a sustainable and renewable resource – woodchip. One energy centre will use approximately 2,200 tonnes of woodchip annually. The woodchip will be from sustainably managed forests and woodlands in the UK which is harvested, chipped and delivered to our shops by local suppliers within a 30 mile radius.

Looking ahead

We will continue to:

- lead and support a number of initiatives designed to reduce energy consumption.
- establish and agree new internal targets.
- review our Partner energy engagement strategy to reinforce behaviour change – this will include the development of an environmental and energy training module as a compulsory online training tool for all our Partners.

Our environment

continued

Refrigeration

We are committed to radically reducing our refrigeration and cooling emissions. Waitrose shops, as the primary user of refrigeration and cooling systems, are the main focus of this effort. Our target is to halve the refrigeration and cooling emissions of Waitrose by 2012/13 compared to 2008/09 levels.

We achieved a 5.3 per cent reduction in 2011/12 compared to the previous year, and a 24.5 per cent reduction since our 2008/09 baseline. Reducing emissions from refrigeration is a vitally important aspect of the Partnership's 10-year carbon reduction plan.

We will continue to focus on containment to reduce this further and will carry on rolling out our low carbon water-cooled refrigeration system into our new shops and refurbishment programme. While there is a risk that our current short-term target may not be met, our longer-term strategy to remove harmful refrigerant gas leakage from our estate by 2020/21 remains on track:

- our maintenance and refit programme is focused on refitting older shops first.
- by the end of 2011, 48 shops had received a replacement lower carbon refrigeration option reducing global warming potential (GWP) emissions from 3260 to 1990. Further replacements are planned for 2012.
- by the end of 2011/12, 74 shops used a hydrocarbon water-cooled refrigeration system and all new shops adopt this system as standard. This system includes cold air retrieval and is integrated into shop heating and cooling systems, representing a significant shift away from traditional refrigeration standards. The new system saves considerably on energy use and radically reduces the impact of refrigerant gas losses.
- we have re-invigorated our contractor programme, and introduced a monthly management workshop, which includes our refrigeration consultants. These meetings encourage the development of new technology systems which will aid future improvements.
- we installed and worked closely with the manufacturer to develop the world's first hydrofluoroolefin (HFO) chiller leading us to be shortlisted in Air Conditioning and Refrigeration (ACR) News Awards refrigeration project of the year.

We want to ensure that refrigerant leakage is kept to the absolute minimum. All our systems are fitted with leak detection equipment, and we use independent audit engineers to carry out leak detection using mobile equipment. We have identified a number of specific stores that will receive capital investment in order to improve refrigerant containment and reduce leakage.

	2009/10	2010/11	2011/12	Change on last year [#]
Waitrose refrigeration and cooling direct emissions (tonnes CO ₂ e)	78,715	64,624	61,000	-5.6%
John Lewis refrigeration and cooling direct emissions (tonnes CO ₂ e)	2,412	2,400	3,905	-62.7%

Waitrose refrigeration and cooling direct emissions includes emissions associated with Leckford Estate and outsourced distribution. Leckford Estate emissions were not available in 2008/09 are therefore not included when measuring our performance against target.

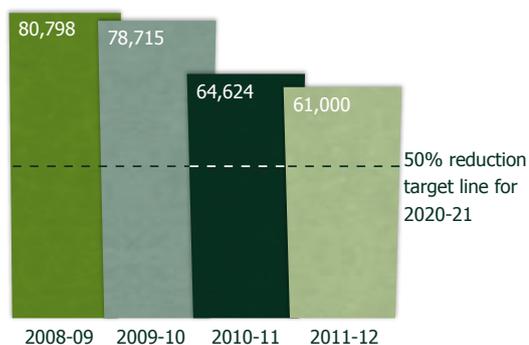
Unless otherwise stated environmental data relating to Corporate and Partnership Services activities, where available, has been apportioned equally between John Lewis and Waitrose.

[#] Calculated relative to the previous year, including data expressed as a percentage.

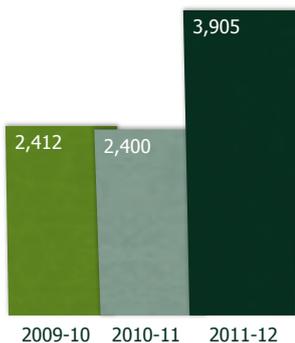
Our environment continued

Refrigeration (continued)

Waitrose refrigeration and cooling direct emissions (tonnes CO₂e)



John Lewis refrigeration and cooling direct emissions (tonnes CO₂e)



'We want to reduce our negative impact on the planet by doing good things with the waste generated by our business. And, commercially, there is a very straightforward way of thinking about this – every tonne of waste buried in landfill costs us more than £100, and this increases every year.'

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

Waste

Our long-standing objective is to reduce waste wherever possible, and to reuse or recycle more of the waste we do produce.

In 2011/12, the Partnership created a Waste Steering Group. Chaired by Peter Terry, Head of Maintenance, the group has representation from the Partnership's corporate team, Waitrose and John Lewis.

The group oversees and drives our aims to:

- divert 95 per cent of our waste from landfill by year end 2013/14.
- recycle 75 per cent of all waste by year end 2012/13.
- divert all Waitrose shop food waste from landfill by year end 2012/13.

The waste steering group is also guiding the development of a customer recycling strategy.

Our environment

continued

Waste (continued)

Reducing waste to landfill

Our Partners play a vital role in separating recyclable materials in our shops so we send less to landfill. Our waste and recycling guide applies across the Partnership, providing clear guidance; this is supported by good equipment to enable Partners to effectively segregate and collect waste streams.

The proportion of our waste going to landfill has reduced from 51 per cent in 2008/09, to 11 per cent in 2011/12. We remain focused on reducing this to less than 5 per cent. During 2011/12, the Partnership:

- produced 67,164 tonnes of operational trade waste.
- recycled 44,327 tonnes of waste (66 per cent).
- sent 15,665 tonnes of waste to energy from waste solutions (23 per cent).
- extended back-hauling of mixed recyclable materials by using otherwise empty trucks to consolidate these materials so that they can be recycled.
- introduced new Partner dining room recycling bins in all Waitrose shops to separate aluminium, paper, plastic and food waste from general waste.

Collecting small dispersed quantities of differing waste streams can prove difficult and unattractive for major waste contractors but we continuously seek out solutions that will enable us to reduce waste wherever possible, and to reuse and recycle more.

Closed loop recycling

The Partnership's aspiration is to recycle exclusively in the UK, so that ownership is retained and the most appropriate disposal method is used.

The Partnership is collaborating with Centriforce in Liverpool, to process soft plastic such as polythene bags and film into 'Plaswood' planks; a recycled plastic garden furniture product. So far, 15 per cent of recyclable plastic from our operations is captured and reused in this way. In 2011, the Partnership built a woodland walkway at Wildridings Copse in Bracknell at its head office site using 'Plaswood' planks.

We are committed to exploring further opportunities to recycle materials such as plastic and cardboard to create a second life for them within our company.

Food waste

As a food retailer, tackling food waste is one of the key commitments under the Waitrose way 'Treading Lightly' pillar. We first and foremost reduce food waste and then carefully consider the best possible use for any food waste we do generate.

We will divert all Waitrose shop generated food waste from landfill by year end 2012/13 and dispose of waste in the most environmentally appropriate way.

To help us achieve our aims, we ensure that appropriate alternatives are considered in the following five stage process:

- **Waste reduction:** For example, edible fruit and vegetables which cannot be sold to customers because they are bruised or the packaging is damaged can be provided to Partners free of charge or used in Partners' dining rooms.
- **Food donation for human consumption:** Waitrose shops work with local charities and community groups to distribute food to those in need.
- **Donation for animal feed:** Certain 'best before' date expiring foods are provided to zoos and animal sanctuaries.
- **Anaerobic digestion and composting:** Anaerobic digestion has the ability to generate energy from food waste and creates a by-product of high nutrient rich fertilisers suitable for land use. This is therefore selected as our primary method, above composting.
- **Landfill:** used as the last resort until year end 2012/13.

Waitrose was the first national retailer to use anaerobic digestion. Over 200 Waitrose shops currently send food waste to anaerobic digestion or composting. During 2012, all remaining Waitrose shops (except those on the Channel Islands) will divert food waste away from landfill. Some 23 Waitrose shops are involved in donating food to local charities, community groups, zoos or animal sanctuaries.

'We have reduced our destroyed waste from 28 per cent to 13 per cent over the past year and lowered the amount of overall waste we send to landfill by approximately 80 per cent. We are seeking a suitable animal centre to explore what we can potentially donate but our focus is to not have the waste in the first place.'

Steve Ward, Branch Manager,
Waitrose Lutterworth

Our environment

continued

Waste (continued)

	2009/10	2010/11	2011/12	Change on last year [#]
Proportion of generated waste diverted from landfill	52%	81%	89%	10.2%
John Lewis waste				
Weight of waste disposed to landfill (tonnes)	4,734	3,909	3,250	-16.9%
Weight of waste recycled (tonnes)	4,712	6,126	7,955	29.9%
Weight of waste diverted to energy from waste facilities (tonnes)	40	1,933	2,361	22.1%
Total	9,486	11,968	13,566	13.4%
Waitrose waste				
Weight of waste disposed to landfill (tonnes)	22,911	7,816	3,922	-49.8%
Weight of waste recycled (tonnes)	23,703	31,149	36,372	16.8%
Weight of waste diverted to energy from waste facilities (tonnes)	1,684	9,978	13,304	33.3%
Total	48,298	48,943	53,598	9.5%

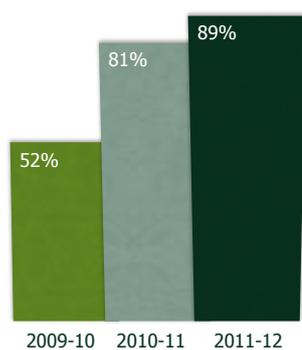
Data relates to operational trade waste only.

Data for Waitrose waste diverted to energy from waste facilities for 2010/11 has been amended for consistency by removing third-party contractor waste.

Unless otherwise stated environmental data relating to Corporate and Partnership Services activities, where available, has been apportioned equally between John Lewis and Waitrose.

Calculated relative to the previous year, including data expressed as a percentage.

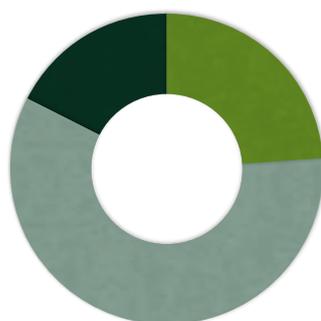
Proportion of generated waste diverted from landfill



Our environment continued

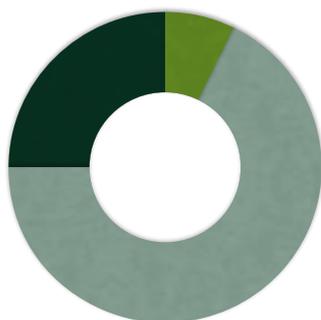
Waste (continued)

John Lewis waste (tonnes) 2011-12



Weight of waste disposed to landfill	3,250
Weight of waste recycled	7,955
Weight of waste diverted to energy from waste facilities	2,361

Waitrose waste (tonnes) 2011-12



Weight of waste disposed to landfill	3,922
Weight of waste recycled	36,372
Weight of waste diverted to energy from waste facilities	13,304

Looking ahead

Our key waste management actions for 2012 are to:

- exploit opportunities to reuse reprocessed materials within our business.
- divert remaining residual waste away from landfill, in readiness for our 2013/14 year end, 95 per cent landfill diversion target.
- work towards exclusively recycling in the UK to retain ownership and realise closed loop recycling opportunities.
- pilot environmental training QCF (Qualification and Credit Framework) for Partners to encourage better waste management.
- extend food waste energy recovery roll-out to remaining Waitrose shops.
- focus on developing a customer recycling strategy.
- identify reuse opportunities for construction waste.

Our environment

continued

Packaging

We are committed to working with our suppliers to reduce the volume and environmental impact of our packaging.

Packaging is essential to protect and deliver products at their best, ensure product safety and quality, display legal and essential information and to communicate to our customers. We support the on-pack recycling labelling scheme for our own-brand packaging.

We want to reduce the amount of packaging used. In 2011, John Lewis reviewed and reduced packaging levels on several lines including:

- reducing the size of inserts by 15 per cent on 40 bakeware lines,
- an average reduction of 30 per cent of card for 13 lines of own-brand toys by improvements to packaging design.
- removed unnecessary packaging where possible, two examples being beauty mirrors and bathroom bins.

Waitrose have reviewed a range of products including fresh meat, ready meals and categories within grocery and seasonal goods. Packaging reductions achieved in 2011 include:

- 50 per cent reduction in frozen fish lines, by changing from a carton and bag to a printed bag.
- 39 per cent reduction in our Iberico range of cooked meat packs, gained by pack optimisation and the removal of the outer sleeve.

Carrier bags

Both Waitrose and John Lewis continue to make efforts to reduce customer use of single-use carrier bags by offering, encouraging and educating customers about more environmentally responsible alternatives. We also remain committed to reducing the environmental impact of our bags.

In 2011, John Lewis and Waitrose implemented local arrangements in line with regulatory charging requirements for single-use carrier bags in Wales – read more on johnlewis.com and waitrose.com.

Waitrose also completed the conversion of its Bag for Life to be made using 100 per cent recycled content.

John Lewis	2010/11	2011/12	Change on last year [#]
Weight of primary packaging supplied to end user (tonnes)	15,957	17,639	10.5%
Weight of secondary and tertiary (transit) packaging (tonnes) ¹	1,237	1,529	23.6%
Waitrose			
Weight of primary packaging supplied to end user (tonnes)	111,570	118,860	6.5%
Weight of secondary and tertiary (transit) packaging (tonnes) ¹	2,259	2,519	11.5%

Data based on calendar year.

[#] Calculated relative to the previous year, including data expressed as a percentage.

Unless otherwise stated environmental data relating to Corporate and Partnership Services activities, where available, has been apportioned equally between John Lewis and Waitrose.

1. Weight of secondary and tertiary (transit) packaging is based on packaging obligated under the Producer Responsibility (Packaging Waste) regulations

Our environment continued

Packaging (continued)

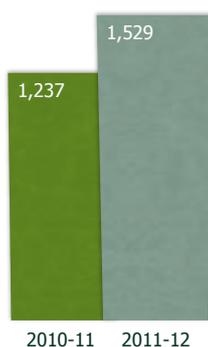
John Lewis weight of primary packaging supplied to end user (tonnes)



Waitrose weight of primary packaging supplied to end user (tonnes)



John Lewis weight of secondary and tertiary (transit) packaging (tonnes) ¹



Waitrose weight of secondary and tertiary (transit) packaging (tonnes) ¹



1. Weight of secondary and tertiary (transit) packaging is based on packaging obligated under the Producer Responsibility (Packaging Waste) regulations

Looking ahead

Waitrose is targeting a three-year reduction plan. This plan defines clear targets and objectives for the next three years to drive Waitrose's future activity:

- 50 per cent reduction in food packaging consumption by year end 2016/17, based on like for like usage since 2005.
- introduce market leading and innovative packaging.
- reduce the carbon impact of grocery packaging.
- make our packaging the easiest to recycle by year end 2012/13.
- develop and promote own-brand packaging to become the most recyclable for kerbside collection.
- increase expertise in our supply base and efficiency processes.
- provide greater transparency of successes, share results and cost benefits to promote best practice.

John Lewis' vision is to remove packaging completely wherever possible, and only use the smallest amount of the most appropriate material in every case. John Lewis target areas for 2012 are to:

- continue to use lighter weight materials on at least 75 different packaging formats. In particular, we will review products such as lighting, clocks, table linens and stationery.
- remove internal polystyrene packaging from all packs by year end 2012.
- reduce packaging used in home delivered goods.
- promote and develop new reusable formats by introducing five new packaging formats that can be reused.
- introduce closed loop cardboard recycling.
- define clear targets and objectives for the next three years for our own-brand packaging.

Our environment

continued

Water

The Partnership is not a significant water user, relative to some industry sectors, however we understand the importance of managing our own water use carefully and are encouraging suppliers to do so too.

We have established a target to reduce shop water use by 20 per cent per square foot of trading floor by year end 2013/14, against a 2010/11 baseline.

During 2011, we completed our planned installation of water meters at shops and other non-trading properties and sites. As a result we are able to capture more accurate and detailed water data. This knowledge of how and when water is consumed will put us in a better position to measure, monitor and reduce our shop water use.

The Partnership delivered an improvement of 23.5 per cent over the prior year in Waitrose in shop water consumption per square foot of trading floor area. However John Lewis water consumption increased by 9.1 per cent to 0.12m³ per square foot of trading floor area. Overall, this led to shop water use per square foot of trading floor area being reduced by 12.3 per cent against our baseline.

John Lewis	2010/11	2011/12	Change on last year [#]
Water consumption (cubic metres)	594,979	612,697	3.0%
Store water consumption per square foot trading floor area (cubic metres)	0.11	0.12	9.1%
Waitrose			
Water consumption (cubic metres)	884,267	765,696	-13.4%
Store water consumption per square foot trading floor area (cubic metres)	0.17	0.13	-23.5%
Partnership			
Store water consumption per square foot trading floor area (cubic metres)	0.14	0.12	-12.3%

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



As a result of installing additional water meters in late 2009/10 we now have more accurate water data for our shops. Due to uncertainties in the accuracy of data we have not reported consumption and efficiency data for 2009/10.

Unless otherwise stated environmental data relating to Corporate and Partnership Services activities, where available, has been apportioned equally between John Lewis and Waitrose.

[#] Calculated relative to the previous year, including data expressed as a percentage.

Supply chain

Where water is a major component of our suppliers' production, we encourage responsible use. For example, the John Lewis Foundation works with cotton farmers in India to encourage sustainable farming methods which use less water. And, at Waitrose we are working on initiatives to help our farmers maximise efficient water usage in the growing process.

Our environment

continued

‘Responsible Development of our estate is an essential aspect of the way we do business. Doing what we do well means we can make a difference in our overall carbon reduction plans and in all our activity streams. Our approach to Responsible Development is particularly distinctive, effective and more likely to succeed because of the energy and passion of our Partners, who drive us to operate an evermore sustainable and responsible business.’

Steve Cole, General Manager John Lewis Construction, John Lewis Partnership

Responsible development

We are committed to ensuring that our properties are designed, built and operated with as minimal impact on the environment as possible.

Responsible Development is an essential aspect of the way we do business and includes our approach to building and refurbishing shops, offices, clubs and distribution centres.

Ensuring that our buildings are designed and recommissioned for the intended use of the space is at the heart of our engineering solutions. Intelligently designed and responsibly built environments lower our long-term operating costs and support our strategic goal to grow efficiently. Our Partners play a crucial role in making our policies a reality every day; our Responsible Development framework raises awareness of our approach which is to:

- reduce waste.
- conserve water.
- reduce carbon.
- use renewable energy sources and reduce energy consumption.
- recycle and reuse.
- protect and enhance biodiversity.

Our progress

In 2011/12, the Partnership continued to embed Responsible Development into the design, procurement, delivery and operation of our construction and refurbishment projects. To underline our role in this campaign for continuous improvement we joined organisations such as the UK Green Building Council (www.ukgbc.org) as a Gold Leaf member and the Considerate Constructors Scheme (www.ccscheme.org.uk) as a Client member. This helps us to influence the construction supply chain to be responsible neighbours and members of local communities. Areas of progress in 2011 include:

- Waitrose Stratford City was named Britain’s ‘greenest’ shop within a shopping centre and was awarded a BREEAM (www.breeam.org) ‘Outstanding’, the first post-construction ‘Outstanding’ rating in the world for a retail building. Read more (www.waitrose.presscentre.com).
- with the construction of our first energy centres at Waitrose Bracknell and Waitrose East Cotes, both projects are also on track to be awarded BREEAM ‘Outstanding’ status. Read more about the launch of our first energy centre (www.waitrose.presscentre.com).
- refurbishment of John Lewis Cheadle achieved a BREEAM ‘Excellent’ rating. The shop has remained open and trading throughout the remodelling process.
- we diverted 98.4 per cent of our construction, demolition and excavation waste from landfill and waste generated was reduced to an average volume of 5.9 tonnes per 100m² in line with our target.
- energy audits of all refurbishments and extension sites were carried out to inform decision making at project feasibility stage.
- we won the People & Environment Achievement in Business Award for Building and Construction for our successful Responsible Development and Carbon Reduction programmes.
- we piloted biodiversity actions plans at one John Lewis and one Waitrose shop with good success. Read more about our Waitrose Bracknell store (www.waitrose.presscentre.com).

A number of areas proved challenging and we narrowly missed a number of our targets including:

- four of 39 projects exceeded our target to use materials that have on average 30 per cent recycled content. We continue to make progress towards increasing the use of recycled content materials.
- 32 of 39 sites met our target to use 100 per cent certified timber from sustainable sources in the construction process.
- all new and refurbished projects were measured as part of the Considerate Constructors Scheme (CCS) and we achieved an average score of 35 out of 40. Although below our target of 37, we regard maintaining an average of 35 as an excellent result given the CCS scoring matrix was reappraised, making it more difficult to achieve higher scoring consistently through a project.
- during the course of 2011 the target minimum standard for BREEAM was amended to ‘Very good’ where it meant additional capital was being spent just to achieve BREEAM credits for ‘Excellent’ rather than actually improving environmental performance of buildings.

Our environment

continued

Responsible development (continued)

Looking ahead

We have determined the key areas for continued focus in 2012 and beyond. We will:

- further improve our Responsible Development Framework in partnership with the Building Research Establishment.
- look to positively impact the biodiversity in the areas surrounding our stores and buildings.
- continue to look at the methodology and benefits of 'whole life costing' analysis and trial as appropriate.
- review stocks of redundant fixtures and fittings to ensure these are reused wherever possible before responsible disposal measures as considered.
- continue to specify sustainable timber for all elements of our projects.
- work with industry to increase the specification and use of recycled materials in construction projects.

'Each of our livestock supply chains is focusing on delivery of a five year action plan which aims to strengthen the biodiversity of our farms, ranging from local and national initiatives to activities which are sector specific.'

Duncan Sinclair, Agriculture Manager, Waitrose

Biodiversity and the natural environment

We are committed to protecting and enhancing biodiversity across the Partnership estate and to working with our suppliers to build understanding and capability, and to minimise impacts while positively contributing to biodiversity in our supply chains.

The Partnership is committed to working with Government and NGO partners to contribute to policy that balances the needs of industry, agriculture and biodiversity. Our efforts will support the Government's objective to halt biodiversity losses in the UK by 2020.

During 2011, a Biodiversity Working Group was created to look at how we can enhance our approach to biodiversity and ecosystem management across our own estate, and through our supply chain, and to explore ways to actively engage our Partners and customers in biodiversity conservation.

Supply chain

Some raw materials and ingredients pass through complex supply chain structures and intermediaries before reaching us. Therefore, we support the role of stewardship bodies in protecting: high conservation value areas; ecosystems; and biodiversity in our seas and forests. We seek to use third-party sustainability certification for key commodities which may be potentially high risk.

Waitrose is adopting a science-based approach with suppliers to encourage the right generic habitats rather than focusing purely on species counts which can be detrimental and have a negative effect on crop quality. We are supporting and participating in research at the University of Sussex to understand honey bee foraging and several projects to understand the health and importance of pollinators in agriculture.

For example, a high proportion of the livestock farms supplying Waitrose are members of voluntary industry schemes which provide the opportunity to create, enhance and protect wildlife habitats on their farms as well as protect streams and rivers. In addition, a significant number are also engaged in local initiatives working with charities, national agencies and communities on more location specific activities with public benefits to ensure the most appropriate outcomes are secured. Our farmers have a passion for the countryside which they have responsibility for and through our five year environmental action plans are actively engaged in enhancing the countryside we all appreciate and enjoy.

Leckford Estate

Our Founder John Spedan Lewis bought Leckford Estate in 1928. It covers 4,000 acres in Hampshire and includes a farm, plant nursery and water garden. The farm produces crops, milk, poultry meat, eggs, fruit and mushrooms for sale in our Waitrose food shops. As stewards of this Estate, we have the enormous privilege to maintain and improve its condition. Leckford Estate includes:

- five sites of Special Scientific interest (SSSI).
- four Scheduled Ancient Monuments (SAM).
- designated sites of historic (HER) and biodiversity (SINC) importance.
- the Estate also hosts seven reserves designated by the John Spedan Lewis Trust for the Advancement of the Natural Sciences.

Leckford Estate is a LEAF (Linking Environment and Farming, www.leafuk.org) demonstration farm.

Our environment

continued

Biodiversity and the natural environment (continued)

We have adopted a Biodiversity Management plan for the site with clearly defined key performance indicators covering biodiversity, soil and land management. An Environmental Stewardship agreement is also in place with Natural England; we have Entry Level and Higher Level Stewardship Schemes; and operate according to current best practice for EU agri-environmental schemes.

Some of our activities include:

- removal of non-native monoculture tree plantations, replaced with oak, willow, alder and ash trees.
- recreating water meadows and down grassland through land and river management to attract wading birds, butterflies and provide a habitat for water voles and otters.
- installation of barn owl nesting boxes which have successfully attracted breeding pairs.
- restoration of fen and reed beds.
- planting wide field margins with herbs and flowering plants to attract insects.
- implementing five-year conservation action plans across all the livestock supply chains.

Our estate

We apply the British Council of Shopping Centres (BCSC) Sustainability Charter (www.bsc.org.uk) criteria to all our new build projects and we register every new construction with the Considerate Constructors Scheme. Specifically, the Considerate Constructors Scheme includes a requirement to confirm that:

- plants, trees, watercourses and wildlife are protected and monitored.
- environmental and ecological health-checks are in place for the area.
- water and energy consumption is monitored and reduced.

Waitrose Bracknell opened in November 2011 and is among the first of our stores to showcase a variety of biodiversity features. In line with Waitrose's Treading Lightly ethos, it includes:

- a 'living' wall planted with species chosen by the local authority to promote wildlife movement around the site.
- a grass covered roof which provides drainage and a place for local wildlife.
- hedges replace fences, and nest boxes provide a home for bats and swifts.
- a 'Bug Hotel' safe haven for hibernating insects in the car park is made from wood offcuts left over from the main building site and created with the help of a local school, Binfield Primary.

The Partnership operates five hotels offering accommodation to our Partners. Recognising the high conservation value potential of these sites we are committed to improving management systems and developing training and engagement opportunities. This includes identifying a biodiversity champion for each site and the creation of guest activities to allow visitors to better understand the natural environment at each location.

We have conducted biodiversity surveys as part of our management plan for these sites. For example:

- at our hotel for Partners near Bala in the Snowdonia National Park we have: undertaken habitat development and selective planting in the 70 acre indigenous woodland site. We have worked in conjunction with Better Woodlands for Wales to develop a woodland management plan and carried out surveys on the bats, snails, otters and newts living on the site.
- we carried out an ecological review at our hotel and conference centre site, Odney, in Berkshire. This included bat and tree surveys; an action plan for habitat improvement was developed with the RSPB and the Bat Conservation Society. Nature walks have been developed for guests with tree and bird identification material and regular talks are given to visitors on the sites flora and fauna.

GRI Index

This report is aligned with the Global Reporting Initiative (GRI) G3 Sustainability Reporting Guidelines, and we consider this report to be a GRI self-declared application level B.

For a detailed explanation of the indicators, visit the **GRI website** (www.globalreporting.org).

Management approach disclosures

Disclosure	Reporting level	Location and notes (online) refers to www.johnlewispartnership.co.uk
EC: Economic performance	Fully	Our constitution (online), Our strategy (online), Chairman's statement, 2012 Annual Report and Accounts (online) – Chairman's statement (page 2); Business review (page 4)
EC: Market presence	Fully	Our constitution (online), Our strategy (online), Chairman's statement, 2012 Annual Report and Accounts (online) – Chairman's statement (page 2)
EC: Indirect economic impacts	Fully	Our constitution (online), Our communities, Community impact, About our products – Local, regional and British sourcing, At a glance – Targets and commitments
EN: Materials	Fully	At a glance – Targets and commitments, Packaging, Waste, Responsible development, Governance (online), CSR policy (online), At a glance
EN: Energy	Fully	Governance (online), At a glance – Targets and commitments, Climate change – Our 10-year carbon reduction plan, Energy, CSR policy (online), At a glance
EN: Water	Fully	Governance (online), At a glance – Targets and commitments, Water, CSR policy (online)
EN: Biodiversity	Fully	Governance (online), Biodiversity and the natural environment, CSR policy (online)
EN: Emissions, effluents and waste	Fully	Governance (online), At a glance – Targets and commitments, Climate change, Energy, Waste, Refrigeration, CSR policy (online)
EN: Products and services	Fully	Governance (online), At a glance – Targets and commitments, Supporting our suppliers, Our foundations – John Lewis Foundation, Sustainable Food and Farming, Sourcing raw materials, Sustainable living – Sustainable product identifier, Supporting customers to reuse and recycle, Bringing Quality to Life, the Waitrose way, CSR policy (online), At a glance
EN: Compliance	Fully	Governance (online), CSR policy (online), Compliance (online), At a glance – Data
EN: Transport	Fully	Governance (online), CSR policy (online), Transport and distribution, At a glance – Targets and commitments, At a glance
EN: Overall	Fully	Our approach (online), Governance (online), CSR policy (online), At a glance – Targets and commitments, Our environment, Our products and suppliers, Our customers, At a glance
LA: Employment	Fully	Governance (online), CSR policy (online), At a glance – Our targets and commitments, Our people, Our employees, Working for us (online), At a glance
LA: Labor/management relations	Fully	Governance (online), CSR policy (online), At a glance – Targets and commitments, Our people, Our employees, Working for us (online), At a glance
LA: Occupational health and safety	Fully	Governance (online), CSR policy (online), Partner health and well-being, Safety and health (online)
LA: Training and education	Fully	Governance (online), CSR policy (online), Work experience, Career development, Training and development (online)

GRI Index

continued

Disclosure	Reporting level	Location and notes (online) refers to www.johnlewispartnership.co.uk
LA: Diversity and equal opportunity	Fully	Governance (online), CSR policy (online), At a glance – Data, Embracing diversity and inclusion, Opportunities for all (online), At a glance
HR: Investment and procurement practices	Fully	Governance (online), CSR policy (online), At a glance – Targets and commitments, Responsible sourcing, Supporting our suppliers, Our foundations, Supporting UK business
HR: Non-discrimination	Fully	Governance (online), CSR policy (online), Responsible sourcing, Responsible sourcing code of practice (online), Supporting our suppliers
HR: Freedom of association and collective bargaining	Fully	Governance (online), CSR policy (online), Responsible sourcing, Responsible sourcing code of practice (online), Supporting our suppliers
HR: Child labor	Fully	Governance (online), CSR policy (online), Responsible sourcing, Responsible sourcing code of practice (online), Supporting our suppliers
HR: Forced and compulsory labor	Fully	Governance (online), CSR policy (online), Responsible sourcing, Responsible sourcing code of practice (online), Supporting our suppliers
HR: Security practices	Fully	Governance (online), CSR policy (online), Responsible sourcing, Supporting our suppliers, Responsible sourcing supplier workbook (online)
HR: Indigenous rights	Fully	Governance (online), CSR policy (online), Responsible sourcing, Responsible sourcing code of practice (online), Supporting our suppliers
SO: Community	Fully	Governance (online), CSR policy (online), Our communities, Our community (online), At a glance
SO: Corruption	Fully	Governance (online), CSR policy (online), Our constitution (online)
SO: Public policy	Fully	Governance (online), CSR policy (online), Stakeholder engagement highlights – Government
SO: Anti-competitive behavior	Fully	Governance (online), CSR policy (online), Our constitution (online), 2012 Annual Report and Accounts (online) – GSCOP (page 34)
SO: Compliance	Fully	Governance (online), CSR policy (online), Our customers, Our constitution (online) – page 31
PR: Customer health and safety	Fully	Governance (online), CSR policy (online), Nutrition and health, About our products (online), Safety and health (online)
PR: Product and service labelling	Fully	Governance (online), CSR policy (online), Bringing Quality to Life, Labelling (online), the Waitrose way, Sustainable living – Sustainable product identifier, Nutrition and health, Sourcing raw materials, Supporting UK business, At a glance – Targets and commitments, At a glance
PR: Marketing communications	Fully	Governance (online), CSR policy (online), Our constitution (online), Our business priorities, Bringing Quality to Life, the Waitrose way
PR: Customer privacy	Fully	Governance (online), CSR policy (online), Our constitution (online), Waitrose.com privacy statement (www.waitrose.com), John Lewis Partnership privacy statement (online), johnlewis.com privacy statement (www.johnlewis.com)

GRI Index

continued

Disclosure	Reporting level	Location and notes (online) refers to www.johnlewispartnership.co.uk
PR: Compliance	Fully	Governance (online), CSR policy (online), Our constitution – page 31 (online), About our products (online), Compliance (online)

Standard disclosures

Indicator	Reporting level	Location and notes (online) refers to www.johnlewispartnership.co.uk
1.1	Fully	Chairman's statement
1.2	Fully	Chairman's statement, Our business, At a glance – Challenges, Our business priorities, Reporting important issues, Materiality, At a glance – Targets and commitments, Governance (online), Our environment, Responsible sourcing, Our employees, Our Constitution (online)
2.1	Fully	Our business
2.2	Fully	Our business
2.3	Fully	Our business
2.4	Fully	Report content and assurance – About this report
2.5	Fully	Our business
2.6	Fully	Our business – What makes us different, 2012 Annual Report and Accounts (online)
2.7	Fully	Our business
2.8	Fully	Our business, 2012 Annual Report & Accounts (online) – pages 40-41
2.9	Fully	<i>No significant changes during the reporting period</i>
2.10	Fully	At a glance – Awards
3.1	Fully	Report content and assurance – About this report
3.2	Fully	Report content and assurance – About this report
3.3	Fully	Report content and assurance – About this report
3.4	Fully	Report content and assurance – About this report
3.5	Fully	Report content and assurance – About this report, Stakeholder engagement highlights
3.6	Fully	Report content and assurance – About this report
3.7	Fully	Report content and assurance – About this report
3.8	Fully	Report content and assurance – About this report
3.9	Fully	At a glance – Data
3.10	Fully	At a glance – Data
3.11	Fully	<i>No significant changes during the reporting period</i>
3.12	Fully	GRI index, Sustainability report
3.13	Fully	Report content and assurance

GRI Index

continued

Indicator	Reporting level	Location and notes (online) refers to www.johnlewispartnership.co.uk
4.1	Fully	Governance (online), Our people: data, Embracing diversity and inclusion, Bringing Quality to Life, the Waitrose way, Partnership Board (online)
4.2	Fully	Governance (online)
4.3	Fully	Partnership Board (online)
4.4	Fully	Partnership Council (online), Stakeholder engagement highlights, The Partnership (online)
4.5	Fully	<i>All Partners with direct functional responsibility for sustainability, including senior managers and board members, have sustainability performance objectives within their job descriptions. Annual pay reviews reflect individual performance against their job description and the local market rate. All Partners are held to account by their managers to uphold our Constitution, which includes economic, social and environmental elements. The Chairman is held to account by the Partnership Council. The share of profits allocated to Partners is fixed each year by the Partnership Board and is distributed as the same percentage of gross annual pay for all Partners. Partners with exceptional performance may be rewarded at any time with a cash bonus payment by local management. To recognise and reward Partners in a spontaneous and personal way for behaviour which promotes and supports Partnership values the Partnership also has a non-financial recognition policy.</i>
4.6	Fully	2012 Annual Report & Accounts (online) – Directors' report
4.7	Fully	2012 Annual Report & Accounts (online) – Directors' report
4.8	Fully	Governance (online), Partner strategy, Our constitution (online), Our principles (online), CSR policy (online), Responsible sourcing code of practice (online)
4.9	Fully	Partnership Council (online), Partnership Board (online), Management bodies – Chairman's Committee (online)
4.10	Fully	<i>All Partners are held to account by their managers to uphold our Constitution, which includes economic, social and environmental elements. In addition, sustainability issues are included in the annual performance review for board members with specific responsibilities for sustainability (eg Director of Personnel). The Chairman is ultimately accountable for the Partnership's commercial performance and responsible for upholding the constitution. He is held to account by the Partnership Council.</i>
4.11	Fully	<i>The John Lewis Partnership does not formally apply the precautionary principle – the idea that if the consequences of an action are unknown but could be negative, then it is better to avoid that action – to our decision-making processes. However, we do employ this approach in certain areas of our activities, such as addressing climate change.</i>
4.12	Fully	Stakeholder engagement highlights, Our people, Our communities, Our customers, Our products and suppliers, Our environment, Engaging our stakeholders (online), Our associations (online), At a glance – Awards
4.13	Fully	At a glance – Awards, Stakeholder engagement highlights, Our associations (online)
4.14	Fully	Stakeholder engagement highlights, Engaging our stakeholders (online), Our associations (online)

GRI Index

continued

Indicator	Reporting level	Location and notes (online) refers to www.johnlewispartnership.co.uk
4.15	Fully	Stakeholder engagement highlights, Engaging our stakeholders (online), Our associations (online)
4.16	Fully	Stakeholder engagement highlights, Engaging our stakeholders (online), Our associations (online)
4.17	Fully	Stakeholder engagement highlights, Engaging our stakeholders (online), Our associations (online)
EC1	Fully	Chairman's statement, Our business, Community impact, Career development, 2012 Annual Report and Accounts (online)
EC2	Partial	Our environment, Climate change, Energy
EC3	Partial	2012 Annual Report & Accounts (online) – Business Review
EC6	Partial	Our products and suppliers, Responsible sourcing, Supporting UK Business
EC7	Partial	Community impact, Work experience
EC8	Fully	Our communities, Work experience, Responsible Development
EC9	Partial	Responsible Development, Community approach
EN2	Partial	Our environment, Responsible Development, Waste, At a glance – Data
EN3	Fully	Energy, At a glance – Data <i>In 2011/12 Partnership purchased 1,007,030 GJ natural gas, 750,607 GJ diesel, 211,107 GJ gas oil, 1,193 GJ LPG, 1,026 GJ kerosene, 719 GJ propane, 110 GJ CNG, 42 GJ petrol and from renewable sources: 7,481 GJ pure plant oil (PPO) and 409 GJ biomethane. Data on the amount of direct energy produced is not available.</i>
EN4	Partial	Energy, At a glance – Data <i>In 2011/12 the Partnership purchased electricity equivalent to 2,070,500 GJ. Through agreements with our energy suppliers, since 1st October 2011 virtually all of our electricity (circa 97 per cent) has been matched with renewable energy being supplied into the national grid.</i>
EN5	Partial	Our environment, Climate change, Energy, Refrigeration, Responsible Development, At a glance – Data
EN6	Partial	Sustainable living – Sustainable product identifier, Bringing Quality to Life, The Waitrose way, Supporting our suppliers
EN7	Partial	Supporting our suppliers, Climate change
EN8	Partial	Water, At a glance – Data We report municipal water supplies data only, other water sources are currently not material.
EN11	Partial	Biodiversity and the Natural Environment
EN12	Partial	Biodiversity and the Natural Environment
EN13	Partial	Biodiversity and the Natural Environment
EN14	Fully	Biodiversity and the Natural Environment
EN15	Partial	Our views – Endangered species (online)
EN16	Fully	Our environment, At a glance – Data

GRI Index

continued

Indicator	Reporting level	Location and notes (online) refers to www.johnlewispartnership.co.uk
EN17	Fully	Our environment, At a glance – Data
EN18	Fully	Climate change
EN22	Fully	At a glance – Data, Waste, Responsible Development <i>Levels of hazardous waste are immaterial to the organisation.</i>
EN23	Fully	<i>There have been no significant spills during the reporting period.</i>
EN26	Partial	The Waitrose way, Bringing Quality to Life, Climate change, Energy, Transport and distribution, Waste, Responsible Development, At a glance – Data, Sustainable food and farming, Sourcing raw materials, Our customers
EN27	Partial	Supporting customers to reuse and recycle, Packaging, Waste – Food waste, Waste – Closed loop recycling
EN28	Fully	At a glance – Data
EN29	Fully	Transport and distribution
LA1	Fully	Embracing diversity and inclusion, Career development – Reward within the Partnership, Our people – Data
LA2	Partial	Our people – Data
LA5	Fully	<i>For any change that affects 20 or more Partners, we comply with statutory regulations for collective consultation. For changes affecting fewer Partners we advise a minimum of four weeks but this is more often than not 13 weeks.</i>
LA6	Partial	Safety and health (online)
LA7	Partial	At a glance – Data, Partner health and well-being, At a glance – Our people
LA8	Partial	Partner health and well-being
LA11	Partial	At a glance – Our people, Career development, Work experience
LA12	Fully	At a glance – Data, Career development
LA13	Partial	At a glance – Data, Embracing diversity and inclusion
HR2	Fully	Our products and suppliers, Responsible sourcing, Stakeholder engagement highlights
HR3	Partial	Our products and suppliers, Responsible sourcing, Supporting our suppliers
SO1	Partial	Our communities, Community approach, Community impact
SO5	Partial	Stakeholder engagement highlights
SO6	Fully	2012 Annual Report and Accounts (online) – page 38
SO7	Partial	2012 Annual Report and Accounts (online) – page 34-35
PR1	Partial	Bringing Quality to Life, The Waitrose way, Supporting our suppliers, About our products – Product safety (online)
PR3	Partial	Our customers, Our products and suppliers, About our products (online), About our products – Sustainable products (online)
PR5	Fully	Stakeholder engagement highlights, Our products and suppliers, Our customers, Customer service (online)

