

GOVERNANCE REPORT

GOVERNANCE IN THE PARTNERSHIP

The two Trust Settlements made by John Spedan Lewis in 1929 and 1950 established the John Lewis Partnership, to be owned in Trust for the benefit of its members - its employees - who are known as Partners. The Trustee of the two Settlements is John Lewis Partnership Trust Limited (referred to in this report as the Trust Company). The Partnership is governed by a written Constitution, which must not conflict with the Settlements. The Constitution can only be changed by the agreement of two-thirds of the voting membership of Partnership Council, and the Chairman. It is available on the Partner intranet and is published on our website at www.johnlewispartnership.co.uk.

Power in the Partnership is shared between the three governing authorities: the Chairman, Partnership Board and Partnership Council (Rule 2 of the Constitution). Rule 4 of the Constitution is: "The shared aim of the three governing authorities is to safeguard the Partnership's future, to enhance its prosperity and to ensure its integrity. They should encourage creativity and entrepreneurial spirit but must not risk any loss of financial independence".

For more information on each of the governing authorities, see page 46 on the Chairman, pages 48 to 52 on the Partnership Board and its Committees, and pages 76 to 80 on Partnership Council.

The Partnership's governance checks and balances are clear and robust in accordance with its democratic principles of sharing of power for the benefit of Partners. Partnership Council is at the heart of the Partnership's governance controls. The Council reflects Partners' opinion. It stays in touch with the views of Partners in various ways including through elected Councillors each representing the constituency in which they work, and Forums which are the Partnership's first formal layer of democracy where representatives reflect the opinions of Partners locally.

The Chairman must attend, twice a year, a meeting of the Council, to account for the progress of the Partnership. If at any time the Council judges that the Chairman has failed to fulfil, or is no longer a suitable person to fulfil, the responsibilities of the office as laid down in the Constitution, it may pass a "Resolution upon the Constitution" to dismiss the Chairman.

During each of its terms, usually of three years, the Council elects three Partners to be Trustees of the Constitution. They are the Directors, together with the Chairman and Deputy Chairman, of the Trust Company, which owns in trust for Partners all the shares in John Lewis Partnership plc. Baz Naik and Matthew Street were elected, and Johnny Aisher was re-elected, Trustees of the Constitution in January 2022, taking up their appointments in March 2022, when former Trustees Mark Anderson and Claire Barry stood down.

The Council also elects each term three Partners to be Partnership Board members, known as Elected Directors. So our Board is different to most, with a mix of Executive, Non-Executive and employee (Partner) Directors. Becky Wollam was re-elected, and Jules Rushworth and David Wood were elected Directors by the Council in January 2022 and took up those roles in March 2022, when former Elected Directors Ollie Killinger and Nicky Spurgeon stood down having concluded their terms of office.

The Partnership has established Committees of the Board which assist it in carrying out its oversight and assurance responsibilities: the Audit and Risk Committee (see pages 53 to 63), the Ethics and Sustainability Committee (see pages 64 to 65), the Nomination Committee (see pages 66 to 69) and the Remuneration Committee (see pages 70 to 75). From time to time, the Partnership Board also delegates authority to ad hoc sub-committees to help finalise matters within agreed parameters set by the Board. The responsibilities and membership of these Board Committees are set out in each Committee's Report and their respective Terms of Reference are available at www.johnlewispartnership.co.uk. Each Committee Chair is available to report to the Partnership Council meeting at which it discusses the Partnership's performance in the previous trading year.

The Partnership has in place a structure for sharing power amongst the Partnership Council, the Partnership Board and the Chairman. There are further formal ways in which democratic vitality is encouraged: through Councillors and Forum representatives; open journalism through the Gazette; through the work of the Democratic Vitality Team itself which seeks to gather and promote the communication of Partner opinion; and through the Independent Directors. The structure is knitted together by the Partnership Secretary's role in ensuring information flow, trusted support and coordination across the three governing authorities.

The Chairman

The Chairman must ensure that the Partnership develops its distinctive character and its democratic vitality. As such, they have three distinct roles:

- The Chairman is the senior executive in the Partnership, ultimately responsible for its commercial performance, and they lead and are supported in this by the Executive Team;
- They are Chair of the Trust Company, responsible with the other Trustees for carrying into effect with or without modification the Deeds of Settlement; upholding the Constitution; and promoting in every possible way the wellbeing of the Partnership;
- They are, by virtue of their appointment as Chair of the Trust Company, Chair of the Partnership Board.

As set out in the Trust Company's constitutional documents, the ultimate choice of successor remains with an outgoing Chairman. However, this is overseen by the Nomination Committee, which keeps the Partnership Board informed of the plans and process for the Chairman's succession, before the Partnership Board is asked to approve the Chairman's nominee.

Sharon White became the Partnership's sixth Chairman on 4 February 2020. In accordance with the Partnership's constitutional arrangements, she signed a written undertaking to support the Constitution.

The use of the terms 'Chairman' and 'Deputy Chairman' in this report reflect the terminology contained within the Partnership's constitutional documents and are intended to be construed as gender neutral.

The Executive team

The Partnership's Executive Team defines a strategy to enable the Partnership's Purpose, to create a successful business and a fairer, more sustainable future for Partners, customers, suppliers and communities, to succeed, recommending it for the approval of the Partnership Board and then delivering it through its management and running of the business.

In addition to the Chairman, the Executive Team is made up of the following members at the date of this report:

- James Bailey**, Executive Director, Waitrose;
- Nina Bhatia**, Executive Director, Strategy and Commercial Development;
- Nikki Humphrey**, Executive Director, People;
- Bérangère Michel**, Executive Director, Finance;
- Andrew Murphy**, Chief Operating Officer from February 2022, previously Executive Director, Operations;
- Pippa Wicks**, Executive Director, John Lewis.

More information about the members of the Executive Team can be found at www.johnlewispartnership.co.uk.

Independent Directors

Whilst the Partnership's structure promotes Partner opinion, the two Independent Directors bring a further perspective to support and challenge business leaders. They are Partners who are independent from executive accountabilities and report to the Chairman. Their role is to: be a provocative and engaging force that focuses on what the Partnership stands for, inspire people to think differently, provide an independent perspective on the progress of the business towards its Purpose and Principles (and advise the Chairman in this respect); be completely open with the Chairman, tell them anything which they ought to know for the good of the

Partnership; and maintain focus on the distinctive character of the Partnership, including specifically humanity (amongst Partners and with the communities within which the Partnership operates). They have a constitutional 'right to roam' and investigate any area of the business and are supported by a group of Independent Advisors. They are not Directors of the Partnership but Independent Directors attend meetings, but are not members of, the Executive Team, the Partnership Board and its Committees, and the Partnership Council.

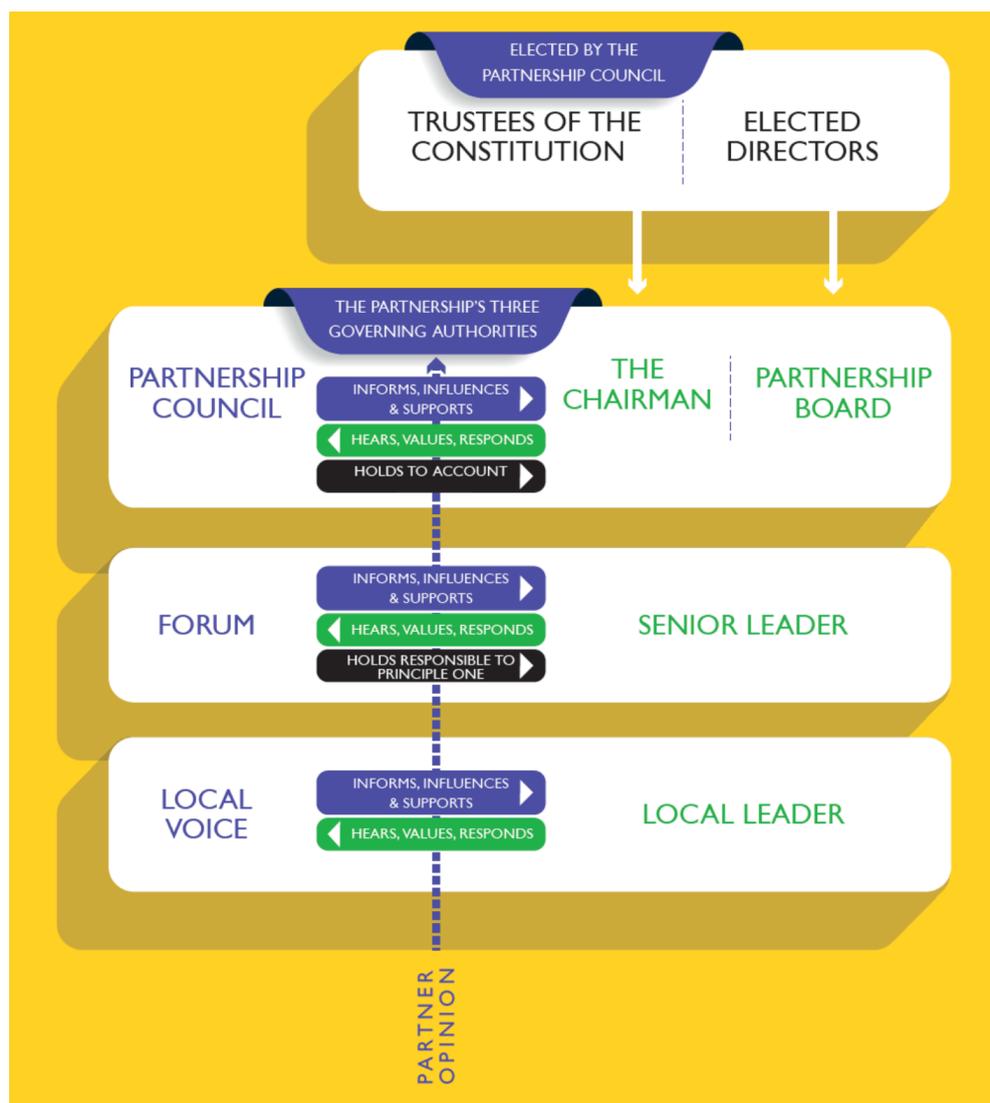
Clare Tickell took up the role of Independent Director on 14 October 2019. Michael Herlihy ceased to be an Independent Director on 31 December 2021, and James Allport was appointed the second Independent Director on 25 April 2022.

The Partnership Democratic Vitality team

The Partnership Democratic Vitality team was created in May 2021 following the restructuring of the Partnership Democratic Engagement team. It is divided into three areas: Democratic Governance - designed to support and develop our formal democratic bodies; Capability - focused on measuring, diagnosing and activating democratic vitality; and Proposition and Insight - set up to help integrate democratic principles in strategic business decisions and projects.

Our Democracy

This diagram illustrates how power is shared and the ways in which the opinions of Partners are heard and influence decisions within the Partnership.



The Partnership Board

The Partnership Board has ultimate responsibility for issues of major policy and for allocating the financial and other resources of the business. It decides the policy for the prudent and adequate financing and development of the business and monitors its efficient implementation.

The Partnership Board's role is:

- To provide the Executive Team with constructive challenge and make its advice, experience and specialist knowledge available to both the Executive Team and Partnership Council;
- To ensure that in delivering the Partnership Purpose the Partnership's financial condition remains sound;
- To ensure proper governance of John Lewis Partnership plc.

The role and responsibilities of the Board are contained in the Board's reserved matters which are available at www.johnlewispartnership.co.uk/about/how-we-share-power.html. In performing its role, the Partnership Board: approves the Partnership's Strategy and business plan; sets risk appetite; oversees and monitors the delivery of the business plan, financial performance and management of risk; oversees behaviours within the Partnership; ensures that there is appropriate engagement with Partners (so that their views are listened to and taken into account in a way that encourages their active engagement) and other stakeholders; and ensures that as Directors they fulfil their legal duties to promote the Partnership's success. Directors have regard to the Partnership's Purpose and to the matters they must consider under section 172(1) of the Companies Act 2006; see pages 23 to 30 for the Partnership's statement on section 172(1). The Group Strategic Report on pages 3 to 44 contains more information on activities overseen by the Board and led by the Executive Team during the year.

Membership

Since February 2020, in addition to the Chairman and Deputy Chairman (which is currently a Non-Executive role), the Board comprises two other Non-Executive Directors, one Executive Director (the Executive Director, Finance) and three Elected Directors. The Partnership Board has determined that this composition provides a balanced leadership, appropriate for an employee-owned business. Elected Directors and Non-Executive Directors together form a majority of the Partnership Board.

At the date of this report, the Partnership Board comprises:

- **Executive Directors:** Sharon White and Bérangère Michel;
- **Elected Directors:** Jules Rushworth, Becky Wollam and David Wood;
- **Non-Executive Directors:** Rita Clifton (Deputy Chairman), Nish Kankiwala and Andrew Martin.

Biographies for the members of the Partnership Board can be found from pages 50 to 52. Biographical details for former members can be found in the 2021 Annual Report and Accounts available at www.johnlewispartnership.co.uk.

Rita Clifton was appointed as Deputy Chairman and Non-Executive Director with effect from 1 February 2021. Andrew Martin, a Non-Executive Director, acted as interim Deputy Chairman until Rita Clifton was appointed. Nish Kankiwala was appointed as a Non-Executive Director with effect from 12 April 2021 for an initial three-year term. Laura Wade-Gery stepped down as a Non-Executive Director on 30 April 2021. Nicky Spurgeon and Ollie Killinger ceased to be Elected Directors on 3 March 2022.

Deputy Chairman

The role of Deputy Chairman includes: having responsibility for leading the Chairman's performance appraisal and remuneration review; chairing both the Nomination and Remuneration Committees; acting as an alternative point of contact to the Chairman for other Directors and, as and when necessary and in periods of organisational stress, acting as an intermediary between the stakeholders to resolve major issues. The intent is that the Deputy Chairman should remain a Non-Executive Director role, but that if the role of Deputy Chairman were to be filled by someone who was not 'independent' (i.e. a Partner or a former Partner), some or all of these responsibilities would need to be reallocated to a Non-Executive Director. It has also been recognised that

there are occasional agenda items at the Partnership Board for which the Chairman is acting in a 'Chief Executive' capacity, and to avoid any potential conflict the Deputy Chairman steps in and chairs the Board meeting for such discussions.

Elected Directors

Elected Directors are neither Executive Directors nor Non-Executive Directors. Although they are not independent, they approach Partnership Board decisions from their individual perspectives as Partners, contributing to decision-making through their knowledge and experience from working within the Partnership.

Non-Executive Directors

The Non-Executive Directors bring an independent view to the Partnership Board's discussions and the development of strategy. Their range of skills and experience ensures that the performance of management in achieving the Partnership's plans is appropriately challenged.

The Partnership Board reviews the independence of all Non-Executive Directors annually and has determined that they bring strong independent oversight and continue to be independent from management of the Partnership. The Board is also confident that none of the Non-Executive Directors have any cross-directorships or significant links to other organisations that would adversely interfere with their independent judgement.

Board effectiveness review

An internally facilitated Board Effectiveness Review was carried out at the end of the 2020/21 year. It covered the Board's oversight of strategy, risk and controls, relationships, ethics and sustainability, Partnership culture, Board composition and development, the Board's Committees, and Board meetings. An initial survey of Board members and Independent Directors identified key themes. The Company Secretary then conducted individual interviews to follow up on these themes. Full details of the review's conclusions were published in last year's annual report. The Board further discussed the implementation of the recommendations in September 2021.

At the beginning of 2022 it was agreed that Board members should carry out a knowledge/skills/experience self-assessment, which will be reviewed by the Nomination Committee and inform Board succession planning.

In the final quarter of the year, the Deputy Chairman and the Partnership Secretary sponsored a post-implementation review of the three reports on Partnership governance reviews which were published in 2017 and 2018, with particular focus on how the pandemic has affected implementation. The output of this work was considered by the Board and by the Trustees of the Constitution in January 2022. It reaffirmed that working to promote the success of the Partnership was a shared endeavour for the three governing authorities and that there had been progress to develop the checks and balances in the governance model over the past three years.

An external evaluation to assess the performance and effectiveness of the Partnership Board, its Committees and individual members, by Jan Hall of No 4, has been commissioned for completion later in 2022.

Board information and arrangements

The Board receives and reviews a broad range of information and reports including: monthly reporting packs which include customer, Partner and financial performance data; quarterly risk reports; and minutes and updates from Executive Team and Board Committee meetings. Senior executives attend Board and Committee meetings as appropriate to support business proposals and investments and report on material business matters.

It is the practice for Directors either not to attend a Board or Committee meeting, or to absent themselves from relevant agenda items, where they have a conflict or potential conflict of interest in what is being discussed.

There were 14 Board meetings during the year, attended by all the Directors eligible to attend except that Laura Wade-Gery, Nish Kankiwala and Becky Wollam each could not attend one meeting. In addition to the full Board meetings, the Board also meets on a quorate basis on occasions for specific approvals or items of business.

In addition to attending Board meetings, the Non-Executive Directors and the Elected Directors met together without the Executive Directors on five occasions during the year. The Deputy Chairman and Partnership Secretary also facilitated informal meetings between Board members, the Trustees of the Constitution, the President of Partnership Council and the Independent Directors.

Partnership Board members' biographies

Key for Committee membership:

A - Audit and Risk Committee

N - Nomination Committee

* - Committee Chair

E&S - Ethics and Sustainability Committee

R - Remuneration Committee

SHARON WHITE (E&S*, N)

Partner and Chairman, appointed: February 2020

Sharon White became the Chairman of the John Lewis Partnership and Chairman of John Lewis Partnership Trust Limited on 4 February 2020. Prior to this Sharon was Chief Executive of Ofcom from 2015.

Before joining Ofcom, Sharon had a long career in the civil service. She was Second Permanent Secretary at the Treasury, responsible for overseeing public finances. Before that she held Board level positions at the Ministry of Justice and the Department for International Development. She has worked as a civil service advisor at the Prime Minister's Policy Unit and in Washington DC as a senior economist at the World Bank.

Sharon is a Non-Executive Board member of Barratt Developments PLC and Deputy Chairman of Sadler's Wells Trust Limited. She also sits on an Advisory Board for Altermind, a strategy consultancy.

Sharon is a trained economist and studied at Cambridge University and University College London.

RITA CLIFTON (A, E&S, N*, R*)

Non-Executive Director and Deputy Chairman, appointed: February 2021

Rita became Deputy Chairman of the John Lewis Partnership and Deputy Chairman of John Lewis Partnership Trust Limited on 1 February 2021.

Her career has included being a Vice Chair and Strategy Director at Saatchi & Saatchi, London CEO and Chair at the global brand consultancy Interbrand and co-founder of BrandCap. Rita was previously a Board member of ASOS for six years, and has held non-executive roles with Nationwide Building Society, Dixons Retail, Emap, Bupa and the research firm Populus Group. Non-profit Board experience has included WWF (World Wide Fund for Nature) and the UK Sustainable Development Commission. Rita is also Senior Independent Director at Ascential plc, a member of the Advisory Board of Brand Experience Group, a Trustee of the environmental think tank Green Alliance and Chair of the Board of Trustees at the sustainability organisation Forum for the Future.

NISH KANKIWALA

Non-Executive Director, appointed: April 2021

Nish Kankiwala joined the Partnership Board as a Non-Executive Director on 12 April 2021. Nish is currently the Chief Executive of Hovis, a business with over 130 years of heritage. He brings 40 years' experience in retail and consumer brands. Nish started his career at Unilever in a number of commercial and operational roles, before moving to PepsiCo where he became President of the soft drinks business in Europe and Africa. He then moved to Burger King International as President. He continued his career within private equity led

businesses and joined Hovis in 2014, initially as Chairman and for the past five years as Chief Executive, where he has led the transformation of the brand.

Nish is a Fellow at the Institute of Chemical Engineers and Fellow at University College London, where he graduated in Chemical Engineering.

ANDREW MARTIN (A*, N, R)

Non-Executive Director, appointed: July 2018

Andrew is Non-Executive Chairman at Intertek Group plc, Non-Executive Chairman at Hays plc, and also chairs the Nomination Committees of both companies. He is also a Director and Trustee of The Compass Group Foundation.

Andrew was, until 2015, Group Chief Operating Officer, Europe and Japan, for Compass Group plc, having previously been its Group Finance Director from 2004 to 2012. Before joining Compass Group, Andy was Group Finance Director at First Choice Holidays (now TUI Group) and prior to that held a number of senior finance roles at Granada Group plc and was a Partner at Arthur Andersen. Until August 2020, he was also a Non-Executive Director of easyJet plc. Andy brings to the Board extensive experience in managing the associated risks and complexities of driving change in difficult climates. He is a chartered accountant.

BÉRANGÈRE MICHEL (E&S)

Partner & Executive Director, Finance, appointed: January 2021

Bérangère joined the Partnership in April 2008 as Group Head of Financial Strategy, before being appointed Director, Supply Chain Development and subsequently Finance & Strategy Director and Operations Director for John Lewis. Bérangère became Executive Director, Customer Service in February 2020 and was then appointed Executive Director, Finance in January 2021. Before joining the Partnership, Bérangère spent eleven years at the Royal Mail in a number of finance, change and strategy roles, including as Finance Director of the Property Division.

Bérangère is a Board Trustee at World Animal Protection, a global animal welfare charity, where she also chairs the Audit & Finance Committee.

Bérangère is an Associate Chartered Management Accountant, holder of a Master in Business Administration from the University of Bradford (UK), and has a degree in Business Studies from the Institut Commercial de Nancy (France).

JULES RUSHWORTH (N, R)

Elected Director, Partner and Branch Manager, appointed: March 2022

Jules joined the partnership in 2009 as a Department Manager in Waitrose Southampton, progressing through various Branch Manager roles until taking up her current position as Branch Manager of Waitrose Dorking in 2022. In addition to her retail role, Jules has been involved in the Partnership's democratic bodies, being an elected Partnership Councillor, Chair of the Partner Focus Group and Member of the Council Steering Committee between 2015 and 2021 before being elected by Partnership Council to join the Partnership Board in 2022. Before joining the Partnership, she was a Royal Navy Officer.

Jules holds a Certificate of Higher Education (Naval Studies) from the University of Plymouth, a City and Guilds Graduateship in Leadership and Management and a Postgraduate Certificate in Executive and Financial Management.

BECKY WOLLAM (N, R)

Elected Director, Partner & Business Lead, Purpose & Re-engagement, appointed: May 2018

Becky joined the Partnership in 2009 as a Graduate Trainee, following the completion of a degree in Economics. She worked in a range of shops before her first Branch Manager position at Waitrose Leighton Buzzard, before leading shops in York, Leek and Glasgow. After six years in Retail Operations Becky moved into Head Office, spending a year in Finance representing retail on a large change programme, before spending a year leading change within Retail. She moved back into Retail Operations where she has had appointments as a Regional Manager, accountable for Waitrose shops in Central London, and as Head of Shop Trade. In March 2022, Becky commenced the role of Business Lead, Purpose and Re-engagement, in which she will lead the embedding of the Partnership's new Purpose. Becky was elected to Partnership Council in 2015 and is in her second term as a member of the Partnership Board elected by Partnership Council, having been re-elected in 2022.

DAVID WOOD (A)

Elected Director, Partner & Real Estate Senior Development Manager, appointed: March 2022

David joined the Partnership in 2018 as part of the Real Estate Team charged with getting best value for the Partnership from its property assets and currently holds the position of Senior Development Manager. In addition to his role he was until 2022 a Partnership Councillor, representing Partners from the Property and Construction constituency. He was elected by Partnership Council to become an Elected Director and joined the Partnership Board in March 2022.

He has almost 20 years of experience in large retail organisations; prior to joining the Partnership he was Head of Estates at Arcadia Group Ltd.

David has a degree in Business Management, is currently studying for an MBA at Henley Business School and is a Member of the Royal Institution of Chartered Surveyors.

AUDIT AND RISK COMMITTEE REPORT

The Partnership Board's Audit and Risk Committee provides independent scrutiny and challenge to seek to ensure that the Partnership presents a true and fair view of its performance, focusing on the accuracy, integrity and communication of financial reporting. It also provides assurance that risks are being managed appropriately through examination of the Partnership's control environment and risk management strategies and maintains direct oversight of the principal risks most related to the completion and accuracy of the Partnership's financial statements and overall financial health. The Committee assists the Partnership Board in fulfilling its responsibility by reviewing and monitoring:

1. The integrity of the Partnership's financial and narrative statements, other formal announcements relating to the Partnership's financial performance, and reviewing significant financial reporting judgements contained in them;
2. The effectiveness of the Partnership's system of internal controls and risk management;
3. The effectiveness of the Partnership's auditor and the internal and external audit process;
4. The effectiveness of the Partnership's processes for compliance with laws and regulations, including systems and controls for the detection of fraud.

The Committee operates in accordance with its Terms of Reference, which were reviewed and refreshed during the year to ensure they reflect current best practice and are fit for purpose. Amendments this year were to: (i) document the Committee's direct oversight of certain of the Partnership's principal financial risks on behalf of the Partnership Board, in line with the agreed governance of risk (see pages 31 to 32); and (ii) align with the Partnership's Whistleblowing policy (see page 63). The Terms of Reference are available at www.johnlewispartnership.co.uk.

Membership and composition

The Committee comprises two Non-Executive Directors, one Elected Director and two Independent External Members. This composition allows the Committee to maintain appropriate levels of objectivity and independence when providing assurance over the Partnership's systems, operations and financial probity. Decisions can only be made by the Committee when three members are present, including the Chair (or their appointed deputy) and at least one member who is independent. The members of the Committee at the date of this report are:

Andrew Martin	Chair of the Committee and Non-Executive Director
Rita Clifton	Non-Executive Director
Sharon Fennessy	Independent External Member
Vijay Thakrar	Independent External Member
David Wood	Elected Director

Vijay Thakrar was appointed as an Independent External Member of the Committee on 1 August 2021, succeeding Zarin Patel who stepped down as an Independent External Member on 30 April 2021.

The Independent External Members assist, in the same way as the other Committee members, in fulfilling the responsibilities of the Committee. They are experienced accountants with no connection to the Partnership and they are not Partnership Board Directors. They provide a further level of assurance that the obligations of the Committee to provide independent scrutiny and challenge are discharged.

David Wood, Elected Director, was appointed as a member of the Committee with effect from 3 March 2022, succeeding Ollie Killinger who ceased to be an Elected Director and member of the Committee on this date.

There were seven Committee meetings held during the year under review, which were attended by all members who were eligible to attend, except Ollie Killinger who was unable to attend one meeting. During at least one meeting in each quarter of the year, the Committee meets separately with each of the external auditor and the Director of Internal Audit and Risk or her designate, without management being present.

Relevant qualifications of Committee members and competence to the sector

Andrew Martin, Sharon Fennessy and Vijay Thakrar have significant, recent and relevant financial experience. Each is a qualified accountant and has held or currently hold senior finance roles. See page 51 and below for biographical information. Viewed as a whole, the Committee possesses competence relevant to the retail sector in which the Partnership operates.

Independent external members

Sharon Fennessy, appointed: March 2016

Sharon was Group Controller of Diageo plc from October 2018 until September 2021 having joined in 2010 from Nortel Networks Corporation where she held a number of senior finance leadership positions. Prior to her role as Group Controller, she spent time in Diageo Europe; first as Finance Director Europe and latterly as Western Europe Finance and Strategy Director. She became Group Treasurer in 2014 and then Head of Investor Relations in February 2017. Sharon is a fellow of the Institute of Chartered Accountants in Ireland.

Vijay Thakrar, appointed: August 2021

Vijay was previously a partner at Deloitte and EY before taking up a number of non-executive director roles. He is currently non-executive chairman and chair of the Nomination Committee of Alumasc Group plc, a non-executive director and chair of the Audit and Risk Committee of Alpha FX Group plc and Treatt plc, and a non-executive director and chair of the Remuneration Committee of RSM Group. Previous appointments include non-executive director and chair of the Audit Committee of Sanderson Design Group plc and non-executive director and chair of the Audit and Remuneration Committees of Quorn Foods Limited. Vijay is a fellow of The Institute of Chartered Accountants in England and Wales.

Committee effectiveness

During April 2022 Committee members contributed to an assessment of the Committee's effectiveness on the areas of the Annual Report and Accounts process, risk, controls framework, Internal Audit and Committee meetings and support. The output from the evaluation was considered by the Committee at its April meeting and will be followed up through the agreed actions as well as being considered as part of the externally facilitated Board evaluation taking place in 2022.

External financial reporting

The Partnership prepares consolidated financial statements, which form part of the Annual Report and Accounts, in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006, and in compliance with UK-adopted international accounting standards. An interim review is prepared at the end of the first six months of the year.

The Partnership operates under an internal control and risk management framework, which supports the preparation of consolidated financial statements. This includes policies and procedures designed to ensure that adequate accounting records are maintained and transactions are accurately recorded.

Annual report and accounts

Since the year-end the Committee has reviewed the draft Annual Report and Accounts 2022 and recommended their approval to the Partnership Board. As part of its review, the Committee assessed whether the Annual Report and Accounts provided a fair, balanced and understandable assessment of the Partnership's position, performance, business model and strategy.

The Committee considered and challenged management's assessment of the following:

- Does the Annual Report and Accounts provide a balanced view of the Partnership's performance and prospects, giving appropriate weighting to risks, setbacks and challenges?
- Is the report reflective of internal reporting and discussions, or have any items been omitted which should have been included?

- Are key issues and judgements discussed in the narrative reporting consistent with the Audit and Risk Committee Report and estimates and judgements referred to in the financial statements?
- Are the KPIs presented and explained appropriately, with clear linkage from strategy to performance?
- Are financial measures not defined under IFRS clearly explained and used consistently with appropriate reconciliations to measures defined by IFRS?
- Are important messages, policies, transactions and significant changes from prior periods highlighted, explained, and not obscured by unnecessary and distracting detail?
- Does the report include simple and appropriate explanations of the business model, strategy and accounting policies?
- Does the governance section clearly explain how decisions are made?
- Is the language used in the report clear and precise, avoiding generic wording that is not specific to the Partnership?
- Is the layout of the Annual Report and Accounts clear, with good linkage throughout the report?

The Committee was satisfied that, taken as a whole, and having regard to the amendments made by the Committee, the John Lewis Partnership plc's Annual Report and Accounts 2022 is fair, balanced and understandable.

Our significant financial reporting issues and our response

As part of the preparation of the Annual Report and Accounts, the Committee considered the following significant financial reporting issues.

1. Impairment (Notes to the financial statements: 3.1, 3.2)

Issue: The Partnership has significant non-current assets, both tangible and intangible. Judgement is exercised in reviewing their carrying value in respect of possible impairment. Initial trigger tests include performance, temporary store closure or significant external changes with an adverse effect on cash flows. These identified some assets with indicators of potential impairment. For each tangible asset identified, management prepared a value in use model or obtained valuations to assess the asset's recoverable amount and calculated an impairment charge where appropriate. The model includes a number of assumptions in relation to trading expectations, long-term growth rates, cost inflation, online sales and costs allocation and discount rate. For each intangible asset identified, consideration was given to changes in use, deterioration and evidence of obsolescence, with an impairment charge calculated where appropriate.

Response: The Committee reviewed and challenged the methodology and results of the impairment review, including the appropriateness of key assumptions and data points used. This included review and challenge over the growth rates, cost inflation, online sales and costs allocation and the discount rate used for tangible impairment. At meetings in November 2021 and January 2022, particular focus and challenge was given to the tangible impairment approach, including the allocation of online sales and costs and review of fully impaired stores. The Committee also considered the sensitivity of the proposed impairment charges and releases to movements in key assumptions such as the trading expectations, long-term growth rates, online sales and costs allocation and the wider economic environment. Where releases of previous impairments were proposed, the Committee assured itself that the improved performances were ongoing and sustainable.

The Committee considered programmes where significant intangible assets have been capitalised or are in the course of construction, to ensure it is comfortable that future economic benefits will be generated. The Committee satisfied itself that the assumptions used within the tangible and intangible impairment models, together with the resulting impairment charges, were reasonable. The Committee also reviewed the associated disclosure for inclusion within the financial statements.

2. Pensions (Notes to the financial statements: 6.1)

Issue: The Partnership operates a defined benefit pension scheme which closed to future accrual on 1 April 2020. The pension scheme liability is calculated using an actuarial model with a number of key assumptions, notably the discount rate and inflation rate.

Management has continued to monitor its approach to mortality assumptions in light of the impact of the pandemic. The mortality assumptions have been updated to use the latest Continuous Mortality Investigation data (CMI 2020). The CMI 2020 tables have been applied excluding 2020 data, which includes the pandemic, since the 2020 experience is unlikely to be an accurate predictor of long-term future mortality improvements.

For this year, the net of the pension assets and pension liabilities has changed from a deficit of £646.9m to a net surplus of £473.5m. Management has reviewed the pension scheme rules and concluded that it is appropriate to recognise this accounting pension surplus.

Response: The Committee considered the papers prepared by management, including the advice obtained by management from independent actuarial specialists on the appropriateness of the assumptions used. As part of this, the Committee considered these assumptions as compared with previous years and those used by peer companies. The Committee satisfied itself as to the acceptability of the key assumptions, particularly the discount rate and inflation rate assumptions, as well as mortality assumptions and the ability to recognise a surplus. The Committee concluded that the overall pension scheme liability is appropriate.

3. Provisions (Notes to the financial statements: 4.4)

Issue: The Partnership has significant provisions in relation to its long leave scheme, which provides six months' paid leave to Partners after 25 years of service. It also makes provisions for expected future customer refunds, insurance claims and other items such as reorganisation, property-related costs and pay. Judgement is exercised in making the assumptions that form the basis of the provisions calculations.

Response: The Committee reviewed the methodology and key assumptions used in determining significant provisions, including the basis for any release of provisions. The Committee considered the past utilisation of each provision when reviewing the appropriateness of the provision.

The Committee concluded that the amounts recorded in respect of provisions were appropriate, represented the current best estimate of each liability, and that associated disclosures were appropriate.

4. Exceptional items (Notes to the financial statements: 2.5)

Issue: The Partnership has recorded exceptional costs of £160.8m, principally relating to exceptional shop closure costs, restructuring and redundancy charges arising as a result of transformational strategic programmes including head office reviews and our physical estate programme including property exit costs. Management exercise judgement in the application of Partnership's accounting policy for exceptional items.

Response: The Committee considered the items presented as exceptional, in respect of the Partnership's policy to present separately items that are significant by virtue of their size and nature. The Committee challenged management and the auditor on the inclusion within exceptional items of the John Lewis shop impairment charge, with particular focus on the proportion driven by trading performance compared to that driven by changing assumptions. Having considered the significance of both the size of the impairment charge and the reassessment of assumptions, the Committee concluded that it was appropriate to disclose as exceptional and requested a full explanation be given in the financial statements.

Restructuring and redundancy costs continue to be incurred as a result of strategic reviews, with £137.7m recognised in respect of our store closures announced during the year and shop leadership transformation as well as truing up historic provisions such as Head Office Transformation (HOT). The Committee considered and challenged management on the continued inclusion of these costs within exceptional items, and to demonstrate

that the costs were part of transformational strategic programmes of activity that would take a number of years to deliver. The Committee requested continued enhanced disclosure to be included within the financial statements. The Committee, having reviewed and discussed both the analysis presented and draft disclosures provided by management, satisfied itself as to the appropriateness of the items reported as exceptional and the transparency included within the disclosures.

Viability and going concern

The Directors must satisfy themselves as to the Partnership's ability to continue as a going concern for a minimum of 12 months from the approval of the financial statements. Additionally, the Directors report on the longer term viability of the Partnership, over a period of three years. The Committee supported the Board in its assessment of both going concern and viability by considering whether, in the severe but plausible risk scenario identified, including changes in customer behaviour and further cost pressures arising from increased levels of inflation, the Partnership has adequate liquid resources to meet its obligations as they fall due for at least the next 12 months and to remain commercially viable over the three-year period to January 2025.

The Committee reviewed papers presented by management on its assessment of the Partnership's going concern and longer term financial viability based on the budget, Partnership Plan and cash flow forecasts. It also reviewed the stress testing performed in the form of a severe downside scenario, ensuring this was based on the potential financial impact of the Partnership's principal risks. This severe downside scenario, as set out in the Viability Statement (from page 40), represents a severe but plausible scenario and, whilst being considered by the Directors to be extremely cautious, has a significant adverse impact on sales, margin, costs and cash flow. In response, the Directors have identified a number of actions, all within management's control, to reduce costs and optimise the Partnership's cash flow and liquidity. The Committee reviewed and challenged the appropriateness of the scenario modelled and scrutinised the underlying Partnership Plan to ensure the assumptions within the base case, such as committed levels of investment, did not undermine the validity of proposed mitigations. The Committee also assessed the feasibility of management to deliver the quantum of the mitigations within the time frame required and how quickly and willingly management were able to take action as required. The Committee also reviewed and tested management's assessment that, whilst there remains significant risk and uncertainty in the market, no material uncertainty exists for the Partnership. The Committee also reviewed the level of disclosure proposed.

As a result of the procedures performed, and the responses received from management on the challenges raised and the level of disclosure proposed, the Committee satisfied itself that the going concern basis of preparation is appropriate and that the Partnership is commercially viable over the duration of its assessment period. The Committee reviewed the basis of preparation disclosures (pages 92 to 93) to ensure this sufficiently detailed the considerations made in making this conclusion. The Board's going concern statement is included within the Directors' Report on page 84 and the Viability Statement within the Group Strategic Report from page 40.

External audit activities

KPMG LLP were the Partnership's external auditor for 2021/22. They provided the Committee with relevant reports, reviews, information and advice throughout the year, as set out in their engagement letter.

The Committee is responsible for making a recommendation to the Partnership Board relating to the appointment, re-appointment or removal of the external auditor.

In April 2022, the Committee conducted an evaluation of the external auditor's performance. Members of the Committee and key members of management were provided with an opportunity to comment on the effectiveness of the external auditor and the audit process. In assessing the effectiveness of the external auditor, the following were considered:

- The terms and the scope of the work of the external auditor, as set out in the engagement letter;
- The experience and expertise of the audit team;
- The audit work plan for the financial year 2021/22;

- The limited scope of work on the interim results and the detailed findings of the year-end audit, including how the auditor assessed key accounting and audit judgements and discussion of any issues that arose;
- The constructive challenge and professional scepticism applied by the audit team in dealing with management.

The outcome of the evaluation was considered by the Committee.

Based on the above, the Committee concluded that the effectiveness of the external auditor and the audit process was satisfactory and recommended to the Partnership Board the re-appointment of KPMG LLP.

Audit firm tendering

It is the Committee's policy to ensure that there is audit partner rotation every five years to safeguard the external auditor's objectivity and independence. In 2012/13, the Committee adopted a policy relating to tendering the external audit contract at least every 10 years.

Following the audit tender process in 2015/16, the year ended 29 January 2022 was the sixth year of audit by KPMG LLP and the first year of the audit engagement partner, Nick Frost, who has a history of undertaking and leading audits of consumer goods and retail group businesses.

Auditor's independence and objectivity and non-audit services

The Committee continually reviews the nature and extent of non-audit services provided to the Partnership by the external auditor and receives confirmation from the external auditor, at least annually, that in their professional judgement, they are independent with respect to the audit.

The Committee recognises that the independence of the external auditor is a fundamental safeguard for the interests of Partners. The Partnership has a non-audit services policy that allows the external auditor to be appointed to provide non-audit services in exceptional circumstances. The Partnership's non-audit services policy is summarised below.

Summary of non-audit services policy

In line with our policy, the Partnership's auditor is prohibited from supplying most categories of non-audit services.

Prohibited services include: bookkeeping or other services related to the accounting records or financial statements; internal audit services; taxation services; and any other work that could compromise the independence of the external auditor or is prohibited by the UK regulator's ethical guidance.

There is a specific approval process for any non-audit work to be undertaken by the external auditor. Any proposal to engage the external auditor to perform non-audit services must be referred to the Executive Director, Finance for approval. Where fees exceed £100,000, the proposal must be approved by the Chair of the Committee, and where fees exceed £250,000, the proposal must be approved by the whole Committee.

Details of the amounts paid to the external auditor are given in note 2.6 to the consolidated financial statements. The ratio of non-audit services fees to audit and audit-related services fees was 6% (2021: 14%).

Having undertaken a review of the non-audit services provided during the year, at both the half year and year-end, the Committee is satisfied that these services did not prejudice the external auditor's independence.

Our systems of risk management and internal control

Risk management

Assessing and managing risk is fundamental to safeguarding our Partners' interests, protecting our reputation, complying with regulatory standards and achieving our business objectives.

To enable this, the Partnership implements a risk management framework, including a process for how we identify, evaluate, manage and monitor the principal risks faced by the Partnership, supported by tools, Partners and a risk governance structure with defined accountability. Further details on this can be found on pages 31 to 39 along with details of our principal risks and how we mitigate them.

Internal controls

The systems of internal control we have established are designed to manage, rather than eliminate, the risk that is inherent in pursuit of the Partnership Plan and objectives. As a consequence our internal controls can only provide reasonable, and not absolute, assurance against material misstatement or loss.

The Partnership Board receives updates, through the Chair of the Committee and copies of its minutes, on the operation of the systems of internal control for risk management. During the year under review, reporting was through presentations from senior management and Financial Control as well as the work of Internal Audit, which provides objective assurance on the effectiveness of controls through the delivery of a risk-based work plan. The Director of Internal Audit and Risk reports operationally to the Chair of the Committee and structurally to the Executive Director, Finance.

At the end of the year, the Committee conducted a review of the effectiveness of the risk management framework, supported by a self-certification exercise by the Executive Team.

During the year the Committee:

- has ensured the appropriate assessment and disclosure of viability;
- has continued to challenge management to understand and appropriately mitigate against the risks arising from the external environment and internal change across the Partnership; from the ongoing response to the pandemic, global supply chain and labour shortages, inflation, information security and changing customer behaviour and regulations, to the Partnership's ability to land change in order to deliver its strategy;
- has maintained its focus on security and data privacy requirements and the actions needed to continuously improve our cyber security resilience;
- has supported the continuing maturity of risk management across the Partnership by reassessing the information flows and governance over principal risks shared between the Board and its sub Committees, reviewing deep dives presented by leadership, and challenging quarterly updates on the progress made;
- has continued to review the outcome of Internal Audit work and receive updates on regulatory assurance;
- has reviewed reports from management in relation to controls activity undertaken in the year in relation to key financial risks, including the testing of key controls;
- continues to have oversight of open and overdue Internal Audit findings, with an ongoing focus on action-owner accountability.

In the coming year the Committee will continue to oversee the Partnership's systems of risk management and internal control. This will be achieved through a continued focus on maturing risk management across the Partnership and challenging where there are gaps or blockers to delivering the Partnership Plan at the pace required against the backdrop of an incredibly challenging external environment. It will specifically focus on reviewing the management of financial-related risks, information security and compliance on behalf of the Partnership Board.

The Partnership's approach to internal audit

Partnership Internal Audit is an independent and objective assurance and advisory function, operating to add value to the business through challenging, improving and assuring systems of risk management and control.

The purpose of Internal Audit, as laid out in its charter, is to support the Audit and Risk Committee in fulfilling the parts of its remit laid down by the Partnership Board that require it to oversee:

- The integrity of the Partnership's financial and narrative statements, other formal announcements relating to the Partnership's financial performance, and reviewing significant financial reporting judgements contained in them;
- The effectiveness of the Partnership's system of internal controls and risk management.

The Internal Audit work plan is structured to align with the key risks faced by the Partnership and the objectives of its five year strategic plan, and covers both advisory and assurance related reviews of operational, financial and IT processes as well as key change projects and programmes and regulatory and operating compliance.

Reflecting the volatility of the current retail environment, the Committee is presented with the Internal Audit work plan each quarter. Work undertaken during the year has included:

<i>Lean Simple Fast</i>	<i>Retail Customers Love</i>	<i>A Force for Good</i>
<ul style="list-style-type: none">• Internal Controls Framework• IT Asset Management• Management Reporting• Payroll	<ul style="list-style-type: none">• Customer Complaints• Shop Transformation• Peak Resourcing	<ul style="list-style-type: none">• Factory assessments• Ethics and Sustainability reporting and governance
<i>Regulatory Assurance</i>		
<ul style="list-style-type: none">• Health & Safety• Intellectual Property• Food Safety	<ul style="list-style-type: none">• Anti Bullying & harassment• Anti Bribery & corruption• Anti Money Laundering	<ul style="list-style-type: none">• Environment - waste• Data

KPIs measuring the efficiency and effectiveness of the Internal Audit (IA) function against 'impact', 'involvement' and 'influence' drivers are used to assess the value provided to the Partnership, in order to benchmark performance against prior years; and to demonstrate the continuous improvements made to mature the function. The Director, Internal Audit and Risk reports on these KPIs at each regular Committee meeting, as well as providing a status on management's implementation of agreed actions from audits undertaken.

An assessment of the IA function with respect to ongoing capability and capacity against the requirements of the Partnership's strategic plan was presented to the Committee during the year. In addition, an independent external quality assessment (EQA) was undertaken by Ernst & Young (EY), in compliance with section 1312 of the Institute of Internal Auditors (IIA) standards, which requires an independent EQA once every five years. The review assessed the function as having a high level of maturity - rated 'progressive' overall and ranking 5 out of 6 on the maturity scale. IA was considered to be a 'valued, respected and trusted advisor, delivering a high level of contribution and value to the Partnership'. The assessment showed 100% compliance with the Global Institute of Internal Auditors standards.

Fraud

The Committee reviewed the Partnership's level of compliance with the Partnership Fraud Standard and received a pan-Partnership assessment of the approach to this risk. At the request of the Committee, this included an assessment of control effectiveness and explanation as to how this is used to focus work on control improvement.

Groceries (Supply Chain Practices) Market Investigation Order 2009 and the Groceries Supply Code of Practice (GSCOP)

Waitrose is subject to the Groceries (Supply Chain Practices) Market Investigation Order 2009 (the 'Order') and the Groceries Supply Code of Practice ('GSCOP' also referred to as the 'Code'). Both the Order and, in particular, the Code, regulates Waitrose's everyday trading relationships with our grocery suppliers, ensuring that, as a Designated Retailer, we treat our suppliers fairly. The Order also includes provisions on training requirements for our buyers, mandates a need for agreements to be in place with all our groceries suppliers and that any such agreements incorporate the Code. The desire to treat our suppliers fairly, is also enshrined within the John Lewis Partnership's Constitution and therefore is in keeping with the Partnership's general ethos. The Committee has responsibility for satisfying itself that the GSCOP governance framework and systems are appropriate and effective.

Breaches or alleged breaches

During the reporting period of 31 January 2021 to 29 January 2022 there was a small decrease, compared to last year, in the number of cases where a supplier either alleged that there had been a breach of the Code by Waitrose or quoted the Code in a query they raised. Specifically, there were 13 'level 1' complaints and two 'level 2' complaints reported, and a further two complaints carried over from 2020/21, one at 'level 1' and one at 'level 2'. Several of these involved the Code Compliance Officer (CCO) and in each case we worked with the suppliers involved to understand their concerns and seek a resolution in a timely manner.

All queries bar one were resolved by the end of the reporting period, with the outstanding query also having since been closed to the supplier's satisfaction.

This year's supplier complaints primarily related to de-listing (usually relating to the amount of notice that has been given) or delays in payments (albeit Waitrose has maintained a 96% payment on time figure). Whilst the vast majority of supplier issues were resolved (as above), we have also taken additional steps to improve our compliance in these common areas of complaint, including:

- De-listing:
 - Establishing a quarterly audit of our internal GSCOP mailboxes focused on de-listing communications to identify potential cases of non-compliance with our internal processes;
 - A mandatory reading update was issued by the CCO to all Buying Team members, reminding them of their key responsibilities regarding de-listing and providing links to our guidance;
 - Development of a de-listing specific e-learning module which will launch in 2022.
- Delays in payments:
 - Our Financial Accounts Team has introduced a new query management tool which has improved the time taken in repaying suppliers should the occasion arise;
 - A review of the rules and policies regarding early payment requests has also been completed and has resulted in few queries and prompter payments.

For the reporting period of 31 January 2021 to 29 January 2022 no formal disputes were raised.

Training and guidance

As in previous years, we have continued to train more Partners on the requirements of the Code than is strictly required by the Order, extending our mandatory training to all Partners who have a potentially supplier-facing role in business areas where GSCOP could have an impact.

Mandatory training takes the form of a suite of e-learning modules on the Code which need to be completed each year, together with attending an interactive briefing prepared by our Legal, Compliance and Commercial Management teams and the CCO. This year's content focused on our supplier contracts project, the Groceries Code Adjudicator's (GCA's) 7 golden rules for cost price increases, Para 13(1) (predominant funding of a promotion), supplier relationships and de-listing with an emphasis on the HFSS (food and drinks high in fat, sugar and salt) legislation.

Of the 111 Partners who make up the Buying Team (as defined by the Order and to whom the legal requirement for training relates) 100% completed their e-learning and attended the interactive briefing session. In addition to the legal requirement, a further 458 Partners also completed GSCOP e-learning and 366 attended the briefing session.

In addition, a range of GSCOP-related guidance has been produced year to support our trading teams. This includes how to respond to Cost Price Increase requests appropriately, conducting commercial negotiations, the GCA's 7 golden rules, and ensuring our processes are compliant with the GCA's Best Practice Statement on Forensic Auditing. We are also in the process of updating the content of our mandatory e-learning modules which should go live in 2022.

Commentary

Over the past year we have continued to work with the GCA, and our collaborative approach supports us in identifying underlying issues and trends, and allows us to address individual supplier concerns that the GCA may bring to our attention.

We work to continuously improve our supplier interaction and in the past year we have made progress in a number of areas, including:

- Revising and rolling out our new Conditions of Purchase in September 2021, which has improved for suppliers the underlying terms on which our supply agreements are based;
- Introducing a dedicated CCO section to the GSCOP page on our supplier portal, Waitrose Engage, with links to the GCA Code Confidential pack and the 'Tell the GCA' reporting platform;
- Updating our supplier onboarding materials to make reference to how we manage GSCOP at Waitrose;
- Introducing a bi-monthly CCO newsletter;
- Implementing a GSCOP email audit so internal processes and training can be strengthened as a result;
- Updating our internal GSCOP e-learning modules so as to ensure that they focus on key issues and topics of relevance.

The Partnership continues to take compliance with the Code very seriously and Waitrose has worked hard over the past year to continue to make further improvements to our overall GSCOP compliance. Our GSCOP governance and operational groups are well established in their roles. Where a Code-related issue or complaint is identified, Waitrose will always seek to understand the root cause of the problem and in the case of a supplier complaint, the reasons behind their concerns with the ultimate aim of resolving the issues quickly and ensuring that our suppliers have been treated fairly and in line with the Code.

Whistleblowing

The Partnership's whistleblowing policy outlines the Partnership's approach to dealing with allegations which relate to suspected wrongdoing or potential risks at work which have a wider impact. The Committee receives biannual reports on the level and nature of issues raised. Any significant matters raised would be escalated to the Audit and Risk Committee Chair on a more timely basis.

The respective responsibilities of the Committee and the Board in respect of whistleblowing are set out in the Terms of Reference. The Committee's Terms of Reference were reviewed during the year under review and updated with respect to whistleblowing to align with the Partnership's Whistleblowing Policy. Accordingly, the Committee reviews, on behalf of the Board, the adequacy and security of the Partnership's arrangements for its Partners, employees of third-party organisations, agency workers and contractors to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters. The Committee seeks to ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow-up action. The Board retains responsibility for reviewing reports arising from use of these arrangements.

On behalf of the Audit and Risk Committee.

A handwritten signature in black ink that reads "Andrew Martin". The signature is written in a cursive style and is positioned above a long, thin horizontal line that extends to the right.

ANDREW MARTIN
Non-Executive Director and Chair of the Audit and Risk Committee

ETHICS AND SUSTAINABILITY COMMITTEE

In recognition both of the importance of the Ethics and Sustainability Strategy to the successful delivery of the Partnership Plan, and also of our responsibilities to Partners, to those with whom the Partnership builds strong relationships - including suppliers, customers and communities - and to the environment, the Partnership Board agreed in July 2021 to the re-establishment of the Ethics and Sustainability Committee as a Board Committee. Prior to this, the Committee was a sub-group of the Partnership's Executive Team.

Role of the Committee

The Committee's role is to:

- Monitor that Ethics and Sustainability (E&S) remains core to the Partnership and assist the Board in setting an E&S strategy in accordance with the Partnership's Purpose and Values;
- Oversee and review the delivery of the Partnership's E&S commitments, management of E&S risk and opportunities, and adherence to E&S compliance obligations;
- Ensure that the E&S strategy is embedded into the Partnership's operations and that E&S issues are considered when reviewing and guiding the Partnership strategy, major plans of action, risks, annual budgets, and business plans;
- Review and monitor the expectation of Partners and other stakeholders in relation to the Partnership's E&S performance;
- Work within the Partnership's risk management framework, to monitor and review risks relating to E&S, and provide input and assurance to the Audit and Risk Committee on issues relating to risk management, internal control and E&S reporting, including reporting in accordance with the Task Force on Climate Related Financial Disclosures (TCFD).

Its Terms of Reference are available at www.johnlewispartnership.co.uk.

Since its formation the Committee has reviewed the current E&S strategy, set the direction for how this is implemented in the brand plans for Waitrose and John Lewis, and approved the intention to focus the strategy with the impact on nature at its forefront. E&S priorities have been set, including activity during the period of the COP26 meeting in Glasgow, progress towards becoming Net Zero in the Partnership's operations, and setting Science Based Targets. Plans for reporting and assurance, including Task Force on Climate-Related Financial Disclosure, have been approved. At each meeting the Committee has monitored areas of E&S risk and compliance to ensure the correct level of prioritisation. Since the financial year-end the Committee has also considered the Partnership's response to the humanitarian impact of the war in Ukraine.

More information about the work done by the Committee, about the Partnership's E&S strategy and performance more broadly, and steps taken relating to E&S during the year, is in the Strategic Report on pages 8 and 16 to 23, with further detail published in our Ethics and Sustainability Report 2021/22 available at www.johnlewispartnership.co.uk/csr.

Membership and composition

The Committee comprises three Partnership Board Directors, the Chairman, Deputy Chairman, and Executive Director, Finance (all the Partnership Board Directors attended all the meetings during the year), one external independent member (who is currently being recruited), and three further members of the Executive Team. The members of the Committee at the date of this report are:

Sharon White	Chair of the Committee and Chairman
Rita Clifton	Deputy Chairman and Non-Executive Director
Bérangère Michel	Executive Director, Finance
James Bailey	Executive Director, Waitrose
Nina Bhatia	Executive Director, Strategy and Commercial Development
Pippa Wicks	Executive Director, John Lewis

The Committee meets quarterly and met twice during the year under review. The Committee is supported by the Director, Ethics & Sustainability.

On behalf of the Ethics and Sustainability Committee



SHARON WHITE

Chairman and Chair of the Ethics and Sustainability Committee

NOMINATION COMMITTEE REPORT

The Nomination Committee’s main role is to ensure there is a strong succession and robust appointment process to the Partnership Board, the Executive Team and other Senior Management positions (which is defined as Partners at executive director and director level reporting directly to the Chairman, but not the Independent Directors nor the President of Partnership Council). The Committee supports the Partnership Board in ensuring that:

- There is a formal, rigorous and transparent procedure for Board and Senior Management appointments;
- Plans are in place for orderly succession to the Partnership Board and Senior Management positions and that there is a diverse talent pipeline for succession;
- There is an appropriate induction and training programme for the Board and its Committees;
- The composition of the Board is regularly reviewed and refreshed, so that it is effective and able to operate in the best interests of the Partnership.

Its Terms of Reference (which are available at www.johnlewispartnership.co.uk) were reviewed by the Committee during the year (and approved by the Board on 15 July 2021). The Committee’s forward planner reflects the updated Terms of Reference. They now encompass:

- As part of its role in overseeing plans for orderly succession to the Partnership Board and Senior Management, ensuring that there is a sufficient breadth of talent, based on merit and objective criteria, that the plans take into account the challenges and opportunities facing the business, and the skills, experience, independence, knowledge and diversity needed for the future;
- Setting measurable objectives for diversity and inclusion for Partnership Board and Senior Management positions, overseeing the setting of diversity objectives for the Partnership as a whole, and monitoring the outcome of diversity initiatives particularly the development of a diverse pipeline for succession;
- The Chair of the Committee having regular engagement with Partnership Council.

Membership and composition

The members of the Committee at the date of this report are:

Rita Clifton	Chair of the Committee and Non-Executive Director
Andrew Martin	Non-Executive Director
Jules Rushworth	Elected Director
Sharon White	Chairman
Becky Wollam	Elected Director

Andrew Martin was Interim Chair of the Committee while the search process was conducted for a successor to Keith Williams as Deputy Chairman of the Partnership. Rita Clifton joined the Committee on being appointed as Non-Executive Deputy Chairman on 1 February 2021 and became Chair of the Committee on 1 May 2021. Laura Wade-Gery left the Committee on ceasing to be a Non-Executive Director on 30 April 2021. Nicky Spurgeon left the Committee on ceasing to be an Elected Director on 3 March 2022, and Jules Rushworth joined the Committee on this date.

There were eight Committee meetings during the year. All members attended each meeting except for Laura Wade-Gery, Becky Wollam and Andrew Martin who were each unable to attend one meeting. The Committee is supported by the Executive Director, People and assisted by independent consultants, who attend Committee meetings as required.

Appointments

The Nomination Committee oversees the process for selecting and recommending candidates for Partnership Board, Executive Team and Senior Management appointments (with the exception of Elected Directors, whose selection is overseen by Partnership Council and not the Committee).

Working with the Chairman and the Executive Director, People the Committee evaluates the balance of skills, experience, independence, knowledge and diversity within the Partnership Board, Executive Team and Senior Management as well as those needed to meet future challenges affecting the Partnership and from this evaluation prepares a role profile and capabilities specification for a particular appointment. The Committee decides on the appropriate search and selection process, including whether to use open advertising or the services of external search consultants to facilitate the search. The process ensures that candidates are considered on merit, against objective criteria and with due regard to promoting the benefits of diversity including gender, social and ethnic backgrounds, as well as cognitive and personal strengths. During the year, the Committee was supported by external search consultancy firms as required for the appointments made within its remit, none of which have any other connection with the Partnership aside from the provision of recruitment services.

The Committee regularly reviews and makes recommendations to the Partnership Board on the composition of the Partnership Board and its Committees in consultation with the Chair of those Committees. During 2021, the Committee approved the appointment of Rita Clifton as the Non-Executive Director on the Board's Ethics and Sustainability Committee (the membership of which is set out on page 65). Following the election of new Partnership Board Directors, the Committee reviewed the composition of the Board's Committees on 3 March 2022, with the Board subsequently agreeing to its recommendations. These are reflected in each Committee's report.

External independent members of Partnership Board committees

The Committee oversees the process for selecting and appointing any external independent members of Committees of the Partnership Board, and makes recommendations to the Board on any such appointments.

The Audit and Risk Committee had two Independent External Members, Zarin Patel and Sharon Fennessy, who joined the Committee in March 2016. Their terms of office expired on 30 April 2021 and Zarin Patel stepped down on that date. A search process was undertaken, supported by Russell Reynolds Associates, to find a successor and Vijay Thakrar was appointed an External Independent Member of the Audit and Risk Committee for a three year term from 1 August 2021. Sharon Fennessy confirmed that she was willing to extend her term for a further two years which was approved by the Committee on 2 February 2021.

A recruitment process for an external independent member of the Ethics and Sustainability Committee began during the year and is in progress.

Elected Directors

Under the unique ownership model for the John Lewis Partnership, Partnership Councillors choose three Partners to be Directors of the Partnership Board. In October 2021, the Committee approved the role profile, including key skills and attributes, how performance in the role is measured, and the time commitment of Elected Directors. Although the election process is for Partnership Council to decide, the Committee reviewed and commented on proposals relating to that process and subsequent induction arrangements; individual Committee members also participated in the information campaign to encourage Partners to put themselves forward for election.

An election takes place in each Council term; the most recent was in January 2022, with appointments effective from March 2022. A full induction programme is being delivered (informed by work by the previous cohort of Elected Directors), with both core elements and tailored training relevant to the new Directors' background, and structured development support, including (internal) mentoring and (external) coaching.

General Counsel and Company Secretary

Hannah Hullah, General Counsel and Peter Simpson, Company Secretary, both left the Partnership at the end of June 2021. An extensive recruitment process, supported by Audeliss, for their replacement commenced in early 2021 and Rebecca Law, Head of Legal, Commercial, and Simon Blackburn, Deputy Company Secretary, acted as Interim General Counsel and Interim Company Secretary, respectively, from June until a new appointment was

made. Jane Cheong Tung Sing, who was Co-Head of the Real Estate Sector at Clifford Chance LLP where she had been a partner since 2005, was appointed General Counsel, Company Secretary and Partnership Secretary and took up the role on 1 November 2021.

Senior management

The Committee oversees and approves any substantial change in duties or responsibilities and any suspension or termination of employment of members of the Executive Team and Senior Management. During the year, the Committee discussed changes to the responsibilities of some Executive Team members associated with the creation of the Chief Operating Officer role and the creation of the Transformation and Operations Delivery Group.

Succession planning and talent management

The Terms of Reference of the Committee sets out its role in ensuring that there is a sufficient breadth of talent for Partnership Board and Senior Management succession. The Committee has noted the concern, expressed at Partnership Council, about the number of external appointments in the wider leadership community. The Committee reviews succession plans for the Board and Executive Team. It will also review annually the potential of Director level (Partnership Level 3) leadership talent and the existence of any capability gaps to achieving the Partnership Plan.

In addition, after year-end the Committee receives reports, at aggregate level, on the outcomes of the leadership community's (Partnership Level 4 and above) performance reviews, including how these compare to the broad population of Partners.

Induction, training and development

The Committee ensures that all new members of the Partnership Board and Senior Management are provided with an appropriate induction programme, and oversees the provision of appropriate training and development for all members of the Partnership Board and Senior Management to maintain and enhance their effectiveness.

During the year the Committee:

- Noted the induction process for the Non-Executive Directors who joined the Board in 2021;
- Reviewed the arrangements that have been put in place for new Directors including the core background documents, scheduled meetings and topics, site visits, courses and support available;
- Reviewed and agreed the proposals for collective and tailored development plans for Elected Directors prior to their use after the January 2022 election.

Diversity and inclusion

Under its Terms of Reference, the Committee's role includes setting measurable objectives for diversity and inclusion in relation to Partnership Board and Senior Management positions, overseeing the setting of diversity objectives for the Partnership as a whole, and monitoring the outcome of diversity initiatives and in particular the development of a diverse pipeline for succession into senior roles. The Committee reviews annually diversity in the leadership community, and progress against diversity and inclusion objectives, with a six monthly review of progress against leadership diversity objectives. At its January 2022 meeting the Committee considered the draft Inclusion Report, which was published on 18 February 2022.

Further information on diversity and inclusion in the Partnership can be found in the section on Becoming a more inclusive business on pages 14 to 15.

Through the Committee, the structure, size and makeup of the Partnership Board (including skills, knowledge, experience and backgrounds) are monitored, to make sure that when considering Partnership Board candidates, we consider diversity, including gender, ethnicity and other characteristics protected by the provisions of the Equality Act 2010, and other underrepresented groups in the Partnership. Three members of the Partnership Board are elected by Partnership Council and their appointments are not subject to oversight by the Committee

or the Partnership Board; all other Partnership Board appointments are overseen by the Committee. It is not the Partnership Board's policy to set specific targets by legally protected characteristics such as gender or ethnicity. At year-end, the gender diversity of the Partnership Board was 62.5% female, 37.5% male.

The Partnership Board has adopted a Diversity Statement, set out below, about the makeup of the Partnership Board. The Partnership Board recognises and embraces the benefits of having diverse members and the need to work inclusively.

Diversity statement

We are an inclusive business. Our Purpose includes a commitment to happier Partners, enjoying worthwhile and satisfying work in a supportive environment we all help to create. We treat people with fairness, courtesy and respect, and we work with others who do the same. We create an inclusive environment and celebrate diversity with our Partners, customers and the communities we serve.

Inclusion is vital in every element of our business. It shows up in everything we do and in all that makes us different. It ensures we live our Purpose, connect with our Partners, bring our Values to life and listen to the voice of our Partners. We have a clear action plan, and our Partnership Board Diversity Statement reflects our plans.

The makeup of the Partnership Board should reflect the diverse population of the Partnership and the customers and communities we serve:

- All Board appointments are based on merit and objective criteria to enhance the Board's overall effectiveness and, within this context, consider diversity of gender, social and ethnic backgrounds, cognitive and personal strengths;
- Candidates for appointment as Non-Executive Directors will be drawn from diverse sources and 'long lists' and will always include a broad range of characteristics;
- We will only use search firms that have signed up to the standard voluntary code of conduct on gender and ethnic diversity;
- Successful Non-Executive Director candidates will be committed to the Partnership's values, Principles and ethos;
- Potential internal candidates for Board appointments will have opportunities to gain experience and an understanding of working inclusively, and not just within our own business;
- Measurement against these objectives and assurance on broader Partnership diversity is reported annually to the Board.

The Nomination Committee monitors the structure, size and composition of the Board to ensure due regard is given to diversity.

On behalf of the Nomination Committee.



RITA CLIFTON

Deputy Chairman and Chair of the Nomination Committee

REMUNERATION COMMITTEE REPORT

The Remuneration Committee's role is to ensure that the Partnership's remuneration policy supports its strategy and is aligned to its Purpose and Principles.

The Committee oversees how remuneration policy (comprising base pay, pension arrangements and other benefits) is applied to the Chairman, Executive Directors and other senior management who report to the Chairman. The Committee ensures remuneration arrangements for these Partners are competitive and appropriate, whilst also taking into account business performance, external market conditions and the broader approach to reward across the Partnership.

The Committee is responsible for:

- Ensuring that there is a formal and transparent process for developing and applying remuneration policy to enable the Partnership to attract, retain and motivate senior leaders without paying more than is necessary with reference to the market;
- Making recommendations to the Partnership Board regarding the Chairman's pay and considering the pay of individual Executive Directors and other senior leaders who report to the Chairman.

The Elected Director members are also responsible for setting the fees for the Partnership Board's Non-Executive Directors.

The Committee's full Terms of Reference, updated in July 2021, can be found at www.johnlewispartnership.co.uk.

Membership and composition

The Remuneration Committee is made up of two Non-Executive Directors and two Elected Directors. This provides a combination of members who are independent of executive management and mindful of Partners' interests.

Decisions can only be made by the Remuneration Committee when at least the Chair of the Committee or their appointed deputy, one Non-Executive Director and one Elected Director are present. Two Elected Directors must be present when considering Non-Executive Directors' remuneration. No Committee member can take part in any discussion or decision relating to their own remuneration.

The members of the Committee at the date of this report are:

Rita Clifton	Chair of the Committee and Non-Executive Director
Andrew Martin	Non-Executive Director
Jules Rushworth	Elected Director
Becky Wollam	Elected Director

Laura Wade-Gery stepped down as Interim Chair of the Committee on leaving the Partnership Board on 30 April 2021. Rita Clifton joined the Committee on 1 February 2021 and succeeded Laura Wade-Gery as Chair of the Committee on 1 May 2021.

Nicky Spurgeon stepped down from the Committee on ceasing to be an Elected Director on 3 March 2022. Jules Rushworth joined the Committee as an Elected Director member on that date.

The Committee met on seven occasions during the year. All members attended each meeting with the exception of Becky Wollam who was unable to attend one meeting.

Advisors

Willis Towers Watson acts as independent remuneration consultant to the Committee. Willis Towers Watson provides the Committee with executive remuneration advice and external market assessments. The Partnership

also uses its job evaluation methodology, software and compensation data services and receives talent and reward consulting services.

The Committee is also supported by the Executive Director, People and the Director of Reward & Policy. Committee meetings are also regularly attended by the Chairman, the Partnership Secretary and the Independent Directors. These attendees are not present for any discussions relating to their own remuneration.

Pay policy

Under Rule 44 of the Constitution, the Chairman is ultimately responsible for ensuring that the system for deciding the pay and benefits of individual Partners is fair.

The Partnership's pay policy is set out in Rules 61, 62 and 63 of the Constitution:

- Rule 61** The Partnership sets pay ranges which are informed by the market and which are sufficient to attract and retain high calibre people. Each Partner is paid a competitive rate for good performance and as much above that as can be justified by better performance. Partnership Bonus is not taken into account when fixing pay rates.
- Rule 62** Pay rates must be decided with such care that if they were made public each would pass the closest scrutiny. Managers are responsible for ensuring that Partners are paid fairly in comparison with others who make a similar contribution.
- Rule 63** The pay of the highest paid Partner will be no more than 75 times the average basic pay of non-management Partners, calculated on an hourly basis.

The pay policy is supported by the Pay Standard. This sets out how pay rates and ranges are set as well as details of other pay elements (for example: bonuses, premium payments and allowances), pay review and holiday pay.

Each Partner's pay rate is reviewed annually in line with the agreed pay review approach. Every role in the Partnership, including Executive Team roles, has a pay range that is set with reference to similar roles or groups of roles in comparable organisations. As an employee-owned business, the Partnership does not operate annual or long-term incentive plans as would typically be the case in comparable organisations.

Key activities

Chairman's pay

The Remuneration Committee is responsible for making recommendations to the Partnership Board regarding the Chairman's pay. The Committee takes into account:

- A review of the Chairman's performance against objectives undertaken by the Deputy Chairman and Chair of the Remuneration Committee with input from the Partnership Board and Executive Team;
- The Partnership's overall performance in the year;
- An external market assessment provided by Willis Towers Watson;
- Rule 63 of the Partnership's Constitution;
- The pay review approach and level of pay increases awarded to other Partners.

As noted in last year's report, the Chairman's pay was not reviewed in 2021/22. The Chairman also requested that no pay review increase be awarded in respect of the 2022/23 year.

CEO pay ratio

The Committee again agreed to retain the Partnership's Rule 63 disclosure in addition to reporting a CEO pay ratio figure in line with external best practice. Companies are required to choose one of three options (A, B or C) to calculate their CEO pay ratio. The Committee agreed to use a calculation methodology set out by the Government, known as Option B, which allows companies to use their most recent gender pay gap data.

Executive team pay

The Remuneration Committee also approves the pay of other Executive Directors. The Committee considers the Chairman's recommendations and also takes into account external market assessments provided by Willis Towers Watson. In the reporting year, the Committee agreed with the Chairman's recommendation that the approach to the Executive Team pay review should be identical to the rest of the Partnership (i.e. a consistent percentage increase for all eligible Partners), and further approved pay arrangements for two Executive Team members.

Partnership pay

During the year, the Remuneration Committee was provided with information and context on pay across the Partnership. This included the 2021 Pay Review approach and outcomes by Partnership Level, senior leadership appointments through Head Office Transformation and the review of Special Contribution Bonuses.

The Committee also noted Partnership Council's vote in favour of temporarily suspending part of Rule 61 linking pay and performance. It supported the decision by the Partnership Board regarding the agreed Pay Review 2022 approach of a consistent percentage increase for all eligible Partners.

Pension arrangements

As previously reported, the Committee agreed to lower the enhanced pension cash replacement amounts received by a small number of senior Partners to 12% by December 2022. The Committee received an update confirming pension arrangements for all Partners will be aligned by this date.

Gender pay gap reporting

The Committee reviewed the Partnership's Inclusion Report 2021. This included the Partnership's statutory gender pay gap reporting and voluntary ethnicity pay gap disclosure as part of a broader diversity report. The Committee welcomed the decrease in the gender pay gap and acknowledged the actions taken since last year.

Outlook

Looking forward, the Committee will continue to ensure that the Chairman, Executive Directors and senior management who report to the Chairman are rewarded appropriately for the work they do whilst also being mindful of broader Partnership pay and external developments.

The Committee will continue to provide input to the Total Review of Reward (TRR) and consider how the outcomes of this work impact the Partnership's senior pay proposition. The Committee will oversee any remuneration policy changes that are required and their application.

The Committee will consider corporate governance reforms, legislative changes and best practice developments relating to remuneration and consider how these should apply within the Partnership. We are not obliged to adopt all these changes but continue to consider the extent to which they are relevant to the Partnership to ensure our approach to pay remains fair and transparent.

Remuneration Report (audited)

All references to the Chairman below relate to arrangements for Sharon White. All references to the Executive Director refer to Bérangeère Michel who served as Executive Director, Finance on the Partnership Board during the year. For the avoidance of doubt, such references do not include Executive Team members who did not serve on the Partnership Board.

Spend on pay

In 2021/22, the Partnership spent £1,843.2m on employment and related costs (2020/21: £1,806.1m). This represented 17.0% (2020/21: 16.8%) of the Partnership's revenue.

£1,540.2m was spent on basic pay (2020/21: £1,538.3m). Eligible Partners received a Partnership Bonus of 3% in respect of 2021/22; no Partnership Bonus was awarded in respect of 2020/21.

Chairman's pay

The Chairman's total reward was £1,150,600. The total reward package for the reporting period is made up of the following elements:

	2022 £	2021 £
Pay	990,000	947,000*
Partnership Bonus	29,700**	-
Pension	118,800	115,000*
Cash value of other benefits	12,100	5,000
Total reward	1,150,600	1,067,000

*The Chairman's pay and pension value in 2021 reflect the voluntary 20% pay reduction taken for a period of three months at the start of the Covid-19 pandemic; these would otherwise have amounted to £990,000 and £118,800 respectively.

**The Chairman donated her Partnership Bonus for the year ended 29 January 2022 to the British Red Cross.

The Chairman was eligible to receive Partnership Bonus of 3% of pay in respect of 2021/22 and pension cash replacement of 12% of pay. Other benefits comprised car allowance and medical cover.

The Chairman's total reward in the year excluding Partnership Bonus increased by 5% (£53,900) principally due to the 2020/21 pay reduction as noted above.

The Chairman voluntarily decided not to accept a pay review in 2022; the Chairman's pay therefore remains at £990,000.

Rule 63

The Rule 63 calculation is based on basic pay earned during the reporting period. For the 2021/22 year, the highest paid Partner was the Chairman. At the end of the reporting period, the Chairman's pay was 52 times the average basic pay of non-management Partners calculated on an hourly basis; this is unchanged from last year.

Rule 63 only applies to basic pay but the Committee also considers a total reward comparison. This includes pension and other benefits (but not any Partnership Bonus) compared to the average total reward of non-management Partners with three or more years' service. At the end of the reporting period, the Chairman's total reward was 46 times the average total reward, based on the criteria set out above. This is up from 42 last year, primarily due to the Chairman's higher total reward in 2021/22.

	2022	2021	2020	2019	2018
Rule 63: Basic pay only	52	52	63	66	68
Rule 63: Total reward excluding Partnership Bonus	46	42	54	55	56

The CEO pay ratio compares the Chairman's total reward to the total pay of Partners at the 25th, 50th and 75th percentiles, as identified using 2021 gender pay gap reporting data. Total pay for the purposes of the calculation includes ranking pay, Partnership Bonus and pension benefit. The movement in ratios this year also reflects the Chairman's higher total reward and the comparators' differing ranking pay versus last year.

Year	Methodology	25th percentile ratio	50th percentile ratio	75th percentile ratio
2022	Option B	51	44	41
2021	Option B	54	49	36

Elected Directors' pay

Elected Directors' pay is set with reference to their respective roles and responsibilities in the Partnership. They do not receive any additional pay or benefits for serving on the Partnership Board. Their pay is therefore not considered by the Remuneration Committee or Partnership Board.

Non-Executive Directors fees

Non-Executive Directors receive fixed annual fees, which are set by the Elected Directors on behalf of the Committee. The fees reflect the Directors' responsibilities and external market data. Fees were last reviewed in 2020/21 and no changes were proposed at the time.

Non-Executive Directors are not eligible to receive Partnership Bonus or any other pay elements or benefits and are not members of the Partnership's pension schemes.

Total remuneration

The table below shows the total remuneration for the year, including Partnership Bonus and pension benefit, for all Directors who served on the Partnership Board during any part of the year, excluding the Elected Directors. The total remuneration paid to or receivable by Directors in respect of qualifying services for the year under review was £2,092,000 (2020/21: £2,142,000). The Chairman, Executive Director and Elected Directors are also entitled to the same benefits as all other Partners, including Partnership discount and long leave.

Chairman's, Executive Director's and Non-Executive Directors' Total Remuneration

	<u>Banding</u>		<u>Number of Directors</u>	
	Min	Max	2021/22	2020/21
	1	50,000	1	2
	50,001	100,000	2	2
	100,001	150,000	1	1
	650,001	700,000	1	
	800,001	850,000		1
	1,050,001	1,100,000		1
	1,150,001	1,200,000	1	
Total			6	7

Pension arrangements

The Chairman and Executive Director are not building up additional benefits in the Partnership's pension scheme; instead both receive a monthly cash replacement. The Chairman's pension cash replacement is 12% of pay, which is the same as the maximum Partnership contribution into the Defined Contribution section of the pension scheme. The Executive Director's cash replacement was equivalent to 15.7% of pay at year-end and will reduce to 12% by December 2022. For 2021/22, the total pension replacement value paid to the Chairman and Executive Director was £209,000 (2020/21: £245,000 for three individuals).

Defined benefit pension value

The defined benefit pension entitlement built up at the end of the year for the Executive Director was £64,000

per year (2021: £505,000 per year for three individuals). The Executive Director's pension increases in line with price inflation, according to the Scheme rules. Where there are any defined benefit pensions remaining on an unfunded basis, the Partnership has made provision for the associated liability. The Executive Director had no entitlement to temporary pension.

Payments to former Directors

Patrick Lewis, formerly a Director of the Partnership Board and Executive Director, Finance until 31 December 2020 left the Partnership on 30 June 2021 after a period of long leave. In connection with leaving the Partnership he was paid £1,539,237 as payment in lieu of salary, car, pension and other benefits for the remainder of his contractual notice period, payment for loss of office and contributions towards his legal fees. This amount was reported and accounted for in 2020/21 but is noted here again since payment was made in the 2021/22 year.

Contractual notice periods for Executive and Elected Directors

No contract of employment contains a notice period of greater than one year. No contract contains a provision regarding compensation for early termination.

External appointments

The Partnership recognises that Executive Directors may be invited to become Non-Executive Directors of other companies and that these appointments can broaden their knowledge and experience to the benefit of the Partnership. Details of external appointments for Executive Directors are included within the biographies from pages 50 to 52.

Sharon White has voluntarily decided to pay an amount equivalent to the fees she receives as a Non-Executive Director of Barratt Developments PLC to The John Lewis Partnership Golden Jubilee Trust, a UK registered charity (she is not a trustee of the charity).

Reporting requirements

This report forms part of the Directors' Report and has been prepared in accordance with the disclosure requirements applying to the Partnership, as set out in Schedule 5 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (the Regulations).

As the Partnership is not quoted, and has no share-based incentive schemes or other long-term incentive plans, the Partnership Board has decided not to adopt the full disclosure provisions that apply to quoted companies. However, in the interests of transparency, certain disclosures within this report go beyond the requirements of Schedule 5 of the Regulations.

The Directors' earnings section on pages 73 to 75 is cross-referenced with note 2.8.4 of the financial statements and forms part of the audited financial statements.

On behalf of the Remuneration Committee.



RITA CLIFTON

Non-Executive Director and Chair of the Remuneration Committee

PARTNERSHIP COUNCIL PRESIDENT'S REPORT

The President of the Partnership Council has constitutional responsibility for “the independence, health and effectiveness of the Partnership’s representative bodies” (Rule 89) and for supporting them “with the necessary practical arrangements to maximise their effectiveness.” As part of this remit, Chris Earnshaw also leads the Partnership Democratic Vitality team, which underwent reorganisation in 2021.

“2021 has, like its predecessor, been a challenging year for all areas of our business, including democracy. However, unlike the preceding year, our democracy was far better prepared for a year of blending virtual and physical connection.

Technology continued to play a key role, for the majority of the year, in bringing together our elected representative populations with senior leaders across the business, facilitating ongoing ‘in the moment’ conversations in response to the changing external environment, and providing crucial Partner sentiment to influence internal programmes of work. We also took the opportunity to experiment with technology, using it to strengthen the flow of opinion between our Forums and Partnership Council, thus creating closer connections; and experimenting with voting technology for Partnership Council.

Our refreshed Purpose reiterates that our Partnership is built on democratic principles, and that we share the responsibilities and rewards of ownership: knowledge, power and profit. It is also clear that Partner opinion is crucial in driving the actions of our governing authorities: the Partnership Council, the Partnership Board and the Chairman. Democratic Vitality will continue to be embedded as part of our Partnership Plan, ensuring that the power of our Partners’ opinions drive the future of our business and remain our fundamental point of difference.

2021/22 also signals the end of the current term of office for our Partnership Councillors and the majority of our Forum representatives. Their dedication and contribution has materially shaped the Partnership’s policies, programmes of work, future strategy and Purpose. I offer them my heartfelt thanks.”

CHRIS EARNSHAW

Partner & Partnership Council President

In this report you will find an overview of our formal democratic channels, both from a governance perspective and on some of this year’s main achievements and discussion points. Alongside this, we reflect on the work of the Partnership Democratic Vitality team, including their restructuring and how they have supported and driven improvements in the Partnership’s Democratic Vitality.

PARTNERSHIP COUNCIL

Purpose

The purpose of the Partnership Council is to represent Partner opinion to support the Chairman and the Executive Team to ensure that the Partnership's continuing experiment succeeds. In sharing responsibility for the Partnership's health with the Partnership Board and the Chairman, Partnership Council holds the Chairman to account for the progress of the Partnership. It discusses, influences and makes recommendations on the development of policy. It shares in making decisions about the governance of the Partnership.

Powers

The Council has three principal decision-making powers:

- To elect three Trustees of the Constitution, three Directors to the Partnership Board and four Trustees to serve as Directors of the John Lewis Partnership Pension Trust, and a number of other roles;
- To change the Constitution, with the Chairman's agreement;
- To decide if the Chairman is a suitable person to fulfil the responsibilities of their office.

Membership

Council representatives are elected for a three year term and reflect the opinions of Partners across the Partnership. The Council term was originally due to end in May 2021 but was extended twice, first to October and then to February to allow constituencies to be set after the conclusion of the head office and shop leadership transformation programmes. Having begun the year with 58 seats, 2021 saw both the addition and removal of seats due to transformation programmes, such that Council ended its term with 59 seats, four of which were vacant. During the year there were a further 16 by-elections (ten in 2020/21) meaning only 25 Councillors served the extended Council term of nearly four years. All Board Directors, including Non-Executive Directors, and the Partnership Secretary, are members of Partnership Council and regularly attend meetings along with the Trustees of the Constitution and the Independent Directors. These are unique opportunities to enable all Directors and Trustees to develop an understanding of Partners' views and to act upon them.

Full Council elections were held in February 2022 for 57 Council seats, including a new option for two candidates to share a seat. For the first time, most Forum elections were held at the same time and the combined election campaign across the Partnership resulted in over 200 candidates and a 50% voting turnout for Partnership Council (up from 42% in May 2018), with some constituencies polling over 80%. For the new Council term (2022-25) there are 66 Councillors, 18 in shared seats, of whom 25 are returning Councillors - the highest number in recent years.

Meetings

Partnership Council held a record ten formal meetings during 2021/22 as well as a number of informal briefings and its annual conference. Almost all these sessions were held virtually - only in September did restrictions allow the whole Council to meet in person, and in May a 'hybrid' format was trialled, with 15 Councillors meeting at Odney, along with members of the Executive Team and the Chairman, and the remainder online. During the year an electronic voting system was introduced, also enabling Councillors' voting records to be published on the intranet.

Council business

There were ten formal resolutions passed during the year, the most significant of which were the agreement of the new Purpose and Principles as well as the Holding to Account votes. Also notable was the Council's agreement in December 2021 temporarily to suspend the requirement under Rule 61 of the Constitution to consider Partners' performance when determining pay, thereby enabling the Board to decide what approach to take in 2022. Councillors are also able to submit formal 'Written Questions' to which answers must be published on the Council's agenda, and which often lead to more detailed reports or subsequent debates. This year there were five, covering stock availability, COP 26, information sharing (Rule 51), special contribution bonuses, and

head office transformation. There was also a formal report to Council on Resourcing for Peak in response to a request made in November 2020.

Most Council meetings include a session entitled “What’s On Partners’ Minds”, ensuring that Partners’ opinions are properly gathered and passed up from the Forums. Other topics usually mirror priorities and projects across the Partnership. Alongside the annual Pay Outcomes report, Council held a number of sessions on the Partner Priorities and an additional meeting on special contribution bonuses. Other topics included updates on the Partnership Plan, Supply Chain, Financial performance, Ethics and Sustainability, and Partner Safety; discussions on Partner resilience and Partnership governance; briefings from Non-Executive Directors and an external retail analyst; and a number of sessions building towards agreement of the Partnership’s new Purpose.

Council’s own governance led to formal proposals on the extension to its term, the updated statement to meet the Information and Consultation of Employees Regulations, the delegation to the Steering Committee of the annual decision on discretionary (pre-1997) pension increases, and the modernisation of its own Procedures.

Holding the Chairman to account

May 2021 was the first occasion on which the Council formally voted on the Chairman’s leadership, having agreed in September 2020 that the half year had been so unusually affected by the pandemic and a formal vote was not appropriate. Ahead of the meeting Council issued its second formal report, which built on the views expressed in its May 2020 report, in relation to the seven Principles in the Constitution, and on the letter written to the Chairman in September 2020 indicating the areas where Councillors wanted to see more focus. Partners can access a copy of the report on the Partner Intranet.

The voting on the proposal 'On behalf of Partners, this Council expresses its support for the Chairman' was 29 in favour, 5 against and 18 abstentions (at the last comparable vote in May 2019 36 voted in favour, 18 against and no abstentions), Council wrote to the Chairman after the vote, noting that : 'Many Councillors felt that it was still too early to tell whether we are making sufficient progress on Principle 1, our ultimate purpose, and their abstention from the proposal was intended to send a signal that more needs to be done rather than that they don't support you as our Chairman.'

For the mid-year vote in September 2021, Partnership Councillors trialled a more nuanced approach, indicating their agreement on a scale. They also sought to 'depersonalise' the debate by focussing instead on the Partnership Plan as well as by distinguishing between the 'What' and the 'How'. The results of the voting on the two resulting proposals were:

“This Council has confidence in the Partnership Plan”

Strongly agree 5 Agree 44 Disagree 3 Strongly disagree 1

“This Council has confidence in how the Partnership Plan is being delivered”

Strongly agree 1 Agree 9 Disagree 37 Strongly disagree 6

Following the meeting, Council wrote to the Chairman summarising the areas that the debate had identified as those on which she and the Executive Team should focus. These included more tangible action to improve Partners’ experience of democracy, better prioritisation of projects linked to the Partnership Plan (and at the same time, de-prioritisation of other work), action to demonstrate that the Partnership is a purpose-led business, and improved understanding by Partners of the impacts of the Plan and progress with its delivery. The letter was also published in the Gazette.

Focus groups

Much of the Council's work is carried out on its behalf by groups and committees, co-ordinated by the Steering Committee who also take responsibility for setting the Council's agendas. The Partner Focus Group and the Finance Focus Group work closely with their respective Executive Director and during the term a number of other groups were formed. These included Diversity and Inclusion, Customer and Digital, and Partnership Strategy/Partnership Plan - as well as "pop-up" and "sprint" groups on issues such as Black Lives Matter and the determination of constituencies. The Wellbeing and Financial Assistance Focus Group continued to meet monthly to oversee grants and loans to Partners experiencing extreme financial hardship (Rule 64) or to help realise their Long Leave plans, and to determine discretionary awards of Benefits in Retirement.

Diversity

A diverse Council is not guaranteed by our election method alone and work was undertaken through 2021 to better understand the barriers to 'distinctive voice' flowing through our formal democratic channels. As a result a number of changes were implemented ahead of the new Forum and Council term to broaden participation. These included the creation of 'Shared Seats' to allow two Partners to share the responsibilities of being a representative; 'Delegated Authority' allowing an elected representative to temporarily delegate their power to another Partner who may have a particular interest or expertise in a subject being discussed; and the formalisation of 'Out of Hours Forums' to ensure the opinions and experience of Partners working outside shop trading hours are heard as clearly as those working during the day. In readiness for the 2022/25 term of Partnership Council, 'Supplementary Roles' were identified to enable Councillors to align to areas of 'distinctive voice' in addition to their formal constituents. These areas include protected characteristics, geographical locations, distinctive operational formats and unique roles. Trials are underway to establish two Forums that are wholly comprised of Partners from specific Partnership Networks. The aim of both of these is to bring diverse thoughts and experiences into the conversations held at Partnership Council and therefore contributing to an ever more inclusive Partnership.

PartnerVoice liberation

2021 has been the first full year since the formally elected layer of democracy known as PartnerVoice was removed and replaced with the informal process of Local Voice. This has provided Partners and leaders the freedom to use their autonomy and judgement to bring the principles of democracy to life at the most local level. The removal of the rigidity of process around local democracy has allowed business units to respond to the changing needs of their Partners and engage in ways to suit their unique environments. A review of the successes and opportunities associated with this new approach is underway and will identify what further support is needed to ensure Partners can exercise their power as co-owners in their day-to-day roles.

Forum

Forum representatives are elected for a three-year term and reflect the opinions of the Partners they represent. Senior leaders attend regional or directorate Forum meetings in order to develop an understanding of the views of Partners locally and to be held to account for acting upon them. Partnership Councillors also attend Forum meetings, so that they may hear and be informed by the views of Partners.

This year has seen Forums and Partnership Council forge greater connections ahead of key votes and debates. This included Forums holding additional meetings, or extending those already planned, to discuss topics such as peak trading, Purpose, and ahead of Council's September 'Holding to Account' session. Forum reps were able to canvas the opinion of their Partners and debate the topics within their Forums before providing consolidated feedback to the whole of Partnership Council, ensuring Councillors had a broad spectrum of opinion to inform their views.

Journalism

There are a number of ways that Partner opinion is voiced and taken into account in decision-making in all levels of the Partnership. The Partnership fosters lively correspondence in its journalism and any Partner may write, anonymously if they wish, to express their opinions on any topic through the open system of journalism in the weekly Gazette, without fear of repercussions. This is safeguarded in the Constitution. A letter to the Gazette must be published, with any comments from the appropriate member of management, within 21 days of acknowledgement.

Democracy in 2022/23

With the external and internal challenges facing the Partnership, there has never been a more important time to draw on the ideas and experiences of our Partners, bringing them to bear on the decisions the Partnership takes. 2022 sees us begin a new three year term as we hold elections for Partnership Council and the majority of Forums across the Partnership. The Partners who stand, vote and share their opinion over this three year term will markedly shape the future of the Partnership as we deliver the Partnership Plan and embed our refreshed Partnership Purpose. Their actions and the influence they will have on our Partnership will continue to demonstrate how we are a unique and better way of doing business.

CHRIS EARNSHAW

Partner & President of Partnership Council

DIRECTORS' REPORT

The Directors' Report for John Lewis Partnership plc (referred to here as 'the Partnership' or 'the Company') for the year ended 29 January 2022 comprises the Governance Report on pages 45 to 85 of this Annual Report and Accounts, together with the sections of the Report and Accounts incorporated by reference. The Board has chosen, as it considers them to be strategically important, in accordance with section 414C(11) of the Companies Act 2006, to include certain matters in its Group Strategic Report that would otherwise be required to be disclosed in the Directors' Report. These are:

- Future business developments - pages 4 and 6;
- Risk management - pages 31 to 39;
- Employee engagement - pages 8, 13 to 15 and 76 to 80;
- Engagement with suppliers, customers and others - pages 7 to 8 and 14;
- Becoming a more inclusive business - pages 14 to 15 and 68 to 69;
- Streamlined Energy and Carbon Reporting - pages 17 to 23.

The Company's statement on engagement with, and having due regard to, the interests of key stakeholders is contained within the section 172(1) statement in the Group Strategic Report on pages 23 to 30.

For more details on the progress the Partnership is making with its ethics and sustainability aims, the latest Modern Slavery Statement and more detailed non-financial performance information, please visit www.johnlewispartnership.co.uk/csr.

The Partnership's corporate governance statement

Good standards of corporate governance have always been and remain integral to the Partnership's business model. It is governed by a written Constitution. The Partnership's statements on corporate governance can be found in the Governance section on pages 45 to 85, including the Audit and Risk Committee Report, the Nomination Committee Report, the Ethics and Sustainability Committee Report and the Remuneration Committee Report.

Following the revision of the UK Corporate Governance Code (the Code) and the publication of the Wates Principles (Governance Principles for Large Private Companies), and in the light of full reviews of its own governance arrangements, the Board agreed in 2018/19 that the Partnership would cease voluntarily reporting against the Code or any other formal corporate governance code, because it is governed by its own Constitution. However, we continue to use the Code as a benchmark against which to measure the Constitution. The Constitution and the governance structures are broadly consistent with the Wates Principles.

Whilst unique, the Partnership's governance arrangements cover the major elements of the Code and the Wates Principles, namely company leadership; purpose; the composition of the bodies sharing power; accountabilities and responsibilities including challenge; opportunity and risk; remuneration; Partner engagement; and responsibilities to the environment, customers, suppliers and others. The Constitution is available on our website www.johnlewispartnership.co.uk.

Between May and December 2021, Partners were invited to help shape the Partnership's Purpose, which sets out the ultimate aim of the business. In January 2022 the Partnership Council agreed to the recommended refresh of the Partnership's Purpose and Principles. Further information on the Company's purpose is on page 5. The business is now embracing how best to give the Purpose life and encompass it within the Partnership's way of doing business.

Principal activity

The Partnership's principal activity is retailing, with the main trading operations being the Waitrose and John Lewis brands. John Lewis operates in a number of different formats including 34 John Lewis stores, online (johnlewis.com), financial services, in-home services, and sourcing offices in Gurgaon, India and Kwun Tong, Hong Kong. Waitrose operates 332 supermarkets and convenience shops, including shops which operate under licence in the Middle East, online (waitrose.com and specialist sites for wine, pet supplies, plants and flowers), cookery schools and the Leckford Estate (the Waitrose Farm). There are also hotels, manufacturing activities, customer contact centres, and business to business contracts in the UK and abroad. The two brands are working more closely together, enhancing customer choice. The Company's subsidiaries and related undertakings are listed in note 16.

Directors' interests

Under the Constitution of the Partnership, the Executive Directors and Elected Directors of the Company, as employees of John Lewis plc, are interested in the 612,000 deferred ordinary shares in John Lewis Partnership plc, which are held in trust for the benefit of employees of John Lewis plc and other subsidiaries.

Capital structure

At 29 January 2022 the Partnership had in issue 612,000 deferred ordinary shares of £1 each which are held in trust by John Lewis Partnership Trust Limited for the benefit of employees of John Lewis plc and certain other subsidiaries and 104,169,594 Share Incentive Plan (SIP) shares of £1 each. The total issued share capital of the Partnership was £104,781,594 at the year-end (2021: £104,781,594).

Dividends and Partnership Bonus

No dividends were paid on the deferred ordinary shares (2021: £nil). Each year, the Partnership resolves not to recommend or declare a dividend upon the deferred ordinary shares, but instead to consider recommending the payment of Partnership Bonus to eligible employees.

The Board decided, in March 2022, that the Partnership Bonus for the year 2021/22 would be at the rate of 3% of ranking pay, representing a pre-tax cost of approximately £46.4m (2020/21: £nil).

Partners benefit from employee ownership tax relief, which allows them to receive the first £3,600 of their Partnership Bonus free of Income Tax. National Insurance Contributions (NICs) however are still due.

The Partnership also operates BonusSave, a Share Incentive Plan (the Plan), although it did not operate for this year's bonus whilst the Partnership transitions to a new supplier for its administration. The Plan allows eligible Partners to enter into a savings contract to save up to a maximum of £5,400 in any one year from Partnership Bonus, held in SIP shares in the Partnership. It enables participating Partners to save Income Tax and NICs when the funds are invested for five years, and to receive a cash dividend for every full year the investment remains in the Plan. Partners now benefit from the £3,600 income tax-free element of Partnership Bonus (which was not the case when BonusSave was set up) and usage has declined to fewer than 4% of Partners.

Dividends on SIP shares (issued in connection with previous years' BonusSave) during the year under review were £43,663 (2021: £221,000). The SIP shares do not carry voting rights, cannot be sold or transferred out of the Partnership and are, at all times, held in trust for the benefit of the respective Partners in the name of the Trust Company. Details of SIP shares can be found in note 5.5 to the consolidated financial statements.

Conflicts of interest

Directors are required to disclose their interests to the Board, highlighting any actual or potential conflicts of interest with their duties and responsibilities as a Director of the Partnership. The Board will consider these disclosures and, if appropriate, approve them. A register of interests is maintained by the Company Secretary and reconfirmed every six months.

The Board has looked closely at the other appointments held by Directors, details of which are contained in their biographies on pages 50 to 52, and considers that the Chairman and each of the Directors are able to devote sufficient time to fulfil the duties required of them under the terms of their contracts or letters of appointment.

During the year no Director declared a material interest in any contract of significance with the Partnership or any of its subsidiary undertakings, other than any third party indemnity between each Director and the Company.

Directors' and officers' liability insurance and indemnities

The Partnership has purchased and maintained throughout the year Directors' and Officers' liability insurance for the benefit of Directors and others as set out below. The Directors' and Officers' liability insurance provides cover for claims made, subject to certain limitations and exclusions, against Directors, Partnership Board Committee members, key managers of the Partnership, its associated companies, and other companies (including as Directors of the corporate pension trust company) and trusts (including charities) related to the Partnership.

The Company also provides and provided throughout the year an indemnity for the benefit of Trustees of the Partnership's Pension Fund, in respect of liabilities that may attach to them in their capacity as a Trustee.

Equal opportunities, diversity and inclusion

The Partnership is committed to promoting equal opportunities in employment for existing Partners and for prospective Partners throughout the recruitment process. All Partners and job applicants will receive equal treatment regardless of age, disability, gender reassignment, marital or civil partner status, pregnancy or maternity, race, colour, nationality, ethnic or national origin, religion or belief, sex or sexual orientation. These are known as 'Protected Characteristics'.

The Partnership has a Diversity and Inclusion Plan, and the Inclusion Report (at www.johnlewispartnership.co.uk) sets out the steps to create inclusion. It is underpinned by the following Rules contained in the Constitution:

- **Rule 54** - The Partnership takes no account of age, sex, marital status, sexual orientation, ethnic origin, social position or religious or political views.
- **Rule 55** - The Partnership employs disabled people in suitable vacancies and offers them appropriate training and careers.

The Partnership recruits people with disabilities to suitable vacancies on merit. We offer tailored support through the recruitment process for applicants who declare their disability. We know adjustments are of the utmost importance for our Partners with disabilities, be they physical or cognitive, and arrange reasonable adjustments required at an individual level to ensure our disabled applicants and Partners are supported.

Please see pages 3 to 44 in the Group Strategic Report and the Nomination Committee Report on pages 66 to 69 for more information on our Diversity and Inclusion Plan and the Board Diversity Statement.

Groceries (Supply Chain Practices) Market Investigation Order 2009 (the Order) and the Groceries Supply Code of Practice (GSCOP)

Waitrose is subject to the Order and the GSCOP. Please see pages 61 to 62 of the Audit and Risk Committee Report for more information on compliance with GSCOP and the Order.

Political donations

It is not the Partnership's policy to make donations to political groups. No political donations were made in the year (2021: £nil).

Use of financial instruments

The notes to the financial statements, including note 7 on pages 151 to 157, include further information on our use of financial instruments.

Retirement by rotation

The Partnership does not operate a system of retirement by rotation or annual election or re-election at intervals by shareholders, but there are other controls on terms of appointment:

- If Partnership Council judges that the Chairman has failed to fulfil, or is no longer a suitable person to fulfil, the responsibilities of their office, it may pass a 'Resolution upon the Constitution' to dismiss the Chairman:
- No contract of employment, including those of the Executive Team, contains a notice period of greater than one year:
- Non-Executive Directors are appointed for specified initial three year terms, which may be extended subject to the approval of the Partnership Board;
- The Elected Directors are appointed or re-appointed in accordance with the outcome of a vote every term (usually three years) of Partnership Council.

Going concern

The Directors, after reviewing the Partnership's operating budgets, investment plans and financing arrangements, consider that the Company and Partnership have sufficient financing available at the date of approval of this report. Accordingly, the Directors are satisfied that it is appropriate to adopt the going concern basis in preparing the Annual Report and Accounts. Please refer to pages 92 to 93 for further detail.

A full description of the Partnership's business activities, financial position, cash flows, liquidity position, committed facilities and borrowing position, together with the factors likely to affect its future development and performance, is set out in the Group Strategic Report on pages 3 to 44.

Viability statement

The Directors have assessed the prospects of the Company over a three-year period to January 2025. This has taken into account the business model, strategic aims, risk appetite, and principal risks and uncertainties, along with the Company's current financial position. Based on this assessment, the Directors have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the three-year period under review. The Partnership's full Viability Statement is set out on pages 40 to 42.

Events after the balance sheet date

Since 29 January 2022, there have been two subsequent events which require disclosure in the financial statements. See note 8.3 for further information.

Auditor and disclosure of information to auditor

The auditor, KPMG LLP, have indicated their willingness to continue in office, and a resolution that they be re-appointed will be proposed to the Annual General Meeting, together with a resolution to authorise the Directors to determine the auditor's remuneration.

The Directors of the Partnership have taken all reasonable steps to make themselves aware of any information needed by the Partnership's auditor in connection with preparing their report and to establish that the auditor is aware of that information. As far as the Directors are aware, there is no such information of which the Partnership's auditor is unaware.

Company Secretary

Jane Cheong Tung Sing was appointed Company Secretary on 1 November 2021 in succession to Simon Blackburn, who was appointed Company Secretary on 7 June 2021 in succession to Peter Simpson.

Annual General Meeting (AGM)

The Partnership's 2022 AGM will be held and conducted in accordance with the Companies Act and the Company's Articles of Association on Wednesday 15 June 2022 at 9.45am at the Waitrose Conference Centre, Willoughby Road, Bracknell RG12 8FD. Representatives of the Trust Company and the Directors of the Partnership are entitled to attend the AGM. Voting is conducted by way of a show of hands, unless a poll is demanded.

The Directors' Report was approved by the Partnership Board and signed on its behalf by

A handwritten signature in black ink, appearing to read 'J.C. Cheong Tung Sing'.

JANE CHEONG TUNG SING
Partner & Company Secretary
John Lewis Partnership plc
27 April 2022