

**TERMS OF REFERENCE FOR THE  
ETHICS AND SUSTAINABILITY COMMITTEE  
OF THE BOARD OF JOHN LEWIS PARTNERSHIP PLC**  
(approved by the Partnership Board on 10 September 2024)

- Definitions:** “**Committee**” means the Ethics and Sustainability Committee.
- “**Company**” means John Lewis Partnership plc.
- “**Independent Directors**” means the Independent Directors who lead the independent function in the Partnership.
- “**Partnership Board**” means the Board of John Lewis Partnership plc.
- “**Partnership**” means John Lewis Partnership plc and its subsidiaries.
- Appointments:** Members of the Committee will be appointed and removed by the Partnership Board
- Membership:** The Committee shall comprise: the Chairman of the Partnership Board; the Deputy Chairman of the Partnership Board (provided that this role is held by a independent Non-Executive Director), the Executive Director, Finance and at least one additional independent Non-Executive Director, external independent member and Elected Director, as recommended by the Nomination Committee.
- The Chair of the Committee shall review membership of the Committee annually, as part of the annual performance evaluation of the Committee.
- Chair of the Committee:** The Chair of the Committee will be the Deputy Chairman<sup>1</sup> of the Partnership provided that he/she is an independent Non-Executive Director, or failing that, one of the Independent Non-Executive Directors recommended by the Nomination Committee and appointed by the Partnership Board.
- In the absence of the Chair of the Committee, the meetings will be chaired by a member appointed by the Chair of the Committee, or failing that the remaining members present will elect one of their number to chair the meeting.
- Secretary of the Committee:** The Company Secretary or a nominee appointed by the Company Secretary will act as Secretary to the Committee ensuring it has access to sufficient resources and all necessary support (including training to enable it to carry out its duties), including the recording of Committee minutes and ensuring that the Committee receives information and papers in a timely manner to enable full and proper consideration of the relevant issues.
- Meetings:** The Committee shall meet at least four times a year and otherwise at such other times as the Chair of the Committee may require. The timing and agenda of meetings shall be the responsibility of the Committee Chair supported by the Executive Director, New Businesses. Meetings will align with relevant Board and Executive calendars.
- Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each member of the Committee and any other person required to attend no later than five calendar days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time, but Committee papers may be forwarded at shorter notice with the approval of the Chair of the Committee.
- Only members of the Committee and Independent Directors have the right to attend Committee meetings. However, the Executive Directors of John Lewis, Waitrose and

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<sup>1</sup> The use of the terms “Chairman” and “Deputy Chairman” reflects the terminology used by the Partnership’s Constitution and should be construed as gender neutral throughout.

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New Businesses; the Director, Ethics and Sustainability and the Director, Risk and Assurance (or a nominee appointed by them) will routinely attend meetings but will not be members of the Committee. The Chief Executive Officer will be invited to attend at least one meeting per year. Other non-members may be invited to attend all or part of any meeting as and when appropriate with the agreement of the Chair of the Committee. At the discretion of the Chair of the Committee outside professional advisors may attend for certain agenda items.

Meetings of the Committee may be conducted when the members are physically present together or in the form of either video or audio conference.

**Quorum:** The quorum necessary for the transaction of business at a Committee meeting shall be three members, to include the Chair of the Committee (or his/her appointed deputy) and at least one (other) member who is independent.

If there is difficulty in achieving a quorum, independent Non-Executive Directors and Elected Directors of the Partnership Board, who are not members of the Committee, may be co-opted as members for individual meetings.

**Minutes of meetings:** Draft minutes of Committee meetings shall be circulated to all members of the Committee, normally by them being included with the papers for the next meeting. Once approved, minutes shall be circulated to all other members of the Partnership Board, normally by them being tabled at the next Partnership Board meeting, unless in the opinion of the Chair of the Committee it would be inappropriate to do so.

A resolution in writing and signed by all Committee members will be as effective as a resolution passed at a Committee meeting. Any written resolution shall be tabled and noted at the next meeting of the Committee.

**Authority:** The Partnership Board authorises the Committee to:

- (a) exercise the functions and powers and investigate any activity within its terms of reference;
- (b) seek any information it requires within its terms of reference from any Partner and/or call any Partner to be questioned at a Committee meeting as and when required; and
- (c) have unrestricted access to the Partnership's documents and information and to obtain independent legal or professional advice, as and when required on any matter within its terms of reference as it considers necessary, at the Partnership's reasonable expense.
- (d) Establish and oversee any sub-committees or working groups which may be relevant to support the committee's work.

**Purpose**

- I. The purpose of the Committee is to assist the Partnership Board in fulfilling its responsibilities for setting Ethics & Sustainability (E&S) strategy in accordance with the Partnership's Purpose and Values and ensuring that E&S strategy is embedded into the Partnership's operations by reviewing and monitoring:
  - a) the Partnership's conduct with regard to its obligation, reputation and opportunity as a responsible and progressive corporate citizen;
  - b) that E&S remains core to the Partnership, aligned to the Partnership's Purpose and Values;

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- c) the delivery of the Partnership's E&S commitments, consistent with the strategy; and
- d) that external perspective is fully considered to ensure the Partnership's approach on E&S remains relevant and stretching.

2. In order to fulfil its purpose the Committee will carry out the duties described below.

**Duties**

3. The Committee will:

**3.1 E&S Strategy**

- a) Review, advise and recommend changes to the Partnership's Ethics & Sustainability strategy, plans and relevant policies, to ensure they reflect best practice, are aligned with prevailing regulations and good practice, and integrated with the company's business plan, values and objectives, in order to support the company's long-term sustainable success.
- b) Monitor and review how E&S strategy is embedded into the Partnership's operations and that E&S issues are considered when reviewing and guiding strategy, major plans of action, risks, annual budgets, and business plans for both the Partnership and its lines of business.
- c) Monitor and review changes in the Partnership's reputation and its stakeholders' expectations in relation to E&S, advise on the risks and opportunities for the company's operations and reputation in relation to the execution of its E&S strategy, and ensure the Partnership Board is kept appropriately informed;
- d) Assess performance and progress against E&S plans and priorities, providing guidance and approval of any changes to approach and/or prioritisation choices required and support with unblocking barriers;

**3.2 Goals and Metrics**

- a) Review, advise and recommend changes to E&S strategic goals, short- and long-term targets, and key E&S metrics. Monitor annual and long-term progress against previously set E&S objectives, including compliance with public commitments on E&S issues and overseeing the ongoing measurement and reporting of performance against key E&S metrics.

**3.3 Reporting**

- a) Review the content, integrity and completeness of the Partnership's E&S statements, disclosures and reports, about E&S activity, targets and progress. Review E&S related reporting prior to Partnership Board approval, including reporting on climate risks and opportunities as aligned to the Task Force on Climate-related Financial Disclosures (TCFD), the Modern Slavery Act, the E&S elements of the Partnership's Annual Report and Accounts, and any other mandatory or voluntary disclosures in line with recommended practice and regulatory requirements. Oversee the evaluation of extent and effectiveness of external reporting on E&S performance and participation in external benchmarking indices.

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- b) Periodically review the requirement for internal and external assurance that E&S related matters meet legal obligations and maximise positive impact, and, as necessary, review and approve the appointment of external parties to provide assurance on relevant reporting.
- c) Periodically review the external communication proposition and activities to ensure a balanced approach.

### 3.4 Horizon Scanning

- a) Bring and seek best practice thinking and ongoing awareness of sectoral, national and global developments in E&S related issues, standards, good practice, and regulatory or legislative developments by considering inputs from the business and internal and external experts. Review which issues and developments are likely to impact the Partnership's strategy, operations and reputation and therefore whether and how these should be reflected in the company's E&S objectives, policies and reporting.
- b) Undertake or recommend relevant training and development opportunities, both for members of the Committee and for Partners as appropriate in relation to emerging E&S related issues

### 3.5 Policies and Procedures

- a) Monitor and review that appropriate E&S related policies and practices are in place and working effectively, and remain relevant and adequate, in alignment with relevant national and international standards where appropriate, to build and protect the Partnership's reputation in the areas of E&S internally and externally.

### 3.6 Engagement with Stakeholders

- a) Oversee the company's policies in interactions with and responsibilities towards its stakeholders in relation to E&S issues, most notably its Partners, customers, suppliers, and the communities in which it operates. Support the Partnership Board in monitoring the culture of the company, the wellbeing of its workforce, and the adequacy of its supply chain controls in relation to modern slavery and human rights risk.
- b) Monitor and review Partner expectations for E&S, and ensure that an appropriate group or engagement mechanisms are in place in the Partnership to capture these and report them up to the Committee;

### 3.7 Risk

- a) Monitor and review risks related to E&S, ensuring planned actions are aligned with risk appetite.
- b) Specifically, the Committee will on behalf of the Partnership Board (which retains overall responsibility for risk management) maintain direct oversight of the Partnership's principal risks related to E&S as determined by the Partnership's Executive Team but at the date of adoption of these Terms of Reference being: (i) E&S risk; and (ii) (E&S related elements of) Regulatory Non-Compliance risk. In

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fulfilling its duty to monitor and review risks related to E&S, including any relevant principal risks, the Committee will work within the Partnership's risk management framework.

**3.8 Collaboration with other committees**

- (a) Support and advise the Remuneration Committee and People team regarding appropriate E&S related performance objectives for senior leadership in alignment with the Partnership's Purpose, to ensure that E&S matters are appropriately considered when setting the overall balanced score-card and, where relevant, remuneration approach.
- (b) The Committee will provide input to the Audit and Risk Committee on issues relevant to the duties of the Committee outlined in these terms of reference, particularly as they relate to matters of risk management and internal control, to inform the Audit and Risk Committee's role to oversee the integrity of the Partnership's risk management and internal controls.

**3.9 Resourcing E&S Initiatives**

- (a) Support and advise the Partnership Board in relation to the required resourcing and funding of E&S related activities.
- (b) Consider climate-related issues and additional investment necessary to ensure the Partnership can measure its climate impact - as well as the impact of climate change on its business.

**3.10 Other Matters**

The Committee shall

- (a) Be Provided with appropriate and timely training and development, both in the form of the induction programme for new members and on an ongoing basis for all members.
- (b) The Committee will review annually both its terms of reference and its own effectiveness and recommend any changes it considers necessary to the Partnership Board.

**Reporting Responsibilities**

**4. The Chair of the Committee is responsible for:**

- (a) Providing regular reports on the Committee's activities at meetings of the Partnership Board. This should include whatever recommendations to the Partnership Board it deems appropriate on any area within its remit where action or improvement is needed, and adequate time should be available for Board discussion when necessary; and;
- (b) The preparation of a formal report on the Committee's work and activities to be included in the Company's Annual Report and Accounts;
- (c) attending Partnership Council at the meeting at which it discusses the Partnership's annual performance with the Chairman ("holding to account") and/or when appropriate to report on and answer questions on the Committee's activities;
- (d) ensuring that any feedback received from Partnership Council, Partners generally or other stakeholders is taken into account by the Committee in carrying out its duties.