CLIMATE ACTION

The non-renewable energy sources used to power a number of our shops, fossil fuels used in our transport fleet, and manufacturing in our global supply chains, all create greenhouse gases warming the Earth's surface and changing our climate. As a responsible retailer we're taking action across our entire value chain by reducing our consumption and finding renewable energy alternatives.

With sea levels rising, intense heatwaves, prolonged drought and intense fires, increasing global temperatures are having an undeniable impact on our climate. Extreme weather events and the negative impacts of an unstable climate, which include food insecurity and biodiversity loss, will be catastrophic unless we cut global emissions.

Despite the challenges associated with Covid-19, the Partnership has continued to take decisive action to reduce the climate change impact our operations are having on the environment. In 2020 we continued to convert our fleet of heavy trucks to biomethane and invested in further energy efficiency measures across our physical estate. However, we need to look beyond just our own operations and focus on climate risk and mitigation across our whole business, including our entire value chain, a key focus of our new strategy.

IN 2020/21 WE FOCUSED ON:

- Continued conversion of our diesel heavy trucks to biomethane.
- Implementing energy efficiency programmes across our existing estate.
- Net zero innovation including our 'store of the future programme'.
- Creating our climate strategy for the next five years.

PROGRESS IN OUR TRANSPORT OPERATIONS

- 228 of our 600 diesel heavy trucks have now been converted to biomethane, marking another milestone towards our target to have the full fleet running on biomethane by 2028. Made from food waste and food processing waste materials rather than diesel, biomethane reduces CO_2 emissions by at least 80%.
- We opened our first on-site biomethane gas filling station for Waitrose heavy goods vehicles at our Bracknell RDC (Regional Distribution Centre), and added two more gas filling stations at our Milton Keynes NDC (National Distribution Centre) and Brinklow RDC.
- We continue to work hard on plans to move our operational fleet to electric. Four revolutionary Arrival, purpose-built electric delivery vans for Waitrose and John Lewis are expected in 2021, with full-scale roll out of electric vehicles expected in the next two to three years.

INCREASING OUR ENERGY EFFICIENCY

Despite the impact of Covid-19 resulting in a number of John Lewis and Waitrose temporary shop closures, in 2020 we continued to progress well with further investment in energy efficiency measures across our physical estate to drive notable savings against our energy reduction targets. These include:

BUILDINGS

- To date, the latest generation LED lighting with integrated occupancy control has been retrofitted into 32 Waitrose branches, nine John Lewis branches and three non-trade buildings. The scope of these projects replaces all the conventional lighting throughout each site. Overall, the savings are expected to be in excess of 14 million kWh per year.
- We have made further investments in electronically commutated (EC) fan technology in our heating, ventilation and air conditioning (HVAC) systems with an improved control strategy to permit greater system efficiency. In 2020 we have deployed EC fan upgrades into seven John Lewis, 11 Waitrose branches and one non trade-building. The expected electricity saving across the 19 sites is estimated to be 2.5 million kWh per year or in excess of 35%.

REFRIGERATION

- Following the successful deployment of ECO Blade™ in 273 Waitrose stores, we have further developed this technology to retrofit onto fruit and refrigerated vegetable (FRV) cases. This aligns with our commitment to improve refrigeration efficiency and associated carbon emissions. Starting in February 2021, ECO Blades are being retrofitted onto 211 branch fruit and refrigerated cases and are predicted to deliver a further 1,771,055 kWh in electricity savings per year and improve the temperature control of each case.
- We continue to trial innovative energy efficient refrigeration with developments to frozen food cabinets and cold room efficacy. Using advanced Computational Fluid Dynamics (CFD) analysis we have refined the case design to improve chilled air flow, significantly improving their energy efficiency.
- An additional eight Waitrose branches received a refrigeration upgrade this year. This involved a full replacement of conventional hydrofluorocarbon (HFC) based refrigeration systems to a low Global Warming Potential (GWP) water cooled alternative and an upgrade to the latest Next Generation Refrigeration (NGR) case. This has been developed using advanced CFD and provides significant energy savings versus conventional open cases.

NET ZERO INNOVATION

- We developed a 'store of the future programme', which includes digital twins of several of our stores, enabling us to virtually model the effects of engineering and energy efficiency measures. This insight will become invaluable when looking at new technologies and, in turn, enable us to trial efficiency measures virtually.
- We continue to deploy the pioneering Air Door technology which lessens hot and cold air infiltration into a building, thereby reducing energy consumption required to regulate temperatures. We have installed Air Doors in four further branches this year and continue to monitor the benefits these bring to our branches.

228

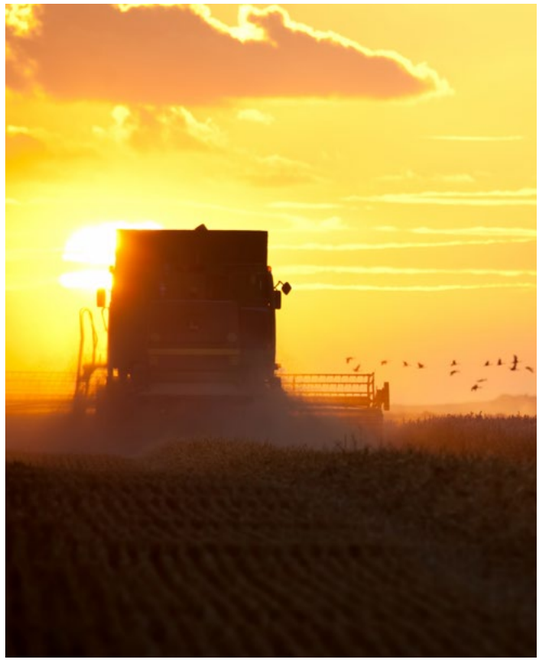
out of 600 diesel heavy trucks
now converted to biomethane.

CURRENT TARGETS & PROGRESS

- In 2020 the Partnership continued to reduce its carbon emissions and energy consumption. The Covid-19 pandemic, which forced the closure of John Lewis shops, and during which many Partners worked from home, was a contributing factor.

TARGET[25]	2020/21 PERFORMANCE	2019/20 PERFORMANCE
Net zero carbon across our entire operations by 2035[26].	-18.8%	-6.6%
All electricity procured by the Partnership to be 100% renewable certified by 2028.	97.4%	97.3%
All heavy trucks to be converted to biomethane fuel by 2028.	38%	14% biomethane
All Waitrose core store refrigeration to be hydrofluorocarbon (HFC) free by 2028.	57% HFC Free	54% HFC Free
An absolute energy reduction within the Partnership's physical estate of 25% by 2028 from a 2018 baseline.	-13.5%	-3.1%
Waitrose to keep under a 7% refrigerant gas leakage rate.	4.7%	5.5%

For the Partnership's latest Streamlined Energy and Carbon Reporting disclosure please view the John Lewis Partnership PLC Annual Report and Accounts 2021.



LOOKING FORWARD:

We will continue with our ambitious operational carbon reduction and energy efficiency programme, and have brought forward our target for our entire operations to be net zero carbon by 15 years, to 2035.

We recognise the need to look beyond our own direct operations to understand, and reduce, indirect emissions across our value chain. In October 2020 we set a new target to make greenhouse gas emissions from our UK farms net zero by 2035.

We will assess the climate risks and opportunities faced by our business, report on these, and put metrics and targets in place to address these risks. We will report these via the Task Force on Climate-Related Financial Disclosures (TCFD) framework. Our first year disclosure against the TCFD framework can be found in the John Lewis Partnership PLC Annual Report and Accounts 2021.

[25] Baseline year for all targets: 2018. Our environmental data is reported in line with the approximate calendar year.

[26] In October 2020 we brought this target forward 15 years from 2050. Any small amount of greenhouse gas emissions we cannot reduce to net zero we will offset in our operations by producing renewable energy.