

JOHN LEWIS
PARTNERSHIP

JOHN LEWIS & PARTNERS WAITROSE & PARTNERS

**Waitrose Limited (Company number 99405) –
S172(1) Statement and Statements on engagement with suppliers, customers and others**

Extract from the Strategic report for the year ended 25 January 2020 (from pages 4-6):

“Section 172(1) Statement and Statements on engagement with suppliers, customers and others

This section acts as the Company's Section 172(1) statement. In accordance with The Large and Medium sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended by the Companies (Miscellaneous Reporting) Regulations 2018), this section also constitutes the Company's statement on engagement with, and having due regard to the interest of our key stakeholders. The Company's ultimate parent company is John Lewis Partnership plc ('the Partnership'), which is owned in Trust for the benefit of its members, the Partners employed in the Partnership. Whilst being Directors of Waitrose Limited, and having acted in a way they consider is most likely to promote the success of the Company, the Directors on the Board are also members of the Partnership's Executive Team which manages the Partnership's business as part of the Partnership's governance structure. In carrying out their duties, the Directors had in mind the Principles of the Partnership set out in the Partnership's Constitution (available online at www.johnlewispartnership.co.uk). These Principles are consistent with the requirements of Section 172(1) in that they say how the Partnership - including the Company - should operate and how it should conduct its relationships with Partners (both as the Company's members and as employees of John Lewis plc assigned to work for the Company), customers, suppliers and other stakeholders and the communities in which it operates. Further information on decision-making and engagement with stakeholders in the Partnership can be found in the Partnership's Annual Report and Accounts available at www.johnlewispartnership.co.uk

The purpose of the Partnership is set out in Principle 1 of the Constitution: “The Partnership's ultimate purpose is the happiness of all its members, through their worthwhile and satisfying employment in a successful business”. Principle 3 of the Constitution says that “the Partnership aims to make sufficient profit from its trading operations to sustain its commercial vitality, to finance its continued development, to distribute a share of those profits each year to its members, and to enable it to undertake other activities consistent with its ultimate purpose”. These two Principles are the core fundamentals that underpin the Company's strategic direction. In setting the strategic direction of the Company, Directors also take into account the principal risks facing the business.

Decision-making at the Board

All matters which under the Company's governance arrangements are reserved for decision by the Directors are presented at Board meetings. Directors are briefed on any potential impacts and risks for our customers, Partners and other stakeholders including our suppliers, the community and environment and how they are to be managed. The Directors take these factors into account before making a final decision which together they believe is in the best interests of the Company and its members - our Partners.

Stakeholders

Our key stakeholders are our Partners, who are at the heart of our purpose and work in service of our customers. We are focused on responding to the needs of, and building long-term relationships with, our customers. Other key stakeholders are the producers and suppliers who we purchase goods and services from, and the communities in which we operate.

JOHN LEWIS PARTNERSHIP

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Long-term sustainability

We aim to make sufficient profit to sustain the Partnership's commercial vitality. This is balanced against the needs of our customers, Partners and other stakeholders and the community to ensure we are conducting all our business relationships with integrity. The long-term sustainability of the Company is at the forefront of decision-making, particularly in response to the challenging conditions in retail and, since the year-end, the Coronavirus pandemic.

Partners

Information on the engagement methods in the Partnership, which are used by the Company's Directors, are in the Partnership's Annual Report and Accounts available at www.johnlewispartnership.co.uk

Customers

The Customer Research Team collects data through surveys, face to face research, customer feedback to our Partners and contact centres and external data sources. Regular customer reports are produced for management and are regularly shared with Directors.

Producers and Suppliers

We work closely with producers and our supply chain. The Partnership's Audit and Risk Committee monitors the Company's compliance with the Groceries Supply Code of Practice. The Company has taken measures to prevent modern slavery and human trafficking in its business and supply chains. Further information is available at www.johnlewispartnership.co.uk/csr

Financial Stakeholders

The Company seeks to make information available to financial stakeholders as part of information provided about and by the Partnership. This includes contact details should stakeholders wish to discuss anything directly. Directors regularly participate in financial updates and announcements made by the Partnership, which gives stakeholders an opportunity to engage directly with them.

Community and environment

The Partnership's Constitution requires Directors to take all reasonable steps to minimise any detrimental impact the Company's operations may have on the environment. The Company also supports a range of charitable and community activity, based on customer input and coordinated through branches. Full detail of activities designed to help Partners and communities thrive, such as the Waitrose & Partners Foundation and The Golden Jubilee Trust, is available in the Partnership's Annual Report and Accounts and at www.johnlewispartnership.co.uk/csr

Business Conduct

The Company aims to conduct all its business relationships with integrity and courtesy, and scrupulously to honour every business agreement.

Acting fairly as between the Company's owners

Because the Partnership is held in Trust for the benefit of its members, all Partners share an obligation to improve the Company in the knowledge that they share the rewards of success. The share of profit is in the form of Partnership Bonus. “

The Section 172(1) Statement and Statements on engagement with suppliers, customers and others published by John Lewis Partnership plc (Company number 238937) and John Lewis plc (Company number 233462) are available within their respective Annual Report and Accounts for the year-ended 25 January 2020 available at www.johnlewispartnership.co.uk