

WAITROSE LIMITED (Company number 00099405)

Section 172(1) statement and statements on engagement with employees, suppliers, customers and others

Extract from the Strategic Report for the year ended 31 January 2026 (pages 5-7)

The Company's ultimate parent company is John Lewis Partnership plc, which is owned in trust for the benefit of its members, the Partners employed in the Partnership. Whilst being Directors of the Company, 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 leadership team, which manages the Company's business as part of the Partnership's governance structure. In carrying out their duties, the Directors have had in mind the Partnership's Purpose, which is set out in the Partnership's Constitution (available online at www.johnlewispartnership.co.uk). The opening section states: "Our Partnership is an ongoing experiment to find happier, more trusted ways of doing business, for the benefit of us all. We work together to create a successful business and a fairer, more sustainable future for Partners, customers, suppliers and communities".

The Partnership's Purpose is in many ways aligned to the matters to which Directors must have regard under section 172(1) of the Companies Act 2006. Further information on decision-making and engagement with stakeholders in the Partnership can be found in the Partnership's Annual Report and Accounts 2026.

Certain matters, under the Company's governance arrangements, are reserved for decision by the Directors. Directors are briefed on the background and reasons for any proposal and the associated costs, benefits and risks, on any potential impacts and risks for customers, Partners, other stakeholders including suppliers, the community and environment, and on how these impacts and risks 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, including its ultimate beneficial owners - our Partners.

Long-term sustainability

The second Principle of the Constitution includes the objective of making "sufficient profit to retain our financial independence, invest in our Partners and pursue our Purpose". The shared aim of the Partnership's Chairman, Council and Board - the Partnership's three governing authorities - is to safeguard the Partnership's future, enhance its profitability and ensure its integrity.

The interests of Partners

Partners are more than employees - under the Partnership's ownership model they are owners of the business and provide input into the Partnership's governance through its democratic structures. The Constitution empowers all Partners to shape the future of the Partnership. Hearing Partner opinion and ensuring this is taken into account in decision-making is intrinsic to our employee ownership model.

Partners receive updates about the Partnership from regular dialogue with leadership, email updates, podcasts, vlogs, the Partnership's intranet, and through the weekly independent *Gazette* publication. Further information on the engagement methods in the Partnership, which are used by the Company's Directors, and on the democratic structures used to channel Partner views are on pages 16 to 22 and 33 to 35 of the Partnership's Annual Report and Accounts 2026.

The need to foster business relationships with suppliers, customers and others

The Company has a diverse group of stakeholders with whom it works to collectively deliver the Partnership's Purpose, and the Directors keep in mind the impact it has on these groups. These stakeholders include: our customers, whose needs we respond to and with whom we aim to build long-term relationships; our producers and suppliers, from whom we purchase goods and services; and our financial stakeholders, including the John Lewis Partnership Pensions Trust, relationship banks. Alongside these, the Partnership engages with campaign groups and non-governmental organisations, particularly those working on ethics and sustainability.

More information about key stakeholders is provided below.

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The impact of our operations on the community and the environment

The Partnership's stakeholders include the communities and localities in which we operate. The communities in which we operate are a key stakeholder.

The Partnership has identified the following areas of focus within its ethics and sustainability strategy to address its environmental impact and to protect and restore nature:

- ***Circularity and waste:*** we're committed to designing, making and selling products and services that limit waste and keep materials in use for longer;
- ***Agriculture, aquaculture and fisheries:*** we're committed to introducing more sustainable and regenerative farming practices, ensuring higher welfare standards and driving positive change so that oceans and marine resources are used sustainably;
- ***Raw material sourcing:*** we're committed to sourcing our raw materials more responsibly and to continually improving the ethical and environmental standards of our sourcing practices, delivering positive impact for people, nature and animals in the places where they're produced;
- ***Climate action:*** we're committed to reducing our impact on the climate by working towards net zero in our own operations and supply chains;
- ***Nature and biodiversity:*** we are committed to protecting and enhancing nature and biodiversity, and to reversing the negative effects of our business on natural resources and ecosystems.

The Partnership Board monitors environmental impact, in some instances through its committees, including responding to the environmental challenges faced by today's society and those which may impact our business operations. This is described in more detail on page 17 of the Partnership's Annual Report and Accounts 2026.

The desirability of maintaining a reputation for high standards of business conduct

The Partnership's reputation for its standard of business conduct is a key driver of customer perception of our brands. All Partners are expected to contribute to the maintenance of high standards, and the Constitution provides them with our framework to do this. It includes specific Rules for Partners relating to maintaining honesty, fairness, courtesy and promptness in their business conduct.

Acting fairly between the Company's members (Partners)

The Company forms part of a group which is owned in trust for the benefit of its members, otherwise known as Partners. All Partners therefore benefit from an interest in the ownership of the Partnership and, by extension, the Company.

Key stakeholders

On the following pages we describe our key stakeholders, an overview of their interests, and insights into the ways in which the Directors engage and act with regard to these groups. These key stakeholders are in addition to our Partners, who are described above. More information on the engagement methods in the Partnership, which are used by the Company's Directors, and some key highlights from the year under review are provided on pages 18 to 22 of the Partnership's Annual Report and Accounts 2026.

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Customers

We take pride in making our customers happy. We put everything we have into everything we do, earning the loyalty and trust that we need to be successful. Our Partners support this by providing both their expertise and also passionate service to our customers. The Company aims to be the home of food lovers, offering the best value in the marketplace for goods of comparable quality and availability.

Regular customer reports are produced for management and Directors, tracking and reviewing emerging trends, as well as measuring the business response and feeding in data to support both strategic and tactical initiatives and decision-making. Directors monitor key customer metrics as part of the Partnership's monthly balanced scorecard - including Brand Advocacy via Net Promoter Score and Customer Satisfaction, and review performance against both our historic measures and our competitive market set.

Customer reporting is informed by the Partnership's customer research teams, who seek to understand how customers and potential customers think and feel, gathering their experiences through surveys, face-to-face research and customer feedback. It is further informed by a dedicated Customer Perspectives Panel, which conducts deep dives, concept testing and more collaborative research on new services and products.

Producers and suppliers

A strong, trusted and transparent supply chain is integral to our success as a retailer. Our aim is to take a long-term view, working closely with producers and suppliers across our supply chains, forming mutually beneficial partnerships and ensuring workers are treated fairly. It is the strong working relationships we form that allow us to source high quality, more sustainable and ethical products for our customers.

The Partnership Board monitors relationships with the Partnership's suppliers in a number of ways including: review by the Partnership's Audit and Risk Committee ('ARC') of compliance with the Groceries Supply Code of Practice; and the steps the Partnership is taking to meet its ethics and sustainability goals, to improve the livelihoods of those who grow, pick, pack or make our products and to prevent modern slavery and human trafficking in our business and supply chains through the Partnership's Ethics and Sustainability Committee ('ESC'). Our Responsible Sourcing Code of Practice ('RSCOP') sets out our expectations of all suppliers on issues such as pay, working hours, child labour, worker rights and representation. In addition, we have a number of supplier facing policies which cover a broad range of areas from animal welfare to timber sourcing standards. Further information is available at <https://www.johnlewispartnership.co.uk/ethics-sustainability/supply-chain>.

Communities in which we operate

In line with our Purpose, we are working in Partnership for a happier world. We are driven to make a difference to people's lives and create positive social impact, using the skills and resources within the Partnership to support where help is needed.

The Partnership Board monitors relationships with communities in which we operate via the ESC, including the Partnership's response to the increasing social challenges faced by today's society. It also reviews social impact metrics as part of the Partnership's monthly balanced scorecard related to the Partnership's social impact programmes.

Financial stakeholders

These include the John Lewis Partnership Pensions Trust and relationship banks. Through the Partnership's website, we share details on our performance, and the Partnership's Treasury team provides further detail as needed. We invite our financial stakeholders to join the Partnership's financial updates and announcements, which gives them an opportunity to hear and engage with the Directors and senior management.

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Statement of corporate governance arrangements

Extract from the Directors' Report for the year ended 31 January 2026 (pages 9-10)

The Company, as a key trading subsidiary of John Lewis Partnership plc, falls within the governance auspices of the Partnership. All of the Directors of the Company are members of the Partnership's Executive Team and Executive Directors on the Partnership Board.

The Partnership is governed by its own Constitution, and therefore is not required to apply any published code on corporate governance. Whilst unique, the Company's governance arrangements set out in the Constitution cover the major elements of the UK Corporate Governance Code and the Wates Corporate Governance Principles for Large Private Companies, 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 the Partnership's website at <https://www.johnlewispartnership.co.uk/our-company>.

The Partnership's affairs are directed by three governing authorities: the Partnership Council, the Partnership Board and the Chairman. The diagram on page 33 of the Partnership's Annual Report and Accounts 2026 illustrates the governance framework, including how power is shared and the ways in which the opinions of Partners are heard and influence decisions within the Partnership.

Management functions and oversight

The management functions responsible for preparing the financial statements for Waitrose Limited and its Internal Audit and Risk Management functions are provided by the Partnership. Oversight is provided by the ARC, the main role of which is to provide independent scrutiny and challenge to ensure that the Partnership presents a true and fair view of its performance, focusing on the accuracy, integrity and communication of financial reporting.

Risk management and internal controls

The Partnership maintains a structured approach to risk management, designed to identify, manage and monitor emerging and changing risks; and to communicate those that matter most through the Partnership's governance structure. This approach is underpinned by the Partnership's risk management policy, leadership accountabilities and Partnership behaviours. The principal risks and uncertainties for the Company are set out on pages 24 to 29 of the Strategic Report. These risks are reviewed and monitored by the ARC.

The ARC 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. Its composition and activities during the year are summarised on pages 34 and 36 to 39 of the Partnership's Annual Report and Accounts 2026.

The Section 172(1) statements and statements on engagement with employees, suppliers, customers and others and the Corporate Governance statements published by John Lewis Partnership plc (Company number 00238937) and John Lewis plc (Company number 00233462), are available within their respective Annual Report and Accounts for the year ended 31 January 2026 available at www.johnlewispartnership.co.uk