

## The Burwood House Group Limited

### Section 172 statement

The following sections serve as the section 172 statement for The Burwood House Group Limited, pursuant to the requirements of The Companies (Miscellaneous Reporting) Regulations 2018. Section 172 of the Companies Act 2006 ("CA 2006") recognises that whilst companies are run for the benefit of their shareholders, a business's long-term success and reputation are dependent upon maintaining relationships with stakeholders and an appreciation of the external impact of its activities.

The directors of the Company (the "Directors") are fully aware of their responsibilities to promote the success of the Company in accordance with section 172 of the CA 2006 and are keen to ensure proper reflection on stakeholder engagement and issues at Director level and promote continuous reflection on opportunities for development.

The Company's principal activity is to charge property rental, relating to properties owned or leased by the Company, predominantly to fellow wholly owned subsidiaries of the intermediate parent undertaking, ASDA Group Limited. Accordingly, in considering the long-term consequences of decisions and the impact of the Company's decisions on its stakeholders, it is important that the Directors also consider the Company's operations in the context of the operations of the Group as a whole.

The Company's intermediate parent undertaking, ASDA Group Limited also plays an important role in the governance of the operations of the Company. This includes consideration and approval of key commercial decisions which materially impact the Company, its stakeholders and its operations. All of the Directors are also directors of ASDA Group Limited. Where individuals are directors of separate legal entities within the Group, they are aware of their separate responsibilities regarding each of these legal entities. Further details of the directors of ASDA Group Limited who served during the year are included in the financial statements of ASDA Group Limited which are available from ASDA House, Southbank, Great Wilson Street, Leeds LS11 5AD.

The ASDA Real Estate & Investment Committee ("AREIC") is constituted as a committee of the board of Directors of ASDA Group Limited (the "Board") and operates under clearly documented terms of reference defining its scope of authority, which includes oversight of the Group's capital investment programme and real estate matters. AREIC is therefore relevant to the principal activities of the Company and plays a role in the decision-making process of the Company. All of the Directors are members of AREIC and AREIC is also attended by senior employees of the Group, from a range of business units that support the operations of the Company including property, commercial, strategy, finance and legal.

AREIC meets at least monthly and with such greater frequency as is considered necessary. It creates a formal vehicle for direct and ongoing engagement between the Directors, the wider Board and the business units who are involved in supporting the operations of the Company and the wider Group real estate portfolio. It is therefore a forum for engaging directly with material stakeholders, such as its investor and customers, and a forum for sharing the outcome of other stakeholder engagement carried out by business units that support the operations of the Company.

Engaging stakeholders in this way and the outcome of stakeholder engagement generally, as fed back to the Directors via AREIC, ensures that the Directors consider the impact of decisions on relevant stakeholder groups and provides open lines of communication with affected stakeholders (in particular, members of the Board of ASDA Group Limited, as the investor and the parent company of the Company's tenants) to ensure proposed decisions are fully understood and supported before taken. The section below sets out a more detailed summary of the Company's relationships with its key stakeholders and how the Directors engage with those stakeholders. The Directors recognise that the pertinence of a particular stakeholder group may vary depending upon the matter under discussion.

## **Key stakeholder engagement**

During the year ended 31 December 2020, the only significant decisions taken by the Company were administrative in nature such as the consideration and approval of the previous year's financial statements. Any activity in the year in relation to the Company's ordinary course of business being the principal activities of retail property investment, development and management (in each case associated with the wider operations of the Group), was pursuant to decisions made in previous years.

### *Investors*

The Company's investors, ASDA Group Limited and the ultimate parent company during the year, Walmart, Inc., were key stakeholders; the investors were providers of capital during the year, which allowed the Company to deliver long-term success.

AREIC oversees the Group's (including the Company's) capital expenditure programme. Approval for Company capital expenditure in excess of certain thresholds was obtained from the Board and, where sufficiently material, the ultimate parent during the year, Walmart. Capital expenditure and fixed assets additions are undertaken with the view to the long-term success of the Company and the Group and are subject to the Group's capital expenditure policies. The open engagement in the AREIC forum along with this approval methodology ensures that the Company's intermediate parent, ASDA Group Limited and ultimate parent company during the year, Walmart Inc., (its investors) were appropriately engaged in decision making.

### *Customers*

As above, the Company's principal activity is to charge property rental relating to properties owned or leased by the Company to other Group companies. Therefore the Company's customers are predominantly other Group companies.

As described above, the membership composition of AREIC and the interaction with the business units who are involved in supporting the operations of the Company and the wider Group real estate portfolio, provides a useful mechanism for the Directors to engage with its customers. This ensures that decision making is taken in the context of wider Group initiatives and also accounts for the interests of intercompany tenants and long-term consequences on the Group.

Engagement with non-related party tenants (of which there are a very limited number) is predominantly undertaken by business units within the Group which are responsible for managing the Group's real estate portfolio. The outcome of such engagement is shared with the Directors via AREIC so as to be taken into account by the Directors when making decisions which might have an impact on those tenants.

### *Suppliers*

The Company leases some of its properties from third parties. The Company is also required from time to time to engage with contractors in relation to certain development and capital expenditure projects. Engagement with these suppliers is predominantly undertaken by business units within the Group which are responsible for managing the Group's real estate portfolio. The outcome of such engagement is shared with the Directors via AREIC so as to be taken into account by the Directors when making decisions which might have an impact on those suppliers.

Relationships with these suppliers and the processing of payments to them are managed on the Company's behalf by business units within the Group which are responsible for managing the Group's real estate portfolio.

### *Employees*

The Company has no employees.