

JOHN LEWIS PROPERTIES PLC (Company Number 303301)

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

Extract from the Strategic Report for the year ended 25 January 2025 (pages 5-7)

This section forms 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 Partners (employees) and other key stakeholders.

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 through its objectives to find more trusted ways of doing business and to work together to create a successful business and a fairer, more sustainable future for Partners, customers, suppliers and communities. Further information on decision-making and engagement with stakeholders in the Partnership can be found in the Partnership's Annual Report and Accounts 2025.

Decision making at the Board

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, as well as 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, including its ultimate beneficial owners - 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 Chairman, Partnership Council and Partnership Board, the Partnership's three governing authorities, is to safeguard the Partnership's future, enhance its profitability and ensure its integrity.

Key stakeholders, community and environmental impact

When it is carrying forward that aim, and aligned to the Partnership's Purpose, the Board keeps in mind the impact the Company has on different stakeholder groups. Our direct customers are other companies in the Partnership but, like them, we are focused on responding to the needs of, and building long-term relationships with, retail customers. Other key stakeholders are other landholders with whom we transact, the communities and localities in which we operate and the planet.

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 2025.

Customers

The Partnership's customer research teams are the voice of the Partnership's customers, seeking to understand how customers and potential customers think and feel. We gather their experiences and expectations through surveys, face to face research, customer feedback to Partners, contact centres and external data sources. Regular customer reports are produced for management and Directors, providing insight into the future property needs of Partnership companies.

Producers and suppliers

We work closely with other landholders, developers, and a range of legal and professional service providers. 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

This includes 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 our financial updates and announcements, which gives them an opportunity to hear and engage with the Directors and senior management.

Environmental impact

The Partnership has identified a number of areas of focus within its ethics and sustainability strategy to address its environmental impact. Of these, the most relevant to the Company are: circularity and waste, climate action and biodiversity. The Company recognises the potential negative impacts that occupation, use and maintenance of its property holdings can have on the natural environment. The Partnership Board monitors environmental impact via the Partnership's Ethics and Sustainability Committee, including responding to the environmental challenges faced by today's society and those which may impact our business operations.

The Partnership engages on environmental issues via a number of stakeholders including our Partners, third parties and as signatories of a number of industry sustainability initiatives. This engagement ensures we have visibility of emerging threats as well as opportunities, are able to communicate and advocate collaboratively with the wider retail sector and develop our own initiatives to reduce our environmental footprint.

Business conduct

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

Acting fairly as between the Company's members

The Company forms part of a group which is held in trust for the benefit of its Partners, and their interests are at the forefront of Board decision-making. The first Principle of the Constitution states that: 'We treat people with fairness, courtesy and respect'. All Partners benefit from an interest in the ownership of the Partnership.