

PENTLAND BRANDS LIMITED

Registered number: 09820760

Section 172 Statement

The Companies (Miscellaneous Reporting) Regulations 2018 requires Pentland Brands Limited to publish a statement explaining how the directors have given due regard for the matters set out in section 172(1)(a) to (f) of the Companies Act 2006 while performing their duty to promote the success of the company for the benefit of its members as a whole ("section 172 statement"). Below is the section 172 statement for Pentland Brands Limited captured by these regulations.

Extract from the Strategic Report for the year ended 31 December 2023

The following disclosure describes how the directors have approached and met their responsibilities under section 172 of the Companies Act 2006, and in particular how the directors have satisfied themselves that they have acted in a way which is most likely to promote the success of the company for the benefit of its members as a whole, and in doing so having regard for stakeholders interests, and forms the directors' statement required under section 414 of the Companies Act 2006.

As a business we set high expectations for ourselves, our employees, our business partners and our suppliers. We have presented below a summary of the key stakeholder groups, as well as the key decisions made during the year, with reference to how our key stakeholders were impacted and how the directors engaged with those stakeholders to promote the success of the company.

- Pentland Group Limited

Pentland Group Limited is the company's immediate parent undertaking and provides intercompany funding. Continued access to capital is vital to the long-term success of the company.

Regular profit and cash flow forecasts are provided to Pentland Group Limited and the Group Treasury function, not only to advise on when funding is needed, but also to highlight sales and profit growth to ensure we are creating value for the ultimate shareholders. These are challenged and scrutinised as well as regular forecast update and outlook processes.

- Suppliers

Our suppliers are fundamental to the quality of our products. Most of our stock is sourced from outside the UK so it is important to ensure that we are compliant with trading standards and regulations, such as the Modern Slavery Act, to meet the highest standards of social responsibility. Our Risk Committee allows us to highlight any challenges associated with various regions due to political or economic instability that may impact our ability to act in accordance with the standards of conduct we set ourselves, or our ability to meet customer demands, and support our suppliers if necessary.

Much of the engagement with our suppliers is through our sourcing partners, though we regularly assess the results of our Payment Practices Reporting for all suppliers to ensure that we are meeting their liquidity demands.

Modern slavery can occur in any global supply chain and is particularly prevalent in the apparel and footwear industry, so understanding where the risk is higher helps us evolve our approach. In 2023, Pentland Brands, our brands portfolio manager and sister company, partnered with Segura, a technology platform to help drive more transparency and traceability within the supply chain. Pentland Brands is due to publish its annual Modern Slavery report (covering 2023 activities) later this year, sharing how it is seeking to improve the lives of the workers in its sourcing markets and work towards 100% transparency across its supply chain.

The 'Our Standards' policy provides our partners with guidance on working ethically and transparently and is available in the languages of all our major sourcing markets. We are continuing to look at how we can work collaboratively with our suppliers to manage risks. You can read both the Modern Slavery report and Our Standards policy on the Pentland Brands website -- pentlandbrands.com/reports-and-resources.

- Customers

In addition to providing services to fellow subsidiaries, the company earns revenue from the provision of warehousing services. Sustaining long lasting relationships with customers who use those services is vital to the company. We regularly review contract terms and ensure that the company can meet customer demands, whilst maintaining our cash flow requirements. This requires a careful analysis of

key metrics by our supply chain, who regularly engage with customers and relay important information to the directors, ensuring the company can meet its customer's needs.

- *Policy for disabled persons*

The Company is currently in the process of reviewing and enhancing our policies in regard to equal opportunities such as disability, ethnicity and social status and this is expected to be complete and implemented within the next 12 months.

Currently in terms of equal opportunities, the Company gives full and fair consideration to applications for employment when these are received from disabled people. All job applicants called for interview are asked whether they require any special facilities or assistance at the interview. Should an employee become disabled when working for the Company, we will endeavour to adapt the work environment and provide retraining if necessary, so that they may continue their employment. Training, career development and promotion opportunities are equally applied for all our employees, regardless of disability.

- *Employees*

We pride ourselves in the quality of our employees and believe they are crucial to operating our business successfully and provide a vital service to the portfolio of brands within the group. The 'People Policies' section of the directors' report highlights the way we regularly interact with our people on a day-to-day basis, providing them the relevant training and information needed to perform their duties to the highest standards.

To help our people with the cost-of-living crisis, we applied an annual salary increase for all employees during the year. Please see 'Our Principal Decisions' below for more details.

- *Community*

Respect for the people and the environment has long been at the heart of our business and we strive to make all our decisions in good conscience. To reflect the growing need to factor our social and environmental impact into all that we do, we are due to publish our annual Positive Business report (covering 2023 activities) later this year, which will share how we have worked towards achieving our ambitious 100-10-0 goals. Once published, the report can be found on our website -- pentlandbrands.com.

2032 marks the 100-year anniversary of the Pentland business and our 100-1-0 positive business strategy sets out three major targets to be reached by 2032 – 1. to help 100 million consumers live positive, active, sustainable lifestyles; 2 to improve the lives of one million people in our communities; and 3. to be a net zero business by 2032. Please refer to the 'Corporate and Social Responsibility' section on pages 4 and 5 for more information.

Our Principal Decisions

- *Cost of Living Crisis*

We recognise the significant challenges that many people are currently facing when it comes to cost-of-living crisis, and we care about the impact this is having on individuals' ability to pay bills and meet basic requirements.

In response, we agreed a 7% annual salary increase for all employees from 2023, bringing forward the application of this from April 2023 to January 2023. We also introduced a package of support for employees including money coaching and financial education sessions.

- *Pentland Brands Headquarters Move*

In August 2023, we announced plans to move from our global HQ in Finchley, North London, to a new central London Hub located in Farringdon, Central London.

Having been rooted in the Finchley community since the mid-1980s, Pentland's award-winning campus building, which opened in 2003, served as a thriving global headquarters until the outbreak of the COVID-19 pandemic. Since then, the business has moved to a hybrid working model and the Finchley campus is now too large and not adequately configured to meet the company's current and future business requirements.

Strategically located a stone's throw away from Farringdon station, the newly established Pentland Brands London Hub will be based at one of London's most accessible transport hubs and a popular location for consumer brands.

We have communicated plans with our employees and local stakeholders, which is expected to happen in the second quarter of 2024.

- *Strategic Review*

In August 2023, we announced our plan to build a business that reflects the global and digital nature of our growing organisation.

The plan is centred around working together as one global business, having the skills in the right locations, and building a simplified organisation designed to drive further growth. It also includes investing in global product innovation capabilities and providing all brands with cutting-edge expertise in new product development.

To deliver the plan, we've simplified the way our business is organised with around 100 people leaving the organisation in 2023.

Corporate and Social Responsibility

Our purpose is to pioneer brands that make life better. Through a positive business lens, our aim is to build brands with purpose, develop products sustainably, embrace a diverse and inclusive workforce, support our communities, and protect the people working within our supply chain.

- *Positive Business*

The company publishes annual Positive Business reports, evaluating improvements made during the year and its future plans all of which are available on our website -- pentlandbrands.com.

As a company we also publish an annual Modern Slavery report, showing how we are seeking to improve the lives of the workers in our sourcing markets and work towards 100% transparency across our supply chain. Our latest report will be available on our website later this year.

- *Diversity and Inclusion*

We are committed to creating a culture of inclusivity and diversity and shaping our activities around these three pillars:

- Positive - Our people and brands power diversity and inclusion
- Inclusive - Everyone feels a true sense of belonging; and
- Diverse - Striving for better representation across our business to reflect the diverse consumers we serve.

Pentland Brands four employee networks continued to drive change across the areas of positive business, as well as allyship and action around wellbeing and equal rights for women, LGBTQ+ and black colleagues.

We're committed to equality and inclusion within our workforce. Our Gender Pay Gap report shows 42.6% female representation in the upper two pay quarters. Additionally, the highest level of our organisation - the Pentland Brands Executive team - included 50% female representation. However, we're mindful we still need to make improvements to the disproportionate number of men within the director level of our organisation.

In 2023 we continued 'smart' working policies so that, wherever possible, we can give people increased flexibility around where, when and how they work, which will ultimately open up more career opportunities, particularly for women.

In July 2023, Pentland Brands partnered with The People to form a new international youth advisory group at the heart of the employee experience. From 2024 the group, which also includes employees from the internal D&I networks, will help shape how our business supports, nurtures and develops our current and potential employees. They will offer diverse perspectives to tackle key business challenges, redefining the employee experience from reward to recruitment.

The company continues to support young people thanks to our inhouse Design Pool programme. In 2023 we hired 16 student/graduate designers to complete paid work placements supporting departments across the business. 5 of these designers went on to gain permanent positions in 2023.

Externally we support young people by working closely with charities and organisations such as National Saturday Club, Unitas, New Designers, Fashanne, Text + and Graduate Fashion Week.

Also during 2023, our brands supported LGBTQ+ communities for Pride through product collaborations, donations, ambassador stories, and supporting up-and-coming young creative talent.

- *Sustainability*

Our brands continued to work towards a vision of a more sustainable future through shifting towards more responsible materials, avoiding harmful chemicals, and trialling innovative products.

Our greenhouse gas emissions for Pentland Brands (UK operations only) increased by 18% from 2022. This is partly from increased electricity usage, increased travel due to minimal COVID restrictions and including emissions from Air, Hotel and Rail and was responsible for 48% of our 2023 emissions.

Launched in 2022, we have an electric vehicle salary sacrifice benefit that offers senior employees the opportunity to lease fully electric cars. This helps in reducing our overall carbon emissions. We also procured 100% renewals for electric energy across the whole of our UK estate.

- *Charity and Community*

We made progress in improving the lives of people in our communities. In 2023, our brands donated nearly 133,000 products across 24 global locations supporting over 175,000 people.

Our brands continued to support the UK charity, In Kind Direct, with product donations. In 2023 brands donated over 145 pallets to In Kind Direct who then distributed it out to charitable organisations across the UK.

Our employees supported local charities in 2023. Charity squads, based out of each of our locations, drove employee-led charitable actions in that area. We also give paid days off for our people to volunteer for a cause they care about.

You can read more about some of the actions we and our brands are taking across all areas at pentlandbrands.com/news/.

Greenhouse Gas Emissions and Energy Consumption

We report the gross greenhouse gas (GHG) emissions and energy consumption as required under UK Streamlined Energy and Carbon Reports (SECR) legislation. An ‘operational control’ approach has been used to define the Greenhouse Gas emissions boundary. This approach captures emissions associated with the operation of all buildings such as warehouses, offices, and manufacturing sites, plus company-owned and leased transport.

Pentland Brands Limited reported emissions data for its UK operations corresponds with 1 January 2023 to 31 December 2023 for the current period. For the 2022 comparative period please refer to the financial statements of Pentland Group Holdings Limited.

	Year ended 31 December 2023
Total Energy Consumption – Electricity (kWh)	4,168,904
Energy Usage – Natural Gas (kWh)	4,781,235
Energy Usage – Transport fuel (kWh)	1,662,858
Total Energy Use (kWh)	10,612,997
Total emissions (Tonnes CO ₂ e)	3,430
Intensity metric: Market based emissions (tCO ₂ e per £m)	196
Intensity metric: Location based emissions (tCO ₂ e per £m)	257

CANTERBURY LIMITED

Registered number: 06930025

Section 172 Statement

The Companies (Miscellaneous Reporting) Regulations 2018 requires Canterbury Limited to publish a statement explaining how the directors have given due regard for the matters set out in section 172(1)(a) to (f) of the Companies Act 2006 while performing their duty to promote the success of the company for the benefit of its members as a whole (“section 172 statement”). Below is the section 172 statement for Canterbury Limited captured by these regulations.

Extract from the Strategic Report for the year ended 31 January 2024

The following disclosure describes how the directors have approached and met their responsibilities under section 172 of the Companies Act 2006, and in particular how the directors have satisfied themselves that they have acted in a way which is most likely to promote the success of the company for the benefit of its members as a whole, and in doing so having regard for stakeholders interests, and forms the directors’ statement required under section 414CZA of the Companies Act 2006.

As a business we set high expectations for ourselves, our people and our business partners. We have presented below a summary of the key stakeholder groups, as well as the key decisions made during the year, with reference to how our key stakeholders were impacted and how the directors engaged with those stakeholders to promote the success of the company.

- *Licensing Partners*

Sustaining long lasting relationships with our licensing partners is vital to the success of the company and regular meetings take place to ensure this continues. Directors alongside key senior management also regularly review terms in place and ensure that both the company and the partner can meet the demands placed on them.

- *Pentland Group Limited*

Pentland Group Limited is the company’s immediate parent undertaking and provides intercompany funding. Continued access to capital is vital to the long-term success of the company.

Regular profit and cash flow forecasts are provided to Pentland Group Limited and the Group Treasury function, not only to advise on when funding is needed, but also to highlight sales and profit growth to ensure we are creating value for the ultimate shareholders. These are challenged and scrutinised as well as regular forecast update and outlook processes.

- *Employees*

Whilst all employee contracts are held by Pentland Brands Limited, a sister company within the group, the company recognises that a number of those employees represent the company in the conduct of its principal activity. Accordingly, we believe they are crucial to operating our business successfully and engage to ensure that we are fostering an environment in which they are happy to work.

We recognise the significant challenges that many people are currently facing when it comes to cost-of-living crisis and we care about the impact this is having on individuals’ ability to pay bills and meet basic requirements.

In response, Pentland Brands agreed a 7% annual salary increase for all employees from 2023, bringing forward the application of this from April 2023 to January 2023. Pentland Brands also introduced a package of support for employees including money coaching and financial education sessions.

- *Community*

Respect for the people and the environment has long been at the heart of our business and we strive to do the right thing, not the easy thing, and make all our decisions in good conscience.

Pentland Brands has made significant progress since the launch of its 100-1-0 sustainability goals in November 2021. These involve helping 100 million consumers live positive, active, sustainable lifestyles, improve the lives of 1 million people in our communities and become a net zero business by 2032.

Pentland Brands is due to publish its annual Positive Business report (covering 2023 activities) later this year, which will share how it has worked towards achieving its ambitious 100-1-0 goals. Once published, the report can be found on its website -- pentlandbrands.com.

You can read more about some of the actions Pentland Brands and our brands are taking across all areas at pentlandbrands.com/news/.

Our Principal Decisions

- *Canterbury British and Irish Lions*

In June 2023, Canterbury announced the extension of its partnership with The British and Irish Lions as the official apparel partner and exclusive kit supplier for the upcoming 2025 Lions tour in Australia.

The British and Irish Lions partnered with Canterbury for both the 2017 and 2021 series.

The new partnership will also launch a groundbreaking Lions Origin Schools initiative, the first official collaboration between The British and Irish Lions, Canterbury and schools rugby. It aims to celebrate the connection between the Lions and the schools that have played a pivotal role in shaping future Lions' players.

- *Canterbury Ireland Rugby*

In September 2023, Canterbury, the official kit partner to Irish rugby, announced a new four-year partnership with the Irish Rugby Football Union until the end of the 2028 season.

The renewal, which spans all national teams, including men's, women's, underage and Sevens, brings the total duration of the partnership between Canterbury and the IRFU to 23 years.

Greenhouse Gas Emissions and Energy Consumption

The disclosure on greenhouse gas emissions and energy consumption for the company is stated in the consolidated financial statements of Pentland Group Holdings Limited. These are prepared in accordance with The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

PENTLAND CHAUSSURES LIMITED

Registered number: 01786360

Section 172 (1) statement

The following disclosure describes how the directors have had regard to the matters set out in section 172(1)(a) to(f) and forms the directors’ statement under section 414CZA of The Companies Act 2006.

Directors’ Section 172 (1) Statement – Sections 414 CZA (1) of the Companies Act 2006				
WHO? Stakeholder Group	WHY? Why it is important to engage	HOW? How management and/or directors engaged	WHAT? What were the key topics of engagement and what feedback and input did the board/management obtain?	OUTCOMES & ACTIONS What was the impact of the engagement including actions taken?
<p>Suppliers We have approximately 12 footwear vendors, the majority of whom are in Asia. We work particularly closely with one who is in turn heavily reliant on our business.</p> <p>Key metrics:</p> <ul style="list-style-type: none"> - % of vendors with signed manufacturing agreements and who have signed up to a Lacoste group Compliance Charter - % of payments made within payment terms - OTIF (On time in full) rate - Perfect order rate (i.e. orders without any quality issues) 	<p>Our vendors are fundamental to the quality of our products and to ensuring that we meet high standards of social responsibility.</p> <p>To strengthen strategic relationships and build manufacturing capabilities, whereby reducing lead-times and aligning capacity to growth strategy.</p>	<p>Much of our engagement with the vendors is through our exclusive sourcing partner (which is part of the Pentland Group of companies).</p> <p>The senior management and operations teams regularly visited our vendors to maintain close relationships.</p> <p>We also regularly review the results of our Payment Practices Reporting to meet their requirements.</p>	<p>The key topics during 2023 were as follows:</p> <ul style="list-style-type: none"> (1) Continued peaks and troughs in the demand curve, caused by the timing of orders placed by the Company’s customers combined with difficulty in receiving accurate customer forecasts. This has placed suppliers under pressure to manufacture more than they have planned for, leaving them with excess capacity at other periods. (2) The supply chain team, including at manager level, were in regular contact with the vendors to work through these challenges, either directly or via the Company’s exclusive sourcing partner (3) Addition of two vendors in Indonesia to support growth ambition with increased capacity. 	<ul style="list-style-type: none"> (1) Wherever possible, we allowed our suppliers time to catch up and/or pull forward production so that orders did not need to be cancelled. (2) Continued approach to introduce seasonal product into “Buy 0” during 2023 with the on-going aim of assisting with volume phasing across the season. (3) A staggered approach was implemented, where product was available at specific buys to effectively utilise capacity. This gave vendors the time necessary to have production ready on time.

Section 172 (1) statement (continued)

Directors' Section 172 (1) Statement – Sections 414 CZA (1) of the Companies Act 2006				
WHO? Stakeholder Group	WHY? Why it is important to engage	HOW? How management and/or directors engaged	WHAT? What were the key topics of engagement and what feedback and input did the board/management obtain?	OUTCOMES & ACTIONS What was the impact of the engagement including actions taken?
<p>Customers</p> <p>The business has a fixed customer base: the distributors appointed by the Lacoste brand to distribute footwear in their local markets.</p> <p>Key metrics:</p> <ul style="list-style-type: none"> - Total volume of sales - Total amount of Sales - Average selling price - % of customer ledger overdue 	<p>Regular engagement with key distribution partners enables the business to ensure it is developing relevant product.</p> <p>Regular engagement with all customers regarding operational aspects of the business enables us and our customers to operate more effectively and efficiently.</p>	<p>Regular calls/meetings with key regional teams attended by members of the management team.</p> <p>In addition, the Head of Operations is in regular contact with the operational team at Lacoste ensuring close communication with our customers regarding operational matters.</p>	<p>The key topics of engagement were:</p> <p>(1) Production/delivery delays caused by a variety of factors including capacity challenges.</p> <p>(2) Delay from goods ready to shipping for some customers, resulting from late customer payment, and late customer shipping information, as well as lack of vessel space.</p>	<p>(1) We continued to maintain close contact with customers regarding delays to agree suitable actions with the customers.</p> <p>(2) We worked with customers and suppliers to ensure that customers were informed about the availability of goods for collection, to increase the chance of them being able to book vessel space. The team also shared documentation to customers earlier to ensure that they were able to make payment on time.</p>

Section 172 (1) statement (continued)

Directors' Section 172 (1) Statement – Sections 414 CZA (1) of the Companies Act 2006				
WHO? Stakeholder Group	WHY? Why it is important to engage	HOW? How management and/or directors engaged	WHAT? What were the key topics of engagement and what feedback and input did the board/management obtain?	OUTCOMES & ACTIONS What was the impact of the engagement including actions taken?
<p>Community</p> <p>We have local partnerships to help support our local community. Our primary partnership during 2023 was Outrunners, a charity based in London which aims to help young people from underrepresented backgrounds gain access to career opportunities work experience and attending career open days.</p> <p>We also agreed to make an annual monetary donation to Outrunners to help support their ongoing community projects.</p>	<p>We consider having a positive impact on the wider community to be part of our duty as a responsible employer.</p> <p>We also know from our employee engagement data that 'making a difference at work' is a popular motivator for our people, so we know our people are eager to give back to the wider community.</p>	<p>The business organised several awareness days and activities, some of which were organised by our Mental Health First Aid group and others partnership with Outrunners. Most notably, our colleagues held a stand at an Outrunners 'Run Your Career' event, to educate young people about how to build a career in the Footwear industry.</p>	<p>We believe that our people have a wealth of knowledge they can share with young people interested in building a career in the creative industry.</p>	<p>The activities we hosted in partnership with Outrunners had a positive impact with the individuals we met.</p> <p>At the 'Run Your Career' event, the post-survey event found that individuals:</p> <ul style="list-style-type: none"> • felt more informed about their different career options. • had a better understanding of the steps they needed to take to get the job they wanted. • were more confident they could get a job they wanted in the future. <p>We organised a two-day work placement in August following the careers event for the people who attended this event and expressed interest in finding out more about our business.</p>

Section 172 (1) statement (continued)

Directors' Section 172 (1) Statement – Sections 414 CZA (1) of the Companies Act 2006				
WHO? Stakeholder Group	WHY? Why it is important to engage	HOW? How management and/or directors engaged	WHAT? What were the key topics of engagement and what feedback and input did the board/management obtain?	OUTCOMES & ACTIONS What was the impact of the engagement including actions taken?
<p>Workforce</p> <p>Our workforce is made up entirely of payrolled employees. Our closing headcount for 2023 was 68 people.</p> <p>Key metrics:</p> <ul style="list-style-type: none"> - Total benefits and payments to employees - Employee turnover rate - Employee wellbeing statistics (online portal) 	<p>The success of the company depends on the skill and commitment of our workforce to our objectives (as informed by the Lacoste brand strategy) and to our company objectives.</p> <p>We engage with our workforce to ensure that we are fostering an environment in which they are happy to work, and in which they understand the opportunities for career progression.</p>	<p>Details of our workforce engagement activities are outlined below:</p> <ul style="list-style-type: none"> - Quarterly online informal staff socials. - Learning and development (L&D) initiatives including introducing Learnerbly, a self-led learning platform for all employees, and running a Future Leaders Programme. - Health and wellness activities to encourage self-care. - Online portal (Open Blend) to assess individual engagement levels and make improvements based on opportunity areas. <p>We have a number of steering groups where we seek out ways to improve our working environment. This is shared with the Executive team for discussion and approval.</p> <p>We introduced return to work coaching for new mothers with an external provider.</p>	<p>The pulse survey revealed that the most significant matters of concern to our workforce were:</p> <ul style="list-style-type: none"> - Career progression – the opportunity to progress in our small business. - Sustainability – how we respond to the increasing challenges of climate change. - Health and wellbeing – the challenge of making time for self-care alongside working commitments. This is also our top motivator for our people on Open Blend. - Communication – to raise awareness about key employee benefits, events and the move to the new office in Central London scheduled for Q2 2024. - Business Direction – for the Executive team to continue sharing business updates during the quarterly business reviews. 	<p>Career progression – there are regular talent meetings to discuss employees' future potential, to make sure there is a mutual understanding of career progression opportunities within the Company. We also promote internal career progression as a priority over external hiring to allow for an effective talent pipeline for the future. We organised a programme for our high-potential employees – the Future Leaders Programme the feedback from which was very positive. We hope to run a similar programme for new managers in 2024.</p> <p>Communication – the business continues to send quarterly newsletters with key events and spotlight employee benefits. We held meetings with each employee and organised regular company-wide meetings to keep employees updated on the office move to Central London in Q2 2024. We also introduced company-wide communication channels encouraging cross- departmental engagement.</p>

Section 172 (1) statement (continued)

Directors' Section 172 (1) Statement – Sections 414 CZA (1) of the Companies Act 2006				
WHO? Stakeholder Group	WHY? Why it is important to engage	HOW? How management and/or directors engaged	WHAT? What were the key topics of engagement and what feedback and input did the board/management obtain?	OUTCOMES & ACTIONS What was the impact of the engagement including actions taken?
Workforce (continued)		<p>Additionally, we sent out an annual pulse survey to all employees in August, to obtain feedback on the current employee experience, as well as to understand where we can improve.</p>	<p>Collaboration – to have the opportunity for employees to get together on a cross-functional basis in an informal manner.</p> <p>Wellbeing – to help employees with costs related to the office move.</p> <p>Training and Development – clear routes to promotion.</p> <p>IT - improve the user experience with IT best suited them.</p> <p>The feedback was shared with the Executive Team and the Leadership Team. The Leadership team then created an action plan which was shared back to all employees at the end of year Quarterly Business Review.</p>	<p>Business Direction – the Executive team continued to update all employees regularly on key business information.</p> <p>Collaboration – we held a Team Day in March 2023 as planned, and a further half day event in November 2023. A team day in 2024 will also be organised and we will continue to focus on cross functional collaboration.</p> <p>Wellbeing – we offer a monthly free lunch which we will continue offering in the new office. L&D budgets were increased for all employees. We have and will continue to support initiatives around Mental Health Awareness days as well as organising Mental Health First Aider Training.</p> <p>To help with increased costs resulting from the office move, we will be providing a subsidy for travel, gym and food.</p> <p>Training and development - we have continued to foster a learning culture with a focus on cross-departmental training and technical role specific training. for example, on-site training with 'Spring-</p>

Section 172 (1) statement (continued)

Workforce (continued)				Line'(UK- based shoe last manufacturer) scheduled for Q1 2024 We also review our engagement scores quarterly via Open Blend to assess our impact.
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Section 172 (1) statement (continued)

Directors' Section 172 (1) Statement – Sections 414 CZA (1) of the Companies Act 2006				
WHO? Stakeholder Group	WHY? Why it is important to engage	HOW? How management and/or directors engaged	WHAT? What were the key topics of engagement and what feedback and input did the board/management obtain?	OUTCOMES & ACTIONS What was the impact of the engagement including actions taken?
<p>Environment</p> <p>The fashion industry (including footwear) is under the spotlight to show what effort is being made to reduce its environmental footprint.</p> <p>The Company is working on ways to accurately assess the impact of the measures it has been taking. Factors effecting its ability to make further improvements include:</p> <ul style="list-style-type: none"> - the existing office environment - the Company's suppliers - how the company makes its products - how the Company ships its products - what materials it sources. 	<p>In order for the business to stay relevant and competitive long term it is imperative that sustainability continues to be part of our strategy. Our competitors are active in this space and our consumers are demanding it.</p> <p>French legislation requires us to declare the origin of the products and materials used. We anticipate that other countries will follow suit, such that this may become mandatory.</p> <p>The European Commission is currently drafting legislation around PEF CR (Product Environmental Footprint Category Rules) for footwear, that are likely to impose a financial penalty (%EBIT) on product that doesn't meet a specific level of environmental impact, measured on material choice, durability, manufacturing processes and End of Life.</p>	<p>The Lacoste brand has a sustainability strategy (DURABLE ELEGANCE) which continues to evolve in line with seasonal requirement. Regular updates on this strategy are provided by the Executive team to the Board.</p>	<p>The key goals/topics:</p> <ul style="list-style-type: none"> - Global audit of Tier 1 – Tier 4 suppliers on social, technical and environmental - Reduction by 15% of the environmental impact of each product we sell by 2025. - Extend the lifespan of our products. - 100% recycled material used in main textiles. - 100% main production waste to have a second life. 	<p>A Life-Cycle Assessment ("LCA") has been delivered enabling the Company to:</p> <ul style="list-style-type: none"> - Build an internal understanding of the relative environmental performance of footwear products. - Identify the environmental hotspots, strengths and weaknesses. - Explore different material scenarios. <p>The Company has continued to extend its material library with more environmental preferred material such as recycled polyester, recycled rubber algae-based EVA-foam and sugar cane EVA.</p> <p>The development team meet regularly with the Lacoste brand, with the aim of aligning objectives and strategy, utilising available shared resources. These include beginning the development of IT tools for analysis on a product and supplier level that will generate environmental scores, which will inform future product materialisation, supplier engagement and build specific KPIs for environmental impact reduction.</p>

Section 172 (1) statement (continued)

<p>Environment (continued)</p>	<p>Other EPR (Extended Producer Responsibility) regulations are active and in development, particularly within the EU, with regards to packaging, raw material choice and End of Life options that also could incur a fee (fixed or % based.)</p>			<p>Key product categories have been tested with proposed PEFCR durability standards and have passed.</p> <p>The Materials and Sustainability team participated in a key industry conference covering Circularity and EPR topics to build links across the industry and inform priorities.</p> <p>The Design, Development and PLM teams also formed a Durable Elegance taskforce, to explore how we can incorporate Circular Economic principles into future product and product strategy.</p> <p>The Design and Development team had introductory training specifically in Circular Design Strategies, which brought awareness of the barriers, design considerations and opportunities involved. Guidance on eco design principles tailored to our product and manufacturing were available as a document but also a focus during regular collaboration of design and development teams.</p> <p>We are continuing to embed the expertise of our two additional hires made in the development team to focus on sustainable product initiatives and the gathering and verifying of data required to meet external legislation and Lacoste brand policy requirements, reflecting the commitment to Sustainability as a company value.</p>
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Section 172 (1) statement (continued)

Principal Decisions	
Dividend Policy	<p>The Board took the decision to pay a total dividend of \$30m in respect of 2022 profits. The Company does not have a formal dividend policy. However, the general approach taken by the Board is to consider, on a quarterly basis, the levels of cash required to run the business (day to day costs as well as specific strategic investments, as envisaged in the Company's business plan) and to return any surplus cash to the shareholders.</p> <p>In 2023 the Board considered the medium and long-term strategic goals of the company as set out in its business plan in deciding how much cash to distribute, and how much to keep in its reserves. As well as the interests of the shareholders, the Board considered the Company's cashflow – and therefore its ability to meet its day-to-day costs (including employee costs and on-time payment to its Suppliers). Dividends of \$30.0m were paid during the year related to 2023 profits.</p>
Move to new premises	<p>The Company has occupied the same premises as Pentland Brands Limited under the terms of a licence from that company effective January 2018. Following a decision by Pentland Brands Limited to move to a central-London location, the Company sought external advice to identify potential new premises. The decision was made to take a lease of a floor in the Johnson Gardens Building in Farringdon from January 2024, with occupation planned for the first half of 2024.</p> <p>In making this decision, the Board took into account the financial impact of the move on the business, its impact on the Company's ability to attract prospective employees, as well as the interests of the Company's existing employees. For the majority of employees, the commute to the new premises will be shorter than their existing commute. Furthermore, the Company has a relatively young workforce, many of whom prefer the more central location of the new premises.</p>
Diversified and Local Sourcing	<p>Discussions around the balance between sourcing in South-East Asia and local sourcing continued in 2023. The Company identified four primary objectives of its sourcing strategy which take into account the interests of the Company's shareholders as well as its customers (scalability, agility, versatility and efficiency). Based on these, the decision was taken to leave the balance between South-East Asia sourcing and local sourcing largely unchanged.</p>
Product Strategy	<p>The Company continued to invest in the Athleisure footwear category. This has supported its premiumisation strategy, allowing the Company to continue to grow revenue whilst market conditions have made increasing volumes challenging. This has been to the benefit of a number of its suppliers, and its employees (by triggering the payment of the annual bonus) as well as to the Company's shareholders.</p>