

## **BERGHAUS LIMITED**

**Registered number: 00871405**

### **Section 172 Statement**

The Companies (Miscellaneous Reporting) Regulations 2018 requires Berghaus 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 Berghaus Limited captured by these regulations.

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

#### **Requirement to report in respect of Section 172 Companies Act 2006**

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 people, 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 to the company. 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, which sits within the Pentland Brands companies 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/](https://pentlandbrands.com/reports-and-resources/).

- *Customers*

Sustaining long lasting relationships with our customers is vital to the success of the company and regular meetings take place to ensure this continues. We also regularly review terms in place and ensure that both the company and the customer can meet the demands placed on them.

Any significant decisions on new product ranges or investment/divestment in distribution channels must take customer needs into consideration, and engage with those customers as necessary.

- *Employees*

Whilst all employee contracts are now held by Pentland Brands Limited, 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. 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](https://pentlandbrands.com).

Since certifying as a B Corp in 2022, Berghaus has continued to champion repairs over replacing. Following the relaunch of its repairs service, Repairhaus, by the end of 2023 Repairhaus had repaired over 14,000 items to keep its gear in use and out of landfill. Berghaus also made its internal product sustainability criteria stricter and planted another two million trees.

Berghaus also focused on making the outdoors more inclusive for everyone, including the launch of its first hiking hijab and the unveiling of a new Ascension series to spotlight people who have overcome barriers to getting outside.

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

## **Our Principal Decisions**

- *B Corp*

Following its certification, in 2023 Berghaus built B Corp into its legal structure. In doing so, Berghaus is legally and morally committed to consider, and report, on five impact areas: community, customers, workers, governance and environment. The progress Berghaus has made in these impact areas so far can be found in its positive business report available on its website -- [berghaus.co.uk](https://berghaus.co.uk).

## 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.

Berghaus 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 Pentland Group Holdings Limited and can be obtained as set out in note 26. More information can be found in the Pentland Brands annual positive business report.

	<b>Period ended 31 December 2023</b>
Total Energy Consumption – Electricity (kWh)	408,480
Energy Usage – Natural Gas (kWh)	-
Energy Usage – Transport fuel (kWh)	45,682
Total Energy Use (kWh)	454,162
Total emissions (Tonnes CO <sub>2</sub> e)	137.4
Intensity metric: Market based emissions (tCO <sub>2</sub> e per £m)	0.7
Intensity metric: Location based emissions (tCO <sub>2</sub> e per £m)	1.7