

CANTERBURY OF NEW ZEALAND LIMITED

Registered number: 06931046

Section 172 Statement

The Companies (Miscellaneous Reporting) Regulations 2018 requires Canterbury of New Zealand 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 of New Zealand Limited captured by these regulations.

Extract from the Strategic Report for the 13-month period ended 31 January 2025

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 period, 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 intermediate 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 products across our brands are manufactured outside the UK so it is important to ensure that we are compliant with legislative and regulatory requirements 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 manufacturing base 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. Since 2023 Pentland Brands, our brands portfolio manager and sister company, has 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 2024 activities) later this year, sharing how it is assessing salient risks, 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*

Sustaining long-lasting relationships with customers 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 customers' needs.

- *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.

To help its people with the cost-of-living crisis, Pentland Brands Limited applied an annual salary increase for all employees during the period. Pentland uses a fair and consistent approach globally to determine salary increases within each country it operates in. When reviewing, it considered the predicted full period inflation forecasts for 2024 and factored in other labour market insights with the aim to maintain salaries at a competitive level, while balancing affordability.

For 2025, a pay increase, informed by local inflation levels was applied to each of our markets, to reflect the different economic environment in each.

- *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.

Pentland Brands continues to enhance its brands by evaluating their impact, which is guided by its ambitious 100-1-0 positive business strategy. Pentland Brands is due to publish its annual Positive Business report (covering 2024 activities) later this year, which will share how it has worked towards achieving those ambitious goals. Once published, the report can be found on its website – pentlandbrands.com.

Through the Forward Fund, we distributed £10,000 to support initiatives within the rugby community. This included funding grassroots programmes aimed at increasing female participation in rugby, as well as providing essential kit to financially struggling clubs.

We also supported Advice Academy with £2,000 worth of kit to ensure children at state schools in Wales, where funding is often limited, have access to rugby and the opportunities it brings.

In 2024, the company partnered with English Premiership Women's Rugby to provide over 450 players across all nine clubs with three pairs each of high-performance rugby boots. This initiative addressed financial barriers faced by many athletes, ensuring access to elite equipment regardless of contract status. Tailored boot-fitting sessions were conducted to meet individual player needs. This partnership underscores Canterbury's commitment to inclusivity and the development of women's rugby at both grassroots and elite levels.

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 EMEA and ANZ Markets*

Recognising the distinct dynamics of the EMEA and ANZ markets, Canterbury now operates as two autonomous regions, each empowered to develop tailored, locally-driven strategies that better engage

local consumers. Strategic oversight continues to sit with the brand leadership team in Canterbury's New Zealand hub, while the EMEA hub will have greater independence in driving growth, effectively mirroring a 'licensor/licensee' model. This approach will enable a more focused and responsive path to market success.