

# URBN UK Section 172 Statement

Section 172 of the Companies Act 2006 requires a director of a company to act in the way he or she considers, in good faith, would most likely promote the success of the company for the benefit of its stakeholders as a whole. In doing this, section 172 requires a director to have regard, amongst other matters, to the:

- Likely consequences of any decisions in the long-term;
- Interests of the company's employees;
- Need to foster the company's business relationships with suppliers, customers, and others;
- Impact of the company's operations on the community and environment;
- Desirability of the company maintaining a reputation for high standards of business conduct;
- and
- Need to act fairly as between shareholders of the company.

In discharging its section 172 duties, the Board of Directors (the "Directors", collectively the "Board") of URBN UK Limited ("URBN UK" or the "Company") has regard to the factors set above. The Board also has regard to other factors which we consider relevant to the decisions being made, including the interests and views of the Company's customers, employees, suppliers and the Company's relationship with governments, regulators and non-governmental organisations. The Company acknowledges that every decision made will not necessarily result in a positive outcome for all its stakeholders. By considering the Company's purpose, vision, and values, together with its strategic priorities, and having a process in place for decision making, the Company aims to ensure that such decisions are consistent and predictable.

The Board recognizes that culture, values, and commitments are key contributors to how a company creates and sustains value over the longer term. The Company is committed to the encouragement of passion, creativity and entrepreneurial behaviours to provide a unique shopping experience while inspiring and connecting with its customers. It remains dedicated to fostering these key characteristics and behaviours in a collaborative environment that values a healthy work-life balance for employees and allows its various communities to connect and interact both professionally and socially. This culture of excellence and inclusion guides and assists the Board's decision making, and in doing so, helps to promote the Company's success, recognizing, amongst other things, the likely consequences of any decision in the long-term and wider stakeholder considerations. The standards and culture demonstrated by the Board guide the activities and behaviours of the Directors, the Company's employees and others associated with the Company.

As is customary for larger companies, authority for day-to-day management of the Company is delegated to its executives with engagement from management to set, approve and oversee execution of the Company's strategy and related policies. The Board is ultimately accountable to the Company's shareholders for the successful execution of the Company's strategy and for overseeing the Company's financial and operational performance in line with its strategic objectives. The Board actively meets with executives and management and receives regular reports on financial and operational performance,

sales and marketing, new business developments and business conducted. Over the course of the financial year, the Board also reviews other matters including the Company's business strategy, key risks, stakeholder-related matters and governance, compliance and legal matters.

Key stakeholders include the Company's customers, workforce, suppliers, its shareholder and the local communities in which it operates. The views of and the impact of the Company's activities on those stakeholders are an important consideration for the Directors when making relevant decisions. Often, due to the size and spread of both the stakeholders and the Company, stakeholder engagement takes place at the operational or group level in addition to direct engagement by the Board. For details on the different types of engagement that take place with the Company's stakeholders so as to encourage the Directors to understand the issues to which they must have regard, please refer to the Stakeholder Engagement Statement contained in the Director's Report.

During the financial period, the Directors regularly received information to help them understand the interests and views of the Company's key stakeholders and other relevant factors when making decisions. This information was communicated in a variety of formats including in reports and presentations on the Company's short- and long-term financial and operational performance, non-financial key performance indicators, evaluation of risks, and corporate responsibility matters. As a result of this, the Directors have had an overview of engagement with stakeholders and other relevant factors which allows the Board to understand the nature of the stakeholders' concerns and to comply with our Section 172 duty to promote long-term success of the Company and maintain a reputation for high standards of business conduct.

## **Key Strategic Decisions**

For each matter that comes before the Board, the Board considers the likely consequences of any decision in the long-term and identifies stakeholders who may be affected. The Board carefully considers their interests and any potential impact as part of the decision-making process.

The Company owns and operates an approximately 400,000 square foot omni-channel fulfilment centre in Peterborough, England. Construction of the facility completed in fiscal year 2022. This fulfilment centre enabled the Company to set up a customs warehouse at the site to improve duty efficiencies and cash flow. The fulfilment centre is highly automated, incorporates robotics and provides the capacity necessary to support the Company's fast-growing retail and direct-to-consumer businesses, as well as support to its European affiliate companies for many years to come.

Throughout the year the Company continued to expand its ecommerce presence throughout Europe. This was underpinned by the Company focusing on its ecommerce platform delivery by opening multiple local language websites in the year, expanding the payment options available to customers and investing in new returns options. Additionally, both the move to Peterborough Fulfilment Centre (PFC) and focus on European markets has driven improved speed to market.

The Company is now in the process of setting up a new fulfilment centre in the EU, known as NL1. This will be set-up in Netherlands. The new fulfilment centre NL1 will use the Company's current interfaces and it will receive customer returns from the EU and fulfill from there.

The Company, along with the URBN Group, remains committed to creating and maintaining an inclusive culture that values and respects diversity of all kinds. Women hold key leadership positions throughout

the Company, including positions on our Board of Directors and executive team. Our diversity and inclusion commitments focus on building an inclusive community, finding and developing the best talent possible and supporting our local communities. In July 2020, we created a Diversity & Inclusion Committee that is tasked with reporting and recommending actions aligned with those commitments to our executive team. We include diversity and inclusion initiatives as bonus goals for members of the executive team to drive progress to our goals. We have offered bias training to our entire field and home office organisation and fulfilment centre management. We have integrated diversity and inclusion fundamentals training into the onboarding experience for all home office employees, as well as field and fulfilment centre salaried new hires and have engaged with various organisations to support our talent acquisition and development efforts in this space. In fiscal year 2026, the Diversity & Inclusion Committee will continue partnering with the Company's executive leadership to support and engage our diverse employees and expand the pool of available diverse talent in the fashion industry.

On 12 March 2020, the board authorised the Company to enter into two separate but substantially identical US\$40m unsecured and short-term revolving loan agreements with the Company, as borrower, and each of U.O. Fenwick, Inc., a U.S. affiliated company, and HK Sourcing Limited, a Hong Kong affiliated company, each a lender (the "Revolving Loan Agreements"). The purpose of the Revolving Loan Agreements was to promote the success of the Company for the benefit of its members as a whole and to ensure the continuation of regular business operations through the challenges of the COVID-19 pandemic.

After the execution of the Revolving Loan Agreements, the Company borrowed US\$25m on 23 March 2020 and US\$2.5m on 16 October 2020 under the agreement with HK Sourcing Limited. During fiscal year 2022, the Company borrowed US\$5m on 23 March 2021 and US\$5m on 19 April 2021.

In 2024, the loan agreement with HK Sourcing Limited was extended, and the other was repaid in full and terminated as it was no longer required. The amount repaid was US\$14.0M during fiscal year 2024. The amounts owed of US\$14.0M to HK Sourcing were still outstanding at the end of the year.

During the first quarter of fiscal year 2025, URBN UK Limited borrowed an additional \$5 million under the revolving credit line with HK Sourcing, but subsequently repaid this advance in the fourth quarter, leaving the final balance outstanding at July 31, 2025 at \$14 million.