

Section 172 Statement

This statement summaries how the Directors have exercised their duties with regard to the matters set out in section 172 (a to f) of the Companies Act 2006.

We recognise that FatFace is run for the benefit of shareholders, but that the long-term success of the Group is reliant on the fostering and nurturing of relationships with a variety of stakeholders and the consideration of the impact of activities on them.

Our Directors 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 between members of the company.

Our stakeholders

The Board considers the interests of all key stakeholders in decision making and seeks to understand their interests via direct engagement by Directors and receiving reports and updates form members of management who engage with such groups.

The Directors consider that the following are the Group’s key stakeholders:

- Shareholders – Focused on building a strong brand that will generate value in the medium term.
- Our Crew – The strength of our business depends upon the hard work and dedication of our crew in our stores, distribution centre and head office.
- Our Customer - Passion for our customers is truly at the heart of everything we do, it is vital we continue to meet their needs.
- Being sustainable – We are committed to minimising and ultimately offsetting any detrimental effects our operations may have on the environment and creating a sustainable future for the business.
- Our Suppliers - A strong, trusted, and transparent supply chain is integral to our success as a retailer.
- Regulation – We seek to build a cooperative relationship with regulatorily bodies and maintain compliance with current legislation.

| Stakeholder Group | Key board decisions | Considerations |
|-------------------|---|--|
| Shareholders | <ul style="list-style-type: none"> • During the year, FatFace ownership transferred from Bridgepoint to our banking syndicate. A new Board was subsequently formed allowing the new shareholders’ interests to be considered as part of all Board’s decisions. • FatFace also undertook a restructure of the balance sheet, with new £25m debt facilities replacing the existing debt, including £15m of new money being made available to aid the capital position of the Group. | The requirement to ensure that the Group had an appropriate level of debt and could survive the negative impacts from Covid-19 such as the temporary closure of stores. |
| Our Crew | <ul style="list-style-type: none"> • Without an engaged Crew, the FatFace business could lose some of its competitive advantage. • Covid-19 has enhanced the importance of health, safety, and wellbeing of our crew. Comprehensive support for colleagues whilst working remotely has been provided, including enhanced and extended flexible working arrangements, upgraded IT equipment, and tools and support to assist with mental health. | The commitment to our crew has been to ensure strong communication in what we are doing and ensuring they were fully engaged in the right sizing of the business following Covid-19. |

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| | <ul style="list-style-type: none"> • Our head office and stores have been restructured to ensure Fat Face is viable in the medium to long-term providing stability and future opportunities to our crew. | |
| Our Customers | <ul style="list-style-type: none"> • The Board is focused on growing the Digital business by increasing customer engagement via websites and social media platforms. • Improving our services offered to our customers by developing existing channels such as Order in Store to provide as much flexibility to our customers as possible. | The requirement to prioritise the safety of our customers remains key and the need to service that customer in multiple channels will be important over the coming years. |
| Being Sustainable | <ul style="list-style-type: none"> • The Board have set stretching goals with the new 2025 strategy. This will utilise the lessons we've learned so far and target our activity to areas of the business where we can have the greatest impact. Refer to the Sustainability section. | The impact of business on the planet is now a key consideration across all stakeholders. |
| Our Suppliers | <ul style="list-style-type: none"> • As a result of Covid-19 we have worked with our partners collaboratively to reach fair conclusions across a number of areas. • Ongoing discussions with landlords around fair and equitable lease arrangements are being undertaken across the estate. | The requirement to balance the needs of the business with that of our suppliers has been key over the period ensuring that both parties achieve their desired outcome wherever possible. |
| Regulation | <ul style="list-style-type: none"> • With the help of external advisors the Board is updated regularly on potential regulatory changes. • During the year the Board conducted an assessment of FatFace's sanctions risks by working with external legal advisers to develop, establish, adopt, implement and maintain tailored and risk-based policies, procedures and controls designed to ensure compliance. • Ongoing compliance with data protection is monitored and audited to remain compliant with Data Protection Laws. | Non-compliance can impact stakeholders reputationally, legally and financially. |