

A hand on the left side of the frame holds a large, flowing piece of green fabric. The fabric is draped and billows across the middle of the image. In the foreground, several dried, brown flower heads on thin stems are visible, some in focus and some blurred. The background is a clear, bright blue sky with a few wispy white clouds. The overall mood is serene and natural.

FATFACE

OUR ENVIRONMENTAL, SOCIAL AND GOVERNANCE IMPACT REPORT

JUNE 2022 – MAY 2023

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ABOUT THIS REPORT

We are delighted to publish our third Environmental, Social and Governance (ESG) Impact Report. The scope of this Report runs from June 2022 to May 2023 and highlights the work that we have carried out over the course of the last year to generate positive change in the communities that we operate in and for the planet.

This report has been compiled in accordance with our Corporate Governance Policies which are aligned to statutory regulations, industry standards, and national policies, agendas, and recommendations. Consistent with the broader national and international Sustainable Development Agenda, our Corporate Governance Policies form the basis of our ESG approach in accordance with the Climate Change Act (2008) and the 2030 Agenda for Sustainable Development adopted by all United Nations Member States in 2015 underpinned by the Sustainable Development Goals (SDGs). All our greenhouse gas (GHG) emissions data has been prepared in line with the statutory Streamlined Energy and Carbon Reporting (SECR) standards and calculated in line with the GHG Protocol.

At FatFace, we firmly believe that businesses can be a force for positive change and this is why we have made sustainability a core element of our business, our culture and our people. We all have an obligation to protect and strengthen

the environment and communities in which we operate for future generations.

We believe that customers have a choice and that they will ultimately choose to shop from brands that are operating responsibly and trying to make a positive difference to society and our planet.

Our three-pillar approach was created because we understood the importance of bringing focus and direction to our existing sustainability endeavours; enabling us to set direction to further reduce our impact on the environment and to enhance positive impacts for the communities in which we operate; both in the UK as well as with our supplier partnerships.

Our approach to sustainability will continue to evolve to ensure that we are constantly moving forwards. This last reporting period we were delighted to become B Corp certified, putting our brand in the upper echelons of responsible business. With certification, we have enshrined the values of purposeful business within our articles of association, and we are now legally bound to consider the impact that our business has on all stakeholders and not only shareholders.

We hope you enjoy reading more about the progress that we have made over the course of the last year.

A MESSAGE FROM OUR CEO



Welcome to the 2023 FatFace ESG report. We are proud to update you on the progress our business has made over the last 12 months in developing our ESG (Environmental Social Governance) performance.

The fashion industry has quite rightly come under great pressure in recent years when it comes to ESG-related challenges. Recent World Bank figures estimate that the fashion industry is responsible for 10% of global carbon emissions. Further scrutiny has also been placed on the fast pace of production, labour practices and the impact on biodiversity.

As an international fashion business, we have both the responsibility and the ability to create change. Two years ago, we launched a sustainability strategy focused on three pillars – product, planet and community - with clear targets to reach by 2025.

We committed to continue to work closely with our supply chain on assessing and improving our impact and in the spirit of transparency, we have now published our Tier 1 supplier list on our website. Going deeper into the supply chain, we are embarking on a project to map the suppliers below Tier 1 to further understand our sourcing base.

In product, we continue to look at ways we can design in a way that reduces impact and integrates more responsible materials. This year, we have launched a number of initiatives to support the circularity model including our repairs service in partnership with The Clothes Doctor, offering customers a service to extend the life of their much-loved clothes. Alongside this, we have continued our partnership with Thrift+, encouraging the recycling of clothing through our PreLoved platform.

Across our community pillar we commit to work with honesty, integrity and passion to be a retailer and brand that is kinder to our planet and its people. Over the last year, we have continued with this journey and are pleased with the progress we have made. This was recognised when we were named in the Sunday Times' Best Place to Work 2023 list, which aims to recognise and celebrate organisations that have consistently had high levels of colleague experience and wellbeing in the UK. This was a colleague voted award and one that we are incredibly proud of!

We have also continued our community commitment to “change lives wherever FatFace goes”. FatFace and our FatFace Foundation have now raised and donated over £2 million since the Foundation launched to help support charitable partnerships including The Prince’s Trust, Shelter, Marine Conservation Society and numerous other important causes. Over the last 12 months we have also responded to major events in Ukraine, Turkey and Syria, providing support where we could.

We are delighted that this year we were recognised as part of a global community of businesses that meet high standards of social and environmental impact and given B Corp certification. From our responsible sourcing practices, climate conscious initiatives and inspiring charity partnerships to the wonderful people who are driving change across our business and in our local communities, gaining B Corp certification is a celebration of all that we stand for. It is an outstanding achievement for everyone at FatFace - not only does it honour our commitment to a better future, but it provides a framework for continuous improvement.

As I look back over the last year, I am immensely proud of the progress we have made towards our 2025 goals. I am also filled with a passion to go even further with our ESG commitments to continue this momentum and set new ambitions to drive the agenda forward in years to come. I look forward to reporting back on our progress again next year.

Will Crumbie – CEO



**DEVOTED TO STYLE.
DEDICATED TO SUSTAINABILITY.**

We fundamentally believe that fashion shouldn't cost the earth – which is why we all need to play our part in protecting the planet. At FatFace, sustainability and style go hand in hand. We proudly make clothes for our customers to live life in. All day, every day.

**CONSIDERED STYLE.
TRUSTED QUALITY.
RESPONSIBLY SOURCED.**

Our sustainability journey began in 2008, making us an early starter in the field. Since then, we have focused our attention on improving to make our business more sustainable each year. We have been making great strides to set stretching sustainability goals and working hard with honesty, integrity, and passion to make the most sustainable choices for our product, our planet, and our community.

Our current Three Pillar Strategy was developed for 2021-2025 and sets the framework for our sustainability approach, operating as a core aspect of our business strategy.

Our journey so far



OUR 2023 HIGHLIGHTS





100% OF OUR COTTON FROM MORE RESPONSIBLE SOURCES.

38% POLYESTER FROM RECYCLED SOURCES UP FROM 28%.

Over 80% of our products now have a sustainability certification.

 **PRODUCT.**

Published our Tier 1 supply chain list on our website.



74% Viscose from more responsible sources up from 48%.

 **60% LEATHER FROM LEATHER WORKING GROUP TANNERIES UP FROM 43%.**



Our customers have donated **8,752 items** of clothing to charity via Thrift+.



IN APRIL 2023 WE BECAME A CERTIFIED B CORP.



We are carbon neutral (Scope 1&2) for the third consecutive year.

Our new home compostable bag is one of the ways we are working towards eliminating single use plastic across our business.



PLANET.

Scope 1, 2 and 3 emissions (SECR) reduced against our base year for UK operations.



WE NOW OFFER MORE CARE ADVICE TO CUSTOMERS TO IMPROVE THE LONGEVITY OF THEIR PRODUCTS.

Over 38% of our general waste is converted to energy.

Our e-commerce delivery bag is made from 95% recycled materials with up to 30% of our own plastic waste.



WE RECYCLE 58% OF THE WASTE WE PRODUCE.

THROUGH BOTH
OUR FOUNDATION
AND CHARITY WORK
FROM FAT FACE LTD,
WE HAVE DONATED
£460,996
TO CHARITY THIS
YEAR.

AS PART OF OUR
DONATE A DAY
PROGRAMME WE
DONATED
227 DAYS
TO CHARITY.



£50,000 donated towards improving the conditions of a government school in India and funding a scholarship programme with one of our longest-serving suppliers.



£50,000 donated to The National Forest, continuing progress with our forest Minorca Wood, home to 60,000 trees.



COMMUNITY.

**WE CREATED POLICIES
TO SUPPORT EMPLOYEES UNDERGOING
FERTILITY TREATMENT
OR WHO HAVE SUFFERED BABY LOSS.**

£30,000 donated to Hampshire and IOW Wildlife Trust to support their Solent Seagrass Restoration Project.

OUR TRUSTPILOT SCORE HAS
MOVED FROM
4.5 TO 4.6
IN THE LAST YEAR.



**FATFACE DONATED £20,000
TO SUPPORT VICTIMS AFTER THE
EARTHQUAKE IN TURKEY AND SYRIA.**

DEDICATED TO CHANGE:

OUR SUSTAINABILITY MANIFESTO.

- 1. WE'RE COMMITTED TO DOING BETTER, AND WE PROMISE TO MAKE THE BEST CHOICES FOR OUR PRODUCT, OUR PLANET, AND OUR COMMUNITY.**
- 2. WE WILL CONTINUE TO WORK CLOSELY WITH OUR SUPPLY CHAIN ON PEOPLE AND PLANET ISSUES.**
- 3. WE WILL CONTINUE TO LOOK AT WAYS WE CAN DESIGN PRODUCTS TO BE LESS IMPACTFUL, AND THAT WILL USE MORE RESPONSIBLE MATERIALS.**
- 4. WE WILL WORK WITH HONESTY, INTEGRITY, AND PASSION TO BE A RETAILER AND BRAND THAT IS KINDER TO OUR PLANET AND ITS PEOPLE.**

OUR THREE PILLAR STRATEGY

The centrepiece of our sustainability approach is our Three Pillar Strategy which focuses on our product, the planet, and the communities that we operate in. Developed in 2021, this strategy provides the fundamental framework that supports our sustainability goals and commitments. Developed collaboratively by all functions across the business, we wanted to ensure ownership of our targets and empower champions who would drive progress to achieve our goals.

Within each function there are champions who are accountable for ensuring we continue to work towards our sustainability goals.



THREE PILLAR STRATEGY



PRODUCT.

We're committed to using more sustainable materials.

Includes our supply chain, our raw materials, the workers, and the impact that manufacturing has.

- What we buy
- Where we buy it from
- How we sell it



PLANET.

We're committed to reducing our impact on the planet.

This is our business impact, through our controlled operations, the energy we use and the waste we generate including:

- How we run our properties
- How we move our products
- How we use energy and process waste



COMMUNITY.

We're committed to supporting our local communities

This is our own people, our manufacturing partners and the communities we touch via our offices, physical stores and online communities as well as charity partners, including The FatFace Foundation.

- How we operate in and give back to local communities
- Colleague development on sustainability

COMMUNICATIONS

This is the way we talk to our customers, crew and stakeholders. These are the channels that we use to support the celebration of progress made in the three pillars.

Find out more
[FATFACE.COM/SUSTAINABILITY](https://fatface.com/sustainability)

100% of our cotton has been responsibly sourced since 2019



HEADLINE OBJECTIVES: BY 2025 WE WILL HAVE:

PRODUCT

1. Committed to increasing our use of sustainable materials:
 - 100% of our Cotton products will be from more sustainable sources
 - 100% of our Polyester products will be switched to recycled
 - 100% of our Viscose products will be from sustainable sources
 - 100% of our Linen products will be from sustainable sources
 - 100% of our Leather products will come from LWG tanneries
2. Expanded our supplier engagement programme to include goods not for resale (GNFR)
3. Focused our buying decisions to prioritise our 'gold standard' suppliers
4. Publicly disclosed our first-Tier product supply chain

PLANET

1. Achieved zero waste to landfill
2. 100% of energy powering our head office and stores will come from renewable sources
3. Eliminated single use plastic in our business
4. Become a carbon neutral (Scope 1&2) business

COMMUNITY

1. Created a sustainable fundraising stream to donate 1% profit per year to our chosen charities
2. Donated 10,000 days to local charities and chosen partners
3. Worked with key partners to support underprivileged communities to provide opportunities that may otherwise be out of reach

COMMUNICATION

'Sustainable' and 'FatFace' will be synonymous in our customers' minds.

SPOTLIGHT:

It was
meant to B...

Certified



Corporation

WHY DID WE CHOOSE B CORP?

- ✔ FATFACE HAS ALWAYS BEEN FOCUSED ON SUSTAINABILITY. IT IS A BIG PART OF WHO WE ARE
- ✔ WE WANTED TO SEE HOW WE MEASURE AGAINST SOME OF THE MOST RESPONSIBLE COMPANIES IN THE WORLD
- ✔ WE WANTED TO SEE WHAT WE ARE DOING RIGHT AND WHAT WE CAN IMPROVE ON
- ✔ WE WANT TO COLLABORATE WITH OTHER COMPANIES ON THE SAME JOURNEY AS US AND MAKE A DIFFERENCE IN THE WORLD

Our most notable sustainability achievement this year was becoming a B Corp certified business, achieving the accreditation in April 2023. This is fantastic recognition for the brand and reflects the progress we’re making against our sustainability agenda. We’re proud to be counted among businesses that are leading a global movement for an inclusive, equitable, and regenerative economy.

Making the transition to B Corp certification was a fundamental part of our long-term sustainability strategy, and we are now well-placed alongside renowned business leaders in the sustainability space.

Certified B Corporations are businesses that meet the highest standards of verified social and environmental performance, public transparency, and legal accountability to balance profit and purpose. The process to become a B Corp is exacting, beginning with a self-assessment, and ultimately ending with a company changing their articles of association to enshrine purpose within their business model.

To qualify as a B Corp, a company must undergo a rigorous assessment and meet the strict criteria to reach the 80-point acceptance score. Companies are assessed across five key areas: Governance, Workers, Community, Environment and Customers and must provide evidence of socially and environmentally responsible practices, including energy supplies and carbon emissions, waste and water use, worker compensation, diversity, and corporate transparency. Importantly, B Corp places a lot of emphasis on measuring actual impact, and on

what you have done already, rather than what you are planning to do.

The central ethos behind the B Corp movement is a drive away from shareholder primacy towards an economy that focuses on the wider benefits that it can bring to all stakeholders. To become a B Corp business, there must be an official change to company bylaws that makes a commitment to maximise shareholder value and pledges to have a material, positive impact on both society and the environment.

But B Corp accreditation is not the end of the line for us. To maintain certification, Certified B Corps must update their B Impact Assessment (BIA) and verify their updated B Impact score every three years, ensuring that we continue to be accountable to the commitments that we made. We are looking forward to using our B Corp certification as a benchmark to make annual improvements to how we do business.



THE ASSESSMENT LOOKS AT IMPACT ACROSS THE BUSINESS



1

GOVERNANCE



2

WORKERS



3

ENVIRONMENT



4

COMMUNITY



5

CUSTOMERS

SUPPORTING THE SDGS

The Sustainable Development Goals (SDGs), or global 'goals', are a collection of 17 interlinked targets designed to be a "blueprint for achieving a better and more sustainable future for all." We understand the urgency that needs to be taken to meet the SDGs. In the 2023 UN SDGs Progress Report, UN Secretary-General Antonio Guterres claimed that the UN had stalled or gone into reverse on more than 30% of the SDGs.

At FatFace, we utilise these goals as a means to frame our sustainability work. We have identified and monitor six SDGs where we feel that we are best positioned to have the most significant impact and have measurable targets into how our actions contribute toward fulfilling the Goals.





**Key focus areas –
Our business**

- We ensure that we offer our employees financial wellbeing support in areas such as financial planning and managing debt

**Key focus areas –
Our Supply Chain**

- The FatFace Way of Life sets out our expectations that workers in our supply chain are paid fairly. Pay is checked rigorously during Sedex Members Ethical Trade Audits (SMETA) and our deeper Verification Assessments

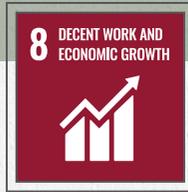


**Key focus areas –
Our business**

- Provide health and wellbeing support to our employees and recognise the importance of specific areas such as positive mental wellbeing

**Key focus areas –
Our Supply Chain**

- We uphold ILO (International Labour Organisation) and ETI Base Code (Ethical Trading Initiative) standards and ensure health and safety regulations in our textile and garment factories are strictly audited by third party authorities



**Key focus areas –
Our business**

- We support young people through offering apprenticeships and work experience as well as undertaking presentation discussion sessions in various high schools

**Key focus areas –
Our Supply Chain**

- As a member of the ETI (Ethical Trading Initiative), we fully support their standards to uphold human rights and counter modern slavery in our supply chain



**Key focus areas –
Our business**

- Our customers are encouraged to use and care for the products they buy from us in a way that extends product life to reduce waste

- We demonstrably act, through effective waste management, to follow the waste hierarchy

**Key focus areas –
Our Supply Chain**

- We work closely with our suppliers to ensure our materials are sourced responsibly, sustainability claims independently certified and that strict processes are adhered to



**Key focus areas –
Our business**

- We are committed to climate action and will maintain a carbon neutral status for business operations year on year (Scope 1&2)

- We use accredited offsetting projects to counter residual emissions

- We pursue an additional long-term offsetting strategy through our partnership with the National Forest



**Key focus areas –
Our business**

- FatFace is committed to protecting natural resources and will responsibly source all land-based raw materials. We are proud that since 2019, 100% of the cotton for our cotton products is more sustainably sourced through our partnership with Better Cotton and using the Organic Content Standard (OCS) which verifies organically grown material and tracks it from source to final product. We are expanding our programme to include more of our commonly used raw materials. We use more responsibly sourced materials with reduced environmental impact wherever we can in our supply chain and have set targets for all of our most commonly used input materials



PILLAR ONE: PRODUCT.

2023 PRODUCT HIGHLIGHTS



We have increased the % of more responsibly sourced raw materials in our products



We are now stocking a range of specialist aftercare products



Product care tips have been introduced on to our website to extend product life



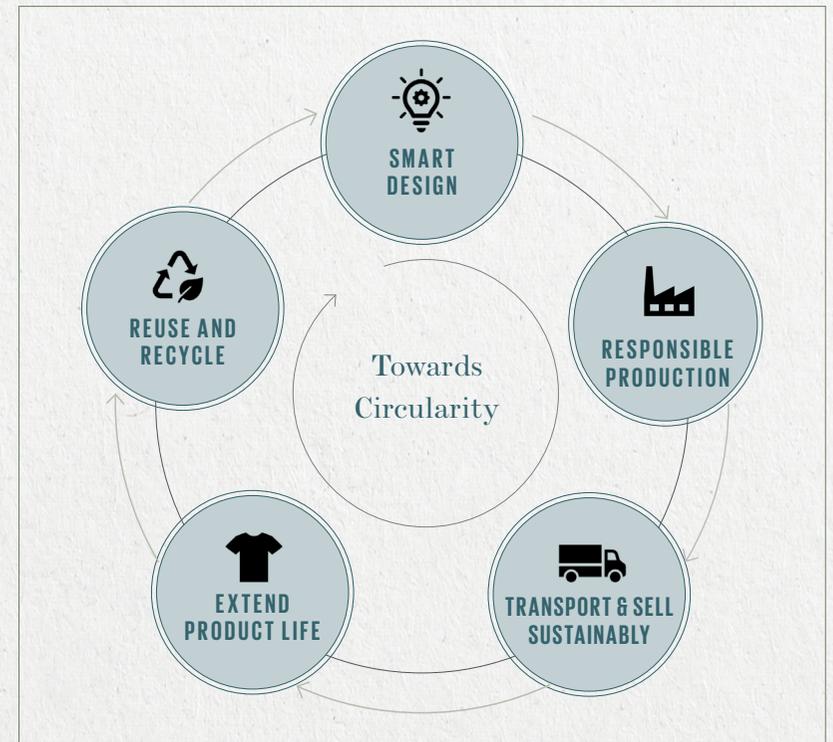
We are planning on launching an affordable repair service for customers in 2023

OUR COMMITMENT IS THAT BY 2025 WE WILL HAVE:

- Increased our use of sustainable materials:
 - 100% of our cotton products from more sustainable sources
 - 100% of our Polyester products will be switched to recycled
 - 100% of our Viscose products will be from more sustainable sources
 - 100% of our Linen products will be from more sustainable sources
 - 100% of our Leather products will come from LWG tanneries
- Expanded our supplier engagement programme to include goods not for resale (GNFR)
- Focused our buying decisions to prioritise our 'gold standard' suppliers
- Publicly disclosed a list of our Tier 1 suppliers

CIRCULARITY IN OUR PRODUCTS

We recognise at FatFace that it is important that we move away from a linear model towards a more circular concept for the way we design, produce, and encourage the disposal of our products. We are not a fast fashion brand and truly believe that our products should be made to last for the long term. By focusing on how we choose materials, how natural resources are managed, how we value human resources, and how we educate and empower our customers to ensure our products are used and disposed of responsibly, we can continue to strive toward creating a more circular model in the future.



OUR 2023 UPDATES

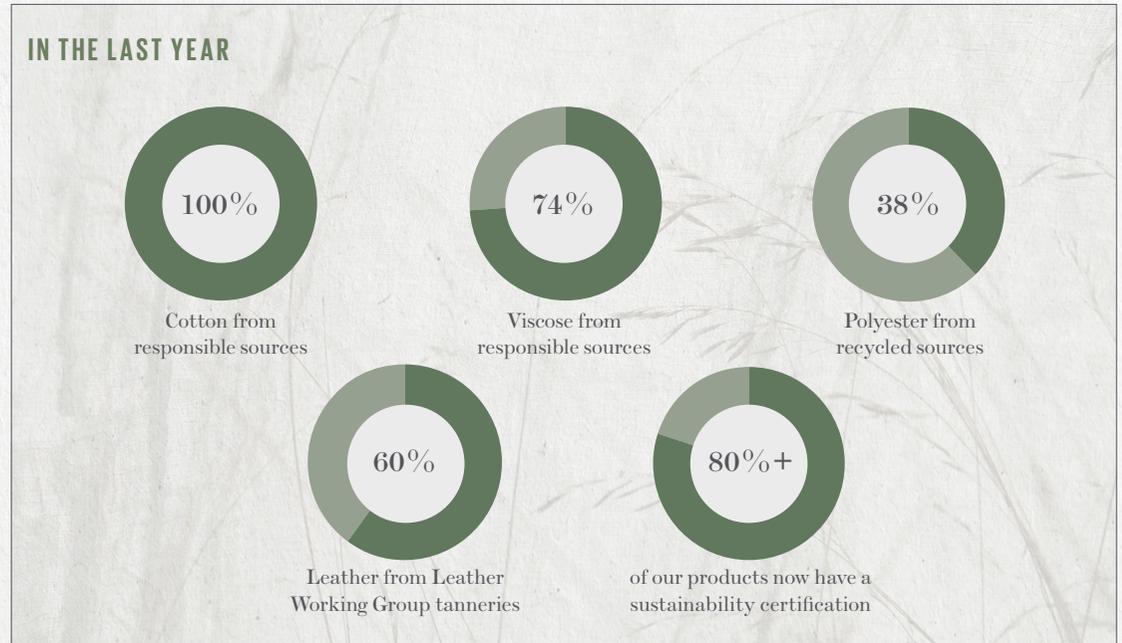
At FatFace we know we have a responsibility to our planet and to each other. Yes, we make clothes. But we want to make clothes that last, are great quality, and are made in the most ethical, responsible way possible.

Our Product pillar covers what we buy and where we buy it from. We want our products to be made using the most sustainable materials that we can source and choosing raw materials that have a lower impact than conventional options.

We are continually looking at ways we can improve. Last year we started selling sustainable and ecofriendly clothing care products in collaboration with the Clothes Doctor, which have been popular with our customers. These products help to prolong the life of clothing and reduce washing and therefore water usage.

As a responsible retailer, we understand that our customers and stakeholders expect us to be transparent about how we operate. Our Tier 1 suppliers are involved in garment production as well as packaging and storage. Our Tier 2 and Tier 3 suppliers produce the raw materials for our garments as well as spinning, weaving, knitting and dyeing material. In 2022, we took the decision to publish details of all Tier 1 factories on our website to improve transparency. This includes a breakdown of factory addresses, product categories and number of workers by gender at the factory level. We also uploaded our data to the Open Supply Hub which is a collaborative supplier partnership mapping platform which is used by multiple retailers.

Our recent focus has been on achieving greater transparency deeper into our supplier network. In 2022, we mapped our Tier 2 supplier partnerships to gain full visibility so we could understand our most significant risks. We conducted an active trial in Turkey by auditing a sample of Tier 2 factories for modern slavery and human rights risks, using our trusted audit partner The Reassurance Network (TRN).



Whilst we did not find any signs of modern slavery or critical human rights violations, we did take away the following reflections:

- There is a higher turnover of factories below Tier 1, and it is more challenging to keep track of the supply base down to this level
- Our leverage with suppliers decreases, the more remotely we are connected within the supplier network
- Tier 1 suppliers, naturally have more influence over their supplier relationships and we will, in future, rely on them to work with us to create an agreed approach to sustainability throughout the entire relationship network

Based on our trial findings, this has informed our approach and methodology for 2023-2024, as we roll out Tier 2 assessments to other countries. Our aim is to re-map our Tier 2 suppliers annually so we have better sight of a moving supply network, and we will be investigating systems to support our work. We also plan to upskill our Tier 1 suppliers by providing bespoke in-country workshop knowledge sharing for suppliers in our main sourcing bases in China, India and Turkey and online workshops for the rest of the world.

SUPPLIER NETWORK

OUR SOURCING POLICY

FatFace currently works with 144 garment, shoes, and accessories factories across 14 countries.

We continue to nurture long-term relationships with our suppliers, placing great emphasis on partners who share our values and responsible approach to business.

We continue to seek out partners who strive to meet our high quality and ethical requirements and recognise our shared duty to promote positive social and environmental footprints.

The 'FatFace Way of Life' is our supplier code of conduct and is a foundational document that sets a baseline for all our commercial relationships. Suppliers and factories are required to sign up and adhere to this code and provide an annual ethical audit assessment. We set best practice standards for the types of audits we will accept, and once the audit has been completed and reviewed, we work with factories to resolve any non-compliances that have been raised.

RESPONSIBLE PRODUCTION

The longevity of our relationship with our suppliers provides us with a robust framework for our production practices with an average relationship of 13 years. We've been working with our top 20 suppliers for a combined time of 260 years, and we pride ourselves on these incredible, invaluable relationships that continue to build our brand. As active members of the Ethical Trading Initiative (ETI), we only work with suppliers who share our values and seek to meet our high-quality and ethical requirements.

We continue to train and educate our procurement team on responsible buying practices in partnership with the Better Buying Institute, a survey system whereby suppliers can report anonymously to brands about buying practices without putting business relationships at risk.

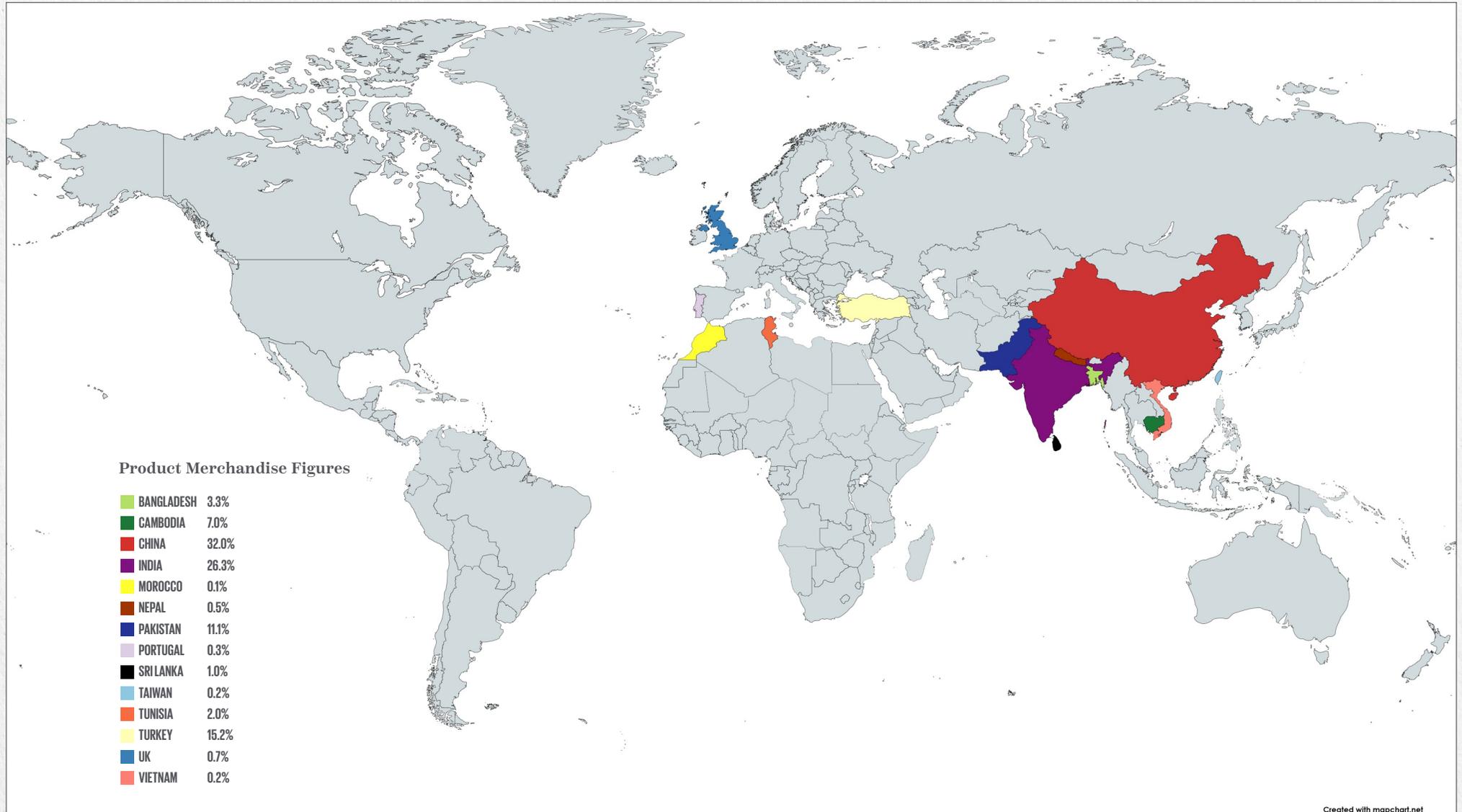


The ETI is a leading alliance of companies, trade unions and NGOs that promotes respect for workers' rights around the globe with a vision of a world where all workers are free from exploitation and discrimination and enjoy conditions of freedom, security and equity.

PRODUCT SOURCING BY COUNTRY

Overview of our Tier 1 manufacturers

FatFace's supply chain factory locations span 14 countries across the world



MANAGING RISK IN OUR SUPPLY NETWORK



As an international fashion business our supply network is both large and geographically diverse. Respect for human rights is critical to us at FatFace. It is a central aspect of how we operate as a responsible business throughout our organisation and in our engagement with our supplier partners. Every human being has the right to be treated with dignity and respect. We are committed to ensuring this takes place by upholding all internationally recognised human rights principles in the Universal Declaration of Human Rights and the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work. Our supplier due diligence approach is to identify and manage the risk of harm in areas such as unsatisfactory working conditions, discrimination, modern slavery, human trafficking, and forced or bonded labour.

To understand risks in our supply network we carry out a thorough risk assessment to identify where the biggest signs of Modern Slavery and Human Rights violations could be occurring. Using existing commercial information collected as part of our Responsible Sourcing programme we have identified the 6 main sourcing countries for FatFace. For this initial phase of the process, we have focused our efforts on these countries, which represent 92% of our factory base and 93% of our FY23 buy value.

- Using the sectoral and country specific risk assessment from 2021 as a baseline, this has been built upon using a range of indices and data:
- Original risk assessment (2020 Global Slavery Index & OECD Guidelines)
- Country/ Sector/ Inherent risks using 2023 Sedex Radar Tool
- ETI Brand comparison tool
- FatFace audit reports (Tier 1 findings)
- Transparency Index (Corruption)

This year we have carried out the following measures to improve transparency within our supply chain:

- Created risk map by top 6 countries and where our influence is greatest
- Remapped our supply chain and given clear guidance to suppliers on Tier definitions
- Expanded our Root Cause Analysis & Factory Improvement Programmes
- More information can be found in our Modern Slavery Statement.



ENSURING FAIR AND SAFE WORKING CONDITIONS

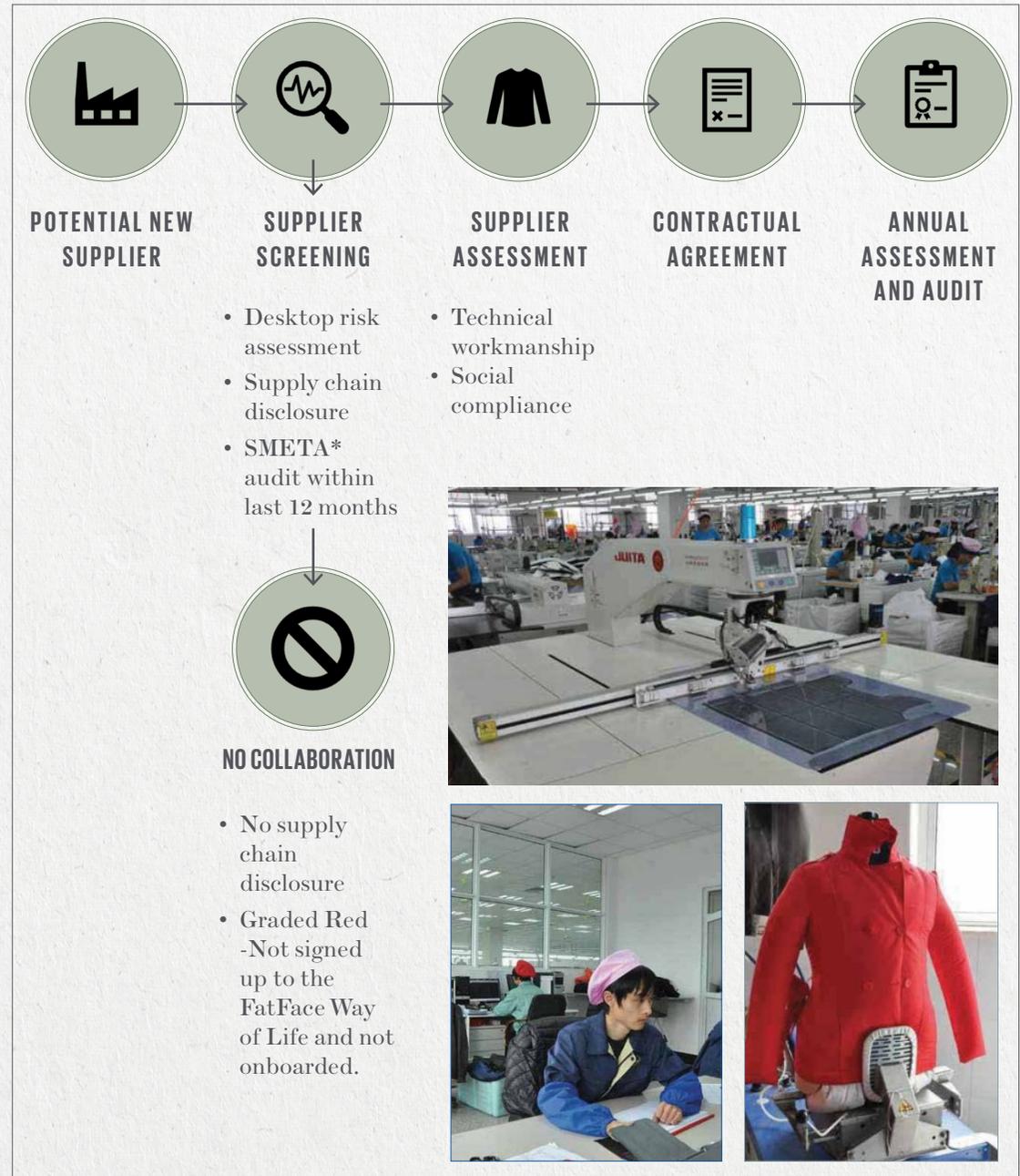
At FatFace, we are adamant that our garments are produced ethically and that the factories comply with national and international legislation. Our Supplier Code of Conduct, The FatFace Way of Life, forms the foundation of our programme to ensure working conditions where FatFace products are made are safe and fair to employees. We have strict requirements that suppliers and subcontractors must comply with through our onboarding procedures. In FY22/23 we had a total of 4 new suppliers who came on board.

FACTORY ASSESSMENT AND AUDIT

Our code of conduct, The FatFace Way of Life, is central to our relationships with suppliers and factories. It lets them know what we expect regarding working conditions and business practices. All our suppliers and factories must declare that they understand and will follow the requirements. Under the following headings, the standards are based on universally recognised standards such as ILO conventions, the ETI Base Code and UN Sustainable Development Goals.

- Employment is freely chosen
- Freedom of Association and the right to collective bargaining are respected
- Working conditions are safe and hygienic
- Building and fire safety
- Child labour shall not be used
- Living wages are paid
- Working hours are not excessive
- No discrimination is practised
- Regular employment is provided
- Sub-contracting and homeworking
- No harsh or inhumane treatment is allowed
- Entitlement to work and migrant labour
- Protecting our environment
- Bribery and corruption

Supplier screening diagram.



*Sedex Members Ethical Trade Audit

Case study 1:

FACTORY IMPROVEMENT PLAN

- Critical issues found in a factory specifically around transparency for example inaccurate record keeping, high and inconsistent amount of overtime which was not in line with our code of conduct
- Our approach was not to walk away but work with the factory to support them. We agreed to adopting a factory improvement programme using our trusted partner TRN and to share the cost to show commitment from both parties
- TRN spent 7 days over a 6 month period supporting, training and working closely with the factory through physical visits and online training
- One of the identified areas was that there was an increase in overtime as the raw material was not being quality checked properly at source. By implementing workflow and role accountability this root cause was resolved saving 15 days lead time and reduced one of the contributing factors to overtime
- Overall the number of non-compliances reduced by 86% and a monitoring programme has been agreed and put into place

KPIs for our Suppliers:

- Sustaining an appropriate corporate governance structure
- Upholding a declaration of commitment from our suppliers
- Closely monitoring performance against our supplier code of conduct
- Monitoring risk beyond our Tier 1 suppliers
- Tracking and reporting on the issues which highlight risks of or are symptomatic of Modern Slavery and the remedial action taken.
- Maintaining internal staff training levels, with a focus on those procuring product

Case study 2:

WORKING HOURS

- Working hours in China is a key issue in relation to the application of the Ethical Trading Initiative (ETI) Base Code in some Chinese factories. There are many instances of reported long working hours, which are in breach of both national law and the Base Code
- Addressing this issue is very challenging as there are a number of factors that need to be dealt with along with regulation enforcement
- One of the factories in China had high overtime hours that weren't in line with our code of conduct or national law
- As we are only a relatively small customer of this factory, we took the approach to collaborate with another brand, and talk to the supplier directly about the issues we were seeing and understand the root causes together
- Through a joined up approach and assessment of the root cause, we managed to improve transparency and agree a fair balance between overtime hours and safety of the workers. We had to ensure the appropriate safeguards were taken and the working hours were set out in a collective agreement which was freely negotiated

We recognise that we cannot tackle human right issues alone, so it is important for us to work with others to develop solutions for some of the more complex and systemic problems found within our supply chains. We place significant value on working with others to develop solutions, maintaining direct relationships, and engaging in collaborative efforts.

This approach allows us to genuinely improve the wellbeing of workers in our supply chain.

Case study 3:

COLLABORATION

- Our factory in Cambodia has two separate trade unions established by the workers themselves, with the workers actively choosing their leaders
- One trade union is named the Worker's Democratic with 160 members and the other is named Worker's Strength which has the rest of the workers. 100% workers joined the two trade unions, and both have signed the Collective Bargaining Agreement with the Ministry of Labour
- Both trade union leaders have been working with the factory since 2016 and both are group leaders in the production units. Trade union members paid 2000r (\$0.50) membership fee per month, the fees are used to support workers who are in need when they are sick or give birth for example. When someone needs more than the trade union can support, the whole factory has been seen to contribute voluntarily
- When workers bring complaints to the trade union, the trade union will bring it to discuss with the factory manager. Trade union representatives meet once every week with the management staff

Everyone should expect decent, meaningful jobs with fair compensation and benefits in safe, secure workplaces free from discrimination, with the right to freedom of association.

Our Code of Conduct sets out the standards we expect of our suppliers in relation to freedom of association and collective bargaining agreements. Through our 3rd party verification assessments, we identified and shared freedom of association best practice guidance to support our supply chain.

We recognise we need to do more in this area, specifically on increasing training and awareness throughout our tiers. This is something we will be addressing this year during our in-country supplier workshops.

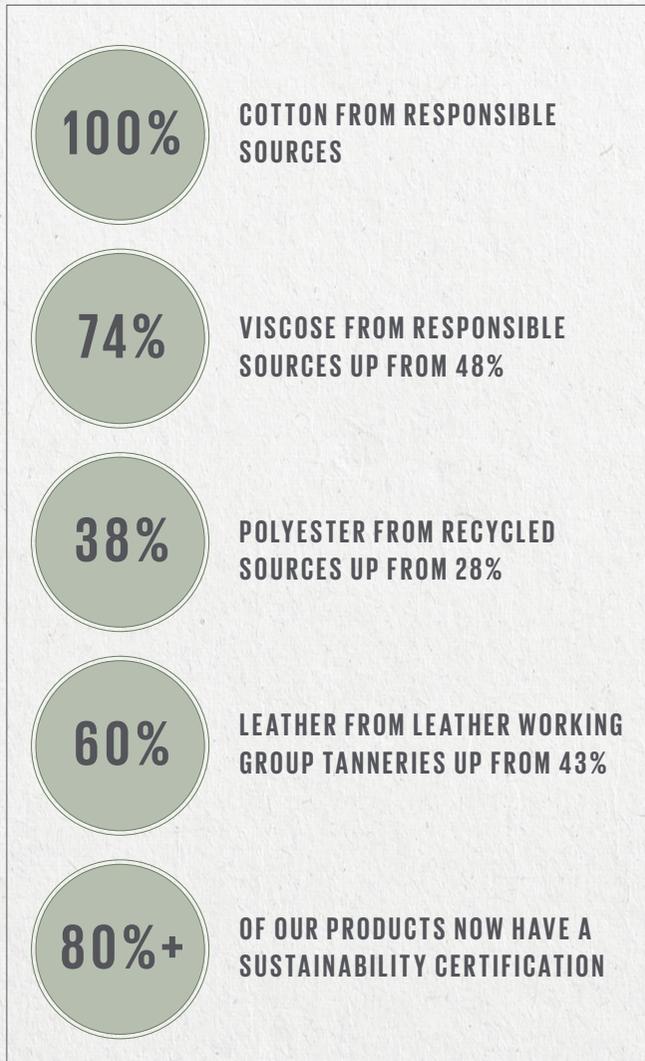
PACKAGING

The UK Government estimates that 5 million tonnes of plastic are used each year, of which nearly half is comprised of packaging. Plastic waste can last for hundreds of years in landfill sites, or it can litter the natural environment and harms ecosystems. At FatFace, we are determined to be part of the solution, which is why we aim to eliminate single-use plastic by 2025, and we continue to work hard to achieve this. We are investigating and trialling more options for plastic bags including a compostable version, a closed-loop system and an e-commerce delivery bag made of paper with a soluble lining. We also sell “Guppyfriend Washing Bags” which support stopping microplastics getting into our water supply through washing machines.

MATERIALS

At FatFace, we believe that greater sustainability must be built in from the very initial design stage, starting with the raw materials we use in our products. We set ourselves ambitious targets to continue with 100% of cotton being more responsibly sourced and furthermore 50% of our next most common raw materials also being from more sustainable sources, as set out in our sustainability strategy, with the aim to be at 100% by 2025.

We have made some fantastic progress over the last year and are pleased to report that we have achieved the following:



FatFace is certified to:

- Recycled Claim Standard (RCS)
- Global Recycled Standard (GRS), which certifies recycled material from source to final product
- Organic Content Standard (OCS), which verifies organically grown content & tracks it from the source to the final product
- The Responsible Wool Standard (RWS), which certified & tracks wool fibre from source to final product. (Certified by CUC 896833)

Beyond the materials we source, we are cognisant that we must continue to reduce water usage within the procurement and production of all of our materials. In alignment with UN SDG 6 (Ensure access to water and sanitation for all), we are additionally using lower water washing options in products such as denim. Many of our factories have also invested in effluent treatment plants that treat wastewater and recirculate it to use time and time again.

COTTON

FatFace loves cotton! We use it in over 70% of our products. We are incredibly proud that 100% of the cotton for our cotton products is now responsibly sourced. We've achieved this by sourcing both organically grown cotton and responsibly sourced Better Cotton for all our clothing, as well as accessories such as socks and scarves. We are signatories of the Organic Cotton Standard (OCS) with Textile Exchange and members of Better Cotton. Better Cotton is sourced via a chain of custody model called mass balance. This means that Better Cotton is not physically traceable to end products, however, Better Cotton Farmers benefit from the demand for Better Cotton in equivalent volumes to those we 'source.'

IN 2022:

	<p>AN ESTIMATED 1.6 BILLION LITRES OF WATER WAS SAVED THANKS TO OUR SOURCING OF BETTER COTTON</p>
	<p>AN ESTIMATED 1,000 KGS OF PESTICIDES WERE AVOIDED THANKS TO OUR SOURCING OF BETTER COTTON</p>
	<p>BETTER COTTON FARMERS BENEFITED FROM AN ESTIMATED 300,000 EUR ADDITIONAL PROFIT* THANKS TO OUR SOURCING OF BETTER COTTON</p>

* Better Cotton Farmers experience profit increases for a variety of reasons, most commonly due to increased yields and/or optimised use of inputs (such as irrigation water, pesticides, or synthetic fertiliser).



PROUD THAT 100% OF OUR COTTON IS RESPONSIBLY SOURCED.



POLYESTER

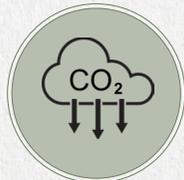
38% OF OUR POLYESTER IS FROM RECYCLED SOURCES.

38% of our Polyester is from recycled sources as we move towards our 2025 target of 100%. We set a target to source recycled polyester because we understand the importance of removing plastic waste from the supply chain and reducing the demand for virgin materials. We also have a strategy to reduce the use of synthetic fibres wherever possible to limit microfibre shedding.

HERE ARE 3 GREAT REASONS WHY RECYCLED IS BETTER THAN VIRGIN POLYESTER:



REDUCES WASTE TO LANDFILL



LOWER CO₂ EMISSIONS



REDUCED WATER CONSUMPTION & POLLUTION

TENCEL™ MODAL

TENCEL™ Modal fibres are mainly manufactured from the renewable raw material beech wood, sourced from sustainable forests in Austria and neighbouring countries.

The fibres are biodegradable and compostable under industrial, home, soil, fresh water and marine conditions, thus they can fully revert back to nature.

TENCEL™ are trademarks of Lenzing AG



VISCOSE

78% OF OUR VISCOSE IS RESPONSIBLY SOURCED BY USING LENZING™ ECOVERO™ VISCOSE FIBRES.

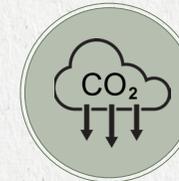
LENZING™ ECOVERO™ VISCOSE

LENZING™ ECOVERO™ Viscose fibres are derived from sustainable wood and pulp, coming from certified and controlled sources. We are working with Lenzing as our preferred source of viscose fibre.

HERE ARE 2 GREAT REASONS WHY LENZING™ ECOVERO™ VISCOSE IS BETTER FOR THE ENVIRONMENT:



UP TO 50% LOWER EMISSIONS AND WATER IMPACT COMPARED TO GENERIC VISCOSE*



CO₂ EMISSIONS AND FOSSIL RECOURSE USE ARE APPROXIMATELY HALF THAT OF THE INDUSTRY AVERAGE

LENZING™ and ECOVERO™ are trademarks of Lenzing AG
*According to Higg MSI™ tools

EUROPEAN FLAX™ LINEN

EUROPEAN FLAX™ GUARANTEES THE ORIGIN AND THE TRACEABILITY FOR PREMIUM QUALITY FLAX FIBRES GROWN IN WESTERN EUROPE FOR ALL END USES.

A plant fibre, produced through farming that is respectful of the environment, without irrigation*, GMOs and with low pesticide or fertiliser requirements. Flax is grown in rotation and is planted every 6 to 7 years on a plot, which helps to preserve the soil and keep it healthy. A 100% vegetal and vegan fibre. All parts of the plant are valued, therefore creating zero waste.



LEATHER

FATFACE ARE COMMITTED TO SUPPORTING RESPONSIBLE LEATHER MANUFACTURING ACROSS THE GLOBE AND THAT IS WHY WE ARE PROUD MEMBERS OF LEATHER WORKING GROUP (LWG).

Since 2005, LWG has been committed to driving improvement across the global leather supply chain, minimising the environmental impact of leather production, and empowering businesses to make responsible sourcing decisions. Today, LWG is comprised of over 1,700 members offering multiple certification standards and allowing companies to assess the performance of manufacturing facilities and traders.

HERE ARE 3 GREAT REASONS WHY LEATHER SOURCED FROM TANNERIES THAT HAVE ACHIEVED LWG CERTIFICATION IS BETTER FOR THE ENVIRONMENT:



THE LEATHER WORKING GROUP (LWG) PROMOTES RESPONSIBLE CHEMICAL MANAGEMENT THROUGHOUT THE LEATHER SUPPLY CHAIN TO PROTECT BUSINESSES, THE WORKFORCE, CONSUMERS, AND THE ENVIRONMENT



IN 2020, LWG LAUNCHED THE TRACEABILITY WORKING GROUP, DESIGNED TO DRIVE THE EVOLUTION OF TRACEABILITY REQUIREMENTS WITHIN THEIR AUDIT STANDARD

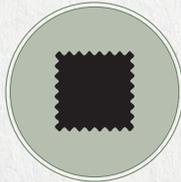


MAKING SURE THAT LEATHER MANUFACTURERS MANAGE ALL WASTE AND DISCHARGES APPROPRIATELY IS A CRITICAL PART OF LWG ASSESSMENT TO MINIMISE IMPACT ON THE ENVIRONMENT

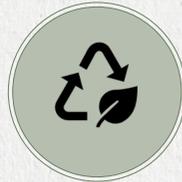
HERE ARE 3 GREAT REASONS WHY LINEN IS MORE ENVIRONMENTALLY FRIENDLY:



LESSENS THE IMPACT ON THE ENVIRONMENT AS IT USES LESS WATER



DURABILITY AND LONGEVITY. LINEN IS ONE OF THE MOST ROBUST MATERIALS MAKING YOUR CLOTHES LAST LONGER



LINEN IS BIODEGRADABLE

*except in exceptional circumstances

DENIM

THE DENIM INDUSTRY IS NOTORIOUS FOR ITS EXTREMELY HIGH WATER USAGE, ENERGY CONSUMPTION, AND CHEMICAL POLLUTION. IN FACT, IT IS ONE OF THE MOST ENVIRONMENTALLY DAMAGING SECTORS IN THE FASHION INDUSTRY.

At FatFace we are committed to making our denim products as sustainable as possible by using responsibly sourced cotton, utilising water saving techniques and limiting the amount of chemicals that we use, thus reducing the impact our denim products make.

HERE ARE 4 REASONS WHY OUR DENIM IS MORE ENVIRONMENTALLY FRIENDLY



20% OF THE MAIN BODY IS MADE USING RECYCLED COTTON



WASHED WITH LESS WATER, ENERGY AND CHEMICALS*



30% RECYCLED POLYESTER POCKET BAGS



100% RECYCLED POLYESTER ZIPPER TAPES



*Measured using Environmental Impact Measurement reports.

ANIMAL WELFARE

We're committed to safeguarding the welfare of animals farmed to produce the materials used in our products. Our strict animal welfare policy ensures that you won't find any down or feathers, fur, angora or mohair in our products and we're working with partners to improve standards in wool production. We have also ensured that all FatFace branded cosmetics and toiletries are certified not tested on animals.



Products certified to the Responsible Wool Standard (RWS) contain wool from farmers certified to animal welfare and land management requirements. FatFace is certified to The Responsible Wool Standard (RWS), which certifies & tracks wool fibre from source to final product. (Certified by CUC 896833)

Our animal welfare policy outlines the expectations we have of our suppliers to ensure animals are raised, transported and slaughtered under recognised higher animal welfare standards. These standards are based on the OIE's Animal Health Codes or the Farm Animal Welfare Committee's Five Freedoms that state animals should be:

1

FREE FROM HUNGER AND THIRST

2

FREE FROM DISCOMFORT

3

FREE FROM PAIN, INJURY AND DISEASE

4

FREE TO EXPRESS NORMAL BEHAVIOUR

5

FREE FROM FEAR AND DISTRESS



ANIMAL TESTING

FatFace believes that beauty products should be cruelty-free. We are proud to work with the Leaping Bunny programme. A globally recognised body, Leaping Bunny, requires cruelty-free standards over and above legal requirements. All of our branded cosmetic and personal care products are approved under the Cruelty-Free International Leaping Bunny programme, the internationally recognised gold standard for cruelty-free products. We adhere to a fixed cut-off date policy and proactively monitor our suppliers to ensure that our products continue to adhere to the Leaping Bunny criteria. Our supplier monitoring system is also independently audited.



OUR PRODUCTS END-OF-LIFE OPTIONS

We believe style should be celebrated for seasons – and generations – to come, which is why we’ve partnered with Thrift+ to offer an easy, innovative way to give customers’ unwanted clothes a new lease of life, while supporting a charity of their choice. Out of the 100 billion items of clothing produced each year, 70% is sent to landfill or burnt. In other words, as a planet we are overproducing and under-using. We recognise that this is a key challenge for the fashion industry and that we must take steps to improve circularity within our business and reduce the amount of waste that we produce.

The Thrift+ garment collection project gives a second life to clothes no longer wanted. Through our partnership with Thrift+, customers are encouraged to order a Thrift+ bag, donate clothes in good condition, and choose from a wide range of charities to support. Over the last year, we’ve had 8,752 items of clothing uploaded using our FF Thrift+ clothes recycling bags, which we have online and in our stores. This initiative has also raised £6,900 for charity.

FATFACE x THRIFT+

FatFace x Thrift Bags	Cum Nov 21-May 23	FF Year 22-23
Fatface Thrift Bags Uploaded	2,452	1,107
Items uploaded (via FF Thrift bags)	20,615	8,752
Value of items uploaded (via FF Thrift bags)	£292,681	not available
Sales of items uploaded (via FF Thrift bags)	£168,467	not available
Amount raised for charity (via sale of FF Thrift bag items)	£19,148	£6,900
Sell through rate of uploaded items from FF bags	59%	–

PRELOVED STORE

In an extension of the Thrift+ partnership, we also operate a FatFace branded online second-hand store called Preloved. – giving customers the option of shopping for second-hand FatFace clothing starting from just £10. The microsite shows a ‘collection’ of the Thrift+ FatFace inventory. These items can be sourced via our customers, Thrift+ customers, and possibly bulk donations from our end-of-line stock. Our preloved store raised £4,483 for the FatFace Foundation from commission on sales.

In the year ahead, we have exciting plans to launch a new circular fashion hub on our website, further encouraging and promoting more sustainable practices with our customers.



PILLAR TWO: PLANET.

2023 ENVIRONMENTAL HIGHLIGHTS



We have increased the usage of less environmentally impactful raw materials for our products



FatFace is carbon neutral (Scope 1&2) for the 3rd year running



We started the first phase of our two-year LED retrofitting programme – which will reduce electricity consumption by around 60% per store



Our electricity for the last FY was from renewable sources



22 Kw EV charge stations were installed across three locations at both Ridgway and Dunsbury



Introduced an innovative online delivery bag, using our own plastic waste



OUR COMMITMENT IS THAT BY 2025 WE WILL HAVE:

- Achieved zero waste to landfill
- 100% of energy powering our head office and stores will come from renewable sources
- Eliminated single use plastic in our business
- Become a carbon neutral business (Scope 1&2)

CARBON REDUCTION

We recognise our responsibility to reduce emissions as far as possible and so, in 2022, we set a base year for our emissions (June 1, 2021 – May 31, 2022). We are pleased to report that we have successfully reduced our gross Scope 1, 2 and partial Scope 3 emissions* against that base year for our UK operations.

Scope 1 emissions consist of natural gas usage within our stores and the emissions from company cars while Scope 2 consists of electricity usage within our stores. During this reporting period, Fatface managed a total of 216 stores. As part of our commitment to reducing emissions, we have initiated an action plan to transition to LED lighting, with 30% of our store portfolio in the UK and ROI now fully illuminated by energy-efficient LEDs. Our aim is to extend this initiative even further in the coming year. To offset the environmental impact of our electricity consumption, we've implemented a green tariff, ensuring that 100% of the electricity used in our managed stores is sourced from renewable energy. Each unit of renewable energy comes with its own Renewable Energy Guarantee of Origin (REGO) certificate, reinforcing our dedication to sustainable energy practices. This multifaceted approach underscores our ongoing commitment to environmental responsibility and underscores our efforts to create a more sustainable business model.

In our ongoing commitment to environmental responsibility, we have once again offset our unavoidable emissions by purchasing 238 tCO₂e of verified carbon credits, marking our third consecutive year as a carbon neutral company (Scope 1&2) for our operational emissions. While challenging areas persist, particularly in our supply chain, we're intensifying efforts to measure and address these impacts more comprehensively in the coming years.

Table 1 - Breakdown of consumption and carbon emissions by scope, with comparison to the base year, for the current reporting period 1st June 2022 – 31st May 2023.

	Base Year (FY 2022)		FY 2023		tCO ₂ e Change
	tCO ₂ e	% of Total	tCO ₂ e	% of Total	
Scope 1	75.37	4%	57.09	3%	-18.28
Natural Gas	65.40	3%	48.61	3%	-16.79
Cars - Average Diesel (miles)	8.09	0%	5.42	0%	-2.67
Cars - Average Petrol (miles)	0.99	0%	2.66	0%	1.66
Cars - Average Hybrid (miles)	0.90	0%	0.41	0%	-0.49
Scope 2	1,761.33	92%	1,641.20	92%	-120.13
Electricity	1,761.33	92%	1,641.20	92%	-120.13
Scope 3*	71.33	4%	93.46	5%	22.13
Grey Fleet Mileage	71.33	4%	93.46	5%	22.13
Gross Emissions (Location based)*	1,908.03	100%	1,791.76	100%	-116.28
Less Renewable Electricity	(1,674.81)	(88%)	(1,554.51)	(87%)	-120.31
Gross Emissions (Market based)*	233.22	12%	237.25	13%	4.03
Less Offsets	(240)	(13%)	(238)	(13%)	-2
Net Emissions	-6.8	0%	-0.7	0%	6.0

*Streamlined Energy and Carbon Reporting Regulation (SECR). Compliant emissions category.

Our reduction target was to reduce gross Scope 1, 2 and partial Scope 3 emissions by 5% from FY 2022 to FY 2023 which has been achieved. For the coming year, our target is to reduce this by a further 5%. The target is based upon the intensity ratio to improve performance, rather than allow for spurious improvements due to changes in operations. If the turnover theoretically remains the same across the current and upcoming reporting periods, predicted gross emissions are 225.39 tCO₂e. Table 2 shows the intensity ratio of £281.71M and target for the business, with comparison to the base year.

Our 2023 reduction target was to reduce gross Scope 1, 2 and partial Scope 3 emissions by 5% from FY 2022 to FY 2023 which has been achieved.



Overall intensity ratio, target, and predicted tCO₂e, with comparison to the base year. Intensity ratios are presented as Gross and Net Scope 1, 2 and partial Scope 3 tCO₂e/£M Turnover.

	Base Year (FY 2022)		FY 2023		Predicted FY 2023	
	tCO ₂ e	Intensity Ratio	tCO ₂ e	Intensity Ratio	Predicted tCO ₂ e	Intensity Target
Gross Emissions	1,908.03	8.48	1,791.76	6.36	1,702.17	6.04
Net Emissions	233.22	1.04	237.25	0.84	225.39	0.80

Our carbon emissions figures refer to our full Scope 1 and Scope 2 emissions and selected Scope 3 categories in line with our reporting for SECR.

TRANSPORT

Greenhouse Gas (GHG) emissions from road transport make up around a fifth of UK GHG emissions. For Fatface, transport emissions relate to company vehicles and employee-owned cars used for work purposes. We currently have five company vehicles comprising two diesel cars, one petrol / hybrid car and two diesel vans. In addition, we track all employee mileage claims. This year we completed the installation of EV charging points at two of our largest locations at Ridgway and Dunsbury.

DIGITAL FOOTPRINT

We like to keep in touch with our customers, yet even here, digital advertising can significantly contribute to global carbon emissions. Incubeta, FatFace’s digital marketing agency partner, has developed a calculation to assign a ‘carbon responsibility’ score from serving an advert, considering factors such as media outlet and advert format. From this, Incubeta is able to provide us with an estimate of our annual digital carbon footprint for paid media, and once again, in collaboration with sustainability partner Ecologi, Incubeta has offset the digital footprint for the media managed for FatFace for 2022.



CARBON NEUTRAL – OUR PATHWAY TO CARBON REDUCTION

For the third successive year, FatFace is carbon neutral (Scope 1&2). While we are pleased with the progress that we have made on this front we know that we must continue to move further and faster to decarbonise across all of our activities including our supply network where most of our emissions will be found, so we will continue to work diligently to find a long-term solution. Next year we plan to explore how we can create a net zero plan across our entire business. This will require us to quantify and measure all of our Scope 3 carbon emissions.

OFFSETTING

We are working with Sustainable Advantage and South Pole to guide us and facilitate our carbon offsetting initiative. With more than 700 directly owned projects, South Pole delivers measurable certifiable benefits aligned with the aims of the Paris Agreement and the UN Sustainable Development Goals. These projects are certified by third-party organisations such as Gold Standard the Verified Carbon Standard (VCS) to ensure that projects are reducing CO2 emissions, as well as supporting sustainable development.

ENERGY

We recognise that given the number of sites that we have, we are bound to use significant amounts of energy. As part of our efforts to reduce our environmental impact, we look to limit our consumption where possible and procure from renewable sources. We were delighted to reduce our Scope 1 and Scope 2 carbon emissions by -18.28 tCO₂e and 120tCO₂e respectively. To mitigate our impact, a green tariff for 100% renewable electricity has been purchased for the sites we manage the energy for. Every unit of renewable energy purchased comes with its own Renewable Energy Guarantee of Origin (REGO) certificate. This means there are minimal associated carbon emissions from electricity, reducing the carbon footprint by 1,555 tCO₂e.

LED LIGHTING

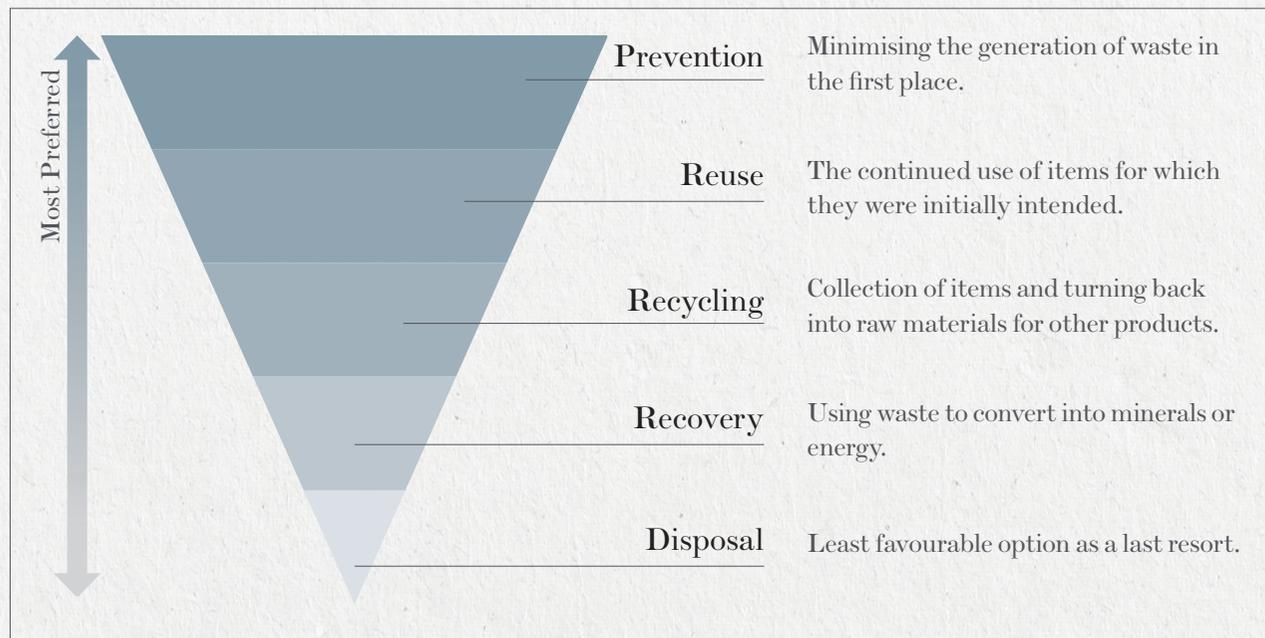
Our smart meter rollout has continued to enable us to analyse our energy use and identify potential areas for energy reduction more accurately. We are rolling out an LED replacement lighting programme and monitor energy usage across stores to quantify the relative savings. Over the last year we have moved to 30% of our stores using LED lights.

- Currently approximately 30% of our portfolio use LED lighting.
- This initial phase of the LED roll-out commenced in May 2023 and will be complete by end of Sept 2023- moving 68% of owned sites to being fully LED
- It is estimated that energy consumption from lighting will be reduced by around 60% per-store.
- Further UK & ROI stores will then be upgraded to fully LED from Sept 2023 onwards.



WASTE

In 2021, 5% of the UK's end-user GHG emissions were attributed to the waste management sector¹, with landfill accounting for 14 mega tonnes of CO₂ annually – more than half of total waste emissions².



To ensure we manage our waste responsibly at FatFace, we have been working in partnership with our waste broker since 2019, who manage waste disposal for 136 of our sites, which is around 75% of our total estate. We receive annual waste reports setting out monthly waste volumes for general waste, cardboard, glass, food, and shredding. Data is additionally provided to tell us how much of our waste is recycled, incinerated, and landfilled.

We know that of all the waste disposal options, landfill incurs the highest emissions, which is why we have had a long-term target in place to achieve zero waste to landfill and enhance the percentage of our waste that is recycled, by 2025.

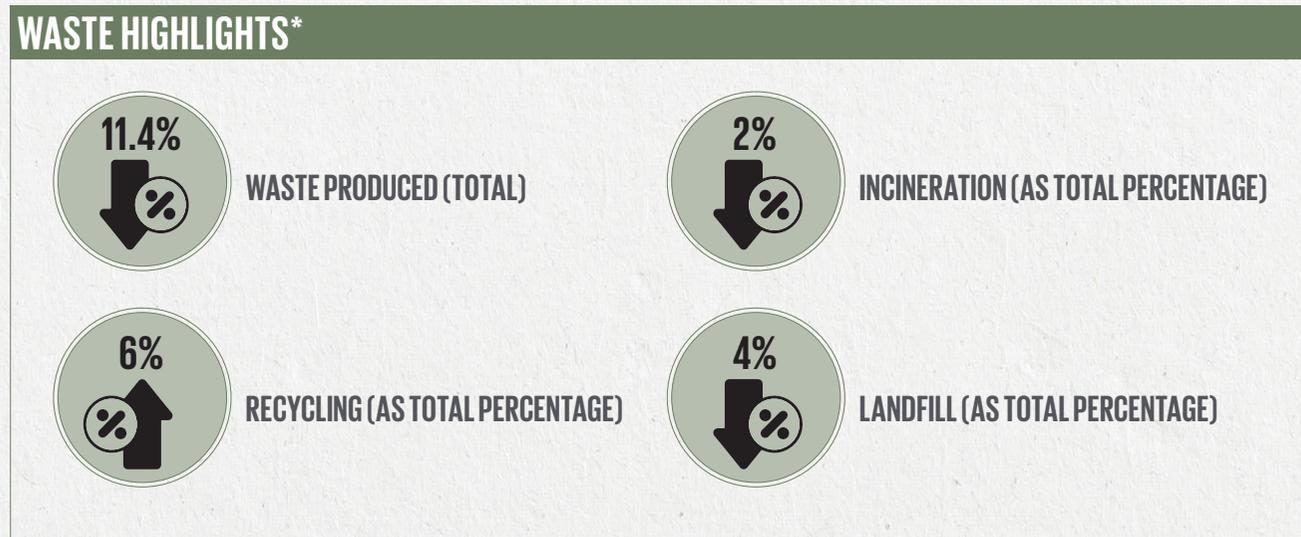
We initiated the disclosure of our waste data in the 2021 report, and have been assessing our performance year on year. However, upon closer examination, we identified anomalies in the quantities of waste reported by our waste disposal provider, particularly in cardboard waste streams, contrary to our internal records. Taking prompt action, we tasked our waste broker with investigating the issue.

Upon further investigation, the waste disposal company acknowledged our stand out approach in scrutinizing the data and commitment to establishing an accurate, consistent baseline. The waste disposal provider has implemented changes to their systems and pledged to report waste stream weights more uniformly and asked our waste broker to contribute regularly to a customer working group to continually improve data reporting. This will not only enhance our ability to analyse data accurately but will also support target setting and long term performance improvement, aligning with our goal of reducing greenhouse gas emissions.

¹UK local authority greenhouse gas emissions estimates 2021 (publishing.service.gov.uk)

²<https://www.theguardian.com/environment/2021/nov/15/greenhouse-gases-waste-and-recycling-rates-could-stop-uk-net-zero-goal>

We asked for our FY21/22 and FY22/23 waste data to be re-examined and, if necessary, re-reported in line with the agreed baseline approach. To that end, we are disclosing our revised FY21/22 waste data below and are (tentatively) pleased to note that we are moving in the right direction, in that our total quantity of waste produced this year is down, our overall recycling percentage is up and overall landfill percentage is down. We will continue to emphasise to our waste broker and ultimately the waste disposal provider that we are determined to achieve our 2025 zero waste to landfill target and request that they do everything possible to help us achieve this goal.

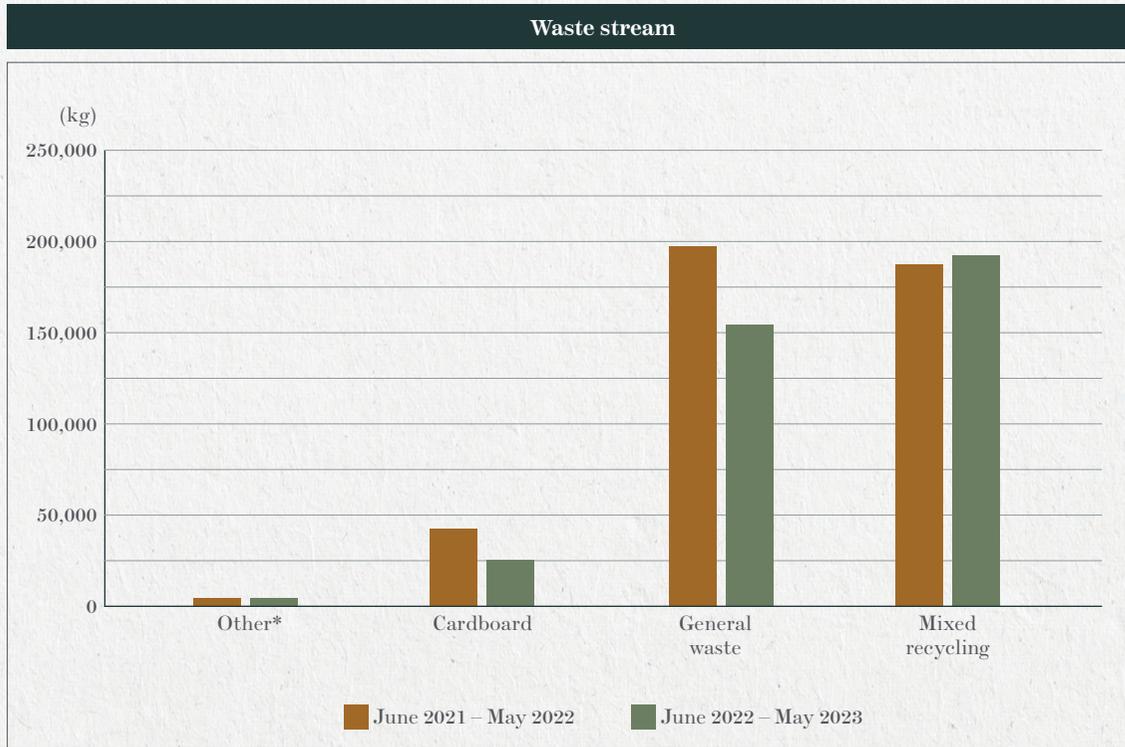


*Waste percentage change calculated based on the reported difference between FY 2022 and FY2023 report.

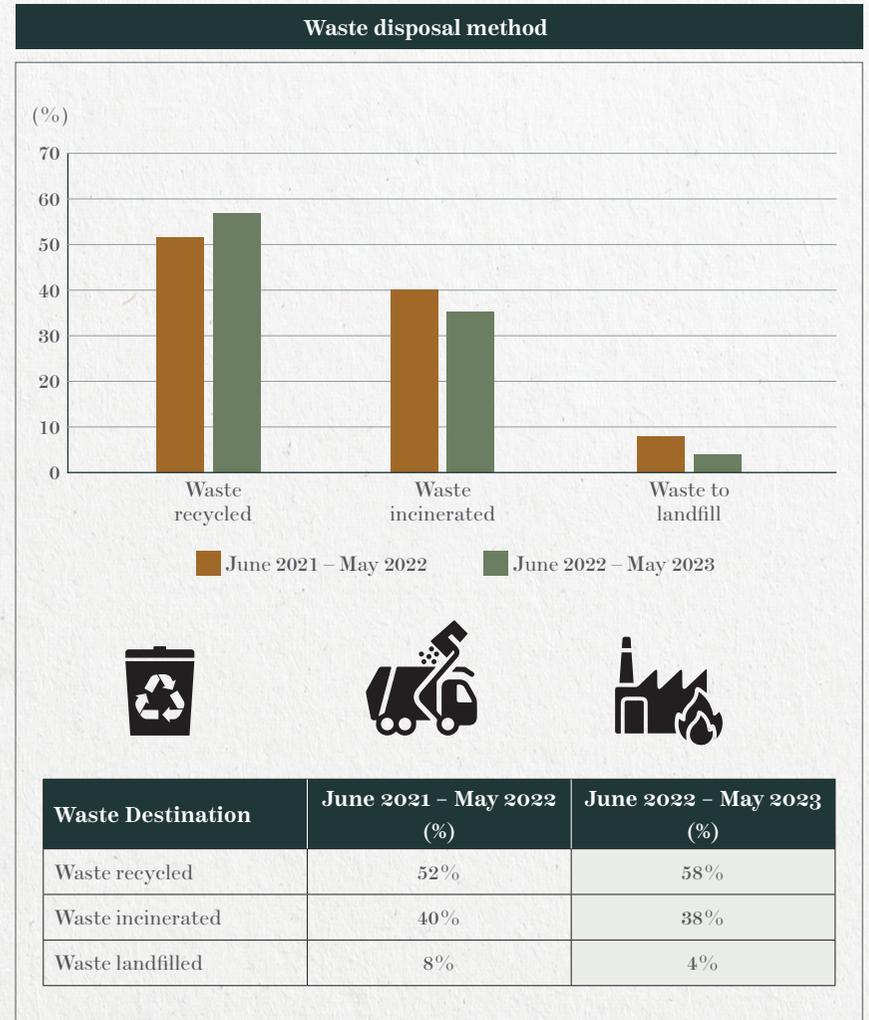
Table: Waste Streams (Kg)

Waste Streams	June 2021 – May 2022 (Kg)	% of FY 2022	June 2022 – May 2023 (Kg)	% of FY 2023	% Change
Cardboard - recycled	32,736	8%	20,112	5%	-39%
Food - incinerated	3,922	1%	4,000	1%	2%
Glass - recycled	2,926	1%	3,220	1%	10%
Shredding - recycled	253	0%	0	0%	-100%
General waste - incinerated	161,428	39%	136,356	37%	-16%
General waste - landfilled	33,511	8%	16,311	4%	-51%
Mixed recycling	182,256	44%	189,225	51%	4%
Total	417,032		369,224		-11%





*Other: Food incinerated, glass recycled and shredding recycled



Waste Destination	June 2021 - May 2022 (%)	June 2022 - May 2023 (%)
Waste recycled	52%	58%
Waste incinerated	40%	38%
Waste landfilled	8%	4%

PILLAR THREE: COMMUNITY.

2023 COMMUNITY HIGHLIGHTS



Through both our foundation and charity work from Fat Face LTD, we have donated £460,996 to charity this year



We have donated £50,000 to The National Forest to support continued development of the Minorca Woods Forest we planted together



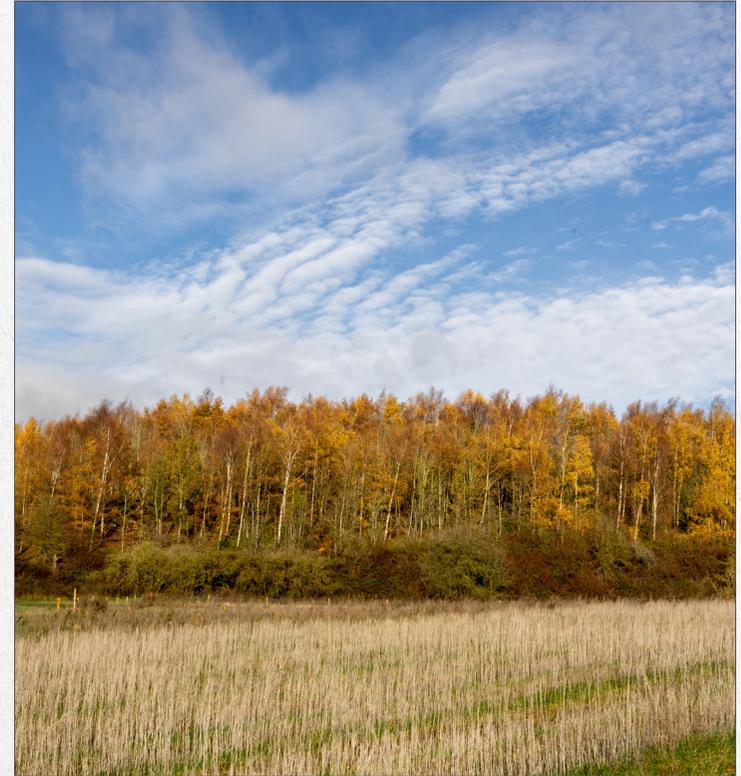
FatFace donated £20,000 to support victims after the earthquake in Turkey and Syria



As part of our Donate a Day Programme we donated 227 days to charity

OUR COMMITMENT IS THAT BY 2025 WE WILL HAVE:

- Created a sustainable fundraising stream to donate the equivalent of 1% of our profits per year to our chosen charities
- Donated 10,000 days to local charities and partners
- Worked with key partners to support underprivileged communities to reach opportunities that may otherwise be out of reach



Source: <https://www.nationalforest.org/>



A GREAT PLACE TO WORK

- FatFace featured in The Sunday Times Top 10 Best Places to Work Report for 2023
- Engagement survey results improved from 77% last year to 78%
- We continued to celebrate Mental Health Awareness Week, Hydration Week and Men’s Health Week
- We launched a number of wellbeing programmes, including a menopause working group, signed up to the ‘Balance +’ app and created additional policies to support employees undergoing fertility treatment or who have suffered baby loss. We also provide a subsidy for any parents wanting to participate in pre-natal classes



Our Trustpilot Score has moved from 4.5 to 4.6 in the last year

FATFACE GIVING BACK

Philanthropy is not a substitute for good ESG practice but should form a central part of any sustainability programme. FatFace Ltd operates as a separate entity to the Foundation, but we still ensure that we have an active charitable programme that donates money to causes that are close to our heart. We recognise the major impact that our business can play in supporting different charitable endeavours.



The centrepiece of our community engagement is the FatFace Foundation. The Foundation was set up in 2009 with the remit to make a positive and enduring difference to the lives of people in the communities where FatFace sources, manufactures, sells and distributes its products. Our mission is about "Changing people's lives wherever FatFace goes" by inspiring families and young people in our local communities to lead happy and fulfilling lives. This is not only focused on the UK, but throughout all of the countries that we operate. We have taken a number of steps this last year to boost our international charitable activity, including the creation of our Indian Design Scholarship and donating to various other international causes.

We pride ourselves in enabling our partners, chosen charities, suppliers, customers, and crew to make a difference whilst often achieving lifetime ambitions that make a long-term difference. Across FatFace and our Foundation, we have been able to support charities with £460,996 donated this year. The Foundation has established close relationships with a number of charitable partners, creating dedicated partnerships to maximise the impact that we have.

OUR KEY CHARITABLE PARTNERS:

THE PRINCE'S TRUST – We have had a partnership with The Prince's Trust since 2015. As well as donating funds to this important charity, we are supporting young people engaged with The Prince's Trust through schemes such as Tomorrow's Talent, other early career programmes and work experiences. In September 2022, 12 of our colleagues took part in the Princes Trust Palace to Palace challenge. This consisted of a 45-mile ride from Buckingham Palace to Windsor Castle. Our

We go above and beyond to lend a helping hand

riders came together from various departments in our Head Office with differing fitness levels, some achieving the ride in 3 hours whilst others rode for 6 hours. The team spirit and determination from the FatFace 2022 team enabled them to achieve a fundraising total of £13,000 for the Trust. The fundraising from this event goes to support the Prince's Trust in their work to create tailored programmes and long-term support to give young people the practical skills and emotional resilience to pick themselves back up when times are tough and create their own positive futures.





HAMPSHIRE AND ISLE OF WIGHT WILDLIFE TRUST – The Foundation has partnered with HIWWT and their Solent Seagrass Restoration Project by donating £30,000 every year for the next 3-5 years (depending on the needs of the charity and the progress made in the first 3 years). One of the biggest challenges for restoring seagrass that HIWWT have identified so far is the number of people needed to help monitor and survey the seagrass, collect seeds and help with deployments. Until they find a solution to help mechanise restoration at scale, volunteers will continue to be vital to the success of the project. With this in mind, the Foundation is now a major partner in the growth and development of their Solent Seagrass Champions programme, empowering community members to engage with the project and play an active role in the restoration and protection of seagrass in the Solent.

We all need to look after our planet - our home - and the people and places around us. Through our FatFace Foundation, we're proud to have donated over 15,000 items in tailored packages to incredible charities across the UK, including Achieve Together, Blind Veterans, Change Grow Live, Childhood Trust, Guildford Action, Lewisham Vulnerable Adults, Marylebone Project, Reigate and Banstead Women's Aid, Salvation Army, Samaritans, Sanctuary, Shelter, St Mungo's, Vulnerable Care Sutton, and Whitechapel Outreach, as well as local churches and food banks.



Key 2023 Charitable Donations	
Charity	Amount (£)
Shelter	£66,419
Indian Designs School and scholarship program	£50,000
The National Forest	£50,000
The Two Minute Foundation	£32,000
Hampshire & IOW Wildlife Trust	£30,000
Princes Trust & Princes Trust PtoP	£25,760
Red Cross	£20,000
Sussex SeaBed Restoration Project	£16,930
Disabled Sailors Association	£10,000
Tuppenny Barn	£10,000
Step By Step	£10,000
The Clothes Horse	£10,000
Princes Trust - Tomorrow's Talent	£4,593



THE TURKEY AND SYRIA EARTHQUAKE APPEAL – The recent news of the earthquakes in Turkey and Syria has devastated us all and our hearts go out to everyone affected. The British Red Cross has launched an emergency appeal with the Turkish Red Crescent and the Syrian Arab Red Crescent to deliver assistance and ongoing support to the growing number of people in need. FatFace has donated £20,000 to help this much needed work.

UKRAINE – In 2022, the Foundation donated £30,000 to support The British Red Cross humanitarian effort, helping people affected by the conflict in Ukraine, where one of our tech partners is based.



PENNIES – At FatFace, we have an active programme in place to support causes that are close our heart. We are a supporter of Pennies, the leading UK Charity for micro-donations. Our pennies programme sees charitable donations dispensed to selected charities every 30 days.



The ID HQ, is located in Nagawara, Bangalore with a centralised washing, printing and embroidery facility.

INDIAN DESIGNS SCHOLARSHIP – To celebrate a 25-year relationship with our longest serving manufacturer, Indian Designs (ID), we have engaged in a school and scholarship funding programme where they are based in Bangalore, India. We are donating £50,000 towards improving the conditions of the school and are also sponsoring 48 scholarships for the aspiring children of workers in one of our manufacturing factories in collaboration with Indian Designs.



RETAIL TRUST SUPPORT – From 1832 onwards, the Retail Trust has been caring for and protecting the lives of people working in retail. We believe the health of our colleagues is the foundation they need to flourish in both work and life, creating a more sustainable and successful future for retail. The Retail Trust provides confidential support for retail employees, supporting them on emotional and physical wellbeing, career development and financial health. This year, 3 of our Crew members took on a demanding yet rewarding two-day trekking challenge involving climbing the three



highest peaks of Scotland, England and Wales in 24 hours. Snowdon in Wales (1085m), Scafell Pike in England (978m) and Ben Nevis in Scotland (1345m). They managed to raise an amazing £4,000 for the Retail Trust.



MARINE CONSERVATION SOCIETY – This year we developed a product collaboration with the Marine Conservation Society to support their work in protecting the UK’s oceans. We created product designs that were inspired by marine life and life by our seas. In addition, our Distribution Centre team dedicated one day to a complete a beach clean supporting the MCS’s great cause.

THIS YEAR WE HAVE
DONATED 227 DAYS TO
SUPPORT GOOD CAUSES

DONATE A DAY – OUR PEOPLE GIVING BACK

WE HAVE MADE A 5-YEAR PLEDGE to donate time to support good causes, which ultimately led to the launch of our Donate a Day Scheme. In 2022 we successfully donated 166 days. This year we have already exceeded that and have, at the time of writing, donated 227 days.

Some examples of the activity that has taken place are:

- PREPARING FOOD FOR THE ELDERLY THROUGH THE BRITISH HEART FOUNDATION
- TEAM BEACH CLEANS FOR THE MARINE CONSERVATION SOCIETY
- TAKING CARE OF DOGS FOR AMICII DOG RESCUE AND REHABILITATION UK
- SETTING UP AN EBAY SHOP FOR THE RSPCA
- REFRESHING CHARITY SHOPS FOR THE FRIENDS OF THE ELDERLY





SPOTLIGHT:

on Minorca Woods

GROWING TOGETHER



Our forest, Minorca Woods, is home to 60,000 trees, set amongst the scenic countryside of the National Forest site – beautiful woodland growing in the heart of the UK, across parts of Derbyshire, Leicestershire, and Staffordshire. It's our chance to create a cleaner, brighter future for all. And a forest we can experience and enjoy for generations to come.

60,000 TREES. 100 ACRES. ONE FUTURE.

In September 2021, we were incredibly proud to announce our 75-year partnership with the National Forest, celebrating our long-term commitment to sustainability and an exciting, inspiring step for everyone at FatFace.



"This project is an important cornerstone of the FatFace strategy to establish and grow a natural 'carbon sink' to capture and remove carbon from the atmosphere. The National Forest are a great, like-minded partner where we have managed to create something that will make a meaningful long-term change to the environment." Will Crumbie – CEO, FatFace

OUR GREATEST ASSET: OUR WORKFORCE

At FatFace we understand that we are nothing without our brilliant workforce. As such, we see it as vital to our mission that we provide our colleagues with a great place to work, as well as suitable personal support and a pathway to progress within our business. We were delighted to be featured in the Sunday Times Top 10 Best Places to Work Report for 2023. This is recognition of our success to promote a “healthy culture that’s made for life.”



WELLBEING

We believe in promoting physical, mental, and financial wellbeing across all areas of our business. We are passionate about making a difference to our people and bringing wellbeing to the forefront of every day at work. We raise awareness and encourage a culture where wellbeing is an everyday conversation attempting to break down stereotypes and taboos that often surround this subject. This is supported by regular 1-to-1’s and structured wellbeing objectives within our appraisal process. We share preventative resources and signpost appropriately, ensuring we tailor our approach to what is needed.

Off the back of the success of last year, we have celebrated the following for a second year running:

- **Nutrition and Hydration Week:** we provided subsidised health food in our canteen to include smoothies, salads and energy balls every day. We also shared content raising awareness by email.
- **Mental Health Awareness Week:** external speakers were invited in to hold workshops on anxiety and stress to deliver insight into recognition, prevention and coping mechanisms.
- **Men’s Health Week:** we invited external speakers to Head Office and shared content via email.

Featured in the Sunday Times Top 10 Best Places to Work, was in recognition of our success to promote a "healthy culture that's made for life."



OTHER WELLBEING INITIATIVES



A group of 15 employees from across the business that connect virtually every month to discuss everything menopause.



Signed up to the 'Balance +' app to support crew with menopausal symptoms, strategies and medical issues.



We continue to build on our provision of wellbeing champions to ensure we have safe spaces where people can share their experiences and access support. We have trained a further 24 wellbeing champions in Mental Health First Aid this year.



We continue to engage with our Employee Assistant Partners and this year Retail Trust have seen 534 employee engagements and given out financial aid to those in need. 74 employees have engaged with counselling through this service.



Introduced a Help@Hand tool to better support employees with current wellbeing issues that they are facing. One emerging topic was that people struggled to get GP appointments, so being able to introduce a service with access to remote GP appointments has been impactful.



Introduced policies to support our workforce such as the Fertility Treatment Policy and Baby Loss Policy have really provided a level of comfort and security to those at particularly vulnerable times of their life.



Held wellbeing sessions alongside the Retail Trust for store managers.

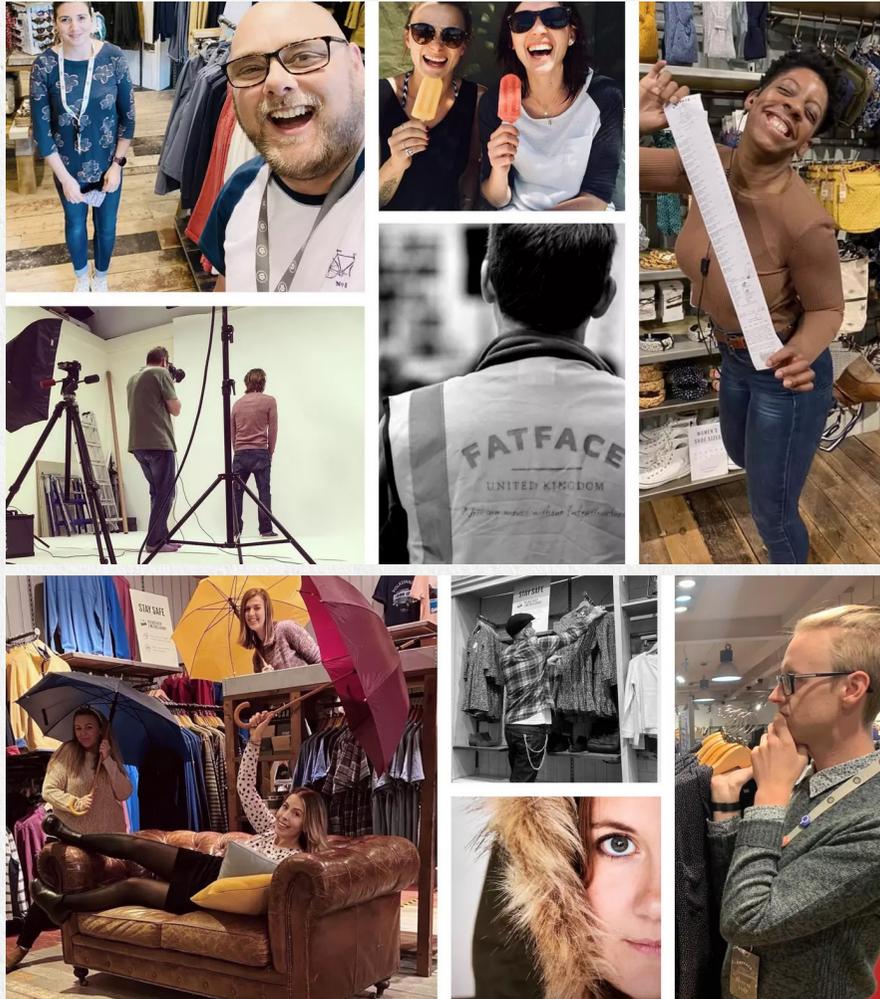
ENGAGEMENT SURVEY

To build a company that works for our employees, it is vital that we maintain a vibrant feedback loop. In March 2023, we undertook our second annual engagement survey. the participation score rose to 78% from 66% last year and our overall engagement score rose to 78% from 77%.

Some standout results from this year's survey were:

- 85% reported that they feel they can bring their true, authentic self to work
- 84% reported that they are happy (and feel safe) with their work environment
- 83% reported to feel trusted to make decisions
- 87% reported to have a good relationship with their manager
- 85% reported that they are treated with respect
- 86% felt committed to helping the organisation succeed

As a result of this survey each department has reviewed team and culture strategy and produced three commitments to implement over the coming year. We plan to measure whether these have had the desired effect in a pulse survey in October and a further full engagement survey next March.



INCLUSION, EQUALITY AND DIVERSITY

We believe in promoting and driving inclusion, equality, and diversity within our workforce. For us, equality and inclusion isn't an aspiration but is the standard that we set for ourselves.

We strive to create an environment free from prejudice, racism, sexism, harassment, bullying and any other form of marginalisation.

We acknowledge that in some circumstances, people need to be treated differently to provide meaningful equality of opportunity. This year we have worked with our managers to broaden their mindset and have run 'growth mindset' workshops in house alongside workshops to build awareness of unconscious bias.

As well as the work we have done to raise awareness and support of the menopause, we have continued to grow our parent network. We have a parent 'Biscuit Club' once a month and invite anyone who is involved in the journey of parenthood to attend. We have also been able to build on our current family friendly policies and now provide a subsidy for any parents wanting to participate in pre-natal classes.

We have continued to celebrate Black History Month and Pride this year. Our Pride campaign was called 'Proud of You, Proud of Me'.

As a company we also continue to understand our diverse customer base and treat all equally through inclusive marketing and by using a diverse age, ethnicity, and size range of models that accurately reflect society. We are committed to show our models authentically and do not retouch the models' appearance in any way.

Our policy continues to aim to ensure a full and fair consideration of job applications by disabled persons, having regard to their aptitudes and abilities. Opportunities for promotion, transfer or training and development are available to all staff on a fair and equal basis and appropriate training is given for employees of the company who have become disabled persons during the period when they were employed by the company.

PERSONAL DEVELOPMENT

Our focus for Learning & Development this year was upskilling our colleagues whilst also ensuring that they had the tools available to undertake all the functional elements of their roles.

 Training was delivered face-to-face as well as online, through our learning platform, Thrive

 235,060 views of learning content on Thrive which equates to 78 content views per person

 1,008 live training sessions delivered

We strive to offer fantastic career progression opportunities to all those that work with us. We are extremely proud to promote from within and are delighted when we see our colleagues progress and succeed.

To support internal growth this year we delivered a Store Manager development programme that focused on growing our top 5 Store Managers. This programme adopted a modular approach and focused on both soft and more technical skills.

We continue to see our retention rates rise and continue to celebrate long service amongst colleagues. Our current employee demographic have:



We are proud to say that **31%** of all roles filled within the reporting year were filled by internal candidates.



ETHICAL LEADERSHIP

We recognise that there is ever-growing consumer demand for green alternatives. We aspire to be in a position of leadership within our industry and are aware that to assume this position we must operate transparently and show our customers that we are not just talking about sustainability but that it is integrated into everything that we do.

This includes taking proactive steps to support our customer base by improving the longevity of our clothing and reducing the waste that is made in its production. This year, we have started selling sustainable and eco-friendly clothing care products as well as offering care tips on our website to help customers to prolong the life of clothing, reduce washing and water usage. At the end of a products life, we have responsible routes for customers to either dispose of it give or their clothing a second life.

COMMUNICATING WITH OUR CUSTOMERS

The customer sits at the very heart of everything we do at FatFace. Communicating with our customers is central to building our brand and reputation. By welcoming feedback, we gather valuable insight into our product, digital offer, store environment, and delivery service. Through this engagement, we are constantly improving every aspect of our business and setting ourselves apart from our competitors.

At FatFace, we follow ethical marketing practices because we understand the damage unethical marketing can cause by sending wrong signals about our product, brand or business and misleading the customer. As a result, we launched our Ethical Marketing Policy in May 2022 to ensure we understand and adhere to ethical practices across all our marketing and to underline our commitment to communicating honestly and with integrity and treating our customers with the respect they deserve.



GREEN CLAIMS CODE

FatFace is supportive of the Green Claims Code guidance and is working hard to make sure we comply. In our marketing, we need to ensure we are not confusing or misleading customers and that we are using the language pertaining to sustainability correctly, as well as having evidence supporting all raw material claims. In June 2021, a report by not-for-profit, Changing Markets Foundation, highlighted that as much as 59% of greens claims made by fashion brands were unsubstantiated or misleading. Ongoing training for our product and brand teams is helping to ensure that we only make claims where we have evidence to back it up.

Material claims like “Organic” or “Recycled” require substantiation. We use third-party independent certification standards to support all claims made against our products. This provides reassurance that the claims we are making are factual and accurate.

The Higg Index is a suite of tools for the standardised measurement of value chain sustainability. We have been using it in the last year to give internal guidance to our buying and design teams to help with raw material selection and to quantify the environmental impact of various textile choices.





SWITCHING TO DIGITAL

Our Virtual Assistant and Live Chat function have helped to enhance customer experience and we know that it resolves 52% of customer queries, with Live Chat resolving the remaining 48%. We make sure we upload all chat transcripts to our Customer Experience system to support ongoing queries. To respond to customer feedback, we recently added new content to give better guidance on checkout with a discount code in order to create a more positive checkout experience.

FEEDBACK LOOPS

We are proud to offer our customers 2 different ways to review us and champion listening to this feedback. Trust Pilot is great for customers to share overall thoughts on their shopping experience, either in store or online and BazaarVoice reviews are more focused on product feedback.

For example, in April we changed our delivery courier, and we used the Trust Pilot insights tool to highlight the opportunities, influence the change and then measure our Customer Sentiment pre and post courier change. Subsequently, this allowed us to demonstrate the significantly positive impact the change had made, all born out of customer reviews. We noted a 131-point swing (to the positive) in our customer sentiment score on the back of this change.

We are pleased to say that our Pilot Trust Score has moved from 4.5 to 4.6 in the last year, through our focus and determination to stay customer focused, and we are rated as ‘excellent’.

BazaarVoice offers both our Product teams and customers visibility of customer feedback regarding a specific product, and any recommendations that they may offer in their review. Using the reporting tool, we can build reports that breakdown the review ratings to demonstrate our customer satisfaction, typically within 4* and 5* reviews. These reports are then reviewed by our product teams to support decisions on future ranges, which would support future positive customer satisfaction.

OUR REPAIR SERVICE: 2023 UPDATES

As well as updating our website to offer care tips to help our customers make their FatFace products last longer, we are also now stocking Clothes Doctor aftercare products. Clothes Doctor is a UK, Cornish based company, that carry a similar brand ethos to Fatface. The brand was built from a desire to encourage people to change their consumption habits and extend the life of their clothes. This is done through their range of after care products using all natural ingredients in infinitely recyclable packaging, made in the UK. Later in the year we are planning on launching a repair and alteration service, also powered by Clothes Doctor.



BUILDING A STRUCTURE THAT LASTS

We are dedicated to ensuring that we remain on course to meet our sustainability targets. This requires us to build a structure within our organisation that protects these ambitions and drives us forward to achieving ever more ambitious goals. By becoming B Corp certified, we have made a commitment to aspire to continuous improvement. To maintain the certification, we know that we will undertake the assessment and verification process every three years.

FATFACE GOVERNANCE FRAMEWORK



We are dedicated to ensuring that we remain on course to meet our sustainability targets. This requires us to build a structure within our organisation that protects these ambitions and drives us forward to achieving ever more ambitious goals.

OUR CORE POLICY FRAMEWORK

	<p>RISK MANAGEMENT</p>	<p>To prepare for the unexpected, risk management, led by our compliance function, is one of the key topics at our quarterly compliance meetings. General Data Protection Regulations (GDPR), Payment Card Industry Data Security Standards (PCI), Health & Safety, our risk register and training requirements are discussed in detail. We also have a Business Continuity Plan (BCP) in place that is tested annually.</p>
	<p>POLICY MANAGEMENT</p>	<p>Our policies are updated quarterly and are available for all employees to access via our online training platform, Thrive. Training is provided to employees upon induction and when policies are revised or newly introduced.</p>
	<p>HEALTH AND SAFETY</p>	<p>Our employees' and customers' health, safety and wellbeing are paramount. There is a comprehensive structure of processes and procedures to mitigate health and safety risk, including externally led risk assessments, accident reporting and nominated health and safety representatives across the business.</p>
	<p>WHISTLEBLOWING</p>	<p>We encourage colleagues to report concerns via our whistleblowing channels through an online platform or a call centre managed by our external partner.</p>
	<p>ANTI-BRIBERY AND CORRUPTION</p>	<p>We take a zero-tolerance approach to bribery and corruption. We are committed to acting professionally, fairly and with integrity in all our business dealings and relationships.</p>
	<p>DATA PROTECTION AND PRIVACY</p>	<p>We are fully committed to complying with GDPR, which applies to all organisations that process data relating to their employees, customers, contractors, clients, and other stakeholders.</p>
	<p>CYBER SECURITY</p>	<p>We have several measures and controls to maintain and monitor the cyber protection of the business, for example, standard build laptops, antivirus, and endpoint detection as well as multi-factor authentication.</p>



LOOKING AHEAD

We are proud of what we have accomplished over the course of the last year, putting us in good shape to hit our 2025 targets. However, we will not rest on our laurels and will continue to push forward to ensure that our ESG practices continue to evolve in keeping with the commitments that we have made as a B Corp certified business. We look forward to 2024 with optimism and to sharing this coming year's progress with you in next year's FatFace ESG report.

FATFACE

Working in partnership with:



An intelligent approach to energy, waste & sustainability

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