

Section 172 Statement

This statement summarises 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.

The objects of the Company are to promote the success of the Company:

- a) for the benefit of its members as a whole; and
- b) through its business and operations, to have a material positive impact on (i) society and (ii) the environment, taken as a whole.

Our Directors act in the way they consider, in good faith, most likely to promote the success of the Company in achieving its objectives, and in doing so shall have regard (amongst other matters) to:

- The likely consequences of any decision of the Directors in the long term and the impact any such decision may have on any affected stakeholders;
- The interests of the Company's employees;
- The need to foster the Company's business relationships with suppliers, customers and others;
- The impact of the Company's operations on the community and environment and on affected stakeholders;
- The desirability of the Company maintaining a reputation for high standards of business conduct and the impact this has on affected stakeholders; and
- The 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 from members of management who engage with such groups.

For the purposes of a Director's duty to act in the way they consider, in good faith, most likely to promote the success of the Company, our Directors do not regard the benefit of any particular Stakeholder Interest or group of Stakeholder Interests as more important than any other.

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 (employees) – 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.
- A clear sustainability strategy – We are committed to minimising and ultimately offsetting any detrimental effects our operations may have on the environment and evolving a more 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 and Regulatory Considerations	Key board decisions	Considerations
Shareholders	<ul style="list-style-type: none"> • In October 2023 NEXT PLC acquired a 97% equity stake in the FatFace Group. • As at the period end the group had £30.3m of cash, and £nil debt. 	The requirement to ensure that the Group has an appropriate level of profitability and strong cashflow is important to deliver future growth.
Our Crew	<ul style="list-style-type: none"> • Without an engaged Crew, the FatFace business could lose some of its competitive advantage. • The importance of health, safety, and wellbeing of our crew is a key driver in business decisions. • Remote working continues to be a benefit, including enhanced and extended flexible working arrangements, upgraded IT equipment, and tools and support to assist with mental health. • We promote people based upon merit irrespective of physical or any other disability. 	The commitment to our crew has been to ensure strong communication in what we are doing and ensuring they are fully engaged in the business goals and future looking strategy.
Our Customers	<ul style="list-style-type: none"> • The Board is focused on growing the business by increasing customer engagement via our stores, websites and social media platforms. • Improving our services offered to our customers to provide as much flexibility to our customers as possible. 	The need to service the customer in multiple channels will be important over the coming years, along with creating 'newness' in our product ranges.

Stakeholder Group and Regulatory Considerations	Key board decisions	Considerations
Our Sustainability Strategy	<ul style="list-style-type: none"> • FatFace is now a Certified B Corporation - a company verified by B Lab to meet high standards of social and environmental performance, transparency, and accountability. • The Board have set stretching goals with the 2025 sustainability 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 a key consideration across all stakeholders.
Our Suppliers	<ul style="list-style-type: none"> • We continued to work with our suppliers collaboratively to reach fair conclusions surrounding payments terms, and the maximisation of strong on-going relationships. • Ongoing discussions with landlords around fair and equitable lease arrangements are being undertaken across the estate to reflect the change in the rental market. 	The requirement to balance the needs of the business with that of our suppliers has always been key to ensure 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. • 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.

