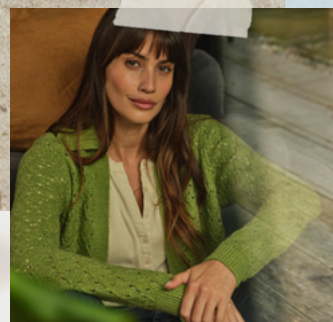


FATFACE



Environmental, social and
governance impact report

2025

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A Message from our CEO



At FatFace, we are devoted to style whilst remaining dedicated to advancements in our ESG agenda, truly believing the two should go hand-in-hand.

As such, we are thrilled to welcome you to our 2024/25 ESG Impact Report. This year has been one of transition for FatFace, with our acquisition by NEXT supporting us in readjusting and strengthening various operational elements of the business.

However, even amidst the shift in operational processes, we remain steadfast in our commitment to operating as an ethical business. We are proud members of the B Corp™ community and continue to monitor and assess our practices against the three pillars of our strategy – Product, Planet and Community. We are pleased to share this year’s highlights and invite you to explore the key moments and achievements that defined the last 12 months.

About FatFace



*Two friends. One campervan.
Endless spirit of adventure.*

FatFace is a British lifestyle clothing brand. With a unique heritage, FatFace creates product ranges across womenswear, menswear, footwear and accessories for the whole family to live life in. Our products are designed with purpose and made for adventure. We are a multichannel retailer with a thriving international digital business as well as over 180 stores in the UK, over 25 stores in the US and Canada and a highly engaged social community.

Here at FatFace, we work to integrate our values into everything we do. Our three-pillar ESG approach of **Product, Planet, Community** helps us focus our sustainability and community engagement efforts and enables us to operate in accordance with our core belief – that business can be a force for positive change.

Our three-pillar ESG approach



PRODUCT

We endeavour to continuously improve our supply chain and increase use of responsible materials in our products.



PLANET

We are committed to reducing our impact on the planet through our energy use and the waste we generate.



COMMUNITY

People are at the heart of what we do. Our customers, colleagues and communities make FatFace the company that it is, and we work hard to support causes close to our hearts.

B Corp™

Why B Corp™?

The B Corp™ framework helps us:

- Identify our strengths, as well as areas in need of improvement
- Benchmark our performance against other companies
- Collaborate with like-minded businesses

This Year's Journey

Due to the acquisition of FatFace by Next in 2023, we recertified our B Corp™ accreditation in 2024, one year after our initial certification. While recertification after a one-year period is not typical, we were thrilled to see our score improve from 80.4 to 89.1 in just 12 months.

Although various initiatives throughout the year have contributed to our overall improvement, we attribute our improvement in score to operational enhancements made within our:

- Raw materials programme
- Equity, Diversity and Inclusion (EDI) programme
- Charitable Giving programme

Overall B Impact

Based on the B impact assessment, FatFace Ltd earned an overall score of 89.1. The median score for ordinary businesses who complete the assessment is currently 50.9



- 89.1 Overall B impact score
- 80 Qualifies for B Corp certification
- 50.9 Median score for ordinary businesses

In a recent engagement survey of people working at FatFace, the following two questions scored very highly, underlining our organisations commitment to sustainability and the B Corp™ movement.

82% of colleagues valued the company's B Corp™ status.

88% of colleagues considered sustainability important to the company culture.

Source: FatFace Engagement Survey 2024



B Corp™ Collaboration

We take our participation in the B Corp™ community very seriously. This year, we partnered with Jude's Ice Cream (a fellow B Corp™ company) and tasked our designers with creating pieces of clothing inspired by Jude's Ice Cream colours and branding. Via marketing campaigns and press events, we promoted the collaborative products and raised awareness of the B Corp™ movement throughout the UK and Ireland.

“

Collaborating with Jude's felt like a natural fit for FatFace, as both of our companies are based in Hampshire and share similar values, including a strong commitment to responsible sourcing and our B Corp™ status.

– Molly Pottinger, FatFace designer

In the coming year, we plan to collaborate with Beeble, another B Corp™ business. Beeble makes alcoholic beverages using leftover honey, with the aim of minimising beehive waste. We are bee-yond excited to share the pieces our designers create.

Preparation for Future Recertification

We whole-heartedly believe in B Corp™'s values and are committed to maintaining our certification for the foreseeable future. We understand B Corp™ will be updating their certification standards in the year ahead and have already begun making preparations to ensure we are well-positioned to achieve recertification in 2027.

To prepare for the new standards, we have made plans to launch a working group called the 'Gen. B's'. Our 'Gen. B' working group will:

- Comprise members of our ESG Committee, as well as passionate and enthusiastic colleagues hailing from all departments and levels within the business.
- Conduct a gap analysis to understand where FatFace currently stands in comparison to the new B Corp™ standards.
- Create a roadmap of actions for FatFace to implement to work towards B Corp™ recertification in 2027.

PILLAR ONE Product

Highlights

Transitioned our auditing processes and supplier code of conduct to align with those of NEXT plc.

Increased the percentage of responsible materials sourced, with cotton at 99.5%.

Continued championing circularity.

Goals for next year

Audit 100% of factories to the NEXT Code of Practice (COP) Principle and Auditing Standards.

Begin auditing Tier 2 suppliers.

Report on progress made towards our goal of sourcing 100% of key responsible materials.

Trial traceable Better Cotton to strengthen transparency in our cotton supply chain.

Our top
20 suppliers
have been with
us a total of
303 years

We continue to be
**proud members
of the ETI**
(Ethical Trading Initiative)
and are measured
against their Corporate
Transparency Framework.

We are
**dedicated to
safeguarding
workers' rights**
and actively ensuring that
our supply chain is free
from modern slavery.

Supply Chain

Transition to Next Auditing Processes

Due to our acquisition by Next, our factory audit processes changed midway through last year. Processes moved from third-party audits to audits conducted by Next's on the ground Code of Practice (COP) team. The new procedure provides us with much richer insights into the workings of our factories and allows us to engage directly with auditors, something we were unable to do previously.

This new process has strengthened our close collaboration with factories, enabling us to provide our assistance in areas that require additional support.

Transition to Next Code of Conduct

While we have formally adopted Next's supplier code of conduct, the impact of the transition was minimal. Both our previous code and Next's current code were/are drawn from core ILO conventions, with recommendations aligned to ETI (Ethical Trading Initiative) Base Code. Additionally, we dedicated substantial time and energy engaging with and auditing suppliers, educating them on the new system and pre-empting any potential challenges. This process enhanced our understanding of operations across all Tier 1 factory locations whilst improving supply chain transparency.



Our New Code of Conduct

To support our suppliers in understanding the COP principle and auditing standards and assist them with the transition process, we held in-person conferences, both in China and India, as well as nine online conferences. During these conferences, we assured our suppliers that no radical

We saw **94 attendees** across all the conferences.

changes to the business had occurred and that we still prioritise transparency and collaboration within our supply partnerships. The conferences encouraged active participation, clarified changes in process, and provided opportunities for suppliers to ask questions, overall serving to facilitate a smoother adjustment.



No Forced Labour or Modern Slavery - Employment is Freely Chosen

There must be no form of modern slavery or forced labour, whether it be human trafficking, involuntary prison labour, indentured labour, bonded labour or otherwise. No employee should be obliged to work through force, financial pressure, intimidation or by any other means.



Freedom of Association and the Right to Collective Bargaining

The supplier and its factories must recognise and respect the right of the employee to join and organise associations of their own choosing and to bargain collectively. Where law restricts the right to freedom of association and collective bargaining, suppliers must not obstruct parallel means for free association and collective bargaining.



Safe and Healthy Working Conditions

Suppliers and their factories must provide their employees with a safe and healthy working environment and continue to work towards preventing work-related accidents and maintaining the welfare and safety of their employees.



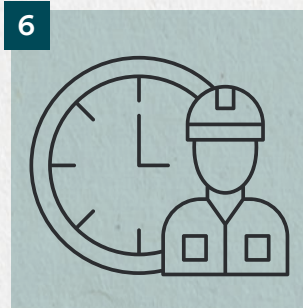
No Child Labour

Suppliers must not employ children who are less than 15 years old or less than the legal minimum age in the country of manufacture. Where local law sets the minimum age at 14 years, under ILO convention 138 in accordance with developing country exceptions, the lower will apply.



Fair Wages and Benefits

Employees' wages should be enough to meet the basic needs of employees and provide for some discretionary expenditure. In all cases, wages must equal or exceed the minimum wage required by law or the industry benchmark standard, whichever is higher and include all legal benefit entitlements.



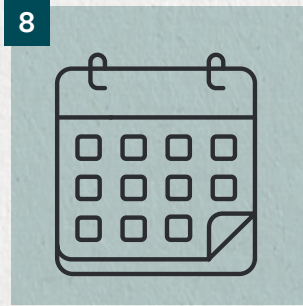
Lawful Working Hours

The normal working hours should not exceed 48 hours per week and must comply with national laws or the benchmark industry standards, whichever offers greater protection. Overtime working shall be voluntary, should not exceed 12 hours per week and will not be demanded on a regular basis. Employees must be compensated for overtime at the rate legally required in the country of manufacture or, in those countries where such laws do not exist, at a rate exceeding the regular hourly compensation rate.



No Discrimination is Practiced

All employees shall be afforded equality of treatment. FatFace recognises and respects cultural differences, it will seek and identify suppliers who employ individuals based on their ability to do the job, irrespective of their gender, race, colour, language, nationality, ethnic or social origin, religious beliefs, political opinion, marital status, disability, property, age, sexual orientation or union membership. Health screening for the purposes of recruitment shall not be undertaken, unless otherwise required by law.



Employment Security

Wherever reasonably practicable, all workers should enjoy security and stability of employment and regularity of income. Obligations to employees under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided.



Respectful Treatment of Employees

Employees must be treated with respect, dignity and be employed in a workplace free of harassment, abuse, and degrading treatment. No employee will be subject to physical, sexual, mental or any other form of abuse or harassment or corporal punishment.



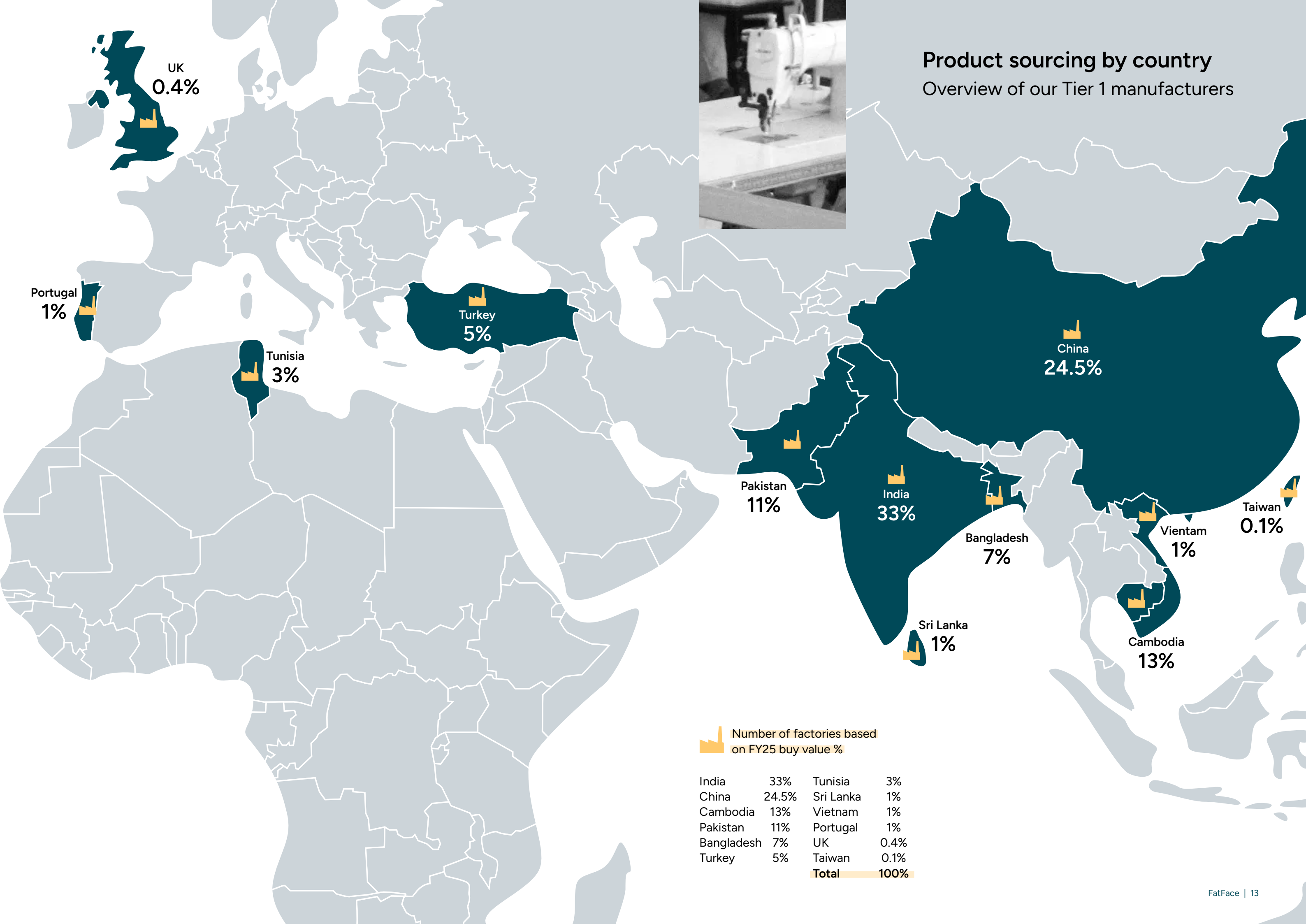
Management Systems


The FatFace Code of Conduct must be underpinned by robust management systems to ensure compliance with local legislation and the Code of Practice auditing standards.



Product sourcing by country

Overview of our Tier 1 manufacturers



 Number of factories based on FY25 buy value %			
India	33%	Tunisia	3%
China	24.5%	Sri Lanka	1%
Cambodia	13%	Vietnam	1%
Pakistan	11%	Portugal	1%
Bangladesh	7%	UK	0.4%
Turkey	5%	Taiwan	0.1%
Total		100%	

Enhancing Supplier Onboarding Requirements

At FatFace, we maintain strict criteria when it comes to our suppliers and have taken steps to increase the stringency of our onboarding process. All new factories must at least meet our minimum requirements and prove that they are certified to handle responsible materials.

Our New Supplier/Factory Onboarding Process



In **2024**,
we welcomed
21 new factories
into our supply chain
and onboarded
8 third-party
branded suppliers.

In **2025**,
we plan to begin
auditing our Tier 2 factories,
such as our printers,
embroiderers and trim,
label and packaging
suppliers.

Future goal...



Raw Materials Sourcing

Choosing to utilise more responsible materials as opposed to conventional materials helps us to reduce pollution, conserve natural resources and uphold ethical labour standards. Our key raw materials are Cotton, Polyester, Viscose, Leather and Linen.

For 2024, we set ourselves a target of sourcing 100% of the cotton we use from more responsible sources and a target of 75% responsibly sourced materials for all other key materials.

To do this, we:

- Encouraged our design teams to innovate collections with these materials in mind
- Collaborated with supply partners to create a comprehensive raw material process guide, ensuring clear alignment with requirements and the introduction of new, innovative fabrics to our design team.
- Educated our buyers on how to work within scope, to manage the higher cost of responsibly sourced materials.
- Developed an internal guide for all designers, buyers and quality teams to use when developing a product.

Note:

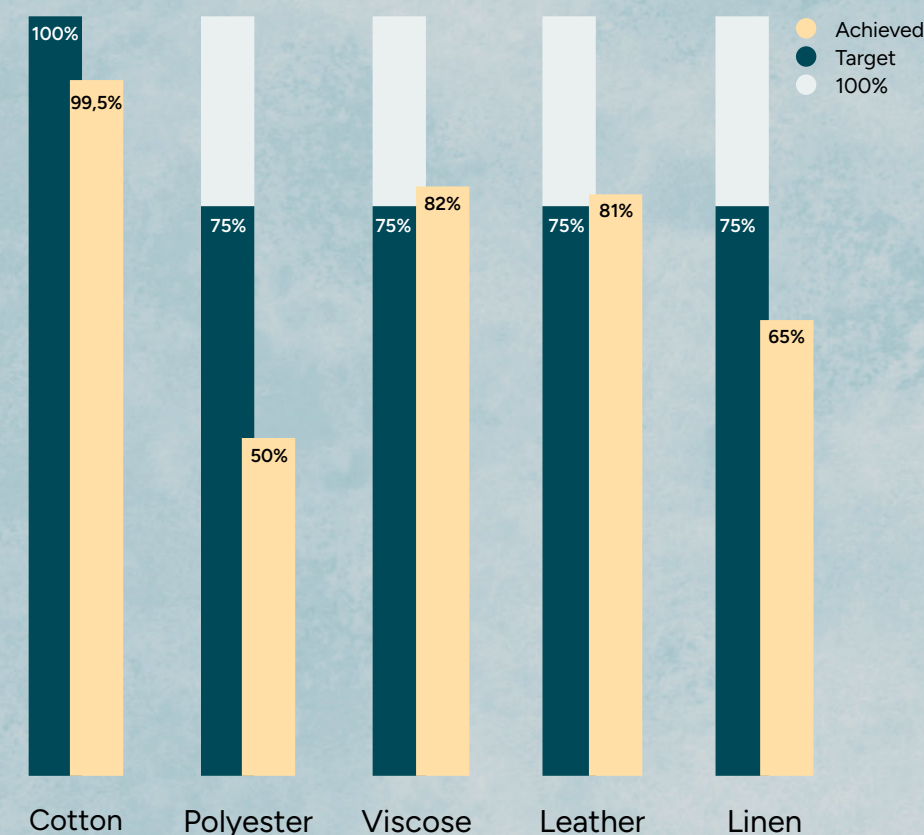
For this reporting period, we have continued to disclose our use of responsible materials based on the number of product units containing these materials. This unit-based approach has been used consistently over the past four years, ensuring comparability, and continuity in our sustainability reporting.

Looking ahead, we are investigating different ways of reporting such as certified weight to ensure a more robust and industry-aligned view of environmental impact.

Our 2025 goal is to have **100%** of all key materials from more responsible sources. We realise that this is an ambitious undertaking and have met several challenges in our work thus far. However, we plan to use the learnings from these challenges to shape our next materials strategy.

Future goal...

Responsible Materials Progress



Challenges to Realising Our Goal

- **Cotton:** We are slightly behind on our cotton target due to challenges surrounding missing certifications from a few suppliers. This issue was further compounded by the unexpected suspension of a local certification body, resulting in delays in obtaining the necessary documentation.

- **Polyester:** We set an ambitious polyester target across all product categories. However, small components made from recycled polyester often fall out of verification scope due to their low product weight, limiting our ability to claim recycled content.

Additionally, the inclusion of polyester embroidery thread has impacted our numbers. From 2025, these units will be excluded, and we've updated our reporting methodology. Polyester will always remain one of our biggest challenges, but we look forward to providing further updates in our next ESG report.

- **Linen:** We are slightly behind on linen progress as not all factories were certified at the start of product development. We have since strengthened our onboarding process to ensure certification is in place upfront and now require this as a standard practice.

Our Memberships, Accreditations and Standards:



Circularity

We create products with longevity in mind, prioritising quality. Meticulous planning goes into fabric choice and garment construction, ensuring our designs are fit for purpose and stand the test of time.

Encouraging Longevity

We empower customers to give new life to unwanted clothing through our recycling bag programme, facilitated through a third-party partnership. Our in-store customers can pick up 'Thrift+' bags for free whilst shopping,

- Customers fill 'Thrift+' bags with unwanted articles of clothing and send to our partner, Thrift+. Our partner then resells these items via an online shop.
- Customers can either receive financial compensation for filled bags or choose to donate that compensation to charity. Either way, clothing has been diverted from landfill.

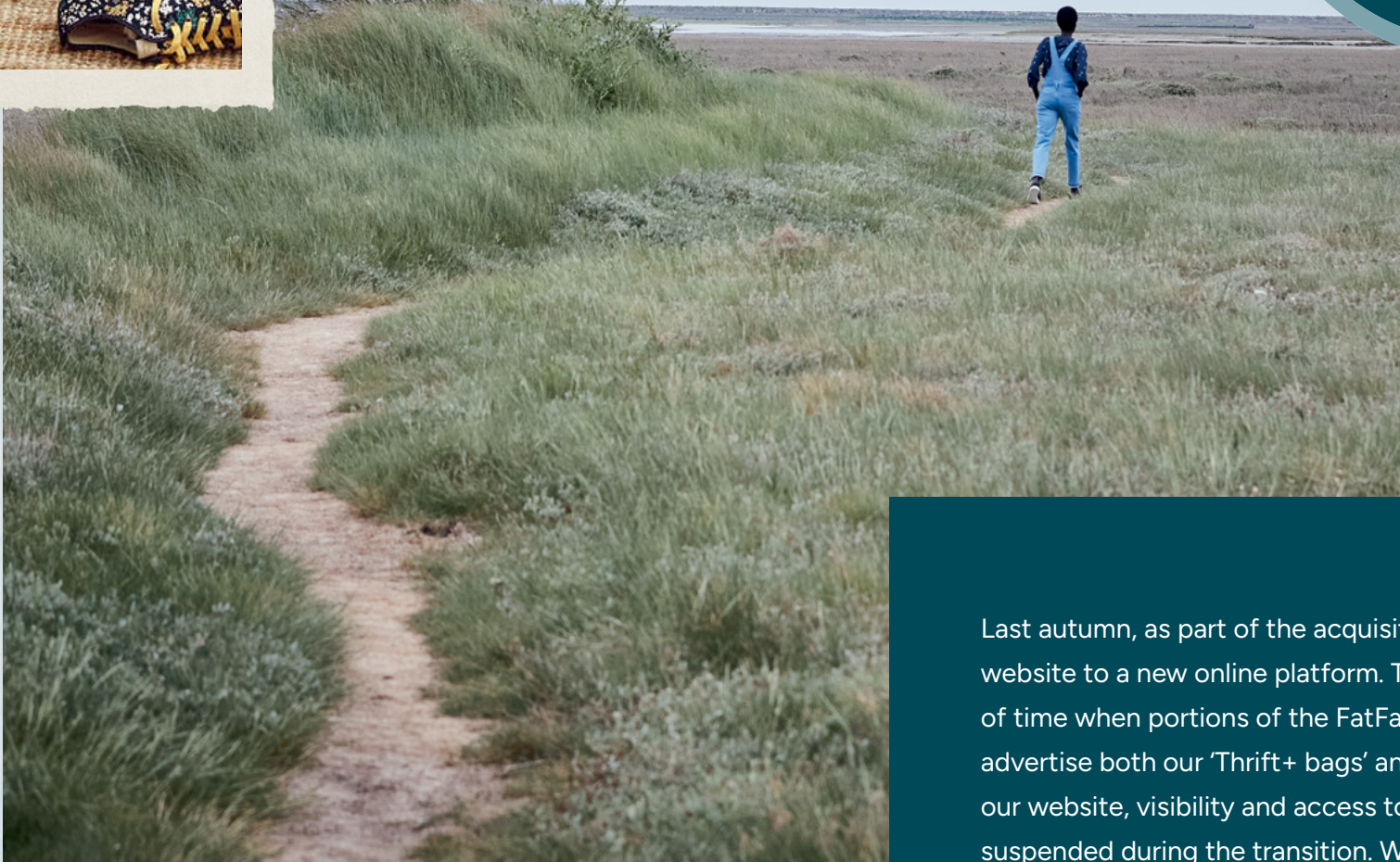
Clothes Doctor Repair Service

Our partnership with Clothes Doctor offers repair and alteration services to our customers, helping extend the life of garments, while also promoting versatility and fit for various body types.

Additional Efforts Towards Circularity

Internally, we make every effort towards ensuring no material goes to waste. We send our fabric swatches, fabric waste, design samples and faulty garments to the second-hand clothing company, Reskinned. These materials are either:

- Shredded and used as 'filler' for other industries (such as car seats or mattresses)
- Broken down to be remade into new products
- Repaired and recycled



“
This is the first time I have added a [recycling bag] to an order. What a great idea – I will be filling and returning my first one very soon.
— FatFace customer

This past year:
11,841
items have been recycled via 'Thrift+' bags'.

“
Recycling and getting something in return.
Happy days.
— FatFace customer

Last autumn, as part of the acquisition process, we transitioned our website to a new online platform. This transition resulted in periods of time when portions of the FatFace website were 'offline.' As we advertise both our 'Thrift+' bags and Clothes Doctor services via our website, visibility and access to these services was temporarily suspended during the transition. While engagement with these services decreased this past year compared to previous years, potentially due to website accessibility, we are pleased to share that access to both services via the FatFace website is once more up and running. Our internal teams continue to work towards improving both the visibility and customer journey of these services, with the aim of extending product life for as long as possible.

PILLAR TWO Planet

Highlights

Included all material Scope 3 GHG emissions within our GHG emissions calculations.

Replaced plastic “kimbles” with string, fabric or ribbon.

55% of our waste was recycled.

Switched waste management service provider with the aim of receiving stronger data.

LED lighting rollout to our stores continued at pace.

Goals for next year

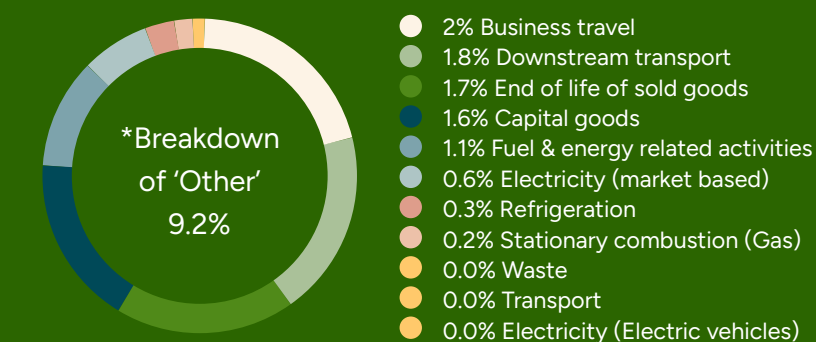
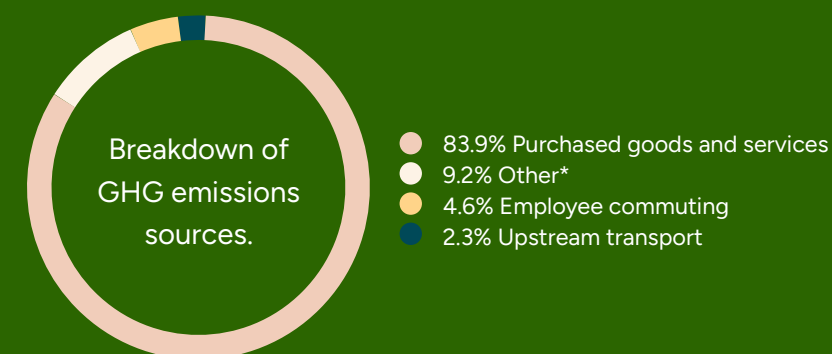
Understand our scope 3 greenhouse gas emissions and formulate a carbon reduction strategy.

Engage with our key suppliers to collaborate on the journey to net zero emissions.

Complete the LED lighting rollout to all our stores.

Carbon Progress

Due to the availability of applicable data, February 2024 – January 2025 marks the first time we have included all material Scope 3 GHG emissions within our GHG emissions calculations. Our FY2025 emissions data serves as baseline for our carbon emissions reduction strategy, with our current footprint as follows:



Our Scope 1, 2 and 3 GHG emissions have been calculated by Sustainable Advantage. NEXT plc's Group scope 1, 2 and a subtotal of scope 3 emissions were subject to external independent limited assurance by PricewaterhouseCoopers LLP (PwC), in which the FatFace data was included.

- Gross CO2e emissions (market-based) for FY25 are 51,005 tCO₂e.
- Scope 3 emissions accounting for over 98% of the total footprint.
- The most significant contributor of emissions within Scope 3 is Category 1: Purchased Goods and Services, which alone accounts for 84% of all emissions.

Continued Offsetting

We are proud to share that we have, once again, offset our Scope 1 and 2 GHG emissions. Via the following high-quality, certified offsetting projects, we have offset:

580 tonnes of carbon

- Ghani Solar Renewable Power Project, India
- Tropical Wind, Thailand
- Eglence I-II Hydroelectric Power Plant, Turkey

Waste reduction and recycling

We continue to incorporate our established responsible waste management habits across the business. We maintain our partnership with our waste broker, who now manages 123 sites and provides us with annual waste reports detailing the percentage of waste sent to all waste streams.

While our strong waste management approach remains consistent over time, the past year saw two noteworthy developments.

Compliance with new Welsh Waste Legislation

We implemented segregated bins for our commercial waste at all of our Welsh sites in response to new Welsh legislation. Now, each of our Welsh sites has bins in place for separate waste streams material to FatFace operations.

We are proud to share that the transition has been smooth, with no reported issues.

Head office waste management supplier change

To increase oversight and enhance visibility of our waste data, we switched waste management service providers this past year. This change provides us with a more comprehensive understanding of the way our waste is managed.

These changes allow for:

- More accurate waste data reporting.
- Reporting on how our waste is treated.
- Clearer insight as to whether waste is sent to a WTE (Waste to Energy) facility or WTR (Waste to Recycling) facility.
- Stronger engagement with a provider who is willing to answer questions and provide additional information when requested.

Waste Data

The following table shows the disposal method for our waste from all monitored sites for the financial year.

Waste Streams	February 2024 - Jan 2025 (Kg)	% Disposal Method
Mixed recycling	192,192	46.2%
Cardboard - recycled	29,262	7.0%
Food waste	6,506	1.6%
Glass - recycled	1,156	0.3%
Tin and Plastic	1,058	0.3%
Total Recycled	230,174	55.3%
General waste - incinerated	178,542	42.9%
Total Waste to Energy	178,542	42.9%
General waste - landfill	7,403	1.8%
Total Landfill	7,403	1.8%

Single use plastics

Despite our best efforts, we are no longer on track to meet our previously set goal to eliminate all single-use plastic across our organisation.

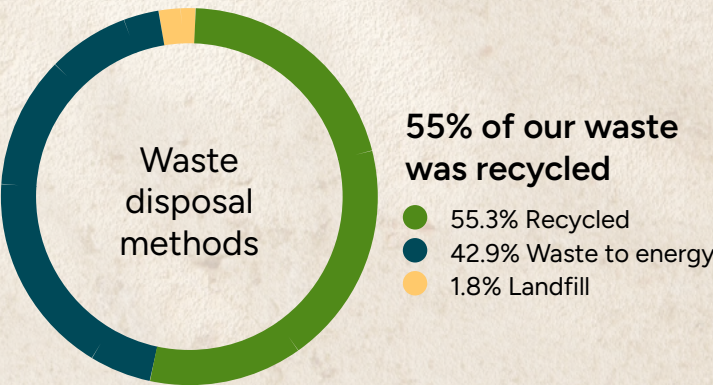
Challenges to realising our goal

- Some of our products, such as bath bombs and food kits, require plastic packaging. We continue to work towards finding replacement solutions.
- Poly Bags and Courier Bags, both used for shipping orders, are still composed of recycled and recyclable plastic, as currently available alternatives are not fit for purpose.
- During the acquisition transition, we paused our work on researching and testing alternative plastic packaging solutions. We feel confident that once the dust has settled, work will resume and our partnership with NEXT’s packaging department will result in even stronger research.

While we are not yet able to eliminate all single use plastic from business operations, we have made several substantial improvements over the past year worth celebrating.

What we have done

- Stopped using plastic kimbles to attach tickets to products, replacing them with string, fabric or ribbon alternatives.
- Redesigned packaging to remove plastic where possible, including integrated card hooks on our sock packaging.
- Ensured all viable plastic we use throughout the company is both recycled and recyclable.
- Increased the percentage of sourced recycled Polyester from 39% in 2023 to 50% in 2025.



Due to a change in our financial year-end, this year’s waste data cannot be directly compared with data from previous years. However, from next year onward, direct year-on-year comparisons will resume.

Energy

LED in-store roll out

A few years ago, we committed to transitioning lighting within our stores to LED bulbs which are more energy efficient. We are currently in the midst of this transition.

44 stores were upgraded to be fully LED in FY25.

88% of our UK and ROI portfolio are now **fully LED**

Number of UK & ROI stores remaining in need of LED installation: 23

It is our aim to convert all UK & ROI stores to LED by the end of the current financial year.

Renewable energy procurement

We continue to procure renewable electricity with the associated Renewable Energy Guarantee of Origin (REGO) certificate for the sites that we control the energy purchasing for.

Breakdown of sites on renewable energy contracts:

- **UK:** 176 / 180 sites on renewable energy contracts
- **US.:** 0 / 17 sites on renewable energy contracts
- **ROI:** 6 / 6 sites on renewable energy contracts
- **Canada:** 0 / 6 sites on renewable energy contracts

Whilst most of our sites utilise renewable energy, we recognise that there is still more work to be done, particularly in our North American stores, and with sites in the UK and ROI where we do not control the energy procurement. We continue to work towards sourcing renewable energy contracts for FatFace-managed sites whenever possible and commit to continued engagement with our landlords, sharing our desire for them to consider switching from brown to renewable contracts in the future. Renewable energy has been calculated as a proportion of total energy consumed which is aligned to the GHG Scope 2 guidance and quality criteria.

87% of our sites source and use renewable energy .



PILLAR THREE

Community

Donated
£217,555 via
FatFace Ltd.

Donated
£259,105
via FatFace
Foundation.

Highlights

80% average
engagement
score in our
2024 colleague
survey.

Donated
228 days to
charitable and
community
pursuits.

Implement
additional
policies aimed
at supporting
our colleagues.

Initiate programme
centred around
disability and
neurodiversity.

Goals for next year

Launch an
LGBTQ+ network
within FatFace.

Create an early
careers training
programme aimed
at attracting
new talent.



Our focus for the
next five years is to
'Seas the Day' and
donate
£1,000,000
to ocean health
by 2030.

Future Foundation Goal...



Continued Effort: The FatFace Foundation Shop

The FatFace
Foundation Shop is a
retail outlet created by
the Foundation, selling
FatFace samples and
terminal stock, as well
as pre-loved items.

While The FatFace
Foundation Shop has
not, to date, been
generating the half a
million in profit target
that we set in 2022,
it continues to be an
incredibly successful
endeavour. Proceeds
remain the majority
source of funding
for all Foundation
initiatives.

Charitable Giving

Between FatFace and the FatFace Foundation,
we have donated £476,661 this year
to causes close to our hearts.

Giving back is an integral component of our corporate
identity. We work hard to support both the communities
in which we operate as well as the planet at large.
Historically, the FatFace Foundation and FatFace Ltd.
have taken slightly separate approaches to community
engagement and charitable work. Moving forwards,
our strategies are more aligned and therefore, by
focusing our efforts, we will be able to make an even
larger impact.

FatFace Foundation Update

Halfway through 2024, it was understood that most of
our previously set Foundation goals (set in 2022) were
on track to be realised. In order to keep moving forwards,
we decided to refresh our strategy and raise our
ambitions. Our refreshed strategy will push us further,
allowing us to make an even larger impact through to
2030. Our new strategy has seen us simplify our three
charitable pillars down to two.



Planet

Funding projects that aim to protect
our planet for future generations. Our
focus for the next five years is to 'Seas
the Day' and donate £1,000,000 to
ocean health by 2030, focusing on
supporting projects that contribute to:



Community

Funding projects that improve the
health and wellbeing of our communities.

We plan to continue encouraging our
colleagues to participate in the I Will
Grants, where colleagues can nominate
community-based charitable projects near
and dear to their hearts and receive grants
of up to £1,000 each to support projects.

- Colleagues are encouraged to post
stories surrounding grant impacts
on internal FatFace communication
channels.
- **£40,000 a year is earmarked
for our I Will Grants.**

Charitable Giving (cont.)

FatFace Ltd. Charitable Initiative Update

No Cold Child

Last autumn, via the inaugural 'No Cold Child' campaign, we donated 9,278 FatFace winter coats to UK school children.

Partnering with the UK parent charity, Parentkind, we sourced and shipped FatFace winter coats to those children most affected by the cost-of-living crisis, covering 300 cities/towns throughout all the UK.

Colleagues at our head office were more than happy to donate their volunteering hours towards packing orders, and the initiative became an enjoyable team-building activity with an incredibly positive impact.

“

Not sure 'thank you' does it justice but thank you from the bottom of my heart. You've no idea what this means to us. You are truly amazing companies

— Parent recipient

This initiative went on to win 'Best Fashion and Retail' award at the Third Sector Business Charity Awards, as well as being awarded highly commended in the 'Best Response to the cost-of-living Crisis' category.

228 days

were donated to charitable and community pursuits in 2024

Parentkind
FATFACE

“

Thank you for making it possible for my son to have a great quality and warm coat! We really appreciate this scheme and feel so much gratitude.

— Parent recipient

94% of parents noted positive impacts from their child receiving a 'No Cold Child' coat.

Donate A Day Scheme Update

We provide our colleagues with a volunteer day each year. Historically, colleagues were responsible for finding their own charitable initiatives to support. However, many have recently shared that it is difficult to find charities that accept one day's worth of volunteering commitment.

Taking this feedback into account, we have refreshed our scheme and now support our colleagues in donating their time, not only to formal charities, but also to community-based initiatives.

Furthermore, we plan on working to provide business-led volunteer opportunities for our colleagues in the future.

Alongside our Foundation, we hope to streamline our charitable support in the years to come to maximise our collective impact.

Product Collaboration

Product collaboration partnerships are another way in which we give back to our community. Collaborating with charities on an individual basis, our designers create products that capture the essence of each charity, raising money and driving awareness. Two of our major product collaboration partners are:

- Shelter
- Marine Conservation Society

Shelter

Shelter is a charity that supports and advocates for people and families experiencing homelessness.

- Partnership since 2019
- Collaboration runs from October to December

This year, we not only donated a percentage of profits from our collaboratively designed product sales to Shelter, but we also contributed proceeds made from in-store paper carrier bag sales.



£70,000 from product collaboration and £89,077 from carrier bags = **£159,077** 2024 donations



Total number of donations FatFace have made since our partnership with Shelter:

£465,337.16

Marine Conservation Society (MCS)

Marine Conservation Society combines scientific research, advocacy, education, and community engagement to protect marine ecosystems and promote effective management of marine resources.

- Partnership since 2021.
- Collaboration runs through summer months.
- 10% of collaboration collection sales are donated to Marine Conservation Society (£54,151 donated in 2024).

“

The 2024 collection took inspiration from British marine creatures and seaweed to create prints that celebrated the biodiversity and the beauty of flourishing natural habitats.

— Alice Dodds, FatFace designer



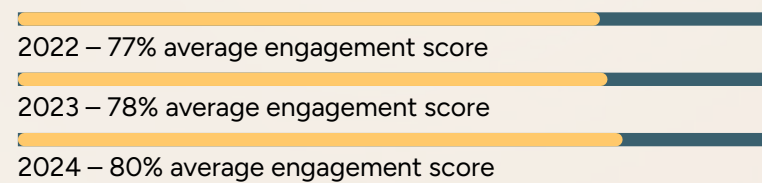
FatFace's partnership with Marine Conservation Society is truly collaborative in nature. FatFace raises awareness of the charity's mission via product collaboration and donates financial resources to help fund their research projects. In turn, Marine Conservation Society provides valuable advice and support for our own research surrounding eliminating single-use plastics and perfluoroalkoxy alkanes (PFA) coatings, such as waterproof coatings, from our products.

People

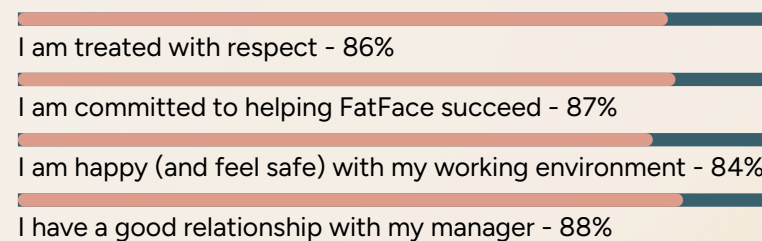
Colleague Engagement Survey Results

Continuously Improving Engagement:

This year, our overall engagement score has risen again, now at 80%, which demonstrates a culture of continuous improvement. In addition, areas in which our colleagues scored the highest included feeling safe at work, having a good relationship with their manager, and recognising that ESG is an important part of our culture.



Our Highest Scoring Areas for 2024:



Expanding Question Set:

This year, we added two questions pertaining to our ESG agenda and FatFace's B Corp™ accreditation. We were delighted to find that the majority of our colleagues value our B Corp™ standing and our ESG-focused business practices.

- 88% of people scored sustainability as being an important part of our culture.
- 82% of colleagues scored our B Corp™ status as being important to them.

We also included several new questions within the survey aimed at gathering colleagues' opinions on the benefits package we offer. 68% of colleagues shared they take advantage of benefits, which highlighted to us that this was an area of improvement.

The verbatim comments from the survey helped us interpret the feedback in a deeper way and illustrated that people lacked understanding as to what benefits were available to them. In response, we enhanced and consolidated our offerings, aligning them with company values and improved benefit accessibility.

Additional changes made in 2024 in response to survey results

Improved our corporate office environment to reflect our company identity and encourage collaboration and innovation.

Reviewed and adjusted roles and responsibilities to align with new business requirements.

Increased the number of team engagement activities provided to colleagues.

Introduced roundtable development sessions for our designers.

Improved Policy Suite

We continue to review and analyse our policy suite, ensuring we have processes in place to support our community. In 2024, we enhanced our Maternity Policy, as well as launched a number of new policies to support our colleagues.

New policies launched:

- AI Policy
- Internal Audit Policy
- Anti-Sexual Harassment Policy
- Neonatal Leave Policy
- Formal Volunteering Policy
- HIV Policy

Spotlight on HIV Policy

In order to ensure our new HIV Policy was appropriate and effective, we worked to create the policy in tandem with one of our colleagues who is living with HIV. The collaboration helped us create a policy that aims to champion an inclusive work environment and support colleagues living with HIV in a meaningful way.

Policies we plan to implement in the coming year:

- Neurodiversity Policy
- Domestic Abuse Policy
- Safeguarding Policy

“

We constantly work to improve our policy suite to ensure we have foundations in place to support all colleagues in being themselves

— Ashley Houghton,
Employee Relations Manager

“

Today, my diagnosis doesn't define me. If you're struggling, reach out, as I know first-hand that the burden of life can get too much. Since disclosing this information to FatFace, I have only been met with support from all peers and management within the company. It has also caused FatFace to create new policies to safeguard me from discrimination and judgment. I can only begin to tell you how grateful I am to be working for a company that has my interests at heart.

— FatFace colleague

People (cont.)

Equality, Diversity and Inclusion

We are part of the WiHTL & Diversity in Retail collaborative community, a community devoted to increasing equity, diversity and inclusion within the Hospitality, Travel, Leisure and Retail sectors.

This year, we participated in the WiHTL & Diversity ED&I Maturity Curve process, a process that assessed FatFace's current impact within the ED&I space. The process highlighted where FatFace benchmarked in relation to industry peers, allowing us to set a roadmap and track ED&I improvement progress over time.

The beginning of our Maturity Curve Journey

- First submission to Maturity Curve – September 2024
- Awarded an overall score of 63
- Ranked 50 out of 76 in the retail industry
- Our highest-ranking area was Leadership (78)
- Our lowest-ranking area was Colleague Journey (47)

Diversity on and behind the camera

We remain dedicated to representing a diverse mix of ethnicities, body types, genders, sexualities, and ages in our customer-facing marketing campaigns. We also recently launched the “Driving equality and inclusion behind the lens” project which supports championing representation behind the camera, as well as in front of it.

We now advertise for photographers, directors and hair & make-up artists on a range of platforms, ensuring our job adverts reach a diverse audience.



Focus on Upskilling Our Teams

Learning & Development Workshops

In addition to creating resources found within our online training portal, our Learning and Development team develops and delivers meaningful workshops aimed at upskilling, inspiring and developing the FatFace community.

Workshops held throughout the past year included:

- ‘Creating Habits and Organising Time’
- ‘Embracing Our Values’
- ‘The Power of Positivity in Teams’
- ‘Empower Yourself’
- ‘Mindful Leadership’
- ‘Sleep - The importance of rest in relation to performance’

Women’s Leadership Apprenticeship

Our women’s leadership apprenticeship programme provides a framework for participants to develop the skills and confidence needed to successfully achieve career fulfilment and advancement. Feedback has shown that the programme has helped all 12 participants improve their confidence, core skills and leadership style.

Green Claims Guidance and Greenwashing Avoidance within FatFace

To prevent the possibility of greenwashing, we provide Green Claims training to the FatFace Board as well as to our design, sourcing, merchandising, quality, marketing and people teams. We are in the process of appointing Green Claims specialists across all departments to provide real-time guidance and help prevent unintentional greenwashing. Additionally, we encourage all remaining members of the FatFace community to access training material surrounding Green Claims via our internal training platform.

Additional Learning and Development Initiatives

- Continued to update our online training portal, Thrive, with courses and guidance surrounding a multiplicity of professional and wellbeing topics. This past year, **Thrive tracked 25,409 views of content**, which illustrates a 23% lift from the previous year.
- Offered Assistant Manager development training.
- Trained mental health first aiders across the company.

Future goals...

Create an early careers training programme aimed at attracting new talent.

Create a leadership programme for high-performing colleagues.

Run a second leadership apprenticeship programme, possibly expanding beyond the female-focused lens.

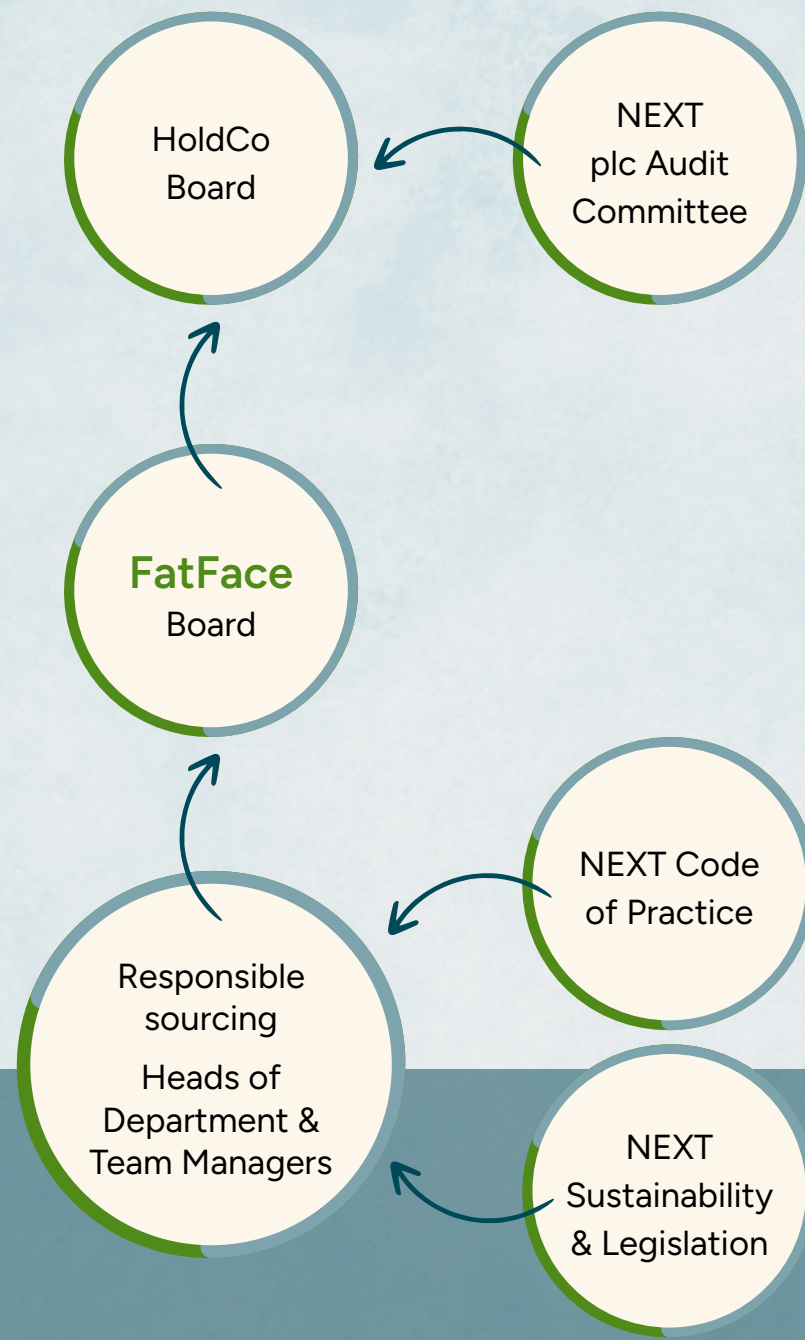
Deliver a modular training programme for people becoming line managers for the first time.

Future goals...

Launch an LGBTQ+ network within the FatFace community.
Initiate programme centred around disability and neurodiversity.

Governance

We continue to operate in accordance with our established values and maintain our corporate management structure. Since acquisition we now have some additional inputs from the NEXT Code of Practice and Sustainability and Legislation departments and oversight from the NEXT plc Audit Committee.



We are part of a collaborative network of retailers who share near misses and findings surrounding risk and data security.

Updates to Procedure

The primary focus of the past year was updating ways of working and corporate processes, ensuring they are efficient and align with NEXT where required. Examples of this are ensuring the effective and compliant transfer of customer data to NEXT and aligning our Risk Register and mitigations to NEXT Risk Management.

We continue to incorporate ESG considerations into our general risk register, utilising current technology to constantly monitor key risks and emerging threats. Our philosophies of 'Never trust, always verify' and 'Not if, when' guide us in remaining vigilant and on alert for anything that could negatively affect business operations.

Customer Engagement

We continue to operate in accordance with our 'Always On' customer strategy, a strategy created around the core pillars of 'Engage', 'Convert' and 'Retain'.

Engage: Drive brand awareness by engaging new and lapsed customers, inviting them to appraise or reappraise our brand and product offerings.

Convert: Showcase collections and key product attributes, both online and in store, with the aim of converting potential customers into purchasing customers.

Retain: Focus on transitioning customers from liking our brand to absolutely loving it, building brand advocates and driving customer loyalty.

We provide our customers with a myriad of ways in which to voice questions and share feedback or concerns.

Customer engagement tools include:

- TrustPilot
- Feefo
- FatFace website virtual assistant / live chat
- FatFace customer service team

Inspiration Blog

Our Inspiration Blog, found on the FatFace website, is a way for us to connect with our customers and provide additional value to their FatFace experience. Blog articles focus on supporting customers via styling advice, fashion tips, feature stories and clothing care information.

Our customers are everything to us, and our blog helps us extend our relationship in a creative, informative and beneficial format.

Brand Partnerships

At FatFace, we love a good collaboration, whether it's with other retail companies and brands, influencers or charities. Partnerships help us spread our message to a wider audience whilst igniting our creativity.

We are highly selective when choosing brand partners, ensuring each partner we work with feels authentic to our brand and company values.

Ethical Marketing

We believe in transparent and authentic communication and always aim to treat our customers with respect. Our marketing practices follow the values and guidelines outlined within our Ethical Marketing Policy, ensuring we maintain both integrity and honesty when promoting our products and services.

★ Trustpilot



rating of 4.5 stars





LOOKING AHEAD

As we near the end of the five-year plan we set ourselves as a company in 2020, we have already begun to look ahead and determine the strategy that will take us to 2030 and beyond. While the plan is still work-in-progress, it is likely to focus on the following topics in the years to come:

B Corp™: Understand updated B Corp™ recertification requirements and take action to ensure we are positioned to achieve recertification in 2027.

Net Zero: Continue to make necessary operational changes to support our work towards formulating a Net Zero plan.

Explore Digital Product Passports: Stay ahead of regulatory demands and improve transparency by sharing our product journey with customers - highlighting product origins, manufacturing processes and environmental impact.

Responsibly Sourced Materials: Continue to purchase higher quantities of certified lower-impact materials to make our products.

Supply Chain: Utilise the research we have conducted to understand the risks present deeper in our supply chain and determine ways to manage and mitigate those risks.

ESG Management System: Transfer our ESG data collection and storage process to one that is consolidated and systemised, utilising purpose-built software.

Charitable Work: Deliver upon our established goals and continue to grow the charitable support we provide to our community.

Looking ahead, we are excited to leverage the resources of a larger business to improve all areas of operations whilst ensuring we maintain our unique FatFace identity.