

JCDecaux UK Limited

DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2020

Employee involvement

The Company operates a framework for employee information and consultation which complies with the requirements of the Information and Consultation of Employees Regulations 2004. During the year, the policy of providing employees with information about the Company and the worldwide group has been continued through the publication and notification of regular bulletins. The management of the Company holds frequent meetings with employees to allow a free flow of information and ideas and actively encourages all staff to participate fully in the development of the business.

The Company actively supports equality and diversity in the workplace and has embarked on training and communication initiatives to support this objective.

Financial risk management and policies

Please see Strategic report for details on financial instruments.

Events after the end of the reporting period

Particulars of events after the reporting date are detailed in note 29 to the financial statements.

Qualifying indemnity provision

During the year the Company had in force an indemnity provision in favour of one or more directors of the Company against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006.

Other matters

Streamlined Energy and Carbon Reporting (SECR)

Scope	Description	Unit	2020
1	Emissions from combustion of gas	tCO ₂ e	239
1	Emissions from combustion of fuel for transport purposes	tCO ₂ e	919
2	Location-based Emissions from purchased electricity	tCO ₂ e	9,185
	Market-based (location-based)	tCO ₂ e	0
1 & 2	Location-based Total emissions	tCO ₂ e	10,343
	Market-based	tCO ₂ e	1,158
	Direct & indirect energy consumption	kWh	45,394,358
	Total revenue	£m	232,3
1 & 2	Location-based Normalised emissions to revenue	tCO ₂ e/£m	44,52
	Market-based		4,98
3	Business travel in employee-owned vehicle	tCO ₂ e	30

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Streamlined Energy and Carbon Reporting (SECR) *(continued)*

Methodology: 2020 Scopes 1 & 2 emissions data covers operations for which we have operational control. We use the Greenhouse Gases (GHG) Protocol Corporate Accounting and Reporting Standard and the latest conversion factors from the Department for Business, Energy & Industrial Strategy to calculate Scope 1 emissions and the latest conversion factors from the International Energy Agency to calculate Scope 2 emissions in tonnes of carbon dioxide equivalents.

Energy efficiency initiatives: in the period covered by the report, we have converted the lighting installed in 115 street furniture assets to LED and implemented "smart lighting" solutions to modulate light intensity, to further improve the energy performance of furniture. We maintain a renewable energy purchasing policy to cover 100% of electricity consumption for our buildings and advertising furniture. In 2020, 55% of the electricity consumed was provided through a clean renewable electricity contract. For the remaining 45%, we purchased Renewable Energy Guarantees of Origin (REGOs) sourced from UK wind energy. During 2020, our certification to ISO50001 and ISO14001 was reassessed and renewed.

Political donations

The Company made no political donations during the year (2019: Nil).

Going concern

The Company's business activities, together with the factors likely to affect its future development, its financial position and financial risks are described in the Strategic Report.

The financial statements of the Company have been prepared on a going concern basis, which the directors believe to be appropriate for the following reasons:

JCDecaux SA, the parent undertaking, has provided the Company with an undertaking that for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the Company to finance its activities. This should enable the Company to continue in operational existence until 30 November 2022 by meeting its liabilities as and when they fall due for payment.

There remains uncertainty on the overall impact the pandemic will have and the recovery of the macro-environment in the UK. The directors have considered the impact of COVID-19 on the business having postponed advertising for a period while preparing for a safer return for its employees. The Company is in a net asset position at the end of 2020 and despite the challenges faced notably in 2020 and in the first half of 2021 which have undermined and will undermine the financial performance, the directors believe the Company will manage to see through this crisis. The Company relies on a cash pooling agreement to help finance operating activities and has been given assurance by JCDecaux SA that it will continue to support the UK.

JCDecaux SA, as well as the wider advertising market, has been negatively affected by COVID-19 in 2020 and in H1 2021. In the 29 July 2021 Half year results published by the company, JCDecaux SA said that they expect in Q3 2021 an adjusted organic revenue growth above +20% year on year based on positive trends in the current trading with some activities close to pre-Covid levels, provided that mobility restrictions do not rise significantly.