

**Strategic Report for the period ended 25 July 2020 (continued)****Section 172(1) Statement (continued)**

f. The need to act fairly between members of the Company:

The Company's parent company is Just UK International Limited. The Company's ultimate parent company is Premier Investments Limited which is listed on the Australian Stock Exchange.

**Streamlined energy and carbon reporting (SECR)**

The Directors are committed to responsible energy management and practice energy efficiency throughout the organisation, wherever it is cost effective. The Directors recognise that climate change is one of the most serious environmental challenges currently threatening the global community and understand the Company has a role to play in reducing greenhouse gas emissions.

The Company has implemented the following policies of increasing energy efficiencies within the business:

- Use of LED lighting in stores and other lighting upgrades where appropriate
- Reduction in travel and increase use of video conferencing

The Company continues to assess ways to improve its energy efficiency and will implement where practical.

The Directors set out below details of emissions sources required under the Companies Act 2006 (Strategic Report and Directors Reports) Regulations 2018. The amounts below represent quantities of emissions from the company's operations across the UK for the year ended 25 July 2020. All emissions are accounted for in accordance with the methodology set out in the Greenhouse Gas Protocol Corporate Standard. All CO<sub>2</sub>e emission factors used for electricity are in accordance with the 2006 Intergovernmental panel on Climate Change Guidelines for National Greenhouse Gas Inventories.

**Direct emissions in the financial year ended 25 July 2020**

Fuel Use from transport

- Smiggle UK Limited uses 3rd party logistics providers

Combustion of natural gas

- Smiggle UK Limited has no natural gas consumption

**Indirect emissions in the financial year ended 25 July 2020**

Electricity consumed for operations

- 2,312,619 kwh - 539.16 tonnes of CO<sub>2</sub>e

**Emission intensity**

10.65 tonnes of CO<sub>2</sub>e per £million of revenue

**Future developments**

Subsequent to the period end, the company has at times again had to temporarily close stores in direct response to the government directives and "stay at home" orders in response to the COVID-19 pandemic. All stores were temporarily closed during the following periods:

- November and December 2020
- January to May 2021

Since the period end date, in addition to the temporary closures a result of COVID-19, the Company has permanently closed 21 of its 135 stores that were trading at the end of the reporting period, in response to customers increasingly choosing to shop online in this highly uncertain macro-environment.

As at October 2021, all 114 remaining stores are currently open. Since COVID-19 restrictions have been easing in recent months, consumers have been feeling increasingly confident with high rates of vaccination and sales performance has surpassed expectations.

With children back in the classroom there has been a very strong response to Smiggle's product offering for 'back to school' essentials, with sales for the key 'back to school' period in the Summer of 2021 significantly ahead of expectations. Retail store like-for-like growth is up 69% in the UK delivering record 'back to school' sales results at full margin.

The directors note, however, there continues to exist uncertainty regarding the macro-economic environment within the UK retail market as a result of the ongoing COVID-19 global health crisis.