

INTRODUCTION

WELCOME

Welcome to NEXT Group's Corporate Responsibility Report to January 2025. This report outlines the progress we are making towards our goals, highlighting the strategies and key actions we have taken throughout the year. We remain dedicated to sharing our journey and the steps we are taking towards making a positive difference to our people, suppliers, communities and the environment.

Reporting Principles, Criteria and Methodology

For further information on reporting principles, criteria and methodology, please refer to: nextplc.co.uk/corporate-responsibility.

Further Information

For further information about certain areas of this report you will find links in the Appendix. In some cases, more information can be found on nextplc.co.uk. Read our full Taskforce on Climate-related Financial Disclosures (TCFD) statement in our Annual Report.

Contact Us

We welcome your feedback on our corporate responsibility performance. Please contact us via this link.

Our 2024/25 suite of reports

Please visit our Group website



Annual Report
and Accounts

Reporting Criteria
Corporate Website
Modern Slavery Statement
Gender Pay Gap



Read more online

Black/Green Floral Pleated Long Sleeve Fitted Shirt 100% Recycled polyester. See <u>P.57</u> for more details.

NIRODUCTION	2
About NEXT Group	3
About This Report	4
Velcome to Our 2025 Corporate Responsibility Repo	rt 5
2024/25 Highlights	6
2024/25 Progress Against Goals	7
OUR APPROACH	8
PROTECTING WORKERS	9
N OUR SUPPLY CHAIN	
FACKLING CLIMATE CHANGE	15
RESPONSIBLE SOURCING	22
AND CIRCULARITY	
MAKING NEXT A GREAT PLACE TO WORK	31
SUPPORTING OUR COMMUNITIES	37
SOVERNANCE AND ENGAGEMENT	41
APPENDICES	44
Partnering for Change	44
JN Sustainable Development Goals (SDG) Index	55
JNGP Index	56
eatured Product Credentials	57

Report Tools

Go to another page of this report

Go to an online reference

Cover Image: Burgundy Red Print Oversized Denim 100% Cotton Shirt: 100% USTP Cotton. See P.57 for more details.

All products featured in this report were on sale through NEXT in the reporting year.

About NEXT Group

NEXT Group is a UK based retailer offering beautifully designed, excellent quality clothing, footwear, accessories, homeware and beauty products. The Group employs approximately 50,000 people. The business has evolved at pace as it has developed its licensing, Total Platform e-commerce and distribution relationships and acquired selected fashion and homeware brands. Statutory sales 2024/25: £6,118 million



NEXT GROUP CONSISTS OF DIFFERENT BUSINESS DIVISIONS:

NEXT RETAIL	· Over 800 stores in the UK and Eire (including Reiss, Joules, FatFace and Victoria's Secret stores)
NEXT INTERNATIONAL RETAIL	· 200 stores in 30 countries
NEXT ONLINE	 Around 9.6 million UK customers and 4.1 million overseas customers Websites serve over 60 countries Includes 'Label', a segment of NEXT Online which sells over 1,000 third-party clothing, home and beauty brands. These are sold on a commission or wholesale basis Our stores play an important role in supporting Online customers; nearly half of our UK Online orders are collected instore and the majority of returns are through our stores
NEXT FINANCE	 NEXT finance has built a high quality receivables book with customer credit balances of £1.5 billion. The ability to sell products on credit has proven to be an attractive service to customers which benefits Online sales and Group profitability
TOTAL PLATFORM (TP) AND INVESTMENTS	 TP offers a complete suite of services to third-party brands including websites, marketing, warehousing, distribution, networks and contact centres NEXT has an equity stake in many companies trading on TP TP includes businesses such as Joules, Reiss, JoJo Maman Bébé, Victoria's Secret UK, GAP UK and FatFace
NEXT DISTRIBUTION	 8 UK warehouses, 7 UK depots and 3 international hubs which are fully integrated with our cost-efficient distribution facilities NEXT owned distribution fleet
NEXT SOURCING	 Our overseas sourcing operation, NEXT Sourcing Limited (NSL), provides buying, sourcing and design skills which support our product teams in the UK Global sourcing locations including a Head Office in Hong Kong and manufacturing site in Sri Lanka
WHOLLY OWNED BRANDS AND LICENCES	 Wholly owned brands include Lipsy and its sub-brands Love & Roses and Friends Like These External licences owned by others where NEXT delivers sourcing and manufacturing of certain product ranges Wholly owned licences where NEXT has acquired Intellectual Property of other companies (e.g. MADE.com and Cath Kidston)

About This Report

This report details our continuing social, ethical and environmental-related activities carried out during the 52 weeks ended 25 January 2025. Based on statutory sales, NEXT's business in the United Kingdom (UK) and Eire accounted for 82% of our turnover in the year, although this report also refers to our global operations wherever relevant.

We undertook a Double Materiality Assessment in 2024 to reinforce our focus on our most material impacts, risks and opportunities and to support the development of our net zero transition plan.

We implement the United Nations (UN) Guiding Principles on Business and Human Rights and align our work with nine of the UN Sustainable Development Goals (SDGs) most relevant to our business operations and products. We acknowledge we have a role to play in contributing to these SDGs through our direct actions as well as through collaborations with others. We consider impacts across our whole value chain and focus on areas where we can make the biggest difference. See our **UN SDG** Index for more.

ROSS NEXT BRANDS IEXT entities			of Brand EXT Group	cting Workers Supply Chain	ate les 1-3	Sourcing	a Great	our
NEXT wholly owned brands				Klddr M buj	Climate ; Scopes		NEXT Work	
. Total Platform partners			Percentage Owned by N	Protecting in our Supp	Tackling (Change;	Responsible and Circular	Making I Place to	Supporting
. Exclusive UK franchise rights			O Pe	Prc in c	Ta Ch	A C	Σ G	Sul
Yes - Data included in report	1.	NEXT	100%					
Partial - Data reported across some elements (footnotes in sections)		LIPSY	100%					
No - Data not included		LONDON	10070					
	2.	FATFACE	97%					
		JOULES ¹	74%1					
		REISS	74%					
			44%					
	3.	Victoria's Secret UK ²	51%²					
		GAP UK ²	51% ²					

exclusive franchise rights to run GAP and Victoria's Secret brands in the UK and Ireland.

TACKLING CLIMATE **RESPONSIBLE SOURCING** MAKING NEXT A GREAT **GOVERNANCE AND** PROTECTING WORKERS SUPPORTING OUR **OUR APPROACH APPENDICES** NEXT CR REPORT 2024/25 INTRODUCTION IN OUR SUPPLY CHAIN CHANGE AND CIRCULARITY PLACE TO WORK COMMUNITIES **ENGAGEMENT**

Welcome to Our 2025 Corporate Responsibility Report



Jonathan
Blanchard
Chief Financial
Officer,
9 April 2025

Welcome

As an international fashion, homeware and beauty business, what we do and how we do it impacts people and the world around us. Our stakeholder relationships are key to our success and this report summarises what we're doing to make a positive impact for our people, suppliers, communities and the environment. We completed a Double Materiality Assessment for the business in 2024 which allowed us to identify our business impacts, risks and opportunities.

Our Business Principles

We seek to:

- · Deliver value to our customers
- Act in an ethical manner
- · Recognise, respect and protect human rights
- · Develop positive relationships with our suppliers and business partners
- · Recruit and retain high integrity employees
- · Take responsibility for our impact on the environment
- · Provide support to our communities through donations to non-profit organisations.

In This Report

Global issues, such as responsible sourcing, human rights and climate change remain our key areas of focus where we can make the most impact. In this report you can read about:

- · The activities of our Code of Practice (COP) team, who continue to work with our suppliers to meet appropriate labour standards
- · The progress we have made towards our Science Based Target Initiative (SBTi) approved greenhouse gas (GHG) emissions targets for Scopes 1, 2 and 3
- Progress on our Responsible Sourcing Approach, which aims to source 100% of our key raw materials through known, responsible and/or certified routes
- · Updates on efforts to reduce waste and improve circularity throughout the business
- · The range of commitments and initiatives we are pursuing to improve the wellbeing and engagement of our people and to support our communities.

External Assurance

PricewaterhouseCoopers LLP ('PwC') has performed independent limited assurance on selected metrics for the 52 weeks ended 25 January 2025.

Read their report online.

Responsibility Statement

The Directors of NEXT plc confirm that we are solely responsible for the preparation of the Corporate Responsibility Report for the 52 weeks ended 25 January 2025, including this Directors' statement, and for reporting the selected ESG performance metrics (together the "Subject Matter Information") in accordance with the Reporting Criteria available online via this link.

We confirm, to the best of our knowledge and belief, that we have:

- Designed, implemented and maintained internal controls and processes over information relevant to the measurement, evaluation and preparation of Subject Matter Information that is free from material misstatement, whether due to fraud or error
- Established objective Reporting Criteria for preparing and presenting the Subject Matter Information, including clear definition of the entity's organisational boundaries, and applied them consistently
- Presented information, including the Reporting Criteria, in a manner that provides relevant, complete, reliable, unbiased, comparable and understandable information
- · Reported the Subject Matter Information in accordance with the Reporting Criteria.



INTRODUCTION

OUR APPROACH

PROTECTING WORKERS IN OUR SUPPLY CHAIN

TACKLING CLIMATE CHANGE

RESPONSIBLE SOURCING AND CIRCULARITY

MAKING NEXT A GREAT PLACE TO WORK

SUPPORTING OUR COMMUNITIES

2024/25 Highlights

47% 0

1YEAR **EARLY**



78%

reduction in Scope 1 and 2 emissions against a 2016/17 baseline

achieved our interim responsible polyester target ahead of schedule participation rate in our annual employee engagement survey

£2,825,521 total NEXT contribution to charities

FATFACE AND JOULES ENROLLED



NEW 15-YEAR **SLEEVED POWER PURCHASE AGREEMENT**

for 26GW of renewable electricity per annum

PRE-LOVED DESIGNER HANDBAGS



NEW **INCLUSION DIAGNOSTIC SURVEY**

to identify opportunities for progress to be consciously inclusive for employees

244

total number of charities supported

MATERIALITY

ASSESSMENT

NEW

DOUBLE

into our Code of Practice (COP) approach

2,402 665

> supplier attendees undertook face-to-face training with NEXT to build skills and capacity

MkWh¹



of additional solar capacity installed in our estate

NEW **GARMENT REPAIRS SERVICE**

sold on new Seasons website

employee wellbeing events organised

conducted for the business

key sourcing countries now

worker grievances

have mechanisms to support

piloted in selected Reiss stores

¹MkWh indicates million kilowatt-hours.

COP audits carried out

2024/25 Progress Against Goals

Issue	Target	Baseline	RAG Rating	24/25 Performance	More Information
TACKLING CLIMATE	CHANGE				
Scope 1 and 2	Reduce Scope 1 and 2 absolute carbon emissions by 55% by 2030 against a 2016/17 baseline.	2016/17		-47%	
Renewable Energy	100% renewable electricity for our global operations by 2030.	-		96%	Find out mo
Electric Vehicles	We will electrify our company car and van fleet by 2030 where realistically possible.	-		35% ¹	in Tackling Climate
Scope 3	Reduce Scope 3 carbon emissions by 40% by 2030 against a 2019/20 baseline per £1m sales.	2019/20		-29%	Change 🗪
Operational Waste	Divert at least 95% of operational waste from landfill.	-		97% diverted	
RESPONSIBLE SOU	RCING AND CIRCULARITY ²				
Sourcing Ambition	Source 100% of our main raw materials through known, responsible or certified routes by 2030.	-		65%	
Cotton	Source 100% of our cotton from responsible sources by 2025.	-		73%	
Leather	Source 100% of leather from Leather Working Group (LWG) audited tanneries by 2025.	-		96% ³	
Timber	Source 100% of timber from responsible or certified responsible sources by 2025.	-		93%	
Polyester	Source 50% of polyester from recycled sources by 2025; 85% by 2028 and 100% by 2030.	-		50%	Find out ma
Man-made Cellulosic Fibres (MMCF)	70% of MMCFs to come from branded sources that move beyond meeting our minimum requirements by having both verification and traceability by 2025; 100% by 2028.	_		57%	in Responsible Sourcing an Circularity
Wool	50% of wool sourced must meet responsible sourcing criteria which includes a number of third party verified sources such as Responsible Wool Standard (RWS) by 2025; 75% by 2028 and 100% by 2030. For more on our Animal Welfare approach and policies see <u>P.26</u> .	_		21%	
Feathers	Source 100% of feathers for filled product through known, responsible, or certified routes by 2025.	-		100%	
Chemicals	By 2025, our core (top 90%) textile wet processors will be fully engaged with the Zero Discharge of Hazardous Chemicals (ZDHC) Foundation.	-		637 processors, representing 87% of products sold in 2024/25 ⁴	

ESG Ratings and Rankings				
FTSE4Good	Sustainalytics: Low Risk 16.6			
	16.6 Low Risk			
FTSE4Good	Negligible Low Medium High 0-10 10-20 20-30 30-40			
MSCI ESG Rating: AA	CDP			
MSCI ESG RATINGS	Climate B Forests C Water B-			

Framework Indices

- TCFD Index, see <u>P.19</u> and our <u>Annual Report</u>
- UN SDGs Index, see P.55
- UNGP Index, see P.56

Red, Amber, Green Rating key

- On track or completed
- Behind target some improvement needed
- Behind target significant improvement needed

¹Go to P.17 to learn more about our progress and reporting against this target. ² For NEXT brand only. Baseline for all Responsible Sourcing targets is 2018.

³ 96% of tanneries we use for leather footwear, clothing, accessories (bags, belts and wallets) and upholstery have undergone an LWG audit.

⁴ See P.27 for more information on our progress with ZDHC.

INTRODUCTION **OUR APPROACH**

PROTECTING WORKERS IN OUR SUPPLY CHAIN

TACKLING CLIMATE CHANGE

RESPONSIBLE SOURCING AND CIRCULARITY

MAKING NEXT A GREAT PLACE TO WORK

SUPPORTING OUR COMMUNITIES

OUR APPROACH

OUR APPROACH TO CORPORATE RESPONSIBILITY

Priority Focuses:

Protecting Workers in our Supply Chain

Protecting the safety, human rights and wellbeing of workers in our supply chain is fundamental. Our global Code of Practice (COP) team is responsible for educating, supporting and auditing our suppliers; where possible, we support them to remediate critical issues and contribute to improving working standards. We use the UN Guiding Principles Reporting Framework to help us identify and manage human rights abuse risks in our supply chain.

Responsible Sourcing and Circularity

Our goal is to design, manufacture and sell products that are responsibly sourced and made to be longlasting, minimising waste and pollution. We aim to source 100% of main raw materials through known, responsible and/or certified routes for NEXT own brand products. Circularity is a growing focus: we look to divert waste and products from landfill, and partner with charities to help encourage the reuse of items and raise funds for good causes.

Tackling Climate Change

We aim to minimise our environmental impact and continue to review opportunities to reduce our operational and carbon footprint. We have ambitious SBTi validated targets, in line with the Paris Agreement, to reduce our absolute Scope 1 and 2 carbon emissions by 55% (from a baseline of 2016/17) and our Scope 3 carbon emissions by 40% by 2030 (from a 2019/20 baseline) per £1 million sales.

Making NEXT a Great Place to Work

Our success is due to the hard work of our approximately 50,000 Group employees. We support their health, safety, wellbeing, development and dignity, and encourage a diverse and inclusive culture where everyone is treated with respect. Our established Wellbeing Programme focuses on promoting good mental health, and several employee-led networks champion the diversity of our people.

Supporting our Communities

Our business supports and creates value for over 244 charities through strategic collaborations such as cause-related marketing under our 'Together with NEXT' brand, employee volunteering, fundraising, product and cash donations.

Enabling a Responsible Business

Underlining our ability to operate ethically and sustainably are enabling processes and behaviours to help us foster resilience, transparency, accountability and trust. These include strong governance, regular stakeholder engagement, an inclusive culture, employee empowerment and training, robust data collection, commitment to continuous improvement and collaborative partnerships.

Our Purpose

Our purpose is to provide our customers with beautifully designed, excellent quality products that are well made, safe and responsibly sourced.

Focusing on the issues that matter most

Protecting Workers in our Supply Chain

Human Rights Ethical Auditing Training & Awareness Grievance Mechanisms Gender Empowerment

Tackling Climate Change

GHG Emissions Net Zero **Energy Efficiency** Distribution Efficiency Water Use

Responsible Sourcing & Circularity

Raw Materials Traceability Packaging Chemicals Management Animal Welfare Circularity

Making NEXT a **Great Place to Work**

Health & Safety Employee Engagement **Employee Wellbeing** Equality, Diversity & Inclusion Training & Development Rewards & Benefits

Supporting our Communities

Employee Giving Corporate Giving Fundraising Cause-Related Marketing Community Engagement

Enabled by

Responsible & **Inclusive Culture**

Strategic Partnerships

Robust Governance

INTRODUCTION

PROTECTING WORKERS IN OUR SUPPLY CHAIN

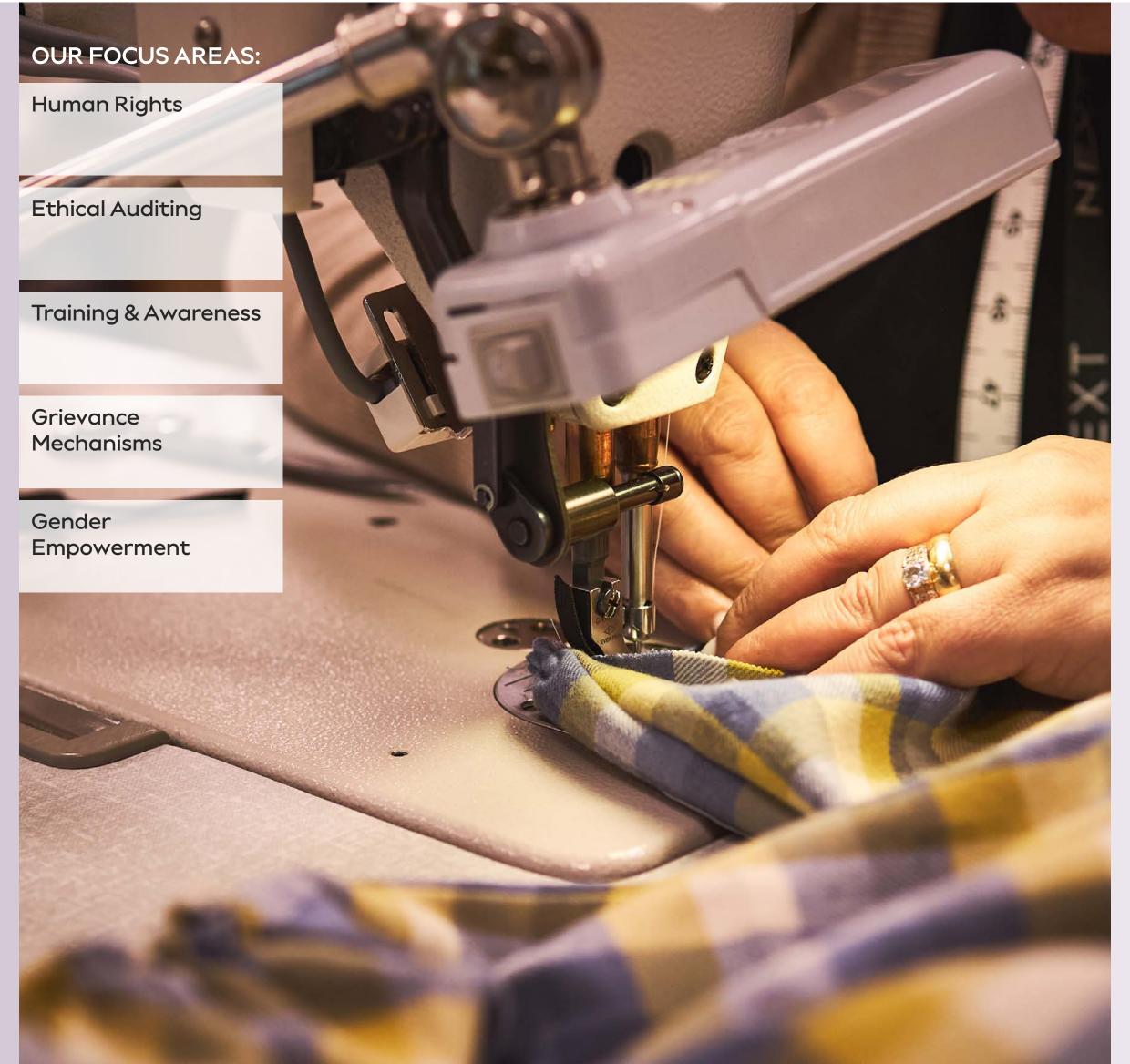
Our Commitment

We will not tolerate any instance of modern slavery in our business or within our supply chain. Our products should be made by workers who are treated honestly and fairly for the work they undertake and whose human rights and wellbeing are respected.

Our Approach

As the NEXT business has evolved to include wholly owned brands, licensed and TP partners, we continue to review our approach and align minimum requirements across brands where appropriate. This section focuses on the progress we have made to date in protecting workers in supply chains and commercial service providers for NEXT own brand and licensed products, as well as TP partner brands JoJo Maman Bébé, FatFace, Joules and Reiss.

Continues on the next page



KEY PROGRESS HIGHLIGHTS:

Enrolled FatFace and Joules into our Code of Practice (COP) approach



Established mechanisms to support worker grievance in Pakistan, India, UAE, Myanmar, Morocco, Turkey, Sri Lanka and Cambodia



Held in-country supplier engagement sessions in China, Sri Lanka, Vietnam, Cambodia, Morocco and UK



Extended our supply chain gender empowerment programme in Morocco



Conducted 2,402 audits, 95% of which were unannounced



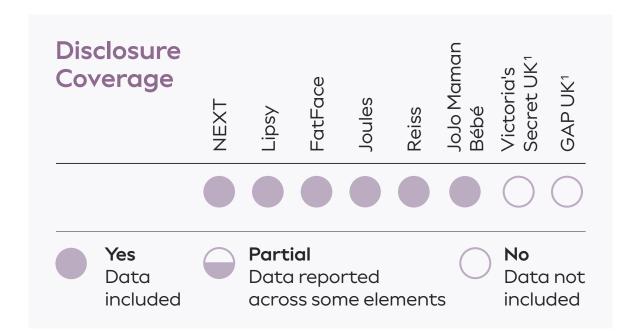
PROTECTING WORKERS IN OUR SUPPLY CHAIN

TACKLING CLIMATE CHANGE

RESPONSIBLE SOURCING AND CIRCULARITY

MAKING NEXT A GREAT PLACE TO WORK

Our Approach Continued



From raw material sources to final products, our supply chain comprises five tiers. In 2024/25 we sourced NEXT brand products from 35 countries.

We believe that the violation of human rights anywhere in our operations is unacceptable and deal firmly with any infringements identified in our supply chain. We uphold all internationally recognised human rights principles encompassed in the Universal Declaration of Human Rights and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work. See <u>P.56</u> for more information.

Our priorities are to:

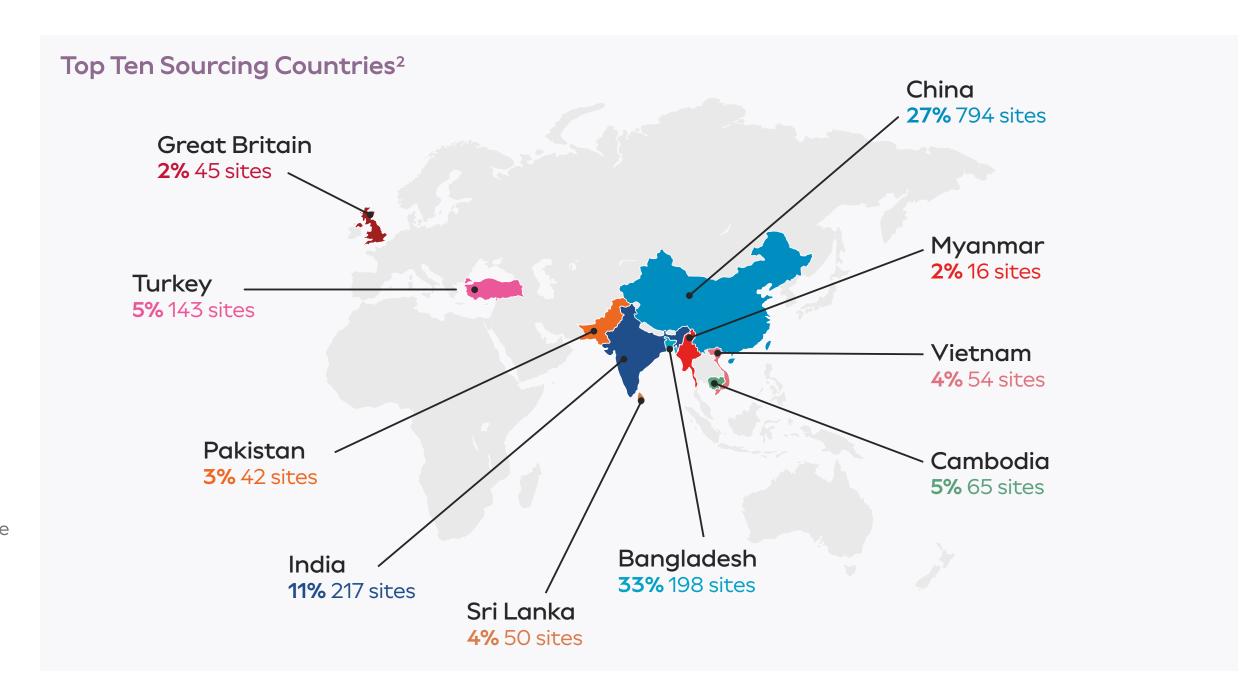
- Develop and improve workers' conditions, including safety and human rights
- Communicate and support compliance with our ethical standards by all our suppliers
- Support suppliers to continuously improve through partnership
- Implement sustainable programmes with suppliers to improve their capacity and ability to deliver within our ethical requirements
- Continue to develop opportunities to work in collaboration with other businesses, governments, trade unions and NGOs and to incorporate recommendations from key stakeholders where appropriate. For example, strengthening our financial due diligence following feedback from Ethical Trading Initiative (ETI).

Our in-house Code of Practice (COP) team of 53 managers, ethical specialists and auditors, based in key sourcing locations around the world, supports the protection of workers in our supply chain by focusing on three pillars: auditing, engagement, and projects and programmes, including:

- Ensuring our COP Principle Standards are up to date.
 These set out minimum requirements for suppliers
 regarding worker safety, human rights, employment
 and working conditions, fair pay, freedom of
 association, reasonable working hours, prevention of
 forced labour and access to grievance mechanisms
- Inducting, training and supporting suppliers and factories to ensure they are aware of our expectations and auditing standards, compliance with which is a contractual condition of business for

- all product suppliers. We expect suppliers to carry out and provide evidence of due diligence prior to proposing a site for NEXT
- Auditing suppliers with a risk-based audit plan, produced with an internally developed country risk analysis heat map, considering geographic location, ethical reputation, vulnerability of impacted groups, type of manufacturing process, frequency of issues and the factory's most recent audit rating. To read more about our specific approach to the ongoing situation in the Xinjiang Uyghur Autonomous Region (XUAR) of Western China, please see our Modern Slavery Statement
- Drawing up Corrective Action Plans (CAPs) where we find areas for improvement. A CAP is agreed with the supplier and factory management, with follow-up reviews to monitor progress. We want to help suppliers resolve issues, but will not continue to work with them indefinitely if there is no willingness on their part to improve
- Running training initiatives for employees, suppliers, business partners and service providers to develop knowledge and awareness
- · Holding supplier conferences and regular meetings to share best practice and build relationships.

For more information on our audit approach, see P.12 and our Modern Slavery Statement.



NEXT owns 51% of Victoria's Secret UK and GAP UK businesses, which have exclusive franchise rights to run the brands in the UK and Ireland. NEXT does not audit their factories nor manage their supply base.

² This map depicts the location of Tier 1 supplier factories for NEXT, wholly owned brands (Lipsy, Friends Like These, Love & Roses), FatFace and Joules. It excludes Reiss and JoJo Maman Bébé. Figures represent the percentage of the value of our business and the number of factories per country.

PROTECTING WORKERS IN OUR SUPPLY CHAIN

TACKLING CLIMATE CHANGE RESPONSIBLE SOURCING MAND CIRCULARITY P



Our Approach to Salient Risks

To help us prioritise our global COP team resource, we focus on our salient human rights risks – those that are most prominent because they are at risk of the most severe negative impact through our activities or business relationships. We identify these considering the severity and scale of the risk and how difficult it would be for us to put right any harm, as set out in the UN Guiding Principles Reporting Framework.

A Local Approach

Our approach to monitoring and managing salient risks to protect workers in our supply chain is led by our COP team, working together, in some cases, with our Sustainability team. Uniquely, NEXT's COP team mostly live and work in our sourcing territories and benefit from an enhanced understanding of country and local context. They work closely with external specialist organisations as well as other brands who share our supplier base, to help stay informed about emerging risks and issues.

Flexible and Frequent Contact

COP teams carry out country and supplier risk assessments and due diligence, maintaining a timetable of frequent supplier meetings, site and factory visits and audits. Having our own teams means we have a high level of flexibility around type and frequency of audit and can quickly adapt our approach to managing issues. This could mean adjusting timeframes on corrective action plans, engaging with a third-party expert to support a remediation process, or working collaboratively with other brands.

For example, we acknowledge that sourcing from Myanmar poses increased risk for our business, so we audit factories in Myanmar (a small number with which we have a meaningful, longstanding relationship) every eight weeks to provide additional due diligence. Alongside this, we engage suppliers together with our Product teams and maintain good working relationships with other customer brands and businesses.

To read a few examples of this year's key challenges, actions and achievements linked to our salient risks, please see the case studies on P.12 and P.14 and also our Modern Slavery Statement.

Policies Spotlight

We have an extensive set of policies to address key issues for protecting the workers in our supply chain available on our Online Supplier Portal.

These include:

- NEXT Code of Practice Principle
 Standards and Auditing Standards
- Modern Slavery Guidance and our Modern Slavery Statement
- Migrant Labour Policy following the Employer Pays Principle to ensure migrant workers are treated with respect and in accordance with our Principle Standards and applicable local laws
- Child Labour Policy requirements for managing, remediating and specific actions for involving specialist stakeholders to support until a child reaches legal working age
- Wage Retention Policy
- Shared Premises Policy
- Critical Issues Assessment
- Site Tour Checklist for use prior to an audit taking place, allowing the COP team to offer guidance and support

Progress

- Enrolled FatFace and Joules into our COP approach. The FatFace team spent time engaging their suppliers to educate and induct them into our system. As a result of their inclusion in the NEXT COP approach, their business has had more first-hand COP factory audits, leading to deeper insights about operations across their entire factory base and increased visibility of their supply chain
- Developed specific country risk analysis for Nepal, Jordan and the UK.

COP Audit Ratings

- During 2024/25, the COP team carried out 2,402 audits; 95% were unannounced
- 51 sites rated as category 6 were disengaged
- Across these audits, we identified 37 cases of modern slavery-related risks. Of these, 11 cases have been successfully remediated, 16 cases have ongoing remediation plans, and 10 have been disengaged. Timeframes for corrective action vary by factory.

Audit Types	2024/25	2023/24
Total Audits Carried Out	2,402	2,416
% Unannounced	95%	93%
% Announced	5%	7%
Number of Audits by TP Partner:		
JoJo Maman Bébé	70	_
Reiss	94	-
Joules	57	-
FatFace	36	-

PROTECTING WORKERS IN OUR SUPPLY CHAIN

progress of improvements.

TACKLING CLIMATE CHANGE

RESPONSIBLE SOURCING AND CIRCULARITY

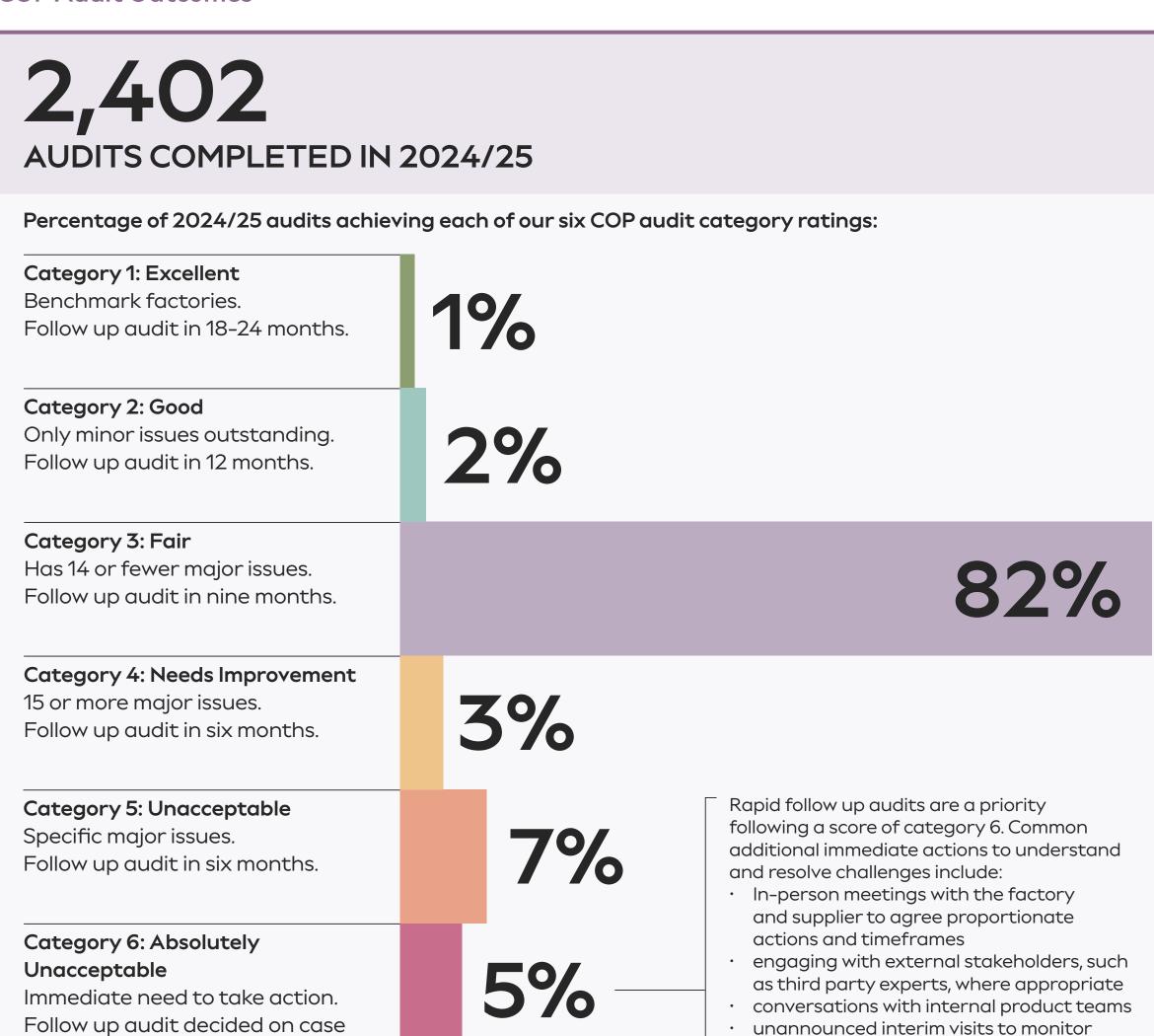
MAKING NEXT A GREAT PLACE TO WORK

SUPPORTING OUR COMMUNITIES

GOVERNANCE AND ENGAGEMENT

COP Audit Outcomes

by case basis.



2024/25 Actions

Training, Awareness and Capacity Building
We held conferences, training and in-person
presentations for 665 supplier attendees in China,
Myanmar, Morocco, Sri Lanka, Vietnam, Cambodia and
the UK to share updates on activities and progress
within the global COP team, build management skills,
capacity and resilience.

Progressing the expansion of our audit approach beyond products, we held an event for our Yorkshire cluster of UK warehouses and their service providers, such as cleaning contractors and labour providers, to educate and share insights on modern slavery risks in the goods and services not for resale sector. This was in collaboration with our partner Unseen, the UK charity which runs the Modern Slavery and Exploitation Helpline.

Our COP team continued to hold regular interactive training sessions on modern slavery risk for our employees via our COP workshop, covering global COP team activities, our auditing approach, modern slavery and the importance of teams supporting COP goals. We expanded this training to include our Licensing teams for the first time this year.

Child Labour

Our supply chain covers some of the world's more vulnerable communities: supporting children to receive schooling is a key strategy to build community resilience and help avoid child labour. We work with local expert partners to monitor and address these challenges (see more information in our **Partnering for Change** section). In 2024/25, two separate child labour cases were discovered and acted upon: one in China and one in Myanmar. Please see our Modern Slavery Statement for more details.



Challenge Spotlight

Preedom of Association (FoA) Rights in Turkey
During the year, our COP team investigated FoA
rights cases from six Turkish factories, some of
which were raised with us directly by the local union.
We collaborated with other brands using the same
suppliers to investigate and agree next steps. To
help us get better at managing such issues, we
developed a decision-making flowchart which was
reviewed for robustness by an industrial relations
expert through our membership of ETI, a coalition
improving the lives of workers who make consumer
goods. A joint supplier conference was later held in
Turkey with another retailer to outline expectations
and ways of working on FoA challenges.

TACKLING CLIMATE **RESPONSIBLE SOURCING** MAKING NEXT A GREAT **SUPPORTING OUR GOVERNANCE AND** PROTECTING WORKERS INTRODUCTION **OUR APPROACH** PLACE TO WORK IN OUR SUPPLY CHAIN CHANGE AND CIRCULARITY COMMUNITIES **ENGAGEMENT**

Grievance Mechanisms and Worker Voice

Following successful trials in Pakistan, India and Myanmar, we continued to expand the implementation of grievance mechanisms including the TIMBY (This Is My Back Yard) App, to provide channels for workers to raise concerns. New markets for 2024/25 were UAE, Morocco, Turkey, Cambodia and Sri Lanka. We aim to roll out to Vietnam in 2025/26.

Grievance Data by Market	Raised 2024/25	Action 2024/25
India	22	21 resolved, 1 still in remediation
Pakistan	49	44 resolved, 5 still in remediation
UAE	7	7 resolved and closed
Morocco	345 ¹	3 cases ongoing, 342 closed
Myanmar	42 ²	28 closed

- ¹Of the 345 grievances, 139 were related to issues at work as defined by the individual, with the remainder classed as 'personal' issues.
- ² 14 not related to NEXT's active supply chain or we did not receive sufficient information to investigate.

Training, Awareness and Capacity-Building Data

3 ,		'	
Supplier Engagement Sessions	Attendees 2024/25	Suppliers 2024/25	Factories 2024/25
Morocco	37	7	13
Sri Lanka	129	5	41
China	222	80	150
Myanmar	36	4	14
Vietnam	81	27	41
Turkey	35	11	14
Cambodia	94	22	60
UK	31	12	-

- · COP team held 21 one-to-one meetings with our top suppliers
- In 2024, 718 new employees completed our modern slavery e-learning course and 880 NEXT UK employees completed the modern slavery e-learning refresher course
- 6,056 NEXT UK employees have completed the modern slavery training in 2024/25, along with 1,009 NEXT Sourcing employees
- · 141 employees attended our COP workshop during the year.

Gender Empowerment

In many of our top sourcing countries, women make up the majority of the workforce. Recognising and addressing the specific challenges women face in their working life is part of our approach to developing and improving workers' conditions.

Since 2023, together with local NGO, BCC, we have been delivering an innovative gender empowerment programme in three supplier factories in Morocco. After positive feedback, courses evolved to include soft skills training, legal and financial literacy. Most popular were literacy courses - enabling women to read and write for the first time, enhancing the quality of their everyday lives, such as being able to read mobile phone messages and support their children's homework.

We aim to start a similar programme in Turkey and Bangladesh and are still working to identify an appropriate location for a community-based centre. Progress was stalled in Bangladesh by periods of civil unrest during 2024.



Challenge Spotlight

Supporting our Employees in a Crisis

Autumn 2024 saw severe weather in the western province of Sri Lanka, where the NEXT Sourcing manufacturing site is located, with heavy rainfall exceeding 100mm over two days in certain areas, leading to extensive flooding. Over 100 of our employees were affected by the floods, trapped in their communities. In collaboration with local partners, we provided essential support for these associates, including three daily meals, drinking water and sanitary facilities to help ensure their wellbeing throughout the crisis before they safely returned to work.

Partners

We collaborate with these organisations to identify and tackle challenges in our global supply base, share knowledge and best practice across the garment manufacturing industry, while helping to find solutions:

Ethical Trading Initiative



APPENDICES

Unseen



ACT



We also work with local partners in country to help identify, manage and deliver programmes on the ground to support our supplier and worker communities, including:

MUDEM, Turkey



AIDER, India



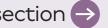
SAVE, India



BCC, Morocco



Read more in our **Partnering for Change** section ->



PROTECTING WORKERS
IN OUR SUPPLY CHAIN

TACKLING CLIMATE CHANGE

RESPONSIBLE SOURCING AND CIRCULARITY

MAKING NEXT A GREAT PLACE TO WORK

SUPPORTING OUR COMMUNITIES

CASE STUDY

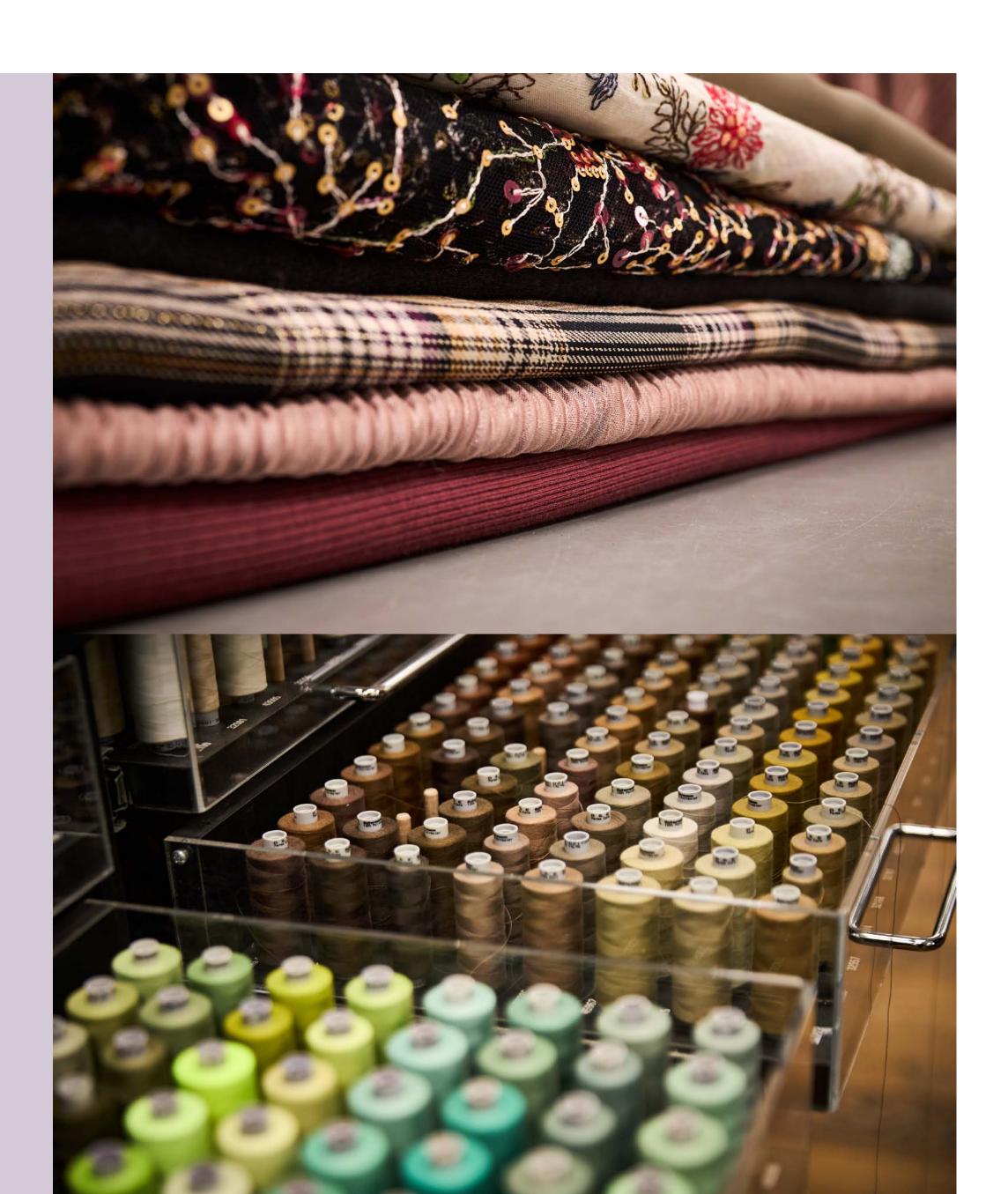
Managing Grievances in India

Through one of our local resource centre managers in Tamil Nadu, Southern India, the COP team were informed that a factory supervisor and HR manager had been seen behaving poorly towards one of the production staff at Factory P. Our team visited unannounced and subsequently identified a number of serious issues, including security guards controlling workers' movements in using the toilets and supervisors being physically aggressive towards a migrant worker. The site was given a Category 6 audit rating and our team immediately arranged a meeting with the factory management to agree next steps and corrective actions.

After working with the supplier through this challenging issue, we received confirmation from the factory that they have:

- · Stopped all practices to control workers' movements while using the toilet facilities
- Developed policies on mobile phone use and zero tolerance of physical and verbal abuse
- · Started to train their mid-level management and security teams on stress management strategies
- · Provided refresher training for workers on how to use the grievance platform (TIMBY).

We continue to monitor this factory to ensure that improved standards are maintained and have used this example to share learnings as part of our regular TP partner brand, COP and Sustainability team meetings.



Looking Ahead

- Extend TP partner audits to Tier 2 suppliers
- Continue to expand and roll out our grievance mechanisms, including TIMBY, to other key supplier markets
- Expand our gender empowerment programme in Morocco to more factories, introduce language courses and support workers to sit School Certificates
- Work with external experts to build our knowledge of climate impacts on workers, such as excessive heat and flooding, using this knowledge to develop tools for our supply base
- Continue to look for opportunities to collaborate with peer brands on meaningful stakeholder engagement, for example, via in-country events or joint factory visits, to address more challenging supply chain issues such as Freedom of Association or migrant workers' rights awareness.

INTRODUCTION

OUR APPROACH

PROTECTING WORKERS IN OUR SUPPLY CHAIN

TACKLING CLIMATE CHANGE

RESPONSIBLE SOURCING AND CIRCULARITY

MAKING NEXT A GREAT PLACE TO WORK

SUPPORTING OUR COMMUNITIES

GOVERNANCE AND ENGAGEMENT

TACKLING CLIMATE CHANGE

Our Commitment

We are committed to minimising our environmental impact by reducing the carbon intensity of our activities and the natural resources we use.

Our Approach

We take a whole value chain approach to climate risk and mitigation.

The majority of our greenhouse gas (GHG) emissions result from our Scope 3 activities. As a member of sector initiatives such as Cascale, Textile Exchange and the Zero Discharge of Hazardous Chemicals (ZDHC) programmes, we work with our supply chain partners to understand the impact of their operations and influence sourcing decisions, aiming to reduce the environmental impacts of the products we sell. You can read more in our **Responsible Sourcing and Circularity** section, including what we are doing to reduce waste, improve recycling and packaging sustainability.

Our Scope 1, 2 and 3 carbon reduction targets have been set in alignment with the SBTi approach and methodology. Our Scope 1 and 2 target is consistent with efforts to limit the global average temperature increase to 1.5°C above pre-industrial levels. We mainly focus on improving the operational energy efficiency of our sites and offices and increasing the efficiency of our owned delivery fleet.

Continues on the next page ->



KEY PROGRESS HIGHLIGHTS:

Expanded our commitment to using renewable energy by signing a new 15-year sleeved Power Purchase Agreement (PPA), giving us 26GW of renewable electricity per annum



Added 1.2MkWh of extra solar capacity per annum through installations at our estate warehousing



Completed estate LED installation, with roll-out across all 455 NEXT UK stores and commenced a programme to replace Generation 1 LEDs when they fail at end-of-life with the latest LED technology to provide the same light output with lower wattage



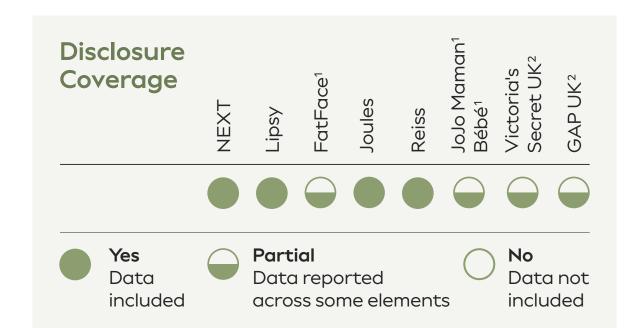
Ran a successful proof-of-concept trial of energy optimisation programmes at two Victoria's Secret stores with benefits averaging 30% energy-saving to date



Continued the roll out of the Active Energy Management programme at NEXT Head Office and trialled in 23 NEXT retail stores



Our Approach Continued



Our carbon reporting boundary incorporates NEXT brand operations, plus those businesses where we have majority ownership.

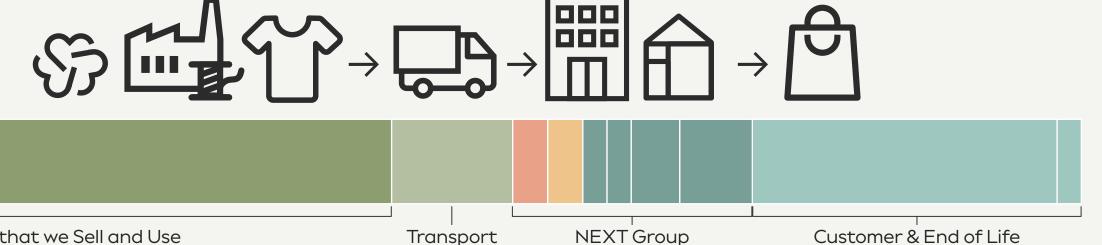
This year, our footprint incorporates FatFace and Reiss' carbon data for the first time. As part of this process, we assessed the impact of our recently acquired companies on our Scope 1, 2 and 3 baselines and found the impact to be immaterial and therefore does not reach our restatement threshold. Should this change in future we will restate as appropriate. Our approach to measuring our global direct carbon footprint aligns with the GHG Protocol Corporate Accounting and Reporting Standard and RE100 reporting parameters. We adopt the conventional approach in calculating our carbon emissions through the collection of primary, secondary,

or tertiary data in their source units (e.g. kilowatt-hours (kWh), litres (L), kilograms (kg), kilometres (km) etc.). The consumption figures relating to each energy source are converted into carbon. NEXT's 2025 Reporting Principles and Criteria can be found here.

Scope 2 Emissions Market-Based and Location-Based

In addition to the location-based figure required by UK legislation (and most GHG benchmarks), we also calculate a market-based figure that reflects our purchase of renewable energy. This market-based figure can be shown in voluntary reporting if certified renewables are purchased. As members of RE100³, our approach is informed by RE100 quality criteria and GHG Protocol guidance.

Our Emissions Across the Value Chain Our carbon footprint covers the Group's impact from raw materials to the final customer and end of product life.



Operations

Transport

to NEXT

Raw Materials to	Production	of Goods	and Servi	ices that w	e Sell and	Use

SCOPE 3	SCOPE 3	SCOPE 1	SCOPE 2	SCOPE 3	SCOPE 3	SCOPE 3	SCOPE 3	SCOPE 3	SCOPE 3
60%	7%	2%	1%	1%	2%	2%	3%	21%	1%
Purchased goods & services	Upstream transportation & distribution	Vehicles & gas	Electricity	Fuel & energy activities	Employee commuting	Other corporate emissions	Downstream transportation & distribution	Use of sold products	End-of-life treatment of sold products

NEXT Group Operations



- ¹ For Scope 3, data is included for Reiss and Joules and for a portion of the period for FatFace, due to when stock began travelling through the NEXT warehouse as a result of FatFace becoming a TP client.
- ² NEXT owns 51% of Victoria's Secret UK and GAP UK businesses, which have exclusive franchise rights to run the brands in the UK and Ireland. NEXT does not audit their factories nor manage their supply base.
- ³ RE100 requires claims to use of renewable electricity to be based on generation occurring in the same market for renewable electricity that use is claimed in. This includes the single market in Europe. Revised RE guidance (2022) provided grandfathering provisions for contracts with operational commencement dates before 1 January 2024, allowing for the UK to continue to be recognised within the single market in Europe. The operational commencement dates of our contracts occurred prior to 1 January 2024; therefore we have applied the grandfathering provisions when calculating our market-based emissions.

Targets and Progress

Target		Progress	
55%	Reduce Scope 1 and 2 absolute carbon emissions by 55% by 2030 against a 2016/17 baseline	-47%	Achieved a 47% reduction of our absolute Scope 1 and 2 emissions
40%	Reduce Scope 3 carbon emissions by 40% by 2030 against a 2019/20 baseline per £1m sales	-29%	Achieved a 29% ¹ reduction of our Scope 3 emissions per £1m sales
100%	100% renewable electricity for our global operations by 2030	96%	96% of electricity for global operations in 2024/25 was renewable
100%	We will electrify our owned company car and van fleet by 2030 where realistically possible	35%	At January 2025, we have 967 company cars in our UK fleet (2023/24: 858), of which 336 (35%) are fully electric (2023/24: 212; 25%). We have 363 charging points across our network (2023/24: 360), with 69 at Head Office. See P.20 for more information about the challenges we are facing electrifying our vans
95%	Divert at least 95% of operational waste from landfill	97%	97% diversion in 2024/25 (2023/24: 96%) For information about our actions to reduce waste, please see P.29-30 in Responsible Sourcing and Circularity

Our Climate Action Progress 2024/25 Scope 1 and 2

This year, there has been a reduction in our Scope 1 and 2 emissions due to:

- Milder weather, meaning less gas and electricity consumed for heating, ventilation and cooling
- The closure of our Toftshaw warehouse in September
- A new, better insulated roof at our Stadium
 2 warehouse
- Optimisation work on the steam tunnels in our Stadium warehouse. Previously these machines operated 24/7, which has reduced to 12 hours per day with an auto shutdown if the machine does not see a garment for 15 minutes.

Renewable Energy

The electricity we purchase directly for our UK and Eire operations is 100% renewable, backed by the Renewable Energy Guarantees of Origin (REGOs) scheme and Guarantees of Origin (GOs) scheme, and accounts for 96% of our global usage. The outstanding 4% is mostly from our manufacturing operations in Sri Lanka.

We expanded our commitment to using renewable energy by signing a new 15-year sleeved Power Purchase Agreement (PPA), giving us 26GW of renewable electricity per annum. A sleeved PPA is a renewable energy contract where a utility or intermediary manages energy delivery from generator to buyer, handling logistics and compliance.

Scope 3

The increase in our absolute Scope 3 emissions has been driven by:

- The downward restatement of many of last years' figures
- The increase in the size of the of our business (significant uplift in sales of NEXT products and the addition of Reiss and FatFace to our figures)
- A change in our product mix, with the overall weight of our product sold increasing at a greater pace than the growth of our business. This was influenced by higher sales of NEXT Home, Bath & Body Works and FatFace products that are more carbon intensive.

Purchased Goods remains the biggest category of impact. We continue to focus on the use of more responsible materials while we are gathering data from our supply chain to understand where we can best support energy reduction. You can read more about this work in our Responsible Sourcing and Circularity chapter.

All Total Platform partners are now fully incorporated into the Group warehousing operations (FatFace part way through the year in September 2024) and therefore the purchased goods category of our reporting.

The graphic on the previous page shows a breakdown of our Scope 3 emissions sources.

Scope 3 SBTi Target

Against our 2019/20 baseline year, our Scope 3 carbon intensity is -29%, this is slightly down on 2023/24 where we achieved -33% (restated) progress, and is driven by the reasons previously stated. We look to accelerate our progress in the coming years as we focus on moving along on our net zero journey.

¹We use tonnes of CO²e/Total Sales (£m) as our intensity metric. Sales used in the calculation of our intensity metric are based on the NEXT Trading Sales but use the gross transaction value of sales from our Total Platform, Franchise, Sourcing and other divisions. Next trading sales are defined in the glossary of the <u>Annual Report and Accounts on P.256</u>.

TACKLING CLIMATE PROTECTING WORKERS **RESPONSIBLE SOURCING** MAKING NEXT A GREAT SUPPORTING OUR **GOVERNANCE AND NEXT CR REPORT 2024/25** INTRODUCTION **OUR APPROACH APPENDICES** IN OUR SUPPLY CHAIN CHANGE AND CIRCULARITY PLACE TO WORK COMMUNITIES **ENGAGEMENT**

NEXT Group Absolute Global CO2e	Emissions				2024/25
	2024/25	2023/24	%	NEXT Group Global Scope 1 and 2 CO2e Emissions	Tonnes
NEXT Group CO2e Emissions	Tonnes	Tonnes	Change	Scope 1	43,332 A
Scope 1	43,332 A	44,718 RS	-3%	Scope 2 – Location Based	42,152 A
Scope 2 – Location-Based	42,152 A	43,373	-3%	Total Scope 1 and 2 – Location-Based	85,484 A
Scope 3	2,428,999	2,030,910 RS	20%	Intensity Metric – Location-Based tonnes	
Total carbon	2,514,483	2,119,001 RS	19%	of CO2e/ total sales (£m)	13 A
Scope 1	43,332 A	44,718 RS	-3%	Scope 2 – Market Based	3,756 A
Gas Heating (Stores, Offices, Warehouses)	7,231	8,218 RS	-12%	Total Scope 1 and 2 – Market-Based	47,088 A
NEXT-Owned Distribution Vehicles	32,007	33,219	-4%	Intensity Metric – Market-Based tonnes	7
NEXT-Owned Cars	1,686	1,675	1%	of CO2e/total sales (£m)	7 A
Building (Diesel Oil, Refrigerant Gases)	2,307	1,552	49%		
Machinery (LPG)	101	54	87%		
Scope 2 - Location-Based	42,152 A	43,373	-3%	NEXT Group Global Energy Usage	2024/25 kWh
NEXT Group Purchased Electricity	42,152	43,373	-3%	Electricity Usage	191,774,438 A
Scope 3	2,428,999	2,030,910 RS	20%	Gas Usage	39,435,841 A
Scope 3 - Subtotal Subject to Assurance	106,513 A	79,030 RS	35%	Total Other Energy Usage ¹	148,767,148
Downstream Transportation and Distribution		62,878 RS	35%	Total Energy Consumption	379,977,427 A
Business Travel	21,150	14,633 RS	45%	¹ For more information on our energy use and energy	
Waste Generated in Operations	680	1,519	-55%	please see our <u>Annual Report</u> to see our SECR discl	osure.
Scope 3 - Subtotal Not Subject to Assurance	2,322,486	1,951,880 RS	19%	Waste Global	2024/25
Purchased Goods and Services	1,512,724	1,204,442 RS	26%		Tonnes
Use of Sold Products	521,318	484,161 RS	8%	Materials Diverted for Recycling	34,690 A
Upstream Transportation and Distribution	170,634	162,994 RS	5%	and Energy Recovery	
Employee Commuting	42,905	33,101 RS	30%	General Waste Sent to Landfill	904
Fuel and Energy Related Activities	23,149	24,031	-4%	Total Waste	35,594 A
End of Life Treatment of Sold Products	30,286	22,419 RS	35%	% Diverted from Landfill	97% A

20,732

Carbon Data Restatements Scope 1 and 2 Restatement

2023/24

Tonnes

43,373

44,718 RS

88,091 RS

3,184

47,902 RS

8

Change

-4%

-2%

-4%

Change

1%

1%

2023/24

44,926,737 RS

397,446,532 RS

2023/24

Tonnes

33,561

1,547

35,108

96%

200,167,830

152,351,965

kWh

16 RS

We perform an annual review after year end to compare the prior period's gas data. We identified two sites at which gas meters were replaced in the prior year. For one, the consumption was under-estimated and for the other the data provided was from an old, broken meter. The variances identified meet our materiality threshold for restatement. Gas usage has been restated from 41,009,976 to 44,926,737 kWh, with total energy consumption also being updated accordingly. The change to the total scope 1 and scope 2 location based is 717 tCO2e (1%). This is below our restatement threshold, but Scope 1 and Total Scope 1 and 2 metrics have been updated for consistency.

Scope 3 Restatement

During the year, we conducted a boundary review of our Scope 3 categories. This included assessing the impact of our recently acquired companies on our Scope 3 and Scope 1 and 2 baselines and determined that it did not meet our materiality threshold for restatement. However, we identified opportunities to enhance our methodology, including improvements in emissions factors. We also reviewed prior data and identified duplications in purchased goods data and errors in upstream and downstream transportation and distribution, leading to an overstatement of our carbon impact by -12.4% (-282,080 tCO2e). The combination of methodological changes and error corrections results in an overall Scope 3 reduction of -10.7%, which we have restated in this report. The baseline data is not impacted by the same duplication and the impact of methodology changes are not material, so we will not be restating our baseline.

A This data was subject to external independent limited assurance by PricewaterhouseCoopers LLP ('PwC'). For the results of that assurance, see PwC's report. NEXT's 2025 Reporting Principles and Criteria can be found here.

4%

Capital Goods

21,470

RS Restated from prior year. See the paragraphs on restatements above.

2024/25 Actions



Spotlight on Climate Resilience

Task Force on Climate-Related Financial Disclosures (TCFD)

We have considered the risks and opportunities posed by climate change and how they might impact our business, assessing the transitional and physical risks and opportunities presented by rising temperatures, climate-related policy and emerging technologies. The risks we identified are more likely to present themselves in the medium to long term (2030-2050), and in the short term we believe there is no material financial risk to our business model.

We are aware that stakeholder and regulatory attention could develop at pace, impacting the rate at which the business may need to cut carbon emissions. The retail sector is faster paced than many, and there are likely to be changes in the way retailers do business over the coming years. We have a strong track record of evolving at pace and are confident that we can react accordingly. Our full TCFD reporting can be found in the TCFD section of our Annual Report.

Energy Efficiency

Improving our energy efficiency is a priority as it reduces both carbon emissions and costs.

During the year we have continued to:

- Invest in high efficiency LED lighting which is now in 100% of NEXT retail stores
- Installed over 3,000 more solar panels at our Stadium 2 warehouse, generating approximately 1.2MkWh of renewable electricity per annum
- Roll out our Building Management System energy optimisation programme to drive efficiencies in heating and cooling systems, reduce the amount of electricity used in stores and minimise out of hours usage. We ran a successful proof-of-concept trial of the programme in two Victoria's Secret UK stores, with benefits averaging 30% energy saving to date.
- Explore an Active Energy Management approach: a trial in 23 NEXT stores to ensure that heating, ventilation and cooling (HVAC) equipment is working correctly, switching on and off during trading hours and being switched off during non-trading hours. Over the eight months of the trial, 3.3% less energy was used in the 23 sites, compared to the same period in the previous year
- Support our employees to travel more sustainably where possible. Our dedicated Travel2Work team coordinates a variety of programmes and information for employees throughout the business, wherever they are located, making personal journey plans on request and providing a range of options to get to work, aside from driving. Active schemes include Commute2NEXT to help staff find car or commute-sharing buddies; Leicester area bus discounts, free staff buses linking Head Office campus and key sites with Leicester city centre and regular competitions promoting car-free travel options, including partnering with Living Streets to encourage walking to work

 The Travel2Work team also partner with ModeShift, a not for profit that encourages sustainable travel and connects local sustainable travel partners. They use ModeShift's STARS scheme, a national award initiative which offers support and rewards to organisations for taking steps to promote more sustainable, healthier modes of travel, to create, rate and monitor travel plans. Scores range from green to platinum. To date, NEXT and Victoria's Secret UK have seven sites with travel plans rated gold. The team is now looking to bring Joules employees on board.

Distribution Efficiency

Our distribution network serves our retail stores and online customer deliveries for both NEXT and thirdparty branded products. We aim to use our vehicles as efficiently as possible by focusing on optimisation of delivery schedules and driver training.

Over 40% of our UK online customers choose to have their order delivered to a retail store for collection and prefer to return unwanted orders back to store too. We maximise efficiencies by using double-deck trailers for deliveries to our UK distribution centres and stores. These can move up to twice as many products with better fuel efficiency. Returning vehicles from stores to warehouses back-haul waste to our recycling centre as well as carrying returned items and collections from suppliers.

Benchmarks and Partnerships

We work with a range of partners to collaborate on industry-wide climate issues and also benchmark our progress, including:

British Retail Consortium (BRC)



Climate Group's EV100

CLIMATE GROUP EV100

Climate Group's RE100

Read more in our **Partnering for Change** section



PROTECTING WORKERS IN OUR SUPPLY CHAIN

TACKLING CLIMATE CHANGE RESPONSIBLE SOURCING AND CIRCULARITY

MAKING NEXT A GREAT PLACE TO WORK

Driver Training

Training our drivers is a priority for overall fleet efficiency and safety. We operate a number of initiatives such as:

- Two multi-seater training vehicles which support team training, allowing trainers to teach more efficiently
- One-to-one training to improve driving style a major focus to help reduce accidents and promote fuel efficiency
- Driver performance analysis against planned route, distance and fuel used, with monthly coaching with underperforming drivers to help improve driver style
- HGV engines fitted with three minute idle cut-off mechanisms to save fuel
- Our LGV Driving Academy, which this year brought seven new drivers into the business
- Post-accident training with drivers to gain further understanding of the incident. Bespoke training is developed aiming to reduce repeat accidents from the same driver.

In addition to training and assessments, we support our drivers with:

- In-cab camera systems which record from multiple angles and allow the driver to register the moment should an incident occur during a journey
- An early warning system for lane departure and other hazards, with the ability to read road signs and apply vehicle brakes if necessary
- Advanced Emergency Braking System (AEBS) fitted as standard in all vehicles to help reduce the danger of a forward collision through automatic braking, ensuring the NEXT lorry maintains a safe distance from the vehicle in front.

Water Use

Our direct operations are not major consumers of water; however, we have been reviewing, replacing and increasing the number of sites with Automatic Meter Reading (AMR) technology. AMR helps us investigate out-of-hours water use to identify and resolve any leaks to help reduce water consumption.

Our main water stewardship actions are in our extended supply chain. To find out more see <u>P.27</u> of our **Responsible Sourcing and Circularity** section.

We have seen an increase in our direct water consumption compared to last year. We have also seen the size of our group estate grow with the E3 Warehouse as well as new Bath & Body Works stores opening and incorporating Reiss and FatFace's water consumption for the first time. Our Global water usage (including concessions) is 562,135 (2023/24: 482,242¹).

¹2023/24 did not include Reiss, FatFace or Joules.

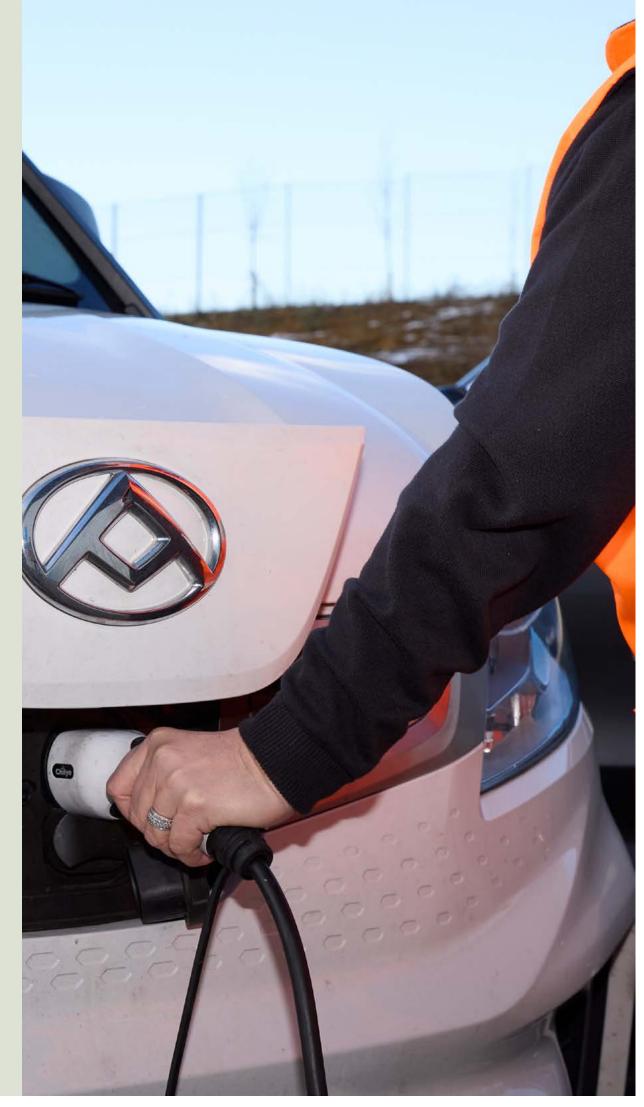


Challenge Spotlight

Electrifying our Fleet

In pursuit of our goal to electrify our own fleet where realistically possible, our team has continued to carry out trials of different electric vans.

The main barrier to expansion is still charging infrastructure for company cars for our Sourcing team outside of the UK, and range for vans: the distance they can travel on one full electric charge. We are encouraged that manufacturers are innovating to introduce vehicles with higher range, however these currently come with additional limitations, including increased weight and the need for drivers to have Certificate of Professional Competence (CPC) training. We continue to review our options.



INTRODUCTION

OUR APPROACH

PROTECTING WORKERS IN OUR SUPPLY CHAIN

TACKLING CLIMATE
CHANGE

RESPONSIBLE SOURCING AND CIRCULARITY

MAKING NEXT A GREAT PLACE TO WORK

SUPPORTING OUR COMMUNITIES

GOVERNANCE AND ENGAGEMENT

APPENDICES

CASE STUDY

Energy Savings Opportunity Scheme

NEXT completed its Energy Savings Opportunity Scheme (ESOS) submission to the Environment Agency in April this year, as part of a four-yearly submission cycle. The exercise identifies potential energy and cost savings across our retail, warehouse and distribution portfolio. In total, 86 opportunities were identified with potential cost savings of £1.3m per annum. Each opportunity was evaluated, an action plan submitted to the Environmental Agency and, where appropriate, actions will be taken to achieve the financial and environmental benefits.



Looking Ahead

- Maintain the programme to replace end-of-life Generation 1 LEDs as they fail at end-of-life across stores in our retail estate with the latest technology LED, which deliver the same light output for lower wattage
- Learn from the Active Energy Management programme in NEXT Head Office and in 23 NEXT retail stores
- Continue to review opportunities to increase our on-site solar capacity
- Continue trials of more electric vehicles including an electric tractor Heavy Goods Vehicle, to evaluate performance in relation to range, options to double shift the vehicle and driver acceptability
- Work on our Climate Transition Plan and provide updates as and when appropriate
- Start a pilot project using U.S. Cotton Trust Protocol suppliers on the Textile Genesis™ platform, to better understand the integrity of supply chain consumption data and how it can be used with the goal of incorporating it into our carbon footprint in the future.

NEXT CR REPORT 2024/25 INTRODUCTION OUR APPROACH PROTECTING WORKERS IN TACKLING CLIMATE RESPONSIBLE SOURCING AND CIRCULARITY PLACE TO WORK COMMUNITIES GOVERNANCE AND ENGAGEMENT

RESPONSIBLE SOURCING AND CIRCULARITY

Our Commitment

We are committed to responsibly sourcing our products and increasing traceability of our supply chain and raw materials.

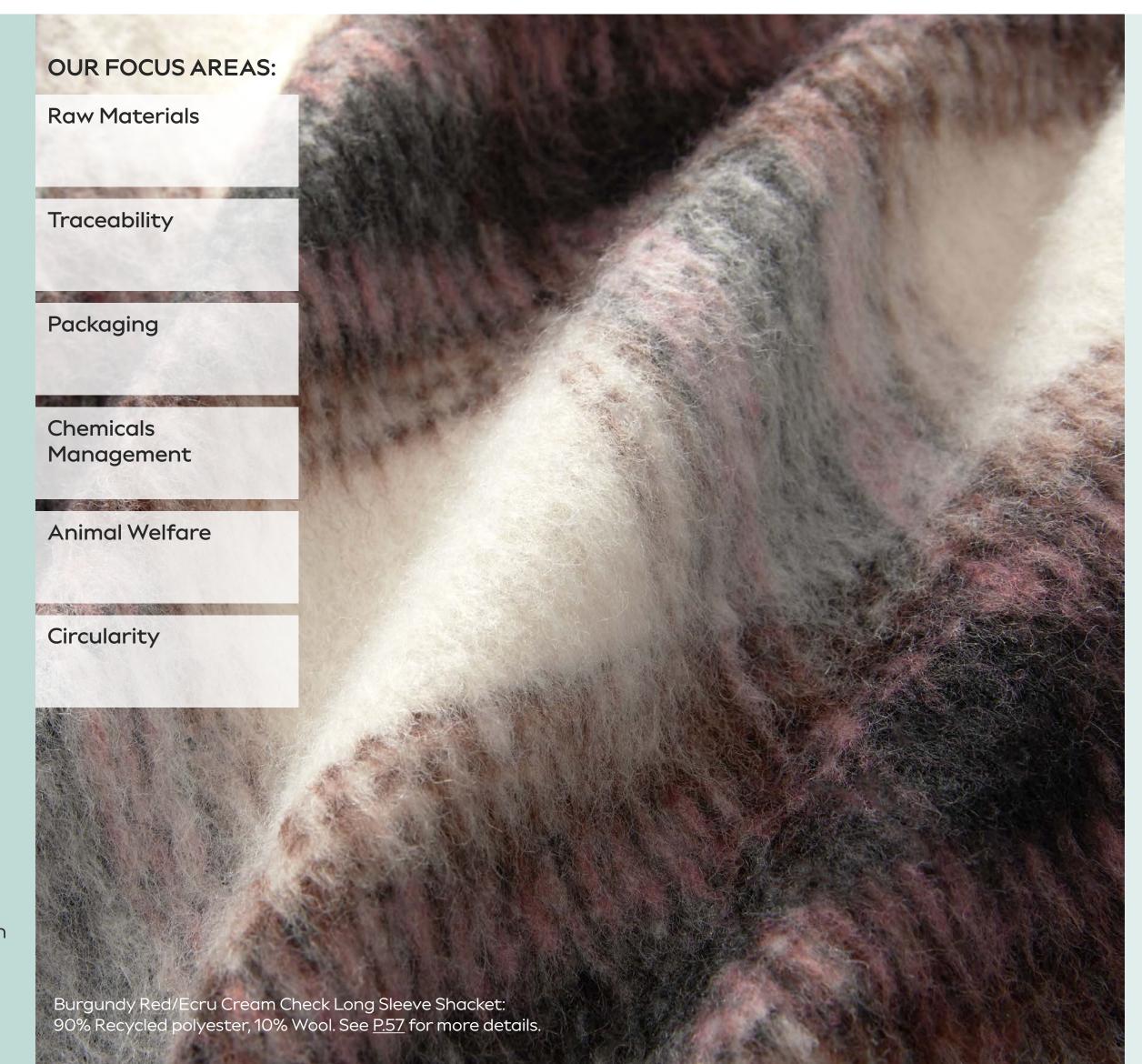
Our Approach

When we set out our Responsible Sourcing Approach in 2018, the focus was on NEXT ownbrand products. As the business has evolved to include wholly owned brands, licensed and TP partners, we are reviewing our approach across these, aligning minimum requirements where appropriate and addressing how we report on progress in the future. This section focuses on the progress we have made to date across NEXT own-brand products as well as key highlights from FatFace and Reiss.

Our key raw materials are cotton, polyester, man-made cellulosic fibres (MMCFs, such as viscose), wool, timber and leather. We recognise these come from the world's natural resources, with a wide range of associated environmental and social risks in their production and extraction, contributing to issues such as deforestation, water stress and climate change. We are committed to responsible sourcing: providing trusted provenance and traceability back to source, aiming to procure key materials through known and/or certified routes with proven positive environmental and social impacts (hereafter referred to as responsible sourcing).

Our products must be:

- · Sourced in line with our Responsible Sourcing Approach
- · Free from harmful substances
- · Excellent quality
- · Safe, functional and fit for their intended purpose.



KEY PROGRESS HIGHLIGHTS:

Maintained Brand Content Claim Standard certification by Textile Exchange for NEXT own brand



APPENDICES

Increased the percentage of responsible wool we use to 21% since last year (sourced and produced in a way that prioritises animal welfare, environmental sustainability and ethical labour practices).



Delivered mandatory training on the UK CMA Green Claims directive for NEXT brand, Joules and Lipsy Product teams. FatFace and Reiss also conducted their own Green Claims training for Product teams



Achieved our interim responsibly sourced polyester target one year ahead of schedule



Established a platform to sell pre-loved designer handbags on our new Seasons website



Piloted a new repairs service in selected Reiss stores



TACKLING CLIMATE PROTECTING WORKERS **RESPONSIBLE SOURCING** MAKING NEXT A GREAT SUPPORTING OUR **GOVERNANCE AND APPENDICES NEXT CR REPORT 2024/25** INTRODUCTION **OUR APPROACH** IN OUR SUPPLY CHAIN **ENGAGEMENT** CHANGE AND CIRCULARITY PLACE TO WORK **COMMUNITIES**

Our Approach Continued

PRIORITY FOCUS AREAS:

Raw Materials

 We provide clear sourcing guidance for our Product teams, suppliers and third-party brands. To read more about our Responsible Sourcing policies, see <u>P.27</u>.

Supply Chain and Traceability

- We work to increase supply chain transparency for better visibility of our supply chain emissions, water use and impact on biodiversity and natural ecosystems
- For NEXT brand, to avoid sourcing from areas that do not meet our standards, we:
- Clearly outline in our consolidated supplier policy guide – newly updated this year for ease of use

 any sourcing requirements, approved fibre
 producers, and any region or country restrictions
- Deploy management systems that capture information from our suppliers to support traceability of materials
- Review the best approach to capture supply chain traceability
- Use trusted platforms to help us gain visibility of our supply chain's impact. For more information, see our **Partnering for Change** section.

Packaging

- While packaging has its own impact, it is essential to protect products in transit to our customers.
 Unless the right balance is found, reducing too much of it can result in spoiled and wasted products
- We align to WRAP UK Plastics Pact targets and continue a membership with the On-Pack Recycling Label (OPRL) scheme which supports our work to reduce waste.

Operational Waste

- We remain committed to reducing the amount of waste we generate from our operations, even when we grow as a business, and to reuse or recycle more of it
- Within our retail stores, we separate recyclable materials for return to our in-house recycling centre and work closely with our waste contractor and packaging suppliers, identifying opportunities for circularity. This includes reprocessing plastic transit packaging back into clear plastic bags, and recycling cardboard collected from our stores and warehouses.

Chemical Management

NEXT own brand is a signatory to the Zero Discharge of Hazardous Chemicals (ZDHC) Roadmap to Zero programme (see our Partnering for Change section) and we commit to adopting and implementing all relevant ZDHC tools and supporting the ZDHC Roadmap to Zero Programme to eliminate hazardous chemicals from the global fashion industry value chain. To find out more about our Chemicals policy, see P.27.

Animal Welfare

- We work to source products with minimal impact on animals
- · We do not use real fur
- 100% of feathers and down used for filled products are certified to a third-party standard such as the Responsible Down Standard (RDS)
- All merino wool is from non-mulesed sources¹
- For NEXT brand cosmetics and toiletries, we do not support testing on animals and have never carried out or commissioned others to do so. Raw materials tested on animals after 1998 are not permitted in our products.

Leather

We are members of the Leather Working
Group (LWG), an international multi-stakeholder
organisation that promotes environmental
best practice in leather manufacturing. See more
information in our **Partnering for Change** section.

Circularity

We aim to embed circular principles into our business, including producing and selling products and packaging that minimise pollution and waste, and help to keep materials in use for longer Trials of new business models such as resale are informing our thinking – for more details see the case studies on P.29-30.



¹ Non-mulesed sources means sources that do not condone live lamb cutting.

23

INTRODUCTION

OUR APPROACH

PROTECTING WORKERS IN OUR SUPPLY CHAIN

TACKLING CLIMATE CHANGE

RESPONSIBLE SOURCING AND CIRCULARITY

MAKING NEXT A GREAT PLACE TO WORK

SUPPORTING OUR COMMUNITIES

GOVERNANCE AND ENGAGEMENT

APPENDICES

Supply Chain and Traceability

Complexity of global supply chains means that traceability to Tier 5 can be challenging, but we are committed to increase the visibility of our suppliers and raw materials, publishing a list of suppliers to Tier 3 on our <u>corporate website</u>, and are continuing work to extend this to include Tiers 4 and 5. Ensuring accurate traceability is important to enable verification of any sustainability claims ('green claims') we make for our materials.

2024/25 Actions

In 2024/25 we:

 Underwent an audit to maintain our Brand Certification which verifies that required evidence for product claims has been collected and managed in compliance with the Textile Exchange standards.
 NEXT is certified to the GRS, OCS, RAS, RWS, RCS, RDS, RMS, certified by USB Certification, USB 006814 and verification of our status can be found on: textileexchange.org/find-certified-company









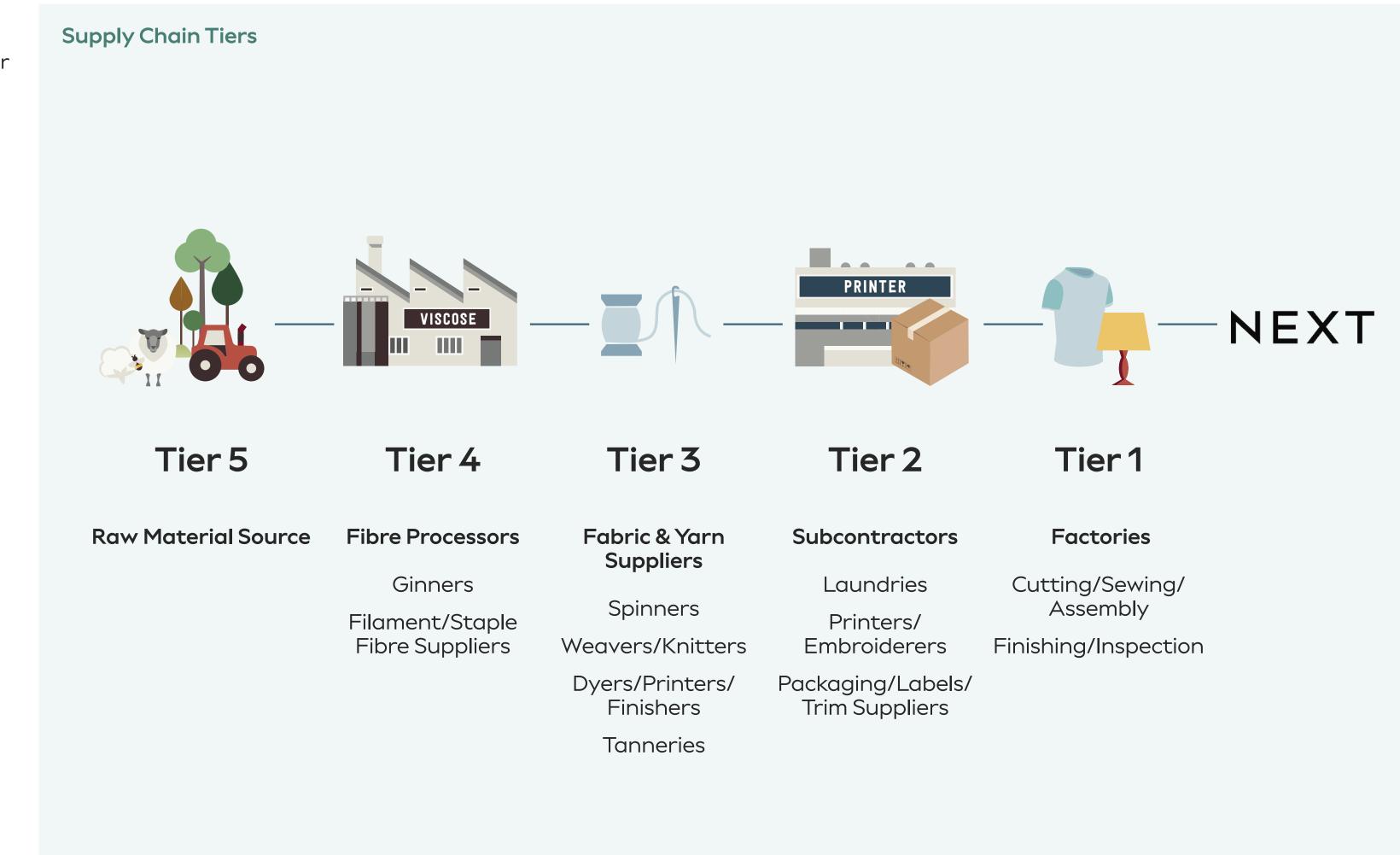








- Have committed to Traceable (Physical) Better Cotton which will help us improve the traceability of our cotton back to the country of origin and will begin rolling this out in 2025
- Continued to engage suppliers around our supply chain requirements, including training on ZDHC and onboarding to Cascale's Worldly platform (see more in our **Partnering for Change** section)
- Conducted training on green claims and greenwashing for colleagues across the business (see case study on <u>P.28</u>)
- Reiss started using the Compare Ethics platform to verify sourcing claims (see case study on <u>P.28</u>)
- · Have visibility of our full supply chains for timber products due to deforestation regulations.



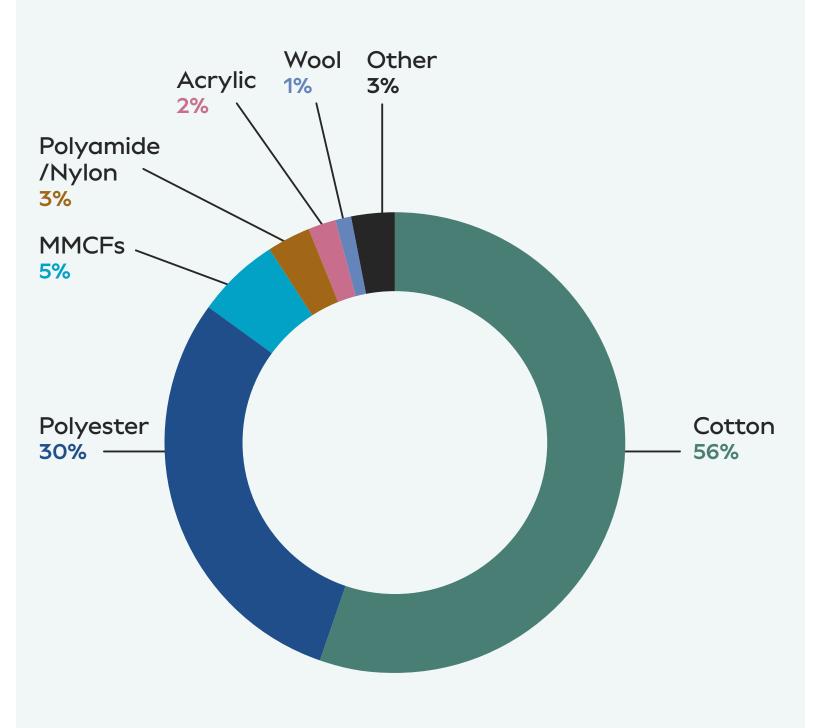
INTRODUCTION

Raw Materials

Overarching Sourcing Ambition: Source 100% of the main raw materials we use through known, responsible or certified routes by 2030.

Progress: The NEXT product teams have been working hard to increase percentages of responsibly sourced materials throughout the business. During 2024/25, 65% (2023/24: 59%) of the tonnage of cotton, polyester, MMCFs, wool and leather for NEXT brand textiles, footwear and accessories met our Responsible Sourcing criteria.

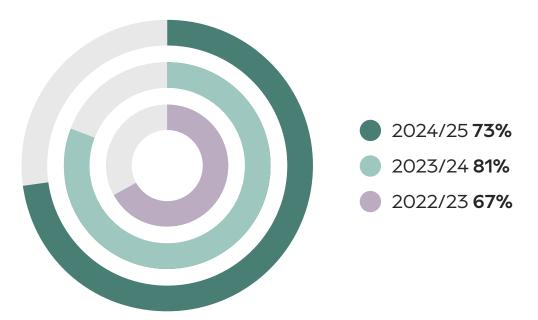




Targets, Progress and 2024/25 Actions¹

COTTON

Target: Source 100% of our cotton from responsible sources by 2025.



Progress: During 2024/25, we sourced 73%² (2023/24: 81%) of our total cotton through these routes. In 2024/25, we sourced 69%² (2023/24: 78%²) of our cotton as Better Cotton (mass balance); 4% U.S. Cotton Trust Protocol; less than 1% organic cotton.

2024/25 Actions: We define responsible sources of cotton as those which have been cultivated to meet at least one of the following principles:

- · Lower water use
- · Reduced use of pesticides and synthetic fertilisers
- · Improved social conditions for farmers
- · Supporting the economic sustainability of farmers
- · Improved visibility of its country of origin.

These could be Better Cotton (mass balance), certified recycled, certified organic, certified organic in conversion or U.S. cotton through the U.S. Cotton Trust Protocol (Trust Protocol).

Throughout 2024/25, we expanded our cotton testing programme with Oritain, who apply forensic science and data to verify product and raw material origins. In the reporting period, we performed tests on NEXT, Lipsy and Joules products and made the system available to our TP partners. Where we find products failing these tests, it gives us an opportunity to work more closely with our suppliers to remedy issues.

U.S. Cotton Trust Protocol (Trust Protocol)

Supporting our goal for 100% responsibly sourced cotton by 2025, the Trust Protocol calculates and verifies key metrics and measurable goals for enrolled US cotton producers uses blockchain technology to trace cotton from farm to garment manufacturer and beyond. Next year we will start a pilot project using Trust Protocol suppliers on the Textile Genesis platform, to better understand the integrity of supply chain consumption data and how it can be used with the goal of incorporating it into our carbon footprint in the future We almost doubled our use of Trust Protocol-sourced cotton from 2023/24 to 2024/25 to reach 4%.

Better Cotton

Better Cotton (mass balance) continues to make up the majority of our responsibly sourced cotton. We have committed to Traceable Better Cotton which will help us improve the traceability and visibility of our cotton country of origin and will be rolling this out in 2025.

During the year, NEXT and Lipsy passed the Better Cotton Independent Assessment. In 2024/25 our total cotton footprint increased by 24% compared to 2023/24 and our collection of Better Cotton Claim Units (BCCUs) that verify Better Cotton sourcing only increased by 12%. We identified that this is down to a challenge in collecting (BCCUs) from our suppliers and we are addressing this during 2025. Children's and menswear are the biggest users of cotton and have both increased the number of BCCUs accordingly.

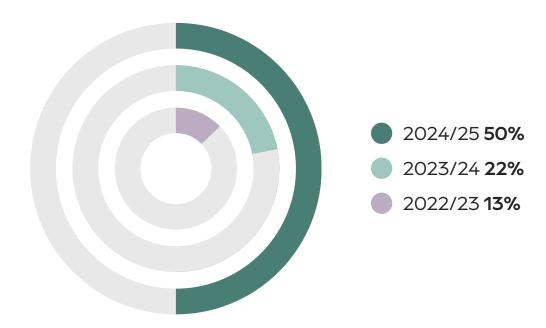
¹ Methodology: Cotton, polyester, wool and MMCFs are calculated by product weight. Leather is calculated by the percentage of tanneries that have undergone an LWG audit. Timber is calculated by unique wood source.

² Our calculation method is by product weight, which differs from Better Cotton's calculation in Cotton Lint.

³ This figure has been calculated using the Better Cotton Platform (a Better Cotton system that records Better Cotton Claims Unit transactions between suppliers and retailers).

POLYESTER

Target: 50% of polyester to be from recycled sources by 2025; 85% by 2028 and 100% by 2030.

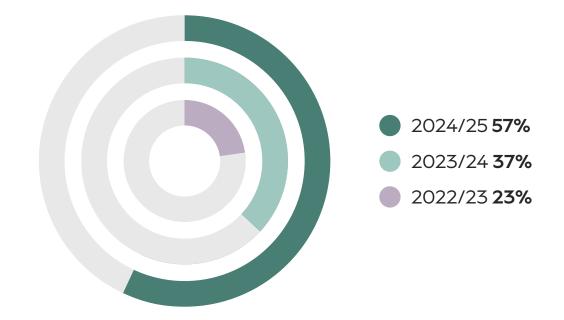


Progress: We are pleased to have reached our interim 50% responsible polyester target one year ahead of schedule, driven mainly by sourcing recycled fibres via the Textile Exchange Recycled Content Standard (RCS) and the Global Recycled Standard (GRS). Recycled polyester sourcing has more than doubled versus 2023/24, despite an overall increase in polyester sourced versus last year (+21%).

2024/25 Actions: We have expanded the approved sources of materials for our teams, supporting progress towards our Responsible Sourcing targets. In 2024/25, this includes Tex2TexTM, a recycled polyester fibre made 100% from pre-consumer textile cutting and yarn waste, via Thermo-Mechanical ReactorTM recycling. While we typically prioritise post-consumer recycled polyester, we believe that incorporating pre-consumer textile waste through Tex2TexTM will help accelerate the transition towards a fully circular textile-to-textile recycling system and offer an immediate opportunity for closed loop recycling.

MAN-MADE CELLULOSIC FIBRES (MMCF)

Target: 70% of MMCF fibres to come from branded sources that move beyond meeting our minimum requirements by having both verification and traceability **by 2025** and **100% by 2028**.

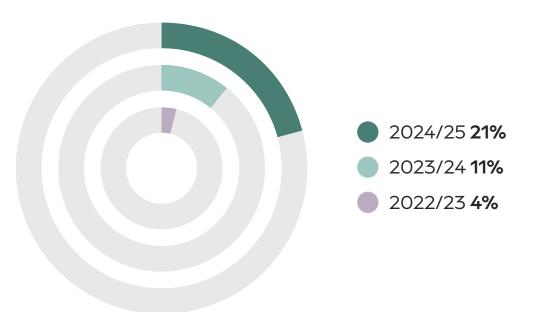


Progress: During 2024/25, we sourced 57% (2023/24: 37%) of our MMCF fibres through these branded routes. Our policy outlines that all MMCF fibres we purchase must meet our minimum MMCF Policy requirements of Canopy Green Shirt rated and Closed Loop production.

2024/25 Actions: Progress against our target is up to 57%. Womenswear are the biggest users of MMCFs and the main increase against our target is driven by the use of LENZINGTM, ECOVEROTM Viscose and LivaecoTM Viscose by Birla Cellulose. We held two engagement days with fibre producer, Lenzing, at Head Office to help our Fabric Sourcers, Designers, Buyers, Merchandisers and Technologists learn more about the responsible production of MMCFs and the sustainability benefits of using their branded fibres.

WOOL

Target: 50% of wool sourced meets responsible sourcing criteria which includes a number of third party verified sources such as certified to Responsible Wool Standard (RWS) by 2025; 75% by 2028 and 100% by 2030. For more on our Animal Welfare approach and policies see P.23 and P.27.



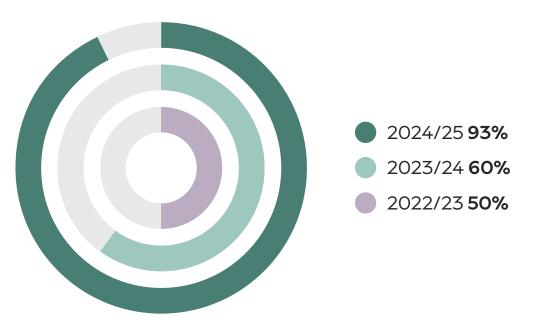
Progress: During 2024/25, 21% of wool (2023/24: 11%) met our criteria which includes RWS sourced or recycled. While we have doubled the amount of responsible wool used year-on-year, progress remains challenging due to fibre availability in the market.

2024/25 Actions: We have expanded our sources of responsible wool this year, including the addition of British wool as a recognised preferred fibre. While all our wool is from 'non-mulesed' sources, we signed not-for-profit organisation FOUR PAWS International's brand letter of intent against live lamb cutting, supporting our target to source from Responsible Wool Standard certified producers.



TIMBER

Target: Deliver **100%** of timber from responsible or certified responsible sources **by 2025**.



Progress: During 2024/25 93% was from sources meeting our certified or responsible criteria (as set out in our policy) (2023/24: 60%¹).

2024/25 Actions: We continue to work with our suppliers to:

- · Collect timber traceability information
- · Risk assess this information
- Mitigate risks by working with third party experts and developing corrective action plans with suppliers
- Conduct due diligence to monitor compliance with our policy.

We are preparing for the new EU Deforestation Regulation (EUDR) to be implemented from the end of 2025. Our internal EUDR Working Group is developing and deploying EUDR compliance policies and processes, including building a robust online system to enable us to track data in a compliant way. We will be reviewing our Timber Policy in 2025.

¹ In 2023/24 we evolved timber data collection and reporting to improve accuracy.



INTRODUCTION

OUR APPROACH

PROTECTING WORKERS IN OUR SUPPLY CHAIN

TACKLING CLIMATE CHANGE

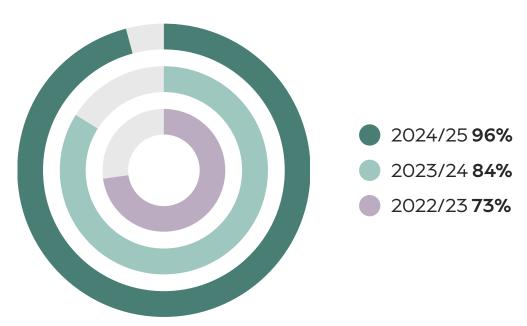
RESPONSIBLE SOURCING AND CIRCULARITY

MAKING NEXT A GREAT PLACE TO WORK

SUPPORTING OUR COMMUNITIES

LEATHER

Target: 100% of leather from LWG audited tanneries by **2025**.



Progress: During 2024/25, 96% of tanneries we use for leather footwear, clothing, accessories and upholstery have undergone an LWG audit. Additionally, 95% of leather we sourced for footwear, clothing and leather accessories (bags, belts and wallets) came from LWG audited tanneries, and 100% of leather we sourced for upholstery came from LWG audited tanneries.

For further information on the criteria for leather, please see next.co.uk/sustainability

CHEMICALS: ZDHC

Target: By 2025, all our core¹ textile wet processors will be fully engaged with ZDHC.

Progress: By December 2024, 637 textile wet processors (dyers, printers and laundries) signed up to the ZDHC Gateway, the platform used to share key information. These suppliers accounted for 87% of number of products sold during the year.

71%

of products were bought from suppliers producing ClearStream Wastewater reports

74%

from suppliers producing InCheck Chemical Inventory reports and,

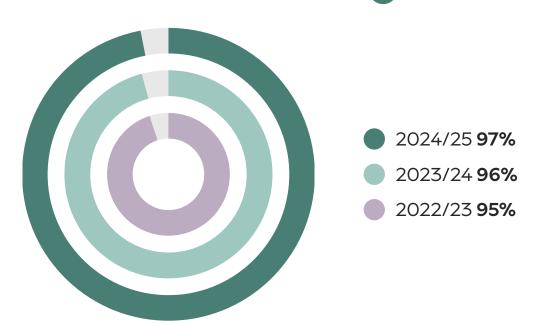
71%

from suppliers with completed Supplier to Zero certification

¹ Core refers to our top 90% of wet textile processors by volume of products supplied.

OPERATIONAL WASTE

Target: Divert at least **95%** of operational waste from landfill. See full data table on <u>P.18</u>.



Progress: During 2024/25, diverted 97% of our waste materials to recycling, reuse or energy recovery (96% in 2023/24).

PACKAGING

We are committed to improving packaging sustainability by refining our targets for better recyclability and reduced environmental impact. This includes analysing materials, exploring innovative designs, and assessing recycling infrastructure. We align with the WRAP UK Plastics Pact to support collaborative action on plastic waste. Additionally, we use the OPRL labelling system to help offer clear recycling guidance to our customers along with a flexible plastic recycling take-back programme in our stores. By setting measurable goals, we aim to make meaningful progress towards a circular economy.

602

tonnes of hangers collected from stores for recycling and reuse in 2024/25.

Microfibres

As microfibre pollution is an ongoing challenge for the whole textile industry, we continue to work with The Microfibre Consortium (TMC) and donated proceeds from our carrier bag sales. We continue to contribute to microfibre research through testing that will be used to inform a new TMC Fabric Shedding Evaluation Tool to help identify high-risk areas of fibre fragmentation. This will give us insights to help find potential solutions to reduce fibre loss.

Water / Chemical Management

We conducted a risk assessment, using the WWF Water Risk tool, for the top 25% of our wet processors (dye houses, laundries) by volume, as our largest consumers of water and chemicals. We are reviewing our water strategy in 2025 and formalising an approach to manage the risk and use of water in our supply chain facilities and products. See our Chemical Policy for more information.

Engaging our Suppliers

Cascale and Worldly

Cascale owns and develops the Higg Index tools, which are exclusively available on the Worldly platform. We continue to onboard our suppliers to adopt and complete the Higg Facility Environment Module (Higg FEM) to help measure our supply chain's impact.

During 2024, we onboarded 812 Tier 1 sites and 834 Tier 3 sites within the top 52% of suppliers to NEXT (Tier 1 and 3) by business volume.

Policies Spotlight

We have comprehensive policies to guide our Product and Sourcing teams in their approach, including:

- Responsible Sourcing
 Guidelines
- Cotton Sourcing Policy

- Protecting Forests through
 Fabric Choices Policy
- MMCF Policy
- Animal Welfare Policy
- Chemicals Policy
- Timber Sourcing Policy

INTRODUCTION

OUR APPROACH

PROTECTING WORKERS IN OUR SUPPLY CHAIN

TACKLING CLIMATE CHANGE

RESPONSIBLE SOURCING AND CIRCULARITY

Our Supply Chain & Traceability Collaborations and Memberships

These critical partnerships and collaborations help us make progress on all aspects of responsible sourcing and circularity:

Textile Exchange

- Industry forum



The Microfibre Consortium (TMC)
Microfibre 2030 Commitment and
Roadmap - Strategic membership



Leather Working Group - Industry forum / Certification scheme



ZDHC - Roadmap to Zero

- Strategic membership



WRAP Textiles 2030

- Strategic membership



WRAP UK Plastics Pact

- Strategic membership



Forest Stewardship Council

- Certification scheme



The On-Pack Recycling Label (OPRL)
Scheme - Certification scheme



Read more in our **Partnering for Change** section

CASE STUDY

Engaging on Responsible Sourcing

To help reinforce our commitment to responsible sourcing and circularity, while building trust and awareness, we are giving customers even clearer information about what their products are made from. We are explaining why we are on a journey to change materials from conventional and/or virgin to preferred, more responsible or recycled, so that we can reduce the overall impact of the products we source and sell.

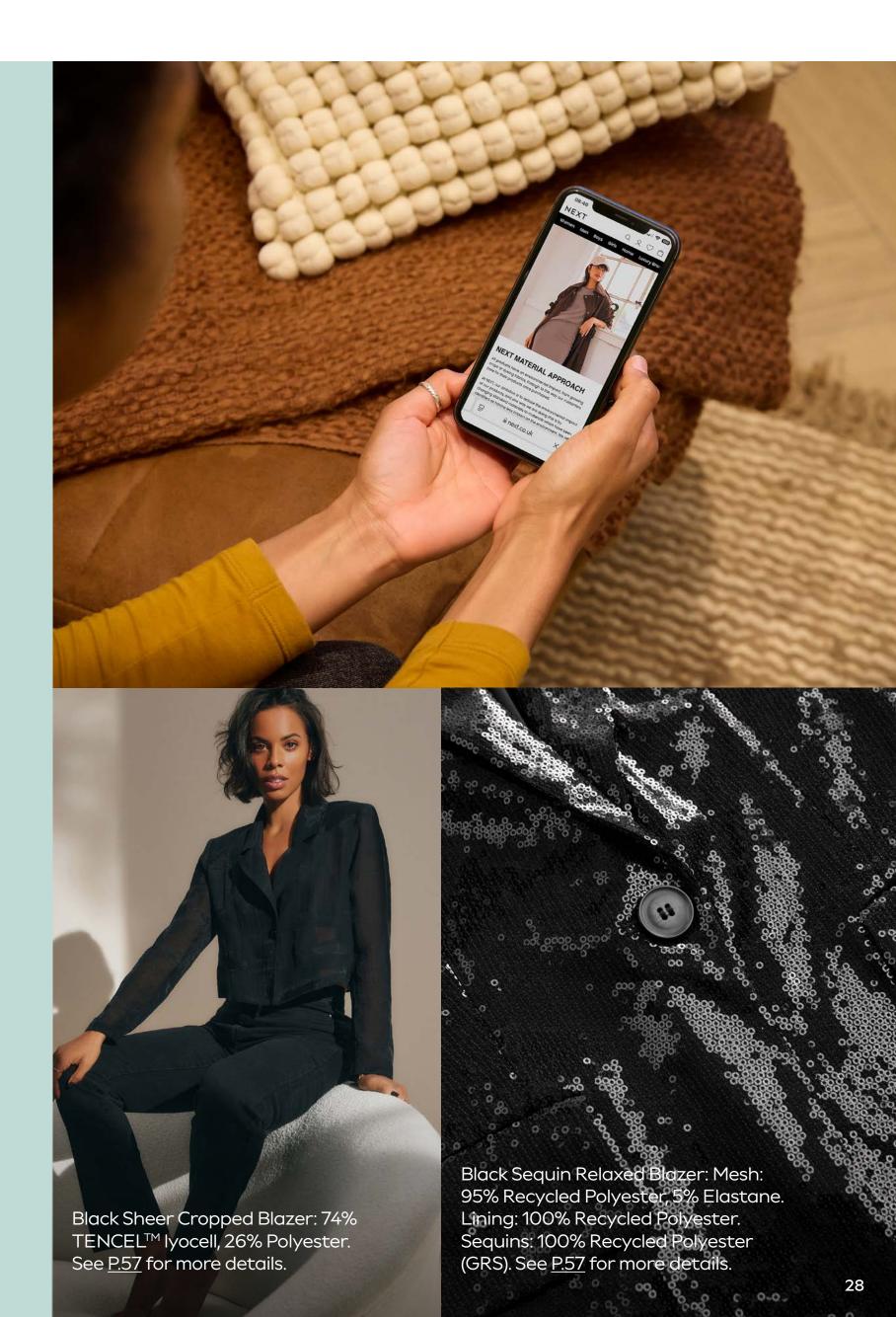
We have created a <u>new page</u> on our customer-facing website to share our approach to raw material sourcing, explain what's behind our labels and other point-of-sale symbols, and reinforce our trusted third-party partnerships with Textile Exchange and the Forest Stewardship Council (FSC). Customers can also view a short film about our Group approach and link to key Responsible Sourcing policies.

Equally important has been raising levels of understanding and engagement on responsible sourcing with cross-functional teams of NEXT and TP partner colleagues. For example, in 2024, we established a new quarterly Group Sustainability team meeting including our TP partner brand technical and sustainability colleagues to share their learnings and collaborate on challenges.

Green Claims

The Responsible Sourcing team started new monthly introductory training sessions to engage Product teams on sustainability initiatives. During 2024, as part of our commitment to transparency to customers, NEXT Group launched a new 'Understanding Greenwashing' course for all employees responsible for any form of green claims on our website and/ or products. This e-learning course was rolled out in September to 2,469 employees, 96% of whom have completed it to date. It will be re-issued annually to refresh employee knowledge and understanding.

The teams at Reiss have been using Compare Ethics - an Al-powered platform built by dedicated experts on green claims compliance - to verify sustainable materials claims for their clothing. This tool helps identify any gaps in the chain of custody for a product and ensures the brand can clearly and accurately make verified responsible claims on their website.



INTRODUCTION

OUR APPROACH

PROTECTING WORKERS IN OUR SUPPLY CHAIN

TACKLING CLIMATE CHANGE

RESPONSIBLE SOURCING AND CIRCULARITY

MAKING NEXT A GREAT PLACE TO WORK

Circularity

2024/25 Actions

In Our Supply Chain

Part of our Responsible Sourcing approach to lower the environmental impact of our activities is to work towards a more circular economy, embedding circular principles into our business to produce and sell products that minimise pollution and waste, and help to keep materials in use for longer. We continue to reduce packaging, where possible. After an unsuccessful trial in 2024, we are trying again to use recycled flexible plastic collected from customers to make the linings of our NEXT courier sacks which all contain at least 30% recycled content. As part of Textiles 2030, we took part in the Durability Research Project, to help research methods of monitoring and benchmarking materials durability across the industry, including providing products for testing.

Product Lifecycle Management

Our unsold or returned stock falls into three categories:

- Never sold products not sold at full price are discounted in our sales or discount routes (online or in our Clearance stores), before being sold to authorised third party wholesalers to sell. We also donate products to charity partners for reuse to help people in need (see <u>P.38</u> in Supporting our Communities), or to be sold to generate funds.
- 2. **Returned as faulty** All returns are inspected, with findings fed back internally to help us work with suppliers to eliminate future faults occurring. The items are then either sold through our Clearance routes or donated to charity partners to reuse.
- 3. Online returns A significant percentage of clothes bought online are returned to us in line with a customer's rights under the Distance Selling Regulations: this is to be expected. Returned items are inspected, refurbished and available to be sold. Any faulty products are segregated to be sold through our Clearance operations.

Carrier Bags

We are working to reduce our packaging and eliminate materials which cannot be recycled. While we are encouraging our customers to reduce their use of carrier bags, our carrier bags contain a minimum of 30% recycled material and are classed as reusable in line with the Carrier Bag Legislation. Customers pay a small charge for these (see more in **Supporting our Communities**, <u>P.38</u>) and can return them to stores when worn out. They will be replaced for free, and we recycle the old ones through our in-house recycling centre. In partnership with a supplier, we close the loop on this material by reusing it in our online order packaging.

For Our Customers

Home products, such as mattresses, sofas and furniture, can be difficult for our customers to manage when they wish to dispose of them. We continue to partner with:

- Clearabee, who provide an affordable furniture recycling service, collecting items from customers' homes, whatever their condition
- The Furniture Recycling Group (TFRG) who help recycle old mattresses when new ones are delivered
- The British Heart Foundation (BHF), who provide a free furniture collection to NEXT customers, preventing their unwanted items entering the waste stream
- Doncaster Refurnish, who recycle and refurbish furniture and household goods, preventing functional items from going to landfill and reselling them at affordable prices to the local community. This year, our partnership diverted 348 tonnes of waste and sales from recycled and refurbished goods helped raise £701,397 to help the delivery of much-needed services within our shared community.

Diverting Mattresses From Landfill

In 2024/25 we recycled 2,587 mattresses, diverting over 81 tonnes from landfill, up from 2,569 mattresses recycled and 79 tonnes diverted from landfill in 2023/24.

Since 2014, when we first started working together, TFRG has recycled over 33,300 NEXT mattresses.

	2024/25	2023/24
Mattresses recycled	2,587	2,569
Tonnes diverted from landfill	81	79

Raising Funds for Charities Through Resale

Our customers' donated furniture and home products have helped BHF raise nearly £2 million since we started to work with them in 2016.

FatFace Supporting Extended Product Life

The FatFace Foundation charity outlet shop, based in Havant near the business's Head Office, supports the brand's sustainability ambitions and helps keep end-of-line product out of landfill. It enables them to donate unworn sample and unsold outlet stock for local shoppers to purchase at reduced prices. 100% of the profits are donated to local and national charities and community projects. FatFace also partners with Thrift+, the resale platform for pre-loved clothing, and provides simple clothing repair tips and videos on its online site.





Reiss Pilot Repairs Service

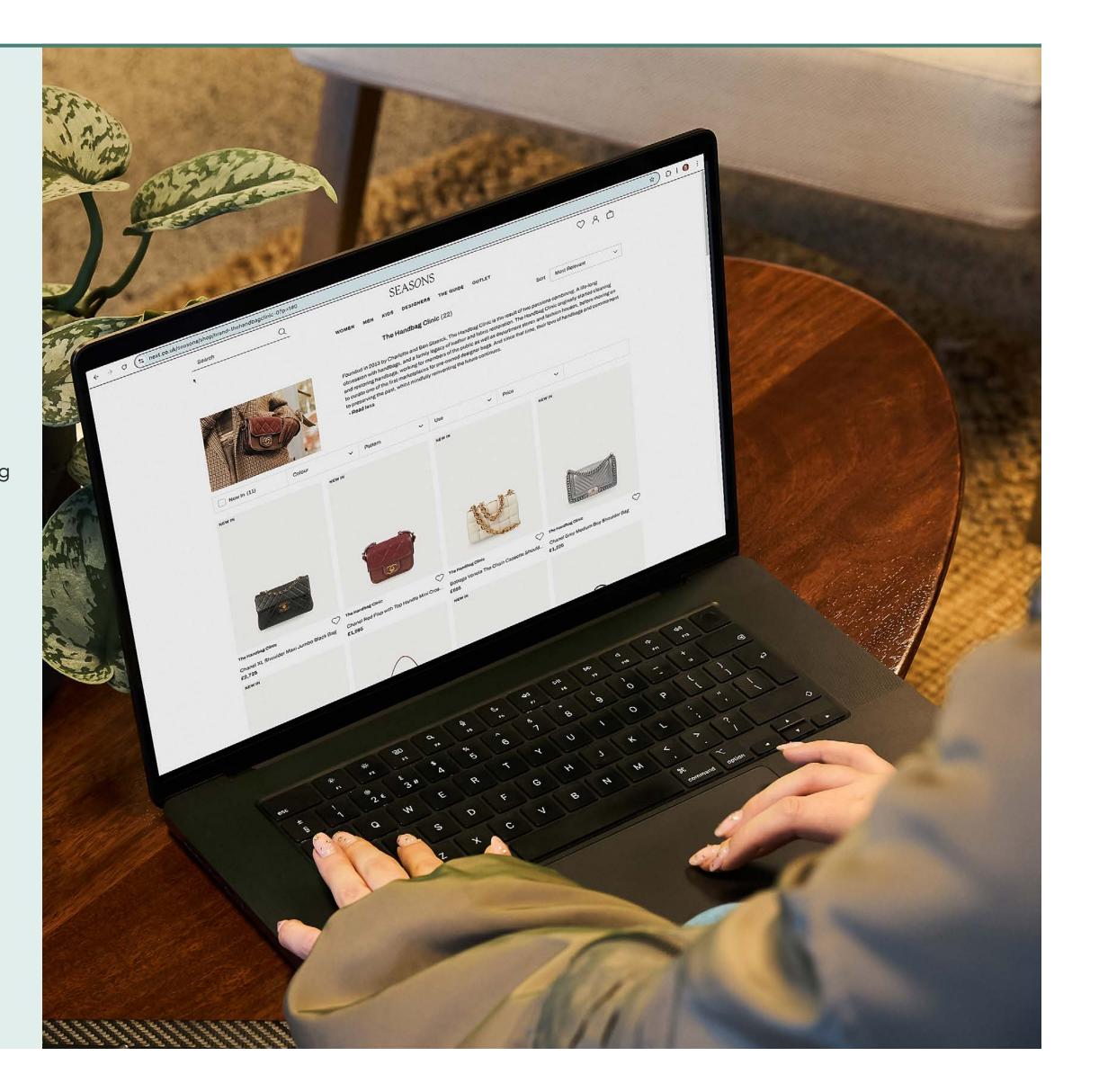
In December, Reiss launched a pilot repair programme at two of their central London stores in partnership with SOJO, the B Corp-certified repairs and alterations business. Customers can bring their Reiss garments into stores which will be sent to SOJO's East London studio, with repaired products available to be collected from store or delivered to their home within three working days. Reiss will have access to data collected on the SOJO platform to help them understand the impact of the scheme, which will be evaluated in 2025.

TACKLING CLIMATE RESPONSIBLE SOURCING PROTECTING WORKERS MAKING NEXT A GREAT **SUPPORTING OUR GOVERNANCE AND NEXT CR REPORT 2024/25** INTRODUCTION **OUR APPROACH APPENDICES** IN OUR SUPPLY CHAIN AND CIRCULARITY COMMUNITIES **ENGAGEMENT** CHANGE PLACE TO WORK

Pre-Loved on Seasons

With the October 2024 launch of our new premium branded website 'Seasons', we created a new partnership with The Handbag Clinic to give our customers access to their pre-loved handbags and services including cleaning, repair, restoration, customisation and full authentication of designer handbags, as well as the option to sell bags via The Handbag Clinic's resale platform. Not only can customers revitalise and extend the life of their pre-loved items, but they can also earn up to 10% more if they decide to reinvest in another product from The Handbag Clinic, further incentivising circularity.

Products and services are facilitated through
The Handbag Clinic, with NEXT only taking financial
ownership of the goods at point of sale. By promoting
repair and reuse rather than replacement, this
initiative allows NEXT to grow revenue without
relying on new raw materials, making better use of
products already in circulation and reducing waste.
We adhere to our animal welfare policies to ensure
that introducing circular business models does not
inadvertently create new demand: for example,
for endangered or exotic animal skins.



Looking Ahead

- Continue to onboard TP partners into our Responsible Sourcing approach, including with Worldly and ZDHC
- Gain Textile Exchange Brand Certification for Joules
- Review further materials to incorporate into our Responsible Sourcing approach
- Continue to prepare for EUDR through forest level risk assessments and geolocation, updating our Timber Policy and data capture processes and engaging employees
- Progress traceability commitments with partners and platforms
- Continue to focus on solutions to improve circularity
- Review our water strategy and Policy
- Review our approach to packaging across the Group in preparation for Extended Producer Responsibility (EPR) requirements in 2025.

INTRODUCTION

MAKING NEXT A GREAT PLACE TO WORK

Our Commitment

We want to provide an environment where our workforce is:

- · Safe, supported and respected
- · Treated fairly and taken care of
- · Listened to
- · Motivated to achieve their full potential.

Our Approach

Our priorities are in the areas of:

- · Health, safety and wellbeing
- · Equality, diversity and inclusion
- · Training and development
- · Reward, fair pay and employee share ownership.

This section reports predominantly on the progress of our Great Place to Work activities at NEXT, with references to our partner brands Joules, Reiss and FatFace.

Continues on the next page



KEY PROGRESS HIGHLIGHTS:

Continued improvements in employee engagement scores in our annual employee listening survey, which had a 78% participation rate



Undertook a new inclusion diagnostic survey to understand the maturity of our culture of inclusion to identify opportunities for progressing our ambition to be consciously inclusive for employees



Invested in our early careers offer to be more accessible, while attracting and developing our new generation of employees, apprentices and interns



Ran 24 different wellbeing events for employees this year



Set up a new pilot mentoring scheme to pair mentors with mentees from early careers streams



PROTECTING WORKERS IN OUR SUPPLY CHAIN

TACKLING CLIMATE CHANGE

RESPONSIBLE SOURCING AND CIRCULARITY

MAKING NEXT A GREAT PLACE TO WORK

Our Approach Continued

Together We Are NEXT

We recognise that every individual's unique background, experience and ability contributes to our success. To ensure we attract, retain and develop the very best people to build a diverse and talented team, we continue to create an inclusive and inspiring environment where individuals feel valued and respected, and where they can thrive and achieve their full potential. Our employee-led communities - Together We Are NEXT - champion LGBTQIA+ issues, cultural diversity, disability and carers at NEXT. The heads of these communities regularly meet and discuss programmes, issues and opportunities to engage the wider business.

Together We Are NEXT Mission:

- We Create: an inclusive environment where everyone is welcomed, valued and feel they belong
- We Recognise: that diversity of thought makes us more innovative, competitive and creative
- We Promote: a team culture that's open and transparent, where we treat everyone fairly and with respect
- We Encourage: a workspace where everyone can feel supported to be themselves whoever they are, so they can succeed and thrive to do the best work of their lives
- We Ensure: everyone is aware of, and empowered to fulfil, their personal responsibility to question discriminatory or inappropriate behaviours
- We Uphold: a commitment of zero tolerance towards unacceptable behaviour, harassment, discrimination, bullying or victimisation.

Policies and Charters

Just some of the policies and charters we deploy across NEXT to support our commitment to our people:

- Mental Wellbeing Charter: encourages an environment where mental wellbeing is discussed openly to eliminate stigma, fear or discrimination
- Health and Safety Policy
- Disability Confident: Level 2 employer, taking extra steps to ensure disabled people get fair and equal opportunities at employment
- Race At Work Charter



2024/25 Actions

Employee Engagement

NEXT has established employee forums for each business area: elected representatives attend meetings three times a year with directors and senior managers. These forums encourage open discussion on business issues, policies and the working environment. As examples of some of the new initiatives which have come from their forum discussions, we established a new GP service onsite at Head Office (see <u>P.33</u>, Wellbeing). We also improved our Family Leave experience with an enhanced Family Leave pay offer for employees, with the aim of providing consistent, timely information to the right teams, enhancing our communication and processes during this important time.

We conduct an annual listening survey, Your Voice Counts, across NEXT which this year included Lipsy, GAP UK, NEXT Beauty and Victoria's Secret UK (Head Office and Retail). To read more about this and how we engage our employees, see the case study on <u>P.35</u>.

Employee Engagement Survey	2024/25	2023/24
Participation Rate	78%	74%
Group Engagement Score ¹	7.7/10	7.4/10
Retail Engagement Score	7.8	7.5

Benchmark is 7.6 out of 10.

Health, Safety and Employee Wellbeing

We want NEXT to be a safe place for everyone, with a culture that enables all our employees to maintain positive mental wellbeing. Our safety objectives focus on three pillars:

- Health, Safety and Wellbeing engagement and communication
- Developing our Health and Wellbeing offer for our employees
- · Ensuring a safe workplace, with a focus on key risks.

Please see our <u>Health and Safety Policy</u> for more information.

Health and Safety

We review our Company safety statement and objectives every three years, including programmes for each division of the business. 2024 marks the end of this three year cycle and we will be compiling new ones for 2025-2028, including closer integration with Joules and other TP partner brands.

Wellbeing

We continue our commitment to provide a wide-ranging programme of support, guidance, events and activities - both on and offline - to help foster an environment where workplace psychological safety is carefully considered alongside health and safety risks. This programme covers NEXT, Lipsy and Joules. Our **Mental Wellbeing Charter**, available on our internal wellbeing site (wellbeing.go.next), encourages an environment where mental wellbeing is discussed openly to eliminate stigma, fear and discrimination.

We have an established Mental Health First Aider (MHFA) network, flagged on our company wellbeing site, of 175 trained colleagues in all divisions who help provide a supportive workplace environment. They meet four times a year to help support, guide and upskill each other in their roles. Regular mental health training is conducted for managers across the business.

TACKLING CLIMATE PROTECTING WORKERS **NEXT CR REPORT 2024/25** INTRODUCTION **OUR APPROACH**

IN OUR SUPPLY CHAIN

RESPONSIBLE SOURCING CHANGE AND CIRCULARITY

MAKING NEXT A GREAT PLACE TO WORK

Additional online tools and support for all NEXT colleagues include Digicare+ Workplace, which provides access to a Digital GP, annual health check, a suite of lifestyle and health information and our Employee Assistance Programme offering independent counselling. We continue to provide lifestyle checkpoint machines which move across our different sites.

An extensive series of online and in-person wellbeing events and activities continues to be offered yearround to engage and inform our employees at Head Office, retail, online and warehouse locations. These included face-to-face events to engage and showcase the services available to colleagues at team events, meetings and conferences. A new onsite GP service provided by BUPA was established at Head Office this year as part of our employee benefit offer.

Accident Rates	2024/25
Employees (Retail) ¹	8.26
Employees (NDL) ¹	2.61
Customers (Retail) ²	1.39
Wellbeing Performance	
Number of Mental Health First Aiders	175
Number of Managers Receiving Mental Health Training	271
Wellbeing.go.next Views	105,188
Digicare+ Enrolment/Take Up Data	5,790

- ¹ Per 100,000 hours worked.
- ² Per 100,000 transactions.



Wellbeing Programmes

Just some of the offerings for our employees in 2024/25:

- · Invested in clean water technology for our Sri Lanka manufacturing site community, see case study on P.39
- · Offered support and frank discussion about bereavement during Grief Awareness Day
- · Discover More in 24 an all-business wellbeing promotion held throughout January to focus on the wellbeing support available to all employees. Highlights included the launch of the NEXT Wellbeing podcast, and a competition to brighten 'Blue Monday', nominating colleagues to win prizes
- · A Valentine's Day Love for Others campaign encouraging teams to donate blood and cord stem cells, learn CPR in 15 minutes and Love Your Pets
- · Digicare+ Workplace
- · Employee Assistance Programme
- · Financial Wellbeing Tool
- · Employee-led Communities: Unity; Pride at NEXT; Able; Embrace the Change; Uniform Services
- · Disability Confident Employer Level 2.

Empowering Human Resources (HR) to Support Wellbeing

A new partnership this year with Wellbeing of Women (WoW), the women's wellbeing charity, enabled us to leverage their resources and support hub to upskill our HR teams across the business on how they can better help our colleagues. The WoW team have been involved in supporting various wellbeing campaigns throughout the year, such as a Cervical Screening Week in January 2025. Similarly, with Orchid, the men's wellbeing charity, we are working to educate male employees around male cancers. Orchid representatives were on site on International Men's Day to support and advise our teams. Read more in our **Partnering for Change** section.



Educating male employees around male cancers in partnership with Orchid, the men's wellbeing charity

Wellbeing Partnerships

Stonewall (Global Diversity Champion network)



Terrence Higgins Trust



BITC (Race at Work Charter & Behind the Scenes campaign)



Carers UK (Employers for Carers)



GenM – menopause information and support



British Heart Foundation (BHF)

- Restart a Heart has trained 492 employees to be lifesavers in CPR using the BHF RevivR tool since 2016



Wellbeing of Women



Orchid



Help for Heroes



SCOPE 2025



Anthony Nolan



Read more in our **Partnering for Change** section



PROTECTING WORKERS IN OUR SUPPLY CHAIN

TACKLING CLIMATE
CHANGE

RESPONSIBLE SOURCING AND CIRCULARITY

MAKING NEXT A GREAT PLACE TO WORK

Equality, Diversity and Inclusion (EDI)

We are an equal opportunities employer and offer career opportunities without discrimination. We treat all employees fairly regardless of gender, gender reassignment, sexual orientation, marital status, race, colour, nationality, religion, ethnic or national origin, age, disability or union membership status.

We believe that a diverse and inclusive working environment is vital to the success of our business and to support the health and wellbeing of our employees. We continue to run mandatory EDI training for new starters and all our managers to explore unconscious bias, inappropriate behaviour, discrimination and harassment, and provide guidance on how to positively influence the behaviour of others.

This year, actions included:

- A new inclusion diagnostic survey to better understand the maturity and employee perceptions of our culture of inclusion, and to identify opportunities to improve.
 To read more about this, see the case study on P.35
- Engagement with new employees to understand the value of our employee-led networks and to receive feedback on shaping these communities through listening circles run with Business in the Community and our Together We Are NEXT teams
- Launch of a new monthly series of online EDI training 'Knowledge Bites'
- Partnership with Hidden Disabilities Sunflower, MicroLink and Language Line to help support a disability-inclusive culture for our colleagues and customers. See more in our **Partnering for Change** section
- A ranking of third place for NEXT in the 2024
 FTSE Women Leaders Review: Achieving Gender
 Balance in relation to our senior management and their direct reports
- Continued partnership with GenM to champion an open culture of menopause awareness, education and support across the business. See more in our Partnering for Change section

 FatFace signed the Wellbeing of Women menopause pledge and launched a Menopause Policy – including paid time off for managing symptoms – and monthly employee support group, 'Taking Charge of Change'.

Gender Diversity	2024/25	2023/24
Female % of Total Employees	70%	70%
Female % of Senior Management	52%	43%
Female % of the Board	33%	36%
EDI training numbers:		
Managers	376	1,536
New Starters	428	-

To read more about our gender diversity please see our Gender Pay Gap report and our Annual Report

Training and Development

We believe that offering relevant learning and development opportunities will help our employees to feel valued, equip them to carry out their roles to the best of their ability and support them in developing their career at NEXT. We want to make sure that everyone can access and enjoy our range of development tools and training, so that they can achieve their full potential, whatever their individual needs are. We have training teams in each area of the business that support:

- Job role-specific training covering technical, operational and skills training
- Individually tailored training to address both employees' individual needs and specific business requirements
- Health and safety, first aid and manual handling training to ensure our employees work in a safe environment.

Recruitment

Attracting a diverse range of talent, especially in early career roles, brings fresh perspectives and energy into the business, helping to drive innovation and adaptability. This approach not only strengthens our talent pipeline for future growth, but also reflects the varied communities we serve, enhancing our ability to meet their needs and build a stronger, more inclusive workforce.

To strengthen our capacity to deliver on this strategy, bring in a new generation of talent and build their confidence, loyalty and retention in the workplace, we have invested in our early careers, recruitment, training and development teams and a number of new schemes, including:

- A pilot mentoring scheme launched in 2024 to pair mentors with mentees from early careers streams.
 We continue to focus on a variety of schemes to improve access
- A NEXT partnership with The Duke of Edinburgh's Award (DofE) to offer employees the opportunity to achieve a Gold DofE Award through the DofE Business programme, starting in 2025. Our aim is to support a cohort of young colleagues to develop skills and behaviours like leadership, resilience and teamworking, while showing the impact DofE is having on young people and communities.

Apprenticeships and Interns

Our apprenticeship programmes continue at pace: we now have 359 apprenticeships in place. We have 35 apprenticeship programmes ranging from warehouse operations and retail roles through to Mastersequivalent programmes. We welcomed a new intake of interns spending six weeks of the summer at Head Office to get a taste of the business.



CASE STUDY

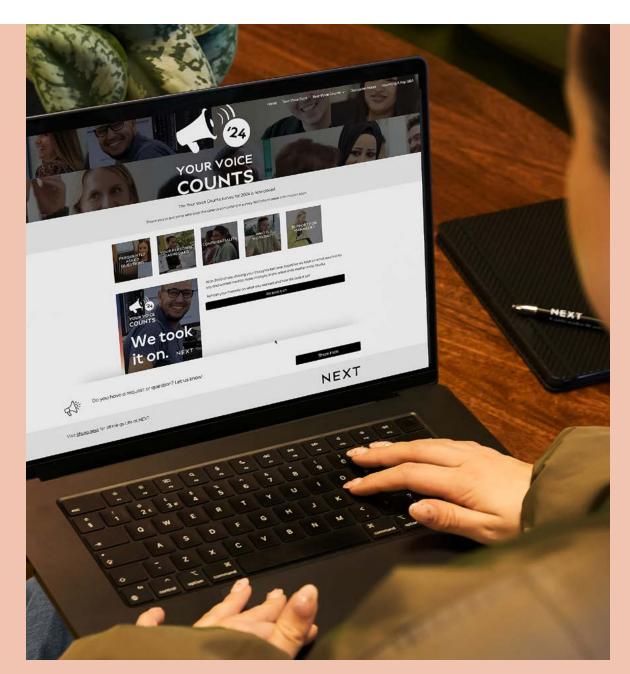
Engaging Employees at NEXT Group

Engaging our employees and receiving their feedback is vital for us to build trust and gain insight into team motivation and satisfaction, assess how well we are nurturing our workplace culture and illuminate potential areas for improvement. Knowing how we are doing helps us to make changes that enhance productivity and wellbeing, support innovation, improve customer service, reduce turnover and contribute to making NEXT a great place to work.

We actively listen to our employees year round, through formal and informal means, including an annual survey, Your Voice Counts, which this year included NEXT, Lipsy, GAP UK, NEXT Beauty and Victoria's Secret UK (Head Office and Retail). In 2024/25, the survey saw a 4% increase in participation over 2023/4, with a 78% completion rate. Group engagement improved from 7.4 to 7.7, placing us in the middle range globally for retail engagement. Our engagement scores continued to improve. Head Office had 82% completion and an engagement score of 8.1, while Retail engagement increased from 7.5 to 7.8, thanks to a new quarterly survey approach providing quicker, focused insights. Victoria's Secret UK Retail saw engagement rise from 6.1 to 7.1, with nearly double the participation. Joules will join its first survey in Summer 2025.

78% complete for the

completion rate for the Your Voice Counts survey



Engagement outcome scores this year all increased from prior year: Belief (in business purpose) at 8.5; Satisfaction at 7.7 and Loyalty at 7.3. Our top employer strengths are perceived as Organisational Fit (measured by responses to: People from all backgrounds are treated equally at NEXT), Goal Setting (measured by responses to: I understand how my work supports the goals of my team), Meaningful Work (measured by responses to: I see how my work contributes to positive outcomes for NEXT, our customers or people I provide services to) and Reward (which has grown 0.4 points on 2023).

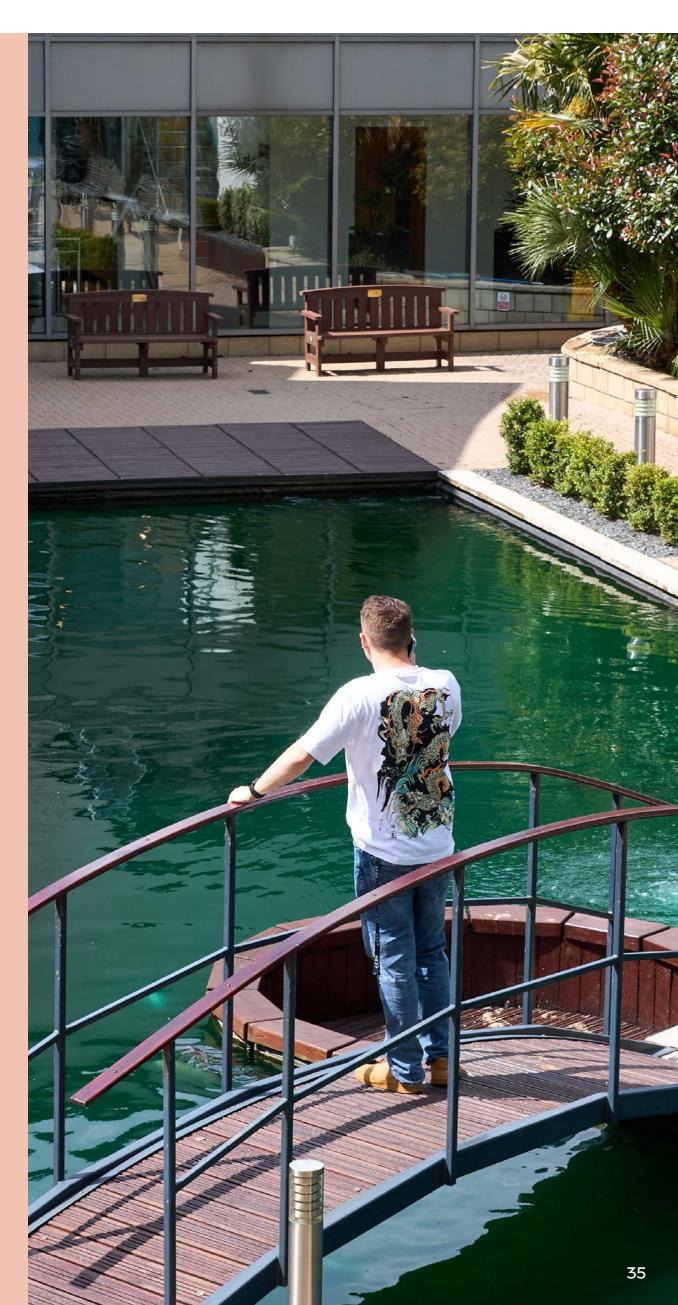
This year, to give us actionable insights into employee perceptions and the maturity of our culture of inclusion, we conducted a new inclusion diagnostic survey.

Employees representing a wide range of functions and seniority were interviewed and NEXT's policies, strategies, job adverts and website were reviewed through an EDI lens. Results scored on an inclusion maturity scale gave NEXT a 'Competitive' rating,

indicating that we are on track to being consciously inclusive for employees. Opportunities to improve include working to build understanding of EDI expectations across the organisation and evidencing fair people processes. We continue to invest in this agenda, and in Q3 2024 created a new role managing EDI communications and events. We plan to re-run this diagnostic at the end of 2025 to assess progress.

FatFace partner with WorkL to conduct their annual employee engagement survey. 2024 was a year of extraordinary change for the business as they integrated into NEXT Group. Despite this, FatFace were pleased to see high scores across all categories of enquiry and areas of the business. Highest scores were seen around manager relationships, ability to bring one's authentic self to work and agreement that sustainability is an important part of the culture. These evidence the resilience of the team and the foundational culture of trust, employee empowerment and sustainability that B Corp FatFace have fostered since inception.

Reiss partnered with Culture Amp to conduct their employee engagement survey, Have Your Say, for Head Office and Retail, achieving a strong 90% participation rate. Head Office results showed increases of 1–14% across areas like Company Confidence, Management, Leadership, Enablement, Teamwork & Ownership, Growth & Development, Engagement, and Reward & Recognition. Top-scoring questions included: "Reiss is in a position to succeed over the next three years" (94% favourable), "I am proud to work for Reiss" (89% favourable), and "My manager genuinely cares about my wellbeing" (86% favourable). In the September 2024 biannual retail employee pulse survey, Leadership and Belonging scored highest overall. These results highlight the collaborative, trusting, and empowering culture at Reiss, fostering pride and shared responsibility for success.



TACKLING CLIMATE PROTECTING WORKERS **RESPONSIBLE SOURCING** MAKING NEXT A GREAT **SUPPORTING OUR GOVERNANCE AND NEXT CR REPORT 2024/25** INTRODUCTION **OUR APPROACH APPENDICES** COMMUNITIES **ENGAGEMENT** IN OUR SUPPLY CHAIN CHANGE AND CIRCULARITY PLACE TO WORK

Local Schools, Colleges and Universities

Teams in our Distribution division continue to work with schools in the vicinity of our Yorkshire warehouses to help bring alive different career opportunities within our business. Through recruitment workshops, careers fairs and site visits, students get a glimpse of where support and development offers could take their future careers. Year-round, Product teams visited universities to give presentations and attend graduate career fairs.

Reward, Fair Pay and Employee Share Ownership

We believe in rewarding all employees with fair and competitive salaries, along with the opportunity to gain additional pay in the form of a bonus depending on the Company's financial (or in some cases, store or individual) performance. Across our Retail teams, we established further opportunities to reward outstanding performance with increased pay, regardless of age, in our star-rated pay review process. We also operate a Sharesave scheme to encourage employees to own shares in NEXT.

	2024/25
Respect in Retail Training Numbers	16,249
Resolution Training Numbers	555
Number of Interns	11

Tools and Programmes

- · Apprenticeships, including Warehouse to Wheels
- · Enterprise Advisors with local schools
- NEXT Steps on-site Nursery
- · Employee Sharesave scheme

Partners

Union of Shop, Distribution and Allied Workers (USDAW): Lifelong Learning



Leonard Cheshire

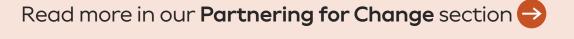


10,000 Black Interns



UpReach: Internship partnerships







Looking Ahead

- Plan to use a variety of approaches to attract a diverse range of talent and enhance accessibility for new employees as an employer of choice
- Actively promote our inclusive culture and ensure employees feel motivated and equipped to contribute to NEXT's success
- Provide ample opportunities for employees to enhance their skills through on-the-job training, coaching, mentoring programmes, and specialised management and leadership courses – including a new partnership with the DofE, offering staff the opportunity to achieve a Gold DofE Award through DofE Business
- Design an environment and practices to support a happy and healthy workforce, ensuring that employees feel engaged to help us achieve our business goals.



SUPPORTING OUR COMMUNITIES

Our Commitment

We want to support causes that make a real difference. We particularly focus on supporting charities and organisations that have an impact in the countries and communities we source from and operate in.

Our Approach

While we support a broad range of charities in a variety of ways, we aim to develop longer-term, strategic partnerships with a select number of partners where we can work together to develop mutual value, leveraging each other's assets and skills.

Teams support our charity partners through product donations, personal payroll giving or sharing their professional expertise and time. Our Charity Committee meets four times a year to oversee the distribution of donations to ensure they meet our Charitable Giving policy. Each of our business areas is given an annual charity budget and engages with their teams to determine how funds are distributed.

We also raise funds through the redistribution of carrier bag levies and other similar government mandated payments. Our charity partners provide our colleagues with valuable opportunities for education, awareness-raising, meaningful self-development and team building, through volunteering, creative campaigning and fundraising for causes which they care about.

This section reports on our progress Supporting our Communities at NEXT only.



KEY PROGRESS HIGHLIGHTS:

Produced six Together With NEXT collaborations, selling unique clothing and homeware items to raise funds and awareness for key charity partners aligned to our business diversity and inclusion agenda



Supported a total of 244 charities



Made a total charitable contribution of £2,825,521



PROTECTING WORKERS IN OUR SUPPLY CHAIN

TACKLING CLIMATE CHANGE

RESPONSIBLE SOURCING AND CIRCULARITY

MAKING NEXT A GREAT PLACE TO WORK

2024/25 Actions

CHARITABLE DONATIONS

To ensure we measure our total community contribution, we calculate the value of our non-financial contributions from products donated by the business. This figure is added to our financial contributions, to arrive at a total sum for the year. Our charity and sponsorship programme is made up of donations to:

- Registered charities we offered support to around 244 charities during the year
- Local youth amateur sport teams, especially where there is direct employee involvement
- A variety of local and national groups and organisations – we primarily help those that have charitable status, however we occasionally support a small number of those without.

This year, the team have worked hard to raise internal awareness of our charitable giving activities and widen information and impact reach to include more colleagues outside of Head Office, with a resulting increase in employee engagement across all divisions, especially Warehouse and Distribution, and Retail.

NEXT Plc has Offered Financial Support to:	2024/25 £
Registered Charities	1,287,704
Gifts in Kind	1,287,513
Charity Link Sales	206,811
Individual Requests	14,950
Employee Fundraising	28,543
Total Charitable Donations	2,825,521

Policy Spotlight

Our <u>Charitable Giving policy</u> supports:

- The promotion of health and support of endof-life and emergency care services
- Developing education, life and work skills and youth amateur sport
- · Environmental protection or improvement
- The reduction of inequality, by supporting the promotion of diversity, inclusion, human rights and the prevention or relief of poverty.

EMPLOYEE GIVING

Payroll Giving

We offer a scheme that is available to all UK-based employees and allows them to make tax-efficient donations to any UK registered charity. During the year, our employees donated around £27,400 to charities of their choice.

Employee Fundraising

Our <u>Giving at NEXT website</u> supports employees to make contributions to chosen charities such as taking part in sustainability and wellbeing challenges, volunteering in their own personal time, or through payroll giving. It is also open to the general public.

CORPORATE GIVING

Community Support Through Gifts in Kind

We receive a large number of requests from schools, charities and other organisations supporting children and families in low-income communities – for example, from areas across Leicester and Doncaster local to our Head Office and warehousing sites. In response to these, and in support of our ambition to divert items from landfill, we continue to identify products that otherwise may have been disposed of and offer them to these organisations for reuse and to create value for their mission.

Throughout 2024/25 we donated over 600 coats, over 700 pairs of children's shoes, over 650 baby items (such as sleepsuits, babygrows and hats) and around 1,500 items of underwear, socks and tights. We also donated clothing and toiletries to women's refuges and homeless charities to support their clients, and responded to requests from NEXT colleagues and customers with over 1,300 boxes of items to use as raffle prizes to help them raise money for their chosen charities and organisations.

"Wow! We are totally blown away by the boxes of clothes you sent to our school today – thank you so much, they really are wonderful! This donation will really make a difference to families in our school community this winter..."

Head teacher, Leicester school - clothing donation recipient

FatFace also supports local charities through clothing donations from the FatFace Foundation Shop. To read more about the FatFace Foundation Shop, please see **Responsible Sourcing and Circularity**, P.29.

Carrier Bags

NEXT continues to encourage our customers to reduce the use of carrier bags and we offer a reusable carrier bag, containing a minimum of 30% recycled material, for customers to purchase. Proceeds raised go to our nominated charities across England, Scotland and Wales. In Northern Ireland, proceeds are paid to the Government who use them to fund environmental projects. See more on carrier bags in our Responsible Sourcing and Circularity chapter.

Cause-Related Marketing

Together With NEXT

Our strategic charitable collaboration, Together With NEXT, continues to be successful. We work with charities to create exclusive designs for our fashion and homeware product ranges, raising both awareness of societal issues and much-needed funds for the charities.

In 2024/25 we continued supporting Parkinson's UK, Dementia UK, Andy's Man Club, Rainbows, Terrence Higgins Trust and the Children's Air Ambulance and launched new collaborative collections with The Prince's (now King's) Trust 'Change A Girl's Life' campaign, Alex's Wish (Duchenne awareness), Anthony Nolan and Place2Be (see case studies on P.39 and P.40). 100% of profits from these products go to the charities.

PROTECTING WORKERS
IN OUR SUPPLY CHAIN

TACKLING CLIMATE CHANGE

RESPONSIBLE SOURCING AND CIRCULARITY

MAKING NEXT A GREAT PLACE TO WORK

CASE STUDY

Leicester Community Engagement

Anthony Nolan

This year, we developed our partnership with Anthony Nolan, the charity saving the lives of people with blood cancer or disorders. Fewer patients from ethnic minorities who need a stem cell transplant have a suitable donor already registered: working together with Anthony Nolan, we are aiming to address this inequality. The connection to the community at our Leicester Head Office site is highly relevant - the city is one of the most ethnically diverse in the UK and Leicester Hospital is a leader in research for the charity. Our teams help raise awareness and champion recruitment drives to grow the database of potential donors for stem cell transplants. To date there are 21 known NEXT staff members on the stem cell register.

We continued to hold a variety of donor registration drives with our employees throughout the year: for example, on World Blood Cancer Day and through a Sports & Social football match between North and South NEXT teams. Anthony Nolan teams offered volunteer training to NEXT staff to help empower them and develop their knowledge and skills to host or volunteer at donor recruitment events.

A limited edition baby sleepsuit, launched on World Cord Blood Day, was designed for our Together With NEXT collection, with 100% of profits going to Anthony Nolan. We also gifted a sofa and other home furnishings to their new Cell Collection Centre in Nottingham to help make the patient experience more comfortable.





CASE STUDY

Sri Lanka Community Engagement

Taking a Holistic Approach to Supporting Community Health

One of NEXT's key manufacturing sites in Sri Lanka is in Anamaduwa, a rural area reliant on agriculture and small-scale industries. Together with the team at Gammadda, who focus on improving rural communities, the NEXT Manufacturing team have been helping to address one of the root causes of the high prevalence of kidney-related illnesses in the region: limited access to clean drinking water.

The Anamaduwa Base Hospital struggled to manage the number of incoming kidney patients, many of whom faced financial and logistical barriers to treatment.

NEXT and Gammadda supported the installation of Reverse Osmosis (RO) water purification technology, highly effective in removing water contaminants, to provide a reliable source of clean water for both the hospital and surrounding community. The project also renovated and upgraded the hospital's dialysis ward complex, expanding capacity to treat more patients suffering from kidney disease. The project not only expanded immediate healthcare accessibility and quality, but is also contributing to building a healthier, more resilient community in Anamaduwa.



PROTECTING WORKERS IN OUR SUPPLY CHAIN

TACKLING CLIMATE CHANGE

RESPONSIBLE SOURCING AND CIRCULARITY

MAKING NEXT A GREAT PLACE TO WORK

SUPPORTING OUR COMMUNITIES

CASE STUDY

Product - Together With NEXT

Prince's Trust - Change A Girls' Life Campaign

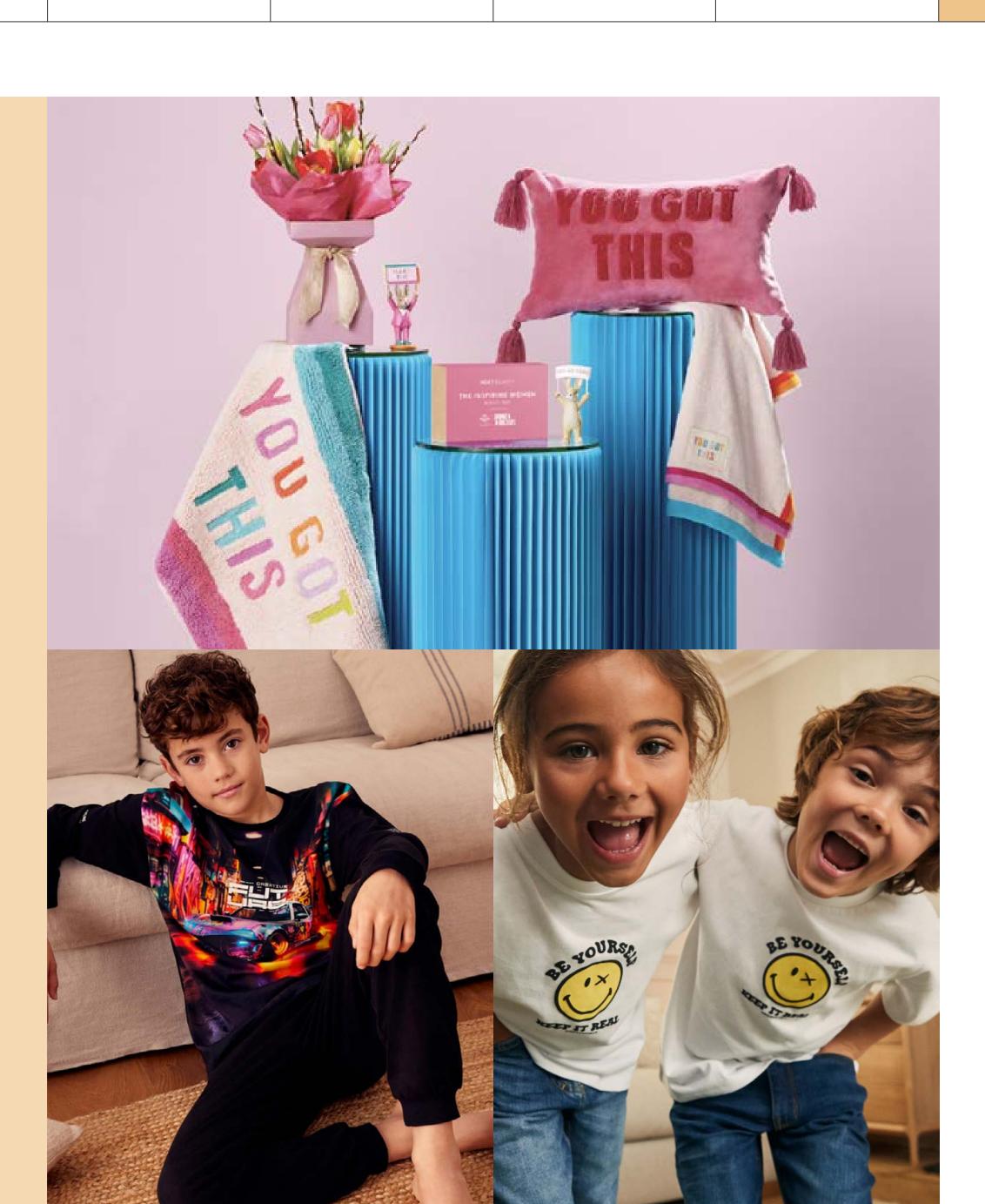
Research shows that young women are more likely than young men to feel hopeless about their futures. Many also fear that they will never be financially secure due to the cost-of-living crisis. Launched on International Women's Day in March 2024, our specially designed range of homeware featuring the confident message 'You Got This', raised £43,000 for the Change A Girl's Life campaign. Funds helped young women access training courses and support them to practice interviews for job opportunities with potential employers.

Alex's Wish

Local Leicestershire-based charity, <u>Alex's Wish</u>, was set up to help eradicate Duchenne Muscular Dystrophy, an aggressive form of Muscular Dystrophy that affects one in every 3,500 boys born. We worked with them to design a set of boys' pyjamas and launched them on World Duchenne Awareness Day, September 7th, with profits going to the charity to help fund an innovative research grant call.

Place2Be

Place2Be is a leading UK charity providing mental health support in schools. The latest statistics suggest that 1 in 5 children in the UK now have a probable mental health disorder. Place2Be creates safe spaces in schools, allowing children to open up about their worries through one-to-one counselling, a drop-in service and group interventions. They also provide support, training and advice for teachers, parents and carers to help them feel informed, empowered and equipped to support children's mental health as they grow. On World Mental Health Day, October 10, we launched a range of SmileyWorld t-shirts for adults and children, with 100% of profits going to Place2Be.



Looking Ahead

- Continue introducing further collaborations with charities through our Together With NEXT programme and develop guidance for the processes involved
- Continue to build relationships with charities to understand their objectives and help them achieve their targets, as well as harnessing their knowledge and resources to support NEXT colleagues where appropriate
- Continue to update and develop our processes within the department to streamline our Charitable Giving activity and make it as accessible as possible.

GOVERNANCE AND ENGAGEMENT

Our Commitment

We are committed to maintaining high standards of corporate governance, ensuring transparency, accountability, and ethical conduct across our operations.

Our Approach

We aim to ensure that new and emerging issues, risks and requirements for the business are carefully considered, assessed and appropriately acted upon. We adhere to the UK Corporate Governance Code, regularly reviewing and updating our policies to reflect best practices.

This section reports on our stakeholders, governance and materiality for NEXT, Lipsy and Joules only.



KEY PROGRESS HIGHLIGHTS:

We conducted a Double Materiality
Assessment for the business



INTRODUCTION

OUR APPROACH

PROTECTING WORKERS IN OUR SUPPLY CHAIN

TACKLING CLIMATE CHANGE

RESPONSIBLE SOURCING AND CIRCULARITY

and emerging risks.

MAKING NEXT A GREAT PLACE TO WORK

SUPPORTING OUR COMMUNITIES

Governance

Governance Structure

Our straightforward governance structure to support ESG-related activities is simple to navigate. This allows emerging issues and matters for decision to be escalated in an efficient manner. The Board has delegated oversight of ESG activities to the Audit Committee, which is coherent with the Committee's broader remit given the increasing focus on the potential risks and financial impacts associated with climate change in particular. ESG is a standing agenda item at each Audit Committee meeting.

The Committee's remit includes:

- Monitoring progress against climate-related targets and key performance indicators
- · Reviewing the Group's ESG risks and opportunities

Chief Financial Officer

Executive sponsor of ESG matters.

Receives updates on ESG matters throughout

the year from key stakeholders.

- Reviewing the materiality of climate-related risk and its impact on the financial statements
- Monitoring adherence to externally applicable sustainability codes and principles.

There are wider governance arrangements in place to support the Audit Committee, and ultimately the Board, in undertaking their responsibilities. An ESG Steering Group meets quarterly to oversee the delivery of our action plan and improvement roadmap, ESG targets

The Steering Group is chaired by the Legal and Compliance Director, and attended by the Deputy Company Secretary, the Head of Supplier Ethical Compliance, the Head of Sustainability and attended by other business functions as required.

The Chief Financial Officer, Jonathan Blanchard, is the Executive sponsor of ESG activities and directs the activities of the Steering Group. He meets regularly with key members of the Steering Group, receives updates throughout the year and is present at Audit Committee and Board meetings to discuss ESG matters that arise. The Audit Committee receives reports from the ESG Steering Group at each of their meetings. The Audit Committee Chair subsequently updates the Board and makes appropriate recommendations.

As the Company continues to realise growth opportunities through transactions, our governance structure evolves as we integrate the activities of new companies and partners. The straightforward approach provides flexibility to facilitate this and underpins our approach to ensuring our own high standards are consistently applied across a growing business. This in turn allows effective oversight by the Board, via the Audit Committee, of ESG activities and associated risks and opportunities. See our Annual Report for more details. In the year ahead, our focus is to further build our data, place policies in the public domain and continue to embed ESG into our day-to-day business decisions.

Governance and Risk Management

A robust governance structure, clear risk management and internal controls framework are embedded throughout the business and are core to our Corporate Responsibility approach.

As part of the NEXT risk management process, detailed risk registers are maintained by 20 distinct operational and functional areas, where local business risks are identified, assessed and managed. Specific corporate responsibility risks are recorded, considered and handled as part of this process. In addition, the impacts of corporate responsibility risk factors are included, where appropriate, in the NEXT plc directors' assessment and review of NEXT's principal risks. NEXT's principal risks are detailed in the Strategic Report section of our latest Annual Report.

Legal Compliance

During the year we had no environmental or health and safety prosecutions and no work-related fatalities relating to NEXT employees.

Board

Delegates oversight of ESG matters to the Audit Committee.

Updated after each Audit Committee meeting.

Remuneration

Committee

Considers if and how ESG

metrics should be included in

variable pay arrangements

of executive directors.

Read more in our

Annual Report.

Audit Committee

Considers ESG risks
(including materiality),
opportunities and any impact
on financial statements.

Monitors progress against goals/targets and adherence to sustainability principles.

Receives an ESG report from senior managers at each meeting.

Makes recommendations on all ESG matters to the Board.

ESG Steering Group

Meets quarterly, focusing on ESG targets, responsible business activity, reporting and calibrating ESG performance against peers.

Chaired by the Legal &
Compliance Director and
attended by other business
functions as required, the
Deputy Company Secretary,
Head of Supplier Ethical
Compliance and Head
of Sustainability.

Policies, Standards, Charters

- Anti-Bribery & Corruption
- NEXT Group Privacy Policy
- NEXT PLC Privacy Policy

Stakeholder Engagement

Our Approach

We have a wide range of key stakeholders, and engagement with them is important to our business. Our teams play an important role in managing our stakeholder engagement in a proactive, respectful and professional manner. Our key stakeholders and engagement activities are summarised in the table on the right.

Key Actions for 2024/25

This report is informed by the material issues identified through our materiality assessment, which assessed the importance of ESG issues to key stakeholders and the impact of these issues on our business. This year we have completed a Double Materiality Assessment, which explores the impact of sustainability issues on the business and the impact of business sustainability-related activities on society and the environment. This assessment allowed us to identify our business impacts, risks and opportunities (IROs).

Key Stakeholders	How we Engage
Suppliers	 Visits and meetings at NEXT offices and their factories NEXT COP supplier audits
	Training workshopsConferences
Customers	· Customer feedback via online messaging
	Communication with NEXT Customer Contact Centres Direct customer contact and market recognish
	 Direct customer contact and market research Social media
	Monitoring customer returns
Workforce	Workforce communication forums
	 Workforce engagement surveys
	· Training and development
Environmental and Civil Society	· Visits and meetings with Environmental Non-Governmental
	Organisations (eNGOs)
	Representation on trade association working groupsParticipation in surveys
Local Communities	Support and collaboration with a range of charities to assist
	their ongoing work Respond to requests for assistance
	respond to requests for assistance
Shareholders	· Meetings and investor roadshows
	 Respond to queries and requests for information
	 Ethical investment surveys; sustainability benchmarks and indices
Local, Devolved and National	· Responses to Parliamentary Committees' inquiries such as the
Government and Regulators	Environmental Audit Committee
	Meetings and dialogue with trade associationsLocal MP meetings



APPENDICES

Partnering for Change

In this section, you can find some examples of collaborative work with partners to drive meaningful progress towards our goals.

Organisation	Background and Benefits	Our Partnership and Activities in 2024/25	Report Section(s)
STRATEGIC PA	RTNERS		
Accord International ACCIII RD for Health and Safety in the Textile and Garment Industry	We are signatories to the International Accord for Health and Safety in the Textile and Garment Industry Agreement, which commenced in September 2021. The RMG Sustainability Council (RSC) performs factory inspections in Bangladesh focusing on three areas: fire risk, electrical installations and structural condition of buildings. Find out more at international accord.org	We engage with Accord and RSC who inspect our supply base factories and conduct training for workers on safety requirements and how to raise concerns about unsafe workplaces. To read more about our actions in 2024/25, please see our Modern Slavery Statement	Protecting Workers in our Supply Chain
Unseen □ ○ □□ unseen	Unseen is a UK-based NGO providing the UK-wide Modern Slavery and Exploitation Helpline. Through sponsoring the hotline, we gain insight of potential modern slavery risks and how forced labour situations are being reported. Find out more at unseenuk.org	Membership of the Unseen Portal is a valuable tool which allows us to monitor potential modern slavery concerns flagged through the helpline to provide early insight to potential issues relating to NEXT. To read more about our actions in 2024/25, please see our Modern Slavery Statement	Protecting Workers in our Supply Chain
This Is My Back Yard (TIMBY)	TIMBY is a digital platform focused on promoting transparency, accountability, and monitoring within supply chains, particularly addressing issues related to ESG concerns. It empowers workers, organisations, and communities to document and report grievances such as labour rights violations, environmental harm, and other ethical issues. Find out more at timby.org	We partner with TIMBY to establish our grievance mechanism using their digital tool across our supply chain in multiple countries. We have already launched this initiative in Pakistan, Myanmar, UAE, Sri Lanka, India, Cambodia and Turkey. We aim to implement this in Vietnam in 2025/26. To read more about our actions in 2024/25, please see our Modern Slavery Statement	Protecting Workers in our Supply Chain
Business in the Community (BITC)	BITC is an organisation focused on responsible business practices, advocating for positive change including diversity, sustainability and community engagement. Find out more at bitc.org.uk	NEXT is engaged with BITC to support initiatives aimed at improving social and environmental responsibility in business, including employee wellbeing and diversity and inclusion. In 2024/25, we: · Worked in collaboration with an on the job coaching Mentorship programme · Worked together to deliver listening circles for growing engagement with our employee-led communities.	Making NEXT a Great Place to Work

APPENDICES

NEXT CR REPORT 2024/25 INTRODUCTION OUR APPROACH PROTECTING WORKERS IN OUR SUPPLY CHAIN TACKLING CLIMATE CHANGE RESPONSIBLE SOURCING AND CIRCULARITY RESPONSIBLE SOURCING AND CIRCULARITY PLACE TO WORK SUPPLY CHAIN APPENDICES

Organisation	Background and Benefits	Our Partnership and Activities in 2024/25	Report Section(s)
STRATEGIC PA	ARTNERS		
Cascale (formerly the Sustainable Apparel Coalition) and Worldly Cascale Worldly	Cascale is a global, non-profit alliance of 300 leading consumer goods brands, retailers, manufacturers, NGOs, and academic institutions. Cascale owns and develops the Higg Index tools, which are exclusively available on the Worldly platform, to create a global standardised approach for effectively measuring and evaluating the social and environmental impacts of value chains and products. Worldly was launched in 2019 as the public benefit technology company that hosts the Higg Index Tools. Find out more at cascale.org	NEXT has been a member since 2021. We have been using the Higg Index Tools since 2019 for our supply chain sites to help us understand our supply chain's impact. In 2024/25, we: Onboarded over 1640 of our Tier 1 Final Manufacturers, and Tier 3 suppliers who produce fabric and operate wet processes, for both our Apparel and our Home business Supported suppliers to complete the Facility Social and Labour Module (FSLM) Achieved "Progressive" level for our membership Participated in the Cascale Tier 2 Overlap pilot project.	Responsible Sourcing and Circularity Protecting Workers in our Supply Chain
Zero Discharge of Hazardous Chemicals (ZDHC)	ZDHC is a global initiative that works to eliminate hazardous chemicals from the textile, leather, and MMCF supply chains by promoting sustainable chemical management practices to protect workers, customers and the environment, and providing tools like the ZDHC MRSL (Manufacturing Restricted Substances List) and their Roadmap to Zero programme. Find out more at roadmaptozero.com	NEXT has its own Restricted Substances Standards which ban or state limits for harmful chemicals used in or during the manufacture of our products and also adopts the ZDHC Manufacturers Restricted Substance Standards for chemicals formulations. We are a signatory to the ZDHC Roadmap to Zero programme and have committed to adopting and implementing all relevant ZDHC tools, guidelines, platforms and solutions (including the ZDHC MRSL, Wastewater Guidelines, Chemical Management Framework and Technical Industry Guide and the MMCF Guidelines). As part of our ZDHC commitments, we build knowledge and capability in our supply chain year on year, and our technical teams work with our supply chain partners to ensure that they adopt and implement all relevant ZDHC requirements. In 2024/25 we: Had 637 of our textile wet processors (dyers, printers and laundries) signed up to the ZDHC Gateway, the platform used to share key information. These suppliers accounted for 87% of products sold during the year. NEXT achieved Champion Level, the highest category of success in the ZDHC Brands to Zero Leader Programme.	Responsible Sourcing and Circularity
The Microfibre Consortium (TMC)	The Microfibre Consortium convenes a global community of organisations, leading the way toward mitigating fibre fragmentation from textile design, development and manufacturing through science-led action. Find out more at microfibreconsortium.com	In 2018, NEXT joined TMC to collaborate on solutions to minimise microfibre release into the environment. NEXT provides resources from its in-house laboratory to test fabrics and report fibre shedding results which are helping TMC to conduct in-depth analysis of industry data and work towards robust solutions in design, development, and manufacture. NEXT is a signatory of TMC's Microfibre 2030 Commitment - a global commitment to work towards zero impact from fibre fragmentation from textiles to the natural environment by 2030. Their Microfibre Roadmap details the path forward and the specific steps we will take to meet our commitment, setting out clear milestones. Donated proceeds from our carrier bag sales towards microfibre research through testing that will be used to inform a new TMC Fabric Shedding Evaluation Tool to help identify high risk areas of fibre fragmentation. Where appropriate, we will use these insights to scrutinise our yarn design production processes.	Responsible Sourcing and Circularity

NEVT CD DEDORT 2027/25 INTRODUCTION	OLID ADDDOACH	PROTECTING WORKERS	TACKLING CLIMATE	RESPONSIBLE SOURCING	MAKING NEXT A GREAT	SUPPORTING OUR	GOVERNANCE AND	ADDENDICES
NEXT CR REPORT 2024/25 INTRODUCTION	OUR APPROACH	IN OUR SUPPLY CHAIN	CHANGE	AND CIRCULARITY	PLACE TO WORK	COMMUNITIES	ENGAGEMENT	APPENDICES

Organisation	Background and Benefits	Our Partnership and Activities in 2024/25	Report Section(s)
INDUSTRY ME	MBERSHIPS		
ACT	ACT is an initiative in the garment sector that provides a means of negotiating living wages, better working conditions and productivity improvements. ACT member brands commit to supporting productivity improvements and reviewing their internal buying practices and impact on workers. Find out more at actonlivingwages.com	As an ACT member, NEXT has made five purchasing practice commitments: to include wages as itemised costs within a cost price fair terms of payment better planning and forecasting to undertake training on responsible sourcing and buying to practice responsible exit strategies.	Protecting Workers in our Supply Chain
British Retail Consortium (BRC)	BRC is a trade association representing UK retailers. It created the BRC Global Standards, which are internationally recognised frameworks for ensuring product safety, quality, and operational standards across supply chains. BRC's ethical experts work collaboratively on the welfare and treatment of workers in the retail supply chain to develop and agree ways of working.	NEXT collaborates with BRC and its peer members on various retail industry matters, including climate and ethical sourcing, and to help keep abreast of relevant legislation, including human rights due diligence and modern slavery. The partnership aims to collectively achieve the retail sector's sustainability ambitions. We are a signatory to the BRCs Climate Action Roadmap and are actively involved in supporting the relaunch of this in 2025. To read more about our actions in 2024/25, please see our Modern Slavery Statement	Protecting Workers in our Supply Chain
Ethical Trading Initiative (ETI) Ethical Trading Initiative	The ETI is an alliance of companies, NGOs and trade unions, working collaboratively to ensure working conditions and rights of workers producing for the UK market meet or exceed international labour standards. Find out more at ethicaltrade.org	NEXT joined the ETI in 2002 and continues to be a committed member. Through this community, we regularly engage with multiple stakeholders through meetings and working groups focusing on specific issues. To read more about our actions in 2024/25, please see our Modern Slavery Statement	Protecting Workers in our Supply Chain
The European Chamber of Commerce in Myanmar (EuroCham)	EuroCham serves as the voice of European business in Myanmar. Its focus is to advocate member interests and support European businesses in navigating Myanmar's business climate. Find out more at eurocham-myanmar.org I	We have maintained our membership of this group since 2022 and receive regular updates from Eurocham on current issues as well as horizon-scanning for potential new areas of interest. To read more about our actions in 2024/25, please see our Modern Slavery Statement	Protecting Workers in our Supply Chain

NEXT CD DEDORT 2027/25	INTRODUCTION	OLID ADDDOACH	PROTECTING WORKERS	TACKLING CLIMATE	RESPONSIBLE SOURCING	MAKING NEXT A GREAT	SUPPORTING OUR	GOVERNANCE AND	ADDENDICES
NEXT CR REPORT 2024/25	INTRODUCTION	OUR APPROACH	IN OUR SUPPLY CHAIN	CHANGE	AND CIRCULARITY	PLACE TO WORK	COMMUNITIES	ENGAGEMENT	APPENDICES

Organisation	Background and Benefits	Our Partnership and Activities in 2024/25	Report Section(s)
INDUSTRY MEN	1BERSHIPS		
Armed Forces Covenant Armed Forces COVENANT	The Armed Forces Covenant is a pledge made by businesses to support veterans, service members and their families in various ways, including employment opportunities and services. Find out more at armedforcescovenant.gov.uk	NEXT has signed up to the Armed Forces Covenant, committing to providing support for our employee reserves and veterans. In 2024/25, we: Provided five days paid leave for reservist duties Launched a Uniformed Services community for staff.	Making NEXT a Great Place to Work
Department For Work and Pensions: Disability Confident Employer disability Confident	Disability Confident is creating a movement of change, encouraging employers to think differently about disability and take action to improve how they recruit, retain and develop disabled people. Find out more at gov.uk/government/collections/disability-confident-campaign	In 2024/25 NEXT maintained Disability Confident Employer Level 2.	Making NEXT a Great Place to Work
WRAP - Textiles 2030 Textiles 2030	Textiles 2030 is the UK's leading voluntary initiative supporting businesses and organisations within the fashion and textiles industry to transition to more sustainable and circular practices by the end of the decade. Find out more at wrap.ngo/takingaction/textiles/initiatives/textiles-2030	As a founding signatory partner, by 2030 NEXT aims to reduce its combined greenhouse gas emissions by 50%, sufficient to limit global warming to 1.5°C in line with the UN trajectory to reduce climate change. We collectively also aim to reduce the water footprint of new products sold by 30% and develop a pathway to improve the sustainability of textiles across their entire life cycle. As part of Textiles 2030, we took part in the Durability Research Project, to help research methods of monitoring and benchmarking materials durability across the industry, including providing products for testing. In 2024/25 we supported the development of: Industry metrics, targets and improvement actions for circularity, raw material switching and supply chain impacts through our engagement in working groups The Textiles 2030 impact assessment tool to include increased number of measurable improvement actions including the recognition of branded viscose fibres with independently verified lower impacts than conventional versions.	Responsible Sourcing and Circularity Tackling Climate Change

CR REPORT 2024/25	INTRODUCTION	OUR APPROACH		TACKLING CLIMATE CHANGE	RESPONSIBLE SOURCING AND CIRCULARITY	MAKING NEXT A GREAT PLACE TO WORK	SUPPORTING OUR COMMUNITIES	GOVERNANCE AND ENGAGEMENT	APPENDICES
Organisation	Background and Benefits	;		Our Partnership	and Activities in 2024/25				Report Section(s
INDUSTRY MEN	MBERSHIPS								
WRAP – UK Plastics Pact THE UK PLASTICS PACT	businesses, government a circular economy for p the economy and out of sustainable plastic pack for the industry.	ts, and organisations to plastics, capturing theing theing the factural environm kaging in the UK by set	iative that brings together to reduce plastic waste, create ir value by keeping them in nent, and promote the use of ting clear targets and actions astic-packaging/initiatives/the	In 2024/25 we: • Collected 602	AP UK Plastics Pact targe			e waste.	Responsible Sourcing and Circularity
Hidden Disabilities Sunflower HIDDEN		ible disabilities, allowing pport in public places o	nat provides a discreet symbol g them to indicate that they and at work.	NEXT helps to amplify support to employees and customers with non-visible disabilities by promoting the Sunflower and offering additional assistance where needed. We are a disability-friendly and Sunflower-Friendly employer. In 2024/25, we: In plemented the Hidden Disabilities Sunflower across stores and offices to support customers and employees with non-visible disabilities Raised awareness and encouraged staff to support individuals who may require additional help due to non-visible disabilities Trained retail staff to support customers in store.					Making NEXT a Great Place to Work
Climate Group *CLIMATE GROUP	governments, and othe	Group is a global non-profit organisation that works with businesses, nents, and other stakeholders to accelerate climate action and transition to a low-carbon economy through initiatives like RE100 RE100: 100% renewable electricity for our global operations by 2030. In 2024/25:						2.	Tackling Climate Change
	_	·	commit to sourcing 100% of thei nilarly encourages companies	II	nergy for global operation			11 1	

electricity from renewable sources. EV100 similarly encourages companies to transition their fleets to electric vehicles to reduce carbon emissions.

Find out more at theclimategroup.org

EV100: We will electrify our owned company car and van fleet by 2030 where realistically possible (for NEXT brand, Lipsy, Joules).

In 2024/25:

- · At January 2025, 967 company cars in our UK fleet (2023/4: 858), of which 336 (35%) are fully electric (2023/4: 212; 25%). We have 363 charging points across our network (2023/4: 360), with 69 at Head Office
- · We have a small number of company cars beyond the UK in sourcing countries, for which there remain local EV charging infrastructure challenges. Vans also remain a challenge due to range.

NEXT CR REPORT 2024/25 INTRODUCTION OUR APPROACH PROTECTING WORKERS IN OUR SUPPLY CHAIN PROTECTING WORKERS IN OUR SUPPLY CHAIN CHANGE RESPONSIBLE SOURCING AND CIRCULARITY RESPONSIBLE SOURCING AND CIRCULARITY PLACE TO WORK SUPPORTING OUR COMMUNITIES GOVERNANCE AND APPENDICES

Organisation	Background and Benefits	Our Partnership and Activities in 2024/25	Report Section(s)
INDUSTRY ME	MBERSHIPS		
canopy	Canopy is a global non-profit environmental organisation that collaborates with businesses to protect forests, species, and the climate by promoting sustainable supply chains and developing innovative alternatives to forest-derived products like paper, packaging, and textiles. Find out more at globalcanopy.org	NEXT works with Canopy through its CanopyStyle initiative to ensure wood based fabrics are responsibly sourced. By this we mean it is our policy to use MMCF from producers that have achieved Canopy Green Shirt rating. Canopy risk assess each fibre producer to ensure that they do not use cellulose from ancient and endangered forests, endangered species or illegal sources and that the rights and wishes of indigenous communities are respected. In 2024/25: Our policy outlines that all MMCF fibres we purchase must meet our minimum MMCF Policy requirements of Canopy Green Shirt rated.	Responsible Sourcing and Circularity
Leather Working Group (LWG) Industry membership/ certification	LWG is a global multi-stakeholder organisation that promotes environmental best practices in the leather industry through its auditing standards, certifications, and efforts to improve transparency and sustainability in leather production. Find out more at leatherworkinggroup.com	Our target is to have 100% of the leather we use from LWG audited tanneries by 2025. In 2024/25 we: Used LWG's environmental audit assessment ratings as a tool to assess our leather supply chain to ensure tanneries operate in a way that is safer for people and the environment Monitor the LWG traceability scores to help our understanding of our leather supply chain Continued to enrol our core volume Tier 3 finished leather tanneries into our ZDHC programme.	Responsible Sourcing and Circularity
Textile Exchange Industry membership/ certification Textile Exchange	Textile Exchange is a global nonprofit driving beneficial impacts on climate and nature across the fashion, textile and apparel industry. They guide a growing community of brands, manufacturers and farmers toward more purposeful production from the very start of the supply chain. Find out more at textileexchange.org and textilegenesis.com	NEXT participates in Textile Exchange's Recycled Polyester Roundtable. In 2024/25 we: · Underwent an audit to maintain our Brand Certification which verifies that required evidence for product claims has been collected and managed in compliance with the Textile Exchange standards. NEXT is certified to the GRS, OCS, RAS, RCS, RDS, RMS, RWS, certified by USB Certification, USB 006814. Verification of our status can be found on: textileexchange.org/find-certified-company · Continued to gather data and insights about responsible sourcing risks and opportunities through our partnerships with TextileGenesis™ and Textile Exchange.	Responsible Sourcing and Circularity

NEXT CR REPORT 2024/25	INTRODUCTION	OUR APPROACH	PROTECTING WORKERS IN OUR SUPPLY CHAIN	TACKLING CLIMATE CHANGE	RESPONSIBLE SOURCING AND CIRCULARITY	MAKING NEXT A GREAT PLACE TO WORK	SUPPORTING OUR COMMUNITIES	GOVERNANCE AND ENGAGEMENT	APPENDICES
							•		
Organisation	Background and Benefits	5		Our Partnership	and Activities in 2024/25				Report Section(s)
CERTIFICATION	N AND RATINGS PARTNE	RS							
CDP Ratings index	to disclose their enviror water security, and deform on sustainability.	nmental impacts, particular forestation, to promote tra	ourages companies and citarly related to climate cha ansparency and drive acti	nge, towards our go	P's platform to disclose the als on climate, water and		mental impact and trac	k progress	Tackling Climate Change Responsible Sourcing and Circularity
Better Cotton better cotton	•	al initiative that promotes al impact, and enhancing l duction of cotton.	s improving farming practi livelihoods for cotton-grov	including Bette In 2024/25: NEXT brand NEXT and Lip Better Cotto	etter Cotton in 2017. Our to r Cotton, recycled or Certi onboarded with Better Co osy achieved a successful n membership in 2024/25 achieve consistency and re	otton's traceability prog outcome in the first Ind . The Independent Asses	2025. gramme lependent Assessment r ssment is a membership	required for o requirement	Responsible Sourcing and Circularity
Lenzing	and branded wood-bas	ational company known fo sed fibres made from woo th are used in textiles and	od pulp, such as Viscose,	consumption NEXT partners that minimise e	data, which underpins the with Lenzing to access its nvironmental impact, profriendly production.	e credibility of activities s fibre technologies, mar	s associated with Better rketing support, and pro	Cotton Membership.	Responsible Sourcing and Circularity
Innovative by nature	Lenzing AG collaborate and certify the use of L certifications like FSC ^R (for the Endorsement of of Hazardous Chemical	es with brands and fabric in enzing fibres. Lenzing AG (Forest Stewardship Coun f Forest Certification) and ls) to confirm their wood is and air emissions are respon	manufacturers to promote also works with other acil) or PEFC (Programme ZDHC (Zero Discharge responsibly sourced and	e In 2024/25, we:	of Lenzing training days v	with our Product teams	at Head Office.		
	Find out more at <u>lenzin</u>	ng.com							
The Forest Stewardship Council (FSC) FSC	forest management by	certifying products made ably managed forests, erenefits.	·	We recognise F low risk of defor In 2024/25 we: Investigated to reduce our	notional licence holders and SC certification as a suita restation through the properties of rubber for risk of contributing to deteams and suppliers enga	ble way of demonstration ble way of demonstration ble way of demonstration. Tootwear through our seforestation	ng chain of custody and e source. vertical supplier in Vietr	nam	Responsible Sourcing and Circularity

Organisation	Background and Benefits	Our Partnership and Activities in 2024/25	Report Section(s)
LOCAL PARTN	ERS		
AIDER A congressional Aide-NGO	AIDER is an NGO based in New Delhi, India, whose mission is to transform the lives of those living in poverty – they especially focus on the empowerment of women and homeworkers. Find out more at aiderngo.org	 NEXT works with AIDER to support and protect vulnerable homeworkers and their families through: Running a creche for children of homeworkers in Badarpur, India Running a computer centre at the creche where students can access tutoring and study for computing certificates Supporting a programme to improve transparency in this part of the supply chain. The COP team based in India make regular visits to the centre. To read more about our actions in 2024/25, please see our Modern Slavery Statement 	Protecting Workers in our Supply Chain
Benkacem (BCC) BENKACEM CONSULTING	BCC is a Moroccan NGO specializing in the promotion and training of youth and women in various fields, including empowerment, entrepreneurship, and capacity building.	Since 2023, we have partnered with BCC to launch a Gender Empowerment Programme aimed at enhancing both alphabetical and legal literacy for female workers across three of our factories. To read more about our actions in 2024/25, please see our Modern Slavery Statement	Protecting Workers in our Supply Chain
Impactt	Impactt supports companies to have a positive approach to human rights in the supply chain, putting workers at the centre of what they do.	To read more about our actions in 2024/25, please see our Modern Slavery Statement	Protecting Workers in our
impactt	Find out more at <u>impacttlimited.com</u>		Supply Chain
KADAV	KADAV is a NGO in Turkey which supports community work in areas such as gender-based violence, migrant women and female labour rights.	To read more about our actions in 2024/25, please see our Modern Slavery Statement	Protecting Workers in our
kadınlarla dayanışma valkfi women's solidarity foundation	Find out more at <u>kadav.org.tr</u>		Supply Chain

NEVT CD DEDODT 2027/25	INITRODUCTION	OLID A DDDO A CLI	PROTECTING WORKERS	TACKLING CLIMATE	RESPONSIBLE SOURCING	MAKING NEXT A GREAT	SUPPORTING OUR	GOVERNANCE AND	ADDENDICES
NEXT CR REPORT 2024/25	INTRODUCTION	OUR APPROACH	IN OUR SUPPLY CHAIN	CHANGE	AND CIRCULARITY	PLACE TO WORK	COMMUNITIES	ENGAGEMENT	APPENDICES

Organisation	Background and Benefits	Our Partnership and Activities in 2024/25	Report Section(s)
LOCAL PARTNE	ERS		
SAVE	SAVE is an Indian human rights non-profit organisation that has been campaigning against child labour and for the improvement of working conditions in the spinning mills and textile factories of South India since 1993. SAVE carries out developmental programmes to uplift socio-economically poor and marginalised communities. Find out more at save.ind.in	SAVE runs six resource centres operating in five districts across Tamil Nadu, where new mill workers are employed in significant numbers. Two of these centres in Tirupur were set up exclusively as Migrant Resource Centres. These centres support workers and surrounding communities by providing them with training prior to their departure for work at the mills, support in addressing grievances and providing awareness on key issues, including labour rights, forced labour and gender based violence. To read more about our actions in 2024/25, please see our Modern Slavery Statement	Protecting Workers in our Supply Chain
United Work United Work	United Work is an independent organisation based in Turkey who support Syrian refugees registered with the Turkish Ministry of Internal Affairs to find long term employment. Find out more at unitedwork.com.tr	To read more about our actions in 2024/25, please see our Modern Slavery Statement	Protecting Workers in our Supply Chain
Anthony Nolan ANTHONY NOLAN	Anthony Nolan is a charity that helps save the lives of people with blood cancers by matching patients with stem cell donors from a global register. Find out more at anthonynolan.org	NEXT partners with Anthony Nolan and our Cultural Diversity employee-led community as their chosen charity partner. We work together to help raise awareness of and diversify the Anthony Nolan stem cell donor register and support their vital work to raise awareness about the impact of blood. In 2024/25, we: Held recruitment drive events for stem cell donor registration Ran internal employee campaigns to encourage stem cell donation Launched a Baby Sleepsuit product collaboration, raising money for the charity Donated furniture to furnish their new stem cell centre in Nottingham.	Supporting our Communities
Wellbeing of Women WELLBEING OF WOMEN	Wellbeing of Women is a charity that focuses on improving the health and wellbeing of women by funding medical research and providing educational resources. Find out more at wellbeingofwomen.org.uk	NEXT became partners with Wellbeing of Women in 2024/25 as part of our Wellbeing commitment and we work together to support their work in women's health, particularly focusing on issues like reproductive health and menopause.	Making NEXT a Great Place to Work

NEXT CR REPORT 2024/25	INTRODUCTION	OUR APPROACH	PROTECTING WORKERS IN OUR SUPPLY CHAIN	TACKLING CLIMATE CHANGE	RESPONSIBLE SOURCING AND CIRCULARITY	MAKING NEXT A GREAT PLACE TO WORK	SUPPORTING OUR COMMUNITIES	GOVERNANCE AND ENGAGEMENT	APPENDICES
Organisation	Background and Benefits			Our Partnership	and Activities in 2024/25				Report Section(s)
LOCAL PARTNE	ERS								
Orchid ORCHID FIGHTING MALE CANCER	Orchid is a charity that focuses on improving the quality of life for people affected by cancer through a variety of research, support and awareness programmes. Find out more at orchid-cancer.org.uk			men to recognis potentially save In 2024/25, we: Launched ou	NEXT has partnered with Orchid as part of our Wellbeing commitment to help educate men to recognise the signs and symptoms of male cancers, raise awareness and help to potentially save lives. In 2024/25, we: Launched our new partnership with Orchid to promote awareness of cancer prevention and support within the workplace during a Men's Health Month campaign.				
SCOPE	Scope is on a mission to create an equal future with disabled people. They campaign to transform attitudes to disability, tackle injustice and inspire action. They create opportunities and provide information and support that empowers. They are part of a powerful movement of disabled people, allies, organisations and businesses that together, will be unstoppable. Find out more at scope.org.uk			partner. Togeth conversations of	Scope is our Disability and Carers employee-led community Able at NEXT 's chosen charity partner. Together, we aim to raise awareness about disability inclusion and promote meaningful conversations about equality in the workplace. The Scope partnership launches to the business in early 2025.				
10,000 Black Interns	The 10,000 Black Interns programme creates equity of opportunity for talented Black and Black heritage students and graduates across the UK, through access to paid internships with leading businesses across 30+ sectors. The 10KBI programme is operated by The 10,000 Interns Foundation, a registered charity whose mission is to create both equitable access to opportunity and experience in the workplace. Find out more at 10000internsfoundation.com			and impact to con. In 2024/25, we:	NEXT is a community member of The 10,000 Interns Foundation, supporting their mission and impact to create life-changing opportunities. In 2024/25, we: Placed six internship candidates into roles at NEXT.				Making NEXT a Great Place to Work
Help for Heroes HELP for HEROES	Help for Heroes is a charity that supports reserves and veterans who have been wounded or impacted by their service, providing recovery services and practical support. Find out more at helpforheroes.org.uk			increasing the raise awareness and the positive In 2024/25, we: Used importa	ites with Help for Heroes to number of veterans and the sabout the career opport e impact their skills have in ant calendar dates - such to educate and raise awar	neir loved ones they supp sunities available as ex-se n the workplace. as Reserves Day and Arn	oort. We aim to support ar ervice and reservists at N		Making NEXT a Great Place to Work

NEVT CD DEDODT 2027/25	INTRODUCTION	OUR APPROACH	PROTECTING WORKERS	TACKLING CLIMATE	RESPONSIBLE SOURCING	MAKING NEXT A GREAT	SUPPORTING OUR	GOVERNANCE AND	ADDENDICES
NEXT CR REPORT 2024/25	INTRODUCTION		IN OUR SUPPLY CHAIN	CHANGE	AND CIRCULARITY	PLACE TO WORK	COMMUNITIES	ENGAGEMENT	APPENDICES

Organisation	Background and Benefits	Our Partnership and Activities in 2024/25	Report Section(s)
LOCAL PARTNE	ERS		
Terrence Higgins Trust	The Terrence Higgins Trust is the UK's leading HIV charity, providing support and resources to individuals affected by HIV).	NEXT partners with Terrence Higgins Trust and Pride at NEXT to promote awareness about HIV, supporting related campaigns and education initiatives in the workplace.	Making NEXT a Great Place
Terrence HIGGINS Trust	Find out more at tht.org.uk	In 2024/25, we: Raised funds for the charity through our 'Be You' Pride Month Collection which included personalised prints and a floral bouquet.	to Work
GenM GenM	GenM is a collective of brands, retailers, and manufacturers committed to enhancing the menopause experience. By introducing the MTick, a universal symbol for menopause-friendly products, GenM aims to improve product visibility and trust for those navigating menopause. Their mission is to unite	 NEXT have been partners with GenM for over three years, and work alongside their team to educate and promote the 48 symptoms of menopause and improve 'menopause experience'. Much of our work has been internally supporting our NEXT colleagues, however our mission is to further enhance our customer experience too. 	Making NEXT a Great Place to Work
	businesses in creating a supportive marketplace that empowers individuals during this life stage.		
	Find out more at gen-m.com		
USDAW	The Union of Shop, Distributive and Allied Workers (USDAW) is a UK trade union that represents workers in retail, distribution, manufacturing, and	USDAW and NEXT have a long standing strategic partnership to facilitate the best possible terms, conditions and pay as well as supporting our distribution workforce.	Making NEXT a Great Place
USDAW	service sectors. USDAW is committed to recruiting, organising, and representing workers to secure the best possible terms and conditions, providing support and protection at work.	In 2024/25: • Following ongoing changes to employment legislation, working together we have managed to secure and increase botton pay and innovative working practices within our warehouses.	to Work
	Find out more at <u>usdaw.org.uk</u>	to secure and increase better pay and innovative working practices within our warehouses.	
Leonard Cheshire	Leonard Cheshire is a UK-based charity empowering disabled people to live, learn, and work independently. With over 70 years of experience, they provide care, supported living, and employment programmes while advocating for	Leonard Cheshire work with NEXT to provide internships to underrepresented groups, specifically to people with disabilities to support them to live, learn and work as independently as they choose whatever their ability.	Making NEXT a Great Place to Work
Leonard Cheshire	disability rights. Working in 54 countries, they collaborate with partners to improve accessibility, education, and job opportunities, fostering a more inclusive society.	Whatever their ability.	
	Find out more at <u>leonardcheshire.org</u>		

UN Sustainable Development Goals (SDG) Index

Relevant UN SDG	Examples of Relevant NEXT Activities	See Page
1 – NO POVERTY	 Working with suppliers to ensure that workers in NEXT supply chains are paid correctly 	P.9-14
/ Tx* Tr* Tr* Tr* Tr* Tr* Tr* Tr* Tr* Tr* Tr	· Providing NEXT employees with financial wellbeing support	P.33
3 - GOOD HEALTH & WELLBEING 3 GOOD HEALTH AND WELL-BEING	 Implementing the United Nations Guiding Principles (UNGP) on Business and Human Rights to ensure workers have safe working conditions 	P.56
	 Providing health and wellbeing support to NEXT employees Implementing chemical management programmes with product related suppliers 	P.31-36 P.23, 27, 45
5 - GENDER 5 GENDER 6 EQUALITY	 70% of NEXT employees and 33% of Board directors are female 	P. 34
EQUALITY	 Implementing programmes with partners in Morocco, India and Turkey to support women in the supply chain 	P.13, 51-52
6 - CLEAN WATER 6 CLEAN WATER	 Installing AMR (Automatic Meter Reading) technology across sites to help reduce water consumption 	P.20
AND SANITATION	 Mapping supply chain water use using the Worldly platform 	P.24, 27, 45
	 Implementing chemical management programmes with suppliers to help prevent contamination of waterways 	P.23, 27, 45
8 - DECENT WORK B DECENT WORK AND ECONOMIC GROWTH	 Implementing the UNGP on Business and Human Rights NEXT is a member of ETI, International Accord and ACT 	P.56 P.44, 46
AND ECONOMIC GROWTH	NEXT is a registered Level 2 Disability Confident employer	P.32, 47

Relevant UN SDG	Examples of Relevant NEXT Activities	See Page
12 – RESPONSIBLE PRODUCTION & CONSUMPTION		P.22-30 P.29-30 P.29-30
13 – CLIMATE ACTION 13 CLIMATE 13 ACTION	 Working towards NEXT's Scope 1, 2 and 3 SBTi-approved targets Diverting waste from landfill for recycling, reuse or energy recovery Disclosing climate-related risks and opportunities through TCFD Signatories to BRC Climate Action Group; Textiles 2030; and Climate Group's EV100 and RE100 initiatives 	P.16-18 P.17-18, 29 P.19 P.19, 46, 48
15 – LIFE ON LAND	 Working towards the ambition to ensure key materials are sourced in line with our Responsible Sourcing Approach Preparing for the EU Deforestation Regulation (EUDR) Policy to come into effect 	P.22-30 P.26
17 – PARTNERSHIPS FOR THE GOALS	Participating in a diverse range of partnerships and collaborations to support our responsible business activities	Throughout the report; Partnering for Change (P.44-54)

PROTECTING WORKERS IN OUR SUPPLY CHAIN

TACKLING CLIMATE CHANGE

RESPONSIBLE SOURCING AND CIRCULARITY

MAKING NEXT A GREAT PLACE TO WORK

SUPPORTING OUR COMMUNITIES

GOVERNANCE AND ENGAGEMENT

UNGP Index

UN Guiding Principles (UNGP) Reporting Framework Index

Our CR Report and Our Approach Report aim to align with the UN Guiding Principles Reporting Framework. The Reporting Index is designed to identify how and where the framework disclosures are addressed. The table below shows where you can find the relevant information as we have referenced the page numbers and Policies to demonstrate our alignment. For full details on the framework, please visit www.ungpreporting.org

Section of the Framework	Location in Our CR Report or Other Reporting Documents
PART A: GOVERNANCE OF RESPECT FOR HU	JMAN RIGHTS
A1 Policy Commitment	P.9-14, 44-46, 49-52, <u>Human Rights and Modern Slavery</u> <u>Policy</u> , <u>Code of Practice Principle Standards</u>
A1.1	P.9-11, 42, Modern Slavery Statement
A1.2	P.9-14, 44-46, 49-52, <u>Human Rights and Modern Slavery</u>
A1.3	P.9-14, 43-46, 50-52, <u>Human Rights and Modern Slavery,</u> Online Supplier Portal
A2 Embedding Respect for Human Rights	P.8, 9-14,42-43, Modern Slavery Statement
A2.1	P.9-14, <u>Code of Practice</u>
A2.2	P.42-43, <u>Modern Slavery Statement</u>
A2.3	P.9-14, <u>Modern Slavery Statement</u> , <u>Code of Practice Principle Standards</u> , <u>Whistleblowing Policy</u>
A2.4	P.9-14, Online Supplier Portal, Code of Practice Principle Standards
A2.5	P.9-14, 44-46, 49-52, <u>Modern Slavery Statement</u>
PART B: DEFINING A FOCUS OF REPORTING	
B1 Statement of Salient Issues	P.11, <u>Modern Slavery Statement</u>
B2 Determination of Salient Issues	P.11, <u>Modern Slavery Statement</u>
B3 Choice of Focal Geographies	Not Applicable
B4 Additional Severe Impacts	P.9-14

Section of the Framework	Location in Our CR Report or Other Reporting Documents
PART C: MANAGEMENT OF SALIENT HUMA	N RIGHTS ISSUES
C1 Specific Policies	P.11, Online Supplier Portal, Human Rights and Modern Slavery Policy, Code of Practice Principle Standards
C1.1	P.9-14, 44-46, 49-52, <u>Online Supplier Portal</u>
C2 Stakeholder Engagement	P.9-14, 43-46, 49-52, <u>Modern Slavery Statement</u>
C2.1	P.9-14, 43-46, 49-52, <u>Modern Slavery Statement</u>
C2.2	P.9-14, 43-46, 49-52, <u>Modern Slavery Statement</u>
C2.3	P.9-14, 43-46, 49-52, <u>Modern Slavery Statement</u> , <u>Human Rights and Modern Slavery</u>
C3 Assessing Impacts	P.11, <u>Modern Slavery Statement</u>
C3.1	P.11-13, 23-27
C3.2	P.11-14, <u>Modern Slavery Statement</u>
C4 Integrating Findings and Taking Action	P.9-14, 42-43, Modern Slavery Statement
C4.1	P.9-14, 42-43
C4.2	P.9-14, Code of Practice Auditing Standards
C4.3	P.9-14, 44-46, 49-52, <u>Modern Slavery Statement</u>
C5 Tracking Performance	P.9-14, 44-46, 49-52, <u>Modern Slavery Statement</u>
C5.1	P.9-14, 44-46, 49-52, <u>Modern Slavery Statement</u>
C6 Remediation	P.9-14, 32, 35, 44-46, 49-52, Modern Slavery Statement, Whistleblowing Policy
C6.1	P.9-14, 32, 35, 43-46, 49-52, <u>Modern Slavery Statement</u> , <u>Whistleblowing Policy</u>
C6.2	P.13, 44-46, 49-52, <u>Modern Slavery Statement</u> , <u>Whistleblowing Policy</u>
C6.3	P.13, 44-46, 49-52, <u>Modern Slavery Statement,</u> Whistleblowing Policy
C6.4	P.11-14, 42, 44-46, 49-52, <u>Modern Slavery Statement</u>
C6.5	P.11-14, 42, 44-46, 49-52, <u>Modern Slavery Statement</u>

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Featured Product Credentials

Product	See Page	Product Credentials
	<u>P.1</u>	This product contains 100% U.S. Cotton as verified by the U.S. Cotton Trust Protocol. The U.S. Cotton Trust Protocol assures the origin of cotton from farms that manage fair working conditions, best practices for water and pesticide usage, soil diversity and greenhouse gas emissions. 100% Cotton.
	<u>P.2</u>	This product contains 100% Global Recycled Standard (GRS) recycled polyester Certified by USB Certification, USB 006814. The Global Recycled Standard (GRS) verifies the percentage of recycled material and tracks it from the recycler to the final product. 100% Recycled polyester.
	<u>P.5</u>	The main fabric of this product contains 95% Global Recycled Standard (GRS) recycled polyester. The lining fabric of this product contains 100% Global Recycled Standard (GRS) recycled polyester. Certified by USB Certification, USB 006814. The Global Recycled Standard (GRS) verifies the percentage of recycled material and tracks it from the recycler to the final product. Main 95% Recycled polyester, 5% Elastane. Lining 100% Recycled polyester.
	<u>P.16</u>	The main fabric of this product contains 100% Global Recycled Standard (GRS) recycled polyester. Certified by USB Certification, USB 006814. The Global Recycled Standard (GRS) verifies the percentage of recycled material and tracks it from the recycler to the final product. Main 100% Recycled polyester. Trim 100% Polyester.
	<u>P.22</u>	This product contains 90% Global Recycled Standard (GRS) recycled polyester Certified by USB Certification, USB 006814. The Global Recycled Standard (GRS) verifies the percentage of recycled material and tracks it from the recycler to the final product. 90% Recycled polyester, 10% Wool.
	P.23	The main fabric of this product contains 61% Global Recycled Standard (GRS) recycled polyester. Certified by USB Certification, USB 006814. The Global Recycled Standard (GRS) verifies the percentage of recycled material and tracks it from the recycler to the final product. 61% Recycled polyester, 35% Cotton, 4% Elastane.

Product	See Page	Product Credentials
	P.28 bottom left	This product contains 74% TENCEL™ Lyocell, a traceable fibre, made by Lenzing AG, in a production process where the water and chemicals are recovered and reused. Lenzing AG has achieved a Green shirt in the Canopy's Hot Button Report indicating that the wood pulp used to make these fibres has a low risk of being sourced from Ancient and Endangered high-carbon biodiverse forests. 74% TENCEL™ lyocell, 26% Polyester.
	P.28 bottom right	The main fabric of this product contains 95% Global Recycled Standard (GRS) recycled polyester. The lining fabric of this product contains 100% Global Recycled Standard (GRS) recycled polyester. The sequins fabric of this product contains 100% Global Recycled Standard (GRS) recycled polyester. Certified by USB Certification, USB 006814. The Global Recycled Standard (GRS) verifies the percentage of recycled material and tracks it from the recycler to the final product. Main: 95% Recycled polyester, 5% Elastane. Lining 100% Recycled polyester. Sequins 100% Recycled polyester.
	<u>P.36</u>	This product contains 74% TENCEL TM Modal, a traceable fibre, made by Lenzing AG, in a production process where the water and chemicals are recovered and reused. Lenzing AG has achieved a Green shirt in the Canopy's Hot Button Report indicating that the wood pulp used to make these fibres has a low risk of being sourced from Ancient and Endangered high-carbon biodiverse forests. 74% TENCEL TM modal, 22% Nylon, 4% Polyester.
	<u>P.41</u>	This product contains 100% U.S. Cotton as verified by the U.S. Cotton Trust Protocol. The U.S. Cotton Trust Protocol assures the origin of cotton from farms that manage fair working conditions, best practices for water and pesticide usage, soil diversity and greenhouse gas emissions. 100% Cotton.
	<u>P.43</u>	This product contains 100% Responsible Wool Standard (RWS) wool. Certified by USB Certification, USB 006814. The Responsible Wool Standard (RWS) certifies animal welfare and land management practices in wool fibre production and tracks the certified material from farm to final product. 100% Merino wool.

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