

Company Name Next
Industry Apparel (Supply Chain only)
Overall Score (*) 36.9 out of 100

Theme Score	Out of	For Theme
4.5	10	A. Governance and Policies
15.2	25	B. Embedding Respect and Human Rights Due Diligence
0.0	15	C. Remedies and Grievance Mechanisms
7.8	20	D. Performance: Company Human Rights Practices
5.0	20	E. Performance: Responses to Serious Allegations
4.4	10	F. Transparency

(*) Please note that any small differences between the Overall Score and the added total of Measurement Theme scores are due to rounding the numbers at different stages of the score calculation process.

Please note also that the "Not met" labels in the Explanation boxes below do not necessarily mean that the company does not meet the requirements as they are described in the bullet point short text. Rather, it means that the analysts could not find information *in public sources* that met the requirements *as described in full* in the CHRB 2019 Methodology document. For example, a "Not met" under "General HRs Commitment", which is the first bullet point for indicator A.1.1, does not necessarily mean that the company does not have a general commitment to human rights. Rather, it means that the CHRB could not identify a public statement of policy in which the company commits to respecting human rights.

Detailed assessment

A. Governance and Policies (10% of Total)

A.1 Policy Commitments (5% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
A.1.1	Commitment to respect human rights	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> Met: General HRs commitment: In its Human Rights and Modern Slavery Policy the Company states: 'We are committed to ensuring that people are treated with dignity and respect by upholding internationally recognised human rights principles encompassed in the Universal Declaration of Human Rights and the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work.' In its 'Code of Practice - Principles Standards' the Company states: 'Companies have the responsibility to respect human rights through policies and by working with robust standards and processes that will identify, prevent and manage the remediation of any human rights risks. Next is committed to upholding these human rights standards and processes in its business operations and supply chain'. [Human Rights and Modern Slavery Policy, Mar 2017: nextplc.co.uk & Code of Practice Principle Standards, Jan 2017: nextplc.co.uk] Met: UDHR: See above. In its 'Code of Practice Principle Standards' document the Company states: 'Next supports the principles contained within the Universal Declaration of Human Rights and the fundamental labour principles that protect workers' rights as defined in the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work (ILO Core Conventions)'. [Human Rights and Modern Slavery Policy, Mar 2017: nextplc.co.uk & Code of Practice Principle Standards, Jan 2017: nextplc.co.uk]

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>Score 2</p> <ul style="list-style-type: none"> Met: UNGPs: In its Human Rights and Modern Slavery Policy the Company states: 'Our approach is to implement the UN Guiding Principles on Business and Human Rights (UN Guiding Principles) and to recognise and manage the risk of harm associated with our business, including modern slavery, unsatisfactory working conditions, discrimination, lack of freedom of association, retained wages, working excessive hours, human trafficking and forced or bonded labour, particularly to the most vulnerable and exploited, such as women and children'. [Human Rights and Modern Slavery Policy, Mar 2017: nextplc.co.uk & Code of Practice Principle Standards, Jan 2017: nextplc.co.uk]
A.1.2	Commitment to respect the human rights of workers	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> Met: ILO Core: In its Code of Practice the Company states: 'Next supports the principles contained in the Universal Declaration of Human Rights and the fundamental labour principles that protect workers' rights as defined in the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work (ILO Core Conventions). This document includes 9 principles including commitments related to all core ILO (forced labour, child labour, discrimination and freedom of association and collective bargaining) among others. [Code of Practice Principle Standards, Jan 2017: nextplc.co.uk] Met: Explicitly list ALL four ILO for AP suppliers: As indicated above, the Code of Practice Principle Standards include provisions covering all ILO Core. With respect freedom of association and collective bargaining, the Code says: 'The supplier and its factories must recognise and respect the right of the employee to join and organise associations of their own choosing and to bargain collectively. Where law restricts the right to freedom of association and collective bargaining, suppliers must not obstruct parallel means for free association and collective bargaining.' In addition the Company indicates that: 'Next expects its suppliers to understand, take responsibility for and ownership of for implementing the Code of Practice Principle Standards throughout their own supply chains and business operations. Compliance to the Code of Practice Principle Standards will be measured through the Code of Practice Auditing Standards and local law, which applies to all suppliers within our supply chain and business operations.' [Code of Practice Principle Standards, Jan 2017: nextplc.co.uk] <p>Score 2</p> <ul style="list-style-type: none"> Met: Explicit commitment to All four ILO Core: As indicated above, the Company's Code of Practice include provisions covering all ILO core. With respect the rights to freedom of association and collective bargaining, the Code says: 'The supplier and its factories must recognise and respect the right of the employee to join and organise associations of their own choosing and to bargain collectively. Where law restricts the right to freedom of association and collective bargaining, suppliers must not obstruct parallel means for free association and collective bargaining.' [Code of Practice Principle Standards, Jan 2017: nextplc.co.uk] Met: Respect H&S of workers: Its Code of Practice include a principle related with 'Safe and Healthy Working Conditions'. [Code of Practice Principle Standards, Jan 2017: nextplc.co.uk] Met: H&S applies to AP suppliers: See above [Code of Practice Principle Standards, Jan 2017: nextplc.co.uk] Met: working hours for workers: Its Code of Practice include a principle related with 'Lawful Working Hours'. Lawful Working Hours are defined as the following: 'The normal working hours should not exceed 48 hours per week and must comply with national laws or the benchmark industry standards, whichever offers greater protection. Overtime working shall be voluntary, should not exceed 12 hours per week and will not be demanded on a regular basis. Employees must be compensated for overtime at the rate legally required in the country of manufacture or, in those countries where such laws do not exist, at a rate exceeding the regular hourly compensation rate.' [Code of Practice Principle Standards, Jan 2017: nextplc.co.uk] Met: Working hours for AP suppliers: See above [Code of Practice Principle Standards, Jan 2017: nextplc.co.uk]
A.1.3.AP	Commitment to respect human rights particularly relevant to the industry (AP)	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> Not met: Women's Rights Not met: Children's Rights: In its 2019 CR Report the Company states that it is a member of the initiative Better Cotton. It also gives one example of preventing/remedying child labor through the work of this initiative. In addition, in its Modern Slavery Statement 2019 the Company refers to its approach to child labor. This includes, in the rare case of finding child labor in a supplier's factory,

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			<p>appointing the appropriate NGO to support the child, consulting the child's family, monitoring the situation and suspending business with the supplier 'until remediation is agreed'. However, no evidence found of formal statement of commitment to respecting children's rights. [Corporate Responsibility Report 2019, 01/2019: nextplc.co.uk & Modern Slavery Transparency Statement, 05/2019: nextplc.co.uk]</p> <ul style="list-style-type: none"> Met: Migrant worker's rights: In its 'Migrant Labour Policy', developed in line with the Convention on Migrant Workers and included in the Code of Practice Auditing Standards, the Company states: 'Next's commitment to improving working standards in its supply chain through the application of its Code of Practice, and its membership of the Ethical Trading initiative (ETI), includes a commitment to monitor and improve the recruitment practices and employment conditions of migrant labour in our supply chains. [...] This Policy outlines the responsibilities of suppliers and factories (hereafter referred to as "the Supplier") for ensuring that Migrant Workers are treated with due respect to their basic human rights and in accordance with the Next Code of Practice and the local law. <p>' [Migrant labour policy, Jan 2017: supplier.next.co.uk & Code of Practice Principle Standards, Jan 2017: nextplc.co.uk]</p> <ul style="list-style-type: none"> Met: Expecting suppliers to respect these rights: See above [Migrant labour policy, Jan 2017: supplier.next.co.uk] <p>Score 2</p> <ul style="list-style-type: none"> Not met: CEDAW/Women's Empowerment Principles Not met: Child Rights Convention/Business principles Not met: Convention on migrant workers: There is no direct commitment to respect migrant workers' rights referred in the International Convention on Protection of the Rights of all Migrant workers and member of their families. [Migrant labour policy, Jan 2017: supplier.next.co.uk] Not met: Respecting the right to water: In its 2019 CR Report the Company states that during its COP audit it verifies that clean drinking water is available for workers. It adds that during 2018 NEXT joined ZDHC (Zero Discharge of Hazardous Chemicals) 'providing opportunities to work with our wet processors to prevent wastewater contamination', that facilities must 'avoid the use of restricted chemical substances by using chemical formulations that conform to the ZDHC MRSI' and that they 'should then ensure wastewater is treated prior to discharge in a way that either removes the chemical physically or by chemical reaction or biological degradation'. However, there is no evidence of a Company's general commitment regarding the right to water and (including local communities). In its 'Approach to Corporate responsibility report' the Company includes access to clean water as a human rights salient issue: Due to supplier operations, there is an 'increased risk that communities may not have access to clean, safe water which can be linked to poor health [...] people negatively impacted can include both supply chain workers as well as communities located close to sites manufacturing NEXT products'. However, this indicator looks for a formal statement of commitment to respect right to water. [Our Approach to Corporate Responsibility 2019, 01/2019: nextplc.co.uk & Corporate Responsibility Report 2019, 01/2019: nextplc.co.uk] Not met: Expecting suppliers to respect these rights: See above
A.1.4	Commitment to engage with stakeholders	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> Met: Commits to stakeholder engagement: The Company discloses in the Corporate Responsibility Report a list of its main stakeholder groups and identifies those potentially affected by human rights risks: These groups are 'community', 'environment', 'employees', 'customers' and 'suppliers'. [Corporate Responsibility Report 2019, 01/2019: nextplc.co.uk] Met: Regular stakeholder engagement: The Company discloses some information about some initiatives of collaborative work such as: ACT, SHIFT, ACCORD, Ethical Training Initiative, Labour Education and Service Network, etc. [CR - Focus Updates, Jan 2018: nextplc.co.uk] <p>Score 2</p> <ul style="list-style-type: none"> Not met: Commits to engage stakeholders in design Not met: Regular stakeholder design engagement
A.1.5	Commitment to remedy	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> Not met: Commits to remedy: In its Human Rights and Modern Slavery Policy the Company states: 'NEXT has policies and procedures in place to identify, prevent or mitigate human rights' risks and remediate any adverse impact operations may have caused or contributed to.'

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>The Company indicates in the Code of Practice, principle standards document that 'Next is committed to working in accordance with the UN Guiding Principles on Business and Human Rights. Companies have the responsibility to protect human rights through policies and working with robust standards and processes that will identify, prevent and manage the remediation of any human rights risks'. However, neither of these statements represent a clear commitment to remedy adverse impacts that it has caused or contributed to including all workers, individuals and communities. [Human Rights and Modern Slavery Policy, Mar 2017: nextplc.co.uk & Code of Practice Principle Standards, Jan 2017: nextplc.co.uk]</p> <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Not obstructing access to other remedies • Not met: Collaborating with other remedy initiatives: The Company indicates in its 'Corporate Responsibility - Focus Updates' that: 'In 2017, we continued our collaborative work to improve the human rights of workers in our supply chain. The risks to vulnerable groups are increasing in many of the countries we source from. The number of displaced people seeking refuge from conflict and looking for work is increasing, with refugees and migrant workers entering our supply chain. We have continued to work within this area by providing support and, where possible, offering remediation.' In the Modern Slavery Statement 2019 the Company states that its business 'cannot tackle modern slavery alone, so it is important and valuable for NEXT to work with others to develop solutions for some of the more complex and systemic problems found within global supply chains. We believe that by maintaining strong direct relationships and undertaking collaborative work with others we are able to deliver real benefits to workers in our supply chain.' Then it describes a number of initiatives in which participates, including SHIFT, 'Modern Slavery Helpline', 'British Retail Consortium', Ethical Trading Initiative and ACT (Action, Collaboration, Transformation), among others. However, is not clear if it collaborates in initiatives that provide access to remedy. [Modern Slavery Transparency Statement, 05/2019: nextplc.co.uk & CR - Focus Updates, Jan 2018: nextplc.co.uk] • Not met: Work with AP suppliers to remedy impacts
A.1.6	Commitment to respect the rights of human rights defenders	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Zero tolerance attacks on HRs Defenders (HRDs) <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Expects AP suppliers to reflect company HRD commitments

A.2 Policy Commitments (5% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
A.2.1	Commitment from the top	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: CEO or Board approves policy: Its Human Rights and Modern Slavery Policy is published on its website. [Policies: nextplc.co.uk] • Met: Board level responsibility for HRs: The Company indicates in its last Corporate Responsibility Report: 'The Group Finance Director, (member of the Board) has responsibility for all corporate responsibility matters, including human rights and modern slavery. She receives regular updates from the Corporate Responsibility Manager. Regular updates are also provided to the Audit Committee. In addition, the Global Code of Practice Manager provides monthly updates to the Product teams and at least annually to the Audit Committee, reporting on the performance of our global supply chain as measured against our Code of Practice Principle Standards'. Among the Audit Committee duties it appears: 'Monitor and keep under review the adequacy and effectiveness of the Company's internal financial controls and internal controls (including operational and compliance controls) and risk management systems; review and recommend to the Board disclosures included in the annual report concerning internal control, risk management and the viability statement.' [Corporate Responsibility Report 2019, 01/2019: nextplc.co.uk & Audit Committee Terms of Reference: nextplc.co.uk] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Speeches/letters by Board members or CEO
A.2.2	Board discussions	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Board/Committee review of salient HRs: The Company indicates in its last Corporate Responsibility Report: 'The Group Finance Director has responsibility for all corporate responsibility matters, including human rights and modern slavery. She receives regular updates from the Corporate Responsibility Manager. Regular

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>updates are also provided to the Audit Committee. In addition, the Global Code of Practice Manager provides monthly updates to the Product teams and at least annually to the Audit Committee, reporting on the performance of our global supply chain as measured against our Code of Practice Principle Standards' [Corporate Responsibility Report 2019, 01/2019: nextplc.co.uk]</p> <ul style="list-style-type: none"> • Not met: Examples or trends re HR discussion <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Both examples and process
A.2.3	Incentives and performance management	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Incentives for at least one board member • Not met: At least one key AP HR risk, beyond employee H&S <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Performance criteria made public

B. Embedding Respect and Human Rights Due Diligence (25% of Total)

B.1 Embedding Respect for Human Rights in Company Culture and Management Systems (10% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
B.1.1	Responsibility and resources for day-to-day human rights functions	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Commits to ILO core conventions: See indicator A1.2 • Met: Senior responsibility for HR: The Company indicates in its Corporate Responsibility Report 2019: 'The Group Finance Director has responsibility for all corporate responsibility matters, including human rights and modern slavery. She receives regular updates from the Corporate Responsibility Manager. Regular updates are also provided to the Audit Committee. In addition, the Global Code of Practice Manager provides monthly updates to the Product teams and at least annually to the Audit Committee, reporting on the performance of our global supply chain as measured against our Code of Practice Principle Standards' [Corporate Responsibility Report 2019, 01/2019: nextplc.co.uk] <p>Score 2</p> <ul style="list-style-type: none"> • Met: Day-to-day responsibility: In its Corporate Responsibility Report 2019 the Company, in addition to the evidence mentioned above, describes its Code of Practice team (COP): 'Having our own team is key to allowing NEXT to establish direct relationships and build trust with our suppliers. It also provides the business with accurate metrics of supplier performance and delivers a direct understanding of issues at source and the drivers of non-compliance.' The company adds that it aims 'to work closely with our suppliers to ensure they understand our requirements and develop their business and factories to be compliant.' It focuses on aiming 'to have initial conversations with new suppliers as early as possible in the relationship, so they are clear about our requirements and ensure that any new factories they are bringing into our supply chain will meet our COP [...] have a Supplier Portal which provides access to COP information for new suppliers at the start of their onboarding process. [...]Meetings are regularly held at our global regional offices which allow suppliers to ask questions about our COP [...] Our training programme for new members of our product teams includes coverage of COP [...] Supplier performance data is used to aid the product selection process and determine where business is placed. Individual factory non-compliance issues are managed and remediated through joint meetings held with the relevant product team and supplier'. [Corporate Responsibility Report 2019, 01/2019: nextplc.co.uk] • Met: Day-to-day responsibility for AP in supply chain: See above. In its CR Report 2019 the Company states: 'Meetings are regularly held at our global regional offices which allow suppliers to ask questions about our COP, agree on ways to address areas they may be struggling with, or discuss training opportunities.' [Corporate Responsibility Report 2019, 01/2019: nextplc.co.uk]
B.1.2	Incentives and performance management	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Senior manager incentives for human rights • Not met: At least one key AP HR risk, beyond employee H&S <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Performance criteria made public
B.1.3	Integration with enterprise risk management	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: HR risks is integrated as part of enterprise risk system: The Company indicates that 'our Modern Slavery Steering Group comprises relevant senior management [...] They met 6 times during the year and also provided the Group

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			<p>Finance Director with updates. The audit Committee requested and received two updates during the year [...] each business area is responsible for preparing and maintaining operational risk registers, which include risks relating to human rights, modern slavery and bribery. [...] Our overall risk framework is discussed and agreed by the Audit Committee on a regular basis. Any significant matters are reported to the Board'. [Annual Report and Account, Jan 2016: nextplc.co.uk]</p> <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Audit Cttee or independent risk assessment: Although the report indicates that the Board carried out an evaluation of the effectiveness of the risk management and internal controls for all parts of the business, no evidence found of a description of the adequacy of the system regarding specifically human rights. [Annual Report and Account, Jan 2016: nextplc.co.uk & Modern Slavery Transparency Statement, 05/2019: nextplc.co.uk]
B.1.4.a	Communication /dissemination of policy commitment(s) within Company's own operations	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Commits to ILO core conventions: See indicator A1.2 • Not met: Communicates its policy to all workers in own operations <p>Score 2</p> <ul style="list-style-type: none"> • Met: Commits to all 4 ILO core conventions: See indicator A1.2 • Not met: Communication of policy commitments to stakeholder: Although the Company communicates policy commitment through its Supplier Portal, there is no further information on how the company communicates its commitments to other stakeholders. [Suppliers portal: supplier.next.co.uk] • Not met: How policy commitments are made accessible to audience
B.1.4.b	Communication /dissemination of policy commitment(s) to business relationships	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Commits to all 4 ILO core conventions for suppliers: See indicator A.1.2 • Not met: Communicating policy down the whole AP supply chain • Met: Requiring AP suppliers to communicate policy down the chain: The Company indicates in its 'Corporate Responsibility, focus update' document (Jan 2017) that: 'Our aim is to ensure new suppliers understand our requirements before they commence working with NEXT, and existing suppliers take responsibility for maintaining compliance within all their production locations'. In its CR Focus point 2016 document it also reports: 'We communicate with our suppliers in a number of ways: All contracted product suppliers are provided with access to our Supplier Extranet which provides all the information a supplier needs to work with next. Meetings with the senior management of our largest suppliers and their factories in their country of operation to underline the importance of the partnership we share; discuss and reinforce the responsibility for compliance to our ethical standards and plan for improvements and offer our support to help make their own systems more effective. [...] We have launched a dedicated supplier website for new suppliers to Next, to help them understand our ethical standards, procedures and requirements whilst they are starting to work with our Product teams. This provides a comprehensive overview in English and other key languages until they have access to our Extranet'. In addition, its Code of Practice Principle Standards indicates: 'Next expects its suppliers to understand, take responsibility for and ownership of for implementing the Code of Practice Principle Standards throughout their own supply chains and business operations.' [Code of Practice Principle Standards, Jan 2017: nextplc.co.uk & CR Focus points, 2016] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: How HR commitments made binding/contractual: Although the Company has included modern slavery prevention clauses in its contractual arrangements, the Company, however, does not indicate whether all human rights policy commitments are reflected in contractual or other binding arrangements with its business relationships. • Not met: Including on AP suppliers: See above
B.1.5	Training on Human Rights	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Scores at least 1 on A.1.2 • Not met: Trains all workers on HR policy commitments: The Modern Slavery Statement 2019 states that over 3,000 relevant global employees have successfully completed the Company's bespoke online training course. The Company has also 'delivered face to face presentations to employees responsible for sourcing our products, both in the UK and overseas.' However, no evidence found of specific training related to human rights and/or the company's human rights policy commitment to all workforce. [Modern Slavery Transparency Statement, 05/2019: nextplc.co.uk]

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			<ul style="list-style-type: none"> Met: Trains relevant AP managers including procurement: The Company indicates in the Annual report 2017 that: 'NEXT's COP programme is based on the Ethical Trading Initiative base code and international labour conventions and has nine key principles that stipulate the minimum standards with which suppliers are required to comply. The COP team continue to deliver training to our product teams, other relevant employees and to third parties providing NEXT product, ensuring they understand the vital role they play in our ethical trading programme'. Also, as indicated above, employees responsible for sourcing products received face to face presentations. [Annual Report and Accounts, Jan 2017: nextplc.co.uk & Modern Slavery Transparency Statement, 05/2019: nextplc.co.uk] <p>Score 2</p> <ul style="list-style-type: none"> Met: Score of 2 on A.1.2 Not met: Both requirements under score 1 met
B.1.6	Monitoring and corrective actions	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> Met: Scores at least 1 on A.1.2 Not met: Monitoring implementation of HR policy commitments: No evidence found in relation to the Company monitoring its own operations. Met: Monitoring AP suppliers: In its Corporate Responsibility Report 2019 the Company indicates: 'Our COP strategy is built on investing time and resources in our new and existing suppliers, to support them through effective communication and working collaboratively to ensure they understand our requirements. Before an audit takes place we explain our requirements, the audit process and Cat 1–6 rating system. Our priority is to encourage honesty and transparency with factory management. This approach has helped to uncover a number of important issues by the factory management showing us their accurate records, rather than what they think we want to see. The auditing process is a vital due diligence tool: Providing assurance that our suppliers understand their responsibility to comply with our ethical standards; We seek to conduct all audits on an unannounced basis as this means we are more likely to see a true picture of how a factory operates; We support suppliers to improve whilst maintaining the business relationship. We will work with their factories, wherever we can, to bring them up to our standards rather than walk away and terminate the relationship, as this delivers a better outcome for the workers; Where we find areas for improvement we create a Corrective Action Plan which we agree with the supplier and factory management, and conduct regular re-audits to verify improvements; Our priority is to always support factories in resolving issues, but we will not continue to work with them indefinitely if there is no willingness on their part to address the issues and improve' [Corporate Responsibility Report 2019, 01/2019: nextplc.co.uk] <p>Score 2</p> <ul style="list-style-type: none"> Met: Score of 2 on A.1.2 Met: Describes corrective action process: In its 2019 report the Company states: 'We will work with their factories, wherever we can, to bring them up to our standards rather than walk away and terminate the relationship, as this delivers a better outcome for the workers; Where we find areas for improvement we create a Corrective Action Plan which we agree with the supplier and factory management, and conduct regular re-audits to verify improvements; Our priority is to always support factories in resolving issues, but we will not continue to work with them indefinitely if there is no willingness on their part to address the issues and improve'. It adds 'During the year, we found Cat 6 (critical) human rights or modern slavery issues in 79 factories. With our COP team's support, 49 factories have been able to successfully remediate to resolve the issues uncovered. Unfortunately during the year we had to disengage with 30 factories (15 relating to modern slavery) that refused to satisfactorily rectify their critical non-compliance with our Code. This is an encouraging improvement on last year when we disengaged with 45 factories and this reflects the work we complete with our suppliers to support them through the remediation process and ensure that changes are implemented which ultimately benefit their workers.' However, although the Company reports the number of factories, with critical issues, is not clear the number of incidences beyond these. [Corporate Responsibility Report 2019, 01/2019: nextplc.co.uk] Not met: Example of corrective action Met: Discloses % of AP supply chain monitored: In its CR Report 2019 the Company indicates : 'During the year we audited 98% of the factories manufacturing NEXT branded products, with some sites requiring follow up visits to review progress against agreed action plans or support with training. We continue to audit Tier 2 factories and have audited some of our largest Tier 3 fabric and yarn suppliers as we further develop the transparency of our supply chain.' It also discloses information about audit results and terminations: 'During the year, we

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>found Cat 6 (critical) human rights or modern slavery issues in 79 factories. With our COP team's support, 49 factories have been able to successfully remediate to resolve the issues uncovered. Unfortunately during the year we had to disengage with 30 factories (15 relating to modern slavery) that refused to satisfactorily rectify their critical non-compliance with our Code. This is an encouraging improvement on last year when we disengaged with 45 factories and this reflects the work we complete with our suppliers to support them through the remediation process and ensure that changes are implemented which ultimately benefit their workers.' [Corporate Responsibility Report 2019, 01/2019: nextplc.co.uk]</p>
B.1.7	Engaging business relationships	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> Met: HR affects AP selection of suppliers: In its CR Report 2019 the Company states: 'Our Code of Practice (COP) is based on the Ethical Trading Initiative (ETI) Base Code and includes the most relevant international standards with respect to labour practices (as set out in the International Labour Organisation Conventions). The COP Principle Standards form the basis of our ethical trading programme, which is an integral part of our business, and set out the minimum standards and requirements for our suppliers in relation to: Workers' safety and human rights; Employment and working conditions. Implementation of and compliance with our Principle Standards is measured through our auditing Standards which provide detailed information to help our suppliers fulfil their obligations to their workers and NEXT and is a contractual condition of business for all product suppliers. We are committed to taking all reasonable and practical steps to ensure NEXT product is made by workers who are treated honestly and fairly for the work they undertake and whose human rights and wellbeing are respected. We work with both suppliers and external experts to address and resolve issues within our supply chain and to raise standards. 'In its CR Focus Update the Company indicates: 'Annual product team presentations provide updates on our auditing programme, current ethical trade issues and compliance progress. Supplier performance data is used to aid the product selection process and determine where business is placed.' In 2017 report, the Company states that ' Before production can commence we specify the requirements that will provide workers with a safe and healthy environment, in accordance with all relevant local and international laws and legislation. We are committed to taking all reasonable and practical steps to ensure NEXT product is made by workers who are treated honestly and fairly for the work they do and whose human rights and wellbeing are respected.' [Corporate Responsibility Report 2019, 01/2019: nextplc.co.uk & CR Focus Updates, Jan 2017: nextplc.co.uk] Met: HR affects on-going AP supplier relationships: The 'Code of Practice, principle standards' indicates that: 'Implementation of and compliance to our Principle Standards is measured through our Auditing Standards and local law and is a condition of business for all Next suppliers'. Concerning how human rights performance interacts with decisions on business relationships, the code states the following: 'Where violations of the Auditing Standards are found and corrective actions are not implemented, business will be reviewed and ultimately, disengagement may ensue'. [Code of Practice Principle Standards, Jan 2017: nextplc.co.uk] <p>Score 2</p> <ul style="list-style-type: none"> Met: Both requirement under score 1 met Met: Working with AP suppliers to improve performance: Finally, the CR Focus points 2016 document also indicates that: 'Next understands the importance and value of working with others to pursue solutions for some of the more complex and systemic problems found within global supply chains'. It provides some examples, such as working with suppliers in Turkey in relation to refugees: 'Next are supporting the UNHCR (United Nations High Commission for refugees) by rising awareness with our suppliers in Turkey to encourage their employment whilst ensuring exploitation of these vulnerable families is not taking place'. Finally another example on child labour: 'We have also continued to support LESN, an NGO in China, with their training and support where cases of underage workers are identified'. [CR Focus points, 2016]
B.1.8	Approach to engagement with potentially affected stakeholders	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> Met: Stakeholder process or systems: In its CR Report 2017 the Company present the result of its 'Deep Dive' process which includes the identification of stakeholders who have the greatest potential to be impacted or harmed by human rights issues. As indicated below, the Company engages with workers in the supply chain as part of audit process. In its CSR Report 2019, the Company summarises its key stakeholders engagement activities and indicates: 'Our teams play an important

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>role in managing our stakeholder engagement in a proactive, respectful and professional manner. NEXT must also ensure that new and emerging issues, risks and requirements are carefully considered, assessed and appropriately acted upon.' [Corporate Responsibility Report 2019, 01/2019: nextplc.co.uk & Corporate Responsibility Report, Jan 2017: nextplc.co.uk]</p> <ul style="list-style-type: none"> • Met: Frequency and triggers for engagement: In its CSR Report 2017, the Company stated: 'Embedding respect for human rights across our business is key for the human rights journey and we continue to apply practices that work and identify new ways of doing this, including: Engaging regularly with stakeholder groups ; Working collaboratively with other brands, retailers, governments, trade unions and NGOs [...]' . As indicated above, in its latest CSR Report 2019, the Company summarises its key stakeholder engagement activities, including: 'Suppliers: Visits and meetings both at NEXT offices and their factories; NEXT COP supplier audits; Training workshops; Conferences; Workforce: Workforce communication forums; Workforce engagement surveys; Training and development'. As indicated below, a trigger for engagement is the factory audit (ongoing activity), where suppliers' workers are interviewed. [Corporate Responsibility Report 2019, 01/2019: nextplc.co.uk & Corporate Responsibility Report, Jan 2017: nextplc.co.uk] • Met: Workers in AP SC engaged: In its document 'Our Approach to Corporate Responsibility', the Company discloses information about its COP audit process, which includes confidential interviews with workers of the supply chain: "we speak to workers confidentially, both individually and in groups, and include a cross-section of ages, job roles, gender and length of service. Our team speak the workers' language wherever possible and we also engage translators. We know this is critical to building a relationship of trust between the auditor and the workers." [Our Approach to Corporate Responsibility 2019, 01/2019: nextplc.co.uk] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Analysis of stakeholder views and company's actions on them

B.2 Human Rights Due Diligence (15% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
B.2.1	Identifying: Processes and triggers for identifying human rights risks and impacts	1.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Identifying risks in own operations: In its CR Report 2019, the Company indicates: 'It is a priority for NEXT to ensure we trade ethically, source responsibly and work to prevent modern slavery and human rights issues throughout our organisation and in our supply chain.' and 'Using the UNGP Reporting Framework we combine the knowledge and experience we gain from working with our global supply chain and business partners, together with learnings from affected stakeholders and NGOs, to look at our business through a "salience lens". This has helped us to assess the greatest risks to people.' [Corporate Responsibility Report 2019, 01/2019: nextplc.co.uk] • Met: Identifying risks in AP suppliers: See above. In addition, in its CR Report 2017, the Company describes its process to identify salient human rights issues (Deep Dive): ' Over the last 2 years we have undertaken the following 4 step process: Step 1: Initial risk assessment of our salient human rights issues; Step 2: "Deep dive" into supply chain human rights issues to recognise potential impacts, assess potential severity or likelihood of the impacts and identify stakeholders who have the greatest potential to be impacted or harmed; Step 3: External review to test identified human rights issues with relevant stakeholders; Step 4: Strengthened communication on our approach to human rights including training of all employees and suppliers'. [Corporate Responsibility Report, Jan 2017: nextplc.co.uk] <p>Score 2</p> <ul style="list-style-type: none"> • Met: Ongoing global risk identification: See above [Corporate Responsibility Report, Jan 2017: nextplc.co.uk] • Met: In consultation with stakeholders: See above [Corporate Responsibility Report, Jan 2018: nextplc.co.uk] • Not met: In consultation with HR experts • Not met: Triggered by new circumstances
B.2.2	Assessing: Assessment of risks and impacts identified	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Salient risk assessment (and context): In its CR Report 2017, the Company describes its process to identify salient human rights issues (Deep Dive): ' Over the last 2 years we have undertaken the following 4 step process:

Indicator Code	Indicator name	Score (out of 2)	Explanation
	(salient risks and key industry risks)		<p>Step 1: Initial risk assessment of our salient human rights issues.; Step 2: "Deep dive" into supply chain human rights issues to recognise potential impacts, assess potential severity or likelihood of the impacts and identify stakeholders who have the greatest potential to be impacted or harmed. Step 3: External review to test identified human rights issues with relevant stakeholders. Step 4: Strengthened communication on our approach to human rights including training of all employees and suppliers'. [Corporate Responsibility Report, Jan 2017: nextplc.co.uk]</p> <ul style="list-style-type: none"> Met: Public disclosure of salient risks: 'Using the UNGP Reporting Framework we combine the knowledge and experience we gain from working with our global supply chain and business partners, together with learnings from affected stakeholders and NGOs, to look at our business through a "salience lens". This has helped us to assess the greatest risks to people: Forced labour and modern slavery; Fair living wages; Discrimination; Freedom of association; Health and Safety; Child labour; Access to clean water; Privacy and data security. We have assessed why we believe these are salient issues, who the potentially affected stakeholders are and what actions we should take.' [Corporate Responsibility Report 2019, 01/2019: nextplc.co.uk] <p>Score 2</p> <ul style="list-style-type: none"> Met: Both requirements under score 1 met
B.2.3	Integrating and Acting: Integrating assessment findings internally and taking appropriate action	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> Met: Action Plans to mitigate risks: In its CR Focus Updates 2017, the Company describes the different lines of action taken to face each one of the salient human rights issues identified in its Deep Dive process. (Next sub indicator presents an example) [CR Focus Updates, Jan 2017: nextplc.co.uk] Met: Including in AP supply chain: See above [CR Focus Updates, Jan 2017: nextplc.co.uk] Met: Example of Actions decided: In its CR Focus updates 2017, the Company discloses information about its work to face its identified salient human rights issues. In reference to human rights issue 'Forced Labour and Modern Slavery', the Company indicates: ' We are committed to tackling this complex issue through effective due diligence and risk assessment, raising the awareness of modern slavery and collaborating with others to protect the most vulnerable groups of workers. Signs of modern slavery can often be very subtle and difficult to identify. Audits may not always uncover workers that may be impacted by this criminal activity. A specific focus of our work is on our UK supply chain with regard to bonded labour, as well as the key sourcing countries that use migrant workers. During 2015 we held supplier conferences in 6 countries, including the UK, to communicate our requirements to our suppliers. [...] In 2016 further supplier conferences were held in 10 countries to provide further information and training for our suppliers.' [CR Focus Updates, Jan 2017: nextplc.co.uk] <p>Score 2</p> <ul style="list-style-type: none"> Met: Both requirements under score 1 met
B.2.4	Tracking: Monitoring and evaluating the effectiveness of actions to respond to human rights risks and impacts	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> Not met: System to check if Actions are effective Not met: Lessons learnt from checking effectiveness <p>Score 2</p> <ul style="list-style-type: none"> Not met: Both requirement under score 1 met
B.2.5	Communicating : Accounting for how human rights impacts are addressed	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> Met: Comms plan re identifying risks: See indicator B.2.1 [Corporate Responsibility Report, Jan 2017: nextplc.co.uk] Met: Comms plan re assessing risks: See indicator B.2.2 [Corporate Responsibility Report 2019, 01/2019: nextplc.co.uk] Met: Comms plan re action plans for risks: See indicator B.2.3 [CR Focus Updates, Jan 2017: nextplc.co.uk] Not met: Comms plan re reviewing action plans <p>Score 2</p> <ul style="list-style-type: none"> Met: Including AP suppliers: In its CR Report 2019, the Company describes its process to identify salient human rights issues, which is focused in the supply chain. 'Using the UNGP Reporting Framework we combine the knowledge and experience we gain from working with our global supply chain and business partners, together with learnings from affected stakeholders and NGOs, to look at our business

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>through a "salience lens". This has helped us to assess the greatest risks to people'. [Corporate Responsibility Report 2019, 01/2019: nextplc.co.uk]</p> <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Responding to affected stakeholders concerns • Not met: Ensuring affected stakeholders can access communications

C. Remedies and Grievance Mechanisms (15% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
C.1	Grievance channel(s)/mechanism(s) to receive complaints or concerns from workers	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Channel accessible to all workers: The Company has not disclosed documents containing description of whistleblowing channels/mechanisms for its own operations, nor describes how it ensures that there are appropriate channels accessible to all workers, including in local languages. <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Number grievances filed, addressed or resolved • Not met: Channel is available in all appropriate languages • Not met: Expect AP supplier to have equivalent grievance systems • Not met: Opens own system to AP supplier workers: The Company has a 'Whistleblowing policy for third parties' addressed to suppliers, contractors and business partners. In this policy the Company indicates: 'What should you report? [...] A breach of NEXT's rules or policies e.g. Anti-Bribery Policy, Human Rights and Modern Slavery Policy'. However there is no reference to appropriate languages. [Whistleblowing policy for third parties, Jan 2018: nextplc.co.uk]
C.2	Grievance channel(s)/mechanism(s) to receive complaints or concerns from external individuals and communities	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Grievance mechanism for community: According to its Whistleblowing policy for third parties this channel is only for suppliers, contractors and business partners. There is no information about a grievance mechanism for community [Whistleblowing policy for third parties, Jan 2018: nextplc.co.uk] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Describes accessibility and local languages • Not met: Expects AP supplier to have community grievance systems • Not met: AP supplier communities use global system
C.3	Users are involved in the design and performance of the channel(s)/mechanism(s)	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Engages users to create or assess system • Not met: Description of how they do this <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Engages with users on system performance • Not met: Provides user engagement example on performance • Not met: AP suppliers consult users in creation or assessment
C.4	Procedures related to the mechanism(s)/channel(s) are publicly available and explained	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Response timescales • Not met: How complainants will be informed <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Escalation to senior/independent level
C.5	Commitment to non-retaliation over complaints or concerns made	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Public statement prohibiting retaliation • Not met: Practical measures to prevent retaliation <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Has not retaliated in practice • Not met: Expects AP suppliers to prohibit retaliation
C.6	Company involvement with State-based judicial and non-judicial grievance mechanisms	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Won't impede state based mechanisms • Not met: Complainants not asked to waive rights <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Will work with state based or non judicial mechanisms • Not met: Example of issue resolved (if applicable)

Indicator Code	Indicator name	Score (out of 2)	Explanation
C.7	Remedying adverse impacts and incorporating lessons learned	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Describes how remedy has been provided • Not met: Says how it would remedy key sector risks <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Changes introduced to stop repetition • Not met: Approach to learning from incident to prevent future impacts • Not met: Evaluation of the channel/mechanism

D. Performance: Company Human Rights Practices (20% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
D.2.1.b	Living wage (in the supply chain)	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Living wage in supplier code or contracts: The Code of Practice, principle standards document includes a principles on 'fair wages and benefits': 'Employees' wages should be enough to meet the basic needs of employees and provide for some discretionary expenditure. In all cases, wages must equal or exceed the minimum wage required by law or the industry benchmark standard, whichever is higher and include all legal benefit entitlements'. However, it does not indicate whether it requires wages to be regularly reviewed and negotiated through collective bargaining agreements, nor describes how these practices are taken into account in the identification and selection of suppliers. [Code of Practice Principle Standards, Jan 2017: nextplc.co.uk] • Not met: Improving living wage practices of suppliers <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met • Not met: Provide analysis of trends demonstrating progress
D.2.2	Aligning purchasing decisions with human rights	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Avoids business model pressure on HRs: The Company indicates in the Corporate Responsibility, focus points document the following: 'Our Product teams are vital to the success and effectiveness of managing the ethical standards within our suppliers. Our ethical trading programme is an integral part of Buying School which is attended by all new product team members when they join Next, and continues to raise awareness and understanding of ethical issues, current risks and to reinforce the impact buying decisions can have on suppliers. Supplier and factory performance data is used by our Product teams to aid the product selection process and determine where business is placed. Individual factory non-compliance issues are managed and remediated through joint meetings held with the Product team and supplier, and this collaborative approach has resulted in the delivery of positive progress and building closer relationships with suppliers to resolve issues'. However, the Company does not describe the specific positive incentives it provides to business relationships to act with respect for human rights, nor describes the practices that it adopts to avoid price or short notice requirements or other business considerations undermining human rights. [CR Focus points, 2016] • Not met: Positive incentives to respect human rights: See above [CR Focus points, 2016] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met

Indicator Code	Indicator name	Score (out of 2)	Explanation
D.2.3	Mapping and disclosing the supply chain	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> Met: Identifies suppliers back to product source: In its CR Report 2019 the Company indicates that in 2019 it worked with 610 suppliers and used 1,768 factories. It also indicates that it audited 98% of the factories manufacturing its products and that it has continued to undertake audits on the Tier 2 factories and has audited some of its largest Tier 3 fabric and yarn suppliers. Moreover the Company reports: 'The complexity of supply chains means traceability can be challenging but we are committed to building full transparency to trace the raw materials we use back to source. Whilst we do not source raw materials directly, we are working with our suppliers to ensure we have traceable routes. This will enable us to source products in ways which support their replenishment, respect human rights and protect natural habitats, as their harvesting and production can have a significant impact on people and cause damage to environments and ecosystems if not managed correctly. We are making good progress and are focusing on understanding our Tier 3 and 4 suppliers, but recognise it will take longer than our original timeline of 2020. Therefore, in line with our 2025 Responsible Sourcing Strategy, we will work to deliver full transparency by 2025.' [Corporate Responsibility Report 2019, 01/2019: nextplc.co.uk & Factory list, Dec 2017: nextplc.co.uk] <p>Score 2</p> <ul style="list-style-type: none"> Met: Discloses significant parts of supply chain and why: See above. The Company discloses on its website its Factory list. Includes both name and address of each factory. [Factory list, Dec 2017: nextplc.co.uk]
D.2.4.b	Prohibition on child labour: Age verification and corrective actions (in the supply chain)	1.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> Met: Child Labour rules in codes or contracts: 'Suppliers must not employ children who are less than 15 years old or less than the legal minimum age in the country of manufacture. Where local law sets the minimum age at 14 years, under ILO convention 138 in accordance with developing country exceptions, the lower will apply'. In addition, the Code of Practice Auditing Standards includes auditing guidelines child labor and specifically on age verification: 'Employers shall develop a system to verify the ages of new employees including checking original identity documents and cross-referencing with employee's photograph'. Finally the Company also developed a Child Labour Remediation Programme, which resumes a what to do and not to do lists. Implementation of and compliance of the standards of the code 'is a condition of business for all suppliers'. [Code of Practice Principle Standards, Jan 2017: nextplc.co.uk & Code of Practice Auditing Standards, Jan 2017: nextplc.co.uk] Met: How working with suppliers on child labour: Regarding working with suppliers, CR Focus updates indicates: 'We have established specific training and awareness raising for suppliers and factories in countries where there is a risk of child labour. This ensures our suppliers understand it is prohibited and we also seek to educate families, communities and business owners. In our key sourcing countries, including India, China and Turkey, we also work with NGOs to provide training to suppliers. Our global Code of Practice team has worked with local communities to better understand the route cause as to why children are working. We identified eight cases of child labour in 2016 and were able to apply our Child Labour Remediation Programme, in partnership with LESN, an NGO in China. Our approach is always to work with the supplier and factory to ensure that the child's welfare is the priority and that they are supported back into education until they reach legal working age. Solutions also need to consider the reason child labour was being used and work to prevent re-occurrence in the long term.' [CR Focus Updates, Jan 2017: nextplc.co.uk] <p>Score 2</p> <ul style="list-style-type: none"> Met: Both requirements under score 1 met Not met: Provide analysis of trends demonstrating progress

Indicator Code	Indicator name	Score (out of 2)	Explanation
D.2.5.b	Prohibition on forced labour: Debt bondage and other unacceptable financial costs (in the supply chain)	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> Met: Debt and fees rules in codes or contracts: The Company's Code of Practice, includes auditing points covering this issue: 'No deposit, fee or identity document shall be retained for securing work or accommodation, tools, training or personal protective equipment (PPE) or for any other reason'. 'Workers shall be paid on time and in full for the work they have done so they are free to leave / terminate their employment'. In addition the Company developed a Migrant labour policy, where detailed guidelines related with this topic were included. Implementation of and compliance of the standards of the code 'is a condition of business for all suppliers'. [Code of Practice Auditing Standards, Jan 2017: nextplc.co.uk & Migrant labour policy, Jan 2017: supplier.next.co.uk] Not met: How working with suppliers on debt & fees: Although in its CR Report 2019 the Company provides an example of how labour issues were uncovered in one of their suppliers in the UAE (related to workers from Nepal having faced recruitment fees back in their home country), no evidence has been found of a description how the Company works with suppliers in improving their practices to eliminate imposition of any financial burdens on workers. [Corporate Responsibility Report 2019, 01/2019: nextplc.co.uk] <p>Score 2</p> <ul style="list-style-type: none"> Not met: Both requirements under score 1 met Not met: Provide analysis of trends in progress made
D.2.5.d	Prohibition on forced labour: Restrictions on workers (in the supply chain)	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> Met: Free movement rules in codes or contracts: The Company's document Code of Practice includes an auditing point covering this issue: 'If withholding passports or other ID papers is required by law, workers must always have access to their documentation on demand'. Implementation of and compliance of the standards of the code 'is a condition of business for all suppliers'. The Company's Code of Practice, includes auditing points covering this issue: 'No deposit, fee or identity document shall be retained for securing work or accommodation, tools, training or personal protective equipment (PPE) or for any other reason'. [Code of Practice Auditing Standards, Jan 2017: nextplc.co.uk] Not met: How these practices are implemented and monitored for agencies, labour brokers or recruiters <p>Score 2</p> <ul style="list-style-type: none"> Not met: Both requirements under score 1 met Not met: Provide analysis of trends in progress made
D.2.6.b	Freedom of association and collective bargaining (in the supply chain)	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> Met: FoA & CB rules in codes or contracts: The Code of Practice contains a requirement on this topic: 'The supplier and its factories must recognise and respect the right of the employee to join and organise associations of their own choosing and to bargain collectively. Where law restricts the right to freedom of association and collective bargaining, suppliers must not obstruct parallel means for free association and collective bargaining.' Implementation of and compliance of the standards of the code 'is a condition of business for all suppliers'. [Code of Practice Auditing Standards, Jan 2017: nextplc.co.uk & Code of Practice Principle Standards, Jan 2017: nextplc.co.uk] Not met: How working with suppliers on FoA and CB <p>Score 2</p> <ul style="list-style-type: none"> Not met: Both requirements under score 1 met Not met: Provide analysis of trends in progress made
D.2.7.b	Health and safety: Fatalities, lost days, injury rates (in the supply chain)	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> Met: Sets out clear Health and Safety requirements: The Code of Practice, principle standards document contains the following requirement on health and safety: 'Suppliers and their factories must provide their employees with a safe and healthy working environment and continue to work towards preventing work-related accidents and maintaining the welfare and safety of their employees'. In its Code of Practice Auditing Standards the Company sets out detailed requirements. Implementation of and compliance of the standards of the code 'is a condition of business for all suppliers'. [Code of Practice Principle Standards, Jan 2017: nextplc.co.uk & Code of Practice Auditing Standards, Jan 2017: nextplc.co.uk]

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<ul style="list-style-type: none"> • Not met: Injury rate disclosures: In its CR Report 2019 the Company indicates: 'We report work-related accidents in accordance with the Reporting of Injuries, Diseases and Dangerous Occurrence Regulations (RIDDOR) per 100,000 hours worked for employee accidents, and per 100,000 transactions for customer accidents.' It discloses figures about RIDDOR Accident Rate for 2018 and 2019. These figures, however, refer to the Company's own operations and not suppliers. [Corporate Responsibility Report 2019, 01/2019: nextplc.co.uk] • Not met: Lost days or near miss disclosures [Corporate Responsibility Report 2019, 01/2019: nextplc.co.uk] • Not met: Fatalities disclosures [Corporate Responsibility Report 2019, 01/2019: nextplc.co.uk] <p>Score 2</p> <ul style="list-style-type: none"> • Met: How working with suppliers on H&S: In its CR Focus Updates 2017 the Company indicates: 'Our auditing teams have been trained to a qualified level in Fire Safety and Building Safety Standards and we place particular emphasis on health and safety during our audits. We regularly communicate with our suppliers through global presentations and local team contact. Transparency in our supply chain is vital to ensure our product supply is not sub-contracted to unauthorised sites where health and safety standards may not meet our requirements. Following improvements to our internal systems, we now require all suppliers to confirm any Tier 2 factories used for NEXT branded production so we can include these factories in our audit programme.' Moreover the Company reports some collaborative initiatives such as 'ACCORD on Fire and Building Safety in Bangladesh' related with Health & Safety: ' During 2016 NEXT supported the Accord with the development of a Safety Committee and Safety Training Programme which provides both training and the formation of worker representation for the first time in Bangladesh. This is becoming a central focus for the Accord to create a voice for formally communicating workers concerns and addressing and monitoring health, safety and human rights issues.' [CR Focus Updates, Jan 2017: nextplc.co.uk] • Not met: Provide analysis of trends in progress made
D.2.8.b	Women's rights (in the supply chain)	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Women's rights in codes or contracts • Not met: How working with suppliers on women's rights <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Both requirement under score 1 met • Not met: Provide analysis of trends in progress made
D.2.9.b	Working hours (in the supply chain)	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Working hours in codes or contracts: The Company's Code of Practice contains requirements on this issue: 'The normal working hours should not exceed 48 hours per week and must comply with national laws or the benchmark industry standards, whichever offers greater protection. Overtime working shall be voluntary, should not exceed 12 hours per week and will not be demanded on a regular basis. Employees must be compensated for overtime at the rate legally required in the country of manufacture or, in those countries where such laws do not exist, at a rate exceeding the regular hourly compensation rate'. Implementation of and compliance of the standards of the code 'is a condition of business for all suppliers'. [Code of Practice Principle Standards, Jan 2017: nextplc.co.uk] • Not met: How working with suppliers on working hours <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met • Not met: Provide analysis of trends in progress made

E. Performance: Responses to Serious Allegations (20% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
E(1).0	Serious allegation No 1		<ul style="list-style-type: none"> Headline: A jury found Kozee Sleep, and its subsidiary Layzee Sleep, employed labour trafficked into the UK from Hungary Area: Forced labour Story: In October 2015, Mohammed Rafiq, the owner of UK-based Kozee Sleep (and its subsidiary Layzee Sleep), was jailed for human trafficking offences having employed individuals trafficked into the UK from Hungary at his factory in Dewsbury, kept them in poor conditions and paid them just GBP 10 a week. Kozee Sleep and Layzee Sleep were suppliers to Next (and others, including the John Lewis partnership). <p>Rafiq's trial followed the conviction of two Hungarians, Janos Orsos and Ferenc Illes, who were found guilty of having supplied Kozee Sleep with slave labour. It was claimed that workers would be made to work between 10 to 16 hours a day, up to seven days a week, amounting to up to 80 hour per week in many case. Further, it was alleged that the workers were housed in terrible conditions with as many as 40 or 50 others, some sleeping on floors. In addition, Orsos held paper and bank cards of the workers to stop them from leaving the factories, and the workers were made to pay for their travel expenses from Hungary to the UK.</p> <p>Rafiq was sentenced to 27 months in prison in February 2016. The prosecutor in the case claimed that three large retailers sourcing from the company, including Next, carried out ethical audits but failed to identify that the workforce was subjected to slave labour.</p> <ul style="list-style-type: none"> Sources: [Examiner, 12/02/2016: examiner.co.uk][BBC News, 08/10/2015: bbc.com][BBC News, 20/01/2016: bbc.com]
E(1).1	The Company has responded publicly to the allegation	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> Not met: Public response available: The Company chose to work with individual journalists and respond to enquiries rather than make generally available public statements and so we are unable to score them for public response under this heading. <p>Score 2</p> <ul style="list-style-type: none"> Not met: Response goes into detail
E(1).2	The Company has appropriate policies in place	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> Met: Company policies address the general issues raised Met: Policies apply to the type of business relationships involved <p>Score 2</p> <ul style="list-style-type: none"> Met: Policies address the specific rights in question: The Company has a code of conduct for suppliers (The NEXT Code of Practice for Suppliers) which states that no forced labour is to be used by suppliers and that audits are undertaken to confirm that suppliers meet the baseline requirements of the Company and the ten principles outlined in the Code.
E(1).3	The Company has taken appropriate action	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> Not met: Engages with affected stakeholders Not met: Encourages linked business to engage affected stakeholders Not met: Provides remedies to affected stakeholders Not met: Has reviewed management systems to prevent recurrence: The Company has informed CHRB of steps it took following this allegation that would have resulted in a higher score for their response, but in the absence of such public disclosure the score has not been increased. <p>Score 2</p> <ul style="list-style-type: none"> Not met: Remedies are satisfactory to the victims Not met: Has improved systems and engaged affected stakeholders

F. Transparency (10% of Total)

Indicator Code	Indicator name	Score	Explanation
F.1	Company willingness to publish information	2.4 out of 4	Out of a total of 40 indicators assessed under sections A-D of the benchmark, Next made data public that met one or more elements of the methodology in 24 cases, leading to a disclosure score of 2.4 out of 4 points.

Indicator Code	Indicator name	Score	Explanation
F.2	Recognised Reporting Initiatives	2 out of 2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 2</p> <ul style="list-style-type: none"> Met: Company reports on UNGPRF: In its CR Report 2019, the Company indicates: 'Our approach is to implement the United Nations Guiding Principles on Business and Human Rights (UNGPs) and this influences our work on all aspects of the supply chain.' and 'Using the UNGP Reporting Framework we combine the knowledge and experience we gain from working with our global supply chain and business partners, together with learnings from affected stakeholders and NGOs, to look at our business through a "salience lens". This has helped us to assess the greatest risks to people.' [Corporate Responsibility Report 2019, 01/2019: nextplc.co.uk]
F.3	Key, High Quality Disclosures	0 out of 4	<p>Next met 0 of the 8 thresholds listed below and therefore gets 0 out of 4 points for the high quality disclosure indicator.</p> <p>Specificity and use of concrete examples</p> <ul style="list-style-type: none"> Not met: Score 2 for A.2.2 : Board discussions Not met: Score 2 for B.1.6 : Monitoring and corrective actions Not met: Score 2 for C.1 : Grievance channel(s)/mechanism(s) to receive complaints or concerns from workers Not met: Score 2 for C.3 : Users are involved in the design and performance of the channel(s)/mechanism(s) Discussing challenges openly Not met: Score 2 for B.2.4 : Tracking: Monitoring and evaluating the effectiveness of actions to respond to human rights risks and impacts Not met: Score 2 for C.7 : Remediating adverse impacts and incorporating lessons learned Demonstrating a forward focus Not met: Score 2 for A.2.3 : Incentives and performance management Not met: Score 2 for B.1.2 : Incentives and performance management

Disclaimer

A score of zero for a particular indicator does not mean that bad practices are present. Rather it means that we have been unable to identify the required information in public documentation.

See the 2019 Key Findings report and technical annex for more details of the research process.

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As CHRB Ltd, we want to emphasise that the results will always be a proxy for good human rights management, and not an absolute measure of performance. This is because there are no fundamental units of measurement for human rights. Human rights assessments are therefore necessarily more subjective than objective. The Benchmark

also captures only a snap shot in time. We therefore want to encourage companies, investors, civil society and governments to look at the broad performance bands that companies are ranked within rather than their precise score because, as with all measurements, there is a reasonably wide margin of error possible in interpretation. We also want to encourage a greater analytical focus on how scores improve over time rather than upon how a company compares to other companies in the same industry today. The spirit of the exercise is to promote continual improvement via an open assessment process and a common understanding of the importance of the UN Guiding Principles on Business and Human Rights.