

Next plc

TICKER
LON:NXT

MARKET CAPITALIZATION
US\$9 billion

HEADQUARTERS
United Kingdom

DISCLOSURES

UK Modern Slavery Act: Yes

California Transparency in Supply Chains Act: Not applicable

Next plc (Next), one of the UK's largest apparel retailers,¹ has taken intermediate steps to address forced labor risks in its supply chains. It discloses more information than the global sector average. However, other UK apparel retailers such as Marks and Spencer or Primark disclose taking stronger steps. While Next discloses that it is working on tracing its supply chains down to tier five and some steps towards addressing labor risks in cotton sourcing, it does not disclose any steps it has taken to address the risks of alleged Uyghur forced labor across all supply chain tiers, nor does it reveal engaging with rightsholders or their representatives such as exiled Uyghur groups or the Coalition to End Uyghur Forced Labor. KnowTheChain identified two additional allegations of indicators of forced labor in Next's supply chains. Next does not disclose engaging impacted stakeholders or remedy outcomes for workers (or, in the case of a denied allegation, a description of actions it would take to remediate such cases).

TARGETS
Yes

STEPS TAKEN TO ADDRESS FORCED LABOR RISKS IN SUPPLY CHAINS



SUPPLY CHAIN TRANSPARENCY

Supplier List Yes
 Information on Supply Chain Workers Yes

HIGH-RISK RAW MATERIALS²

🚩 Cotton, viscose, wool, and others

HIGH-RISK SOURCING COUNTRIES

🚩 Argentina, Brazil, India, and others

¹ Retail Week, "Next." Accessed 18 January 2021.

² For further details on high-risk raw materials and sourcing countries, see KnowTheChain's [2021 Apparel and Footwear Benchmark Report](#).

SUBSET OF INDICATORS

	 NOT MET	 PARTIALLY MET	 MET	Policy / Process	Outcomes
Supplier Code of Conduct and Integration into Supplier Contracts					
Management and Accountability					Not Applicable
Internal Management					
Board Oversight					
Stakeholder Engagement					Not Applicable
Local Stakeholders					
Peers					
Risk Assessment					
Purchasing Practices					
Recruitment Fees					
Freedom of Association					Not Applicable
Working with Unions					
Examples of Improvements					
Grievance Mechanism					
Remedy Programs / Remedy Outcomes and Response to Allegations					

Next discloses the names and addresses of its first-tier suppliers. It states that it is piloting audits of its third-tier suppliers, that it conducted a supply chain human rights risk assessment, and that it is a signatory to the [Prompt Payment Code](#). It also adopted a policy requiring suppliers to have written contracts with recruitment agencies clarifying that agencies, rather than workers, are responsible for all recruitment-related costs. Next discloses that it provides guidance on addressing forced labor risks to third-party brands that it retails.

Additional steps the company could take include

- disclosing additional details and evidence of implementation of responsible purchasing practices, including planning and forecasting;
- ensuring that grievance mechanisms are available to supply chain workers' legitimate representatives and disclosing data on the practical operation of the mechanism; and
- disclosing a process for responding to reported forced labor policy violations and disclosing additional remedy outcomes for workers, including specific allegations in its supply chains.

COMPANY ENGAGED WITH KNOWTHECHAIN³

Informal (i.e., engaged outside the formal three-month engagement period).

³ Research conducted through November 2020 or through February 2021, where companies provided additional disclosure or links. For more information, see the full dataset [here](#). For information on a company's positive and negative human rights impact, see the [Business & Human Rights Resource Centre website](#).