

Next Plc (Next)

TICKER
LON:NXT

MARKET CAPITALISATION
US\$12.13 billion

HEADQUARTERS
United Kingdom

DISCLOSURES

UK Modern Slavery Act: [Yes](#)

California Transparency in Supply Chains Act: Not applicable

Australia Modern Slavery Act: Not applicable

OVERALL RANKING

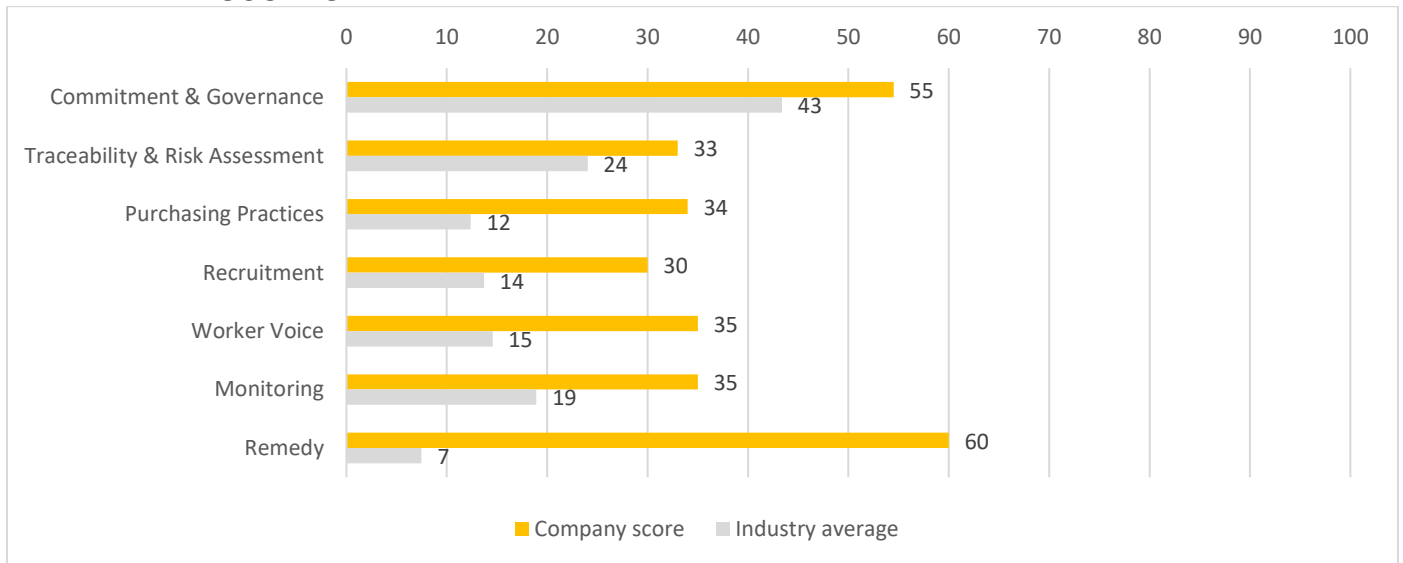
13 out of 65

[2021 Performance](#)

OVERALL SCORE

39 out of 100

THEME-LEVEL SCORES



KEY DATA POINTS

FIRST-TIER SUPPLIER LIST

Yes

RISK ASSESSMENT

Yes

DATA ON PURCHASING PRACTICES

Yes (one data point)

ENGAGED WITH KNOWTHECHAIN²

Yes

NO-FEE POLICY

Yes (Employer Pays Principle)

REMEDY FOR SUPPLY CHAIN WORKERS

Yes

HIGH-RISK RAW MATERIALS¹

■ Bamboo, cotton, leather, viscose, and others

SUMMARY

Next plc (Next), one of UK's largest apparel retailers,³ ranks joint 13th out of 65 companies. Since 2021, the company has improved by disclosing a partial list of its second-tier suppliers and a list of 90% of its third-tier suppliers, both including names, addresses, and process categories, providing examples of remedy outcomes for workers in its supply chains, and disclosing limited data on the operation of its grievance mechanisms available to workers in specific supply chain contexts. The company's score is based on its stronger performance on the themes of Commitment & Governance and Remedy and above-average scores across other themes. Notably, Next is the highest-scoring department store in the benchmark and the overall highest-scoring company on the theme of Remedy.

The company has an opportunity to improve its performance and disclosure on the themes of Traceability & Risk Assessment, Purchasing Practices, and Recruitment.

LEADING PRACTICES

Traceability & supply chain transparency: In addition to first- and second-tier supplier lists, Next discloses a list that accounts for 90% of its third-tier supplier facilities and includes names, addresses, and process categories.

Remedy: In response to a discovered child labour case in Myanmar involving 25 children, Next disclosed working with two local non-governmental organisations to interview the children, families, and facility involved and to then develop a plan to ensure the children were no longer employed, and their families were supported on a monthly basis until the children reach legal working age. It disclosed the support provided included provision of financial support equivalent to wages the children would have earned in employment.

OPPORTUNITIES FOR IMPROVEMENT

Traceability & Risk Assessment: The company is encouraged to disclose the sources and stakeholders it consults in the course of its risk assessment process and how it engages with relevant stakeholders including workers, unions, and civil society organisations to address forced labour risks identified. While Next discloses first-, second-, and third-tier supplier lists, the company is further encouraged to demonstrate a stronger understanding of its supply chains by disclosing the sourcing countries from which it sources raw materials at high risk of forced labour and data on its supply chain workforce, such as the percentage of women and migrant workers and the percentage of workers being paid a living wage.

Purchasing Practices: To address forced labour risks in its supply chains, the company is encouraged to take concrete steps to adopt purchasing practices that decrease the risk of forced labour, such as improving planning and forecasting, and disclose quantitative data evidencing the implementation of responsible purchasing practices beyond payment terms. The company may further consider separating labour costs from price negotiations such that all direct and indirect labour costs are isolated and incorporated as a distinct costing block in pricing. The company should consider integrating [responsible buying practices in its contracts](#) with suppliers, to ensure that the responsibility for respecting human rights is shared.

Recruitment: To avoid exploitation of migrant workers in its supply chains, the company is encouraged to strengthen its no-fee policy to reflect the ILO standard – while the ILO definition of recruitment fees and related costs includes administrative costs such as those for passports and work or residence permits, the policy Next currently has in place excludes “fixed fees for legally required health checks, passport fee and work permits” from fees that employers are prohibited from passing onto workers. The company is further encouraged to disclose how it ensures the implementation of its no-fee policy, such as through mapping of

migration corridors and labour agencies used by suppliers, specialised monitoring for fees, and requiring evidence of supplier payment of fees to labour agencies directly. It may also consider steps to ensure that such fees are reimbursed to the workers and/or to provide evidence of payment of recruitment-related fees by suppliers.

¹ For further details on high-risk raw materials and sourcing countries, see [KnowTheChain's 2023 apparel & footwear benchmark findings report](#).

² Research conducted through June 2023 or through September 2023, 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](#).

³ Fashion United (2023), "[UK fashion industry statistics](#)." Accessed 5 December 2023.