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## OUR APPROACH TO CORPORATE RESPONSIBILITY TO JANUARY 2021

The document has been prepared as an additional report providing further information about our approach to Corporate Responsibility. It should be read in conjunction with our main Corporate Responsibility Report to January 2021, available at [nextplc.co.uk](https://nextplc.co.uk)



# HUMAN RIGHTS AND MODERN SLAVERY

## 1. Our salient human rights issues explained

Salient Issue identified	Why it is important to NEXT	Our key activities
Freedom of Association (FoA) and Collective Bargaining	In a number of countries we source from, including Cambodia, China, India and Turkey, the freedom to join an independent trade union is restricted either by law or not recognised by management attitudes and practices. This restricts the ability for workers to have a voice within their place of work and to contribute to the improvement of working conditions and practices.	<ul style="list-style-type: none"> <li>Continued membership of ACT (Action, Collaboration, Transformation) along with 21 other brands and the global trade union IndustriaLL               <ul style="list-style-type: none"> <li>Attendance at ACT Member Council Meetings</li> <li>Followed Dispute Resolution Mechanism (DRM) with a factory in Myanmar in 2020, which achieved a positive result</li> <li>During 2020, worked with fellow ACT member brands in Turkey to develop guidance for managing FoA issues</li> </ul> </li> <li>Our in-country COP team in Turkey have maintained regular contact with suppliers and factories who faced FoA issues in the past, to ensure previously agreed remediation is maintained</li> </ul>
Health and Safety (including Mental Health)	Health and safety is a concern in all of our sourcing countries and across our own business operations. Fire and industrial accidents continue to be a risk within our extended supply chain, impacted by the quality and management of appropriate building design and structure, fire prevention, machinery, chemicals and abrasives.	<ul style="list-style-type: none"> <li>Our in-country COP teams carry out supplier training before audits to ensure factories are aware of our standards</li> <li>In Cambodia, training is carried out with suppliers and factories as part of our membership of Better Factories Cambodia (BFC)</li> <li>During the year our in-country COP teams conducted virtual audits to ensure factories followed required standards for social distancing and other hygiene measures</li> <li>Achieved 96% remediation of Accord actions in Bangladesh with support from our in-country COP team (see pages 5 and 6 for more information)</li> <li>Identified 7 cases of extremely hazardous working conditions through our COP audits. We worked with 5 factories to remediate the issues and disengaged with 2 who were not willing to work with us on improvements</li> </ul>

# HUMAN RIGHTS AND MODERN SLAVERY CONTINUED

## 1. Our salient human rights issues explained continued

Salient Issue identified	Why it is important to NEXT	Our key activities
Children's Rights	It is estimated that approximately 218 million children are currently working in the world, with more than 152 million in child labour and half engaged in hazardous work <sup>1</sup> . Each year our COP auditing team uncovers a small number of instances of persons too young to work within factories making our products.	<ul style="list-style-type: none"> <li>Issued translations of our Child Labour Policy and guidance for suppliers in key languages including Hindi, Tamil, Burmese and Sinhalese</li> <li>Identified no cases of child labour during the year</li> <li>As part of new supplier inductions we carry out training on child labour risks and our approach to managing any cases, including our Child Labour Policy and supplier guidelines</li> <li>Continue to implement our incident response procedures whereby we engage a relevant NGO<sup>2</sup> such as LESN<sup>3</sup> to consult and support the child and their family. They will continue to monitor the situation until the child reaches legal working age to ensure they remain in education</li> </ul>
Modern Slavery (including Wage Retention)	Instances of forced labour or modern slavery in our supply chain can take place in all countries, including the UK. Workers must receive all wages they are owed; suppliers are not allowed to retain any wages. With bonded labour comes a negative impact on all other labour rights and risks are higher if migrant workers are employed. Some of our sourcing countries hire migrant workers from overseas and such workers can be vulnerable to exploitation.	<ul style="list-style-type: none"> <li>Maintained membership of the Leicester, Leicestershire and Rutland Modern Slavery Action Group (LLRMSAG) to drive multi-agency activity and share intelligence</li> <li>Over 5,000 NEXT employees globally have completed our bespoke online training course</li> <li>In 2020, we identified 15 cases of wage retention through our COP audits. 11 were remediated and four were disengaged as there was no commitment to improve</li> <li>Worked with 13 factories to remediate identified modern slavery risks</li> <li>We uncovered a freedom of movement issue where workers were restricted when staying in company-provided accommodation when auditing a new factory in Southern India. The factory was rated a Category 6 but the supplier and factory agreed to work with us on remediation and our in-country COP team continue to monitor the site</li> </ul>
Wage Levels (including Fair Wages)	All workers in our supply chain should be entitled to fair wages for the work they do. Non-payment of social security can both negatively impact fair wages to workers.	<ul style="list-style-type: none"> <li>During the COVID pandemic, our in-country COP teams have maintained contact with factories to ensure workers receive wages and other monies owed to them such as severance payments in the event of redundancy</li> <li>In Sri Lanka, we have collaborated with ETI member brands to obtain clarification from local government authorities on wage payments for factory workers for the month of April 2020</li> </ul>

<sup>1</sup> United Nations data www.un.org - June 2018

<sup>2</sup> Non-Governmental Organisation

<sup>3</sup> LESN - see page 9 for more details

# HUMAN RIGHTS AND MODERN SLAVERY CONTINUED

## 1. Our salient human rights issues explained continued

Salient Issue identified	Why it is important to NEXT	Our key activities
Harassment and Discrimination	Women represent the majority of workers in our supply chain. In many countries, the risk of discrimination against women is greater in relation to equal opportunities, age or marital status. This can lead to harassment of workers, and also impact upon a range of other human rights. It can be difficult to identify in COP audits as it is less tangible than some of our other salient human rights issues.	<ul style="list-style-type: none"> <li>Carry out training with suppliers to raise awareness of these issues and to understand root causes. Where issues are identified through our COP audits, we work with suppliers on remediation</li> <li>In Sri Lanka, training programmes have been carried out by a third party to increase the skills and awareness of middle management in selected factories</li> </ul>
Water, Sanitation and Health	We source products from parts of the world which encounter frequent periods of water scarcity. Where this occurs, there is an increased risk that communities may not have access to clean, safe water which can be linked to poor health. Our extended supply chain includes operations such as laundries, mills, dye houses, and tanneries; these facilities carry a particularly high risk of water contamination where untreated effluent can be discharged into rivers used by local communities. People negatively impacted can include both supply chain workers as well as communities located close to sites manufacturing NEXT products.	<ul style="list-style-type: none"> <li>During our COP audits the team verifies that clean drinking water is available for all workers</li> <li>Guidelines on ensuring COVID-safe facilities were shared with suppliers and factories via our Supplier Portal. Hand hygiene posters were translated into local languages and provided to factories</li> <li>We are a member of ZDHC (Zero Discharge of Hazardous Chemicals) and this provides opportunities to work with our wet processors to prevent wastewater contamination. By December 2020, over 350 of our wet processors were signed up to the ZDHC Gateway, the platform used by ZDHC to share key information. Through this programme, suppliers are provided with information and training to ensure wastewater is treated before being discharged to remove any chemicals from the water</li> </ul>
Working Hours	We rely on the workforce of our suppliers and factories to meet order requirements, and those workers want to work to earn money. Sometimes these combined factors can lead to excessive working hours that can impact the workers' wellbeing.	<ul style="list-style-type: none"> <li>Provided training to suppliers to raise awareness of these issues and understand root causes. Where issues are identified through our COP audits, we work with suppliers on remediation</li> <li>We identified a factory in the UAE which had 10 hours a day as its normal working hours, which is contrary to local law. We are working with the factory to ensure the agreed remediation plan is followed</li> </ul>
Privacy and Data Security	Our operations are highly reliant on our IT systems and there is a growing risk of cyber crime and therefore the need for us to protect our customers, employees and business data from the risk of data loss, and in particular personal data. The General Data Protection Regulations (GDPR) came into effect from May 2018, and further increased awareness and responsibilities for ensuring personal data is secure.	<ul style="list-style-type: none"> <li>We are committed to ensuring we protect our customers and employees' privacy and dedicate significant resource to the maintenance and security of our systems</li> <li>Systems vulnerability and penetration testing is carried out regularly to ensure data is protected from corruption or unauthorised access or use</li> <li>We have extensive employee training and awareness programmes in place with regards to GDPR and information security</li> </ul>

# HUMAN RIGHTS AND MODERN SLAVERY CONTINUED

## 2. UN Guiding Principles 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](http://www.ungpreporting.org)

Section of the framework	Page location in our CR Report
<b>PART A: GOVERNANCE OF RESPECT FOR HUMAN RIGHTS</b>	
A1 POLICY COMMITMENT	10–13
A1.1	10–13
A1.2	10–13 14–18, Our Approach 1
A1.3	10
A2 EMBEDDING RESPECT FOR HUMAN RIGHTS	2, 3, 8, 10–13, Our Approach 1
A2.1	10–13
A2.2	9, 10–13
A2.3	14
A2.4	2, 14
A2.5	10–13
<b>PART B: DEFINING A FOCUS OF REPORTING</b>	
B1 STATEMENT OF SALIENT ISSUES	11
B2 DETERMINATION OF SALIENT ISSUES	10–13 Our Approach 1
B3 CHOICE OF FOCAL GEOGRAPHIES	Not Applicable
B4 ADDITIONAL SEVERE IMPACTS	7, 19–24, Our Approach 4, 5, 6, 7
<b>PART C: MANAGEMENT OF SALIENT HUMAN RIGHTS ISSUES</b>	
C1 SPECIFIC POLICIES	10–13 Our Approach 3 <a href="#">Modern Slavery Transparency Statement</a>
C1.1	14–18

Section of the framework	Page location in our CR Report
<b>PART C: MANAGEMENT OF SALIENT HUMAN RIGHTS ISSUES</b>	
C2 STAKEHOLDER ENGAGEMENT	10–13, 14–18, Our Approach 3, 4, 5, 6, 7
C2.1	10–13
C2.2	18, Our Approach 6
C2.3	14, 18, Our Approach 1
C3 ASSESSING IMPACTS	10–13
C3.1	None Identified
C3.2	18, Our Approach 1
C4 INTEGRATING FINDINGS AND TAKING ACTION	14
C4.1	14, 18
C4.2	2, 9, 14
C4.3	14–18, Our Approach 1, 3
C5 TRACKING PERFORMANCE	14–18, Our Approach 3
C5.1	18, Our Approach 3
C6 REMEDIATION	14–18, Our Approach 3
C6.1	Our Approach 3, <a href="#">Whistleblowing Policy</a>
C6.2	14–18, Our Approach 3
C6.3	14–18, Our Approach 3
C6.4	14–18, Our Approach 1
C6.5	Our Approach 1

# OUR SUPPLIERS

## 3. Our Auditing Approach

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.

The COP audit provides a picture of how well a supplier and its factory are complying with our requirements. The audit day typically involves the following:

- Opening meeting with key participants in the audit e.g. management, worker representatives, business owner
- Site tour
- Documentation review
- Worker interviews – we speak to workers confidentially, both individually and in groups, both on-site and off-site 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
- Closing meeting – the auditor provides verbal feedback on any action points that have been identified and agrees the Corrective Action Plan (CAP) which we agree with the supplier and factory management, and conduct regular re-audits to verify improvements

A CAP report summarising all findings, agreed actions and remediation timescales is provided to the factory for them to implement. The NEXT team then works with the supplier and factory to implement these. This helps build the relationship between NEXT and its supplier, and helps convey to the supplier that NEXT is here to support progress over the longer-term.

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. This delivers a better outcome for the workers
- Where we find areas for improvement we create a Corrective Action Plan
- Our priority is always to 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

## 4. Partnering for Change

During 2020, we continued our collaborative work to improve the human rights of workers in our supply chain. The risks to vulnerable groups such as displaced people, migrant workers or refugees seeking refuge from conflict and looking for work is still increasing. We have continued to work within this area by providing support, and where possible, offering remediation.

By maintaining good direct relationships and collaborating with shared information and resources with other retailers, brands, trade unions and NGOs we can work together in partnership to deliver real benefits to workers.






# OUR SUPPLIERS CONTINUED

Some examples of our collaborative work are:




Organisations	Background and Benefits	Activities in 2020
<p>Accord</p> 	<p>The Accord performs independent factory inspections in Bangladesh focusing on three key areas; fire risk, electrical installations and structural condition of buildings</p> <p>Find out more at: <a href="http://bangladeshaccord.org">bangladeshaccord.org</a></p>	<p>We are following up with Bangladesh Accord and RSC (Ready Made Garments Sustainability Council) who are doing regular inspections for fire, electrical and building safety in our supply base factories and also conducting Occupation Safety Trainings for all the workers to understand the safety requirements and raise concerns to report against unsafe workplace safety.</p> <p>Overview of 2020:</p> <ul style="list-style-type: none"> <li>• 94% remediation status of actions identified in all 175 active factories</li> <li>• 29 factories for which NEXT is the 'lead brand' i.e. with overall responsibility for ensuring remediation is completed – achieved 89% remediation in these factories</li> <li>• 80 cases with a Health and Safety concern were raised across the factories where we are the 'lead brand'; 29 have been resolved; 16 cases were at factories which are now inactive and the remaining 35 cases are being managed through the Accord's established remediation channels</li> </ul>
<p>ACT</p> 	<p>ACT is the first initiative on living wages in the garment sector that provides both a means of negotiating better working conditions as well as productivity improvements. ACT members commit to supporting productivity improvements and reviewing their own internal buying practices and their potential impact on workers. 21 member brands alongside IndustriALL, the global trade union, have agreed the following principles:</p> <ul style="list-style-type: none"> <li>– a joint approach where all participants in the global supply chain assume their respective responsibilities in achieving freedom of association, collective bargaining and living wages</li> <li>– agreement on a living wage should be reached through collective bargaining between employers and workers and their representatives, at industry level</li> <li>– workers must be free and able to exercise their right to organise and bargain collectively in accordance with ILO conventions</li> </ul> <p>As part of our membership we have made five purchasing practices commitments:</p> <ul style="list-style-type: none"> <li>– to include wages as itemised costs within a cost price</li> <li>– fair terms of payment</li> <li>– better planning and forecasting</li> <li>– to undertake training on responsible sourcing and buying</li> <li>– to practice responsible exit strategies</li> </ul> <p>Find out more at: <a href="http://actonlivingwages.com">actonlivingwages.com</a></p>	<ul style="list-style-type: none"> <li>• ACT developed the Dispute Resolution Mechanism (DRM) to support access to remedy for wages and FoA. DRM has been used in two NEXT factories during the year to ensure that disputes over the FOA Guideline's implementation can be heard and resolved in a fair and predictable manner</li> <li>• Purchasing Practices and COVID – In April 2020, ACT brands communicated their policies for the payment of orders in production to trade unions and the BGMEA (Bangladesh Garment Manufacturers and Exporters Association) and also committed to taking responsibility in cases in which a supplier has incurred a fabric liability as a direct result of order amendments. ACT brands are currently rolling out the implementation of the ACT labour costing protocol</li> <li>• Myanmar FoA Guideline – ACT facilitated the negotiation and agreement of the Myanmar Freedom of Association Guideline between an Employer Working Group of ACT brand suppliers and the Industrial Workers Federation of Myanmar (IWFM), with facilitation and technical support from the ILO</li> <li>• We are a member of the technical group in Turkey, currently working towards an agreement to tackle FoA issues in a collaborative way with other ACT brands</li> </ul>

# OUR SUPPLIERS CONTINUED






Organisations	Background and Benefits	Activities in 2020
 <p>AIDER</p>	<p>The creche is run by the NGO AIDER, and currently supports children of homeworkers in the region of Badarpur, India. In addition, students can attend the computer centre at the crèche, where they can study for a certificate in basic computer and typing skills as well as attend a tuition centre focusing on academic skills.</p>	<p>We work with AIDER to support and protect vulnerable homeworkers with a programme which aims to improve transparency in this part of the supply chain. In 2020:</p> <ul style="list-style-type: none"> <li>• 90 children were enrolled in the creche, 170 girls attended the computer centre and 55 students attended the tuition centre</li> <li>• Conducted online classes during lockdown periods</li> <li>• The centre offers sewing and pattern-making training for new homeworkers</li> <li>• Organised COVID awareness camps where doctors provided training on safety guidelines and issued handwash, face masks and hand sanitizers</li> <li>• Supported families with guidance on accessing government support and benefits</li> </ul>
 <p>Better Factories Cambodia (BFC)</p>	<p>NEXT joined the BFC Transportation Working Group programme in 2017 which was designed to educate workers in road safety and safe means of transportation to work. Through the programme, since 2017, BFC has assessed over 550 factories and reached over 550,000 workers.</p> <p>For factories which manufacture for NEXT, once the initial assessment has been carried out, the NEXT COP team undertake any follow-up audits to ensure corrective actions are completed.</p> <p>Find out more at: <a href="https://betterwork.org/where-we-work/cambodia">betterwork.org/where-we-work/cambodia</a></p>	<ul style="list-style-type: none"> <li>• COP team worked with suppliers on identified issues from BFC assessments</li> <li>• Continued participation in Transportation Working Group (initiated by BFC) to work collaboratively on workers' transportation safety</li> <li>• COVID prevention posters and banners were distributed to all Cambodia factories through BFC</li> <li>• Maintain quarterly updates from BFC on factory compliance performance</li> </ul>
 <p>British Retail Consortium (BRC)</p>	<p>Brands' ethical experts work collaboratively on the welfare and treatment of workers in the retail supply chain to develop and agree ways of working.</p> <p>Find out more at: <a href="https://brc.org.uk">brc.org.uk</a></p>	<ul style="list-style-type: none"> <li>• Attended meetings of the Ethical Labour Working Group. Main discussion of topics were impact of COVID on supply chains, allegations of forced labour in Chinese supply chains as well as government policy developments and horizon scanning of upcoming issues</li> <li>• Via the BRC we engage in the Garment Supply Chain Working Group on addressing impact of COVID on workers in garment supply chains. The purpose of the group is to build resilience for garment supply chains as we respond and emerge from COVID</li> </ul>



# OUR SUPPLIERS CONTINUED

Organisations	Background and Benefits	Activities in 2020
ETI 	<p>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. NEXT continues to be a committed member of the ETI which we joined in 2002. The ETI is one of the principle ethical communities where NEXT regularly engages with multiple stakeholders through meetings and working groups focusing on specific issues.</p> <p>Find out more at <a href="https://ethicaltrade.org">ethicaltrade.org</a></p>	<ul style="list-style-type: none"> <li>• In Bangladesh, we have introduced ETI Social Dialogue Programme and ETI Gender Sensitive Workplace Programme in a number of our factories for workers, supervisors and management (see Our Suppliers section of the Corporate Responsibility Report for more information)</li> <li>• During 2020 we have worked with and contributed to the ETI on:               <ul style="list-style-type: none"> <li>• Impact of COVID on apparel supply chains</li> <li>• Brands forum on allegations of forced labour in Chinese supply chains</li> <li>• UK manufacturing</li> </ul> </li> </ul>
Fast Forward (FF) 	<p>The FF Programme is an industry initiative focusing on human rights risks in the supply chain, with retailers working collaboratively together to tackle labour exploitation, to improve and build a sustainable UK manufacturing base. FF aims to measure and improve labour standards, increase supplier transparency and protect vulnerable workers in the UK.</p>	<ul style="list-style-type: none"> <li>• On site visits by the Fast Forward team were significantly impacted by COVID restrictions and therefore none of our UK sites received a Fast Forward audit during the year</li> <li>• Our own Code of Practice team maintained a programme of auditing, either through a virtual platform or in person when restrictions allowed</li> </ul>
KADAV 	<p>KADAV is a women's solidarity NGO in Turkey which supports community work in areas such as gender-based violence, migrant women and female labour rights. Syrian refugees continue to migrate to Turkey, one of our key sourcing markets. Many have travelled to garment production hubs such as Istanbul where they seek employment to support their families.</p>	<ul style="list-style-type: none"> <li>• We have identified 0 cases of Syrian refugee child labour in 2020, so have not required remediation support from KADAV</li> <li>• We continue to support their work with Syrian women and their children, which includes the provision of a creche and teaching women how to use online video chat functions, through which they are provided with virtual training on how to sew masks at home. KADAV supported the women to sell the items made</li> </ul>
Leicester, Leicestershire & Rutland Modern Slavery Action Group (LLRMSAG)	<p>The LLRMSAG is a multi-agency partnership that brings together different agencies and organisations committed to sharing intelligence and working collaboratively to reduce the prevalence of Modern Slavery and Human Trafficking in the region.</p> <p>Partners in the group include:</p> <ul style="list-style-type: none"> <li>• Gangmasters and Labour Abuse Authority (GLAA)</li> <li>• De Montfort University, Leicester</li> <li>• Diocese of Leicester</li> <li>• Local Authorities</li> </ul>	<p>We have maintained attendance at virtually held meetings during the year</p> <p>Continued engagement provides NEXT with insight into activities to tackle labour exploitation and modern slavery in the region</p>

## OUR SUPPLIERS CONTINUED

Organisations	Background and Benefits	Activities in 2020
 <p>LESN</p>	<p>NEXT continues to partner with the Chinese NGO LESN, who provide training and support where cases of underage workers are identified. Their focus is on supporting identified underage workers, as well as aiming to prevent occurrence through raising awareness and training.</p>	<ul style="list-style-type: none"> <li>• LESN is our NGO partner for identified cases of child labour in China</li> <li>• We identified no new cases of child labour in the year</li> <li>• LESN maintained contact with two children where remediation had been agreed with the supplier, to ensure that corrective actions were completed. The children that were supported by LESN reached 16 years old at the end of 2020 so we currently have no new or active cases of child labour that we are managing</li> </ul>
 <p>SAVE (Social Awareness and Social Education)</p>	<p>SAVE is a non-profit societal reconstruction organisation. SAVE carries out developmental programmes towards uplift of socio-economically poor and marginalised communities.</p>	<ul style="list-style-type: none"> <li>• Seven resource centres in seven locations across Tamil Nadu, where new mill workers are sourced from in significant numbers. The centres provide training for workers prior to their departure for work at the mills, they also support in addressing grievances and provide computer training and financial literacy skills</li> <li>• Supported the roll out of an app in local villages, to enhance a worker's ability to raise concerns</li> </ul>
 <p>Shift</p>	<p>Shift (a not for profit organisation) based in Boston, USA, provide support and expertise to help us understand how human rights and modern slavery can impact our business and how we can work to further develop our approach and embed the UN Guiding Principles into our organisation. NEXT values the Business Learning Programme sessions working with Shift and other global brands, providing valuable understanding of emerging human rights risks and possible solutions in a global context.</p> <p>Find out more at: <a href="http://shiftproject.org">shiftproject.org</a></p>	<ul style="list-style-type: none"> <li>• NEXT representatives attended the Shift Business Learning Programme held online due to the pandemic</li> <li>• Shift supported our South India mills project by guiding us through a process of review to ensure that our engagement with mill workers was effective</li> </ul>
 <p>United Work</p>	<p>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.</p>	<ul style="list-style-type: none"> <li>• Our local COP team in Turkey speak to factories about the work that United Work does and that the organisation can help them with finding new workers</li> <li>• During the year, 39 Syrian workers have been placed in employment in factories used by NEXT in Turkey</li> </ul>
 <p>Unseen</p>	<p>Unseen is a UK-based charity 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. This collaborative approach is important to help us mitigate risks and manage emerging threats. During 2020, Unseen has taken 6,000 calls, 1,800 web reports and 58 app submissions indicating 3,400 potential victims. Find out more at: <a href="http://unseenuk.org">unseenuk.org</a></p>	<ul style="list-style-type: none"> <li>• We maintained our partnership with Unseen during 2020</li> <li>• We continue to monitor potential issues in our supply chain through regular contact with Unseen and the Modern Slavery and Exploitation Helpline, which allows us to carry out proportionate due diligence where appropriate</li> <li>• During the year we had one case raised to us via the helpline which we took necessary steps to investigate, based on the level of information received. We were then able to provide an update to Unseen on our investigation</li> </ul>

# OUR CUSTOMERS AND PRODUCTS

## 5. Product Safety and Legislation Compliance

Working closely with our buyers, designers and suppliers, our team of specialist technologists is responsible for ensuring:

- All products sold by NEXT are safe and comply with relevant legislation
- Our suppliers meet the required safety and performance standards detailed in our product specific technical manuals
- We work with and use the expertise of independent safety specialists to ensure the products we sell achieve the required standards

Suppliers to NEXT have direct access via our online supplier portal to our full range of technical manuals and quality, safety, ethical and responsible sourcing standards and requirements.

In order to have visibility and monitor the development of both new legislation and changes to existing legislation at a United Kingdom, European and global level, we work closely with trade associations, British Standards and government departments. We also contribute to and support legislation development by giving our views and ideas. We are members of various industry committees and groups, such as the British Standards Institute Technical Committees and the British Retail Consortium. Through these we are able to participate with other stakeholders in policy debates, to contribute to their development and ensure NEXT product is compliant with relevant legislation.

Our product safety standards have been developed to comply with relevant consumer legislation and compliance requirements. Technologists in our Product teams work closely with our suppliers to provide expert guidance so the right materials are chosen to manufacture high quality, durable products in factories with robust product safety processes. Our technologists from UK Head Office and our global sourcing offices visit our suppliers to monitor production. Products are inspected upon receipt into our UK warehouse to ensure they meet our specifications.

The safety of children is an issue that is of very high importance for many retailers and suppliers. Through BSI (British Standards Institute) and CEN (European Committee for Standardisation), NEXT is an active participant in the working groups responsible for developing standards to ensure the safety of children's clothing. Our Childrenswear division focuses on safety throughout all stages of development and production; starting at the design stage with a risk assessment to ensure all products achieve the standards we require.

Our safety standards are based as a minimum, on the highest legal European standards. If we are not satisfied with a product's safety, or if a product fails to comply with legal requirements, NEXT has an established procedure in place to recall a product as the safety of our customers is our priority. Through the Product Safety Forum, chaired by our Business Risk Manager, any product recalls are reviewed to ensure the corrective actions undertaken are robust.

Our in-house UKAS<sup>1</sup> and SATRA accredited product testing laboratory, based at Head Office, is used to undertake testing for our Product teams to support their assessment decisions and product reviews to ensure products perform to our requirements.

<sup>1</sup> United Kingdom Accreditation Service

## 6. Responsible Sourcing and Raw Materials Policies

### Cotton

- NEXT does not support the use of cotton from Uzbekistan, Turkmenistan or the Xinjiang region of China in our textile products as sourcing cotton from these regions is banned as part of our Cotton Policy
- It is our expectation that our suppliers will source cotton in alignment with our Cotton Policy and they make efforts to communicate our concern for this issue down the supply chain. We will continue this ban until we have seen evidence that progress has been made to end the use of forced or child labour. We understand that cotton is an internationally traded commodity and that raw cotton sources are not always easily identifiable
- Our 2025 target is to source 100% of our cotton from responsible sources which we define as Better Cotton (BCI), recycled, certified organic, US cotton or Fairtrade certified cotton
- The cotton we source through BCI is sourced as Better Cotton. It should be noted that Better Cotton is not physically traceable to end products. However, BCI farmers benefit from the demand for Better Cotton in equivalent volumes to those we source

### Timber

NEXT is committed to the responsible sourcing of timber products. We aim to reduce our impact and to increase social and environmental benefits by only using responsibly sourced timber and paper.

As part of our 2025 Responsible Sourcing Strategy, and in line with our [Timber Sourcing Policy](#), we are committed to working with our suppliers to deliver 100% of our products from Responsible or Certified Responsible sources by 2025.

# OUR CUSTOMERS AND PRODUCTS CONTINUED

## Manmade Cellulosic Fibres and Wood Pulp

- In July 2018, NEXT committed to the [Roadmap Towards Responsible Viscose and Modal Fibre Manufacturing](#) as set out by the [Changing Markets Foundation](#). This Roadmap aims to minimise the effects of harmful chemicals in the manufacturing process by viscose and modal manufacturers' adopting closed-loop production systems by 2023-25. These systems aim to recycle chemicals used during production and prevent negative impacts on human health and the environment. Through this commitment NEXT will work with its supply chain to improve their viscose and modal manufacturing processes to support the fibre manufacturers in meeting the requirements of the Roadmap as they work towards a closed-loop system which ensures emissions controls and chemical recovery rates are in line with the EU Best Available Technique (BAT) standards. In addition, as with our ongoing ZDHC commitment, NEXT will support our fibre manufacturers in adopting and meeting the requirements of the ZDHC MMCF Guidelines
- We have mapped our full MMCF supply chain to trace our viscose and modal fibre manufacturers with 96% of our fibres coming from Canopy Green Shirt ranked suppliers such as Lenzing, the Aditya Birla Group and the Tangshan Sanyou Group. From January 2021 NEXT will only source staple viscose, modal and lyocell from Canopy Green Shirt ranked fibre suppliers
- NEXT is working with [Canopy](#) through their [CanopyStyle Initiative](#) to ensure these wood-based fabrics are responsibly sourced. We are committed to ensure by end 2020 cellulosic fibres used in our products do not come from ancient and endangered forests, endangered species or illegal sources and respects the rights and wishes of indigenous communities through our [Protecting Forests through Fabric Choices Policy](#)
- We will work to prioritise sourcing FSC<sup>1</sup> timber fibres and through Canopy's 'Next Generation Vision for Viscose' support innovative sustainable materials. These provide

alternatives to traditional forest products, such as recycled materials, and alternative feedstock such as agricultural residues. These result in the protection of the remaining ancient and endangered forests and the people and animals within them

## Leather

In October 2019, NEXT became a signatory to the Textile Exchange's Responsible Leather Charter in order to support the ongoing development of the Leather Impact Accelerator (LIA) programme. The LIA programme will establish a benchmark of agreed best practices along the whole leather supply chain, from farming to tanning, as well as give visibility to existing initiatives which can be used to deliver this best practice. The programme aims to advance towards a leather industry in which all parts of the supply chain are environmentally and socially responsible, including animal welfare.

## Chemical Management

Our Chemical Management policy has three main parts:

1. Restricted Substance Standards (RSS) – to control and check chemicals in finished products.
  2. Chemical Management Standards (CMS) – requirements for chemical handling, use and disposal in our supply chain.
  3. ZDHC programme – to manage chemicals used in our supply chain and to reduce and eliminate, wherever possible, the discharge of hazardous chemicals from production processes to the environment.
- We have developed our [Restricted Substance Standards \(RSS\)](#) requirements from EU legal standards, recommendations by industry experts, pressure group focus and customer feedback. Our RSS requirements have been updated to be in line with changes that have come into force from new legislation during the year
  - Our RSS continually developed in anticipation of emerging legislation and other information concerning new potentially hazardous chemicals, not yet captured by legislation

- We keep ourselves updated with the latest information about hazardous chemicals and continually review information from pressure groups, authorities and scientific reports
- Our suppliers are kept up to date with these developments, so changes in legislation can be implemented quickly
- Our Chemical Management Standards programme is aimed at suppliers further back in our supply chain e.g. fabric mills and suppliers carrying out wet processing such as dyeing, printing, finishing, laundering of textiles and tanning and dyeing of leather. NEXT has provided training for our suppliers through online Chemical Management training modules to help educate suppliers on good practices in chemical management, handling and disposal. We will continue to offer this training to our suppliers
- The issue of pollution from global manufacturing sites is one NEXT takes seriously. Our ZDHC programme requires wet processors and suppliers to adopt all relevant ZDHC guidelines, platforms and solutions including the ZDHC MRSL and CMS Technical Industry Guide. Wet processors are required to purchase chemicals that are compliant with ZDHC's MRSL (Manufacturing Restricted Substance List) and test their waste water against ZDHC's Waste Water requirements and publicly report on their Waste Water results

The main principles of our Chemical Management Standards and training are:

- **Clean Chemistry:** using cleaner chemicals leading to cleaner production, effluent and emissions
- **Transparency:** encourage chemical manufacturers to provide full disclosure of chemicals being used on NEXT products
- **Traceability:** encourage manufacturers to maintain a chemical inventory of all chemicals used
- **Trust:** with these principles of clean chemistry in place trust is built with suppliers within our supply chain

# OUR CUSTOMERS AND PRODUCTS CONTINUED

- As part of our ongoing due diligence programme, we select products each month for testing in accordance with the requirements of our RSS, and test the products via two independent laboratories. Our suppliers are advised of the results, and if the products fail our requirements, they are withdrawn from sale and may be recalled from customers
- **REACH Update:** In line with REACH<sup>2</sup>, we registered all relevant chemicals NEXT imports into the EU in finished products where we import over 1 tonne per year per chemical, before the REACH deadline of 31st May 2018. All registrations were transferred to our European office by 31st December 2020 as required under Brexit. NEXT will monitor and adhere to the new UK REACH requirements during 2021 as well as maintaining our EU REACH requirements for relevant sales within Europe

## Animal Welfare

- NEXT is committed to sourcing its products responsibly and to continually work towards improving animal welfare in relation to the animal-derived components used in our products. Our Animal Welfare Policy states that NEXT will not use:
  - Animal products from animals bred and slaughtered specifically to produce non-food products
  - Animal products from endangered or threatened species, as defined by CITES<sup>3</sup> or IUCN<sup>4</sup> red list
  - Animal products from animals caught from the wild, including wild animals culled for population or other control
  - Real fur; NEXT is a Fur Free Alliance listed retailer
  - Feather or down obtained from live plucking or force feeding
  - Hair from angora rabbits or mohair goats or alpaca

- Merino wool from sheep that are mulesed
- Feather or down from ostrich, marabou storks or peacocks

## 7. Recycling Unwanted Products

### Mattress recycling for customers

- Mattresses are a difficult waste stream to manage with most old mattresses going to landfill. We offer a solution where customers can request we remove and recycle their old mattress when their new mattress is being delivered
- During the year, working with our specialist provider The Furniture Recycling Group (TFRG) we have been able to recycle over 1,500 mattresses diverting over 55 tonnes from landfill
- Since August 2014, working with TFRG we have helped our customers to divert a total of 23,300 mattresses from landfill which, if laid end to end, would stretch for over 58 km

<sup>1</sup> Forest Stewardship Council

<sup>2</sup> Registration, Evaluation, Authorisation and Restriction of Chemicals

<sup>3</sup> Convention on International Trade in Endangered Species of Wild Fauna and Flora

<sup>4</sup> International Union for Conservation of Nature and Natural Resources

# OUR PEOPLE

## 8. How we Support our Employees

Our employees are key to achieving the business objectives and working at NEXT means working in an inspiring, fast-paced, exciting and developing environment. NEXT has established policies for recruitment, diversity and inclusion, training and development. Our priority is to provide a working environment in which our employees can develop to achieve their full potential, both professionally and personally. We aim to invest time and resource to support, engage and motivate our employees so they feel valued, are able to develop rewarding careers and want to stay with us. We recruit and promote from within wherever possible.

Our Diversity, Inclusion and Equality Policy, commits NEXT to:

- Actively supporting diversity and inclusion, to ensure that all our employees are valued, treated with dignity and respect
- Promoting an environment where individual differences and the contributions of everyone is valued
- Not tolerating any form of intimidation, bullying or harassment
- Promoting equality in the workplace

Ensuring that decisions affecting employment, training, promotion and career development are based on an individual's ability.

Complying with relevant legislation requiring all employees to meet the required standard of behaviour and conduct in terms of how they treat each other, but also people that they have contact with as part of their work with NEXT.

Regularly review the policy and its practical application.

We are committed to achieving excellence in the areas of health and safety, welfare and the protection of employees within their working environment. As our business continues to develop, by retaining and inspiring effective and committed employees we can continue to deliver excellent quality products and provide a great customer experience.

## 9. Head Office Child Care Nursery

Our architect-designed and purpose-built, state of the art Head Office Child Care Nursery called "NEXT Steps" continues to go from strength to strength. This is part of our on-going commitment to supporting our employees with their pre-school childcare arrangements.

The nursery was registered by Ofsted in October 2013, and is currently rated as Ofsted "Outstanding" rating.

It currently has over 230 children registered to attend. As required, the nursery is run in accordance with all Ofsted Early Years Foundation Stage and safeguarding requirements, and accidents are recorded and reported through standard NEXT procedures.

Sustainability is a key feature of the nursery's design. Features such as photovoltaic cells on the roof, rainwater harvesting, underfloor heating, extensive natural ventilation and point of use water heating have all provided a highly efficient building. A self-contained water treatment plant recycles waste water and feeds it back into the main water network. The nursery is fitted with an intelligent Building Management System which is split into zones and allows for greater control of the use of resources to ensure efficiency.

## 10. Health and Safety

Our 2018-2020 safety objectives set out our planned risk improvements, which along with the day to day health and safety objectives help us achieve our goal of becoming a healthier and safer place for everyone – employees, customers, contractors and visitors. Our priorities are to:

- Increase focus and training for site managers
- Avoid unnecessary safety rules and controls by ensuring we get the safety requirements for the business right at the start
- Communications to be clear so safety rules and procedures are easy to understand by all
- Accident reporting to be designed to understand the real cause of the accident and identify how to prevent re-occurrence
- Safety training to be regularly reviewed and improved where required
- Review how we monitor safety management including prevention techniques
- Improve effectiveness of floor walks to identify and rectify any issues found in a timely manner
- Continue to support our health and wellbeing programmes and increase our focus on how we help and manage those suffering from mental ill-health
- Focus on the controls in place for our higher risk activities and hazards



# OUR PEOPLE CONTINUED

## 11. Mental Wellbeing Charter

At NEXT we want to have a culture that promotes and enables us all to achieve positive mental wellbeing. When we talk about mental wellbeing we mean:

*"where you are able to achieve your potential, cope with normal day to day pressures, thrive and be productive in all aspects of your life."*

World Health Organisation definition for mental wellbeing

NEXT is an inspiring, exciting and rewarding place to work and we want everyone to feel able to be creative, productive and engaged.

NEXT aims to:

- Encourage an environment where mental wellbeing is discussed openly and in a non-judgemental way, eliminating stigma, fear and discrimination
- Give easy access to information or services which are needed to make helpful decisions about mental wellbeing
- Help everyone to recognise that for some people maintaining positive mental wellbeing can be a challenge
- Put mental wellbeing on a par with physical health
- Ensure that support is provided with respect, dignity and honesty
- Treat people fairly and with care and compassion
- Listen to people, taking into account how they feel; respecting that they may want to maintain confidentiality if they are struggling
- Encourage and enable everyone to take responsibility by making their own wellbeing choices
- Regularly monitor performance, assess progress and take action to improve the opportunities for positive mental wellbeing

## 11.1 Wellbeing Programme

The programme helps us to identify significantly more people at much earlier stages of mental ill-health than would previously have been possible. It is now an integral part of our wider Wellbeing strategy which includes a diverse array of activities such as a flu vaccination campaign, stay active campaigns and healthy eating campaigns and menus in our restaurants.

We have five lifestyle checkpoint machines which are used across the business and move between our different sites. During the year employees in warehousing, Head Office and our UK call centres have used the machines which provide information relating to an individual's current health and have been instrumental in helping a number of employees to address potentially life threatening conditions.

### Health, Welfare and Wellbeing

During the year, NEXT spent over £1 million on health, welfare and wellbeing including:

- Menopause awareness and support
- Workshops to support employees affected directly or indirectly by suicide
- Employee Assistance Programme – confidential and freely available service
- Additional pre-emptive training for our Mental Health First Aiders

## 12. Training and Development

Some examples of our training and development across the business are:

### Project SEARCH

- Working with Doncaster Council to give young adults with learning difficulties a year-long work experience programme within our warehouses. Now in its sixth year, we are currently helping 20 students across three of our warehouse sites. We aim to build skills and experience in NEXT whilst students continue to study their school curriculum. The programme is aimed at 17-24 year olds with severe learning difficulties who otherwise might never get an opportunity for full-time paid employment

### Life Long Learning

- Our link with the Union of Shop, Distribution and Allied Workers (USDW) Lifelong Learning continues to grow and develop with a range of courses being offered including Maths, English and IT, and for key courses NEXT has committed to matching the learners' time invested to support their learning ambition. We have also been supporting British sign language lessons, with skills shared within the business to support our deaf employees

### Local Schools and Colleges

- Working with schools located near our warehouses, we hold recruitment workshops, careers fairs and competitions to highlight careers opportunities. This also included invites to visit our warehouses to understand more about the roles we offer. This aspect was put on hold during 2020, due to the pandemic
- Our senior HR business partners have become Enterprise Advisors and work directly with a local school. This will help us to work more effectively in schools to help promote careers with NEXT



# OUR PEOPLE CONTINUED

## Employment Programme with the Prison Service

- One of our warehouse sites has introduced an employment programme in association with a local prison. The aim of this programme, now in its fourth year, is to support a small number of low risk prisoners to gain employment experience whilst still completing their sentence. This initiative aims to support rehabilitation at the end of the prison sentence and provide meaningful employment

## Head Office

- NEXT continues to offer graduates positions on our 12-18 month trainee schemes in Buying, Merchandising and Design.
- We offer graduate opportunities in IT, Design and Digital Marketing
- Our student placement offer has grown within our IT function, with 15 student placements set to join NEXT in summer 2021
- NEXT's university liaison and student support was present throughout 2020 with industry-led projects and virtual mock assessment centres being held across six universities in the UK
- NEXT continues to sponsor and support the Fashion Retail Academy with three successful work placements being offered positions on our Trainee Buyer scheme
- We offer graduate opportunities within Digital Marketing and early careers opportunities within our Finance teams
- Our leadership programme for top talent in our middle and senior management called 'Inspiring Leaders' at Head Office continued during 2020

## Retail

- We continue to evolve our range of training and development for everyone from team members through to store and Area Managers
- In 2020 we continued to support our Area Manager programme that supports our senior managers to be their best. This initiative provides modules tailored for each individual, covering both business and personal skills and competencies

# ENVIRONMENT

## 13. Measuring our Climate Impacts

We aim to make our operations more efficient and work to reduce our impact through, for example, reducing energy consumption and waste.

Our global direct carbon footprint includes emissions from:

- **Properties** – stores and warehouses in the UK and Eire our UK Head Office, our global offices, customer contact centres, NEXT Steps Nursery and owned manufacturing facility in Sri Lanka
- **Distribution** – our distribution of products to Retail stores or customers' homes in the UK and Eire in NEXT owned and third-party vehicles; delivery of Online products to our International customers via third-party providers
- **Waste** – from our UK and Eire stores, UK warehouses, UK Head Office, our global offices, customer contact centres and owned manufacturing facility in Sri Lanka
- **Business travel** – by NEXT employees globally including air, rail and road travel

The diagram in our Reporting Principles document details the scope of our direct carbon footprint and our approach for reporting. We measure and report our impacts where we either have direct control or significant influence across Scopes 1, 2 and 3.

## 14. Energy Efficiency

- We actively track energy performance via a central data collection facility. Consumption data is passed through half-hourly modern meters and automated meter readers (AMR) installed in our properties to ensure our stores are operating efficiently
- Our Head Office, warehouses and 97% of our stores, all have building management systems installed. These manage key functions such as when lighting and air conditioning is activated, directly helping to manage consumption
- LED lighting is fitted as standard in our new stores and the majority of our existing stores.
- Solar PV is installed in a small number of stores and in our Head Office nursery. One of our main warehouse sites operates solar PV which provides all the energy needed

to run this site, with any excess being exported to the grid. We continue to look for further viable opportunities to install

- Gas is used predominantly for heating and has been removed from all stores where it is no longer needed, with AMR meters in 144 sites to monitor consumption and ensure accurate billing

## 15. Distribution Efficiency

- With over 50% of our UK Online customers choosing to have their order delivered to a retail store to collect, we are able to maximise the efficiencies achieved by our fleet
- Double-deck trailers are used for direct deliveries to our distribution centres around the UK, as well as our stores both in the UK and Eire to maximise efficiency as we can move up to 50% more products and increase fuel efficiency
- Around 85% of Online customers prefer to return their unwanted orders back to a store as it is more convenient for them. We aim to maximise efficiency of returning vehicles from stores to warehouses by carrying returned items as well as back-hauling waste materials to our recycling centre, and collecting deliveries from some of our UK suppliers

**Driver Training** is crucial to the overall efficiency of the fleet and we operate a number of initiatives such as:

- A four-seater training vehicle which supports team training and allows the trainers to provide their support more efficiently
- Improving driver style and fuel efficiency with one-to-one training
- Engines fitted with three minute cut off mechanism to save fuel
- Driver performance analysis against the planned route, distance and fuel used
- Trial vehicles, trailers, accessories and systems that potentially offer improved efficiencies; trial use of alternative fuels, performance and driver safety; and based on the results achieved will invest to improve the fleet in the future

**Driving safely** is a priority for the business, both for our drivers as well as other road users. In addition to the training and assessments undertaken by our drivers we use equipment to support them whilst driving, such as:

- In-cab cameras linked to the vehicle's telematics provide an alert back at the depot should an incident occur during the journey
- An early warning system for lane departure that can also warn the driver about hazards around their vehicle, read road signs and even apply the vehicle brakes where necessary
- A safety feature to help eliminate the danger of a forward collision, ensuring the NEXT lorry maintains a safe distance from the vehicle in front by scanning the road ahead. If the vehicle in front brakes heavily or another vehicle cuts in front of the NEXT vehicle it will automatically slow down or even stop

## 16. Waste and Recycling

**Our in-house recycling centre** located at one of our UK warehouses receives materials for recycling from around 400 of our stores. The materials include cardboard, polythene, returned carrier bags, Online packaging, broken clothes hangers, polystyrene and used gift cards. Once the materials are received they are segregated and baled, before being sent for recycling. Improved procedures within the recycling centre have ensured we have been able to control how these materials are handled when they are received to ensure we maximise the quantity to be recycled.

**Clothes hanger recycling:** We have reused and recycled the coat hangers on which our product is displayed in our Retail stores for a number of years in collaboration with our hanger supplier. In 2020, we collected 135 tonnes of hangers for reprocessing with 49 tonnes of hangers re-used within the supply chain and 89 tonnes were granulated to be remade into new hangers.

## ENVIRONMENT CONTINUED

**17. Product Lifecycle Management**

Our unsold or returned stock falls into 3 categories, being items which are:

**1. Never sold** – Products which are not sold in our stores or Online at full price are discounted in our mid-season, Black Friday or end of season sales. Remaining products are then sold through our own discount routes, both online and in our Clearance stores, before being sold to NEXT authorised third party wholesalers who then sell the products within their operations. In addition, we work with charity partners to whom we donate unwanted products either for reuse to help people in need directly or to be sold to generate funds.

**2. Returned as faulty** – All returns are inspected, the fault categorised and findings fed back to our team of technologists to work with our suppliers to eliminate similar faults occurring on future products. The faulty items, if possible, are either sold through our Clearance operation or donated to charity partners who are able to reuse them within their operations.

**3. Online returns** – A significant percentage of clothes we send out to our Online customers is returned to us in line with a customer's consumer rights under the Distance Selling Regulations. This is a very normal part of doing business online. Items that are returned are inspected, refurbished and available to be sold. The items are returned for various reasons including being ordered for choice, not liked, incorrect/wrong or a small percentage are returned as faulty product. The faulty products are segregated to be sold through our Clearance operation (as detailed in 2 above).

**18. Measuring the Environmental Impact of the Products we Sell**

As a signatory to SCAP (Sustainable Clothing Action Plan) we have collectively committed to reduce our water and carbon footprint by 15% per tonne of clothing sold in the UK by end 2020 compared with 2012. By using the intensity metric 'per tonne of clothing sold' we can directly compare against our 2012 footprint to show we are starting to decouple our business growth from our environmental impact.

**NEXT Water and Carbon Footprint for Clothing Sold in UK Measured using SCAP Tool**

	2020	2012	% Change
Absolute water footprint m <sup>3</sup>	<b>192,051,882</b>	369,458,870	-48
Water footprint per tonne clothing sold	<b>5,960</b>	10,520	-43
Absolute carbon footprint tonnes CO <sub>2</sub> e	<b>673,612</b>	970,414	-31
Carbon footprint per tonne clothing sold	<b>21</b>	28	-25

In 2020, we reduced our water footprint by 43% and our carbon footprint by 25% by changing our sourcing to more responsible and recycled fibres such as Better Cotton, organic cotton and recycled polyester as well as using dying techniques which use less energy and water and deliver a superior product.

**19. Packaging**

We are working to reduce the amount of packaging used on our products and to eliminate the materials which cannot be recycled.

Our carrier bags are classed as reusable bags in line with the Carrier Bag Legislation as we will take back worn out bags from our customers and replace them whilst recycling the worn out bag.

We have explored and rejected using carrier bags and other film packaging made from oxo-degradable materials (which incorporate a chemical additive to initiate degradation by light, heat, mechanical stress and moisture over a period of time) as they are not suitable for recycling with mainstream plastics as they cause contamination and wider environmental impacts are uncertain.

We recognise the most effective way to reduce the environmental impact of carrier bags is to:

- Reduce the consumption by encouraging consumer behaviour change and reuse
- Communicate and support the reuse message in a consistent manner
- Be transparent to show that all charges collected are donated to good causes. Details of the charities supported can be found [here](#)