

Corporate Human Rights Benchmark 2018 Company Scoresheet



Company Name Next
Industry Apparel (Supply Chain only)
Overall Score (*) 38.1 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
6.3	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 2018 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: All four ILO for AP suppliers: See above. 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: All four ILO Core: See above [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 employees: Its Code of Practice include a principle related with 'Lawful Working Hours'. [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 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. ' [Code of Practice Auditing Standards, Jan 2017: nextplc.co.uk & Migrant labour policy, Jan 2017: supplier.next.co.uk] 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: The Code of Practice - auditing standards, which apply to suppliers, contains requirements on water and sanitation. However,

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			there is no formal commitment of the Company covering all its operations and suppliers regarding the right to water. [Code of Practice Auditing Standards, Jan 2017: nextplc.co.uk] <ul style="list-style-type: none"> • Not met: Expecting suppliers to respect these rights
A.1.4	Commitment to engage with stakeholders	1	The individual elements of the assessment are met or not as follows: Score 1 <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, Jan 2018: 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] Score 2 <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	The individual elements of the assessment are met or not as follows: Score 1 <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.' 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] Score 2 <ul style="list-style-type: none"> • Not met: Not obstructing access to other remedies • Not met: Collaborating with other remedy initiatives: Regarding collaboration to remedy, the Company indicates in the Corporate Responsibility: 'It is important and valuable to work with others to develop solutions for some of the more complex and systemic problems found within global supply chains.' In addition in its 'Corporate Responsibility - Focus Updates' document the Company indicates: '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.' However, there is no evidence of a formal commitment with this regards. [Corporate Responsibility Report, Jan 2018: 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	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Zero tolerance attacks on HRs Defenders (HRDs) Score 2 <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	The individual elements of the assessment are met or not as follows: Score 1 <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]

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<ul style="list-style-type: none"> • 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, Jan 2018: 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 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, Jan 2018: nextplc.co.uk] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Examples or trends re HR discussion • 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: Senior responsibility for HR (inc ILO): 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 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, Jan 2018: nextplc.co.uk] <p>Score 2</p> <ul style="list-style-type: none"> • Met: Day-to-day responsibility: In its Corporate Responsibility Report the Company, in addition to the evidence mentioned above, describes its Code of Practice team (COP) which are responsible for the auditing process to suppliers: 'They are directly employed and managed and provide the business with accurate metrics of supplier performance, as well as providing excellent insight into the issues at source and the drivers of non-compliance'. It also states: 'Our COP team work closely and directly with both our new and existing suppliers and their factories to ensure they understand our requirements.' [Corporate Responsibility Report, Jan 2018: nextplc.co.uk]

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<ul style="list-style-type: none"> • Met: Day-to-day responsibility in supply chain: See above. In addition, in its CR Focus Update the Company indicates: ' Meetings are regularly held at our global regional offices which allow suppliers and their factories to ask questions about our COP, agree on ways to address areas they may be struggling with, or discuss training opportunities'. [Corporate Responsibility Report, Jan 2018: nextplc.co.uk & CR - Focus Updates, Jan 2018: 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 part of enterprise risk system: In the Annual report 2016 the Company explains the risk management and internal control framework and the assessment of principal risks and uncertainties: 'The directors confirm that they have carried out a robust assessment of the principal risks and uncertainties facing the Group, including those that would threaten its business model, future performance, solvency or liquidity. Those principal risks are described below along with explanations of how they are managed or mitigated'. These risks include those related to 'key suppliers & supply chain management', particularly, 'Non-compliance by suppliers with the NEXT Code of Practice may increase reputational risk'. The Company explains how the risk is managed: 'NEXT carries out regular inspections of suppliers' operations to ensure compliance with the standards set out in this code; covering production methods, employee working conditions, quality control and inspection processes'. 'NEXT monitors and review the financial, political and geographical aspects of its supplier base to identify any factors that may affect the continuity or quality of supply of its products'. [Annual Report and Account, Jan 2016: nextplc.co.uk] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Audit Ctte 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.
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"> • Not met: Communicates its policy to all workers in own operations <p>Score 2</p> <ul style="list-style-type: none"> • 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: Steps to communicate policy commitments to BRs: The Company indicates in its Corporate Responsibility, focus update document 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'. It 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 held eight supplier presentations during 2015 in six of our main sourcing locations including the UK, focusing on the importance of improving human rights and working conditions for all their workers. We have launched a dedicated supplier website for new suppliers to Next, to help them understand our ethical standards, procedures and requirements whist 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'. [CR Focus Updates, Jan 2017: nextplc.co.uk & CR Focus points, 2016] • Met: Including to AP suppliers: See above. In addition, its Code of Practice Principle Standards indicates: 'Next expects its suppliers to understand, take

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			<p>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> <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"> • Not met: Trains all workers on HR policy commitments • Met: Trains relevant 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'. In addition in its CR Report 2017 the Company states about its Human Rights Journey: 'Develops and implements training on human rights and modern slavery for all our employees who manage third party relationships'. [Annual Report and Accounts, Jan 2017: nextplc.co.uk & Corporate Responsibility Report, Jan 2017: nextplc.co.uk] <p>Score 2</p> <ul style="list-style-type: none"> • 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"> • 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 2017 the Company indicates: 'Our auditing process is a vital due diligence tool for us. It delivers assurance that our suppliers and their factories understand their responsibility to comply with our ethical standards. At the same time, our strategy is built on investing resources and support through effective communication and working collaboratively with our suppliers. As we carry out our own audits, before the audit takes place we are able to fully explain our requirements, the audit process and our factory rating system. [...] We seek to conduct all our audits on an unannounced basis as this means we see the true picture in a factory. Our approach [...] is to work with factories to bring them up to our standards rather than walk away and terminate a relationship as working with factories to improve practices delivers a better outcome for workers.' [Corporate Responsibility Report, Jan 2017: nextplc.co.uk] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Describes corrective action process: According to the Company's audit rating system, Factories rated 4-6 'are being closely managed through repeat visits to assess progress against agreed action plans and timescales to resolve their particular issues.' However, it does not disclose documents providing data on the number of incidences. [Corporate Responsibility Report, Jan 2017: nextplc.co.uk] • Not met: Example of corrective action • Met: Discloses % of supply chain monitored: In its CR Report 2017 the Company indicates: 'During the year we audited 90% of the factories manufacturing NEXT brand products with some sites requiring follow up visits to review progress against agreed action plans or support with training. We have continued to undertake audits on the Tier 2 factories our suppliers are using to improve the transparency of our supply chain'. It also discloses information about audit results and terminations: 94% of NEXT production is in factories which have achieved an acceptable rating of 1-3; with the remaining 6% being made in factories rated 4-6, which are being closely managed through repeat visits to assess progress against agreed action plans and timescales to resolve their particular issues. In 2016, we disengaged with 41 factories that failed or refused to satisfactorily rectify their major noncompliance with our Code.' [CR Focus Updates, Jan 2017: nextplc.co.uk]
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 selection of suppliers: In its CR Report 2017 the Company states: 'Our COP Principle Standards (Principle Standards) is our ethical trading programme

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>which forms an integral part of our business and sets out the minimum standards and requirements for our product suppliers in relation to workers' safety and human rights, employment and working conditions. 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.' 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.' [Corporate Responsibility Report, Jan 2017: nextplc.co.uk & CR Focus Updates, Jan 2017: nextplc.co.uk]</p> <ul style="list-style-type: none"> • Met: HR affects on-going 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 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. [Corporate Responsibility Report, Jan 2017: nextplc.co.uk] • Met: Frequency and triggers for engagement: It also discloses information in the section 'Looking Ahead' which include its engagement with stakeholders: '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: <ul style="list-style-type: none"> • Engaging regularly with stakeholder groups • Working collaboratively with other brands, retailers, governments, trade unions and NGOs [...] • Delivering human rights and modern slavery training to all employees who deal directly with our suppliers, business partners and service providers [...]. As indicated below, a trigger for engagement are the factory audit, where suppliers' workers are interviewed. [Corporate Responsibility Report, Jan 2017: nextplc.co.uk] • Met: workers in the SP engaged: In its Corporate Responsibility Report 2017, the Company indicates that the suppliers workers are interviewed as part of the audit process. [Corporate Responsibility Report, Jan 2017: nextplc.co.uk] • Not met: communities in the SC engaged: The engagement with communities is focused in: 'Respond to request for assistance' and Charity work. Although it is stated that this stakeholder group is potentially affected by human rights risks, its engagement does not cover this issues directly. [Corporate Responsibility Report, Jan 2017: 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 2018, 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. 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 helps us to assess the greatest risks to people.' [Corporate Responsibility Report, Jan 2018: 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 2018: 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 (salient risks and key industry risks)	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: 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] • Met: Public disclosure of salient risks: The Company discloses the result of its salient human rights issues identification process: 'Following this process, we have identified 8 key issues: 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'. [Corporate Responsibility Report, Jan 2017: 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: 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

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>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> <ul style="list-style-type: none"> • Met: Including in AP supply chain: See above [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: The Company uses its CR Report to communicate its process of identification of salient human rights issues. [Corporate Responsibility Report, Jan 2017: nextplc.co.uk] • Met: Comms plan re assessing risks: The Company uses its CR Report to communicate its salient human rights issues. [Corporate Responsibility Report, Jan 2017: nextplc.co.uk] • Met: Comms plan re action plans for risks: The Company uses its CR Focus updates to communicate its plans and action to face identified salient human rights issues including work with suppliers. [CR Focus Updates, Jan 2017: nextplc.co.uk] • Not met: Comms plan re reviewing action plans • Met: Including AP suppliers: In its CR Report 2017, the Company describes its process to identify salient human rights issues, which is focused in the supply chain. [Corporate Responsibility Report, Jan 2017: nextplc.co.uk] <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

Indicator Code	Indicator name	Score (out of 2)	Explanation
C.3	Users are involved in the design and performance of the channel(s)/mechanism(s)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Engages users to create or assess system • Not met: Description of how they do this Score 2 <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	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Response timescales • Not met: How complainants will be informed Score 2 <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	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Public statement prohibiting retaliation • Not met: Practical measures to prevent retaliation Score 2 <ul style="list-style-type: none"> • Not met: Has not retaliated in practice • Not met: Expects AG suppliers to prohibit retaliation
C.6	Company involvement with State-based judicial and non-judicial grievance mechanisms	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Won't impede state based mechanisms • Not met: Complainants not asked to waive rights Score 2 <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)
C.7	Remedying adverse impacts and incorporating lessons learned	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Describes how remedy has been provided • Not met: Says how it would remedy key sector risks Score 2 <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	The individual elements of the assessment are met or not as follows: Score 1 <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] Score 2 <ul style="list-style-type: none"> • Not met: Improving living wage practices of suppliers
D.2.2	Aligning purchasing decisions with human rights	0	The individual elements of the assessment are met or not as follows: Score 1 <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.

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>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’.</p> <p>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]</p> <ul style="list-style-type: none"> • 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
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 (farm, ranch etc): In its CR Report 2017 the Company indicates that in 2016 it worked with 570 suppliers and used 1,898 factories. It also indicates that it audited 90% of the factories manufacturing its products and that it has continued to undertake audits on the Tier 2 factories. Moreover the Company reports: 'Working with our buyers and suppliers we are mapping our supply chain to ensure we have traceable and well managed sources which enables us to source products in a way which does not harm ecosystems and respects human rights. Our ambition is to map our supply chain back to source by 2020; we are starting to make good progress and will report on this more fully in future reports.' [Corporate Responsibility Report, Jan 2017: 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 which includes Tier 1 factories. Include both name and address of each factory. [Factory list, Dec 2017: nextplc.co.uk]
D.2.4.b	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’. <p>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]</p> <ul style="list-style-type: none"> • 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 root 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 in progress made

Indicator Code	Indicator name	Score (out of 2)	Explanation
D.2.5.b	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 <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	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] • Met: Injury rate disclosures: In its CR Report 2017 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 2015 and 2016. [Corporate Responsibility Report, Jan 2017: nextplc.co.uk] • Not met: Lost days or near miss disclosures • Not met: Fatalities disclosures

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<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'. <p>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]</p> <ul style="list-style-type: none"> • 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"> • Area: Forced labour • Headline: A jury found Kozee Sleep, and its subsidiary Layzee Sleep, employed labour trafficked into the UK from Hungary • Sources: Examiner, 08/10/2015 and 12/02/2016 - examiner.co.uk BBC News, 08/10/2015 and 20/01/2016 - bbc.com and bbc.com GOV.UK, 09/08/2016 The Independent, 08/10/2015 • Allegation: 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>
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 improved systems and engaged affected stakeholders: 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
E(2).0	Serious allegation No 2		<ul style="list-style-type: none"> • Area: Health and Safety • Headline: At least seven workers died and more than 50 were injured in a fire at the Aswad Composite Mills factory in Bangladesh • Sources: Clean Clothes Campaign, 26/05/2014 - cleanclothes.org cleanclothes.org The Financial Express, 14/10/2013 - today.thefinancialexpress.com.bd Sunday Age, 05/01/2014; Bangladesh Accord website, 29/07/2014; The Guardian, 09/10/2013 theguardian.com • Allegation: On 8 October 2013, at least seven workers died and more than 50 were injured in a fire at the Aswad Composite Mills factory in Gazipur, near Dhaka

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>in Bangladesh. The factory manufactured fabric for several brands, including the Company. The factory was a second tier supplier to the Company.</p> <p>Following the accident, it was reported that the Aswad factory had been issued with a formal notification by the Bangladeshi government that the building was unsafe for work a week prior to the fire. The government's inspection report raised nine violations with the factory, stating that the building was 'dangerous to human life and security' and that the 'fire extinguishers and other fire safety equipment were not maintained in an appropriate manner.' In addition, there were an inadequate number of exhaust fans and fire extinguishers, as well as poor measures to cool down the heat originating from the machines, and obstacles to movement due to clogged passages. The Bangladeshi government said it would be filing criminal charges against the factory's owners.</p> <p>The families of those killed have been paid BDT 700,000 (GBP 6,750) in compensation, from both Palmal and the Bangladesh Garment Manufacturers and Exporters Association.</p> <p>The NGO Clean Clothes Campaign has criticised the amount of compensation offered by Palmal, saying it was insufficient to support the families of the deceased and injured workers.</p>
E(2).1	The Company has responded publicly to the allegation	1	<p>The individual elements of the assessment are met or not as follows: Score 1</p> <ul style="list-style-type: none"> • Met: Public response available: The Company has responded publicly to the allegations. <p>In a statement to the press, the Company confirmed that its approved suppliers sourced fabric from Aswad. However, as a second-tier supplier, the factory was not part of the Company's auditing programme.</p> <p>The Company reports in the 2015 Corporate Responsibility report, that 'the recent terrible tragedies within the Bangladesh textile sector have led to a significant change of approach with global fashion brands joining forces through the Accord on Fire and Building Safety, and making commitments to promote the correct conditions for all workers employed within the manufacture of their products. Next is part of this commitment and recognises the importance of collaborating closely with suppliers, governments, brands and retailers, unions and NGOs to help achieve lasting change.'</p> <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Response goes into detail
E(2).2	The Company has appropriate policies in place	2	<p>The individual elements of the assessment are met or not as follows: 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 supply chain labour standards policy that covers health and safety.
E(2).3	The Company has taken appropriate action	0	<p>The individual elements of the assessment are met or not as follows: Score 1</p> <ul style="list-style-type: none"> • Not met: Engages with affected stakeholders: The Company has signed a legally binding multi stakeholder initiative aimed at improving worker safety in the country of concern. However, details on its implementation were not found. • Not met: Encourages linked business to engage affected stakeholders • Not met: Provides remedies to affected stakeholders: The Company does not seem to have provided compensation that has been accepted by the majority of persons affected by the incident in question. • Not met: Has reviewed management systems to prevent recurrence: The Company has signed a legally binding multi stakeholder initiative aimed at improving worker safety in the country of concern. However, details on its implementation were not found. • Not met: Denies allegations, but has engaged affected stakeholders <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.
F.2	Recognised Reporting Initiatives	2 out of 2	The individual elements of the assessment are met or not as follows: Score 2 <ul style="list-style-type: none"> • Met: Company reports on UNGPRF: In its CR Report 2017, the Company indicates: 'Using the UNGP Reporting Framework we were able to better understand and define the salient human rights issues across our business' [Corporate Responsibility Report, Jan 2017: nextplc.co.uk]
F.3	Key, High Quality Disclosures	0 out of 4	Next met 0 of the 8 thresholds listed below and therefore gets 0 out of 4 points for the high quality disclosure indicator. Specificity and use of concrete examples <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 <ul style="list-style-type: none"> • 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 : Remedying adverse impacts and incorporating lessons learned Demonstrating a forward focus <ul style="list-style-type: none"> • 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 2018 Key Findings report for more details of the research process.

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