

Subject: Invitation to respond - Next in our COVID-19 tracker

Thank you for considering NEXT to be included your survey - we can provide responses to your questions.

We can assure you that we are working closely with our suppliers and factories to ensure that our standards are being maintained and that workers human rights are being maintained in these very difficult times by collaborating with; Trade Unions, NGO's and Brands through the ACT Project, BRC, ETI and have endorsed & support the below IOE &ILO Action Plan.

https://www.ioe-emp.org/no_cache/en/news-events-documents/news/news/1587567131-covid-19-global-action-to-support-the-garment-industry/?tx_ioerelations_pi1%5Bcontext%5D=pid&tx_ioerelations_pi1%5Bfilter%5D=news&tx_ioerelations_pi1%5BcurrentPid%5D=&tx_ioerelations_pi1%5Bnews%5D=116873&cHash=3c8474d15dd5ab852ae0edbdc80e2bac

In answer to your questions :-

In the 12-month period directly before the COVID-19 outbreak:

Please answer all questions and provide YES, NO or numerical answers where requested. We also welcome additional information and context.

1. What are the maximum number of days from invoice date within which you pay your suppliers (e.g. 30, 60, 90, 180 days)? **> This varies by contract and the agreed terms and conditions. Our normal terms of payment are 30 days**
2. When is payment for orders typically made (i.e. after shipping, upon receipt of goods, partial payment in advance of production, etc.)? **> This is totally dependant on the agreed process & terms of business with the supplier. This can include ; FOB, On Delivery, Ex Factory etc.**
3. In this period, have you asked suppliers for a discount after placing an order? **Y/N > No, it is not normal NEXT practice to ask for retrospective discounts once a contract is finalised**
 - a. If yes, what percentage of FOB was the discount (if varying, please list all percentages) **> N/A**
4. Do your contracts have clauses for financial penalties:
 - a. For suppliers for contract non-compliance (e.g. for late delivery, wrong specs etc.)? **Y/N > NEXT will impose charges, but only after consultation with Suppliers for non compliance. These can include the recovery of costs incurred associated with; late delivery, rectification, faults, failure to meet standards, specification of product, or penalties for breaches of contractual terms and conditions**
 - b. For you (the buyer) to be held financially liable (in the form of a payment premium or otherwise) for changes in orders after a PO has been raised (order volume, order specs, order deadline etc.)? **> Contracts can be altered**

& then agreed with a Supplier should changes take place during the pre-production process

In the period since the COVID-19 outbreak:

For this information on 5 - 7 in the above section, please see our statement & FAQ's on our web site <https://www.nextplc.co.uk/corporate-responsibility/our-suppliers>

5. Have you committed to pay in full for:
 - a. All completed orders? **Y/N**
 - b. All in-production orders? **Y/N**

6. Have you extended your usual payment times? **Y/N**
 - a. If yes, what are current payment terms (in days, e.g. 90, 180, 230 etc.)?
 - b. Are you supporting suppliers with access to local finance with a letter of credit or through other means? **Y/N**

7. Have you requested a discount for any orders? **Y/N**
 - a. If yes what, percentage of FOB (if varying, please list all percentages)?

8. Have you taken any other steps (outside of order payment) to ensure workers in your supply chain have been paid wages for March and April, or will be paid wages or otherwise provided for during periods of lockdown? **Y/N > YES - we are monitoring this at factory level with our dedicated offshore Code of Practice Team & it is reported & reviewed daily**

9. Where production is ongoing, have you taken steps to ensure suppliers are implementing measures to protect garment workers from infection (i.e. social distancing, sanitising practices, providing adequate protective equipment)? **Y/N > YES - we have issued guidance to our suppliers based on accepted recommendations. Our COP team is checking factories using virtual technology through real time video & then advising and helping factories**

10. Are you paying shareholder dividends? **Y/N or N/A for companies without public shareholders** **For a full update on NEXT trading & financial information, please see our recent Trading Statement <https://www.nextplc.co.uk/~media/Files/N/Next-PLC-V2/documents/2020/trading%20statement-april20.pdf>**

11. Please add any additional comments (optional): **Please see: <https://www.nextplc.co.uk/corporate-responsibility/our-suppliers>**