

# NEXT Beauty Limited: 09252560

## Section 172 Statement

This section describes how the directors have had regard to the matters set out in section 172(1) (a) to (f) of Companies Act 2006 in exercising their duty to promote the success of the Company for the benefit of its member.

**References to Group refer to the wider NEXT plc Group structure (hereafter the “Group” or “NEXT”).**

The Company is a wholly-owned subsidiary of Lipsy Limited. Its purpose is the retailing of beauty products. Therefore, the Company considers that, indirectly, its key stakeholders reflect those of NEXT plc. The relationships of direct relevance and importance to the long-term success of the Company are as follows:

## Relationship and engagement with stakeholders

### *Employees*

Our current directors have extensive knowledge of the business as well as an acute insight into the mood, culture and views of their colleagues. All of our directors have a high degree of personal oversight and engagement in the business. This is complemented by active engagement between our colleagues and regular workforce updates to the directors, ensuring a well rounded view of the workforce.

The directors also engage in the following ways:

- Reviewing the output of employee engagement surveys and agreeing follow up actions.
- Presentations on performance and business priorities from the NEXT plc Chief Executive and the Chief Financial Officer to our workforce following the announcements of our key trading results. Where possible, the directors present to the business in person, but a video link is sent to remote employees.
- Online performance, development and feedback tools.

Engagement with our employees has always been vital to the success of our business. We continued to engage with our workforce about their health and safety.

### *Business Review Meetings*

Our Business Review Meetings focus on specific business outputs such as efficiencies and ideas to improve engagement. These meetings offer our employees the chance to voice their opinions on the issues that are important to them. Following discussion on the key issues in different parts of the business, actions were agreed and feedback was reviewed by the directors.

Our Business Review Meetings were supplemented by Your Team Voice meetings which take place regularly throughout the year. Each business function and area has a nominated Your Team Voice representative, and employees can submit questions to Business Review Meetings via Your Team Voice meetings. One purpose of Your Team Voice meetings is to agree initiatives coming out of the Business Review Meetings.

### *Employee engagement surveys*

Our Group wide employee engagement survey, ‘Your Voice Counts’, spans the majority of our business. The survey, conducted anonymously using a third-party tool, was sent to approximately 43,000 employees. We believe that our main strengths as a Group are recognition for performance and championing equality and health. Wellbeing remains an area of focus for our people and we encourage our managers to make it an every day part of their role, through promotions and campaigns as well as access to our wellbeing intranet site, which hosts a whole range of support and resources for all NEXT colleagues.

The directors considered the results of the survey as well as the initiatives planned to address the matters raised.

*Continuous performance management and feedback*

Our online performance and development tool provides a forum for positive and constructive feedback by individuals, peers and managers. With a focus on developing great people, senior management attended workshops in 2024 aimed at maximising performance to bring out the best in their teams.

The directors considers that, taken together, these arrangements deliver an effective means of ensuring the directors stays alert to the views of the workforce. With regard to health, safety and wellbeing, during the year the NEXT plc Audit Committee received an update on safety performance, safety risk management and mental health wellbeing initiatives.

*Customers*

Our customers are the reason we exist. It is essential to our future that we can consistently and continuously design and offer attractive, stylish products of high quality to new and existing customers at an accessible price. In doing so, we build our brand value and customer loyalty.

As a large retail business, the sentiment of customers can be seen in the Company's underlying sales performance figures, which the directors reviews regularly.

*Suppliers*

Throughout the year the directors approved major contract renegotiations and strategy with key suppliers. We balanced the benefits of maintaining strong partnerships with key suppliers alongside the need to obtain value for money for our investors and excellent quality and service for our customers.