NEXT Retail Limited: 04521150

Section 172 statement

The Company is a wholly-owned subsidiary of NEXT Holdings Limited, and its ultimate parent company is NEXT plc. The principal activities of the Company during the year comprised the supply of merchandise including Womenswear, Menswear, Childrenswear, Lingerie, Footwear, Sportswear, Accessories, Fashion Jewellery, Cosmetics and Home Furnishings. Therefore the Company considers that, indirectly, its key stakeholders reflect those of NEXT plc. The Company has no direct external debt funding and it therefore considers its relationships with its workforce, customers and suppliers to be of direct relevance and long term importance to its long-term success.

References to Group refer to the wider NEXT plc Group structure (hereafter the "Group" or "NEXT").

Relationship and engagement with stakeholders

Workforce

The strength of our business is built on the hard work and dedication of all of the Company's people. We also consider the interests of former employees who are members of a Group pension scheme. Our colleagues rely on us to provide stable employment and opportunities to realise their potential in a working environment where they can be at their best. The Group executive directors have a combined service close to 130 years in the NEXT Group. This gives them extensive knowledge of the business as well as an acute insight into the mood, culture and views of their colleagues. The Group executive directors have a high degree of personal oversight and engagement in the business. The Board also engages in the following ways:

- Annual Business Review Meetings.
- Reviewing the output of employee engagement surveys and agreeing follow up actions.
- Overseeing organisational-wide talent review and development.
- Presentations on performance and business priorities from the Chief Executive and the Chief Financial Officer (both are directors of the Company) to our workforce following the announcements of our key trading results.
- Visits to Retail Stores and warehouses, providing an opportunity to meet a wide range of our workforce. The Board held a dedicated session at our new Thurrock store in November 2025, and spent time with employees at this store.

Business Review Meetings

The Company's chosen workforce engagement mechanism, Business Review Meetings, provide an opportunity for employees to meet with the Board, helping them to stay connected to the direction of the Company and be involved in business decisions. During the year, the Chief Executive, our HR Director and workforce representatives for each division of the business attended meetings offering our employees the chance to voice their opinions on issues of importance to them. Following discussion on the key issues in different parts of the business, which included international growth, AI, cyber-security and local environment/benefits, actions were agreed and feedback was reviewed by the Board. Agreed actions from matters raised in 2025/26 included:

- Enhanced healthcare and wellbeing benefits - a new private health insurance plan has been introduced for over 5,000 of our employees.
- Developed AI guidance to improve usage across teams - this includes hints and tips to use AI in an efficient manner to avoid wastage.

Our Business Review Meetings were complemented 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 arising from the Business Review Meetings.

Employee engagement surveys
Our Group wide employee engagement survey, 'Your Voice Counts', spans the majority of the wider Group. The survey, conducted anonymously using a third-party tool, was sent to approximately 42,000 employees and the Group's engagement score was marginally higher than the prior year. Employees identified 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, supported by awareness campaigns and access to wellbeing resources on our dedicated intranet site, which are available to all NEXT colleagues. The Board considered the results of the survey as well as the initiatives planned to address the themes 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. The Group HR Director presented at the Next pLc Board meeting during the year to provide an update on employee-related matters, including workforce engagement, culture, diversity and inclusion, talent development and succession planning.

Customers
As a large retail business, our focus is on providing product choice, quality and value and excellent customer service for our customers. The sentiment of customers can be seen in the Company's underlying sales performance figures, which the Board reviews regularly. The executive directors provide updates to the Board on their perceptions and the market view of consumer sentiment. The interests of customers are considered in key decisions, e.g. relating to: store portfolio changes; selection of product lines including third-party brands; selection and monitoring of suppliers to ensure quality and safety standards are met whilst also providing value; freight and logistics arrangements to maximise efficiencies from order to delivery; the availability of customer credit products; and the development of the NEXT Online platform. With the interests of customers in mind, during the year the Board reviewed proposals in respect of capital expenditure on warehouses, major freight forwarding and customer order delivery contracts and received a number of updates on the Company's supply chain.

Regulators
The business is subject to a wide range of regulations. Of particular note is our Finance business which is authorised and regulated by the Financial Conduct Authority (FCA) in respect of the provision of consumer credit. As a responsible authorised company, we co-operate and engage constructively with the FCA and meet its standards. The NEXT plc Audit Committee exercises independent oversight over the regulated Finance business that includes updates on matters under discussion with the FCA. During the year we engaged with the FCA, supporting their exploratory project looking at fees and charges in the consumer finance market, reviewing how firms are ensuring they provide fair value to their customers. We also responded to the FCA's request to provide feedback on one of their key reporting implementations this year, the launch of product sales data information.
NEXT manages its tax affairs responsibly and proactively to comply with tax legislation. The Company's approach is to seek to build solid and constructive working relationships with all relevant tax authorities. NEXT's UK tax policy can be found at nextplc.co.uk and was reviewed and approved by the NEXT plc Board during the year. This policy includes that the Company engages with HMRC constructively, honestly and in a timely and professional manner, and seeks to resolve disputed matters through active and transparent engagement. Engagement with HMRC is led by the Company's in-house tax team of qualified tax professionals.