

NEXT Chemical Policy

Introduction

Chemicals, in one form or another, are an integral part of all NEXT products and affect all our supply chain partners from raw materials to finished products.

Our Chemical Policy is in place to ensure all products manufactured for NEXT meet the strictest legal requirements and restrict or eliminate specific chemicals of concern. This is part of our commitment to source responsibly and to protect consumers, workers and the environment. We share this policy with our suppliers and it is their responsibility to ensure they, and their suppliers, do not use or release chemicals during manufacture which may cause adverse effects to people, animals, biodiversity or the climate and environment and that during use or disposal our products do not contain or release chemicals of concern. This approach is not only relevant in the countries where NEXT products are sold, but where they are made, used and eventually disposed of, as well as where they may be recycled for reuse back into new products.

In order to manage chemicals safely, NEXT strives to work in partnership with the wider chemical community and industry experts to identify and eliminate the use of chemicals of concern. We are signatories to third party organisations including Zero Discharge of Hazardous Chemicals (ZDHC), Sustainable Apparel Coalition (SAC), Leather Working Group (LWG) and Jeanologia. We work with these organisations to support and continually improve our approach to managing chemicals and importantly support the reduction of the textile industry's chemical footprint.

This Chemical Policy applies to all NEXT supply chain partners, manufacturers, agents and sourcing operations engaged in supplying NEXT, henceforth referred to as **suppliers**.

Objective

The objectives of this policy are to:

- Embed NEXT approach to Corporate Responsibility into our chemical management practices
- Set out NEXT sourcing requirements for suppliers and other stakeholders, to help them understand the minimum legal requirements and NEXT policy goals for responsible sourcing
- Clearly communicate how we require chemicals to be managed

Scope

This policy covers all NEXT Branded products (and products made under license by NEXT) including, but not limited to apparel, footwear, accessories, home textiles, hard goods, packaging and labelling.

Managing Chemicals in our Products

To ensure NEXT products are produced in compliance with all laws and regulations, which restrict or ban the use of certain chemicals or substances that are considered to be harmful, NEXT requires its suppliers to adhere to four key standards detailed within this policy:

1. **Restricted Substance Standard (RSS)** - outlines the maximum limits for restricted chemicals or substances allowed in finished products. A hazard based approach is applied when assessing chemicals to be added to the RSS, with a risk based approach being used to assess potential exposure on a product by product basis. The RSS is made up of two lists:
 - Restricted Substances List (RSL)
 - Manufacturing Restricted Substances List (MRSL)

2. **Restricted Substances List (RSL)** - lists the chemicals or groups of chemicals covered in the RSS, whether banned or restricted along with relevant CAS (Chemical Abstracts Service) and/or EC (European Chemical) numbers.
3. **Manufacturing Restricted Substances List (MRSL)** - NEXT adopts the full and most recent ZDHC MRSL, which lists the individual chemicals or substances banned from intentional use in formulations or preparations used in the manufacturing process in our supply chain. Chemical formulations or preparations covered by restrictions in the ZDHC MRSL include, but are not limited to cleaners, adhesives, paints, inks, detergents, dyes, colourants, auxiliaries, coatings and finishing agents used during raw material production, wet processing, process machinery maintenance, wastewater treatment, sanitation and pest control.

The NEXT MRSL is updated in line with the most recent ZDHC MRSL, which includes a Candidate List of identified chemicals where more research is needed to find suitable replacements before the chemical can be added to the ZDHC MRSL.

4. **ZDHC Wastewater Guidelines (ZDHC WWG)** – The ZDHC WWG has limits for ‘conventional parameters’ such as pH, Temperature, Biological Oxygen Demand (BOD), Chemical Oxygen Demand (COD) and Total Suspended Solids (TSS) and a non-detection requirement for all MRSL chemicals. NEXT adopts the full and most recent ZDHC WWG.

NEXT applies a single RSS (including RSL and MRSL) to all products sold regardless of end market and because of this the RSS must reflect the strictest regulations across all territories we operate in. The RSS also includes specific test methods required to ensure harmonisation in testing across our suppliers.

The chemical requirements in the NEXT RSS are developed from:

- Current legislation
- Pending or anticipated regulation
- Industry accepted RSLs such as Apparel & Footwear International RSL Management Group (AFIRM); American Apparel & Footwear Association (AAFA); Oeko-Tex Standard 100
- Chemicals of specific concern that may have been highlighted by Non-Government Organisations (NGOs), pressure groups or scientific research
- NEXT voluntary bans based on customer concerns or historical data

The RSS forms part of the NEXT technical requirements which cover all products manufactured and all materials and components used in NEXT products, and is part of the contractual agreement with our suppliers. It is our supplier’s responsibility to share this policy with their supply chain and ensure all chemicals used in the manufacture of NEXT products are compliant.

The NEXT Restricted Substance Standards (RSS) is available [here](#)

Identification of specific chemicals targeted for reduction, elimination or assessment

NEXT continually monitors for chemicals that are emerging as being **of concern** or have already been identified as possible chemicals for elimination or substitution. Our suppliers are made aware of changes to our RSS with clear timelines for implementation for the removal of such chemicals through a restriction or ban.

When removing chemicals of concern from our supply chain, NEXT applies a screened chemistry approach to identify safer alternatives, ensuring that any substituted chemicals are fully evaluated for human health and environmental impacts in order to avoid any 'regrettable substitutions'.

The ZDHC Foundation works collaboratively with its member brands on screened chemistry. As a member brand, any tools or solutions available from the ZDHC Foundation will be utilised by NEXT when making future chemical substitutions.

Enforcing and demonstrating compliance to NEXT RSS

During the design and material selection process, NEXT have a preference for using suppliers who are certified to 3rd party chemical certifications such as Oeko-Tex 100, Bluesign and Global Organic Textile Standard (GOTS).

By 2025, NEXT will only use core volume* suppliers who meet the NEXT ZDHC requirements.

(* core volume suppliers deliver 90% of NEXT product volume, with the remaining 10% covering new suppliers being on boarded or suppliers being exited, as reporting measured percentages over this level are difficult to reconcile exactly across complex global supply chains).

During the manufacturing process compliance with the NEXT RSS is demonstrated on all bulk components through either:

- bulk (pre-production) component testing, our preferred approach, and/or
- 3rd party chemical certifications

NEXT does not accept Declarations of Conformity from suppliers, as they are not considered to be a robust form of verification and compliance.

NEXT operates a thorough due diligence programme for finished products, with testing for compliance to the RSS requirements being undertaken each month on finished products taken from our warehouses. The results are used internally and with our suppliers. If a product is non-conformant to our RSS requirements, it is immediately removed from sale and recalled from our customers where it is not legally compliant.

All finished product RSS non-conformances undergo root cause analysis with the relevant supplier to identify the source of the non-compliant chemical substance. Corrective action plans are put in place to ensure the non-conformant chemical is either removed or substituted at the suppliers' facility.

Managing Chemicals in our Supply Chains

To manage the large number of suppliers involved in manufacturing NEXT brand products, NEXT has integrated management systems to capture all supplier data to identify the facilities where our suppliers manufacture or process the materials used to make finished NEXT products.

It is mandatory for Tier 1 suppliers to declare the facility name and address used for key processes including spinning, weaving, knitting, dyeing, printing, laundry washing, placement printing, finished and wet blue tanning, synthetic leather manufacture and man-made cellulosic fibre production.

To support the management of chemicals, by 2025, NEXT requires our suppliers to adopt and use the following supply chain management tools as appropriate to their product categories:

By 2025 - Target for the adoption and use of supply chain management tools by NEXT Suppliers	
ZDHC	Wet processors (dyers, printers, laundries, placement printers, finished tanneries, synthetic leather manufacturers) must meet NEXT ZDHC requirements (including ClearStream, InCheck and Supplier to Zero reporting)
Higg FEM*	Textile manufacturers, spinners, weavers, knitters, dyers, printers, placement printers and laundries must meet NEXT Higg requirements (Higg vFEM)
LWG**	All leathers must be from an LWG medal rated finished tannery
Jeanologia	Denim products must be washed in a laundry that operates a Jeanologia Environmental Impact Measurement (EIM) system to reduce chemical and other inputs including water and energy

Note:

*Higg FEM - NEXT joined the Sustainable Apparel Coalition in 2021 to use the Higg FEM data to measure and set reduction targets across key environmental impact areas of energy and greenhouse gas emissions, water use, waste water, solid waste, air emissions and chemical management with our suppliers

**LWG – NEXT joined the LWG in 2020 and has a target to only use leather from LWG medal rated tanneries by 2025 to ensure good chemical management practices are being monitored and audited. In addition, NEXT tanneries are required to follow ZDHC requirements

Managing Chemical Inputs in our Supply Chains

To manage the **chemical inputs** (any substance used in or resulting from a chemical reaction) in our supply chains, NEXT joined ZDHC and their Roadmap to Zero programme in December 2018, and has committed to adopting and implementing all relevant ZDHC tools, guidelines, platforms and solutions including the ZDHC MRSL, ZDHC Wastewater Guidelines and ZDHC Man-made Cellulosic Fibres (MMCF) Guidelines.

Our ZDHC requirements are detailed within the NEXT ZDHC Manual and form part of the NEXT technical requirements and contractual agreement with our supplies and cover all products manufactured and all materials and components used in NEXT products.

Enforcing and demonstrating chemical input compliance

Suppliers are required to demonstrate their chemical input compliance by using the ZDHC InCheck reports. These show the number and percentage of chemicals in a supplier's chemical inventory that are MRSL compliant. It is a NEXT requirement that InCheck reports are uploaded onto the ZDHC Gateway on a regular basis (ideally monthly or as a minimum annually).

NEXT monitors our suppliers InCheck reports and where they have not been uploaded will engage with the supplier to ensure that this is carried out.

Managing Chemical Processes in our Supply Chains

NEXT uses third party tools such as the ZDHC Chemical Management System Framework, Technical Industry Guide (CMS TIG) and Supplier to Zero programme, Higg FEM and LWG audit protocol and medal ratings to help suppliers manage the handling, use, storage, transportation and disposal of chemicals by our suppliers. In addition, all Tier 1 suppliers with wet processing facilities (dyeing, printing, laundry washing and finished tannery) are audited by the NEXT Code of Practice (COP) team, and must meet the NEXT Code of Practice requirements for Chemical Management. The COP team will engage with suppliers to set timelines for any chemical management non-conformances to be rectified.

Suppliers must ensure:

- Their manufacturing facilities comply with all local and national legislation and requirements relating to chemical use, discharge and disposal
- They have suitable chemical management systems in place and that all relevant workers are fully trained and equipped with all relevant personal and protective equipment

Enforcing and demonstrating chemical management process compliance

Suppliers are required to demonstrate their chemical management compliance by completing

- ZDHC Supplier to Zero (StZ) programme and uploading their StZ certificates onto the ZDHC Gateway
- Higg Index Facility Environmental Module (vFEM)

NEXT monitors suppliers StZ and Higg FEM progress and will engage with the supplier to offer training and support to ensure that our policy requirements are being met.

Oeko-Tex STEP and Bluesign are additional 3rd party auditing standards that are recognised by NEXT and suppliers can use these certifications to further demonstrate their chemical management compliance.

Managing Chemical Outputs from our Supply Chains – Wastewater emissions

NEXT uses the ZDHC Wastewater Guidelines to manage wastewater emissions from our suppliers' facilities. ZDHC wastewater guidelines address wastewater discharge requirements for illegal and legally regulated substances as well as substances listed in the ZDHC MRSL.

Suppliers must make their wastewater treatment route (direct, indirect, Zero Liquid Discharge (ZLD)) known to NEXT and all suppliers are required to:

- Hold a valid licence to operate
- Ensure their wastewater is correctly treated before discharge to the environment
- Ensure their wastewater emissions meet local legal or regulatory requirements and are compliant with all applicable wastewater and sludge discharge permits and/or contractual agreements
- Ensure their wastewater emissions do not contain any ZDHC MRSL chemicals above the permitted limits

Enforcing and demonstrating chemical output compliance – wastewater emissions

Suppliers are required to demonstrate their chemical output compliance through regular wastewater testing carried out by an independent ZDHC approved 3rd party testing laboratory. Testing must be carried out twice a year against the ZDHC Wastewater Guidelines, Wastewater and Sludge Laboratory Sampling and Analysis Plan parameters and the testing results uploaded onto the ZDHC Gateway using a ZDHC ClearStream report.

NEXT monitors our suppliers ClearStream reports and where non-conformances are found engages with the supplier to ensure a **root cause analysis** of the failure has been carried out and a **corrective action plan** is put in place to correct the non-conformance.

ClearStream reporting data is publically available on the [ZDHC Detox live map](#)

Compliance with wastewater discharge permits and/or contractual agreements is managed using the Higg FEM tool, and for NEXT Tier 1 suppliers using NEXT Code of Practice audits.

Managing chemicals in our Raw Materials

Where specific issues are identified regarding the release of hazardous chemicals from the production or creation of our raw materials, NEXT will work closely with third party organisations or join collaborations with other Brands and Retailers. These collaborations have enabled the creation of industry-wide tools and solutions to aid the reduction of the release of such hazardous chemicals into the environment.

Manmade Cellulosic Fibres (MMCF)

Since 2017, NEXT has actively engaged with the Changing Markets MMCF campaign - [Roadmap towards responsible viscose & modal fibre manufacturing](#) and publicly pledged to help drive the campaign towards its goal of more responsible viscose and modal fibre production.

Together with other Brands and Retailers, NEXT has worked closely with global MMCF fibre producers to drive forward improvements to minimise the release of hazardous chemicals from MMCF production plants and reduce the negative impact of MMCF production on human health and the environment.

NEXT has a policy to only source MMCFs from fibre producers who:

- are already meeting or who have publicly pledged to meet Changing Markets closed loop manufacturing requirements by 2023-2025 as set out in the [Roadmap towards responsible viscose & modal fibre manufacturing](#) AND
- are achieving a Green Shirt ranking in the most recent [Canopy Hot Button Ranking Report](#)

Connected Internal Policies

Cotton Policy
Denim Policy
Leather Policy
MMCF Policy
[Timber Policy](#)