

ESG report continued

Impact area: Governance**We aim to run our business as a force for good****Robust governance**

Robust governance is critical to the long-term success of the Group. In this section, you'll find our approach to ESG governance. The corporate governance report is on pages 70 to 78. The Chair's corporate governance statement, which sets out how the Directors have engaged with the Group's shareholders, employees and wider workforce, customers, suppliers and wider communities, and the environment, is available at www.next15.com.

Transparency and disclosure

Transparency and disclosure are the cornerstones of robust ESG governance. We want our shareholders to have confidence in the decisions we make about running our business. We also want to be a role model for change by going beyond disclosures required by law.

Last year, we reported our ESG activities in our Annual Report for the first time. One of our commitments was to set KPIs and targets for our priority ESG topics. Our first step was to work with sustainability consultants, One Stone Advisors, on an in-depth materiality assessment (see page 35). The second step was setting up the ESG Committee.

The ESG Committee

Established in September 2022, the ESG Committee is chaired by Next 15 Non-Executive Director, Dianna Jones. Its purpose is to assist the Board in fulfilling its oversight responsibilities of all ESG matters.

Specifically, the Committee will ensure that the Company has a guiding vision and long-term commitments, KPIs and targets. It will report to the Board on current and emerging topics and oversee all ESG-related policies, procedures, practices and performance. It will meet at least twice a year but will provide ad-hoc guidance to the Group ESG team and brands on request.

The Committee met for the first time in January 2023 where it formally approved the KPIs for FY23. Its priority for the coming year will be the approval of the ESG strategy so that future KPIs and associated targets are set in that context.

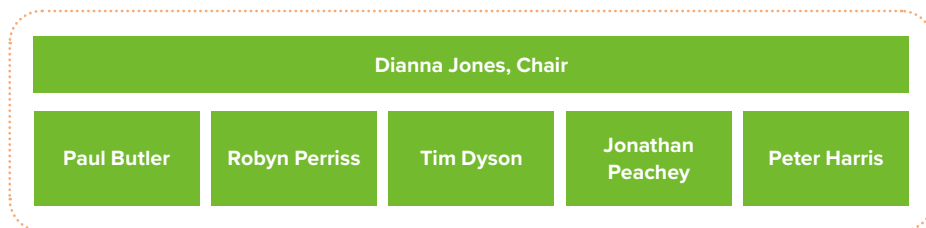
B Corp certification

In keeping with our decentralised philosophy we are giving our brands the opportunity to certify as a B Corp, if they believe it is the right thing to do for the business.

Next 15 brand, elvis, took the first step on this journey and became a B Corp in 2022. elvis and Group teams worked together at the submission stage, checking and verifying data. Our Group ESG team will support any Next 15 brand that wants to become a certified B Corp.

ESG Committee Governance

Committee members



“As a Committee, we will work closely with the Board and the ESG teams on the ground, offering challenge, diverse perspectives and support as they strive to create values-based sustainable growth for their stakeholders.”

Dianna Jones,
Chair of the ESG Committee

Policy updates and whistleblowing

As part of our rolling review of core policies, in FY23 we updated our Anti-bribery and Corruption Policy to include detailed guidance for an employee should they receive a gift or hospitality offer. In July, we used our new online learning management system, Next 15 Academy, to send every employee an invitation to review the revised policy and complete a short training module on the topic. At the same time, we promoted Safecall Hotline, our new whistleblowing service. Safecall Hotline is an independent and confidential service accessible by phone or secure, anonymous portal. We will monitor and report on the use of the service in future reports.

Acquisition and onboarding

Next 15 is an active acquirer of entrepreneur-led businesses. We seek to acquire brands who can contribute to sustainable growth and share our values. As our materiality assessment revealed, this is something that also matters to our stakeholders.

During the early stages of acquisition, the target company's ESG approach is considered and flagged to the Board. ESG is a mandatory element of Next 15's integration and onboarding process. All brands are required to adopt policies, practices and training that will help the Group attain and maintain ESG certifications and standards.

Risk

During FY23, we made progress towards our goal to make ESG a formal part of our corporate risk assessment process. For instance, ESG risk and opportunity were core topics discussed during our conversations with 13 key stakeholders, carried out as an integral part of our materiality assessment. Climate impact is now included on the corporate risk register and will be further explored as part of the TCFD reporting in FY24. More information on how we manage our risks follows on pages 56 to 67.