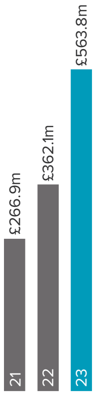
Financial highlights



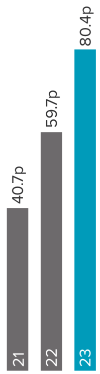
Net revenue◆

£563.8m

+56%

Adjusted operating profit margin◆

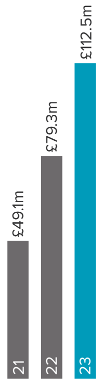
20.2%



Adjusted diluted earnings per share◆1

80.4p

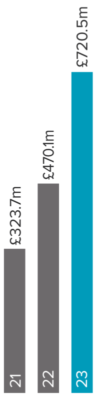
+35%



Adjusted profit before tax◆1

£112.5m

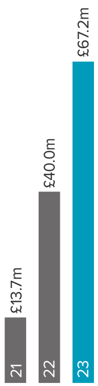
+42%



Statutory revenue

£720.5m

+53%



Statutory operating profit

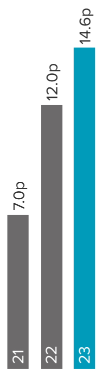
£67.2m

+68%

Net cash inflow from operating activities

£74.9m

+0.3%



Dividend per share

14.6p

+22%

1 For FY23 statutory diluted earnings per share is 1.5p (FY22: loss of 74.9p) and statutory profit before tax for is £10.1m (FY22: loss of £80.1m). These measures have not been graphically represented as the movements are not meaningful.

Alternative Performance Measures

The report provides alternative performance measures ('APMs') which are not defined or specified under IFRS.

◆ Measures with this symbol are defined in the Glossary section on page 199.

Contents

History of Next 15

Started as Text 100 in Hammersmith, London by Mark Adams and Tom Lewis

1995
Bite established

1999
Text 100 floated on the Main Market of the London Stock Exchange and became Text 100 plc

2000
Text 100 plc changed its name to OneMonday Group plc

2016
Acquired Twogether

2017
Acquired elvis and Velocity

2018
Acquired Activate and Brandwidth

2019
Text 100 merged with Bite and became Archetype

M Booth launched M Booth Health

Acquired Planning-inc and Palladium

Morar and MIG became Savanta

2020
Acquired Conversion Rate Experts and Mach49

NEXT15

2002
Name changed to Next Fifteen Communications Group plc

2004
Moved to Alternative Investment Market ('AIM') of the London Stock Exchange

2005
Acquired Outcast

2008
Acquired M Booth

2010
Beyond established

2012
Agent3 established

2014
Acquired The Blueshirt Group

2015
Acquired ODD, Encore & Publitek

2021
Acquired SMG

2022
Acquired Engine

MHP Mischief becomes MHP Group

ODD and Engine Creative merge to become House 337

Engine Transformation becomes Transform

Acquisition of Cubaka

2023
Name changed to Next 15 Group plc

NEXT15

Our business

WE ARE A TECHNOLOGY AND DATA-BASED GROWTH CONSULTANCY THAT DELIVERS VALUE TO ITS CLIENTS THROUGH BEST-IN-CLASS SPECIALISTS.

Next 15 comprises four segments of growth consulting capabilities that work individually or together to solve customers' problems: Customer Insight, Customer Engagement, Customer Delivery and Business Transformation.

More about our brands
next15.com/portfolio

Customer Insight

Data and analytics, and the insights they reveal, are critical for helping our customers make the best growth decisions in a world that becomes ever more complex. Our rapidly-expanding insights sector generates both behavioural and perceptual insights for our clients either directly or as part of other growth consulting projects. We continue to invest in new data analytics techniques and tools to ensure we can offer our customers leading-edge solutions.

What we do
- Conduct primary market research
- Track opinion about brands and politics
- Use transaction-level data to predict customer behaviours and recommend actions
- Manage large scale data sets for our clients

Halfords: data-driven customer experience

Halfords partnered with Planning-inc to launch The Halfords Motoring Club, its digital-first loyalty proposition, designed to drive deeper emotional engagement from customers, grow their basket size and build retention.

Planning-inc's technology was deployed to facilitate exceptional, data-driven customer experiences from the point of sign-up.

Connecting huge streams of behavioural and transactional data, Planning-inc enabled real-time, hyper-personalised messaging across web and e-mail channels, delivering relevant content, reminders, discounts and motoring advice, tailored to each customer and their car. Planning-inc's expert marketing services then helped Halfords plan vigorous test-and-learn processes to optimise performance and avoid overloading customers with communications.

Halfords Motoring Club has successfully recruited 1.7 million members to date, driven a record NPS score and seen an increase of up to 5.1x frequency of shop compared to non-loyalty customers.

Customer Engagement

Legendary adman David Ogilvy defined brands as: "the intangible sum of a product's attributes: its name, packaging, and price, its history, its reputation, and the way it's advertised". In the 21st century digital ecosystem, brands also have to navigate an extraordinary variety of platforms, technologies and languages and get each just right while being true to the brand's values. This has become as much science as art and, when done well, can add extraordinary amplification to an idea, product or service. We are experts in navigating this highly complex landscape and creating space for our clients in the minds of their customers.

What we do

- Create and amplify brands
- Manage reputations and deal with crises
- Build digital brand assets such as websites and apps
- Create brand content and thought leadership

elvis M BOOTH Bynd MHP Group
MBOOTH HEALTH HOUSE 337 Brandwidth
Archetype PUBLITEK Nectar. OUTCAST

Missing people: increasing public engagement

Every year more than 70,000 young people are reported missing. MHP Group helped the charity Missing People increase public engagement with their searches.

The missing person poster is still one of the most powerful ways to find people. But its design hadn't changed in decades and wasn't making use of the latest advances in tech or behavioural science. MHP Group worked with their partners, Influence At Work, to completely overhaul the posters to boost public engagement and create a media moment, to coincide with International Missing Children's Day.

The changes ranged from the complex (using digital tech to create smiling images that boosted audience empathy) to the simple (replacing 'missing' with 'help find' to increase motivation). We launched the new posters across three major London sites and worked with broadcasters to maximise the story.

The launch secured 420 pieces of coverage, with a combined reach of 1.5b+, a 900% increase on their previous campaign. BBC Breakfast ran the story five times, including a ten-minute segment, and it also aired on ITV London, ITV Anglia, BBC London, CBS, Reuters and Times Radio.

Crucially, the campaign increased public participation in the search for missing people. Traffic to their website increased 117%, while audience research found the posters improved viewer recall of key details. Lumen eye tracking validated the posters' improved performance.

Our business continued

Customer Delivery

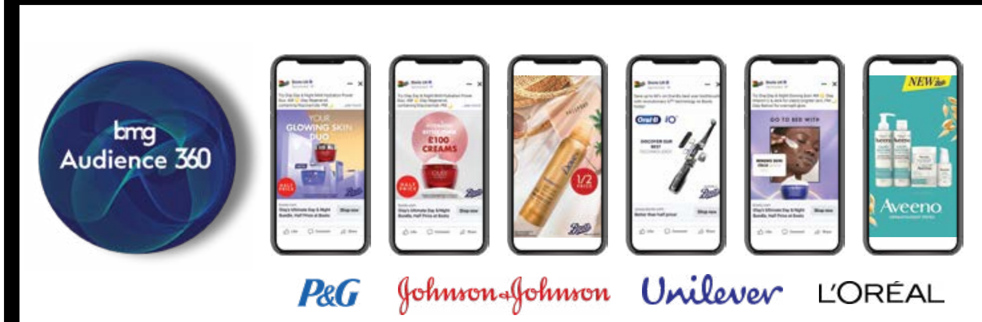
Our Customer Delivery brands turn potential customers into actual sales. Our specialist brands deliver sales across both B2B and consumer markets using a combination of first party and intent data, sophisticated algorithms and highly-tuned content.

What we do

- Demand generation
- Account-centric marketing
- Retail media centre design, build and operate
- Media buying and selling
- E-commerce

activate velocity twogether SMG. encore Agent3Group

Boots Media Group: a full-service advertising offering for supplier brands, rooted in insights and first-party data



SMG's retail media agency Threefold partnered with Boots UK to launch 'Boots Media Group' ('BMG'), a full-service, internal media agency that enables Boots to harness their scale, reach, data, connectivity and brand equity, to achieve high-performing connected campaigns.

Now in its second year, BMG is already exceeding expectations, with FY23 H1 investment up 40% vs the prior year.

The success of the partnership can be closely credited to delivery across four key focus areas:

- connected campaigns: activating supplier campaigns across the path to purchase that puts the Boots brand first;
- data and tech: using technology to build a market-leading mass personalisation capability;
- internal alignment: partnering closely with both trading and marketing to achieve the best balance of goals; and
- team expertise: a capable media centre team in place to drive progress and create a smooth transition.

Described as the engine that powers BMG, Audience360 is a unique and market-leading proposition that allows brands to specify the exact segments they want to reach within Advantage Card data and use this first party data to deliver connected omni-channel media campaigns. Audience 360 campaigns have been delivered for brands such as Unilever, P&G, Johnson and Johnson, and L'Oréal, regularly reporting triple-digit percentage sales uplift vs a 3% benchmark.

Business Transformation

As a growth consultancy we are increasingly asked by our clients to help them address challenges for which the solutions are not simply to do more sales or marketing. The brands in our Business Transformation segment help their clients design entirely new solutions to complex problems. The range of these projects is extraordinary, covering: building entirely new businesses, solving complex societal problems, growing the value of newly-acquired business units and helping to tap public finance markets.

What we do

- Create new, scale businesses
- Build corporate venture funds
- Help private equity companies optimise the value of their portfolios
- Prepare companies to launch on the public markets
- Redesign public services for the digital era

MACH49 Transform PALLADIUM TheBlueshirtGroup

Health Education England: tackling the workforce challenges

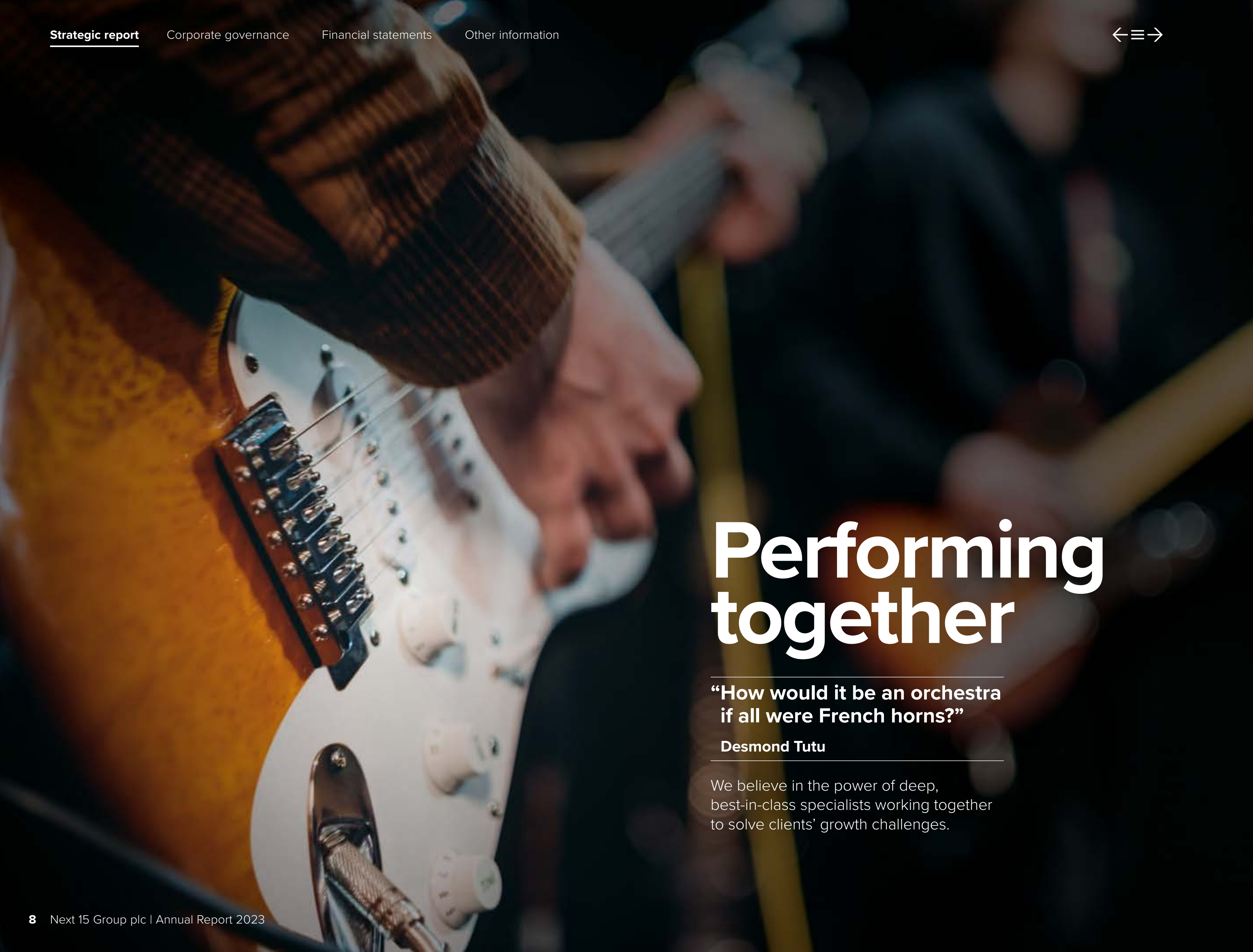
HEE's mission is to improve health and care for the people of England, ensuring the necessary public health workforce is adequate, reducing attrition and increasing attainment. It costs £250,000 and takes five years to train a GP, and £500,000 and longer for a consultant. Not everyone completes their training, so reducing attrition helps reduce costs and increase the number of skilled workers.

HEE had insight into the drivers of attrition through surveys and leaver interviews but didn't understand the unique blends of drivers for each individual. Leaving mid-way through training is often due to a combination of factors for individuals. Understanding how these factors vary across diverse junior doctor learning and development journeys, and how their influence changes over time would provide HEE the information it needs to design targeted intervention and support strategies.

Transform's work started in data preparation, bringing together structured and unstructured datasets to create a Modelling Dataset. This consisted of historical data with a known outcome relating to the target variable – whether the trainee completed the programme.

The Modelling Data Set was fed into a number of supervised Machine Learning classifier algorithms that are designed to understand the relationship between the variables and attrition (the target variable). The classifier used was CatBoost, which is a boosted decision tree algorithm (essentially combining a series of decision trees).

The optimised model successfully identified 63% of those individuals at risk of attrition (a recall of 0.63 with a precision of 0.57). This allowed HEE to identify individuals with a high propensity of attrition and, combined with further analysis using Shapley Values and interactive plots, allowed for a more in-depth understanding of factors and potential intervention approaches.



Performing together

“How would it be an orchestra if all were French horns?”

Desmond Tutu

We believe in the power of deep, best-in-class specialists working together to solve clients’ growth challenges.

Chair's statement

THE GROUP GREW AT ITS FASTEST PACE IN OVER A DECADE.

Penny Ladkin-Brand
Chair

Dear Shareholders,
If there's a word to sum up the last year, it's 'growth'. The Group grew at its fastest pace in over a decade to deliver net revenues of £564m and adjusted profits of just over £112m. Adjusted earnings per share grew from 59.7p to 80.4p and statutory operating profit grew 68% to £67.2m. We completed six small acquisitions, won the largest contract in our history, garnered countless awards, raised £50m of funding and made our largest acquisition to date with Engine.

During the course of the year, we bid for M&C Saatchi but were not successful. This was a disappointment, but also a reminder of the importance of capital discipline. We had strong reasons for wanting to make the acquisition, but we also had firm criteria upon which we believed the deal made sense. I'm therefore pleased that we held our ground and didn't get deal fever. In that regard we showed we are not afraid to walk away when the economics don't make sense. This should give shareholders a great deal of comfort about how we go about delivering growth through acquisition, regardless of the size of the prize.

It was a remarkable year. The Group's fastest pace of growth in many years was thanks in part to the acquisition of Engine, but also the strong organic growth of our brands in every sector. Delivering this kind of growth is not easy but our decentralised structure really enabled us to grow without the business tripping over itself. Our individual brands, which are all specialist in nature, were each able to move at their own pace and navigate their own challenges and opportunities. This agility has for a long time been central to our success and this year we really demonstrated its value.

As the theme of this year's Annual Report shows, we believe that 'growth' in business (in the widest sense of the word) requires a range of complementary specialist products and services to be brought to bear. Some providers offer a one size fits all solution. As Tim says in the CEO's statement, this is the equivalent of a department store versus a specialist retailer. Both can offer great value. One offers convenience and the other offers deep customer service. Our model aims to give customers the best of both worlds. We are able to bring our global footprint and capabilities to bear in ways that are designed to solve the unique challenges our customers face. Going back to the retail analogy, it means our customers aren't having to walk through the toy department every time they need to buy a new sweater. Our complexity is the customer's simplicity.

In terms of how we are delivering growth, the good news is we are now seeing each segment of our business deliver real scale. A few years ago, almost all our revenue was in what we call our Customer Engagement segment. Today, less than 50% of our net revenue is in that area and we have already surpassed the US$100m revenue goal we set for ourselves in Business Transformation, with net revenues hitting £134.8m, achieving our goals two years ahead of schedule.

In order to enable the Group to scale, the Board has focused on what it believes are the foundations of a modern company: a diverse, well-motivated and incentivised work force; a diverse and engaged Board (with the additions of Dianna Jones and Paul Butler, both based in the US, to the Group's Board this year); investment in building technology and data into the fabric of all our brands; and elevating the importance of ESG through everything we do. We believe that by demonstrating to our clients and workforce that we are truly committed to delivering on an ESG agenda we are embedding best practice that will deliver immense long-term value.

Chair's statement continued

"Next 15 is on a journey and has bold ambitions for the future."

Next 15 is on a journey and has bold ambitions for the future. We believe there is an important business to be built at the intersection of the management consulting, systems integration and digital marketing worlds. A business that can, through a collection of specialist products and services, help customers maximise their growth not just in financial terms, but also in market share, human capital and a range of other ways. We think the revenues for this business are well above the £1 billion mark if we get things right. To be successful, we need to remain disciplined in terms of how we allocate our resources and our capital and not flinch from the decentralised model that has served us so well over the years.

Looking to the year ahead, the macro-economic environment is clearly harder to navigate. However, we expect the increasing diversification of the Group to stand us in good stead, whilst we are predicting slower organic and overall growth than in the year just ended. Part of this is our natural caution but a part is simply that, as we scale, delivering such percentage levels of growth does get harder. That said, the Group ended the year with a strong liquidity position, leaving it well placed to make acquisitions in a market where competition for deals is expected to be lower. We expect last year's capital discipline to prove beneficial for the acquisitions in the year ahead.

In closing, I want to thank the people, customers and partners of Next 15 for all they have done in the last year. It has been an incredible year in so many ways and it wouldn't have been possible without you.

Penny Ladkin-Brand
Chair
24 April 2023

Winning together

“Great things in business are never done by one person. They’re done by a team of people.”

Steve Jobs

We invest not only in our deep specialists but also in the connections between our brands. This allows us to win together when clients have complex, multidisciplinary needs.

Chief Executive Officer's statement

A GREAT DEAL OF OUR SUCCESS WAS DERIVED FROM THE WAY OUR BUSINESS IS STRUCTURED.

Tim Dyson
Chief Executive Officer

Dear Shareholders,
We have all just lived through one of the most challenging economic cycles, aka the pandemic. This transformed entire industries, ripped up supply chains and caused a massive wave of innovation in businesses large and small. The aftereffects of all that are being felt as we emerge from that crisis to a new economic cycle characterised by inflation and high interest rates. Indeed, I've read countless articles heralding the so called 'end of free money'. I've also read countless articles saying that we are on the edge of a local, national and in some cases global recession. In other words, having just lived through one storm, we are all about to be plunged into another. Which begs the question, how did we do during the last few years and what can we expect in the next? The answer to that question is what I hope to address in my letter this year.

The year ended 31 January 2023 was a historic year for the Group. We grew by 56% to £564m in net revenues. In other words, we added more revenue in the last year than we achieved as a business in FY18. We also managed to deliver this growth without sacrificing profitability, which as business leaders will tell you, isn't easy. A great deal of our success was derived from the way our business is structured. Unlike many others in our field, we run a highly decentralised business model. That means we give a great deal of freedom to the leaders of our brands to run their business in the way they think is best for their customers and their people. While we have relevant controls in place to make sure they comply with the relevant legal and accounting practices, our leaders feel like entrepreneurs. They don't have to get our constant approval to do things. They can move at the speed they need to make sure the customer gets what they need and that their teams are well supported. In other words, the thing that looks most complicated about our business (the number of brands) has proven to be our biggest strength.

The portfolio of businesses that makes up Next 15 all have one thing in common: they are all highly specialised. In other words, they have deep domain expertise. They understand their markets at least as well as their customers do and have products and services that are specifically designed to solve the challenges these businesses face. In simple terms, we are not a department store that sells a little bit of everything but has a limited selection. We are instead, the equivalent of a collection of specialist retailers that are all located in the same place. This means we have brands that are fascinated by the markets in which they do business and are constantly looking for better solutions for their customers. This makes the brands very agile and means the innovation is at the interface with the customer and not buried somewhere in the centre. They do collaborate to solve complex problems and work together with clients where appropriate.

I make this point because I think it's helpful for shareholders to understand that this model means we can adapt to change more quickly than a single entity business of our size might. One thing the pandemic showed was that operating models need to adapt over time and in some cases overnight. Just as many of our customers have had to reshape their supply chains so that their reliance on one source for raw materials, or manufacturing doesn't trip them up, we must adapt our operating models to ensure we can deliver the products and services they need at the speed they need and at a price point that delivers value. For us, this means automating processes and, in some areas, shifting work to different parts of the world to access the right talent. While that can be challenging at times, our structure means we are often solving a series of smaller problems than a few huge ones. In turn, that means we can move like a series of small speed boats, rather than one huge tanker.

Looking to the future, while the macro-economic picture is hard to read (quite literally), I remain quite optimistic about the year ahead. We demonstrated through the pandemic that our business could adapt quickly to the needs of customers, which gives me confidence they can do so again. What we have seen time and again is that quality of product and service matters. Being the best you can be at something has enormous value, if that something is what customers need. As long as we stay close to what our customers need and continue to adapt our products accordingly, and focus on excellence, we should be in a very good place.

One small but meaningful change we have made this year is to our name. We're incredibly proud of our heritage as a communications group working with the world's biggest technology companies. And that's still a very significant part of what Next 15 does. But, we have evolved to become so much more. As I have set out, we're now a growth consultancy with specialist services spanning market research and data analytics to advertising, lead generation, shopper marketing, management consultancy and venture building.

We had been feeling for a while that the name of our Group hasn't reflected this breadth. What's more, it has occasionally felt like some of our non-communications brands are excluded by it. So, as of 18 April 2023, we changed the name of our Group from Next Fifteen Communications Group plc to Next 15 Group plc. It may seem like a small thing but we see this as an important sign of the continued evolution and growth of Next 15.

Strategically, the Group is well placed to deal with a changing economy. It has a strong balance sheet which, in turn, means it can move quickly to add new capabilities to existing brands or add entire new businesses through acquisition. Our growth in the last year came from a wide range of businesses. In the next year, I expect we will again see a range of businesses contributing, large and small. While I can't predict the future, what I do know, is that the need for the products and services we sell is expanding. Our shift some years ago to prioritise businesses that have data and technology at their centre has ensured that. Equally, our expansion into the consulting world, specifically in relation to business transformation, has proven to be well timed.

We live in an age when innovation is constant for both our customers and our business. All our business leaders are always looking for what the customer will need next. They know businesses need to remain agile and ready to adapt as new technologies emerge. With the energy and level of innovation I am witnessing within the Group, I see a very bright future in the year ahead.

Tim Dyson
Chief Executive Officer
24 April 2023

"With the energy and level of innovation I'm witnessing within the Group, I see a very bright future in the year ahead."

The markets we operate in

GROWTH CONSULTANCY IS A HUGE AND GROWING MARKET. WE DIVIDE IT INTO FOUR MAJOR SEGMENTS.

Customer Insight

2021 market size:
£133.99b

CAGR growth 2021-26:
8.9%

FY23 Next 15 net revenue:
£52.0m

2021 breakdown
(growth 2021-26 CAGR %)

Market research:
£59.4b (3.5%)

Data management:
£13.0b (8.5%)

Data analytics and implementation:
£22.2b (23.2%)

Customer Relationship Management implementation:
£39.4b (9.3%)

Customer Engagement

2021 market size:
£277.7b

CAGR growth 2021-26:
13.20%

FY23 Next 15 net revenue:
£274.9m

2021 breakdown
(growth 2021-26 CAGR %)

Customer experience:
£14.2b (13.36%)

Content, communications and creative:
£263.5b (4.6%)

Customer Delivery

2021 market size:
£235.62b

CAGR growth 2021-26:
14.63%

FY23 Next 15 net revenue:
£102.1m

2021 breakdown
(growth 2021-26 CAGR %)

E-commerce implementation:
£23.1b (9.37%)

Search Engine Optimisation:
£32.56b (18.6%)

Media buying and planning:
£46.2b (6%)

Social media management:
£11.2b (23.6%)

Lead generation:
£122.5b (17%)

Business Transformation

2021 market size:
£992.47b

CAGR growth 2021-26:
7.69%

FY23 Next 15 net revenue:
£134.8m

2021 breakdown
(growth 2021-26 CAGR %)

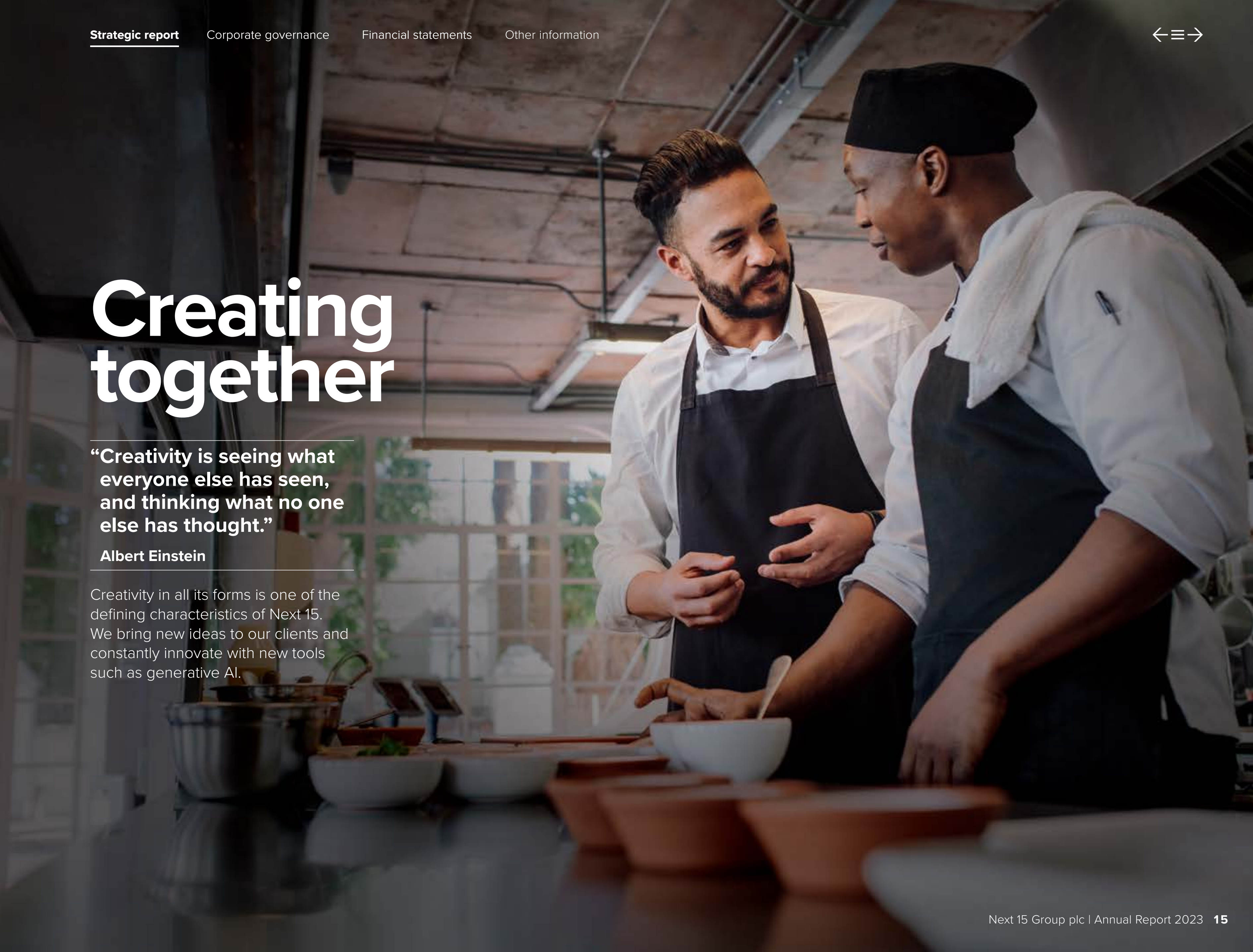
Strategy consulting:
(inc Environmental, Social and Governance and People Change Management)
£141.1b (6.85%)

Digital transformation:
£41.1b (13.67%)

Big data and analytics:
£94.3b (12.7%)

Other:
£716.03b (6.85%)

2021 data has been used as a baseline to ensure a uniform comparison across the data given an absence of publicly published data for 2022 in several of the above capabilities. Sources for this page are on page 211.



Creating together

"Creativity is seeing what everyone else has seen, and thinking what no one else has thought."

Albert Einstein

Creativity in all its forms is one of the defining characteristics of Next 15. We bring new ideas to our clients and constantly innovate with new tools such as generative AI.

Our strategy

WE CONTINUE TO EVOLVE FROM OUR MARKETING SERVICES HERITAGE INTO A FULLY-FLEDGED GROWTH CONSULTANCY. OUR CORE STRATEGY REMAINS THE SAME:

- build or buy the specialist growth consultancy services that our clients need;
- work together to solve our clients' most pressing growth problems;
- develop our key talent; and
- make sure we leave the world a better place than we found it.

However, the world is a very different place from a year ago: war, economic upheaval, rapid technological advances and competitive pressures have all changed the environment. We have responded by looking deeply at the ecosystems that we operate in, the problems our clients face and the solutions we offer. The result is a tighter focus on investment in high-growth areas, and the use of new technology, data and product thinking to improve our efficiency and better serve clients' needs.

Build our growth consultancy model

Our priorities

Growth has never been more important to our clients, whether that's to deliver financial returns or societal outcomes. Growth is what Next 15 offers and we continue to evolve our Group to offer clients a leading-edge service. We will continue to invest in talented, entrepreneur-led businesses that bring new capabilities that our customers need. Our focus remains primarily UK and US.

Use the power of Next 15

Our priorities

We will use our shared insight, scale and capabilities to better serve customers without losing our Group's entrepreneurial spirit or deep specialist expertise. We invest in tech, data and products that our businesses can share.

Progress in FY23

- Made our biggest ever acquisition of Engine and integrated it into Next 15. Of the three new businesses acquired, Engine Creative merged with existing brand ODD to form House 337 which extends our ability to bring top-end creativity to UK clients, MHP Group is one of the UK's top 15 communications businesses, and Transform has been a significant addition to our Business Transformation sector and gives us an enviable track record in purposeful digital transformation for the UK public sector.
- Acquired several smaller companies as bolt-ons for existing brands, particularly to develop our customer delivery segment.
- Mach49 started delivery on a landmark contract with a stealth client to build innovation-led, technology-driven, sustainable ventures across the globe.
- Mach49's CEO Linda Yates' book 'The Unicorn Within' which describes a growth methodology was published and picked up a number of accolades including inclusion in Forbes' '10 Best Business Books of 2022'.
- Won a significant contract to build a retail media sales centre for UK grocer Morrisons.
- Launched or enhanced a number of exciting new products including 'Prism', an automated due diligence service that is in beta test with a number of clients and partners.
- Clustered and combined some of our brands to better serve clients' growth needs. For example, Mighty Social, Cubaka and Conversion Rate Experts have now become part of Brandwidth. Likewise, Archetype, Outcast, Nectar and Publitek are now part of a coordinated cluster that is leveraging services and capabilities across the four brands.

Priorities for FY24

- Accelerate an integrated data strategy for Next 15 that allows all our brands to benefit from the insight and expertise that we generate in the course of our work.
- Drive our productisation initiative to ensure that we offer our clients the full benefits of automation and artificial intelligence technology.
- Focus on investment in new growth consultancy capabilities, particularly focusing on digital transformation including sales and marketing systems integration, eCommerce and data analytics.
- Explore more client need-led clusters within Next 15 that organise our skills and expertise around client growth pain points.

Progress in FY23

- Appointed our first Client MD to start building more holistic client relationships and focus on their most urgent growth challenges.
- Started to bring together more of our brands into clusters to make it easier for them to organise around client problems.
- Consolidated our brands under one roof in London, New York and San Francisco to bring benefits such as reduced environmental footprint and improved collaboration.

Priorities for FY24

- Increasing digital and marketing transformation work as a means to orchestrate our network of specialist growth capabilities.
- Developing the Next 15 Growth Team's role in joining up around client problems and building more C-Suite relationships.
- Reviewing and refreshing our incentives to make it easier for our brands to work together.
- Leverage our Group data resources to build better solutions for our clients.

Our strategy continued

Focus on doing better

Our priorities

Our values are important to us. We want to work with customers, suppliers and staff who share them. More so than ever, we choose our work carefully, look to maximise the positive impact that our work has, and are not afraid to say ‘no’ to work that is financially positive but planet or people negative. Internally, we are now using the internationally recognised B Corp framework to guide our initiatives.

Celebrate and develop our people

Our priorities

We are a group of businesses built by the talent of our people. We use our growth consultancy model internally to attract, develop and retain the best staff. When we acquire new businesses we trust entrepreneurial talent to drive their own businesses and consult with us, we do not tell them what to do.

Progress in FY23

- Established the Environmental, Social and Governance (‘ESG’) Committee.
- elvis became a certified B Corp.
- Next 15 continued exploration of the best way to achieve B Corp certification for our brands.
- Completed a materiality assessment to establish the most material ESG topics to Next 15.
- Extended our Scope 3 reporting.
- Attained ISO 14001 certification at our Head Office.

Priorities for FY24

- Further develop an exciting and compelling ESG strategy that our brands and people can feel part of.
- Progress our toolset for measuring the impact our client work has on the world.
- Continue our mission to embed EDI at the heart of the Group.

Progress in FY23

- Partnered with external specialist advisers to help us make progress on our EDI strategy including building an EDI Council Steering Committee.
- Progressed Board succession planning with senior leadership assessment and development programme.
- Added two US citizens to the Board as Non-Executive Directors.
- Conducted an employee engagement survey delivering an employee Net Promoter Score for the Group and providing non-financial success metrics for consideration in short-term incentive schemes.
- Further developed the Next 15 Academy content to include training for new leaders and commercial training for new starters, as well as mandatory compliance training.

Priorities for FY24

- Use the power of the collective people data across the Group for better decision making and predictive analysis around our workforce changes.
- Evolve retention strategies to include more cross-Group mentoring and coaching, as well as Group-wide employee interest groups.
- Explore opportunities to make the employee experience better through automation and building environments. This will include the use of tools to help monitor the use of space, online coaching tools, and access to mental health support.

Key performance indicators

HOW WE MEASURE OUR PERFORMANCE

Our KPIs represent the most important metrics we as a management team use to evaluate and compare the performance of Next 15 brands, and of the Group as whole.

We are showing continued progress in our financial and client metrics, reflecting the strong year we have had. Staff retention has also remained strong in a challenging market for talent post pandemic.

As described elsewhere in this report we are developing our ESG strategy and, as a result, it may be that KPIs in this area change over FY24 to better reflect the outcomes we want to achieve.

Financial KPIs

Adjusted operating margin◆

20.2%

Adjusted operating margin is a key measure of the health of our business that balances our drive to be efficient with the need to continually reinvest in our brands to grow and evolve their offer.

Performance
Margin remained above 20% in FY23 despite the acquisition of Engine in March which was at a lower margin when we acquired it, but saw improvement in performance as the year progressed.

Organic net revenue growth◆

20.7%

As a growth consultancy, organic growth is exceptionally important because it shows that our brands are offering what customers want, and focused on the activities that will allow them to outperform.

Performance
FY23 saw a continuation of high level organic growth as we benefitted from customer spending on new initiatives and aided by a significant contract win at Mach49.

◆ Alternative performance measures. Measures with this symbol are defined in the Glossary section on page 199.

Non-financial KPIs

Number of clients spending over £2.5m

38

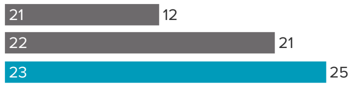
Average client spend is a good proxy for the depth and importance of our client relationships as it takes time and continual ROI to grow a relationship to the £2.5m+ level and beyond.

Performance

In FY23 we saw continued progress in growing major client relationships, accelerated by the acquisition of Engine.

Number of £2.5m revenue clients working with more than one Brand

25



As we grow our growth consultancy model the number of customer relationships that are serviced by more than one of our brands is becoming more important.

Performance

We continue to focus on clients' growth problems whilst are often multidisciplinary and involve services from more than one of our brands. This focus is shown in the continued improvements in the number of significant multi-brand relationships in FY23.

Staff retention

77.0%

We are a people-first business and our ability to attract and retain key talent is paramount.

Performance

FY23 has seen minimal changes in staff retention rates. With the continued adoption of hybrid working allowing people greater flexibility, combined with continued effort of CEOs and People teams across the Brands to build inclusive working cultures, 'quiet quitting' has had limited impact across the Group.

Financial review

THE GROUP HAS CONTINUED TO TRADE VERY STRONGLY OVER THE LAST 12 MONTHS DESPITE THE MACROECONOMIC HEADWINDS, WITH ALL PARTS OF THE BUSINESS MAKING A POSITIVE CONTRIBUTION.

Peter Harris
Chief Financial Officer

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A year of strong trading

The Group has continued to trade very strongly over the last 12 months despite the macro-economic headwinds with all parts of the business making a positive contribution to the Group's performance. We had a particularly encouraging performance in the first half of the year following the acquisition of Engine and the significant contract win for Mach49. This continued into the second half albeit at not quite the rate of the first half, as we were modestly impacted by the global tech slowdown. Profitability was also positively enhanced in the first half of the year to 31 January 2023 by the nature of the Mach49 contract win whereby we accounted for the contracted revenue equally across the year, but the costs were phased in the second half as we geared up for a significant increase in the revenue and deliverables in our new financial year. This had the impact of increasing the Group's underlying profit in our first half by approximately £5m which reduced to a normalised profit in the second half.

The trading performance was strongest in our Customer Delivery and Business Transformation segments as clients focused on maximising their revenue growth and adapting their business models to a digital-first environment, whilst our Customer Insights and Customer Engage segments also saw encouraging revenue growth.

The Group's strategy is to acquire and then enhance entrepreneurially led businesses, where management teams are incentivised to deliver growth over the medium term. This often results in the Group acquiring companies in the early stages of their development where their future performance is uncertain, leading to significant

	Year to 31 January 2023 £m	Year to 31 January 2022 £m	Growth %
Adjusted results◆			
Net revenue	**563.8**	362.1	56%
Adjusted operating profit after interest on finance lease liabilities	**114.2**	79.3	44%
Adjusted operating profit margin	**20.2%**	21.9%	
Adjusted profit before income tax	**112.5**	79.3	42%
Adjusted diluted earnings per share	**80.4p**	59.7p	35%
Statutory results			
Revenue	**720.5**	470.1	53%
Operating profit	**67.2**	40.0	68%
Loss before income tax	**10.1**	(80.1)	
Net cash generated from operations	**95.2**	88.8	7%
Diluted earnings/(loss) per share	**1.5p**	(74.9)p	

◆ Alternative performance measures. Measures with this symbol are defined and reconciled in the Glossary section on page 199.

A year of strong trading continued

changes in the estimates used for future earn-out payments. We continue to examine the impact of these material changes in estimates on the statutory results and have an additional glossary to the Annual Report to separately show the alternative performance measures used. The glossary section set out at the end of the report and accounts provides reconciliations between the statutory and the adjusted results in order to help the readers of the accounts to interpret the results.

In order to assist shareholders' understanding of the performance of the business, the narrative below is focused on the adjusted performance of the business for the 12 months to 31 January 2023, compared with the 12 months to 31 January 2022, in particular the net revenue performance, adjusted operating profit and adjusted diluted earnings per share.

The Directors consider these adjusted measures to be highly relevant as they reflect the trading performance of the business and align with how shareholders value the business. They also give shareholders more information to allow understandable like-for-like, year-on-year comparisons and more closely correlate with the cash and working capital position of the Group. The Group also presents net revenue which is calculated as statutory revenue less direct costs as shown on the Consolidated Income Statement and is more closely aligned to the fees the Group earns for their product and services.

In line with industry peers, the adjusted profit measures take account of items which are not related to underlying trading in the year including property-related impairments, brand equity incentive schemes, costs associated with restructuring and certain other items. In order to provide comparability with industry peers, amortisation of acquired intangibles is also adjusted for.

In February 2022 we announced that our wholly owned subsidiary Mach49, the growth incubator for global businesses, had entered into a five-year strategic alliance with a global technology and digital company. Over the initial term of the contract, total fees including third-party expenses are expected to be in excess of US$400m. Revenues in the first year were approximately US$65m. This materially increased our estimate of the earn-out payable to Mach49's equity holders, which was reflected in last year's financial results and resulted in a significant statutory loss before stax. Mach49 has continued to trade very well across its business and therefore we have further increased our estimate of the earn-out to the maximum cap of US$300m, and accordingly, a discounted increase in the potential liability has been included in our current year statutory profit and loss account as a finance expense.

While adjusted operating profit increased by 44% to £114.2m (2022: £79.3m), reflecting the very strong trading of the Group, we made a statutory profit before tax of only £10.1m (statutory loss in 2022: £80.1m). The low statutory profit before tax was mostly caused by the increase in the Mach49 earn-out as well as acquisition-related accounting, including the amortisation of acquired intangibles. The statutory operating profit increased by 68% to £67.2m (2022: £40.0m). Diluted earnings per share was 1.5p, compared with a diluted loss per share of 74.9p in the previous year.

Reconciliation of adjusted operating profit to statutory operating profit

	Year to 31 January 2023 £m	Year to 31 January 2022 £m
Statutory operating profit	**67.2**	40.0
Interest on lease liabilities	**(1.4)**	(1.1)
One-off charges for employee incentive schemes	**0.6**	5.9
Employment-related acquisition payments	**12.0**	15.2
Deal costs	**5.5**	0.5
Costs associated with Engine restructuring	**2.3**	—
Gains on investment activities	**—**	(0.5)
Property impairment	**4.8**	0.2
UK Furlough	**—**	1.4
Amortisation of acquired intangibles	**23.2**	17.7
Adjusted operating profit after interest on finance lease liabilities	**114.2**	79.3

Financial review continued

Review of adjusted results to 31 January 2023

Group profit and loss account

Total Group net revenues increased by 56% to £563.8m, of which Engine contributed £80m, and grew by 20.7% on an organic basis including the benefit of foreign currency translation. Our adjusted operating profit after interest on finance lease liabilities increased by 44% to a record £114.2m, whilst the operating profit margin remained at above 20% despite the acquisition of Engine in March 2022, which was operating at a lower margin when we acquired it, but saw significant improvement in performance as the year progressed. Each of our four segments saw strong revenue and profit growth last year with the standout performances being from Activate, M Booth Health, Brandwidth and Mach49, which each grew their revenue above 30% and showed good margin progression. Our B2B agencies performed very strongly whilst our B2C agencies including Savanta continued to recover from the impact of the pandemic in the prior year.

As shown in the previous table, we incurred £0.6m of one-off charges for employee incentive schemes on new growth shares for elvis and Publitek, and £12.0m in relation to employment-related acquisition payments. We incurred £5.5m of deal costs in relation to acquisitions, mostly our acquisition of Engine and our unsuccessful offer for M&C Saatchi. Amortisation of acquired intangibles was £23.2m in the year. We incurred an overall charge of £4.8m in relation to the reorganisation of our property space, principally in relation to the property consolidation in London following the acquisition of Engine. The significant reduction in our property footprint post the pandemic has directly led to a permanent improvement of 3% in the Group's operating margin.

Taxation

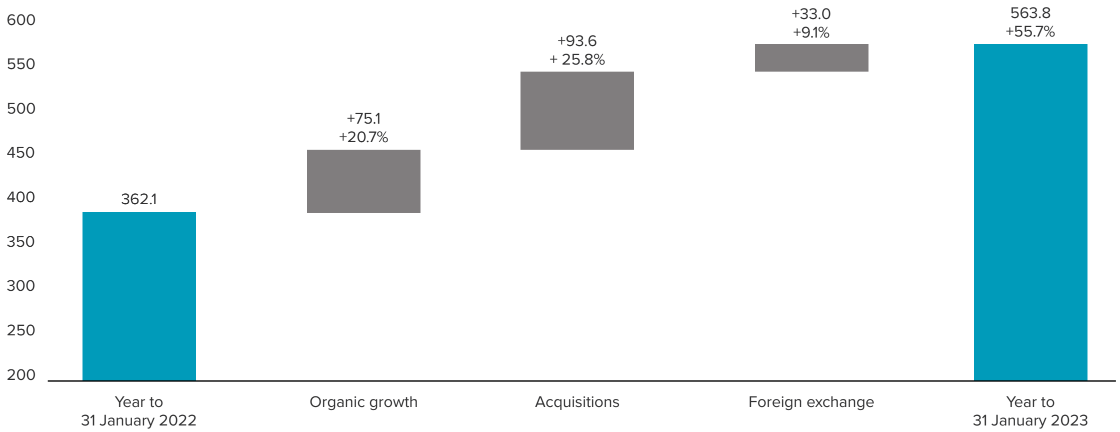
The adjusted effective tax rate on the Group's adjusted profit for the year to 31 January 2023 was at a rate of 23.3% (2022: 21.6%), compared to the UK enacted statutory rate of 19% (refer to note 8). The adjusted effective tax rate was higher than the rate achieved in the prior year largely due to a strong performance from our US based agencies, where the rate of corporation tax is typically higher than in the UK. The impact of differing overseas tax rates and withholding taxes is captured in note 8.

The Group notes that the UK tax rate is increasing to 25% from April 2023 and that governments around the world are likely to increase their rates of corporation tax materially over the next few years to help pay for the cost of economic support in light of the pandemic. Therefore it is likely that the Group's adjusted effective rate of tax will increase over the next few years reflecting these increases. We inherited a complicated corporate structure with the acquisition of Engine and we are progressing a number of outstanding tax queries, which we believe we have adequately provided for. The Board takes a low risk attitude to tax compliance and endeavours to pay the appropriate level of tax in all markets the Group operates in.

Earnings

Adjusted diluted earnings per share has increased by 35% to 80.4p for the year to 31 January 2023 compared with 59.7p achieved in the prior year, as a result of the improved profitability on an adjusted basis.

Net revenue bridge (£m)



Segmental review

In order to assist shareholders' understanding of the key growth drivers of the Group, we have included an analysis of the results by the operational segments we used to monitor the performance of the business for the year ended 31 January 2023. The four operational segments were Customer Insight, Customer Engagement, Customer Delivery and Business Transformation.

Customer Insight

This segment includes Savanta and Planning-inc. Savanta performed well as its predominantly B2C client base continued to recover from the pandemic. Their UK business was strengthened by the acquisition of Motif, which expanded their client offering in the financial services and healthcare markets, whilst Savanta US grew by over 38% year on year helped by the acquisition of Infosurv, which focuses on employee engagement research. Planning-inc continued to grow their retail client base and developed a suite of products which should facilitate further growth over the next couple of years. Total net revenue increased by 23.5% to £52.0m with organic growth of 10.2%, whilst the adjusted operating profit increased by 22.5% to £11.0m at an adjusted operating margin of 21.3%.

Customer Engagement

This segment includes M Booth, M Booth Health, Outcast, Archetype, Brandwidth, Nectar, BYND, elvis, Publitek plus MHP and House 337, which were both acquired as part of the acquisition of Engine in March 2022. M Booth Health, MHP and Brandwidth were the stand-out performers as they expanded their relationships with a broad cross-section of clients including P&G, Google, Astra Zeneca and Dow Chemicals. The segment produced a very positive performance overall with net revenue growing by 46.6% to £275.0m, with organic revenue growth of 9.3%, and delivered an adjusted operating profit of £55.4m at an adjusted operating margin of 20.2%.

Customer Delivery

This segment includes our Activate, Agent3, Twogether and SMG agencies. This segment is focused on solving short-term revenue challenges for its clients usually through digital products. The Covid-19 pandemic brought an exceptional performance as online growth was often the only route to market for our clients. Growth has moderated somewhat as more traditional routes to market have resumed, but the segment still delivered net revenue growth of 27.7% to £102.1m with organic revenue growth of 12.0%. The adjusted operating profit increased to £30.2m at an adjusted operating profit margin of 29.6%.

	Customer Engage £'000	Customer Delivery £'000	Customer Insights £'000	Business Transformation £'000	Head Office £'000	Total £'000
Year ended 31 January 2023						
Net revenue◆	**274,951**	**102,096**	**51,985**	**134,767**	**—**	**563,799**
Organic net revenue growth◆	**9.3%**	**12.0%**	**10.2%**	**83.3%**	**—**	**20.7%**
Adjusted operating profit/(loss) after interest on finance lease liabilities◆	**55,432**	**30,191**	**11,049**	**43,855**	**(26,358)**	**114,169**
Adjusted operating profit margin◆	**20.2%**	**29.6%**	**21.3%**	**32.5%**	**—**	**20.2%**
Year ended 31 January 2022						
Net revenue	187,566	79,951	42,109	52,477	—	362,103
Organic net revenue (decline)/growth	15.7%	40.0%	18.6%	99.9%	—	26.1%
Adjusted operating profit/(loss) after interest on finance lease liabilities	40,434	28,501	9,023	15,221	(13,832)	79,347
Adjusted operating profit margin	21.6%	35.6%	21.4%	29.0%	—	21.9%

◆ Alternative performance measures. Measures with this symbol are defined in the Glossary section on page 199.

Segmental review continued

Business Transformation

This segment includes Mach49, Blueshirt, Palladium, plus Transform, which was acquired as part of the Engine acquisition. We saw a very strong performance from this segment as the significant contract win for Mach49, which we announced in February 2022, contributed significant revenue and profit growth during the year. Transform made an encouraging start and their operating margin has improved materially during the period. Overall, the segment delivered net revenue growth of 156.8% to £134.8m with organic revenue growth of 83.3%. The adjusted operating profit increased by 188.1% to £43.9m at an adjusted operating profit margin of 32.5%.

Geographical review

US

Our US businesses have continued to perform extremely well. In the year to 31 January 2023, total US net revenues grew by 47.1% to £293.2m from £199.3m which included organic growth of 28.2%.

In February 2022, Mach49 announced a significant new contract win which added approximately US$65m of revenue during the year. The rest of their business also showed very strong growth.

Our lead generation agency, Activate, had an exceptionally strong performance throughout the year, whilst our B2C agency M Booth and its sister agency M Booth Health grew their revenues predominantly by winning new business from existing clients.

	UK £'000	Europe and Africa £'000	US £'000	Asia Pacific £'000	Office £'000	Total £'000
Year ended 31 January 2023						
Net revenue◆	**240,971**	**11,626**	**293,177**	**18,025**	**—**	**563,799**
Organic net revenue growth◆	**11.3%**	**16.3%**	**28.2%**	**11.0%**	**—**	**20.7%**
Adjusted operating profit/(loss) after interest on finance lease liabilities◆	**42,460**	**2,826**	**93,463**	**1,778**	**(26,358)**	**114,169**
Adjusted operating profit margin◆	**17.6%**	**24.3%**	**31.9%**	**9.9%**	**—**	**20.2%**
Year ended 31 January 2022						
Net revenue	137,491	10,041	199,348	15,223	—	362,103
Organic net revenue decline	18.3%	21.3%	33.2%	11.9%	—	26.1%
Adjusted operating profit/(loss) after interest on finance lease liabilities	30,910	2,504	58,355	1,410	(13,832)	79,347
Adjusted operating profit margin	22.5%	24.9%	29.3%	9.3%	—	21.9%

◆ Alternative performance measures. Measures with this symbol are defined in the Glossary section on page 199.

We also benefitted from a property consolidation which was prompted by the 'working from home' imperative which arose during the pandemic. This has reduced our establishment costs by 3% of revenues as our real estate footprint has materially reduced, despite our growth in scale. The adjusted operating profit from our US businesses increased by 60.2% to £93.5m compared with £58.4m in the previous 12 months to 31 January 2022, with the operating margin increasing to 31.9% from 29.3% in the prior year.

UK

The UK businesses have delivered an impressive performance over the last 12 months, with net revenue increasing by 75.3% to £241.0m from £137.5m in the prior period. This growth was helped by the Group's acquisition of Engine in March 2022. Our UK businesses achieved organic revenue growth of 11.3%. The adjusted operating profit increased to £42.5m from £30.9m in the prior year with the adjusted operating margin decreasing to 17.6% from 22.5% in the prior year due to the acquisition of Engine, which was operating at a lower margin on acquisition. Operational improvements will result in a much improved operating profit and margin in the new financial year.

EMEA

The EMEA business continued to perform very well with net revenue increasing by 15.8% to £11.6m (2022: £10.0m) and adjusted operating profit increasing to £2.8m at an impressive adjusted operating margin of 24.3%.

Geographical review continued

APAC

In the APAC region net revenue increased by 18.4% to £18.0m (2022: £15.2m). The operating profit increased to £1.8m at an improved operating margin of 9.9%.

Cash flow

The net cash inflow from operating activities before changes in working capital for the year to 31 January 2023 increased to £119.6m from £88.6m in the prior year. Our management of working capital continues to be a focus despite the difficult macro-economic backdrop. We had a net outflow from working capital of £24.4m due to the unwinding of the Covid impacts as well as the Engine acquisition and our very strong revenue performance increasing trade receivables. This resulted in our net cash generated from operations being £95.2m (2022: £88.8m). Income taxes paid increased to £20.3m from £14.1m.

Dividends paid to Next 15 shareholders during the year was £12.7m (2022: £9.8m), reflecting an increased return to shareholders in line with the strong financial performance and our future confidence in the business. Net interest paid to the Group's banks increased to approximately £1.7m (2022: £0.3m) as we partially funded the acquisition of Engine out of debt facilities and we were also impacted by central banks increasing interest rates to combat rising inflation.

Balance sheet

The Group's balance sheet remains in a strong position with net cash excluding lease liabilities as at 31 January 2023 of £26.1m (2022: £35.7m) and net assets of £114.4m (2022: £61.5m). Since the previous year end, intangible assets have significantly increased primarily due to £47.3m of goodwill and £50.4m of acquired intangible assets recognised as a result of the acquisition of Engine.

Cash flow KPIs

	Year to 31 January 2023 £m	Year to 31 January 2022 £m
Net cash inflow from operating activities before changes in working capital	**119.6**	88.6
Changes in working capital	**(24.4)**	0.2
Net cash generated from operations	**95.2**	88.8
Income taxes paid	**(20.3)**	(14.1)
Investing activities	**(67.5)**	(18.5)
Dividend paid to shareholders	**(12.7)**	(9.8)
Net cash	**26.1**	35.7
Net (decrease)/increase in bank borrowings	**(1.5)**	9.6

Treasury and funding

The Group agreed new banking facilities in September 2021 and now operates a £100m revolving credit facility ('RCF') with HSBC and Bank of Ireland available until September 2024 with an option to extend for a further two years. The £100m facility is primarily used for acquisitions and is due to be repaid from the trading cash flows of the Group. The facility is available in a combination of sterling, US dollar and euro at an interest margin dependent upon the level of gearing in the business. The Group also has a US facility of US$7.0m (2022: US$7.0m) which is available for property rental guarantees and US-based working capital needs.

As part of the facilities agreement, Next 15 has to comply with a number of covenants, including maintaining the multiple of net bank debt before earn-out obligations to adjusted EBITDA below 1.75x and the level of net bank debt including earn-out obligations to adjusted EBITDA below 2.5x. Next 15 has ensured that it has complied with all of its covenant obligations with significant headroom.

Peter Harris
Chief Financial Officer
24 April 2023

Stakeholder engagement

HOW WE ENGAGE WITH OUR STAKEHOLDERS

Next 15 is committed to delivering long-term sustainable performance and growth for the benefit of its stakeholders. We understand the importance and benefit of engagement with all key stakeholders.

We aim to continue to have open dialogue with our internal and external stakeholders alike, and we are creating and embedding more formal frameworks and systems to achieve this. In this section we present the various stakeholder groups and how we engage with them.

See also:

Our strategy p16

Corporate governance p68

Employees

We put our people first. Our business is built by the talent of our people, and we know our success is fundamentally driven by their skill, commitment and passion. As detailed in our ESG Report on page 33, we have clear priorities to ensure engagement with our people, including: EDI, attracting and retaining the best talent, employment policies and remuneration, health, safety and wellbeing of employees and data privacy and cyber security. The way that people work has changed following the pandemic and therefore we need to continually review the way we engage with employees given this change.

How we engage at Board level

- Paul Butler, Non-Executive Director, has been appointed as the Non-Executive Director responsible for workforce engagement in order to give the Board access to employees at all levels across the Group.
- Holding at least two Board meetings per year in person, with at least one in the UK and one in the US, to include time for the Board to meet employees.
- A 'people dashboard' with updates on our employee base and the output of staff surveys is regularly shared with the Board.

How we engage across Next 15

- Monthly Company newsletter sent to all employees.
- Regular team meetings, both in person and virtually.
- Teams set regular days where employees are encouraged to be in the office for collaboration and social activities.
- Regular employee 'net promoter score' surveys carried out which from FY24 are a component of Executive Director bonus.
- Regular town halls to share Company news and events.
- Using Slack channels to keep staff informed and allow easy access to management.
- Using the Next 15 Academy, an online learning platform to share polices and procedures as well as training and development materials.

Customers

Our client base is varied but includes some of the world's best-known brands. Focusing on meeting the needs of our clients is critical to the success of each of our businesses. By the nature of the work we do, our brands work in collaboration with their clients. Teams are embedded within client organisations, and we continue to look at ways to better serve client needs based on what they tell us.

How we engage at Board level

- The Board receives regular updates from management regarding new client wins, the client pipeline and the performance of the brands.
- Executive Directors, in particular our CEO, regularly meets with clients to understand their challenges and growth priorities.

How we engage across Next 15

- A standard client onboarding process to ensure we understand them and they understand us better.
- Client satisfaction surveys to ensure we continue to meet their needs.
- Client networking events held by our brands to share good business practices and collaborate with our clients.
- Sharing new client wins and industry awards and events across all brands encourages employees from all parts of the business to understand our key clients and how we support them.
- Giving brands access to the Ethics Group as detailed in the ESG report on page 33 to ensure clients fit with our strategy and values.

Investors

The Board recognises the critical importance of open dialogue, transparency and fair consideration of the Company's shareholders. Executive Directors engage with shareholders regularly throughout the year to discuss strategy and ensure they are appraised on our strategic plans and financial results.

How we engage at Board level

- The CEO and CFO regularly meet with major shareholders in person or virtually following interim and full-year results announcements.
- Capital markets days are held from time to time.
- Direct consultation takes place for key decisions such as brands deciding to become a B Corp, our ESG strategy and key remuneration matters.
- Ensuring key shareholders know that access to all of our Board Directors is available if they want to discuss anything with regard to the Company.
- The Directors attend the Annual General Meeting ('AGM') which is an opportunity for all shareholders to meet the Board and discuss the Annual Report and Accounts and the work of the Board Committees.

How we engage across Next 15

- Our Annual Report and Accounts is prepared each year to give shareholders details on the Company's strategy, the performance of the Group and the operation of the Board.
- Our corporate website provides access to key Company information and publications as well as additional resources and links to all of our brands.
- Key shareholders have access to ad-hoc meetings with Executive Directors and other members of the senior management team upon request.

Suppliers

Because of the nature of our business, our long-term success as a Group is not dependent on any one supplier. We aim to work with suppliers that match our aims and values. We work with a number of suppliers to ensure we can provide the services to our clients. We want to ensure that our suppliers are engaged on suitable terms and meet the expectations of the Group.

How we engage at Board level

- The Board receives updates on supplier and partner relations and the matters reserved for the Board ensures that key new and renewing supplier contracts are referred to the Board for approval.

How we engage across Next 15

- A supplier onboarding process to help minimise risk and ensure suppliers meet our ethical standards and values.
- We use formal contracts with suppliers to ensure they are engaged on appropriate terms.
- For major new suppliers, a member of our senior management team will act as a sponsor to oversee the selection, negotiation and onboarding of suppliers.

Our brands

The Group has grown significantly, and we want to maintain the personal connection with our brands that has been key to our success. It is also crucial for all our leaders to have an opportunity to get to know the Board and where appropriate, our shareholders, as part of their career progression and personal development.

How we engage at Board level

- Monthly meetings for all Group CEOs with the Executive Directors.
- Regular 1:1 meetings with Next 15 Executive Directors.
- Annual strategy sessions with the Next 15 Board.
- In-person Board meetings are held in the UK and US and time is made available for the Board to meet key members from the brands as well as the broader employee base. At the Board's strategy meeting in New York in October 2022, a 'speed dating' session was held giving time for all of our US brands to spend time with each of the Directors and members of the Next 15 senior management team.

How we engage across Next 15

- Regular meetings across multiple Group functions to address matters such as talent management, business disruption, data, EDI, productisation, cyber security and financial controls.
- In London, the Next 15 team and all of the UK brands have now moved to new offices at 60 Great Portland Street and in New York all brands have moved into 666 3rd Avenue. For the first time, all London and New York based brands have office space in the same building allowing much more collaboration as well as support and guidance from each other and the Next 15 team.

Section 172(1) statement

The Directors are fully aware of their duty to promote the success of the Company for the benefit of its members as a whole in accordance with section 172 of the Companies Act 2006, and in doing so to have regard to the matters set out in section 172(1) (a) – (f) as set out below:

(a) the likely consequences of any decision in the long term;

(b) the interests of the Company's employees;

(c) the need to foster the Company's business relationships with suppliers, customers and others;

(d) the impact of the Company's operations on the community and the environment;

(e) the desirability of the Company maintaining a reputation for high standards of business conduct; and

(f) the need to act fairly as between shareholders of the Company.

The Directors are conscious of the continued evolution of the governance landscape, and this coupled with the Company's ESG strategy means that taking into account the needs of different stakeholder groups remains an important matter to address.

In order to ensure the needs of all stakeholders are considered, the Directors follow a thorough decision-making process:

- the Directors are provided with Board papers which provide the necessary information and state clearly what is required from the Board. The potential impact of various stakeholder groups will be included in such papers;
- the Directors discuss the papers, making sure there is sufficient information to ensure that actions are within strategy and will take into account section 172 matters. If there is not sufficient information, management will be actioned to provide further input;
- once the Board is satisfied that it has taken into account the section 172 matters it will make a decision and any actions will be documented; and
- Board decisions are communicated to stakeholder groups as required.

Engagement with our stakeholders is detailed on pages 28 and 29 as well as in the corporate governance statement on pages 70 to 78.

The principal long-term risks to the Group are set out on pages 56 to 67, together with the mitigating actions explained on those pages detailing how the Directors consider those risks and the resulting actions taken.

Set out below are examples of how the Board considered certain matters and reached decisions, demonstrating how they had regard for section 172 when discharging their decisions during the year:

Acquisitions through the year

Matters discussed

The Board discussed a number of potential acquisition targets as either stand-alone acquisitions or bolt-ons to existing brands. The acquisition of Engine was the largest acquisition made by the Group to date.

Section 172 considerations

(a) (b) (c) (e) (f)

How the Board considered section 172

For all potential acquisitions, the Board receives a rationale paper from management setting out the ways in which the target business adds value to Next 15 and how Next 15 can add value to the target business. It considers how it fits into the long-term strategy of the Company, whether it is earnings enhancing and the payback period. Any employee issues will be highlighted and considered.

Following due diligence, which covers commercial, financial, employment, technology and data privacy, legal and ESG, a report is prepared for the Board to consider the findings and approve if the transaction should proceed.

Decisions were made not to pursue certain acquisitions due to the outcome of due diligence which identified that the target business would not fit with our values, culture, ESG standing or level of maturity or financially were not justified.

Outcomes

- The Company has made a number of acquisitions that add capabilities and services to existing brands.
- The acquisition of Engine added significant growth consultancy services to the Group, accelerating its business transformation ambitions, adding significant scale and adding new capabilities in the counter cyclical public sector and creating an enhanced consumer cluster of UK businesses.
- The acquisition of M&C Saatchi was not successful but lessons were learnt from the process.

See also:

ESG report p33

Corporate governance p68

Employee volunteering

We encourage our employees to embody our 'Make It Better' value by working as a team to give back and do some good.

FY23 team volunteering opportunities included:

- preparing meals with Food For All, an entirely volunteer-run food relief charity who provide thousands of free meals every day to community groups and local authorities, as well as on the streets for people without accommodation;
- supporting Crisis at Christmas' new warehouse by preparing the space for incoming donations. They open their doors to people who are homeless, offering much needed warmth, healthcare, food and company;
- helping Alford House, a place that promotes the wellbeing, training and recreation of the young people of Lambeth, to clear their very overgrown car park, which at the time could only be partially used;
- cleaning up the area surrounding our Bermondsey Street offices by clearing several large areas of litter and sorting it into the appropriate bins; and
- engaging with and distributing food, drinks and other useful items to some of London's most vulnerable people as part of an opportunity called 'Walk in the Footsteps of the Homeless' run by Soup Kitchen London.

Consolidation of properties

Matters discussed

In light of the changes to working patterns and following the acquisition of Engine, the Board approved the consolidation of the London properties to 60 Great Portland Street and the New York properties to 666 3rd Avenue.

Section 172 considerations

(a) (b) (c) (d) (e)

How the Board considered section 172

Following the pandemic, remote working has changed the way in which employees work and want to work. As a business, we have been very aware that remote working has advantages and disadvantages, but that a combination of remote working and working in the office seems to be a solution that works for employees and the Company. Since the pandemic, the Group has been consolidating its offices. Taking into account the impact on the environment of excess properties, commuting time of staff, the needs and wants of employees in terms of flexible working, the costs savings that can be made by having fewer offices, analysis was undertaken to understand the cost and impact of moving all London brands into 60 Great Portland Street and the New York brands into 666 Third Avenue.

Outcomes

- All London brands now share space at 60 Great Portland Street and all New York brands at 666 Third Avenue.
- Other properties have been sublet or surrendered where possible.
- Offices work in a flexible, hot desk style way enabling smaller offices.
- Weekly commuting hours have been reduced.
- Brands have better access to Head Office support staff and are able to collaborate with other brands in the Group more easily.
- We have reduced our environmental footprint associated with our UK properties and provide opportunities for employees to come together.

Information security awareness

Matters discussed

Cyber security and protection of our data and information is a principal risk which the Company faces. During the year, the Board and the Audit Committee has had regular updates and input into the actions the Company is taking to have sufficient security protection in place and can take action when needed.

Section 172 considerations

(a) (b) (c) (d) (e)

How the Board considered section 172

At each Board meeting, the Directors receive a cyber security report which details the action being taken in this regard as well as any breaches or issues that may have arisen since the last report. This also includes an update on the developments outside of the Company in terms of information security threats and attacks. The Board helps guide management to take appropriate action to protect the Company, its employees, its suppliers and clients as well as shareholders in respect of the security of the information it holds.

Outcomes

- Regular awareness campaigns and training is in place to educate employees to protect the business from cyber attacks.
- Management have established an 'Information Governance Board' to ensure the Company is continually developing its strategy on information and cyber security and taking appropriate actions where needed.
- The Audit Committee has an update at every meeting on cyber security related issues, including understanding any threats or breaches the Company has had.

Innovating together

“The value of an idea lies in the using of it.”

Thomas Edison

Practical, pragmatic Innovation is in Next 15’s DNA. Our biggest brand, Mach 49, helps some of the world’s largest companies creating new ventures. Transform have built a reputation helping government innovate to tackle some of society’s most challenging problems. And our creative businesses constantly innovate to find ever more effective ways to connect clients with the audiences that matter to them.

ESG report

WHY ESG IS IMPORTANT TO NEXT 15

Dianna Jones
Chair, ESG Committee

Last year, we reported on our Environmental, Social and Governance ('ESG') performance for the first time. Highlights included our decision to work towards B Corp status, engaging environmental specialists to capture our carbon data, establishing an internal Ethics Group, and undertaking Equity, Diversity, and Inclusion ('EDI') audits.

This year we continued that journey, exploring the best options for the B Corp certification process. We're one of the largest organisations ever to pursue the B Corp certification process. We've concluded with B Lab (the body that certifies B Corporations) that the best way forward is for our brands to seek B Corp certification individually. With all the work that we have already done for Next 15, we will be able to greatly reduce the preparatory work for each of our businesses. We also believe that this direction aligns with our autonomous and decentralized business model. A number of brands will have the opportunity to start the certification process immediately following on from elvis's certification last year.

We also completed our first materiality assessment and strengthened our governance by establishing the ESG Committee to the Board. In addition to helping us define what sustainable growth looks like in practice, the ESG Committee will approve our emerging ESG strategy, and both assist and challenge the Board to consider how applying an ESG lens to our business model can benefit all stakeholders.

We continued our efforts to expand our diversity of thought, create a more resilient business, and drive better business outcomes through our hiring practices and policies, and we seek to consciously include those that have been underrepresented in the past. We have established a Board Diversity Policy which can be found on the Company's website. We have set the groundwork for our EDI Council and established its Steering Committee, and we look forward to listening to their insights and responding to their recommendations.

Holding ourselves accountable to the commitments we make is a critical part of how we build trust with our stakeholders. We will continue to report on our performance and improve our reporting in line with our own expectations, and those of our stakeholders.

Dianna Jones
Chair, ESG Committee
24 April 2023

Progress highlights from FY23

- Established the ESG Committee.
- elvis secured B Corp certification.
- Refined the role of the EDI Council.
- Completed a materiality assessment to establish the most material ESG topics to Next 15.
- Rolled out the Next 15 Academy online learning platform.
- Extended our Scope 3 reporting.
- Attained ISO 14001 certification at our Head Office.

Our ESG priorities

The road to becoming a B Corp
At Next 15, our goal is to use our business as a force for good by delivering sustainable growth for our clients. Last year we announced our intention to gain B Corp certification. We chose B Corp for several reasons, primarily its focus on action and its rigorous and holistic approach to ESG topics.

Our journey towards B Corp certification has taken a significant step forward with our decision to pursue certification through our brands.

The B Corp framework – including Customers, Environment, Workers (together 'People'), Community and Governance – provides the structure for this section of the report (see page 36).

Defining growth for Next 15
Next 15 is a growth consultancy. We help the world's best companies with their growth challenges.

Our strategy is to deliver sustainable growth for our customers, placing diversity, community, wellbeing and the low-carbon transition at the heart of our work. Our ESG team and Committee will be working with external advisers and representatives from our brands during FY24, to help define what sustainable growth looks like in practice. More information on the ESG Committee is included in the ESG governance section on page 54. We remain committed to building ESG considerations into every area of our work with customers: through Customer Insight, Customer Engagement, Customer Delivery and Business Transformation.

Defining our ESG priorities
As committed in last year's report, we hired One Stone Advisors, an external sustainability consultancy to conduct a formal materiality assessment. This process enabled us to consult stakeholders on our key ESG focus areas, identify the risks and opportunities most relevant to our business, and ensure a strong foundation for our ESG strategy (due to be completed in FY24).

The materiality assessment process followed three key steps:

1. we developed an inventory of 150 topics that might be relevant to Next 15 over the next five to ten years, informed by desktop research into the common and emerging ESG risks and opportunities in our sector, as well as leadership across all sectors;
2. we worked with a diverse group of internal stakeholders from Next 15 and its brands to reduce this list to 14 of the most relevant ESG topics. The Group then mapped the topics onto a draft materiality matrix, using a 'double materiality' approach that considered both the impact of the topic on Next 15 and the impact of Next 15's activities on stakeholders; and
3. we carried out in-depth interviews with 13 stakeholders – representing senior leadership, employees, brands, customers and suppliers – to challenge our thinking and refine the placement of these topics on the matrix.

Our stakeholder interviews raised several notable points, namely:

- that stakeholders agreed Next 15's most significant impacts are through our client work, and that these topics therefore require the greatest focus in our ESG strategy;
- that 'impacts of company acquisitions' should be added to our list of material topics at this stage, with one stakeholder describing this as Next 15's 'superpower'; and
- that stakeholders were keen to emphasise the strong interlinkage between EDI and the ability to attract and retain talent.

The Next 15 materiality matrix (see page 35) shows the ESG topics we consider to be important to the Group. Those at the top right of the matrix will be particularly critical for our business over the next five to ten years. Full definitions of the topics can be found on our website at www.next15.com.

This materiality assessment has been reviewed and approved by the Next 15 Board. It will be refreshed on a regular basis as our business and the external context change.

Next 15 materiality matrix

Social topics

1. Attracting and retaining engaged talent
2. Equity, Diversity and Inclusion
3. Data privacy and cyber security
4. Employment practices and remuneration
5. Employee health, safety and wellbeing
6. Responsible procurement
7. Communities

Environmental topics

8. Climate crisis
9. Circular economy and waste

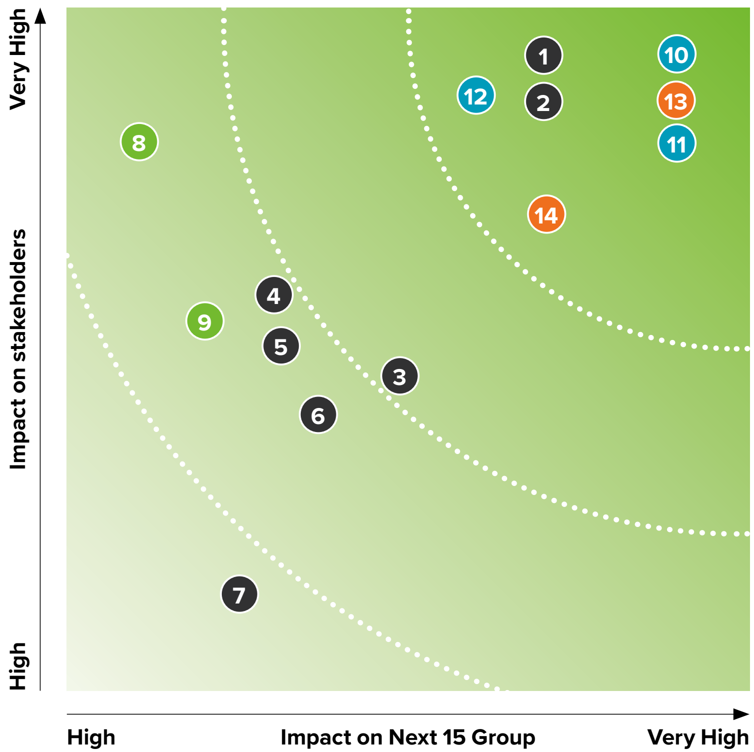
Customer topics

10. Impacts of client selection and growth
11. Responsible marketing and behaviour change
12. Social and environmental innovation

Governance topics

13. Impacts of company acquisitions
14. Robust governance

Materiality of ESG topics



ESG report continued

The Next 15 ESG strategic priorities

Use our business as a force for good by delivering sustainable growth for our clients

Customers

Support clients to improve their social and environmental impact

Work with clients who share our values

Place sustainable growth at the heart of our client conversations

People

Put diversity and wellbeing at the heart of our work

Create a work environment where diversity is valued at every level

Champion diversity through our client work

Environment

Play our part in the low-carbon transition

Reduce our carbon emissions in line with a 1.5°C pathway

Support clients to play their part in the low-carbon transition

Community

Support our local and global community

Support causes that are aligned with our values

Drive sustainability throughout our supply chain

Governance

Run our business as a force for good

Work towards B Corp certification for our brands

Acquire brands who can drive sustainable growth

Ensure Next 15 is a great place to work

Foster a culture of sustainability across the business

Champion transparency

Impact area: Customers

We aim to support clients to improve their social and environmental impact

Working with clients who share our values

We want to work with clients who share our values and who are committed to making a positive impact on the world. Unless it is to help them materially change the course of their business to have a more positive impact or to improve the impact they are having, we do not work with clients in the tobacco, pornography, weapons and ammunition, or fossil fuel extraction sectors.

However, determining if a project or potential new client is values-aligned isn't always straightforward. Creating a positive impact is often more complex than simply avoiding contentious sectors. There is also a strong case for helping companies in those sectors to transition their operations in a more sustainable direction.

In December 2020, we established the Next 15 Ethics Group to support our brands to make values-based choices about which clients and projects to pursue. Made up of senior leaders from Next 15 and our brands, the Ethics Group's role is to:

- act as a sounding board and an active participant in ethical debates;
- ask challenging questions;
- add knowledge and/or experience of a particular sector and its impact; and
- on occasion, provide a clear decision where there is a disagreement between stakeholders.

Anyone within our brands can ask the Ethics Group for guidance and they will receive a response within 48 hours. The number of consultations has fallen during FY23. One of the reasons for this is because brands have created their own screening mechanisms. We are exploring how we can evolve the Group's role to help complement the brand screening process and share the thinking behind difficult decisions.

Sustainable growth at the heart of client conversations

As a business, we are increasingly asked by clients to apply our skills to help them solve strategic challenges. Our consulting capability enables our clients to transform their existing businesses or create entirely new ones to grasp emerging opportunities. Our executional capabilities, such as marketing, provide us with an opportunity to inspire sustainable lifestyles.

We acknowledge that our greatest climate impact will largely come from the carbon emissions resulting from the growth of our clients. The marketing and consultancy sectors are beginning to understand the size of their footprint. For example, the marketing sector has made progress on measuring impact from production, media buying and 'advertised emissions' – and the same principle applies to Next 15's other services that help clients grow. The tension between the role of marketing in driving growth for clients and the reality of finite planetary resources is something that the industry is only just beginning to explore.

Next 15 brand and newly certified B Corp, elvis, has been working with Purpose Disruptors, an industry group dedicated to catalysing the advertising industry's climate transition, since 2018. elvis' Managing Director, Caroline Davison is a contributing author to their 2021 and 2022 Advertised Emissions reports. Advertised emissions are the greenhouse gas ('GHG') emissions that result from the uplift in sales generated by advertising. In the UK alone these emissions are estimated to add an extra 32% to the annual carbon footprint of every person[1].

In FY23, we began working with our environmental consultant, Green Element, and the film production team at Next 15 brand, House 337, to help us better understand production associated emissions. We also started the process of rolling out industry sustainability training for our producers, project managers and creatives and including the AdGreen Levy[2] to our production estimates.

We are keen to expand these conversations across the Group, progress this work with our clients and collaborate with our peers in the industry, to understand how we can develop a unified approach. This will include continuing to work towards implementing an effective carbon calculator tool to help us better understand production associated emissions and how these can be effectively reduced without compromising the work.

While we would like to be able to assess the impact of all our client work, we are mindful that the breadth and diversity of the Group's growth consultancy work may make this challenging in the short term.

1 Advertised Emissions, The Carbon Emissions Generated by UK Advertising. Purpose Disruptors, 2022.

2 The AdGreen Levy is a recommended 0.25% of the cost to produce an advertising asset – that's just £2.50 per £1,000 spent and is capped at £2,500 per production. The levy is paid to those producing work for the advertiser in the UK, and then passed onto AdGreen to enable them to continue supporting the UK advertising industry in reducing emissions from productions. The more advertisers who contribute, the lower AdGreen can make the levy percentage. The AdGreen Levy offers free resources, training, and carbon calculation tools, to enable the advertising production community to measure and reduce their carbon footprint.

Social and environmental impact
The following case studies illustrate how we have helped clients to make a positive impact:

Outcast – Bloomberg Philanthropies – Countdown to COP27

Designed to turbocharge climate progress from public, private, and civil society actors around the world, Bloomberg L.P. and Bloomberg Philanthropies unveiled dozens of climate actions through investments, partnerships, and capacity-building and educational efforts during the 45-day Countdown to COP27 in November 2022.

The Bloomberg Countdown to COP27 was a series of initiatives and commitments aimed at delivering on UN Secretary-General António Guterres' call for urgent, collective climate action leading up to the UN Climate Change Conference in Sharm El-Sheikh, Egypt. The Countdown enhanced awareness of key climate change challenges addressed by the COP27 Presidency.

Next 15 brand, Outcast, partnered with Bloomberg Philanthropies to drive awareness of the Countdown to COP27 campaign through organic and paid social media content, Google search ads, and community management. Advertising reached current audiences passionate about Bloomberg Philanthropies work, and new ones worldwide with an interest in environmental activism and government innovation. It also helped to reach new partners in the non-profit space. Ad formats featured a dynamic range of content from image and text, video, and interactive polls. Each format was specifically placed and optimised to enhance either reach or engagement.

To further increase awareness and engagement, Outcast managed community engagements with partners and notable figures in environmental activism leading up to and during COP27. This ranged from US Special Presidential Envoy for Climate, John Kerry, Goldman Sachs, UN Secretary-General António Guterres, French diplomats, and more.

Overall, Countdown to COP27 digital activation efforts reached over 46m people, surpassing goals set based on COP26 digital activations results.

Transform – Helping the UK achieve Carbon Net Zero

"The visualisation is fantastic!"

Sir Patrick Vallance,
Chief Scientific Adviser
to UK Government

Next 15 brand, Transform, built a Net Zero System Tool ('NZST') to give the UK Government the capability to systematically assess possible impacts of policy choices on net zero. This allows decision-makers to understand the relative impacts of different policy decisions.

Getting to net zero is challenging. It's easy to understand the principles of releasing less carbon and taking carbon out of the atmosphere, but the activities to achieve this have their own carbon footprint and can impact on other areas. Transform started by considering some of the questions being asked, such as, 'How do we encourage the installation of insulation?' and 'What is the impact of reducing demand for meat?'

A challenge of this complexity requires systems thinking to make sense of it all. In HM Government's own words, "Systems principles should be at the heart of the Government's approach to delivering net zero; helping ensure the development of policy which is robust and effective; maximising mutually beneficial interactions, accounting for dependencies, and mitigating conflicting interests."

The solution was to build a tool that visualises data from multiple areas in one place, to show interdependencies and trade-offs. It contains data including housing, industry, agriculture, transport and energy sources making it relevant to many government departments and multiple users within each department.

The project required many skillsets at Transform: Solution and Data Architect, Lead Data Engineer, Visual Analyst, Data Scientist, User Researcher, Creative Designer and DevOps Engineer working with multiple stakeholders in several departments.

There were frequent test and improve cycles with user feedback being used in future sprints throughout the development. The next stage is to add more data sources and develop more models predicting outcomes of policies to get to net zero.

ESG report continued

Savanta – Reframing Race

"As well as all of the sampling robustness and quantitative and qualitative analysis that one would expect from a reputable agency, the team helped to refine the messages being tested and to ensure the survey for the study delivered the insights that we were seeking. Their advisory input and experience of our particular type of study was invaluable."

Dr Sanjiv Lingayah,
Director, Reframing Race

Next 15 brand, Savanta, worked with Voice4Change, a charity that advocates for minoritised ethnic groups in policy-making, to identify ways to reframe current narratives on race and racism. Voice4Change wanted to gather robust evidence to guide them on which messages would be most effective in shifting public views on racism, and to garner support for structural changes to national policies and institutions.

The approach to reframing narratives on race has been informed by strategic communications theory, using messages that were designed to invoke values that are shared by race equality advocates and their target audiences. Voice4Change designed 36 messages, carefully worded to reflect life-affirming values such as dignity, opportunity and safety.

Savanta's research design was based on the work conducted by the Frameworks Institute and Joseph Rowntree Foundation on reframing poverty – recognised as a cornerstone study in strategic communications. This involved an experimental design ('AB test') to identify the impact of seeing a message compared to a control group, in order to identify whether the message had been effective in prompting a different view on key outcome measures. A complex regression analysis design further identified whether exposure to a message predicted a likely shift in views amongst different groups in the population. The analysis was enabled by a robust sample of 20,000 interviews across England and Scotland.

The first published report can be found on ReframingRace.org, and a second, more detailed report, will follow this year.

Voice4Change have described this project as delivering 'ground-breaking data'. The results of this project will be directly applied to the messages that are used in their race equality campaigning work. It will also inform an engagement programme with an active network of advocates who are working to address racism in society at a national and local community level.

Impact area: People

We aim to put diversity and wellbeing at the heart of our work

At Next 15, we put our people first. Our philosophy is that everyone performs at their best when they feel trusted, included, and heard.

Since last year, we have added data and cyber protection and, as a result, we have five clear priorities:

1. Equity, Diversity and Inclusion
2. Attracting and retaining engaged talent
3. Employment practices and remuneration
4. Employee health, safety and wellbeing
5. Data privacy and cyber security

Equity, Diversity and Inclusion ('EDI')
Creating an environment where everyone feels included and confident to be themselves in the workplace is one of our most important goals. It is also a critical component of our plan to attract and retain talent. This is a long-term journey that gained momentum in 2020 when we appointed our first female Chair to the Board. We now have a majority share of female Non-Executives on the Board, and are continuing our focus on visible and non-visible diversity at the Board level, and throughout the Group. Further information is included in the corporate governance statement on page 77.

Our EDI framework consists of five pillars: Leadership, Inclusion, Equality, Openness, and Belonging. We have comprehensive EDI policies across the Group and training is available on the Next 15 Academy. In December 2022, the Board approved and adopted a new Board Diversity Policy.

Diversity metrics
Our people dashboard provides a snapshot of key metrics. In FY23, we extended the data reported to include high level gender pay gap and ethnicity pay gap. This data allows us to create stronger strategic people plans, highlights areas of risk and assists in developing behaviours for best practice. The dashboard is evolving as more data becomes available to include elements such as age and turnover by length of service. This is part of our wider data project and will continue to evolve and improve as systems allow. This includes rolling out our EDI maturity model, which will provide key performance indicators ('KPIs') to identify the level of EDI maturity of each brand. Through the EDI Council, we will be able to tailor support and resources to help brands show progress against the model.

Strategic framework
Focusing our attention on the sum of the parts – leadership, inclusion, equality, openness and belonging – provides a strategic framework for which both Next 15 and brands can be responsible and accountable.

Leadership	Inclusion	Equality	Openness	Belonging
Increase diverse representation in leadership roles and future skills	Build accountability for inclusion into our DNA through applying an inclusion lens to everything we do	Enable equality of opportunity through transparency and fairness in processes and system	Tackle bias and discrimination to ensure a great environment for every individual	Understanding of the value our people bring and why their contribution matters

Impact area: People continued

Equity, Diversity and Inclusion ('EDI') continued

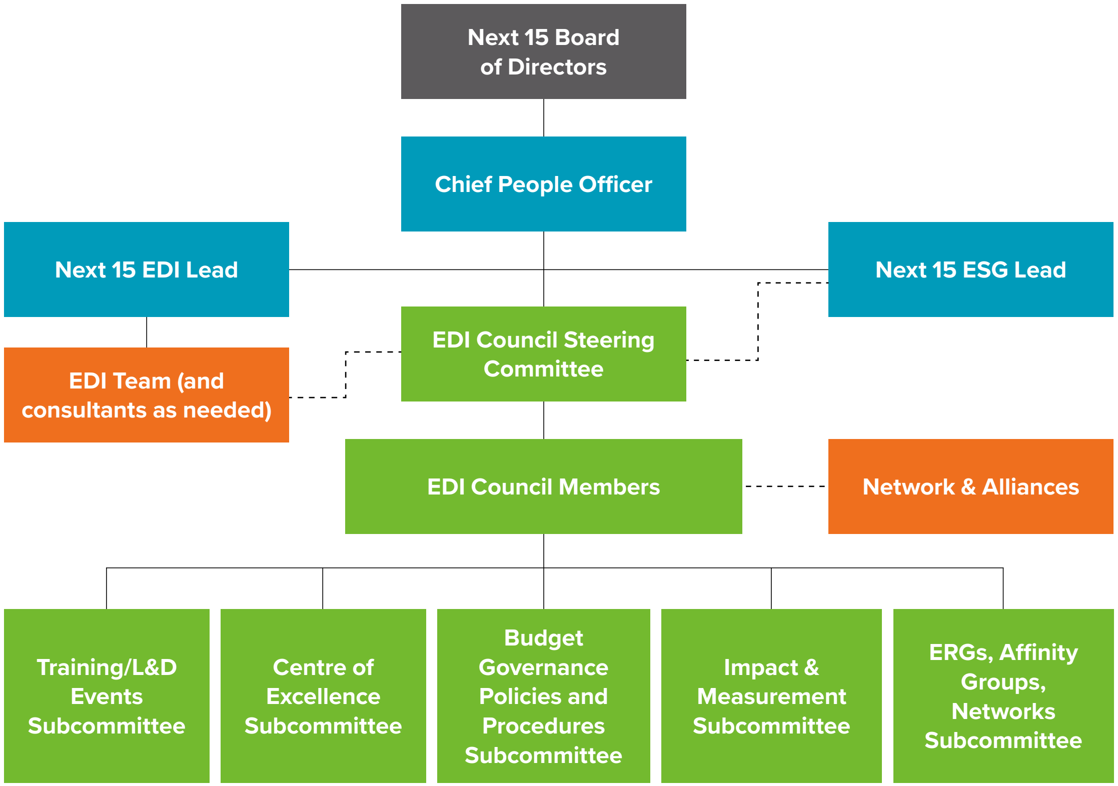
The Equity, Diversity and Inclusion ('EDI') Council
Due to the growth of the Next 15 Group, in FY24, we will reset the role of the EDI Council. Overseen by the EDI Steering Committee, the Council is a strategic advisory group for Next 15 that will provide guidance, make recommendations, and advocate for EDI across the Group. It will consist of at least one representative from each brand (approximately 30 people).

Council members will champion and support all EDI activities and serve as the link between the Council and their brand, communicating updates and encouraging involvement and support of EDI initiatives.

The Council will be led by a steering committee of up to seven employees, including a senior leader from Next 15. Subcommittees will focus on specific deliverables, such as training, impact measurement, and employee resource groups ('ERGs').

Attracting and retaining engaged talent
Our people are at the heart of everything we do. A key pillar of our business strategy is to use our growth expertise internally to create an environment in which highly talented teams can deliver their best work.

We have long believed that a diverse and inclusive workforce is not just a social good, but a commercial advantage when it comes to attracting and retaining the best people. Fair practices in hiring and talent development, as well as maintaining safe, inclusive and supportive company cultures, are key to the Group's success.



Attracting and retaining engaged talent continued
The scale of the environmental crisis and growing awareness of societal inequality is something our people care deeply about. Without demonstrable action, there is a risk that we will struggle to retain and recruit talent, as well as retain and win innovative, values-aligned clients.

Staff retention:
77.0%

Inclusive hiring
All Next 15 brands continue to focus on improving their inclusive hiring practices. Many are using software that neutralises job descriptions and adverts by removing any terminology that may be off-putting to prospective applicants. New applicant tracking systems are encouraged that promote blind screening to anonymise candidates. We are also using the diversity across the Group to promote role models and ambassadors for visible and non-visible characteristics. This approach forms part of our retention strategy, where we are working hard to ensure that all new joiners feel like they belong.

Succession planning
An active succession planning and talent management strategy is important to ensure that we are not vulnerable to business disruption from the loss of key personnel. Our acquisitions this year have deepened our leadership talent pool and we continue to build our resilience across the business.

ESG report continued

Impact area: People continued

Employment practices and remuneration

We believe that people perform at their best when they have the freedom to manage their workloads in the way that works best for them. The pandemic changed the way we worked and made flexible working the new normal for many people. This sea change in the way we work has had significant benefits for everyone: our business and our employees.

The use of remote working has meant that we've been able to hire people from different communities and backgrounds now that location is less of an issue, and hours can be flexed around other commitments such as childcare. The hybrid working model, combined with the consolidation of our offices, has delivered a flexible, yet collaborative environment that is benefiting employees and the Group.

Fair remuneration

We believe in fairness, which is why fair remuneration is one of our priorities. Next 15 benchmarks remuneration across the Group and provides guidance on the topic to our brands. As our brands and markets are diverse, it is often challenging to standardise compensation packages. For that reason, brands retain the freedom to give discretionary bonuses and/or incremental benefits on a fair and equitable basis.

We pay above minimum wage in all jurisdictions and, where applicable, living wage for an individual. In jurisdictions without an established living wage, we pay above minimum wage.

Training and development

Next 15 understands that what employees want from a job is changing and that a failure to evolve may result in a loss of key talent or a lack of experienced talent in our leadership pipeline. We are therefore committed to developing our staff and helping individuals identify their path, within brands or within the wider Group if so desired.

This year, we rolled out the Next 15 Academy, a learning management system, across the Group. It allows every brand to customise their learning space. Brands will benefit from the shared content created across the Group, which is integral in building an accessible learning culture for the entire organisation.

In FY23, we used the Academy to roll out core policies on modern slavery, whistleblowing, anti-bribery and corruption, and IT, in addition to a series of family leave policies. The platform is also used to deliver our environmental and EDI training. While engagement with the Academy was as high as 70% in some brands, in FY24 we will focus on building learning environments for our people by using the platform and adding more curated and targeted content.

Employee engagement

We are extremely proud of the talent within the Group. Knowing what our people think and feel is key to our growth. Our brands monitor engagement and act on feedback in a variety of different ways, including yearly engagement surveys, pulse surveys, 360-degree appraisals and central reporting of HR issues.

In FY23, we rolled out our first Group-wide employee net promoter score survey ('eNPS'). The eNPS is based on the question, 'how likely are you to recommend your brand as a great place to work?' The results are linked to our incentives programme for senior leaders. This year, our eNPS was 39 on a scale of -100 to 100. The employee survey, which will be repeated annually, replaces the EDI survey but uses questions from it, such as 'do you feel a sense of belonging?' to maintain continuity.

Employee net promoter score ('eNPS'):

39 on a scale of -100 to 100

Employee health, safety and wellbeing

Health, safety and wellbeing are vitally important for everyone. We work to provide access to the best expert resources and advice around mental health, stress and financial issues through our Employee Assistance Programme. We also provide access to fully funded or tax-efficient health schemes in each of our markets.

The pandemic years were difficult for many and some of our employees are still dealing with health challenges. In FY24, we will be providing financial support to help people impacted by illness, either directly or through the need to care for a loved one. We will continue to support our employees on a practical, day-to-day level. We will continue to provide new training for line managers through the Next 15 Academy on mental health and wellbeing awareness.

While the move to flexible working has been welcomed across the Group, this has presented its own challenges in how people, especially early career stage employees, communicate and collaborate. We will be addressing this as part of our training for line managers in FY24.

Our consolidation into hub offices has helped to bring brands and teams together. In FY23, our brands teamed up to organise events in our hub buildings in New York and London around Black History Month and holidays, such as the festive markets, where employees showcased and sold their handcrafted items.

Data privacy and cyber security

Ensuring the confidentiality, integrity and security of our data through robust data privacy and cyber security measures is essential for protecting our assets, maintaining the trust of our stakeholders, and upholding our commitment to responsible data management practices. More information on our approach can be found on page 106.

ESG report continued

Impact area: Environment

We aim to play our part in the low-carbon transition

Climate action
Our materiality assessment revealed that climate change is a key priority for our stakeholders. By the end of FY24, we plan to formally commit to setting science based targets via the Science Based Targets initiative ('SBTi').

We began measuring our Scope 1 and 2 emissions (including electricity and gas) and elements of our Scope 3 emissions (including water, waste, commuting and business travel) in February 2021. This year, we have extended our Scope 3 boundary and included EMEA and APAC alongside the UK and North America.

We set an FY23 target to reduce emissions by 12.6% per FTE from our FY20 baseline and have achieved a 14% decrease partly as a result of our post-Covid-19 hybrid working model. Our focus over the coming year will be to support our brands to set science-aligned carbon reduction targets and deliver against them.

While reducing our carbon emissions is our priority, we also budget for offsetting our residual emissions. We are developing a longer term offsetting strategy, where we invest any funds in early-stage carbon removal technologies. We are in the process of identifying a provider that is aligned with our values to support our efforts.

Understanding the scale of our emissions
As a business, our emissions come from our direct business operations (offices, homeworking, and business travel) and indirect emissions such as purchased goods and services, production, media, and data processing.

Aligned with our ambition to set robust carbon reduction targets in line with the SBTi reduction trajectory, in FY23 we expanded our carbon reporting to include all our brands in EMEA and APAC, alongside the UK and North America. We also extended our Scope 3 reporting to include emissions associated with purchased goods including IT equipment, furniture, building works, and purchased services including off-site data centres and capital goods. Purchased goods and services account for the largest proportion of the footprint each year at 83%.

Included within current reporting boundary

Since 1 February 2021

Scope 1
Company facilities including purchased gas
Company owned vehicles

Scope 2
Purchased electricity

Scope 3
Energy transmission and distribution
Waste
Water
Business travel
Commuting
Working from home

Since 1 February 2022

Scope 3
Purchased goods and services

Not currently measured

Scope 3
Production
Media planning and buying
Emissions resulting from the growth of our clients

Understanding the scale of our emissions continued

We calculated data with the expanded scope for FY22 and FY23. In an effort to align data for all reporting years, we have taken an average from these years and applied this to FY20 and FY21.

For ease of comparison, we have used an average based on FY22 and FY23 data to estimate the emissions for the expanded scope of reporting for FY20-FY22.

- Since the baseline year of FY20, emissions associated with measured activities as a whole have increased by 56% but reduced by 14% when normalised per full-time employee.
- Business travel has increased compared to FY22 but decreased by 35% compared to pre-pandemic levels in FY20.
- As part of the extension of our carbon footprinting work, in FY23, we gathered emissions data from our operations in EMEA and APAC.
- We continue to explore reporting an expanded scope of emissions data, including production and media.

Targets

With the inclusion of our new reporting areas under Scope 3, we have reset our baseline to reflect this. Our targets will follow the same methodology, aiming for medium and long-term reduction targets from our baseline. On our path to net zero by 2050, by FY30 we will aim to reduce our tCO_2e per FTE emissions by 34%. This target will be reviewed annually. Given our tCO_2 per FTE in FY23 was 10.4t, we are confident we will meet our target in FY24 which is 10.1t.

Tonnes of CO_2 per FTE for FY23 (tCO_2e/FTE):

10.4t

Tonnes of CO_2 per FTE target for FY24 (tCO_2e/FTE):

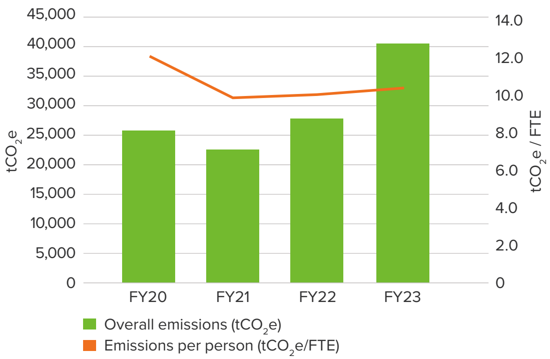
10.1t

Changing the way we work

Fuelled by the shift to increased home working, the consolidation of our offices in the UK and US began in 2021. By the end of FY22, we had reduced the number of offices from 47 to 41. This year, we have 39 offices. 57% of our staff are allocated to our two largest offices (London and New York Head Offices).

In FY22, we asked our employees to complete a commuter survey to help us better understand our work from home emissions. The insight from that helped us to refine our understanding of our Scope 3 emissions.

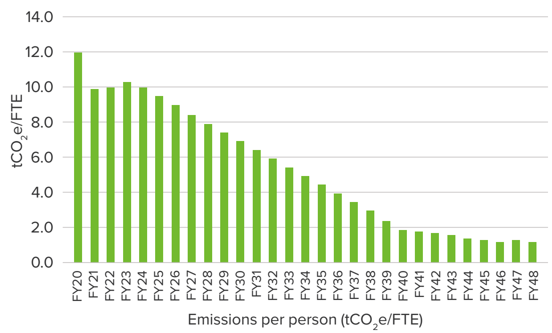
Overall and normalised emissions per year



Overall and normalised emissions per year

	Overall emissions (tCO_2e)	Emissions per person (tCO_2e/FTE)
FY20	26,411	12.1
FY21	22,882	10.0
FY22	28,316	10.1
FY23	**41,287**	**10.4**

Emission reduction targets (tCO_2e/FTE)



ESG report continued

Impact area: Environment continued

Changing the way we work continued

The pandemic dramatically reduced our business travel from 1.8tCO_2e/FTE in FY20 to 1.2tCO_2e/FTE in FY23. We found new ways to work and do business and while the end of travel restrictions has increased our travel related footprint in FY23, we have not seen a return to pre-pandemic levels. We attribute this to changing working patterns and the policy of encouraging our employees to avoid all but essential business journeys. This position is grounded in our carbon reduction commitments, but we also see benefits for productivity, employee empowerment and wellbeing associated with the approach.

We speak to our clients about the need to reduce our emissions by agreeing to travel less often. Finding the balance between meeting client expectations of face-to-face meetings and keeping business travel to a minimum will be an ongoing challenge. We will continue to support our people and brands in measuring, understanding and minimising any travel associated emissions where possible. This approach will be formalised in our Travel and Expenses Policy which will be rolled out in FY24.

- Emissions per person in FY23 is 10.4tCO_2e/FTE tonnes/FTE of which 1.2tCO_2e/FTE is business travel.

Our Environment Policy sets out our environmental commitments and applies to home and office-based working. We provide guidance on saving energy and resources when working at home.

All employees are required to complete 'Sustainability at Next 15' (which includes our Environment Policy) via the Next 15 Academy as a mandatory training module.

We offer our employees 'help-to-buy' electric vehicles through a leasing arrangement with the Octopus Green Car Scheme. To date, we have 21 cars on the road, saving 23.53 tonnes of carbon emissions per annum according to their calculator.

Carbon disclosure

CDP
DISCLOSURE INSIGHT ACTION

In FY23, we went through the CDP process for the first time. CDP is a not-for-profit charity that runs the global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts. We scored a C for our disclosure on climate change. This is a solid start, but one we intend to improve upon.

At the end of FY24, we will also be required to produce a Task Force on Climate-related Disclosures ('TCFD') report. TCFD is a guiding framework that establishes common principles for how companies and other organisations should provide information on the risks and opportunities associated with climate change. Preparations for that disclosure are underway.

Environmental management

Following the successful implementation of an Environmental Management System ('EMS') certified to ISO 14001 at our London Head Office in October 2022, we are continuing a phased implementation rollout to include other office locations across the Group. Work has already begun at our UK offices in Glasgow, Manchester, Marlow, Richmond and at our 3rd Avenue office in New York, USA. We are working on this project in collaboration with our environmental consultant, Green Element and an EMS lead at each location.

Implementation of the EMS helps us to better understand and manage our environmental impacts. It also involves active communication and engagement with the business, stakeholders and setting objectives at each location in order to reduce our impact. Our carbon footprinting consultant, Green Element has led induction programmes at each location to ensure that those responsible for environmental management are aware of the information required and processes to be followed.

Water and waste

The materiality exercise we conducted in FY23 confirmed that the circular economy and waste was our second most material environmental issue.

We measure waste and water consumption in our buildings and include these as part of our emissions reporting. Based on total office space, we have actual data on water usage for 74% of Next 15's offices. On waste, we have data for 85% of Next 15's offices. We have included water and waste emissions in our Scope 3 total emissions on page 47. Our aim is to move to complete data in the coming years.

Water and waste continued

The consolidation of our office space, combined with home and hybrid working, has reduced the volume of water used by 40% since FY20, though waste generated increased by 33%. Waste has increased due to our growth and increased accuracy of reporting at our new London Head Office. We want to understand what more can be done to manage these impacts. To that end, as part of our quantitative data collection and EMS implementation process, we speak to office managers about opportunities to improve energy, waste, and water efficiency.

Most Next 15 offices implement a range of measures to reduce waste, including:

- office furniture reuse (~95% reused during the refurbishment of our London Head Office);
- encouraging employees to refrain from printing unless essential;
- defaulting printers to double-sided, black and white;
- facility-wide recycling collection points for all standard materials and waste streams; and
- additional recycling schemes provided, for example, printer cartridges, coffee pods, and batteries.

We use a range of measures to use water efficiently, including:

- dual-function flushes in washrooms;
- low-flow and motion sensor taps, toilets and urinals;
- air tap spray heads in kitchens; and
- flow restrictors on showers and taps.

Green 15

We know from our employee surveys and other engagements that our employees care about environmental issues. In September 2022, we set up Green 15, the first Next 15 global green team. The members are drawn from Next 15 and our brands across the UK, EMEA, US and APAC.

Designed to be a unifying, collaborative force for all environmental concerns that supports the Group's environmental targets, Green 15 has three key aims:

- to leverage internal communications, learning academies, newsletters, events and more to help positively engage, influence and drive awareness around our environmental responsibilities;
- to help effectively implement ISO 14001 certified EMS across our office locations; and
- to develop toolkits for both communication and initiatives that can be easily adopted, tailored and rolled out within an office location, brand or region.

The Green 15 team has delivered several employee engagement initiatives designed to start and/or deepen the conversation around environmental impact. In FY23, these have included:

- Clothes Swap Shop in our London HQ (September).
- Charity festive market in London (November).
- Veganuary campaign, including the creation of the Scrumptiously Green! global cookbook and the Plantega live food event in New York (January).

The Green 15 team will develop a calendar of global and national events that can be used for internal engagement campaigns. We are also investigating volunteering opportunities with an environmental theme.

Impact area: Environment continued

Streamlined Energy and Carbon Reporting ('SECR')

Next 15 has reported Scope 1 and 2 (and associated Scope 3) GHG emissions in accordance with the requirements of SECR. This includes emissions for the 12 months to 31 January 2023.

Methodology

Responsibilities of Next 15 and Green Element

Next 15 was responsible for the internal management controls governing the data collection process. Green Element was responsible for data collection, data aggregation, GHG calculations and the emissions statements. Emissions were calculated according to the Greenhouse Gas Protocol Corporate Greenhouse Gas Accounting and Reporting Standard. Data was gathered from exact information where possible, with some information based on pro-rata extrapolation where verifiable data was not available.

Scope and subject matter

The report includes sources of environmental impacts under the operational control of the Next 15 Group in the UK. This includes four UK entities in FY23:

- Next 15 Group Limited;
- Savanta Group Limited;
- Engine Partners UK LLP; and
- Engine People UK Limited.

In accordance with the UK Government's Environmental Reporting Guidelines, these companies meet the mandatory reporting requirements and the figures disclosed below relate only to these Companies. However, the emissions reporting and targets in the previous page cover the entire Next 15 Group.

Our SECR disclosure has increased in scope compared to FY22 to also include Engine which was acquired during FY23. This has resulted in an overall increase in the energy figures reported due to a more energy intensive building being included. We will focus on reducing the emissions from energy through efficiency and continued procurement of a 100% renewable electricity tariff.

GHG sources included in the process:

- Scope 1: natural gas for energy generation (there was no gas usage in either Next 15 or Savanta offices);
- Scope 2: purchased electricity (location-based method); and
- Scope 3: business travel in employee owned or hired vehicles.

Types of GHG included, as applicable: CO_2, NO_2, CH_4. The figures were calculated using DEFRA conversion factors, expressed as tonnes of carbon dioxide equivalent (tCO_2e).

Energy efficiency action

Changes to the way we work have reduced our energy demand. During the reporting period, we have continued to focus on ensuring our offices are using a low baseload of energy during periods of low occupation. In FY23, we conducted an energy audit of our London Head Office. Three of our offices, including our Head Office, have now moved to renewable electricity supply. One has transitioned to green gas. Using market-based reporting this has reduced emissions by $312tCO_2e$ in FY23. We are planning to transition three additional offices to renewable energy in FY24.

Streamlined Energy and Carbon Reporting ('SECR')

Next 15 SECR FY23 mandatory reporting, as follows:

Energy consumption used (kWh)	UK FY22	UK FY23
Electricity (kWh)	58,502	**904,424**
Gas (kWh)	20,901	**260,350**
Transport fuel (kWh)	—	**—**
Other energy sources (kWh)	—	**—**
Total	79,403	**1,164,774**

Emissions (tCO_2e*)	UK FY22	UK FY23
Scope 1		
Emissions from combustion of gas	3.8	**47.5**
Emissions from combustion of fuel for transport purposes	—	**—**
Scope 2		
Emissions from purchased electricity – location-based**	12.4	**174.9**
Scope 1 and 2		
Total Scope 1 and 2 emissions (location-based method)	16.2	**222.4**
Scope 3		
Emissions from business travel in rental cars or employee vehicles where Company is responsible for purchasing the fuel	—	**—**
Emissions from upstream transport and distribution losses and excavation and transport of fuels (location-based)	5.3	**69.8**
Total location-based tCO_2e	21.5	**292.2**

Intensity ratios	UK FY22	UK FY23
Number of full-time employees within financial year ('FTE')	300	**1,073**
Intensity ratio: total gross emissions tCO_2e/FTE (location-based)	0.07	**0.27**

Certification

Calculated as accurate by Green Element Limited and Compare Your Footprint Limited, UK.

* tCO_2e is tonnes of carbon dioxide equivalent gases.

** Location-based electricity (Scope 2) emissions using the average grid fuel mix in the region or country where the electricity was purchased and consumed. For SECR, location-based is mandatory.

Impact area: Community

We aim to support our local and global community

No organisation exists in isolation. Next 15 is passionate about using business as a force for good for our customers, people, environment, communities and shareholders.

This section on Community includes both the communities in which we operate, and the suppliers and distributors within our supply chain.

Community engagement
Next 15 promotes positive action within our communities. We know many of our employees have charities that are close to their hearts, so we provide match funding and promote causes local to hub offices. Brands also give time or money to local, national and international causes that are aligned to their values. In FY23, we set a KPI to measure the percentage of net revenue donated to charity during the last fiscal year.

% of net revenue donated to charity during the last fiscal year:
0.04%

Case Study – House 337: Women's Aid, He's Coming Home campaign

1.6m women in the UK are living with domestic abuse. Every four days a woman is murdered by their partner. In 2022, with the World Cup on the horizon, Next 15 brand, House 337, developed a pro bono campaign for the UK charity, Women's Aid to help raise awareness of the fact that, during big sporting events, domestic abuse rises by up to 38%.

The campaign's objective was simple: get people talking about the issue and drive people to the Women's Aid website to find out how they could help. As the country came together to show their support for England, House 337 hijacked the most ubiquitous and powerful phrase, transforming it from a beloved chant to a chilling warning and powerfully showing the darker side of football. All by simply changing one word: HE'S coming home.

The TV and billboard campaign launched on 25 November, just after the second group game for England, delivering a timely message to people making their way home. For a tiny charity with no budget, the campaign achieved the impossible. It cut through the Black Friday frenzy and went viral. It was watched 23m times on TikTok alone. It was shared by celebrities but also by meme accounts, TikTokers and people who wouldn't usually share adverts. It generated a combined reach of 222m.

It infiltrated culture via WhatsApp groups, around the dinner table and down the pub. Every major news outlet picked it up. It got the attention of political figures, The Home Office, national police authorities, policy makers, and local councils.

Not only did it create action and generate conversation, but it got the vital message out there to those who might require Women's Aid services. There was a 78.3% increase in direct traffic from organic social to the Women's Aid website, with a 44.28% increase in traffic to the donate page, and a 17.1% increase in traffic to the information and support page, as the public sought ways to offer their support.

Volunteering

Volunteering is a win-win. The individuals and organisations we work with benefit from the time and expertise of Next 15 volunteers, while our employees report a boost to their wellbeing brought about by their contribution.

In August 2021, Next 15 began its partnership with onHand, a London-based tech for good organisation that matches volunteers with community projects. In FY23, we committed to extending our volunteering with onHand in the UK, which we have done. Next 15 UK employees completed 674 missions during the year, supporting organisations including Pancreatic Cancer UK, The Youth Group and Wandsworth Foodbank. Feedback from volunteers has been overwhelmingly positive.

In FY23, we also started our first trial of onHand volunteering in the US in FY23. This is currently still in the pilot phase with the Next 15 US Central Team and we hope to enrol all US brands on the platform by FY24.

Ethical procurement

We rely on our suppliers for the products and services we need to keep our business running, and work hard to develop long-term, collaborative relationships with organisations that share our values and commitment to ethical business practice. We believe in treating our suppliers fairly, for example by ensuring that we pay promptly. It is our policy to pay all suppliers within 30 days.

We are committed to acting ethically and with integrity in all business dealings and relationships. This includes implementing effective systems and controls to ensure that practices which are at odds with our values and culture, such as corruption, bribery and modern slavery, are not taking place anywhere in our businesses or supply chain.

Last year, we began auditing our suppliers. From February 2022, we asked all material global suppliers (as measured by spend) to review and agree to our Supplier Code of Conduct terms. They were then asked to complete our Supplier Assessment Form which includes questions concerning ESG standards, legal and regulatory compliance, cyber security, and data privacy.

Gathering this information is a time-consuming process, but we have made good progress, having now reached 30%. We continue to engage suppliers across the Group to collate ESG and other data. We have used feedback from suppliers and the wider Group to improve the processes and systems we are using and these will be rolled out as standard for all new suppliers to Next 15.

Once we have the results of the supplier assessment, we will engage with any suppliers not fully aligned with our ethical, social and/or environmental values and we will work with them on a programme of improvement, requiring defined progress in an agreed timeframe. There have already been occasions where failure to complete the assessment has led to us stopping working with high-risk suppliers.

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

Dianna Jones, Chair

Paul Butler	Robyn Perriss	Tim Dyson	Jonathan Peachey	Peter Harris

"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.

How we manage our risks

Next 15 continue to be exposed to a variety of risks that can have financial, operational and regulatory impact on our business performance, reputation and prosperity. We recognise the need for informed risk-taking in order to deliver resilient business growth. Effective risk management drives better commercial decisions, protects our assets, reputation and brands and is therefore critical to supporting the delivery of the Group's strategic objectives.

Governance

At Next 15, our risk governance relies on defined decision and information flows, which recognise the diverse requirements across our brands while maintaining the overarching integrity of the governance hierarchy and decision rights for risk management.

Oversight of the effectiveness of our enterprise risk management approach lies with our Board of Directors. The Board is responsible for reviewing, monitoring and providing guidance on our overall approach to risk, but also on our legal and regulatory compliance, quality of our internal processes and industry best practice. The Board has oversight of our operations to ensure that internal controls are established and are working effectively. The Audit Committee supports the Board on risk and assurance including 'risk deep dives' and receives independent reports from third line assurance activities including external and internal audit.

Day-to-day risk management and control is the responsibility of the Group Executive Team. As part of their risk management responsibilities, Group management provide direction and leadership to the brands and Group-level risk owners so that they can operate in accordance with the Group's risk appetite.

Group Internal Audit provides assurance over the Group's control environment. The results of Internal Audit activities are reported directly to the Audit Committee and the risk-based Internal Audit plan is updated to respond to the risks faced by the Group.

Risk appetite

Consideration of risk is set against the backdrop of the Group's 'risk appetite' which the Board considered and approved during the year. Our risk appetite is the level of risk that we are willing to accept in the pursuit of a specific strategy or objective and is set based on the Group's values, strategy and ability to absorb risk. Our approach to risk appetite continues to evolve and mature in order to manage and monitor our risk exposure more effectively. Following review by management and the Audit Committee, risk appetite is now defined for each principal risk area. Our determination of risk appetite allows us to have better visibility of where we need to invest resources to reduce risk (where we are risk-averse), or drive opportunity (where we have more open tolerances for risk).

As part of the top-down risk process we reviewed the risk appetite for each of our principal risks considering changes in the past year, both within the Group and due to external events.

Approach to risk management

We take an integrated view of risk management. In practice, this means that Group senior management own the design of the overall approach to risk, but our assessments are produced at functional Head Office, or brand level, depending where risks are identified and mitigating actions are embedded. This combined approach supports effective operations in a continuously changing business environment.

Evolving risk management

As our business continues to grow and we expand our portfolio of brands, we want to ensure that our risk approach evolves at the same pace and continues to be fit for purpose. We are in the process of communicating a Group-level risk framework ('Framework') with updated policy and practice documents to drive consistency and minimum standards across functions and brands. This provides relevant support to our brands to increase awareness and maturity of their understanding of risk management.

Top-down risk process

At Group level, we consider the broad risk profile, identifying and assessing risks that impact our entire business. The bottom-up process augments our overall approach, as new local risks and themes may evolve to become Group-level risks.

As part of our top-down risk process, the Group Executive Team assessed and prioritised our principal risks (see page 59). During this process no new principal risks were identified. Our emerging risk register captures risks that are likely to have near-future impact on our operations.

Approach to risk management continued

Bottom-up risk process

A bottom-up risk process drives the overall mapping of local brand level and Group risks. As part of the annual budgeting process, the Group Executive Team asked brand management independently to review the key risks to their business; these were then discussed in face-to-face meetings. This process did not identify any new brand level risks which had evolved to be Group-level principal risks in the past year but did inform our review of changes in risk year on year. We concluded that the existing Group-level risks remained appropriate and capture the material brand level risks.

Emerging risks

In setting our strategic priorities, we carry out regular horizon-scanning exercises and rely on external insights, which support our management of our evolving risk profile. In addition to our principal risks, we also consider risks that are emerging and may bear impact on our business in the near to medium future. We identify such risks through ongoing review of our strategy (considering risks we have not previously mapped), keeping our finger on the pulse of external events, assessing findings emerging from internal and external audit and other third parties we work with, and by taking part in knowledge sharing events in our industry.

This year our emerging risks are:

- climate impact;
- ability to scale professionally whilst maintaining entrepreneurial culture; and
- the impact of Artificial Intelligence ('AI') on ways of working and our business models.

Climate change is already affecting every layer of society, and as an emerging risk, is something that we monitor closely. We are continuing to explore these trends in order that we incorporate and address any relevant risks and opportunities in business strategy. In our FY24 Annual Report, we will include a section that reports the TCFD requirements. The TCFD report is intended to clarify to investors how physical and transition climate risks and opportunities are governed, assessed, managed, measured and reported by the Company. It will also show how carbon risk assessment and management is linked to core corporate business strategy and risk management.

We have grown significantly over the last few years and recognise that we need to scale our internal processes and systems appropriately to ensure we can continue to manage risks as we grow. We see this as an area where we will need to continue to be vigilant in order to match control with protecting the entrepreneurial culture that is at the heart of Next 15.

The speed at which AI is improving and the timeframe during which we expect to evolve our business models to incorporate this technology has shortened. We continue to assess where there are opportunities and risks of using these technologies within the Group.

Risk and strategy

Our principal risks are detailed on pages 59 to 67. Our strategy is included on page 16.

Principal risks and uncertainties continued

BOARD, AUDIT COMMITTEE AND RISK MANAGEMENT

Group-level (top-down) risk process

At Group level, we consider the themes and risks emerging from the review of our bottom-up risk processes and augment this risk profile with Group-level risks that have been identified and are owned by our senior management.

Our risk profile

Current risks

These are the risks that we have identified as having a likelihood of disrupting the achievement of our strategic plans.

Emerging risks

These risks have been considered to have likely future impact on our business. We monitor these risks to understand when they need to move to our broader principal risk landscape.

What we evaluate

- **Likelihood and impact:** a consistently applied 5x5 scoring scale
- **Gross risk:** our risk score before we apply mitigating controls
- **Mitigating activities:** activities we undertake to reduce our risk
- **Net risk:** our risk score following introducing control activities
- **Risk appetite:** defined to reflect our openness to risk and our tolerance thresholds for such risk
- **Risk ownership:** each principal risk has an executive owner

Our risks

We have identified 14 principal risks across four broad categories:

- Four strategic risks
- Three operational risks
- Four financial, regulatory and compliance risks
- Three risks concerning people and our culture

Top-down design

Bottom-up process

Brand-level (bottom-up) risk process

A bottom-up risk process drives the overall mapping of local and Group risks. Our review of the brand level risks with brand management helps inform whether we have captured all of the material risks impacting the Group.

The Board has evaluated the principal risks that are likely to affect the Group. These are described in the table on the following pages.

Principal risk	Potential impact	Our mitigating actions	Year-on-year movement in risk
Strategic risk			
Macroeconomic uncertainty and societal change There is a risk that external factors or changing societal trends impact the ability of the Group to deliver on its strategic objectives.	Our business and, more broadly, our industry are facing into an evolving and changing risk landscape generated through external conditions and shifting societal attitudes. Our people and clients are impacted by the cost of living crisis and wider economic uncertainty, and we are also facing into uncertainties around the impact of climate change and technological disruption such as the rapidly-evolving capabilities of AI. Macroeconomic uncertainties of such proportions can have deep and lasting consequences for our business, including loss of revenue, talent and strategic control when we do not act quickly enough to adjust to these shifts. For some of our brands, the exposure will be more severe depending on their business model.	Although the threat to our business from this risk is considered high, we also consider the opportunity for competitive advantage in instances where we proactively manage this type of uncertainty. For this reason, our approach to this risk is multi-pronged: • we look for the opportunities that such risks bring. For example, stronger privacy laws are both a threat to some business models and an opportunity to create new ones; • we are investing in our technological infrastructure to develop new ways of working and secure our data and IP; • we continue to invest to drive our culture and values, whereby our people feel secure and valued even during periods of change and transition; • we continue to diversify our portfolio of brands to minimise overall impact at Group-level, if a specific service or territory is impacted; • we evolve our Board strategy and three-point plans to consider potential macroeconomic risks; and • we maintain a conservative balance sheet to be able to absorb short-term economic shocks.	↗

↑ Increased risk ↗ Slightly increased risk → No change ↓ Reduced risk

Principal risks and uncertainties continued

Principal risk	Potential impact	Our mitigating actions	Year-on-year movement in risk
Strategic risk continued			
Reputation and brand There is a risk that an issue arises which attracts press or social media attention and damages the reputation of Next 15 or an individual brand in the eyes of our stakeholders.	Reputational risk is a considerable worry for most businesses, but for a business like ours built on trusted relationships it can be particularly damaging if we do not meet the expectations of our shareholders, clients and employees. Negative media or social media coverage either at a Next 15 level or individual brand level could have a number of adverse consequences including: • directly impact our share price; • influence existing and future clients from doing business with us; • curtail our ability to build our acquisition portfolio; and • inhibit our ability to recruit and retain talent.	Because reputational risk can arise from various root causes, including project failure, working with clients who have their own reputational issues, poor financial performance and failure to live our own values internally, it can be difficult to control. However, managing the risk to our reputation is at the heart of our overall approach to risk and how we manage all the other risks set out here. Our main tools for managing reputational risk include: • strengthening our corporate governance position and actively engaging with shareholders; • developing standardised policies and procedures that help our staff be responsible for day-to-day management of risks that could impact our reputation; • the Ethics Group which provides some protection against taking on client projects which could damage our reputation through their core business activities and the EDI Council, which advocates for EDI across the Group; • taking a centralised approach to data privacy and cyber and IT security controls; and • ensuring whistleblowing mechanisms are accessible to our employees to report any form of misconduct in the workplace.	↗

↑ Increased risk ↗ Slightly increased risk → No change ↓ Reduced risk

Principal risk	Potential impact	Our mitigating actions	Year-on-year movement in risk
Failure to innovate and evolve offering to customers and to attract acquisition targets There is a risk that Next 15 may fail to innovate and evolve its product and service offering resulting in the business offering being less attractive or relevant to existing and new clients. In addition, a failure to support a culture of innovation may result in reduced appeal to acquisition targets, which in turn may impact our ability to scale our business.	As our business continues to grow rapidly, there is a risk that we do not prioritise and provide sufficient investment into the evolution of our service and product offering. This may stem from the fact that we are delivering significant volumes of work that address today's issues for our clients, and we do not have sufficient time and resources to dedicate to growing future service lines. Additionally, we may not provide sufficient attention to the pace of disruption and technological change in our industry. This risk may lead to a reduced ability to fulfil our strategy and business plan, inhibiting our ability to grow our market share. Additionally, if we are not perceived as innovation leaders in the field, we may suffer loss of client confidence and potential inability to continue to scale our business.	Managing this risk is critical to the overall success of our business and we do so through: • horizon-scanning so that we understand the likely future impact of new technologies, behaviours and regulations on our clients, people and brands; • continuous conversations with our clients to understand their emerging pain points; • fostering a culture of innovation through our Group and brands that aligns to our long-term strategy; • robust challenge by the Board of our management team; and • close monitoring and response to existing and emerging gaps in our personnel that may impact the ability of bringing in new ideas and skills.	↑
Reliance on key clients There is a risk that individual brands may become over-reliant on a small number of key clients, leading to a potential loss of revenue, shareholder value and talent, should they fail to retain that relationship.	An unexpected loss of a major client can have a significant impact on individual brands' and, potentially, overall Group revenue and profitability. The impact of this will depend on the particular brand involved and the nature of the client. The loss of a major client may create significant pressure if not replaced by new accounts or an increase in business from existing clients.	At Next 15, we work to diversify both our customers and suppliers, as well as put into place a risk management system that will help foresee future disruptions and prepare for them. A key feature of our risk management of this risk focuses on proactive steps, including: • ensuring that our brands have good business development capabilities; • monitoring customer concentration risk; • keeping in regular contact with our key clients to ensure satisfaction regarding the quality of product and service offering; and • supporting our brands in the scaling and growth of their businesses to ensure a diverse client portfolio.	↑

↑ Increased risk ↗ Slightly increased risk → No change ↓ Reduced risk

Principal risks and uncertainties continued

Principal risk	Potential impact	Our mitigating actions	Year-on-year movement in risk
Operational risk			
Cyber and information security There is a risk that we fail to maintain the confidentiality, integrity and availability of information and key systems.	A cyber-attack or data security breach could lead to a loss of customer, colleague or Group confidential data, business disruption, reputational damage and significant fines. The external threat vector and risk environment is challenging with increased levels of sophisticated cyber-crime, complex regulatory requirements and our use of several third parties. A failure to comply with the General Data Protection Regulation ('GDPR'), which came into force in May 2018, could result in significant penalties and could have adverse impact on customer confidence in the Group.	Next 15 has established an Information Governance Board which has oversight of the cyber security and data privacy policies, programmes and operations throughout the Group. It also ensures we maintain our cyber security certifications including ISO 27001 and Cyber Essentials Plus. We have recruited an in-house Data Protection Officer, who is responsible for providing data privacy subject matter expertise and is accountable for the Group's data privacy programme. We continue to ensure that information security policies, procedures and controls are in place, including encryption, network security, access controls and data protection. This is supported by comprehensive risk and vulnerability management programmes. Independent assurance is provided through cyber maturity assessments aligned to the National Institute of Standards and Technology ('NIST') cyber security framework to drive continuous improvement.	↗
Rate of professionalisation of Next 15 There is a risk that our financial growth outpaces our ability to manage the risks we face and our requirement to deliver good governance.	Our pace of growth over the last few years has created a potential new risk of a mismatch between our financial scale and our ability to manage the risk we face. When seen at a brand level, individual risks can look manageable. But when aggregated to Group level they often require a joined-up response. For example, data privacy risks grow as we add more brands to the Group and we add new products and services. Data breaches and potential fines will be assessed at the Group materiality level rather than by reference to the brand causing the problem. A further example is that existing management approaches can become ineffective as the Group scales and need to be replaced by new structures that are consistent with our values whilst retaining control.	In making sure that our processes, systems and resource keep pace with our rapidly growing scale, we have a number of approaches in place to ensure we identify and manage risk: • our overall risk management process highlights areas where gaps are likely to emerge between target risk and current net risk; • we regularly review Next 15 Head Office team's role, its span of control, and how it should be structured to deliver the Group's goals. A transformation roadmap sets out a series of strategic projects that aim to improve efficiency and reduce risks; • a design process for each project focuses on addressing where risks will be at our current scale of growth as well as addressing current issues; • we continue to standardise our approach to acquisitions and integrations, and have appointed a Director of Integration; • steering groups monitor project delivery and success in achieving their goals; and • we consult widely with our brands on new initiatives through a series of Group-wide forums.	→

↑ Increased risk ↗ Slightly increased risk → No change ↓ Reduced risk

Principal risk	Potential impact	Our mitigating actions	Year-on-year movement in risk
Business continuity There is a risk of disruption to the efficient functioning of our business. These threats include any incidents or disasters that negatively impact our organisation.	We recognise the risk of disruption to business operations across the Group level and to our brands, as well as the impact of a cyber attack or critical incident that impacts a crucial contractor or supplier. Any period of sustained business interruption may directly or indirectly result in: • loss of confidence in our business by our clients; • reduced productivity of our employees in instances where critical operational infrastructure is impacted; • damage to our Group and or brand reputation; • regulatory fines; and • financial impact, potentially leading to revenue losses.	At Next 15 we have an understandable reliance on our IT systems and people. We are in the process of evolving our overall Business Continuity Framework which reflects the distributed nature of the Group with its independent and autonomous brands. This is designed to be underpinned by brand and Group-level Business Continuity Plans ('BCPs') and a network of Incident Response Teams ('IRT'). Management of any critical incident is owned by the Next 15 IRT, in conjunction with Brand IRTs where required. The Business Continuity Framework and associated policy mandate regularly review and test with governance through the Business Continuity Board. As part of rolling out this framework we are expecting to strengthen our coverage of wider crisis scenarios and general disciplines regarding maintenance of our business continuity plans. From a systems perspective, all of our systems are optimised for high availability ensuring resilience should business continuity be invoked. To aid operational management and reduce risk as far as possible we use Software as a Service ('SaaS') tools to carry out our daily work. These are cloud hosted services, rather than on-premise deployments, that we can access easily and securely via a browser from any location. We have confidence in the SaaS providers we rely on and that their business continuity plans are robust. Our reliance on physically located on-premise software is low and continues to be reduced.	→

↑ Increased risk ↗ Slightly increased risk → No change ↓ Reduced risk

Principal risks and uncertainties continued

Principal risk	Potential impact	Our mitigating actions	Year-on-year movement in risk
Financial, regulatory and compliance risk			
Global tax There is a risk that our tax strategy fails leading to material tax compliance failures or uncertain tax positions. These could result in financial, legal, and reputational damage for Next 15 and management.	Tax liabilities in the territories in which the Group operates could increase as a result of either challenges of existing positions by tax authorities or future changes in tax law. Specifically, given the substantial operations in the US any changes in US tax policy could have a significant impact on the Group.	The Group has an in-house tax team to ensure compliance with tax legislation globally. Our in-house tax team maintains qualified accountancy designations with the UK and US and are considered subject matter specialists within these jurisdictions. The in-house team monitors global tax legislation and policy change which may affect our tax strategy. External professional tax advice is procured for: • technically complex matters related to material transactions; and • tax compliance for jurisdictions where the in-house tax team are not subject matter experts (Non-US/Non-UK). We take a position of not taking part in overly aggressive tax planning strategies.	→
Legal and compliance There is a risk that we fail to comply with key laws and regulations which negatively affect our business model.	The Group, and our brands, operates in multiple geographies and in an environment governed by numerous regulations including GDPR, competition, employment, bribery and corruption, and regulations over the Group's products. The vast regulatory landscape across multiple jurisdictions presents a significant risk of potential non-compliance with laws and regulations, which can lead to regulatory investigation, reputational damage, fines and financial loss.	This is a serious risk to our business and to our brands, so we manage it through multiple mitigation channels: **Awareness**: we rely on our regularly updated Code of Conduct, employee policies and training to raise awareness among management and staff in relation to their roles and responsibilities when it comes to meeting our legal and regulatory obligations. **In-house and external expertise**: the Group maintains an in-house legal function and also uses external legal counsel to advise on local legal and regulatory requirements. **Assurance**: consideration of regulatory compliance is included in the assurance programme led by the Risk & Assurance function. **Accreditation**: we maintain a number of accreditations and registrations to meet a number of contractual and statutory obligations.	→

↑ Increased risk ↗ Slightly increased risk → No change ↓ Reduced risk

Principal risk	Potential impact	Our mitigating actions	Year-on-year movement in risk
Fraud and misreporting There is a risk that fraud and misreporting may occur due to the decentralised nature of the Group, leading to loss of cash, profit and damaging our reputation.	There is a risk that without appropriate oversight and review, our business may be subject to fraudulent activity and misreporting of financial information. This risk increases when we acquire new business units for the Group where segregation of duties may not have been as strictly applied as we require. The risk of misappropriation and fraud is also increased due to the entrepreneurial and federated nature of the Next 15 operating model and the level of influence founders can have within their specific company environments.	We have in place the following mitigations: • oversight of all financial reporting and control activities by the Audit Committee; • a minimum controls framework that mandates the adoption of the Group's finance, tax and banking systems, which provides the central team with oversight of the day-to-day transactions within the Group's operations. This is immediately applied to new business units that join the Group; • the consolidation of the Group's banking facility under one centralised banking facility gives the Group greater control and visibility over cash balances; • regular working capital monitoring; and • continuing to build out and invest in our centralised Group payment function and transactional processing centre in India. Further, an established Internal Audit function provides assurance on the Group's control environment, with particular focus given to the appropriate segregation of duties at a brand level.	↑
Currency risk There is a risk that the Group's results are materially impacted by adverse currency movements resulting in a failure to meet shareholder expectations.	As a global business, currency fluctuations continue to have a potential impact on the Group's translated results. The Group is listed in the UK with sterling as its functional currency but makes a significant proportion of its profits outside the UK. As a result, the Group's reported profits and asset values are impacted by any fluctuation of sterling relative to other currencies, particularly the US dollar. We also face the risk of potentially suffering restrictions on the ability to repatriate cash, particularly for our operations in India and China.	Most of the Group's revenue is matched by costs arising in the same functional currency. Foreign exchange exposure is continually monitored, and net investment hedges are used where appropriate for significant foreign currency investments. Global and local short-term cash flow forecasts are used to monitor foreign-currency payments, and natural currency hedging is used where possible across the Group. Surplus cash balances are swept to the UK to minimise any exposure to particular currencies or locations.	↗

↑ Increased risk ↗ Slightly increased risk → No change ↓ Reduced risk

Principal risks and uncertainties continued

Principal risk	Potential impact	Our mitigating actions	Year-on-year movement in risk
People and culture risks			
Attraction and retention There is a risk that we fail to attract, retain and develop talent and capabilities required to deliver our growth ambitions.	Our people are key to our success. We operate in very competitive markets and acknowledge that the skills that our people possess are attractive to other employers. There is the risk that not having the right people and skills could impact negatively on our ability to serve our customers and grow our business. It is important that we maintain high levels of employee engagement to ensure that we are able to retain and attract the best talent. Weak employee engagement, organisational alignment and inadequate incentivisation may lead to poor performance and instability. The impact of external economic instability is adding to the level of attraction and retention risk. Given the level of ongoing business transformation and change, high employee turnover or the failure to attract the right skills, may result in programmes and projects not being successful.	We are mindful that we operate in a highly competitive talent market. As a result, our focus is on continuing to provide high levels of support and consideration to our team members' wellbeing and ongoing development needs. As part of our approach to risk management: • we have a programme of learning and development for our people, which includes management and leadership training and the Next 15 Academy; • we offer competitive compensation and benefits packages and are provided guidelines for salary increases and STIP metrics; • we carry out regular performance reviews and appraisals of our people; • there are regular staff events and wellbeing initiatives; • we undertake an annual employee engagement survey from which we produce an action plan to address the issues identified; and • senior leadership monitor and have oversight of all significant change programmes.	→
Succession planning There is a risk that being unprepared for unplanned departures and overreliance on key individuals creates risk to the stability and growth of our business.	A number of individuals are key to the management and performance across Next 15 and the execution of the Group's overall strategy. When key individuals leave or retire there is a risk that knowledge, client relationships or competitive advantage are lost. The impact of succession risk not being managed may result in higher turnover of senior management and could significantly impede the Group's financial plans, product development, project completion, marketing and other plans resulting in loss of market share and reputational damage. Relationships with investors can also be damaged, as can our share price. The cumulative effect of poor or inadequate succession planning means it is vital that planning is comprehensive and holistic.	Succession plans and retention strategies are in place for key people at a brand and Group level. We have a talent identification process through active networking forums. There is ongoing monitoring of the effectiveness and skill set of the Board of Directors. This enables effective succession to supplement the Board's skill set as well as helping to maintain a strong and diverse set of independent Directors.	→

↑ Increased risk ↗ Slightly increased risk → No change ↓ Reduced risk

Principal risk	Potential impact	Our mitigating actions	Year-on-year movement in risk
Equity, Diversity and Inclusion There is a risk that Next 15 does not continue to scale because we fail to attract and retain a diverse workforce, limiting our ability to progress and innovate.	Embedding EDI forms an integral part of our Group values. The impacts of this risk not being managed effectively include: • failing to attract or retain talent; • our culture does not successfully evolve as the business grows; • deterring customers: If you don't have a good reputation for EDI, there is a risk that clients may switch to a competitor that does; • reputational damage if Next 15 does not uphold or live out the values we have committed to; and • being less attractive to shareholders.	We are committed to further progress in this area with oversight of the EDI programme by the Group Chief People Officer with KPIs within the monthly management account and regular reporting to the Board. We are committed to raising awareness, providing training and encouraging diversity amongst the workforce through a diversity network initiative. Every effort is made to consider the needs of the diverse workforce at the design and planning stage, rather than wait for a worker to be employed and then having to make changes. Linking occupational safety and health into any workplace equality actions, including equality plans and non-discrimination policies (US).	→

↑ Increased risk ↗ Slightly increased risk → No change ↓ Reduced risk