

The Harborough Hare Holdings Limited: 14502702

Section 172(1) Statement

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

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

The Company is a 100% owned subsidiary of The Harborough Hare Holdings Limited which is a 74% owned subsidiary of NEXT Holdings Limited, which in turn is a 100% owned subsidiary within the NEXT plc group. Its purpose is the retailing of clothing products. Therefore the Company considers that, indirectly, its key stakeholders broadly reflect those of NEXT plc. Certain functions within the business are maintained at the NEXT plc group level as detailed below. The relationships of direct relevance and importance to the long term success of the Company are as follows:

Relationship and engagement with stakeholders

Workforce

The strength of our business is built on the hard work and dedication of all of our people. Our colleagues rely on us to provide stable employment and opportunities to realise their potential in a working environment where they can be at their best.

All of our executive directors have a high degree of personal oversight and engagement in the business.

Continuous performance management and feedback

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

The directors consider that, taken together, these arrangements deliver an effective means of ensuring they stay alert to the views of the workforce.

Customers

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

As a retail business, the sentiment of customers can be seen in the Company's underlying sales performance figures, which the directors review regularly. The interests of customers are considered in key decisions, e.g. relating to: store portfolio changes; selection of product lines; selection and monitoring of suppliers to ensure quality and safety standards are met; freight and logistics arrangements to maximise efficiencies from order to delivery; the availability of customer credit products; and the development of the Joules Online platform.

Suppliers

We rely on our suppliers to make and distribute our products, provide the real estate through which we store, sell and display our products, and provide essential services we need to operate our business. Our suppliers rely on us to generate revenue and employment for them.

Throughout the year the directors approved major contract renegotiations and strategy with key

suppliers, notably with certain landlords. We balanced the benefits of maintaining strong partnerships with key suppliers alongside the need to obtain value for money for our investors and excellent quality and service for our customers.

Regulators

We seek to enjoy a constructive and cooperative relationship with the bodies that authorise and regulate our business activities. They expect us to comply with applicable laws, regulations and licence conditions. This helps us maintain a reputation for high standards of business conduct.

The Company manages its tax affairs responsibly and proactively to comply with tax legislation. The Company's approach is to seek to build solid and constructive working relationships with all tax authorities. The Company follows NEXT's UK tax policy which can be found at nextplc.co.uk and was reviewed and approved by NEXT's Board during the year. This policy includes that the Company engages with HMRC constructively, honestly and in a timely and professional manner, and seeks to resolve disputed matters through active and transparent engagement. Engagement with HMRC is led by the NEXT Group's in-house tax team of qualified tax professionals.

Debt capital/credit facility providers and credit reference agencies

The NEXT plc Chief Financial Officer and the NEXT Group's Treasury team are responsible for managing the relationships with the Group's banks, bond investors and credit rating agencies, and the management of cash/debt and financing activities. The NEXT Chief Financial Officer provides regular reports to the NEXT plc Board on these activities including the Group's access to liquidity, monitoring the headroom and maturity schedules of our primary credit facilities and future financing plans. The NEXT plc Board approves the NEXT Group's Treasury Policy annually.

Our impact on the community and the environment

The NEXT Group has a number of targets and initiatives aimed at reducing any adverse impact of our business on the environment and the communities in which we operate.

Doing the right thing – maintaining high standards of business conduct

Corporate governance

The Company follows the NEXT Group's robust corporate governance framework.

Ethical trading and responsible sourcing

The NEXT plc Audit Committee exercises strong oversight over the Group's activities in these areas including reviewing the work of the Code of Practice team and receiving regular updates on Environmental, Social and Governance issues. It reports to the NEXT plc Board on these topics as appropriate.

Political donations

No donations were made for political purposes.

Investors

The Company has just one class of share in issue and is a wholly owned subsidiary of The Harborough Hare Holdings Limited which, in turn, is 74% owned by a subsidiary within the NEXT plc Group. The Board does not take any decisions or actions, such as selectively disclosing confidential or inside information, that would provide any shareholder or group of shareholders with any unfair advantage or position compared to shareholders as a whole.

Long term decisions

Within the fast-moving fashion retail sector, the operational cycle is short and has become even shorter

within recent years. Despite this, we are mindful that our strategic decisions can have long term implications for the business and its stakeholders and these implications are carefully assessed. The most prevalent example of this is the decisions of the Board with regard to capital allocation balancing the expectations of investors for returns on their investment and the increased need for capital expenditure on systems and stores to support the growth of the business.