



MAY 2024

# ESG ACTION PLAN UPDATE

2023/24



MAKING AMAZING  
HAPPEN FOR A  
BETTER WORLD

# ESG SUPPORTS OUR VISION TO BE FIRST CHOICE WITH ALL OUR STAKEHOLDERS...

## FOR OUR PEOPLE

Creating a high performance, inclusive and engaging culture

## FOR OUR CUSTOMERS

Developing sustainable products and service solutions



MAKING AMAZING  
HAPPEN FOR A  
BETTER WORLD

## FOR OUR SHAREHOLDERS

Delivering consistent and sustainable economic returns that benefit people, planet and profit

## FOR OUR SUPPLIERS

Creating new opportunities to advance sustainability and raising ESG standards across our supply chain

## FOR OUR COMMUNITIES

Improving lives, inspiring future generations and supporting a more sustainable world

# ...PROVIDING DIFFERENTIATION, COMPETITIVE ADVANTAGE AND NEW REVENUE STREAMS

## CUSTOMERS



**RS' commitment to sustainability aligns seamlessly with ours, making you a clear partner of choice. Better World products is commendable, offering a wider range of evidence-based products with sustainability benefits."**

## SUPPLIERS



**We at Siemens like RS' ESG approach. We like that you're moving along this journey together with your suppliers and helping them to reach higher levels of sustainability."**



# ...AND SUPPORTS SUSTAINABLE VALUE CREATION

## SHAREHOLDERS

- Greater long-term value, with consistent and sustainable economic returns benefitting people, planet and profit
- Increased green revenues by enabling the transition to a low-carbon industry
- Stronger governance, lower risk



**We hold RS in our ethical, sustainable and quality funds. We recognise RS' opportunity to generate positive returns for the business, environment and society by offering a differentiated approach that meets customer's demand for greener distribution, sustainable products and services and more responsible supply chain management."**

**RS institutional shareholder**

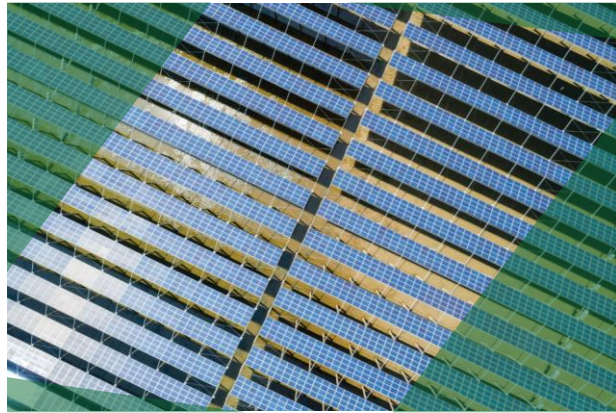


# WE ARE TAKING ACTION ACROSS FOUR GLOBAL GOALS

## THROUGH OUR 2030 ESG ACTION PLAN – FOR A BETTER WORLD



**ADVANCING  
SUSTAINABILITY**



Developing sustainable operations, product and service solutions for our customers and our suppliers.



**CHAMPIONING  
EDUCATION &  
INNOVATION**



Partnering with education providers, building skills and fostering innovative solutions that improve lives.



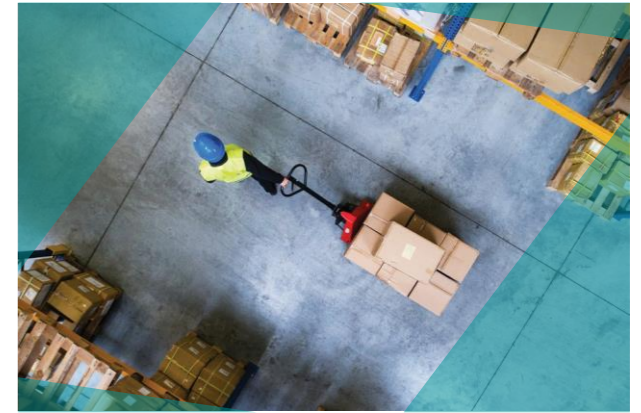
**EMPOWERING  
OUR PEOPLE**



Creating a safe, inclusive and dynamic culture where everyone can thrive and grow.



**DOING BUSINESS  
RESPONSIBLY**



Ensuring the highest ethical and environmental standards throughout our business and global value chain.

# OUR APPROACH IS BEING RECOGNISED BY LEADING ESG RATINGS



We are delighted that RS has been included in the S&P Global Sustainability Yearbook for the first time, which places us in the top 15% of companies in our industry”

Sustainability  
Yearbook 2024

S&P Global

Sustainability yearbook inclusion



Platinum medal



AA rating



6.4 score

Member of  
Dow Jones  
Sustainability Indices  
Powered by the S&P Global CSA

Constituents







Climate change leadership  
score: A-



3.6/5



# 2030 ESG ACTION PLAN

Global Goals		2023/24 highlights		
 <p><b>ADVANCING SUSTAINABILITY</b></p>	Developing sustainable operations and product and service solutions for our customers and suppliers	<p><b>61%</b></p> <p>reduction in Scope 1 and 2 emissions since 2019/20 excluding recent acquisitions<sup>1,2</sup></p>	<p><b>90%</b></p> <p>of Group electricity is from renewable sources</p>	<p><b>26%</b></p> <p>reduction in Scope 3 transport emissions intensity since 2019/20<sup>3</sup></p>
 <p><b>CHAMPIONING EDUCATION &amp; INNOVATION</b></p>	Partnering with education providers, building skills & fostering innovative solutions that improve lives	<p><b>1.4m</b></p> <p>members, students and start-ups engaged through DesignSpark</p>	<p><b>£628k</b></p> <p>raised to support The Washing Machine Project to improve lives since 2019/20</p>	<p><b>C. 5,200</b></p> <p>educational institutions use our educational products in their teaching</p>
 <p><b>EMPOWERING OUR PEOPLE</b></p>	We are creating a safe, inclusive and dynamic culture where our people can thrive and grow	<p><b>75</b></p> <p>employee engagement down from 78 in 2022/23</p>	<p><b>34%</b></p> <p>women in senior leadership roles and 11% ethnically diverse leaders</p>	<p><b>46%</b></p> <p>reduction in our all accident frequency rate<sup>4</sup> since 2019/20</p>
 <p><b>DOING BUSINESS RESPONSIBLY</b></p>	We are taking action to ensure the highest ethical and environmental standards throughout our business and global value chain	<p><b>45%</b></p> <p>of employees had their annual incentive aligned to carbon reduction targets</p>	<p><b>£400m</b></p> <p>sustainability-linked loan (SLL) to help facilitate ESG action</p>	<p><b>66%</b></p> <p>of RS PRO suppliers are Sedex members</p>

**SUPPORTING SIX UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (UN SDGS)**



1. Performance excludes acquisitions completed in 2022/23 and 2023/24. 2. Scope 1 and 2 emissions updated to reflect reporting and emissions factor changes. 3. Tonnes of CO2e due to Scope 3 transport emissions per tonne of product sold. 4. Per 200,000 hours worked





# ADVANCING SUSTAINABILITY

## DEVELOPING SUSTAINABLE OPERATIONS



COMMITTED TO A  
**NET ZERO**  
BUSINESS BY 2030

## OUR NET ZERO PLAN

### DECARBONISING OUR SITES



**4%**

reduction in premises energy use in 2023/24 excluding acquisitions



**33%**

REDUCTION GROUP ENERGY INTENSITY SINCE 2019/20

### SWITCHING TO RENEWABLE ELECTRICITY



**90%**

renewable electricity use in 2023/24



**80% pts**

INCREASE SINCE 2019/20

### CREATING A NET ZERO FLEET



**82%**

of our UK fleet are electric or hybrid (30% across the Group)



**59% pts**

INCREASE SINCE 2019/20







# ADVANCING SUSTAINABILITY

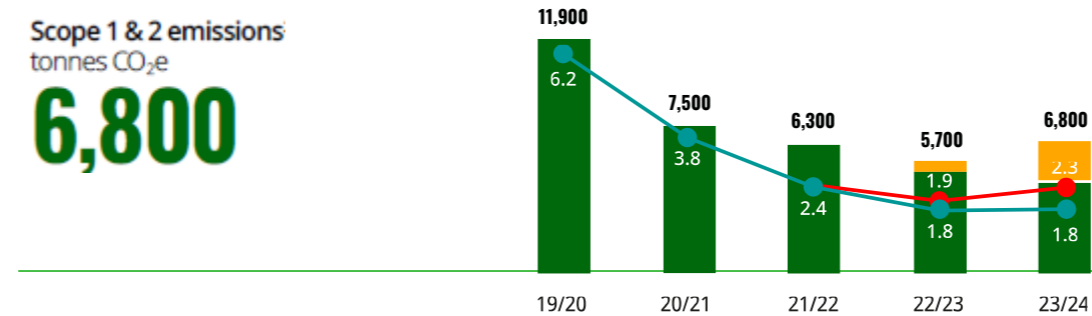
## DEVELOPING SUSTAINABLE OPERATIONS



COMMITTED TO A  
**NET ZERO**  
BUSINESS BY 2030

## LEADING TO STRONG PROGRESS IN REDUCING OUR GROUP SCOPE 1 AND 2 EMISSIONS

Scope 1 & 2 emissions  
tonnes CO<sub>2</sub>e  
**6,800**



- CO<sub>2</sub>e (tonnes) excluding acquisitions
- CO<sub>2</sub>e (tonnes) including recent acquisitions
- CO<sub>2</sub>e intensity (tonnes CO<sub>2</sub>e / £m revenue) excluding recent acquisitions
- CO<sub>2</sub>e intensity (tonnes CO<sub>2</sub>e / £m revenue) including recent acquisitions



**4,600 tCO<sub>2</sub>e**  
EXCLUDING RECENT ACQUISITIONS



**61%**  
REDUCTION SINCE 2019/20  
EXCLUDING RECENT ACQUISITIONS



**ON TRACK**  
TO REACH OUR SBT

KPIs are on a constant exchange rate basis and updated to reflect changes in reporting methodology, emissions factors and additional data. Coverage includes operations under our direct financial control globally.





# ADVANCING SUSTAINABILITY

## DEVELOPING SUSTAINABLE OPERATIONS



COMMITTED TO A  
**NET ZERO**  
BUSINESS BY 2030

## PACKAGING, RECYCLING AND WASTE

### RECYCLED PACKAGING

Moved to brown boxes made from 100% recycled materials, across Europe



**53%**  
of Group packaging  
made from >50%  
recycled content

**82%**  
of Group waste  
is recycled

**↓ 35%**  
REDUCTION IN PACKAGING  
INTENSITY SINCE 2019/20

### NUNEATON DISTRIBUTION CENTRE TACKLING SINGLE USE PLASTIC WASTE





# ADVANCING SUSTAINABILITY

## ADVANCING SUSTAINABILITY IN OUR VALUE CHAIN



COMMITTED TO A **NET ZERO** VALUE CHAIN BY 2050

## OPTIMISING LOGISTICS

### TRANSPORTATION EMISSIONS



### 26% reduction

in product transportation carbon intensity since 2019/20 - unchanged from 2022/23

**1 GREENER TRANSPORT MODES**

**2 PRODUCTS CLOSER TO CUSTOMERS**

**3 OPTIMISED ROUTING**





# ADVANCING SUSTAINABILITY

## ADVANCING SUSTAINABILITY IN OUR VALUE CHAIN



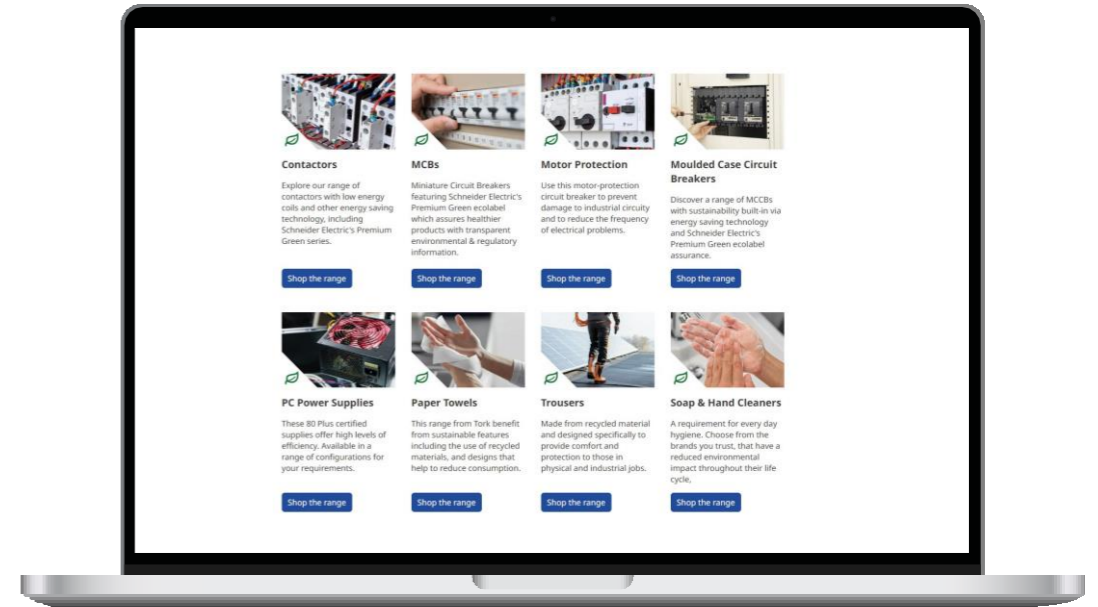
COMMITTED TO A **NET ZERO** VALUE CHAIN BY 2050

## DEVELOPING SUSTAINABLE PRODUCT AND SERVICE SOLUTIONS FOR OUR CUSTOMERS

### BETTER WORLD PRODUCTS



**c. 30,000**  
Better World products  
**across 30 countries**





# ADVANCING SUSTAINABILITY

## ADVANCING SUSTAINABILITY IN OUR VALUE CHAIN



COMMITTED TO A **NET ZERO** VALUE CHAIN BY 2050

## DEVELOPING SUSTAINABLE PRODUCT AND SERVICE SOLUTIONS FOR OUR CUSTOMERS

### BETTER WORLD PRODUCTS



**Better World products answer the clear market need for more sustainable options. The framework helps customers make the right decisions for their environmental goals.”**

**SIEMENS,  
RS GROUP SUPPLIER**





# ADVANCING SUSTAINABILITY

## ADVANCING SUSTAINABILITY IN OUR VALUE CHAIN



### COMMITTED TO A NET ZERO VALUE CHAIN BY 2050

## SUSTAINABLE SERVICE SOLUTIONS

### SUSTAINABLE SERVICE SOLUTIONS



Compressed air leak surveys conducted by RS Maintenance Solutions helped identify energy losses of >£2.3m among 14 customers, with the average return on investment to repair faults taking less than six weeks.

### SERVING LOW-CARBON INDUSTRIES



RS MRO solutions help low carbon industries grow by supporting their procurement, MRO and logistics needs. In the UK we are working with Equinor to supply products and operational supplies to several off-shore wind projects, including the world’s biggest windfarm – Dogger Bank.



**INSPIRING THE  
NEXT GENERATION  
OF INDUSTRIAL  
INNOVATORS**

**INSPIRING FUTURE ENGINEERS  
AND INNOVATORS**



**C. 5,200**

educational institution  
partners

**796,000**

young engineers and students  
reached since 2019/20



**212%**  
INCREASE IN STUDENTS REACHED  
SINCE 2019/20



**675,000 micro:bits distributed to 90%  
of UK primary schools in 2023/24 to  
help young people develop vital coding  
skills**



**BUILDING SKILLS AND  
FOSTERING INNOVATION WITH**

**1.5 MILLION**

**YOUNG ENGINEERS  
AND INNOVATORS**

**INSPIRING THE  
NEXT GENERATION  
OF INDUSTRIAL  
INNOVATORS**

**INSPIRING FUTURE ENGINEERS  
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**↑ 212%**  
INCREASE IN STUDENTS REACHED  
SINCE 2019/20

**PURPOSE-DRIVEN INNOVATION**



**357,000**

engineers and innovators  
supported through  
DesignSpark

**1.4 MILLION**

members boosted by new  
subscription model

**↑ 10%**  
INCREASE IN DESIGNSPARK USERS  
SINCE 2019/20

**SOCIAL IMPACT PARTNERSHIPS**



**31,000**

lives improved through  
TWMP

**£628,000**

raised for The Washing Machine  
Project since 2020/21

**↑ 90%**  
INCREASE IN FUNDRAISING  
SINCE 2022/23



**BUILDING SKILLS AND  
FOSTERING INNOVATION WITH  
1.5 MILLION  
YOUNG ENGINEERS  
AND INNOVATORS**





# EMPOWERING OUR PEOPLE

## BECOMING FIRST CHOICE FOR OUR PEOPLE



WORKING TOWARDS A MORE DIVERSE SENIOR LEADERSHIP TEAM:

**37 – 42% WOMEN**

**17 – 22% ETHNICALLY DIVERSE**

### ENGAGED EMPLOYEES



### LEADERSHIP FOCUS

to drive our strategic growth

### VALUES

new values and behaviours launched

#### OUR PEOPLE PLAN

Creating an inclusive and engaging environment where everyone is proud and excited to come to work and can perform at their best, develop and thrive.



**WE ARE ONE TEAM**



**WE DELIVER BRILLIANTLY**



**WE DO THE RIGHT THING**



**WE MAKE EVERY DAY BETTER**





# EMPOWERING OUR PEOPLE

## BECOMING FIRST CHOICE FOR OUR PEOPLE



WORKING TOWARDS A MORE DIVERSE SENIOR LEADERSHIP TEAM:

37 – 42% WOMEN

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## ENGAGED EMPLOYEES

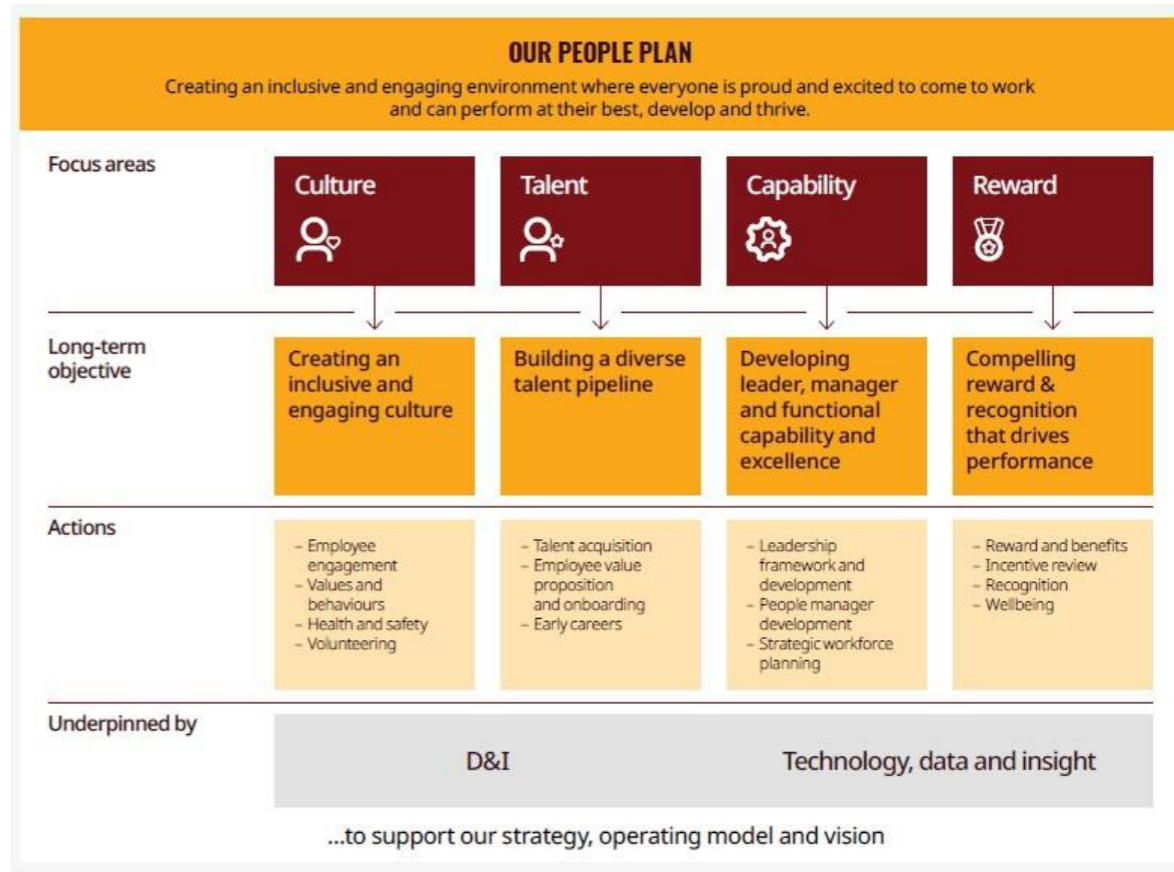


## LEADERSHIP FOCUS

to drive our strategic growth

## VALUES

new values and behaviours launched





# EMPOWERING OUR PEOPLE

## BECOMING FIRST CHOICE FOR OUR PEOPLE



### WORKING TOWARDS A MORE DIVERSE SENIOR LEADERSHIP TEAM:

37 – 42% WOMEN

17 – 22% ETHNICALLY DIVERSE

### ENGAGED EMPLOYEES



75

employee engagement score – down by 3 points in 2023/24

### LAUNCH

of new values and behaviours



4 point INCREASE IN ENGAGEMENT SINCE 2019/20

### DIVERSE AND INCLUSIVE CULTURE



34%

women in senior leadership roles

11%

of senior leaders are ethnically diverse



4% pts INCREASE IN FEMALE LEADERS SINCE 2019/20

### HEALTH & SAFETY AND VOLUNTEERING



8%

decrease in our all accident frequency rate

23%

of employees volunteered in the last 2 years



46% REDUCTION IN ALL-ACCIDENT FREQUENCY RATE SINCE 2019/20



# DOING BUSINESS RESPONSIBLY

**STRONG GOVERNANCE, ETHICS AND COMPLIANCE – WITHIN RS AND WITH SUPPLIERS**

## EMBEDDING HIGH STANDARDS OF ETHICAL CONDUCT



### LAUNCHED

a refreshed Code of Conduct and training

### ECOVADIS

platinum medal for the second year



**91%**

**OF EMPLOYEES RECEIVED CODE OF CONDUCT TRAINING IN 2023/24**



## EMBEDDING ESG OBJECTIVES IN EMPLOYEE AWARDS

**SUSTAINABILITY-LINKED GOALS AND SUPPLIER OBJECTIVES**





# DOING BUSINESS RESPONSIBLY

## STRONG GOVERNANCE, ETHICS AND COMPLIANCE – WITHIN OURS AND WITH SUPPLIERS

### EMBEDDING HIGH STANDARDS OF ETHICAL CONDUCT



#### LAUNCHED

a refreshed Code of Conduct and training

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platinum medal for the second year

**↑ 91%**  
OF EMPLOYEES RECEIVED CODE OF CONDUCT TRAINING IN 2023/24

### INCENTIVISING ESG PROGRESS



#### £400m

sustainability linked loan (SLL) facility based to 3 ESG metrics

#### 8

ESG metrics in our scorecard. Carbon is a key metric in our annual incentive

**↑ 45%**  
OF EMPLOYEES HAD THEIR ANNUAL INCENTIVE ALIGNED TO CO<sub>2</sub> REDUCTION IN 2023/24

### RESPONSIBLE SUPPLY CHAIN



#### 32%

of our suppliers have set SBTs

#### 59%

of our suppliers have a signed Ethical Trading Declaration

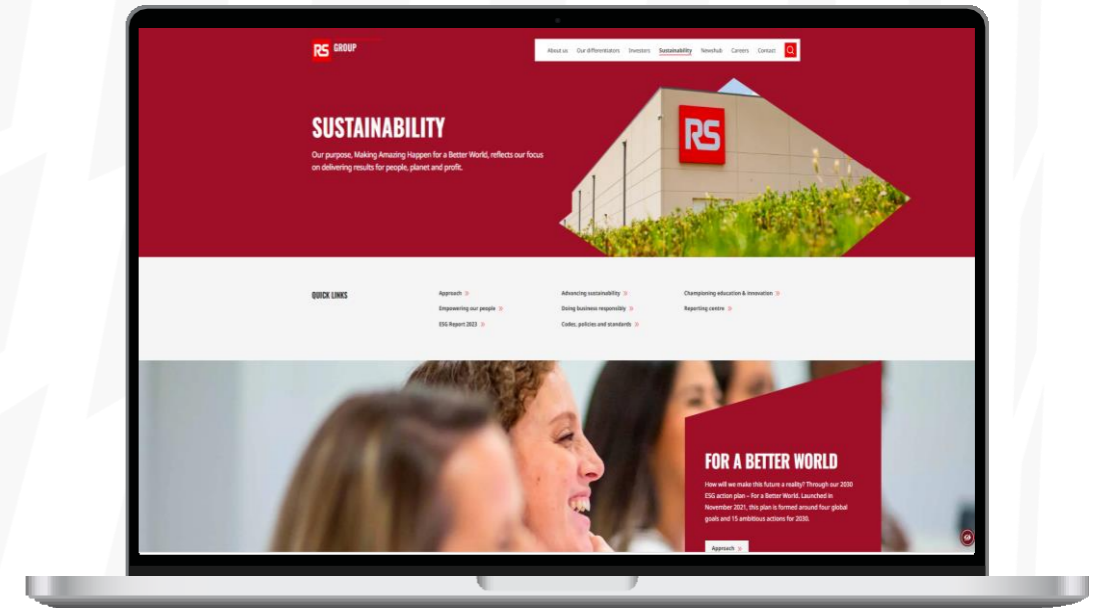
**↑ 17%**  
INCREASE IN SUPPLIERS WITH SBTs SINCE 2019/20



## EMBEDDING ESG OBJECTIVES IN EMPLOYEE AWARDS SUSTAINABILITY-LINKED GOALS AND SUPPLIER OBJECTIVES

**THANK YOU FOR YOUR TIME**

**READ MORE AT:  
[rsgroup.com/sustainability](https://rsgroup.com/sustainability)**



# APPENDIX

# ESG PERFORMANCE SCORECARD: ADVANCING SUSTAINABILITY



● On track or ahead    
 ● Slightly behind target – monitor closely    
 ● Not on track – further action required

Action	TARGET <sup>1</sup>	Metric	Status	Baseline (2019/20)	Progress since 2019/20	Current progress (2023/24)	Goals (2029/30)
Carbon	Reduce absolute emissions from our own operations by 75% by 2029/30 <sup>2</sup>	Tonnes of CO2e (Scope 1 and 2) 2019/20 - baseline rebased to include businesses acquired between 2022/23 and 2023/24, for the purposes of our target with the SBT <sup>3</sup>	●	12,000	-43%	6,800	3,000
	Reduce absolute emissions from our own operations by 75% by 2029/30 <sup>2</sup>	Tonnes of CO2e (Scope 1 and 2) - not including subsequently acquired businesses in the 2019/20 baseline	●	13,100	-65%	4,600	3,300
Packaging	Reduce packaging intensity by 30% by 2030 <sup>2</sup>	Tonnes packaging / £m revenue <sup>4</sup>	●	2.38	-35%	1.57	1.07
	100% of packaging widely reusable or recyclable by 2030	% of packaging by weigh	●	80%	14%	94%	100%
	Our packaging is made with 50% recycled content by 2030	% of packaging by weigh	●	42%	N/A	53%	100%
Waste	Reduce waste intensity by 50% by 2030	Tonnes waste / £m revenue <sup>4</sup>	●	1.49	-10%	1.37	0.78
	Achieve zero waste to landfill in our direct operations by 2030	% waste to landfill	●	7%	2%	5%	0%
	Recycle >95% of our waste by 2030	% waste recycled	●	79%	3%	82%	>95%
Transport	Reduce our Scope 3 transport emissions by 25% per tonne sold by 2030 <sup>2</sup>	Tonnes of CO2e from Scope 3 transport emissions / tonne of product sold <sup>4</sup>	●	1.67	-26%	1.23	0.91
Products & Solutions	Develop innovative and sustainable product and service solutions for all our customers	Number of products included within the Better World range	●	c. 20k (2022/23)	50%	c. 30k	100k
Supplier Carbon	Engage 67% of our suppliers by spend to set science-based targets by 2025	% of suppliers by spend to set SBTs	●	15% (2020/21)	17%	32%	67% (2024/25)

- All targets are from a 2019/20 baseline to 2029/30 unless otherwise stated
- Externally assured by ERM CVS in 2022/23
- Includes post-acquisition data from acquired businesses domnick hunter-RL (Thailand) Co., Ltd. (DH) and Risoul y Cia, S.A. de C.V. (Risoul) (completed in 2022/23) and Distrelec B.V (Distrelec) (completed in 2023/24).
- KPIs are on a constant exchange rate basis and are updated to reflect changes in reporting methodology and/or emissions factors.





# ESG PERFORMANCE SCORECARD: CHAMPIONING EDUCATION & INNOVATION

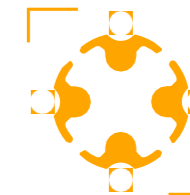


● On track or ahead    
 ● Slightly behind target – monitor closely    
 ● Not on track – further action required

Action	TARGET <sup>1</sup>	Metric <sup>2</sup>	Status	Baseline (2019/20)	Progress since 2019/20	Current progress (2023/24)	Goals (2029/30)
Education	Reach one million young people with educational technologies, learning content and skills development to support future engineers and innovators	No. of young students reached	●	255,000 (2020/21)	212%	796k	1 million
Innovation	Engage with 1.5 million engineers and innovators in creating socially responsible and sustainable solutions by 2030	No. of engineers & innovators engaged	●	213,000 (2020/21)	68%	357k	1.5 million
Social Impact Partnerships	Support our social impact partners to develop solutions that improve lives – including supporting The Washing Machine Project (TWMP) to help 100,000 people in need	Amount raised for TWMP	N/A	£0	90%	£628k	N/A
		Total number of lives impacted through our support to TWMP	●	N/A	N/A	31k	100,000 (2024/25)

1. All targets are from a 2019/20 baseline to 2029/30 unless otherwise stated
2. Externally assured by ERM CVS in 2022/23
3. Progress from 2019/20 baseline

# ESG PERFORMANCE SCORECARD: EMPOWERING OUR PEOPLE



● On track or ahead   
 ● Slightly behind target – monitor closely   
 ● Not on track – further action required

Action	TARGET <sup>1</sup>	Metric <sup>2</sup>	Status	Baseline (2019/20)	Progress since 2019/20	Current progress (2023/24)	Goals (2029/30)
Engagement	Achieve and maintain an employee engagement score in the top 10% of high-performing companies	Employee engagement score	●	71	4 pts	75	82 (Top 10%)
Leadership diversity	Ensure our team is reflective of the customers, suppliers and communities we serve by working towards 40% of our leaders being women and 25% being ethnically diverse.	% of female leaders	●	30%	4%	34%	40%
		% of ethnically diverse leaders	●	11% (2022/23)	0%	11%	25%
Health and safety	Aim for zero accidents involving our people	All accident frequency rate (per 200,000 Hrs)	●	0.69	-46%	0.37	0
Volunteering	Inspire 50% of our colleagues to volunteer to support their communities and build new skills	% of employees volunteering within the last two years	●	N/A	N/A	23%	50%

1. All targets are from a 2019/20 baseline to 2029/30 unless otherwise stated
2. Externally assured by ERM CVS in 2022/23
3. Progress from 2019/20 baseline

# ESG PERFORMANCE SCORECARD: DOING BUSINESS RESPONSIBLY



● On track or ahead    
 ● Slightly behind target – monitor closely    
 ● Not on track – further action required

Action	TARGET <sup>1</sup>	Metric <sup>2</sup>	Status	Baseline (2019/20)	Progress since 2019/20	Current progress (2023/24)	Goals (2029/30)
Incentivising ESG progress	ESG related targets included in our employee rewards programme	% of ESG targets in annual bonus	<span style="color: green;">●</span>	10% launched in 22/23		10-15%	N/A
Responsible supply chain	Evaluate our suppliers against our high ethical and environmental standards. Set ESG objectives for strategic suppliers.	% of suppliers by spend signed new ethical trading declaration	<span style="color: orange;">●</span>	29% (2021/22)	30%	59%	100%
		% of suppliers spend with EcoVadis membership	<span style="color: orange;">●</span>	40% (2021/22)	12%	52%	80%
		% of RS PRO suppliers by spend with a Sedex membership	<span style="color: green;">●</span>	30% (2021/22)	36%	66%	90%

1. All targets are from a 2019/20 baseline to 2029/30 unless otherwise stated
2. Externally assured by ERM CVS in 2022/23
3. Progress from 2019/20 baseline