MAKING AMAZING HAPPEN FOR A BETTER WORLD

ESG BASIS OF REPORTING 2023/24

RS GROUP

ABOUT

This document explains our methodology for collecting and calculating non-financial data that is reported in our Annual Report and Accounts and ESG Report. It covers our 15 most material ESG KPIs, which form the basis of our 2030 ESG action plan, with some additional definitions around our Scope 3 emissions and climate scenario analysis methodologies for our 2023/24 TCFD disclosure.

Reporting period

The reporting period for our ESG performance metrics is aligned to our financial reporting period, from 1 April 2023 to 31 March 2024. Our ESG performance data is reported externally on an annual basis, however we also provide half year performance data on our eight non-financial KPIs at our interim results announcement.

For ESG performance reporting, where data is available, we provide five years of data to demonstrate our long-term performance and commitment to continuous improvement. This can be found at rsgroup.com/sustainabilityreporting-centre

For the purpose of our science-based targets, we use a fixed 'base-year' (2019/20).

New metrics introduced will be externally reported with at least three years of comparable data, where available.

Reporting boundary and methodology

Our ESG performance metrics are prepared in accordance with the following standards and guidelines:

- CDP (Carbon Disclosure Project) guidance
- Greenhouse Gas (GHG) Protocol standards and guidance, including the Corporate Standard, Scope 2 Guidance, Corporate Value Chain (Scope 3) Accounting and Reporting Standard and Scope 3 Calculation Guidance
- Global Reporting Initiative (GRI)
- International Labour Organisation
- Sustainability Accounting Standards Board (SASB) Standards
- Science-based Targets Initiative (SBTi)
- Streamlined Energy and Carbon Reporting (SECR) Guidelines
- Taskforce on Climate-related Financial Disclosures (TCFD) recommendations
- UN Global Compact Ten Guiding Principles
- UN Sustainable Development Goals

The organisational boundary for greenhouse gas emissions reporting for RS Group and its subsidiaries is based on our financial control boundary, covering 100% of our business activities and geographies.

New acquisitions are included in the consolidated reporting for non-financial data from the date at which they are acquired, where this data is available and deemed robust. However, it is recognised that in certain cases, new acquisitions may not have appropriate reporting systems in place at the date of acquisition to allow them to record or disclose their ESG performance data.

In this case, we will report their ESG data in the following financial year's Annual Report and Accounts. This will be back dated to the point of ownership and the previous year's data will be restated to include the new acquisition.

Data verification and assurance

Data is reviewed and verified by the appropriate accountable person(s) and subject matter experts at the point of reporting. The most material ESG performance data is subject to external assurance, through a limited assurance process in accordance with the International Standard on Assurance Engagements ISAE 3000 (Revised). KPIs assured through this process in 2023/24 include:

- Absolute Scope 1 and 2 carbon dioxide equivalent CO_2e emissions
- Carbon intensity (tonnes of Scope 1 and 2 CO_2e per £m revenue)
- Scope 3, category 1: purchased goods and services
- Scope 3, category 4: upstream transportation and distribution – absolute emissions and intensity (tonnes of CO_2e per tonne of product sold)
- Scope 3, category 11: RS PRO products in-use (absolute emissions and intensity (tonnes of CO_2e per tonne of product sold)
- Packaging intensity (tonnes of packaging / £m revenue)
- % of management that are women

A full assurance statement is available at: rsgroup.com/esg/reporting-centre

Data quality

The aim of our reporting is to provide data that is complete, accurate and materially relevant to our business. For any data that is found to have a material error, or where conversion factors may have changed following external disclosure, this will be clearly indicated and the data restated for purposes of comparable baseline and trend analysis either in our Annual Report, ESG report of ESG data centre at www.rsgroup com/sustainability

MAKING AMAZING HAPPEN FOR A BETTER WORLD

ESG METRICS

ADVANCING SUSTAINABILITY

01 CARBON EMISSIONS

Scope 1 and 2

2030 goal: Reduce absolute emissions from our direct operations by 75% by 2030[1]

Breakdown of calculation:

Definition: Total Scope 1 and 2 CO_2e emissions

Scope and boundary:

- Carbon emissions are reported as tonnes of carbon dioxide equivalent (CO_2e) to enable the emissions of different greenhouse gases to be consolidated and reported on the basis of their global warming potential
- We report the breakdown of our CO2e emissions in line with the three scopes defined under the WRI/WBCSD GHG Protocol: Scope 1 (direct emissions), Scope 2 (energy indirect emissions) and Scope 3 (other indirect emissions, including business travel). For Scope 3 Category 4 emissions, we only account for product deliveries under RS control

[1] By 2029/30 from a 2019/20 baseline

- To calculate Scope 1 and 2 carbon emissions we include: premises energy use, company vehicles and fugitive emissions:
  - Premises energy: Electricity, natural gas, fuel oil, fuel gas, LPG and other energy use reported by site and converted to CO_2e. The majority of sites covering 90% of our group electricity use in 2023/24 use renewable electricity which is calculated at zero kg CO_2e per kWh
  - Company vehicles: Vehicle fuel use or distance travelled reported by site converted to CO_2e
  - Fugitive emissions (primarily emissions from air conditioning systems): reported by site and converted to CO_2e
- Carbon intensity: Our Scope 1 and 2 emissions (premise energy, company vehicle and fugitive emissions) per Group £m revenue
- The emission conversion factors are from the latest version of internationally recognised sources such as the Department for Business, Energy and Industrial Strategy (BEIS), Department for Environment Food and Rural Affairs (DEFRA) and the International Energy Agency (IEA)
- Scope 1 and 2 emissions data is externally assured by a third party

Scope 1 and 2 emissions data collection:

We run an electronic data collection process to obtain all our Scope 1 and 2 emissions data. Collection of data is carried out on a quarterly basis with source data obtained from the following:

- Invoices for combustion fuel consumption (natural gas, fuel oil, LPG)
- Invoices for electricity consumption
- Meter readings for gas and electricity consumption
- Fuel card data for volume of petrol and diesel for company cars
- In-house finance expense portal to obtain fuel volume and distance for company cars
- Maintenance records of refrigerant top up (fugitive emissions)

Scope 3

For Scope 3 emissions reporting, we evaluate the categories of Scope 3 emissions which are material and relevant to our business and report these in our Annual Report & Accounts. These include category 1 (purchased goods and services), category 4 (upstream transport and distribution) and category 11 (use of sold products). We then apply the relevant reporting methodology for that specific Scope 3 category, recognising that we must adopt a continuous improvement approach to increase the quality of our data and maturity of our reporting approach each year. The methodologies and annual results for our material Scope 3 emissions categories (Category 1, 4 and 11) are externally assured by a third-party.

Scope 3, category 1: purchased goods and services

Breakdown of calculation:

Definition: Total Scope 3 CO_2e emissions from purchased goods and services

Scope and boundary:

- The calculation includes all upstream emissions (cradle-to-gate) from the production of products and services procured by RS from suppliers between 1 January – 31 December 2023. This also includes category 2: capital goods
- A GHG Protocol hybrid methodology is applied, which combines spend-based and average data methods, relative to the different areas of our business
- Methodology and annual data is externally assured by a third party

Spend-based method:

- The spend based method is used to calculate the emissions from purchased goods and services for: RS Integrated Supply (RSIS), RS indirect procurement and acquisitions completed in 2022/23 and 2023/24
- The procurement spend from these businesses is collated, normalised to GBP per supplier and organised into standardised product or service-based categories. Normalisation to GBP is carried out by obtaining the local exchange rates to GBP, provided by the Group financial control team. We apply the end of calendar year average exchange rate

MAKING AMAZING HAPPEN FOR A BETTER WORLD

- The spend categories are mapped to the Quantis tool (WIOD) and multiplied by the emission factors provided in this tool obtained through the World Resources Institute (WRI) and the World Input Output Database (WIOD)

Data collection:

- Procurement spend for RSIS, indirect procurement and acquisitions completed in 2022/23 and 2023/24, standardised to GBP and organised by product and service category
- Emission factors from WIOD

Average data method:

- The average data method is used to calculate the emissions from products purchased from RS product suppliers for re-sale to customers in the RS EMEA, APAC and Americas regions
- The product technologies are analysed to understand their raw material composition and then matched with the most relevant cradle-to-gate emissions factor from the Ecoinvent database version 3.9.1. Where there is no relevant, matching Ecoinvent emission factor available, an average emission factor has been developed using averaged data assumptions relating to product technology, raw material composition and product weight
- Calculations take account of the product technology, raw material, the Ecoinvent / average emission factor and product weight
- Annual methodology and data is externally assured by a third party

Data collection:

- Total products procured from RS suppliers for re-sale by RS EMEA, APAC and Americas, organised by product category and technology
- Product weight data
- Product technology emission factors - either Ecoinvent or average emissions factor

Unit: Tonnes of CO_2e

Scope 3, category 4: upstream transportation and distribution

Definition: Total Scope 3, category 4: upstream transportation and distribution CO_2e emissions

Scope and boundary:

- Carbon emissions due to third party logistics services purchased by RS Group, including outbound logistics, intra-site logistics, and transportation of purchased products from tier 1 suppliers to RS Group where these are under our direct control
- Distance based method: Calculations take account of the weight of products shipped, the origin location, the destination location's transport modes for each route, allowing for multi-modal transport. Emissions factors and global warming potentials are sourced from BEIS by transport mode and distance. Carbon emissions are calculated on a well to wheel basis, which takes account of the GHG emissions generated throughout a fuel's entire lifecycle
- Methodology and annual data is externally assured by a third party

Data collection:

- Origin and destination location data
- Product weight data
- Packaging weight assumptions
- Transport mode data and emissions factors
- Carbon emissions factors per tonne-kilometre and mode of transport

Unit: Tonnes of CO_2e

Scope 3, category 11: Use of sold Products

Definition: Tonnes of Scope 3 (category 11) CO_2e emissions from the use of RS PRO products sold

Scope and boundary:

- The calculation includes the lifetime in-use phase emissions (direct and indirect) from RS PRO products sold to customers in the RS EMEA, APAC and Americas regions between 1 January – 31 December 2023
- We have included direct and indirect energy consumption from the use-phase of products sold, as per the GHGP
- Emissions calculations took account of:
  - RS PRO product technologies that a) directly use energy and their average power consumption and b) indirectly use energy and their average dissipation – sourced from product technical sheets on RS and supplier websites, where available
  - Standardised assumption on the total hours of product use, applied across all RS PRO products - using evidenced assumptions for daily use and average product lifespan
  - IEA electricity grid average emissions factor per country or region, applied based on RS PRO sales data
- Emission calculations consider the quantity of RS PRO products sold, power consumption and dissipation, total hours used and grid average emissions factors per country
- Methodology and annual data is externally assured by a third party

Data collection:

- Quantity and revenue of RS PRO products sold per country and region
- Average power consumption / dissipation by product technology (i.e., batteries, HVAC, 3D printing, lighting)
- IEA grid average emissions factors per country / region

Unit: Tonnes of CO_2e

02 PACKAGING

2.1 Packaging intensity

2030 goal: Reduce packaging intensity by 30% by 2030

Breakdown of calculation:

Definition: Global packaging tonnage per £m of revenue

Scope and boundary:

- Calculated by dividing total tonnage of packaging procured in the reporting year by £m of revenue at constant foreign exchange rates
- Methodology and data is externally assured by a third party

Data collection:

- Revenue: Group finance data
- Packaging weight: Site by site packaging reports

Unit: Tonnes packaging / £m revenue pa

2.2 Percentage of packaging by weight widely reusable or recyclable

2030 Goal: 100% of packaging widely reusable or recyclable by 2030

Breakdown of calculation:

Definition: Percentage of packaging by weight that is widely reusable or recyclable

Scope and boundary:

- The total tonnage of widely reusable or recyclable packaging (including paper, card and wood) is calculated as a percentage of the total tonnage of packaging

Data Collection:

- Weight of reported packaging use in metric tonnes by material type

Unit: % of widely reusable or recyclable packaging by weight

2.3 Percentage of packaging by weight made with 50% recycled content

2030 Goal: 100% of packaging is made with 50% recycled content by 2030

Breakdown of calculation:

Definition: Percentage of packaging by weight made with at least 50% recycled content

Scope and boundary:

- Calculation is based on packaging article database, which identifies recycled content
- Packaging articles are tagged by: Recycled content >50% = YES, <50% = NO
- Unit volume purchased is multiplied by unit weight to calculate tonnage purchased

Data collection:

- Global packaging article database

Unit: % of packaging with >50% recycled content by weight

03 WASTE

3.1 Waste intensity

2030 goal: Reduce waste intensity by 50% by 2030

Breakdown of calculation:

Definition: Total tonnage of hazardous and non-hazardous waste per £m of revenue at constant foreign exchange rates

Scope and boundary:

- Waste weight: Total weight of waste disposed of in metric tonnes
- Revenue: Group finance data

Data collection:

- Global environmental reports
- Global waste data reports
- Group finance reports

Unit: Tonnes waste*/ £m revenue pa

3.2 Zero waste to landfill

2030 goal: Achieve zero waste to landfill in our direct operations by 2030

Breakdown of calculation:

Definition: Total tonnage of hazardous and non-hazardous waste disposed of to landfill as a percentage of the weight of total waste

Scope and boundary:

- Waste weight: See 3.1
- Waste sent to landfill: Weight of waste reported as disposed of to landfill (metric tonnes)

Data collection:

- Global environmental reports
- Global waste data reports

Unit: % waste to landfill*

*Construction waste is not included.

3.3 Recycling

2030 Goal: Recycle > 95% of our waste by 2030

Breakdown of calculation:

Definition: Total tonnage of hazardous and non-hazardous waste recycled as a percentage of the weight of total waste reported

Scope and boundary:

- Waste weight: See 3.1
- Weight of recycling: Total weight of waste sent for recycling

Data collection:

- Global environmental reports
- Global waste data reports

Unit: % waste recycled*

04 PRODUCT TRANSPORTATION

2030 goal: Reduce Scope 3 transport emissions by 25% per tonne of product sold by 2030

Breakdown of calculation:

Definition: Tonnes of Scope 3 (category 4) transport emissions from product deliveries by external logistics providers under RS control

Scope and boundary:

- The emissions calculations for the transport of products by external logistics providers uses a distance-based method and includes Scope 3 emissions due to inbound deliveries from suppliers, movement of products between RS sites and outbound deliveries to customers by third-party transport providers, controlled by RS
- Calculations take account of the weight of products shipped, the origin and destination locations and transport modes for each route, allowing for multi-modal transport

Data collection:

- Origin and destination location data
- Product weight data
- Packaging weight assumptions
- Transport mode data and emissions factors
- Carbon emissions factors per tonne-kilometre and mode of transport on a well to wheel basis

Unit: Tonnes of CO_2e from Scope 3 transport emissions / tonne of product sold

ADVANCING SUSTAINABILITY

05 SUPPLIER CARBON

2030 goal: Commit to 67% of our suppliers by spend setting science-based targets (SBTs) by 2025

Breakdown of calculation:

Definition: Percentage of purchasing spend with suppliers who have committed or validated SBTs with the SBTi by 2025

Scope and boundary:

- Supplier spend data is aggregated across group business areas and organised by supplier parent company
- The suppliers are cross-checked and mapped to those companies with science-based targets on the SBTi website
- By exception, the data set for this KPI is calendar year data from 1 January to 31 December, but performance is taken as of 31 March

Data collection:

- Supplier spend data, aggregated to supplier parent company
- Supplier science-based target data – SBTi portal / website

Unit: % of suppliers by spend who have set science-based targets by 2025

06 PRODUCTS AND SOLUTIONS

2030 goal: Develop innovative and sustainable product and service solutions for all our customers including offering 100,000 Better World products by 2030.

Breakdown of calculation:

Definition: Number of products included within the Better World product offer

Scope and boundary:

- Current approved products included in the Better World product offer that have either an approved third-party sustainability certification or a clear and evidenced claim which conforms with any of our 17 claims within our Better World product claims-based framework
- Claims span across the product's lifecycle: Made more sustainably, Sustainable Solution, Supports Circularity

Data collection:

- Product sustainability data; certifications and / or claims evidence, provided by RS product suppliers in product data sheets for RS website and / or manually provided to RS Better World team

Unit: Number of Better World products

MAKING AMAZING HAPPEN FOR A BETTER WORLD

07 TCFD CLIMATE SCENARIO ANALYSIS

Breakdown of calculation:

Definition: The net projected impact of climate-related risks and opportunities (CRROs) on annual group adjusted operating profit under different physical and transition climate scenarios in 2030 and 2050

Scope and boundary:

- For physical CRROs, the Intergovernmental Panel on Climate Change (IPCC) Representative Concentration Pathways (RCPs) (RCPs 2.6, 4.5 and 8.5) were used to identify the RS sites most exposed to acute and chronic climate hazards including flooding, storms and extreme temperatures
- For transition CRROs, three International Energy Agency (IEA) scenarios were assessed; The Net Zero Emissions Scenario (NZE), The Announced Pledges Scenario (APS) and The Stated Policies Scenario (STEPS). Key transition variables assessed included energy costs, carbon prices and market trends relating to expected growth or decline in different customer segments
- The climate scenarios were overlaid onto our five-year financial plan and impacts projected for 2030 (medium-term) and 2050 (long-term)
- A bespoke modelling approach was developed for each CRRO to assess the projected physical and transition impacts from the climate scenario on group adjusted operating profit using data sources, assumptions and methods appropriate to the risk or opportunity type
- The anticipated financial impact (e.g. revenue, opex, capex or depreciation) was identified for each CRRO
- Key analysis assumptions applied for each CRRO include:
  - **Products, solutions and customers - changes in market demand and customer segments (transition opportunity):** potential growth in revenue from transition-relevant RS product categories (automation and control, electrical etc.), maintenance, repair and operation (MRO) sustainability solutions and serving industry sectors linked to the low carbon transition (renewables, automotives etc.) with a conservative assumption applied to the latter, regarding the share of sector growth which RS could capture as an MRO product and solutions provider

    Potential loss of sales from existing fossil fuel sector customers was also calculated as a risk area that could offset some of the potential opportunity
  - **Logistics - technology transition and rising fuel costs (transition risk):** projected growth in carbon emissions due to product transportation, aligned to revenue expectations. This was used to calculate potential carbon freight taxes and costs associated with net zero fleet transition and assumptions were made about the degree to which uplifted freight costs may be passed onto customers (currently assumed to be in full)

ADVANCING SUSTAINABILITY

- **Distribution centres (DCs) - reduced emissions and energy costs through solar generation (transition opportunity):** Calculated available roof space for solar PV installation on the five largest DCs and potential capex investment required for installation, including its depreciation over time to 2030 and 2050. Calculated reduction in electricity costs and emissions if we installed solar PV on the five DCs, based on potential growth in current electricity consumption, grid energy costs and emissions
- **DCs and people - impact of extreme heat (physical risk):** calculated potential reduction in employee productivity in high temperatures based on the UN guidance related to reduction in worker productivity above 35°C / 40°C. Calculated increased capex and opex costs for high-efficiency heating, ventilation and air conditioning (HVAC) installation, running and maintenance and their replacement (every 15 years under greater usage) for the six largest DCs
- **DCs - Impact of extreme weather (physical risk):** focused on Fort Worth, US DC, as the site with the potential for highest financial impact event, due to likelihood of extreme weather events in the region, significance of DC for Group revenue and it being the sole Americas DC. Financial viability model applied to consider impact of temporary loss (full or partial) of building and product inventory, alongside the potential impact on revenue from disruption to service, as a result of an extreme weather event
- Individual financial impacts for each variable were then aggregated to derive a net financial impact, on annual adjusted operating profit per CRRO
- This result was used to determine whether each CRRO represented a net opportunity or net risk, depending on whether the net impact on adjusted operating was negative or positive
- Impact materiality ranges for adjusted operating profit were applied to the analysis aligned to RS enterprise risk assessment guidance (see financial materiality key in TCFD section of 2024 Annual Report for more detail)

Data collection:

- Climate scenario modelling data (IPCC and IEA)
- CRRO-specific internal and external assumptions (as outlined here)
- Projected financial revenue forecast

Unit: Net annual % impact on Group adjusted operating profit

CHAMPIONING EDUCATION & INNOVATION

08 EDUCATION

2030 goal: Reach 1 million young people with educational technologies, learning content and skills development to support future engineers and innovators

Breakdown of calculation:

Definition: Number of young people (under 30) reached through education content produced by Grass Roots, DesignSpark and OKdo

Scope and boundary:

- Cumulative total of DesignSpark community members under 30, student sponsored activities, direct engagement with other Grass Roots project activities, students and unique engagements via OKdo Micro:bit initiative
- Number of young members on DesignSpark is calculated using age demographic data from Google Analytics. The number of new young members that have joined each year is added to the cumulative total from baseline year 2020/21
- Total number of young people (under 30) engaged are those that have either directly participated in our own education activities such as competitions, skills training, ambassadors etc., or those that have benefited from our strategic sponsorship activities captured by our partner organisations

Data collection:

- Data is collated from existing databases and reporting mechanisms including: DesignSpark reporting systems, Grass Roots global reports, OKdo landing page data, Micro:bit donations data

Unit: Number of young people (under 30) reached

09 INNOVATION

2030 goal: Engage 1.5 million engineers and innovators in creating socially responsible and sustainable solutions

Breakdown of calculation:

Definition: The number of global engineers and innovators engaged through DesignSpark – our online community of design resources

Scope and boundary:

- Cumulative total of DesignSpark registered members who have been active within the last 24 months

Data collection:

- Data is collated from DesignSpark reporting systems

Unit: Number of engineers and innovators engaged

10 SOCIAL IMPACT PARTNERSHIPS

2025 goal: 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

10.1 Amount raised for The Washing Machine Project (TWMP)

Breakdown of calculation:

Definition: Total amount of money in GB pounds sterling raised and donated to TWMP through RS fundraising with our people, suppliers, customers and other partners as well as RS matched giving activities

Scope and boundary:

- This includes total raised by employees through fundraising activities and through internal / external stakeholder events such as tradeshows, conferences and exhibitions
- Payment is deposited directly to TWMP through the JustGiving platform and a quarterly report is produced to update on progress. This is match funded by RS up to the value of £100,000 per annum, plus an additional partnership commitment of £100,000 per annum
- Also includes benefit-in-kind donations, i.e., product donations which are calculated based on their value to RS (i.e., cost price, not sale price)

Data collection: Calculated via JustGiving fundraising data and direct deposits into TWMP account

Unit: £ raised for TWMP through RS enabled fundraising activities

10.2 Total number of lives impacted through support to TWMP

Breakdown of calculation:

Definition: A calculation of the number of people who benefit from TWMP by calculating the total number of washing machines distributed, multiplied by average family size in each community supported

Scope and boundary:

- To calculate the number of lives impacted at refugee camps we take the average family size, which is calculated using United Nations family planning data
- For machines deployed outside of refugee camps, i.e., schools, homeless shelters and townships, we measure impact by calculating the size of the community who have access to the machines
- If the location is transient, we calculate the number of people who pass through the area over a period of time

Data collection: Data collated from TWMP reports

Unit: Number of persons impacted by TWMP support, enabled by RS fundraising activities

MAKING AMAZING HAPPEN FOR A BETTER WORLD

EMPOWERING OUR PEOPLE

11 ENGAGEMENT

2030 goal: Achieve and maintain an employee engagement score in the top 10% of high-performing companies (as defined in the Glint global database)

Breakdown of calculation:

Definition: The employee engagement score is a measure of how satisfied our people are at RS, and how strongly they recommend it as a great place to work

Scope and boundary:

- RS employee engagement survey is sent to all permanent, active employees across the Group (>8,700), every 18 months, with the last survey completed in October 2023
- Quarterly pulse checks are also performed and may be used for annual reporting purposes, to ensure up to date engagement results
- Engagement scores are calculated by combining the total scores from all individual responses received. The overall engagement score is measured by the average of questions on 'satisfaction' and 'recommend.' The questions are rated on a five-point scale and the average of the two is converted to a 100-point scale
- Engagement targets are set in relation to our position versus the top 25% and top 10% of high performing companies within the provider database
- This number may change annually based on the dataset, so targets are adjusted accordingly each financial year

Data collection: External survey platform (Glint)

Unit: Employee engagement score out of 100 (Average out of one to five for two questions, converted to a 100-point scale)

12 LEADERSHIP DIVERSITY

2030 goal: 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

12.1 Percentage of women leaders

Breakdown of calculation:

Definition: Percentage of leaders that are women

Scope and boundary:

- From the current employee database, we select our leaders who are permanent employees and determine the percentage of those leaders who are women
- The Company's definition of a leader is: permanent employees who operate at a senior level in the Group and typically, although not exclusively, are the Senior Management Team and their direct reports. Temporary employees, contractors and agency employees are not included
- In objective terms this is anyone in a role sized as a Willis Towers Watson global grade 15 or above (or equivalent in new acquisitions).
- Data is taken as of 31 March every year

Data collection: People data taken from our Group HR system

Unit: Percentage of leaders that are women

12.2 Percentage of ethnically diverse leaders

Breakdown of calculation:

Definition: Percentage of leaders who identify as being part of an ethnic group other than white

Scope and boundary:

- From the current employee database, we select our leaders who are permanent employees and select those where an ethnicity value has been declared. We then determine the percentage of those leaders who are ethnically diverse
- The company's definition of a leader is: permanent employees who operate at a senior level in the Group and typically, although not exclusively, are the Senior Management Team and their direct reports. Temporary employees, contractors and agency employees are not included
- In objective terms this is anyone in a role sized as a Willis Towers Watson global grade of 15 or above (or equivalent in new acquisitions)
- Data is taken as of 31 March each year

Data collection: People data from our Group HR system

Unit: Percentage of leaders that are ethnically diverse

EMPOWERING OUR PEOPLE

13 HEALTH & SAFETY

2030 goal: Aim for zero accidents involving our people

13 All accident frequency rate

Breakdown of calculation:

Definition: Number of accidents per 200,000 hours worked

Scope and boundary:

- An accident is defined as an unplanned event which may or may not involve injury or damage to a person / s
- An accident rate is an indicator of health & safety in the workplace and is determined by number of accidents per 200,000 hours worked
- All accidents are reported to the Global Environmental Health & Safety (E,H&S) Team within three days of occurrence
- Hours worked calculated from headcount basis on average 40 hour week and 48 week year

Data collection: Global E,H&S accident and near miss data

Unit: Rate is the number of accidents per 200,000 hours worked

14 VOLUNTEERING

2030 goal: Inspire over 50% of colleagues to volunteer to support their communities and build new skills

14 Percentage of employees volunteering

Breakdown of calculation:

Definition: Percentage of employees volunteering within the last two years

Scope and boundary:

- From the employee leave records in our internal HR system, or manually captured records in certain markets, we select all “volunteer leave” entries recorded in the last 24 months and count the number of individual employees on that list
- The metric is the number of volunteering employees divided by the number of employees, expressed as a percentage

Data collection: People volunteering data collected via Group HR system and further manual data collation for certain markets

Unit: Percentage of RS employees who have volunteered within the past two years

DOING BUSINESS RESPONSIBLY

15 INCENTIVISING ESG PROGRESS

2030 Goal: ESG related targets included in our employee rewards programme

Breakdown of calculation:

Definition: Percentage of ESG targets in annual employee incentive

Scope and boundary:

- The performance measure included in the Group annual incentive is Scope 1 and 2 CO_2e reduction (carbon from the direct operations) and is worth between 10-15% of the overall bonus, depending on the scorecard the employee is linked to (Group or regional)
- c. 63% of Group employees qualify for the annual incentive aligned to Group carbon reduction
- Employee engagement is also linked to the Journey to Greatness Long Term Incentive Plan (LTIP)

Data collection:

- Group people data
- Group finance data

Unit: Percentage of ESG targets in annual employee incentive and Journey to Greatness LTIP

16 RESPONSIBLE SUPPLY CHAIN

2030 goal: Evaluate our suppliers against our high ethical and environmental standards. Set ESG objectives for strategic suppliers

16.1 Percentage of suppliers by spend who have signed ethical trading declaration

Breakdown of calculation:

Definition: Percentage of suppliers by spend who have signed the ethical trading declaration (ETD)

Scope and boundary:

- Strategic suppliers determined as top 67% of group suppliers by spend
- Supplier spend data is collected from all group companies and aggregated to supplier parent company to identify the top 67% of suppliers by spend
- List of supplier names are cross checked and mapped against suppliers recorded to have a signed the ETD or have provided their own
- In some cases, a supplier may submit their own signed ETD and this is acceptable if it is equivalent to or exceeds the standards set by the RS ETD
- One ETD at parent level company covers all partnerships across the Group
- By exception, the data set for this KPI is calendar year data from 1 January to 31 December, but performance is taken as of 31 March

Data collection:

- Group supplier spend data
- ETD signatory database

Unit: Percentage of suppliers by spend who have signed our ETD

MAKING AMAZING HAPPEN FOR A BETTER WORLD

16.2 Percentage of suppliers by spend with EcoVadis rating

Breakdown of calculation:

Definition: Percentage of suppliers by spend who have a valid EcoVadis scorecard and rating

Scope and boundary:

- Supplier spend data is collected from all group companies and aggregated to supplier parent company to identify the top 67% of suppliers by spend
- List of supplier names cross checked on EcoVadis platform to confirm if they have a valid assessment and scorecard
- Metric derived by confirming if a supplier has a valid scorecard via EcoVadis database
- By exception, the data set for this KPI is calendar year data from 1 January to 31 December, but performance is taken as of 31 March

Data collection:

- Group supplier spend data
- EcoVadis database

Unit: Percentage of suppliers by spend who have an EcoVadis membership

16.3 Percentage of RS PRO suppliers by spend with a Sedex membership

Breakdown of calculation:

Definition: Percentage of RS PRO suppliers by spend who have a Sedex membership

Scope and boundary:

- List of RS PRO suppliers supplied to Sedex
- Sedex database report with RS PRO suppliers that are Sedex members
- Percentage of spend calculated against RS PRO and Sedex data for the last 12 months
- Supplier list and 12 month spend data is refreshed every six months
- By exception, the data set for this KPI is calendar year data from 1 January to 31 December, but performance is taken as of 31 March

Data collection:

- Supplier master spend data
- Sedex membership data

Unit: Percentage of RS PRO suppliers by spend who are Sedex members