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# ESG BASIS OF REPORTING 2024/25



GROUP





# ESG BASIS OF REPORTING 2024/25

This document explains our methodology for collecting and calculating non-financial data that is reported in our Annual Report and Accounts, ESG Report and ESG data centre. It covers our most material ESG KPIs, which are informed by our latest double materiality assessment and 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 2024/25 TCFD disclosure.

## Reporting period

The reporting period for our ESG performance metrics is aligned to our financial reporting period, from 1 April 2024 to 31 March 2025. 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/esg/reporting-centre](https://rsgroup.com/esg/reporting-centre).

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

For our science-based targets, we use a fixed 'baseline year' (2019/20).

## Reporting boundary and methodology

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

- 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 (ILO)
- Sustainability Accounting Standards Board (SASB) standards
- Science Based Targets initiative (SBTi)
- CDP guidance
- 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 (UN SDGs)

The organisational boundary for reporting the impacts of RS Group (RS) and its subsidiaries is based on our financial control boundary, covering 100% of our business activities and geographies. This includes reporting ESG data from acquisitions from the point of RS ownership.

In addition, for our Scope 1 and 2 emissions reporting, we follow the Greenhouse Gas Protocol and SBTi guidance. We also report emissions from acquisitions in our current and previous reporting years back to our baseline year of 2019/20.

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 independent assurance, through a limited assurance process in accordance with the International Standard on Assurance Engagements ISAE 3000 (Revised).

KPIs assured through this process in 2024/25 include:

- Absolute Scope 1 and 2 (market-based) carbon dioxide equivalent CO<sub>2</sub>e emissions
- Carbon intensity (tonnes of Scope 1 and 2 CO<sub>2</sub>e/£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<sub>2</sub>e/tonne of product sold)
- Scope 3 Category 11: RS PRO products in-use – absolute emissions and intensity (tonnes of CO<sub>2</sub>e/tonne of product sold)
- Packaging intensity (tonnes of packaging/£m revenue)
- Waste – absolute total (tonnes)
- Waste – absolute recycled (tonnes)
- Waste – absolute incinerated (tonnes)
- Waste – absolute landfilled (tonnes)
- Waste intensity (absolute total waste/£m revenue)
- Employee engagement score
- % of management that are women
- % of management that are ethnically diverse
- All accident rate (number of accidents/200,000 hours)

**A full assurance statement is available at:** [rsgroup.com/esg/reporting-centre](https://rsgroup.com/esg/reporting-centre)

## Data quality

The aim of our ESG 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 been updated 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 and ESG data centre at [rsgroup.com/esg/reporting-centre](https://rsgroup.com/esg/reporting-centre).

### Summary of restatements for FY25

Scope 1 and 2 carbon emissions have been restated from our 2019/20 base year onwards to reflect improvements made to our reporting methodology, emission factors and additional data. We also report the impact of current and historical emissions from businesses acquired since 2019/20. See section 1.1 on page 5 for further information.

Scope 3 Category 11: use of RS PRO sold products has been restated from our 2019/20 base year onwards to correct an error identified in the classification of a specific product group. See section 1.2 on page 7 for further information.

Percentage of packaging by weight made with 50% recycled content has been restated from our 2019/20 base year onwards to exclude wood from pallets as a packaging material. This is because our pallets are produced from sustainably-sourced material rather than recycled content. See section 3 on page 8 for further information.

### Exceptional events

If an exceptional event occurs during the period, we will separate the impact of the event from the figure to avoid skewing the performance and making it difficult to judge the trend in performance over time. We will separately disclose the impact of the event and an explanation within the footnotes or comments associated with the disclosure.

In 2024/25, an exceptional event that impacted the water consumption of one of our distribution centres (DCs) occurred in Q2, resulting in an additional c. 9,000m<sup>3</sup> water use owing to an irrigation system leak, which has been separated from the 'water use (m<sup>3</sup>)' and 'water use per head (m<sup>3</sup>/head)' figures provided in our 2024/25 ESG data centre.



# ESG METRICS





# ADVANCING SUSTAINABILITY

## 01 CARBON EMISSIONS

### 1.1 Scope 1 and 2

**2030 goal: Reduce absolute emissions from our direct operations by 75%<sup>1</sup>**

#### Breakdown of calculation:

Definition: Total Scope 1 and 2 (market-based) CO<sub>2</sub>e emissions

#### Scope and boundary:

- Carbon emissions are reported as tonnes of carbon dioxide equivalent (CO<sub>2</sub>e) 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 CO<sub>2</sub>e 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)

<sup>1</sup> 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 which are reported by site and converted to CO<sub>2</sub>e:
  - Premises energy: Electricity, natural gas, fuel oil (diesel for premises energy generation purposes), LPG and other energy use. The majority of sites in 2024/25 use renewable electricity which is calculated at zero kg CO<sub>2</sub>e per kWh
  - Company vehicles: Vehicle fuel use or distance travelled
  - Fugitive emissions: Primarily emissions from air conditioning systems
- Carbon intensity: Our Scope 1 and 2 (market-based) emissions (premise energy, company vehicle and fugitive emissions) per Group £m revenue
- The emission conversion factors are from the latest versions of internationally recognised sources such as the Department for Business, Energy and Industrial Strategy (BEIS) (2024), the International Energy Agency (IEA) (2024) and the Association of Issuing Bodies (AIB) (2023)
- Scope 1 and 2 emissions data is externally assured by a third party (see 2024/25 Annual Report pages 74 to 75)

#### Scope 2 methodology update:

In line with best practice, we updated our methodology in 2024/25, adopting a dual Scope 2 emissions calculation method: the market-based method reflects emissions

from electricity purposefully chosen (e.g., accounting for specific renewable electricity contracts), whilst the location-based method reflects the average emissions intensity of the grids on which energy consumption occurs.

Under the market-based method, preference is given to a supplier-specific emission factor to reflect the fuel composition used to generate the electricity supplied. If this is unavailable an AIB (2023) residual-mix emission factor is applied, reflecting the fuel composition of all untracked and unclaimed energy. If this is also unavailable (e.g., for regions with no published residual-mix emission factor) the International Energy Agency (IEA) (2024) grid-average emission factor is applied.

Where voluntary instruments such as Energy Attribute Certificates (EACs) are purchased (e.g., guarantees of origin for renewable energy producing zero emissions/MWh at the point of generation), these are applied to cover electricity from operations in select countries but retired in other countries considered to be within the same market (e.g., the European single market) and this is reflected in the market-based figure. For 2024/25, we purchased a small amount of EACs for 3% of the Group's electricity consumption, covering China, Italy, Ireland, Latvia and a part of Spain, South Africa and the US.

Under the location-based method the IEA (2024) grid-average emission factor is applied to each region to indicate emissions before specific contractual agreements with no contractual or voluntary instruments reflected.

The Scope 2 market-based figure is used unless otherwise stated. All figures are reported as carbon dioxide equivalent to consolidate all relevant greenhouse gases, including Scope 2 emissions.

This methodology update has been applied consistently to all prior years, including the base year 2019/20, to enable meaningful comparison and performance tracking.

#### 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)



## 1.2 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 each year. The annual results for our material Scope 3 emissions categories (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<sub>2</sub>e 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 2024. 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
- Our 2024/25 Trident acquisition is excluded from this metric for this reporting year
- Restatements may be made as RS continues to improve the methodology
- The annual results are externally assured by a third party (see 2024/25 Annual Report pages 74 to 75)

#### 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 our Risoul, DH Thailand and Distrelec acquisitions
- The procurement spend from these businesses is collated, normalised to British pounds sterling (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
- 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, RS indirect procurement and our Risoul, DH Thailand and Distrelec acquisitions, standardised to GBP and organised by product and service category
- Emission factors from WIOD (2016), adjusted for inflation

#### Average data method:

- The average data method is used to calculate the emissions from products purchased from RS product suppliers for resale to customers in the EMEA, Asia Pacific 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

#### Data collection:

- Total products procured from RS suppliers for re-sale by RS in the EMEA, Asia Pacific and the Americas regions, organised by product category and technology
- Product weight data
- Ecoinvent emission factors

Unit: Tonnes of CO<sub>2</sub>e

### Scope 3 Category 4: upstream transportation and distribution

#### Breakdown of calculation:

Definition: Total Scope 3 Category 4: upstream transportation and distribution CO<sub>2</sub>e emissions

#### Scope and boundary:

- Carbon emissions due to third party logistics services purchased by RS, including outbound logistics, inter-site logistics, and transportation of purchased products from tier 1 suppliers to RS where these are under our direct control
- Distance-based method: Calculations take account of the weight of products destination location's transport modes for each route, allowing for multi-modal transport. Emissions factors 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
- For Scope 3 Category 4 emissions we only account for product deliveries under RS control in our current methodology
- The annual results are externally assured by a third party (see 2024/25 Annual Report pages 74 and 75)

#### Data collection:

- Geographic origin and destination data for each leg of transport
- Product weight data for each delivery
- Packaging weight assumptions
- Transport mode data for each leg of transport
- Carbon emissions factors by mode of transport

Unit: Tonnes of CO<sub>2</sub>e





## ADVANCING SUSTAINABILITY

### Scope 3 Category 11: use of sold products

**2030 goal: reduce in-use product intensity by 20%**

#### Breakdown of calculation:

Definition: Tonnes of Scope 3 (Category 11) CO<sub>2</sub>e emissions from the use of RS PRO (all products) sold

Scope and boundary:

- The calculation includes the lifetime in use phase emissions (direct and indirect) from RS PRO (all products) sold to customers in the RS EMEA, Asia Pacific and Americas regions between 1 January – 31 December 2024
- Restatements may be made as RS continues to improve the methodology
- We have included direct and indirect energy consumption from the use-phase of products sold, as per the GHG Protocol
- Emission calculations take 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

- Standard 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 2024 electricity grid average emissions factor per country or region is applied based on RS PRO (all products) sales date

- Emission calculations consider the quantity of RS PRO products (all products) sold, power consumption and dissipation, total hours used and grid average emissions factors per country
- The annual results are externally assured by a third party (see 2024/25 Annual Report pages 74 and 75)

Data collection:

- Quantity and revenue of RS PRO products (all products) sold per country and region
- Average power consumption/ dissipation by product technology (i.e., batteries, HVAC, 3D printing, lighting)
- IEA 2024 grid average emissions factors per country/region

Unit: Tonnes of CO<sub>2</sub>e







## ADVANCING SUSTAINABILITY

### 02

## PRODUCT TRANSPORTATION

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

**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: (see 1.2 Advancing sustainability – Scope 3 Category 4: upstream transportation and distribution)

Data collection: (see section 1.2 Advancing sustainability – Scope 3 Category 4: upstream transportation and distribution)

Unit: Tonnes of CO<sub>2</sub>e from Scope 3 transport emissions/tonne of product sold

### 03 PACKAGING

#### 3.1 Packaging intensity

**2030 goal: Reduce packaging intensity by 45%**

**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
- Packaging consumption is RS customer packaging (primary and secondary) and includes tertiary packaging such as pallets, shrink-wrap and strapping

Data collection:

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

Unit: Tonnes packaging/£m revenue pa

#### 3.2 Percentage of packaging by weight widely reusable or recyclable

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

**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
- Packaging consumption is RS customer packaging (primary and secondary) and includes tertiary packaging such as pallets, shrink-wrap and strapping

Data collection:

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

Unit: % of widely reusable or recyclable packaging by weight

#### 3.3 Percentage of packaging by weight made with 50% recycled content

**2030 Goal: 100% of packaging to be made with 50% recycled content**

**Breakdown of calculation:**

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

Scope and boundary:

- Calculated 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
- Packaging consumption is RS customer packaging (primary and secondary) and includes tertiary packaging such as pallets, shrink-wrap and strapping
- Packaging material excludes wood pallets because our wood pallets are produced from sustainably sourced material rather than recycled content. This is a change for 2024/25 and historic figures have been recalculated and restated to reflect this change

Data collection:

- Global packaging article database
- Unit: % of packaging with >50% recycled content by weight







## 04 WASTE

### 4.1 Waste (absolute and intensity)

**2030 goal: Reduce waste intensity by 50%**

#### Breakdown of calculation:

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

Total weight is split by:

- Waste recycled
- Waste incinerated
- Waste landfilled: See section 4.2

Scope and boundary:

- Waste weight: Total weight of waste disposed of to various waste destinations in metric tonnes
- Revenue: Group finance data
- Excludes construction waste

Data collection:

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

Unit: Tonnes waste/£m revenue pa

### 4.2 Zero waste to landfill

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

#### 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 section 4.1
- Waste sent to landfill: Weight of waste reported as disposed of to landfill (metric tonnes)
- Excludes construction waste

Data collection:

- Global environmental reports
- Global waste data reports

Unit: % waste to landfill

### 4.3 Recycling

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

#### 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 section 4.1
- Weight of recycling: Total weight of waste sent for recycling
- Excludes construction waste

Data collection:

- Global environmental reports
- Global waste data reports

Unit: % waste recycled







## ADVANCING SUSTAINABILITY

### 05 SUPPLIER SUSTAINABILITY

**2025 goal: Commit to engage 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 end of 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
- The dataset 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 from the 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**

**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 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







## 07 TCFD CLIMATE SCENARIO ANALYSIS

### Breakdown of calculation:

Definition: The net potential future 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) are used to identify the RS sites most exposed to acute and chronic climate hazards including flooding, storms and extreme temperatures
- For transition CRROs, three IEA scenarios are assessed: The Net Zero Emissions Scenario (NZE), The Announced Pledges Scenario (APS) and The Stated Policies Scenario (STEPS). Key transition variables

assessed include energy costs, carbon prices and market trends relating to expected growth or decline in different customer segments

- The climate scenarios are overlaid onto our five-year financial plan and impacts projected for 2030 (medium-term) and 2050 (long-term)
- A bespoke modelling approach is 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) is 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 is used to calculate potential carbon freight taxes and costs associated with net zero fleet transition, and assumptions are made about the degree to which uplifted freight costs may be passed onto customers (currently assumed to be in full)





- **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 four additional DCs and expanded solar PV on the remaining DC, 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 the DC for Group revenue and it being the sole North American distribution site. 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 are then aggregated to derive a net financial impact on annual adjusted operating profit per CRRO.

This result is used to determine whether each CRRO represents 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 are applied to the analysis

aligned to RS enterprise risk assessment guidance (see financial materiality key in the TCFD section on pages 68 to 73 of the 2024/25 Annual Report.

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





## EMPOWERING OUR PEOPLE



## 08 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:

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. 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.

### Scope and boundary:

- Includes only active permanent employees (therefore excludes contingent workers and employees on maternity/paternity/long-term sick leave/less than 3 months with the business). Trident is not included in the boundary for this reporting year
- The survey lifecycle is every 18 months with the last survey completed in October 2023, and pulse surveys are completed periodically throughout the fiscal year (June 24, September 24 and December 24 for 2024/25) to ensure a regular, active listening approach
- The latest survey/pulse results prior to the end of the financial year are used for annual reporting

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)

## 09 LEADERSHIP DIVERSITY

**2030 goal: Ensure our team is reflective of the customers, suppliers and communities we serve and create an inclusive and engaging environment where everyone is proud and excited to come to work and can perform at their best, develop and thrive**

### 9.1 Percentage of women leaders

#### Breakdown of calculation:

Definition: Percentage of management that are women

#### Scope and boundary:

- From the current employee database, we select our leaders who are 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 (Global Grade 15 and above) in the Group and typically, although not exclusively, are the Senior Management Team and their direct reports

- 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)
- Contractors and agency workers are not included
- Data is taken as at 31 March every year

Data collection: People data taken from our Group HR system

Unit: Percentage of women who are senior leaders

### 9.2 Percentage of ethnically diverse senior 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 (Global Grade 15 and above) in

the Group and typically, although not exclusively, are the Senior Management Team and their direct reports.

- Contractors and agency workers 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 ethnically diverse senior leaders







## EMPOWERING OUR PEOPLE

# 10

### HEALTH & SAFETY

**2030 goal: Aim for zero accidents involving our people**

#### 10 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 and safety in the workplace and is determined by number of accidents per 200,000 hours worked
- Includes all the Group permanent employees and temporary and agency workers. Contractors and subcontractors are excluded
- All accidents are reported to the Global Environmental Health & Safety (EH&S) Team within three days of occurrence
- Hours worked are calculated from a headcount basis using an average 40 hour week and 48 week year

Data collection: Global EH&S accident and near miss data

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







## 11 EDUCATION

**2030 goal: Support 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) supported by educational content and skills programmes delivered by RS and our youth partners

**Scope and boundary:**

- The total number of young people that have directly participated in RS youth and community education activities such as student project funding, competitions, skills training, etc.
- The total number of young people or those that have benefited from student sponsored activities, our strategic sponsorship activities captured by our partner organisations and other unique engagements
- Cumulative total of DesignSpark community members under 30 which 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

**Data collection:**

- Data is collated from existing databases and reporting mechanisms including: DesignSpark reporting systems and RS Youth & Communities global reports

Unit: Number of young people (under 30) supported

## 12 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**

### 12.1 Total number of lives impacted through support to TWMP

**Breakdown of calculation:**

Definition: A calculation of the number of people who benefit from washing machines distributed by TWMP

**Scope and boundary:**

- To calculate the number of lives impacted for households who receive machines, we count the size of the family in each household
- For machines which are placed in a community setting (i.e., not for individual households), we use a number of different options:
  - Schools – calculated based on the number of children at the school with access to the machine(s)

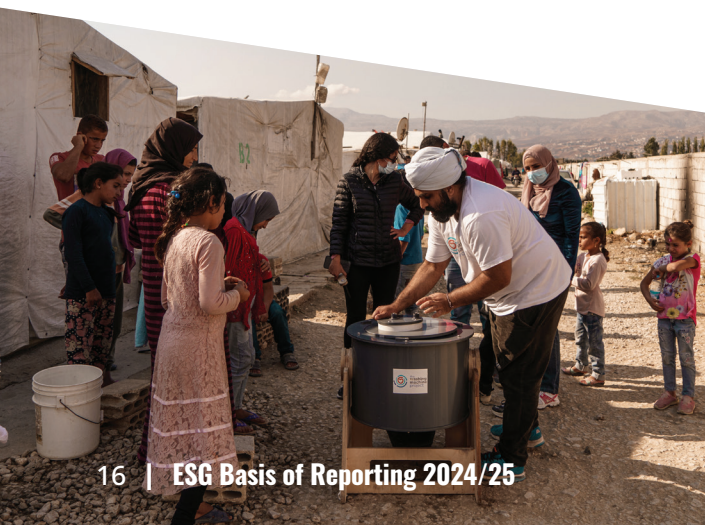




- Hospitals - calculated based on the number patients that receive in-patient care over a six-month period
- Specific distributions - for machines in a settlement centre in Greece, there was a booking process in order to accurately track the number of people that have used the machines
- TWMP run monitoring and evaluation for a period of six months post-distribution to track the machine's use and measure impact

Data collection: Data collated from TWMP reports

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



## 12.2 Amount raised for The Washing Machine Project (TWMP)

### Breakdown of calculation:

Definition: Total amount of money in GBP raised and donated to TWMP through RS fundraising with our people, suppliers, customers and other partners as well as RS matched giving activities and the associated value of benefit-in-kind donations.

### Scope and boundary:

- This includes total raised by employees through fundraising activities and through internal/external stakeholder events such as tradeshow, 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
- This 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, direct deposits into TWMP account and the value of benefit-in-kind donations

Unit: £ raised for TWMP through RS enabled fundraising activities



## 13 VOLUNTEERING

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

### 13 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



## 14 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 plan

Scope and boundary:

- The performance measure included in the Group Annual Incentive Plan (AIP) is Scope 1 and 2 CO<sub>2</sub>e reduction (carbon from direct operations) and is worth between 10-15% of the overall AIP depending on the scorecard the employee is linked to (Group or regional)
- 48% of Group employees qualify for the AIP aligned to Group carbon reduction in 2024/25
- Employee engagement is also linked to the Long Term Incentive Plan (LTIP)

Data collection:

- Group people data
- Group finance data

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

## 15 RESPONSIBLE SUPPLY CHAIN

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

**15.1 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:

- Targeted at 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 is cross checked and mapped against suppliers recorded to have signed the ETD or have provided their own acceptable equivalent
- In some cases, a supplier may submit their own signed ETD which 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 list of suppliers is taken as of 31 March but cross-referenced against calendar year spend data from 1 January to 31 December

Data collection:

- Group supplier spend data
- ETD signatory database

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







## DOING BUSINESS RESPONSIBLY



### 15.2 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:

- Targeted at 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 is 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 list of suppliers is taken as of 31 March but cross-referenced against calendar year spend data from 1 January to 31 December

#### Data collection:

- Group supplier spend data
- EcoVadis database

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

### 15.3 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 with an active Sedex membership is checked against Sedex database report
- Percentage of spend calculated for 12 month period by dividing all spend on direct goods from RS PRO suppliers with Sedex membership by all spend on direct goods from all RS PRO suppliers
- RS PRO supplier list and 12 month spend data is refreshed every six months
- By exception, the list of suppliers is taken as of 31 March but cross-referenced against calendar year spend data from 1 January to 31 December

#### Data collection:

- Group supplier spend data
- Sedex membership data

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





[rsgroup.com/sustainability](https://rsgroup.com/sustainability)

