

STRATEGIC PROGRESS



POSITIONING FOR ACCELERATED DELIVERY

STRATEGIC PROGRESS

As a high-service global product and service solutions provider for industrial customers, our foresight and execution keep us ahead in a rapidly evolving world. In challenging markets, we adopt a long-term perspective, implementing our strategic plan and investing in sustainable growth.



POSITIONING FOR ACCELERATED DELIVERY

We have included a glossary of terms at the end of this document to help explain our acronyms

Navigating this interactive document



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For information about your shareholding visit:
rsgroup.com/investors/shareholder-information

By prioritising what makes us different, we are positioning ourselves for future opportunities. We are building momentum, resilience and strength for our customers and suppliers. Our actions today empower tomorrow's industrial evolution, unlocking future value for RS Group, for our stakeholders and for a better world.

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Performance highlights

FINANCIAL

+ Read more on page 28

Revenue

£2,904m

Change: (1)%

Adjusted¹ operating profit margin**9.4%**Change³: (1.0) ptsAdjusted¹ profit before tax**£248m**Like-for-like change³: (7)%Like-for-like¹ revenue change**(2)%**

Change: +6 pts

Operating profit margin

8.0%Change³: (1.3) pts

Profit before tax

£206mChange³: (15)%Adjusted¹ earnings per share**39.1p**Like-for-like change³: (6)%Adjusted¹ free cash flow**£214m**Change³: +42%

Dividend per share

22.4p

Change: +2%

Earnings per share

32.5pChange³: (14)%

Net cash generated from operations

£349mChange³: +16%Return on capital employed¹**15.2%**Change³: (1.9) pts

ESG GLOBAL GOALS

+ Read more on pages 45 to 73

ADVANCING
SUSTAINABILITY**64%**Reduction in Scope 1 and 2
emissions since 2019/20²

2023/24: 57%

EMPOWERING
OUR PEOPLE**72**employee engagement
score

2023/24: 75

CHAMPIONING
YOUTH &
COMMUNITIES**913k**young engineers and
students reached through
educational technologies,
learning content and skills
development opportunities
since 2020/21

2023/24: 796k

DOING BUSINESS
RESPONSIBLY**55%**of suppliers by spend have
an EcoVadis rating to drive
ESG performance

2023/24: 52%

ESG RATINGS
AND STANDARDSClimate leadership
score: AMedal rating:
PlatinumGlobal top 50
ESG companies

2024 rating: AA

S&P: included in
Sustainability Yearbook

1. An alternative performance measure (APM). Definitions of APMs together with the rationale for presenting such measures and how these measures have been calculated can be found in Note 3 on pages 154 to 158.

2. Scope 1 and 2 emissions from recent acquisitions included in prior year data back to 2019/20 baseline and updated to reflect improvements to our reporting methodologies, with more detail provided in our ESG basis of reporting: rsgroup.com/sustainability.

3. Prior year figures have been restated, affecting the year-on-year change. See Note 32 for further details.

At a glance

OUR PURPOSE

Why we exist

Making amazing
happen for a
better world

+ Read more on pages 45 to 73

OUR VISION

Where we are going

To be first
choice for all our
stakeholders

+ Read more on pages 12 and 13

OUR VALUES

How we do business



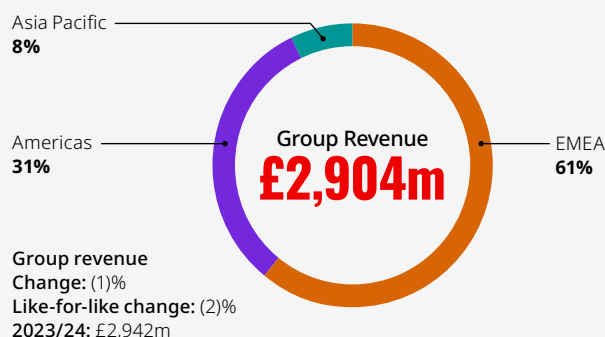
+ Read more on pages 5 and 6

CONNECTING CUSTOMERS AND SUPPLIERS

We are a high-service global product and service solutions provider for industrial customers, enabling them to operate efficiently and sustainably.



OPERATING IN 36 COUNTRIES



EMEA

Revenue
£1,777m
Change: (1)%
Like-for-like change: (3)%
2023/24: £1,795m

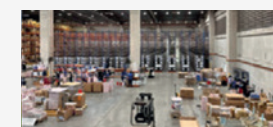
+ Read more on page 33



AMERICAS

Revenue
£907m
Change: (3)%
Like-for-like change: 0%
2023/24: £934m

+ Read more on page 34

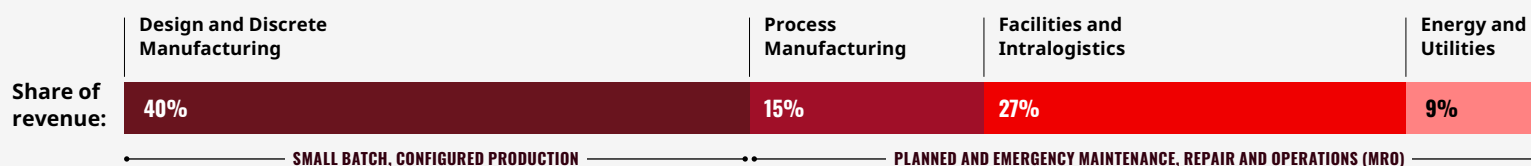


ASIA PACIFIC

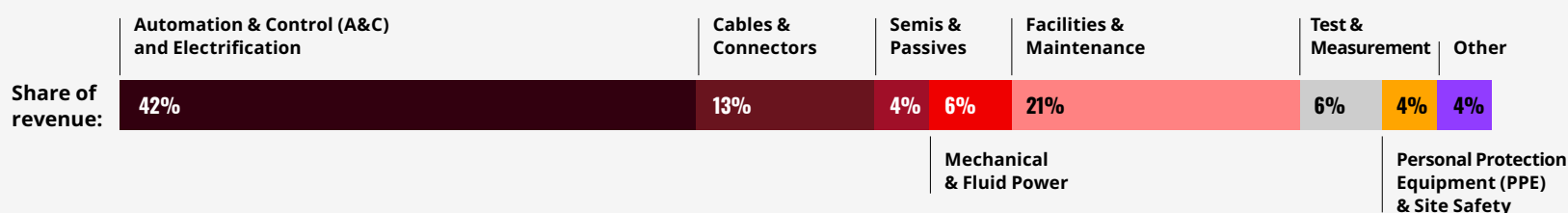
Revenue
£219m
Change: 2%
Like-for-like change: 0%
2023/24: £214m

+ Read more on page 35

SUPPORTING CUSTOMERS ACROSS A RANGE OF INDUSTRIES*



AND MULTIPLE PRODUCT CATEGORIES



* Other = 9%

Investment proposition

REALISING THE POTENTIAL TO DELIVER THE RS OPPORTUNITY

1 WELL POSITIONED IN GROWTH MARKETS

Global leader in a large, industrial maintenance, repair and operations (MRO) market, growing at GDP+ through-cycle

2 DIFFERENTIATED PROPOSITION DRIVING MARKET SHARE GAIN

Digitally enabled, high-service distributor of a broad range of technical product and service solutions for industrial customers that demand low volumes of critical products across many categories

3 INVESTING TO IMPROVE EFFICIENCY AND OPERATING LEVERAGE

Creating, utilising and optimising more efficient and flexible physical, digital and process infrastructure

4 DISCIPLINED ACQUISITIONS ACCELERATING GROWTH

Rigorous investment discipline and clear capital allocation policy driving accelerated value creation

5 SIGNIFICANT VALUE- CREATION OPPORTUNITY FOR ALL STAKEHOLDERS

Generating value through driving strong operational and financial performance and investing in growth opportunities that deliver sustainable cash returns on invested capital

THROUGH-CYCLE VALUE CREATION TARGETS*

Revenue growth

2X MARKET

(of GDP+)

MID-TEEN

adjusted operating
profit margin

>80%

cash conversion rate

>20%

return on capital
employed

* Economic cycle as defined by
GDP growth



Chairman's introduction

IMPLEMENTING OUR STRATEGY



Rona Fairhead
Chairman

FOR OPERATIONAL PROGRESS

We are happy with the progress we have made despite the challenging market backdrop.

We have continued to invest in the business in a focused way to drive improvements which will accelerate value delivery for all our stakeholders once the industry returns to growth. In spite of a challenging market, our performance has been resilient and progress has been made in each of our six strategic focus areas.

I am delighted with the leadership of Simon Pryce and the way he has steered the business through this difficult year. Good progress has been made possible by the relentless hard work of our leadership team and our people right across our business. They have been extraordinary, and I would like to thank every one of them for their passion, commitment and professionalism.

Our strategy

Our strategy is clear and has not changed. RS is a high-service global product and service solutions provider to >1m customers. We have a differentiated competitive proposition within the industrial MRO market and serve as the essential link between suppliers and customers who require high-service, low-volume distribution. We help our customers build and maintain their industrial assets in an efficient and sustainable way. This has enabled us to continue to drive market share gains despite the market cyclicity.

During the year, RS has continued to strengthen its digital and technology platform, technical product offer, customer experience and has greatly enhanced its executional capabilities. The market potential is significant, and we are very confident that we are well positioned to capitalise on the upcoming opportunities as the cycle turns.

While our primary focus is to build organically, we continue to pursue value-adding, strategically relevant acquisitions. I am pleased to report that our key acquisitions completed over the last few years have performed well. Risoul continues to outperform with strong growth and profits since it joined the RS family two years ago, and last year successfully expanded into Trinidad and Tobago. Similarly, Distrelec, which we bought in 2023, has operated well and integration with our EMEA business has generated cost synergies ahead of plan. In April 2024, we acquired Trident which performed well during the year; we have successfully integrated back-office functions and invested in a calibration service laboratory to accelerate growth. Our mergers and acquisition (M&A) pipeline remains active, and we aim to accelerate our growth through further disciplined, value-accretive acquisitions.

+ For more on our strategy, please see pages 16 to 22

Our culture and values

We are fortunate to have an amazing can-do culture that exists across our operations worldwide. During the year, we underpinned this distinct advantage by continuing to roll out and embed our four values which encapsulate how our people work together to succeed. They unite us in how we should behave and differentiate us from our competition. Our values help us to build trust with our customers, suppliers and shareholders, enabling us to deliver our strategy more effectively and with better long-term outcomes for everyone.

+ See pages 5 and 6 for more on our values and culture

Chairman's introduction continued

Effective governance and commitment to the environment and the communities in which we operate is embedded in our culture and is core to our purpose, strategy and competitive success. Our strong environment, social and governance (ESG) approach is a commercial driver that helps us accelerate the achievement of our long-term objectives; we now sell c. 30,000 Better World products, which help our customers take direct action on sustainability.

Our performance was again recognised by external agencies. RS is now included in the CDP A-list, reserved for the top companies showing advanced climate leadership, globally. The Company has also retained its Platinum EcoVadis medal, placing us in the top 1% of the 150,000+ companies rated. Furthermore, we have been listed in the S&P Sustainability Yearbook for the second consecutive year running, positioning us in the top 15% of companies in our industry.

RS has experienced significant benefits from harnessing the full potential of the diverse talents and experiences across the Company, including on our Board. We are pleased to note that RS was nominated joint first of FTSE 250 companies for 'Women on Boards*'. RS Group was also listed in the 'Women on Boards and in Leadership' ranking.

+ For more on ESG see pages 45 to 73

Our stakeholders

Our vision is to become first choice for all our stakeholders: our people, customers, suppliers, communities and shareholders. Engagement with each of them is key and feeds into our operating and strategic plans.

The Board and our leadership team continue to engage with all our stakeholders to understand what matters to them, ensuring we are responsive to their needs and taking action.

We embrace the dialogue with our shareholders – our owners – and enormously value their contribution. Our Board and executive team continued to have significant dialogue with shareholders throughout the year.

In addition to building a resilient, sustainable company for our owners, we also recognise the importance of our dividend to them. We are therefore pleased to announce a further increase in our dividend to 22.4p.

+ More details on our Board engagement with our stakeholders can be found on page 88

Our Board

Simon has brought greater clarity and strategic focus and has substantially enhanced our ability to operate. We are confident that, with Simon at the helm, supported by Kate Ringrose and our talented Executive Committee (ExCo), RS will be able to accelerate the strategy and capitalise on the opportunities that lie ahead.

RS has an outstanding Board of Directors. They bring a diverse range of experience and expertise and are a genuine asset to the Company. Their wisdom, insight and acumen are invaluable. We continue to shape and build our talent, so I am pleased to welcome two new Directors, Carole Cran and Miles Roberts, who joined the Board on 1 December 2024 and 1 March 2025 respectively. Together, they bring strong international and sector experience and have already made powerful contributions. I would also like to thank Navneet Kapoor, who stepped down from the Board this year, for his valuable contribution during his tenure.

Looking ahead

As we navigate the challenging external environment, we must continue to drive our strategy and our operational capability and invest in our key strategic initiatives while managing costs effectively. We remain positive about the future for RS Group and feel very confident we have the right strategy – and the right leadership – to generate stronger and more sustainable growth and future returns, which will accelerate when the market recovers.

Rona Fairhead
Chairman

* Women on Boards: 2024: ftsewomenleaders.com

OUR CULTURE AND VALUES

In April 2024, we introduced four values into our work culture and the rollout has been a tremendous success. It has given us a universal language to recognise great behaviour and constructively challenge each other. And because the values were shaped by the people in our organisation, it truly represents life at RS. Awareness of the values among colleagues reached 87% in the latest pulse survey, exceeding our 70% target.

Now embedded in key processes, our values guide decisions, set expectations and foster a shared sense of purpose.

We are one team, who deliver brilliantly, by doing the right thing, to make every day better. Our values set out what our people need to do to succeed together. They are how we work across our business in a consistent way, uniting us and differentiating us from our competition. Our values help us to deliver our strategy more effectively, with sustainable outcomes for all our stakeholders. Most importantly, they have become central to what colleagues say and do – day in and day out.

+ Read more on page 6



**WE ARE
ONE
TEAM**

We listen, respect and trust each other. We seek diverse perspectives. We collaborate with purpose, as one connected team.



**WE
DELIVER
BRILLIANTLY**

We are empowered, take ownership and deliver what customers need with energy and passion.



**WE DO THE
RIGHT
THING**

We care about our impact on colleagues, customers, suppliers and communities, today and tomorrow.



**WE MAKE
EVERY DAY
BETTER**

We are adaptable, agile and inspired to innovate and make positive changes, always finding ways to improve, challenge and simplify.

Our culture and values continued

OUR GUIDING PRINCIPLES TO SUCCEED

Our values shape how we work, collaborate and succeed together. These four stories showcase our values in action, highlighting real-life examples of how they drive positive change across RS every day.

1

WE ARE
ONE
TEAM

CASE STUDY

COLLABORATION ACHIEVES RESULTS

When we launched RS PRO products on the Distrelec website, our goal was to expand our reach in key categories. In only eight months, sales increased to £1 million through the Distrelec website, with 13,700 customers purchasing RS PRO products. This success was driven by seamless collaboration across multiple teams working with a common goal and strengthening our presence in key markets.

£1m

in sales in eight months



★

WE
DELIVER
BRILLIANTLY

CASE STUDY

RIISING TO THE OCCASION TO BEAT THE CLOCK

At RS, delivering brilliantly isn't just something we say – it's something we do, every single day. A customer was facing a six-week operational delay, costing £5,000 per day. With the clock ticking, the team saw this as an opportunity to deliver brilliantly by owning the challenge and finding a solution that would make the client proud to work with RS. This wasn't only about logistics; it was about rising to the occasion with a positive mindset and delivering at pace.

£5,000

saved daily



✓

WE DO THE
RIGHT
THING

CASE STUDY

SPEAKING UP ALWAYS MATTERS

We are committed to doing the right thing and conducting business with the utmost concern for our colleagues. During the year, we have updated our Speak Up policy and we now have 11 local language versions. If employees wish to place an anonymous report in confidence, then we offer an independent Speak Up facility, which is available 24/7.

11

local language versions



♻️

WE MAKE
EVERY DAY
BETTER

CASE STUDY

WEIGHTY MEASURES TO REDUCE WASTE

Our global distribution centre (DC) in Nuneaton, UK, faced a significant challenge: humidity was causing auto pack lids and boxes to warp, making them unusable in the machinery and resulting in daily waste. The team devised a simple yet effective pallet-and-perspex tool to apply weight and prevent warping. Now used daily, it makes every day better and has successfully reduced waste by 285kg per year.

285kg

waste reduced annually



Chief Executive Officer's (CEO) introduction

DRIVING OPERATIONAL EFFECTIVENESS



Simon Pryce
CEO

FOR STRONGER POSITIONING

It has been a year of significant underlying progress at RS Group. We are executing a clear and focused plan to improve performance and deliver sustainable value for all stakeholders. Our aligned teams are addressing organisational and process inefficiencies and prioritising our investment to position RS for accelerated strategic growth and sustainable value creation. RS is executing more effectively, with improving operating metrics, although more difficult markets mean this has yet to be reflected in absolute financial performance. I am extremely grateful and hugely proud of our great people who continue to embrace the changes we are making and are working extremely hard to deliver them.

This year, we have faced weaker than anticipated global industrial demand and geopolitical uncertainties that continue to impact business confidence as reflected in weak manufacturing Purchasing Managers' Index (PMI) data. This uncertainty continues and is delaying recovery in industrial production. Against this difficult market backdrop, RS is performing as it should. Proxy market data, such as supplier information and digital search enquiries, are showing that RS continues to take share across most of our technical product categories.

We are also managing better the things we can control, making continued selective strategic investment and improving our execution. The cost savings we have delivered were greater than originally planned, and we have improved cash generation through better focus. Our strong balance sheet also gives us the opportunity to accelerate our strategy through continued but disciplined consolidation within a fragmented market.

During the year, we provided more detail on our business, our strategy, our plan of action to position RS for accelerated growth and ways to improve operating leverage and business efficiency at our Investor Event in September 2024 (full details on our corporate website rsgroup.com/investors and on page 9). We made good progress this year and have greater confidence in our ability to deliver strong and more sustainable performance as markets recover and generate significant value for all our stakeholders over time.

Our 2024/25 financial performance

During 2024/25, our revenue declined 1% with like-for-like revenue down 2% reflecting the difficult industrial markets. Our performance improved during the second half of the year, especially within Americas and Asia Pacific, partly due to easier comparable data and a more stable electronics market, and in the fourth quarter delivered a small increase in like-for-like revenue albeit with continued variability month to month.

Our average order value declined slightly to £252 (2023/24: £257) but the average order frequency increased as supply chain dependability improved and customers ordered for immediate need rather than for inventory and availability. Our industrial product categories continued to outperform the broader Group reflecting the relative resilience of these categories, the importance of our products to customers' operations and increased focus by our teams on a more curated and specialist offer. Our Semis & Passives and Cables & Connectors product ranges performance remained weak, reflecting a more competitive electronics market.

Chief Executive Officer's (CEO) introduction continued

“Our strong balance sheet gives us the opportunity to accelerate our strategy through continued but disciplined consolidation within a fragmented market.”

Our growth accelerators continue to outperform the wider Group: our own-brand RS PRO grew by 2% like-for-like and our revenue associated with our service solutions increased by 6% like-for-like. Digital revenue in total declined by 2% like-for-like, but this included 4% like-for-like revenue growth in digital procurement solutions, such as eProcurement, used by larger customers requiring a more integrated and automated procurement method. Pure web revenue decreased despite improved conversion, reflecting reduced web enquiries and lower demand from more transactional customers. We are capturing some of this transactional web traffic with the continued adoption of our digital procurement solutions.

We generated £29 million of cost savings through actions, including labour, as we improve our productivity; with over £38 million of accumulated savings over the last two years. Additionally, we delivered £13 million of one-off cost benefit as we flexed our spending to reflect the difficult economic backdrop and accelerated the integration of our acquisition of Distrelec, partly offsetting charges relating to the restructuring and integration programme. Our actions are helping offset cost inflation, more normalised employee performance-based incentives, higher variable costs from customers ordering more frequently and an increase in organic investment to support RS for further market share growth and future cost efficiencies. Our adjusted operating profit margin fell 0.7 percentage points on a like-for-like basis to 9.4%.

A much-improved cash focus led to an adjusted operating cash flow conversion of 111% from improved working capital management. Our balance sheet remains strong, with net debt to adjusted EBITDA of 1.1x.

Executing our strategy

We have made significant progress over the last two years. Our strengthened leadership team, greater strategic focus and more relevant operating model is improving consistency and delivery. We have developed an integrated action plan to deliver accelerated growth, improved operating leverage and more operating efficiency. This has aligned our teams and improved the way the Group interacts and functions with clarified accountability enabling more agile decision making and more disciplined investment and resource allocation. We are now one year into the execution and delivery of this multi-year action plan, including continued investment in our key strategic areas of focus to further differentiate our proposition and drive efficiency benefits and are already seeing operational improvements.

People

Be first choice for employees through creating an inclusive and engaging environment where everyone is proud and excited to come to work, can perform at their best, develop and thrive.

This year, we continued to strengthen our senior leadership capability through a mix of external hires, internal promotions and increased investment in training and mobility. We launched a refreshed employee value proposition ‘Go beyond amazing’ and improved our recruitment capability leading to over 95% of roles now being filled via our in-house talent acquisition team, reducing our agency recruitment costs and time to hire. We have also enhanced our early careers programme, achieving a platinum award with the 5% Club in the UK.

Our new values have been successfully embedded and we are maintaining high engagement levels despite the significant amount of change taking place across the organisation and an uncertain external environment. We enhanced and improved the effectiveness of our Employee Resource Groups which support the culture of belonging and overall wellbeing at RS which is core to our future success.

Our redesigned employee incentive schemes and our team recognition tools are proving effective in creating stronger alignment of individual objectives with key strategic outcomes and business performance. This has led to greater focus, empowerment, accountability and responsibility. Our key employee operational metrics remain strong with our voluntary employee turnover at 9%, better than plan and target.

Customers

Focus on higher value customers through harnessing data, embracing strategic engagement and ensuring a suitable cost to serve for all customers.

In 2024/25, we continued to invest in tools that better utilise the extensive data we have on our customers and their transactions. This is to better support and serve customers with their infrequent and difficult to predict but critical demand for, a broad range of technical products across multiple categories, in small volumes at often relatively high frequency, where availability is valued and key. This typically helps customers to fulfil their MRO needs for small batch and highly configured production and design requirements. These investments also aim to improve our focus on high lifetime value customers, whilst continuing to support all customers but ensuring that we serve them in a cost-effective way.

OUR STRATEGIC ACTIONS

RS has a clear identity – we are a differentiated distributor of product and service solutions. How do we win? We are customer focused. We are product experts. Our solutions deepen customer relationships and we drive operational excellence to deliver efficient and well-invested physical, digital and process infrastructure with great people.



Be first choice for our employees



Target industrial MRO customers



Increase and curate our product range



Scale our service solutions



Strengthen our customer experience



Drive operational excellence

+ Read more on pages 17 to 22

Chief Executive Officer's (CEO) introduction continued

In the year, we completed the roll out of a common customer relationship management tool across EMEA and the US, built a global customer database for a single view of customers and segmented our customers into industry verticals and value, enabling us to provide them with a more tailored sales, service and marketing offer in the future. We also enhanced our Voice of Customer platform to better differentiate feedback between transactional customers and those receiving sales account input. Being able to identify transaction-only customers means we will be able to provide a more relevant digital offer and service, whilst optimising human touch for our high lifetime value customers, and an appropriate cost-to-serve.

Revenue from our high lifetime value corporate customers grew by 4% driven by higher average order value and average order frequency.

Product and supply chain

Offer technically led and specialist product ranges supported by strong supplier relationships.

We continue to invest in strong supplier relationships, and in our technical product categories to develop more curated and relevant ranges for our customers and suppliers. We are also investing in global supply chain processes and infrastructure to optimise supply and delivery to customers, whilst ensuring we manage inventory and anticipated demand effectively.

Key areas of progress this year include the successful launch of our new product management solution which has tripled the products that can be uploaded to our websites and reduced onboarding time of technical data materially. The development of strategic supplier partnership programmes better support our growth in MRO, particularly in the Americas.

Ongoing investment in RS PRO, our quality-assured own-brand offer, and accounting for 14% of Group revenue, grew new product revenue by 8%. Our Better World product offer has been enhanced further including development of a green alternative selling tool aimed at higher lifetime value customers. We also increased local sourcing and stocking within Asia Pacific to lower freight costs and associated carbon footprint benefits, cut delivery times and improve availability for customers.

Revenue from new product introductions (PMI) ahead of target, growing by c. 40% in EMEA and Asia Pacific, and now accounting for 4% of revenue. Our enhanced supplier programme is driving stronger revenue performance in their brands and delivering procurement benefits.

Solutions and services

Deliver valued, scalable solutions which builds greater strategic engagement and drives product pull-through.

We are focusing our wide solutions and services offer better, prioritising our digital procurement and inventory management offer. During the year we re-platformed our eProcurement offer in Americas and Asia Pacific enhancing content and order processes through new software planning tools and expanded and digitalised our custom order solution, particularly in the US.

A refreshed strategy at RS Integrated Supply included cutting unprofitable clients, development of new client acquisitions, implementing robust cash management and delivering standardisation and automation to drive cost efficiencies and scalability.

During the year we have seen 4% growth in eProcurement revenue. RS Integrated Supply has delivered c. 140% increase in order book and improved commerciality.

Experience

Strengthen and tailor our customer experience to provide a digitally led, seamless omnichannel service.

RS has a strong digital presence, which is a source of competitive advantage especially within the industrial business-to-business market. We are investing to unify our digital platform across the Group to provide a seamless omnichannel experience and remove complexity and inefficiencies.

In 2024/25, we upgraded and enhanced our digital platform in Americas which will then be rolled out across EMEA and most markets in Asia Pacific over the next three years. We also invested in best-in-class digital tools such as AI-powered search capabilities globally and upgraded our browse facilities within EMEA and Asia Pacific.

Our real-time product tracking system, which was several years in development, was launched in the first half with full rollout expected after we complete the customer pilot. This should materially improve our customer experience and reduce customer service enquiries, open orders and returned or cancelled orders. We are also tailoring a localised digital infrastructure for Asia Pacific to enhance our customer experience that reflects local customer needs, provides more tailored content and facilitates easier compliance with regional regulations and standards.

AI search is enabling us to optimise the 84 million search queries per annum we receive and redirect our customer service into value-added sales functions, enhancing customer experience. There has been a 3.3% increase in search visits adding to basket and 3.4% improved search revenue generation from our AI search tools.

CASE STUDY

THE RS OPPORTUNITY

What was discussed?

On 24 September 2024 in London, we hosted an investor event: The RS Opportunity. Our senior leaders showcased our investment proposition, what makes us different and our strategic action plan to further improve the business to generate sustainable through-cycle growth and returns.

How did we respond?

We explained how we are targeting higher value potential customers, discussing our product offerings and the types of industries we serve. We showed new measures we have taken to improve our customers' experience, enabling them to have simple and seamless transactions with us when searching for critical parts. This includes our investment in a new AI-powered search engine and data insights, which personalise and tailor the experience for customers, enabling them to prioritise choices around sustainability, efficiency and value.

What was the outcome?

More than 70 investors and analysts attended with a further 68 joining our virtual stream. They were able to explore two experience rooms, to understand what we sell and how we market to our customers globally.



Chief Executive Officer's (CEO) introduction continued

Operational excellence

Delivering efficient physical, digital and process infrastructure, improved operating leverage and marginal drop-through.

We are making significant progress in improving operational efficiency and reducing complexity as we harmonise and upgrade our systems, processes, technology and digital infrastructure.

We continued to invest in our physical infrastructure: expanding our distribution centre (DC) in France, increasing capacity in our US DC through increased automation and scale and accelerating the closure of the Distrelec DC to improve the efficiency and reduce the cost of the RS distribution network quicker than originally planned.

We are simplifying and upgrading our technology infrastructure and digital landscape, aligning our data and moving to standardised and globally harmonised, cloud native technology platforms. This is a multi-year programme that has only just commenced but moving to best-in-class applications for each function, module-by-module, will deliver significant operational and financial benefits in the medium term, create increased capacity, reduce project risk and importantly improve agility and scalability.

As we upgrade our technology platform and applications estate, we are standardising and modernising our middle and back office processes which will ultimately reduce our cost base and improve productivity, scalability and flexibility. We are consolidating and better leveraging our global shared business services, strengthening our resource allocation planning and processes and improving our operational oversight and control environment. Standardising and streamlining our project management procedures will drive greater efficiency, consistency and collaboration across the Group.

During the year we rationalised c. 40 technology applications, reduced our headcount by c. 4%, began the migration of our Distrelec customers

and rationalised our global shared business services delivering improved productivity and associated cost benefits. We are well on the way to delivering the operational efficiencies, cost savings and increased scalability, that will equate to a c. 150bp (equivalent to c. £45 million) of operating margin improvement over the medium term.

Acquisitions that accelerate our strategy

There is a solid pipeline of acquisition opportunities that can accelerate our strategy in a value disciplined way, supported by our strong balance sheet. Selective acquisitions can enhance our presence in key markets, accelerate our operating leverage, strengthen product specialisation and expand our solutions and services portfolio. We are, however, mindful of the current macro uncertainty and will remain value disciplined in the way we assess opportunities.

Integration of our recent acquisitions has continued at pace and remain on track to deliver returns that more than cover our cost of capital within three years. We are particularly pleased with the progress our teams are making in integrating Distrelec and RS EMEA, which is materially exceeding the initial benefits case. This has included migrating customers to RS, exiting the Distrelec third-party managed DC in the Netherlands and utilising our facilities across Europe. At the end of the year, we agreed the divestment of Distrelec's sales activities in Finland and the Baltics, for c. £5 million, to our long-term distribution partner in the region, Boreo Plc. RS will continue to supply Distrelec customers in these markets through an expanded distribution agreement.

The acquisition of Trident in Perth, Australia, in April 2024 has expanded our service capability, provided local fulfilment centre capacity in the region and opened opportunities with customers in the resources sector. Trident is performing ahead of our investment case despite challenging markets in Australia.

Focusing on sustainability for stronger value creation

We continue to accelerate the delivery of our 2030 ESG action plan to protect people and the planet, whilst leveraging opportunities for commercial growth for RS and our stakeholders. Sustainability remains an important opportunity for RS and a priority for our high-value customers who expect a choice of sustainable products and services that enhance operational efficiency and reduce costs, with detailed and transparent ESG reports to comply with tightening regulations.

Working closer with our suppliers to develop an industry-leading sustainable product framework is enabling our customers to make more sustainable and responsible product choices. This includes a dedicated range of c. 30,000 Better World products from over 132 suppliers, digitally tagged on RS websites.

We made significant progress in delivering a more sustainable distribution service (DCs, packaging and logistics) to provide a better service to our customers and reduce our environmental impacts. During the year, we reduced our Scope 1 and 2 emissions by 7% on a like-for-like basis from 2023/24; logistics emissions intensity in Europe has fallen by 6% and in Asia Pacific by 15%, and 94% of packaging is recyclable with 93% of group electricity from renewable sources. Due to existing outperformance, we have extended our 2030 ambitions to reduce packaging intensity and transport emissions intensity from our 2019/20 baseline to 45% and 35% respectively.

I was delighted that our progress towards advancing sustainability resulted in us making the CDP A list this year, improving from A- to A and maintaining our Platinum EcoVadis status. These top-tier ESG ratings recognise the strength of our commitment, action and disclosure, and the robustness of our ESG action plan.

Exciting long-term potential

RS provides the essential link between suppliers of industrial products and a diverse customer base that displays common buying behaviour associated with infrequent and difficult to predict but critical demand for a broad range of technical products across multiple categories, in small volumes at often relatively high frequency where availability and service is valued and key. Our wide product offer, specialist expertise, digital-led proposition, strong distribution capabilities and global infrastructure, combined with our growing focus on solutions and services, are driving ongoing market share growth. We also continue to invest to improve our operational effectiveness and drive better operating efficiencies.

Our underlying progress to date gives us increased confidence in delivering our medium-term financial targets when the market recovers as volume growth delivers additional leverage to a more efficient operating model.

Our investment thesis remains compelling. RS is:

- uniquely positioned in fragmented markets with attractive through-cycle growth characteristics
- driving market share gains through a differentiated technical and digital product and service solutions offer
- investing to improve efficiency and operating leverage of our global infrastructure to drive significant margin expansion
- accelerating growth through disciplined acquisitions
- a significant and sustainable value creation opportunity

We remain confident of delivering our targeted financial outcomes in the medium term of revenue growth of twice our market, mid-teen adjusted operating margin, cash conversion of 80% and a sustainable return on capital of more than 20%.

Simon Pryce
CEO

Our business model

THE ESSENTIAL LINK BETWEEN CUSTOMERS AND SUPPLIERS

WHAT WE DO

We provide the essential link between suppliers and industrial customers who buy a wide range of products to support the MRO and small batch production of their businesses.

Understanding our customers' needs and providing a diverse range of product and service solutions allows our customers to keep their businesses running smoothly and efficiently in the most cost- and time-effective way.

Our customers

Our customers buy a broad mix of industrial and specialist products across a diverse range of categories in small volumes. We simplify our customers' procurement, drive cost and process efficiencies and enable them to operate more sustainably.

Why they choose RS:

- We help customers consolidate their spend by providing a wide range of products.
- We have a broad, stocked range of categories at high availability and the ability to reach customers quickly and reliably.
- We provide a brilliant service that is fully digitally enabled.
- We are a technical, trusted partner.

OUR DIFFERENTIATED PROPOSITION

1.

High-service product and solutions partner

2.

Technical and specialist expertise

3.

Digitally enabled experience

4.

Multi-category product offer for industrial customers

5.

Global distribution infrastructure

>1m

Customers

>2,500

Suppliers

>830,000

Stocked products

60%

Revenue through digital channels

Small batch production



Maintain



Repair



Operations



Our suppliers

Our suppliers need a distributor who provides access to a broad dispersed customer base, offers technical support, and promotes their new and existing products at high levels of inventory availability.

We extend our suppliers' reach allowing them to access customers in a way that reduces their cost to serve and ensures they remain relevant in the market.

Why they choose RS:

- We have a well-invested infrastructure.
- We provide an efficient route to market.
- Our digitally enabled approach gives suppliers great customer insight and marketing support.
- We are a dependable and sustainable long-term partner.

Our stakeholders

BECOMING FIRST CHOICE FOR OUR STAKEHOLDERS

It is important for us to engage with all our stakeholders: our people, customers, suppliers, communities and shareholders. We need to understand what matters to them, ensuring we are responsive to their needs and adding value.

The views of our stakeholders are fundamental to us becoming first choice and driving a long-term sustainable business and we have defined KPIs for each of our stakeholders.

Our business model enables us to create value for all our stakeholders and deliver our vision to become first choice.

PEOPLE

We 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.



What matters to our people

- Clarity on performance expectations and link to strategy delivery
- High-performance, purpose-led culture where employees feel they belong and can be their authentic selves
- Investing in employees' development and growth for skills needed today and tomorrow
- Providing support to employees in key work and life moments
- Helping employees take care of their money

How we engage

- Monthly functional team talk sessions
- My Voice and quarterly pulse employee engagement surveys
- Regular senior leader calls and meetings
- Non-Executive Director initiatives and interactions
- Training programmes and development opportunities for all
- Employee Resource Groups (ERGs): Bloomers, Elevate, Embrace, LifeWorks and Spectrum
- Health and wellbeing resources
- Access to personal financial advice and pension seminars

What we have achieved

- Launched first global employee value proposition (EVP): Go Beyond Amazing
- Supported 306 people through UK apprenticeships
- Became a platinum member of the apprentice 5% club in the UK
- Won BOC Brilliance Award Best Internal Communications Campaign for global values launch
- More ambitious ERG plans; launch of LifeWorks ERG with more than 1,000 regular participants
- Won Large Recruitment Team of the Year award from Talent Labs
- Achieved the top score of 100 on the Human Rights Campaign Foundation's Corporate Equality Index - distinction of Equality 100 Company
- Shortlisted in Safety and Health Excellence Awards
- Our voluntary employee turnover remains below the industry average at under 9%

The value we create

My Voice engagement score

72

Linked to our ESG goals



CUSTOMERS

We are a trusted problem solver, delivering a connected experience to support our valued industrial customers to keep their industries going.



What matters to our customers

- A broad range of products combined with technical expertise, high availability and reliable service
- Sustainable and differentiating solutions to solve problems and unlock opportunities
- Ease of doing business - a seamless experience which saves customers effort and time
- A partner to build a more sustainable and socially responsible future

How we engage

A connected, personalised experience delivered through:

- Digital capability - online or integrated in customer system
- Multi-channel purchasing capability - website and eProcurement
- Award-winning customer service and technical support
- Dedicated account managers and sales teams
- Onsite customer support
- Events, trade fairs, forums, social media and thought leadership
- Customer feedback programmes

What we have achieved

- Rolled out customer relationship management tool across EMEA and Americas connecting our people with our customers more effectively
- Partnered with suppliers to improve product findability, technical information and merchandising
- Launched insight and decisioning engine to better personalise customers' experiences
- Improved data quality and reliability, reducing fraud and mitigating risk through automated address validation
- Enhanced a broad customer feedback programme to better meet customers' needs and improve individual experiences
- c. 30,000 Better World products from 345 product families available in 30 countries

The value we create

Net promoter score (NPS)

48.5

Linked to our ESG goals



Our stakeholders continued

SUPPLIERS



We are a technically led, service oriented supplier partner of choice, providing an unrivalled and cost-effective market reach to our broad industrial customer base.

What matters to our suppliers

- A cost-effective way to reach a dispersed industrial customer base
- Data-driven product management
- Knowledge of customers' needs and trends
- Ease of doing business
- Offering a full range of product and service solutions to our customers, including a range of sustainable products
- Positive environmental and social impact, operating to high ethical standards

How we engage

- Dedicated account managers
- Supplier strategies and scorecards with defined targets
- Developing joint end-user opportunities
- Regional and global supplier events
- RS Connect events – partnering with suppliers to connect with customers
- Seamless new product introductions
- Supplier partner programme – boosting brand visibility and digital performance
- Regular engagement with suppliers on ESG action plans/our 2030 ESG action plan

What we have achieved

- Launch of a new PMS
- Worked with 132 suppliers to extend Better World products' framework and range to cover c. 30,000 products
- Implemented a programme to source, store and deliver products closer to the customer
- ESG is a core theme in our strategic supplier approach
- Attended several industry-leading trade shows including Smart Production Solutions (SPS) and electronica

The value we create

Number of new NPI¹

228k

Linked to our ESG goals



1. Excluding Risoul, domnick hunter and Trident

COMMUNITIES



We inspire the next generation of engineers and innovators and support our communities worldwide to improve people's lives and create a more sustainable world.

What matters to our communities

- Providing educational initiatives to young people
- Providing support to our local communities

How we engage

- Providing employability skills, practical experience and initiatives aimed at growing inclusion in science, technology, engineering and mathematics (STEM) subjects and careers
- Supporting academic institutions to deliver high-quality engineering and technology education
- Competitions to encourage innovation
- Empowering and enabling our people to support communities through our global social impact partnership, local giving and volunteering
- Organising and supporting community events and awards

What we have achieved

- Reached 913,000 young engineers and students through educational technologies learning content and skills development opportunities since 2020/21
- Expanded the RS Student Project Fund to rest of EMEA, providing RS products for innovative and diverse projects
- Delivered over 40 free Super Skills sessions to enhance employability skills and strengthen the talent pipeline
- Ran robotics, gaming, coding and basic electronics workshops with partner GirlTech for over 230 children in Italy
- Over 400 RS employees volunteered with The Washing Machine Project (TWMP) to build 126 flatpack washing machines for Greece, Gaza and Uganda

The value we create

Number of young engineers and innovators supported

913k

Linked to our ESG goals



SHAREHOLDERS



We create superior economic value through delivering reliably for our shareholders, generating consistent and sustainable cash returns on invested capital well in excess of our cost of capital.

What matters to our shareholders

- Sustainable growth and superior returns
- Understanding our business and our strategy
- Strong corporate governance
- ESG

How we engage

- Annual General Meeting (AGM)
- Investor roadshows, meetings and conferences
- Stock exchange announcements, press releases and results briefings
- Ongoing dialogue with analysts and investors (both current and potential)

What we have achieved

- Engaged with our top 30 shareholders (representing c. 86% of the share register) and held a total of 18 meetings with shareholders in respect of the revised Remuneration Policy (see pages 112 to 118 for details)
- Held an investor event in September 2024 (read more on page 9)
- Met with over 85% of our top 20 shareholders
- Achieved a CDP Climate Leadership score of A and maintained an EcoVadis platinum rating
- Won awards for corporate website: gold for best use of digital from engineering, manufacturing, industrial and basic materials sector; and silver for best corporate website (FTSE 100)

The value we create

Earnings per share (EPS)

32.5p

Linked to our ESG goals

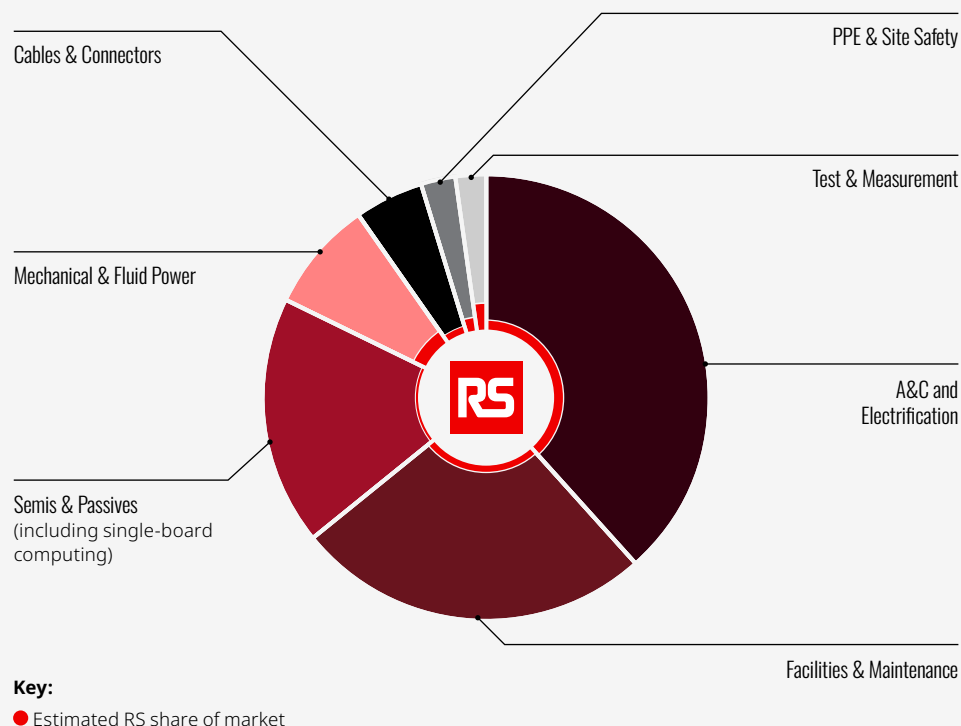


Our marketplace

WELL POSITIONED FOR SUSTAINABLE GROWTH

THE MARKETS IN WHICH WE OPERATE

We operate in a large and fragmented industrial market and are one of a few global distributors of industrial MRO product and service solutions. We estimate our serviceable addressable market to be c. £130 billion which includes added-value distribution (high service, low volume) within RS' chosen countries and product categories. Despite its size, much of the market is still local and many of our competitors are independent businesses and regional firms which specialise in a narrow product offering or limited service solutions and have less developed digital capabilities. Our customers have common needs, including small order size, high availability, digital methods of order and payment management, technical expertise and service capability.



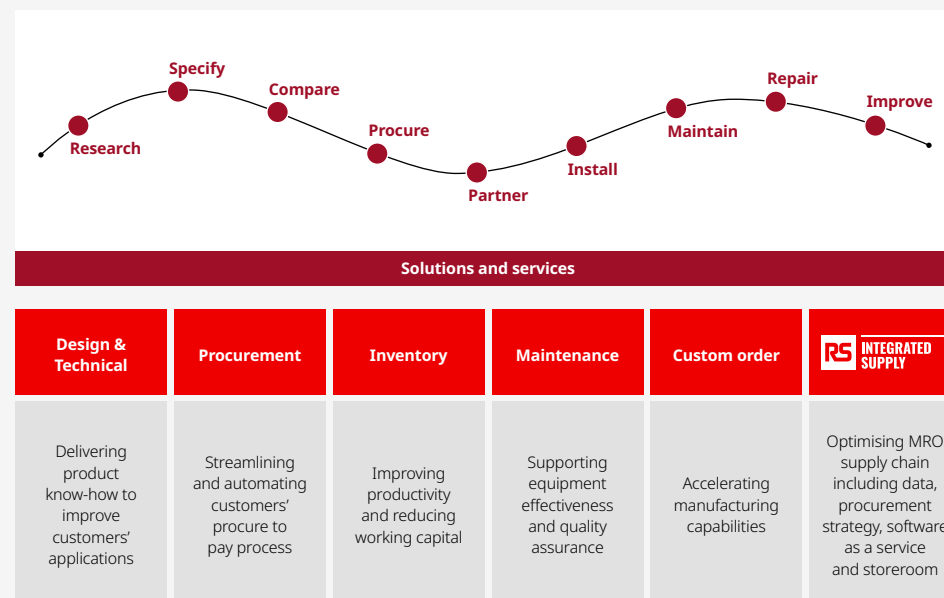
A broad and deep product offering

We have the product range, superior availability and responsive service capabilities that enable us to offer industrial and MRO products globally. Our electronics range concentrates mainly on the sub-categories associated with industrial requirements.

		Unnamed major competitors								
	RS	1	2	3	4	5	6	7	8	9
Product categories										
A&C and Electrification	●	●	●	●	●	–	●	●	●	–
Cables & Connectors	●	●	●	●	–	–	●	●	●	–
Semis & Passives (including single-board computing)	●	●	●	●	–	–	–	–	●	–
Mechanical & Fluid Power	●	–	–	–	●	●	–	●	–	●
Facilities & Maintenance	●	●	●	●	●	●	●	●	●	●
Test & Measurement	●	●	●	●	●	●	●	●	–	●
PPE & Site Safety	●	●	●	●	●	●	●	●	●	●

Our solutions and services

We have solutions that span our customers' asset lifecycles as they manage their design, procurement, inventory and MRO needs.



TRENDS THAT ARE SHAPING OUR MARKET

We continue to see five key trends that are shaping the markets we operate in. As we execute our strategic action plan, we continue to be agile, reacting to the ever-changing market demands and future proof our business, while remaining focused on our long-term vision.

EASE OF DOING BUSINESS	PROVIDING SOLUTIONS	ONE-STOP SHOP	CONSOLIDATION	INCREASED FOCUS ON SUSTAINABILITY
Our B2B customers are expecting a personalised, seamless experience mirroring the B2C online experience while providing features specific to business procurement. Our suppliers want a partner that understands their technical, specialist products and can bring their products to market successfully.	Large B2B customers increasingly require more than simply a supplier of products seeking solutions that solve their technical and procurement challenges.	Our customers are seeking to simplify their supplier base and buying efficiency while being assured of high-quality, authentic products. Receiving products and services from one provider saves time and reduces total cost of ownership.	Consolidation in the industrial distribution market continues to increase, doubling over the last 10 years, driven by development of geographic, technical and digital capabilities¹. This will accelerate scale, extend reach and lead to improved efficiencies.	Sustainability is a top priority for our high-value customers. They expect sustainable products and services that enhance operational efficiency and reduce costs, greater choice and transparency in sustainable products and detailed ESG reporting to comply with tightening regulations.
Our strategic response – Enhancing digital platforms to simplify procurement for our customers, making it easier to do business with us and control spend – Continued investment in our supply chain networks and distribution infrastructure to increase capacity and local sourcing capabilities – Connecting our channels to give a seamless experience	Our strategic response – Developing a digitally led solutions offering that increases product pull-through – Differentiating through technical solutions leveraging our expertise to create sticky customer relationships – Targeting specific industry verticals with service solutions that resonate with our customers' needs in growing sectors	Our strategic response – Maintaining our unique broad offering of readily available products for industrial customers – Deepening our core industrial product category of A&C and Electrification – Accelerating our new product introduction capabilities to develop further an expanded product range and elevate the specialist product ranges of our acquired businesses	Our strategic response – Maintaining a strong balance sheet to support targeted consolidation opportunities – Disciplined focus on M&A that accelerates our strategy, expands product service or geographic capabilities, or realises scale economics leveraging physical, digital and process infrastructure – Strengthening our corporate development and integration resources to support a pipeline of potential acquisitions and integration	Our strategic response – Enabling customers to select more sustainable and responsible product choices they can trust, supported by clear, credible and verified product sustainability claims on RS websites – Providing suppliers with an industry-leading sustainable product framework and ESG action plan support, along with exciting go-to-market opportunities to promote their sustainable product innovations – Implementing a robust ESG plan reinforced by transparent data and reporting; top-tier ESG ratings recognising the strength of our commitment, action and disclosure

1. Consolidation statement supported by McKinsey M&A Annual Report 2025 which also specifies a 5% increase in deal volume in industrials and electronics in 2024

Our strategy

A FOCUSED STRATEGY FOR LONG-TERM GROWTH

Our vision is to be first choice for our people, customers, suppliers, communities and shareholders. This vision is supported by a focused strategy, and associated and aligned action plan to deliver long-term and sustainable value for all our stakeholders.

This strategy aims to deliver accelerated growth and improvement in key areas, all underpinned by a purpose-led culture, clear and embedded values, a clearly defined operating model and excellent people.

Operational excellence

We are improving our operational effectiveness to drive efficiencies in our technology and digital processes and physical infrastructure.

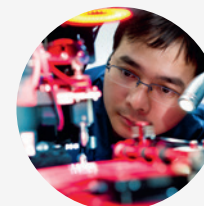
[+ Read more on page 22](#)



Experience

We provide a digitally enabled experience, powered by human touch and specialist knowledge. Our customer experience is tailored to customer type and potential lifetime value.

[+ Read more on page 21](#)



Customers

While continuing our unique service proposition for other relevant sectors, we are targeting customers with a high lifetime value and a consolidating behaviour in key vertical markets.

[+ Read more on page 18](#)



Products and suppliers

We will maintain our broad product range, with a strong focus on A&C and Electrification. We will also increase and curate a range in adjacent categories and a broader offering tailored to specific customer needs, leveraging our unique regional strengths.

[+ Read more on page 19](#)



Solutions

We make our customers' lives easier across the design and maintain lifecycle, which drives stronger relationships, recurring revenue and greater customer lifetime value.

[+ Read more on page 20](#)

People

Our robust tools and insights will enable us to attract, develop, engage and retain the talent we need to meet our long-term strategic goals.

[+ Read more on page 17](#)



[+ Read more about our ESG action plan on pages 45 to 73](#)

Our people plan

PUTTING PEOPLE FIRST

The RS people plan details our approach to attracting, developing, engaging and retaining an outstanding team to meet our long-term strategic and operational aims.

Our vision for our people is to be first choice for employees and the business by creating an inclusive and engaging environment where everyone perform at their best, develop and thrive.

Our people plan has been refined and evolved to focus on the core pillars of talent, capability, diversity and inclusion (D&I) culture, reward and recognition, and our operating model. Guided by our values and behaviours and underpinned by communications, technology and data, this model ensures that we have robust tools and insights to attract, develop, engage and retain the talent we need to meet our long-term strategic goals.

Through our people plan, we are confident we will continue to build and support an outstanding RS team who will embody our values, execute our strategy brilliantly and deliver high performance to create long-term value for all our stakeholders.

First choice for our business

Supporting and enabling our business to meet its strategic growth aspirations.

First choice for our people

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.



CULTURE

An inclusive and engaging culture



CAPABILITY

Building leadership, manager and functional excellence



TALENT

Creating a strong and diverse pipeline



D&I

A diverse workforce that can bring their whole selves to work



REWARD AND RECOGNITION

Compelling reward and recognition that drives engagement and performance



OPERATING MODEL

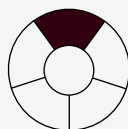
Delivering a simple and scalable operating model

UNDERPINNED BY COMMUNICATIONS, TECHNOLOGY AND DATA



Our strategy in action

TARGET INDUSTRIAL MRO CUSTOMERS



To be our customers' first choice, we must provide the relevant products and services that solve their needs. We deliver excellence through a connected experience and a suite of valued product and service solutions for industrial customers.

While continuing our unique service proposition for other relevant sectors, we are targeting customers with a high lifetime value and a consolidating behaviour in key vertical markets. Our target customers are those industrial customers who purchase small volumes of multi-category MRO or small batch production products, ranging from global multi-site operators to small single-site customers.

£252

average order value

KEEP TURBINES TURNING

AND THE LIGHTS ON

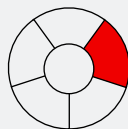
PROVIDE CONNECTED SERVICES TO ATTRACT HIGHER VALUE CUSTOMERS

In 2024/25, we launched an initiative to supply spares and parts for aging wind turbines, addressing long-standing supply chain issues. Our bespoke catalogue simplified product categorisation, increased stock of high-failure items and our new obsolescence notification process set new standards in reliability and efficiency. We started by identifying 10 strategic suppliers and expanding our catalogue with over 200 relevant spares and parts to support maintenance of aging turbines.

[+ Read more on page 55](#)

Our strategy in action continued

INCREASE AND CURATE OUR PRODUCT RANGE



We offer a broad and deep range of industrial MRO products to meet our customers' needs across seven industrial categories. We will continue to increase and curate our range, with a specific emphasis on A&C and Electrification, and a relevant broad offering in adjacent categories, tailored to specific customer needs while leveraging our unique regional strengths.

Our strong and extensive supplier partnerships ensure wide product choice, availability and alternative brand choices, including our own brand, RS PRO. We have also introduced a new sales tool designed to make it easier for our strategic customers to choose our Better World product alternatives.

>830k

stocked products

BETTER WORKWEAR



FOR A BETTER WORLD

FOCUSING ON PPE AND WORKWEAR SUSTAINABILITY

We have identified sectors where we can make a tangible impact by encouraging suppliers to achieve Better World product credentials. Our first focus area is on suppliers of PPE and workwear products added to the Better World product range.

These products are essential, but typically have short lifecycles. A shift towards sustainability will reduce waste and create a commercial opportunity with customers who have strong ESG commitments. So far, we have engaged 32 PPE and workwear suppliers to add 245 products to the range.

[+ Read more on page 54](#)

Our strategy in action continued

SCALE OUR SERVICE SOLUTIONS



We offer solutions, mainly digital, that create customer loyalty and address customers' problems to drive product pull-through. We also have several services such as our maintenance solutions, calibration, panel building and our safety solutions, which include PPE and hygiene control solutions.

We make our customers' lives easier across the design and maintain lifecycle, which drives stronger relationships, recurring revenue and greater customer lifetime value.

25%

of revenue from
service solutions

IMPLEMENTING OUR RS CONTROLSTOCK® SOLUTION FOR ENHANCED SAFETY AND SAVINGS

We have helped Butternut Box, the European market leader in fresh dog food, streamline its stock management and ensure immediate availability of the right PPE for staff. With RS ControlStock®, located in satellite stores close to production, Butternut Box can perform a digital stock search through a kiosk and quickly locate and retrieve the item as required. Replenishment is automated to avoid stock-outs or overstocking.

This simplified process increases productivity and provides real-time consumption data and insights which reduces carrying costs for the company. We have enabled Butternut Box to save over 1,700 process hours, equating to £30,000+ per annum of savings, ensuring return on investment.

[+ Read more on page 55](#)

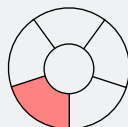
IMPROVE STOCK MANAGEMENT



TO BOOST EFFICIENCY AND SAFETY

Our strategy in action continued

STRENGTHEN OUR CUSTOMER EXPERIENCE



We provide a digitally enabled experience powered by a human touch and specialist knowledge. We aim to provide a seamless customer experience, tailored to customer type and potential lifetime value.

We are focusing on providing a more personalised and bespoke customer service for high-value customers as we optimise our cost to serve. This will deliver sustainable cash returns and further differentiation from marketplaces and pure digital players.

48.5

Net promoter score

IMPROVE CAPACITY AND SPEED

FOR GREATER CUSTOMER CHOICE

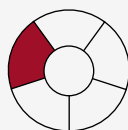
INTRODUCING THE NEWEST AND LATEST PRODUCTS ON OUR WEBSITE

Our new PMS focuses on improving our capacity, efficiency and speed to introduce the newest and latest products from our suppliers to give customers more choice and quicker access to items. We increased NPI velocity by around 700% by the end of the first phase of PMS, with a record 4,238 products going live on our website on a single day.

During the five-week phase, we also saw an average launch time of 4.3 days with more than 23,000 lines ranged and 19,000 new ones live on our website. We have now set ourselves a target of making 30,000 new products go live on our website every month at an average time to launch of seven days.

Our strategy in action continued

DRIVE OPERATIONAL EXCELLENCE



We are driving our operational excellence through investment in our digital, process and physical infrastructure to globally harmonise our processes to build a scalable, agile foundation, to improve efficiency and to continuously enhance the experience for our customers, suppliers and colleagues.

We will have the ability to easily benchmark our performance against the top quartile within the industry and evolve our operations as new technologies become available.

2.7

inventory turn

TRANSITIONING TO A NET ZERO FLEET

One of the ways we are delivering operational excellence, as well as reducing our direct carbon footprint, is by transitioning our company car and van fleet to electric and hybrid vehicles and encouraging adoption by our people. In 2024/25, we increased the proportion of company cars that are electric or hybrid for the Group to 39% (2023/24: 30%) and for the UK to 86% (2023/24: 82%).

+ Find out more on page 49

ELECTRIFYING OUR FLEET



ON OUR ROAD TO NET ZERO

Accelerating growth through acquisition

OUR GROWTH AMBITIONS

As well as investing in our strategy organically, the Group sees the continued potential for acquisitions to help accelerate our strategy. We have a highly disciplined investment criteria and acquisitions must have a strong strategic fit, a clear integration roadmap to ensure successful integration to the Group, and generate material value, while achieving our cost of capital within three years of ownership.

We continue to pursue strategically relevant acquisitions that offer:

OPERATING LEVERAGE	GEOGRAPHIC OPPORTUNITIES
PRODUCT EXTENSIONS AND ADJACENCIES	PRODUCT AND SERVICE SOLUTIONS

		Operating leverage	Geographic opportunities	Product extension and adjacencies	Product and service solutions
	May 2018				✓
	Jan 2019				✓
	Dec 2020	✓		✓	
	Jan 2021		✓		✓
	Feb 2021	✓		✓	
	Jun 2022		✓	✓	✓
	Jan 2023		✓	✓	✓
	Jun 2023	✓	✓		✓
	Apr 2024		✓	✓	

CASE STUDY

ACQUISITION INTEGRATION DRIVING VALUE CREATION

The acquisitions of Distrelec, Risoul and Trident underscore our ability to generate substantial financial and strategic value, highlighting our growing proficiency in developing robust integration capabilities.

Distrelec has comparable products, customers and markets to our existing core EMEA business. We are exceeding our initial assumptions on net synergies.

Risoul has maintained impressive growth with strong, cross-business learning and is beginning to benefit from the Group's

digitisation expertise with opportunities to further enhance its growth potential across the region.

Trident in Australia reported strong revenue growth in the first year of RS ownership and we are continuing to create value in line with the integration plan and acquisition case.

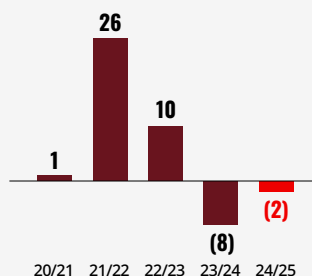
We continue to demonstrate our ability to acquire high-quality businesses and increase their potential, in combination with our underlying core businesses and a strong focus on operational efficiency.



Key performance indicators

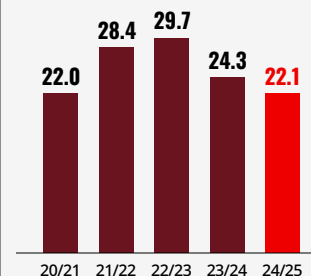
FINANCIAL
KPIs

Our six financial key performance indicators (KPIs) help us to run our business. They measure the successful implementation of our strategy and monitor and drive our progress against strategic and operational objectives, while enabling us to react rapidly to changing markets. The following pages provide details of our KPIs which have been in place during 2024/25.

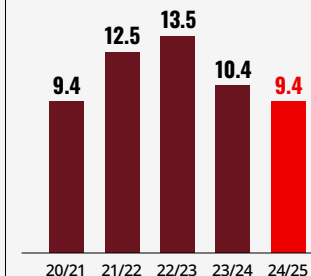
Like-for-like
revenue growth**(2)%**

By driving a differentiated customer experience and providing innovative solutions, we aim to drive market share gains and higher revenue growth which, in turn, drives profit growth. Like-for-like revenue growth is adjusted for trading days, currency movements and to exclude the impact of acquisitions until they have been owned for a year. See page 29 for further details.

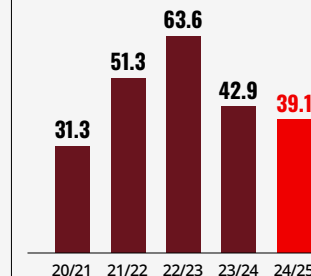
Link to remuneration
Performance measure
in annual incentive

Adjusted^{1,2} operating
profit conversion**22.1%**

We are constantly striving to make our operating model as lean and efficient as possible so we can convert a higher percentage of gross profit into adjusted operating profit. Our aim is that each region, each market and each individual takes responsibility for our performance and constantly questions whether we can do things more efficiently to drive greater returns. See page 30 for further details.

Adjusted^{1,2} operating
profit margin**9.4%**

A great customer experience, high-performance team and operational excellence should all drive improvement in adjusted operating profit margin. A higher adjusted operating profit margin should drive higher returns for our shareholders. It is adjusted operating profit expressed as a percentage of revenue. See page 30 for further details.

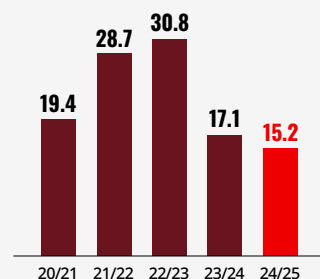
Adjusted^{1,2} earnings per share
(EPS)**39.1p**

Adjusted EPS is a measure used by investors in deciding whether to invest in the Company. It is a measure of the growth and profitability of the Company that also reflects management performance. See page 30 for further details.

Link to remuneration
Performance measure in
long term incentive plan

- Adjusted excludes amortisation and impairment of intangible assets arising on acquisition of businesses, acquisition-related items, substantial reorganisation costs, substantial asset write-downs, one-off pension credits or costs, significant tax rate changes and associated income tax (see Note 3 on pages 154 to 158 for reconciliations).
- 2023/24 has been restated. See Note 32 on pages 191 to 195 for further details.

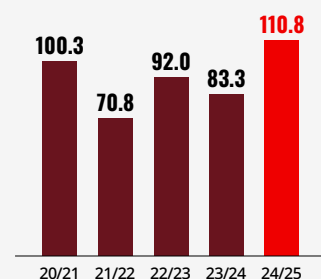
Key performance indicators continued

Return on capital employed
(ROCE)²**15.2%**

ROCE is a measure used by investors in deciding whether to invest in the Company. A tight focus on working capital control and more disciplined capital investment, coupled with increased profitability, will drive improved returns for our shareholders. ROCE is measured as adjusted operating profit expressed as a percentage of the monthly average of net assets excluding net debt and retirement benefit obligations. See page 32 for further details.

Link to remuneration

Underpin in long term incentive plan

Adjusted^{2,3} operating cash
flow conversion**110.8%**

Through tight working capital management and disciplined capital investment, we aim to convert a high percentage of our operating profit into operating cash flow. Adjusted operating cash flow conversion is defined as adjusted free cash flow before income tax and net interest paid, as a percentage of adjusted operating profit. The higher the conversion, the more cash we have available to invest in our business to drive future growth and returns for our shareholders. See page 31 for further details.

3. Adjusted excludes the cash impact of substantial reorganisation costs and acquisition-related items (see Note 3 on pages 154 to 158).



Key performance indicators continued

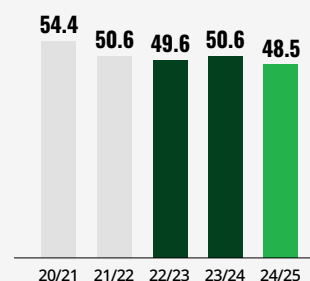
NON-FINANCIAL KPIs

We report eight non-financial KPIs that help measure progress against our strategic actions and our commitment to our people, culture and sustainability.

CUSTOMER

Group rolling 12-month Net Promoter Score (NPS)¹

48.5



NPS is a customer satisfaction measure and is a key priority to help drive stronger financial performance. The decline in NPS score in 2024/25 is driven by EMEA and Asia Pacific regions, as a result of the deliver-to-promise capability being implemented which impacted order fulfilment scheduling temporarily. We expect the monthly NPS score to increase as our customer delivery information accuracy improves, alongside the continued improvements in product findability. The score in Americas region remains consistently high, representing industry best in class.

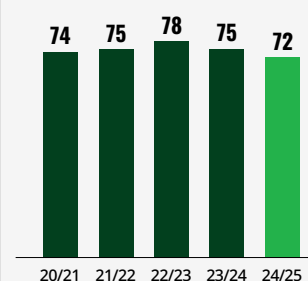
Link to remuneration

Performance measure in regional / market annual incentive

PEOPLE

Employee engagement

72



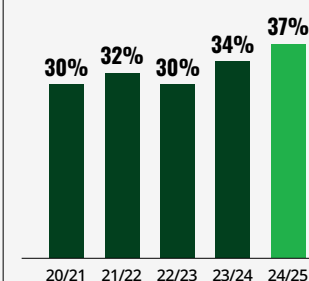
Building a high-performance, engaged and motivated team hinges on consistent, active listening. To continuously gauge employee satisfaction and engagement, we introduced pulse surveys in 2024/25. In our most recent survey in December 2024, the engagement score decreased by 3 points from 75 to 72. Employees voiced a desire for more visibility from Group leaders and more frequent communication, which has been incorporated into our people plan. See page 57 for further details.

Link to remuneration

Performance measure in Journey to Greatness long term incentive plan

Percentage of management that are women

37%

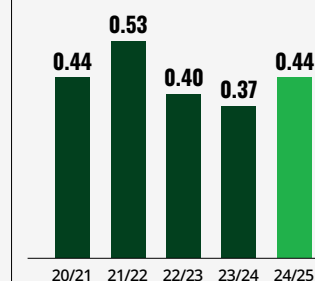


We aim to create an inclusive and dynamic environment where all our people can perform at their best, develop and thrive. We are committed to being an equal opportunity employer and supporting D&I within a global context and in its broadest sense. D&I is a focus of our people plan and 2030 ESG action plan. We were pleased to see the percentage of female leaders increase by 3 percentage points to 37% during the year. See page 58 for further details.

HEALTH AND SAFETY

All accidents (per 200,000 hours)

0.44



Our ambition is to reach zero accidents by 2029/30 through our Target Zero programme, which aims to continuously improve performance and prevent avoidable incidents. Progress slowed in 2024/25, with an increase in our accident frequency rate by 19% to 0.44 (2023/24: 0.37), but we have achieved a 36% reduction since the 2019/20 baseline. In response, we have enhanced our health and safety culture through campaigns, training, inspections, hazard spotting and near miss reporting. See page 60 for further details.

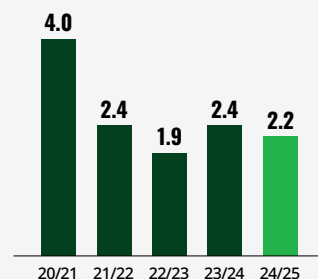
1. We updated our NPS methodology from 2022/23 to make it more representative of our customer base. Prior years have not been restated.

Key performance indicators continued

ENVIRONMENT

Carbon intensity^{2,3}
(tonnes of CO₂e due to Scope 1 and 2 emissions/£m revenue)

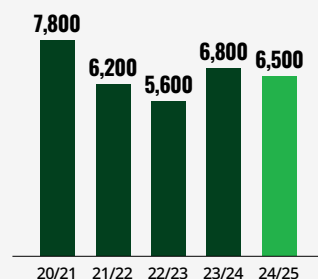
2.2



We recognise our role and responsibilities as a global business in addressing environmental impacts and tackling climate change. Our aim is to decouple business growth from our carbon footprint. Since 2019/20, we have reduced our carbon intensity by 70%, including emissions from acquired businesses in current and prior years back to our 2019/20 baseline. Carbon intensity in 2024/25 has marginally improved, despite the integration of emissions from our acquisitions completed in 2023/24 and 2024/25. See page 50 for further details.

Carbon emissions³
(tonnes of CO₂e due to Scope 1 and 2 emissions)

6,500

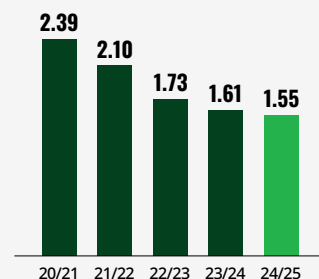


We target absolute carbon reduction in line with our net zero action plan, which is also a measure in our employee annual incentive. This year, we reduced our direct carbon footprint by 7% from 6,800 tonnes in 2023/24, excluding recent acquisitions, and by 4% including recent acquisitions. This has been driven by energy efficiency and low-carbon technology projects, switching to renewable electricity, and transitioning to a net zero fleet. See pages 50 and 51 for further details.

Link to remuneration
Performance measure
in annual incentive

Packaging intensity²
(tonnes/£m revenue)

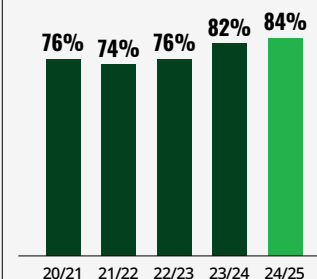
1.55



Our aim is to provide the best customer experience in the most sustainable way. We work across our network of distribution sites to reduce packaging, while increasing recycled content and recyclability. This year, performance improved by 4%, with positive progress achieved through reusable pallets in our internal replenishment systems, optimising our carton sizes and selecting more sustainable packaging materials. Since 2019/20, we have reduced packaging intensity by 37%. See page 52 for further details.

Waste
(% of waste recycled)

84%



Ensuring we are able to grow and scale the business in a sustainable way is key. In addition to segregating waste materials for recycling, we implement waste reduction and reuse initiatives internally and work with our suppliers. Performance improved during the year with a 2 percentage points improvement from 2023/24. See page 52 for further details.

2. Intensity metrics are on a constant exchange rate basis.
3. Scope 1 and 2 emissions have been updated to reflect improvements to our reporting methodologies with more detail provided in our ESG basis of reporting. Coverage includes operations under our direct financial control globally.

Financial review

INVESTING FOR THE FUTURE



Kate Ringrose
CFO

WITHIN CHALLENGING MARKETS

Revenue

£2,904m

Change: (1)%

2023/24: £2,942m

Like-for-like¹ revenue growth

(2)%

2023/24: (8)%

Operating profit

£233m

Change: (15)%

2023/24 restated⁴: £275m

Adjusted² operating profit

£274m

Like-for-like¹ change: (8)%

2023/24 restated⁴: £306m

Adjusted² operating
profit margin

9.4%

2023/24 restated⁴: 10.4%

Net debt

£364m

2023/24: £418m

Overall results

	2025	2024 restated ⁴	Change	Like-for-like ¹ change
Revenue	£2,904m	£2,942m	(1)%	(2)%
Gross profit	£1,243m	£1,258m	(1)%	(1)%
Gross margin	42.8%	42.8%	(0)pts	(0.1)pts
Operating profit	£233m	£275m	(15)%	(12)%
Adjusted operating profit ¹	£274m	£306m	(10)%	(8)%
Adjusted operating profit margin ¹	9.4%	10.4%	(1.0)pts	(0.7)pts
Adjusted operating profit conversion ¹	22.1%	24.3%	(2.2)pts	(1.6)pts
Digital revenue ^{2,3}	£1,754m	£1,782m	(2)%	(2)%
RS PRO revenue ²	£392m	£386m	2%	2%
Service solutions revenue ^{2,3}	£738m	£697m	6%	6%

1. See Note 3 (pages 154 to 158) for definitions and reconciliations of all alternative performance measures, including like-for-like change and adjusted measures.
2. See Note 2 (pages 151 to 154) for disaggregation of revenue analysis and reconciliations.
3. Digital revenue and service solutions revenue have been restated, see Note 2 (pages 151 to 154).
4. 2023/24 has been restated in the US to reflect the correct application of the Group inventory provisioning policy. See further details in Note 32 on pages 191 to 195.

“Our strategic investment will support ongoing market share growth and ensure we are well-positioned to benefit when market conditions improve.”

Financial review continued

Revenue

Group revenue decreased by 1% to £2,904 million. Like-for-like revenue declined 2% after adjusting for a £50 million contribution from acquisitions, £66 million in adverse exchange rate movements and a positive benefit of £28 million from more trading days. Trading overall was stronger in the second half with like-for-like revenue flat with some improvements in external market indicators, including PMI, particularly in the final quarter in Americas and Asia Pacific, although market uncertainty increased in the last few weeks of the year.

Our diverse product category portfolio reduced performance volatility as we have significant share in categories that are more industrial and tend to be less volatile (Facilities & Maintenance, Mechanical & Fluid Power, PPE & Site Safety, Other). Those correlated to the electronics market (such as Automation & Control (A&C) and Electrification) and the more electronics-specific categories, Semi & Passives and Cables & Connectors remained under pressure in 2024/25.

During the second half of the year, we benefited from product expansion as we increased the rate of new product introductions following the update of our product management solution, which allowed us to expand our technical product offer and expand our range with our strategic suppliers.

Digital, accounting for 60% of Group revenue, declined by 2% on a like-for-like basis. Digital solutions, such as eProcurement, which are predominantly used by our larger customers and are a key strategic goal, grew by 4%. Web revenue,

which tends to reflect smaller, more transactional purchases, decreased by 5% on a like-for-like basis as we move larger customers onto our eProcurement platform and see reduced demand from standard customers that tend to be more transitional in nature and have higher digital costs of acquisition.

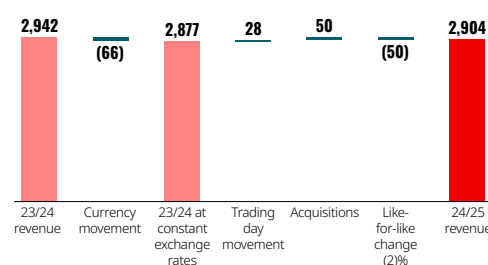
Revenue driven by service solutions accounted for 25% of Group revenue and increased by 6% like-for-like, with a strong performance in digital procurement solutions and design, technical and custom order services. RS Integrated Supply delivered full-year positive like-for-like revenue growth, reflecting a strategic repositioning, new contract wins and strong customer retention rates in both EMEA and Americas with our order book more than doubling during the year. We have written off the carrying value of customer relationships where we generate no value. We continue to strengthen our RS Integrated Supply proposition and operating model, transitioning from purely contractual unit price savings to value generation through innovative data and technology solutions.

RS PRO, which is our main own-brand product range, now 14% of Group revenue, grew by 2% on a like-for-like basis, due to extending its product breadth and end-to-end sales and marketing focus. Our competitively priced offer continues to gain traction as a quality, but non-competing value alternative to third-party branded ranges, as we demonstrate quality through our quality assurance qualifications and design and test facilities.

	Share of Group revenue	Like-for-like ¹ revenue growth
A&C and Electrification, Test & Measurement	48%	(2)%
Facilities & Maintenance, Mechanical & Fluid Power, PPE & Site Safety, Other	35%	3%
Semis & Passives (including Single Board Computing), Cables & Connectors	17%	(8)%
Total	100%	(2)%

1. Like-for-like revenue is adjusted for currency, trading days and to exclude the impact of acquisitions.

Like-for-like revenue development £m



Gross margin

Gross margin was flat at 42.8%, as anticipated. Supply-side cost inflation is normalising and is largely being passed through, although there has been some additional competitive activity within the Semis & Passives product category. We continue to focus on gross margin optimisation through direct procurement initiatives, commercial discipline, expanding our own-brand ranges and by managing foreign exchange volatility.

During the year, we conducted a detailed assessment of our inventory as part of the Group-wide focus on tightening working cash discipline and cash management. Following this review, instances of non-adherence to the Group's inventory provisioning policy were identified, and in order to correct its application, we restated our 2023/24 gross profit to £1,258 million (previously reported at £1,264 million). These prior year adjustments do not impact 2024/25 gross profit. For further information please refer to Note 32 on pages 191 to 195.

Operating costs

Operating costs, including regional and central costs, increased 3%. Adjusted operating costs, which excludes the impact of acquisitions, currency movements, amortisation and impairment of acquired intangibles and acquisition-related items, increased 1% on a like-for-like basis. Cost-management actions have helped to offset inflation, specifically within labour, ongoing strategic investment, integration costs and the restructuring charges relating to our cost-savings programme. Higher average order frequency has increased variable costs and, in particular, freight costs as a percentage of our revenue.

We delivered £19 million of restructuring benefits by improving our productivity and removing labour and facility duplication within the Group and a further £10 million of structural integration cost savings. There was a £17 million in-year charge to deliver these restructuring and integration benefits which is included within our operating costs. Over the last two years we delivered £38 million of ongoing structural cost savings, above our original expectations of over £30 million.

During the year, we also delivered £13m of one-off benefit which includes £5m from the early exit of a distribution centre lease in the Netherlands operated by Distrelec and then in-year savings relating to management actions such as vacancy freezes and extending the life of our technology hardware.

A large proportion of our operating costs relate to our people. We awarded a low-single digit pay increase across the Group and returned to more normalised employee performance incentive awards. As sales volumes have reduced, we have flexed our variable people costs and taken additional actions in specific areas, such as removing duplicate roles as a result of our new operating model and to improve productivity.

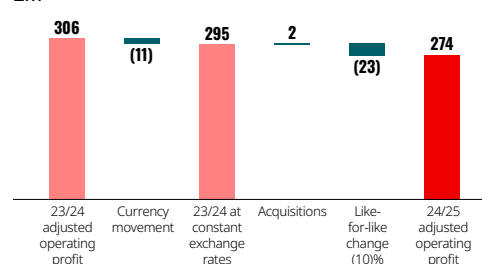
Financial review continued

We spent £31 million on organic strategic investment (a £7 million increase year-on-year but lower than anticipated at the beginning of the year as we actively managed investment levels in a difficult trading environment) focused on strengthening our digital and commercial capabilities, technology platform, product and service solutions capacity and improving our operating basics. This will support ongoing market share growth and ensure we are well-positioned to benefit when market conditions improve. We are monitoring our investment spend closely and implementing greater oversight around execution, progress and delivery.

As previously reported, our central costs now relate solely to supporting Group head office activities with all other costs within the Group's operating segments allocated to the regions. Central costs, under the new definition, increased by £3 million to £14 million, largely reflecting the normalisation of annual incentive and share-based payments. Details on the reallocation are set out in Note 2 on pages 151 to 154.

Operating costs as a percentage of revenue increased by 1.4 percentage points to 34.8% and on an adjusted basis increased by 1.0 percentage points to 33.4%. Adjusted operating profit conversion is like-for-like 1.6 percentage points lower at 22.1% reflecting the ongoing organic investment and cost of the restructuring and integration programmes, with cost reductions broadly offsetting input cost inflation and normalisation of incentives. Operating profit conversion is 3.1 percentage points lower at 18.7%, impacted by impairment in RS Integrated Supply and other adjusting items.

Like-for-like adjusted operating profit movement
£m



Items excluded from adjusted profit

To improve the comparability of information between reporting periods, we exclude certain items from adjusted profit measures. The items excluded are described below (see Note 11 on pages 154 to 158 for definitions and reconciliations of adjusted measures).

Amortisation and impairment of acquired intangibles

Amortisation and impairment of acquired intangibles was £37 million (2023/24 amortisation of acquired intangibles: £27 million) and relates to the intangible assets arising from acquisitions. During the year, customer contracts, relationships and distribution agreements at RS Integrated Supply (previously IESA) were assessed for impairment and, given we are not generating a profit in respect of the customer relationships acquired with the EMEA business, we have written off the carrying value in full. As a result of that review, assets related to the acquisition of IESA were fully impaired, with a net book value of £11 million.

Acquisition-related items

Acquisition-related items were £4 million, with £2 million related to legal fees in connection with the acquisition of Synovos and £2 million associated with agreements reached at the time of acquisition for retention payments to former owners and key employees of those businesses (2023/24: £5 million directly attributable to the acquisition of Distrelec).

Operating profit

Operating profit decreased by 15% to £233 million. Adjusted operating profit, which excludes the impact of acquisitions and adverse impact of currency movements, saw a like-for-like decrease of 8%. Operating profit margin declined by 1.3 percentage points to 8.0% and on an adjusted basis declined by 0.7 percentage points on a like-for-like basis to 9.4%.

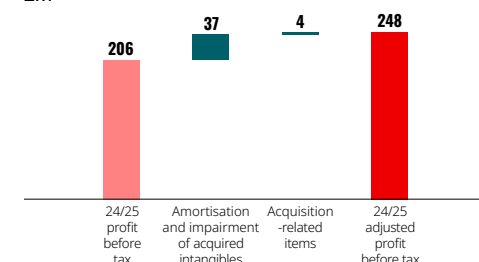
Net finance costs

Net finance costs were £27 million, down from £32 million in 2023/24 mainly due to the full year impact of reduced net debt. At 31 March 2025, 34% of the Group's gross borrowings excluding lease liabilities (2023/24: 26%) was at fixed rates, with surplus cash deposited at variable rates.

Profit before tax

Profit before tax declined 15% to £206 million. Adjusted profit before tax was down 10% to £248 million, down 7% on a like-for-like basis.

Adjusted profit before tax reconciliation
£m



Summary cash flow

£m	2025	2024 Restated ¹
Operating profit	233	275
Add back depreciation and amortisation	85	84
EBITDA	318	359
Add back impairments and loss on disposal of non-current assets	13	6
Movement in working capital	18	(64)
Defined benefit retirement contributions in excess of charge	(11)	(10)
Movement in provisions	-	1
Other	11	9
Cash generated from operations	349	301
Net capital expenditure	(49)	(52)
Operating cash flow	300	249
Add back cash effect of adjustments ²	4	6
Adjusted² operating cash flow	304	255
Net interest paid	(29)	(31)
Income tax paid	(60)	(73)
Adjusted² free cash flow	214	151

1. For details of the prior year restatement see Note 32 on pages 191 to 195.

2. Adjusted excludes the cash impact of substantial reorganisation costs and acquisition-related items.

Financial review continued

Taxation

The Group's income tax charge was £54 million (2023/24: £64 million). The adjusted income tax charge, which excludes the impact of tax relief on items excluded from adjusted profit before tax, was £64 million (2023/24: £72 million), resulting in an effective tax rate of 25.8% on adjusted profit before tax (2023/24: 26.2%). Going forward we expect the full year 2025/26 effective tax rate on adjusted profit before tax to be c. 26.0%.

Earnings per share

Earnings per share declined by 14% to 32.5p. Adjusting for items excluded from adjusted profit and associated income tax effects, adjusted earnings per share of 39.1p declined 6% on a like-for-like basis.

Cash flow

Adjusted operating cash flow conversion improved to 111%, significantly exceeding our target rate of over 80%. Cash generated from operations was £349 million (2023/24: £301 million). A £63 million improvement in adjusted free cash flow benefited from actively managed working capital including a c. £20 million one-off reduction in receivables in EMEA and focused capital expenditure, which mitigated lower EBITDA (earnings before interest, tax, depreciation and amortisation).

Net capital expenditure was £49 million as we continued to invest in optimising our distribution network, launching a new product management solution, augmenting digital commerce capabilities and strengthening our technology platforms. As a result, capital expenditure was at 1.2 times depreciation (2023/24: 1.3 times), in line with our typical maintenance capital expenditure levels of 1.0 – 1.5 times depreciation. We anticipate capital expenditure in 2025/26 to be c. £50 million including strategic investments in our warehouse management systems, additional distribution capabilities in Italy and Ireland and other system upgrades.

Net interest paid decreased by £2 million to £29 million due to a reduction in net debt resulting from strong operating cash generation due to the improvement in working capital and lease disposals as part of Distrelec integration.

Adjusted free cash flow increased to £214 million. Whilst some one-off cash benefits are expected not to repeat, we remain committed to conserving cash whilst ensuring we continue to invest in our business to enable a swift recovery when economic conditions improve.

Intangible assets

Intangible assets have decreased from £983 million at March 2024 to £899 million (see Note 14 on page 159), with translation differences driving £60 million of the decrease. Goodwill of £6 million was recognised on the acquisition of Trident, there were additions of £33 million and an amortisation charge and impairment cost for the year totalling £64 million. Of the impairment cost, £11 million related to the impairment of customer relationships and software that were part of the acquisition of IESA (now RS Integrated Supply EMEA), where the value in use was less than the carrying value of the assets.

Working capital

Working capital as a percentage of revenue improved and was 1.1 percentage points lower year on year at 23.9%, reflecting the improvement in working capital management.

Trade and other receivables have decreased by £13 million to £689 million. The collection of receivables is our greatest short-term liquidity sensitivity, and we continue to manage our exposure through tight credit policies, proactive monitoring and collections.

Inventories were £617 million, decreasing by £20 million. Our inventory turn of 2.7 times is 0.1 times higher (2023/24 2.6 times). Inventory provisions were in line with 2023/24 (restated – see Note 32 on pages 191 to 195 for further details) at £87 million, representing a slight increase in the overall provision rate from 12.0% to 12.3%.

Overall trade and other payables increased by £8 million to £611 million from £603 million in 2023/24.

Summary balance sheet

£m	31 March 2025			31 March 2024 (Restated ¹)		
	Assets	Liabilities	Net assets	Assets	Liabilities	Net assets
Intangible assets	899	–	899	983	–	983
Property, plant and equipment	177	–	177	181	–	181
Right-of-use assets	54	–	54	73	–	73
Investment in joint venture	1	–	1	1	–	1
Other non-current assets and liabilities	16	(102)	(86)	18	(120)	(102)
Current assets and liabilities	1,324	(636)	688	1,364	(637)	728
Capital employed	2,470	(738)	1,733	2,620	(757)	1,863
Retirement benefit net assets/(obligations)	2	(16)	(14)	2	(27)	(26)
Net cash/(debt) (including lease liabilities)	148	(512)	(364)	259	(677)	(418)
Assets/(liabilities)	2,620	(1,266)	1,354	2,880	(1,461)	1,419

1. For details of the prior year restatement see Note 32 on pages 191 to 195.

Net debt analysis

£m	2025	2024
Borrowings	(414)	(440)
Bank overdrafts	(42)	(163)
Lease liabilities	(57)	(74)
Gross borrowings	(512)	(677)
Cash and short-term deposits	148	259
Net debt	(364)	(418)

Financial review continued

Looking forward we continue to manage our working capital position actively and optimising cash conversion is a key area of focus. We remain focused on receivables collection. We will continue to seek to manage our inventory levels to take account of changing demand dynamics and supply chain behaviour, whilst anticipating our customers' expectations. We will continue to invest in the right inventory to ensure that we remain well positioned to maintain service levels and deliver strong growth as the markets recover. We pay our suppliers to terms and continue to work with some of our larger suppliers to improve terms where possible.

Net debt

Our net debt has decreased to £364 million from £418 million (see Note 22 on pages 178 and 179). This was due to a reduction in lease liabilities following the disposal of the Distrelec DC lease and partial repayment of the multi-currency revolving facility as we generated strong operating cash flow.

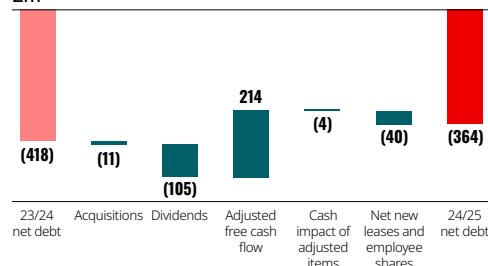
Retirement benefit obligations

£m	31 March 2025			31 March 2024		
	UK	Other	Total	UK	Other	Total
Fair value of scheme assets	400	33	433	421	31	452
Defined benefit obligations	(342)	(26)	(368)	(385)	(26)	(411)
Effect of asset ceiling/onerous liability	(63)	(5)	(68)	(52)	(4)	(56)
Status of funded schemes	(5)	2	(3)	(16)	2	(15)
Unfunded schemes	–	(11)	(11)	–	(11)	(11)
Total net obligations	(5)	(9)	(14)	(16)	(10)	(26)

The £400 million multi-currency revolving facility, the €150 million term loan and the private placement loan notes form our committed debt facilities of £679 million, down from £685 million last year due to the impact of exchange rates, of which £287 million was undrawn at 31 March 2025 (2023/24: £245 million undrawn). In October 2024, our request to take up a one-year term extension to the multi-currency revolving facility was approved by the lenders and so this facility now matures in October 2029. We have also extended the €150 million term loan end date from April 2026 to October 2028.

The Group's financial metrics, as set out in the Alternative Performance Measures in Note 3 on pages 154 to 158, remain strong, with net debt to adjusted EBITDA of 1.1x and EBITA to interest of 10.9x, leaving significant headroom for the Group's banking covenants of net debt to adjusted EBITDA less than 3.25 times and EBITA to interest greater than 3 times.

Movement in net debt
£m



Return on Capital Employed (ROCE)

ROCE is the adjusted operating profit for the 12 months ended 31 March 2025 expressed as a percentage of the monthly average capital employed (net assets excluding net debt and retirement benefit obligations). ROCE was 15.2% compared to 17.1% last year. The decrease is predominantly driven by decline in adjusted operating profit (1.9 percentage points). The negative impact of recent acquisitions (0.8 percentage points) was fully offset by a lower level of capital employed.

Retirement benefit obligations

Overall, the retirement benefit net obligations of the Group's defined benefit schemes at 31 March 2025 were £14 million, compared to £26 million at 31 March 2024, due mainly to the additional annual £11 million deficit contributions in respect of the previous triennial valuation. The UK defined benefit scheme (our largest scheme) had a net obligation of £5 million under International Accounting Standard 19 'Employee Benefits', reflecting the present value of the future deficit contributions agreed following the March 2022 triennial funding valuation and payable to September 2025.

Dividend

The Board intends to continue to pursue a progressive dividend policy whilst remaining committed to a healthy dividend cover over time by driving improved results and stronger cash flow. The Board proposes a final dividend at 13.9p per share. This will be paid on 25 July 2025 to shareholders on the register on 13 June 2025. As a result, the total proposed dividend for 2024/25 will be 22.4p per share, representing an increase of 2% over the 2023/24 full-year dividend. Adjusted earnings dividend cover for 2024/25 is 1.7 times.

Foreign exchange risk

The Group does not hedge translation exposure on the income statements of overseas subsidiaries. Based on the mix of non-sterling denominated revenue and adjusted operating profit, a one cent movement in the euro would impact annual adjusted profit before tax by £1.7 million and a one cent movement in the US dollar would impact annual adjusted profit before tax by £0.5 million.

During the year, there were foreign exchange losses arising on translation of £84 million, recognised within Other Comprehensive Income, of which £60 million related to the translation of intangible assets as set out in Note 14 on page 159. These losses were then offset by £7 million gains on net investment hedges.

The Group is also exposed to foreign currency transactional risk because most operating companies have some level of payables in currencies other than their functional currency. Some operating companies also have receivables in currencies other than their functional currency. Group Treasury maintains three to seven months hedging against freely tradable currencies to smooth the impact of fluctuations in currency. The Group's largest exposures relate to euros and US dollars.

Regional review: EMEA

EMEA PERFORMANCE

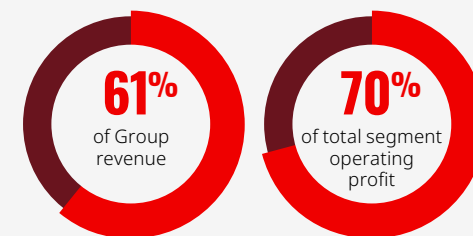
Highlights

75%
of revenue
from digital

20%
of revenue
from RS PRO

31%
of revenue from
service solutions

48.5
NPS



Overall results

	2024/25	2023/24	Change	Like-for-like ¹ change
Revenue	£1,777m	£1,795m	(1)%	(3)%
Operating profit ²	£201m	£223m	(10)%	(9)%
Operating profit margin ²	11.3%	12.4%	(1.1) pts	(0.9) pts
Digital revenue ^{3,4}	£1,330m	£1,341m	(1)%	(2)%
Service solutions revenue ³	£557m	£532m	5%	4%
RS PRO revenue ³	£352m	£346m	2%	2%

1. Like-for-like adjusted for currency and to exclude the impact of acquisitions; revenue also adjusted for trading days.

2. See Note 2 on pages 151 to 154 for reconciliation to Group operating profit. Regional operating profit has been restated in the prior period as shown in Note 2 on pages 151 to 154.

3. See Note 2 for disaggregation of revenue analysis and reconciliations to region's revenue.

4. Digital revenue has been restated, see Note 2 on pages 151 to 154.

Like-for-like revenue declined 3% reflecting decreases in industrial production output and ongoing economic weakness across the region. Throughout the year, PMI in the Eurozone has been below 50 signalling continued contraction in the manufacturing sector.

The performance in UK and Ireland (38% of the region's revenue) was in line with the EMEA average. Production output has been in decline throughout the year and UK PMI was below 50 across the second half, weakening from the start of November in line with declining business confidence. We have seen stability in the number of our larger customer accounts and an increase in average order value, however, there has been reduction in the number of smaller transactional customers.

France (19% of the region's revenue) continued to outperform the region with like-for-like revenue growing by low single digit percentage despite weak business confidence and industrial production. Our more focused MRO product and sales offer, aligned to specific industry verticals,

initiated in France and in the process of being rolled out across all three regions, is resulting in stronger relationships with our suppliers, improved product range curation and a focus by our teams on the more resilient industry verticals.

DACH (Germany, Austria and Switzerland, 15% of the region's revenue) has been impacted by weakness in the German economy and particularly within original equipment manufacturers. Throughout the year production volumes have been in decline and industrial production has been one of the weakest in Europe. In Germany, we have a higher exposure to the manufacturing sector and the automotive industry where production volumes have been weak with extended shutdowns and site closures. Additionally, there is a higher participation from A&C and Electrification, and Semis & Passives product categories.

During the second half of the year, we increased the rate of new product introductions significantly following the update of our product management solution and associated technology estate.

This has allowed us to accelerate progress in our strategy to have a more technical product offer and expand our range with our strategic suppliers. This has supported growth in our more resilient product categories of Facilities & Maintenance, Mechanical & Fluid Power, and PPE & Site Safety, which delivered small like-for-like growth. A&C and Electrification products, with demand correlated to the weaker industry sectors and the electronics market, declined by mid-single digit percentage, but data from our suppliers indicates that we are still outperforming distribution peers. Demand for Semis & Passives remains weak with high levels of stock in the distribution network keeping prices suppressed.

We are making significant progress with our customer strategy focusing on high lifetime value customers. Our corporate customer revenue grew, benefiting from several account wins with many using our eProcurement and Purchasing Manager solutions which grew by 4%. These solutions are integrated within our customers' systems, pulling through product purchases and generating customer loyalty and recurring revenue. Web revenue has been impacted by reduced demand from more transactional customers.

RS Integrated Supply delivered strong revenue growth, driven by higher client pass-through spend, new contract wins and rigorous review of customer contractual terms driving gross margin improvements. We have written off the carrying value of customer relationships where we generate little value. We have continued to invest in our multi-year programme to optimise customer engagement and experience, simplify our operations to maximise efficiency and support our growth ambitions, whilst in parallel implementing robust working capital strategies.

RS PRO remains strong, gaining 0.5 percentage points of revenue share during the year.

The integration of Distrelec (acquired 30 June 2023) is continuing well with the merger of our operations in Italy, including customer migration, completed in February. Within the year we delivered £10 million of integration cost savings, with a further one-off £5 million benefit relating to the early exit of a DC lease in the Netherlands operated by Distrelec. Against this, we incurred £9 million of integration costs.

EMEA's like-for-like gross margin was flat due to the lag effect of product cost inflation with minimal sales price inflation and some pricing activity across Semis & Passives.

Operating costs marginally increased on a like-for-like basis. Headcount reductions and cutbacks in discretionary spend have helped to offset labour cost inflation and ongoing investments in our strategic portfolio and the expenditure relating to our cost-savings programme. This is despite increased order frequency adversely impacting variable costs and, in particular, freight costs relative to sales.

Operating profit margin fell by 0.9 percentage points like-for-like to 11.3%.

EMEA's rolling 12-month NPS was 48.5, down from 50.9 in 2023/24. The decline was anticipated and reflects the implementation of our new product tracking system which had a temporary and small impact on order fulfilment scheduling. We expect the monthly NPS score to increase once Release 2 of our product tracking is rolled out which makes availability and delivery information much more accurate and visible to the customer.

Regional review: Americas

AMERICAS
PERFORMANCE

Highlights

34%

of revenue
from digital

1%

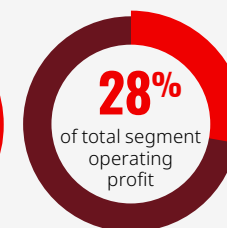
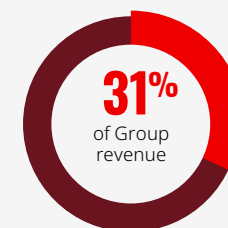
of revenue
from RS PRO

15%

of revenue from
service solutions

65.2

NPS



Overall results

	2025	2024 restated ²	Change	Like-for-like ¹ change
Revenue	£907m	£934m	(3)%	0%
Operating profit ²	£82m	£89m	(9)%	(4)%
Operating profit margin ²	9.0%	9.6%	(0.6)pts	(0.5)pts
Digital revenue ^{3,4}	£305m	£318m	(4)%	(3)%
Service solutions revenue ^{3,4}	£134m	£122m	10%	12%
RS PRO revenue ³	£7m	£7m	6%	8%

1. Like-for-like adjusted for currency and to exclude the impact of acquisitions; revenue also adjusted for trading days.

2. See Note 2 on pages 151 to 154 for reconciliation to Group operating profit. Regional operating profit has been restated in the prior period as shown in Note 2 on pages 151 to 154 and Note 32 on pages 191 to 195.

3. See Note 2 on pages 151 to 154 for disaggregation of revenue analysis and reconciliations to region's revenue.

4. Digital revenue and service solutions revenue have been restated, see Note 2 on pages 151 to 154.

Americas revenue declined 3%, with like-for-like revenue, adjusted for currency and trading days, being flat.

Economic weakness in the US and Canada markets (71% of region's revenue) and broader uncertainty has impacted business confidence as reflected in PMI data. This improved in the fourth quarter, with like-for-like revenue turning positive, in part reflecting expectations of improving business outlook.

Our operations in Latin America (23% of region's revenue) have grown strongly, helped by a market continuing to benefit from increased capital investment in private and public sectors (mining, chemical, personal care, pharma and energy) and our proposition resonating well with our existing customer base as we expand our product and service offer.

Our business in Americas has a higher proportion of builders of industrial assets, including discrete manufacturers, within the customer base than the rest of the Group. This results in greater sensitivity to capital investment expenditure and project-related sales and so was affected by the reduction in manufacturing production and market uncertainty for much of the year. Our key growth accelerators (product expansion, RS PRO, solutions, strategic suppliers and targeting specific customer vertical) outperformed as we implement our strategic action plan.

A large proportion of revenue relates to industrial A&C and Electrification products (c. 70% of the region's revenue versus 41% across the Group) which delivered a low single digit percentage like-for-like growth. Semis & Passives and Cables and Connectors (c. 10% of the region's revenue) saw high single digit like-for-like decline.

Revenue from digital declined by 3% like-for-like. Our eProcurement solution outperformed, particularly in Latin America, as we migrated larger customers onto the technology, driving increased customer loyalty. We look forward to continued momentum in 2025/26 with the roll out of our new digital platform in US and Canada and further development of our eProcurement solution.

Revenue attributed to service solutions grew 12% like-for-like, driven by our investment and sales team focus in ramping up our design and technical services and delivery offers.

RS PRO revenue increased, from a low base, as we increased management focus and marketing effort on some key product categories. In Latin America, we are beginning to introduce RS PRO to our customers with curated product offerings and increased promotional activities.

RS Integrated Supply delivered flat like-for-like revenue growth, despite a small reduction in customer pass-through spend, reflecting the blend of new contract wins and customer retention rates. We continue to drive efficiency in our operating costs delivering in-year savings as we move to a global platform and operating model, sharing best practice.

Americas' gross margin was slightly lower (0.1 percentage points on a like-for-like basis) due to some competitive pricing pressure, largely offset by focused margin-improvement activities and expansion into margin accretive product lines. During the year, we conducted a detailed assessment of our inventory as part of the Group-wide focus on tightening working cash discipline and cash management.

Following this review, it was identified that some inventory was miscategorised against which more stringent provision rates should have been applied, along with further instances of non-adherence of the Group policy. As a result, we increased the inventory provision by £19 million. We restated our 2023/24 gross profit to £89.2 million (previously reported at £95 million). These prior year adjustments do not impact 2024/25 gross profit. For further information please refer to Note 32 on pages 191 to 195.

Our operating costs are up 2% like-for-like reflecting investments in initiatives focused on customer experience, service-based solutions and product offer expansion offset by structural cost reductions and efficiencies to better align the region with current demand. A portion of the investments was related to expansion and process investments in Latin Americas to support continued growth.

Americas' operating profit margin declined year-on-year mainly due to flat revenue coupled with limited pricing pressures, partially offset by favourable operating cost reductions and discipline. Operating profit margin was 9.0%.

Americas' rolling twelve-month NPS was 65.2, an increase from 64.8 in 2023/24 reflecting steady increases to the monthly scores from improved offerings and processes. Our high NPS score reflects our strong customer experience with fast response rates and high levels of consistent service.

Regional review: Asia Pacific

ASIA PACIFIC PERFORMANCE

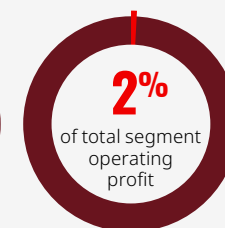
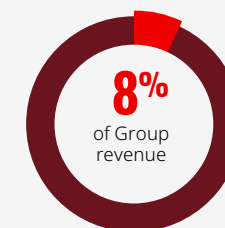
Highlights

54%
of revenue
from digital

15%
of revenue
from RS PRO

21%
of revenue from
service solutions

19.0
NPS



Overall results

	2025	2024	Change	Like-for-like ¹ change
Revenue	£219m	£214m	2%	0%
Operating profit ²	£6m	£5m	22%	43%
Operating profit margin	2.8%	2.3%	0.5 pts	0.9 pts
Digital revenue ³	£118m	£123m	(4)%	(2)%
Service solutions revenue ³	£47m	£43m	8%	10%
RS PRO revenue ³	£34m	£33m	2%	3%

1. Like-for-like adjusted for currency and to exclude the impact of acquisitions; revenue also adjusted for trading days.

2. See Note 2 on pages 151 to 154 for reconciliation to Group operating profit. Regional operating profit has been restated in the prior period as shown in Note 2.

3. See Note 2 on pages 151 to 154 for disaggregation of revenue analysis and reconciliations to region's revenue.

Asia Pacific's revenue increased by 2%, benefiting from the acquisition of Trident and more working days. Like-for-like revenue was flat with improved momentum and signs of recovery across most markets in the second half.

Southeast Asia accounts for 32% of regional revenue and is, for the first time, our largest sub-region by revenue. Performance accelerated in the second half to deliver high-single digit revenue growth as we focused on larger corporate customers, marketing RS PRO, a strong reception to our eProcurement solution push and the expansion of our network of fulfilment centres and inventory capacity. Our services strategy has been effective in adding value and capturing market share, delivering strong growth. We have expanded our product offer through enhanced vendor management capabilities and are sourcing more products locally to reduce freight cost.

Australia and New Zealand (35% of region's revenue) saw a slight like-for-like revenue decline, reflecting the challenging economic environment with large corporate customers' performance most impacted. Macroeconomic indicators including PMI showed improvement in the fourth quarter, with revenue performance strengthening. The acquisition of Trident in Perth, Australia, in April 2024, expands our service capability, local fulfilment centre capacity and opens opportunities with customers in the resources sector, which delivered strong growth.

Greater China's (22% of the region's revenue) performance strengthened as the market showed signs of recovery despite a higher exposure to the electronics markets and intensified US sanctions; like-for-like revenue growth was flat. China ended the year in growth which our improved industrial offer, high lifetime value customer-focus and RS PRO traction, which offset the significant loss of electronics business as an impact of the sanctions placed on Chinese customers.

Suppressed market demand has continued to impact Japan and Korea which saw like-for-like revenue decline. Positively, RS PRO and our eProcurement solution both performed well.

Digital like-for-like revenue declined mainly impacted by web performance, particularly in Greater China, Japan and Korea, due to local digital infrastructure challenges and weaker electronics' market demand. However, our eProcurement performance grew by high single-digit percentage.

RS PRO like-for-like revenue outperformed the region, supported by an enhanced go-to-market strategy, including targeted product marketing campaigns and focused product range catalogues.

Our gross margin improved by 0.5 percentage points like-for-like, due to effective cashflow hedging processes and lower inventory provisions.

Operating costs were flat like-for-like, benefiting from restructuring initiatives in adjusting our cost base in the prior year, partially offset by the continued investment in growth initiatives focusing on customer experience, digital marketing campaigns and local fulfilment capacity.

The operating profit margin increased by 0.9 percentage points on a like-for-like basis, reflecting favourable gross margin drop through and operational cost efficiencies we delivered to improve the region's profit conversion.

Asia Pacific's rolling 12 months' NPS score declined 2.8 points to 19.0 compared with 2023/24. As with EMEA, the decline was anticipated and reflects the implementation of our new product tracking system which had a temporary and small impact on order fulfilment scheduling. We expect the monthly NPS score to increase once Release 2 of our product tracking is rolled out, which makes availability and delivery information much more accurate and visible to the customer.

Risks, viability and going concern

HOW WE MANAGE OUR RISKS EFFECTIVELY

We use risk management and internal control processes to identify, assess, manage and monitor the risks which have the potential to affect the achievement of our strategy.

Risk governance

The Board has overall accountability for the Group's risk management, which is delegated to the ExCo and supported by the Group's risk team. The Board and ExCo are committed to setting and embedding a sound risk culture which is aligned with the principles and values of the Group. They recognise that the right risk culture is vital in assisting management and employees in the avoidance of many potential organisational difficulties. They aim to set the correct tone from the top and ensure that risk is an intrinsic element of the governance structure.

Risk appetite

We define our risk appetite as the amount of risk that the Group is willing to take to meet its strategic objectives and deliver projected returns. The Board has the responsibility of assigning a risk appetite against each of the risk themes and agreeing behaviours that align to each of the appetite categories. The appetite is underpinned by key factors such as our ways of working, treating customers fairly and our strategic objectives, along with national and international laws and regulations within the regions in which we operate. We have a low tolerance for regulatory risks or risks to the reputation of the business.

RS does not tolerate fraud or other financial crimes in any aspect of its operations and any suspected acts are fully investigated and the individual(s) involved prosecuted if appropriate. See pages 66 and 76 for more information regarding our Code of Conduct and policies.

Risk framework

Risk management is an essential part of business activities, to assist identifying the problems the Group may face and to help avoid or manage them where necessary. Effective risk management empowers management and the organisation to act with autonomy and accountability and supports the Group to use risk information as a guide to making informed decisions and to help prioritise resources.

The risk framework is designed to identify, assess and mitigate potential risks proactively, ensure regulatory compliance, enhance operational efficiency and foster stakeholder confidence. It is a strategic asset for safeguarding the Group's financial health, managing our reputation, and ensuring targets are achieved. The members of the ExCo are responsible for the operational day-to-day understanding and adherence to the risk framework and are also tasked with creating a positive risk culture and embedding key risks for discussion within their quarterly business reviews. Senior managers are responsible for producing risk registers for their areas of the business and being transparent in providing information to the risk team. This process involves market, business and functional leaders providing bottom-up visibility of possible risks.

Assessment of risks

The respective risk owner identifies the controls to mitigate each risk and assesses the impact (using both financial and non-financial criteria) and likelihood of the risk occurring (using consistent measures). These assessments consider the effects of the existing controls leading to the resulting net or residual risk.

This assessment process is supplemented by an annual risk and controls questionnaire which is completed by all relevant operating locations and Group-wide functions. This provides more detailed and operational risk information across the Group and is reviewed by the Group's risk team.

Emerging risks

Some risks cannot be easily quantified, often due to a lack of information to facilitate a clear understanding of the consequences. These risks are categorised as emerging, and they are monitored until more information is available.

OUR RISK MANAGEMENT PROCESS



Risks, viability and going concern continued

Accountable and responsible teams

OVERALL ACCOUNTABILITY

Board

Overall accountability for the Group's approach to risk management. Supported by the Audit Committee to ensure effective internal controls and risk management systems, the Board also approves the Group's risk appetite and the principal risks.

RISK OWNERS

Executive Committee

Responsible for owning and reviewing the Group's risk management process, principal and executive risks, mitigating internal controls and making recommendations to the Board.

Markets, regions and Group functions

Identifying, reviewing and communicating local risks using risk registers, where applicable.

SUPPORTING TEAMS

Group risk

Supports the business to identify, assess, manage, and report risks. This includes providing a consistent measurement process for risks and helping identify risks that should be reported at a Group level.

Other specialist functions

Other functions complementing the Group risk team that oversee areas including information security and technology, legal, compliance and environmental and health and safety teams.

ASSURANCE

Internal audit

Internal audit, as part of its scheduled audits, reviews the effectiveness of the Group's mitigating controls.



Risks, viability and going concern continued

OUR PRINCIPAL RISKS AND UNCERTAINTIES

Principal risks

The Board and ExCo confirm that they have undertaken a robust assessment of the Group's principal and emerging risks, including those that could threaten our business model, future performance, solvency or liquidity, and reputation and have assessed them against the Group's risk appetite.

Every principal risk is owned by at least one ExCo member, and the principal risks and their mitigations are discussed regularly at ExCo and presented to the Board. This allows the Board to review and determine whether the actions being taken by management are sufficient.

Removed principal risks

Access to debt and capital markets has been removed as a principal risk but continues to be closely monitored by the ExCo and Group risk. The Group is cash generative, has relatively low gearing and capital headroom. It has been removed in agreement with the Group Treasurer and ExCo.

Risk direction definition

- ↑ The risk is likely to increase within the next 12 months
- The risk is likely to remain stable within the next 12 months
- ↓ The risk is likely to reduce within the next 12 months

CYBER SECURITY

Risk theme: Operational



Risk owner: Group Chief Information Officer

Strategic pillar: Operational excellence

What is the risk and how could it affect us?

A successful attack on our systems, sites, data or a third party could mean that confidential information is lost or business critical systems become unavailable. This may lead to negative customer or supplier impacts, regulatory action, reputational damage, reduced liquidity, and/or loss of business and revenue.

What are we doing to manage the risk?

- Controls in place include technical and structural protection measures including:
 - Firewalls
 - Anti-malware software
 - Staff training and awareness
 - Procedures to update security patches
 - Regular security testing
 - Incident response processes
- Regular assessment and continuous development of security controls, including investing in employee education and awareness and further security testing capabilities. This includes running simulations of security incidents with both senior and operational leaders

What are our future areas of focus?

- Continuing to stay abreast of developments relating to cyber security, including regulatory changes such as The Network and Information Security (NIS2) Directive
- Working collaboratively with the National Cyber Security Centre and other third-party security intelligence organisations
- Strengthening the culture of scenario testing and rehearsals to ensure that organisational preparation is at the highest possible standard

Risks, viability and going concern continued

GEOPOLITICAL AND MACROECONOMIC ENVIRONMENT

Risk theme: Operational



Risk owner: Chief of Product and Supply Chain / President EMEA / President Americas / President Asia Pacific

Strategic pillar: Operational excellence

What is the risk and how could it affect us?

Increasing global destabilisation and macroeconomic uncertainties impact our international business activities, increasing operating costs, additional trade sanctions, tariffs, supply chain delays, and/or hinders the passage of products between our distribution sites with delays and higher costs.

What are we doing to manage the risk?

- Continuously monitoring the existing markets in which the Group operates to identify potential uncertainties that may impact our service within countries, regions or globally
- Through our supplier (direct and indirect) relationships, identifying potential supply vulnerabilities and ensuring appropriate resilience is in place
- Continued investments in trade compliance intelligence and capabilities
- Continued expansion of the breadth of our product range in both depth and breadth, reducing dependency on any specific supplier or sourcing market
- Considering this risk as part of the due diligence process when looking at potential acquisition targets

What are our future areas of focus?

- Increasing share of local and nearshore sourcing, reducing singular risk from one sourcing market

LEGAL AND REGULATORY COMPLIANCE

Risk theme: Regulatory compliance



Risk owner: Chief of Corporate Services and Company Secretary

Strategic pillar: Operational excellence

What is the risk and how could it affect us?

We fail to manage legal and regulatory compliance risks which could lead to:

- Serious health and safety incidents/breaches
- Non-compliance with trade, transport, or product regulations across different markets
- Breaches of other regulatory or legislative requirements (such as the UK Bribery Act 2010, the Criminal Finances Act 2017, the Economic Crime and Corporate Transparency Act 2023 and the upcoming guidance and offence of Failure to Prevent Fraud)
- Non-conformance with operational compliance, AI policies (creating risks of intellectual property infringement, exposure of confidential information and system vulnerabilities)

What are we doing to manage the risk?

- Health and safety: accident and near miss reporting, reduction strategies and actions provided by specialist support
- Ongoing reviews of relevant national and international compliance requirements
- Training and awareness programmes focusing on legal regulations and requirements
- Code of Conduct for all employees and whistleblowing facilities to raise concerns
- Ethical sourcing policy for suppliers
- Our trade compliance systems scanning customer orders to ensure trade compliance requirements are being followed
- AI policy framework, backed up with systemic controls and processes, to control the use of public generative AI tools
- Training to ensure AI literacy is in place in relevant parts of the business

What are our future areas of focus?

- Continuing to review and monitor generative AI use across the Group, alongside awareness campaigns to increase AI literacy
- Refreshing supply chain diligence, including Modern Slavery policy
- Ongoing focus on improving health and safety practices and processes
- Continued awareness campaign and promotion of the Group's whistleblowing Speak Up process
- Updated fraud policy and controls to ensure reasonable procedures are in place, alongside focused training for higher risk parts of the business
- Ongoing monitoring of AI usage through tools and triage forum

Risk direction definition

The risk is likely to increase within the next 12 months
 The risk is likely to remain stable within the next 12 months
 The risk is likely to reduce within the next 12 months

Risks, viability and going concern continued

BUSINESS RESILIENCE

Risk theme: Operational

**Risk owner:** Chief of Product and Supply Chain / Group Chief Information Officer**Strategic pillar:** Operational excellence / experience**What is the risk and how could it affect us?**

We are not adequately prepared for a major business disruption, either local or global, caused by an unplanned event disrupting critical infrastructure (physical and/or digital assets), and cannot carry out key processes and functions.

What are we doing to manage the risk?

- Using our global supply chain network with the ability to fulfil customer orders by another distribution site and maintain service
- Ongoing assessments of critical third-party inventory suppliers and appropriate inventory levels to mitigate risk, where identified
- Resilient IT systems infrastructure featuring operating redundancies and disaster recovery
- Annual disaster recovery testing of core IT systems, both digital and supply chain
- Strict control over upgrades to core transaction systems and other applications
- Defined technology major incident reporting in place and tested

What are our future areas of focus?

- Continued expansion of product ranges stocked closer to customers to reduce dependency on individual distribution sites within the network
- Continuing to update legacy systems and test disaster recovery of existing systems
- Collating individual operational area business continuity plans for review

CHANGE INITIATIVES

Risk theme: Operational

**Risk owner:** Chief Financial Officer / Group Chief Information Officer**Strategic pillar:** Operational excellence / experience**What is the risk and how could it affect us?**

We are not able to implement a successful business and technology change programme to deliver the strategic agenda. This could lead to a lack of engagement and prioritisation for deployment and embedding the required change initiatives into the business.

What are we doing to manage the risk?

- Implemented a robust strategic delivery end execution framework, including active sponsorship and leadership by the senior leadership team supported by a defined governance process
- A new business case and investment framework process
- A portfolio Review Forum including relevant senior leaders to review risks, financial performance, and the change management approach
- Managing prioritisation sessions to assess projects by reference to the capacity to deliver and the ability of the organisation to absorb change and affordability

What are our future areas of focus?

- Deploying a change management methodology and creating a community of practice
- Assessing the project and programme management capability

Risk direction definition

The risk is likely to increase within the next 12 months
 The risk is likely to remain stable within the next 12 months
 The risk is likely to reduce within the next 12 months

Risks, viability and going concern continued

TALENT AND CAPABILITY

Risk theme: Operational

**Risk owner:** Chief People Officer**Strategic pillar:** Operational excellence**What is the risk and how could it affect us?**

If we are not able to attract, develop and retain the necessary high-performing employees and capabilities, we will not be able to meet our strategic goals and maintain customer service levels and relationships.

What are we doing to manage the risk?

- Developing a strategic workforce plan to create the right culture that delivers on our employee vision
- Increasing focus on succession planning and action follow up
- Investing in leader and manager capability development
- Improving the cascade of objectives and performance management
- Launching Employee Value Proposition

What are our future areas of focus?

- Continuing strategic workforce planning to ensure we have the capabilities to deliver the strategy
- Identifying core skills in the workforce and gap analysis, developing a plan to bridge the gap.
- Assessment of Early Careers programmes to determine what type of proposition is needed to attract and retain talent for the future
- Launching the global recognition programme

MARKET DISRUPTION

Risk theme: Strategy and change

**Risk owner:** Chief of Customer Experience / President EMEA / President Americas / President Asia Pacific**Strategic pillar:** Operational excellence / customers / products and suppliers / solutions / experience**What is the risk and how could it affect us?**

Increasing uncertainty and unexpected changes in market buying behaviours result in lower than forecast financial results. Causes may include a lack of customer analysis, changes in macro economic environment, e.g. tariffs and technological/AI advances.

What are we doing to manage the risk?

- Continuously assessing what is 'value' to our customers and the optimal ways to deliver this at an appropriate return for the Group
- Improving our online user experience through differentiated product content to make it easier for customers to compare and select the right product across an unrivalled product range
- Mitigating cyclical risk by building increased flexibility into our cost base and targeting less cyclical customer verticals and product categories

What are our future areas of focus?

- Continued targeted expansion of our product range in both depth and breadth to ensure we meet our customers' existing and future needs, including horizon-scanning on future technologies and driving consolidation of customers' purchases with us
- Further development of solutions providing more value to customers and enhancing customer loyalty
- Accelerating our execution of strategic initiatives to improve our competitive position in the market

Risk direction definition

The risk is likely to increase within the next 12 months
 The risk is likely to remain stable within the next 12 months
 The risk is likely to reduce within the next 12 months

Risks, viability and going concern continued

CLIMATE CHANGE

Risk theme: Operational

**Risk owner:** Chief of Corporate Services and Company Secretary**Strategic pillar:** Operational excellence / product and suppliers**What is the risk and how could it affect us?**

We do not adequately manage the potential impacts on the business due to climate change effects. This could be either:

- The physical risks of more extreme weather conditions (including heatwaves, storms or floods) which could impact employee health and wellbeing, our supply chain channels and customer service, reducing revenue and increasing operating and capital costs in order to mitigate the risks
- The transition risks associated with the migration to a low-carbon industrial sector, including declining demand from heavy and energy intensive industries or single-use RS products and increased costs of logistics (due to carbon taxes on fuels and investment in clean technologies), could lead to reduced revenue or reduced customer net promoter score

What are we doing to manage the risk?

- Continuing to expand our sustainable products, including our Better World product range, to support our customers' climate goals
- Improving our supply chain and operational capabilities, to reduce emissions from our distribution sites and product shipments
- Introducing five climate-related questions into the Group's risk control questionnaire to increase awareness and accountability at a site level, while enabling us to continue horizon scanning and maintain oversight
- Broadening our risk management approach for both risks and opportunities to prepare for emerging ESG regulatory compliance, including the Corporate Sustainability Reporting Directive (CSRD) and the International Sustainability Standards Board
- Providing Board and ExCo with climate education and skills development to assist in risk mitigation and ensure integration into strategy, business planning and decision making (see page 65)

What are our future areas of focus?

- Continuing to grow our customer offerings and revenue from sustainable products, service solutions and low-carbon industries, optimise our supply chain and focus on business continuity planning and building upgrades at our distribution sites most exposed to physical climate impacts
- Addressing the impact on the Group's carbon reduction progress due to recent acquisitions

M&A ACTIVITY

Risk theme: Operational

**Risk owner:** Chief Financial Officer**Strategic pillar:** Operational excellence / customers / products and suppliers / solutions / experience**What is the risk and how could it affect us?**

We do not realise the appropriate value from our acquisitions.

What are we doing to manage the risk?

- Thorough screening for fit with our agreed strategy and our culture
- Rigorous due diligence and contract negotiation processes, including full involvement of expertise across our businesses, functions and, where appropriate, external advisors
- Clearly defined returns criteria for investments, expertise in a comprehensive suite of valuation techniques and a commercial approach to negotiation
- Robust integration planning processes linked to the due diligence process; ownership of the business plan and synergy targets; detailed synergy capture plan and governance of post-acquisition delivery process

What are our future areas of focus?

- Continuing to audit and refine internal processes
- Continuing to train and develop latest industry-standard techniques for valuation, acquisition, and integration
- Oversight to ensure investments are meeting/exceeding targets from the acquisition business case

Risk direction definition

The risk is likely to increase within the next 12 months
 The risk is likely to remain stable within the next 12 months
 The risk is likely to reduce within the next 12 months

Risks, viability and going concern continued

Viability statement

Assessment of prospects

Our business model and strategy, as described on page 11, is structured so that the Group is a digitally enabled global distributor of product and service solutions, providing small volumes of our suppliers' products to satisfy our industrial customers' MRO demands. We supply a very broad spread of customers both in terms of industry sector and geography. The Group is not reliant on one particular group of customers or suppliers, as its customer and supplier base continues to be diverse. Our business model is differentiated by: our global network of distribution sites; our customer-centric team; our strong supplier relationships; our broad and deep product offering and service solutions capabilities; and our strong digital presence. The Group has high inventory availability with products sourced from a large number of suppliers and provides customers with a reliable and fast service.

The Group's results and financial position are reviewed monthly by both our ExCo and the Board. Every day the ExCo receives an analysis of the previous day's revenue and gross margin. The Board receives and reviews regularly the monthly management accounts, including cash flows, and also receives regular performance and forecast updates from the CFO and CEO.

We update our detailed rolling forecast of the Group's income statement, balance sheet and cash flows frequently which are regularly reviewed, and the assumptions approved, by the Board.

The Group's long-term prospects are assessed primarily through our strategic and financial planning process. This includes the preparation of a five-year strategic plan and an annual budget setting process, involving both Group and regional management, which are updated annually and reviewed and approved by the Board. The ExCo receives and reviews progress against the strategic plan objectives regularly. The Board also receives updates and, if appropriate, the strategic plan is updated depending on progress and performance.

The Board also considers the long-term prospects of the Group as part of its regular monitoring and review of risk management and internal control systems, as described on page 36 and pages 86 to 88.

Our regular cash flow forecasts enable us to track our net debt position and to take any necessary actions on a timely basis. Our capital position is supported by regular reviews of the Group's funding facilities and banking covenants' headroom, through the Group's Treasury Committee. In 2024/25 we agreed an extension to our €150 million loan, which now matures in October 2028. Our £400 million multi-currency revolving facility now matures in November 2029. Only £113 million of this facility was drawn down at 31 March 2025.

As described throughout this Annual Report and Accounts, the Group's performance was impacted by the challenging macroeconomic environment over the past year and the further unwinding of our pandemic-related trading benefit. As a result, like-for-like revenue declined by 2%. An improvement in working capital led to an increase of 40% in adjusted free cash flow to £215 million and net debt of £364 million (including lease liabilities of £57 million) at 31 March 2025. We also paid dividends during the year of £105 million (2023/24: £104 million). We have ended the year with a strong balance sheet.

Details of our sources of finance are outlined in Note 23 on pages 179 to 183. The earliest facilities maturing being two tranches of our private placement loan notes in 2026/27 totalling £76.9 million.

The Group's debt covenants are EBITA to interest to be greater than 3:1 and net debt to adjusted EBITDA to be less than 3.25:1. At 31 March 2025 EBITA to interest was 10.9x (2023/24 restated: 10.3x) and net debt to adjusted EBITDA was 1.1x (2023/24 restated: 1.2x) (see Note 3 on pages 154 to 158 for reconciliations) and under our strategic plan these are also comfortably met.

Viability assessment period

In its assessment of the Group's viability, the Board has reviewed the assessment period and has determined that a three-year period to 31 March 2028 continues to be most appropriate. The robustness of the strategic plan is higher in the first three years. The Group has few contracts with either customers or suppliers extending beyond three years and, in the main, contracts are for one year or less. The business operates with a minimal forward order book, generally taking orders and shipping them on the same day. In addition, as more business becomes digital and we become more agile, speed of change increases and so visibility is relatively short term. Of the Group's long-term obligations, the UK pension scheme is the largest and its triennial funding valuation forms the basis of our agreeing its funding with its trustee. Our share-based payment schemes are also mainly for three years.

Assessment of viability

Each of the Group's principal risks and uncertainties on pages 38 to 42 has a potential impact on the Group's viability and so the Board considered various scenarios and examined a number of factors that could impact each in the future. It decided which scenarios would have the most impact on the viability of the Group and determined an appropriately severe, but plausible, stress test for each of these scenarios.

The strategic plan approved at the January 2025 Board meeting is considered to reflect the Board's current best estimate of the future prospects of the Group. Therefore, in order to assess the viability of the Group, the scenarios and stress tests were modelled by overlaying them onto the downside version of the strategic plan to quantify the potential impact of one or more of them crystallising over the assessment period.

In performing the above tests it was assumed that capital expenditure is unchanged from that in the strategic plan, there are no cost mitigation actions taken, dividends continue to be paid and there are no changes in or extensions to debt financing.

The results of the above stress tests showed the Group would be able to withstand the impact of these scenarios occurring.

Reverse stress tests were also undertaken to assess the circumstances that would threaten the Group's current financing arrangements. These included significant declines in revenue, significant declines in both revenue and gross margin and a major deterioration in cash collection and would have to result in adjusted operating profit margin falling to under 3% in at least one of the following three years. Also, a reverse stress test of an acquisition of a significantly loss-making business was undertaken and would have to cost more than £300 million to use up our debt facilities. All these reverse stress tests assumed that no major reorganisations or significant working capital initiatives occur in mitigation, capital expenditure is unchanged from that in the strategic plan, dividends continue to be paid and there are no changes in or extensions to debt financing. The Board considers the risk of these circumstances occurring to be remote.

Risks, viability and going concern continued

Scenario and related stress tests modelled

Revenue and gross margin down

Five percentage points decrease in growth in each of 2025/26, 2026/27 and 2027/28 from the downside strategic plan. Gross margin falls by two percentage points and does not improve. Freight and variable labour rates continue at the same percentage of revenue. No cost-saving initiatives are implemented.

Link to principal risk and uncertainties

- Change initiatives
- M&A activity
- Talent and capability
- Geopolitical and macroeconomic environment
- Market disruption
- Climate change
- Legal and regulatory compliance

Cash collection down

Cash collection from trade receivables deteriorates leading to trade receivables impaired by 2% of revenue in 2025/26

Link to principal risk and uncertainties

- Geopolitical and macroeconomic environment

Significant infrastructure failure

A major incident at the distribution site with the largest impact, destroying the building and its contents

Link to principal risk and uncertainties

- Business resilience
- Climate change

Major cyber breach/information loss

Major system failure (possibly caused by a cyber attack) leading to a serious loss of service, fines for data breach and loss of reputation leading to halving of revenue growth

Link to principal risk and uncertainties

- Cyber security
- Business resilience

The above scenarios are hypothetical and extremely severe for the purpose of creating outcomes that have the ability to threaten the viability of the Group; however, multiple control measures are in place to prevent and mitigate any such occurrences from taking place. If any of these scenarios actually happened, various options are available to the Group to maintain liquidity so as to continue in operation.

Confirmation of viability

Based on the assessment outlined above, the Board has a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the three years to 31 March 2028.

Going concern

The going concern period is defined as a period of at least 12 months from 20 May 2025.

The same reverse stress tests were applied for the going concern period as for the viability modelling. These included significant declines in revenue, significant declines in both revenue and gross margin, a major deterioration in cash collection, and major under-performing acquisition. These reverse stress tests assumed that capital expenditure and operating costs are unchanged from those in the forecast, no significant working capital initiatives occur in mitigation, dividends continue to be paid and there are no changes in or extensions to debt financing.

Based on the assessment outline above and the output of our detailed rolling forecasts, the Board believes that it is appropriate to continue to adopt the going concern basis in preparing the Group's accounts.

Environmental, social and governance (ESG)

ENABLING SUSTAINABILITY FOR STRONGER VALUE CREATION

IN THIS SECTION

Our 2030 ESG action plan	46
Advancing sustainability	48
Empowering our people	56
Championing youth & communities	61
Doing business responsibly	64
TCFD	68
Non-financial and sustainability information statement	76
Section 172 statement	77

+ Read more about our ESG approach at:
rsgroup.com/sustainability

Our 2030 ESG action plan

FOR A BETTER WORLD

Our purpose, making amazing happen for a better world, reflects our commitment to delivering results for people, planet and profit. To create value for all our stakeholders, our 2030 ESG action plan targets four global goals and 14 ambitions where we are driving positive change related to our most material ESG areas.

We are accelerating our 2030 ESG action plan to support our c. 1 million customers, c. 8,500 people and over 2,500 global suppliers. By targeting the Group's most material ESG actions, as identified through our updated double materiality assessment (DMA), we are enabling our strategy, strengthening relationships and generating more value for our stakeholders.

The outputs of our 2024/25 DMA are mapped to the right under the relevant action plan areas with a symbol to reference their type of materiality.

+ Read more about our approach in our ESG Report: rsgroup.com/sustainability

In the process of updating our DMA we have reassessed the impacts and opportunities related to our people and communities and their level of materiality. As a result, we have re-ordered our ESG action plan goals to bring the Empowering our people goal forward and refocused the Championing education and innovation goal around Championing youth & communities. We have also streamlined our DMA results to clarify our most material topics. These changes align more closely with our strategy and initiatives, stakeholder focus and materiality assessment.

OUR 2030 ESG ACTION PLAN



+ Read more on page 47

OUR MATERIAL ESG TOPICS



ENVIRONMENT



ADVANCING SUSTAINABILITY

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

+ Read more on pages 48-55



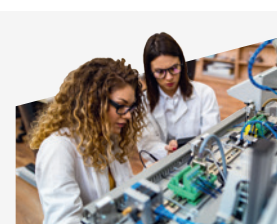
SOCIAL



EMPOWERING OUR PEOPLE

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.

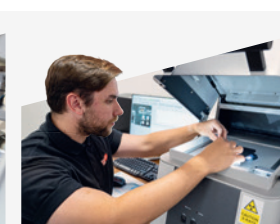
+ Read more on pages 56-60



CHAMPIONING YOUTH & COMMUNITIES

Inspiring the next generation of engineers and innovators and supporting our communities worldwide to improve people's lives and create a more sustainable world.

+ Read more on pages 61-63



GOVERNANCE



DOING BUSINESS RESPONSIBLY

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

+ Read more on pages 64-67

D Climate change p.49

I Energy p.51

I Circular economy and waste p.52, p.55

I Culture and engagement p.57

I Health and safety p.60

I Diversity and inclusion p.58

I Training and skills development p.59

I Community engagement p.63

I Corporate governance p.65, p.66

I Corporate culture p.66

F Responsible supply chain p.67

D Customer and supplier partnerships p.11 to p.13

F Macroeconomic environment p.39

Key

I **Impact material**
RS Group's impact on the wider world

F **Financially material**
Financial risks and opportunities of sustainability - related topics for RS Group

D **Double material**
Both a financial risk or opportunity for RS Group and an impact created by RS Group

Our 2030 ESG action plan continued

A summary of progress against each of our global goals and key action areas can be found in the table below, with detailed progress updates against all 14 ambitions outlined on pages 48 to 67. All ESG data includes post-acquisition data for businesses acquired by the Group up to 2024/25, unless stated otherwise. To read more about our ESG approach, including our methodology for collecting and calculating ESG data, accounting for acquisitions and historical performance see: rsgroup.com/sustainability

GLOBAL GOALS	KEY ACTION AREAS	PERFORMANCE HIGHLIGHTS		
 ADVANCING SUSTAINABILITY	Net zero emissions in direct operations by 2030 and value chain before 2050 with four science-based targets (SBTs) covering our most material emissions areas: operations, logistics, products and suppliers.	64% reduction in Scope 1 and 2 emissions since 2019/20 ¹	82% of our packaging has >50% recycled content, an increase of 16% pts since 2023/24 ²	26% reduction in Scope 3 transport emissions intensity ³ since 2019/20
 EMPOWERING OUR PEOPLE	Achieve and maintain an employee engagement score in the top 10% of high-performing companies.	72 employee engagement score down from 75 in 2023/24	37% of our senior leaders are women and 10% are ethnically diverse ⁴	36% reduction in our all accident frequency rate ⁵ since 2019/20
 CHAMPIONING YOUTH & COMMUNITIES	Inspiring one million young people to become future engineers and innovators.	913K young engineers and innovators supported since 2020/21	£963K raised for The Washing Machine Project (TWMP) to improve lives since 2020/21	30% of our employees volunteered to support their local communities in the last two years
 DOING BUSINESS RESPONSIBLY	Increasing screening and ESG objectives for suppliers. ESG metrics in employee rewards.	48% of employees have their annual incentives aligned to carbon reduction targets	38% of suppliers by spend set science-based targets	75% of RS PRO suppliers are Sedex members

1. Scope 1 and 2 emissions have been updated to reflect improvements to our reporting methodologies with more detail provided in our basis of reporting: rsgroup.com/sustainability. Progress includes emissions from acquisitions within all reporting years from 2019/20 to 2024/25.

2. Packaging recycled content metric updated to exclude wood from pallets, which is sustainably sourced material, rather than recycled content. All prior years have been updated to reflect this change.

3. Tonnes of CO₂e due to Scope 3 transportation emissions per tonne of product sold.

4. 97 of 139 senior leaders self-reported ethnicity via the employee database (including not specified/prefer not to say, excluding markets where RS cannot collect this data) and 10 identified as non-white.

5. Per 200,000 hours worked.

Environment

ADVANCING SUSTAINABILITY



As a critical partner to the global industrial sector, we play an important role in advancing sustainability and tackling climate change.

By developing a cleaner and greener distribution service and providing sustainable product and service solutions, we can make a real and lasting impact and differentiate our brand as a strategic partner to our customers and suppliers.

2030 AMBITIONS	METRICS	ACTIONS	STATUS	READ MORE
By 2030 in our direct operations:				
Carbon emissions: Be net zero with an SBT to reduce absolute emissions from our own operations by 75% ¹	64% reduction in Scope 1 and 2 emissions since 2019/20 ²	- Site energy efficiency and decarbonisation projects resulting in an 11% reduction in gas consumption across the Group in 2024/25 - Included in CDP's prestigious A-list for the first time, having improved our CDP rating this year from A- to A	●	+ See pages 49 to 52 rsgroup.com/sustainability
Packaging: Make our packaging more sustainable: reduce intensity by 45% ^{1,3} with 100% of packaging widely reusable or recyclable and made with at least 50% recycled content	37% reduction in packaging intensity since 2019/20 ⁴	Optimising our carton sizes and selecting more sustainable packaging materials	●	
Recycling and waste: Reduce, reuse and recycle our waste: reduce intensity by 50% ¹ , recycle > 95% and achieve zero waste to landfill in our direct operations	84% of total waste recycled	Shared learnings and best practice across our sites to reduce packaging and increase recycling rates	●	
Working towards a net zero global value chain by 2050:				
Product transportation: Reduce Scope 3 transport emissions by 35% per tonne of product sold ^{1,5,6}	26% reduction in intensity of Scope 3 transport emissions since 2019/20 ⁶	Switching customer deliveries from an air to a road-based service reduced European emissions intensity by 6% from 2023/24	●	+ See pages 53 to 55
Products and solutions: Develop innovative and sustainable product and service solutions for all our customers, including offering 100,000 Better World products ¹	c. 30K products in the Better World product range	c. 30,000 Better World products across 345 product families from 132 suppliers available in 30 countries - Providing customers with more options for specific product types, such as PPE and workwear and introduced a new sales tool	●	
Supplier sustainability: Commit to engaging 67% of suppliers by spend to set SBTs by 2025	38% of suppliers by spend have set SBTs	Introduced ESG as the eighth pillar of our EMEA strategic supplier approach	●	+ See page 67
Status key: Each of our actions are broken down into annual targets that need to be met to remain on track to achieve our 2025 and 2030 goals. The key below reflects our current position: ● On track or ahead ● Slightly behind target – monitor closely ● Not on track – further action required				
1. By 2029/30 from 2019/20. 2. Scope 1 and 2 emissions have been updated to reflect improvements to our reporting methodologies with more detail provided in our basis of reporting. Progress includes emissions from acquisitions within all reporting years from 2019/20 to 2024/25. 3. Target reset in 2024/25. Previously 30% reduction in packaging intensity from 2019/20 to 2029/30. See page 52. 4. Tonnes per £m revenue. 5. Target reset in 2024/25. Previously 25% reduction per tonne of product sold. See page 53. 6. Tonnes of CO ₂ e due to Scope 3 transport emissions per tonne of product sold.				

Environment continued

Our net zero plan

Our ambition is to be net zero in our direct operations by 2030 and across our wider value chain by 2050. This means implementing our science-based emissions reduction targets across Scope 1, 2 and 3 emissions and using certified Gold Standard offsets for any additional residual, hard-to-abate emissions. To achieve this, we have set four SBTs, which are validated by the Science Based Targets initiative (SBTi) and cover the Group's most material emissions areas, including our direct operations, logistics, suppliers and products. These targets and their supporting initiatives drive our decarbonisation approach in line with the 2015 Paris Agreement to limit global warming to 1.5°C above pre-industrial levels. Our detailed climate performance covering our direct and indirect activities can be found on pages 50 to 51, our Task Force on Climate-related Financial Disclosures (TCFD) response on pages 68 to 73 and our independent assurance statement from ERM CVS on pages 74 and 75.

NET ZERO ACROSS OUR DIRECT OPERATIONS BY 2030

pages 50 and 51

We are committed to taking action to decarbonise our direct operations. Our three priority areas are:

1. Decarbonising our buildings

Upgrading our distribution sites to be more automated, energy efficient and sustainable to provide a better service to our customers and reduce our environmental impacts.

Key actions in 2024/25:

- 34 energy efficiency projects at our sites including replacing gas boilers, introducing sub metering through building management systems, switching to LED lighting and installing rapid roller doors
- Resulted in an 11% reduction in gas consumption across the Group in 2024/25

Impact

41%

reduction in energy intensity since 2019/20

2. Switching to renewable electricity

Generating and procuring renewable electricity by installing solar panels at our sites and procuring green electricity.

Key actions in 2024/25:

- Solar power provided 29% of the electricity consumed across our sites in Germany, Spain and South Africa
- Conducted survey at Risoul's fulfilment centre (FC) in Monterrey, Mexico to explore viability for installing solar panels on the roof
- Group Energy Management Policy to procure green electricity for all sites. Where this is not possible, we purchase Energy Attribute Certificates for select sites

Impact

93%

renewable electricity use in 2024/25

3. Creating a net zero fleet

Transitioning our company car and van fleet to electric and hybrid vehicles and encouraging adoption by our people.

Key actions in 2024/25:

- 39% Group company cars and 86% of UK fleet are electric or hybrid
- Risoul transition to hybrid company cars commenced with the team leasing 37 hybrid cars
- RS Safety Solutions transitioning to HVO¹ fuel for their HGV logistics fleet in the UK. Resulted in a 23% reduction in HGV-related carbon emissions for RS Safety Solutions fleet in 2024/25

Impact

39%

Group company cars and 86% of UK fleet are electric or hybrid

NET ZERO ACROSS OUR VALUE CHAIN BY 2050

pages 53 to 55

Over 99% of our emissions sit within our global value chain, which is where we have the greatest opportunity to drive change and create value for our stakeholders. Our three priority areas are:

1. Sustainable product and service solutions

Expanding our range of sustainable product and service solutions to help customers reduce costs, save resources and achieve their environmental goals.

Key actions in 2024/25:

- c. 30,000 Better World products from 345 product families available in 30 countries (see page 54)
- 132 suppliers in range; 44 joined in 2024/25 (see page 54)
- Low-carbon industry sectors – identified 10 strategic suppliers with over 200 initial product lines to develop bespoke wind turbine spares catalogues (see page 55)

Impact

c. 30K

Better World products offered to customers in 2024/25

2. Product transportation

Cutting the distance our products travel by sourcing, storing and shipping closer to customers and suppliers and switching to less carbon intensive modes of transport.

Key actions in 2024/25:

- Transport emissions intensity at Group level is unchanged in 2024/25
- Continued modal shift (from air to road and sea), regional supply chain restructuring and supply chain optimisation
- Switched customer deliveries from an air to a road-based service, reducing European emissions intensity by 6% from 2023/24 (see page 53)

Impact

26%

reduction in product transport intensity since 2019/20²

3. Supplier sustainability

Collaborating with our suppliers to drive carbon reductions across the value chain, including sourcing, designing, manufacturing and shipping products more sustainably.

Key actions in 2024/25:

- ESG introduced as the eighth pillar of our strategic supplier approach in EMEA
- Updated ESG Supplier Handbook and introduced new supplier video designed to engage suppliers on material ESG topics
- Engaged with over 110 suppliers to target development of more sustainable products for inclusion in the Better World product range

Impact

38%

of suppliers by spend set carbon targets with SBTi

1. Hydrotreated vegetable oil. 2. Tonnes of CO₂e due to Scope 3 transport emissions per tonne of product sold.

Enabled by:



Access to technologies



Government policies and incentives



Energy grid decarbonisation



Gold Standard certified offsets

Environment continued

ADVANCING SUSTAINABILITY WITHIN OUR BUSINESS

CARBON EMISSIONS IN OUR DIRECT OPERATIONS

By 2029/30, our ambition is to be net zero in our direct operations. We have set a SBT validated by the SBTi to reduce absolute emissions from our own operations by 75% and will use Gold Standard certified offsets closer to 2030 for any residual, hard-to-abate emissions.

Scope 1 and 2 (market-based)
emissions (tonnes CO₂e)
Excluding recent acquisitions¹

6,300

7% reduction from 2023/24

Including recent acquisitions²

6,500

4% reduction from 2023/24

Carbon intensity (tonnes CO₂e)

2.2

8% reduction from 2023/24

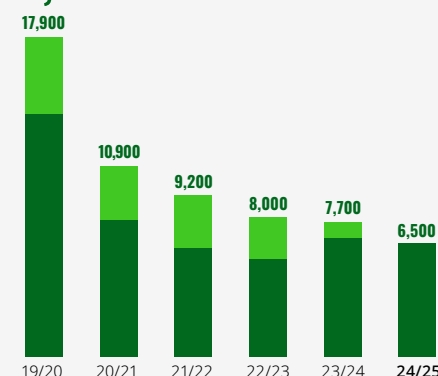
In 2024/25, we continued to make good progress in reducing Scope 1 and 2 emissions. We reduced our direct carbon footprint by 7% this year from 6,800 tonnes in 2023/24 and by 4% including recent acquisitions^{1,2}.

This has been achieved through energy efficiency and low-carbon technology projects, switching to renewable electricity and transitioning towards a net zero fleet. Since 2019/20, we have reduced our direct carbon footprint by 64%².

We achieved a 4% reduction in energy consumption in 2024/25 and a 10% reduction from 2019/20. Our gas consumption in the year reduced by 11% from 2023/24. The Group's energy intensity has reduced by 41% since our baseline year of 2019/20.

Scope 1 and 2 (market-based)
emissions (tonnes CO₂e)

6,500



- CO₂e (tonnes) including emissions from acquired businesses prior to RS ownership²
- CO₂e (tonnes) including emissions from acquired businesses from the point of RS ownership³

We have made good progress in transitioning to a net zero fleet. We increased the proportion of company cars that are electric or hybrid for the Group to 39% (2023/24: 30%) and for the UK to 86% (2023/24: 79%). This has contributed to a reduction in our diesel usage across the Group by 3% from 2023/24.

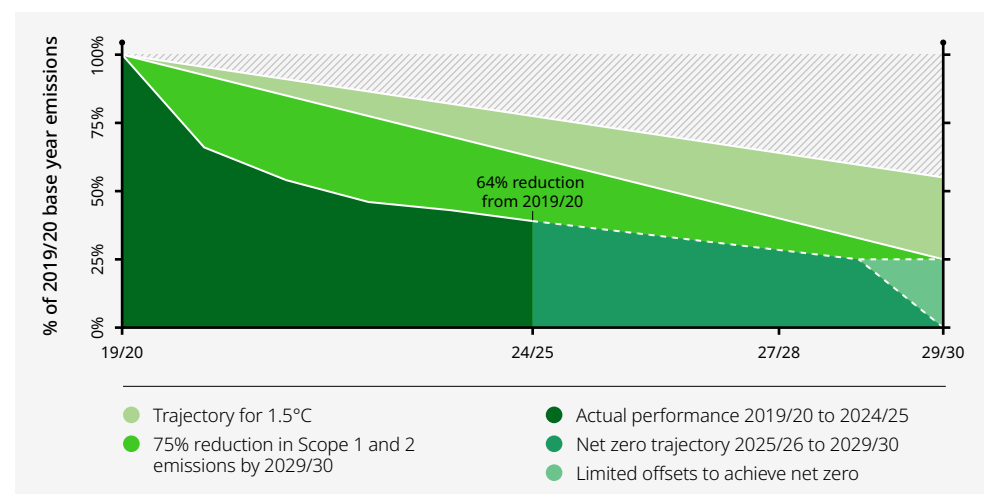
In 2024/25, RS locals in the UK transitioned 12 light commercial vehicles to electric. Risoul in Mexico switched 37 vehicles to hybrid with its full company car fleet to be transitioned by 2028.

Carbon reduction is a core KPI for the Group and 48% of employees were incentivised to achieve Scope 1 and 2 emissions reduction goals in 2024/25.

We remain committed to achieving our Group net zero ambition and to working with our acquired businesses to decarbonise their operations, while engaging with our customers and suppliers to drive collective action to decarbonise our value chain.

Our ESG team is continuing to support operational teams at our acquired businesses of domnick hunter, Risoul, Distrelec and Trident to develop decarbonisation plans aligned to the Group's net zero ambition and SBTs. This includes utilising renewable electricity, delivering energy saving initiatives, switching to hybrid and electric vehicles and optimising logistics.

OUR PATHWAY TO NET ZERO IN OUR DIRECT OPERATIONS



Scope 1 and 2 emissions have been updated to reflect improvements to our reporting methodologies with more detail provided in our basis of reporting.

- In year progress reduction is on a like-for-like basis with 2023/24 and excludes full year emissions from Trident and quarter one (Q1) emissions from Distrelec.
- Progress includes emissions from acquisitions within all reporting years from 2019/20 to 2024/25.
- Includes post-acquisition data from acquired businesses Trident Australia Pty Ltd (Trident) (completed in 2024/25), Distrelec B.V (Distrelec) (completed in 2023/24), domnick hunter-RL (Thailand) Co., Ltd. (DH) (completed in 2022/23) and Risoul y Cia, S.A. de C.V. (Risoul) (completed in 2022/23).

Environment continued

Greenhouse gas (GHG) emissions (Scope 1 and 2) and Streamlined Energy and Carbon Reporting (SECR) disclosure

In accordance with UK SECR requirements, our 2024/25 Group Scope 1 and 2 emissions are summarised in the table below and include up to date acquisition data and methodology improvements.

In 2024/25, the Group commissioned independent external assurance from **ERM CVS** of metrics marked with an asterisk (*). Their independent assurance report is set out on pages 74 to 75.

Metric	Unit	2025	2024
Scope 1 GHG emissions	tonnes CO ₂ e	5,734	5,808
Scope 2 GHG emissions (market-based)	tonnes CO ₂ e	778	975
Scope 2 GHG emissions (location-based)	tonnes CO ₂ e	7,083	7,655
Total Scope 1 and Scope 2 (market-based) GHG emissions*	tonnes CO ₂ e	6,512	6,783
Emissions from premises sources	tonnes CO ₂ e	3,192	3,457
Emissions from vehicle sources	tonnes CO ₂ e	3,320	3,326
Intensity metric: Total Scope 1 and Scope 2 (market-based) GHG emissions per £m revenue*	tonnes CO ₂ e/£m	2.2	2.4
Total energy consumption	GWh	54	56
Electricity use from renewable sources	% Group electricity	93%	90%
Electricity use from own renewable generation	% Group electricity	2%	2%

Notes to SECR disclosures

- 2024/25 metrics marked (*) have been independently assured by ERM CVS. See independent assurance report on pages 74 to 75.
- UK SECR: 41% of Scope 1 emissions, 39% of Scope 2 (location-based) emissions, zero market-based emissions and 45% of energy consumption from UK operations.
- GHG emissions are reported in accordance with the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (Revised), under a financial control boundary.
- Department for Energy Security and Net Zero and Department for Business, Energy & Industrial Strategy (BEIS) (2024) emission factors are applied, unless emission factors from other sources are deemed more appropriate.
- Reported emissions include emissions from acquired businesses from the point of RS ownership.
- Intensity metric figures are on a constant exchange rate basis and these, alongside the Scope 1 and 2 figures, have been updated to reflect improvements to our reporting methodologies.
- Further details can be found in our basis of reporting document alongside our full suite of ESG metrics in our ESG data centre on our website: rsgroup.com/sustainability.

Scope 3 emissions

As a global distributor of industrial product and service solutions, Scope 3 emissions represent over 99% of our total carbon footprint.

In 2024/25, emissions from the Group's three most material Scope 3 emissions categories (covering our products, suppliers and logistics) totalled some 3.7 million tonnes CO₂e¹. We have set SBTs for each of these categories which were validated by the SBTi in 2023/24.

It is vital that we collaborate with our suppliers and customers to work together to reduce our value chain emissions. In doing so, we are driving collective climate action and creating greater value for all our stakeholders. For details of our actions on this see pages 53 to 55 and 67.

Our Scope 3 emissions performance breakdown by material category can be found in the table below. Our complete Scope 3 emissions inventory including all relevant categories can be found in our ESG Report and ESG data centre. Our reporting methodologies are detailed in our basis of reporting document. All documents can be found at: rsgroup.com/sustainability

Scope 3 GHG emissions¹

Key Scope 3 emissions categories (tonnes CO ₂ e)	% change from 2020	2025	2024	2023
Category 1: Purchased goods and services* SBTi target: % of suppliers by spend with SBTs	(33)% +23% pts	2.2m 38%	2.9m 32%	2.9m 25%
Category 4: Upstream transportation and distribution^{2*} SBTi target: Product transportation carbon intensity (tonnes CO ₂ e per tonne of product sold)*	(16)% (26)%	49,600 1.23	48,400 1.23	49,400 1.23
Category 11: Use of (RS PRO) sold products^{3*} SBTi target: RS PRO products in-use carbon intensity (tonnes CO ₂ e per tonne of product sold)*	+2% (19)%	1.4m 122	1.5m 131	1.7m 151
Remaining Scope 3 categories	–	24,000	25,000	22,000
Total Scope 3 GHG emissions (tonnes CO₂e)	(23)%	3.7m	4.5m	4.7m

1. Scope 3 emissions have been updated to reflect improvements to our reporting methodologies with more detail provided in our basis of reporting: rsgroup.com/sustainability. Our complete Scope 3 dataset and our methodologies for key categories can be found in our basis of reporting document and our ESG data centre on our website: rsgroup.com/sustainability.
2. Includes only inbound, outbound and inter-site deliveries controlled by RS Group.
3. Scope 3 Category 11 figures have been updated to correct an error identified in the classification of a specific product group.

2024/25 metrics marked (*) have been independently assured by ERM CVS. See independent assurance report on pages 74 to 75.

Environmental Management Systems (EMS)

The majority of our distribution sites have a robust EMS in place to manage risk, track ongoing performance and identify opportunities to target

further emissions reductions. Additionally, 34 sites covering 51% of our operations by revenue and 58% by floor area, are covered by ISO 14001 environmental management certifications.

Environment continued

PACKAGING

By 2029/30, we want to make our packaging more sustainable: reduce intensity by 45%¹ and 100% of packaging to be widely reusable or recyclable and made with at least 50% recycled content.

Packaging intensity^{2,3}

1.55

4% reduction from 2023/24

% packaging made with at least 50% recycled content⁴

82%

16% pts increase from 2023/24

% packaging reusable or recyclable

94%

unchanged from 2023/24

Packaging sustainability is a critical issue for our customers. They want to know that we are taking proactive measures to reduce the amount of packaging used, while increasing the amount of recycled content and recyclable materials to minimise waste and promote a circular economy.

In 2024/25, our packaging intensity reduced by 4% from 2023/24 and by 37% from 2019/20. We have reduced overall packaging tonnage by optimising our carton sizes to reduce the amount of materials required and by selecting more recycled and recyclable alternatives for our core packaging materials across the Group.

We made significant progress in switching to recycled content material across our regions this year to support our customers:

- **RS in EMEA and Asia Pacific:** increased recycled content in paper mailbags to 57%, which had previously been manufactured from virgin materials
- **RS in Americas:** increased the proportion of packaging made with over 50% recycled content from 49%⁵ in 2023/24 to 88% in 2024/25
- **RS in EMEA:** moved to brown paper bags made with over 50% recycled content, which impacts approx. 30 tonnes per year
- **RS in the UK:** switched to thermal labelling on packaging, reducing the need for paper-backed labels

Combined, these efforts mean that 82% of total packaging by weight is made from materials that contain at least 50% recycled content. This represents a 16 percentage points increase in recycled content from 2023/24⁴. 94% of our packaging was reusable or recyclable, unchanged from 2023/24.

Reflecting our strong progress from the baseline year and future packaging action plan, during the year we increased our 2030 target for packaging intensity to 45% reduction from 2019/20 by 2029/30 (previously 30%). The additional reduction will be driven by material changes such as more automation and continuous improvement activities, with budgeted initiatives built into the five-year strategic plan.

In 2025/26, we will continue to reduce and improve our packaging by extending our automated packaging machine footprint, improving material selection and usage and investing in more reusable pallets for our internal product movements within Europe. Alongside this, we will continue to collaborate with both suppliers and customers to support packaging sustainability efforts in the industry. An example is using QR codes to direct customers to more information on our sustainable packaging approach, including guidance on local legislative requirements.

RECYCLING AND WASTE

By 2029/30, we want to reduce, reuse and recycle our waste: reduce intensity by 50%, recycle over 95% and achieve zero waste to landfill in our direct operations.

Waste intensity^{2,3}

1.38

decreased by 3% from 2023/24

Waste recycled

84%

increased by 2% pts from 2023/24

We are committed to reducing, reusing and recycling our waste to create a cleaner and greener world. By reducing our use of natural resources, we can also reduce costs and support customer and supplier sustainability preferences.

In 2024/25, waste segregation, recycling and reuse remained a priority for our distribution site management teams. Following the success of our continuous improvement project in 2023/24 at our global distribution centre (DC) in Nuneaton, UK, which focused on reducing packaging and increasing recycling rates, we have shared the learnings with our other distribution sites.

This contributed to a 2 percentage point increase in the global recycling rate. Additionally, we continued to improve waste standards and policies that enhance the Group's waste management and global resource usage.

In 2024/25, at our regional DC in Beauvais, France we introduced some key measures to help reduce product waste, specifically for products that cannot be sold as new or returned to the supplier. We have a dedicated second-hand platform where products are offered to customers at a discounted rate for a six-month period. After six months, they are offered to brokers to resell within the industry or they are sent to specialist recycling providers. From this initiative in 2024/25, we have avoided over £600,000 worth of product waste.

In 2024/25, our waste intensity decreased by 3% from 2023/24, bringing the total reduction to 8% since the 2019/20 baseline year. The proportion of total waste recycled increased by 2 percentage points to 84%. Waste that is not recycled is typically sent for incineration, energy recovery and only to landfill as a last resort. In 2024/25, 11% of our total waste was incinerated and 5% was sent to landfill.

1. Packaging intensity target extended from 30% to 45% in 2024/25.
2. Tonnes/£million revenue.
3. KPIs are on a constant exchange rates basis and are updated to reflect changes in reporting methodology.
4. Packaging recycled content metric updated to exclude wood from pallets, which is sustainably sourced material, rather than recycled content. All prior years have been updated to reflect this change.
5. Prior year updated to reflect changes in reporting methodology.



Environment continued

ADVANCING SUSTAINABILITY WITHIN OUR VALUE CHAIN

As an essential link in the global industrial sector, we are ideally positioned to help our customers and suppliers accelerate sustainability performance while strengthening our businesses, creating new commercial opportunities and delivering greater value for all our stakeholders.

We collaborate with our suppliers to prioritise carbon reductions, optimise sourcing and distribution routes and improve the sustainability benefits and features of their products, while providing unrivalled and cost-effective market reach to position these sustainability improvements to customers.

With our customers, we provide a growing range of sustainable product and service solutions to enable them to operate efficiently, sustainably and safely.

PRODUCT TRANSPORTATION

By 2029/30, we aim to reduce Scope 3 transport emissions intensity by 35%¹ per tonne of product sold.

Scope 3 transport emissions intensity^{1,2}

1.23

unchanged from 2023/24

With thousands of product shipments every day, including inbound supplier deliveries and outbound customer deliveries, it is critical that we continue to optimise our global supply chain to reduce our transport emissions. In 2024/25, our transport emissions intensity² was unchanged from 2023/24, with an overall decrease of 26% from 2019/20.

In 2024/25, we continued to restructure our supply chain to source, store and ship more products locally and regionally, optimise logistics and prioritise modal shifts from air to sea and road. Our focus during the year was on delivering logistics efficiencies and optimisation for RS in EMEA:

- We completed further modal shifts within Europe, switching customer deliveries from an air to a road-based service. This involved consolidating orders at our distribution sites before transporting to customers via a local road-based carrier. This action has helped to reduce European emissions intensity by 6% from 2023/24.

- As we worked at pace to integrate Distrelec into the RS business and benefit from the long-term efficiencies and value this creates, we commenced exiting their distribution site in the Netherlands. This has resulted in a short-term increase in product lines being shipped from the UK. However from 2026/27, the products will be stored and shipped by road from our regional DC in Bad Hersfeld, Germany, benefitting our European customers.

In Americas, progress in reducing emissions from logistics remained flat as we continued to focus on integrating Risoul. In Asia Pacific, we reduced the emissions intensity of customer deliveries by 15% during the year.

Despite this proactive action, our emission intensity continued to be impacted by external influences outside our control. The global emissions factors used to calculate our transport emissions remained higher than anticipated and the uncertain geopolitical climate continued to present global supply chain challenges, which impacted our supply routes and modal options.

In 2024/25, our 2030 target for product transport emissions intensity was increased, taking account of our strong progress to date. This will be achieved by further reducing air travel and prioritising local sourcing, where possible, thereby reducing operational cost and carbon emissions.

1. Target extended in 2024/25 (previously 25% per tonne of product sold).

2. Transport emissions intensity (tonnes of CO₂e from inbound, outbound and inter-site deliveries controlled by RS Group, per tonne of product sold).



Environment continued

SUSTAINABLE PRODUCTS

By 2029/30, we want to develop innovative and sustainable product and service solutions for all our customers, including an ambition to offer over 100,000 Better World products.

Sustainable products

C. 30,000

products in our Better World product range in 2024/25

Better World products enable our customers to make more sustainable and responsible purchasing decisions they can trust. Our claims-based framework, launched in 2023/24, empowers customers to make trusted and informed choices about product sustainability improvements that are backed by clear, credible and verified sustainability claims. This is a real differentiator and value add, particularly for our high-value, strategic customers who are looking for tangible ways to reduce their carbon footprint while improving operational efficiency and reducing costs.

“Better World products address the growing market demand for sustainable solutions by providing transparency. It empowers customers to make more informed purchasing decisions, which supports their journey towards a more resource efficient future.”

ABB

Strategic Supplier Partner

Examples of products by claim type within the framework include:

- **Made more sustainably:** products that are produced using more sustainable materials or manufacturing processes, for example RS PRO wire cables that save more than 10% in carbon emissions during their manufacture or storage bins made from 98% bio-based materials
- **Sustainable solution:** products that help customers run their business more sustainably, from reducing energy and emissions to protecting health and safety, for example RS PRO voltage optimisers that save energy by ensuring only required voltage is used to power equipment and any surplus is returned to the grid
- **Supports circularity:** products with an increased lifespan, or that can be reused, repaired or recycled to reduce waste, for example safety gloves with an extended product lifespan

Our Better World product range features c. 30,000 products from 132 suppliers and includes over 1,700 products that support energy and carbon reduction or renewable energy generation across customer facilities. In 2024/25, we added 44 suppliers and over 2,500 products to the range, replacing products that were no longer eligible and diversifying product choice for our customers.

In 2024/25, we enhanced the Better World product range to provide customers with more options for specific product types, such as PPE and workwear. These products are essential but typically have short lifecycles. A shift towards sustainability will reduce waste and create a commercial opportunity with customers who have strong ESG commitments. So far, we have engaged 32 PPE and workwear suppliers to add 245 products to the range.

Additionally in 2024/25, we introduced a new sales tool aimed at helping our strategic customers choose Better World product alternatives within their procurement decisions. Currently, the tool has been available to a select team in the UK to support with bids and tenders in the public sector. Over time, our goal is to expand the tool's availability and offer more customers valuable insights on how to access Better World product alternatives.

Our ambition is to grow the Better World product range to over 100,000 products by 2029/30 and create a clear and robust sustainability standard for our industry that supports both customers and suppliers. As we progress the framework we will focus on evolving the product families and encouraging new suppliers to participate.

The Better World product range forms the foundation of our sustainable revenue activity. During 2024/25, we began to conduct an initial eligibility assessment to identify the full range of potentially eligible economic activities that may fall under the scope of the EU Taxonomy. We intend to progress this work further during 2025/26 and will closely monitor disclosure requirements and materiality levels related to emerging legislation.

+ Download the Better World product guidelines here: rsgroup.com/sustainability/advancing-sustainability/sustainable-products

SUPPLIER SUSTAINABILITY

By 2025, we commit to engaging 67% of suppliers by spend to set SBTs.

Suppliers by spend setting SBTs

38%

6% pts increase from 2023/24

With over 800,000 stocked products from over 2,500 suppliers and a significant proportion of our Scope 3 emissions from purchased goods and services, it is vital that we engage, inspire and collaborate with our supplier partners to decarbonise our value chain. In doing so, we can create long-term value while helping our suppliers reach higher levels of sustainability and make their products and services more attractive to customers.

We continued to engage with our key suppliers in 2024/25 to encourage them to develop and offer more sustainable products, prioritise carbon reduction and set SBTs. Through regular interactions, supplier events, quarterly business reviews (QBRs) and supplier ESG communications, we have made good progress in encouraging our suppliers to take sustainability action.

In 2024/25, 38% of suppliers by spend have set SBTs with the SBTi, an increase of 6 percentage points from 2023/24. Despite steady progress, we are not on track to meet our 2025 ambition of 67%. Our current supplier sustainability target will come to an end at the end of 2025, so we will be engaging with the SBTi on our future target while continuing our programme of supplier ESG engagement to influence further progress.

Environment continued

SUSTAINABLE SERVICE SOLUTIONS

Sustainability solutions

We want to help our customers run their businesses more efficiently, cost effectively, safely and sustainably at all stages of the industrial lifecycle. By offering value-added and sustainability-focused industrial MRO services, we are strengthening customer relationships and increasing revenue through service fees and product pull through:

- **Maintenance, repair and operations:** We offer industrial MRO solutions including energy, water and compressed air leakage surveys that promote operational efficiency, cut costs and reduce emissions.

Highlights: In 2024/25, we completed a successful trial of surveys for customers in the UK and Ireland linked to operational compressed air, heat loss/steam loss, panel thermography, LED lighting and pumps. These surveys helped to identify potential savings of c. £84,000 and around 150 tonnes CO₂e for 20 customers across 101 sites taking part in the trial.

- **Circular economy solutions:** We are committed to developing solutions for customers that minimise waste and promote a circular economy. One of the ways we are enabling this is through RS ControlStock®, a secure, end-to-end digital solution designed to manage fast-moving products through automatic stock ordering and process optimisation to reduce costs and waste for customers.

Highlights: In 2024/25, RS ControlStock® was successfully utilised by our customer, Butternut Box, to overcome issues relating to stock visibility and manual processes. The implementation has saved over 1,700 in people hours, equating to over £30,000 per year in savings. This resulted in zero stock-outs, eliminating over- and under-ordering and product and logistics waste. Additionally, 2024/25 we began working with a supplier in France to trial a combined product return and refurbishment scheme aimed at reducing waste without compromising product quality and accessibility. The trial will support the development of a solution model to offer refurbished products to our customers.

- **Health and safety (H&S) solutions:** In the UK, we have partnered with training providers to create a comprehensive suite of H&S training courses and customer site surveys including air quality testing, fire risk assessments, H&S audits and healthy building certification.

Highlights: In 2024/25, we piloted H&S training courses in the UK, in collaboration with five training providers to deliver tailored support for 16 customers.

Supporting low-carbon industries

In addition to our range of Better World products and efficiency solutions, RS plays an important role in enabling the transition to a low-carbon economy by supporting new, sustainable industries. We support the growth of low-carbon industries by providing their product procurement, industrial MRO and logistics needs, while creating new green revenue streams from high-value growth industries.

We partner with the UK renewables sector to enable fast access to critical MRO products and solutions, which minimise their downtime and support an efficient infrastructure in both offshore and onshore wind. We have taken steps this year to better understand our customers' needs and how our digital solutions can support the renewables sector by enabling customers to access the right equipment, balance costs and keep technicians safe.

“Our collaboration with RS has resulted in a significant improvement in both safety and operational efficiency.”

Specialist Engineer

Siemens Gamesa Renewable Energy

- **Offshore wind:** Engaging with seven subsectors, we have developed an aligned offer that combines a global supplier network, bespoke wind technician tool kits, calibration services, wind turbine oil analysis and efficient inventory management. In 2024/25, we identified 10 strategic suppliers and expanded our catalogue to include around 200 wind turbine spares and parts to support maintenance of aging turbines.
- **Onshore wind:** Building on the offshore wind model, we have built bespoke tool kits for onshore wind customers to increase operational efficiency.
- **Education in renewables:** In 2024/25, we funded a Kinewell Energy programme in the UK to deliver a version of its state-of-the-art artificial intelligence based software 'KLOC' to secondary and further education schools. The software enables automated cable layout design of new offshore wind farms, supporting decarbonisation in the sector while inspiring students in STEM.



Social

EMPOWERING
OUR PEOPLE

Our unique team of c. 8,500 individuals is the lifeblood of our business. Every day, their passion and expertise enable us to provide product and service solutions that delight our customers and suppliers and make amazing happen for a better world.

Our commitment is to be first choice for our people, 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.



2030 AMBITIONS	METRICS	ACTIONS	STATUS	READ MORE
Engaged employees: Achieve and maintain an employee engagement score in the top 10% of high-performing companies	72 employee engagement score (out of 100)	- Introduced quarterly My Voice pulse surveys for frequent engagement tracking - Rolled out and embedded global values through workshops and online tools		+ See page 57 rsgroup.com/sustainability
Diversity and inclusion (D&I): 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	37% women in senior leadership roles 10% ethnically diverse senior leaders ¹	- Continued participation in accelerator programmes for diverse talent (Women Rising and Mission Include) - Broadened recruitment efforts to attract the best talent for open roles, including senior leadership		+ See page 58
Health and safety (H&S): Aim for zero accidents involving our people	0.44 all accident frequency rate per 200,000 hours	- Further developed and embedded our H&S culture through a behaviour-based safety campaign, targeted training, inspections, audits and regular near miss reporting - Employees completed close to 27,000 hours of comprehensive H&S training aligned to best practice		+ See page 60

1. 97 of 139 senior managers self-reported ethnicity via the employee database (including not specified/prefer not to say) and 10 identified as non-white.

Status key:
Each of our actions are broken down into annual targets that need to be met to remain on track to achieve our 2025 and 2030 goals. The key below reflects our current position:

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

More information is available in our full ESG scorecard:
rsgroup.com/sustainability

Social continued

EMPLOYEE ENGAGEMENT

By 2029/30, we want to achieve and maintain an employee engagement score in the top 10% of high-performing companies¹.

Engagement score

72

engagement score down by three pts from 75 in 2023/24

Building a high-performance, engaged, and motivated team hinges on consistent, active listening. To uphold our values-driven culture and effectively address our team's needs, we introduced pulse surveys in 2024/25. These surveys help us continuously gauge employee satisfaction and engagement.

We have tracked employee engagement over the last year on a quarterly basis. From an initial drop from 75 in the last main survey (October 2023), we have seen quarterly engagement maintained at 72 across the Group. Our most recent pulse survey was conducted in December 2024 and served as the annual update on our overall engagement score. Participation was strong with a 71% response rate and over 1,000 comments shared, but our total engagement score decreased by three points to 72 (2023/24: 75). Employees voiced a desire for more visibility from Group leaders and more frequent communication about changes taking place across the organisation, which has been incorporated into our people plan.

Through the year we have seen some high scores of over 80 around understanding and awareness of our values and strategy, line manager trust, valuing of different opinions and supporting development and health and safety. The decrease in overall engagement is attributed to greater

uncertainty for our employees given the external market conditions and general economic environment combined with organisational changes that have been implemented to make us more efficient and agile as an organisation.

The pulse surveys strengthen our two-way listening approach and encourage managers to check in with their teams at regular touch points. Each pulse survey includes the core measures of the My Voice survey to act as a temperature check of our progress towards our original commitments, while evolving our listening approach with a focus on specific topics. In 2024/25, we have seen an increase in scores on trust in line managers and understanding of the Group strategy and a set of questions on health and safety have set a crucial baseline for future awareness initiatives (see page 60).

The pulse survey scores have been shared with all employees, with targeted actions for line managers to address any concerns raised by the results and ensure we continue to address the needs of our people quickly and effectively. The pulse surveys are built on our core My Voice survey which runs approximately every 18 months and provides valuable insights from our global team. The last My Voice survey was conducted in 2023/24 and the next is scheduled for 2025/26.

In 2024/25, we launched our first global Employer Value Proposition 'Go Beyond Amazing,' to enhance employee engagement and strengthen the RS employer brand. Since launch, the response has been powerful. We've seen a 106% increase in organic search traffic and a 3.5% rise in job applications – clear signs that our message is resonating and our culture is attracting the talent we need to thrive.

OUR VALUES

Our values help to set a clear expectation about how it feels to work at RS, no matter what you do or where you are. They were created with the input of our people from across the globe. Now we have one set of values that unite our business and help to differentiate us as an employer of choice. Each value is important on its own, but they are even more powerful when used together: we are one team, who deliver brilliantly, doing the right thing, to make every day better.

Following the extensive, employee-led development of our new values in 2023/24, we have focused our efforts in 2024/25 on embedding these values across the business. Over a three-month rollout period from April to June 2024, we held team workshops to familiarise

employees with our values and introduced a new online values reflector tool for employees to explore what the values mean to them. Our pulse survey, conducted in June 2024, showed 87% awareness of the values within the business.

In 2024/25, we launched a global recognition programme, Spotlight, which enables peer-to-peer recognition to make it easy to show appreciation for colleagues who embody our values.

In January 2025, we won the IC Brilliance Award for Internal Communications Campaign for the values rollout, reflecting the collaborative effort of the entire business in shaping and championing the new values. To embed the values for the long term, we are now working on incorporating them into key employee touchpoints and supporting our leaders to continue championing our values as a core part of the RS culture (see page 6).

1. As at 31 March 2025, we were 7 points away from the global benchmark for the top 25% of high-performing companies.



Social continued

DIVERSITY AND INCLUSION

By 2029/30, we want to ensure our team reflects 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.

% female leaders

37%

increase of 3% pts from 2023/24

% ethnically diverse leaders¹

10%

decrease of 1% pt from 2023/24

Inclusion for all

We aim to create an inclusive and dynamic environment where all our people can perform at their best, develop and thrive.

By promoting a culture of openness, respect and belonging, we continue to attract and retain top talent and harness a diverse range of strengths and perspectives from across a broad global talent pool. By embracing different perspectives from a wider variety of characteristics, including gender, sexual orientation, neurodivergence, age, race, ethnicity, wellbeing and disability, we can better adapt to the changing world, understand and add value to our stakeholders and achieve our strategic vision.

We are committed to being an equal opportunity employer and supporting D&I within a global context and in its broadest sense. We provide under-represented and vulnerable employees with the tools they need to succeed and feel a sense of belonging.

Our employee-led Employee Resource Groups (ERGs) support colleagues in areas such as youth (Bloomers), gender (Elevate), ethnicity (Embrace), mental health, neurodivergence, disability and wellbeing (LifeWorks) and sexual orientation and LGBTIQIA+ (Spectrum). These ERGs actively run events throughout the year to raise awareness across the organisation. Furthermore, our Group Head of D&I joined the UN Global Compact's UK Diversity, Equity and Inclusion Working Group in 2024/25, to share and learn with other businesses on D&I-related challenges and opportunities.

We continue to review and evolve our work to support the broad diversity of our senior leadership team. During the year, the number of senior leaders that are women increased to 37% (2023/24: 34%), while the percentage of our leaders who are ethnically diverse decreased to 10%¹ (2023/24: 11%). While we have made progress in increasing the proportion of women in our workforce, we have not achieved the same momentum in increasing ethnically diverse representation. We continue to evaluate and address these challenges. Our external disclosures relating to Board and senior management are aligned to the Financial Conduct Authority's diversity and reporting requirements (see pages 95 to 96).

While we acknowledge there's still much to achieve, we are committed to investing in our people and becoming an inclusive employer of choice. Read more about our diversity and inclusion programmes, policies and progress on our website: rsgroup.com/sustainability

We acknowledge the evolving D&I landscape globally and are committed to inclusion, equal opportunity and good practice in all the markets we serve and emphasise that we always take a 'best person for the job' approach.

1. 97 of 139 senior managers self-reported ethnicity via the employee database (including not specified/prefer not to say) and 10 identified as non-white.

Gender

We are committed to promoting gender diversity across the Group to foster positive change within the business and wider industrial sector.

Globally, our Group-wide gender split remains balanced, with near equal numbers of men and women across the organisation (2024/25: 48% female; 52% male). At a senior leadership level, our female leader population increased by 3 percentage points in 2024/25 to 37% (2023/24: 34%) and our female Executive Committee (ExCo) population increased by 6 percentage points in 2024/25 to 36% (2023/24: 30%).

At Board level, composition increased to 60% female Board members (2023/24: 56%), including our Chair and Chief Financial Officer. As a result, we ranked joint first place of FTSE 250 companies for 'Women on Boards' in the 2025 FTSE Women Leaders' Review.

We continued to support, develop and promote gender diversity across the Group in 2024/25. Highlights include:

- **Elevate:** Our ERG for women, non-binary and male allies brings together and supports global members who are creating room to talk and connect, raising suggestions to our senior leaders and inspiring RS Group to further action.
- **Women Rising:** We piloted the global Women Rising programme with 28 women from March to June 2024. The programme, which includes over 200 women from various organisations worldwide, aims to foster authenticity, confidence and leadership skills.
- **Women in Tech:** This is a chapter within our Elevate ERG that recognises the unique challenges that women face working in technology.
- **Male Allies:** We introduced this self-nominated eight-week programme designed to raise awareness around how male allies can proactively effect change, challenge stereotypes and better understand the challenges women face in the workplace.

Ethnicity

We continue to work towards building a more ethnically diverse leadership team reflective of the wider communities in which we operate. In 2024/25, 10% of our senior leaders identified as ethnically diverse (2023/24: 11%).

Highlights in 2024/25 include:

- **Talent acquisition:** We broadened recruitment efforts to attract the best talent for open roles, including senior leadership, through clear job descriptions, varied job boards and balanced interview panels.
- **Embrace:** Our ERG for ethnically diverse colleagues and allies brings together global members who are working to create a safe space to talk, listen and learn about race and celebrate ethnic diversity.
- **Mission Include:** This is our cross-company mentoring programme that empowers our ethnically diverse and under-represented colleagues by connecting them with leaders.
- **Voluntary data collection:** We continued to collect data for senior roles in key geographies and planned expansion of data collection to all employees, in line with legal restrictions. This informs better planning and decision-making, helps us identify and overcome recruitment and retention challenges and supports accurate and transparent self-disclosures in compliance with emerging regulatory requirements.

As we move forward, we will continue to focus on inclusion for all and prioritise the actions that support the attraction, development, retention and progression of all talent.

Social continued

TALENT AND CAPABILITY

Talent

We operate in a competitive industry, which is why we place strong emphasis on recruiting, retaining and developing talent to unlock innovation and drive our commercial success. In 2024/25, we implemented a global Executive Talent Policy with a common approach to assessing internal and external candidates for senior leadership to the highest standards. We applied more rigour to our succession planning, culminating in an ExCo succession and development review to increase the rigour and development focus for ExCo successors (see page 94).

Our approach continues to evolve to ensure we are recruiting and developing the senior leaders we require for the future. All leadership recruitment and development is underpinned by our Amazing Leaders framework, which clarifies the behaviours we need in our leadership team today and in the future.

Our leadership development approach continues to be driven by regular individual career conversations, supported by specific development programmes, 360-degree feedback and psychometric profiling to build self-awareness. In 2024/25, based on the development and succession review meetings, 215 people managers were nominated for additional development activities, such as Women Rising and Influence with Impact.

35,000

learning hours completed
through My Academy in 2024/25

We continue to invest in emerging talent, enabling them to accelerate their progression into leadership roles. Our 2024/25 cohort of 13 global Future Shapers developed their self-leadership skills through the Ivy House master programme, with support from a senior leader mentor and a development conversation with our ExCo. Future Shapers is now in its sixth year with a total cohort of 53 employees. All Future Shaper applicants have the opportunity to join our Power Up programme. 78 of the 138 Future Shaper applicants completed Power Up in 2024/25.

Capability

We continue to invest in our people through a consistent global framework for learning and development. Ensuring our employees can develop, thrive and perform at their best requires a broad mix of on-the-job development activities, learning opportunities and formal training.

In 2024/25, employees completed almost 35,000 hours of learning through our global learning platform, My Academy, including both mandatory and non-mandatory content. Local markets have invested in live sessions, such as Espresso Sessions in the UK and Ireland, DEALS (Drop Everything and Learn) sessions in the US, and Super Skills sessions for those early in their careers.

Our approach to ensuring we have the right capabilities in place is driven by our Talking Performance process. Employees record and track both performance objectives and development objectives in our people system My Space, with development goals tailored to either their current role or preparation for a future role. This enables a continuous focus on development.

In 2024/25, we supported 306 colleagues through apprenticeships in the UK. We also achieved Platinum membership to the 5% club for our commitment to supporting employees through 'earn and learn' opportunities. RS provides learning pathways such as change management, data insight and artificial intelligence (AI). We also launched a new entry-level opportunities scheme, hiring 33 employees with limited work experience into entry level roles supported by Super Skills training delivered by our RS Youth and Communities team (see page 62).

This year we added a new learning pathway, AI at RS, offering four courses on practical and safe AI use with c. 9,000 course completions in 2024/25.

REWARD AND RECOGNITION

In 2024/25, we introduced a refreshed reward philosophy to inform how we approach reward, including transparency and wellbeing at all stages of the RS employment journey. This aligns to our business strategy and enables us to attract and retain employees, whilst motivating the right behaviours and performance. We also launched a global recognition programme, Spotlight, which enables peer-to-peer recognition to make it easy to show appreciation for colleagues who embody our values.

In line with our reward philosophy, we continue to provide market competitive rewards to attract and retain the talent we need to drive business performance. Our approach remains guided by our global commitment to ensuring base pay levels are set to pay a living wage and to offer competitive bonuses to our people, as well as long-term incentive plans to reward our senior leaders. This is underpinned by a market-based approach that aligns our benefits and rewards packages to the local market norms and supports our commitment to our values.



Social continued

HEALTH AND SAFETY

By 2029/30, we aim for zero accidents involving our people.

All accident frequency rate
(per 200,000 hours)

0.44

increase of 19% from 2023/24

12%

increase in reported near
misses per head in 2024/25

28

sites certified to ISO 45001
or an equivalent standard

In 2019/20, we set the ambition to reach zero accidents involving our people by 2029/30. To achieve this, our Target Zero programme aims to implement measures that continuously improve performance and prevent avoidable incidents. Unfortunately, our progress towards this target slowed in 2024/25 and our all accident frequency rate per 200,000 hours increased by 19% to 0.44 (2023/24: 0.37) and the total number of accidents across the Group increased to 37 (2023/24: 32).

Zero accidents resulted in fatalities, however one accident resulted in a life-changing injury. This is extremely upsetting and a full investigation is currently in progress to understand the events surrounding the incident and how we can learn from this going forward.

To reinforce our Target Zero programme and ensure H&S is a fundamental part of how we do the right thing, we have strengthened our focus on creating a safety-first culture in 2024/25. We reviewed safety training programmes to ensure they were suitable for the full range of work activities and shared key learnings across the Group, encouraging increased hazard spotting and individual ownership of near miss reporting.

To promote our safety-first culture, key global actions in 2024/25 included:

- **Behaviour-based safety:** We implemented a Group H&S campaign requiring all employees that conduct manual handling activities to be observed while doing so, specifically focusing on ergonomics in our distribution sites, such as lifting and carrying in the appropriate way. This allows us to give immediate feedback to our employees and to coach them in real time, which helps employees and leaders identify and eliminate any behaviours that may result in future incidents.
- **Training, inspections and audits:** Employees completed close to 27,000 hours of comprehensive H&S training aligned to best practice. To promote individual ownership from the top, we introduced a leadership inspection form to be completed by all leaders travelling to a new site. We also conducted H&S audits of our largest distribution sites and we continue to identify and target sites with higher accident rates and work with them to develop action plans which we monitor closely.
- **Near miss reporting:** Regular near miss reporting campaigns encourage our people to identify and report unsafe acts, hazards and near misses. The total number of near misses reported in 2024/25 increased by 12% per head, which reflects a shared responsibility for spotting, reporting and taking action to prevent incidents occurring. Once reported, all near misses are investigated to ensure corrective and preventative actions are put in place and where required shared with other sites across the Group.

- **Safety moments:** We introduced over 170 safety moments – brief reminders covering topics such as battery storage and employee fatigue, to be shared at the start of Group team meetings to embed a continuous conversation of H&S risks.

To ensure consistency across our operations, all of our sites have H&S management systems in place, with 28 sites certified to ISO 45001 or an equivalent standard, covering 57% of floor area and 33% of our sites. We conduct health and safety audits, assessments, induction, and awareness training to any new acquisitions, aligning our new sites and colleagues to Group standards.

Our performance

	Change from 2024	2025	2024	2023
All accidents	+16%	37	32	33
All accident frequency rate (per 200,000 hours)	+19%	0.44	0.37	0.41
Lost time accidents	+53%	26	17	22
Lost time accident frequency rate (per 200,000 hours)	+63%	0.31	0.19	0.27
Total calendar days lost	+59%	481	302	516
Near misses reported	+10%	22,000	20,000	17,000
Near misses per head ¹	+12%	2.51	2.25	1.99

1. Prior year figures have been restated to incorporate enhancements in data capture and reporting methodologies.

For additional health and safety data, including how we are supporting mental health and wellbeing, please visit our ESG data centre: rsgroup.com/sustainability

Social continued

CHAMPIONING YOUTH & COMMUNITIES



It is essential that we inspire the next generation of industrial engineers and innovators to ensure we have the right skills to thrive in the future.

By providing educational products, inspirational learning content and immersive skills development opportunities, we help young engineers and technologists embark on exciting future careers.

We also support our communities to improve people's lives and inspire future generations, while creating a more sustainable world. We do this by enabling and empowering our people to make a meaningful difference in their local communities through our local giving fund and two paid days to volunteer every year.



2030 AMBITIONS	METRICS	ACTIONS	STATUS	READ MORE
Championing youth and education				
Inspiring future engineers and innovators: Support one million young people with educational technologies, learning content and skills development opportunities	913,000 young engineers and students supported since 2020/21	- Partnered with c. 5,200 educational institutions to support future engineers and innovators - Expanded the RS Student Project Fund from the UK, Spain and South Africa to additional markets within the EMEA region, providing RS products for innovative and diverse projects - Delivered over 40 free Super Skills sessions to enhance employability skills and strengthen the industry talent pipeline		+ See page 62 rsgroup.com/sustainability
Supporting our communities				
Social impact partnerships: Support our social impact partners to use engineering and technology to improve lives – including supporting TWMP to help 100,000 people in need	46,000 lives improved through TWMP since 2020/21 £963,000 raised for TWMP since 2020/21	20 projects supported across nine countries, including Mexico, Greece, Gaza and Uganda - Raised over £300k for TWMP Foundation through fundraising activities, employee donations and matched-giving		+ See page 63
Volunteering: Inspire 50% of colleagues to volunteer to support their communities and build new skills	30% of employees have volunteered in the last two years	- Over 400 RS employees volunteered to build 126 flatpack washing machines for global communities - Regional team volunteer days included community gardening, painting a paediatric hospital and collecting clothing and food donations for communities in need		+ See page 63
Status key: Each of our actions are broken down into annual targets that need to be met to remain on track to achieve our 2025 and 2030 goals. The key below reflects our current position:				
On track or ahead Slightly behind target – monitor closely Not on track – further action required				
More information is available in our full ESG scorecard: rsgroup.com/sustainability				

Social continued

CHAMPIONING YOUTH & EDUCATION

INSPIRING FUTURE ENGINEERS AND INNOVATORS

By 2029/30, we want to support one million young people with educational technologies, learning content and skills development opportunities to support future engineers and innovators.

Number of young engineers and innovators supported

913,000

increase of 117,000 young people from 2023/24

We inspire young people to pursue technology and engineering-based careers, helping them to develop vital technical and employability skills that will positively impact global industry, society and the environment. Through our partnerships with c. 5,200 educational institutions and our skills development programme we help future engineers and innovators to apply their technical knowledge and pursue careers in the field.

Our skills development programme is part of our strategy to become first choice for all our stakeholders. Supporting young people's skills development helps RS and the wider industry attract and retain young talent with a future-focused skillset. Furthermore, showing young engineers and innovators that we are by their side during their education and early career builds brand advocacy and lifetime loyalty with future customers.

Key actions delivered in 2024/25 across the three pillars of our education programme:

EMPLOYABILITY SKILLS

What we do

Our skills development programme enhances professional and employability skills for young engineers and innovators.

Key actions in 2024/25

- Delivered over 40 free Super Skills sessions on 12 topics to over 600 young people, fostering confidence, building employability skills and bridging the gap between university and the workplace. This included a 'present like a pro' session run by an RS Youth and Community Ambassador for over 100 students across four universities in Malaysia



PRACTICAL EXPERIENCE

What we do

We run a series of initiatives to provide students with opportunities to apply their technical knowledge.

Key actions in 2024/25

- Expanded the RS Student Project Fund to additional markets within EMEA, providing RS products for innovative and diverse projects
- Continued to provide access to design resources and innovation tools through our DesignSpark community of 1.4 million students, educators and innovators, growing the under-25 membership by 16% to 516,000 (2023/24: 445,000)



STEM INCLUSION

What we do

We support initiatives aimed at increasing inclusion and supporting under-represented groups in science, technology, engineering and maths (STEM) subjects and careers.

Key actions in 2024/25

- Hosted a STEM-outreach initiative in collaboration with the University of Cape Town, South Africa, engaging over 50 high school students in hands-on learning experiences, including Micro:bit workshops on drone and hovercraft technology
- Ran a series of robotics, gaming, coding and basic electronics workshops in partnership with GirlTech for over 230 children in Italy



Social continued

SUPPORTING OUR COMMUNITIES

We empower and enable our people to support communities through our global social impact partnership, local giving fund and volunteering.

SOCIAL IMPACT PARTNERSHIPS

By 2029/30, we want to support our social impact partners to develop solutions that improve lives, including supporting TWMP to help 100,000 people in need.

Number of lives improved through TWMP since 2020/21

46,000

increase of 15,000 lives from 2023/24

To be a force for good in communities worldwide, we support social impact partners that develop solutions to improve lives, solve global challenges and create a more sustainable world.

Since 2020/21, we have provided financial and volunteering support to two primary partnerships:

- **The Washing Machine Project (TWMP)** provides displaced and low-income communities with an accessible, off-grid washing machine solution that does not require a direct power supply, which has improved the lives of over 46,000 people to date
- **Engineers Without Borders UK (EWB-UK)** works across the globe to put sustainability at the heart of engineering

Key actions in 2024/25:

TWMP highlights:

- Raised over £300,000 for TWMP Foundation during the year through fundraising, matched-giving and corporate donations (£963,000 raised since 2020/21)
- Since the formation of our partnership, TWMP has distributed 486 machines, supporting over 46,000 lives through 21 projects in 13 countries

EWB-UK highlights:

- Sponsored EWB-UK's Engineering for People Design Challenge in the UK, Ireland, US, South Africa and Cameroon, giving 13,300 students the opportunity to design sustainable solutions that tackle community development challenges



SUPPORTING LOCAL COMMUNITIES

We know the importance of making a positive impact in our local communities. That is why we empower our people to champion the causes closest to their hearts in the communities where we live and work. Whether it is through financial support, volunteering, or both, we want to help our teams make a difference.

In 2024/25, we established a network of regional champions and committees worldwide to enable employees to support charities and initiatives that make a difference in the local communities in which we operate. This localised approach gives each region and country within RS the flexibility to build meaningful relationships with local organisations that matter most to our people and communities.

Following the devastating wildfires across California, US, in January 2025, we set up an emergency response fund, donating just under £10,000 to the American Red Cross and £6,000 to the Los Angeles Wildfires & Disaster Recovery Wildlife Fund in support of our sales teams and customer base in the region.

Additionally, following the earthquake to hit Thailand and Myanmar in March 2025, we donated £15,000 to support the Thai Red Cross emergency response.

In 2024/25, we donated

£142,000

to local charity and community initiatives worldwide, supported by our employees

VOLUNTEERING

By 2029/30, we want to inspire 50% of colleagues to volunteer to support their communities and build new skills.

% of employees who have volunteered in the last two years

30%

increase of 7% pts from 2023/24

In 2024/25, we encouraged our people to use their two annual days of paid volunteering leave for community-based initiatives and good causes. Volunteering activities included supporting communities, developing skills, improving engagement and boosting health and wellbeing.

The number of employees using their volunteering days increased to 30% over the last two years (2023/24: 23%). In total, employees donated 1,840 days to support local causes or our social impact partners.

Key actions in 2024/25:

- Over 400 RS employees volunteered with TWMP to build 126 flatpack washing machines for communities in Mexico, Greece, Gaza and Uganda
- Teams supported their communities by planting trees, cleaning a community garden, painting a paediatric hospital and collecting clothing and food donations

While volunteering participation is increasing, we still have work to do to ensure that 50% of our people are using their annual volunteering days to support community causes. During the roll out of our new values and behaviours in 2024/25, we promoted volunteering as an example of doing the right thing and working together to make every day better.

For more on how we champion youth and communities, go to: rsgroup.com/sustainability

Governance

DOING
BUSINESS
RESPONSIBLY

Our commitment to doing the right thing underpins everything we do and ensures we remain a trusted and transparent partner.

We adopt a strong approach to governance, ethics and compliance both within our business and across our value chain. By actively collaborating with our 2,500+ product suppliers, we ensure that our 800,000 strong product range comes from responsible businesses that share our high ethical and environmental standards.

2030 AMBITIONS	PERFORMANCE	ACTIONS	STATUS	READ MORE
Responsible business: ESG-related targets included in our employee rewards' programme across all levels and geographies	48% of employees had their annual incentive aligned to Group carbon reduction in 2024/25	48% of employees were incentivised to achieve Scope 1 and 2 emissions reduction goals in 2024/25, with a carbon metric accounting for 10% to 15% of the Group's annual incentive		+ See page 66 rsgroup.com/sustainability
Responsible supply chain: Evaluate our suppliers against our high ethical and environmental standards and set ESG objectives for strategic suppliers	64% of suppliers by spend with signed Ethical Trading Declaration 55% of suppliers by spend with an EcoVadis rating 75% of RS PRO suppliers by spend with a Sedex membership	- ESG introduced as the eighth pillar of our EMEA strategic supplier approach - Updated ESG Supplier Handbook and created a supplier video to engage on material ESG topics - Engaged with over 110 suppliers to develop more sustainable products for the Better World product range	 	+ See page 67
Status key: Each of our actions are broken down into annual targets that need to be met to remain on track to achieve our 2025 and 2030 goals. The key below reflects our current position: - On track or ahead - Slightly behind target – monitor closely - Not on track – further action required				
More information is available in our full ESG scorecard: rsgroup.com/sustainability				



Governance continued

ESG GOVERNANCE

The ExCo, led by our CEO, has ultimate responsibility for the development, delivery and progress of our 2030 ESG action plan. They oversee the development, implementation and performance management of our 2030 ESG action plan and all related policies, goals, initiatives, investments and disclosures.

The ExCo receives a quarterly update on our ESG performance and has two dedicated ESG sessions per year to review strategy, investment planning and performance as part of our organisational business review and management process. This includes an overview of our climate transition plan and performance to ensure we are taking appropriate action on the Group's key climate-related risks and opportunities.

This is supplemented with ad-hoc briefings and updates on the latest ESG regulations and other developments.

During the year, six ExCo members participated in one-to-one interviews to support our revised double materiality assessment. More information on this process is available in our 2025 ESG Report.

The Board has close oversight of our ESG action plan, including our five climate-related risks and opportunities (CRROs) and ratifies key ESG policies, targets, initiatives and investments while monitoring ESG progress via regular updates. In addition to an annual deep dive into ESG strategy, investment plans and performance, they receive a progress update ahead of each Board meeting via the CEO Board report and the Chief Sustainability Officer (CSO) provides a verbal update to Non-Executive Director ESG lead, Bessie Lee.

In respect of ESG, the Board is supported by two of its committees: the Audit Committee, who ensure alignment to existing and emerging ESG compliance and the Remuneration Committee, who make decisions on ESG metrics and targets

to be included in executive remuneration and employee rewards.

The Group ESG team is responsible for the day-to-day delivery of our ESG action plan. In 2024/25, the team moved into the corporate services function, reflecting how strong governance underpins ESG strategy and delivery while enabling the business to deliver greater value for our stakeholders. Led by our CSO, the team is supported by cross-organisational steering groups focused on the key areas of our ESG action plan: net zero, packaging, transport, Better World products and supplier ESG. These teams meet regularly to develop strategic and investment plans, oversee initiative delivery and manage ongoing performance.

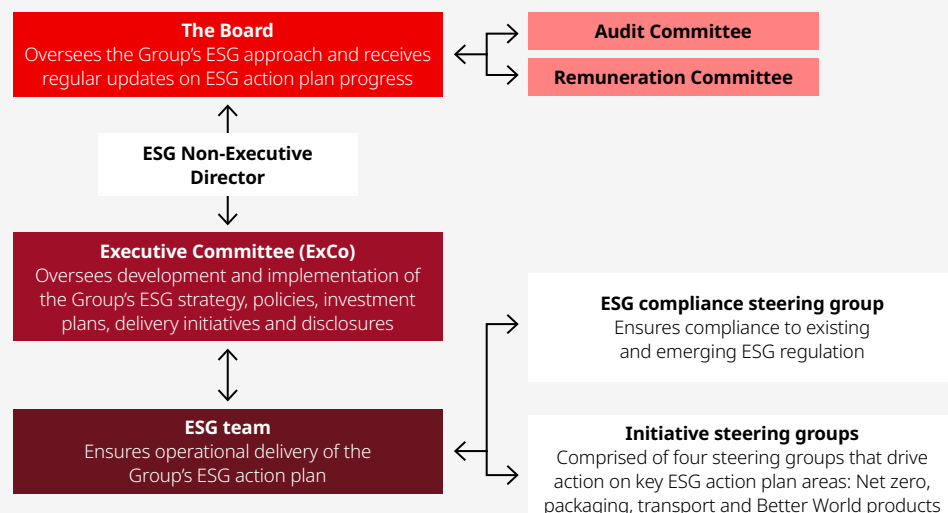
They are supported by our ESG compliance steering group, with senior members from finance, risk, legal, compliance and ESG working closely with our functions and markets to address our risks and opportunities under TCFD and the European Sustainability Reporting Standards (ESRS), CSRD and Corporate Sustainability Due Diligence Directive (CSDDD).

To learn from peers and gain strategic insight on some of our most material ESG topics, in 2024/25 members of the ESG and D&I teams joined the UN Global Compact's (UNGC) UK Working Groups on Sustainability Reporting, Circular Economy, Climate Peer Learning and Diversity, Equity and Inclusion.

Our ESG disclosures are aligned to the following frameworks and standards:

- **TCFD:** In 2024/25, we refreshed our quantitative scenario analysis for our five CRROs and broadened our governance, risk management controls and engagement (see pages 68 to 73).
- **GRI and SASB:** Our ESG reporting aligns to the sector-specific recommendations of the Global Reporting Initiative (GRI) and Sustainability Accounting Standards Board (SASB).
- **UNGC:** We are members of the UNGC, and our latest Communication on Progress can be found on our website. In 2024/25, we joined four UNGC working groups as referenced above.
- **UN Sustainable Development Goals (SDGs):** Our ESG action plan is aligned to six of the UN SDGs where we can make the biggest impact.

ESG GOVERNANCE STRUCTURE



REPORTING AND DISCLOSURE

To ensure our ESG disclosures meet the evolving needs of our stakeholders, we continued to align our reporting to key frameworks, ratings and standards. Our ESG data centre includes up to five years of environmental data and our climate-related KPIs. We also provide a separate ESG Basis of Reporting document which outlines the reporting methodology for key ESG KPIs. Assurance of our ESG data from ERM CVS can be found on pages 74 and 75.

The Group ESG team closely monitors the rapid evolution of the ESG regulatory landscape to develop a best practice alignment approach to the latest standards and emerging UK and EU regulations.

AWARDS AND RECOGNITION

In 2024/25, we were included in CDP's prestigious A-list, having improved our CDP rating this year from A- to A for our commitment to climate action, environmental transparency and disclosure. We were ranked 81st in TIME Magazine's World's Most Sustainable Companies and were listed in the S&P Global Sustainability Yearbook for the second time, placing us in the top 15% of companies in our industry for ESG action. We also maintained our Platinum EcoVadis Medal for the third consecutive year.

You can read more on our website: rsgroup.com/sustainability

Governance continued

ETHICS AND COMPLIANCE

We are committed to upholding the highest standards of ethics and compliance across the Group and ask our suppliers to do the same. To ensure consistent action, our key policies and processes align to regional legislative requirements and best practice standards, including the policies and processes described below and on page 76.

Code of Conduct

The Code of Conduct sets out our policy to maintain the highest standards of ethical conduct and behaviour. It provides clarity to our employees, contractors and others as to the legal and compliance requirements we must adhere to, as well as ways of raising concerns including via our Speak Up process (see page 102).

Compliance with the Code of Conduct is required for employees, reinforced by training delivered to our top 178 senior leaders and an email awareness campaign for all employees. Our values rollout in 2024/25 has strengthened our corporate culture and brought a greater degree of purpose and meaning to living the Code of Conduct, ensuring that we maintain the integrity and reputation of our business by always doing the right thing. The Code of Conduct is periodically refreshed to ensure it continues to reflect best practice and reinforce our commitment to achieving the highest ethical and compliance standards across the Group.

Ethical trading

We continue to promote ethical standards for our people through the Code of Conduct and for our suppliers through our Procurement Policy and Ethical Trading Policy.

We are committed to partnering with suppliers with strong ESG standards. We ask all our product and service suppliers to sign our Ethical Trading Declaration, or provide their own equivalent ethical policy that aligns to our standards. As of 2024/25, 64% of suppliers by spend had signed our Ethical Trading Declaration or provided their own.

Anti-bribery and corruption

We are committed to conducting our business affairs ethically and transparently, ensuring we do not engage in or facilitate any forms of bribery or corruption as outlined in UNGC Principle 10.

Our Anti-Bribery and Corruption Policy sets out this commitment alongside our approach to gifts and hospitality, facilitation payments and political and charitable contributions. This policy and related controls are detailed in our Code of Conduct training and are available in 12 Group languages on our intranet sites and via our legal and compliance chatbot. In 2024/25, 100% of our senior leaders completed Code of Conduct training, which included a particular emphasis on anti-bribery and corruption. An email awareness campaign was carried out to all employees at the same time.

Whistleblowing

Speak Up, our dedicated whistleblowing process, is a way for employees, customers and suppliers to raise concerns regarding ethical or legal concerns without fear of victimisation. Available globally, we provide internal channels and an external independent reporting service that can be used to make reports anonymously.

The Speak Up process is monitored regularly by our Audit Committee and in 2024/25, we received 38 Speak Up reports, all of which were investigated and acted upon where necessary. The Speak Up Policy was refreshed during the year, with an awareness campaign to encourage employees to report concerns and the addition of eight new local language whistleblowing telephone lines.

Modern slavery

Our Modern Slavery Transparency Statement outlines our zero-tolerance stance towards any form of slavery, human trafficking, child or forced labour within any part of our business or supply chain. This position is reinforced in our Anti-Slavery and Human Trafficking Policy and Ethical Trading Policy.

We comply fully with the International Labour Organization (ILO) Forced Labour Convention and Abolition of Forced Labour Convention and the ILO's Minimum Age Convention. In 2024/25, 100% of our senior leaders undertook modern slavery training as part of our Code of Conduct training.

Data, information security and privacy

We continue to operate a robust information security programme, central to which is our Information Security Policy that is aligned to the principles of the National Institute of Standards and Technology Cybersecurity Framework and ISO 27001. We recognise and respect the high level of trust our customers, suppliers and employees place in us. This is why we continue to maintain a strong focus on data, privacy and information security, as key mitigations to cyber security as a principal risk for the Group. We also published a Data Incidents Policy and an AI Policy which is being translated for global distribution.

We assess the different parts of our business for risks associated with handling personal data and provide in-depth training tailored to the audiences in the parts of the business with a higher risk related to personal data. 99% of our employees in those higher risk areas have completed Data Protection training in 2024/25.

In 2024/25, we enhanced email security through more frequent, targeted phishing simulations, tuning technology to detect some of the more sophisticated threats that we are beginning to experience and utilising AI prediction to filter and handle attacks. Our primary objective is to increase awareness and to assess individuals based on their ability to identify and report simulated phishing attempts.

For a full list of Group codes, policies and standards, go to: rsgroup.com/sustainability/codes-policies-and-standards

INCENTIVISING ESG PROGRESS

By 2029/30, we want to include ESG-related targets in our employee rewards programme across all levels and geographies.

ESG metrics in Group performance scorecard

8

unchanged from 2023/24

% of employees with carbon reduction metric in annual incentive

48%

3% pts increase from 2023/24

To drive progress towards our 2030 ESG action plan, we have integrated ESG targets into our employee rewards programme. As of 2024/25, 48% of Group employees have their annual incentive aligned to the Group's Scope 1 and 2 emissions reduction target, with this metric accounting for between 10% and 15% of the annual incentive. In 2024/25, we exceeded the maximum performance level for this metric.

In addition to these incentives, ESG forms a core part of our performance management at both a Group and individual level. The ExCo receives ESG performance updates quarterly. We also have eight non-financial KPIs in our Group performance scorecard which the ExCo uses to manage ESG performance via QBRs with the regions and functions. Specific individuals and teams have ESG targets in their annual objectives and incentive structures to drive further progress.

Governance continued

RESPONSIBLE SUPPLY CHAIN

By 2029/30, we want to evaluate all our suppliers against our high ethical and environmental standards and set ESG objectives for strategic suppliers.

Suppliers with signed Ethical Training Declaration

64%

5% pts increase from 2023/24

Suppliers with EcoVadis rating

55%

3% pts increase from 2023/24

Suppliers committed to SBTi

38%

6% pts increase from 2023/24

RS PRO suppliers that are Sedex members

75%

9% pts increase from 2023/24

Supplier ESG action plan

As a global organisation at the centre of the industrial value chain, it is important that we leverage our leadership position to drive responsible action among our suppliers on behalf of our customers. We recognise that our 2,500+ suppliers are at different stages of their sustainability journey, which is why we share our ESG insights and knowledge, as well as our strong responsible business principles to ensure that good practices are upheld across our value chain. By doing so, we are forging stronger relationships and accelerating consistent actions to reduce risk and increase trust among our customers.

By 2030, we aim to engage our top 67% of suppliers by spend (c. 400 suppliers) and all RS PRO suppliers (c. 670 suppliers) on four ESG priorities outlined in our ESG Supplier Handbook. As of 2024/25, we have achieved the following:

1. Sign and return the Ethical Trading Declaration

Declaration: 64% of suppliers by spend with a signed Ethical Trading Declaration in place (2023/24: 59%)

2. Develop and offer more sustainable products

products: 44 new suppliers and 2,600 new products were added to the Better World product range, which totals c. 30,000 products from 132 suppliers (2023/24: 30,000 products from 90+ suppliers) (see page 54)

3. Set science-based carbon reduction targets by 2025

targets by 2025: 38% of suppliers have set science-based climate goals through the SBTi. In addition to working with suppliers, in 2025/26 we will engage with SBTi to identify an appropriate future target

4. Become EcoVadis-rated or Sedex members

members: 55% of suppliers by spend are rated by EcoVadis (2023/24: 52%). Not only has participation increased, but suppliers have maintained their average silver medal in 2024/25. 75% of RS PRO suppliers are members with Sedex (2023/24: 66%)

Our supplier management approach is based on rigorous screening, collaboration and regular direct engagement with our suppliers. Each supplier-facing team is coached on our supplier ESG action plan to drive productive conversations that prioritise sustainability. We support our suppliers to progress sustainability opportunities and overcome challenges by providing educational toolkits, such as our ESG Supplier Handbook and Better World Product Guidelines. We facilitate sharing and learning through webinars and industry events and regularly review ESG progress in individual supplier meetings. This year, we made ESG the eighth pillar of our EMEA strategic approach to drive action across the value chain in sustainable products, carbon reductions and broader ESG standards.

ESG was a core part of the agenda for the EMEA strategic supplier annual conference and RS Connect events in US, UK and Scandinavia, where we hosted panel sessions covering topics such as our ESG action plan, Better World product range, sustainable distribution and our youth programme.

Through these events, we aim to drive deeper collaboration between suppliers and customers to accelerate sustainable and circular business models and create stronger, more strategic partnerships.

132

suppliers contribute to our Better World product range

We continued to conduct detailed ethics and compliance monitoring with our key suppliers to ensure ongoing alignment to Group standards and expectations. This included:

- Risk screening all existing suppliers against global government lists and conducting more in-depth ethics and compliance checks on our higher-risk RS PRO suppliers. In 2024/25, we conducted 57 site audits of these suppliers.
- In addition to the mandatory pre-qualification questionnaire as part of our supplier onboarding process, in 2024/25 we ran our second re-qualification trial targeting specific product categories as additional due diligence to ensure products contain responsibly sourced minerals.

More information on our supplier ESG action plan can be found online at: rsgroup.com/sustainability



TCFD

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

Climate change is one of the greatest challenges facing our world today and requires global co-operation and accountability. As a Group, we take our responsibility under the Paris Agreement seriously and remain committed to driving climate action across our own operations and value chain by collaborating with our customers and suppliers. This is not only the right thing to do for people and planet, but core to our purpose of making amazing happen for a better world and our strategy, which is focused on delivering sustainable value for all our stakeholders.

We remain committed to communicating our progress on climate action in an engaging and transparent way. This is the fourth year we have published a TCFD report and we continue to make good progress against the 11 recommendations. We have reviewed and strengthened our quantitative scenario analysis for our five climate-related risks and opportunities (CRRs) and broadened our governance, risk management controls and engagement. Additionally, we have continued to integrate climate and ESG priorities into our products, solutions, target customer industries and operational capabilities. Our approach enables us to mitigate our risks, while leveraging the opportunities to support our long-term sustainable growth and stakeholder value creation by supporting the transition to a low-carbon global industrial sector.

At the time of publication, we have aligned with the requirements of Listing Rule 6.6.6R and the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022 by including climate-related financial disclosures that are consistent with the 11 TCFD recommendations.

Where possible, we have made use of the TCFD Final Recommendations Report and Annexes (2021) and technical supplements for our quantitative climate scenario analysis. We will continue to use these resources to strengthen our disclosures in preparation for the International Financial Reporting Standards S2 (climate standard) and the UK Transition Plan Taskforce disclosure framework, including the development of our first climate transition plan.

The table below sets out the 11 TCFD recommendations and where the related information can be found within this report:

Recommendations	Disclosure	Reference
Governance	A) Describe the Board's oversight of climate-related risks and opportunities	Doing business responsibly (page 65)
	B) Management's role in assessing and managing climate-related risks and opportunities	Doing business responsibly (page 65)
Strategy	A) Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term	TCFD strategy (pages 69 to 73)
	B) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning	TCFD strategy (pages 69 to 73)
	C) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	TCFD strategy (pages 69 to 73)
Risk management	A) Describe the organisation's processes for identifying and assessing climate-related risks	TCFD risk management (page 73) /Risks, viability and going concern (page 42)
	B) Describe the organisation's processes for managing climate-related risks	TCFD risk management (page 73) /Risks, viability and going concern (page 42)
	C) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management	TCFD risk management (page 73) /Risks, viability and going concern (page 42)
Metrics and targets	A) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	Advancing sustainability (pages 48 to 55)/ TCFD metrics and targets (page 73)
	B) Disclose Scope 1, Scope 2 and if appropriate Scope 3 GHG emissions and the related risks	Advancing sustainability (pages 50 and 51)
	C) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	Advancing sustainability (pages 48 and 49)

TCFD continued

Our five CRROs are summarised in the table on this page and further detail can be found on pages 70 and 71. These remain consistent with our assessment and disclosure in prior TCFD reports (available at: rsgroup.com/sustainability/reporting-centre), which set out further complementary detail and context on our climate governance and risk management approach and our climate-related scenario analysis.

Governance

Our climate governance activities are fully integrated within our wider corporate governance. For an overview of our ESG governance arrangements and key activities for 2024/25, inclusive of climate risks and opportunities, refer to page 65. For an update on key ExCo and Board climate-related engagement and activities in 2024/25, please see pages 86 to 88.

In 2024/25, we refreshed our double materiality assessment (DMA) in line with CSRD requirements. This process was pre-assured by our financial auditor, who evaluated the underlying process to enable effective assurance. The DMA process reinforced that our five CRROs are material, have the correct level of management focus and are supported by appropriate policies, actions, metrics and targets. Results of our DMA can be found on page 46.

Strategy

Driving climate action and accountability through our business strategy

Climate action is core to our purpose, vision and values, our business strategy and 2030 ESG action plan. We have a focused strategy and aligned ESG action plan to help us accelerate delivery. Some key examples of how we are mitigating climate risks and maximising opportunities through our strategy include:

- **Customers:** offering our customers products with more sustainable features and sustainable service solutions; developing and retaining customers in industry sectors that are critical to the low-carbon transition, including renewables, utilities and automotive sectors (see page 55)
- **Products and suppliers:** working with our suppliers to build an industry standard and claims verification process to promote their sustainable products to customers, enabling customers to reduce their energy consumption and transition to lower-carbon operations (see page 54)
- **Solutions:** helping our customers run their businesses more sustainably, via solutions such as energy monitoring and air quality surveys (see page 55)
- **Operational excellence:** reducing emissions from our distribution site operations and product shipments (see pages 22 and 48 to 53)

We are engaging with our suppliers, customers and wider value chain partners to drive collaborative action for a low-carbon global industrial sector, for example, through our Better World product range and supplier ESG action plan (see pages 54 and 67). Our commitment and progress on ESG is a key differentiator in attracting and retaining high-value customers. Alongside this, we have developed an initial draft of our climate transition plan, utilising the Transition Plan Taskforce (TPT) Framework released in 2023, which has been shared with the ExCo and Board. We will look to publish this in line with developing compliance timelines.

Strengthening our approach to climate scenario analysis

In 2024/25, we reviewed and validated our quantitative climate scenario analysis. Our ESG and Group financial control teams worked together to update our climate scenario analysis on the basis of a revised five-year plan and projected out to 2050. This has helped to bring

greater visibility and control over the potential financial impact of our CRROs and demonstrates our commitment to embedding climate action across our business.

We have modelled the potential impact on Group adjusted operating profit (pre- and post-mitigation). On page 72 we have presented the residual impact after mitigation of the CRROs under three different climate scenarios from the International Energy Agency (IEA) for transition risk and under three Intergovernmental Panel on Climate Change (IPCC) Representative Concentration Pathways (RCPs) for physical risk, which is consistent with our previous analyses (see reference table on page 72).

We identified the likely timeframe for each CRRO to emerge:

- **Short term:** 0 to 5 years (aligned to our five-year strategic plan)
- **Medium term:** 5 to 10 years (aligned to the risk management process, modelled as 2030 in our quantitative climate scenario analysis)
- **Long term:** 10 to 30 years (aligned to the risk management process, modelled as 2050 in our quantitative climate scenario analysis)

While we have identified short-term climate opportunities, we have not identified any material short-term risks or experienced any climate-related incidents with a material impact on the business in 2024/25. We have modelled our medium and long-term CRROs in the table on page 72.

OUR FIVE CRROs



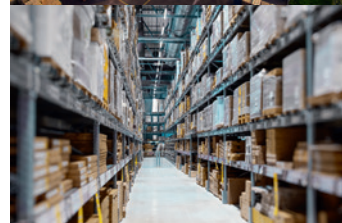
Products, solutions and customers

1. Changes in customer segments and product demand (transition opportunity)



Logistics

2. Technology transition and rising fuel costs (transition risk)



Distribution sites

3. Reduced emissions and energy costs through solar generation (transition opportunity)
4. Impact of extreme heat (physical risk)
5. Impact of extreme weather (physical risk)

TCFD continued

2024/25 actions on our CRROs:

CRRO	Description	Business owners	Metrics monitored	2024/25 initiatives, progress and investment activities
Transition				
Opportunity	1. Products, solutions and customers: Changes in customer segments and product demand Strategic action alignment: Connected stakeholders:	Growth in customer segments linked to the low-carbon economy and product categories enabling the net zero transition A smaller downside risk of decline in traditional customer segments (fossil fuel) and products that are not prevalent in the low-carbon economy (although modelling indicates this is of low significance)	Products: Chief of Product and Supply Chain (P&SC) Solutions: President Americas - Number of products in the Better World product range (ambition for 100,000 by 2030) - Investment in and incremental revenue from sustainable products and services e.g. Better World products, industrial MRO services that reduce energy and carbon, and low-carbon industry sectors - Overall green revenues metric to be developed, aligned to EU Taxonomy guidance	- Better World products – c. 30,000 products from 345 product families launched in 30 countries, with 132 suppliers contributing to the range (see page 54) - Low-carbon industry sectors – identified 10 strategy suppliers and expanded our catalogue to include around 200 initial product lines to develop bespoke wind turbine spares' catalogues. (see page 55) - New sustainability solutions to help customers monitor and reduce energy in their operations (see page 55) 2025/26 focus: Continue to grow our customer propositions and revenue from sustainable products, service solutions and industries
Risk	2. Logistics: Technology transition and rising fuel costs Strategic action alignment: Connected stakeholders:	Increased costs from third-party logistics providers associated with carbon freight taxes and investment in low-carbon technologies (expected to continue to be embedded in pricing margin)	Chief of P&SC and Regional Presidents (RPs) - Reduction in total CO₂ emissions and emissions intensity for product transportation – 35% reduction per tonne of product sold by 2029/30 from 2019/20 - Logistics costs as a percentage of revenue	16% reduction in absolute carbon emissions from product transportation since 2019/2020¹, delivered via ongoing initiatives to regionalise and optimise our supply chain and switch transport modes (see pages 49 to 51) - RS Safety Solutions transitioning to HVO fuel for its HGV logistics fleet in the UK (see page 49) - Reset 2030 product transport emissions intensity target to 35%² (previously 25%) based on current and future performance (see pages 48 and 53) 2025/26 focus: Continued supply chain optimisation through regional sourcing, storing and shipping and modal shift to reduce distances travelled, carbon footprint and cost. Further carrier engagement and technology investment to enable green delivery choices
Opportunity	3. Distribution sites: Reduced emissions and energy costs through solar generation Strategic action alignment: Connected stakeholders:	Installation of solar panels on available distribution site roof space to reduce energy costs and increase resilience	Chief of P&SC and RPs - Capital expenditure on distribution site solar generation and storage solutions has been embedded in goodwill impairment on page 100 - Reduction in energy costs - Percentage of 2024/25 electricity use from on-site solar generation: 2%	- Investing in solar panels at our distribution sites or leasing new distribution sites with solar installed - Investment approved for the construction of a new FC in Milan, Italy, which includes the installation of solar panels on the roof - Net zero capex investment of c. £2m per annum added to the five-year strategic plan 2025/26 focus: Review and progress proposals for installation of solar generation at further sites

Strategic action

Customers
 Products and suppliers
 Solutions
 Experience
 Operational excellence

Stakeholder key

Our people
 Customers
 Suppliers
 Communities
 Shareholders

1. Scope 3 emissions from product transportation (Category 4) per tonne of product sold.
2. Target reset in 2024/25. Previously 25% reduction per tonne of product sold.

TCFD continued

CRRO	Description	Business owners	Metrics monitored	2024/25 initiatives, progress and investment activities
Physical				
Risk	4. Distribution sites: Impact of extreme heat Strategic action alignment:  Connected stakeholders: 	Increased costs associated with installation of high-efficiency cooling systems and/or potential impacts on the health, safety and wellbeing of people working at our distribution sites which could reduce productivity. Key material site identified to be exposed to extreme heat is our regional DC in Fort Worth, US	Chief of P&SC and RPs	– Distribution site operating temperatures – Worker productivity and absence during high-heat periods (>35°C and >40°C) – Capital expenditure in heating, ventilation and air conditioning (HVAC) systems has been embedded in goodwill impairment on page 100 2025/26 focus: Ongoing mitigation through business continuity planning, review additional sites for HVAC and fabric improvement options
	5. Distribution sites: Impact of extreme weather Strategic action alignment:  Connected stakeholders: 	Extreme weather events, including flooding, storms and tornadoes, have the potential to disrupt our operations and logistics and cause physical damage to our infrastructure. Our regional DC in Fort Worth, US, was identified to be the key site at risk, due to physical exposure and strategic importance for our Americas distribution network	Chief of P&SC and RPs	– Distribution site insurance costs – Frequency and cost impact of severe weather events on distribution sites – Investment in distribution site facility improvements 2024/25 focus: Ongoing mitigation through business continuity planning

Strategic action

Customers
 Products and suppliers
 Solutions
 Experience
 Operational excellence

Stakeholder key

Our people
 Customers
 Suppliers
 Communities
 Shareholders

TCFD continued

Refreshed climate scenario analysis

High-level results of our refreshed climate scenario analysis are shown in the table on the right, with the net financial impact of CRROs post mitigation. Opportunities indicate a positive net impact on operating profit (shaded green) and risks indicate a negative net impact (shaded red). Our analysis indicates that physical risks are expected to be greater under a higher warming scenario, whereas transition opportunities and risks are greater under lower temperature scenarios, due to faster and more significant policy and market changes to deliver the low-carbon transition.

For further detail on our quantitative financial scenario analysis methods, please refer to our basis of reporting document at: rsgroup.com/sustainability

Net financial impact

Overall, we have low exposure to physical climate risks, with our operations generally in low-risk locations. Furthermore, our diversified business model and global customer base, strong supplier partnerships and capital strength mean we are well placed to mitigate potential future risks. We are also well positioned to support the transition to a low-carbon industrial sector by leading in sustainable products, solutions and industry sectors.

Our analysis suggests that, if we deliver upon our strategic growth ambitions relating to low-carbon products, service solutions and industry sectors, we will see a net positive financial impact from the CRROs. This demonstrates the overall resilience of our business model to manage our risks and maximise our opportunities under various future climate pathways.

Annual net impact on Group adjusted operating profit financial materiality key							
CRRO	Description		Financial impact	Timeframe¹			
Transition				Temperature rise	1.5°C	2°C	>2°C
1.	Opp	Products, solutions and customers: changes in customer segments and product demand	Annual revenue impact	2030	Very Low	Very Low	Very Low
				2050	Medium	Low	Very Low
2.	Risk	Logistics: technology transition and rising fuel costs	Increased operating costs, fully offset through embedding in pricing margin	2030	No impact	No impact	No impact
				2050	No impact	No impact	No impact
3.	Opp	Distribution sites: reduced emissions and energy costs through solar generation	Annual operating costs impact (including depreciation)	2030	Very Low	Very Low	Very Low
				2050	Very Low	Very Low	Very Low
Physical				Temperature rise	2°C	>2°C	>4°C
4.	Risk	Distribution sites: impact of extreme heat	Capital and operating costs to mitigate risk, expected to fully mitigate impact on productivity	2030	Very Low	Very Low	Very Low
				2050	Very Low	Very Low	Very Low
5.	Risk	Distribution sites: impact of extreme weather	Annual revenue impact and operating cost, offset by recovery via insurance policies	2030	No impact	Very Low	Very Low
				2050	No impact	Very Low	Very Low

Key:
Annual impact on Group adjusted operating profit²

Very high	>32%	Low	8 to 16%
High	24 to 32%	Very low	0 to 8%
Medium	16 to 24%	No impact	0%

Temperature scenarios³

Temperature	Scenario	Temperature	Scenario
Transition		Physical	
1.5°C	NZE - 1.4°C	2°C	RCP 2.6 - 2.0°C
2°C	APS - 2.1°C	>2°C	RCP 4.5 - 2.4°C
>2°C	STEPS - 2.6°C	>4°C	RCP 8.5 - 4.3°C

- 2030 – medium term, 2050 – long term. Time horizons for the climate scenario analysis were selected according to the time periods for which data was consistently available for both IEA and RCP scenarios within the range of RS's medium and long-term risk time horizons outlined on page 69.
- Aligned to RS enterprise risk management guidance, a CRRO is considered to be material where the annual net impact on adjusted operating profit is greater than +/- 16-24%. CRRO 1 Products, solutions and customers: changes in customer segments and product demand is the only CRRO deemed to be material, aligned to this threshold.
- NZE – The Net Zero Emissions scenario by 2050, APS – The Announced Pledges Scenario, STEPS – The Stated Policies Scenario (Source: IEA), RCPs 2.6, 4.5 and 8.5 (Source: IPCC).

TCFD continued

Risk management

Our CRROs are managed in line with the Group's risk management framework to ensure a robust and consistent approach. We have a high-level CRRO risk register and mitigation plans, which are refreshed annually in consultation with market and functional leaders. We also have strategies and controls in place to mitigate physical climate-related risks on our operations and wider supply chain (see page 42).

CRROs are integrated into our risk management process for ongoing management. Each CRRO has an owner, mitigating controls and a series of metrics and targets that are monitored and reported annually. The internal audit and risk team monitor the controls associated with our CRROs and review these frameworks, where relevant, when conducting audit inspections. A review of ESG impacts is incorporated at the due diligence stage of acquisitions and investment will be added to future integration plans. Updates and key risks are provided to the ExCo, Audit Committee and the Board during their bi-annual risk reviews to ensure a clear line of sight and integration into our strategy, business planning and decision making. In 2024/25, we introduced a new risk control questionnaire to site management teams, which incorporated five climate-related questions. This has helped to increase awareness and accountability at a site level, while enabling us to continue horizon scanning and maintain oversight of this principal risk. We have also taken steps in the year to broaden our risk management approach under the requirements of CSRD, where we fine-tuned the risk descriptors and developed new opportunity descriptors to make sure that both risks and opportunities were assessed in a quantitative and objective way. For more information on our principal risks, including climate change, see pages 38 to 42.

Metrics and targets

To understand and manage our climate impacts, we monitor key metrics for our CRROs and have set performance targets related to the most material CRROs (aligned to the materiality of their financial impact as outlined on page 72). Each of our CRROs has a business owner to oversee the approach with relevant leadership teams, see pages 70 and 71. The Group's non-financial KPIs contain four climate-related metrics and targets (Scope 1 and 2 carbon emissions, carbon intensity, packaging intensity and waste recycled) and we have set four SBTs covering our most material Scope 1, 2 and 3 emissions categories, which were validated by the SBTi in 2023/24. These are reviewed by the ExCo quarterly and the Board biannually (see page 65). In 2024/25, our 2030 targets for packaging intensity and product transport emissions intensity were increased, taking account of our progress to date and forecasted performance. More details on the rationale behind this are on pages 52 and 53. Additionally in 2024/25, we were included in CDP's prestigious A-list, having improved our CDP rating this year from A- to A for our commitment to climate action, environmental transparency and disclosure.

Our science-based Scope 1 and 2 carbon reduction target is included in the annual performance incentive for 48% of all RS employees, including the annual incentive for Executive Directors (see page 66). We monitor a set of key climate metrics to ensure our net zero action plan is on track, refer to the Advancing sustainability section on pages 48 to 55 for a full update on our progress and performance against our climate-related metrics and targets, as well as our online data centre for the total list of all ESG metrics we monitor. We will continue to develop our climate-related metrics and targets further through our climate transition plan, which we will publish in line with developing compliance timelines.



Independent limited assurance report

ESG ASSURANCE

Independent limited assurance report to RS Group plc

ERM Certification and Verification Services Limited (ERM CVS) was engaged by RS Group plc (the Group) to provide limited assurance in relation to the selected information set out below and presented in RS Group's Annual Report and Accounts 2025 and 2024/25 ESG data centre (the Reports).

Engagement summary	
Scope of our assurance engagement Selected information	Whether the following 2024/25 selected information on pages 47, 50, 51, 52 and 53 of the Annual Report and Accounts 2025 and 2024/25 ESG data centre are fairly presented, in all material respects, in accordance with the reporting criteria: – Total Scope 1 and Scope 2 GHG emissions (tonnes CO₂e) (including recent acquisitions and excluding recent acquisitions) – Carbon intensity (total Scope 1 and Scope 2 (market-based) GHG emissions in tonnes CO₂e per £ million revenue) (including recent acquisitions and excluding recent acquisitions) – Total Scope 3 GHG emissions from the following categories (tonnes CO₂e): – Category 1 – Purchased goods and services – Category 4 – Upstream transportation and distribution – Category 11 – Use of sold products (RS PRO products only) – Product transportation emissions intensity (tonnes CO₂e per tonne of product sold) – In-use carbon intensity (RS PRO products only) (tonnes CO₂e per tonne of product sold) – Packaging intensity (tonnes packaging per £ million revenue) – Percentage of management that are women (%) – Percentage of ethnically diverse leaders (%) – Employee engagement score (#) – All accident frequency rate (number of accidents per 200,000 hours) – Total waste generated (tonnes) – Total weight of waste recycled (tonnes) – Total weight of waste incinerated (tonnes) – Total weight of waste landfilled (tonnes) – Waste intensity (tonnes per £million revenue) Our assurance engagement does not extend to information in respect of earlier periods or to any other information included in the Reports.
Reporting period	– 2024/25 (1 April 2024 – 31 March 2025)
Reporting criteria	– The GHG Protocol Corporate Accounting and Reporting Standard (WBCSD/WRI Revised Edition 2015) for the Scope 1 GHG emissions – GHG Protocol Scope 2 Guidance (An amendment to the GHG Protocol Corporate Standard (WRI 2015) for the Scope 2 GHG emissions – The Corporate Value Chain (Scope 3) Accounting and Reporting Standard (WBCSD/WRI 2011) for Scope 3 GHG emissions – The Group's internal definitions (basis of reporting) for the KPIs, as described in the Group's ESG basis of reporting 2024/25 (see: rsgroup.com/sustainability)
Assurance standard and level of assurance	We performed a limited assurance engagement, in accordance with the International Standard on Assurance Engagements ISAE 3000 (Revised) 'Assurance Engagements other than Audits or Reviews of Historical Financial Information'. The procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement and consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.
Respective responsibilities	The Group is responsible for preparing the Reports and for the collection and presentation of the information within it and for the designing, implementing and maintaining of internal controls relevant to the preparation and presentation of the selected information. ERM CVS' responsibility is to provide a conclusion to the Group on the agreed scope based on our engagement terms with the Group, the assurance activities performed and exercising our professional judgement.

Independent limited assurance report continued

Our conclusion

Based on our activities, as described below, nothing has come to our attention to indicate that the selected information for 2024/25 is not fairly presented in the Reports, in all material respects, in accordance with the reporting criteria.

Our assurance activities

Considering the level of assurance and our assessment of the risk of material misstatement of the selected information, a multi-disciplinary team of sustainability and assurance specialists performed a range of procedures that included, but was not restricted to, the following:

- Evaluating the appropriateness of the reporting criteria for the selected information
- Interviewing management representatives responsible for managing the selected information
- Interviewing relevant staff to understand and evaluate the management systems and processes (including internal review and control processes) used for collecting and reporting the selected information
- Reviewing of a sample of qualitative and quantitative evidence supporting the selected information at a corporate level

- Performing an analytical review of the year end data submitted by all locations included in the consolidated 2024/25 group data for the selected information which included testing the completeness and mathematical accuracy of conversions and calculations and consolidation in line with the stated reporting boundary
- Conducting site visits to RS Group sites in Corby (UK), Bad Hersfeld (Germany) and Fort Worth (USA) to review source data, local reporting systems and controls
- Evaluating the conversion factors, emission factors and assumptions used; and
- Reviewing the presentation of information relevant to the assurance scope in the Reports to ensure consistency with our findings

The limitations of our engagement

The reliability of the selected information is subject to inherent uncertainties, given the available methods for determining, calculating or estimating the underlying information. It is important to understand our assurance conclusions in this context.

For the carbon and packaging intensity KPIs, we reviewed the accuracy of the calculations based on the final, assured GHG emissions and packaging data for 2024/25 and the audited revenue figure for 2024/25 provided by the Group; we have not separately audited the revenue figure used in the calculation of these KPIs.

For the Scope 3 GHG emissions from categories 1 and 11 and the in-use carbon intensity for RS PRO products, our work consisted of reviewing the calculations of the GHG emissions and the carbon intensity based on purchase and sales transactions extracted from the Group's financial systems and applying the methodology developed by the Group; we have not separately audited the purchase and sales transactions underlying these GHG emissions and carbon intensity.

Our observations

We have provided the Group with a separate Management Report with our detailed observations. Without affecting our assurance conclusion, we make the following observation:

- As disclosed on page 51 of the Annual Report and Accounts 2025 and in the ESG basis of reporting 2024/25, the Group accounts for product transportation (Scope 3 Category 4) GHG emissions from inbound, outbound and inter-site deliveries where these are controlled by RS Group

Our independence, integrity and quality control

ERM CVS is an independent certification and verification body accredited by the United Kingdom Accreditation Service to ISO 17021:2015. Accordingly we maintain a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. Our quality management system is at least as demanding as the relevant sections of ISQM-1 and ISQM-2 (2022).

ERM CVS applies a Code of Conduct and related policies to ensure that its employees maintain integrity, objectivity, professional competence and high ethical standards in their work. Our processes are designed and implemented to ensure that the work we undertake is objective, impartial and free from bias and conflict of interest. Our certified management system covers independence and ethical requirements that are at least as demanding as the relevant sections of the IESBA Code relating to assurance engagements.

ERM CVS has extensive experience in conducting assurance on environmental, social, ethical and health and safety information, systems and processes and provides no consultancy related services to the Group in any respect.

20 May 2025
London, UK



ERM Certification and Verification Services Limited
www.ermcvs.com
Email: post@ermcvs.com

Non-financial and sustainability information statement

NON-FINANCIAL AND SUSTAINABILITY INFORMATION STATEMENT

This section constitutes the Group's non-financial information statement (NFIS), produced to comply with sections 414CA and 414CB of the Companies Act 2006. The information presented below is incorporated by cross-reference and most of the policies listed can be found on our website: rsgroup.com/sustainability/codes-policies-and-standards. Our Code of Conduct underpins the Group's business activities while providing our stakeholders with clear guidance on expected behaviours, actions and compliance requirements covering each of the below areas.

	Reporting requirement and policy position	Relevant policies and standards	Due diligence and further information
Environmental matters	Our environmental policies set out our commitment to continuously improving our environmental performance to ensure sustainable growth in line with global goals.	Global Environmental Policy Group Energy Management Policy Supplier Ethical Trading Declaration	– Advancing sustainability: pages 48 to 55 – TCFD report: pages 68 to 73 – Sustainability section of website: rsgroup.com/sustainability
People	Our people policies support our people plan and ambition to 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.	Group Health & Safety Policy Diversity and Inclusion Policy Gender Pay Gap Report Equal Opportunity Policy Speak Up Policy	– Empowering our people: pages 56 to 60 – Governance report: pages 78 to 91 – Nomination Committee report: pages 93 to 96 – Sustainability section of website: rsgroup.com/sustainability
Social matters	We have strict standards of behaviour that we expect of our employees and supply chain partners, which are set out in our Code of Conduct and Ethical Trading Declaration. This includes respecting and safeguarding our people and wider community.	Supplier Code of Conduct Ethical Trading Declaration Information Security Policy Volunteering Policy	– Empowering our people: pages 56 to 60 – Championing youth & communities: pages 61 to 63 – Doing business responsibly: pages 64 to 67 – Sustainability section of website: rsgroup.com/sustainability
Respect for human rights	We recognise and respect the Universal Declaration of Human Rights, ensuring that all people have freedom, dignity and equality. We uphold the highest ethical and legal standards within our business and supply chain.	Modern Slavery Policy Modern Slavery Statement UNGC Communication on Progress (COP) Conflict Minerals and Chemicals of Concern Policy	– Doing business responsibly: pages 64 to 67 – Sustainability section of website: rsgroup.com/sustainability
Anti-bribery and corruption	We have a zero-tolerance stance on all forms of bribery and corruption and are committed to conducting our activities in line with UNGC Principle 10. Our Group Anti-Bribery Policy covers our stance on these matters in detail.	Anti-Bribery Policy Commitment to Compliance and Quality Policy Competition Law Compliance Policy Tax Strategy Corporate Criminal Offence Policy	– ESG governance: page 65 – Governance report: pages 78 to 91 – Audit Committee report: pages 97 to 103 – Sustainability section of website: rsgroup.com/sustainability
Business model			– Business model and strategy: pages 11 and 16
Non-financial KPIs			– Non-financial KPIs: pages 26 and 27
Principal risks			– How we manage our risks effectively: pages 36 and 37 – Our principal risks and uncertainties: pages 38 to 44
Climate-related financial disclosures			– Disclosures aligned to clauses (a) to (h) of The Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022 detailed in the TCFD report: pages 68 to 73

Section 172 statement

SECTION 172 STATEMENT

The Companies Act 2006 and section 172

Under the Companies Act 2006, our Directors are required to act in a way that they consider, in all good faith, would most likely promote the success of RS Group plc and its stakeholders. Throughout 2024/25, we have strived to continue to demonstrate how, as a considerate, sustainable, responsible and solutions-driven business, our Board of Directors and the ExCo have achieved this. Throughout this report, there are many examples of how we have taken into account our key stakeholders: our people, customers, suppliers, communities and shareholders. Details of how the Board in particular has considered these stakeholders' interests can be found in the Corporate Governance Report on pages 86 and 87.

Forward-looking statements This financial report contains certain statements, statistics and projections that are or may be forward looking. The accuracy and completeness of all such statements, including, without limitation, statements regarding the future financial position, strategy, projected costs, plans and objectives for the management of future operations of RS Group plc and its subsidiaries is not warranted or guaranteed. Statements that are not historical facts, including statements about our beliefs and expectations, and including (without limitation) statements containing words such as 'may', 'will', 'should', 'projects', 'intends', 'expects', 'anticipates', 'estimates', 'believes', 'aims' and words of similar import, are forward looking statements. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. Although RS Group plc believes that the expectations reflected in such statements are reasonable, no assurance can be given that such expectations will prove to be correct. There are a number of factors, which may be beyond the control of RS Group plc, which could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements. Other than as required by applicable law or the applicable rules of any exchange on which our securities may be listed, RS Group plc has no intention or obligation to update forward-looking statements contained herein.

The long-term consequences of decisions that are taken

Board oversight of our strategy and ongoing monitoring of performance against agreed metrics	Pages 16, 24 to 27 and 86 to 87
Ensuring we have the right foundations to support the Group's growth opportunity	Pages 10 and 23
Acquisition and integration of Risoul and Distrelec into the Group's business to create effective synergies	Pages 10, 23 and 33
Accelerating our growth ambitions organically and inorganically	Page 23
Refining our strategy to provide greater focus, more alignment, better prioritisation and improved execution	Pages 16 to 22

The interests of our employees

Strengthening our commitment to our people and culture through the embedding of our new set of values	Pages 5 and 6
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	Pages 56 to 58
Prioritising the health, safety and wellbeing of our workforce and providing career development and learning opportunities	Pages 59 and 60
Continuing our programme of Board employee engagement	Pages 7, 9, 83 and 88

The need to foster our business relationships with our customers, suppliers and regulators

Our competitive advantage and strategy in action	Pages 11 and 16 to 22
Aligning our operating plans to build organisational capabilities and a scalable market strategy	Pages 14 and 15
Engaging with our suppliers to help ease significant supply chain challenges	Pages 13, 15 and 55

The impact of the Group's operations on the environment and community

Enhancing a purpose-led culture, driving our ESG goals in our commitment for a better world	Pages 45 to 73
Driving to be a sustainable and responsible leader in our sector	Pages 64 to 67
Supporting suppliers to provide more sustainable and clean products	Page 54

Our reputation for having high standards and sound ethical conduct

Code of conduct: for our people (Speak Up) and our suppliers	Page 66
Ensuring anti-bribery training is regularly rolled out to our employees	Page 66
Ensuring we apply a zero-tolerance approach to modern slavery	Page 66

The need to act fairly between members of the Company

Continuing to pursue a progressive dividend policy	Page 32
Increasing operational effectiveness	Pages 9 and 22

The Strategic Report was approved by the Board on 20 May 2025 and is signed on its behalf by:

Simon Pryce
Chief Executive Officer

Corporate governance

ROBUST GOVERNANCE FOR EFFECTIVE DECISION MAKING

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CHAIRMAN'S LETTER

**Rona
Fairhead**
Chairman



Activities during 2024/25

- Overseeing improved strategic execution
- Continued support and effective challenge of the Executive Committee (ExCo)
- Appointment of Carole Cran and Miles Roberts as Non-Executive Directors as part of broader Board succession planning
- Monitoring the effectiveness of our operating model, our cultural evolution and values
- Overseeing the Company's response to evolving ESG regulations
- An extensive shareholder engagement programme in developing the 2025 Directors' Remuneration Policy

Priorities for 2025/26

- Continued development of both Executive and Non-Executive succession planning
- Monitoring of our ESG reporting to help ensure compliance with evolving regulations
- External Board evaluation
- Continued evolution of our corporate governance arrangements, including preparedness for the 2024 UK Corporate Governance Code, which will apply to RS from the 2026/27 financial year, with particular focus on internal controls

Dear shareholder

I am delighted to introduce our Governance Report for 2024/25 on behalf of the Board and in accordance with the 2018 UK Corporate Governance Code (the Code). This report sets out how the Board has applied its governance framework and best practice to ensure effective procedures are in place to support the creation of long-term value for all our stakeholders.

The Board's priority during the year has been to oversee our strategic evolution. This has included monitoring progress made against our key performance indicators whilst building strong foundations for our medium-term financial targets. The Board is impressed with the efforts made by both the ExCo and RS team during the year, especially given the background of an extremely challenging business environment, and believes it is due to them that we are delivering well on the things we can control.

Board and Committee changes

We welcomed two new Non-Executive Directors to the Board: Carole Cran who joined the Board with effect from 1 December 2024, and Miles Roberts who joined with effect from 1 March 2025. Carole joins RS with extensive financial experience and has a strong focus on governance and risk. Miles brings a strong background in financial and operational management and has a strong focus on strategy, risk and sustainability. Together they bring international and sector experience. Carole has become a member of the Audit Committee and Miles has become a member of the Audit, Nomination and Remuneration Committees. I very much look forward to working with them.

We also said goodbye to Navneet Kapoor who stepped down from the Board with effect from 31 December 2024, having served as Non-Executive Director since 2022, to focus on his executive commitments. I would like to thank Navneet for the valuable contribution he made to RS since his appointment.

Strategy

This has been an area of particular focus during the year supported by an improved cadence and richer data. A dedicated strategy session was held with the Board in January 2025, where the ExCo presented their update to the strategic plan and priorities for the business and functions. The Board was provided with an overview of the successes and learnings from the prior year. In addition to the annual strategic session, the Board holds deep-dive strategic discussions at each Board meeting regarding each of the regions and functions.

We believe this focus on strategy will help drive better execution and accelerate value creation through increased revenue and returns, expanding automated logistics and closer relationships with strategic suppliers. These will be underpinned by our continued commitment to industry-leading ESG and robust governance.

Culture

Throughout the year, the Board provided oversight of the Group's culture, receiving direct and indirect feedback on the embedding of our values. The Board has maintained its focus on diversity and inclusion (D&I) and strongly believes that diversification of thought and inclusiveness enhances decision making whilst strengthening and underpinning a healthy culture. For more information on our values, people plan and D&I see pages 6, 17, 58 and 96.

Stakeholder engagement

Our two designated employee engagement Directors, Bessie Lee and Joan Wainwright met with the Chairs of a number of our Employee Resource Groups (ERGs) in January 2025. In March 2025, Bessie and Joan met with employee representatives from the UK Distribution Centres (DCs) and London, UK office. Bessie also visited our Shanghai, China office in April 2024. The visit comprised a tour of the office, meeting with local management, attending a town hall with employees and hosting an employee round table event with employee representatives.

We continue to believe in the benefit of engaging actively with our shareholders. In addition to investor meetings and our investor event in September 2024, there has been extensive engagement with shareholders in respect of the proposed 2025 Directors' Remuneration Policy. This has been led by Joan Wainwright, the Chair of our Remuneration Committee.

Further information regarding employee and shareholder engagement can be found on page 88.

Board evaluation

An internal evaluation of the Board was conducted during the year. The outcome of this, along with an update regarding the previous year's internal evaluation, can be found on pages 89 and 90.

Corporate Governance Code

The Company's statement of compliance with the Code can be found on page 92.

Rona Fairhead

Chairman
20 May 2025

BOARD OF DIRECTORS

A strong, experienced Board, with a diverse range of backgrounds and skills enhances decision making for the benefit of all stakeholders.



Rona Fairhead

Chairman

Committee membership

(N)

Date of appointment

November 2020

Skills, experience and contribution

Rona brings a tremendous range of commercial and strategic experience to the Company. Rona's strong understanding of UK corporate governance and her extensive experience in digital transformation and international expansion provide the Board with strong and valuable leadership to deliver long-term sustainable value for all our stakeholders. Previous roles have included chair of the BBC Trust, Minister of State in the UK Department for International Trade, non-executive director of HSBC Holdings plc and PepsiCo, Inc. and chair and chief executive officer of Financial Times Group.

Current external roles

- Non-executive director of Oracle Corporation
- Member of the House of Lords
- Member of the International Advisory Council of Hong Kong Exchanges & Clearing Limited
- Senior independent director of CVC Capital Partners plc



Simon Pryce

Chief Executive Officer¹

Committee membership

(D)

Date of appointment

September 2016¹

Skills, experience and contribution

Simon is a highly experienced leader of customer-focused, global industrial manufacturing and service businesses. He has a strong track record of driving results and delivering excellent stakeholder outcomes through enhanced performance and the effective execution of organic and inorganic growth strategies. Previous roles include chief executive officer of Ultra Electronics Holdings plc, group chief executive of BBA Aviation plc and a range of international finance and management roles at GKN plc, JP Morgan and Lazards. He is also currently a non-executive director of Smiths Group plc.

Current external roles

- Non-executive director of Smiths Group plc



Kate Ringrose

Chief Financial Officer

Committee membership

(D)

Date of appointment

October 2023

Skills, experience and contribution

Kate has extensive experience of successfully leading the finance function in a FTSE 100 company. She has a proven track record in driving business transformation, improving business resilience, leading operational excellence and accelerating strategic growth. Kate is a chartered accountant and trained with KPMG in South Africa. Previously, Kate had a successful 18-year career at Centrica plc where she held various senior roles in energy supply, service solutions, trading and financial operations. Her most recent role was group CFO.

Current external roles

- None



David Sleath, OBE

Senior Independent Director

Committee membership

(N) (A) (R)

Date of appointment

June 2019

Skills, experience and contribution

David brings a wealth of experience to the Board, including valuable insight into the dynamics of service-led business models, having been the senior independent director of Bunzl plc. As serving chief executive officer, and previously chief financial officer, of SEGRO plc, David has strong financial, real estate, manufacturing and distribution experience. He also brings to the Board in-depth financial, strategic and governance experience, which are essential to his role as Senior Independent Director. David has also previously served as president of the British Property Federation and group finance director of Wagon plc.

Current external roles

- Chief executive officer of SEGRO plc



Alex Baldock

Independent Non-Executive Director

Committee membership

(A) (R)

Date of appointment

September 2021

Skills, experience and contribution

Alex has extensive experience in digital transformation, accelerating omni-channel growth and embedding customer focus, evidenced through his successful transformation of Currys plc. Alex was previously chief executive officer of Shop Direct, now the Very Group, where he led the business's digital transformation from a catalogue retailer to the UK's second largest e-commerce pureplay and through four consecutive years of record growth in sales, profits, customer satisfaction and colleague engagement.

Current external roles

- Group chief executive of Currys plc

1. Joined in September 2016 as Non-Executive Director. Appointed as CEO on 3 April 2023.

Board of Directors continued

**Louisa Burdett**

Independent Non-Executive Director

Committee membership

(N) (A) (R)

Date of appointment

February 2017

Skills, experience and contribution

Louisa brings a wealth of financial, commercial, M&A and risk management experience to the role of Non-Executive Director and Chair of the Audit Committee. Louisa is a chartered accountant and has held senior financial positions in industrial, manufacturing, publishing and pharmaceutical companies. Louisa was previously the chief financial officer of Croda International plc and Meggitt plc, group finance director of Victrex plc, and chief financial officer of Optos plc and the Financial Times Group.

Current external roles

- Chief financial officer of Spirax Group plc

**Carole Cran**

Independent Non-Executive Director

Committee membership

(A)

Date of appointment

December 2024

Skills, experience and contribution

Carole has extensive financial experience and a strong focus on governance and risk. Carole is chief financial officer of Halma plc, having previously served as independent non-executive director. Previously, Carole held the position of chief commercial officer and finance officer of Forth Ports Limited until November 2024, prior to which she held the position of chief financial officer of Aggreko plc until December 2017 and a number of senior finance roles within that group. She also held senior financial positions at BAE Systems plc. Carole commenced her career in the audit division of KPMG where she qualified as a Chartered Accountant.

Current external roles

- Chief financial officer of Halma plc

**Bessie Lee**

Independent Non-Executive Director

Committee membership

(N)

Date of appointment

March 2019

Skills, experience and contribution

Bessie has extensive strategic experience in digital marketing technology and media knowledge, principally in Greater China. She has in-depth experience in the world of eCommerce and digital media. She is a frequent media commentator, blogger and international speaker. Bessie has more than 30 years' experience in the media communications industry in Greater China. Her previous roles include chief executive officer of JLL Greater China, Mindshare, GroupM and WPP in China.

Current external roles

- Chief executive officer of Withinlink
- Governor of University of the Arts London

**Miles Roberts**

Independent Non-Executive Director

Committee membership

(N) (A) (R)

Date of appointment

March 2025

Skills, experience and contribution

Miles has extensive financial and operational experience, particularly within international manufacturing industries. Miles brings a wide level of board experience, together with specific experience of large, long-term capital projects, alongside a particular focus on sustainability. Miles was group chief executive of DS Smith Plc from 2010 until the company was taken over by International Paper in January 2025. He is currently acting as an advisor to DS Smith Limited and International Paper subsequent to that takeover. He was previously chief executive of McBride plc, having joined as its group finance director and has held non-executive positions at Aggreko plc and Poundland Group plc. Miles became a qualified chartered accountant after an early career in engineering.

Current external roles

- Non-executive director of Land Securities Group PLC
- Advisor to DS Smith Limited and International Paper

**Joan Wainwright**

Independent Non-Executive Director

Committee membership

(N) (R)

Date of appointment

November 2019

Skills, experience and contribution

Joan has extensive experience in distribution, transforming digital platforms to generate revenue growth and leading customer experience programmes that drive measurable improvements. Her extensive knowledge of customer experience aligns with the Company's vision and she provides a strong insight into the customer dynamic in the US. Joan's previous roles include president, channel and customer experience at TE Connectivity Ltd, vice president, public affairs at Merck & Co, and deputy commissioner of communications at the US Social Security Administration.

Current external roles

- Director of NJM Insurance Group
- Member of the global advisory council of ServiceNow

**Clare Underwood**

Chief of Corporate Services and Company Secretary

Date of appointment

March 2022

Skills, experience and contribution

Clare brings a wealth of FTSE 100 governance experience to support the Board in effective governance. The skills and knowledge from her previous roles at John Laing Group plc and Cable and Wireless Communications plc enable her to provide first-class company secretarial advice and support. Clare is a member of the ExCo and leads the Corporate Services team, one of our enabling functions which serves the Group as centres of excellence in shared business services, indirect procurement, ESG, health and safety, legal, governance and compliance. Clare is also executive sponsor for our ERG, Elevate.

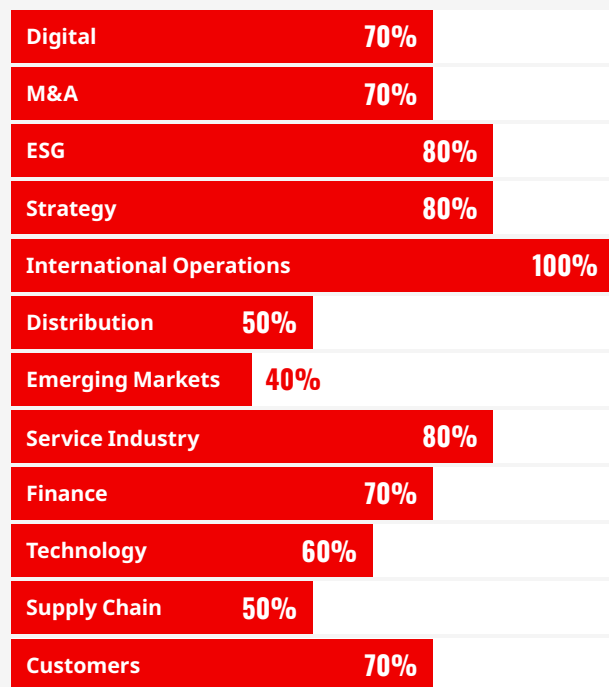
Other Directors who served during the year

Navneet Kapoor stepped down from the Board on 31 December 2024.

GOVERNANCE AT A GLANCE

SKILLS, EXPERIENCE AND KNOWLEDGE OF OUR BOARD

Summary of the skills, experience and knowledge held by our Directors.



The FTSE Women Leaders Review 2025

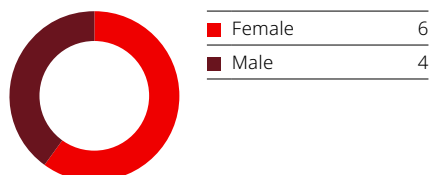
1ST

Joint first in the FTSE 250

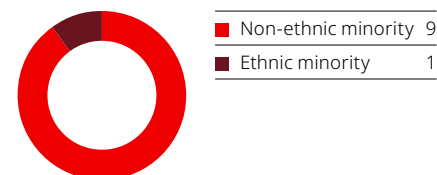
BOARD COMPOSITION

As at 31 March 2025

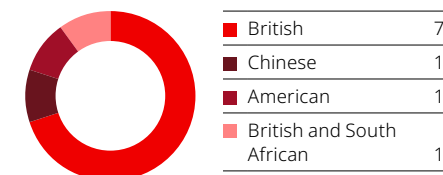
Gender



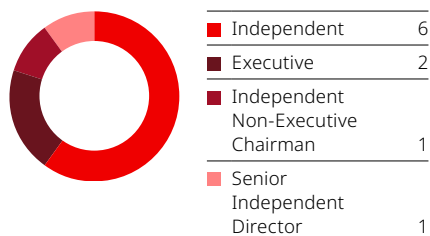
Ethnicity



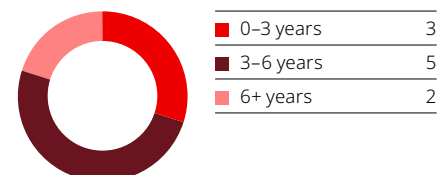
Nationality



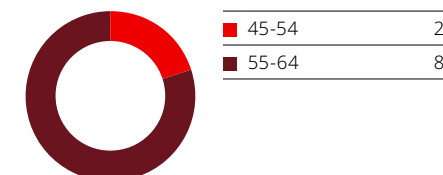
Independence



Board tenure Years



Age of Directors Years



BOARD AND COMMITTEE MEETING ATTENDANCE

Director	Board	Nomination	Audit	Remuneration
Rona Fairhead	7/7	4/4	–	–
Simon Pryce	7/7	–	–	–
Kate Ringrose	7/7	–	–	–
Alex Baldock ¹	7/7	–	3/4	5/6
Louisa Burdett ²	6/7	4/4	3/4	4/6
Carole Cran ³	3/3	–	1/1	–
Navneet Kapoor ⁴	5/5	2/3	3/3	–
Bessie Lee	7/7	4/4	–	–
Miles Roberts ⁵	1/1	1/1	0/0	1/1
David Sleath	7/7	4/4	4/4	6/6
Joan Wainwright	7/7	4/4	–	6/6

- Alex Baldock was unable to attend one Audit and Remuneration Committee meeting due to a prior engagement.
- Louisa Burdett was unable to attend one Board, Audit and ad-hoc Remuneration Committee meeting due to illness and one ad-hoc Remuneration Committee meeting due to a prior engagement.
- Carole Cran joined the Board on 1 December 2024.
- Navneet Kapoor was unable to attend one Nomination Committee meeting due to travel disruption. Navneet stepped down from the Board with effect from 31 December 2024.
- Miles Roberts joined the Board on 1 March 2025.

OUR GOVERNANCE FRAMEWORK

Our governance framework underpins and supports robust governance across the Group aimed at ensuring efficient decision making and clear division of responsibilities.

The Board's principal responsibility is to promote and assess the long-term sustainable success of the Group as a whole, generating value for shareholders and contributing to the wider society. The Board is accountable to stakeholders for the Group's financial and operational performance and is responsible for taking material strategic decisions and providing oversight across the Group. The Board aims to lead with integrity and in a sustainable, commercial manner to ensure value is created for all the Group's stakeholders. The Board also provides guidance and challenge to Executive Directors and senior leaders within a robust governance framework to ensure that this leadership is delivered effectively.

The Board is responsible for ensuring that the strategic objectives are supported and adequately resourced to help ensure the long-term success of the Group, realisation of its strategy, and to monitor the effective deployment of those resources. The Group's risk management framework supports the strategic actions of the Group, with controls to help mitigate identified risks. The Board regularly reviews the internal controls and overall risk management framework, with support from the Audit Committee. Full details of the risk management framework can be found on pages 36 to 44.

The Board is supported by its Committees, which make decisions and recommendations on matters delegated to them by the Board.

This enables the Board to spend time on key strategic matters. Each Committee comprises Non-Executive Directors only and has an experienced Chair. Regular updates are provided to the Board by the Committee Chairs as well as by the Chairman of the Board, the CEO and CFO. Each Committee of the Board has provided reports on how they have discharged their responsibilities and details of their activities during the year, which can be found on pages 93 to 131.

The key topics the Board has focused on this year, as well as those it plans to assess for the coming year, are set out on page 79.

In addition to the Committees of the Board, the ExCo is responsible for making effective decisions that keep the Group focused on the right priorities, accelerate realisation of our strategy, drive performance and ensure we develop and maintain a diverse, supportive and inclusive culture where our people are empowered within a clear framework. The ExCo supports the CEO in exercising his authority in relation to material matters having strategic, cross-business or Group-wide implications and oversight of the day-to-day management of the Company's business. The members of the ExCo are the CEO, CFO, the Presidents for EMEA, Americas and Asia Pacific, Chief of Product and Supply Chain, Chief of Customer Experience, Chief of Corporate Services and Company Secretary, Chief People Officer (CPO) and Chief Information Officer. The ExCo has representation from each of the regions, both accelerator and enabling functions and brings the voice of customers, suppliers, solutions and technology to the decision-making process.

CASE STUDY

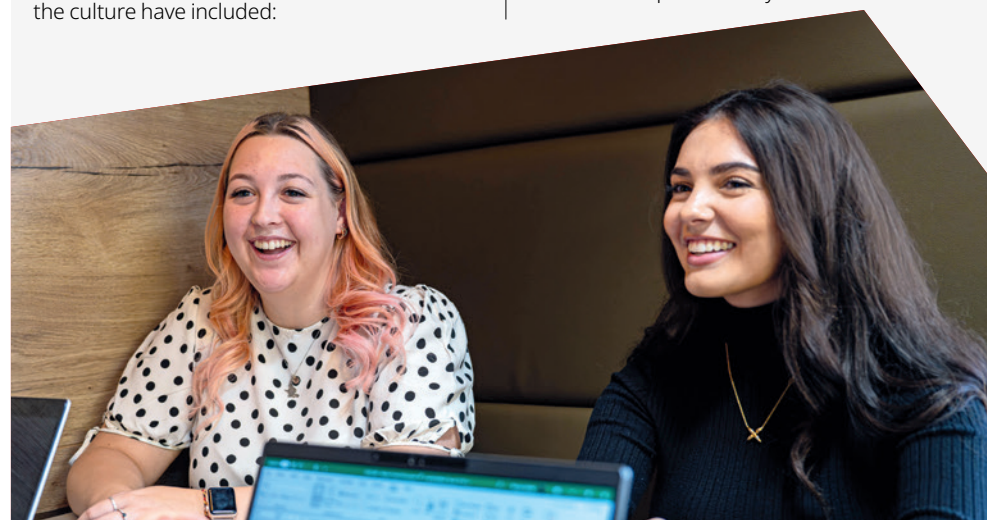
ALIGNING OUR PURPOSE, VISION, VALUES AND STRATEGY FOR LONG-TERM VALUE

To achieve the long-term sustainable value generation of the Group, the Board has continued to work closely with the ExCo on the Group's purpose of making amazing happen for a better world.

Following the refinement of the strategy during 2023/24, the Board has maintained oversight of the Group's strategic focus and better prioritisation which, in turn, will help enable enhanced execution at greater pace.

The Board recognises the importance of ensuring alignment between purpose, vision, values and strategy to accelerate successful delivery. As part of the strategic review that took place during 2023/24, our purpose and new set of Group-wide values continue to be embedded across the Group. During the year, activities conducted by the Board to assess and monitor the culture have included:

- An update on the embedding of the people plan which highlighted the key initiatives which will support our strategic actions and cultural evolution. See page 17 for further information.
- Bessie Lee and Joan Wainwright (as our designated Directors for employee engagement) met with a number of our ERG chairs in January 2025 and employee representatives from the Corby and Nuneaton, UK DCs and London, UK office in March 2025. Bessie also visited the Shanghai, China office in April 2024. During the meetings a number of issues were raised including working conditions, resources, technology, remuneration and benefits for the wider workforce. In-depth feedback was then provided to the Board following these engagements, with outcomes being shared with relevant management teams.
- Deep-dive strategic updates from each of our regions, accelerator and enabling functions, in addition to regular updates from the CEO to each Board meeting, providing feedback arising from touchpoints such as town hall events and pulse surveys.

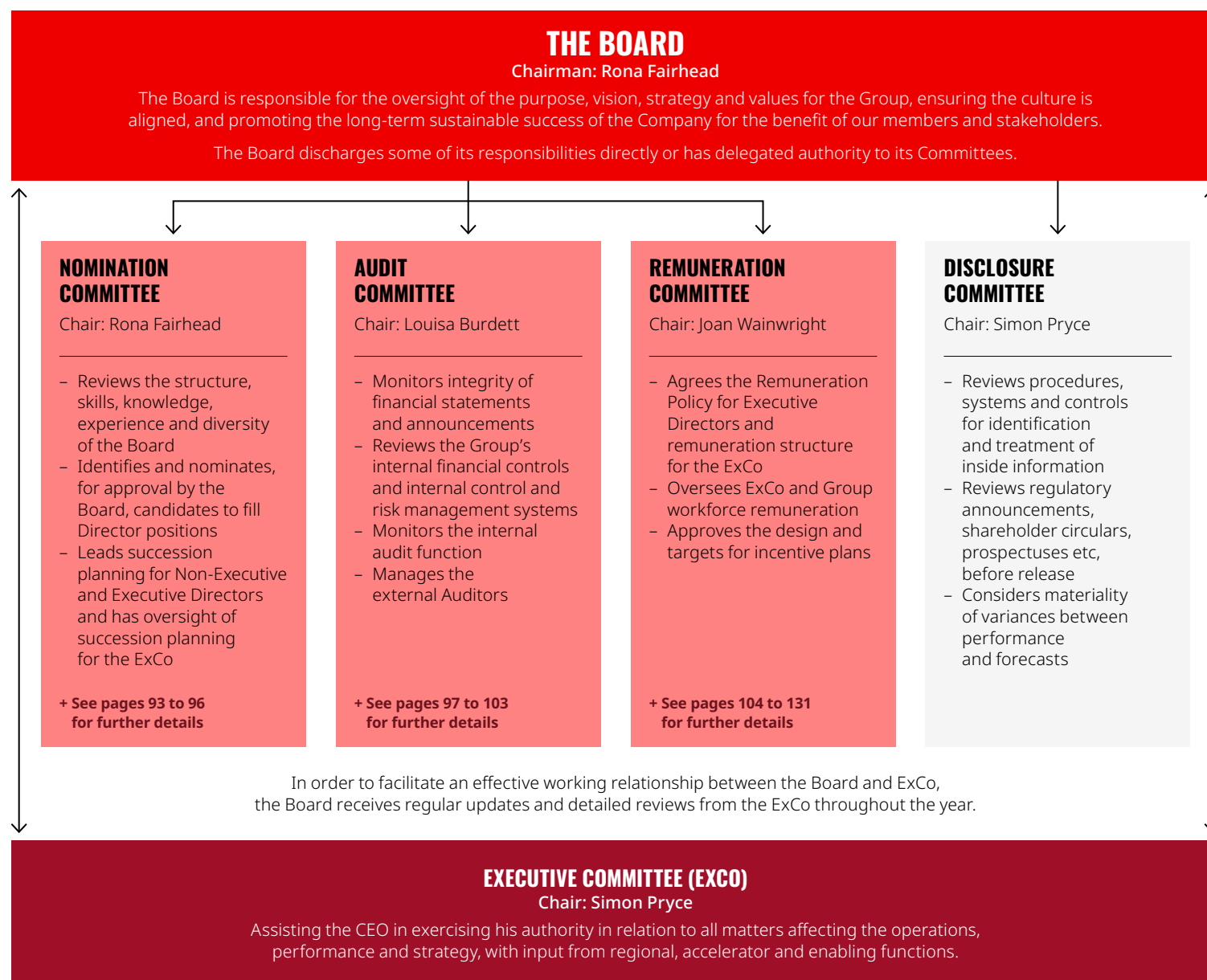


Our Governance Framework continued

Our Strategic Report on pages 1 to 77 demonstrates how the business considers and engages with the Company's key stakeholders: our people, customers, suppliers, communities and shareholders. The following pages of the Governance Report sets out how the Board works and the areas of focus for the Board during the year, how these relate to our strategic aims and, where appropriate, how our stakeholders have been considered.

The Board delegates the day-to-day operational decision making of the business to the CEO and CFO with support from the ExCo and their teams. The Board recognises, however, that doing so does not absolve it of its accountabilities to the Group's stakeholders and the need to reinforce and support the ExCo's decisions by setting the tone from the top. The Board must consider the needs of, and impacts of its decisions, on all stakeholders as well as the consequences of its decisions in the long term. The Board recognises that, when making decisions, it will sometimes have to consider the competing interests of stakeholders and that it may not always be possible to deliver an outcome that is welcomed by all stakeholders. In these situations, the Board is guided by the need to consider the long-term sustainability of the business.

As part of our ESG governance, the Board has close oversight of our ESG action plan and is provided with frequent updates on its performance. For further details on ESG governance see pages 64 to 67.



Our Governance Framework continued

Division of responsibilities

There is a clear division of responsibilities between the leadership of the Board and the executive leadership of the Group. The responsibilities of the Chairman, CEO, CFO, Senior Independent Director, Board and Committees are agreed by the Board. See pages 83 and 84 for the overall governance framework and below for a summary of the division of responsibilities. Full details can be found at rsgroup.com

Position	Responsibilities
Chairman	
Rona Fairhead	– Leading the Board and ensuring its oversight of strategy, performance, value creation, culture, stakeholders and accountability – Promoting open, trusting, challenging discussions and debate and constructive relations between Executive and Non-Executive Directors – Leading the Board succession planning and seeking to ensure effective communication with shareholders
Executive Directors	
Simon Pryce (CEO)	– Managing and leading the Group on a day-to-day basis, making decisions on matters affecting the operation and performance of the Group's business – Designing, developing and implementing the strategic plans – Ensuring robust management succession plans are in place
Kate Ringrose (CFO)	– Financial management and implementation and monitoring of financial controls – Developing the Group's financial policies and strategies – Ensuring a commercial focus across the business activities and appropriateness of risk management
Senior Independent Director	
David Sleath	– Acting as a sounding board to both the Chairman and the CEO – Acting as a conduit for the views of other Non-Executive Directors and conducting the Chairman's annual performance appraisal – Being available to shareholders to help resolve concerns
Non-Executive Directors	
Alex Baldock	– Overseeing and constructively challenging executive management regarding the performance of management against agreed performance objectives, and helping to review and monitor the Group's strategy – Satisfying themselves on the integrity of financial information and reviewing the Group's risk exposure and controls
Louisa Burdett	
Carole Cran	
Bessie Lee	
Miles Roberts	
Joan Wainwright	
Company Secretary	
Clare Underwood	– Supporting and advising the Board on matters relating to governance, ensuring good information flows and providing practical support to the Directors – Organising Directors' induction and training

Meetings during the year

The Board held a combination of in-person and virtual meetings during 2024/25 and a breakdown of attendance is shown in the table on page 82. No additional ad-hoc meetings were held in addition to the seven scheduled Board meetings.

There may be instances during the year where a Director is unable to attend a meeting. If this is the case, they are provided with all the meeting information and have the opportunity to discuss their feedback with the Chairman or Company Secretary to ensure their contributions are raised at the meeting.

During the year, the Chairman held a number of meetings with the Non-Executive Directors without the Executive Directors being present. The Non-Executive Directors also met without the Chairman to discuss the Chairman's performance.

The Chairman and the Committee Chairs ensure Board and Committee meetings are structured to facilitate open discussion, debate and challenge. As part of the annual Board evaluation process, the functioning of the Board and each of its Committees are reviewed and considered by the Board as a whole. The findings of the review are used to establish an ongoing programme of actions to improve effectiveness of both the Board and the Committees. Further information on this can be found on pages 89 and 90.

Matters reserved for the board

All matters that have a material impact upon the Group are reserved for the Board and are formally set out in a schedule which can be found on our website at: rsgroup.com/investors/governance/governance-framework

BOARD ACTIVITIES DURING THE YEAR

The Board is responsible for the overall leadership of the Group and, throughout 2024/25, Board activities and discussions continued to focus on the Company's strategic priorities.

The following pages outline some of the key topics reviewed, monitored, considered and discussed by the Board. Before the start of each year, the Board and each of its Committees consider and review a calendar of events and agenda items for the year ahead. As part of our governance framework and in response to feedback received as part of the Board evaluation process, key strategic items are identified and scheduled throughout the year. The Chairman, with assistance from the CEO, CFO and Company Secretary, agrees the agenda for each Board meeting. This process ensures that sufficient time is being set aside for strategic discussions and business critical items, whilst including regular standing items, such as reports on trading and financial performance and routine reporting or compliance requirements.

A timeline is provided over the following pages detailing the key activities of the Board during the year. The Board and its Committees received regular updates on various aspects of the business. A typical Board meeting will comprise the following elements:

- Verbal updates from the Chairs of the Board Committees on the proceedings of those meetings, including the key discussion points and particular matters to bring to the Board's attention.
- Update reports from the CEO and CFO providing an overview of operational and financial performance since the last meeting.
- Strategic deep dives provided by each of the regional teams, accelerator and enabling functions. These provide insight into risks and

opportunities, impacts on stakeholders and progress against the strategic plan to provide key discussion points for the Board. Details of key topics considered during the year can be found in our Section 172 Statement on page 77.

- Updates regarding our acquisition pipeline, health and safety (H&S) performance and investor relations.
- Feedback from any employee engagement sessions or surveys and updates on shareholder engagement and activities.
- Legal and governance updates, including: regular updates in respect of the Speak Up service, fraud, data protection, and approval of the Anti-Slavery and Human Trafficking Statement, along with any regulatory changes.

On the evening before most scheduled Board meetings, all the Non-Executive Directors meet either by themselves, or together with the entire Board and Company Secretary, or with members of the ExCo. This time is important for the Board members to further build a rapport with each other and enhance Board effectiveness, share external views and consider issues impacting the Company in a more informal environment, resulting in better Board dynamics and decision making.

Net zero and climate transition plan sessions were delivered to the Board, highlighting strategic planning, performance monitoring and climate education and skills development.

Key themes and observations from employee engagement sessions held in the UK and China during the year were around the embedding of the values, working conditions, IT infrastructure, strategic prioritisation, macroeconomic pressures and clarity of communications and processes.

MAY 2024

Strategy

- Update from EMEA team highlighted business performance, market conditions and trends and progress against strategic plan. Customers, suppliers and our people were considered as part of the discussions

Finance and risk

- Approval of year-end results included consideration of viability and going concern
- Approval of payment of final dividend, subject to shareholder approval in July. Multiple stakeholders were considered, including impact on employees and their remuneration and working conditions, customer and supplier propositions, acquisitions and our shareholder base
- Discussion and approval of the 2024/25 budget
- Approval of appointment of external Auditors, subject to shareholder approval in July
- Approval of the Group's risk register and appetite

People and culture

- Bessie provided feedback from the employee engagement session held in April at the Shanghai, China office. Further details can be found on page 88

ESG

- 2023/24 end of year ESG performance and reporting
- Reviewed and approved the TCFD statement contained within the Annual Report and Accounts

Governance

- Evaluation of all provisions of the Code to review compliance for the year ended 31 March 2024
- Reviewed and approved the revised Modern Slavery Statement



JULY 2024

Strategy

- Update from Asia Pacific team highlighted business performance, market conditions and trends and progress against strategic plan. Customers, suppliers and our people were considered as part of the discussions
- Strategic update from the Customer Experience team provided an overview of progress against the strategy and enabled a discussion around the identified opportunities and execution plan
- Strategic update from the H&S team provided the Board with an overview of the strengthened approach to H&S to better reflect the operating model implemented across the Group

Governance

- Review of the schedule of matters reserved
- The Annual General Meeting (AGM) was held. Shareholders had the opportunity to attend, vote and raise questions directly to the Board

Board activities during the year continued

SEPTEMBER 2024

Strategy

- The Group Chief Information Officer, who joined earlier in the year, provided their first impressions on the technology landscape of the Group, including the current state, identified opportunities and actions required to ensure the Group's technology and information infrastructure continues to meet the requirements of the developing business

People and culture

- A strategic update was provided regarding the people plan. This included an update on key initiatives and progress against the plan. All elements of the people plan were discussed, including culture, reward, diversity and inclusion and engagement

Finance and risk

- An investor event took place, at which the RS Team provided our shareholders and potential investors with a detailed update regarding our investment proposition, what makes us different and our strategic action plan. See page 9 for further details



NOVEMBER 2024

Strategy

- Update from Americas team highlighted business performance, market conditions and trends and progress against strategic plan. Customers, suppliers and our people were considered as part of the discussions

Finance and risk

- Approval of the half-year results included consideration of going concern
- Approval of payment of an interim dividend which was paid to shareholders in January 2025
- The Board reviewed the principal risks of the Group and considered the half-year risk statement. Further information regarding the Group's principal and emerging risks can be found on pages 38 to 42

Governance

- The Group's Speak Up policy was considered and approved by the Board

DECEMBER 2024

Finance and risk

- An update was provided regarding the Group's pension scheme and strategic options ahead of the 2025 statutory triennial valuation

Governance

- The Board reviewed the actions against the recommendation arising from the prior year's Board evaluation
- The Non-Executive Director fees for 2025/26 were considered

JANUARY 2025

Strategy

- The annual Group strategy session was held. This provided an opportunity to discuss key elements such as market environment, progress against the five-year plan and further actions required to help ensure successful implementation of the plan. Each of the three business regions and accelerator functions presented their strategic updates

Finance and risk

- An update on the tax strategy and an overview of the key tax-related governance controls was presented to the Board. The Board approved the tax strategy

ESG

- The Board received an update on ESG performance against our 2030 ESG action plan, along with an overview of net zero progress, including proposed 2030 packaging and transport targets. The refreshed double materiality results were also presented

People and culture

- Bessie and Joan provided feedback from the employee engagement session held before the Board meeting with a number of the chairs of the ERGs. The feedback was discussed and shared with senior management to ensure actions were identified



MARCH 2025

Finance and risk

- The 2025/26 annual budget was considered and approved by the Board
- The Board undertook a review of the Group's principal risks as at March 2025. After consideration, the Group risk appetite statement, including details of the principal risks, was approved

People and culture

- Bessie and Joan provided feedback from the employee engagement session held before the Board meeting with representatives from the Nuneaton and Corby DCs and London, UK office
- The feedback was discussed and shared with senior management to ensure actions were identified

Governance

- The Nomination Committee considered the findings of the internal Board evaluation process and discussed the key recommendations arising from it. See pages 89 and 90 for full details

BOARD ENGAGEMENT DURING THE YEAR

APRIL 2024

Employee engagement

In April 2024, Bessie Lee visited the Shanghai, China office to meet with the RS team. This was Bessie's second visit to the Shanghai office and first since COVID-19 restrictions were lifted. The visit provided a comprehensive overview of the business and comprised of:

- A tour of the office with members of the local management team
- Introductory meetings and lunch with the local management team
- A townhall with all employees
- An employee round table with 10 employee representatives

During the town hall, an overview of financial performance of the Group was provided, along with updating the team on the vision, strategic priorities and new values. A presentation of the growth strategy, focusing on data insights and a data-backed strategy was also given. The round table session provided a more intimate setting, with 10 colleagues who represented various divisions and functions. Discussions were held around adoption of new technologies and potential in electric vehicles, AI, data storage and alternative energy.



Bessie was also given a demonstration of a newly installed live streaming studio which had been established in the office in order to respond to a new method of promoting products and services within China. At the time of the visit, there had been five live streaming sessions, one of which was a continuous live streaming for five hours which had generated c. 20 million views (as at April 2024). These sessions had been well received by both customers and the China team.

The visit concluded with a debrief with members of the local management team to discuss key feedback and actions. The general feedback from the town hall and round table sessions was positive. Key themes raised were around the local market and opportunities, improvements in supply chain and technology, new media and use of AI. The launch of the new values during 2023/24 had been well received and feedback confirmed that the values had resonated well with the team. The local management team was newly formed and were keen to take advantage of the potential in the market and drive the business forward. A detailed summary of the visit was provided to the Board at the May 2024 meeting and shared with the Asia Pacific leadership team.

3

employee engagement
sessions held during the year

DECEMBER 2024 – APRIL 2025

Shareholder engagement

An extensive programme of meetings with our major shareholders took place between December 2024 and April 2025 to discuss the proposed 2025 Directors' Remuneration Policy (the Policy). The first phase of this comprised initial meetings between Joan Wainwright, the Remuneration Committee Chair, the Company Secretary, the CPO and Vice President, Investor Relations with our top four shareholders who represented c. 36% of our share register. All were appreciative of the proactive engagement, the quality of the materials provided and the opportunity to provide feedback on the key elements of the proposed framework.

As part of the second phase of engagement, the revised Policy was shared with the remaining top 30 shareholders (representing just under 50% of our share register) along with voting agencies and meetings offered to discuss the proposals. Meetings were held with a total of 14 shareholders, ISS, Glass Lewis and The Investment Association. Feedback from these meetings was considered and informed the Remuneration Committee's approach. See page 110 for further details.

c. 86%

of our share register engaged with
regarding the Policy

BOARD EVALUATION

Board evaluations provide invaluable insight and objectivity to the Directors and the Committees, which in turn enables the Board to improve its leadership, effectiveness and focus. Examining each Director's role and their corresponding responsibilities within the overall Board dynamic encourages collaborative decision making and strategic clarity.

The Board reflects on its performance and effectiveness annually. During 2024/25, the Board conducted an internal evaluation following the previous internal evaluation in 2023/24. The scope of the evaluation included the Board and its Committees, along with performance of the Chairman, Senior Independent Director and Company Secretary.

The Chairman worked with the Company Secretary to devise the questionnaires, which were circulated to the Board members, the external Auditors and Remuneration Committee advisor. The questionnaires were supplemented with interviews between the Chairman and each member of the Board and the Company Secretary. The Senior Independent Director met with each of the Non-Executive Directors to review the Chairman's performance and the feedback was subsequently shared with the Chairman. The results of the evaluation were assessed and discussed at the March 2025 Board meeting, following which the Board confirmed its view that the Board continues to operate effectively within an inclusive and transparent environment.

Overall, there were positive improvements in the quality of discussions and papers, in particular, the strategy session in January 2025 provided a clear articulation of the Group's strategic direction.

The outcomes from the 2024/25 Board evaluation are as follows:

Key recommendations	Actions agreed
Strategic discussions	
More time was requested to allow in-depth discussions regarding strategy along with further details around developing areas such as AI and technology	- Strategic papers will continue to focus on performance against competitors, key risks and opportunities, KPIs and objectives and sufficient time to be allocated for discussion - Further deep dives on AI, technology and digital developments to be implemented, including longer-term horizon scanning
Board meetings	
In addition to regular Board meetings, market visits were seen as a vital element of the Board's activities and would be built into the Board's annual calendar	It was agreed that market visits should form a key part of the annual meeting cycle as they provide valuable insight into the business. It was noted that the next site visit would take place in September 2025, with a further site visit planned for 2026. Annual site visits would be built into future annual calendars
Training and development	
- Further deep dives on AI, technology and digital advances would be beneficial, especially in respect of how we compare to the competition - Focus on horizon scanning over the next three to five years	In addition to the deep dives (above), further training would be investigated in respect of digital, machine learning, geopolitical tension and global portfolio management
Succession planning	
Executive Director and ExCo succession planning was identified as an area of key focus for the Nomination Committee for 2025/26	Regular succession planning updates have been built into the Nomination Committee forward agenda for 2025/26 to maintain focus on this topic

Board evaluation continued

Progress against the 2023/24 Board evaluation

A summary of the Board's progress against the actions from the 2023/24 evaluation is set out below.

Key recommendations	Actions agreed	Progress against actions
Succession planning and talent management		
– Succession planning was a key topic raised by the Board in the review. It was acknowledged that focus was required over the coming year to ensure that the Group has the right pipeline of future leaders	– Succession planning would be scheduled for review twice a year by the Nomination Committee – The Nomination Committee considered and discussed an update on succession planning in March 2024. This provided a clear direction of focus and plans for the coming year. The Nomination Committee will monitor progress by receiving biannual updates	– Progress had been made to succession planning over the year, particularly for Non-Executive Director roles, with updates provided by the Nomination Committee at each meeting during the year – Good progress had been made during the year in respect of Executive succession planning. The ExCo had been strengthened via new appointments. Executive succession planning would remain an area of focus for 2025/26
Strategy		
– More information and analysis on competition in key markets, how the Group differentiates itself and increased clarity on performance compared to the market to be included in Board discussions – Regular updates to be provided in respect of trends, investments and further development regarding the opportunities and threats in digital and AI	– Following the strategy session in January 2024, the forward agenda of strategic items has been developed and was considered by the Board in March 2024. This will be built into Board agendas for the coming year to help ensure appropriate market and strategic information is included within the regional performance discussions	– Strategic presentations were woven into the Board meetings throughout the year as well as at a dedicated strategy session in January 2025. Discussions were viewed favourably, with continued positive evolution in the presentations and discussions along with cohesion of the team – Deep dives into key areas were provided, including AI, technology and customer experience
Board process		
– Rebalance of agenda items to provide greater focus on key strategic items in order to allow more time for deep dives and discussions and gain strategic input and insight from the Non-Executive Directors on key issues – To ensure items have the appropriate amount of time for discussion, papers circulated in advance of meetings would be taken as read to enable presentation time to be reduced and discussion time increased	– A more strategically focused, forward looking agenda has now been adopted and this will be kept under review by the Chairman, Executive Directors and the Company Secretary	– The agendas throughout the year were rebalanced with strategic items being given sufficient focus – Board papers have been circulated in advance and taken as read. This has enabled more time for in-depth discussion and challenge within the meetings

Board appointments, time commitments and development

Appointments and time commitments

The Chairman, Senior Independent Director and other Non-Executive Directors each have letters of appointment with RS Group plc and neither serve, nor are employed in any capacity, by the Group.

Non-Executive Directors are generally appointed for three-year fixed terms; however, in line with what is considered good governance practice, all Directors are proposed for annual re-election (or election if newly appointed) by shareholders at the AGM, where letters of appointment for each Non-Executive Director are available for inspection. Each Non-Executive Director is subject to a rigorous review at the anniversary of each three-year term to ensure they are still independent and have sufficient time to dedicate to the role and evaluate their contribution to the Board.

As illustrated on page 82, the Board has a diverse and appropriate range of skills and experience and works effectively in its role.

The expectation regarding time commitment for Board members to discharge their duties effectively is set out in the Directors' letters of appointment. The external commitments of our Directors are kept under review to ensure they have the time to contribute effectively to the activities of the Board and its Committees throughout the year. Any additional external appointment taken on by a Director must be approved by the Chairman prior to appointment, to ensure that the Director's ability to meet the required time commitments to the Group is maintained. During the year, Simon Pryce informed the Board of his intention to take on the role of non-executive director of Smiths Group plc.

The Board considered the time commitment and potential conflicts of interest involved and was satisfied that he would continue to have sufficient time to commit to his role as CEO and to the RS Board.

The Board, following the annual evaluation process, also considers whether each Director performs effectively and demonstrates their commitment to the role. The Board recommends that all Directors be re-elected and Carole Cran and Miles Roberts be elected at this year's AGM.

As recommended by the Code, the Executive Directors who held roles during the year did not hold more than one non-executive directorship in a FTSE 100 company or any other significant appointments.

Training and induction

As part of the Board's continuous development, the Directors receive regular updates from the Company Secretary as well as a schedule of externally available briefings and training sessions. External training includes facilitated events, forum discussions and seminars related to the listed company environment, many of which were offered virtually. In 2024/25, the Board undertook deep dives into each of our three accelerator functions: Solutions and Services, Customer Experience and Product and Supply Chain, with each of the three regions providing deep dives into their region's culture, business performance and market trends. The Board also received deep dive insight from our enabling functions: Technology (including AI), Global Shared Business Services, H&S, People and Finance. These sessions served as an opportunity for the Board to gain further insight into our operating model and management capability.

The Company Secretary is available to all Directors whenever needed and ensures that both Directors and Committees have access to independent professional advice (at the Group's expense) if they deem it necessary to carry out their role effectively.

Following the appointment of any new Director, the Chairman and Company Secretary ensure that a customised induction to the Company and the role of the Board is made available. The induction programme is tailored to the individual Director, based on their skills, experience and needs.

New Directors are provided with an induction pack which includes key corporate documents and information relating to the Group, such as the latest Annual Report and Accounts, strategy papers, the five-year plan, M&A pipeline, the internal audit plan and governance documents such as the Articles of Association, Terms of Reference of the Committees and a Directors' responsibilities briefing.

Carole Cran and Miles Roberts joined the Board in December 2024 and March 2025 respectively. Details of their induction can be found below.

CASE STUDY

TAKING TIME TO BRING CAROLE AND MILES ON BOARD

Both Carole and Miles commenced their induction programme in advance of their appointment dates, by meeting fellow Board members and the ExCo in order to provide an overview of the Group strategy, culture, purpose, values and operations.

Meetings were also held with key members of the senior management team who gave valuable insight into aspects such as our operating model with overviews of our regional performance, each of our accelerator and enabling functions, our ESG action plan, RS PRO, delivery and execution, and key elements of the finance operations.

Both Carole and Miles also met with the audit partner, external legal counsel, our brokers and PR agency. In addition to these meetings, site visits have also been conducted to the Corby and Nuneaton, UK DCs to experience the Group's operations first hand. Further site visits will take place over the course of the next year.

“Ahead of joining my first meeting in December, I spent time with each of the Board members and the Executive Team, understanding our strategic priorities and getting an overview of the business. This was invaluable background for my first meetings. Since joining, I have visited our operations in Corby and Nuneaton and look forward to seeing more of the Group, gaining a deeper understanding of the business and meeting the broader team. Everyone I have met has been extremely welcoming and open, which I would like to thank them for.”

Carole Cran
Independent
Non-Executive
Director



Compliance with the UK Corporate Governance Code

COMPLIANCE STATEMENT FOR 2024/25

The UK Corporate Governance Code 2018 (the Code) applied to the financial year ended 31 March 2025. The Code is publicly available at [frc.org.uk](https://www.frc.org.uk)

The Company confirms that it applied the Principles and has complied with the Provisions of the Code during 2024/25.

Application of the Code

The Directors' Report is set out in a way that helps shareholders and investors to evaluate how the Company has applied the Principles and complied with the Provisions of the Code during the year. The table to the right signposts the most relevant parts of the Annual Report and Accounts, in particular where supporting information is not in the Directors' report.

Principles of the Code	Pages
1. Board leadership and Company purpose	
Chairman's introduction	4,5 and 79
Our Board	80 and 81
Purpose, values and strategy	2 to 22
Culture	5, 6, 12, 17 and 56 to 60
Board stakeholder engagement and decision making	86 to 88
Key performance indicators and strategic performance	24 to 27
Risk assessment	36
Risk management	36 to 44
Rewarding our people	59 and 130
Whistleblowing	66 and 102
2. Division of responsibilities	
Our Board	80 and 81
Board leadership and governance framework	83 to 85
Board independence and time commitments	82 and 91
Committee reports	93 to 131
Board and Committee meeting attendance	82

Principles of the Code	Pages
3. Composition, succession and evaluation	
Our Board	80 and 81
Board leadership and governance framework	83 to 85
Succession planning	94
Board evaluation	89 and 90
Diversity	82 and 96
Nomination Committee report	93 to 96
4. Audit, risk and internal controls	
Audit Committee report	97 to 103
Statement of Directors' responsibilities	135
Risk management	36 to 44
Review of internal controls	36 to 44 and 100
Principal risks and emerging risks	36 to 44
Going concern	44 and 99
Viability statement	43 and 44
5. Remuneration	
Directors' Remuneration report	104 to 131
Other remuneration disclosures	130 and 131

NOMINATION COMMITTEE REPORT

Rona Fairhead
Chair of the
Nomination Committee



Key highlights

Membership as at 20 May 2025:

- Rona Fairhead (Chair)
- Louisa Burdett
- Bessie Lee
- Miles Roberts
- David Sleath
- Joan Wainwright

Activities during 2024/25

- Oversight of Non-Executive Director selection process
- Recommendation of new Non-Executive Director appointments to the Board
- Enhancement of talent mapping, development and succession planning
- Oversight of the Board evaluation process
- Review of existing Non-Executive Directors' terms of appointment
- Review of Board Diversity and Inclusion (D&I) Policy

Priorities for 2025/26

- Continued focus on improving the succession planning process
- Overseeing the externally-facilitated Board and Committee evaluation process

Dear shareholder

I am pleased to present the Nomination Committee's (the Committee) report for the year ended 31 March 2025. This section of the Annual Report and Accounts details how the Committee discharged its duties during the year, along with its key activities.

During the year, the Committee concentrated its attention on Non-Executive Director succession planning with a focus on building a high calibre Board. After a rigorous selection process, Carole Cran was appointed Non-Executive Director with effect from 1 December 2024, she is also a member of the Audit Committee. Carole has extensive financial experience and a strong focus on governance and risk. Carole is chief financial officer of Halma plc, having previously served as a non-executive director.

Following an extensive search, Miles Roberts was also appointed as Non-Executive Director with effect from 1 March 2025, he is also a member of the Audit, Nomination and Remuneration Committees. Miles joins the Board with broad financial and operational experience and has a strong focus on strategy, risk and sustainability. He is non-executive director of Land Securities Group plc and previously served as chief executive of DS Smith Plc (now Limited). The Committee, along with the rest of the Board, is pleased to welcome both Carole and Miles. Full details of their skills and experience, along with the Non-Executive Director selection process can be found on pages 81 and 94 respectively.

Navneet Kapoor, Non-Executive Director, stepped down from the Board with effect from 31 December 2024 to focus on his executive commitments. The Committee and I would like to thank Navneet for his valuable contribution to RS.

The Committee continued to oversee the Executive succession planning programme. This included a summary of progress undertaken during the year, review of gaps and opportunities and planned actions for the next 12 months to ensure the succession and development programme continues to evolve to meet the needs of the business.

The Board places great emphasis on benefiting from diversity in its broadest sense. During the year, the Committee recommended an updated Board D&I Policy, which was subsequently adopted by the Board. This sets out the objectives for Board membership in respect of diversity. Further details on the Board D&I Policy can be found on page 95.

An internal Board evaluation was conducted during the year, with the process being overseen by the Committee. The findings from the evaluation were broadly very positive, with some areas of improvement being identified. These will form the basis of an action plan which will be implemented during the course of the year, with oversight from the Committee. The Committee also considered the actions identified from the 2023/24 internal evaluation and monitored progress against these. Full details of the Board evaluation process, outcomes and previous actions can be found on pages 89 and 90. An external evaluation will be conducted in 2025/26.

Rona Fairhead

Chair of the Nomination Committee
20 May 2025

KEY ACTIVITIES DURING THE YEAR

JUL

- Succession planning for Non-Executive Director roles

SEP

- Commenced search for possible Non-Executive Director candidates
- Reviewed and approved Alex Baldock's second three-year term as Non-Executive Director

DEC

- Succession planning for Non-Executive Director roles
- Reviewed and approved Bessie Lee's second three-year term as Non-Executive Director

MAR

- Internal Board evaluation outcome
- Board D&I Policy reviewed
- Executive succession planning
- Reviewed the Committee Terms of Reference
- Reviewed and approved David Sleath's second three-year term as Non-Executive Director

Nomination Committee report continued

Board changes

With an enhanced focus on Non-Executive Director succession planning throughout the year, rigorous selection processes were conducted for the appointment of two new Non-Executive Directors – Carole Cran and Miles Roberts. Details of the selection process can be found to the right.

Navneet Kapoor, Non-Executive Director, stepped down from the Board with effect from 31 December 2024 to focus on his executive commitments.

Succession planning

Succession planning, at both Board level and across key senior leadership roles, remained a key focus for the Committee during the year. Nurturing talent is a key enabler to delivering our business strategy and creating a high-performance, purpose-led culture.

Executive Director succession planning

The Board recognises the importance of robust succession planning to help nurture a diverse pipeline of talent in current and future leaders. The Committee is pleased with the progress that has been made during the last year in respect to executive succession planning. A more robust process, together with a good balance of bringing in external talent and promoting from within, has enhanced the talent succession pipeline at the ExCo and senior management level.

The succession plans are split between short-term and long-term requirements:

- Short-term requirements: for use in unplanned or emergency situations, whereby interim cover on a short-term basis is implemented.

- Longer-term requirements: for creating a diverse pipeline of talent within the organisation by identifying individuals who have potential to step into the role in the next one to five years. Any gaps in experience and knowledge are identified, and a development plan devised and implemented to upskill potential candidates.

Our succession planning process has evolved to strengthen leadership capability, provide greater accountability for developing key talent, drive and monitor more action-orientated outcomes and develop a stronger and more diverse internal pipeline of talent through accelerated development and hiring.

During the year, the ExCo development and succession review was completed which provided essential data points to enable focused development activities for each member of the ExCo. In addition to this, all ExCo roles now have in place a succession plan for the next five years.

There is an annual process whereby all individuals throughout the Group undergo regular performance reviews and are responsible for their own development plans, with oversight and support provided by line managers. In addition to this, an ongoing succession planning process is in place to identify talent and successors to senior leadership roles, and to highlight any potential retention risks. For details of our talent programme, see page 59.

Our succession planning for senior leaders can be split into two tiers: the first for the Executive Director positions, and the second for key senior management roles.

Over the last year, the team has implemented a robust talent policy and process for all senior manager hires which includes an assessment of the candidate against our new leadership framework and competencies. This policy also ensures that it is a diverse and inclusive process.

The Committee is pleased to see that, in 2025/26, we will be launching our new Leadership Advantage Programme where c. 100 senior leaders will embark on an 18-month leadership development journey with our selected global business school partner.

The Committee will continue to review and monitor the succession planning process, including performance and talent ratings, to ensure it is effective and appropriate for the Group.

Non-Executive Director succession planning

Throughout the year, the Committee continually considered the Board's balance of skills and experience to ensure the overall composition of the Board remains appropriate. This approach also enables the Committee to identify any skills gaps and to build role profiles quickly when needed. During the year, the Committee commenced the process to recruit additional independent Non-Executive Directors, to ensure the optimum balance of skills and experience on the Board.

Consideration is also given to the Non-Executive Director tenure. A review process was introduced during the year, whereby those Directors who reach a three or six year anniversary from the date of their appointment, are considered by the Committee, taking into account length of tenure, time commitments and continued independence.

Non-Executive Director recruitment process

- 1 Appointment of Russell Reynolds Associates (Russell Reynolds) as non-executive search specialist. A role profile was developed with input from Russell Reynolds for each non-executive position, including detailing essential skills and experience requirements.
- 2 A diverse longlist of candidates was produced as a result of a global search conducted by Russell Reynolds, based on the role profile requirements and market.
- 3 Interviews were held with each candidate and Rona Fairhead, Simon Pryce and various Non-Executive Directors.
- 4 Preferred candidates were considered by the Nomination Committee and their appointments recommended to the Board.

Nomination Committee report continued

Diversity and inclusion

During the year, the Committee approved an updated Board D&I Policy. This provides a high-level overview of the Board's approach to driving D&I in our succession planning, selection, nomination, operation and evaluation of the Board. This policy works in conjunction with our wider Group D&I Policy.

Policy statement

We believe in 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 proud to support our people to be their best by building an inclusive workplace that supports everyone, irrespective of ethnicity, disability, socio-economic backgrounds, mental health conditions, neurological divergence, age, religion, sexual orientation or gender identity.

The Board places great emphasis on ensuring that its membership reflects diversity in its broadest sense. We believe a key driver in delivering our organisational diversity commitments is through a Board which has a balance of skills, personal and cognitive strengths, experience, independence and knowledge. Consideration is given to the combination of demographics, skills, experience, ethnicity, age, gender and other relevant personal attributes on the Board to provide the range of perspectives, insights and challenge needed to support good decision making.

New appointments are made on merit, taking account of the specific skills and experience, independence and knowledge needed to ensure a diverse and rounded Board and the benefits each candidate can bring to the overall composition of the Board and its Committees.

Objectives

Objectives for achieving Board diversity are periodically reviewed. The Board aspires to be comprised of:

- At least 40% women
- At least one of the senior Board positions (Chair, CEO, CFO or Senior Independent Director) is a woman
- At least one Director from an ethnically diverse background

The Board acknowledges that in periods of Board change, there may be times when this balance is not maintained. Reflecting these aspirations, the Board will aim to meet any recommendations set out by the FTSE Women Leaders Review (formerly Hampton-Alexander Review) and the Parker Review.

As at 31 March 2025, all of the above targets had been met. The Board is comprised of 60% women and 10% from an ethnically diverse background, with two senior positions held by women.

The Board places high emphasis on ensuring the development of diversity in the senior leadership roles across the Group and supports and oversees the Group's ambition to ensure our team reflects the customers, suppliers and communities we serve.

Currently, this Policy is not applied to Board Committees individually, although we strive to apply similar representation across the Committees. The Board is comfortable that the diversity of the Board is reflected across the Committee memberships and that this remains an ongoing consideration.

Responsibilities, monitoring and reporting

The Chairman of the Board will lead the Board's diversity agenda and set measurable objectives, with the aim of continuously improving D&I generally, ultimately leading to better debate and decision making.

The Board will be expected to role model inclusive language, behaviours and practice in all undertakings for and on behalf of the Group, setting a clear tone from the top.

The Committee is responsible for ensuring that the Board has the right balance of skills, experience and knowledge and, in accordance with its Terms of Reference, shall:

- Regularly review Board composition
- Monitor and drive succession planning, talent development and the broader aspects of D&I for both Executive Directors and the ExCo
- For any Director appointments, work with executive search firms that reflect and understand the Group's values and approach to diversity, including this Policy, and will honour those values and approach in identifying and proposing suitable candidates for appointment to the Board and its Committees
- Identify suitable candidates for appointment to the Board on merit against objective criteria having regard to:

- The benefits of diversity in promoting the success of the Group for the benefit of its shareholders as a whole
- The skills, experience, background, independence and expertise of current members of the Board and its Committees
- Report annually in the Governance Report of the Annual Report and Accounts on the implementation of the Board D&I Policy and other matters as required by the Code and other regulatory and statutory requirements
- Review the Board D&I Policy at least annually and recommend any revisions to the Board

Nomination Committee report continued

Gender and ethnicity representation

The Financial Conduct Authority, in its capacity as the UK Listing Authority, introduced rules during 2022 that require listed companies to publish information on gender and ethnic representation on the Board and in executive management roles (Listing Rule UKLR 6.6.6R (9) and (10)). The tables below outline the current gender and ethnic diversity of the Board and our ExCo.

Methodology of data collection

Data in respect of our senior leaders, including our ExCo, is compiled through our employee database and collected on a self-reporting basis. Data in respect of the Board is collected on a self-reporting basis and agreed directly with the Board members.

Throughout the 2024/25 Annual Report and Accounts, the information we disclose is in accordance with our reporting obligations as a UK registered company listed on the London Stock Exchange. We continue to keep our policies and procedures under review to ensure ongoing compliance with the laws and regulations of the jurisdictions in which we operate, including any anti-discrimination regimes as they evolve.

Diversity statistics as at 31 March 2025

Reporting table on gender representation

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number of ExCo members	Percentage of the ExCo
Men	4	40%	2	7	64%
Women	6	60%	2	4	36%
Not specified/prefer not to say	0	0	0	0	0%

Reporting table on ethnicity representation

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number of ExCo members	Percentage of the ExCo
White British or other White (including minority-white groups)	9	90%	4	11	100%
Mixed/Multiple Ethnic Groups	0	0	0	0	0%
Asian/Asian British	1	10%	0	0	0%
Black/African/Caribbean/Black British	0	0	0	0	0%
Other ethnic group	0	0	0	0	0%
Prefer not to say	0	0	0	0	0%
Not specified	0	0	0	0	0%

Board evaluation

The Committee, led by the Chairman of the Board, is responsible for overseeing the Board evaluation process. This year, the Board underwent an internal evaluation.

The Committee also considered the remaining actions taken in response to feedback from the previous internal review undertaken in 2023/24 and monitored progress against the agreed actions. Full details of both the evaluation and actions against the previous year's evaluation are provided on pages 89 and 90.

Committee governance

Committee structure and meetings

The Committee is comprised of independent members. Navneet Kapoor stepped down from the Committee in December 2024 and Miles Roberts was appointed to the Committee in March 2025. There were no further changes to the Committee membership during the year.

The Committee held three scheduled meetings during the year and held a further one unscheduled meeting to consider Alex Baldock's second three-year term. Details of attendance at meetings can be found on page 82.

In addition to the members, the regular attendees at the meetings of the Committee have included the CEO, CFO, CPO and the Company Secretary.

The Committee Chair attends the Company's AGM and is happy to answer any questions from shareholders on matters falling within the Committee's responsibilities.

Meetings of the Committee generally take place shortly before Board meetings and activities of the Committee are reported by the Chair to the Board as a separate agenda item.

Committee responsibilities

The Committee's chief responsibilities have not changed during the year. The Committee's Terms of Reference are reviewed formally and approved annually and set out its principal duties in full, including its authority to carry out its duties. These are available at [rsgroup.com](https://www.rsgroup.com)

Committee evaluation

As part of the internal evaluation, the Committee examined its own performance and operational effectiveness. The Committee members agreed that the meetings continued to be well run with appropriate levels of detail presented. All respondents felt well informed and involved in the specification and approach to the Non-Executive Director appointment activity which occurred during the year. As reported on page 89 there was strong feedback in respect of the need to provide further strengthening of succession planning in the coming year.

The overall findings of the evaluation demonstrated that the Committee operated effectively and continues to discharge its duties in line with its Terms of Reference.

AUDIT COMMITTEE REPORT

Louisa Burdett
Chair of the Audit
Committee



Key highlights

Membership as at 20 May 2025

- Louisa Burdett (Chair)
- Alex Baldock
- Carole Cran
- Miles Roberts
- David Sleath

Activities during 2024/25

- Oversight of the transition from PricewaterhouseCoopers LLP to Deloitte LLP (Deloitte) as new external Auditors from 2024/25
- Reviewed and monitored the Group's approach to risk, the risk management process and its internal control system
- Evaluation of the performance of the internal audit function
- Reviewed the progress in respect of the Group's review of internal controls over financial reporting (ICFR)
- Continued to monitor the Group's progress in the review of the impact assessment of the Financial Reporting Council's (FRC) updated UK Corporate Governance Code 2024 (the Updated Code) in relation to internal controls, any necessary changes to the Group's ICFR and the extension to include all material controls

- Reviewed the Group's ESG reporting approach, including the update on its climate-related risks and opportunities in relation to TCFD and preparedness for future CSRD alignment
- Reviewed the integration of Distrelec and assessed the improvements in the effectiveness of its internal control systems

Priorities for 2025/26

- Monitor the Group's progress on refining and adjusting the material controls to comply with the Updated Code, including ensuring that appropriate procedures are in place for the detection and prevention of fraud
- Continue to prepare for known legislative or regulatory changes whilst monitoring any upcoming legislation and the associated impacts on RS Group
- Continue to focus on principal risks, including the evolving cybersecurity threat landscape
- Continue to ensure our external Auditors maintain a high standard of audit quality and are sufficiently challenging to management in the course of its work
- Continue to oversee the preparation for the new compliance requirements for ongoing ESG reporting

Dear shareholder

As Chair of the Audit Committee (the Committee), I am pleased to present the Committee's Report for the year ended 31 March 2025. The purpose of this Report is to describe the work undertaken by the Committee and explain how it has discharged its responsibilities throughout the year.

The Committee's main role is to monitor and review the integrity of the Company's financial information. This includes recommending to the Board whether the Company's Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and whether the assessment of the Group's going concern assumptions and longer-term viability are reasonable. The Committee is also responsible for providing assurance to the Board that the Group's internal controls and risk management systems are fit for purpose and regularly reviewed, as well as overseeing the effectiveness and independence of the external Auditors, including recommending to the Board the approval of their fees and appointment on an annual basis. Deloitte were appointed as the Company's external Auditors at the 2024 AGM and 2024/25 is their first full year of auditing the Company.

We continued to see professional, comprehensive and robust work in all areas which has meant that the Committee has been able to discharge its obligations seamlessly throughout the year.

The Committee has continued to focus on the Group's financial reporting, including approving the disclosures in relation to geopolitical uncertainties and climate change, the Group's going concern and viability statements and the Group's use and definitions of alternative performance measures. The Committee has continued to focus on the key accounting matters set out on pages 99 and 100. All of these matters were conducted to the satisfaction of the Committee.

We continue to monitor the Group's progress on its ICFR programme to strengthen and formalise its financial processes and controls framework. The Director of Controls, who joined the Group in early 2025, will expedite this progress by collaborating with global process owners as part of the Group's Process and Operational Excellence programme. This initiative aims to ensure that all material controls are in place and fully operational, positioning the Group well for compliance with the Updated Code provisions.

The Committee has spent some time understanding all emerging ESG legislation and the related disclosures and reviewed the Group's reporting approach to it, including the fourth year of reporting the climate-related risks and opportunities in relation to the Group's obligations under TCFD (see pages 68 to 73). Work has progressed during the year to ensure the Group is well placed to comply with future legislation and pivot to accommodate proposed changes to CSRD, including review of the refreshed double materiality assessment.

As part of its duties, the Committee has continued to review the Group's information security and data protection controls. The Committee also continued to ensure that appropriate procedures were in place for the detection and prevention of fraud and received regular updates relating to the Group's whistleblowing facility, further details of which can be found on page 102.

On behalf of the Committee, I would like to thank our internal audit and finance teams for their contribution over the past year. I would also like to add thanks to Deloitte for their role as Group Auditor and providing a smooth transition from the previous Auditors.

I will be available, as usual, at this year's AGM to answer any shareholder questions in relation to audit matters.

Louisa Burdett

Chair of the Audit Committee
20 May 2025

Audit Committee report continued

KEY ACTIVITIES DURING THE YEAR

MAY

- Reviewed the year-end key accounting judgements and issues (including tax) and approved their accounting treatment; viability and going concern; and fair, balanced and understandable criteria for recommendation to the Board
- Received a report in respect of the RS Integrated Supply performance and control environment
- Reviewed the ESG performance against our 2030 action plan targets, and considered the ESG related disclosures for year end, including the TCFD statement and financial scenario analysis recommendation to the Board
- Recommended to the Board for approval the adoption of the Annual Report and Accounts for the year ended 31 March 2024 and the full-year results announcement
- Reviewed non-audit fees and the Non-Audit Services Policy and recommended the Non-Audit Services Policy to the Board for approval
- Recommended to the Board for approval the appointment of Deloitte as Auditors for 2024/25
- Reviewed updates regarding internal audit reports, information security and quarterly whistleblowing report
- Reviewed the Committee's Terms of Reference and recommended adoption to the Board

JUL

- Reviewed Group internal audit remit and performance
- Quarterly review of non-audit fees completed
- Approved Deloitte's audit plan for 2024/25
- Received reports from the Data Protection Officer and quarterly whistleblowing report
- Review of internal audit reports

NOV

- Received the half-year key accounting judgements and issues (including tax) and approved their accounting treatment; going concern; and fair, balanced and understandable criteria for recommendation to the Board
- Reviewed the draft interim results for recommendation to the Board
- Quarterly review of non-audit fees completed
- Received an update on the CSRD compliance programme
- Reviewed updates regarding internal audit reports and quarterly whistleblowing report

JAN

- Received the Group internal audit update, reviewed the Group's risk and control assessment and approved the 2025/26 internal audit plan
- 2024/25 ESG reporting approach agreed, including TCFD actions and disclosure and transition approach to CSRD reporting and compliance roadmap
- Received an update on emerging ESG reporting regulations
- Received an update on the FRC evaluation of auditors
- ICFR update received, including a summary of primary focus areas and a high-level roadmap to compliance with Provision 29 of the Updated Code
- Quarterly review of non-audit fees completed
- Received a report from the Data Protection Officer
- Reviewed the annual whistleblowing arrangements and the quarterly whistleblowing report
- Reviewed the Committee's Terms of Reference and recommended adoption to the Board

FAIR, BALANCED AND UNDERSTANDABLE

The Board is required to confirm to the Company's shareholders that the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the necessary information and key messages to enable shareholders and other stakeholders to assess the Group and the Company's position, performance, business model and strategy. The Committee advises the Board on whether this confirmation can be made and the Committee assesses whether it can make this recommendation to the Board by following its regular, robust approach which is:

- Ensuring regulatory requirements for the Annual Report and Accounts were thoroughly understood.
- Reviewing draft copies of the Annual Report and Accounts to assess and advise on direction and key messages, with a near final version provided to the Committee and Board prior to sign-off of the Annual Report and Accounts.
- Assessing management's fair, balanced and understandable verification process and reviewing its results. This included a cascaded sign-off across the Group to determine the accuracy, consistency and clarity of the data, information and language.
- Reviewing the use and disclosure of alternative performance measures and confirming its belief that separate disclosure of these measures enables readers of the Annual Report and Accounts to understand better the underlying financial and operating performance of the Group. The alternative performance measures are consistent with prior years. The definitions and reconciliations of alternative performance measures are set out in Note 3 on pages 154 to 158.
- Ensuring that a thorough review of the Annual Report and Accounts was undertaken by all appropriate parties, including external advisors.

The Committee has reviewed the Annual Report and Accounts for the year ended 31 March 2025 and has advised the Board that, in its opinion, the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary to assess the Group's position and performance, business model and strategy.

Audit Committee report continued

Financial reporting

The primary role of the Committee in relation to financial reporting is to monitor the integrity of the Group's published financial information, including reviewing its full-year and half-year financial results. The Committee undertakes this with both management and Deloitte and concentrates on ensuring compliance with the relevant financial and governance reporting requirements. The Committee considers the principal accounting policies that are used when preparing these results as well as reviewing the significant accounting issues and areas of judgement made as noted below and other key areas of focus as noted on page 100. Also, this includes the fair, balanced and understandable review as described in more detail on page 98. The Committee receives regular reports from the CFO and Group Financial Controller to support this work.

Significant accounting issues and areas of judgement

Management is required to exercise judgement in a number of areas when preparing the Group accounts and the Company accounts. The Committee focuses on any significant areas of judgement that may materially impact the Group's and Company's reported results and assesses and challenges, if necessary, whether these judgements are reasonable and appropriate. The Committee also reviews the clarity and transparency of the related disclosures.

The significant accounting issues and areas of judgement considered by the Committee during the year, and how these were addressed, are set out to the right.

Significant accounting issues and areas of judgement

Inventories valuation

Inventories represent a material proportion of the Group's net assets. During the year-end process, a system- and process-related issue was identified within the US operations, where certain inventory items were incorrectly allocated across stock categories. Consequently, these items did not receive the appropriate provisioning in line with Group policy. Furthermore, an unsupported deviation from Group inventory provisioning policy has been identified. As a result, a detailed review of historical data has been undertaken in relation to both issues, and a restatement of prior years has been included in the Financial Statements. For further details, refer to Note 32 on pages 191 to 195.

At 31 March 2025, the Group had £617.3 million (2023/24 restated: £637.4 million) of inventories on the balance sheet. This valuation includes the cost of attributable overheads. Judgements are made in estimating the net realisable value of inventories to determine the level of inventory provision. At 31 March 2025, inventory provisions were £86.8 million (2023/24 restated: £86.9 million). Sensitivity analysis on the assumptions was performed, including consideration of any reasonably likely change in assumptions including the current global economic uncertainty and longer-term impacts of climate change and environmental regulations. See Note 18 on page 174.

How the Committee addressed these matters and conclusions reached

The judgements made in the methodology used to estimate the net realisable value relate to the number of years of sales required to sell through and the value recoverable from these inventories.

These assumptions are based on recent experience and knowledge of the products on hand and are reviewed regularly. This assessment includes consideration of the sales growth pattern for new product launches and decay rates over the product lifecycle. The impact of the current global economic uncertainty and the longer-term impacts of climate change and environmental regulations on these assumptions were considered and the assumptions were adjusted where necessary to ensure they remain appropriate. The latest review was presented to the Committee and it reviewed and agreed the reasonableness of the assumptions.

The Committee also reviewed the error explained above and the proposal to address this through a restatement and, given it represents an error in prior periods, agreed with the approach given the quantum of the adjustment and its nature.

Going concern and viability statements

As part of the Committee's responsibility to provide advice to the Board, the Committee reviewed and challenged the Group's going concern assumptions at the half year and full year and reviewed and challenged the process and assessment of the Group's longer-term viability at the full year.

Management included a going concern statement in the Group's half-year report. The Committee reviewed the process conducted to prepare this statement, including the assumptions used in the reverse stress tests. It recommended to the Board that it was appropriate to continue to adopt the going concern basis in the half-year results. The Committee also reviewed and agreed the wording of the going concern statement and recommended its approval to the Board.

For the viability statement and going concern statement in the Annual Report and Accounts, the Committee reviewed the assessment period and reviewed and challenged the scenarios considered for each principal risk and the determination of severe but plausible stress tests and reverse stress tests. The Committee reviewed the outcomes of these stress tests and, as a result, recommended to the Board that it is able to confirm the Group's viability statement and the going concern statement. Details of these statements can be found on pages 43 and 44 of the Strategic Report.

Other key areas of focus

The Committee also reviews a number of other key areas that require management to exercise judgement. These judgements have not had a significant effect on the amounts recognised in the accounts in the year ended 31 March 2025 nor are they significant estimates which have a significant risk of resulting in a material adjustment to the carrying amounts of the Group's assets and liabilities within the next year. However, the Committee focuses on these areas to ensure these judgements are also reasonable and appropriate and to ensure they have not become significant.

Audit Committee report continued

These other key areas of focus in the year were:

Other key area of focus

Impairment of goodwill and other assets

There is £616.4 million of goodwill on the balance sheet at 31 March 2025 (2023/24: £646.3 million). Judgements are made in relation to the assumptions used in the value-in-use models which are used to assess impairment of goodwill and other assets when there are indicators that they may be impaired.

How the Committee addressed these matters and conclusions reached

The value of goodwill is reviewed regularly for impairment using value-in-use models using cash flows and discount rates as set out in Note 14 on pages 170 and 171. The Committee reviews these impairment tests every year, including the main assumptions. These assumptions also include consideration of the impact of climate change.

The Committee agrees with the tests' confirmation that there remains adequate headroom in place and no impairment provision is required. Other assets are regularly reviewed to identify if there are any indicators that they may be impaired. If any significant impairments are found, the Committee will also review these impairment tests, including the main assumptions, confirming that the valuation is reasonable. During the year, an impairment was recognised on some of the assets of the RS Integrated Supply EMEA business; the Committee reviewed and agreed with this impairment and the disclosure in Note 14 on pages 170 and 171.

The Committee also reviewed and agreed with the trade receivable impairment allowance and disclosure in Note 19 on page 175.

Other matters

The Committee also carried out a range of other activities in relation to financial reporting during the year which included:

- Reviewing the impact of amendments to accounting standards adopted during the year
- Reviewing the effective tax rate, judgements made in relation to the levels of tax contingencies for potential challenges by local tax authorities and recoverability of losses, and relevant disclosures
- Reviewing and agreeing the accounting treatment and disclosure of any potential post-balance sheet events at both the half year and full year
- Agreeing with management's assessment that there are no indicators of impairment for the investments the Company holds in its subsidiaries

Internal control and risk management

The Vice President Group Operational Audit and Risk (VP Audit and Risk) provides quarterly reports to the Committee which cover the performance of the Group's system of internal controls and its effectiveness in managing the Group's principal risks and identifying any control failings or weaknesses. These reports highlight matters which might impact the delivery of the Group's key strategic objectives or which indicate improvement is required in any of the Group's processes or controls. The Committee carefully considers these findings and discusses appropriate actions where necessary.

An annual review of the Group's risk management processes is undertaken by the Committee, as required by the Code, the FRC Guidance on Audit Committees and the recommendations of the FRC Guidance on Risk Management, ICFR and Business Reporting. These processes include material controls which cover financial, operational and compliance controls and risk management systems. The outcomes of these reviews are shared with the Board.

These, in combination with other updates to the Board on the Group's principal risks, allowed the Board to assess the effectiveness of the Group's systems of internal control and residual risk prior to making its statement in this Annual Report and Accounts. Further information regarding the Group's principal risks can be found on pages 38 to 42 of the Strategic Report.

The internal control system and risk management process have been in place during the year and up to the date of this Annual Report and Accounts. In the event weaknesses are identified in the internal control system, plans for strengthening them are put in place and then regularly monitored.

Internal financial controls

Internal financial controls are the systems that the Group employs to support the Board in discharging its responsibilities for financial matters and the financial reporting process as described on page 135.

Audit Committee report continued

The main elements include:

- Assessments by internal audit on the effectiveness of operational controls
- Clear terms of reference setting out the duties of the Board and its Committees, with delegation to management in all locations
- Group Finance and Group Treasury manuals outlining accounting policies, processes and controls
- Weekly, monthly, quarterly and annual reporting cycles, including targets approved by the Board and regular forecast updates
- Local leadership teams reviewing financial results against forecast and agreed performance metrics and targets with overall performance reviewed at region, business and Group levels
- Specific reporting systems covering treasury operations, tax, major investment projects and legal and insurance activities, which are reviewed by the Board and its Committees on a regular basis
- Whistleblowing procedures allowing individuals to report fraud or financial irregularities and other matters of concern

The Updated Code was published in January 2024. The Group has increased focus on adjusting existing financial reporting controls with the aim to improve and build on our existing financial reporting controls focused on key risk areas and to extend to other relevant internal control areas impacted by the Updated Code which will apply to the Group's year ending 31 March 2027. The Committee will continue to monitor the Group's progress against these new requirements.

Internal audit

The work of the internal audit function spans the whole Group, including, as and when relevant, acquired businesses, and provides independent and objective assurance over the Group's systems of internal controls through a risk-based approach. The Committee reviews and approves the scope and resourcing of the internal audit plan annually with the VP Audit and Risk. The scope of the plan is determined by reference to the Group's operating risks and strategy as well as geographic, functional and external risks. The Committee reviews:

- The level and skills of resources allocated to the internal audit function to conduct this programme of work
- The summary of the results of each audit and the business team's resolution of any control issues identified
- The effectiveness of the internal audit function

The VP Audit and Risk has regular, open access to the Committee Chair. Discussions focus on audit planning and matters noted during internal audit assignments. Other members of the Committee are also available as required. The Committee meets with the VP Audit and Risk without the presence of management at least once a year. Mark Taylor, who has held the position of VP Audit and Risk for the last 12 years, is retiring in May 2025. The Committee would like to thank Mark for his commitment and diligence over the years. The Committee would also like to welcome Chris Curtis as Mark's replacement and looks forward to working with him.

Other activities

During the year, the Committee has maintained its focus on current and emerging ESG-related regulations and compliance requirements. The Committee has received in-depth updates from the ESG team in respect of actions taken to date regarding the Group's approach to CSRD readiness, along with a review of next steps required during 2025/26. Regular updates are also provided on the future ESG compliance landscape, highlighting key actions required to meet those requirements, along with a timeline. It discussed and agreed the ESG reporting requirements for 2024/25 and future years, including Scope 3 emissions and additional disclosures in the Group's fourth TCFD report included in this Annual Report and Accounts. The Committee was comfortable that the disclosures contain appropriate and accurate data and information and recommended to the Board that it approve the ESG disclosures in this Annual Report and Accounts, including the TCFD report.

The Committee continued its reviews of the data protection compliance programme through reports from the Data Protection Officer. The Committee continued to provide oversight of the Group's compliance with laws regarding the protection of personal data across its operations, including the General Data Protection Regulation and the UK's Data Protection Act.

The Committee received regular reports from the Data Protection Officer, highlighting ongoing compliance work such as training, targeted training for high risk teams and awareness campaigns to embed a culture of privacy by design, as well as assessments of the impact of material changes to the Group's operations on its handling of personal data (such as significant changes to systems and integration of acquisitions) and monitoring of changes in the regulatory environment.

External Auditors

Effectiveness and independence

The Committee is responsible for reviewing the performance and effectiveness of the external Auditors, as well as their appointment and remuneration.

Deloitte were appointed to act as the external Auditors for the first time this year, therefore a review of their performance and effectiveness has not been undertaken during the year under review. A review will be conducted during 2025/26 and the outcome will be reported on in the 2025/26 Annual Report and Accounts. The Committee has considered the FRC's Audit Quality Inspection report on audits performed by Deloitte for 2023/24, published in July 2024.

During the year, the Lead Audit Partner, Jon Thomson, and the Group Second Partner together with other relevant and appropriate members of the Deloitte audit team, attended all of the Committee's meetings. Deloitte provided reports and conclusions on the Group's key accounting judgements, internal control processes and half-year report.

Audit Committee report continued

Further details of how the Committee and the external Auditors work together, as well as how the external Auditors' independence is maintained, can be found in the governance section of our website. As in previous years' reports, the Committee can confirm that the Group does not engage Deloitte to undertake any work that could affect its independence.

The Committee has satisfied itself that the Company has complied with the provisions of the Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Processes and Audit Committee Responsibilities) Order 2014, published by the Competition and Markets Authority on 26 September 2014.

Non-audit assignments undertaken by the Auditors

The Group operates a policy to ensure that the provision of non-audit services does not impair the external Auditors' independence or objectivity and that only permitted services are provided. In determining this policy, the Committee took into account possible threats to the external Auditors' independence and objectivity.

The policy on non-audit services includes:

- In providing a non-audit service, the external Auditors should not:
 - Audit their own work
 - Make management decisions for the Group
 - Create a mutuality of interest
 - Find themselves in the role of advocate for the Group
- The total non-audit fees for any financial year should not exceed 70% of the average of the external audit fee over the last three years. In practice, the non-audit fees are normally significantly below this level.

The policy also states that the Committee has pre-approved the CFO to have authority to commission the external Auditors to undertake non-audit work (not covered to the left) where there is a specific project with a cost that is not expected to exceed £50,000. Any fees above £50,000 must be pre-approved by the Committee.

Full details of our policy in relation to non-audit services can be found on the governance section of our website. This policy was reviewed by the Committee during the year and no changes were required.

During the year under review, there were audit-related assurance services and non-audit fees of £0.1 million for Deloitte compared to audit fees of £4.1 million. £40,000 of the non-audit fees relate to the double materiality assessment pre-assurance work completed. Further information on fees payable to Deloitte are included in Note 6 on page 159.

The Committee has satisfied itself that its use of the external Auditors complies with both the Code and the FRC's Ethical and Auditing Standards regarding the scope and level of non-audit work and non-audit fees incurred by the Group.

Fraud

The Committee is responsible for reviewing the Group's procedures for the prevention and detection of fraud. Suspected cases of fraud must be reported to the Company Secretary or General Counsel within 48 hours and investigated by operational management, Group Compliance or internal audit, as appropriate. The outcome of any investigation is reported to the Company Secretary, General Counsel and the CFO. A register of all suspected fraudulent activity and the outcome of any investigation is maintained and circulated to the Board on a regular basis, with the Committee also receiving regular updates.

The Group takes steps in line with good business practice to detect and prevent fraudulent activity, and is preparing for the new requirements of the Economic Crime and Corporate Transparency Act related to fraud prevention. The Committee is pleased to report that there were no frauds of a material nature discovered during the year, although the Group is subject to various attempts at external and low-level credit card and online fraud.

Whistleblowing

In accordance with the provisions of the Committee's Terms of Reference, the Committee is responsible for reviewing the arrangements whereby all of the Group's employees may, in confidence, raise concerns about illegal, unethical or improper behaviour or other matters and for ensuring that these concerns are investigated and escalated as appropriate. Reports may be raised directly to senior management or through an external third-party reporting tool. Whistleblowing is referred to internally as Speak Up and is available to all of the Group's employees. The Committee receives aggregated reports on matters raised through these services and monitors their resolution. The Group's existing policies and procedures (adopted globally) have been updated to reflect the ongoing implementation across EU Member States of the 2021 European Whistleblowing Directive. An awareness campaign was also launched across the Group during the year. The Group will continue to monitor any national laws that implement additional, relevant requirements and make any required changes to policies and procedures where appropriate. For further information see page 66.

Committee governance

Committee structure and meetings

The Committee acts independently of management to ensure the interests of our shareholders are protected properly in relation to financial reporting, risk and internal control. All members of the Committee are independent Non-Executive Directors, with sufficiently wide-ranging business experience, expertise and competence to enable the Committee to fulfil its responsibilities effectively. Navneet Kapoor stepped down from the Committee in December. Carole Cran and Miles Roberts joined the Committee during the year. Louisa Burdett is a chartered accountant and, having held senior financial management positions, has extensive knowledge and experience of financial markets, treasury, risk management and financial accounting standards. Biographies for the Committee members are set out on pages 80 and 81.

The Committee held four scheduled meetings during the year. Meetings were held in line with the financial and reporting cycles of the Company. Meetings are generally held prior to Board meetings so that optimum collaboration with the Board is maintained. The Committee Chair provides updates to the Board on the proceedings, considerations and findings of each meeting.

The Committee Chair extends invitations to certain other key individuals to attend meetings, including the Chair of the Board, other Non-Executive Directors who are not members of the Committee, the CEO, CFO, the Company Secretary, Group Financial Controller, VP Audit and Risk and the external Auditors. The Data Protection Officer attends meetings twice a year to give updates on data protection matters.

Audit Committee report continued

During the year, the Committee held separate sessions with the VP Audit and Risk and the external Auditors without the presence of management. The VP Audit and Risk and the external Auditors have direct access to the Committee Chair outside of formal Committee meetings.

Committee responsibilities

The Committee's chief responsibilities have not changed during the year. The Committee's Terms of Reference are reviewed formally and approved annually and set out its principal duties in full, including its authority to carry out its duties, and are available in the governance section of our website: [rsgroup.com](https://www.rs-group.com)

The core functions of the Committee include:

- Supporting the Board in ensuring the integrity of the financial and corporate reporting and auditing processes
- Assisting the Board in assessing the long-term viability of the Group by reviewing and challenging the scenarios considered and severe but plausible stress testing performed on the principal risks
- Advising the Board on whether the half-year and full-year financial reports present a fair, balanced and understandable assessment of the Group's position and prospects
- Ensuring effective internal control and risk management systems are in place
- Measuring the Group's effectiveness in managing risk and reviewing the risk identification process
- Approving the remit of the internal audit function and reviewing its effectiveness and findings
- Ensuring that an appropriate relationship is maintained between the Group and its external Auditors, including the recommendation to the Board to approve their appointment and fees
- Monitoring progress of the Group's information security strategy to mitigate its major risks
- Reviewing the scope and effectiveness of the external audit process
- Reviewing whistleblowing, fraud, anti-bribery and corruption and data protection procedures

Committee evaluation

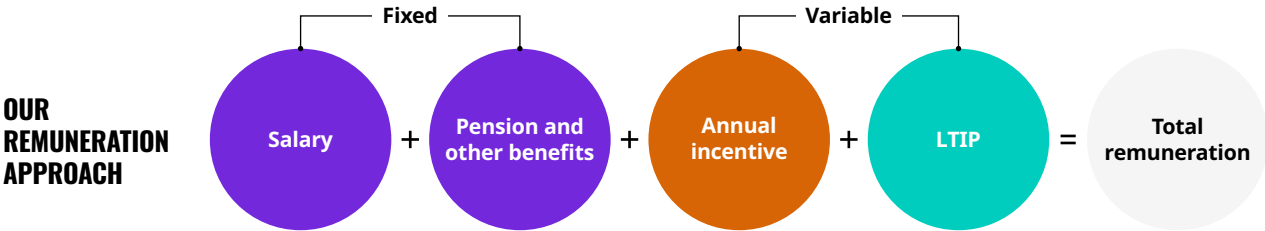
This year, the Board underwent an internal evaluation of its performance and the activities of the Committee were reviewed as part of this process. The results of the evaluation demonstrated that the Committee continued to operate effectively and provided sufficient challenge, and that the composition worked well with a good balance of experience. The Committee agreed that it was kept up to date on financial reporting and related company law issues on an ongoing and timely basis and receives sufficient information on all material and emerging risks faced by the business. Key recommendations arising include consideration of time allocated to key meetings and review of Committee materials to reduce complexity and highlight key issues to help provide adequate time and aid robust discussion at full and half year meetings in particular.

Further details of the evaluation process can be found in the Governance Report on pages 89 and 90.



Directors' Remuneration report

REMUNERATION
AT A GLANCE



REMUNERATION OUTCOMES IN 2024/25

2024/25 ANNUAL INCENTIVE

Measure (weighting)	Actual	Threshold	Maximum	Outcome
Adjusted PBT (30%) ¹	£255.7m	£255.3m	£295.3m	0.3%
Adjusted free cash flow (30%) ¹	£220.5m	£148.4m	£176.4m	30.0%
Like-for-like Group revenue change (15%)	(1.7)%	0.0%	5.0%	0.0%
CO ₂ e reduction (Scope 1 & 2 emissions) (15%)	7.3%	4.5%	7.0%	15.0%
Individual strategic targets (10%)	Simon Pryce/Kate Ringrose		8.5%/7.0%	
Total formulaic bonus	Simon Pryce/Kate Ringrose		53.8%/52.3%	
Total Adjusted bonus (1.3)%	Simon Pryce/Kate Ringrose		52.5%/51.0%	

1. Both adjusted PBT and adjusted free cash flow exclude restructuring costs.

2022 LTIP AWARD

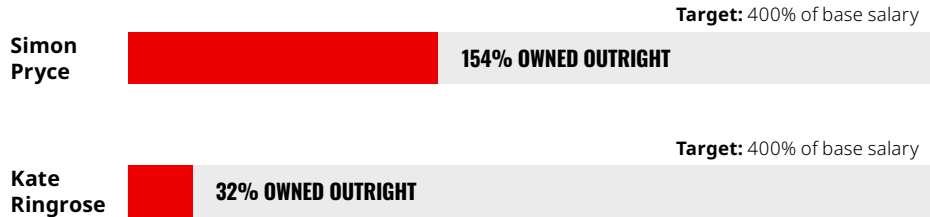
0%
of maximum

Vesting of these awards was determined in accordance with the performance targets, measured over the three years ended 31 March 2025. J2G LTIP will vest below the Board. See page 123.

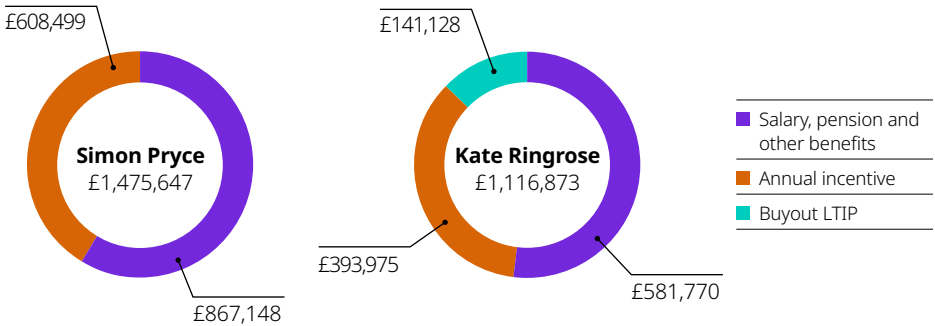
J2G LTIP AWARD

0%
of maximum

SHARE OWNERSHIP REQUIREMENT



SINGLE FIGURE OF REMUNERATION



ALIGNMENT WITH WIDER WORKFORCE

SALARY

3%
UK employees will receive an average pay increase of 3% effective 1 June 2025

4%
employees globally will receive an average pay increase of 4% in 2025

INCENTIVE

100%
of employees are eligible to participate in an incentive plan

Directors' Remuneration report continued

2025 DIRECTORS' REMUNERATION POLICY AND IMPLEMENTATION FOR 2025/26

FIXED PAY

Salary

Simon Pryce

£845,000

(9.4% increase)

Kate Ringrose

£530,450

(3% increase)

ANNUAL INCENTIVE

Maximum opportunity

150%

of base salary

Operation

- 2/3 paid in cash. 1/3 deferred into shares, which vest after two years.
- Before any incentive pay out, a threshold level of adjusted PBT must be achieved.

Measures

Adjusted PBT	25%
Adjusted free cash flow	25%
Like-for-like Group revenue change	25%
CO ₂ e reduction (Scope 1 and 2 emissions)	10%
Net promoter score	5%
Individual strategic targets	10%

2025 LTIP

Simon Pryce

Performance shares

250%

of base salary

Restricted shares

100%

of base salary

Kate Ringrose

Performance shares

170%

of base salary

Restricted shares

40%

of base salary

Measures

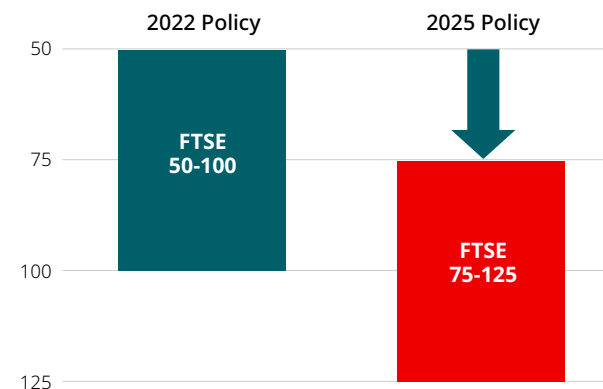
Adjusted EPS	50%
TSR	50%
ROCE	Underpin

Operation

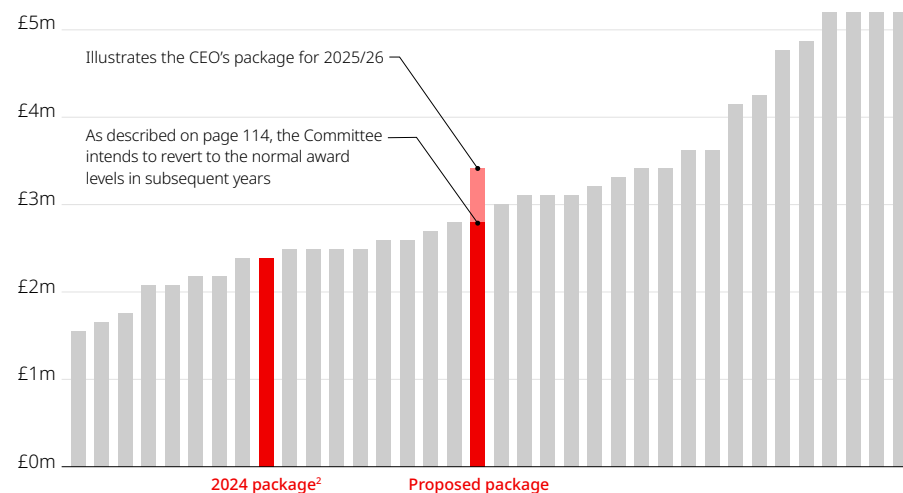
The hybrid LTIP will be delivered as two-thirds performance shares, subject to the conditions above and one-third restricted shares. Further detail can be found in the 2025 Directors' Remuneration Policy on page 114.

ROBUST APPROACH TO PAY BENCHMARKING

For this Policy review, the Committee has recalibrated the benchmark reference group from the FTSE 50-100 to the FTSE 75-125, reflecting our ongoing commitment to a highly robust and responsible approach to pay positioning.

MARKET DATA (CEO TOTAL TARGET COMPENSATION, FTSE 75-125)¹

The chart below illustrates the CEO's package for 2025/26



1. The constituents of the FTSE 75-125 reference group are as follows: Airtel Africa, B & M Retail, Bellway, Berkeley Holdings, British Land, Burberry, Computacenter, ConvaTec, EasyJet, Endeavour Mining, Entain, Frasers Group, Games Workshop, Greggs, Harbour Energy, Hikma Pharmaceuticals, Howden Joinery, IML, Inchcape, International Distribution Services, ITV, Johnson Matthey, Kingfisher, Land Securities, Londonmetric Property, Ocado, Persimmon, Rightmove, Rotork, Softcat, Spectris, Taylor Wimpey, Unite Group and Vistry.
2. The 2024 package does not include the J2G LTIP Award.

Directors' Remuneration report continued

REMUNERATION COMMITTEE REPORT

Joan Wainwright
Chair of Remuneration
Committee



Key highlights

Membership as at 20 May 2025:

- Joan Wainwright (Chair)
- Alex Baldock
- Louisa Burdett
- Miles Roberts
- David Sleath

Activities during 2024/25

- Overseeing the development of the proposed 2025 Directors' Remuneration Policy (Policy)
- Reviewing and supporting the design and calibration of the various components of the Policy, including the hybrid Long Term Incentive Plan (LTIP) structure
- Extensive engagement with shareholders, ensuring their views were sought and considered when finalising the proposed Policy
- Continued support of the Group's reward philosophy to underpin the strategy and values
- Reviewed and supported the 2024/25 remuneration outcomes with Group's performance
- Supported the transition to a restricted share plan below the Executive Committee (ExCo)

Priorities for 2025/26

- Oversee the implementation of the new Policy
- Maintain an active and open dialogue with shareholders and ensure their views are sought and considered when determining executive remuneration
- Understand the impact of the forthcoming EU Pay Transparency legislation for the Group
- Delivery of an all-employee share plan enabling more of our people to become shareholders

Dear shareholder

On behalf of the Remuneration Committee (the Committee), I am pleased to present the Directors' Remuneration report for the year ended 31 March 2025.

2024/25 has been a challenging year for the Group and the broader industrial market but despite this the Group has made good operational progress. A summary of the financial performance of the Group is set out on pages 28 to 35.

Incentive outcomes for the year ended 31 March 2025

The 2024/25 annual incentive measures were: adjusted profit before tax (PBT), like-for-like revenue growth, adjusted free cash flow, CO₂e reduction, and individual strategic measures, resulting in a formulaic outcome of the financial measures of 45.3% of maximum. Having reviewed the formulaic outcome the Committee determined together with management that it would be appropriate to reduce the outcome by 1.3% to ensure internal consistency in annual incentive outcomes across the Group. This results in an adjusted outcome of 44.0% of maximum. Including the individual strategic measures the adjusted bonus outcomes are 52.5% of maximum for Simon Pryce and 51.0% for Kate Ringrose. Full details of the plan outcome and the achievement of their individual strategic measures are detailed on pages 121 and 122.

Neither Simon nor Kate were awarded a 2022 LTIP Award. For reference, the 2022 LTIP Award which was based on performance over the three-years ended 31 March 2025, did not achieve the threshold level of performance for both the earnings per share (EPS) and total shareholder return (TSR) performance measures. The Committee determined that it was appropriate for the plan to lapse in full for all participants.

It was determined on his appointment in April 2023, that rather than revisit the plan and its relevance, Simon would be a participant in the Journey to Greatness LTIP Award (J2G LTIP Award) and that we would review the Policy and incentive structures in line with the Policy renewal in 2025. Simon received a pro-rated award of 483% of base salary.

The J2G LTIP Award was also measured over the three years ended 31 March 2025. The threshold levels of performance for EPS and the KPI scorecard were not achieved, with the exception of the on-time-to-promise measure, resulting in a formulaic outcome of 1%. The Committee determined that it was appropriate for the awards to lapse in full for Simon, but to vest awards for all other eligible employees in line with the formulaic outcome. This aligns with the view set out later in this letter that the J2G LTIP Award was not the appropriate mechanism for the CEO on joining the Company and that the Committee plans to address his overall remuneration in the new Policy. When Kate was recruited in October 2023 it was on a market competitive package and it was determined that given it was past the mid-point of the three-year performance period, she would not participate in the J2G LTIP Award.

2025 Directors' Remuneration Policy

In line with the normal three-year cycle, we will be seeking shareholder approval for a new Policy at our 2025 AGM. In preparation for this, the Committee has undertaken a comprehensive review and shareholder consultation programme to inform our approach and ensure it better reflects the nature of the markets in which the Group trades and is more optimally aligned to our revised strategy and objectives. The outcome from this review is that we propose the following key changes to our long-term incentives: removing the J2G LTIP Award, changing our market comparison to FTSE 75-125 from FTSE 50-150 and changing our LTIP into a 'hybrid' structure which combines Performance Shares and Restricted Shares (weighted two-thirds to performance and one-third to restricted shares), recognising the importance of reward structures that align

Directors' Remuneration report continued

long-term value and to motivate and retain our management team and stakeholders through the industrial cycle. The quantum of our long-term incentives will be significantly reduced from the previous Policy and set at a market competitive level. No other material changes to the Policy are proposed. The following sections explain the background and rationale for this proposal, as well as the shareholder consultation process we have followed.

Background – new leadership and a revised, more focused strategy

Since the last Policy review, we have seen extensive leadership changes within the Group and the creation of an ExCo. The new ExCo has brought greater rigour and understanding to the Group, its business model and the markets in which it plays. As a result, and against the background of a very challenging trading environment, they have clarified the Group's purpose, mission and vision and introduced a new set of values across the Group. They have developed a more focused strategy which has driven better alignment, prioritisation and much improved execution. The ExCo has enhanced the business and functional leadership, defined and started to embed cultural change and clarified, revised and implemented a clear operating model with improved accountability. They are now executing that strategy through an aligned action plan to accelerate delivery of sustainable value creation for all stakeholders as a cyclical business with significant growth opportunities. Notwithstanding the challenging geopolitical environment and its impact on the Group's markets, they are making good progress, including continuing to take share across most of our technical product categories, and are successfully integrating recent acquisitions to position us well for when the industry returns to growth.

Proposed 'hybrid' long-term structure

The Committee's key area of focus during the review was to ensure that the long-term incentive structure could meet the objectives on the right.

As part of the 2022 Policy, a one-off J2G LTIP Award was introduced which the then Executive Directors, as well as 91 senior managers, participated in. This was a one-off LTIP award with a value of 750% of salary for the incumbent Executive Directors, granted in addition to the normal 250% of salary annual LTIP (i.e. representing a total award size, on an annualised basis, of 500% of salary).

The J2G LTIP Award would only vest on the achievement of very stretching targets measured over the one-off performance period. Having reviewed the operation of this type of award, the Committee concluded that the J2G LTIP Award is not effective in a cyclical trading environment, does not create long-term alignment with stakeholder interests and does not act as an effective retention incentive. Although this was approved by shareholders, we also acknowledged that a number of shareholders (and voting agencies) were opposed to the J2G LTIP Award in 2022. The J2G LTIP Award has therefore been removed from the Policy.

We remain committed to the key principles that support a high-performance culture with maximum levels of equity reward only available for the delivery of commensurate levels of long-term out-performance. We recognise the importance of reward structures that align long-term interests of shareholders and management through the cycle and act as effective retention and motivation incentives for management. The PMI index on the right, illustrates the cyclical nature of the industrial cycle, and how the Group is closely aligned to this market environment.

A range of alternative award structures were assessed by the Committee. For example, we considered replacing the LTIP with a 'single incentive plan', but concluded that reward outcomes that only reflect annual performance would not be consistent with our objective to structure the Group appropriately to be more efficient and scalable to delivering sustained, long-term out-performance.

Key objectives for remuneration and reward

We need an executive remuneration structure which can align, engage and appropriately reward our management team for executing the strategy which, we believe, will deliver strong and scalable growth opportunities over the medium-term. The Committee has taken a very thoughtful and robust approach to the Policy review, built around the following key principles and objectives:

Commitment to equity-based incentives to drive long-term retention and alignment

We remain committed to creating long-term alignment with our shareholders by weighting our reward towards share-based elements and through the use of significant share ownership requirements.

Incentives which reward strategic execution and performance

We re-affirmed our long-standing commitment to a reward structure which fosters a high-performance culture, with the opportunity for maximum levels of reward only available for the delivery of commensurate levels of long-term out-performance for our shareholders and wider stakeholders. Our incentives link directly to key performance metrics which align with our strategic delivery.

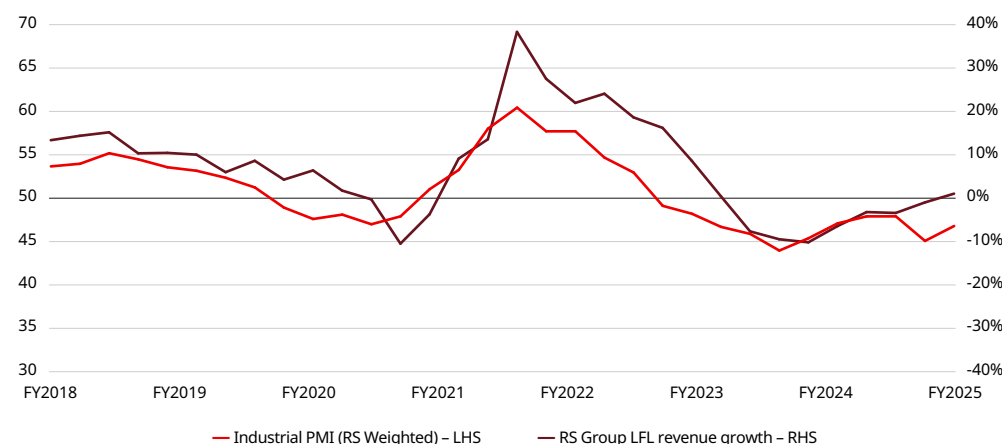
Competitive in global talent markets

Our Policy must allow us to successfully compete to secure and retain the calibre of talent we need in highly competitive global markets, while also ensuring we take a robust and responsible approach to quantum.

A structure which works through the cycle

Critically, our reward structure must address the challenges of our cyclical trading environment (see below) by ensuring we can effectively retain, reward and align our people through the industrial cycle to execute for all our stakeholders.

RS Group trades in line with weighted PMI data



Directors' Remuneration report continued

The Committee also considered switching from using an LTIP to just using restricted shares (i.e. awards of long-term shares without performance conditions). We recognised that restricted shares would help us to meet a number of the key objectives outlined on page 107, including our commitment to long-term equity awards that can reward and secure executive talent through the industrial cycle. However, we ultimately concluded that fully moving away from a performance-based long-term structure would not be consistent with key objectives or the interests of our shareholders.

Therefore, having carefully reflected on the range of alternatives, we are now proposing to modify our LTIP into a 'hybrid' structure which will combine Performance Shares and Restricted Shares. The hybrid structure provides the opportunity to appropriately reward, retain and align management through all stages of the industrial cycle. Given our cyclical exposure, if we continue to use only Performance Shares, this risks our ability to retain key talent when the cycle turns. Switching to using only Restricted Shares would mitigate this risk but would be inconsistent with our ongoing commitment to keeping performance at the heart of our incentive structure. The Committee therefore believes that a mixed approach, weighted (two-thirds) towards the performance element, provides the right balance to meet our objectives and drive value for stakeholders through the cycle.

The hybrid LTIP will combine awards of:

- **Performance Shares** which will operate in the same way as our current LTIP. Vesting will be based on stretching long-term targets over a three year performance period (as described on page 114 for the 2025 LTIP Award), with vested shares then subject to a two-year holding period. Performance Shares are aimed at motivating and rewarding long-term outperformance for the benefit of all our stakeholders.

- **Restricted Shares** which will similarly vest over an initial three-year period, with vested shares subject to a two-year holding period. They are not subject to conventional performance conditions, but a robust underpin will apply. Restricted Shares provide a mechanism to better support long-term retention and shareholder alignment in an environment of cyclical exposure.

Our rationale for adopting a hybrid structure is primarily based on it being a better fit for our key Policy objectives, our medium term target achievement and the characteristics of our business, as described on page 107. The Committee also noted that hybrid LTIP models are common market practice in North America and this model will allow us to be more competitive in key talent markets outside of the UK.

The Committee notes that hybrid long-term structures have traditionally been unusual in the UK-listed environment, but adoption has been growing (for example, around 8% of the FTSE 350 now operate a hybrid LTIP, up from less than 2% two years ago).

We firmly believe that the hybrid structure better meets our reward objectives on a through-cycle basis, but we also carefully considered the timing of the switch to hybrid in the context of where we are in the cycle. We note that we are not introducing restricted shares at the high point of the cycle, illustrating our conviction that it is the right long-term approach on principle and that we are not simply seeking to 'protect' reward levels ahead of a potential cyclical downturn.

The Committee determined that, based on our continued commitment to a framework which primarily motivates and rewards performance, the overall hybrid award will be weighted towards the performance-linked element, with a target mix of two-thirds Performance Shares and one-third Restricted Shares. Further detail on our robust approach to award sizes is set out below.

In developing the parameters of our proposed hybrid structure, the Committee sought to align with the key principles of best practice as set out in UK investor guidance which has been evolving to reflect these market dynamics. For example, awards will vest over a three-year period, followed by a two-year holding period. The hybrid structure will be heavily weighted towards the performance element. Restricted Shares will be subject to a robust underpin and normal award sizes have been calibrated using a 50% 'haircut' to the equivalent Performance Share award.

The hybrid structure will also be applied to the ExCo awards in 2025. By introducing the Restricted Share element for the Executive Directors and ExCo, this will also improve alignment to the incentive framework which is cascaded to the broader management team where, as reported last year, restricted shares were introduced during 2024 in direct response to being a cyclical business that wishes to ensure employee retention, specifically in the more difficult periods within an industrial cycle.

Robust approach to quantum

To determine award sizes, as well as overall remuneration packages for the Executive Directors, the Committee considered a range of contextual factors, including the performance, contribution and circumstances of the individual. One of the factors we consider is appropriate market data.

When developing the 2022 Policy, the Committee had considered data for companies in the lower half of the FTSE 100 (the 'FTSE 50-100') as a market reference point. For this Policy review, the Committee has recalibrated this group to companies ranked between 75th and 125th in the FTSE by average market capitalisation (the 'FTSE 75-125'). This change reflected our ongoing commitment to a highly robust and responsible approach to pay positioning.

To determine normal award sizes under the new Policy, the Committee first considered the target market positioning against the FTSE 75-125 for a conventional LTIP award (i.e. excluding any restricted share component). This indicated a normal award level of 300% and 250% of salary for the CEO and CFO roles, respectively. Importantly, this would re-introduce a higher award level for the CEO role in line with typical market practice and our historic approach (prior to 2020).

These market-based award levels represent a significant reduction in opportunity from our previous Policy, under which the combined award level for the LTIP and the J2G LTIP Awards (on an annualised basis) was 500% of salary for all Executive Director roles.

The next step was to calibrate the specific award levels for the Performance Share and Restricted Share components. The Committee's approach here was to establish the desired weighting between the two elements (two-thirds weighted to performance) and ensure that the Restricted Share award (one-third of award value) was calculated using a 50% 'haircut' to the equivalent Performance Share award in line with investor guidance.

Following this process, the Committee determined that the normal annual award levels under the Policy will be as follows:

- CEO: Performance Shares of 200% of salary and Restricted Shares of 50% of salary (which is equivalent to a conventional LTIP award of 300% of salary using a 50% haircut) for the Restricted Share element
- CFO: Performance Shares of 170% of salary and Restricted Shares of 40% of salary (which is equivalent to a conventional LTIP award of 250% of salary using a 50% haircut) for the Restricted Share element

Directors' Remuneration report continued

Illustration of calibration of normal award sizes (CEO)

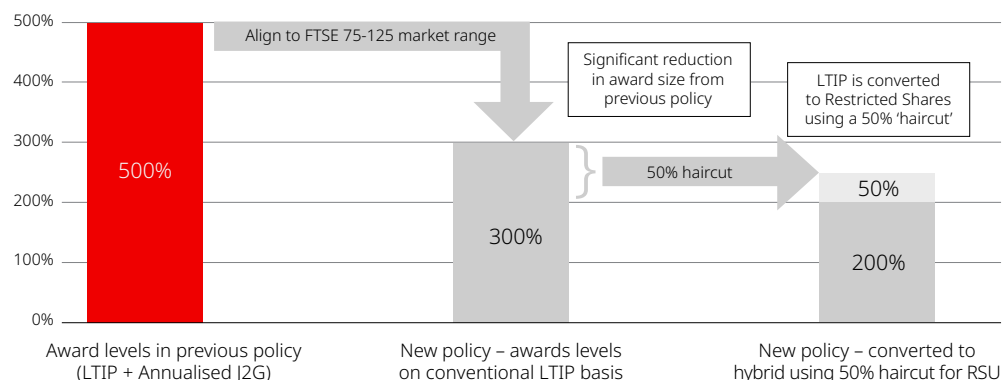
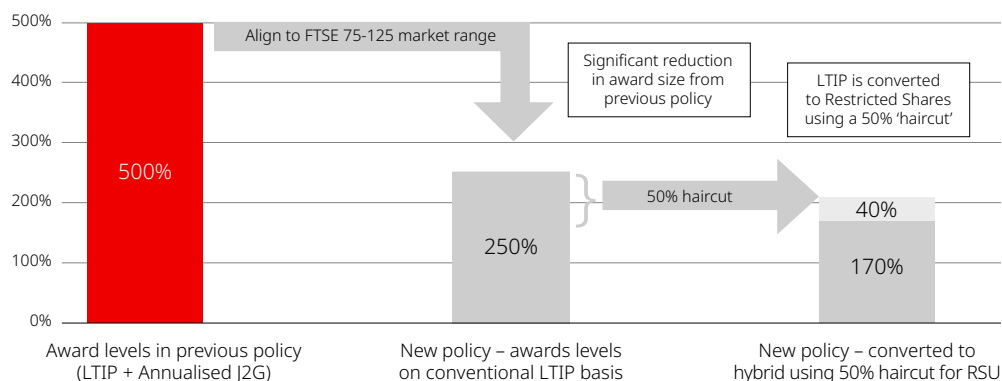


Illustration of calibration of normal award sizes (CFO)



Target market positioning (FTSE 75-125)			Normal award sizes Align to market with calibration heavily weighted to performance			
	LTIP	Expected value	Performance shares	Expected value	Restricted shares	Total expected value
CEO	300%	50% ➔ 150%	200%	50% ➔ 100%	50%	150%
CFO	250%	50% ➔ 125%	170%	50% ➔ 85%	40%	125%

To ensure sufficient flexibility over the course of the Policy period to allow us to attract and retain the best executive talent, the maximum award which may be granted under the Policy in respect of any financial year will be 250% of salary for Performance Shares and 100% of salary for Restricted Shares. Information on the Committee's proposed approach for implementation in 2025 is set out below.

No other material changes to Policy

In respect of other aspects of our Policy framework, no material changes are proposed. The maximum Annual Incentive award will remain at 150% of salary, with one-third deferred into shares for two years. The Committee noted an emerging market trend in the UK to link the requirement for bonus deferral to the level of an executive's shareholding. However, we recognise the importance of long-term share ownership to the reward philosophy and objectives described above and are therefore not proposing any changes to our deferral provisions at this time.

Shareholder alignment is also supported by market leading shareholding requirements of 400% of salary for the CEO and 250% for the CFO, both set in excess of the upper quartile of the market and remaining in force for two years post-cessation. The CFO's requirement has been reduced from 400% to reflect the reduction in award size (from the J2G LTIP Award in the previous Policy) and the relativity of LTIP award levels with respect to the CEO, but nevertheless remains in excess of the market upper quartile.

Implementation in 2025

Consistent with previous years and the principles we apply when reviewing base salary through the organisation, a number of factors, including performance, market position and relativity to the wider workforce, were considered by the Committee for the Executive Directors. This year, the average expected increase for the wider UK workforce is 3% and given Kate's market competitive package, the Committee agreed to align her percentage increase to this level.

For Simon, the Committee was aware on his appointment that his salary was materially below the median of the then reference group of the FTSE 50-100, and indeed below the proposed reference group of FTSE 75-125. However, the Committee determined that it was appropriate to defer a full review of his package until the Policy review. In this context and against a background of the wider policy changes, to reflect Simon's strong performance and leadership during his tenure so far, after careful consideration the Committee determined that it was necessary to adjust his salary level to £845,000, representing a 9.4% increase.

We recognise that the percentage increase will be above the UK workforce average, but note that it is consistent with the principles we apply for other top performers in the workforce, whose base salary are also identified as below market to ensure we retain our high performers. The Committee also expects that any subsequent salary increases for Simon during the next Policy period will be no higher than the wider workforce.

The Annual Incentive for 2025/26 will continue to be based on key financial and strategic targets for the year. The Committee reviewed the performance measures and agreed two changes to improve alignment with strategy and our objectives for the year ahead.

- Our three financial metrics (like-for-like revenue growth, adjusted PBT and adjusted free cash flow) will be weighted equally at 25% of the total, creating a better balance between these three key objectives.
- We will be re-introducing Net Promoter Score into the Annual Incentive (with a 5% weighting) to ensure that the customer experience, a key objective of our strategy (see page 21), is captured. The remainder will continue to be based on CO₂e reduction and strategic individual targets.

Directors' Remuneration report continued

As usual, we will set stretching performance targets for all performance measures which will be disclosed retrospectively in next year's report. Executive Directors will be eligible for a maximum award of 150% of salary and one-third of any earned amount will be deferred into shares for two-years, both unchanged under the new Policy. Before any incentive pay out, a threshold level of adjusted PBT will need to be achieved.

In 2025, subject to shareholder approval, we will operate the 'hybrid' LTIP structure discussed above for the first time. The Performance Shares will be based on an equal mix of adjusted EPS and TSR performance, supported by the ROCE underpin as usual. Taking account of internal forecasts over the performance period, the challenging market conditions in which the Group operates, our long-term growth ambitions and the expectations of the investment community, the adjusted EPS targets are considered to be appropriately stretching. For the TSR element, performance will be measured against the constituents of the FTSE 350 index, of which the Group is a constituent, excluding financial services and energy companies. We believe this simple, objective and market-aligned approach is more robust than a bespoke group given the Group's limited number of directly comparable listed peers.

The Restricted Share award will be subject to a robust underpin. Full details of the performance targets and underpins are set out on page 114.

The Committee carefully considered the award sizes for the first awards under the new Policy. Kate will receive awards at the normal level as described above (i.e. Performance Shares of 170% and Restricted Shares of 40% of salary). In determining Simon's award size for 2025, a number of factors were taken into account by the Committee, all related to ensuring that the CEO is fairly rewarded for his work to date and that he is appropriately incentivised and engaged to continue his strong leadership for the next phase of our strategic delivery.

First, it is important to recognise the strong contribution that Simon's leadership has delivered during his tenure as CEO, which, as flagged in last year's remuneration report, the Committee does not believe has been sufficiently captured in his remuneration outcomes to date (for example – the lapsing of the J2G LTIP Award, other 'in-flight' LTIP awards being largely 'underwater', and the forfeiture of the 2023/24 Annual Incentive as a result of a sustained period of challenging market conditions which triggered the profit 'underpin' for the year). Combined with the relatively low positioning of salary, and the Committee's decision on the CEO's appointment to defer reviewing the 2022 Policy and its relevance, this has created a market shortfall in total compensation received compared to the strategic progress achieved (as highlighted on page 107) over the last two years. Looking forward, it is also critical to ensure that management are retained and motivated to accelerate value creative growth and the continued effective execution of our strategy. In this competitive global market for experienced and high calibre leadership talent, a key aspect of this is to ensure there are reasonable but effective long-term equity awards to drive retention and alignment. Simon's shareholding of 154% of salary is as a result of his personal investment in the Group.

Having reflected on these factors and after consultation with shareholders, the Committee concluded that granting awards at the maximum levels allowable under the Policy for 2025 would be the most effective way to mitigate these risks and achieve our objectives. We therefore intend, on this occasion, to utilise the flexibility under the new Policy to grant Simon's 2025 awards as a Performance Share award of 250% of salary and a Restricted Share award of 100% of salary. The Committee's intention would be that, having now normalised the packages of both Executive Directors, awards in subsequent years would revert to the normal award levels described on page 114.

The chart on page 105 sets out the positioning of Simon's total target compensation against the FTSE 75-125 group, for both 2025/26 and once LTIP awards revert to the normal level. The chart illustrates the impact of the steps we have taken to reasonably and responsibly address the previous market shortfall.

Shareholder engagement

We have a well-established commitment to engaging with our shareholders on executive pay. This year, in respect of the development of the new Policy and how we will implement it for 2025, we undertook an extensive multi-phased consultation process. The first phase of this engagement involved meeting with a handful of our very largest shareholders, comprising just over 36% of the share register, to test the initial thinking on key elements of the proposed framework.

Building on the feedback received from this first phase, we then broadened our engagement to the remainder of our top 30 shareholders, and as a result, consulted with c. 86% of the register in total, broadening the coverage from previous Policy consultations. As part of the second phase we undertook 14 shareholder meetings and received feedback from another four shareholders. We also engaged with the major shareholder representative bodies.

Overall, shareholders were supportive of our approach. There was a clear understanding of the challenges we face on remuneration and acknowledgment of how we were seeking to address these in a robust and responsible way. Shareholders were supportive of the removal of the J2G LTIP Award and the transition of our LTIP towards the hybrid structure, with many welcoming the continued commitment to performance from the weighting of the two elements. A number of shareholders appreciated the Committee's recalibration of the market reference point from FTSE 50-100 to FTSE 75-125 and were generally supportive of proposed salary increases and incentive opportunities.

Feedback we received informed the Committee's approach in a number of areas:

- Our initial proposal sought to remove the PBT 'underpin' from the Annual Incentive framework on the basis that the stretch in the target ranges provided sufficient safeguard for shareholders. However, we now propose to retain the underpin in the Policy, which is indicative of our approach to ensuring pay outcomes reflect performance, an area in which we have a strong track record.
- We took on board the range of shareholder feedback we received on a number of aspects of the calibration of the hybrid performance framework. For example, there was a range of views on the approach and types of factors to consider for the Restricted Shares underpin. On the proposed change to the TSR group for the Performance Shares, again we tested different approaches and heard a range of views with many shareholders understanding of the challenges we face in constructing a robust sector peer group and therefore supportive of the switch to measuring against the FTSE 350.
- Some shareholders wanted to better understand our approach to the 'haircut', which we have provided on page 109 which illustrates the process we followed in materially reducing award sizes from the previous Policy, and then calibrating the Restricted Share element using a 50% haircut.

The Committee acknowledges that it did receive a diverse range of views and inputs and can confirm that all feedback was taken into account in finalising proposals. The Policy, and how we intend to implement it for the year ahead, represent a balanced outcome from its consultation process and are right for the business at this stage of its development.

On behalf of the Committee, I would like to thank all those shareholders for their engagement during this process. We will continue to engage openly with our shareholders on executive remuneration moving forward.

Directors' Remuneration report continued

Consideration of the wider workforce experience

During the year, we have refreshed our reward philosophy to support the delivery of the business strategy and values. The philosophy is designed to deliver transparent, inclusive rewards, which are market competitive to attract and retain talent and to incentivise high performance, while continuing to support the wellbeing of our people.

As we began to embed the new reward philosophy, we reviewed the design of the Group Annual Incentive and approach to LTIP below the ExCo. For the first time, we introduced a personal performance measure to the Annual Incentive for our management level employees, providing participants with the opportunity to have a proportion of their reward aligned with their personal performance and their contribution to the success of the business. Additionally, as set out in last year's report, we have transitioned our senior management (below ExCo), from the LTIP to a restricted share plan to drive alignment with our stakeholders and our reward philosophy. The changes to the incentives have been positively received by the participants. The move to a hybrid model for our most senior roles will improve the alignment with this approach.

Enabling our people to become shareholders and to have a personal stake in the business remains important to us and in 2025 we will be awarding all our eligible employees with a one-off award of restricted shares. We will continue to consider ways to help our people share in our overall success alongside our other stakeholders, in addition to our existing share purchase and incentive plans.

I am proud of the work the Committee has done during the year and want to thank the Committee members for their contribution. I also would like to again thank our shareholders for the time taken to engage with us during the year and their continued support at the last AGM. I hope that you will join the Board in supporting the resolutions to approve the 2024/25 Directors' Remuneration report and the Policy to be put to shareholders at the 2025 AGM.

Joan Wainwright

Chair of Remuneration Committee
20 May 2025

KEY ACTIVITIES DURING THE YEAR

MAY

- Approved the 2023/24 Annual Incentive and 2021 LTIP Award outcomes
- Approved the final design of the 2024/25 Annual Incentive and 2024 equity plans design for ExCo and senior management
- Approved the 2024/25 Annual Incentive and 2024 LTIP performance measures and targets
- Set objectives for the coming year for the CEO
- Approved CEO, CFO, ExCo and senior management 2024 share awards
- Approved the 2024 Directors' Remuneration report to be put to shareholders at the July 2024 AGM
- Reviewed approach to the wider workforce remuneration for the year

OCT

- Reviewed and input to the initial draft of the Policy proposal

NOV

- Reviewed and approved the Policy shareholder consultation materials

DEC

- Considered initial shareholder feedback on the proposed Policy
- Approved share awards to eligible people who joined the Company in the period June to December 2024
- Approved fees for the Chairman
- Reviewed the Remuneration Advisor performance and fees for the year

JAN

- Considered shareholder feedback on the proposed Policy
- Received an update on the launch and implementation of the new reward philosophy
- Reviewed the current status of share ownership of Executive Directors and ExCo
- Received a market update from the Remuneration Advisor

MAR

- Considered shareholder feedback on the proposed Policy
- Reviewed the initial view of the 2024/25 outcomes for the Annual Incentive, 2022 LTIP and J2G LTIP Awards against the performance targets
- Approved, in principle, the design of the 2025/26 Annual Incentive and 2025 equity plans
- Reviewed the 2024 Gender Pay Gap Report
- Reviewed the Terms of Reference for the Committee and the All Employee Share Plan Committee
- Reviewed the Committee annual evaluation outcome

Directors' Remuneration report continued

SUMMARY OF THE 2025 DIRECTORS' REMUNERATION POLICY

2025 Directors' Remuneration Policy

The 2025 Directors' Remuneration Policy (Policy) set out below is proposed for shareholder approval at the AGM to be held on 17 July 2025. Subject to shareholder approval, the Policy will take effect from that date. The key differences between the Policy and the Directors' Remuneration Policy approved at the Company's AGM held on 14 July 2022 are:

- Removal of the J2G LTIP Award and consequent significant reduction in overall package opportunity
- Modification of our LTIP into a 'hybrid' structure which will combine Performance Shares and Restricted Shares
- Introduction of a higher LTIP quantum level for the CEO role (relative to the CFO) in line with typical market practice and our historic approach
- Reduction of CFO shareholding guideline from 400% to 250%

Further background to these changes can be found in the Committee Chair's Letter on pages 106 to 111.

Executive Director 2025 Remuneration Policy table

Component: Base salary

Element	Details
Objective	To provide a market-competitive level of fixed pay reflecting the scale and complexity of our business enabling us to attract and retain global talent.
Operation	Generally reviewed each year, with increases normally effective from 1 June. Salaries are set by the Committee to reflect factors which include the scale and complexity of the Group, the scope and responsibilities of the role, the skills, experience and performance level of the individual, the overall total compensation opportunity, and the Committee's assessment of the competitive environment including consideration of appropriate market data for companies of broadly similar size, sector and international scope to RS Group plc.
Opportunity	There is no prescribed maximum salary. Base salary increases are applied in line with the outcome of the annual review. Factors that are considered include: increases for other employees, changes in role and responsibilities, market levels, and individual and Company performance. Salary increases will normally be based on the same framework which applies across the UK employee population.
Performance measures	Not applicable.

Component: Pension

Element	Details
Objective	To provide a level of retirement benefit that is competitive in the relevant market and aligned to the approach for the employee population.
Operation	Executive Directors may participate in the defined contribution section of the group pension scheme (Scheme) or receive a cash supplement in lieu.
Opportunity	A maximum contribution or cash supplement from the Company for any Executive Directors will be in line with the maximum rate taken by the majority of the wider UK workforce (currently 10.5% of salary).
Performance measures	Not applicable.

Directors' Remuneration report continued

Component: Benefits

Element	Details
Objective	To provide benefits in line with the relevant market.
Operation	Executive Directors are provided with a company car (or a cash allowance in lieu thereof) and medical insurance. Other benefits may be provided or introduced from time to time to ensure the benefits package is appropriately competitive and reflects the circumstances of the individual Executive Director.
Opportunity	While there is no prescribed maximum, Executive Directors do not normally receive total taxable benefits exceeding 10% of base salary and it is not currently anticipated that the cost of benefits provided will exceed this level in the years over which this Policy will apply. The Committee retains the discretion to approve a higher cost where appropriate (for example, relocation expenses or expatriation allowance) or in circumstances where factors outside the Company's control have changed materially (for example, market increases in insurance costs).
Performance measures	Not applicable.

Component: Annual Incentive

Element	Details						
Objective	To focus Executive Directors on achieving demanding annual targets relating to Group performance. The deferral element ensures focus on our longer-term business goals.						
Operation	Performance targets are normally set at the start of the financial year taking into account the annual targets and objectives agreed by the Board. After the end of the financial year, the Committee determines the extent to which these targets have been achieved. A proportion of the total annual incentive payment (currently one-third) is delivered in the form of deferred shares in the Company under the Deferred Share Bonus Plan (DSBP). These shares normally vest after a period of two years, subject to continued employment. Dividend equivalents may be payable on shares which vest and may be delivered in the form of shares. The remainder is paid in cash after the year end. Malus and clawback provisions apply to all elements of the Annual Incentive (see notes to this table). The Committee will operate the DSBP in accordance with the rules of the plan.						
Opportunity	The maximum opportunity in respect of a financial year is 150% of base salary.						
Performance measures	Payment is determined by reference to performance, assessed over one financial year based on financial and strategic performance measures which the Committee considers to be aligned to the strategy and the creation of shareholder value. The performance measures and weighting for Awards to be granted in 2025/26 are summarised below. Further detail is provided on page 119. <table><tr><td>– Like-for-like revenue growth – 25%</td><td>– Adjusted free cash flow – 25%</td><td>– Adjusted profit before tax (PBT) – 25%</td></tr><tr><td>– ESG carbon-reduction metric – 10%</td><td>– Net promoter score (NPS) – 5%</td><td>– Individual strategic targets – 10%</td></tr></table> The performance measures and weightings are normally agreed by the Committee at the start of each year, according to annual business priorities. The overall framework will normally be weighted towards financial measures of performance. The Committee retains discretion to use different or additional measures and weightings to ensure that the annual incentive framework appropriately supports the business strategy and objectives for the relevant year. The Committee has discretion to adjust the formulaic annual incentive outcomes to ensure alignment of pay with performance and fairness to shareholders and participants. The Committee also has the discretion to adjust targets for any exceptional events that may occur during the year. Any such discretion will be within the limits of the plan and will be fully disclosed in the relevant Annual Report on Remuneration. Before any incentive may pay out, a threshold level of adjusted PBT must be achieved. For threshold performance, the annual incentive payout will not normally exceed 10% of the maximum opportunity. For target performance, the annual incentive payout will be no higher than 50% of the maximum opportunity.	– Like-for-like revenue growth – 25%	– Adjusted free cash flow – 25%	– Adjusted profit before tax (PBT) – 25%	– ESG carbon-reduction metric – 10%	– Net promoter score (NPS) – 5%	– Individual strategic targets – 10%
– Like-for-like revenue growth – 25%	– Adjusted free cash flow – 25%	– Adjusted profit before tax (PBT) – 25%					
– ESG carbon-reduction metric – 10%	– Net promoter score (NPS) – 5%	– Individual strategic targets – 10%					

Directors' Remuneration report continued

Component: Long-term incentive

Element	Details
Objective	To link the largest part of the Executive Director's annual package with long-term business performance, while ensuring the Group can reward on a through-cycle basis, and attract and retain Executives globally. Performance metrics are aligned with shareholders' interests and the holding period ensures a focus on sustainable long-term performance.
Operation	Awards of shares may be made annually under the Company's LTIP, in the form of conditional shares or nil-cost options. Dividend equivalents may be payable on any shares vesting and may be delivered in the form of shares. Under the hybrid structure, awards of both Performance Shares and Restricted Shares will be made. These awards will vest over a period of three years subject to continued employment and the satisfaction of the performance measures (for the Performance Shares) and the discretionary underpin (for the Restricted Shares), as described below. There will be a further holding period of two years following vesting. Malus and clawback provisions apply (see notes to this table). The Committee will operate the LTIP in accordance with the rules of the plans.
Opportunity	The maximum LTIP award in respect of a financial year will comprise of: – A maximum Performance Share award of 250% of salary; and – A maximum Restricted Share award of 100% of salary Awards will normally be granted below these maximum levels. Award sizes to be granted during 2025 are set out on page 110.
Performance measures	Vesting of the Performance Shares will be determined by reference to performance assessed over a period of at least three years, based on performance measures which the Committee considers to be aligned with the delivery of strategy and long-term shareholder value. The performance measures are determined annually and will normally include metrics linked to profitability, shareholder value and capital efficiency. The performance measures for Performance Shares Awards to be granted in 2025/26 are as follows: – Adjusted earnings per share (EPS) – 50% – Comparative total shareholder return (TSR) – 50% – A return on capital employed (ROCE) underpin The level of vesting for threshold performance of the Performance Shares will be no higher than 25% of maximum. Additionally, for the Award to vest, the Committee must be satisfied that there has been a sustained improvement in the Company's underlying financial performance. The Committee has discretion to adjust the formulaic outcomes if it does not reflect appropriately underlying performance over the period or is not appropriate in the context of circumstances that were unexpected or unforeseen when awards were made. The Committee also has discretion to adjust targets if it considers that an amended target is reasonable, appropriate and would not be materially more or less difficult to satisfy than when it was originally set. Whilst the Restricted Share awards provide greater certainty of reward by their very nature, the Remuneration Committee will ensure any value delivered to Executive Directors is fair and appropriate in the context of the business performance and experience of our shareholders. As a result, they are subject to a discretionary underpin that guides the Remuneration Committee when determining whether any discretion needs to be applied to reduce, including to zero, the final vesting of awards. The underpin is based on a holistic review of overall business performance delivered over the vesting period, as determined by the Committee. In assessing the underpin, the Committee will consider the Group's overall performance by reference to a range of factors including, but not limited to, underlying financial health in the context of the Board's expectations and the market environment, strategic execution, and progress towards our sustainability commitments.

Component: All employee share plans

Element	Details
Objective	To encourage the ownership of RS Group plc shares.
Operation	Executive Directors will be eligible to participate in all employee share plans on the same basis as other employees.
Opportunity	Maximum opportunity will be in line with other employees and HMRC approved limits, where appropriate.
Performance measures	Not applicable.

Directors' Remuneration report continued

Component: Share ownership requirement

Element	Details
Objective	To align Executive Director and shareholder interests and reinforce long-term decision making.
Operation	Executive Directors are expected to build up and retain a personal holding in RS Group plc shares: CEO – holding of 400% of base salary CFO – holding of 250% of base salary To support this objective, Executive Directors are expected to retain at least 50% of any share awards that vest (net of tax) until this guideline is met. Unvested DSBP awards and vested LTIP awards in a holding period will count towards this guideline (on a net-of-tax basis).
Opportunity	Not applicable.
Performance measures	Not applicable.

Component: Post-employment share ownership requirement

Element	Details
Objective	To create long-term alignment between Executive Director and shareholder interests by ensuring a shareholding is retained in the period after an Executive Director has left the Group.
Operation	Executive Directors are required to retain a personal holding in RS Group plc shares for a period of two years after leaving the Board. The level of required shareholding is equal to that of the in-employment guideline (for the CEO this is 400% of salary and for the CFO this is 250% of salary) or, if lower, the actual shareholding at the date of leaving the Board. The actual shareholding at cessation includes only shares which have vested (or are in a deferral or holding period, on a net-of-tax basis).
Opportunity	Not applicable.
Performance measures	Not applicable.

Notes to the Policy table

The Committee reserves the right to make any remuneration payments and/or payments for loss of office (including exercising any discretions available to it in connection with such payments), notwithstanding that they are not in line with the Policy, where the terms of the payment were agreed:

- i. before the Policy came into effect, provided that the terms of the payment were consistent with the Directors' Remuneration Policy (approved by shareholders in accordance with the Companies Act) in force at the time they were agreed; or
- ii. at a time when the relevant individual was not a Director of the Company and, in the opinion of the Committee, the payment was not in consideration for the individual becoming a Director of the Company.

For these purposes, payments include the Committee satisfying awards of variable remuneration and, in relation to an award over shares, the terms of the payment are agreed at the time the award is granted.

The Committee may make minor amendments to the Policy (for regulatory, exchange control, tax or administrative purposes, or to take account of a change in legislation) without obtaining shareholder approval for that amendment.

Malus and clawback provisions

All elements of the incentive framework (annual incentive, including the DSBP element and LTIP awards) are subject to malus and clawback provisions, which the Committee may invoke in circumstances which include:

- misconduct or material error of the participant or their team
- material misstatement of the Company's financial statements (being the Group accounts and the Company accounts)
- an error in assessing a performance condition or in the data on which the award was granted, vested or released
- serious reputational damage
- material corporate failure

In such circumstances, the Committee has discretion to:

- Require a participant to return a cash incentive at any time up to the second anniversary of payment
- Reduce (including down to zero) a DSBP award prior to vesting
- Reduce (including down to zero) a LTIP Award prior to vesting and/or require, at any time prior to the end of the holding period (five years from grant), a participant to return part or all of the value of the award received

Directors' Remuneration report continued

Performance measure selection and approach to target setting

The annual incentive performance measures are selected each year to reflect the financial and strategic performance measures which the Committee considers to be aligned with the delivery of the strategic priorities and which directly reinforce the medium-term performance framework. The performance measures for the Performance Shares were selected to provide a balance between external and internal measures of performance, reflect the Group's long-term strategic key performance indicators, as well as measure absolute and relative performance. TSR aligns performance with shareholders' interests. Adjusted EPS is a measure of the growth and profitability of the Company that also reflects management performance, and is a measure used by investors in deciding whether to invest in the Company. The ROCE underpin reflects the efficiency of profit generation and balance sheet management.

Targets applying to the annual incentive and Performance Shares are set annually, based on a number of internal and external reference points. Annual incentive targets are set by reference to the annual targets agreed by the Board. Performance Shares targets reflect prevailing industry context, expectations of what will constitute appropriately challenging performance levels and factors specific to the Company. The upper end of the Performance Shares target range requires a challenging level of performance to be delivered.

Differences from remuneration policy for the wider workforce

The reward philosophy for our wider workforce is based on broadly consistent principles as described on page 111.

Annual salary reviews across the Group take into account individual and business performance, local pay and market conditions and salary levels for similar roles in comparable companies.

All Executive Directors and our wider workforce have the opportunity to participate in an incentive. In line with typical market practice, opportunities and performance measures vary by organisational level, geographical region and an individual's role. Other members of the senior management team are eligible to participate in the DSBP and the LTIP on similar terms. Differences apply where appropriate (e.g. in the grant levels awarded). Below the senior management team level, managers may be invited to participate in the hybrid LTIP or receive grants of restricted shares only. Many of our people are eligible to participate in the Company's all employee share plans and we continue to explore opportunities to extend the opportunity to more of the workforce.

Performance scenario charts

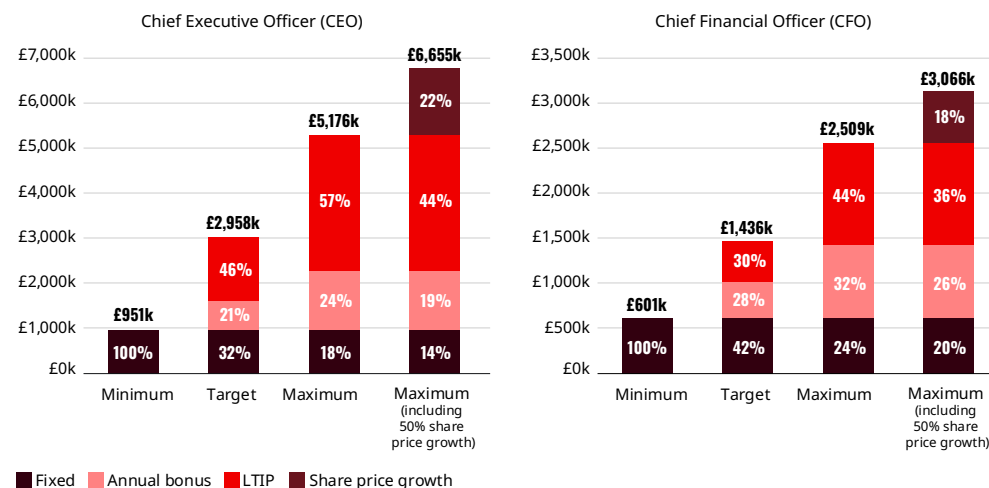
The charts on the right provide estimates of the potential future reward opportunity for the Executive Directors, based on remuneration package for the first year of the Policy period in 2025/26 (as set out on page 110) and the potential mix between the different elements of remuneration under four different illustrative performance scenarios: minimum, target, maximum and maximum (including 50% share price growth).

The minimum scenario reflects fixed remuneration of base salary, pension, and taxable benefits (taxable benefits based on the amount received in 2024/25).

The target scenario reflects fixed remuneration as above, plus target annual incentive payout (50% of maximum), threshold vesting of the Performance Shares 25% of the maximum and full vesting of the Restricted Shares.

The maximum scenario reflects fixed remuneration, plus full payout under all incentives.

The maximum (including 50% share price growth) scenario reflects fixed remuneration, plus full payout under all incentives (as described above), plus 50% share price growth on the LTIP awards as prescribed by the disclosure regulations.



Approach to Executive Director recruitment remuneration

External appointment

In cases of hiring or appointing a new Executive Director from outside the Group, the Committee may make use of all components of remuneration set out in the Policy table on pages 112 to 115, subject to the limits contained in that table. In determining the appropriate remuneration structure and level for the appointee, the Committee will take into consideration all relevant factors to ensure that arrangements are in the best interests of shareholders.

The Committee may also need to make an award of shares or a cash payment in respect of a new appointment to buy-out remuneration arrangements or income forfeited as a result of leaving a previous employer, over and above the approach and award limits outlined in the Policy table. In determining an appropriate structure for any buy-out awards, the Committee will consider all relevant factors including the form and time horizon of the forfeited remuneration, any performance conditions attached to the awards being bought out, and the likelihood of those conditions being met. Any such buyout will have a fair value which, in the view of the Committee, is no greater than the fair value of the awards forfeited.

Internal appointment to the Board

In cases of appointing a new Executive Director by way of internal promotion, the Policy will be applied consistently to that for external appointees detailed above. Where an individual has contractual commitments made prior to their promotion to Executive Director level, the Committee may choose to continue to honour these arrangements.

Directors' Remuneration report continued

Service contracts and policy for payment for loss of office

Both Executive Directors have service agreements that operate on a rolling 12-month basis. The service agreements provide for 12 months' notice by the Company and by the Executive Directors.

The Committee's policy for Directors' termination payments is to provide only what would normally be due to Directors had they remained in employment in respect of the relevant notice period and not to go beyond their normal contractual entitlements.

Both Executive Directors' service agreements provide for base salary in lieu of notice. The Committee will monitor, and where appropriate, enforce the Directors' duty to mitigate loss. Termination payments will also take into account any statutory entitlement at the appropriate level, to be considered by the Committee on a case-by-case basis.

When the Committee believes that it is essential to protect the Company's interests, additional arrangements may be entered into (for example, post-termination protections above and beyond those in the contract of employment) on appropriate terms. The Committee may also agree to pay legal fees and outplacement costs or other such costs on behalf of the Directors.

Any incentive arrangements will be dealt with subject to the relevant rules, with any discretion exercised by the Committee on a case-by-case basis taking into account the circumstances of the termination. The table below summarises how awards under the various incentive arrangements are typically treated in specific circumstances.

	Good leaver ¹	Bad leaver ¹	Change of control
Annual incentive	Annual incentives are paid only to the extent that the performance targets are met. Any such annual incentive payout would normally be on a pro-rata basis, taking account of the period actually worked. Payment would normally be made after the end of the financial year. Any annual incentive payout will be paid without the DSBP element.	No annual incentive payout is usually made.	Annual incentive may be paid, taking into account performance and on a pro-rata basis.
DSBP	Awards normally vest in full at the normal vesting date, unless the Committee, in its discretion, decides that awards should be time pro-rated and/or should vest on the date of cessation of employment.	Unvested awards usually lapse.	Awards vest in full on the change of control, unless the Committee, in its discretion, decides that awards should be pro-rated for time ² .
LTIP	Unvested awards will normally continue and vest at the normal vesting date, based on the extent to which any performance conditions or underpins have been achieved. The award will be reduced pro-rata to take account of the proportion of the vesting period that had elapsed (unless the Committee determines otherwise). The Committee has discretion to determine that awards should vest earlier than the normal vesting date, in which case the Committee may determine the extent to which any performance conditions or underpins have been achieved in such manner as it considers reasonable. The award will remain subject to a pro-rata adjustment. If, following cessation as a good leaver, the individual agrees to start employment with another employer before the vesting date, the Committee may determine that the award will lapse. Vested awards remain subject to the holding period ³ .	Unvested awards normally lapse. Vested awards remain subject to the holding period ³ .	Awards would vest on the change of control to the extent determined by the Committee, taking into account the extent to which the performance conditions have been satisfied and the proportion of the vesting period that has elapsed (unless the Committee determines otherwise) ² .
All employee plans	In line with the same treatment for all employees under the plan rules and HMRC rules, where applicable.		

1. Good leaver provisions would apply in circumstances such as death, ill-health, injury or disability, the employing company ceasing to be a member of the Group or the transfer of an undertaking to a non-group member, or any other reason that the Committee determines in its discretion. Bad leaver provisions apply under all other circumstances.
2. Alternatively, on a change of control, unvested share awards may be exchanged for equivalent awards of shares in a different company. In the event of a variation in capital, demerger, distribution, delisting, special dividend or other event which, in the Committee's opinion, would materially affect the current or future value of the Company's shares, the Committee may allow awards to vest and be released early on the same basis as for a change of control. Alternatively, in these circumstances or in the event of a variation of the Company's share capital, the Committee may adjust the number of shares subject to an award.
3. In such circumstances, the vested awards will normally be released on the original release date, unless the Committee determines it should be released following cessation of employment. However, if a participant is summarily dismissed, awards will immediately lapse.

Directors' Remuneration report continued

Consideration of employment conditions elsewhere in the Group

The Group seeks to promote and maintain good relations with employee representative bodies – including trades unions and works councils – as part of its broader employee engagement strategy and consults on matters affecting employees and business performance as required in each case by law and regulation in the jurisdictions in which the Group operates. The Committee is mindful of the pay increases, incentive outcomes and share award participation in relevant markets across the rest of the Group when considering the remuneration of the Executive Directors. Employees have the opportunity to discuss various topics including the Policy and framework via various internal forums.

Consideration of shareholder views

The Committee consulted widely with key investors and shareholder bodies and took the feedback it received into account in developing the Policy. This consultation exercise covered our top 30 shareholders representing c. 86% of the share register (and is described in further detail on page 110). It remains the Committee's intention that key shareholders will normally be consulted before making any significant changes to the application of the Policy.

More broadly, the Committee considers shareholder views received during the year and at the AGM each year and is regularly kept abreast of evolving guidance from shareholders and investor bodies. The Chair of the Committee is always available to shareholders, should they wish to discuss remuneration arrangements.

Chairman and Non-Executive Director Remuneration Policy

Non-Executive Directors do not have service agreements, but instead have letters of appointment providing for an initial three-year term. The Chairman's letter of appointment and the Non-Executive Directors' letters have a three-month notice period. All Directors are subject to re-election annually at the AGM. Neither the Chairman nor the Non-Executive Directors are eligible to participate in any of the Company's annual incentive, long-term incentive or pension plans. Details of the policy on fees paid to the Company's Non-Executive Directors are set out in the table below.

Component: Chairman and Non-Executive Director Fees

Element	Details
Objective	To attract and retain Non-Executive Directors of the highest calibre with broad commercial experience relevant to the Group.
Operation	The fees paid to Non-Executive Directors are determined by the Board of Directors as a whole and the fee paid to the Chairman is determined by the Remuneration Committee. Non-Executive Directors and the Chairman receive a single base fee. Additional fees may be payable for additional Board duties, such as acting as Chair of the Audit, Nomination and Remuneration Committees, and to the Senior Independent Director. Fee levels are normally reviewed annually, with any adjustments typically made effective from 1 April. Fees are reviewed by taking into account best practice and appropriate market data including fee levels at other companies of broadly similar size, sector and international scope to RS Group plc. Time commitment and responsibility are also taken into account when reviewing fees. The Chairman and the Non-Executive Directors may be provided with accommodation and travel expenses in order to carry out their duties. This may include the settlement by the Company of any associated tax liabilities in relation to these expenses. Other benefits arising from the performance of duties may be provided.
Opportunity	The fees currently paid to Non-Executive Directors are disclosed in the Annual Report on Remuneration.
Performance measures	Not applicable.

Directors' Remuneration report continued

ANNUAL REPORT ON REMUNERATION

This part of the Remuneration Report has been prepared in accordance with Part 3 of the revised Schedule 8 set out in The Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013 and Listing Rule 6.6.6R. The Annual Report on Remuneration will be put to an advisory shareholder vote at the forthcoming AGM.

Proposed Directors' Remuneration Policy implementation for the year ending 31 March 2026

Executive Directors

Base salary

Base salary for the Executive Directors effective from 1 June 2025 are shown below.

	Base salary effective 1 June 2025	Base salary effective 1 June 2024	Change
Simon Pryce	£845,000	£772,697	9.4%
Kate Ringrose	£530,450	£515,000	3.0%

Consistent with previous years and the principles we apply when reviewing base salary through the organisation, a number of factors, including performance, market position and relativity to the wider workforce, were considered by the Committee for the Executive Directors. This year, the average expected increase for the wider UK workforce is 3% and given Kate's market competitive package, the Committee agreed to align her percentage increase to this level. For Simon, the Committee noted that his salary had fallen materially below the median of our FTSE 75-125 reference group and acknowledged that we had decided to defer a full review of his package until the Policy review. In this context and to reflect Simon's strong performance and leadership during his tenure so far as CEO, after careful consideration the Committee determined that it was necessary to adjust his salary level to £845,000. Further detail is provided in the Committee Chair's letter on pages 106 to 111.

Benefits

Benefits will be provided in accordance with the Policy. There are no changes in benefits compared to the prior year.

Pension

The pension rate for Executive Directors is 10.5% of base salary, which aligns with the rate for the majority of the wider UK employee population.

Performance-related annual incentive

The maximum annual incentive opportunity for Executive Directors will remain unchanged at 150% of base salary.

The annual incentive will be based on a balanced set of key financial and strategic targets for the year, as set out below:

Performance measure	Weighting
Adjusted PBT	25%
Adjusted free cash flow	25%
Like-for-like Group revenue change	25%
CO ₂ e reduction (Scope 1 and 2 emissions)	10%
Net promoter score	5%
Individual strategic targets	10%

As set out in the Chair's letter on pages 106 to 111, the Annual Incentive for 2025/26 will continue to be based on key financial and strategic targets for the year. The Committee reviewed the performance measures and agreed two changes to improve alignment with strategy and our objectives for the year ahead.

1. Our three financial metrics (like-for-like revenue growth, adjusted PBT and adjusted free cash flow) will be weighted equally at 25% of the total, creating a better balance between these three key objectives.
2. We will be re-introducing Net Promoter Score into the Annual Incentive (with a 5% weighting) to ensure that the customer experience, a key objective of our strategy (see page 21), is captured. The remainder will continue to be based on CO₂ reduction and strategic individual targets.

The Committee retains the discretion within the Policy to adjust the overall incentive outcome to ensure alignment of pay with performance and fairness to shareholders and participants.

The annual incentive targets are considered to be commercially sensitive and will therefore be disclosed retrospectively in next year's report. For 2025/26, before any incentive may be paid, a threshold level of adjusted PBT must be achieved.

One-third of any incentive earned by Executive Directors will be deferred into shares for a further two years under the DSBP.

2025 LTIP Award

In line with our new Policy, we propose to adopt a hybrid structure from 2025, combining awards of Performance Shares and Restricted Shares. Award sizes for the Executive Directors are set out in the table below. For the reasons outlined in the Chair's letter on pages 106 to 111, the Committee intends to utilise the flexibility under the new Policy to grant, on this occasion, Simon's award at the maximum level permitted. The Committee's intention would be that awards to the CEO in subsequent years of the Policy would revert to the normal award levels of 200% and 50% of salary for Performance Shares and Restricted Shares, respectively.

	Performance Shares	Restricted Shares
Simon Pryce	250% of salary	100% of salary
Kate Ringrose	170% of salary	40% of salary

Directors' Remuneration report continued

Vesting of Performance Shares will be determined in accordance with the following performance targets measured over the three years ending 31 March 2028 as follows:

Measure	Weight	Threshold (25% of max)	Maximum (100% of max)
Adjusted EPS CAGR (three-year CAGR of the 2027/28 adjusted EPS, compared with the 2024/25 adjusted EPS) ¹	50%	5%	10%
TSR (FTSE 350 index) ^{1,2}	50%	Median	Upper quartile
ROCE (average of 2025/26, 2026/27, 2027/28)	Underpin 15% If the underpin is not met, the Committee will review the formulaic level of vesting and consider whether it would be appropriate to use its discretion to adjust the level of vesting.		

1. Straight-line vesting between measurement points.

2. TSR peer group comprises of the FTSE 350 index, excluding financial services and energy companies.

Taking account of internal forecasts of performance over the performance period, the challenging market conditions in which the Group operates, our long-term growth ambitions and the expectations of the investment community of the Group's future potential performance, the adjusted EPS targets are considered to be appropriately stretching.

The Restricted Share awards will be subject to the underpin as described in the Policy on page 114.

The award will be subject to a post-vesting holding period of two years.

All employee share plans

Executive Directors can participate in any all employee share schemes offered to all employees on identical terms, with the exception of the 2025 all-employee award of restricted shares explained on page 111.

Chairman and Non-Executive Directors

Following a review, the fees for Non-Executive Directors will be increased by 3%. The pay increases for UK employees are expected to be an average of 3%. As the Chairman's fee is well positioned against the FTSE 75-125 peer group, the Chairman's fee will increase by 2%. With effect from 1 April 2025, the Chairman's fees increased from £385,360 to £393,070 and the Non-Executive Directors' fees were increased from £67,935 to £69,973. The additional fees for the Audit and Remuneration Committee Chairman's fees and the roles in respect of employee engagement increased to £17,000 and £10,000 respectively, whilst the additional fees for the Senior Independent Director remain unchanged at £15,000.

Implementation of Director's Remuneration Policy for the year ended 31 March 2025

Single figure for total remuneration for Executive Directors (audited)

The following table provides a single figure for total remuneration of the Executive Directors for the year ended 31 March 2025 and the prior year.

	Simon Pryce		Kate Ringrose	
	2025	2024 ¹	2025	2024 ¹
Base salary	£768,946	£749,383	£512,500	£250,000
Taxable benefits ²	£17,463	£17,169	£15,458	£7,323
Pension benefit ³	£80,739	£78,770	£53,812	£26,250
Total fixed	£867,148	£845,322	£581,770	£283,573
Annual incentive ⁴	£608,499	£0	£393,975	£0
LTIP	-	-	-	-
Buy-out ^{5,6}	-	-	£141,128	£89,397
SAYE award discount ⁷	-	£4,606	-	£4,606
Total variable	£608,499	£4,606	£535,103	£94,003
Total	£1,475,647	£849,928	£1,116,873	£377,576

1. The total remuneration in 2023/24 for Simon Pryce and Kate Ringrose reflects their respective appointment dates of 3 April 2023 and 2 October 2023.

2. Taxable benefits consists of medical insurance and car allowance.

3. Simon received the amounts shown above as a cash supplement in lieu of pension. In 2024/25, Kate received a contribution of £10,000 to the defined contribution pension plan and received a further £43,812 as a cash supplement in lieu of pension. No Executive Director has prospective benefits under a defined benefit pension relating to qualifying service.

4. Annual incentive shows the full value of the annual incentive in respect of each year. For 2024/25 the final outcome of the incentive was 52.5% of maximum for Simon Pryce and 51.0% of maximum for Kate Ringrose. This value will be delivered as one third shares and two thirds cash (which will vest after two years). For 2023/24 the formulaic outcome of the incentive resulted in no incentive being paid to either of the Executive Directors.

5. The sign-on vesting value for 2024/25 shows the value of Kate Ringrose's performance share sign-on award which vested on 30 June 2024. The award granted Kate over 25,973 shares on 14 November 2023. The value of the sign-on award is based on the share price on the date of vesting of 701.5p. The figure includes dividend equivalent shares to the value of £5,493. The value of Kate's award declined over the period between grant and vest by £2,340, due to share price depreciation. Full details of the awards can be found on page 124.

6. The Buy-out vesting value for 2023/24 details Kate Ringrose's restricted share sign-on award granted to Kate over 12,527 shares on 14 November 2023. Full details of the awards can be found on page 124.

7. The Save As You Earn (SAYE) Award discount shown for 2023/24 is the difference between the grant date value per share and the exercise price; the exercise price was 562.00p.

Directors' Remuneration report continued

Incentive outcomes for the year ended 31 March 2025 (audited)

Annual incentive in respect of performance for the year ended 31 March 2025

The performance measures, target ranges and performance against each of the measures for the 2024/25 annual incentive are outlined in the table below. Targeted performance was calibrated to deliver an incentive of 75% of salary for the Executive Directors (50% of the maximum opportunity), with incentive payments worth up to 150% of salary for achieving stretch performance targets.

Having reviewed the formulaic outcome the Committee determined together with management that it would be appropriate to reduce the outcome by 1.3% to ensure internal consistency in annual incentive outcomes across the Group. This results in an adjusted outcome of 44.0% of maximum. Including the individual strategic measures the adjusted bonus outcomes are 52.5% of maximum for Simon and 51.0% for Kate. Further background on financial and strategic performance for the year ended 31 March 2025 is provided in the Strategic Report.

Full details of the target ranges and performance against each of the measures are as follows:

Measure and weighting	Performance level	Payout (% of max incentive)	Target	Actual performance	Simon Pryce earned incentive (% of max)	Kate Ringrose earned incentive (% of max)
Adjusted PBT (30% weighting) ¹	Threshold	0.0%	£255.3m	£255.7m	0.3%	0.3%
	Target	15.0%	£275.3m			
	Maximum	30.0%	£295.3m			
Adjusted free cash flow (30% weighting) ¹	Threshold	0.0%	£148.4m	£220.5m	30.0%	30.0%
	Target	15.0%	£166.4m			
	Maximum	30.0%	£176.4m			
Like-for-like Group revenue change (15% weighting)	Threshold	0.0%	(0.0)%	(1.7)%	0.0%	0.0%
	Target	7.5%	3.0%			
	Maximum	15.0%	5.0%			
CO ₂ e reduction (Scope 1 and 2 emissions) (15% weighting)	Threshold	0.0%	4.5%	7.3%	15.0%	15.0%
	Target	7.5%	6.0%			
	Maximum	15.0%	7.0%			
Individual strategic targets (detailed to the right and on page 122)		Up to 10%			8.5%	7.0%
Formulaic incentive outcome					53.8%	52.3%
Adjusted incentive outcome				(1.3)%	52.5%	51.0%

1. Both adjusted PBT and adjusted free cash flow exclude restructuring costs. Adjusted PBT target is adjusted to reflect where elements originally forecast in adjusted PBT in the target have now been moved to adjusting items.

	Individual strategic targets	Outcomes
Simon Pryce	Implement the new Group Operating Model, embed more effective 'ways of working' ensuring effective collaboration and more efficient strategy execution.	New operating model launched and communicated across the Group successfully New accelerator and enabler functions have cost and benefit plans built into budget with stronger KPI setting and measurement 'Working in a Matrix' sessions created and implemented within target populations Delegated authorities revised to reflect new operating model, approved by the Board and launched across the business in May 2024
	Improve the alignment of the senior leadership team, enhance management bench strength, build a talent pipeline, improve organisation capability and build an effective and diverse team capable of delivering the strategic plan.	Strong Chief Information Officer appointed May 2024 and supported onboarding of new accelerator leads on to the ExCo Significantly improved succession planning process and outcomes presented to the Nomination Committee Upwards of 90% of employees completed values workshop. Pulse survey 87% v 70% target on values. Now embedded across employee lifecycle Completion of the ExCo leadership D&I engagement. 6% improvement in gender pay gap, 17% improvement on bonus pay gap. 2.4% increase in women in senior management roles Women in leadership roles improved to 37% and leaders from ethnicity backgrounds improved to 10% 80% of Strategic Workforce Planning sessions completed with actions identified for implementation
	Clarify and communicate the investment thesis and position RS Group more effectively in equity public markets.	Delivered successful fact-based prelims which clearly explained outcomes for the year ended 31 March 2024 and provided clarity for range of expectations for 2024/25 Delivered successful investor event with positive feedback from investor community

Directors' Remuneration report continued

Individual strategic targets	Outcomes
Simon Pryce Continued	Mobilise and execute strategic plan as approved by the Board in Q4 2024 and oversee effective delivery. Aligned execution plan built into all regions and functional budgets. Progress reviewed in quarterly business reviews. Improved visibility enables more rapid reaction to changing external circumstances Regional business and functional KPIs in place. No baseline for 2024/25 but actuals being used as baselines for 2025/26 budget and in place by the first quarter of 2025/26 Efficiency improvement review completed and used to target regions and functions for budgeting and strategic planning in 2025/26 and beyond Completed Trident in April 2024. Risoul outperforming investment case. Distrelec materially over-delivering costs synergies and benefits
Deliver material enhancements to the customer experience.	Brand architecture approved March 2025 post brand perception survey in the third quarter of 2024/25. Actively promoted with strategic suppliers and guiding customer marketing Common definitions and metrics in place from July 2024, reported on and reviewed at QBRs and monthly reviews. NPS used in parallel with brand perception surveys and standard client lifecycle management and market qualified lead definitions in place All revised milestones met. All markets now live on standard client relationship management except Mexico (cost) and France (already in place although not currently the Group standard, will migrate Q1 2025/26). Customer data ingestion and normalisation complete. 97% match rate to NAIC/SIC codes Deliver-to-promise release one on revised time to cost but more issues than anticipated. Release two delayed until April 2025

Individual strategic targets	Outcomes
Kate Ringrose	Mobilise, establish and plan and move into delivery mode on strategic execution. Strategy delivery and execution office established with prioritised and sequenced initiatives approved by functions and regions Process harmonisation value pools identified, design phase delivered on time and on budget. Modular process agreed with 2025/26 priorities defined Investment Proposal process designed and rolled out to the business. Further work to be done to embed Strategy delivered with marked evolution from prior year, with further improvements on process clearly identified
Finalise the appointment of the Finance leadership team and reporting structures with increase in capability in Financial Planning & Analysis (FP&A) and business decision support, clear succession routes and demonstrable diversity of thought and background.	Completed significant recruitment into Finance leadership roles and their direct reports with increased capability for technical, FP&A and business partnering talent Development plans in place for all Finance leadership roles and high performance candidates with actions executed Established a process improvement plan in finance to improve output and improving operating leverage to revenue growth
Solidify the performance management foundations with structures to enable clear decision making for resource allocation and ongoing performance management.	Business performance management structure – calendar, priorities and standardised templates designed, agreed and operational Organic investments defined with prioritisation criteria and governance oversight – M&A plan approved in strategy Successful Group strategy process approved by the Board including strategic initiatives, KPIs and financial outcomes Group business plan process approved by the Board including costed execution of strategic plan, KPIs and milestones and financial outcomes
Establish a framework for investment at country level to encompass physical, process and system infrastructure based on current and potential growth.	De-prioritised for other strategic projects and navigating challenging business environment

Directors' Remuneration report continued

J2G LTIP Award

An award of shares was made under the J2G LTIP Award in May 2023 to Simon Pryce over 355,427 shares. Kate Ringrose did not participate in the J2G LTIP Award. The J2G LTIP Award was subject to vesting based on exceptionally stretching targets of 70% on EPS CAGR and 30% on the Company's performance against Key Performance Indicators, with a ROCE underpin over the three years ended 31 March 2025. The threshold level of performance was not achieved for any of the performance measures, except for on-time-to-promise.

Having considered the plan performance in the broader context of the business performance and stakeholder outcomes during the three-year plan period, the Committee determined it was appropriate for the J2G LTIP Award to lapse in full for Simon Pryce, but to vest awards for other participants in line with the formulaic outcome. This aligns with the view set out in the Chair's letter on pages 106 to 111 that the J2G LTIP Award was not the appropriate mechanism for the CEO on joining the Company and that the Committee plans to address his overall remuneration in the Policy.

Performance targets, and actual performance against these, is summarised in the tables below:

Measure	Weight	Threshold (0% of max)	Maximum (100% of max)	Performance achieved	Vesting (% of maximum)
Adjusted EPS CAGR (three-year CAGR of the 2024/25 adjusted EPS compared with the 2021/22 adjusted EPS)	70%	15%	21%	(8.7)%	0%
Key long-term performance indicators (KPIs) scorecard (on the right)	30%			1%	1%
ROCE (average of 2022/23, 2023/24, 2024/25)	Underpin at 20% If the underpin is not met, the Committee will review the formulaic level of vesting and consider whether it would be appropriate to use its discretion to reduce the level of vesting.			21.1%	
Final J2G LTIP Award vesting					1%

The detail of the individual scorecard KPIs including performance targets, and actual performance against this is summarised below:

	Weighting	Measure	Threshold	Maximum	Performance achieved	Vesting (% of maximum)
Cultural transformation	7.5%	Employee engagement score To be measured based on the 2024/25 Group employee engagement survey outcome.	Upper quartile	Upper decile	Median	0%
Operational efficiency	7.5%	On-Time-To-Promise Available product delivered when expected in a cost effective and efficient manner. Performance to be measured over the three-month period ended 31 March 2025.	95%	98%	95.4%	1%
Growth accelerators	5.0%	Web revenue Increased web traffic, increasing average order value and increasing average order frequency. Performance to be measured on web revenue CAGR over the three-year period ended 31 March 2025.	12.0%	14.5%	1.6%	0%
	5.0%	Service solutions revenue To be more solutions led, solve customers' challenges, drive value to stakeholders and drive greater customer loyalty and pull through products. Performance to be measured on service solutions revenue CAGR over the three-year period ended 31 March 2025.	12.5%	15.5%	9.7%	0%
	5.0%	New product introduction (NPI) revenue A wider product range, driven by data insights to ensure it is relevant, increases customer loyalty and helps the Group become their first choice. It also represents deeper supplier relationships. A product is included as an NPI for 12 months from its introduction into the Group's product range. Once it has been in the Group's product range for a year, its future revenue is not included in NPI revenue. Performance to be measured on NPI revenue CAGR over the three-year period ended 31 March 2025.	14.5%	26.0%	8.4%	0%

Directors' Remuneration report continued

Kate Ringrose sign-on arrangements

As set out in last year's report, the Committee carefully considered the approach to compensating Kate Ringrose for the forfeiture of equity awards from her previous employment with Centrica plc. It was determined that two replacement awards would be granted and that these would remain subject to performance conditions, where appropriate and would mirror the vesting and release schedule of the forfeited awards. The first of these awards vested on 30 June 2024. The detail of these replacement awards and the outcome is shown below.

Grant date	Award mechanism	Maximum value at grant date	Shares awarded	Performance conditions ¹	Normal vesting date ²	Performance achieved ²
14 November 2023 ³	Performance shares	£162,330	25,973	This award was based on the disclosed performance of the equivalent forfeited award in Kate's previous employer.	30 June 2024	74.4%
14 November 2023	Restricted shares	£89,397	12,527	None.	30 June 2025	

- The outcome of the performance sign-on was determined by the final outcome of the Centrica 2021 LTIP plan, as documented in the Centrica plc 2023 Annual Report & Accounts, and validation of Kate's forfeiture of the original awards. The formulaic outcome of the plan was 85% based on the Centrica plc 2023 Annual Report & Accounts. Following consideration of the formulaic Centrica plan outcome and the final validation of forfeiture, the Committee determined 19,335 shares would be available to vest on 30 June 2024 (3,413 shares lapsed for performance and 3,225 shares were lapsed on the basis there was no personal loss).
- Both of the above awards made to Kate will be subject to a two-year post vest holding period.
- Kate also received additional RS shares as compensation for the dividend equivalent shares forfeited with Centrica plc. For the award vesting on 30 June 2024 over 783 shares were awarded.

2022 LTIP Awards vesting

Neither Executive Director participated in this award. However, for reference, the performance measures, target ranges and performance against each of the measures over the three years ended 31 March 2025 are summarised in the table below:

Measure	Weight	Threshold (25% of max)	Maximum (100% of max)	Performance achieved	Vesting (% of maximum)
Adjusted EPS (three-year CAGR of the 2024/25 adjusted EPS, compared with the 2021/22 adjusted EPS) ¹	50%	7%	15%	(8.7)%	0%
TSR (vs industrial/electronic peer group) ^{1,2}	50%	Median	Upper quartile	Below median	0%
ROCE (average over 2022/23, 2023/24, 2024/25)	Underpin 20%			21.1%	
Total 2022 LTIP Award vesting				0%	0%

- Straight-line vesting between measurement points.
- TSR peer group comprises ABB, Arrow Electronics, Avnet, Bunzl, Datwyler, Essentra, Fastenal, Ferguson, MSC Industrial Direct, Rexel, Rockwell, Schneider, Siemens, TE Connectivity, WESCO International and WW Grainger.

Scheme interests awarded during the year ended 31 March 2025 (audited)

2024 LTIP Award

During the year the following LTIP Awards were granted to the Executive Directors:

	Simon Pryce	Kate Ringrose
Basis of award (% of base salary)	250%	250%
Number of performance shares awarded ¹	272,999	181,953
Award date face value	£1,931,741	£1,287,499
Performance period	1 April 2024 – 31 March 2027	
Threshold vesting outcome	25%	
Post-vesting holding period	Two years	

- Awards were made using the average of the share price for the five dealing days immediately preceding the date of grant, being 5 June 2024 of 707.60p. The shares were awarded as performance shares, the performance conditions are detailed on page 125.

Directors' Remuneration report continued

The performance conditions are as follows:

Measure	Weight	LTIP targets	
		Threshold (25% of max)	Maximum (100% of max)
Adjusted EPS CAGR (three-year CAGR of the 2026/27 adjusted EPS compared with the 2023/24 adjusted EPS) ¹	50%	5%	10%
TSR (vs industrial/electronic peer group) ^{1,2}	50%	Median	Upper Quartile
ROCE (average of 2024/25, 2025/26, 2026/27)	Underpin at 15% If the underpin is not met, the Committee will review the formulaic level of vesting and consider whether it would be appropriate to use its discretion to reduce the level of vesting.		

1. Straight-line vesting between measurement points.

2. TSR peer group is detailed on page 124.

SAYE

No SAYE awards were granted to Simon Pryce or Kate Ringrose in the year ended 31 March 2025.

Total pension entitlements (audited)

The pension rate for Executive Directors is 10.5% of base salary, which aligns with the rate for the majority of the wider UK employee population.

External appointments

Simon Pryce was appointed non-executive director of Smiths Group plc on 1 February 2025. His fees for the year ended 31 March 2025 were £13,493. Kate Ringrose does not have any external appointments.

Chairman and Non-Executive Director remuneration

Single figure for total remuneration for Non-Executive Directors (audited)

The table below sets out a single figure for the total remuneration received by each Non-Executive Director for the year ended 31 March 2025 and the prior year:

	Total fees		Taxable expenses		Total	
	2025	2024	2025	2024	2025	2024
Rona Fairhead	£385,360	£377,804	£3,998	£6,037	£389,358	£383,841
Alex Baldock	£67,935	£66,601	£583	£984	£68,518	£67,585
Louisa Burdett	£82,935	£81,601	£735	£498	£83,670	£82,099
Carole Cran ¹	£22,645	–	£3,351	–	£25,996	–
Navneet Kapoor ²	£50,951	£66,601	£3,009	£11,450	£53,960	£78,051
Bessie Lee	£72,935	£71,601	£9,343	£9,493	£82,278	£81,094
Miles Roberts ¹	£5,661	–	£51	–	£5,712	–
David Sleath	£82,935	£81,601	£660	£551	£83,595	£82,152
Joan Wainwright	£87,935	£87,409	£12,431	£14,097	£100,366	£101,506

1. Carole Cran and Miles Roberts were appointed as Directors of the Board on 1 December 2024 and 1 March 2025 respectively.

2. Navneet Kapoor stepped down from the Board on 31 December 2024.

For 2024/25, the Non-Executive Directors received base fees of £67,935 per annum. Fees were paid on a pro rata basis reflecting length of time in the role. Additional fees of £15,000 per annum were paid in respect of the Senior Independent Director role and to the Chairs of the Audit and Remuneration Committees. The Chair of the Nomination Committee role was conducted by Rona Fairhead, Chairman. Rona did not receive an additional fee for chairing the Nomination Committee. Bessie Lee and Joan Wainwright each received an additional fee of £5,000 per annum for their role as the Board's representatives on employee engagement.

Directors' Remuneration report continued

Percentage change in remuneration of the Directors and employees as 31 March 2025

The table below shows the percentage change in the annual cash remuneration of the Directors (comprising base salary/fees, the value of taxable benefits and earned annual incentives), as disclosed in the single figure for total remuneration (tables on page 120 for Executive Directors and on page 125 for the Non-Executive Directors) from the prior year compared with the average percentage change for all UK employees of RS Group plc. If the Directors did not serve a full year their base salary/fee is annualised.

The downward change in incentive reflects the material reduction in incentive payout levels for the year ending 2024/25 compared to the prior year. Benefits provided for broader employees include medical insurance and for some employees vehicle or vehicle allowance. The downward change in benefits for broader employees is explained by the continued transition from traditional fuel vehicles into electric/hybrid vehicles.

	Base salary/fees					Taxable benefits					Annual incentive				
	Change 2024/25	Change 2023/24	Change 2022/23	Change 2021/22	Change 2020/21	Change 2024/25	Change 2023/24	Change 2022/23	Change 2021/22	Change 2020/21	Change 2024/25	Change 2023/24	Change 2022/23	Change 2021/22	Change 2020/21
Simon Pryce ¹	2.6%	850.3%	2.8%	9.6%	0%	1.7%	100%	N/A	N/A	N/A	100%	N/A	N/A	N/A	N/A
Kate Ringrose ²	1.7%	N/A	N/A	N/A	N/A	4.7%	N/A	N/A	N/A	N/A	100%	N/A	N/A	N/A	N/A
Rona Fairhead ³	2.0%	3.0%	4.8%	223.1%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Alex Baldock ⁴	2.0%	3.0%	4.8%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Louisa Burdett	1.6%	2.4%	3.9%	9.6%	0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Carole Cran ⁵	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Navneet Kapoor ⁶	2.0%	23.5%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Bessie Lee ⁷	1.9%	2.8%	5.8%	9.8%	0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Miles Roberts ⁵	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
David Sleath ⁸	1.6%	2.4%	3.9%	(2.1)%	0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Joan Wainwright ⁹	0.6%	24.0%	7.0%	9.8%	0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
UK-based ExCo and employee population ¹⁰	4.3%	7.4%	8.1%	1.9%	1.3%	(6.8)%	(8.3)%	5.6%	(6.4)%	(1.5)%	(251.6)%	17.1%	20.3%	17.7%	114.5%

1. Simon Pryce stepped down as Chair of the Remuneration Committee on 14 March 2023 and as a Non-Executive Director with effect from 2 April 2023, following confirmation of his appointment as CEO of the Group effective 3 April 2023. The very large percentage increase for 2023/24 simply reflects this transition of Simon's role from a Non-Executive Director to an Executive Director.

2. Kate Ringrose was appointed as CFO of the Group effective 2 October 2023.

3. Rona Fairhead was appointed to the Board on 1 November 2020 as Non-Executive Director and received the Non-Executive Director base fee until she became Chairman and Chair of the Nomination Committee on 1 February 2021, at which point her fee was increased to the Chairman's fee at that time of £350,000.

4. Alex Baldock was appointed to the Board on 1 September 2021.

5. Carole Cran and Miles Roberts were appointed to the Board on 1 December 2024 and 1 March 2025 respectively.

6. Navneet Kapoor was appointed to the Board on 1 June 2022 and stepped down from the Board on 31 December 2024.

7. Bessie Lee was appointed as Board employee engagement representative on 1 June 2021.

8. David Sleath stepped down as Chair of the Nomination Committee on 31 January 2021.

9. Joan Wainwright was appointed as Board employee engagement representative on 1 June 2021 and Chair of the Remuneration Committee on 14 March 2023.

10. The annual percentage change in annual incentive is calculated by reference to the annual incentive payable in respect of performance applicable to the financial year for Executive Directors and by reference to all incentive payments received during the financial year for all employees.

Directors' Remuneration report continued

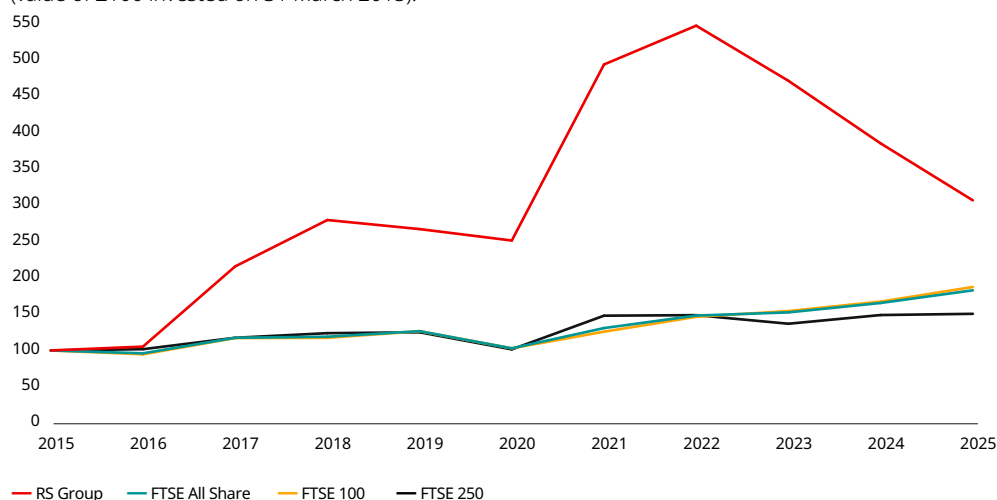
Performance graph and table

The following graph shows the 10 year TSR performance of the Company relative to the FTSE 250, FTSE 100 and All Share Indices. The FTSE All Share, FTSE 100 and FTSE 250 are broad equity market indices of which RS Group plc has been a member in this period.

The table below details the CEO's single figure of remuneration for the same period.

Total shareholder return

(value of £100 invested on 31 March 2015).



Source: Datastream

CEO pay ratio reporting

Year	Method	25th percentile pay ratio			Median pay ratio			75th percentile pay ratio		
		Salary	Total pay & benefits	Ratio	Salary	Total pay & benefits	Ratio	Salary	Total pay & benefits	Ratio
2025 ¹	A	£25,479	£27,978	30:1	£32,860	£36,876	23:1	£52,496	£60,689	14:1
2024	A	£24,209	£27,455	31:1	£30,512	£35,284	24:1	£49,768	£59,203	14:1
2023	A	£22,442	£25,349	104:1	£27,422	£32,845	80:1	£44,000	£55,134	48:1
2022	A	£21,048	£22,552	115:1	£25,000	£27,770	93:1	£40,137	£46,333	56:1
2021	A	£20,277	£25,813	99:1	£24,000	£31,404	88:1	£37,664	£51,858	49:1
2020	A	£18,050	£20,427	207:1	£22,000	£25,424	166:1	£33,721	£40,300	105:1

1. UK-based employee data and the CEO data was taken as at 31 March 2025.

The Company adopted Method A in the regulations to calculate the pay ratios because this is considered to be the most statistically robust methodology. Under Method A, the total pay and benefits has been calculated on a full-time equivalent basis to identify the 25th percentile, median and 75th percentile people. No elements of pay have been omitted from the calculation and there has been no deviation from the single figure methodology.

A significant portion of CEO pay is delivered as variable pay; as Simon Pryce did not have a bonus pay out or LTIP vest during 2024/25, this has resulted in CEO ratio remaining consistent with the prior year. We anticipate this increasing in future years when variable payments are made to the CEO. In line with the Company's reward practices, the median pay ratio employee receives a base salary at market rates for their role and is eligible for the full range of benefits available to their peers of the same level within the organisation.

Year	Year ended 31 March 2016	Year ended 31 March 2017	Year ended 31 March 2018	Year ended 31 March 2019	Year ended 31 March 2020	Year ended 31 March 2021	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2024	Year ended 31 March 2025
	Lindsley Ruth	Lindsley Ruth	Lindsley Ruth	Lindsley Ruth	Lindsley Ruth	Lindsley Ruth	Lindsley Ruth	Lindsley Ruth ²	David Egan ³	Simon Pryce
CEO total remuneration (£000s)	2,072	1,401	4,410	4,421	2,551	2,578	2,976	1,813	487	850
Annual incentive award (as a % of maximum opportunity)	23.8%	82.5%	90.1%	68.0%	21.7%	80.8%	80.0%	63.2%	63.2%	0% ⁴
LTIP award vesting (as a % of maximum opportunity)	N/A ¹	N/A ¹	100%	100%	91.3%	74.7%	46.0%	50.0%	50.0%	N/A ⁵

1. Lindsley Ruth joined the Company in 2015 and therefore did not receive any vested LTIP Awards in 2016 and 2017.

2. Lindsley Ruth's remuneration for the year ended 31 March 2023 is pro-rated to reflect that he stepped down from the role of CEO on 16 December 2022.

3. David Egan's remuneration for the year ended 31 March 2023 has been adjusted to reflect the period he acted as CEO (3 November 2022 to 31 March 2023).

4. Simon Pryce did not receive an incentive award for the year ended 31 March 2024. Full details of the incentive outcomes are detailed on page 107 of last year's report.

5. Simon Pryce was appointed as CEO in 2023 and did not receive any vested LTIP Awards in 2024 and 2025.

Directors’ Remuneration report continued

Payments for Loss of office (audited)

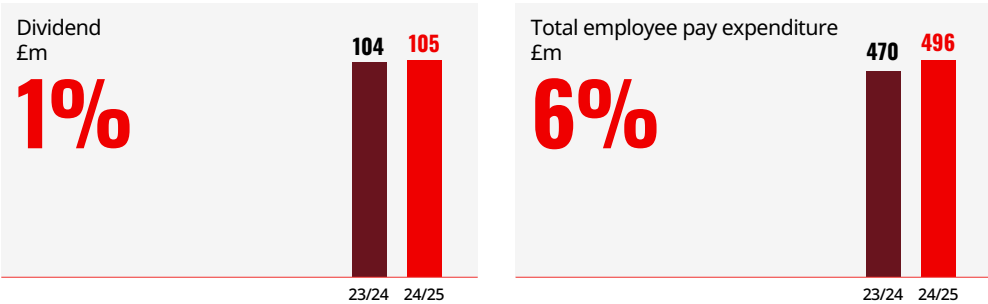
There were no payments for loss of office during the year.

Payments to past directors (audited)

There were no payments to past directors other than those previously disclosed on page 112 of last year’s report.

Relative importance of spend on pay

The graphs below show total dividends paid by the Company to shareholders and expenditure on total employee pay for the year and the prior year, and the percentage change year on year.



The total employee pay expenditure figures above include labour exit costs set out in Note 8 on page 160.

Directors’ shareholdings (audited)

The interests of the Directors and their connected persons in the Company’s ordinary shares are shown to the right, together with total share awards and share options and information on whether the Executive Directors had met their shareholding requirements on 31 March 2025. For 2024/25, Executive Directors were expected to start to build up a personal holding to 400% of salary in RS Group plc shares. Under the Policy it is proposed to reduce the shareholding requirement of the CFO role to 250% of salary consistent with market practice.

	Owned outright	Shareholding guideline % base salary	Current holding % salary	Guideline met?	Share awards held		Options held	
					Unvested, not subject to performance (A)	LTIP unvested, subject to performance (B)	DSBP unvested, not subject to performance (C)	SAYE unvested, not subject to performance (D)
Simon Pryce	186,947	400%	154%	No	–	864,840	–	3,300
Kate Ringrose	25,511	400%	32%	No	12,527	357,121	–	3,300
Rona Fairhead ¹	12,541							
Alex Baldock	2,239							
Louisa Burdett	–							
Carole Cran	3,000							
Navneet Kapoor	–							
Bessie Lee	–							
Miles Roberts	7,860							
David Sleath	26,305							
Joan Wainwright	–							

1. Rona Fairhead’s shareholding has decreased since 2023/24 due to a change in the classification of persons closely associated with her.

The value of the shares used to calculate whether the shareholding guideline is met is 636.00p, being the average share price over the three months ended 31 March 2025. Between the year end and the date of this Annual Report and Accounts, there has been no movement in current Directors’ shareholdings. Details of the scheme interests contained in columns A–D of the table above are provided in the ‘Share Awards’ table on page 129.

Executive Directors’ service contracts

Simon Pryce entered a service contract with an effective date of 3 April 2023. Kate Ringrose entered a service contract with the Company with an effective date of 2 October 2023. Both contracts have no fixed term and are subject to 12 months’ notice by either party.

Directors' Remuneration report continued

Director's share scheme interests (audited)

Share awards

	Scheme	Notes	Date of award	Shares awarded on 1 April 2024	Awarded during the year	Vested during the year	Lapsed during the year	Shares held on 31 March 2025	Normal vesting date
Simon Pryce	LTIP	1	26 May 23	236,414	–	–	–	236,414	26 May 26
	LTIP	1	5 Jun 24	–	272,999	–	–	272,999	5 Jun 27
	J2G LTIP	1	26 May 23	355,427	–	–	–	355,427	21 Jul 25
Total				591,841	272,999			864,840	
Kate Ringrose	Performance sign-on	2,3	14 Nov 23	25,973	783	20,118	6,638	–	30 Jun 24
	Restricted sign-on	4	14 Nov 23	12,527	–	–	–	12,527	30 Jun 25
	LTIP	1	14 Nov 23	175,168	–	–	–	175,168	26 May 26
	LTIP	1	5 Jun 24	–	181,953	–	–	181,953	5 Jun 27
Total				213,668	182,736	20,118	6,638	369,648	

1. All awards made to the Executive Directors under the LTIP and J2G LTIP awards are subject to performance conditions set out on page 123. The normal vesting date for the LTIP award is the third anniversary of grant.

2. The outcome of Kate Ringrose's performance sign-on was determined by the final outcome of the Centrica 2021 LTIP plan, as documented in the Centrica plc 2023 Annual Report & Accounts, and validation of Kate's personal forfeiture from the original awards as set out on page 124.

3. Shares in lieu of dividends were awarded to Kate Ringrose upon vesting of the Performance sign-on award.

4. The restricted sign-on award is not subject to performance conditions and therefore has been disclosed in the Single Figure Remuneration table on page 120 accordingly.

Share options

	Scheme	Date of grant	Vesting date	Expiration date	Exercise price	Shares under option 1 April 24	Granted during the year	Exercised during the year	Lapsed during the year	Shares under option 31 March 2025
Simon Pryce	SAYE	6 Dec 23	1 Feb 27	31 Jul 27	562.00p	3,300	–	–	–	3,300
Total						3,300	–	–	–	3,300
Kate Ringrose	SAYE	6 Dec 23	1 Feb 27	31 Jul 27	562.00p	3,300	–	–	–	3,300
Total						3,300	–	–	–	3,300

Directors' Remuneration report continued

Summary of shareholder voting

Summarised below are the results at the 2024 AGM vote on the 2024 Directors Remuneration Report (excluding the part summarising the Policy) and the 2022 AGM vote on the 2022 Remuneration Policy:

2024 vote on Directors' Remuneration Report	Total number of votes	% of votes cast
For (including discretionary)	375,321,797	86.99%
Against	56,138,542	13.01%
Total votes cast (excluding withheld votes)	431,460,339	
Votes withheld	41,173	
Total votes (including withheld votes)	431,501,512	

2022 vote on Directors' Remuneration Policy	Total number of votes	% of votes cast
For (including discretionary)	230,629,838	60.77%
Against	148,894,394	39.23% ¹
Total votes cast (excluding withheld votes)	379,524,232	
Votes withheld	25,152,385	
Total votes (including withheld votes)	404,676,617	

1. For further details regarding the low vote for the 2022 Directors' Remuneration Policy, see page 116 of the Annual Report and Accounts 2023.

Advisors

Alvarez & Marsal (A&M) has provided independent advice to the Committee since its appointment in 2023. A&M is a member of the Remuneration Consultants Group and voluntarily operates under the Code of Conduct in relation to executive remuneration consultancy in the UK (details of which can be found at remunerationconsultantsgroup.com). There is no connection between A&M, the Company or its Directors.

During the year A&M provided advice in several areas, including:

- Independent advice to support the Committee in setting performance targets and to develop the Policy
- Support in drafting the Directors' Remuneration Report for the year ended 31 March 2025
- Updates to the Committee on regulatory changes and the investor environment

A&M's fees for the provision of executive remuneration consultancy services to the Committee during the year, charged on a time and materials basis, totalled £182,400.

Remuneration for the wider workforce

The remuneration for the wider workforce is based on principles broadly aligned with the Policy. Annual salary reviews across the Group consider business performance, local pay and market conditions, individual performance and salary levels for similar roles in comparable companies.

All employees, including the Executive Directors, ExCo members and senior leaders from across the Group are eligible to participate in an incentive programme. In line with typical market practice, opportunities and performance measures vary by organisational level, geographical region and an individual's role. Members of the ExCo are eligible to participate in the DSBP and LTIP on similar terms, including share ownership requirements. Differences apply where appropriate (e.g. in the grant levels awarded). Senior leaders may also be invited to participate in the LTIP or receive Restricted Share awards. All our eligible employees can participate in the Company's all employee share plans. This includes an all employee RS YAY! Award as set out on page 122 of the Annual Report and Accounts 2023.

It is important that our people have the opportunity to share in the success of the business that they help create. We achieved this in 2024/25 through:

Refresh of the Group's reward philosophy to underpin the Group's strategy and values

- Launch of a global recognition programme and platform aligned to the Group's values
- Providing the opportunity for all of our employees at all levels of the organisation to participate in an incentive programme
- The extension of a personal performance measure in the Group Annual Incentive for management level employees
- Transition of the LTIP to a restricted share plan below the ExCo
- Providing a SAYE plan to help our UK employees become shareholders
- Providing a phantom SAYE plan in those countries outside the UK where it is legally possible to do so (which is cash settled for participants)

Consideration of employment conditions elsewhere in the Group

The Group seeks to promote and maintain good relations with employee representative bodies, including trades unions and works councils, as part of its broader employee engagement strategy and consultation on matters affecting our people and business performance as required, in each case, by law and regulation in the jurisdictions in which the Group operates. The Committee is mindful of the pay increases, incentive outcomes and share award participation in relevant markets across the rest of the Group when considering the remuneration of the Executive Directors. Our people have the opportunity to discuss various topics including the Policy and framework via various internal forums. One such forum is the employee engagement sessions held with Bessie Lee and Joan Wainwright, in their capacity as engagement designated Non-Executive Directors. Further information regarding the sessions held during the year can be found on page 88.

Directors’ Remuneration report continued

Committee governance

Committee structure and meetings

The Committee is comprised of independent members. Joan Wainwright was appointed as Chair in March 2023. Joan has been a member of the Committee since July 2021 and therefore meets the requirements of the Code. Miles Roberts joined the Committee on 1 March 2025. There have been no further changes to Committee membership during the year. Details of the skills and experience of the Committee members can be found on pages 80 and 81.

The Committee held four scheduled and two unscheduled meetings during the year. Details of attendance at meetings can be found on page 82.

The Chairman of the Board, CEO, CFO, other Board members, Company Secretary, CPO, Vice President, Group Reward and Director, Executive Remuneration were invited to attend Committee meetings to advise on specific items and on matters relating to the performance and remuneration of senior managers, other than in relation to their own remuneration. The Company Secretary acts as Secretary to the Committee. Meetings of the Committee generally take place shortly before Board meetings, and activities of the Committee are reported by the Chair to the Board as a separate agenda item.

The Committee Chair attends the Company’s AGM and is happy to answer any questions from shareholders on matters falling within the Committee’s responsibilities. As described above, the Committee Chair is also one of the Non-Executive Directors designated to undertake employee engagement, therefore also providing employees the chance to raise direct remuneration-related questions during the year.

Committee responsibilities

The role of the Committee is to consider the remuneration packages designed to promote the long-term success of the Company and to ensure that Executive Directors and the ExCo are compensated appropriately for their contributions to the Group’s performance, taking into consideration the wider employee group. The Committee also considers the remuneration of the Chairman of the Board. The Board determines the remuneration of the Non-Executive Directors. No individual is present while decisions are made regarding their own remuneration.

The Committee’s key responsibilities have not changed during the year. The Committee’s Terms of Reference are reviewed formally and approved annually and are available at: [rsgroup.com](https://www.rsgroup.com)

Committee evaluation

This year, the Board underwent an internally facilitated evaluation of its performance and the activities of the Committee were reviewed as part of this process. The results of this evaluation demonstrated that the Committee continued to operate effectively and in alignment with its Terms of Reference. Further details of the evaluation process can be found in the Corporate Governance Report on pages 89 and 90.

Compliance with the UK Corporate Governance Code

For the reporting year, the Committee considers that the executive remuneration framework appropriately addresses the factors under Provision 40 of the UK Corporate Governance Code (the Code) as set out below. As well as a focus on Executive Director remuneration, the Committee has oversight for the remuneration policies of the Group to ensure alignment with the strategic priorities of the Company. We value the contribution our people make to the success of the Group and charge management with the responsibility for ensuring a sustainable approach to their remuneration. It is important to the Committee that the Group’s employees are paid at a fair level reflecting the skills they bring. We use benchmarking information to ensure we pay competitively to attract and retain talent. Part of building a sustainable Group is ensuring our employees have an opportunity to share in the success they help create. How this is achieved is outlined in the Committee Chair’s letter on page 111. We engage regularly with our employees on remuneration in general. None of our employees raised questions on executive remuneration during the year, including in our open forums, engagement surveys or our specific Board employee engagement sessions. Over the past year we have had a regular communication cadence to highlight the range of benefits available to our employees including our annual incentive, financial planning, medical, employee discounts and fleet offerings.

Factors under Provision 40	
Clarity	We provide open and transparent disclosures of our Executive Directors’ remuneration arrangements including undertaking engagement with key shareholders when considering changes to our Remuneration Policy.
Simplicity	We aim to ensure that remuneration arrangements for both our Executive Directors and the wider workforce are as simple as possible to drive understanding and engagement, and we take time to engage with participants and shareholders.
Predictability	Our Remuneration Policy contains details of maximum opportunity levels for each component of pay, with actual incentive outcomes varying depending on the level of performance achieved against specific measures.
Proportionality, risk and alignment to culture	The metrics used to measure performance for annual incentive and LTIP awards drive behaviours that are consistent with the business strategy and values of the organisation. The annual incentive and LTIP structures do not encourage inappropriate risk-taking. They are subject to the achievement of stretching performance targets and the Committee has the ability to apply discretion to the formulaic outcomes. Malus and clawback provisions also apply for both the annual incentive and LTIP. Annual incentive deferral, LTIP holding periods and our shareholding guidelines provide a clear link to the ongoing performance of the business and are therefore aligned with shareholder interests.

With regards to provision 41, the Policy operated as intended in terms of Company performance and quantum.

Directors' report

DIRECTORS' REPORT

Information incorporated by reference

The following information required to be disclosed in this Directors' Report (in accordance with Listing Rule (LR) 6.6.6R and otherwise) is set out on the page numbers below:

Likely future developments	5 and 7 to 10
Diversity and Inclusion Policy (including disability ¹)	95
Employee engagement	12, 56 to 60, 79 and 88
Other stakeholder engagement	5, 12, 13, 61 to 63, 79 and 88
Greenhouse gas emissions ¹	51
Names of Directors who served during the year	80 and 81
Details of employee share schemes	104 to 111, 114, 120 and Note 9
Risk management (including hedging) and financial instruments	179 to 183
Activity on Company culture	8, 12, 16, 17 and 56 to 60
Long-term incentive schemes	104 to 111, 114, 123, 124 and 125

1. Information required by the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 and included in the Strategic Report.

This section (together with the information on pages 78 to 131 and other information cross-referenced by this section which is incorporated by reference) constitutes the Directors' report for the purposes of the Companies Act 2006 (Companies Act) and fulfils the requirements of the corporate governance statement for the purposes of the Financial Conduct Authority's Disclosure Guidance and Transparency Rules (DTR).

Principal activities

RS Group is a differentiated, high-service global distributor of product and service solutions providing small volumes of our suppliers' products to our industrial customers. RS Group plc is a public company incorporated in England and Wales with company number 647788.

A list of the Company's investments and subsidiaries at 31 March 2025 can be found in Note 30 to the Group accounts on pages 187 to 190 of this Annual Report and Accounts.

The principal activity of the Company is to act as the holding company of the Group.

The Directors are not aware, at the date of this report, of any major changes in the Group's activities in the coming year.

Results and dividends

The Group's results for the year ended 31 March 2025 are set out in the Group income statement on page 146.

The Board proposes, subject to approval of shareholders at the AGM to be held on 17 July 2025, that a final dividend of 13.9p per ordinary share be paid on 25 July 2025 to shareholders whose names are on the register of members at the close of business on 13 June 2025. The Directors have declared dividends as follows:

Dividends in 2024/25	Dividends in 2023/24
Interim dividend of 8.5p per ordinary share (paid on 3 January 2025)	8.3p per ordinary share
Proposed final dividend of 13.9p per ordinary share (to be paid on 25 July 2025)	13.7p per ordinary share
Total ordinary dividend of 22.4p per ordinary share for the year ended 31 March 2025	22.0p per ordinary share

During the year under review Computershare Trustees (Jersey) Limited, trustee of the RS Group Employee Trust has waived its right to receive dividends over its total holding of 5,538,418 shares as at 31 March 2025.

Appointment and retirement of Directors

The appointment and retirement of Directors is governed by the Company's Articles of Association (Articles), the Code and the Companies Act. The Company's Articles may only be amended by a special resolution of the shareholders in a general meeting.

In the interest of good governance and in accordance with the provisions of the Code, all Directors will retire and will seek re-election, or if appropriate, election at the forthcoming AGM.

Biographies of the current Directors can be found on pages 80 and 81. Details of the Directors seeking re-election at the AGM are set out in the Notice of AGM.

Board composition changes

Changes to the composition of the Board since 1 April 2024 up to the date of this Report are shown in the table below.

	Joined the Board	Left the Board
Carole Cran	1 December 2024	
Miles Roberts	1 March 2025	
Navneet Kapoor		31 December 2024

Directors' report continued

Directors' interests

The Directors' interests in, and options over, ordinary shares in the Company are shown in the Directors' Remuneration report. Since the year end, there have been no changes to such interests.

In line with the requirements of the Companies Act, Directors have a statutory duty to avoid situations in which they have, or may have, interests that conflict with those of the Company unless that conflict is first authorised by the Board.

The Board has in place a formal conflicts of interest management procedure. The Board is responsible for considering whether authorisation is required, and if it can be given, in relation to new situations as they arise. The Board reviews annually any conflict authorisations it has given and any limitations that have been applied. The Company's Articles contain provisions to allow the Directors to authorise potential conflicts of interest, so that if approved, Directors will not be in breach of their duty under company law.

Powers of the Directors

Subject to the Articles, the Companies Act and any directions given by special resolution, the business of the Company will be managed by the Board, who may exercise all the powers of the Company. The Board may exercise all the powers of the Company to borrow money and to mortgage or charge any of its undertaking, property and uncalled capital and to issue debentures or other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

Directors' indemnities

In accordance with the relevant provisions of the Companies Act and the Company's Articles, the Company entered into a new deed in March 2023 to indemnify the Directors and Officers (from time to time) of the Company to the extent permitted by the law. The deed for existing Directors is available for inspection at the registered office of the Company.

The Company purchased and maintained Directors' and Officers' liability insurance throughout 2024/25, which was renewed for 2025/26. Neither the indemnity nor insurance provides cover in the event that a Director or Officer is proved to have acted fraudulently.

Substantial shareholders

The processes by which the Company seeks to understand the views of its major shareholders are described on page 13.

Information provided to the Company by substantial shareholders pursuant to the DTR is published via a Regulatory Information Service.

As at 31 March 2025 and 20 May 2025, being the last practicable date, the Company had been notified by its substantial shareholders under Rule 5 of the DTR of the following interests in the Company's shares:

Shareholder	Number of shares as at 31 March 2025	Percentage of issued share capital as at 31 March 2025	Number of shares as at 20 May 2025	Percentage of issued share capital as at 20 May 2025
Ameriprise Financial, Inc. ¹	47,120,586	9.94%	47,120,586	9.94%
FMR LLC	38,165,532	8.05%	38,165,532	8.05%
Wellington Management Group LLP	23,691,502	5.00%	23,691,502	5.00%

1. Ameriprise Financial, Inc. includes Threadneedle Asset Management Holdings Ltd.

Share capital

As at 31 March 2025, the Company's issued share capital comprised a single class of 474,049,468 ordinary shares of 10p each, totalling £47,404,946.80.

Full details of share options, awards and shares issued under the terms of the Company's share incentive plans can be found in Note 9 on pages 160 to 163.

The Company was authorised by shareholders at the AGM held on 11 July 2024 to purchase up to 10% of its ordinary share capital in the market. The Company did not make use of this authority during the year, and in line with market practice, will be seeking to renew such authority at this year's AGM.

Restrictions on voting rights

A member is not entitled to vote (in person or by proxy) at any general meeting or class meeting if either: (i) any call or other sum then payable by that member in respect of that share remains unpaid; or (ii) that member has been served with a notice after failure to provide the Company with information concerning interests in those shares required to be provided under the Companies Act. Voting rights may be exercised in person, by proxy or, in relation to corporate members, by a corporate representative. Proxy forms must be submitted not less than 48 hours before the time of the meeting or adjourned meeting.

Directors' report continued

Restrictions on transfer of shares

The Directors may, in the case of shares in certificated form, in their absolute discretion and without assigning any reason, refuse to register any transfer of shares (not being fully paid shares) provided that such discretion may not be exercised in such a way as to prevent dealings in the shares of that class from taking place on an open and proper basis.

The Directors may also refuse to register an allotment or transfer of shares (whether fully paid or not) in favour of more than four persons jointly, in which case notice of the refusal must be sent to the allottee or transferee within two months after the date on which the letter of allotment or transfer was lodged with the Company. A shareholder does not need to obtain the approval of the Company, or of other shareholders in the Company, for a transfer of shares to take place.

Political donations

In the year ended 31 March 2025, the Group made no political donations or contributions. It remains the Company's policy not to make political donations. However, the application of the relevant provisions of the Companies Act is potentially very broad in nature and, as it did last year, the Board will be seeking shareholder authority to make political donations up to a defined limit to ensure that the Group does not inadvertently breach these provisions as a result of the breadth of its business activities, although the Board has no intention of using this authority.

AGM

The Notice of AGM is set out in a separate circular and is available on our website at rsgroup.com/investors/shareholder-information/agm-information. Shareholders can submit questions relating to the business of the meeting in advance to CompanySecretary@rsgroup.com.

Independent Auditors and audit information

Each of the persons who is a Director at the date of approval of this Annual Report and Accounts confirms that:

- So far as the Director is aware, there is no relevant audit information of which the Company's Auditors are unaware; and
- The Director has taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's Auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of the Companies Act.

Significant agreements: change of control

The Company has a number of contractual arrangements which it considers essential to the business of the Company. Specifically, these are committed loan facilities from a number of banks and arrangements with third-party providers of administrative services. A change of control of the Company may cause some agreements to which the Company is a party to alter or terminate. These include bank facility agreements and employee share plans, which would normally vest and become exercisable on a change of control, subject to the satisfaction of any performance conditions at that time.

The Group has committed facilities totalling £679 million as at 31 March 2025 which contain clauses which require lender consent for any change of control. Should consent not be given, a change of control would trigger mandatory repayment of the said facilities.

Articles of Association

Any amendments to the Articles of the Company may be made in accordance with the provisions of the Companies Act by way of a special resolution of the Company's shareholders in a general meeting. The Articles were last approved by shareholders at the AGM in 2021/22.

Governance arrangements

Information regarding the Company's governance arrangements is set out in the Governance Report on pages 78 to 134. These pages are incorporated by reference into the Directors' Report.

On behalf of the Board:

Clare Underwood

Company Secretary
20 May 2025

Statement of Directors' responsibilities

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Responsibility of Directors for annual report and accounts

The Directors are responsible for preparing the Annual Report and Accounts in accordance with applicable law and regulation.

Company law requires the Directors to prepare accounts for each financial year. Under that law the Directors have prepared the Group accounts in accordance with UK-adopted international accounting standards (UK IAS) and Company accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102), and applicable law).

Under company law the Directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group and Company for that period. In preparing the accounts, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- State whether applicable UK IAS have been followed for the Group accounts and United Kingdom Accounting Standards, comprising FRS 102, have been followed for the Company accounts, subject to any material departures disclosed and explained in the accounts;
- Make judgements and accounting estimates that are reasonable and prudent; and
- Prepare the accounts on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the accounts and the Directors' Remuneration Report comply with the Companies Act 2006.

The Directors are also responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

The Directors consider that the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group and Company's position and performance, business model and strategy.

Each of the Directors, whose names and functions are listed on pages 80 and 81 confirm that, to the best of their knowledge:

- The financial statements, prepared in accordance with the relevant financial reporting framework, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole;
- The Strategic Report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and
- the Annual Report and Financial Statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position, performance, business model and strategy.

In the case of each Director in office at the date the Directors' Report is approved, they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Group and Company's Auditors are aware of that information.

Simon Pryce

Chief Executive Officer
20 May 2025

FINANCIAL STATEMENTS

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RS GROUP PLC

Report on the audit of the financial statements

1. Opinion

In our opinion:

- the financial statements of RS Group plc (the 'Company') and its subsidiaries (the 'Group') give a true and fair view of the state of the Group's and of the Company's affairs as at 31 March 2025 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards;
- the Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the Group income statement;
- the Group statement of comprehensive income;
- the Group and Company balance sheets;
- the Group cash flow statement;
- the Group and Company statements of changes in equity; and
- the related Group notes 1 to 32, and Company notes 1 to 16.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and United Kingdom adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the Company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

2. Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Group and the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services provided to the Group and Company for the year are disclosed in Note 6 to the financial statements. We confirm that we have not provided any non-audit services prohibited by the FRC's Ethical Standard to the Group or the Company.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Summary of our audit approach

Key audit matters

The key audit matters that we identified in the current year were:

- Valuation of inventory obsolescence provisions; and
- Accounting for contractual relationships.

Deloitte LLP was appointed as auditor to the Group on 11 July 2024. This is therefore our first year as the Group's auditor.

We identified accounting for contractual relationships as a new key audit matter given the extent of audit effort required to understand the nature of the relationships across the Group and procedures to address the identified risks in our first year as auditor.

In addition to identifying the valuation of inventory obsolescence provisions as a key audit matter, three other key audit matters were identified by the predecessor auditor and described in their audit report for the year ended 31 March 2024. In respect of these items:

- The fair value of acquired intangibles is not considered as a key audit matter in the current year, as this related to the Distrelec acquisition in the prior year. Accounting related to the current year acquisition of Trident was not of the same magnitude or complexity.
- The valuation of defined benefit pension scheme liabilities and carrying value of investments in the Company balance sheet are not considered key audit matters, as these areas did not have a significant effect on our overall audit strategy, allocation of resources or direction of efforts of the engagement team.

Independent auditor's report to the members of RS Group plc continued

Materiality

Materiality that we used for the Group financial statements was £11 million. We determined Group materiality as approximately 5% of adjusted profit before tax including amortisation of acquired intangibles.

Scoping

We identified 15 components across the Group.

We have focused our audit procedures on five of these components, being the EMEA, APAC and Americas divisions, Risoul in Mexico and the Group's head office entities. In addition, audit procedures were performed on specific account balances at other components. Further details of our audit scope and identification of components is set out on pages 141 to 142.

Our audit scope addressed 89% of Group revenue, 88% of Group profit before tax and 96% of Group total assets.

First-year audit transition

The year ended 31 March 2025 is our first year as auditor of RS Group plc. We have been independent since October 2023 and commenced our transition activities from that date. Our work included:

- Establishing a detailed audit transition plan;
- Shadowing the previous auditor through the 31 March 2024 audit, including attendance at key meetings, such as with the Audit Committee;
- Reviewing the previous auditor's audit files;
- Holding transition workshops with key component finance and operational management, including internal audit, treasury, tax, legal and Group finance teams to inform our audit planning;
- Considering historical accounting policies and accounting judgements; and
- Holding global audit planning meetings with our component audit teams and conducting Group audit team visits to key markets and GSBS locations.

These procedures built our understanding of the Group which informed our audit risk assessment, through which we identified the risks of material misstatement to the Group's financial statements.

4. Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the Directors' assessment of the Group's and Company's ability to continue to adopt the going concern basis of accounting included:

- understanding the process used to prepare the budget and strategic plan including obtaining an understanding of relevant controls over management's going concern model;
- assessing the reasonableness of the assumptions in the budget and strategic plan, including those relating to the current macroeconomic uncertainty (including the possible impact of trade tariffs) and evaluating the appropriateness of these assumptions and their consistency with management's presentations to the Board and Audit Committee. This included challenging the assumptions used within the Group's going concern model by obtaining third-party and market data and evaluating any differences between this data and the judgements and assumptions used by management;
- evaluating the historical accuracy of forecasts prepared by management;
- testing the mechanical accuracy of the going concern model;
- confirming the existence and availability of financing facilities;
- assessing the Group's liquidity forecast and performing sensitivity analysis to assess whether there is sufficient headroom over the going concern period;
- considering the mitigating factors and reasonable downside scenarios identified by management in relation to their going concern analysis; and
- assessing the appropriateness of the Group's disclosure concerning the going concern basis of accounting.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to the reporting on how the Group has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

5. Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent auditor's report to the members of RS Group plc continued

5.1 Valuation of inventory obsolescence provisions

Key audit matter description

The gross inventory balance as at 31 March 2025 was £704.1 million (2024 restated: £724.3 million), against which provisions of £86.8 million (2024 restated: £86.9 million) were held.

The Group's business model is based on stocking an extensive range of products, which are delivered quickly to customers to support critical operations. As a result, the Group holds significant quantities of inventory on hand across a wide range of products for sustained periods of time, increasing the risk of inventory obsolescence.

The Group's inventory obsolescence provision is calculated on an 'inventory cover' basis, by establishing estimated levels of excess inventories through considering the 'run rate' of sales, and the length of time it will require to sell all inventory held. Key assumptions therefore include sales trends, the number of years of inventory cover, and recoverable amounts to determine provision rates. In determining the recoverable value, judgement is also required regarding the ability of the Group to return a proportion of stock to suppliers under supplier specific contractual provisions.

The obsolescence provision is calculated across the Group using either Excel or data analytics (where the dataset is too large for Excel) in order to analyse excess inventories based on inventory turn and apply the provisioning percentages to the different categories of products based on historical recoverability rates. Manual adjustments are applied to the calculated provision by the local finance teams to account for specific product or market circumstances at the period-end, or where a right to return is in place in which case no provision may be required.

As set out in Note 18 on page 174 and the Audit Committee Report, the inventory obsolescence provision is sensitive to changes in these assumptions.

Given the judgement required in determining the sell through rate of inventory (which may take many years) and the recoverable amount of the inventory balance as a result (including the extent of supplier specific contractual return provisions), we have identified the assumptions used by management in determining the inventory obsolescence provision as a key audit matter. This includes the assumptions regarding stock turn and the provisioning percentages applied to product categories in the calculation.

Our risk assessment procedures identified certain pools of inventory where we considered there to be a heightened risk of non-recovery of amounts held on the balance sheet, based on historic sell through information and as such, we have particularly focused on the provisioning percentages applied to the newly introduced ('new product introductions' or 'NPI') stock and slow-moving product lines.

As described in the financial statements Note 32 and the Audit Committee Report (pages 97 to 103), the Group has recorded a prior period restatement in respect of the inventory provision. The adjustment relates to certain stock lines being allocated to the wrong category in the calculation and therefore an incorrect provisioning percentage being applied, and the inconsistent application of the Group's provisioning policy. As a result of this, the Group's inventory balance has been restated by £13.2 million at 1 April 2023 and by a further £5.4 million for the year ended 31 March 2024. The net impact on opening reserves as at 1 April 2023 was £10.0 million. There is a £4.3 million impact on profit after tax in the year ended 31 March 2024.

How the scope of our audit responded to the key audit matter

To respond to this key audit matter, we have:

- Performed a recalculation of the obsolescence provision based on management's provisioning policy, with the assistance of our data analytics specialists to assess the mathematical accuracy of the provision and consistency of application with the Group's provisioning methodology;
- Tested the completeness and accuracy of inventory data used to calculate the provision by reconciling the inventory sub-ledger and sales to the Group's accounting system and selecting a sample of inventory items and agreeing the cost back to supplier invoice. A sample of sales have also been tested to assess the validity of the sales data used in the model;
- Tested a sample of stock lines to assess whether they have been classified in the correct product category in the inventory provision calculation and therefore assigned the right provisioning percentage based on their classification;
- Recalculated the inventory provisioning percentages in accordance with management's methodology and historical write offs;
- Assessed the validity and completeness of manual adjustments made to the provision by understanding the circumstances relating to the adjustments and agreeing a sample of the adjustments to supporting documentation. In addition, we have considered the effect of economic and market uncertainty on specific product groups and whether specific manual provisions are needed for certain product categories;
- Challenged the reasonableness of management's assumptions regarding inventory sell through rates, recoverability and provisioning percentages by analysing trends in historical sales by product type over the last 7 years and historical inventory write-offs, and assessing the right-to-return of inventory under supplier specific contractual clauses. We have performed testing on a sample of products in the NPI and slow moving product categories to understand the contractual terms with the supplier and historical evidence of returns;
- We have also performed sensitivity analysis in order to understand the impact of reasonably possible changes in management's assumptions on the recorded obsolescence provision;
- Evaluated compliance with the disclosures required by the accounting standards relating to a reasonably possible change in a key assumption, including their clarity and understandability to users of the financial statements; and
- Assessed the validity and completeness of the prior period adjustment relating to the inventory provision, specifically we have recalculated the provision in 2023 and 2024 to consider both whether it has been calculated in accordance with Group policy and whether product lines have been allocated to the appropriate categories in the calculation. We have also evaluated management's disclosure of the prior period adjustment to assess whether compliance with IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'.

Independent auditor’s report to the members of RS Group plc continued

Key observations

We have identified that review controls over inventory provisioning require improvement, particularly in relation to the completeness and accuracy of information used in the provision calculation and the consistent application of the Group methodology. The need for improvement is evidenced through the identification of a prior period adjustment.

Based on the audit procedures performed, we are satisfied that the valuation of the inventory obsolescence provision, including the effect of the prior period adjustment, is acceptable.

We are satisfied that the disclosures in the financial statements with respect to the inventory provision and the related key source of estimation uncertainty and IAS 8 disclosures are appropriate.

5.2 Accounting for contractual relationships

Key audit matter description

The Group enters into contractual relationships with both customers and suppliers, with complexity in the interpretation and accounting for such arrangements.

These arrangements include, but are not limited to, a variety of rebate and discount arrangements for both customers and suppliers, integrated supply contracts where the Group acts as an agent on behalf of customers, pricing mechanisms where discounts granted to customers are recoverable from vendors, and agreements for the re-purchase of stock by suppliers. Individual arrangements differ across the Group by region and market. Refer to Notes 2, 5, and 19 for further details regarding such arrangements.

Given the high volume and varying nature of the relationships, there is a risk that such arrangements are not identified, or are identified but not appropriately accounted for within the Group’s financial statements.

Our key audit matter therefore relates to the completeness of and accounting for material, key contractual relationships across the Group.

How the scope of our audit responded to the key audit matter

To respond to this key audit matter, we have:

- Enquired of local and Group sales, procurement, operational and finance personnel to obtain an understanding of the existence of contractual relationships across the Group;
- Performed an assessment of all material contracts signed in the year and a sample of all other significant contracts, to assess the accounting implications of the terms and conditions embedded within the contracts has been applied appropriately;
- Evaluated the Group’s contract terms and conditions, discounts and rebate arrangements with customers and suppliers in each relevant region, including an assessment of eligibility criteria, calculation methodology and resulting accounting entries; and
- Evaluated the appropriateness of disclosures made in the Group financial statements in respect of such arrangements.

Key observations

Based on the audit procedures performed, we are satisfied that the Group’s accounting for contractual relationships is acceptable. We are also satisfied that the disclosures in the financial statements with respect to such relationships are appropriate.

6. Our application of materiality

6.1 Materiality

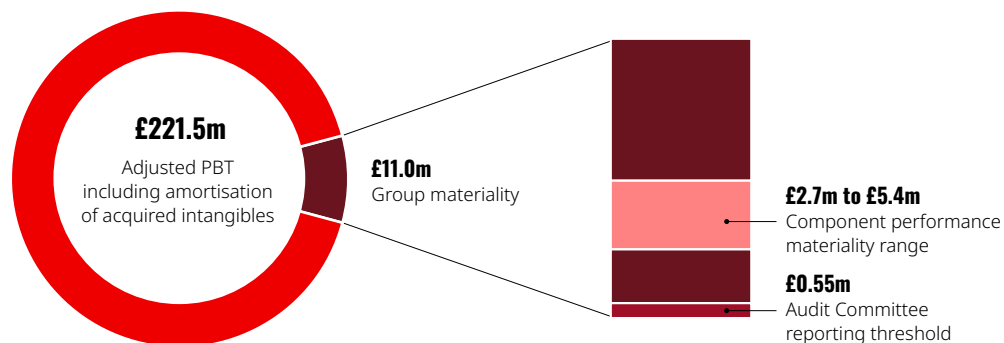
We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	Company financial statements
Materiality	£11.0 million (2024: £12.6 million as used by the predecessor auditor)	£10.3 million (2024: £5.1 million as used by the predecessor auditor)
Basis for determining materiality	5% of adjusted profit before tax including amortisation of acquired intangibles. Adjusting items in both the current and prior year relate to acquisition-related items. Further details are set out in Note 3. The previous auditor used 5% of adjusted profit before tax.	The basis for materiality is net assets. The materiality used represents 1% of net assets. The predecessor auditor used 0.5% of net assets in determining the prior year materiality.

Independent auditor's report to the members of RS Group plc continued

	Group financial statements	Company financial statements
Rationale for the benchmark applied	We have determined that the primary benchmark for materiality for the Group is profit before tax, because we consider this measure to be the primary focus of users of the financial statements. We also considered revenue, net assets, and total assets as relevant metrics to the users of the financial statements. Management's key performance measure used internally to measure the Group's performance and in the Directors' remuneration targets is Adjusted PBT, which excludes certain 'adjusting' items to profit before tax, including amortisation of acquired intangibles and other items which do not represent the normal continuing operations of the Group. See page 121 for further details. In determining adjusted profit for the purposes of our materiality, we have added back amortisation of acquired intangibles to adjusted profit as defined above, because the balance recurs each year. Our selected materiality represents 0.4% of revenue, 0.8% of net assets, and 0.4% of total assets.	Due to the nature of the Company as a parent entity holding company, we consider net assets to be the most appropriate basis for materiality.

**6.2 Performance materiality**

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole.

	Group financial statements	Company financial statements
Performance materiality	70% (2024: 75% as used by the predecessor auditor) of Group materiality	70% (2024: 75% as used by the predecessor auditor) of Company materiality
Basis and rationale for determining performance materiality	In determining performance materiality, we considered the following factors: – our understanding of the entity and its environment; – our risk assessment, including our assessment of the Group's overall control environment; and – the results of the previous years' audits performed by PwC LLP, including the value and quantum of corrected and uncorrected misstatements in prior periods and our expectation of the likelihood of misstatements recurring in the current period.	

6.3 Error reporting threshold

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £0.55 million (2024: £0.63 million as used by the predecessor auditor), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

7. An overview of the scope of our audit**7.1 Identification and scoping of components**

The Group is headquartered in the UK, with operations in more than 30 countries across Europe, the Middle East, North and South America, and the Asia Pacific. The Group uses three Global Shared Business Service Centres (GSBS) hubs to support financial reporting across a number of key business processes.

We identified the Group's EMEA, Americas and APAC divisions as components, noting their common IT systems and processes and controls, alongside a series of smaller components relating to more recent acquisitions, or specific local businesses. In total, we identified 15 components across the Group.

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including Group-wide controls, and assessing the risks of material misstatement at the Group level. The identification of significant accounts, including the identification and classification of risks of material misstatement was performed by the Group audit team, including scoping of relevant IT systems and controls relevant to the audit. The concentration of activity and controllership in the Group, including the centralisation of the finance function in the Group's Head Office and Shared Business Service Centres, enabled us to structure the audit more centrally with the majority of the audit work performed by the Group audit team in the UK.

Independent auditor's report to the members of RS Group plc continued

We have focused our audit procedures on five components being the EMEA, APAC and Americas divisions, Risoul in Mexico and the Group head office entities. In addition, audit procedures were performed on specific account balances at other components. These components represent the principal business units and account for 89% of the Group's revenue, 88% of the Group's profit before tax and 96% of the Group's total assets. They were also selected to provide an appropriate basis for undertaking audit work to address the risks of material misstatement identified above. The predecessor auditor identified components as individual country units. Nine in-scope components were identified for audits of specified balances. These components accounted for 71% of the Group's revenue and 72% of the Group's adjusted profit before tax in the prior period.

Audit work performed at Global Shared Business Service Centres and other components

A significant amount of the Group's operational processes which cover financial reporting are undertaken at the Group's Shared Business Service Centres. The common IT systems in the GSBS centres, together with our data analytical tools, allowed us to scrutinise large transactional data sets for unusual trends, characteristics, outliers or transaction flows to support our identification of audit risks and perform the audit work of the related balances centrally without the need to engage component auditors. The Group audit team therefore performed the audit work at the GSBS centres located in Corby (UK), Fort Worth (US) and Foshan (China) where balances were in scope for the Group audit.

Audit work was further performed at other components centrally by the Group team on specific balances or classes of transactions.

The audit of Risoul was performed locally in Mexico by a component audit team. Component teams were also engaged to perform specified procedures relating to cash and cash equivalents and the existence of inventory at specific components.

Procedures performed at the GSBS centres and other components were performed applying component performance materiality in a range of £2.7m to £5.4m.

Further details of how we exercised direction, supervision and review over component audit teams are set out in section 7.4 below. Inventory counts were performed by local country Deloitte audit teams all of whom received a briefing by the Group audit team prior to attending the count. Where within the scope of our audit, all inventory counts were attended in person.

Audit procedures undertaken at a Group level and on the Company

We performed audit work on the Head Office function, at the Group level. Further, we performed audit work at Group and on the Company financial statements, including but not limited to the consolidation of the Group's results, the preparation of the financial statements, certain disclosures within the Directors' Remuneration Report, share-based payments, treasury, defined benefit pension schemes, going concern, goodwill impairment and litigation provisions. Audit procedures undertaken at a Group level relating to Head Office were performed to Group materiality, or Company materiality where the procedures related to the Company. In addition, we carried out reviews at a Group level to confirm our conclusion that there were no significant risks of material misstatement of the aggregated financial information of the remaining components not subject to audit or audit of specified account balances.

7.2 Our consideration of the control environment

The Group's operations utilise a range of information systems which underpin the financial reporting process. We identified the main finance systems used in the GSBS locations, the Group consolidation system and inventory management systems at key inventory locations as the key IT systems relevant to our audit. With the assistance of our IT specialist, we also obtained an understanding of and tested relevant controls relating to these key systems used to process transactions, manage inventory and to consolidate the financial results of the Group. We have relied on IT controls in the EMEA and APAC GSBS locations.

In addition, we obtained an understanding of the Group's control environment performing process and controls walkthroughs on key business cycles including but not limited to order-to-cash, purchase-to-pay, inventory management and provisioning, the financial close and reporting process, and other head office and relevant areas.

As set out on page 98 of the Audit Committee Report, management has commenced a programme to improve and build upon its existing controls framework, including to standardise controls across the Group. This is expected to be a multi-year project, ahead of Provision 29 of the updated UK Corporate Governance Code 2024 becoming applicable for the Group in 2027. Other than the reliance on IT controls as set out above, we have performed a fully substantive audit. We plan to update our controls reliance strategy as this project progresses.

7.3 Our consideration of climate-related risks

In planning our audit, we have considered the potential impact of climate change on the Group's businesses and its financial statements.

The Group has assessed the risk and opportunities relevant to climate change, and the Group's Principal Risks capture physical and transitional climate-related risks as determined in the Enterprise Risk Management Process. The risks have also been considered and embedded into the businesses, as explained in the Strategic Report on page 36.

As part of our audit procedures, we have obtained management's climate-related risk assessment and held discussions to understand the process of identifying climate-related risks, the determination of mitigating actions and the impact on the Group's financial statements. While management has acknowledged the risks and opportunities posed by climate change, they have assessed that climate change does not create any specific key sources of estimation uncertainty in the financial statements as at 31 March 2025, as explained in Note 1 to the accounts.



■ Specified audit procedures ■ Reviews at Group level

Independent auditor's report to the members of RS Group plc continued

We performed our own qualitative risk assessment of the potential impact of climate change on the Group's account balances and classes of transactions, with particular focus on areas of judgement such as inventory provisioning, the forecasting assumptions used in going concern and goodwill impairment testing, and did not identify any additional risks of material misstatement. Our risk assessment and wider procedures were performed with the involvement of our ESG Centre of Excellence and included reading disclosures in the Strategic Report to consider whether they are materially consistent with the financial statements and our knowledge obtained in the audit. We have not been engaged to provide assurance over the accuracy of these disclosures.

7.4 Working with other auditors

The Group audit team are responsible for the scope and direction of the audit process. As set out in section 7.1, we engaged a component auditor based in Mexico to assist with the audit of specific balances and classes of transactions relating to the Risoul trading entity.

In exercising appropriate direction, supervision and review activities over the component auditor, the Group team:

- Selected the key Mexican component audit partner and their team ahead of our first year as Group auditor;
- Provided detailed referral instructions setting out the procedures to be performed;
- Engaged in regular communication with the component auditor, enabling timely reporting and challenge of outcomes across the Group and component audit, including visiting the local team in Mexico and meeting local management during the year-end period; and
- Performed virtual file reviews over higher and significant risk areas of the audit so that the work performed was in line with our referral instructions and challenged the appropriateness of the conclusions reached on key judgement areas.

We also directed and supervised other component auditors in the performance of specific procedures relating to cash and cash equivalents and the existence of inventory. We issued detailed instructions to the component audit teams on the procedures to be performed. We reviewed all work or deliverables performed by each component team to support the Group audit opinion.

In addition, our component audit teams attended a two day in person planning meeting in June 2024 held prior to commencement of our detailed audit work. In addition, they also attended an update meeting (held virtually) in January 2025. Both of these sessions were led by the Group audit team. These meetings enabled a good level of understanding of the Group's businesses, its core strategy and a thorough discussion of the significant risks and our planned audit approach. Group management also attended part of the meetings in June to support these planning activities.

8. Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

9. Responsibilities of Directors

As explained more fully in the directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing as applicable matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

10. Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [frc.org.uk/auditorsresponsibilities](https://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

Independent auditor's report to the members of RS Group plc continued

11. Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

11.1 Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the Group's remuneration policies, key drivers for Directors' remuneration, bonus levels and performance targets;
- results of our enquiries of management, operational audit, the Directors and the audit committee about their own identification and assessment of the risks of irregularities, including those that are specific to the Group's sector;
- any matters we identified having obtained and reviewed the Group's documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations; and
- the matters discussed among the audit engagement team, including the component audit team and relevant internal specialists, including tax, valuations, financial instruments, actuarial, pensions, data analytics, IT, and ESG specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud relating to inventory obsolescence provisioning. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the Group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the regulations from the UK Companies Act 2006, the UK Listing Rules, pensions legislation, and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group's ability to operate or to avoid a material penalty. These included environmental regulations relevant to the Group.

11.2 Audit response to risks identified

As a result of performing the above, we identified the valuation of the inventory obsolescence provision as a key audit matter related to the potential risk of fraud. The key audit matters section of our report explains the matter in more detail and also describes the specific procedures we performed in response to that key audit matter.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management, the Audit Committee and in-house and external legal counsel concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance, reviewing internal audit reports, and reviewing correspondence with HMRC the regulator; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, including internal specialists and the component audit teams, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Report on other legal and regulatory requirements

12. Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the Directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the Company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the Directors' report.

Independent auditor's report to the members of RS Group plc continued

13. Corporate Governance Statement

The Listing Rules require us to review the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Group's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- the Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 44;
- the Directors' explanation as to their assessment of the Group's prospects, the period this assessment covers and why the period is appropriate set out on page 43;
- the Directors' statement on fair, balanced and understandable set out on page 98;
- the Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 38;
- the section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 100; and
- the section describing the work of the Audit Committee set out on page 97.

14. Matters on which we are required to report by exception

14.1 Adequacy of explanations received and accounting records

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Company financial statements are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

14.2 Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of Directors' remuneration have not been made or the part of the Directors' remuneration report to be audited is not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

15. Other matters which we are required to address

15.1 Auditor tenure

Following the recommendation of the Audit Committee, we were appointed by the shareholders at the Annual General Meeting on 11 July 2024 to audit the financial statements for the year ending 31 March 2025 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is therefore one year.

15.2 Consistency of the audit report with the additional report to the audit committee

Our audit opinion is consistent with the additional report to the Audit Committee we are required to provide in accordance with ISAs (UK).

16. Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

As required by the Financial Conduct Authority (FCA) Disclosure Guidance and Transparency Rule (DTR) 4.1.15R – DTR 4.1.18R, these financial statements will form part of the Electronic Format Annual Financial Report filed on the National Storage Mechanism of the FCA in accordance with DTR 4.1.15R – DTR 4.1.18R. This auditor's report provides no assurance over whether the Electronic Format Annual Financial Report has been prepared in compliance with DTR 4.1.15R – DTR 4.1.18R.

Jon Thomson FCA (Senior Statutory Auditor)

For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
20 May 2025

Group accounts

GROUP INCOME STATEMENT

For the year ended 31 March 2025

	Notes	2025 £m	2024 restated ¹ £m
Revenue	2,3,4	2,903.5	2,942.4
Cost of sales	5	(1,660.3)	(1,684.1)
Gross profit		1,243.2	1,258.3
Operating costs		(1,010.4)	(983.8)
Operating profit	2,3,6	232.8	274.5
Finance income	7	4.7	4.8
Finance costs	7	(32.0)	(36.7)
Share of profit of joint venture	17	0.6	0.6
Profit before tax		206.1	243.2
Income tax expense	11	(53.5)	(63.8)
Profit for the year attributable to owners of the Company		152.6	179.4
Earnings per share attributable to owners of the Company			
Basic	12	32.5p	37.9p
Diluted	12	32.5p	37.8p

1. Please refer to Note 32 for further details of the restatement.

The Notes on pages 150 to 195 form part of these Group accounts.

GROUP STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2025

	Notes	2025 £m	2024 restated ¹ £m
Profit for the year		152.6	179.4
Other comprehensive income/(expense)			
Items that will not be reclassified subsequently to the income statement			
Remeasurement of retirement benefit obligations	10	1.5	0.8
Related income tax	11	(0.3)	(0.1)
		1.2	0.7
Items that may be reclassified subsequently to the income statement			
Foreign exchange translation differences of joint venture	17	(0.1)	(0.2)
Foreign exchange translation differences		(84.1)	(3.6)
Fair value gain on net investment hedges	27	6.6	3.4
Movement in cash flow hedges	27	1.4	(0.1)
Related income tax	11	(0.2)	–
		(76.4)	(0.5)
Other comprehensive (expense)/income for the year		(75.2)	0.2
Total comprehensive income for the year		77.4	179.6
Total comprehensive income is attributable to:			
Owners of the Company		77.5	179.7
Non-controlling interests		(0.1)	(0.1)
		77.4	179.6

1. Please refer to Note 32 for further details of the restatement.

The Notes on pages 150 to 195 form part of these Group accounts.

Group accounts continued

GROUP BALANCE SHEET

As at 31 March 2025

Company number: 647788

	Notes	2025 £m	2024 restated ¹ £m	2023 restated ¹ £m
Non-current assets				
Intangible assets	14	898.9	982.6	704.8
Property, plant and equipment	15	176.7	180.9	186.3
Right-of-use assets	16	54.3	72.8	46.9
Investment in joint venture	17	1.2	1.3	1.5
Other receivables	19	4.6	8.4	6.5
Retirement benefit net assets	10	2.5	1.5	0.8
Deferred tax assets	11	11.1	9.5	6.9
Total non-current assets		1,149.3	1,257.0	953.7
Current assets				
Inventories	18	617.3	637.4	603.1
Trade and other receivables	19	688.5	701.4	692.0
Cash and cash equivalents – cash and short-term deposits	22	147.7	258.7	260.3
Derivative assets	21	1.9	2.6	1.8
Current income tax receivables		15.9	22.7	19.9
Total current assets		1,471.3	1,622.8	1,577.1
Total assets		2,620.6	2,879.8	2,530.8
Current liabilities				
Trade and other payables	20	(611.0)	(602.7)	(658.9)
Cash and cash equivalents – bank overdrafts	22	(41.7)	(162.7)	(139.8)
Borrowings	22	(23.5)	–	–
Lease liabilities	16,22	(15.5)	(16.0)	(14.6)
Derivative liabilities	21	(1.8)	(1.1)	(1.7)
Provisions	24	(5.0)	(5.0)	(1.8)
Current income tax liabilities		(17.9)	(27.8)	(22.1)
Total current liabilities		(716.4)	(815.3)	(838.9)

	Notes	2025 £m	2024 restated ¹ £m	2023 restated ¹ £m
Non-current liabilities				
Other payables	20	(7.4)	(17.3)	(9.3)
Retirement benefit obligations	10	(16.4)	(27.2)	(37.2)
Borrowings	22	(390.0)	(440.3)	(184.6)
Lease liabilities	16,22	(41.2)	(57.9)	(34.3)
Provisions	24	(3.1)	(4.2)	(4.7)
Deferred tax liabilities	11	(91.6)	(98.7)	(86.9)
Total non-current liabilities		(549.7)	(645.6)	(357.0)
Total liabilities		(1,266.1)	(1,460.9)	(1,195.9)
Net assets		1,354.5	1,418.9	1,334.9
Equity				
Share capital and share premium	26	287.1	286.9	283.3
Own shares held by Employee Benefit Trust (EBT)	26	(42.3)	(1.8)	(2.2)
Other reserves	27	32.0	108.9	109.1
Retained earnings		1,077.2	1,024.3	944.0
Equity attributable to owners of the Company		1,354.0	1,418.3	1,334.2
Non-controlling interests		0.5	0.6	0.7
Total equity		1,354.5	1,418.9	1,334.9

1. Please refer to Note 32 for further details of the restatement.

The Notes on pages 150 to 195 form part of these Group accounts.

The financial statements of RS Group plc were approved by the Board of Directors and authorised for issue on 20 May 2025. They were signed on its behalf by:

Kate Ringrose
Chief Financial Officer

Group accounts continued

GROUP CASH FLOW STATEMENT

For the year ended 31 March 2025

	Notes	2025 £m	2024 restated ¹ £m
Cash flows from operating activities			
Profit before tax		206.1	243.2
Depreciation and amortisation	6	85.4	83.7
Impairment of intangible assets	14	12.8	4.6
Impairment of property, plant and equipment	15	0.4	–
Impairment of right-of-use assets		–	0.4
Loss on disposal of non-current assets	6	0.1	1.6
Equity-settled share-based payments	8,9	9.9	7.8
Net finance costs		27.3	31.9
Decrease in inventories		7.6	10.5
(Increase)/decrease in trade and other receivables		(2.0)	8.1
Increase/(decrease) in trade and other payables		12.3	(82.2)
(Decrease)/increase in provisions		(0.4)	1.1
Defined benefit retirement contributions in excess of charge		(10.7)	(9.8)
Cash generated from operations		348.8	300.9
Interest received		4.7	4.8
Interest paid		(34.0)	(35.8)
Income tax paid		(60.4)	(73.3)
Net cash from operating activities		259.1	196.6

	Notes	2025 £m	2024 restated ¹ £m
Cash flows from investing activities			
Acquisition of businesses	29	(8.4)	(313.1)
Cash and cash equivalents acquired with businesses	29	–	9.0
Total cash impact on acquisition of businesses		(8.4)	(304.1)
Purchase of intangible assets		(33.1)	(35.7)
Purchase of property, plant and equipment		(16.2)	(15.9)
Net cash used in investing activities		(57.7)	(355.7)
Cash flows from financing activities			
Proceeds from the issue of share capital	26	0.2	3.6
Purchase of own shares by EBT		(46.5)	(1.5)
Net (decrease)/increase in revolving facility and short-term loans ²		(42.3)	130.2
Other loans drawn down ²		24.0	131.7
Other loans repaid ²		(0.4)	(2.5)
Principal elements of lease payments		(15.7)	(18.5)
Dividends paid	13	(104.7)	(104.1)
Net cash (used in)/generated from financing activities		(185.4)	138.9
Net increase/(decrease) in cash and cash equivalents		16.0	(20.2)
Cash and cash equivalents at the beginning of the year		96.0	120.5
Effect of exchange rate changes		(6.0)	(4.3)
Cash and cash equivalents at the end of the year	22	106.0	96.0

1. Please refer to Note 32 for further details of the restatement.

2. Cash flows relating to borrowings eligible for net presentation are now presented within the line "net (decrease)/increase in revolving facility and short-term loans". The 2023/24 comparative of £130.2 million consists of inflow of £155.0 million re-presented from "other loans drawn down" and outflow of £24.8 million re-presented from "other loans repaid".

The Notes on pages 150 to 195 form part of these Group accounts.

Group accounts continued

GROUP STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2025

	Attributable to owners of the Company					Non-controlling interests	Total equity
	Share capital and share premium (Note 26) £m	Own shares held by EBT £m	Other reserves (Note 27) £m	Retained earnings £m	Total £m	£m	£m
At 1 April 2023 (as reported)	283.3	(2.2)	108.8	954.3	1,344.2	0.7	1,344.9
Effect of prior period restatement (Note 32)	–	–	0.3	(10.3)	(10.0)	–	(10.0)
As at April 2023 (restated¹)	283.3	(2.2)	109.1	944.0	1,334.2	0.7	1,334.9
Profit for the year (as reported)	–	–	–	183.7	183.7	–	183.7
Prior period restatement (Note 32)	–	–	–	(4.3)	(4.3)	–	(4.3)
Profit for the year (restated ¹)	–	–	–	179.4	179.4	–	179.4
Other comprehensive income/(expense) (as reported)	–	–	(0.7)	0.7	–	(0.1)	(0.1)
Prior period restatement (Note 32)	–	–	0.3	–	0.3	–	0.3
Other comprehensive income/(expense) (restated ¹)	–	–	(0.4)	0.7	0.3	(0.1)	0.2
Total comprehensive income/(expense) (restated¹)	–	–	(0.4)	180.1	179.7	(0.1)	179.6
Cash flow hedging gains transferred to inventories	–	–	(1.6)	–	(1.6)	–	(1.6)
Cash flow hedging losses transferred to acquisition purchase price	–	–	1.8	–	1.8	–	1.8
Dividends (Note 13)	–	–	–	(104.1)	(104.1)	–	(104.1)
Equity-settled share-based payments (Notes 8 and 9)	–	–	–	7.8	7.8	–	7.8
Settlement of share awards	3.6	1.9	–	(1.9)	3.6	–	3.6
Purchase of own shares by EBT	–	(1.5)	–	–	(1.5)	–	(1.5)
Tax on equity-settled share-based payments	–	–	–	(1.6)	(1.6)	–	(1.6)
At 31 March 2024 (restated¹)	286.9	(1.8)	108.9	1,024.3	1,418.3	0.6	1,418.9
Profit for the year	–	–	–	152.7	152.7	(0.1)	152.6
Other comprehensive income/(expense)	–	–	(76.4)	1.2	(75.2)	–	(75.2)
Total comprehensive income/(expense)	–	–	(76.4)	153.9	77.5	(0.1)	77.4
Cash flow hedging gains transferred to inventories	–	–	(0.6)	–	(0.6)	–	(0.6)
Tax on cash flow hedging transferred to inventories	–	–	0.1	–	0.1	–	0.1
Dividends (Note 13)	–	–	–	(104.7)	(104.7)	–	(104.7)
Equity-settled share-based payments (Notes 8 and 9)	–	–	–	9.4	9.4	–	9.4
Settlement of share awards	0.2	6.0	–	(5.5)	0.7	–	0.7
Purchase of own shares by EBT	–	(46.5)	–	–	(46.5)	–	(46.5)
Tax on equity-settled share-based payments	–	–	–	(0.2)	(0.2)	–	(0.2)
At 31 March 2025	287.1	(42.3)	32.0	1,077.2	1,354.0	0.5	1,354.5

1. Please refer to Note 32 for further details of the restatement.

Group accounts continued

NOTES TO THE GROUP ACCOUNTS

For the year ended 31 March 2025

1 Basis of preparation

RS Group plc (the Company) is a public limited company registered in England and Wales and listed on the London Stock Exchange.

The Group accounts for the year ended 31 March 2025 are presented in sterling and rounded to £0.1 million. They are prepared in accordance with UK-adopted international accounting standards (UK IAS) and the requirements of the Companies Act 2006.

The Group accounts have been prepared on a going concern basis under the historical cost convention, modified by the revaluation of retirement benefit obligations and certain financial assets and liabilities (including derivative financial instruments) as explained in the relevant notes. The principal accounting policies have been applied consistently unless otherwise stated.

In adopting the going concern basis for preparing these Group accounts, the Board has considered the Group's future trading prospects; the Group's available liquidity, the maturity of its debt facilities and obligations under its debt covenants, and the Group's principal risks.

We have undertaken reverse stress tests on the latest forecast to assess the circumstances that would threaten the Group's current financing arrangements. These included significant declines in revenue, significant declines in revenue and gross margin, a major deterioration in cash collection, and a major under-performing acquisitions. These reverse stress tests assumed that capital expenditure and operating costs are unchanged from those in the forecast, no significant working capital initiatives occur in mitigation, dividends continue to be paid and there are no changes in or extensions to debt financing.

Based on the assessment outlined above and the output of our detailed rolling forecasts, the Board believes that it is appropriate to continue to adopt the going concern basis in preparing the Group's accounts.

Basis of consolidation

The Group accounts comprise the results, assets and liabilities of the Company and all its subsidiaries (together referred to as the Group) and include the Employee Benefit Trust (EBT) and the Group's interest in a joint venture. Subsidiaries are entities controlled by the Company and the EBT is controlled by the Company. The joint venture is accounted for using the equity method of accounting.

The results of businesses acquired in the year are consolidated from the effective date of acquisition. The net assets of businesses acquired are incorporated in the Group accounts at their fair values at the date of acquisition.

Intra-group transactions and balances are eliminated in preparing the Group accounts and no profit or loss is recognised on intra-group transactions. Unrealised gains or losses arising from transactions with the joint venture are eliminated to the extent of the Group's interest in the entity.

Estimates and judgements

The preparation of accounts in accordance with UK IAS requires the Group to make judgements and estimates that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. Except for judgements involved in estimations, no judgements have been made in the process of applying the Group's accounting policies that have had a significant effect on the amounts recognised in the accounts. The judgements involved in estimations take account of the Group's latest expectations of the longer-term impacts of climate change and environmental regulations and the current global economic and geopolitical uncertainties, and the impact was not material.

Significant estimates are those that have a significant risk of resulting in a material adjustment to the carrying amounts of the Group's assets and liabilities within the next year. The significant estimates made in preparing the accounts were in relation to retirement benefit obligations and inventory provisioning and further details on the application of these estimates can be found in Note 10 and Note 18 respectively. While not significant estimates, the Group also focuses on estimates made in relation to the fair values on acquisition of businesses (Note 29) and the review of intangibles and other assets for impairment (Notes 14 and 23). Further details are provided in the relevant notes.

Actual results in the longer term may differ from these estimates.

Foreign currency

Foreign currency transactions

Transactions in foreign currencies are recorded using the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated at the rate ruling at that date and the gains and losses on translation are recognised in operating profit. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated at the rate ruling at the date the fair value was determined.

Translation of foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated at exchange rates ruling at the balance sheet date. The income statement and cash flows of foreign operations are translated at the average rate for the period. Foreign exchange differences on translation of foreign operations are recognised in other comprehensive income.

Standards and interpretations adopted in the year

Amendments to IAS 7 'Statement of Cash Flows' and IFRS 7 'Financial Instruments: Disclosures' titled 'Supplier Finance Arrangements'

The amendments to IAS 7 'Statement of Cash Flows' and International Financial Reporting Standard (IFRS) 7 'Financial Instruments: Disclosures' titled 'Supplier Finance Arrangements' introduce new disclosure requirements that enables users of financial statements to assess the effects of supplier finance arrangements on the Group's liabilities, cash flows and exposure to concentration of liquidity risk.

Group accounts continued

NOTES TO THE GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2025

1 Basis of preparation continued

The Group applied transitional provisions contained in the amendments and hence it did not disclose the comparative information in the first year of adoption. Note 20 provides the required disclosures related to these amendments.

Other

Amendments to IAS 1 'Classification of Liabilities as Current or Non-current' and 'Presentation of Financial Statements – Non-current Liabilities with Covenants', and Amendments to IFRS 16 "Leases – Lease Liability in a Sale and Leaseback" were adopted in the year. There was no material impact on the reported results or financial position of the Group.

Standards or interpretations issued but not yet applied

The Group does not consider that the following standards or interpretations issued but not yet effective, and in some cases not yet adopted by the UK Endorsement Board (UKEB), will have a significant impact on the accounts, except if indicated below.

Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' titled 'Lack of Exchangeability' effective for annual reporting periods beginning on or after 1 January 2025.

Amendments to IFRS 9 'Financial Instruments' and IFRS 7 'Financial Instruments: Disclosures' titled 'Amendments to the Classification and Measurement of Financial Instruments' effective for annual reporting periods beginning on or after 1 January 2026. The potential impact on cash and banking operations and amounts reported in cash and cash equivalents on adoption of the amendments is currently being assessed.

Amendments to IFRS 9 'Financial Instruments' and IFRS 7 'Financial Instruments: Disclosures' titled 'Contracts Referencing Nature-dependent Electricity' effective for annual reporting periods beginning on or after 1 January 2026.

IFRS 19 'Subsidiaries without Public Accountability: Disclosures', not yet endorsed for adoption in UK IAS, effective for annual reporting periods beginning on or after 1 January 2027 with earlier application permitted.

IFRS 18 'Presentation and Disclosures in Financial Statements' effective for annual reporting periods beginning on or after 1 January 2027 with earlier application permitted. The Group anticipates that the application of these amendments may have an impact on the Group's consolidated accounts in future periods.

IFRS 18 replaces IAS 1, carrying forward many of the requirements in IAS 1 unchanged and complementing them with new requirements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Furthermore, the IASB has made minor amendments to IAS 7 and IAS 33 Earnings per Share.

IFRS 18 introduces new requirements to:

- present specified categories and defined subtotals in the income statement
- provide disclosures on management-defined performance measures (MPMs) in the notes to the accounts
- improve aggregation and disaggregation

The amendments to IAS 7 and IAS 33, as well as the revised IAS 8 and IFRS 7, become effective when an entity applies IFRS 18. IFRS 18 requires retrospective application with specific transition provisions.

2 Segmental reporting

The Group's operating segments comprise three regions: EMEA, Americas and Asia Pacific. Their principal activities are described on pages 33 to 35. The operating segments' performance is assessed on revenue and adjusted operating profit on a monthly basis by the chief operating decision maker, who is the Chief Executive Officer. Inter-segment pricing is determined on an arm's length basis, comprising sales of product at cost and a handling charge included within distribution and marketing expenses.

During the first half of the year the Group reviewed the methodology for the allocation of central costs which has resulted in an increased level of costs apportioned to the regions and a lower level of central costs, and the prior years' segmental operating profits and central costs have been restated below. The level of costs reallocated from/(to) central costs to/(from) the regions as a result of the change was £37.7 million (EMEA: £32.3 million; Americas: £6.6 million; partially offset by Asia Pacific: (£1.2 million)) in the year ended 31 March 2024 and £36.0 million (EMEA: £28.1 million; Americas: £8.9 million; partially offset by Asia Pacific: (£1.0 million)) in the year ended 31 March 2023.

Due to a prior period error, there is an additional restatement of prior years. Further details can be found in Note 32.

Group accounts continued

NOTES TO THE GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2025

2 Segmental reporting continued

Year ended 31 March 2025

	EMEA £m	Americas £m	Asia Pacific £m	Group £m
Revenue from external customers	1,777.3	907.4	218.8	2,903.5
Segmental operating profit	200.5	81.6	6.1	288.2
Central costs				(14.0)
Adjusted operating profit ¹				274.2
Amortisation and impairment of acquired intangibles				(37.3)
Acquisition-related items (Note 3)				(4.1)
Operating profit				232.8
Net finance costs				(27.3)
Share of profit of joint venture				0.6
Profit before tax				206.1
Segmental capital expenditure	38.2	9.9	0.8	48.9
Central costs				-
Capital expenditure				48.9
Segmental depreciation and amortisation	41.7	13.1	3.2	58.0
Central costs				1.4
Amortisation of acquired intangibles				26.0
Depreciation and amortisation (including of right-of-use assets)				85.4

Year ended 31 March 2024 (restated)

	EMEA £m	Americas £m	Asia Pacific £m	Group £m
Revenue from external customers	1,794.8	933.7	213.9	2,942.4
Segmental operating profit	223.4	89.2	5.0	317.6
Central costs				(11.4)
Adjusted operating profit ¹				306.2
Amortisation of acquired intangibles				(26.6)
Acquisition-related items (Note 3)				(5.1)
Operating profit				274.5
Net finance costs				(31.9)
Share of profit of joint venture				0.6
Profit before tax				243.2
Segmental capital expenditure	38.3	12.5	0.4	51.2
Central costs				-
Capital expenditure				51.2
Segmental depreciation and amortisation	38.8	14.2	2.7	55.7
Central costs				1.4
Amortisation of acquired intangibles				26.6
Depreciation and amortisation (including of right-of-use assets)				83.7

1. See Note 3 for definition of this APM.

Group accounts continued

NOTES TO THE GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2025

2 Segmental reporting continued

Disaggregation of revenue

In the tables below, revenue is disaggregated by sales channels, by own-brand products or other product and service solutions, and also by service solutions or other. Service solutions includes procurement solutions, maintenance solutions and other solutions. The Group's largest own brand is RS PRO. £2,805.2 million of revenue is recognised at a point in time (2023/24: £2,850.7 million) and £98.3 million over time (2023/24: £91.7 million).

Sales channel

During the year the Group reviewed what it classes as digital revenue which has resulted in an overall increase to digital revenue and corresponding decrease to offline revenue in EMEA for the year ended 31 March 2024 of £18.4 million (2022/23: £nil), and in Americas a decrease in digital revenue and a corresponding increase in offline revenue of £18.5 million (2022/23: £4.2 million). The Group has also reviewed its categorisation of service solutions revenue, which has resulted in a decrease in service solutions revenue in Americas of £11.2 million in the year ended 31 March 2024 (2022/23: £3.9 million).

The information below reflects the new classifications.

Year ended 31 March 2025	EMEA £m	Americas £m	Asia Pacific £m	Group £m
Web	851.2	269.5	81.9	1,202.6
eProcurement and other digital	479.1	35.7	36.5	551.3
Digital	1,330.3	305.2	118.4	1,753.9
Offline	447.0	602.2	100.4	1,149.6
Revenue	1,777.3	907.4	218.8	2,903.5

Year ended 31 March 2024 (restated)	EMEA £m	Americas £m	Asia Pacific £m	Group £m
Web	881.1	281.6	88.5	1,251.2
eProcurement and other digital	459.6	36.1	34.6	530.3
Digital	1,340.7	317.7	123.1	1,781.5
Offline	454.1	616.0	90.8	1,160.9
Revenue	1,794.8	933.7	213.9	2,942.4

Year ended 31 March 2023 (restated)	EMEA £m	Americas £m	Asia Pacific £m	Group £m
Web	893.8	340.5	121.2	1,355.5
eProcurement and other digital	417.3	60.1	39.6	517.0
Digital	1,311.1	400.6	160.8	1,872.5
Offline	457.4	544.9	107.5	1,109.8
Revenue	1,768.5	945.5	268.3	2,982.3

Group accounts continued

NOTES TO THE GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2025

2 Segmental reporting continued

Own-brand/other products and service solutions

Year ended 31 March 2025	EMEA £m	Americas £m	Asia Pacific £m	Group £m
Own-brand product and service solutions	359.6	7.1	33.7	400.4
Other product and service solutions	1,417.7	900.3	185.1	2,503.1
Revenue	1,777.3	907.4	218.8	2,903.5

Year ended 31 March 2024

Own-brand product and service solutions	364.9	6.7	33.2	404.8
Other product and service solutions	1,429.9	927.0	180.7	2,537.6
Revenue	1,794.8	933.7	213.9	2,942.4

Service solutions/other

Year ended 31 March 2025	EMEA £m	Americas £m	Asia Pacific £m	Group £m
Service solutions	557.1	133.7	46.7	737.5
Other	1,220.2	773.7	172.1	2,166.0
Revenue	1,777.3	907.4	218.8	2,903.5

Year ended 31 March 2024 (restated)

Service solutions	532.3	121.6	43.4	697.3
Other	1,262.5	812.1	170.5	2,245.1
Revenue	1,794.8	933.7	213.9	2,942.4

Year ended 31 March 2023 (restated)

Service solutions	506.1	129.0	46.4	681.5
Other	1,262.4	816.5	221.9	2,300.8
Revenue	1,768.5	945.5	268.3	2,982.3

Revenue and non-current assets by geographical location

In the table below, revenue is based on the location of the Group operation where the sales originated and non-current assets are based on the location of the assets. Non-current assets exclude financial instruments, retirement benefit net assets and deferred tax assets.

	Revenue		Non-current assets	
	2025 £m	2024 £m	2025 £m	2024 £m
UK (country of domicile)	669.5	686.1	209.0	218.4
US	671.0	698.3	366.8	381.9
France	331.1	326.2	16.2	13.7
Mexico	197.9	193.2	181.8	238.8
Germany	169.9	189.0	27.5	30.2
Italy	120.1	126.9	5.3	3.4
Switzerland	51.2	44.3	289.5	288.0
Rest of World	692.8	678.4	35.0	63.3
Group	2,903.5	2,942.4	1,131.1	1,237.7

3 Alternative Performance Measures (APMs)

The Group uses a number of APMs in addition to those measures reported in accordance with UK IAS. Such APMs are not defined terms under UK IAS and are not intended to be a substitute for any UK IAS measure. The Directors believe that the APMs are important when assessing the financial and operating performance of the Group. The APMs are used internally for performance analysis and in employee incentive arrangements, as well as in discussions with the investment analyst community.

The APMs assist with the comparability of information between reporting periods by adjusting for factors such as fluctuations in foreign exchange rates, number of trading days and items, such as reorganisation costs, that are substantial in scope and impact and do not form part of operational or management activities that the Directors would consider when assessing performance. The Directors review on at least an annual basis the threshold for what is substantial, in the context of the business performance. The Directors also believe that excluding recent acquisitions, amortisation and impairment of acquired intangibles and acquisition-related items aids comparison of the performance between reporting periods and between businesses with similar assets that were internally generated.

Adjusted profit measures

These are the equivalent UK IAS measures adjusted to exclude amortisation and impairment of intangible assets arising on acquisition of businesses, acquisition-related items, substantial reorganisation costs, substantial asset write-downs, one-off pension credits or costs, significant tax rate changes and, where relevant, associated income tax effects. Adjusted profit before tax is a performance measure for the annual incentive and the all employee Long Term Incentive Plan (LTIP) called the RS YAY!

Group accounts continued

NOTES TO THE GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2025

2 Segmental reporting continued

Award. Adjusted earnings per share is a performance measure for the LTIP and Journey to Greatness (J2G) LTIP Award. Adjusted operating profit conversion, adjusted operating profit margin and adjusted earnings per share are financial key performance indicators (KPIs) which are used to measure the Group's progress in delivering the successful implementation of its strategy and monitor and drive its performance.

	Operating profit £m	Operating profit margin ¹ %	Operating profit conversion ² %	Profit before tax £m	Profit for the year £m	Basic earnings per share p	Diluted earnings per share p
Year ended 31 March 2025							
Reported	232.8	8.0%	18.7%	206.1	152.6	32.5p	32.5p
Amortisation and impairment of acquired intangibles	37.3			37.3	28.0	6.0p	6.0p
Acquisition-related items	4.1			4.1	3.0	0.6p	0.6p
Adjusted	274.2	9.4%	22.1%	247.5	183.6	39.1p	39.1p

Year ended 31 March 2024 restated³

Reported	274.5	9.3%	21.8%	243.2	179.4	37.9p	37.8p
Amortisation of acquired intangibles	26.6			26.6	19.8	4.2p	4.2p
Acquisition-related items	5.1			5.1	3.8	0.8p	0.8p
Adjusted	306.2	10.4%	24.3%	274.9	203.0	42.9p	42.8p

1. Operating profit margin is operating profit expressed as a percentage of revenue.

2. Operating profit conversion is operating profit expressed as a percentage of gross profit.

3. Please refer to Note 32 for further details of the restatement.

During the year, the customer contracts, relationships and distribution agreements were assessed for impairment. As a result of that review, the asset related to the acquisition of IESA was fully impaired, with an impairment cost of £10.9 million. In addition, £0.4 million of software acquired with IESA was also impaired.

Acquisition-related items comprise transaction costs directly attributable to the acquisition of businesses, any deferred consideration payments relating to the retention of former owners and key employees of acquired businesses expensed as remuneration, adjustments to acquisition-related indemnification assets and the related liabilities that result from events after the acquisition date and any remeasurements of contingent consideration payable on acquisition of businesses that result from events after the acquisition date.

	2025 £m	2024 £m
Transaction costs – acquisition-related costs incurred in year for acquisitions completed in year	–	(4.7)
Acquisition related legal claim costs	(2.1)	–
Retention bonuses	(1.7)	–
Other acquisition-related costs	(0.6)	(0.8)
Remeasurements of contingent consideration (Note 29)	0.3	0.4
Acquisition-related items (in administrative expenses)	(4.1)	(5.1)
Adjustments to uncertain tax provisions related to indemnification assets	0.7	1.3
Other associated income tax effects	0.4	–
Acquisition-related items after tax	(3.0)	(3.8)

Included in acquisition-related items for the year ended 31 March 2025 was £2.1 million in respect of legal costs for an ongoing dispute.

Included in acquisition-related items for the year ended 31 March 2024 was the release of the £0.4 million contingent consideration payable on acquisition of domnick hunter-RL (Thailand) Co., Ltd. given the conditions for payment were not met.

Like-for-like revenue and profit measures

Like-for-like revenue and profit measures are adjusted to exclude the effects of changes in exchange rates on translation of overseas profits. They exclude acquisitions in the relevant years until they have been owned for a year, at which point they start to be included in both the current and comparative years for the same number of months. These measures enable management and investors to track more easily, and consistently, the performance of the business.

The principal exchange rates applied in preparing the Group accounts and in calculating the following like-for-like measures are:

	2025 Average	2025 Closing	2024 Average	2024 Closing
US dollar	1.276	1.293	1.257	1.264
Euro	1.189	1.198	1.159	1.170

Group accounts continued

NOTES TO THE GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2025

3 Alternative Performance Measures (APMs) continued

Like-for-like revenue change

Like-for-like revenue change is also adjusted to eliminate the impact of differences in trading days year-on-year. It is calculated by comparing the revenue of the base business for the current year with the prior year converted at the current year's average exchange rates and pro-rated for the same number of trading days as the current year. It is a performance measure for the annual incentive and a financial KPI.

	£m					
Revenue for 2024	2,942.4					
Effect of exchange rates	(65.9)					
Effect of trading days	27.5					
Revenue for 2024 at 2025 rates and trading days	2,904.0					

	2025 Group £m	Less: acquisitions owned < 1 year £m	2025 base business £m	2024 £m	2024 at 2025 rates and trading days £m	Like-for-like change %
EMEA	1,777.3	41.1	1,736.2	1,794.8	1,788.0	(3)%
Americas	907.4	-	907.4	933.7	905.7	-
Asia Pacific	218.8	8.5	210.3	213.9	210.3	-
Revenue	2,903.5	49.6	2,853.9	2,942.4	2,904.0	(2)%

Gross margin and like-for-like gross margin change

Gross margin is gross profit expressed as a percentage of revenue. Like-for-like change in gross margin is calculated by taking the difference between gross margin for the base business for the current year and gross margin for the prior year with reported revenue and reported gross profit converted at the current year's average exchange rates.

	2025 Group £m	Less: acquisitions owned < 1 year £m	2025 base business £m	2024 restated ¹ £m	2024 restated ¹ at 2025 rates £m	Like-for-like change pts
Revenue	2,903.5	49.6	2,853.9	2,942.4	2,876.5	
Gross profit	1,243.2	22.5	1,220.7	1,258.3	1,233.2	
Gross margin	42.8%	45.4%	42.8%	42.8%	42.9%	(0.1) pts

1. Please refer to Note 32 for further details of the restatement.

Like-for-like profit change

Like-for-like change in profit is calculated by comparing the base business for the current year with the prior year converted at the current year's average exchange rates.

	2025 Group £m	Less: acquisitions owned < 1 year £m	2025 base business £m	2024 restated ¹ £m	2024 restated ¹ at 2025 rates £m	Like-for-like change %
Segmental operating profit						
EMEA	200.5	2.3	198.2	223.4	217.0	(9)%
Americas	81.6	-	81.6	89.2	85.4	(4)%
Asia Pacific	6.1	0.1	6.0	5.0	4.2	43%
Segmental operating profit	288.2	2.4	285.8	317.6	306.6	(7)%
Central costs	(14.0)	-	(14.0)	(11.4)	(11.4)	23%
Adjusted operating profit	274.2	2.4	271.8	306.2	295.2	(8)%
Adjusted profit before tax	247.5	2.1	245.4	274.9	264.0	(7)%
Adjusted earnings per share	39.1p	0.4p	38.7p	42.9p	41.2p	(6)%
Adjusted diluted earnings per share	39.1p	0.5p	38.6p	42.8p		

1. Please refer to Notes 2 and 32 for further details of the restatements.

Adjusted free cash flow and adjusted operating cash flow conversion

Adjusted free cash flow is net cash from operating activities less purchases of intangible assets, property, plant and equipment plus any proceeds on sale of intangible assets, property, plant and equipment, adjusted for the cash impact of substantial reorganisation costs and acquisition-related items and is a performance measure for the annual incentive.

Adjusted operating cash flow is adjusted free cash flow before income tax and net interest paid. Adjusted operating cash flow conversion is adjusted operating cash flow expressed as a percentage of adjusted operating profit and is a financial KPI.

Group accounts continued

NOTES TO THE GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2025

3 Alternative Performance Measures (APMs) continued

	2025 £m	2024 restated ¹ £m
Net cash from operating activities	259.1	196.6
Purchase of intangible assets	(33.1)	(35.7)
Purchase of property, plant and equipment	(16.2)	(15.9)
Add back: impact of substantial reorganisation cash flows	0.2	0.7
Add back: impact of acquisition-related items cash flows	4.1	5.5
Adjusted free cash flow	214.1	151.2
Add back: income tax paid	60.4	73.3
Add back: net interest paid	29.3	31.0
Adjusted operating cash flow	303.8	255.5
Adjusted operating profit	274.2	306.2
Adjusted operating cash flow conversion	110.8%	83.4%

1. Please refer to Note 32 for further details of the restatement.

Earnings before interest, tax, depreciation and amortisation (EBITDA), net debt and net debt to adjusted EBITDA

EBITDA is operating profit excluding depreciation and amortisation. Net debt to adjusted EBITDA (one of the Group's debt covenants) is the ratio of net debt to EBITDA excluding impairment of intangible assets arising on acquisition of businesses, acquisition-related items, substantial reorganisation costs, substantial asset write-downs and one-off pension credits or costs on an annualised basis covering the preceding twelve-month period. Net debt comprises cash and cash equivalents, borrowings and lease liabilities and is reconciled in Note 22.

	2025 £m	2024 restated ¹ £m
Operating profit	232.8	274.5
Add back: depreciation and amortisation	85.4	83.7
EBITDA	318.2	358.2
Add back: impairment of acquired intangibles	11.3	–
Add back: acquisition-related items	4.1	5.1
Adjusted EBITDA	333.6	363.3
Net debt	364.2	418.2
Net debt to adjusted EBITDA	1.1x	1.2x

1. Please refer to Note 32 for further details of the restatement.

Earnings before interest, tax and amortisation (EBITA) and EBITA to interest

EBITA is adjusted EBITDA after depreciation. EBITA to interest (one of the Group's debt covenants) is the ratio of EBITA to finance costs including capitalised interest less finance income (interest per debt covenants).

	2025 £m	2024 restated ¹ £m
Adjusted EBITDA	333.6	363.3
Less: depreciation	(34.7)	(35.5)
EBITA	298.9	327.8
Finance costs	32.0	36.7
Less: finance income	(4.7)	(4.8)
Interest (per debt covenants)	27.3	31.9
EBITA to interest	10.9x	10.3x

1. Please refer to Note 32 for further details of the restatement.

Return on capital employed (ROCE)

ROCE is adjusted operating profit expressed as a percentage of monthly average net assets excluding net cash/debt and retirement benefit obligations and is an underpin for the LTIP and J2G LTIP Award and a financial KPI.

	2025 £m	2024 restated ¹ £m
Average net assets	1,374.9	1,387.5
Add back: average net debt	414.7	371.5
Add back: average retirement benefit net obligations	20.2	31.2
Average capital employed	1,809.8	1,790.2
Adjusted operating profit	274.2	306.2
ROCE	15.2%	17.1%

1. Please refer to Note 32 for further details of the restatement.

Group accounts continued

NOTES TO THE GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2025

3 Alternative Performance Measures (APMs) continued

Working capital as a percentage of revenue

Working capital is inventories, current trade and other receivables and current trade and other payables.

	2025 £m	2024 restated ¹ £m
Inventories	617.3	637.4
Current trade and other receivables	688.5	701.4
Current trade and other payables	(611.0)	(602.7)
Working capital	694.8	736.1
Revenue	2,903.5	2,942.4
Working capital as a percentage of revenue	23.9%	25.0%

1. Please refer to Note 32 for further details of the restatement.

Inventory turn

Inventory turn is cost of sales divided by inventories.

	2025 £m	2024 restated ¹ £m
Cost of sales	1,660.3	1,684.1
Inventories	617.3	637.4
Inventory turn	2.7	2.6

1. Please refer to Note 32 for further details of the restatement.

Ratio of capital expenditure to depreciation

Ratio of capital expenditure to depreciation is capital expenditure divided by depreciation and amortisation excluding amortisation of acquired intangibles and depreciation of right-of-use assets.

	2025 £m	2024 £m
Depreciation and amortisation	85.4	83.7
Less: amortisation of acquired intangibles	(26.0)	(26.6)
Less: depreciation of right-of-use assets	(17.2)	(18.6)
Adjusted depreciation and amortisation	42.2	38.5
Capital expenditure	48.9	51.2
Ratio of capital expenditure to depreciation	1.2 times	1.3 times

4 Revenue recognition

Revenue from the sale of goods is recognised in the income statement when control of the goods has transferred, which in most countries is contractually on delivery to the customer but in a few countries is contractually on collection from the Group's distribution sites by the delivery company. When the Group arranges the delivery of goods where control has transferred on collection, the customer is invoiced an amount to cover the cost of freight and this is included in revenue as the goods are shipped. Customers are invoiced on dispatch of the goods. Revenue is measured with reference to the amount invoiced to the customer, net of any immediate discounts applicable to the order. Obligations for retrospective customer volume discounts are calculated by estimating the expected discount percentage that will be achieved for the contractual period using historical data adjusted for current experience and applying that percentage to actual qualifying sales. When a customer has a right to return goods purchased, the Group estimates the obligation for the expected value of the refunds using recent experience. Obligations for both retrospective customer volume discounts and the expected value of refunds for returns are deducted from the revenue recognised when the goods are sold and included in other payables on the balance sheet and at 31 March 2025 were £19.1 million (2023/24: £16.7 million).

Products sourced for customers under the provision of outsourced services are sent directly by suppliers to customers and the Group has no control over the products sourced and bears no inventory risk. The Group does not have discretion in establishing the price as the price charged to customers is the price charged by the suppliers. Therefore, the Group acts as an agent in relation to these products and so does not recognise the value of these products in revenue or cost of sales. Revenue is measured with reference to the amount invoiced to the customer for management charges and is recognised either over time based on time elapsed for monthly management charges or when the related products are delivered for other management charges. Invoices are raised monthly for monthly management charges or when the invoices for the related products are invoiced for other management charges, normally on a weekly or monthly basis. Income earned from suppliers for access to the Group's online procurement portals is recognised as revenue either over time based on time elapsed for subscription fees or as their products are delivered to the Group's customers for licence fees. Invoices are raised monthly, quarterly or annually in advance for subscription fees depending on contractual terms. Credit notes for licence fee income are received from suppliers depending on contractual terms with the least frequent being annual.

Revenue from the sale of calibration services is recognised when control of the services has transferred, which is upon delivery to the customer of the items which have been calibrated. Customers are invoiced on dispatch of the calibrated items. Revenue is measured with reference to the amount invoiced to the customer.

All revenue is recognised net of sales taxes and all payment terms are based on commercially reasonable terms for the respective markets and no element of financing is deemed present.

Remaining performance obligations (unsatisfied or partially unsatisfied) at the year end all relate to customer contracts that have an original expected duration of not more than one year or are invoiced based on time incurred. As permitted under IFRS 15 'Revenue from Contracts with Customers', the transaction price allocated to these remaining performance obligations is not disclosed.

Group accounts continued

NOTES TO THE GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2025

5 Cost of sales

Cost of sales comprises the cost of goods delivered to customers and the write-down of inventories to net realisable value, excluding freight and packaging expenses.

When a customer has a right to return goods, the Group estimates the expected value of the goods that are likely to be returned based on historical experience and the expected gross margin. It recognises an asset in other receivables for the right to recover these goods and deducts this from cost of sales when the goods are sold.

The Group receives rebates from certain suppliers relating mainly to the volume of purchases made in a specified time period. These rebates are recognised as a reduction in cost of sales to the extent that the inventories purchased from the supplier and eligible for rebates have been sold in the year. Rebates on purchases that remain in inventories are deducted from the cost of inventories, thus reducing cost of sales in the income statement in the period in which the inventories are expensed. The Group recognises the rebate only where there is evidence of a binding arrangement with the supplier, the amount can be estimated reliably and receipt is probable. The Group estimates whether the supplier rebates relate to products already sold or remaining in inventories, based on inventory turns. When estimating the value of supplier rebates earned but not yet received, the Group makes assumptions about the likely volume of eligible purchases to be made over the remaining rebate period. As at 31 March 2025, the Group had £3.3 million (2023/24: £2.1 million) of supplier rebates recognised within trade and other receivables.

	2025 £m	2024 restated ¹ £m
Inventory scrapped	15.1	13.2
Movement in inventory provisions	7.1	27.6
Write-down of inventories to net realisable value	22.2	40.8
Loss on foreign exchange related to sales and purchases	0.4	6.8
Net gains on forward foreign exchange contracts classified as fair value through profit or loss	(0.1)	(2.6)
Direct pass-through costs related to the provision of outsourced services	42.6	42.8
Inventories recognised as an expense	1,595.2	1,596.3
Cost of sales	1,660.3	1,684.1

1. Please refer to Note 32 for further details of the restatement.

6 Operating profit

The following items have been included in operating profit:

	2025 £m	2024 £m
Amortisation of intangible assets (Note 14)	50.7	48.2
Depreciation of property, plant and equipment (Note 15)	17.5	16.9
Depreciation of right-of-use assets (Note 16)	17.2	18.6
Depreciation and amortisation	85.4	83.7
Impairment of intangible assets (Note 14)	12.8	4.6
Impairment of property, plant and equipment (Note 15)	0.4	–
Freight and packaging expenses	111.0	109.0
Amortisation of government grants	(0.1)	(0.1)
(Gain)/loss on other foreign exchange	(0.6)	0.1
Net losses/(gains) on forward foreign exchange contracts classified as fair value through profit or loss	0.7	(0.5)
Loss on disposal of intangible assets	0.3	0.2
Loss on disposal of property, plant and equipment	0.1	1.3
(Gain)/loss on disposal of right-of-use assets	(0.3)	0.1
Increase in impairment allowance for financial assets (Note 23)	4.2	3.4
Employee costs (Note 8)	496.0	469.7

Fees paid to the Auditors were:

	2025 £m	2024 £m
Fees payable to the Company's Auditors for the audit of the Company and Group accounts	2.1	1.1
Fees payable to the Company's Auditors and their associates for other services:		
Audit of the Company's subsidiaries	2.0	2.0
Audit-related assurance services	0.1	0.1
Total fees payable to the Company's Auditors and their associates	4.2	3.2

Group accounts continued

NOTES TO THE GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2025

7 Finance income and costs

Finance costs that are directly attributable to the construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of that asset. Interest on financial assets and liabilities measured at amortised cost and on lease liabilities is calculated using the effective interest method and recognised in the income statement as incurred.

Invoice finance charges relate to costs incurred when the Group makes use of its customers' supplier invoice financing options where this is commercially and administratively attractive. These options are used for some outsourced services customers, including where they give the Group access to the customers' invoice portals to simplify the invoice query reconciliation process and so speed up the receipt of payments.

	2025 £m	2024 £m
Finance income		
Interest income on financial assets measured at amortised cost	4.7	4.8
Finance income	4.7	4.8
Finance costs		
Interest expense on financial liabilities measured at amortised cost	(25.8)	(28.1)
Interest expense on lease liabilities	(2.8)	(2.9)
Interest expense on financial liabilities not at fair value through profit or loss	(28.6)	(31.0)
Interest expense on tax payable	(0.1)	(1.2)
Interest credit/(charge) on uncertain income tax positions	0.4	(0.1)
Invoice finance charges	(3.7)	(4.4)
Finance costs	(32.0)	(36.7)

8 Employees

Average number of employees	2025	2024
EMEA	5,689	5,872
Americas	2,192	2,256
Asia Pacific	760	767
Central	68	69
Group	8,709	8,964
Employment costs	2025 £m	2024 £m
Wages and salaries	401.9	373.8
Social security costs	51.0	52.7
Share-based payments – equity-settled (Note 9)	9.4	7.8
Share-based payments – cash-settled (Note 9)	(0.8)	0.4
Defined contribution retirement benefit costs (Note 10)	21.4	21.0
Defined benefit retirement benefit costs (Note 10)	3.4	4.1
	486.3	459.8
Termination benefits	9.7	9.9
Total	496.0	469.7

Information on the Directors' remuneration is given in the Directors' Remuneration report on pages 104 to 131.

9 Share-based payments

The Group operates share-based payment schemes which are the LTIPs, the Deferred Share Bonus Plan (DSBP) and the Savings-Related Share Option Scheme (SAYE).

Equity-settled share-based payments are measured at fair value at the grant date, calculated using an appropriate option pricing model. The fair value is expensed in the income statement with a corresponding increase in equity on a straight-line basis over the period that employees become unconditionally entitled to the awards. The income statement charge is adjusted to reflect expected and actual levels of vesting associated with non-market performance related criteria.

Group accounts continued

NOTES TO THE GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2025

9 Share-based payments continued

Cash-settled share-based payments are measured at fair value at the balance sheet date, taking into account the estimated number of awards that will actually vest and the relative completion of the vesting period. This fair value is included in liabilities and changes in the value of these liabilities are recognised in the income statement.

The Employee Benefit Trust (EBT) established to administer the schemes owns shares in the Company which are shown in equity.

LTIPs – equity settled and cash settled

The Group's active LTIPs are granted under the 2019 LTIP, the 2022 LTIP, the J2G LTIP Award and the RS YAY! Award. Under these LTIPs, awards are made to plan participants normally subject to service conditions and performance conditions. Some of the awards are equity settled and some are cash settled. At the vesting date the award will either vest, in full or in part, or expire, normally depending on the outcome of the performance conditions. All awards have £nil exercise price and normally receive accrued dividends on settlement.

Those awards made under the 2019 LTIP in 2021/22 (vested in June 2024) were normally subject to a market performance condition based on total shareholder return (TSR) of the Group versus a defined comparator group (see the Directors' Remuneration report for details) and a non-market performance condition based on cumulative growth in adjusted earnings per share (EPS) over the vesting period with a ROCE underpin.

Awards under the 2022 LTIP are subject to a market performance condition based on TSR of the Group versus a defined comparator group (see the Directors' Remuneration report for details) and a non-market performance condition based on the adjusted EPS compound annual growth rate (CAGR) over the vesting period with a ROCE underpin, or subject to the continued employment of the participant within the Group.

Awards under the J2G LTIP Award to senior management are subject to non-market performance conditions based on the adjusted EPS CAGR over the vesting period and a scorecard of key performance indicators directly linked to The RS Way scorecard, with a ROCE underpin.

Awards under the RS YAY! Award to all other employees are subject to a non-market performance condition based on adjusted profit before tax CAGR over the vesting period.

The fair values of equity-settled LTIP awards were calculated at the grant date using the assumptions below, with the fair value of those subject to market performance conditions calculated using a Monte Carlo model.

Grant date	2025		2024			
	December 2024	June 2024	December 2023	November 2023	June 2023	May 2023
Market performance conditions						
Awards granted	32,298	447,743	31,818	110,006	6,109	931,186
Fair value at grant date	243p	268p	243p	184p	251p	295p
Assumptions used:						
Share price	701p	698p	816p	714p	800p	798p
Expected volatility	29.2%	29.0%	29.5%	29.6%	30.0%	30.2%
Expected life	2 years 5 months	3 years	2 years 5 months	2 years 6 months	2 years 11 months	3 years
Risk-free interest rate	4.07%	4.24%	3.97%	4.29%	4.95%	4.50%
Other conditions						
Awards granted - LTIP	32,298	447,743	31,818	135,979	44,851	1,307,163
Fair value at grant date	640p	637p	816p	714p	800p	798p
Awards granted - restricted shares	136,838	774,977	–	42,655	8,819	106,376
Fair value at grant date	701p	698p	–	714p	800p	798p

Expected volatility was estimated based on the historical volatility of the Company's shares over the most recent period commensurate to the expected life of the award. The risk-free interest rate represents the yield, at the grant date, of UK government bonds with duration commensurate to the expected life of the award.

The fair values of cash-settled LTIP awards at 31 March 2025 were:

	Awards granted	Fair value
July 2022 - Other conditions	12,000	140p
December 2022 - Other conditions	1,300	140p
June 2023 - Other conditions	462	140p
December 2023 - Other conditions	2,419	0p
June 2024 - Other conditions	7,035	562p

Group accounts continued

NOTES TO THE GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2025

9 Share-based payments continued

The movements in the LTIP awards (equity and cash settled) were:

	2025 Number of awards	2024 Number of awards
Outstanding at 1 April	6,827,091	6,302,743
Forfeited during the year	(507,411)	(1,019,886)
Expired during the year	(427,907)	(585,383)
Exercised during the year	(475,579)	(632,463)
Granted during the year	1,913,933	2,762,080
Outstanding at 31 March	7,330,127	6,827,091

DSBP – equity settled

Under the DSBP, one-third of the total annual incentive earned by plan participants is awarded as shares and vests after two years, normally subject to the continued employment of the participant within the Group. There are no other performance conditions. The participants receive accrued dividends on vesting. Deferred share awards relating to the annual incentive for the year ended 31 March 2025 are expected to be awarded in June 2025. The fair value of the shares awarded during the year was 698p (2023/24: 803p) per share award which was the share price at the date of award.

The movements in the DSBP awards were:

	2025 Number of awards	2024 Number of awards
Outstanding at 1 April	248,588	224,185
Forfeited during the year	–	–
Exercised during the year	(115,527)	(108,658)
Granted during the year	44,334	133,061
Outstanding at 31 March	177,395	248,588

SAYE – equity settled and cash settled

The SAYE scheme is available to the majority of employees of the Group employed at the time that the invitation period commences. The UK element is equity settled and the overseas element is cash settled. The option price is based on the average market price of the Company's shares over the three days prior to the offer, discounted by 20%. The option exercise conditions are the employee's continued employment for a three-year period and the maintenance of employee's regular monthly savings. Failure of either of these conditions is normally deemed a forfeiture of the option.

Employees may subscribe to the three-year or, when offered, the five-year savings period. Under the UK element, at the end of the savings period, the employee has six months to either exercise their options to purchase the shares at the agreed price or withdraw their savings with accrued interest. Under the overseas element, at the end of the savings period, the employee has six months to either exercise their options to receive cash equal to the difference between the market price and the option price or withdraw their savings with accrued interest. There are no market conditions attached to the vesting of the options.

The fair value of equity-settled SAYE options was calculated at the grant date using a Black-Scholes model, with the assumptions below.

	2025 3 year December 2024	2024 3 year November 2023
Grant date		
Options granted	879,923	1,814,474
Fair value at grant date	219p	265p
Assumptions used:		
Share price	722p	776p
Exercise price	573p	562p
Expected volatility	31.5%	28.7%
Expected option life	3 years 2 months	3 years
Expected dividend yield	2.93%	2.50%
Risk-free interest rate	4.01%	4.14%

Expected volatility was estimated based on the historical volatility of the Company's shares over the most recent three-year period. Expected dividend yield was the annual dividend yield as at the grant date. The risk-free interest rate was the yield, at the grant date, of three-year UK government bonds.

Group accounts continued

NOTES TO THE GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2025

9 Share-based payments continued

The fair values of cash-settled SAYE options at 31 March 2025 are shown below and were calculated using a Black-Scholes model, using a share price of 562p, expected dividend yield of 3.1% and additional assumptions below.

	Options granted	Fair value	Exercise price	Expected volatility	Expected remaining option life	Risk-free interest rate
5 year September 2020	19,798	48p	573p	30.7%	0.6	4.06%
5 year September 2021	11,939	20p	824p	29.5%	1.6	4.21%
3 year December 2022	518,735	20p	715p	30.7%	0.8	4.06%
3 year November 2023	707,264	87p	562p	29.2%	1.8	4.21%
3 year December 2024	309,326	106p	573p	30.5%	2.8	4.18%

Expected volatility is estimated based on the historical volatility of the Company's shares over the most recent period commensurate to the expected remaining life of the option. Expected dividend yield is the annual dividend yield as at the year end. The risk-free interest rate is the yield, at the year end, of UK government bonds with duration commensurate to the expected remaining life of the option.

The movements in and weighted average exercise price of the SAYE options (equity and cash settled) were:

	2025		2024	
	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options
Outstanding at 1 April	616p	4,526,870	662p	4,056,336
Forfeited during the year	641p	(195,806)	733p	(299,010)
Expired during the year	623p	(646,268)	708p	(847,998)
Exercised during the year	500p	(373,468)	539p	(904,196)
Granted during the year	573p	1,189,249	562p	2,521,738
Outstanding at 31 March	612p	4,500,577	616p	4,526,870
Exercisable at 31 March	767p	391,978	573p	125,525

SAYE options outstanding at the year end were:

	2025	2024
Option prices:		
£4.00 - £4.99	57,406	280,813
£5.00 - £5.99	3,284,752	2,761,202
£7.00 - £7.99	795,500	1,048,950
£8.00 - £8.99	362,919	435,905
	4,500,577	4,526,870
Weighted average remaining contractual life (in years)	2.01	2.62
Weighted average share price during period of exercise	701p	753p

10 Retirement benefit obligations

For defined benefit schemes, the surplus or deficit recognised in the balance sheet is the difference between the fair value of the scheme assets and the present value of the obligations at the balance sheet date. The present value of the obligations is calculated by independent actuaries using the projected unit credit method. It is determined by discounting estimated future cash outflows using a discount rate reflecting yields on high-quality corporate bonds with terms approximating the terms of the related obligation. The operating profit charge comprises the current service cost, net interest cost, past service costs, administrative expenses, curtailment gains and losses and settlement gains and losses. The net interest cost is based on the discount rate at the beginning of the year; contributions paid in and the surplus or deficit during the year. Past service costs and curtailment gains and losses are recognised at the earlier of when the scheme amendment or curtailment occurs and when any related reorganisation costs or termination benefits are recognised. Settlement gains and losses are recognised when the settlement occurs. Remeasurements, representing returns on scheme assets excluding amounts included in interest and actuarial gains and losses arising from changes in demographic and financial assumptions and experience adjustments, are recognised in other comprehensive income.

The Group's largest defined benefit pension scheme is in the UK, providing benefits based on final pensionable pay for eligible employees who joined on or before 1 April 2003. The scheme is administered by a corporate trustee and the funds are independent of the Group's finances. The Group also has defined benefit pension schemes in Germany and the Republic of Ireland which are closed to both new members and accruals for future service, defined benefit retirement indemnity schemes in France and Italy, and a contribution-based pension scheme in Switzerland that guarantees a minimum rate of investment return and so is accounted for under IAS 19 'Employee Benefits' as a defined benefit pension scheme.

Group accounts continued

NOTES TO THE GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2025

10 Retirement benefit obligations continued

For defined contribution schemes, the costs are charged to operating profit as they fall due. The Group has defined contribution schemes in a number of countries, including the UK, the US, Australia and Germany, and contributes to government schemes in a number of other countries that are defined contribution schemes. The Group also makes payments to employees' personal pensions in the UK when their employing company does not provide defined benefit or defined contribution schemes.

Regulatory framework and governance

The UK scheme, the RS Group Pension Scheme, is a registered scheme established under trust law and, as such, is subject to UK pension, tax and trust legislation. It is managed by a corporate trustee, RS Group Pension Trustees Limited (the Trustee). The Trustee includes representatives appointed by both the Company and members. Although the Company bears the financial cost of the scheme, the Trustee directors are responsible for the overall management of the scheme including compliance with applicable regulations and legislation. The Trustee directors are required by law to act in the interest of all relevant beneficiaries and to set certain policies, to manage the day-to-day administration of the benefits and to set the scheme investment strategy in consultation with the Company.

UK pensions are regulated by the Pensions Regulator whose statutory objectives and regulatory powers are described on its website: [thepensionsregulator.gov.uk](https://www.thepensionsregulator.gov.uk)

Deficit position and funding

The funding of the UK scheme is assessed using assumptions in accordance with the advice of independent actuaries. These assumptions may be different to those used for the accounting valuation. The last triennial funding valuation was carried out as at 31 March 2022 and showed a deficit of £36.4 million on a statutory technical provisions basis. The Trustee and the Company agreed a recovery plan to eliminate this deficit over time. Under this plan, the Group agreed to make deficit contributions of £11.1 million per annum with the aim that the scheme will be fully funded on a statutory technical provisions basis by 30 September 2025.

The rules of the UK scheme give the Trustee powers to wind up the scheme, which it may exercise if the Trustee is aware that the assets of the scheme are insufficient to meet its liabilities. Although the scheme was in deficit on a statutory funding basis at 31 March 2022, the Trustee has confirmed that it has no current intention to exercise its power to wind up the scheme.

Under the UK scheme's rules the power to wind up the scheme and augment benefits is with the Trustee and, therefore, under IFRIC 14 the Group does not have an unconditional right to any surplus that may arise. On that basis, the defined benefit net asset at 31 March 2025 has been restricted to £nil (2023/24: £nil) and an additional liability of £5.4 million (2023/24: £16.1 million) has been recognised which is equal to the present value of the agreed future deficit contributions under the recovery plan.

Based on the funding position as at 31 March 2025, in the year ending 31 March 2026 the Group expects to pay £7.5 million of contributions to the UK scheme, including £5.6 million of deficit contribution payments, and £0.9 million to the other defined benefit schemes.

Investment strategy and risk exposure

The defined benefit schemes expose the Group to actuarial risks such as longevity, interest rate, inflation and investment risks. The approach for managing the UK scheme's investment strategy and risks are set out below.

Interest rate risk

The Trustee has set a benchmark for total investment in bonds (government and corporate), interest rate swaps, inflation swaps, gilt repurchase agreements and cash as part of its matching asset portfolio (comprising the qualifying investor alternative investment fund (QIAIF), a bespoke pooled structure in which the scheme is the sole investor). Under this strategy, if gilt yields fall, the value of the investments within the matching asset portfolio will rise to help match the increase in the valuation of the liabilities arising from a fall in the discount rate, which is derived from gilt yields. Similarly, if gilt yields rise, the value of the matching asset portfolio will fall, as will the valuation of the liabilities because of an increase in the discount rate.

Inflation risk

The scheme holds index-linked gilts, inflation swaps and repurchase agreements to manage against inflation risk associated with pension liability increases. Derivatives are only held indirectly, via the QIAIF.

Longevity risk

Prudent mortality assumptions are used that appropriately allow for future improvements in life expectancy. These assumptions are reviewed on a regular basis to ensure they remain appropriate. The Trustee uses the Club Vita service to provide a better estimate of the mortality rates of the scheme's membership than the standard tables. Club Vita facilitates the accumulation and pooling of data and helps pension schemes understand and manage longevity risk by providing data-driven insights into life expectancy patterns and trends, enabling more informed strategic decisions and better risk management. With effect from 1 June 2008, the scheme introduced a mortality risk sharing mechanism whereby members' benefits for pensionable service after that date will be reduced if the life expectancy of the scheme's members increases more quickly than a pre-determined rate.

Environmental, social and governance (ESG) and climate risk

The Trustee considers how ESG and climate change are integrated within investment processes and how they align with the Trustee's policies in appointing new investment managers and monitoring existing investment managers. The Trustee has set out clear expectations for its advisors and the scheme's investment managers to consider ESG issues, including climate change, where relevant to investment outcomes. The Trustee, together with its advisor, monitors annually the extent to which ESG factors, including explicit consideration of climate change, are integrated into the investment managers' approaches. To supplement this, the Trustee makes regular use of the investment consultant's ESG ratings and will engage proactively with investment managers whose ESG ratings are judged to be lagging their peers within the asset class. The investment and risk subcommittee meets all investment managers at least annually to discuss ESG and climate change issues specifically.

Group accounts continued

NOTES TO THE GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2025

10 Retirement benefit obligations continued

Assumptions

Financial assumptions

The principal assumptions used to determine the UK defined benefit obligations were:

	2025	2024
Discount rate	5.80%	4.90%
Rate of increase in pensionable salaries	Nil	Nil
Rate of RPI inflation	3.10%	3.20%
Rate of CPI inflation	2.80%	2.80%
Rate of pension increases		
RPI inflation capped at 5.0% p.a.	2.90%	2.95%
RPI inflation capped at 2.5% p.a.	1.90%	1.95%

Life expectancy assumptions

Based upon the demographics of scheme members, the weighted average life expectancy assumptions used to determine the UK defined benefit obligations were:

	2025 Years	2024 Years
Member aged 65 (current life expectancy) – male	22.1	22.0
Member aged 65 (current life expectancy) – female	23.5	23.4
Member aged 45 (life expectancy at aged 65) – male	22.5	23.4
Member aged 45 (life expectancy at aged 65) – female	25.2	25.1

At 31 March 2025, the weighted average duration of the UK defined benefit obligation was 12 years (2023/24: 14 years).

Sensitivity analysis of the impact of changes in key assumptions

The calculations of the defined benefit obligations are sensitive to the assumptions used. The sensitivity analysis below is based on a change in reasonably potential assumptions for the UK scheme while holding all other assumptions constant, as the amount of the Retirement Obligation for the other defined benefit schemes is less material to the Group; in practice changes in some of the assumptions may be correlated.

A change would have the following increase/(decrease) on the UK defined benefit obligations as at 31 March 2025:

	Increase in assumption £m	Decrease in assumption £m
Effect on obligation of a 0.5 pts change to the assumed discount rate	(19.8)	21.9
Effect on obligation of a 0.25 pts change in the assumed inflation rate	9.5	(9.2)
Effect on obligation of a change of one year in assumed life expectancy	8.9	(8.9)

Income statement

The net charge/(credit) recognised in operating profit for retirement benefit obligations was:

	2025			2024		
	UK £m	Other £m	Total £m	UK £m	Other £m	Total £m
Current service cost	1.1	0.5	1.6	1.2	0.4	1.6
Past service cost	–	(0.1)	(0.1)	–	(0.1)	(0.1)
Interest expense on obligation	18.4	0.8	19.2	18.7	0.9	19.6
Interest income on scheme assets	(20.5)	(0.6)	(21.1)	(20.7)	(0.6)	(21.3)
Interest expense on asset ceiling/ onerous liability	2.6	0.1	2.7	3.0	0.1	3.1
Administrative expenses	1.1	–	1.1	1.2	–	1.2
Total charge for defined benefit schemes	2.7	0.7	3.4	3.4	0.7	4.1
Total charge for defined contribution schemes and personal pensions	11.2	10.2	21.4	10.6	10.4	21.0

Group accounts continued

NOTES TO THE GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2025

10 Retirement benefit obligations continued

Balance sheet

The amounts included in the balance sheet arising from the Group's assets/(obligations) in respect of its defined benefit schemes was:

	2025			2024		
	UK £m	Other £m	Total £m	UK £m	Other £m	Total £m
Fair value of scheme assets	400.4	32.5	432.9	421.2	30.8	452.0
Present value of defined benefit obligations	(342.6)	(36.7)	(379.3)	(385.1)	(36.7)	(421.8)
Effect of asset ceiling/onerous liability	(63.2)	(4.3)	(67.5)	(52.2)	(3.7)	(55.9)
Retirement benefit net obligations	(5.4)	(8.5)	(13.9)	(16.1)	(9.6)	(25.7)
Amount recognised on the balance sheet - liability	(5.4)	(11.0)	(16.4)	(16.1)	(11.1)	(27.2)
Amount recognised on the balance sheet - asset	-	2.5	2.5	-	1.5	1.5

The other defined benefit schemes were:

	2025				2024			
	Fair value of scheme assets £m	Present value of defined benefit obligations £m	Effect of asset ceiling/onerous liability £m	Retirement benefit obligations £m	Fair value of scheme assets £m	Present value of defined benefit obligations £m	Effect of asset ceiling/onerous liability £m	Retirement benefit obligations £m
Germany's defined benefit pension scheme	-	(6.8)	-	(6.8)	-	(7.2)	-	(7.2)
Republic of Ireland's defined benefit pension scheme	7.0	(5.1)	-	1.9	7.2	(5.7)	-	1.5
France's defined benefit retirement indemnity scheme	-	(3.0)	-	(3.0)	-	(3.1)	-	(3.1)
Italy's defined benefit retirement indemnity scheme	-	(1.2)	-	(1.2)	-	(0.8)	-	(0.8)
Switzerland's contribution-based scheme	25.5	(20.6)	(4.3)	0.6	23.6	(19.9)	(3.7)	-
Other	32.5	(36.7)	(4.3)	(8.5)	30.8	(36.7)	(3.7)	(9.6)

Movements in the present value of the defined benefit obligations in the year were:

	2025			2024		
	UK £m	Other £m	Total £m	UK £m	Other £m	Total £m
At 1 April	385.1	36.7	421.8	390.5	16.8	407.3
Acquisitions	-	0.6	0.6	-	20.5	20.5
Current service cost	1.1	0.5	1.6	1.2	0.4	1.6
Past service cost	-	(0.1)	(0.1)	-	(0.1)	(0.1)
Interest expense	18.4	0.8	19.2	18.7	0.9	19.6
Effect of changes in demographic assumptions	-	-	-	(5.1)	-	(5.1)
Effect of changes in financial assumptions	(43.5)	(1.0)	(44.5)	(4.4)	1.6	(2.8)
Effect of experience adjustments	0.9	0.8	1.7	2.3	0.1	2.4
Benefits paid	(19.4)	(1.4)	(20.8)	(18.1)	(3.2)	(21.3)
Employee contributions	-	0.2	0.2	-	0.1	0.1
Exchange differences	-	(0.4)	(0.4)	-	(0.4)	(0.4)
At 31 March	342.6	36.7	379.3	385.1	36.7	421.8

Of the UK scheme's present value of the defined benefit obligations, £30.9 million (2023/24: £33.8 million) relates to active members, £135.9 million (2023/24: £153.6 million) to vested deferred members and £175.8 million (2023/24: £197.7 million) to retirees.

Group accounts continued

NOTES TO THE GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2025

10 Retirement benefit obligations continued

Movements in the fair value of the schemes' assets in the year were:

	2025			2024		
	UK £m	Other £m	Total £m	UK £m	Other £m	Total £m
At 1 April	421.2	30.8	452.0	425.4	6.6	432.0
Acquisitions	-	-	-	-	25.6	25.6
Interest income	20.5	0.6	21.1	20.7	0.6	21.3
Return on scheme assets (excluding interest income)	(33.9)	1.5	(32.4)	(18.6)	0.5	(18.1)
Contributions by company	13.1	1.0	14.1	13.0	0.9	13.9
Benefits paid	(19.4)	(1.4)	(20.8)	(18.1)	(3.2)	(21.3)
Administrative expenses	(1.1)	-	(1.1)	(1.2)	-	(1.2)
Employee contributions	-	0.2	0.2	-	0.1	0.1
Exchange differences	-	(0.2)	(0.2)	-	(0.3)	(0.3)
At 31 March	400.4	32.5	432.9	421.2	30.8	452.0

The fair values of the schemes' assets were:

	2025			2024		
	UK £m	Other £m	Total £m	UK £m	Other £m	Total £m
QIAIF (liability driven investment and credit portfolio of quoted assets)	213.5	-	213.5	264.9	-	264.9
Quoted equities	-	10.7	10.7	-	10.1	10.1
Quoted debt instruments	102.6	13.5	116.1	68.3	12.8	81.1
Unquoted debt instruments	83.5	-	83.5	87.8	-	87.8
Property	-	8.2	8.2	-	7.7	7.7
Cash	0.8	0.1	0.9	0.2	0.2	0.4
Total market value of scheme assets	400.4	32.5	432.9	421.2	30.8	452.0

Property relates to investments in unquoted real estate funds and no property or real estate funds are held directly. The split of UK quoted and unquoted debt instruments is based on the split of the underlying assets of pooled investment vehicles in which the scheme is invested.

The fair values of the unquoted debt instruments are determined by the fund managers using quoted prices for similar assets or other valuation techniques where all the inputs are directly observable or indirectly observable from market data.

The defined benefit schemes do not invest in the Company and no assets owned by the schemes are used by the Group.

Movements in the effect of asset ceiling/onerous liability were:

	2025			2024		
	UK £m	Other £m	Total £m	UK £m	Other £m	Total £m
At 1 April	52.2	3.7	55.9	61.1	-	61.1
Acquisitions	-	-	-	-	5.1	5.1
Interest expense	2.6	0.1	2.7	3.0	0.1	3.1
Change in asset ceiling/onerous liability (excluding interest expense)	8.4	0.5	8.9	(11.9)	(1.5)	(13.4)
At 31 March	63.2	4.3	67.5	52.2	3.7	55.9

11 Taxation

Current and deferred tax are recognised in the income statement, except when they relate to items recognised in other comprehensive income or directly in equity when the related tax is also recognised in other comprehensive income or directly in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

The Group recognises deferred tax assets and liabilities based on estimates of future taxable income and recoverability. Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The amount of deferred tax provided is calculated using tax rates enacted or substantively enacted at the balance sheet date that are expected to apply when the deferred tax asset is realised or the deferred tax liability is settled. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which these temporary differences can be utilised.

No deferred tax liabilities are recognised on the initial recognition of goodwill. However, when goodwill arises in a jurisdiction where it is deductible in determining taxable profit, the amortisation for tax purposes of goodwill creates a taxable temporary difference and this resulting deferred tax liability is recognised.

Group accounts continued

NOTES TO THE GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2025

11 Taxation continued

The Group recognises a current tax provision when the Group has a present obligation as a result of a past event, and it is considered probable that there will be a future outflow of funds. As an international business, the Group is exposed to the income tax laws of the large number of jurisdictions in which it operates. These laws are complex and subject to different interpretations by taxpayers and tax authorities. The assessment of uncertain tax positions is subjective. It is based on the Group's interpretation of country-specific tax law and its application and interaction, on previous experience and on management's professional judgement supported by external advisors where necessary.

The Group estimates a provision for uncertain tax positions by making judgements about the position likely to be taken by each tax authority. Where it is considered probable that the tax authority will accept the tax treatment used, or expected to be used, in the income tax return, the accounts reflect the treatment in the return. Where it is not considered probable that the tax authority will accept the tax treatment, the tax amounts in the accounts reflect that uncertainty using either the most likely amount or the expected value amount depending on which method is expected to reflect the resolution of that uncertainty better.

Provisions for uncertain tax positions are included within current tax liabilities. The Group's uncertain tax positions relate principally to cross-border transfer pricing. As at 31 March 2025, the total value of these tax provisions was £9.1 million (2023/24: £8.8 million). It is possible that the amounts paid will be different from the amounts provided but this is not expected to be material.

Penalties and interest on provisions for uncertain tax positions are included in Note 24.

Tax expense/(income) recognised in the income statement

	2025 £m	2024 restated ¹ £m
Current tax		
Current tax on profits for the year	58.6	67.8
Adjustments for prior years	(0.1)	6.3
Total current tax	58.5	74.1
Deferred tax		
Origination and reversal of temporary differences	(4.3)	(3.9)
Adjustments for prior years	(0.7)	(6.4)
Total deferred tax	(5.0)	(10.3)
Income tax expense	53.5	63.8

1. Please refer to Note 32 for further details of the restatement.

The income tax expense for the year can be reconciled to the profit per the income statement as follows:

	2025 £m	2024 restated ¹ £m
Profit before tax	206.1	243.2
Expected tax charge at UK corporation tax rate of 25% (2024: 25%)	51.6	60.8
Recurring items		
Differences in overseas corporation tax rates	(1.2)	0.3
Impact of tax losses	(1.7)	(0.1)
Items not taxable for tax purposes	(0.8)	(1.2)
Items not deductible for tax purposes	3.3	4.7
Other local taxes suffered overseas	2.1	1.1
Non-recurring items		
Changes in tax rates and laws	0.7	–
Movement in uncertain tax provisions in current year	1.1	0.9
Movement in uncertain tax provisions for prior years	(0.8)	(2.6)
Prior year adjustments	(0.8)	(0.1)
	53.5	63.8

1. Please refer to Note 32 for further details of the restatement.

The Group is within the scope of the OECD Pillar Two model rules, which the UK government substantively enacted in its Finance (No.2) Act 2023 on 20 June 2023, introducing an income inclusion rule and domestic minimum top-up tax that apply for accounting periods beginning on or after 31 December 2023. The Group has done a review of the impact of these rules and it does not have a material impact on the reported results or financial position of the Group.

Tax expense/(income) recognised directly in other comprehensive income

	2025 £m	2024 £m
Relating to remeasurement of retirement benefit obligations	0.3	0.1
Relating to movement in cash flow hedges	0.2	–
	0.5	0.1

Group accounts continued

NOTES TO THE GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2025

11 Taxation continued

Movement in deferred tax assets and liabilities

	Intangible assets (excluding goodwill), right-of-use assets and property, plant and equipment £m	Goodwill £m	Retirement benefit obligations £m	Employee benefits £m	Tax losses £m	Lease liabilities £m	Other £m	Net tax (liabilities)/ assets £m
At 1 April 2023	(71.9)	(51.2)	8.7	12.0	2.8	13.1	3.3	(83.2)
Prior period restatement (Note 32)	–	–	–	–	–	–	3.2	3.2
At 1 April 2023 (restated ¹)	(71.9)	(51.2)	8.7	12.0	2.8	13.1	6.5	(80.0)
Acquisitions	(25.7)	–	–	–	2.4	6.8	2.4	(14.1)
Credit/(charge) to income statement (restated ¹)	8.9	0.3	0.4	(3.7)	1.6	(1.0)	3.8	10.3
Recognised directly in equity	–	–	(2.9)	(1.7)	–	–	–	(4.6)
Translation differences	(1.7)	1.0	(0.1)	(0.1)	–	–	0.1	(0.8)
At 31 March 2024 restated ¹	(90.4)	(49.9)	6.1	6.5	6.8	18.9	12.8	(89.2)
Acquisitions (Note 29)	(0.8)	–	–	–	–	–	–	(0.8)
Credit/(charge) to income statement	12.6	(0.4)	(0.1)	(1.1)	(3.6)	(5.0)	2.6	5.0
Recognised directly in equity	–	–	(2.7)	(0.4)	–	–	–	(3.1)
Translation differences	6.0	1.1	–	(0.2)	(1.2)	–	1.9	7.6
At 31 March 2025	(72.6)	(49.2)	3.3	4.8	2.0	13.9	17.3	(80.5)

Analysed in the balance sheet as:

	2025 £m	2024 restated ¹ £m	2023 restated ¹ £m
Deferred tax assets	11.1	9.5	6.9
Deferred tax liabilities	(91.6)	(98.7)	(86.9)
	(80.5)	(89.2)	(80.0)

1. Please refer to Note 32 for further details of the restatement.

A deferred tax asset has been recognised for tax losses where current projections show that sufficient taxable profits will arise in the near future against which these losses may be offset. A deferred tax asset has not been recognised in respect of carry-forward tax losses where recoverability is uncertain totalling £0.6 million (2023/24: £1.3 million) which carries no expiry date.

12 Earnings per share

Basic earnings per share is calculated by dividing the profit for the year attributable to owners of the Company by the weighted average number of shares in issue during the year excluding shares held by the EBT.

Diluted earnings per share is calculated by adjusting the weighted average number of shares to assume the conversion of all potentially dilutive ordinary shares. The share-based payment schemes which result in the issue of shares at a value below the market price of the shares are potentially dilutive.

	2025 Number	2024 restated ¹ Number
Weighted average number of shares	470,022,152	473,300,106
Dilutive effect of share-based payments	214,829	781,177
Diluted weighted average number of shares	470,236,981	474,081,283
Basic earnings per share	32.5p	37.9p
Diluted earnings per share	32.5p	37.8p

1. Please refer to Note 32 for further details of the restatement.

13 Dividends

	2025 £m	2024 £m
Final dividend for the year ended 31 March 2024 – 13.7p (2023: 13.7p)	64.9	64.8
Interim dividend for the year ended 31 March 2025 – 8.5p (2024: 8.3p)	39.8	39.3
	104.7	104.1

The trustees of the EBT have waived their right to receive dividends and this amounts to £0.8 million (2023/24: £nil).

A proposed final dividend for the year ended 31 March 2025 of 13.9p is subject to approval by shareholders at the Annual General Meeting on 17 July 2025 and the estimated amount to be paid of £65.1 million has not been included as a liability in these accounts.

Group accounts continued

NOTES TO THE GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2025

14 Intangible assets

Goodwill represents the excess of the fair value of the consideration of an acquisition over the fair value attributed to the net assets acquired (including contingent liabilities). Goodwill is not amortised but is reviewed annually for impairment. Acquisition-related costs are charged to the income statement as incurred.

Intangible assets excluding goodwill are stated at cost, or fair value at the date of acquisition, less accumulated amortisation and any provisions for impairment. Residual value is reassessed annually. Expenditure on internally generated goodwill and brands is recognised in the income statement as an expense as incurred. Amortisation is calculated to write off the cost on a straight-line basis over the following useful lives from the date the assets are first available for use: software 2 – 11 years; development expenditure 3 years; brands 5 – 10 years; customer contracts, relationships and distribution agreements 4 – 16 years; and acquired research 3 years.

	Goodwill £m	Software £m	Development expenditure £m	Brands £m	Customer contracts, relationships and distribution agreements £m	Acquired research £m	Total £m
Cost							
At 1 April 2023	463.3	343.5	1.8	–	199.8	1.1	1,009.5
Acquisitions	182.3	10.6	–	22.1	73.5	–	288.5
Additions - internally generated	–	12.4	–	–	–	–	12.4
Additions - other	–	23.2	–	–	–	–	23.2
Disposals	–	(1.0)	–	–	–	–	(1.0)
Translation differences	0.7	(1.3)	–	(0.1)	6.4	–	5.7
At 31 March 2024	646.3	387.4	1.8	22.0	279.7	1.1	1,338.3
Acquisitions (Note 29)	5.9	–	–	–	0.5	–	6.4
Additions - internally generated	–	16.5	–	–	–	–	16.5
Additions - other	–	16.5	–	–	–	–	16.5
Disposals	–	(2.4)	–	–	–	–	(2.4)
Reclassifications	–	3.0	–	–	–	–	3.0
Translation differences	(35.8)	(2.0)	–	(0.7)	(26.3)	–	(64.8)
At 31 March 2025	616.4	419.0	1.8	21.3	253.9	1.1	1,313.5

	Goodwill £m	Software £m	Development expenditure £m	Brands £m	Customer contracts, relationships and distribution agreements £m	Acquired research £m	Total £m
Amortisation							
At 1 April 2023	–	265.3	1.4	–	37.2	0.8	304.7
Charge for the year	–	21.2	0.4	2.0	24.3	0.3	48.2
Impairment losses	–	4.6	–	–	–	–	4.6
Disposals	–	(0.8)	–	–	–	–	(0.8)
Translation differences	–	(1.2)	–	–	0.2	–	(1.0)
At 31 March 2024	–	289.1	1.8	2.0	61.7	1.1	355.7
Charge for the year	–	24.7	–	2.6	23.4	–	50.7
Impairment losses	–	1.9	–	–	10.9	–	12.8
Disposals	–	(2.1)	–	–	–	–	(2.1)
Reclassifications	–	2.4	–	–	–	–	2.4
Translation differences	–	(1.2)	–	(0.1)	(3.6)	–	(4.9)
At 31 March 2025	–	314.8	1.8	4.5	92.4	1.1	414.6

Net book value

At 31 March 2025	616.4	104.2	–	16.8	161.5	–	898.9
At 31 March 2024	646.3	98.3	–	20.0	218.0	–	982.6

During the year, £2.4 million was reclassified between cost and accumulated amortisation of software following a review of the fixed asset register. £0.6 million was also reclassified between software, plant and machinery.

As at 31 March 2025, the cost and accumulated amortisation of internally generated intangible assets included in software were £91.6 million and £59.4 million (2023/24: £78.8 million and £49.5 million), respectively.

Group accounts continued

NOTES TO THE GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2025

14 Intangible assets continued

At 31 March 2025, the material individual software assets were the new product management system with a net book value of £18.2 million (2023/24: £16.0 million) which will have a useful life of 8 years, and the inventory availability and product fulfilment module with a net book value of £10.6 million (2023/24: £6.7 million) which will have a useful life of 5 years. Material individual customer contracts, relationships and distribution agreements are from the acquisitions of Synovos, Risoul and Distrelec with net book values of £10.4 million, £75.8 million and £63.6 million, respectively (2023/24: £14.4 million, £105.0 million and £69.7 million) and remaining useful lives of 4 years, 1 to 14 years and 15 years, respectively.

Goodwill is allocated at acquisition to groups of cash generating units (CGUs) that are expected to benefit from the synergies arising as a result of the acquisition, with £380.1 million (2023/24: £412.1 million) relating to the Americas group of CGUs, £227.5 million (2023/24: £231.1 million) relating to the EMEA group of CGUs and £8.8 million (2023/24: £3.1 million) relating to the Asia Pacific group of CGUs. Cash generating units represent the smallest identifiable groups of assets that generate cash inflows that are largely independent of the cash inflows from other groups of assets.

The Group reviews its intangible assets regularly to assess if there are any indications the assets may be impaired. In addition, goodwill and any other intangible assets that are not yet being amortised are subject to annual impairment reviews.

An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. The recoverable amount is calculated as the higher of fair value less costs of disposal and value in use. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

During the year, the customer contracts, relationships and distribution agreements were assessed for impairment. As a result of that review, the asset related to the acquisition of IESA was fully impaired, with an impairment cost of £10.9 million. In addition, £0.4 million of software acquired with IESA was also impaired.

For the goodwill impairment reviews, the recoverable amount of the groups of CGUs are based on value-in-use calculations, which use cash flow projections based on the Group's annual targets and strategic plan which cover the next five years. The strategic plan is also used as the basis for the viability statement. When the strategic plan was prepared it considered current performance and made assumptions about future revenue and gross margin growth rates determined using internal forecasts based upon historical growth rates and future medium-term plans which consider, and are consistent with, relevant macroeconomic indicators.

It also took into account expected increases in costs of products and overheads, including those related to climate change as well as expected benefits from the expansion of the Group's more sustainable product range and ESG solutions business. The cash flows from the strategic plan are extrapolated using the relevant long-term growth rate for the groups of CGUs and discounted at the Group's externally sourced pre-tax weighted average cost of capital adjusted for the estimated tax cash flows and risk applicable for the groups of CGUs to estimate cash flow projections. These cash flow projections are adjusted to take account of the likely future capital expenditure costs of meeting the Group's climate change commitments to be net zero in its direct operations by 2030 (expected to be c. £18 million over the period to 2029/30) and are consistent with the Group's climate scenario analysis of physical and transition risk impacts conducted for the Task Force on Climate-related Financial Disclosures (TCFD).

For the Americas group of CGUs, the long-term growth rate is 2.5% (2023/24: 1.9%) which is consistent with the market estimate of long-term average growth rates for the product and service solutions providers industries and does not exceed expected long-term GDP growth for Americas. The nominal pre-tax discount rate is 11.5% (2023/24: 11.9%).

For the EMEA group of CGUs, the long-term growth rate is 2.0% (2023/24: 1.5%) which is consistent with the market estimate of long-term average growth rates for the product and service solutions providers' industries and does not exceed expected long-term GDP growth for EMEA. The nominal pre-tax discount rate is 11.2% (2023/24: 11.9%).

For the Asia Pacific group of CGUs, the long-term growth rate is 1.4% (2023/24: 2.0%) which is consistent with the market estimate of long-term average growth rates for the product and service solutions providers' industries and does not exceed expected long-term GDP growth for Asia Pacific. The nominal pre-tax discount rate is 15.9% (2023/24: 17.5%).

There is significant headroom between the carrying amount and the value in use of the groups of CGUs and so the Directors believe that currently all reasonably likely changes in the key assumptions referred to above would not give rise to an impairment charge.

Group accounts continued

NOTES TO THE GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2025

15 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any provisions for impairment after taking account of any impact of the Group's strategy related to climate change. The Group monitors property, plant and equipment throughout the year and tests for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable. The cost of self-constructed assets includes the cost of materials, direct labour and certain direct overheads.

No depreciation has been charged on freehold land. Other assets are depreciated to residual value, which is reassessed annually, on a straight-line basis over the following useful lives: freehold buildings and improvements to leasehold buildings 50 years (or the lease term if shorter); plant and machinery 5 – 20 years; and computer equipment 3 – 5 years. This reassessment of residual value includes consideration of the Group's climate scenario analysis of physical and transition risk impacts conducted for the TCFD and there have been no significant changes in the year.

	Land and buildings £m	Plant and machinery £m	Computer equipment £m	Total £m
Cost				
At 1 April 2023	163.7	241.8	67.0	472.5
Acquisitions	–	0.4	0.2	0.6
Additions	2.7	10.1	2.8	15.6
Disposals	(0.6)	(2.8)	(0.5)	(3.9)
Reclassifications	–	0.1	(0.1)	–
Translation differences	(2.7)	(2.7)	(0.7)	(6.1)
At 31 March 2024	163.1	246.9	68.7	478.7
Acquisitions (Note 29)	0.1	1.7	–	1.8
Additions	0.9	13.2	1.8	15.9
Disposals	(1.4)	(6.3)	(1.8)	(9.5)
Reclassifications	–	(0.6)	–	(0.6)
Translation differences	(2.7)	(2.9)	(0.6)	(6.2)
At 31 March 2025	160.0	252.0	68.1	480.1

	Land and buildings £m	Plant and machinery £m	Computer equipment £m	Total £m
Depreciation				
At 1 April 2023	60.8	164.5	60.9	286.2
Charge for the year	3.7	11.0	2.2	16.9
Disposals	(0.5)	(1.6)	(0.5)	(2.6)
Reclassifications	–	0.1	(0.1)	–
Translation differences	(0.8)	(1.3)	(0.6)	(2.7)
At 31 March 2024	63.2	172.7	61.9	297.8
Charge for the year	3.8	11.6	2.1	17.5
Disposals	(1.3)	(6.3)	(1.8)	(9.4)
Impairment losses	0.4	–	–	0.4
Translation differences	(0.9)	(1.4)	(0.6)	(2.9)
At 31 March 2025	65.2	176.6	61.6	303.4

Net book value

At 31 March 2025	94.8	75.4	6.5	176.7
At 31 March 2024	99.9	74.2	6.8	180.9

Included above are £1.8 million of property, plant and equipment under construction at 31 March 2025 (2023/24: £5.9 million). During the year, £0.6 million was reclassified between plant and machinery and software.

Group accounts continued

NOTES TO THE GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2025

16 Leases

The Group assesses at the inception of a contract whether the contract is, or contains, a lease. Where it conveys the right to control the use of an identified asset for a period of time in exchange for consideration, the contract is deemed to be, or to include, a lease. The Group leases various properties, plant and machinery, computer equipment and vehicles typically for periods between 2 and 20 years. Where a contract includes a vehicle lease, the Group has elected to account for the non-lease components as part of the lease. Where the Group determines, at the commencement date of each lease, that it is reasonably certain to exercise an option to extend the lease or not to exercise an option to terminate the lease, the additional period is included within the lease term.

Leases are recognised on the balance sheet at their commencement date as a liability representing the present value of the future lease payments not yet paid and a right-of-use asset reflecting the future benefit to the Group generated by using the underlying asset. The discount on the lease liability is calculated using the Group's incremental borrowing rate, as rates implicit in the Group's leases cannot be readily determined, and is charged to finance costs in the income statement as it unwinds. The Group's incremental borrowing rate is adjusted to take account of the country risk, lease term and start date for each lease. Fixed payments less any lease incentives receivable, in-substance fixed payments and variable payments based on an index or rate form part of the lease liability. Variable payments which are not based on an index or rate are expensed when the event that triggers the payment occurs.

The right-of-use asset is stated at cost less accumulated depreciation and any provisions for impairment. Initially the cost of the right-of-use asset comprises the initial amount of the lease liability adjusted for any lease payments made at or before commencement of the lease less any lease incentives received, plus any direct costs incurred and an estimate of the cost to restore the underlying asset. The right-of-use asset is depreciated on a straight-line basis over the lease term (or useful life of the asset, if shorter), which is reassessed as the underlying facts and circumstances of the lease change.

The Group has elected to not recognise the lease liability and right-of-use asset in respect of short-term leases and leases of low-value assets on the balance sheet. Short-term leases and leases of low-value assets are expensed in the income statement on a straight-line basis over the lease term.

The lease liability is remeasured when there is a change in the future lease payments or if the Group changes its assessment of whether it will exercise an extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying value of the right-of-use asset. If the carrying value of the right-of-use asset is reduced to zero, any further reductions are recognised in the income statement.

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as an operating lease by reference to the right-of-use asset arising from the head lease. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

The amounts recognised relating to leases were:

	2025 £m	2024 £m
Right-of-use assets		
Buildings	45.1	64.3
Plant and machinery	0.3	0.1
Computer equipment	–	–
Vehicles	8.9	8.4
Right-of-use assets	54.3	72.8
Lease liabilities		
Current	15.5	16.0
Non-current	41.2	57.9
Lease liabilities	56.7	73.9
Depreciation charge for right-of-use assets		
Buildings	12.8	13.3
Plant and machinery	0.1	0.1
Computer equipment	–	1.3
Vehicles	4.3	3.9
Depreciation charge for right-of-use assets	17.2	18.6
Additions to right-of-use assets		
Right-of-use assets acquired with businesses	2.4	29.8
Other additions to right-of-use assets	5.9	8.4
Additions to right-of-use assets	8.3	38.2

Group accounts continued

NOTES TO THE GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2025

16 Leases continued

	2025 £m	2024 £m
Total cash outflow/(inflow) for leases		
Included in cash flows from operating activities:		
Interest expense	2.8	2.9
Expense relating to short-term leases	0.8	1.1
Expense relating to leases of low-value assets, excluding short-term leases of low-value assets	0.3	0.4
Expense relating to variable lease payments not included in measurement of lease liabilities	2.0	0.9
Income from sub-leasing right-of-use assets	(0.4)	(1.8)
Included in cash flows from financing activities:		
Principal elements of lease payments	15.7	18.5
Total cash outflow for leases	21.2	22.0

Right-of-use asset disposals of £16.8 million (2023/24: £0.2 million) were recognised in the year. The interest expense on lease liabilities recognised in the income statement was £2.8 million (2023/24: £2.9 million). Potential future cash outflows that are not reflected in the measurement of lease liabilities were not material.

The contractual maturity analysis of lease liabilities is included in liquidity risk in Note 23.

17 Investment in joint venture

The Group's share of the post-tax profit of its joint venture is included in profit before tax. The investment in the joint venture is carried in the Group balance sheet at historical cost plus post-acquisition changes in the Group's share of the joint venture's net assets. The Group owns 50% of the share capital of RS Components & Controls (India) Limited, its joint venture.

	2025 £m	2024 £m
At 1 April	1.3	1.5
Group's share of profit for the year	0.6	0.6
Group's share of other comprehensive expense	(0.1)	(0.2)
Group's share of total comprehensive income	0.5	0.4
Dividends	(0.6)	(0.6)
At 31 March	1.2	1.3

18 Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is calculated on a weighted average basis and for finished goods and goods for resale includes attributable overheads.

The Group estimates the net realisable value of inventories in order to determine the value of any provision required. In this estimation judgements, including any impact of obsolescence including that related to regulatory changes due to, amongst other things, climate change, are made in relation to the number of years of sales there are in inventories of each product and the value recoverable from those inventories. In determining the recoverable value, judgement is taken about the ability of the Group to return a proportion of stock to suppliers under supplier specific contractual provisions. The Group bases its estimates on recent historical experience and knowledge of the products on hand and the terms of contractual arrangements with suppliers. Should more or less inventory be able to be returned to suppliers than planned, there would be a consequential impact on the inventory provision.

	2025 £m	2024 restated ¹ £m	2023 restated ¹ £m
Raw materials and consumables	97.6	111.0	96.6
Finished goods and goods for resale	606.5	613.3	563.1
Gross inventories	704.1	724.3	659.7
Inventory provisions	(86.8)	(86.9)	(56.6)
Net inventories	617.3	637.4	603.1

1. Please refer to Note 32 for further details of the restatement.

Sensitivity analysis of the impact of changes in key assumptions

If the numbers of each product sold in a year decreased, leading to an increase of one year in the number of years of sales there are in inventory, inventory provisions would increase by £6.7 million (2023/24 restated: £8.6 million). If the numbers of each product sold in a year increased leading to a decrease of one year in the number of years of sales there are in inventory, inventory provisions would decrease by £3.2 million (2023/24 restated: £3.8 million). A reduction in the value recoverable leading to an increase in provision rates of 10%, up to a maximum of 100% provision per product, would increase the inventory provisions by £2.7 million (2023/24 restated: £4.2 million). An increase in the value recoverable leading to a decrease in provision rates of 10% would decrease the inventory provisions by £8.6 million (2023/24 restated: £7.5 million).

Group accounts continued

NOTES TO THE GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2025

19 Trade and other receivables

	2025 £m	2024 £m
Current		
Gross trade receivables	615.9	624.0
Impairment allowance (Note 23)	(11.5)	(11.1)
Net trade receivables	604.4	612.9
Amounts owed by joint venture	1.3	1.5
Prepayments	44.5	43.9
Other taxation and social security	8.8	7.8
Contract assets	2.8	8.1
Other receivables	26.7	27.2
Current trade and other receivables	688.5	701.4
Non-current		
Prepayments	0.1	0.1
Other receivables	4.5	8.3
Non-current other receivables	4.6	8.4

Contract assets relate mainly to licence fee income and are where the Group has performed its part of the contract for that element but other performance obligations are required to be completed before it can receive the credit note for licence fee income from suppliers or raise the invoice for other contracts with customers.

Current other receivables include £8.1 million (2023/24: £7.9 million) for amounts yet to be invoiced to customers related to product sales where the Group acts as an agent (Note 4), expected inventory returns and loans to employees. Non-current other receivables include insurance claims receivables and lease deposits.

20 Trade and other payables

	2025 £m	2024 £m
Current		
Trade payables	359.4	381.8
Other taxation and social security	41.2	40.7
Government grants	0.1	0.1
Cash-settled share-based payment liability	0.4	1.2
Accruals	165.2	133.0
Contract liabilities	3.9	4.4
Other payables (including estimated obligations for customer volume discounts and refunds – Note 4)	40.8	41.5
Current trade and other payables	611.0	602.7
Non-current		
Government grants	2.0	2.2
Cash-settled share-based payment liability	0.6	2.4
Other employee benefits	3.1	3.8
Accruals	–	0.1
Other payables	1.7	8.8
Non-current other payables	7.4	17.3

Contract liabilities are where the Group has received payment but is yet to perform its part of the contract.

Government grants related to expenditure on property, plant and equipment are credited to the income statement at the same rate as the depreciation on the asset to which the grant relates.

The Group offers a supply chain finance facility to its suppliers. This was set up when the Group worked with suppliers to extend payment terms to protect its working capital position. It is primarily provided to give suppliers the option to protect their own working capital position from the impact of this extension.

Judgement is required to assess the payables subject to these arrangements and whether they should continue to be classified as trade payables and whether the cash flows should still be classified as operating. The substance of the contractual terms with the bank providing the financing does not differ from the terms under the supplier contracts. The standard payment terms under supplier contracts are 60 days, with a maximum payment term of 180 days. As there are no changes to the invoice terms, the amount owed to the bank is included in trade payables. Related cash flows are included in cash generated from operations.

Group accounts continued

NOTES TO THE GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2025

20 Trade and other payables continued

	2025	2024
Carrying amount of the financial liabilities that are subject to supplier finance arrangements (£m)		
Presented within trade and other payables	14.7	14.1
- of which suppliers have received payment from the bank	0.3	N/A
Range of payment due dates (days after invoice date)		
Trade payables subject to supplier finance arrangement	Up to 180	N/A
Comparable trade payables	Up to 180	N/A

The comparative information that is not required to be presented by the Group in the current year is marked as "N/A" in the table.

Changes in liabilities that are subject to supplier finance arrangements are primarily attributable to additions resulting from purchases of goods and services and subsequent cash settlements. There were no material non-cash changes in these liabilities.

The Group does not face a significant liquidity risk as a result of its supplier finance arrangements given the limited amount of liabilities subject to supplier finance arrangements and the Group's access to other sources of finance on similar terms.

21 Financial instruments

The Group uses derivative financial instruments, principally forward foreign exchange contracts and occasionally currency swaps to cover its exposure to foreign exchange risk arising from operational and financing activities.

In accordance with its treasury policies, the Group designates the majority of its derivative financial instruments as cash flow hedges. The Group does not hold or issue derivative financial instruments for trading purposes.

Derivatives are recognised at fair value. Derivative financial instruments that do not qualify for cash flow hedge or net investment hedge accounting are classified as measured at fair value through profit or loss (FVTPL) and changes in their fair values are recognised in the income statement as they arise.

Cash flow hedge accounting

The Group uses derivative financial instruments, namely forward foreign exchange contracts, to hedge variability in cash flows of a recognised asset or liability, or a highly probable forecast transaction. The effective part of any gain or loss on the derivative financial instrument is recognised in other comprehensive income, while any ineffective part is recognised immediately in the income statement. When the hedged item subsequently results in the recognition of a non-financial asset or liability (e.g. inventories), the associated cumulative gain or loss recognised in the hedging reserve is transferred to the initial carrying amount of the asset or liability. When the hedged item subsequently results in the recognition of a financial asset or liability, the associated cumulative gain or loss that was recognised in other comprehensive income is reclassified from equity to the income statement in the same period that the hedged item affects the income statement.

When a hedging instrument expires or is sold, terminated or exercised, or the Group discontinues hedge accounting as it no longer meets the Group's risk management objective but the hedged forecast transaction is still expected to occur, the cumulative gain or loss at that point remains in equity and is reclassified from equity when the transaction occurs in accordance with the above policy. If the hedged transaction is no longer expected to take place, the cumulative unrealised gain or loss recognised in equity is reclassified to the income statement.

The fair value of forward foreign exchange contracts is the difference between their discounted contractual forward price and their current forward price.

Net investment hedge accounting

The portion of the gain or loss on an instrument used to hedge a net investment in a foreign operation that is determined to be an effective hedge is recognised in other comprehensive income. The ineffective portion is recognised immediately in the income statement. Amounts taken to other comprehensive income are reclassified from equity to the income statement when the foreign operations are sold or liquidated.

Other financial instruments

All other financial instruments are initially recognised at fair value and adjusted by transaction costs. Initial fair value is generally the transaction price. Subsequent measurement is as follows:

- Borrowings are measured at amortised cost. Options to extend the term of facilities are considered to be loan commitments.
- All other financial assets, including current receivables, are measured at amortised cost less any impairment allowances on the basis that these assets are held to collect all contractual cash flows being principal and interest on the amount outstanding.
- All other financial liabilities, including current payables, are measured at amortised cost.

Group accounts continued

NOTES TO THE GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2025

20 Trade and other payables continued

Classes and categories of financial instruments

	2025 £m	2024 £m
Financial assets measured at amortised cost		
Non-current other receivables	4.5	8.3
Cash and cash equivalents - cash and short-term deposits	147.7	258.7
Trade and other receivables	625.3	633.5
Financial assets mandatorily measured at FVTPL		
Derivative financial instruments	0.1	0.2
Derivatives designated and effective as hedging instruments (fair value movements through other comprehensive income)		
Derivative financial instruments	1.8	2.4
Total financial assets	779.4	903.1
Financial liabilities measured at amortised cost		
Non-current other payables	(1.7)	(8.9)
Cash and cash equivalents - bank overdrafts	(41.7)	(162.7)
Trade and other payables	(504.4)	(513.5)
Multicurrency revolving facility	(112.6)	(155.0)
Unsecured bank facility	(23.5)	-
Term loan	(124.2)	(128.2)
Private placement loan notes	(153.2)	(157.1)
Lease liabilities	(56.7)	(73.9)
Financial liabilities mandatorily measured at FVTPL		
Derivative financial instruments	(0.1)	-
Derivatives designated and effective as hedging instruments (fair value movements through other comprehensive income)		
Derivative financial instruments	(1.7)	(1.1)
Total financial liabilities	(1,019.8)	(1,200.4)

Fair values

Under IFRS 13 'Fair Value Measurement', fair values are measured using a hierarchy where the inputs are:

- Level 1 – quoted prices in active markets for identical assets or liabilities
- Level 2 – not Level 1 but are observable for that asset or liability either directly or indirectly
- Level 3 – not based on observable market data (unobservable)

The derivatives listed above are measured at fair value using Level 2 inputs, estimated by discounting the future contractual cash flows using appropriate market-sourced data at the balance sheet date. The overall valuation is classified as level 2 on the fair value hierarchy.

For all financial assets and liabilities, fair value approximates the carrying amounts in the balance sheet except for the following:

	2025		2024	
	Carrying amounts £m	Fair value £m	Carrying amounts £m	Fair value £m
Non-current private placement loan notes	(153.2)	(145.4)	(157.1)	(142.9)

The fair values are calculated by discounting future cash flows to net present values using prevailing interest rate curves, a Level 2 input, and indicative values of the Group's credit margin, a Level 3 input. The overall valuation is classified as level 3 on the fair value hierarchy.

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NOTES TO THE GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2025

21 Financial instruments continued

Derivatives

	Current assets £m	2025 Current liabilities £m	Current assets £m	2024 Current liabilities £m
Forward foreign exchange contracts designated as cash flow hedges (principal amount £150.5 million (2023/24: £225.3 million))	1.8	(1.7)	2.4	(1.1)
Forward foreign exchange contracts classified as fair value through profit or loss	0.1	(0.1)	0.2	-
Derivatives	1.9	(1.8)	2.6	(1.1)

Netting arrangements for financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The Group has no financial instruments that meet the criteria for offsetting. Financial instruments that are subject to enforceable master netting arrangements and other similar agreements but are not offset are shown in the table below.

	Gross and net amounts in balance sheet £m	Financial instruments not offset £m	Net amounts £m
At 31 March 2025			
Other derivative assets	1.9	(1.8)	0.1
Other derivative liabilities	(1.8)	1.8	-
At 31 March 2024			
Other derivative assets	2.6	(1.0)	1.6
Other derivative liabilities	(1.1)	1.0	(0.1)

22 Net debt

	2025 £m	2024 £m
Cash and short-term deposits	147.7	258.7
Bank overdrafts (unsecured)	(41.7)	(162.7)
Cash and cash equivalents	106.0	96.0
	2025 £m	2024 £m
Non-current borrowings		
Unsecured private placement loan notes repayable after more than five years	(38.6)	(78.4)
Unsecured private placement loan notes repayable from four to five years	(37.8)	-
Unsecured private placement loan notes repayable from two to three years	-	(78.7)
Unsecured private placement loan notes repayable from one to two years	(76.8)	-
Unsecured multicurrency revolving credit facility repayable from four to five years	(112.6)	(155.0)
Unsecured term loan repayable from three to four years	(124.2)	-
Unsecured term loan repayable from two to three years	-	(128.2)
Non-current borrowings	(390.0)	(440.3)
Current borrowings		
Unsecured bank facility repayable within one year	(23.5)	-
Current borrowings	(23.5)	-
Total borrowings	(413.5)	(440.3)
Cash and cash equivalents	106.0	96.0
Non-current lease liabilities	(41.2)	(57.9)
Current lease liabilities	(15.5)	(16.0)
Net debt	(364.2)	(418.2)

See Note 3 for definition of net debt which is an APM. Cash and cash equivalents comprise cash in hand and in current accounts, overnight deposits and short-term deposits of less than three months net of overdrafts with qualifying financial institutions. Borrowings represent loans from qualifying financial institutions. See Note 23 for details of the Group's committed debt facilities.

Group accounts continued

NOTES TO THE GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2025

22 Net debt continued

Movements in net debt were:

	Borrowings £m	Lease liabilities £m	Total liabilities from financing activities £m	Cash and cash equivalents £m	Net debt £m
At 1 April 2023	(184.6)	(48.9)	(233.5)	120.5	(113.0)
Cash flows	(259.4)	18.5	(240.9)	(20.2)	(261.1)
Acquired with businesses	–	(28.5)	(28.5)	–	(28.5)
New leases	–	(8.4)	(8.4)	–	(8.4)
Lease modifications	–	(7.3)	(7.3)	–	(7.3)
Disposal of leases	–	0.5	0.5	–	0.5
Translation differences	3.7	0.2	3.9	(4.3)	(0.4)
At 31 March 2024	(440.3)	(73.9)	(514.2)	96.0	(418.2)
Cash flows	18.7	15.7	34.4	16.0	50.4
Acquired with businesses	–	(2.3)	(2.3)	–	(2.3)
New leases	–	(5.9)	(5.9)	–	(5.9)
Lease modifications	–	(7.8)	(7.8)	–	(7.8)
Disposal of leases	–	16.8	16.8	–	16.8
Translation differences	8.1	0.7	8.8	(6.0)	2.8
At 31 March 2025	(413.5)	(56.7)	(470.2)	106.0	(364.2)

23 Financial risk management

The principal financial risks to which the Group is exposed are those of credit, liquidity and market. Market risk includes foreign currency transaction risk and interest rate risk. Each of these is managed in accordance with Board-approved policies.

Credit risk

The Group is exposed to credit risk on financial assets such as cash deposits, derivative instruments and trade and other receivables.

The amounts in the balance sheet represent the maximum credit risk exposure at the balance sheet date. There were no significant concentrations of credit risk at the balance sheet date, as exposure is spread over a large number of counterparties, customers and geographic locations. The Group has reviewed its credit risk again carefully this year due to the current global economic and geopolitical uncertainties and the Group does not believe it has materially altered during the year.

For cash deposits and derivative instruments, the Group identifies counterparties of suitable creditworthiness based on ratings assigned by international credit-rating agencies and has procedures to ensure that only these parties are used, that exposure limits are set based on the external credit ratings and that these limits are not exceeded. The impairment losses on these are immaterial.

The table below sets out the credit exposure to counterparties by rating for cash and cash equivalents and derivatives.

The maximum exposure with a single bank for deposits was £22.7 million (2023/24: £12.6 million) and the largest mark to market exposure for derivative financial instruments to a single bank was £0.2 million (2023/24: £0.6 million). The Group also occasionally uses money market funds to invest surplus cash thereby diversifying credit risk and at 31 March 2025 its exposure to these funds was £nil (2023/24: £nil).

	Aaa £m	Aa £m	A £m	Baa £m	Ba1 and below/ unrated £m	Total £m
Bank balances and deposits	–	98.1	46.0	0.8	2.8	147.7
Third party financial derivatives	–	1.0	0.9	–	–	1.9
At 31 March 2025	–	99.1	46.9	0.8	2.8	149.6

Group accounts continued

NOTES TO THE GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2025

23 Financial risk management continued

	Aaa £m	Aa £m	A £m	Baa £m	Ba1 and below/ unrated £m	Total £m
Bank balances and deposits	–	211.1	44.6	2.1	0.9	258.7
Third party financial derivatives	–	1.0	1.6	–	–	2.6
At 31 March 2024	–	212.1	46.2	2.1	0.9	261.3

For trade and other receivables, all operating companies have credit policies and monitor their credit exposure on an ongoing basis. Each operating company performs credit evaluations on all customers seeking credit over a certain amount. For countries with no local operating company presence, export credit limits are set and monitored on a country basis, monthly, by the Treasury Committee. The impairment losses on contract assets, amounts owed by joint venture and other receivables are immaterial.

The impairment allowance for trade receivables is measured at an amount equal to lifetime expected credit losses. Trade receivables have been grouped based on shared credit risk characteristics and the number of days from date of invoice. The expected loss rates are based on the payment profile of sales over a 36-month period from 1 April 2021 and the corresponding historical credit losses experienced within this period calculated as the trade receivables from this period that have not been paid by the year end. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

On that basis, the impairment allowance for trade receivables was determined as follows:

	2025			2024		
	Expected loss rate %	Gross carrying amount £m	Loss allowance £m	Expected loss rate %	Gross carrying amount £m	Loss allowance £m
0 - 30 days from date of invoice	0.7%	348.6	2.3	1.0%	339.4	3.5
31 - 60 days from date of invoice	0.6%	162.0	1.0	1.2%	174.0	2.1
61 - 90 days from date of invoice	1.4%	50.8	0.7	1.8%	51.1	0.9
91 - 120 days from date of invoice	3.3%	18.4	0.6	3.0%	16.6	0.5
Over 120 days from date of invoice	19.1%	36.1	6.9	9.6%	42.9	4.1
Total		615.9	11.5		624.0	11.1

The ageing of net trade receivables at the reporting date was:

	2025 £m	2024 £m
Not past due	469.2	487.2
Past due 1 - 30 days	73.3	71.8
Past due 31 - 60 days	26.5	18.6
Past due 61 - 120 days	14.3	10.1
Past due over 120 days	21.1	25.2
Total	604.4	612.9

The movement in the impairment allowance for trade receivables was as follows:

	2025 £m	2024 £m
At 1 April	(11.1)	(12.6)
Acquisitions	–	(0.8)
Trade receivables written off	3.5	5.6
Increase in impairment allowance recognised in profit or loss	(4.2)	(3.4)
Translation differences	0.3	0.1
At 31 March	(11.5)	(11.1)

Trade receivables are written off when there is no reasonable expectation of recovery, for example when a customer enters liquidation or the Group agrees with the customer to write off an outstanding invoice. The Group continues to limit its exposure through tight credit policies, proactive monitoring and collections. Historically, the Group has generally experienced very low levels of trade receivables not being recovered, including those significantly past due, and this was also the case during 2024/25. However, with the continued global economic and geopolitical uncertainties, the Group remains cautious about its exposure and so has reviewed carefully, and maintained at a higher level, its expected loss rates for those markets and industries that are most affected.

At 31 March 2025, the largest trade receivable balance was £15.5 million (2023/24: £13.5 million), of which £11.0 million has been received since the year end.

Group accounts continued

NOTES TO THE GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2025

23 Financial risk management continued**Liquidity risk**

The Group's key priority is to ensure that it can meet its liabilities as they fall due. The Group ensures this by having sufficient committed debt facilities in place to meet its anticipated funding requirements. The Group's forecast funding requirements and its committed debt facilities are reported to and monitored by the Treasury Committee monthly.

During the year, the Group's request to take up the remaining one-year term extension to the multicurrency revolving credit facility was approved by the lenders and therefore, as at 31 March 2025, the Group had the following committed debt finance in place:

- Private placement loan notes of €18 million with a maturity of October 2026, US\$80 million with a maturity of December 2026, €13 million with a maturity of October 2029, US\$35 million with a maturity of March 2030 and US\$50 million with a maturity of October 2031.
- A £400 million multicurrency revolving credit facility, with an accordion of up to a further £100 million, with a maturity of October 2029. Amounts borrowed under this facility are borrowed for fixed amounts of time after which they can be repaid or rolled up to a maximum of the facility maturity.
- A €150 million term loan previously repayable by April 2026. During the year the loan was extended on similar terms and is now repayable by October 2028.

As at 31 March 2025, the Group had £287.4 million (2023/24: £245.0 million) of available undrawn committed debt facilities in respect of which all conditions precedent had been met.

The Group also uses bank overdrafts, uncommitted short-term money market loans, cash and short-term investments. The main purpose of these financial instruments is to manage the Group's day-to-day funding and liquidity requirements.

The contractual maturities of financial liabilities, including contractual future interest payments were:

	Carrying amounts £m	Contractual cash flows £m	Within 1 year £m	1-2 years £m	2-3 years £m	3-4 years £m	After 4 years £m
Derivative financial liabilities							
Inflows for forward foreign exchange contracts	N/A	161.7	161.7	–	–	–	–
Outflows for forward foreign exchange contracts	N/A	(163.2)	(163.2)	–	–	–	–
Forward foreign exchange contracts	(1.8)	(1.5)	(1.5)	–	–	–	–
Non-derivative financial liabilities							
Multicurrency revolving credit facility	(112.6)	(134.7)	(4.8)	(4.8)	(4.8)	(4.8)	(115.5)
Unsecured bank facility	(23.5)	(24.0)	(24.0)	–	–	–	–
Term loan	(124.2)	(141.8)	(4.5)	(4.5)	(4.5)	(128.3)	–
Private placement loan notes	(153.2)	(171.9)	(4.8)	(81.0)	(2.5)	(2.5)	(81.1)
Lease liabilities	(56.7)	(67.2)	(17.9)	(14.8)	(9.0)	(6.2)	(19.3)
Bank overdrafts	(41.7)	(41.7)	(41.7)	–	–	–	–
Trade payables, other payables and accruals	(504.1)	(504.1)	(500.6)	(3.5)	–	–	–
At 31 March 2025	(1,017.8)	(1,086.9)	(599.8)	(108.6)	(20.8)	(141.8)	(215.9)

Group accounts continued

NOTES TO THE GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2025

23 Financial risk management continued

	Carrying amounts £m	Contractual cash flows £m	Within 1 year £m	1-2 years £m	2-3 years £m	3-4 years £m	After 4 years £m
Derivative financial liabilities							
Inflows for forward foreign exchange contracts	N/A	150.5	150.5	–	–	–	–
Outflows for forward foreign exchange contracts	N/A	(151.7)	(151.7)	–	–	–	–
Forward foreign exchange contracts	(1.1)	(1.2)	(1.2)	–	–	–	–
Non-derivative financial liabilities							
Multicurrency revolving credit facility	(155.0)	(163.5)	(77.8)	(74.3)	(11.4)	–	–
Term loan	(128.2)	(142.0)	(6.6)	(6.6)	(128.8)	–	–
Private placement loan notes	(157.1)	(182.4)	(4.9)	(4.9)	(83.6)	(2.6)	(86.4)
Lease liabilities	(73.9)	(89.6)	(19.0)	(15.8)	(12.8)	(7.4)	(34.6)
Bank overdrafts	(162.7)	(162.7)	(162.7)	–	–	–	–
Trade payables, other payables and accruals	(519.1)	(519.1)	(507.7)	(3.0)	(8.4)	–	–
At 31 March 2024	(1,197.1)	(1,260.5)	(779.9)	(104.6)	(245.0)	(10.0)	(121.0)

Market risk – foreign currency transaction risk

The Group is exposed to foreign currency transaction risk as it has operating companies with payables and receivables in currencies other than their functional currency. The Group also has foreign currency translation risk resulting from investment in foreign subsidiaries and foreign currency debt which is mainly in US dollars and euros.

Hedging of currency exposures during periods when operating companies cannot easily change their selling prices is implemented in order to shelter the forecast gross profit during those periods. In this way the impacts of currency fluctuations can be smoothed until selling prices can be changed in the light of movements in exchange rates. The hedges are enacted through forward foreign exchange contracts entered into by Group Treasury in appropriate currencies based on trading projections provided by the operating companies with fixed terms mainly of between three and seven months and occasionally out to 11 months for some more certain US dollar trading projections. The Group's largest exposures relate to euros and US dollars.

In addition, specific cash flows relating to material transactions in currencies other than the functional currency of the local business are hedged when the commitment is made.

As of 31 March 2025, net transactions of £77 million and £40 million were hedged for EUR/GBP and USD/GBP respectively.

The Group classifies forward foreign exchange contracts as hedging instruments against forecast cash receipts and payments for sales and purchases and designates the forward element of these contracts as cash flow hedges for accounting purposes on a 1:1 basis which means the fair value movement in the hedged item is equal and opposite to the fair value movement in the hedging instrument. The forecast cash flows are expected to occur evenly throughout the forecast period from the year end, which is between three and 11 months, and will affect the income statement in the period in which they occur or the inventories are sold. The average forward prices of the outstanding forward foreign exchange contracts are €1.16:£1 and US\$1.27:£1 (2023/24: €1.17:£1 and US\$1.26:£1).

Foreign currency transaction exposures, and the hedges in place to mitigate them, are monitored monthly by the Treasury Committee. The Group does not believe its foreign currency transaction risk has altered materially during the year. Ineffectiveness may arise if actual foreign currency transactions are lower than the trading projections. There may also be hedge ineffectiveness from the effect of the counterparty and Group's own credit risk on the fair value of forward contracts, which is not reflected in the fair value of the hedged item attributable to changes in foreign exchange rates, or basis risk or from the timing of transaction. No other sources of ineffectiveness emerged from these hedging relationships.

The Group has designated the US\$165 million private placement loan notes (2023/24: US\$165 million), with a carrying amount of £127.3 million (2023/24: £130.5 million), as hedges of US\$165 million (2023/24: US\$165 million) of net investments in its US dollar functional currency subsidiaries. The Group has designated the €181 million of private placement loan notes and term loan (2023/24: €181 million), with a carrying amount of £150.1 million (2023/24: £154.8 million), as hedges of €181 million (2023/24: €181 million) of net investments in its euro functional currency subsidiaries. These hedges are expected to remain highly effective as the change in the value of the net assets of the subsidiaries hedged is always exactly offset by the related change in the fair value of the private placement loan notes and term loan. No other foreign currency translation exposures are explicitly hedged although local currency debt is used where economically and fiscally efficient in the financing of subsidiaries and this provides a degree of natural hedging. Guidelines are in place to manage the currency mix of the Group's net debt. The Group does not believe its foreign currency translation risk has altered materially during the year. The balance in the cumulative translation reserve relating to the US\$165 million and €181 million net investment hedges is a gain of £13.7 million (2023/24: £7.1 million) with a further loss of £36.7 million (2023/24: £36.7 million) relating to previous net investment hedging relationships. During the year to 31 March 2025 a gain of £6.6 million was recognised in OCI.

Group accounts continued

NOTES TO THE GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2025

23 Financial risk management continued

Borrowings are analysed by currency as:

	Bank overdrafts £m	Bank facility £m	Term loan £m	Multicurrency revolving credit facility £m	Private placement loan notes £m	Total £m
At 31 March 2025						
Sterling	(22.0)	-	-	(50.0)	-	(72.0)
US dollar	(5.6)	-	-	-	(127.3)	(132.9)
Euro	(8.0)	-	(124.2)	(62.6)	(25.9)	(220.7)
Canadian dollar	(4.0)	-	-	-	-	(4.0)
Other	(2.1)	(23.5)	-	-	-	(25.6)
Total borrowings	(41.7)	(23.5)	(124.2)	(112.6)	(153.2)	(455.2)
At 31 March 2024						
Sterling	(94.1)	-	-	(155.0)	-	(249.1)
US dollar	(26.4)	-	-	-	(130.5)	(156.9)
Euro	(28.5)	-	(128.2)	-	(26.6)	(183.3)
Canadian dollar	(8.3)	-	-	-	-	(8.3)
Other	(5.4)	-	-	-	-	(5.4)
Total borrowings	(162.7)	-	(128.2)	(155.0)	(157.1)	(603.0)

Market risk – interest rate risk

The Group's policy dictates regular monitoring of interest rate exposure with a view to taking suitable actions should exposure reach certain levels.

As at 31 March 2025 (and 31 March 2024), the Group had US\$165 million and €31 million of private placement loan notes at fixed interest rates. All other borrowings were at variable rates. At 31 March 2025, 34% (2023/24: 26%) of the Group's gross borrowings excluding lease liabilities (total borrowings plus bank overdrafts) were at fixed rates, with surplus cash deposited at variable rates.

Sensitivity analysis of exposure to interest rates and foreign exchange rates

The sensitivity analysis is based on the following:

- Change of one percentage point in market interest rates affecting all variable rate elements of financial instruments.
- Change of 5% in euro and US dollar exchange rates affecting the fair value of derivative financial instruments designated as hedging instruments and other financial assets and liabilities.

The transactional foreign exchange effect in equity due to net investment hedges included below would be offset in full by the translation of the US and European subsidiaries.

	2025		2024	
	Impact on income statement gain/(loss) £m	Impact on equity gain/(loss) £m	Impact on income statement gain/(loss) £m	Impact on equity gain/(loss) £m
One percentage point increase in interest rates	(1.6)	-	(1.9)	-
5% weakening of the euro	1.5	5.5	1.1	5.4
5% weakening of the US dollar	(1.9)	12.1	(2.1)	10.0

A corresponding decrease in interest rates or strengthening of exchange rates would result in an equal and opposite effect to the amounts above.

Capital management

The Board's policy is to maintain a strong capital base always, with an appropriate debt to equity mix, to ensure investor, creditor and market confidence and to support the future development of the business. The Board monitors ROCE (Note 3) and the level of dividends to ordinary shareholders.

The Group seeks to raise debt from a variety of sources and with a variety of maturities. See Note 22 for further details.

The Group's debt covenants are net debt to adjusted EBITDA to be less than 3.25 times and EBITA to interest to be greater than 3 times, which are measured on a rolling 12-month basis at half year and year end. At the year end the Group comfortably met these covenants with net debt to adjusted EBITDA of 1.1x (2023/24 restated: 1.2x) and EBITA to interest of 10.9x (2023/24 restated: 10.3x).

There were no significant changes in the Group's approach to capital management during the year.

Group accounts continued

NOTES TO THE GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2025

24 Provisions and contingent liabilities

Provisions are recognised when the Group has a present obligation as a result of a past event and a reasonable estimate can be made of a probable adverse outcome. Otherwise, material contingent liabilities are disclosed unless the transfer of economic benefits is remote.

	Reorganisation provision £m	Penalties and interest on uncertain income tax provision £m	Dilapidation provision £m	Total £m
At 1 April 2024	3.6	3.0	2.6	9.2
Acquisitions (Note 29)	-	-	0.1	0.1
Additions	9.6	0.1	0.5	10.2
Utilised	(8.3)	-	-	(8.3)
Released	(1.1)	(1.0)	(0.8)	(2.9)
Translation differences	-	(0.2)	-	(0.2)
At 31 March 2025	3.8	1.9	2.4	8.1

Analysed in the balance sheet as:

	2025 £m	2024 £m
Current	5.0	5.0
Non-current	3.1	4.2
	8.1	9.2

Provisions for uncertain tax positions are recognised in current tax liabilities, with relevant penalties and interest recognised in provisions, see Note 11. The reorganisation provision is expected to be fully utilised by March 2027 and the dilapidation provision is expected to be fully utilised by March 2028.

At 31 March 2025, there were no material contingent liabilities (2023/24: none).

25 Capital commitments

As at 31 March 2025, the Group is contractually committed to, but has not provided for, future capital expenditure of £12.9 million (2023/24: £8.0 million) for property, plant and equipment and £4.5 million (2023/24: £4.6 million) for intangible assets.

26 Share capital and share premium

	Number of shares	Share capital £m	Share premium £m	Total £m
Issued and fully paid ordinary shares of 10p each:				
At 1 April 2023	472,784,409	47.3	236.0	283.3
Issues to settle employee share awards	1,227,903	0.1	3.5	3.6
At 31 March 2024	474,012,312	47.4	239.5	286.9
Issues to settle employee share awards	37,156	-	0.2	0.2
At 31 March 2025	474,049,468	47.4	239.7	287.1

The EBT buys shares on the open market and holds them in trust for employees participating in the Group's share-based payment schemes. At 31 March 2025, the EBT held 5,538,418 shares (2023/24: 343,147 shares) which had not yet vested unconditionally with employees.

Group accounts continued

NOTES TO THE GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2025

27 Other reserves

	Hedging reserve £m	Cumulative translation reserve £m	Total £m
At 1 April 2023 (as reported)	(0.5)	109.3	108.8
Effect of prior period restatement (Note 32)	–	0.3	0.3
At 1 April 2023 (restated ¹)	(0.5)	109.6	109.1
Foreign exchange translation differences (restated ¹)	–	(3.7)	(3.7)
Fair value gain on net investment hedges (Note 23)	–	3.4	3.4
Cash flow hedging gains taken to equity	1.3	–	1.3
Cash flow hedging gains transferred to cost of sales	(1.4)	–	(1.4)
Total comprehensive expense (restated ¹)	(0.1)	(0.3)	(0.4)
Cash flow hedging gains transferred to inventories	(1.6)	–	(1.6)
Tax on cash flow hedging transferred to inventories	0.4	–	0.4
Cash flow hedging losses transferred to acquisition purchase price	1.8	–	1.8
Tax on cash flow hedging transferred to acquisition purchase price	(0.4)	–	(0.4)
At 31 March 2024 (restated ¹)	(0.4)	109.3	108.9
Foreign exchange translation differences	–	(84.2)	(84.2)
Fair value gain on net investment hedges (Note 23)	–	6.6	6.6
Cash flow hedging gains taken to equity	(5.6)	–	(5.6)
Cash flow hedging gains transferred to cost of sales	7.0	–	7.0
Tax on other comprehensive income (Note 11)	(0.2)	–	(0.2)
Total comprehensive income/(expense)	1.2	(77.6)	(76.4)
Cash flow hedging gains transferred to inventories	(0.6)	–	(0.6)
Tax on cash flow hedging transferred to inventories	0.1	–	0.1
At 31 March 2025	0.3	31.7	32.0

1. Please refer to Note 32 for further details of the restatement.

28 Related parties

The Group's joint venture (Note 17) is a related party and during the year, the Group made sales of £4.4 million (2023/24: £4.0 million) to the joint venture, and a balance of £1.3 million (2023/24: £1.5 million) was outstanding at the year end.

The Group's pension schemes are related parties and the Group's transactions with them are disclosed in Note 10. Transactions and balances between the Company and its subsidiaries have been eliminated on consolidation.

The key management personnel of the Group are the Directors and the Senior Management Team/ Executive Committee, whose compensation was:

	2025 £m	2024 £m
Short-term employee benefits	9.5	6.1
Post-employment benefits	0.1	0.1
Termination benefits	0.4	0.6
Share-based payments	1.4	1.1
	11.4	7.9

29 Acquisitions

On 2 April 2024 the Group acquired 100% of the issued share capital of Trident Australia Pty Ltd, a specialist MRO distribution and rental, calibration and mechanical services partner for the energy and natural resources industry in Australia. Trident adds to the Group's Australian presence by increasing the Group's access to the energy and natural resources sector with associated customer and product synergies and provides distribution infrastructure and service capacity in Western Australia. The goodwill is attributable to the revenue synergies which are expected to arise from combining Trident's established presence in Western Australia and its highly specialised services for customers in the energy sector with the Group's global customer base and range of complementary products.

Group accounts continued

NOTES TO THE GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2025

29 Acquisitions continued

The fair value of the net assets acquired, consideration and goodwill arising, plus transaction costs and contribution to the Group's results since acquisition were:

	£m
Intangible assets - customer relationships	0.5
Property, plant and equipment	1.8
Right-of-use assets	2.4
Inventories (gross £2.0 million less provisions of £1.3 million)	0.7
Current trade and other receivables	1.8
Current trade and other payables	(1.1)
Current lease liabilities	(0.3)
Non-current lease liabilities	(2.0)
Non-current other provisions	(0.1)
Current income tax liabilities	(0.1)
Deferred tax liabilities	(0.8)
Net assets acquired	2.8
Goodwill	5.9
Consideration paid – cash	8.2
Contingent consideration payable – accrued	0.5
Total consideration	8.7

Acquisition-related costs charged to administrative expenses:

In 2024/25	0.2
In 2023/24	0.2
Revenue since acquisition	8.5
Profit after tax since acquisition	0.2
Trade and other receivables:	
Gross contractual amounts receivable	1.8
Estimate of amounts not expected to be collected	–

The goodwill will not be deductible for tax purposes. The contingent consideration was due 12 months after the completion date and was based on revenue in the period January to December 2024 with a range of £nil to £0.9 million. The conditions for payment were partially met and on 10 March 2025 the contingent consideration payable was settled for £0.2 million.

Acquisition-related costs charged to administration expenses of £0.2 million included retention bonuses of £0.5 million and the release of £0.3 million of accrued contingent consideration payable. See Note 3.

If the acquisition had occurred on 1 April 2024, the Group's revenue and profit for the year ended 31 March 2025 would have been unchanged.

Group accounts continued

NOTES TO THE GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2025

30 Related undertakings

A full list of related undertakings (comprising subsidiaries and a joint venture) is set out below. All subsidiaries are wholly owned except where indicated below and operate within their countries of incorporation. Those companies marked with an asterisk (*) are indirectly held by the Company.

Name and registered address of undertaking	Country of incorporation	Class of share held
Distributor of product and service solutions		
RS Components Pty Limited*		
25, Pavesi Street, Smithfield, Sydney NSW 2164, Australia	Australia	Ordinary
Trident Australia Pty Limited*		
25, Pavesi Street, Smithfield, Sydney NSW 2164, Australia	Australia	Ordinary
Distrelec Gesellschaft m.b.H.*		
Jagdgassee 25, 1100, Wien, Austria	Austria	Ordinary
RS Components Handelsgesellschaft m.b.H*		
Albrechtser Straße 11, 3950, Gmünd, Austria	Austria	Share of equity
RS Integrated Supply Belgium*		
Louizalaan 65/11, 1050 Elsene, Belgium	Belgium	Ordinary
RS Americas (Canada), Inc.*		
1155 Lola Street, Unit 6, Ottawa, ON, K1K 4C1, Canada	Canada	Common
RS Integrated Supply Canada Corp.*		
600-1741 Lower Waters Street, Halifax, NS, B3J 0J2, Canada	Canada	Common
RS Group Limitada (DBA - RS Limitada)*		
Av. Eduardo Frei Montalva, 6001-71 Conchali, Santiago, Chile	Chile	Ordinary
RS Components Limited*		
4/F, VC House, 4-6 On Lan Street, Central, Hong Kong	China	Ordinary
RS Components (Shanghai) Company Limited*		
East Part, 2 Floor, No.27 building, No.30, Fu Te East Third Road China (Shanghai) Pilot Free Trade Zone	China	Ordinary
Elfa Distrelec A/S*		
Haslegårdsvej 8-12, 8210 Aarhus V, Denmark	Denmark	Ordinary
RS Components A/S*		
Nattergalevej 6, 2400, København NV, Denmark	Denmark	Ordinary

† Note 17 provides details about the Company's interest in the joint venture.

Name and registered address of undertaking	Country of incorporation	Class of share held
Risoul Dominicana S.R.L.*		
Autopista Duarte KM 17, Calle Los Almejos, Palma Enana No 13, Nave 1, Villa Linda, Palmarejito, Santo Domingo Oeste, Dominican Republic	Dominican Republic	Ordinary
Elfa Distrelec OÜ*		
Hobujaama 4, Tallinn 10151, Estonia	Estonia	Ordinary
Elfa Distrelec Oy*		
Bertel Jungin Aukio 5, FI-02600, Finland	Finland	Ordinary
RS Components SAS*		
Rue Norman King, 60000, Beauvais, France	France	Ordinary
RS Integrated Supply France*		
Rue Norman King BF 453, F-60031 Beauvais Cedex, France	France	Ordinary
Distrelec Deutschland GmbH*		
Schellackstrasse 1, 28217 Bremen	Germany	Ordinary
RS Components GmbH*		
Mainzer Landstraße 180, 60327, Frankfurt, Germany	Germany	Ordinary
RS Integrated Supply Deutschland GmbH*		
Bleibtreustr. 21, 10623, Berlin, Germany	Germany	Ordinary
RS Integrated Supply Hungary Koriátolt Felelősségű Társaság*		
1062, 1-3. Tower A, 6th floor, Budapest, Hungary	Hungary	Ordinary
RS Components & Controls (India) Limited*†		
222 Okhla Industrial Estate, New Delhi, India	India	Ordinary
RS Components S.r.l.*		
Sesto san Giovanni, Viale Thomas Alva Edison, 110, 20099, MI, Italy	Italy	Ordinary
RS Integrated Supply Italy S.r.l.*		
Sesto san Giovanni, Viale Thomas Alva Edison, 110, 20099, MI, Italy	Italy	Ordinary
RS Components KK*		
West Tower 12F, Yokohama Business Park, 134 Godocho, Hodogaya, Yokohama, Kanagawa, 240-0005, Japan	Japan	Ordinary

Group accounts continued

NOTES TO THE GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2025

30 Related undertakings continued

Name and registered address of undertaking	Country of incorporation	Class of share held
Elfa Distrelec SIA* Krišjāņa Valdemāra iela 62, Rīga LV 1013, Latvia	Latvia	Ordinary
Elfa Distrelec, UAB* Ukmergės g. 219, LT-07152 Vilnius, Lithuania	Lithuania	Ordinary
RS Components Sdn. Bhd.* Suite 9D, Level 9, Menara Ansar, 65 Jalan Trus, Johor Bahru, 80000, Johor, Malaysia	Malaysia	Ordinary
Allied Electronics & Automation S. de R.L. de C.V.* Avenida Circunvalación Agustín Yáñez N° 2613 Int. 1A 105, Colonia Arcos Vallarta Sur, Guadalajara Jalisco, 44500, Mexico	Mexico	Ordinary
Risoul y Cia, S.A. de C.V.* Avenida Sendero Divisorio 400, Residencia Casa Bella, San Nicolas de los Garza, Nuevo Leon, 66428, Mexico	Mexico	Ordinary
RS Custom Order Solutions, S.A. de C.V.* Avenida Sendero Divisorio 400, Residencia Casa Bella, San Nicolas de los Garza, Nuevo Leon, 66428, Mexico	Mexico	Ordinary
Storeroom Solutions Mexico, S. de R.L. de C.V.* Flores 57 P, 3 Juarez Distrito Federal, 06600, Mexico	Mexico	Ordinary
Distrelec B.V.* De Tweeling 28, 5215 MC's Hertogenbosch, Netherlands	Netherlands	Ordinary
Liscombe B.V.* Jarmuiden 56 a, 1046 AE, Amsterdam, Netherlands	Netherlands	Ordinary
RS Components B.V.* Bingerweg 19, 2031 AZ Haarlem, Netherlands	Netherlands	Ordinary
RS Integrated Supply Netherlands B.V.* Bingerweg 19, 2031 AZ Haarlem, Netherlands	Netherlands	Ordinary
RS Components Limited* KPMG, 18 Viaduct Harbour Avenue, Auckland, 1010, New Zealand	New Zealand	Ordinary
Elfa Distrelec AS* Apotekergata 10B, 0180 Oslo, Norway	Norway	Ordinary
RS Components AS* Kristian Augusts Gate 13, 0164 Oslo, Norway	Norway	Ordinary

Name and registered address of undertaking	Country of incorporation	Class of share held
RS Components Corporation* 21st Floor Multinational Bancorporation Centre, 6805 Ayala Avenue, Makati City, Philippines	Philippines	Common and preference
Elfa Distrelec Sp. z.o.o.* Ul. Domaniewska 48, 02-672, Warszawa, Poland	Poland	Ordinary
RS Components sp. z.o.o.* Ul. Domaniewska 48, 02-672, Warszawa, Poland	Poland	Ordinary
RS Integrated Supply Poland Sp. z.o.o.* Ul. Domaniewska 48, 02-672, Warszawa, Poland	Poland	Ordinary
Radionics Limited* Glenview Industrial Estate, Herberton Road, Rialto, Dublin 12, Ireland	Republic of Ireland	Ordinary
RS Integrated Supply Ireland Limited* Glenview Industrial Estate, Herberton Road, Rialto, Dublin 12, Ireland	Republic of Ireland	Ordinary
Synovos Ireland Limited* 70 Sir John Rogerson's Quay, Dublin 2, Ireland	Republic of Ireland	Ordinary
RS Components Pte Ltd* 133 Cecil Street, #14-01, Keck Seng Tower, Singapore	Singapore	Ordinary
RS Integrated Supply Singapore Pte. Ltd.* 10 Ubi Crescent, #06-18 Ubi Techpark, 408564, Singapore	Singapore	Ordinary
Synovos Singapore Pte. Ltd.* 1 Marina Boulevard, #28-00, One Marina Boulevard, 018989, Singapore	Singapore	Ordinary
RS Integrated Supply Slovakia s.r.o.* Landererova 12, Bratislava - mestská časť Staré Mesto, 81109, Slovakia	Slovakia	Ordinary
Amidata S.A.U.* Avenida de Bruselas 6, Alcobendas, 28108, Madrid, Spain	Spain	Ordinary
Risoul Iberica SA* 08402 - Granollers, calle Girona, numero 85, Barcelona, Spain	Spain	Ordinary
Elfa Distrelec AB* Kronborgsgränd 1, 164 46 Kista, Sweden	Sweden	Ordinary

Group accounts continued

NOTES TO THE GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2025

30 Related undertakings continued

Name and registered address of undertaking	Country of incorporation	Class of share held
RS Components AB* Kronborgsgränd 1, 164 46 Kista, Sweden	Sweden	Ordinary
RS Integrated Supply Sweden AB* Drottninggatan 96, 113 60, Stockholm, Sweden	Sweden	Ordinary
Distrelec Schweiz AG* Grabenstrasse 6, 8606 Nänikon, Switzerland	Switzerland	Ordinary
Domnick (Thailand) Co., Ltd.* (86.74%) No. 99/1-3, Naradhiwas Rajanagarindra Road, Chong Nonsi, Yan Nawa, Bangkok, 10120, Thailand	Thailand	Ordinary
RS Components Co., Ltd* GMM Grammy Place, Room No. 1901-1904, Floor 19, No. 50, Sukhumvit 21 (Asoke), Klongtoey Nua, Wattana, Bangkok, 10110, Thailand	Thailand	Ordinary
Distrelec Ltd* 7th floor, 2 St Peter's Square, Manchester, M2 3AA, UK	UK	Ordinary
IESA A & D Limited* IESA Works Daten Park, Birchwood, Warrington, Cheshire, WA3 6UT, UK	UK	Ordinary
John Liscombe Limited* Fifth Floor, Two Pancras Square, London N1C 4AG, UK	UK	Ordinary and preference
Needlers Limited* Fifth Floor, Two Pancras Square, London N1C 4AG, UK	UK	Ordinary and preference
OKdo Technology Limited* Fifth Floor, Two Pancras Square, London N1C 4AG, UK	UK	Ordinary
RS Components Limited Birchington Road, Weldon, Corby, Northamptonshire, NN17 9RS, UK	UK	Ordinary
RS Integrated Supply UK Limited* IESA Works Daten Park, Birchwood, Warrington, Cheshire, WA3 6UT, UK	UK	Ordinary
MRO Distribution, Inc.* Two Radnor Corporate Center, Suite 400, Radnor, PA 19087, United States	United States of America	Common

Name and registered address of undertaking	Country of incorporation	Class of share held
New DEAM, LLC* Two Radnor Corporate Center, Suite 400, Radnor, PA 19087, United States	United States of America	Common
RS Americas, Inc* 7151 Jack Newell Blvd S., Fort Worth, TX 76118, United States	United States of America	Common
RS Integrated Supply Puerto Rico LLC* Two Radnor Corporate Center, Suite 400, Radnor, PA 19087, United States	United States of America	Common
RS Integrated Supply US Inc.* Two Radnor Corporate Center, Suite 400, Radnor, PA 19087, United States	United States of America	Common

Holding, Financing and Management Companies

RS Components Business Services (Foshan) Limited* 22nd Floor, Glory International Financial Center, No.25, Ronghe Road, Guicheng, Nanhai District, Foshan, Guangdong, 528200, China	China	Ordinary
Electrocomponents France SARL* Rue Norman King, 60000, Beauvais, France	France	Ordinary
Bodenfeld Immobilien GmbH* Mainzer Landstraße 180, 60327, Frankfurt, Germany	Germany	Ordinary
Electrocomponents Jersey Finance Unlimited* 44 Esplanade, St Helier, JE4 9WG, Jersey	Jersey	Common
Synovos Netherlands C.V.* Two Radnor Corporate Center, Suite 400, Radnor, PA 19087, United States	Netherlands	Partnership
Electrocomponents Holdings (Thailand) Limited* (49.00%) GMM Grammy Place, Room No. 1901-1904, Floor 19, No. 50, Sukhumvit 21 (Asoke), Klongtoey Nua, Wattana, Bangkok, 10110, Thailand	Thailand	Ordinary

Group accounts continued

NOTES TO THE GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2025

30 Related undertakings continued

Name and registered address of undertaking	Country of incorporation	Class of share held
Electrocomponents Newco (Thailand) Limited* (86.73%) GMM Grammy Place, Room No. 1901-1904, Floor 19, No. 50, Sukhumvit 21 (Asoke), Klongtoey Nua, Wattana, Bangkok, 10110, Thailand	Thailand	Ordinary
Electrocomponents (Thailand) Limited* (73.99%) GMM Grammy Place, Room No. 1901-1904, Floor 19, No. 50, Sukhumvit 21 (Asoke), Klongtoey Nua, Wattana, Bangkok, 10110, Thailand	Thailand	Ordinary
Electrocomponents Overseas Limited* Fifth Floor, Two Pancras Square, London N1C 4AG, UK	UK	Ordinary
Electrocomponents US Finance Limited* Fifth Floor, Two Pancras Square, London N1C 4AG, UK	UK	Ordinary
IESA A & D Holdings Limited* IESA Works Daten Park, Birchwood, Warrington, Cheshire, WA3 6UT, UK	UK	Ordinary
IESA Holdings Limited* IESA Works Daten Park, Birchwood, Warrington, Cheshire, WA3 6UT, UK	UK	Ordinary
Needlers Holdings Limited* Fifth Floor, Two Pancras Square, London N1C 4AG, UK	UK	Ordinary and preference
RS Components Holdings Limited* Fifth Floor, Two Pancras Square, London N1C 4AG, UK	UK	Ordinary
RS Group International Holdings Limited Fifth Floor, Two Pancras Square, London N1C 4AG, UK	UK	Ordinary
RS Group Pension Trustees Limited Fifth Floor, Two Pancras Square, London N1C 4AG, UK	UK	Ordinary
Electrocomponents, Inc.* 7151 Jack Newell Blvd S., Fort Worth, TX 76118, United States	United States of America	Common and preference
Electrocomponents North America, Inc.* 7151 Jack Newell Blvd S., Fort Worth, TX 76118, United States	United States of America	Common
Electrocomponents North America LLC* 7151 Jack Newell Blvd S., Fort Worth, TX 76118, United States	United States of America	Common

Name and registered address of undertaking	Country of incorporation	Class of share held
Electrocomponents (US), Inc.* 7151 Jack Newell Blvd S., Fort Worth, TX 76118, United States	United States of America	Common
Electrocomponents US LLC* 7151 Jack Newell Blvd S., Fort Worth, TX 76118, United States	United States of America	Common
Synovos International, Inc.* Two Radnor Corporate Center, Suite 400, Radnor, PA 19087, United States	United States of America	Common
Not currently trading		
RS Components (Proprietary) Limited* 20 Indianapolis Street, Kyalami Business Park, Kyalami Midrand, Gauteng, 1684, South Africa	South Africa	Ordinary
Risoul (Trinidad and Tobago) Limited* Nunez & Co, Level 2, Invaders Bay Tower, Invaders Bay, Off Audrey Jeffers Highway, Port of Spain, Trinidad and Tobago	Trinidad and Tobago	Ordinary
Electro Lighting Group Limited* Fifth Floor, Two Pancras Square, London N1C 4AG, UK	UK	Ordinary
IESA Limited Fifth Floor, Two Pancras Square, London N1C 4AG, UK	UK	Ordinary
RS Limited* Fifth Floor, Two Pancras Square, London N1C 4AG, UK	UK	Ordinary

RS Components Limited (UK), RS Componentes Limited (HK), RS Components B.V. (Netherlands) and RS Components GmbH (Germany) operate branch offices in South Africa, the Philippines, China (Shanghai) and China (Taiwan), Belgium and Switzerland.

31 Post balance sheet events

There were no material post balance sheet events.

Group accounts continued

NOTES TO THE GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2025

32 Prior Period Adjustments

The Group identified a prior period adjustment, impacting the opening position at 1 April 2023 and the year ended 31 March 2024. The impact of the prior period adjustment on the primary statements is presented in the tables below.

Inventory and related tax balances

During the year ended 31 March 2025, the Group identified errors in relation to the calculation of the inventory obsolescence provision. As explained in Note 18, in order to determine the value of the inventory provision, inventory is allocated into different categories based on the number of years required to sell the amounts held, based on the current "run rate" of sales. Depending on the number of years' sales required, different provisioning percentages are applied to each category in order to estimate the recoverable value.

During the year, the Group identified that certain inventory lines had been allocated to the incorrect category and as a result, an incorrect provisioning percentage had been applied in determining the inventory provision in previous periods. In addition, it was identified that the Group provisioning policy was not being consistently applied across the Group. As a result, comparative financial information has been restated to correct for the incorrect classification of amounts between categories, and the failure of certain components to comply with the Group's internal provisioning policies.

The aggregate impact of the two errors is an overstatement of the Group inventory in the opening balance sheet and comparative period.

The restatement decreases the Group's inventory balance by £13.2 million at 1 April 2023 and by a further £5.4 million for the year 2023/24.

As a consequence of the above change there is an impact on taxation. There is an additional credit to the deferred tax balance of £3.2 million as at 1 April 2023 and a further £1.3 million credit recognised in 2023/24.

The net impact on opening reserves as at 1 April 2023 was £10.0 million including £0.3 million impact on the translation reserve. In the year 2023/24, the impact on profit after tax was £4.3 million and on total comprehensive income was £0.3 million.

The table below details the impact of the prior year adjustment on the affected line items in the opening balance sheet (year ended 31 March 2023) and the comparative period (year ended 31 March 2024):

		Inventory £m	Tax £m	Net impact £m	
Year ended 31 March 2023					
Inventory		(13.2)	–	(13.2)	
Deferred tax asset/(liability)		–	3.2	3.2	
Net assets		(13.2)	3.2	(10.0)	
Total equity		(13.2)	3.2	(10.0)	
		Cumulative impact as at 1 April 2023	Inventory £m	Tax £m	Net impact £m
Year ended 31 March 2024					
Cost of sales			(5.6)	–	(5.6)
Tax credit/(charge)			–	1.3	1.3
Profit for the year			(5.6)	1.3	(4.3)
Other comprehensive income			0.2	0.1	0.3
Inventory	(13.2)		(5.4)	–	(18.6)
Deferred tax asset/(liability)	3.2		–	1.4	4.6
Net assets	(10.0)		(5.4)	1.4	(14.0)
Total equity	(10.0)		(5.4)	1.4	(14.0)

The following tables summarise the Group's primary financial statements for the periods indicated, giving effect to the restatement described above.

Group accounts continued

NOTES TO THE GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2025

32 Prior Period Adjustments continued

Group Income Statement restated

Year ended 31 March 2024	Reported £m	Inventory £m	Tax £m	Restated £m
Revenue	2,942.4	-	-	2,942.4
Cost of sales	(1,678.5)	(5.6)	-	(1,684.1)
Gross profit	1,263.9	(5.6)	-	1,258.3
Operating costs	(983.8)	-	-	(983.8)
Operating profit	280.1	(5.6)	-	274.5
Finance income	4.8	-	-	4.8
Finance costs	(36.7)	-	-	(36.7)
Share of profit of joint venture	0.6	-	-	0.6
Profit before tax	248.8	(5.6)	-	243.2
Income tax expense	(65.1)	-	1.3	(63.8)
Profit for the year attributable to owners of the Company	183.7	(5.6)	1.3	179.4

Group Statement of Comprehensive Income restated

Year ended 31 March 2024

	Reported £m	Inventory £m	Tax £m	Restated £m
Profit for the year	183.7	(5.6)	1.3	179.4
Other comprehensive income/(expense)				
Items that will not be reclassified subsequently to the income statement				
Remeasurement of retirement benefit obligations	0.8	-	-	0.8
Related income tax	(0.1)	-	-	(0.1)
	0.7	-	-	0.7
Items that may be reclassified subsequently to the income statement				
Foreign exchange translation differences of joint venture	(0.2)	-	-	(0.2)
Foreign exchange translation differences	(3.9)	0.2	0.1	(3.6)
Fair value gain on net investment hedges	3.4	-	-	3.4
Movement in cash flow hedges	(0.1)	-	-	(0.1)
	(0.8)	0.2	0.1	(0.5)
Other comprehensive income/(expense) for the year	(0.1)	0.2	0.1	0.2
Total comprehensive income/(expense) for the year	183.6	(5.4)	1.4	179.6
Total comprehensive income is attributable to:				
Owners of the Company	183.7	(5.4)	1.4	179.7
Non-controlling interests	(0.1)	-	-	(0.1)
	183.6	(5.4)	1.4	179.6

Group accounts continued

NOTES TO THE GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2025

32 Prior Period Adjustments continued

Group Balance Sheet restated

As at 31 March 2023

	Reported £m	Inventory £m	Tax £m	Restated £m
Non-current assets				
Intangible assets	704.8	–	–	704.8
Property, plant and equipment	186.3	–	–	186.3
Right-of-use assets	46.9	–	–	46.9
Investment in joint venture	1.5	–	–	1.5
Other receivables	6.5	–	–	6.5
Retirement benefit net assets	0.8	–	–	0.8
Deferred tax assets	6.9	–	–	6.9
Total non-current assets	953.7	–	–	953.7
Current assets				
Inventories	616.3	(13.2)	–	603.1
Trade and other receivables	692.0	–	–	692.0
Cash and cash equivalents – cash and short-term deposits	260.3	–	–	260.3
Derivative assets	1.8	–	–	1.8
Current income tax receivables	19.9	–	–	19.9
Total current assets	1,590.3	(13.2)	–	1,577.1
Total assets	2,544.0	(13.2)	–	2,530.8
Current liabilities				
Trade and other payables	(658.9)	–	–	(658.9)
Cash and cash equivalents – bank overdrafts	(139.8)	–	–	(139.8)
Lease liabilities	(14.6)	–	–	(14.6)
Derivative liabilities	(1.7)	–	–	(1.7)
Provisions	(1.8)	–	–	(1.8)
Current income tax liabilities	(22.1)	–	–	(22.1)

As at 31 March 2023

	Reported £m	Inventory £m	Tax £m	Restated £m
Total current liabilities	(838.9)	–	–	(838.9)
Non-current liabilities				
Other payables	(9.3)	–	–	(9.3)
Retirement benefit obligations	(37.2)	–	–	(37.2)
Borrowings	(184.6)	–	–	(184.6)
Lease liabilities	(34.3)	–	–	(34.3)
Provisions	(4.7)	–	–	(4.7)
Deferred tax liabilities	(90.1)	–	3.2	(86.9)
Total non-current liabilities	(360.2)	–	3.2	(357.0)
Total liabilities	(1,199.1)	–	3.2	(1,195.9)
Net assets	1,344.9	(13.2)	3.2	1,334.9
Equity				
Share capital and share premium	283.3	–	–	283.3
Own shares held by Employee Benefit Trust (EBT)	(2.2)	–	–	(2.2)
Other reserves	108.8	0.4	(0.1)	109.1
Retained earnings	954.3	(13.6)	3.3	944.0
Equity attributable to owners of the Company	1,344.2	(13.2)	3.2	1,334.2
Non-controlling interests	0.7	–	–	0.7
Total equity	1,344.9	(13.2)	3.2	1,334.9

Group accounts continued

NOTES TO THE GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2025

32 Prior Period Adjustments continued

Group Balance Sheet restated

As at 31 March 2024

	Reported £m	Inventory £m	Tax £m	Restated £m
Non-current assets				
Intangible assets	982.6	-	-	982.6
Property, plant and equipment	180.9	-	-	180.9
Right-of-use assets	72.8	-	-	72.8
Investment in joint venture	1.3	-	-	1.3
Other receivables	8.4	-	-	8.4
Retirement benefit net assets	1.5	-	-	1.5
Deferred tax assets	9.5	-	-	9.5
Total non-current assets	1,257.0	-	-	1,257.0
Current assets				
Inventories	656.0	(18.6)	-	637.4
Trade and other receivables	701.4	-	-	701.4
Cash and cash equivalents – cash and short-term deposits	258.7	-	-	258.7
Derivative assets	2.6	-	-	2.6
Current income tax receivables	22.7	-	-	22.7
Total current assets	1,641.4	(18.6)	-	1,622.8
Total assets	2,898.4	(18.6)	-	2,879.8
Current liabilities				
Trade and other payables	(602.7)	-	-	(602.7)
Cash and cash equivalents – bank overdrafts	(162.7)	-	-	(162.7)
Borrowings	-	-	-	-
Lease liabilities	(16.0)	-	-	(16.0)
Derivative liabilities	(1.1)	-	-	(1.1)
Provisions	(5.0)	-	-	(5.0)
Current income tax liabilities	(27.8)	-	-	(27.8)
Total current liabilities	(815.3)	-	-	(815.3)

As at 31 March 2024

	Reported £m	Inventory £m	Tax £m	Restated £m
Non-current liabilities				
Other payables	(17.3)	-	-	(17.3)
Retirement benefit obligations	(27.2)	-	-	(27.2)
Borrowings	(440.3)	-	-	(440.3)
Lease liabilities	(57.9)	-	-	(57.9)
Provisions	(4.2)	-	-	(4.2)
Deferred tax liabilities	(103.3)	-	4.6	(98.7)
Total non-current liabilities	(650.2)	-	4.6	(645.6)
Total liabilities	(1,465.5)	-	4.6	(1,460.9)
Net assets	1,432.9	(18.6)	4.6	1,418.9
Equity				
Share capital and share premium	286.9	-	-	286.9
Own shares held by Employee Benefit Trust (EBT)	(1.8)	-	-	(1.8)
Other reserves	108.3	0.6	-	108.9
Retained earnings	1,038.9	(19.2)	4.6	1,024.3
Equity attributable to owners of the Company	1,432.3	(18.6)	4.6	1,418.3
Non-controlling interests	0.6	-	-	0.6
Total equity	1,432.9	(18.6)	4.6	1,418.9

Group accounts continued

NOTES TO THE GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2025

32 Prior Period Adjustments continued

Group Cash Flow Statement

Year ended 31 March 2024	Reported £m	Inventory £m	Tax £m	Restated £m
Cash flows from operating activities				
Profit before tax	248.8	(5.6)	-	243.2
Depreciation and amortisation	83.7	-	-	83.7
Impairment of intangible assets	4.6	-	-	4.6
Impairment of property, plant and equipment	-	-	-	-
Impairment of right-of-use assets	0.4	-	-	0.4
Loss on disposal of non-current assets	1.6	-	-	1.6
Equity-settled share-based payments	7.8	-	-	7.8
Net finance costs	31.9	-	-	31.9
Share of profit of and dividends received from joint venture	-	-	-	-
Decrease in inventories	4.9	5.6	-	10.5
Decrease in trade and other receivables	8.1	-	-	8.1
Decrease in trade and other payables	(82.2)	-	-	(82.2)
Increase in provisions	1.1	-	-	1.1
Defined benefit retirement contributions in excess of charge	(9.8)	-	-	(9.8)
Cash generated from operations	300.9	-	-	300.9
Interest received	4.8	-	-	4.8
Interest paid	(35.8)	-	-	(35.8)
Income tax paid	(73.3)	-	-	(73.3)
Net cash from operating activities	196.6	-	-	196.6

Year ended 31 March 2024

	Reported £m	Inventory £m	Tax £m	Restated £m
Cash flows from investing activities				
Acquisition of businesses	(313.1)	-	-	(313.1)
Cash and cash equivalents acquired with businesses	9.0	-	-	9.0
Total cash impact on acquisition of businesses	(304.1)	-	-	(304.1)
Purchase of intangible assets	(35.7)	-	-	(35.7)
Purchase of property, plant and equipment	(15.9)	-	-	(15.9)
Proceeds on sale of property, plant and equipment	-	-	-	-
Net cash used in investing activities	(355.7)	-	-	(355.7)
Cash flows from financing activities				
Proceeds from the issue of share capital	3.6	-	-	3.6
Purchase of own shares by EBT	(1.5)	-	-	(1.5)
Net increase in revolving facility and short-term loans	130.2	-	-	130.2
Other loans drawn down	131.7	-	-	131.7
Other loans repaid	(2.5)	-	-	(2.5)
Principal elements of lease payments	(18.5)	-	-	(18.5)
Dividends paid	(104.1)	-	-	(104.1)
Net cash generated from financing activities	138.9	-	-	138.9
Net increase/(decrease) in cash and cash equivalents	(20.2)	-	-	(20.2)
Cash and cash equivalents at the beginning of the year	120.5	-	-	120.5
Effect of exchange rate changes	(4.3)	-	-	(4.3)
Cash and cash equivalents at the end of the year	96.0	-	-	96.0

Earnings per share

The impact of the restatement on earnings per share is set out below.

Year ended 31 March 2024	Reported £m	Inventory £m	Tax £m	Restated £m
Basic earnings per share	38.8p	(1.2)p	0.3p	37.9p
Diluted earnings per share	38.7p	(1.2)p	0.3p	37.8p

Company accounts

COMPANY BALANCE SHEET

As at 31 March 2025

	Notes	2025 £m	2024 £m
Fixed assets			
Tangible assets	7	14.5	15.1
Investments in subsidiaries	8	558.6	648.6
Total fixed assets		573.1	663.7
Current assets			
Debtors: amounts falling due after more than one year	10	17.7	0.7
Debtors: amounts falling due within one year	10	1,130.6	1,242.6
Cash at bank and in hand		29.0	104.6
Total current assets		1,177.3	1,347.9
Creditors: amounts falling due within one year	11	(332.5)	(531.2)
Net current assets		844.8	816.7
Total assets less current liabilities		1,417.9	1,480.4
Creditors: amounts falling due after more than one year	12	(390.4)	(440.9)
Net assets		1,027.5	1,039.5
Capital and reserves			
Share capital	16	47.4	47.4
Share premium account	16	239.7	239.5
Own shares held by Employee Benefit Trust (EBT)	16	(42.3)	(1.8)
Profit and loss account (including profit for the year of £128.9 million (2023/24: £155.6 million))	16	782.7	754.4
Total equity		1,027.5	1,039.5

The Company accounts on pages 196 to 200 were approved by the Board of Directors on 20 May 2025 and were signed on its behalf by:

Kate Ringrose

Chief Financial Officer

RS Group plc
Company number: 647788

COMPANY STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2025

	Share capital £m	Share premium account £m	Own shares held by EBT £m	Profit and loss account £m	Total £m
At 1 April 2023	47.3	236.0	(2.2)	697.4	978.5
Profit and total comprehensive income for the year	-	-	-	155.6	155.6
Dividends (Note 16)	-	-	-	(104.1)	(104.1)
Equity-settled share-based payments (Note 5)	-	-	-	7.8	7.8
Settlement of share awards (Note 16)	0.1	3.5	1.9	(1.9)	3.6
Purchase of own shares by EBT (Note 16)	-	-	(1.5)	-	(1.5)
Tax on equity-settled share-based payments	-	-	-	(0.4)	(0.4)
At 31 March 2024	47.4	239.5	(1.8)	754.4	1,039.5
Profit and total comprehensive income for the year	-	-	-	128.9	128.9
Dividends (Note 16)	-	-	-	(104.7)	(104.7)
Equity-settled share-based payments (Note 5)	-	-	-	9.4	9.4
Settlement of share awards (Note 16)	-	0.2	6.0	(5.1)	1.1
Purchase of own shares by EBT (Note 16)	-	-	(46.5)	-	(46.5)
Tax on equity-settled share-based payments	-	-	-	(0.2)	(0.2)
At 31 March 2025	47.4	239.7	(42.3)	782.7	1,027.5

Company accounts continued

NOTES TO THE COMPANY ACCOUNTS

For the year ended 31 March 2025

1 General information

RS Group plc (the Company) is the parent company of the RS Group and is included in the consolidated accounts of RS Group plc (the Group accounts). The Company is a public limited company and is incorporated, registered and domiciled in England and Wales. The address of its registered office is Fifth Floor, Two Pancras Square, London N1C 4AG, UK.

2 Statement of compliance

The individual accounts of the Company have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard (FRS) applicable in the UK and Republic of Ireland' (FRS 102) and the Companies Act 2006.

3 Basis of preparation

These are the Company's separate accounts and have been prepared on a going concern basis, under the historical cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value through profit and loss. They are presented in sterling and rounded to the nearest £0.1 million. The principal accounting policies have been applied consistently unless otherwise stated.

The preparation of accounts under FRS 102 requires the Company to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. There are no areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant that are included in these accounts.

Under section 408 of the Companies Act 2006 the Company is exempt from the requirement to present its own profit and loss account.

The Company has taken advantage of the following disclosure exemptions available under FRS 102:

- i. preparation of a cash flow statement
- ii. financial instrument disclosures
- iii. share-based payment disclosures
- iv. key management personnel compensation disclosure

Transactions in foreign currencies are recorded using the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated at the rate ruling at that date and the gains and losses on translation are recognised in profit or loss.

4 Employees

Average number of employees	2025	2024
Management and administration for the Company	68	69
Management and administration for the Company's subsidiaries	789	784
Management and administration total	857	853
Aggregate employment costs	2025 £m	2024 £m
Wages and salaries	9.5	6.9
Social security costs	1.2	0.9
Share-based payments - equity-settled (Note 5)	1.0	(0.2)
Share-based payments - cash-settled	(0.1)	(0.4)
Defined contribution retirement benefit costs (Note 6)	0.5	0.4
	12.1	7.6
Termination benefits	0.6	0.6
Total	12.7	8.2

Information on the Directors' remuneration is in the Directors' Remuneration Report on pages 104 to 131.

The numbers above are for employees who work for the Company. There are a number of Group employees whose contracts of employment are with the Company but who actually work in its subsidiaries and perform no services directly for the Company. These employees are not included in the cost numbers above.

5 Share-based payments

The Company operates a number of share-based payment schemes for employees of the Group, details of which are in Note 9 of the Group accounts. Certain of the Company's employees participate in the equity-settled LTIPs, DSBP and equity-settled SAYE which grant rights to the Company's own equity instruments and hence are accounted for as equity-settled share-based payments.

Company accounts continued

NOTES TO THE COMPANY ACCOUNTS CONTINUED

For the year ended 31 March 2025

6 Post-employment benefits

Employees of the Company may be members of the Group's UK pension schemes.

Defined benefit scheme

There is no agreement or stated policy for charging the net defined benefit cost for the scheme to the individual Group entities. Both the Company and RS Components Limited, the main UK trading subsidiary of the Company, are the sponsoring employers. The majority of the scheme members work for RS Components Limited and so it accounts for the UK scheme as a defined benefit scheme in its accounts. The Company recognises a cost equal to its contributions.

Details of the UK defined benefit scheme is in Note 10 of the Group accounts.

Defined contribution scheme

Contributions to the defined contribution scheme are expensed as they fall due.

7 Tangible assets

Tangible assets are stated at cost (or deemed cost for the freehold warehouse facility which is occupied by a wholly owned subsidiary) less accumulated depreciation and any provisions for impairment.

Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use and any dismantling and restoration costs.

No depreciation has been charged on land. Other assets are depreciated to residual value on a straight-line basis over the following useful lives: investment property (freehold warehouse facility occupied by a wholly owned subsidiary) 50 years; leasehold improvements 10 years; plant and machinery 10 years; and computer equipment 5 years.

	Investment property £m	Leasehold improvements £m	Plant and machinery £m	Computer equipment £m	Total £m
Cost					
At 1 April 2024 and 31 March 2025	18.2	1.2	9.2	0.8	29.4
Depreciation					
At 1 April 2024	3.5	0.8	9.2	0.8	14.3
Charged in the year	0.5	0.1	-	-	0.6
At 31 March 2025	4.0	0.9	9.2	0.8	14.9
Net book value					
At 31 March 2025	14.2	0.3	-	-	14.5
At 31 March 2024	14.7	0.4	-	-	15.1

8 Investments in subsidiaries

Investments in subsidiaries are carried at the lower of cost and expected recoverable amount.

This includes loans that are intended for use on a continuing basis in the entity's activities, including acquisition of subsidiaries, and expected to be repaid after more than one year, although there is an option for the Company to require repayment on demand. Impairments are recognised in the profit and loss account.

The expense relating to share-based payments that grant rights to the Company's equity instruments to employees of other Group companies is treated as an increase in investments with the corresponding credit taken directly to reserves. In the year ended 31 March 2025, this amounted to £8.4 million (2023/24: £8.0 million).

	Shares £m	Loans £m	Total £m
Cost			
At 1 April 2024	235.4	428.3	663.7
Additions	8.4	-	8.4
Loans repaid	-	(88.7)	(88.7)
Translation differences	-	(9.7)	(9.7)
At 31 March 2025	243.8	329.9	573.7
Impairments			
At 1 April 2024 and 31 March 2025	-	15.1	15.1
Net book value			
At 31 March 2025	243.8	314.8	558.6
At 31 March 2024	235.4	413.2	648.6

A list of the Company's related undertakings is in Note 30 to the Group accounts.

Company accounts continued

NOTES TO THE COMPANY ACCOUNTS CONTINUED

For the year ended 31 March 2025

9 Financial instruments

Derivative financial instruments and hedging activities

The Company has elected to adopt the recognition and measurement provisions of IAS 39 (as adopted in the UK) and the disclosure provisions of FRS 102 in respect of financial instruments.

The Company uses derivative financial instruments to cover its exposure to foreign exchange risks arising from operational and financing activities. It principally employs forward foreign exchange contracts to hedge against changes in exchange rates on behalf of its operating subsidiaries using back-to-back external and intra-group forward foreign exchange contracts and these subsidiaries apply cash flow hedging where appropriate. In accordance with its treasury policies, the Company does not hold or issue derivative financial instruments for trading purposes.

All the Company's derivatives are measured at fair value with changes in the fair values recognised in profit or loss.

Other financial instruments

All other financial assets, including cash and bank balances and amounts owed by subsidiary undertakings, are initially recognised at transaction price and then subsequently at amortised cost less any provision for impairment.

All other financial liabilities, including accruals, other creditors, bank overdrafts and loans, private placement loan notes and amounts owed to subsidiary undertakings, are initially recognised at transaction price and then subsequently at amortised cost.

10 Debtors

	2025 £m	2024 £m
Amounts falling due within one year:		
Amounts owed by subsidiary undertakings	1,123.2	1,233.8
Other derivative assets	3.6	3.8
Prepayments	3.8	5.0
Debtors: amounts falling due within one year	1,130.6	1,242.6
Amounts falling due after more than one year:		
Amounts owed by subsidiary undertakings	17.5	0
Deferred tax asset (Note 13)	0.2	0.7
Debtors: amounts falling due after more than one year	17.7	0.7

During the year an impairment of £14.4 million was recognised in profit and loss against amounts owed by subsidiary undertakings such as OKdo and IESA Group (2023/24: £16.3 million).

A loan with maturity of March 2030 was entered into during the year with RS Integrated Supply UK Limited.

Amounts owed by subsidiary undertakings are unsecured, bear interest at market rates and are repayable on demand. The carrying amount includes an impairment allowance of £54.8 million (2023/24: £40.3 million).

11 Creditors: amounts falling due within one year

	2025 £m	2024 £m
Amounts owed to subsidiary undertakings	281.2	353.7
Bank overdrafts	41.6	157.6
Other derivative liabilities	3.7	3.8
Provisions	0.3	–
Accruals	4.7	7.9
Other creditors	1.0	8.1
Cash-settled share-based payment liability	–	0.1
	332.5	531.2

Amounts owed to subsidiary undertakings are unsecured, bear interest at market rates and are repayable on demand.

12 Creditors: amounts falling due after more than one year

	2025 £m	2024 £m
Unsecured private placement loan notes repayable after more than five years	38.6	78.4
Unsecured private placement loan notes repayable from four to five years	37.8	–
Unsecured private placement loan notes repayable from two to three years	–	78.7
Unsecured private placement loan notes repayable from one to two years	76.8	–
Unsecured multicurrency revolving facility agreement repayable from four to five years	112.6	155.0
Unsecured term loan repayable from three to four years	124.2	–
Unsecured term loan repayable from two to three years	–	128.2
Other creditors	0.3	0.4
Cash-settled share-based payment liability	0.1	0.2
	390.4	440.9

Details of the private placement loan notes, multicurrency revolving facility agreement are in Notes 21 to 23 of the Group accounts.

Company accounts continued

NOTES TO THE COMPANY ACCOUNTS CONTINUED

For the year ended 31 March 2025

13 Deferred tax

The charge or credit for taxation is based on the taxable profit or loss for the year and takes into account taxation deferred because of timing differences. Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax assets are attributable to the following:

	2025 £m	2024 £m
Equity-settled share-based payments	0.2	0.7
Deferred tax asset (Note 10)	0.2	0.7

There are no unused tax losses or unused tax credits.

14 Operating lease commitments

Future minimum amounts payable under non-cancellable operating leases are:

	2025 £m	2024 £m
Within one year	1.2	1.2
From one to five years	1.5	2.8
	2.7	4.0

15 Contingent liabilities

The Company enters into financial guarantee contracts to guarantee the indebtedness of certain other companies within the Group. The Company treats the guarantee contracts as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

Guarantees exist in respect of bank facilities available to certain subsidiaries, up to a maximum of £110.6 million (2023/24: £86.7 million), of which £0.9 million (2023/24: £8.8 million) had been drawn down at the end of the year.

16 Capital and reserves and dividends

Details of the Company's share capital, share premium account, EBT and dividends paid to shareholders are in Notes 13 and 26 of the Group accounts.

The Company has sufficient distributable reserves to pay dividends for a number of years and is also able to increase its distributable reserves further by receiving distributions from its subsidiaries.

Five year record

FIVE YEAR RECORD

Year ended 31 March

Summary income statements and related metrics

	2025 £m	2024 restated ¹ £m	2023 £m	2022 £m	2021 £m
Revenue	2,903.5	2,942.4	2,982.3	2,553.7	2,002.7
Operating profit	232.8	274.5	383.0	308.8	167.2
Add back: amortisation and impairment of acquired intangibles	37.3	26.6	16.6	11.6	7.0
Add back: acquisition-related items	4.1	5.1	2.6	–	2.9
Add back: substantial reorganisation costs and substantial asset write-downs	–	–	–	–	11.2
Adjusted operating profit	274.2	306.2	402.2	320.4	188.3
Net finance costs	(27.3)	(31.9)	(12.2)	(7.1)	(6.8)
Share of profit of joint venture	0.6	0.6	0.7	0.5	0.2
Adjusted profit before tax	247.5	274.9	390.7	313.8	181.7
Amortisation and impairment of acquired intangibles	(37.3)	(26.6)	(16.6)	(11.6)	(7.0)
Acquisition-related items	(4.1)	(5.1)	(2.6)	–	(2.9)
Substantial reorganisation costs and substantial asset write-downs	–	–	–	–	(11.2)
Profit before tax	206.1	243.2	371.5	302.2	160.6
Income tax expense	(53.5)	(63.8)	(86.7)	(72.2)	(35.1)
Profit for the year attributable to owners of the Company	152.6	179.4	284.8	230.0	125.5
Earnings per share	32.5p	37.9p	60.4p	48.9p	27.7p
Adjusted earnings per share	39.1p	42.9p	63.6p	51.3p	31.3p
Dividend per share²	22.4p	22.0p	20.9p	18.0p	15.9p

Summary balance sheets and other metrics

	2025 £m	2024 restated ¹ £m	2023 restated ¹ £m	2022 £m	2021 restated ² £m
Non-current assets	1,153.8	1,261.6	953.7	706.1	711.0
Current assets	1,471.3	1,622.8	1,577.1	1,395.1	1,134.8
Current liabilities	(716.4)	(815.3)	(838.9)	(726.2)	(631.8)
Non-current liabilities	(554.2)	(650.2)	(357.0)	(266.5)	(314.6)
Net assets	1,354.5	1,418.9	1,334.9	1,108.5	899.4
Add back: net debt	364.2	418.2	113.0	42.1	122.0
Add back: retirement benefit net obligations	13.9	25.7	36.4	12.4	55.7
Capital employed	1,732.6	1,862.8	1,484.3	1,163.0	1,077.1
Return on capital employed (ROCE)³	15.2%	17.1%	29.7%	28.7%	19.4%
Adjusted free cash flow	214.1	151.2	263.6	162.9	145.4
Average number of employees	8,709	8,964	7,818	7,383	6,806
Share price at 31 March	561.5p	726.80p	914.0p	1,084.0p	993.0p

1. Please refer to Note 32 in the Financial Statements for further details of this restatement. Prior years have not been restated.

2. Restated in 2021/22 for measurement period adjustments for prior year acquisitions.

3. ROCE is based on monthly average capital employed.

Shareholder information

REGISTERED OFFICE, FINANCIAL CALENDAR AND ADVISORS

Registered office

RS Group plc
Fifth Floor
Two Pancras Square
London N1C 4AG
United Kingdom
Tel: +44 (0)20 7239 8400
rsgroup.com
Registered number: 647788
Registered in England and Wales

Shareholder services

Registrar

If you have any questions about your shareholding in the Company, please contact our Registrar:

Computershare Investor Services PLC
The Pavilions,
Bridgwater Road,
Bristol BS99 6ZZ
Tel: 0370 703 0199
investorcentre.co.uk/contactus

Investor Centre

To access online information about your shareholding visit **investorcentre.co.uk**
Through the Investor Centre you can:

- Update member details and address changes
- Update dividend bank mandate instructions and review dividend payment history
- Register to receive Company communications electronically

Your shareholder reference number (SRN) is required to access your shareholding. This can be found at the top of your welcome letter or share certificate. Alternatively, you can obtain your SRN by contacting Computershare on the number provided.

Dividend reinvestment plan (DRIP)

Should you wish to reinvest your dividends in the Company, you can take advantage of our DRIP.

It will allow you to use your cash dividend to buy more RS Group shares in the market. You will need to complete a DRIP application form and return it to Computershare. This can be found, together with plan terms and conditions, at investorcentre.co.uk or in the Shareholder Information section of our website under Shareholder FAQs. Alternatively, please contact Computershare on the number provided, and details and a form will be sent to you.

Share price information

The latest information on the RS Group plc share price is available on our corporate website: **rsgroup.com**

Be scam smart

Investment scams are designed to look like genuine investments.

Spot the warning signs

Have you been:

- Contacted out of the blue?
- Promised tempting returns and told the investment is safe?
- Called repeatedly?
- Told the offer is only available for a limited time? If so, you might have been contacted by fraudsters.

Avoid investment fraud

Reject cold calls

If you have received unsolicited contact about an investment opportunity, the chances are it is a high-risk investment or a scam. You should treat the call with extreme caution. The safest thing to do is to hang up.

Check the FCA Warning List

The FCA Warning List is a list of firms and individuals we know are operating without our authorisation.

Get impartial advice

Think about getting impartial financial advice before you hand over any money. Seek advice from someone unconnected to the firm that has approached you.

Report a scam

If you suspect that you have been approached by fraudsters please tell the FCA using the reporting form at

fca.org.uk/consumers/report-scam-us

You can also call the FCA Consumer Helpline on **0800 111 6768**

If you have lost money to investment fraud, you should report it to Action Fraud on 0300 123 2040 or online at **actionfraud.police.uk**

Find out more at **fca.org.uk/scamsmart**

Remember: If it sounds too good to be true, it probably is!

Shareholder information continued

Financial calendar

Announcement of results

The results of the Group are normally published at the following times:

- Half-year results for the six months ending 30 September in early-November
- Preliminary announcement for the year ending 31 March in late May
- Annual Report and Accounts for the year ending 31 March in mid-June

Dividend payments

Our current policy is to normally make dividend payments at the following times:

- Interim dividend in January
- Final dividend in July

Contacts

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For more information and the latest news, including details of our principal locations, visit: **rsgroup.com**

GLOSSARY OF TERMS

A&C	Automation and control
AGM	Annual general meeting
AI	Artificial intelligence
B2B	Business to business
B2C	Business to customer
BEIS	Department of Business, Energy & Industrial Strategy (from February 2023, the Department for Business and Trade)
CAGR	Compound annual growth rate
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CO₂e	Carbon dioxide equivalent
CPO	Chief People Officer
CSRD	Corporate Sustainability Reporting Directive
D&I	Diversity and inclusion
DC	Distribution centre
DMA	Double Materiality Assessment
DRIP	Dividend Reinvestment Plan
DSBP	Deferred share bonus plan
EBITA	Earnings before interest, taxes and amortisation
EBITDA	Earnings before interest, taxes, depreciation and amortisation
EPS	Earnings per share
ERG	Employee resource groups
ESG	Environmental, social and governance
EU	European Union
EVP	Employee Value Proposition
EWB-UK	Engineers Without Borders UK
ExCo	Executive Committee
FC	Fulfilment centre
FCA	Financial Conduct Authority
FRC	Financial Reporting Council
FRS	Financial Reporting Standard
GSBS	Global Shared Business Services

GHG	Greenhouse gas
HVO	Hydrotreated Vegetable Oil
IAS	International accounting standards
ICFR	Internal controls over financial reporting
IFRS	International Financial Reporting Standard
J2G LTIP	Journey to Greatness Long-term Incentive Plan
KPIs	Key performance indicators
LTIP	Long-term incentive plan
M&A	Mergers and acquisitions
MRO	Maintenance, repair and operations
NIS2	The Network and Information Security (NIS2) Directive
NPI	New product introduction
NPS	Net Promoter Score
PBT	Profit before tax
PMI	Purchasing Manager Index
PPE	Personal protective equipment
PMS	Product Management Solution
ROCE	Return on capital employed
RS YAY!	RS YAY! all employee share award
SAYE	Save as you earn
SBT	Science-based targets
SBTi	Science Based Targets initiative
STEM	Science, technology, engineering and maths
TCFD	Task Force on Climate-related Financial Disclosures
The Code	UK Corporate Governance Code 2018
The updated Code	The UK Corporate Governance Code 2024
TPT	UK Transition Plan Taskforce
TSR	Total shareholder return
TWMP	The Washing Machine Project
UK IAS	UK-adopted international accounting standards
UNGC	United Nations Global Compact
UN SDGs	United Nations sustainable development goals

NOTES



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