

## Performance highlights

### FINANCIAL

+ Read more on page 24

#### Revenue

**£2,881m**

Change: (1)%

#### Adjusted<sup>1</sup> operating profit margin

**9.2%**

Change: (0.2) pts

#### Adjusted<sup>1</sup> profit before tax

**£246m**

Like-for-like change: (2)%

#### Like-for-like<sup>1</sup> revenue change

**(0)%**

Change: +2 pts

#### Operating profit margin

**8.3%**

Change: +0.3 pts

#### Profit before tax

**£220m**

Change: +7%

#### Adjusted<sup>1</sup> basic earnings per share

**38.7p**

Like-for-like change: (2)%

#### Adjusted<sup>1</sup> free cash flow

**£202m**

Change: (6)%

#### Dividend per share

**22.9p**

Change: +2%

#### Basic earnings per share

**34.6p**

Change: +6%

#### Net cash generated from operations

**£351m**

Change: +1%

#### Return on capital employed<sup>1</sup>

**15.4%**

Change: +0.2 pts

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 137 to 141.

2. Progress includes emissions from acquisitions within all reporting years from 2019/20 to 2025/26, excluding BPX Group which will be added to current and historic years in 2026/27.

### ESG GLOBAL GOALS

+ Read more on pages 41 to 67

#### ADVANCING SUSTAINABILITY



**67%**

Reduction in Scope 1 and 2 emissions since 2019/20<sup>2</sup>

2024/25: 64%

#### EMPOWERING OUR PEOPLE



**75**

employee engagement score

2024/25: 72

#### CHAMPIONING YOUTH & COMMUNITIES



**968k**

young engineers and students supported since 2020/21

2024/25: 913k

#### DOING BUSINESS RESPONSIBLY



**59%**

of suppliers by spend have an EcoVadis rating to drive ESG performance

2024/25: 55%

### ESG RATINGS AND STANDARDS



Climate leadership score: A



Medal rating: Platinum



Global top 50 ESG companies



2026 rating: AA



S&P: included in Sustainability Yearbook

## Chairman's introduction

# DELIVERING PROGRESS IN A CHALLENGING ENVIRONMENT



This has been a year in which our disciplined strategic focus, coupled with the resilience of our people, has continued to drive progress, despite an uncertain and challenging market backdrop.”



**Rona Fairhead**  
Chairman

## Greater alignment and focus, enhanced agility and capability, and improved execution combine to deliver progress in a challenging environment.

My sincere thanks, and those of the entire Board, goes to everyone at RS Group for their energy and expertise. We would also like to acknowledge the leadership of Simon Pryce and Kate Ringrose, and the dedication of our Executive Committee (ExCo) and wider management teams, whose leadership have been instrumental throughout the year.

Value creative acquisitions are part of our strategy and we have been disciplined in our capital allocation policy. We are pleased to extend a warm welcome to the BPX team following the completion of this acquisition in March 2026. BPX complements RS' strengths in automation and control and enhances our technical capabilities and high service focus. This year has also been about completing the integration of our Distrelec business, a major milestone being the closure of their distribution centre in the Netherlands. Common to all integrations, this created some short-term disruption, however we have successfully delivered synergies that now exceed the original business plan. The integration has also provided valuable learnings that will support future acquisitions and integrations.

**+ More details on our BPX acquisition can be found on page 19**

## Our strategy

This was the second year of our multi-year strategic plan, and despite market challenges, we have made good progress towards becoming a stronger and more agile business, which should resonate with all our stakeholders.

During the year, we made strong progress across many areas with much of our investment focusing on customer-facing data, systems, and processes. We are now moving into activation phase. These front-end investments will drive deeper customer insight, enabling us to make better informed decisions, and in turn drive an improved customer experience. All of this positions the business for accelerated growth. As part of our digital commerce platform upgrade in the US, we had some short-term disruption to our US sales, which somewhat slowed our growth in the first half of the year. Learnings from this are now documented, and we are starting the phased rollout of the digital commerce platform in EMEA this year.

Another key area of focus has been investment in our people, including the addition of two new Executive members to the leadership team. During the year we launched the Leadership Advantage Programme for 90 of our senior leaders, including all members of the ExCo to support in developing the skills and capabilities needed to drive our long-term ambitions. We have also made meaningful progress in strengthening our supply chain management, enhancing our solutions offering, and driving operational excellence. Together, these initiatives give us strong confidence as we look to the coming years, where we can fully deploy these enhancements to drive market share gains, improve efficiency, and expand operating leverage.

**+ See pages 8 to 14 for more details on our strategy**

## Chairman's introduction continued

### Our culture and values

RS Group's strong and cohesive culture remains one of our greatest assets and is a key enabler of our strategy. Because our values were shaped by our people, they provide a shared language and a unifying framework that reflects life at RS. They guide everyday behaviours, support constructive challenge, and help set clear expectations of what good looks like across the Group.

As they become further embedded into our ways of working, they are improving consistency, collaboration, and accountability across teams, functions, and geographies, and underpinning how we work together to deliver for stakeholders, support ethical and responsible decision-making, and drive sustainable, long-term performance.

Over the past year, the Board has seen clear evidence that our four values are increasingly shaping how our people think, behave, and make decisions as one team, who deliver brilliantly, by doing the right thing, to make every day better for all our stakeholder groups. This has been reflected in colleague feedback, a 3 point uplift on last year's engagement score, and is demonstrated in behaviours every day.

**+ See pages 10, 16 and 51 to 54 for more on our culture and values**

### Our stakeholders

Our vision remains resolute: to be the first choice for all our stakeholders. Engagement with our people, customers, suppliers, communities around us, and, importantly, our shareholders, is a core part of how we operate and informs the Board's oversight and strategic decision-making.

Throughout the year, the Board has engaged with colleagues across the organisation through events such as site visits, deep dives, and engagement sessions. These interactions reinforce the Board's confidence in the strength, cohesiveness, and capability of our leadership and teams worldwide.

Our customers are central to the Group's long-term success. We recognise that enduring customer relationships are built on trust, ease of doing business, and an ability to support customers as their needs evolve. Significant investment and progress has been made in enhancing customer engagement through the integration of global data and the deployment of Customer Relationship Manager (CRM) and data platforms, enabling a more targeted and personalised approach. Early results demonstrate improved conversion, increased sales opportunities and growth in higher-value customer segments.

Our suppliers play a vital role in enabling the breadth, quality, and innovation of our offer to our customers. Our trusted supplier partnerships are a key source of competitive advantage, supporting responsible growth and shared value creation. We continue to engage closely with suppliers to enhance collaboration, promote high ethical and environmental, social and governance (ESG) standards, and ensure partnerships remain aligned with the Group's strategic priorities. This approach enhances resilience across our value chain while supporting suppliers in reaching end-users effectively and responsibly.

We continue to embed robust ESG practices throughout our operations. Our ESG commitment remains a genuine competitive advantage, not only through our strong external ratings and recognition, but also because our approach helps our customers and suppliers meet their own sustainability targets and drives commercial benefit for the Group. Our Better World product range comprises more than 33,000 products, underpinned by an industry standard, claims-based framework, it enables customers to make more sustainable choices while improving efficiency and reducing costs. Alongside this, we continue to drive efficiencies across our operations and logistics to reduce cost and carbon, having reduced our scope 1 and 2 emissions by 67% since 2019/20, and remain on track to deliver our target of 75% reduction by 2030.

We remain committed to enabling and empowering our people to make a meaningful difference in their communities through our Local Community Fund and paid volunteering days. We are proud to support our Group-wide employee vote to select our global social impact partner for the next three years, SolarAid.

This year, we continued extensive engagement with shareholders across global markets, including numerous meetings with investors and ongoing dialogue through our leadership teams. Following the approval of the 2025 Remuneration Policy by shareholders at the Annual General Meeting (AGM) in July 2025, we undertook focused engagement to ensure our approach remains aligned with shareholder expectations.

**+ More details regarding our engagement with stakeholders can be found on pages 16 to 18**

## OUR CULTURE AND VALUES

Shaped by our people across the business, our values capture what matters to us and how we show up every day. Introduced in 2024, they help guide decisions, recognise positive behaviours and strengthen our shared culture, supporting our people, our teams, and the successful delivery of our strategy.



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



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



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



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

## Chairman's introduction continued



Following two years of targeted investment and strategic evolution, we enter the year ahead with strong momentum and a disciplined focus on what is within our control.”

### Returning value to shareholders

We recognise the importance of returning capital to shareholders and remain committed to a progressive dividend policy, supported by disciplined and efficient balance sheet management. We are therefore pleased to announce a further increase in our dividend to 22.9p. Our approach to capital allocation continues to prioritise investment in the business ahead of inorganic opportunities, ensuring long-term value creation. If we have additional capital to deploy, the Board will consider how best to return any surplus to shareholders – alongside the committed dividend – whilst maintaining an efficient balance sheet. The Board is also mindful of the need to remain flexible to pursue value-accretive opportunities as they arise.

### Our Board

RS Group has an outstanding Board of Directors, whose diverse experience, insight, and ability to challenge continues to reinforce our governance and strategic oversight with the support of our experienced ExCo.

During the year, Carole Cran and Miles Roberts, who both joined the Board at the end of 2024/25, undertook an intensive induction programme, and have already brought significant insights to our discussions. Louisa Burdett stepped down from the Board with effect from 31 January 2026. I would very much like to thank Louisa for her invaluable and dedicated contribution over her nine-year tenure.

This year, the Board carried out an externally facilitated annual performance review. We are pleased to confirm that the Board is viewed as strong and operating very effectively. We will however continue to find ways to use the feedback to improve further our ongoing focus on effectiveness, succession planning, and continued enhancement of our governance framework.

**+ See pages 83 and 84 for more details**

### Looking ahead

With a clear and consistent strategic focus, a strengthened operating model, a strong and improving leadership and a cohesive culture, RS Group is well positioned to capture meaningful growth opportunities as markets recover.

Following two years of targeted investment and strategic evolution, we enter the year ahead with strong momentum and a disciplined focus on what is within our control. We are now beginning to leverage the capabilities we have built in our front-end systems to drive growth and further increase market share.

We are shaping a stronger future position, with the ambition and confidence to deliver sustained growth and compelling returns in the years ahead.

**Rona Fairhead**  
Chairman

## At a glance

### OUR PURPOSE

Why we exist

Making amazing happen for a better world

+ Read more on pages 41 to 67

### OUR VISION

Where we are going

To be first choice for all our stakeholders

+ Read more on pages 16 to 18

### OUR VALUES

How we do business



WE ARE ONE TEAM



WE DELIVER BRILLIANTLY



WE DO THE RIGHT THING



WE MAKE EVERY DAY BETTER

+ Read more on page 3

## CONNECTING CUSTOMERS AND SUPPLIERS

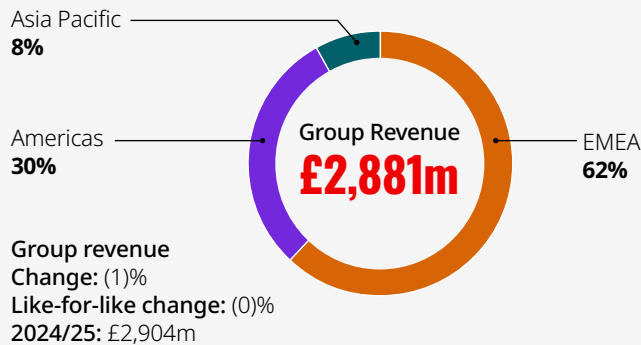
We are a high-service global product and service solutions provider for industrial customers, enabling them to operate efficiently and sustainably.

c. 1m customers

c. 8,500 employees

>2,500 suppliers

### OPERATING IN 33 COUNTRIES



#### EMEA

Revenue

**£1,803m**

Change: 1%  
Like-for-like change: (1)%  
2024/25: £1,777m

+ Read more on page 29



#### AMERICAS

Revenue

**£855m**

Change: (6)%  
Like-for-like change: (2)%  
2024/25: £907m

+ Read more on page 31



#### ASIA PACIFIC

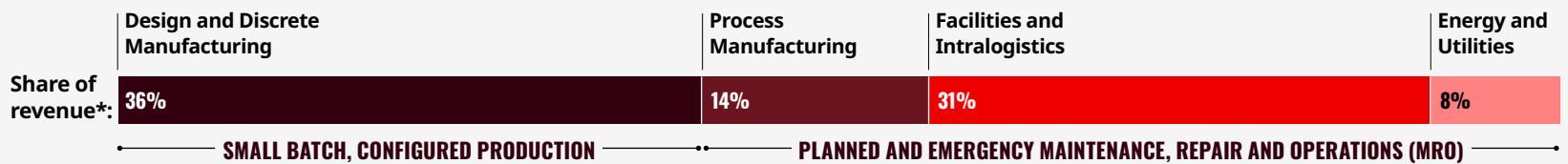
Revenue

**£223m**

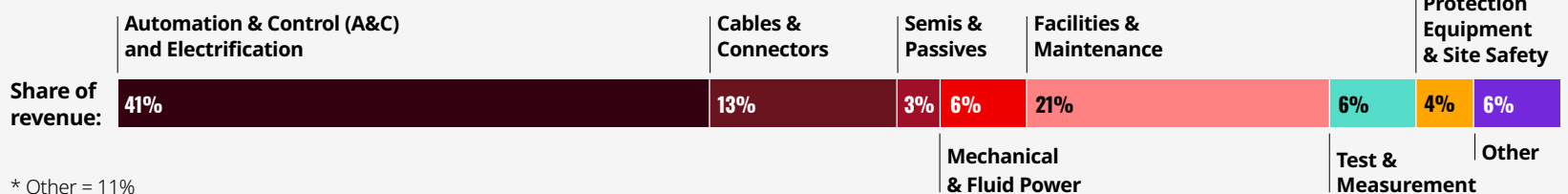
Change: 2%  
Like-for-like change: 5%  
2024/25: £219m

+ Read more on page 32

### SUPPORTING CUSTOMERS ACROSS A RANGE OF INDUSTRIES



### MULTIPLE PRODUCT CATEGORIES



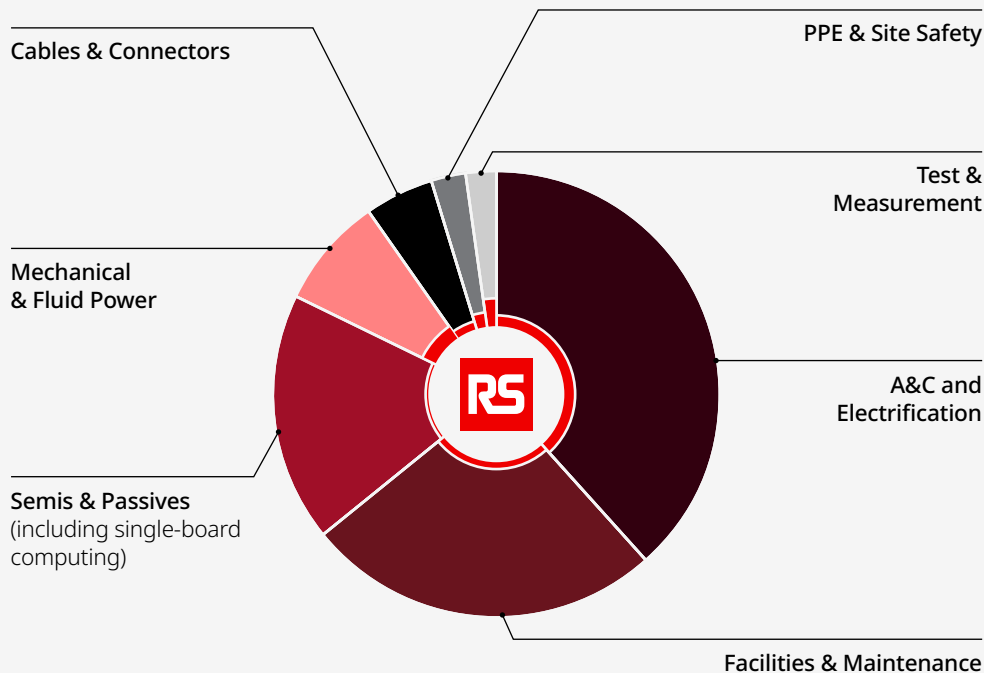
\* Other = 11%

Our marketplace

# WELL POSITIONED FOR SUSTAINABLE GROWTH

## THE MARKET IN WHICH WE OPERATE

We operate in a large and fragmented industrial market and are one of a few global distributors of industrial maintenance, repair and operation (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 Group's 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.



**Key:**  
■ Estimated RS share of market

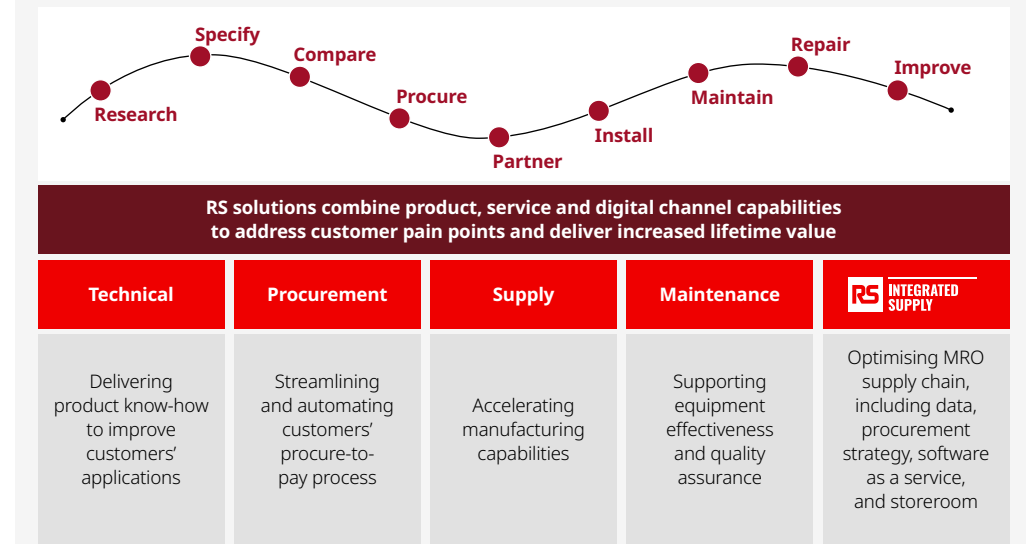
## A broad and deep product offering

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.

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

## Our services and solutions

We have solutions that span our customers' asset lifecycles as they manage their design, procurement, inventory, and MRO needs. Drawing on decades of RS expertise and the latest in digitisation and industrial MRO trends, we identify and resolve customer challenges with our services and solutions proposition.



# TRENDS THAT SHAPE OUR MARKET

We continue to review the key trends that shape the markets we operate in. As we execute our strategic action plan, we remain agile, reacting to the ever-changing market demands, future-proofing our business, while remaining focused on our long-term vision.

EASE OF DOING BUSINESS	PROVIDING SOLUTIONS	ONE-STOP SHOP	CONSOLIDATION	EMERGENCE OF ARTIFICIAL INTELLIGENCE (AI)
<p>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.</p>	<p>Large B2B customers increasingly require more than simply a supplier of products, seeking solutions that solve their technical and procurement challenges and support sustainability.</p>	<p>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.</p>	<p>Consolidation in the industrial distribution market continues to increase, doubling over the last 10 years, driven by the development of geographic, technical, and digital capabilities<sup>1</sup>. This will accelerate scale, extend reach, and lead to improved efficiencies.</p>	<p>Our customers and suppliers are increasingly deploying AI, from tactical automation to more advanced generative and agentic applications. As adoption accelerates, expectations are rising around speed, insight, and personalisation, creating a clear opportunity for the Group as a digitally enabled distributor.</p>
<p><b>Our strategic response</b></p> <ul style="list-style-type: none"> <li>– Enhancing digital platforms to simplify procurement for our customers, making it easier to do business with us and control spend</li> <li>– Continued investment in our supply chain networks and distribution infrastructure to increase capacity and local sourcing capabilities, and to cut carbon by reducing transport distances</li> <li>– Connecting our channels to give a seamless experience</li> </ul>	<p><b>Our strategic response</b></p> <ul style="list-style-type: none"> <li>– Developing a digitally led solutions offering that increases product pull-through</li> <li>– Differentiating through technical solutions, leveraging our expertise to create sticky customer relationships</li> <li>– Targeting specific industry verticals with services and solutions that resonate with our customers' needs in growing sectors</li> <li>– Supporting customers to improve safety, sustainability, and operational efficiency by providing solutions that meet their needs, from energy-saving technologies to more sustainable PPE</li> </ul>	<p><b>Our strategic response</b></p> <ul style="list-style-type: none"> <li>– Maintaining our unique broad offering of readily available products for industrial customers</li> <li>– Deepening our core industrial product category of A&amp;C and Electrification</li> <li>– Accelerating our new product introduction (NPI) capabilities to develop further an expanded product range and elevate the specialist product ranges of our acquired businesses</li> <li>– Driving progress on sustainable products and ESG standards with suppliers</li> </ul>	<p><b>Our strategic response</b></p> <ul style="list-style-type: none"> <li>– Maintaining a strong balance sheet to support targeted consolidation opportunities</li> <li>– Disciplined focus on M&amp;A that accelerates our strategy, expands product service or geographic capabilities, or realises scale economics leveraging physical, digital, and process infrastructure</li> <li>– Strengthening our corporate development and integration resources to support a pipeline of potential acquisitions and integration</li> </ul>	<p><b>Our strategic response</b></p> <ul style="list-style-type: none"> <li>– Monitoring customers finding us via AI, optimising this new channel in the sales funnel, and adapting as the technology and customer behaviour evolves</li> <li>– Leveraging AI products from our strategic partners to be a product expert spanning the web, customer services, and technical support</li> <li>– Harmonising and automating processes across internal operations, including sales order processing and inventory management</li> <li>– Investing in upskilling our people, ensuring clear governance and responsible AI controls that are secure, ethical, and compliant</li> </ul>

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 clear strategy and an aligned action plan designed to create long-term, sustainable value for all our stakeholders.**

Our strategy focuses on driving accelerated growth and improvement across key areas, underpinned by a purpose-led culture, firmly embedded values, a well-defined operating model, and exceptional people.

**Operational excellence**

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

[+ Read more on page 13](#)



**Experience**

We deliver a consistent, frictionless journey that enables customers to quickly find, buy, and manage what they need with confidence.

[+ Read more on page 12](#)



**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 10](#)



**Customers**

We target customers who value our ease, range, and expertise when sourcing low-volume, high-mix industrial products.

[+ Read more on page 11](#)



**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 11](#)



**Services and 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 12](#)

[+ Read more about our ESG action plan on page 42](#)

Chief Executive Officer's (CEO) review

# STRATEGIC AND OPERATIONAL PROGRESS POWERING LONG-TERM VALUE



By building on strong foundations and maintaining operational efficiency across our business, we are creating the stability and momentum needed to deliver long-term value for our shareholders and stakeholders."



**Simon Pryce**  
CEO

**We made further strategic and operational progress over the year. Group like-for-like revenue was broadly flat despite more challenging than anticipated markets, particularly in the first half.**

However, Purchasing Managers' Index (PMI) data showed improvement throughout the year and moved into expansion territory in the fourth quarter. This was reflected in improved sales momentum, particularly in Q4. Whilst volumes were marginally below our expectations, good price discipline resulted in improved gross margin for the full year, with our growth accelerators of RS PRO and services and solutions delivering growth ahead of the rest of the Group. We also saw improved execution which, with continued cost discipline and cash focus, led to operating profit and cash conversion marginally ahead of expectations despite softer revenue than planned.

Investment in our strategic initiatives will accelerate growth, improve efficiency and drive stronger operating leverage over time. We are already seeing improvements in key operational metrics, together with gross margin progression in the second half and continued traction in our digital procurement services, demonstrating that our growth accelerators are delivering. We also achieved a further £17 million of restructuring and integration benefits in 2025/26, taking the cumulative total since April 2023 to £55 million.

With a stronger platform, improving momentum, and enhanced operating leverage, we are well positioned to capture growth, drive further market share gains, and deliver sustainable, long-term value as our end-markets continue to recover. Whilst at this stage we remain cautious on the outlook and mindful of developments in the Middle East, our progress strengthens our confidence in both our strategy and our ability to deliver on our medium-term financial targets.

## **2025/26 Resilient financial performance**

We delivered a resilient financial performance for the full year 2025/26. Group like-for-like revenue was broadly flat (down 1% on a reported basis) compared with the same period last year. After a difficult H1, EMEA saw an improving revenue trend through the remainder of the year and moved back into growth in Q4. Americas was also down on a like-for-like basis, with a resilient performance in US & Canada offset by ongoing economic and political uncertainty leading to major project delays in Mexico. Asia Pacific delivered good revenue growth throughout the year.

With continued investment in our front-end systems and a commercial focus to grow potential high-value customers, we saw rolling 12 months average order value increase by 5% to £276 and a 6% like-for-like revenue growth in larger corporate customers. Our services and solutions growth accelerators also performed well, growing 6% with our eProcurement solution growing 9% like-for-like. Our own brand RS PRO products outperformed with 5% like-for-like growth. At a product category level, the more resilient product categories of Facilities & Maintenance and Mechanical & Fluid Power continue to outperform. Americas, excluding Latin America, delivered further A&C and Electrification revenue growth. Semis & Passives returned to growth in Americas and Asia Pacific.

Group gross margin increased 0.6 percentage points to 43.4%, or 0.4 percentage points on a like-for-like basis. The improvement was driven by active pricing optimisation and stronger growth in higher-margin product categories. Adjusted operating costs were up 2%, with restructuring savings and focused cost management helping to offset the impact of cost inflation and continued strategic investment.

## Chief Executive Officer's (CEO) review continued



**Operational excellence is really about making things work better every day – whether that's simplifying a process, using data more effectively, or helping our teams work smarter. When we get that right, it makes a real difference for our customers and for how we grow as a business."**

Adjusted operating profit of £265 million was 3% lower than the same period last year, or 4% lower on a like-for-like basis, with margins broadly stable at 9.2%.

Continued good working capital management resulted in adjusted operating cash flow conversion of 109%, well in excess of our minimum 80% target. Net debt fell by £35 million over the year to £329 million, and our balance sheet remains strong, with net debt to adjusted EBITDA reducing to 1.0x.

### Strategic and operational investment delivering

We continue to progress with our multi-year strategic growth and operational improvement plan to strengthen our differentiated proposition, accelerate growth, improve efficiency, and drive better operating leverage over time. These organic investments are driving improvement in our key underlying operational metrics, improving resilience, and supporting delivery in our growth accelerators.

### Acquisitions

We continue to enhance our organic growth strategy with disciplined and value creative acquisitions. In March 2026 we acquired BPX Group, a UK and Ireland based specialist distributor of industrial automation and control products, for an enterprise value (cash-free debt-free) of £27 million and a deferred earn-out of up to £3 million, payable subject to achievement of agreed EBITDA performance targets.

The consideration represents an acquisition multiple of around 10x reported EBIT on a 12-month basis to 31 October 2025. BPX Group, founded more than 50 years ago, specialises in supporting industrial customers with technical A&C solutions in UK and Ireland.

The acquisition complements our strengths in A&C and enhances our technical capabilities and high-service focus. It also expands our relationship with key suppliers and under RS ownership we see the opportunity for BPX to accelerate revenue growth through offering enhanced products and capabilities to complementary customers.



### People

**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.**

Our people are central to delivering the strategic and change ambitions outlined at our 2024 Investor Event. To support execution, we have further strengthened our executive and leadership capability with the appointment of Jonathan Bennett as President, Americas, and Lee Pruitt as Chief Customer Experience Officer. Both bring deep industry expertise and proven leadership experience to drive growth and enhance our customer proposition.

We are also investing in developing our people and addressing the changing skill and capability needed to deliver our strategy in a rapidly evolving world. Our Leadership Advantage development programme launched in 2025/26 in partnership with a world-renowned business school is the first of its type at RS, aimed at enhancing the capabilities of 90 senior leaders and potential leaders across the globe.



We have also commenced our future skills planning process, 'skills@RS' to acquire or develop enhanced capability across the Group in areas such as data and data analytics, AI development, adoption and use, and support accelerated individual development.

We have continued to focus on maintaining and improving engagement at all levels by listening to our employees and then following up on actions. Our recent employee engagement survey showed a 3 point year-on-year increase with an engagement score of 75 points. As already communicated at the half-year, we have also recognised the contribution of our employees below senior leadership level through the introduction of an all-employee share scheme with the aim of driving further engagement and shared ownership.

### OUR STRATEGY IN ACTION

## POWERING OUR PEOPLE TO PERFORM

The RS Group Leadership Advantage Programme is our first global development experience, created to accelerate leaders committed to maximising their impact and to bring the RS Amazing Leadership Framework to life.

Delivered in partnership with Duke Corporate Education, the programme has brought together 90 leaders from across the world, representing every part of our business, helping to build a shared language, stronger trust, and leadership capability across the organisation.

Across an 18-month learning journey, combining immersive experiences, coaching, and real world application, our leaders will deepen their ability to lead change, inspire performance, and create psychologically safe, high-performing teams.

Participants describe the programme as "transformational", noting stronger collaboration, greater self-awareness, and immediate, practical impact in their roles.

# 82

Delegate average NPS score

Linked to our ESG goals



## Chief Executive Officer's (CEO) review continued

### Customers

**Focus on higher-value customers through harnessing data, effective strategic engagement, and optimising cost to serve.**

We continue to focus on increasing our share of wallet with customers who have high-value potential in attractive industry verticals. We are unlocking this through data-driven insights and targeted omnichannel engagement, enabling a more personalised customer experience with optimised cost to serve.

In 2025/26 we completed the design and build of our global customer data master platform, providing a unified view of customers globally. This has enabled us to build potential-based segmentation of customers and are now deploying these capabilities across our major markets in EMEA and Americas. During the year, we also completed the global rollout of the CRM which is now being integrated with our Customer Data Platform (CDP), which will ultimately enable always-on, intelligent, and behaviour-led engagement across the customer lifecycle.

Early results are encouraging with improving conversion rates when utilising the personalised web journeys through our CDP. Through the CRM system, our sales teams have been able to capture better quality leads by leveraging richer customer insights which will drive higher conversion rates and larger deal opportunities. This has helped us better target our high potential value customers contributing to a 6% like-for-like revenue growth from our Corporate customer segment during the year. The data flow between these platforms will be increasingly automated and tuned through 2026/27.

#### OUR STRATEGY IN ACTION

### POWERING CUSTOMER SUCCESS

To deliver more consistent and responsive customer experiences, RS has completed the roll-out of a CRM system across EMEA and Americas. By bringing customer data into one trusted system, teams now have one source of truth for a complete, real-time view of customer interactions, preferences, and opportunities.

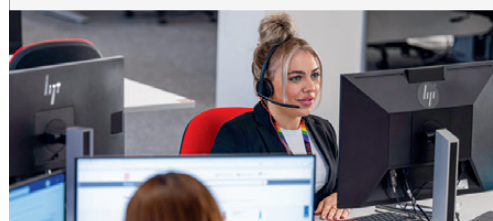
This enables faster, more informed responses and more personalised engagement across every touchpoint. Standardised processes and shared dashboards help reduce duplication and manual effort, meaning our colleagues spend less time navigating internal complexity and more time having value-add conversations with our customers.

The platform also supports better prioritisation of customer needs, ensuring the right level of service is delivered in the most efficient way. Overall, the CRM transformation has strengthened customer relationships, improved engagement consistency, and helped optimise cost to serve without compromising service quality.

>63k

New sales opportunities captured

Linked to our ESG goals



### Products and suppliers

**Deliver a seamless, mutually value creative supplier experience with appropriate and data-driven breadth, depth, and range curation.**

Our upgraded Product Management Solution, launched last year, removed system constraints and enabled faster and more targeted management of our curated product range. Enhanced localisation and product information capabilities, supported by 20 million product attributes, are improving customer experience and searchability. Monthly new product introductions (NPI) capacity increased by 5 times to more than 50,000 in 2025/26. The platform also supports more efficient inventory management with over 185,000 new products launched as non-stocked items to assess demand and inform stocking decisions.

RS PRO, the professional-quality own brand of RS, continues to outperform with 5% growth through 2025/26 exceeding 14% share of Group revenue at year end and further enhancing its attractive margin position. It has been a record year for new products introduced to our RS PRO range – enabled by the investment in our product management solution – with 10,000 products added, a 45% increase on 2024/25.

We continue to invest in our enhanced pricing capability, which has benefited the Group while navigating persistent global trade uncertainty, including the impact of tariffs. Most notably in North America, through improved execution-led pricing discipline and leveraging of our AI-enabled pricing tools, we managed 3 times more targeted price actions during 2025/26. This supported more consistent alignment to cost and market dynamics to give us greater flexibility in support of both suppliers and customers.



#### OUR STRATEGY IN ACTION

### POWERING PRODUCT INNOVATION

Our Product Management Solution continues to enhance the capacity, efficiency, and speed at which we launch our suppliers' products.

These improvements have given our customers greater choice and faster access to over 370,000 new products on our website in 2025/26.

We have further invested in our capabilities to manage the need for richer product content and copy at a scale proportionate to our increased new product launch capacity.

Crucially, how we store this data enables better customer journey insights, scalable and optimised localisation with bespoke, market-specific content, easier data collection, and 15 million more relevant product attributes.

>100%

Increase in product attributes online

Linked to our ESG goals



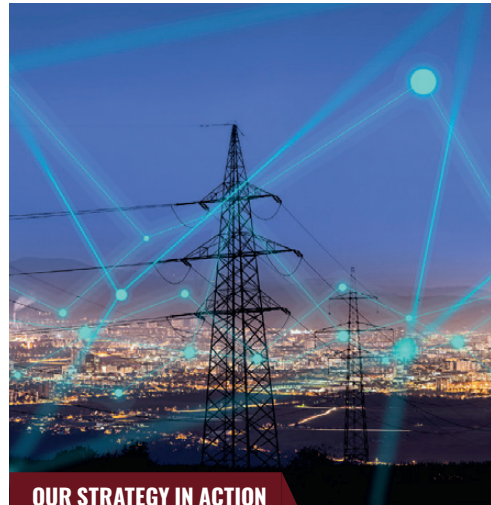
## Chief Executive Officer's (CEO) review continued

### Services and solutions

**Deliver valued, scalable solutions to build greater strategic engagement and drive product pull-through.**

We continue to scale our solutions offer which had like-for-like revenue growth of 6% during the year and now contributes 27% of Group revenue. Enhancing and scaling our digital procurement solutions remains a focus, with eProcurement like-for-like revenue growth of 9% during the year, reflecting our deepening relationships with our higher-value customers.

During 2025/26, we continued to refocus RS Integrated Supply (RSIS) which offers supply chain and procurement services to large, multi-site industrial businesses, and increased investment in our proprietary MRO management platform and on-site capabilities. RSIS materially accelerated its digital innovation including enhancement to RS SYNC™ Mobile which integrates product identification, classification, and real-time inventory visibility across a curated marketplace of 24 million products, improving procurement efficiency and automation for customers. In 2025/26 RSIS like-for-like revenue was flat, but like-for-like operating profit increased by 29% alongside improved working capital management. Continued collaboration with the rest of the Group, including RS PRO, provides increased access to RS products for RSIS customers' MRO spend, while ensuring the independence that is important for other RSIS suppliers.



#### OUR STRATEGY IN ACTION

### POWERING VALUE-ADDED SOLUTIONS

Tokamak Energy implemented RS PurchasingManager™ to replace manual, decentralised procurement processes and improve control across its UK operations.

The web-based procurement platform centralised purchasing, automated approvals, and enabled better oversight of budgets, suppliers, and spend categories.

With enhanced visibility, reduced out-of-process spend, and simplified ordering for 120 users, Tokamak Energy was able to free up teams to focus on higher value activities while strengthening compliance.

These improvements delivered measurable impact, including 166 days saved each year.

## £130k

Annual cost saving

Linked to our ESG goals



### Experience

**Strengthen and tailor our customer experience to provide a digitally enabled, seamless omnichannel service relevant for our customers' needs.**

The design of our enhanced and digitally enabled omnichannel customer experience is largely complete, and the major foundational investments that enable it are well advanced. We completed the rollout of our AI-enabled web search capabilities, and began integrating it with an upgraded digital commerce platform which we launched in US & Canada. This provides improved functionality, personalisation and data capture to enhance the customers journey. We continue to 'tune' this Adobe-based commerce engine to enhance it further and are now testing it in EMEA in advance of launching it on country-by-country basis commencing in Q4 2026/27.

Our deliver to promise capability – which provides accurate, reliable, real-time availability and delivery information to our customers across EMEA & Asia Pacific – was completed in the second half of the year. Introducing improved delivery information earlier in the customer's online journey has resulted in an improved browsing experience and 4% average order uplift from early online stock visibility. The implementation of AI-enabled web search capabilities in 2024/25 continues to deliver improved 'findability' across our ranges, which resulted in a 28% increase in the 'Add to Cart' rate. The new Basket & Checkout experience, completed in the first half, has improved basket to order conversion rate up from 39% to 42%.

#### OUR STRATEGY IN ACTION

### POWERING CUSTOMER EXPERIENCE

The Deliver to Promise (DTP) programme was introduced to improve how customers access, trust, and act on delivery information across multiple channels.

By strengthening core systems and aligning processes, DTP helps deliver a simpler, more transparent, and digitally enabled experience that reflects customers' needs while supporting efficient, scalable service delivery.

Customers benefit from clearer digital messaging, better visibility throughout the ordering journey, and a more consistent experience, whether engaging online or through our customer-facing teams.

Behind the scenes, greater automation and a single source of operational data reduce complexity and enable faster, more confident fulfilment decisions, while enhanced insight and reporting also support proactive customer communication and continuous service improvement.

## 4%

Average order value uplift from early online stock visibility

Linked to our ESG goals



## Chief Executive Officer's (CEO) review continued

### Operational excellence

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

To ensure we are well positioned for growth, we continue to invest in our distribution network. Through 2025/26 we made significant progress on the build of upgraded facilities in Italy and Ireland and started installation of a state-of-the-art robotic process automation in Italy which will become the standard for all our regional distribution centres (DCs). The upgrade of our UK automated Warehouse Management System (WMS) continues, with the final phase planned for 2026/27 before a phased rollout of a market-leading WMS solution across all of our distribution sites in the coming years.

The integration of Distrelec is largely complete with the migration of their Netherlands DC to our Bad Hersfeld facility in Germany at the end of June ahead of schedule. This will save us more than €10 million from reduced annual costs and deliver increased operational gearing through the use of existing infrastructure as part of the wider integration that has delivered synergies well ahead of the acquisition case, despite challenging markets impacting revenue performance.

Simplification of our technology estate continues. To date we have removed more than 100 applications and continue to see further opportunities for consolidation, enabling further savings that will allow the business to absorb increased licence-costs as a result of the market shift to a 'software as a service' technology model.

We have optimised the flow through our distribution network removing non-value-add activities and reducing the number of times a product is handled. This has resulted in a 50% increase in our supply chain efficiency ratio and an improvement in our cost to serve.



#### OUR STRATEGY IN ACTION

### POWERING OPERATIONAL EXCELLENCE

OneTouch optimises stock distribution across the EMEA network by reducing non-value-added activity and process waste.

Optimised stock policies and fulfilment minimise handling before customer delivery, lowering costs and inventory.

This ultimately improves our customer experience, providing higher availability and lead time predictability.

## 56%

Increase in our EMEA supply chain efficiency ratio

Linked to our ESG goals



Preparation for the upgrade of our Enterprise Resource Planning system continues and is on track for first rollout across our EMEA markets.

#### Driving sustainable growth and stronger value creation

While we continue to deliver our 2030 ESG action plan, For a Better World, ESG is increasingly shaping customer and product sourcing decisions, strengthening supplier relationships and supporting the long-term resilience and performance of the Group. We have maintained Platinum EcoVadis status for the fourth consecutive year and achieved a CDP A List rating for the second year, reinforcing trust in our commitment, transparency and action and helping to differentiate the RS brand with high-value customers and strategic suppliers. Our Better World product range comprises more than 33,000 products from over 165 suppliers across 30 countries. Underpinned by an industry standard, claims based framework, it enables customers to make more sustainable choices while improving efficiency and reducing costs.

Alongside this, we continue to drive efficiencies across our operations and logistics to reduce cost and carbon, while improving customer experience. Since 2019/20, Scope 1 and 2 emissions have reduced by 67%, keeping us on track to deliver our science-based target of a 75% reduction by 2030. Our product transport emissions intensity has reduced by 34% since 2019/20, and we have now extended our 2030 target to 40% (previously 35%). During the year we set a new, more ambitious and holistic Scope 3 target to reduce Scope 3 GHG emissions by 51.6% per £ million value added by 2029/30 from a 2019/20 base year, which has been validated by the Science Based Targets initiative.

## Chief Executive Officer's (CEO) review continued

### Confidence in long-term value creation

We remain active at looking at acquisition opportunities across our markets, with a solid pipeline of 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 services and solutions portfolio. We will remain value disciplined in the way we assess opportunities.

The Group's focus on cash generation has also resulted in a strong balance sheet with leverage at the bottom end of our target range 1.0 - 2.0x net debt to adjusted EBITDA. We therefore, as part of our disciplined approach to capital structure and allocation, are commencing a £100 million share buyback programme. We also recommend a 2% increase in the 2025/26 dividend, consistent with a progressive dividend policy, and we will continue to review acquisition opportunities.



### Outlook

We made good progress in 2025/26 and PMIs are trending positively. With our ongoing investment and greater agility, we see improving momentum into 2026/27 and most of our major markets are now back into low single digit growth. We remain mindful of geopolitical and economic developments and conflicts in the Middle East and Ukraine and the potential impact they might have on global supply chains, industrial production, and customer behaviour.

However, the investments we are making are delivering tangible benefits, strengthening our proposition, and positioning us well to capture growth and further increase market share as end-markets recover.

This, together with improved delivery and operating leverage and disciplined cost control, supports the Group's increasing confidence in delivering our medium-term financial targets of growing revenue at twice the market, mid-teen adjusted operating margins, cash conversion over 80%, and over 20% return on capital employed.

**Simon Pryce**  
CEO

### INVESTMENT PROPOSITION

## REALISING THE POTENTIAL TO DELIVER THE RS OPPORTUNITY

Our performance in the year and strong underlying progress in the second half gives us confidence that RS is:

- 1 **Well positioned in growth markets**  
Global leader in a large, industrial 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

Our business model

# CREATING VALUE FOR OUR STAKEHOLDERS

## THE ESSENTIAL LINK BETWEEN CUSTOMERS AND SUPPLIERS

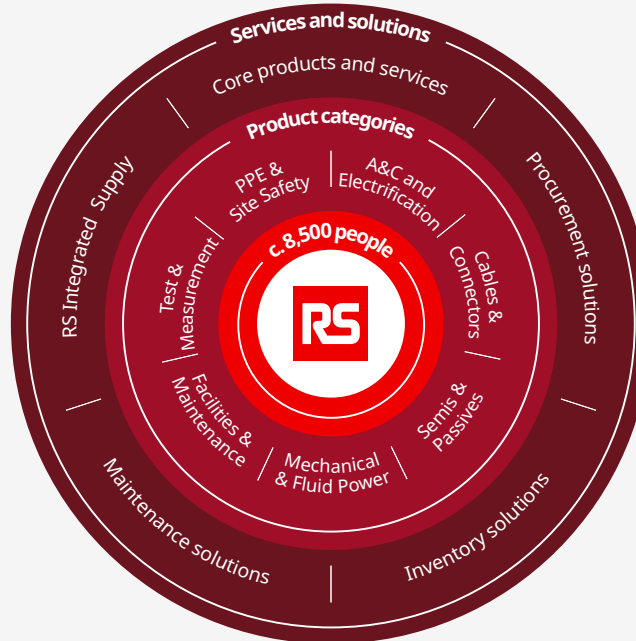
### FIRST CHOICE FOR CUSTOMERS

Our customers buy a broad mix of industrial and specialist products across a diverse range of categories in small volumes to support the MRO and small batch production needs of their businesses. We simplify our customers' procurement, drive cost and process efficiencies, and enable them to operate more safely, sustainably and efficiently.

**c. 1m**  
Customers

### Why customers 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.



### Why suppliers 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.

### FIRST CHOICE FOR 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.

**>2,500**  
Suppliers

**33**  
countries in which we operate

**139**  
countries exported to

**6**  
global and regional distribution sites

**>875k**  
stocked products

### 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

### Our stakeholders

Our business model enables us to deliver our vision to become first choice and create value for all our stakeholders, including our people, customers, suppliers, communities, and shareholders.

+ Read more about how we engage and create value for all our stakeholders on pages 16 to 18.

## Our stakeholders

# BECOMING FIRST CHOICE FOR OUR STAKEHOLDERS

Our business model sets out how we create value for all our stakeholders and deliver our vision to be first choice.

Engaging with all of our stakeholders – our people, customers, suppliers, communities, and shareholders – is essential to how we operate.

The views of our stakeholders are central to becoming first choice and to maintaining a long-term, sustainable business. Understanding what matters most to them, supported by defined KPIs for each stakeholder group, ensures we meet their needs and add value.



## PEOPLE

### 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 true self
- Investing in employees' development and growth for the skills needs of today and tomorrow
- RS and line managers providing support to employees in key work and life moments
- Helping employees feel fairly rewarded and recognised for the work that they do

#### How we engage

- Regular team talk and town hall sessions
- My Voice and pulse employee engagement surveys
- Regular senior leader calls and meetings
- Employee representative groups including Trade Unions, Works Councils and European Works Councils
- Non-Executive Director employee engagement programme
- 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

- Voluntary employee turnover remains below the industry average at under 9%
- 90 senior leaders participating in the Leadership Advantage Programme with Duke Corporate Education
- Launched a new development framework for people managers
- Won Institute of Internal Communication award for Best Global Communication Campaign for our global values launch
- 15,000+ recognition moments raised on our global values recognition platform, Spotlight
- Launched our All-Employee Share Plan, awarding restricted shares to colleagues globally
- Retained Platinum membership to the 5% Club in the UK
- Ranked 86th in the Sunday Times Top 100 Apprenticeship Employers 2025
- Rolled out Group Neurodiversity Policy, expanded Mental Health First Aiders and Domestic Abuse training
- Achieved external certification for diversity and inclusion (D&I) in France and gender equality in Italy

#### The value we create

#### My Voice engagement score:

May 2025 full survey:	January 2026 Pulse score:
-----------------------	---------------------------

73

75

#### Linked to our ESG goals



## Our stakeholders continued



## CUSTOMERS

We are a trusted, insight-led problem solver, building a connected, sustainable experience that helps industrial customers to run, improve, and future-proof their operations.

**What matters to our customers**

Delivering on the fundamentals, while shaping how customers experience RS now and in the future: are we easy to find, are we easy to use, and are we there when they need us? We offer:

- A broad range of products combined with technical expertise, high availability, and reliable service
- Ease of doing business – a frictionless experience using data to underpin discovery and saving time
- A long-term partner to build a sustainable and socially responsible future

**How we engage**

We deliver a connected and increasingly personalised experience, designed to scale through data, technology, and expertise:

- Multi-channel purchasing capability via our website and eProcurement integrated into customer systems
- AI-driven discovery, including Large Language Models and search
- 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
- Global customer feedback programmes
- Strategic ESG support, greener distribution, and Better World products

**What we have achieved**

- Laid the foundations for a seamless, omnichannel experience by integrating Digital, Customer Data, Marketing, Sales, and Service platforms
- Improved data quality across our systems including the correction and standardisation of customer records
- Improved our customer credentials management and fraud resiliency through implementation of Auth0 on our digital front-end
- Applied improved customer insight to drive targeted, personalised engagement
- Strengthened product discovery by growing our Supplier Partnership Programme by 32% to deliver best-in-class content
- Completed the roll-out of our CRM programme in remaining EMEA markets, driving greater efficiency and increased pipeline opportunities
- Improved sustainable packaging and logistics network for low-impact distribution
- c. 33,000 Better World products from 350+ product families available in 30 countries

**The value we create**

Net promoter score (NPS)

**45.2**

**Linked to our ESG goals**

## 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
- Senior leadership engagement
- Developing joint end-user opportunities
- Regional and global supplier events
- RS Connect events – partnering with suppliers to connect with customers
- Seamless new product introductions and high-quality technical product content creation
- Supplier partner programme – boosting brand visibility and digital performance
- Strategic ESG engagement with suppliers on greener distribution and Better World products

**What we have achieved**

- Launched a new Product Information Management system and acceleration and increase of new product introductions
- Expanded our product attribution model to over 20 million attributes
- Engaged 167 suppliers to participate in our Better World product framework and increased range to cover c. 33,000 products
- 59% of all suppliers are EcoVadis rated and 41% have CO<sub>2</sub> targets with Science Based Targets initiative
- Attended several industry-leading trade shows including Smart Production Systems, Embedded World, and Global Industrie

**The value we create**

Number of new product introductions (NPI)<sup>1</sup>

**>370k**

**Linked to our ESG goals**

1. Excluding Risoul, domnick hunter and Trident

## Our stakeholders continued



## 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**

- Developing technical and professional skills for the engineers of tomorrow
- Creating social impact for our local communities

**How we engage**

- Providing hands-on experience, employability skills, and inclusive science, technology, engineering and maths (STEM) opportunities
- Supporting innovation-focused, engineering competitions, like Formula Student, by donating RS products to help students develop vital technical skills and experience
- Driving innovative engineering solutions to improve lives through our global social impact partnership with SolarAid
- Empowering colleagues to create local impact through our social impact partnerships, Local Community Fund, and two dedicated employee volunteering days per year

**What we have achieved**

- Supported 968k young people with educational technologies, learning content, and skills development opportunities since 2020/21
- 7,000+ products supplied to c. 26,000 students across 138 universities in 26 markets since 2020/21
- Delivered 14 free SuperSkills sessions to c. 450 young people across three markets to boost workplace preparation on topics such as pitching and presentations
- Sponsored 68,000 students since 2021/22 to develop technical and job-ready skills through the Engineers Without Borders People Design Challenge in the UK, US, Ireland, South Africa, and Cameroon
- Raised £166,000 for SolarAid within first six months of our partnership
- 136,000 lives improved through social impact partnerships since 2020/21
- Donated £409,000 to c. 280 local charity and community initiatives worldwide, supported by our employees
- Employees volunteered 3,075 days to support local causes

**The value we create**

Number of young engineers and innovators supported since 2020/21:

**968k**

**Linked to our ESG goals**

## SHAREHOLDERS

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

**What matters to our shareholders**

- Open and honest engagement with RS
- Sustainable growth and returns
- Understanding our business and our strategy
- Strong corporate governance
- Delivery on ESG action

**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**

- Successfully communicated the refreshed RS Opportunity as set out at our 2024 investor event
- Re-engaged with our largest 30 shareholders to seek additional input on our 2025 Directors' Remuneration Policy post the 2025 AGM
- In the past 12 months we have engaged with our investor community with:
  - More than 450 investor interactions with over 250 contacts
  - Met with over c. 150 shareholders including 85% of our top 20 holders
  - Visited investors in New York, Chicago, Dallas, Toronto and London
  - Attended six key industry conferences, meeting with investors

**The value we create**

Adjusted basic earnings per share (EPS)

**38.7p**

**Linked to our ESG goals**

Our growth ambitions

# ACCELERATING GROWTH THROUGH ACQUISITION

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
iesal	May 2018		✓	✓	✓
Reliability and Condition Monitoring Services	Jan 2019				✓
needlers	Dec 2020	✓		✓	✓
synovos	Jan 2021		✓	✓	✓
Liscombe	Feb 2021	✓		✓	✓
dh	Jun 2022			✓	✓
Risoul	Jan 2023		✓	✓	✓
DISTRELEC	Jun 2023	✓	✓		
TRIDENT AUSTRALIA	Apr 2024			✓	✓
BPX	Mar 2026	✓		✓	✓

CASE STUDY

## DISTRELEC INTEGRATION EXCEEDING EXPECTATIONS

The integration of Distrelec, acquired in June 2023, continues to progress ahead of plan. Delivery of synergy benefits is exceeding the expectations set out in the original business case, while the cost to achieve remains in line with target.

The acquisition enhances our product offering and its pan-European footprint strengthens our EMEA supply chain, supporting improved service levels for both customers and suppliers.



CASE STUDY

## STRENGTHENING OUR TECHNICAL CAPABILITIES WITH BPX

In March 2026, we completed the acquisition of BPX Group, a specialist distributor of industrial A&C products across the UK and Ireland.

BPX brings deep expertise in automation and control, strong supplier relationships, and a high-service operating approach, reinforcing our technical capabilities and growth ambitions.

The business comprises 20 branches and a local fulfilment centre. Both BPX and RS have a rich, proud history of providing leading service levels and technical expertise to make amazing happen for customers.

Over time, we will leverage our common culture, values, and customer-first approach, to create a dynamic and innovative partnership that accelerates revenue growth and optimises combined costs over the medium term.

# KEY PERFORMANCE INDICATORS

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.

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

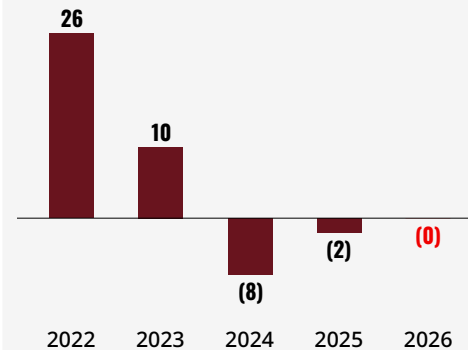
The following pages provide details of our KPIs which have been in place during 2025/26.

1. 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 137 to 141 for reconciliations).
2. Adjusted excludes the cash impact of substantial reorganisation costs and acquisition-related items (see Note 3 on pages 137 to 141).

## FINANCIAL KPIS

Like-for-like revenue growth

**(0)%**

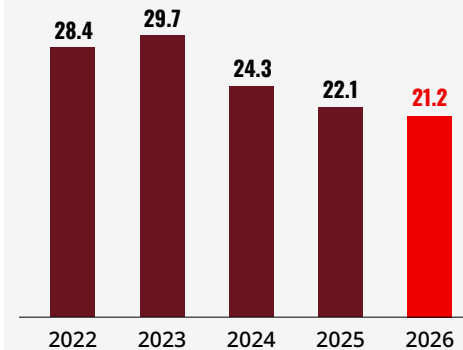


By driving a differentiated customer experience and providing innovative solutions, we aim to drive market share gains and higher revenue growth which, in turn, drives profit growth. Like-for-like revenue growth is adjusted for trading days, currency movements, and to exclude the impact of acquisitions until they have been owned for a year. See page 25 for further details.

**Link to remuneration**  
Performance measure  
in annual incentive

Adjusted<sup>1</sup> operating profit conversion

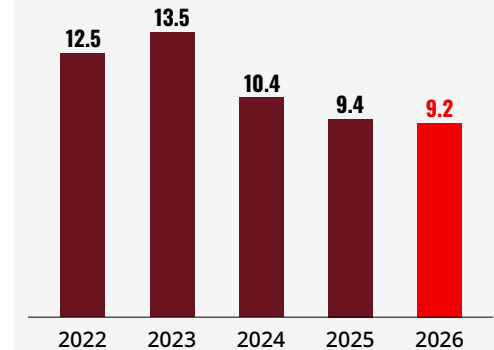
**21.2%**



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 26 for further details.

Adjusted<sup>1</sup> operating profit margin

**9.2%**

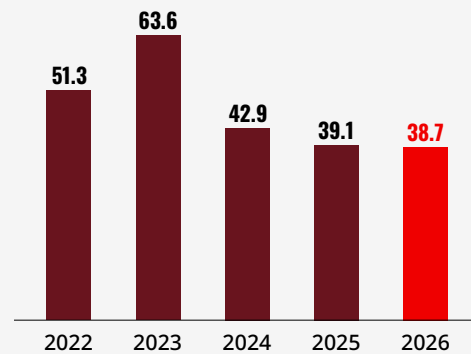


A great customer experience, high-performance team, and operational excellence should all drive improvement in adjusted operating profit margin. A higher adjusted operating profit margin should drive higher returns for our shareholders. It is adjusted operating profit expressed as a percentage of revenue. See page 26 for further details.

## Key performance indicators continued

Adjusted<sup>1</sup> basic earnings per share (EPS)

**38.7p**



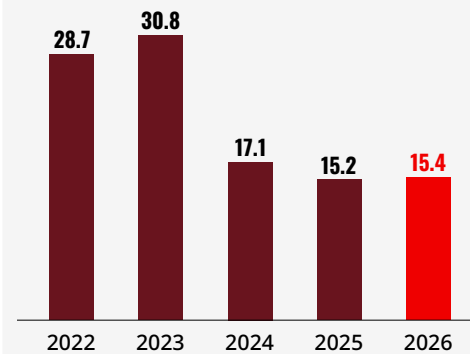
Adjusted EPS is a measure used by investors in deciding whether to invest in the Company. It is a measure of the growth and profitability of the Company that also reflects management performance. See page 27 for further details.

**Link to remuneration**

Performance measure in long term incentive plan

Return on capital employed (ROCE)

**15.4%**



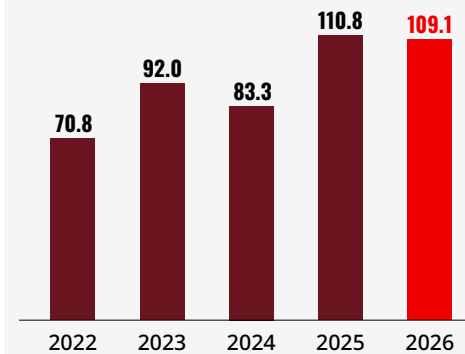
ROCE is a measure used by investors in deciding whether to invest in the Company. A tight focus on working capital control and more disciplined capital investment, coupled with increased profitability, will drive improved returns for our shareholders. ROCE is measured as adjusted operating profit expressed as a percentage of the monthly average of net assets excluding net debt and retirement benefit obligations. See page 28 for further details.

**Link to remuneration**

Underpin in long term incentive plan

Adjusted<sup>2</sup> operating cash flow conversion

**109.1%**



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 27 for further details.

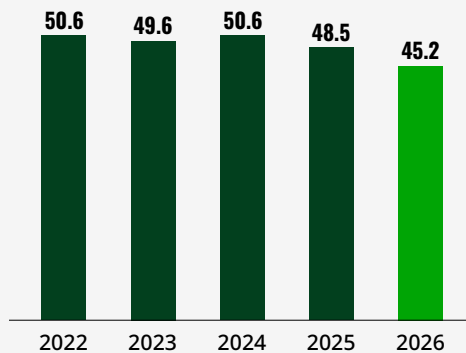
Key performance indicators continued

NON-FINANCIAL KPIS

Customer

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

45.2



During 2025/26, rolling 12-month Transactional NPS scores trended downwards in a tough start to the year. However recovery in the final quarter of the year starts 2026/27 on a positive trajectory. NPS continued to be impacted in the EMEA and Asia Pacific regions, by the implementation of our deliver-to-promise capability, which temporarily affected customer experience. As delivery information accuracy improved in the latter part of 2025/26, the NPS trend began to strengthen. Americas region was impacted by the new web experience change but in-month scores trended upwards post launch decline.

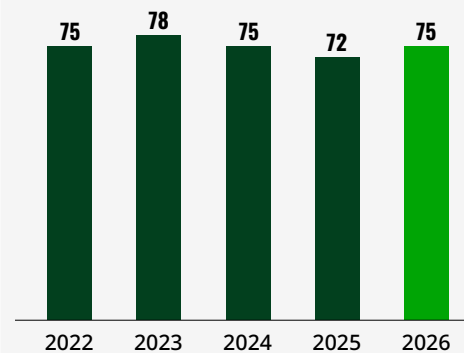
Link to remuneration

Performance measure in annual incentive

People

Employee engagement

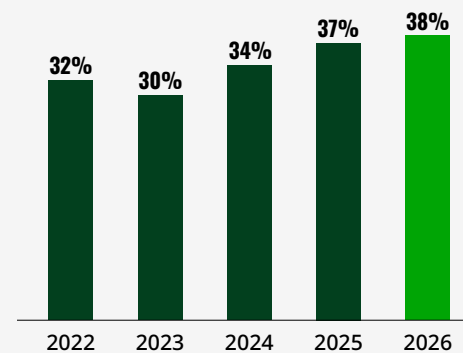
75



Building a high-performance, motivated, and values-driven team starts with consistent, active listening. A core element of this approach is our My Voice engagement survey. We run a full survey every 18 months and pulse surveys more frequently – most recently in January 2026, which resulted in a 3 point increase in the engagement score from 72 to 75. The results showed improved scores for 15 questions, including career development, understanding of strategy, and removing barriers to execution. See page 51 for further details.

Percentage of female senior leaders

38%

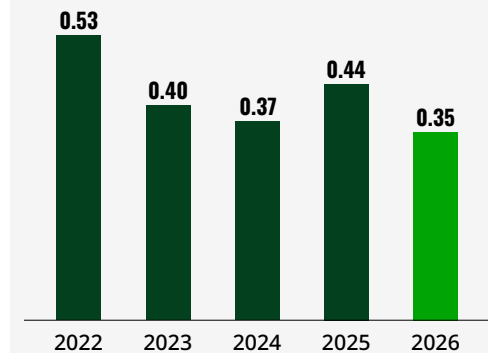


We aim to create an inclusive and engaging environment, where everyone is proud and excited to come to work and can perform at their best, develop, and thrive. We acknowledge the evolving global diversity and inclusion landscape and are committed to equal opportunity in all the markets we serve. We continue to place belonging and wellbeing at the centre of how we support and empower our global workforce. In 2025/26, we were pleased to see the percentage of female senior leaders increase by 1 percentage point to 38%. See page 52 for further details.

Health and safety

All accidents (per 200,000 hours)

0.35



As we work towards our 2030 ambition to reach zero accidents, we have evolved our approach through our Protect What Matters campaign that places a stronger emphasis on safeguarding not only our employees, but also their teams and their families. We made good progress in 2025/26, with a decrease in our accident frequency rate by 20% to 0.35 (2024/25: 0.44). We focused on greater cross-site standardisation, streamlined near miss reporting, and enhanced travel safety initiatives. See page 54 for further details.

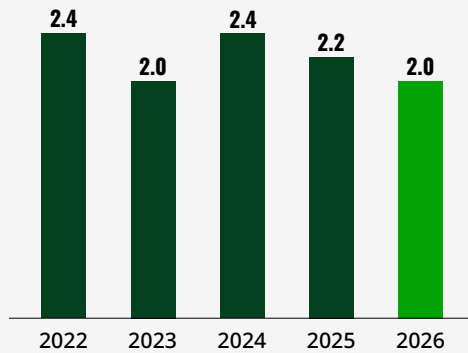
## Key performance indicators continued

### Environment

#### Carbon intensity<sup>1,2</sup>

(tonnes of CO<sub>2</sub>e due to Scope 1 and 2 emissions/£m revenue)

**2.0**

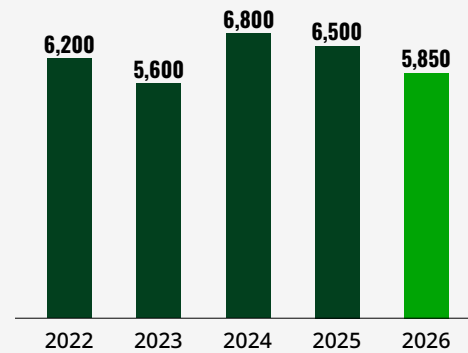


We recognise our role and responsibilities as a global business in addressing environmental impacts and supporting the climate transition for our industry. Our aim is to decouple business growth from our carbon footprint, and in 2025/26 we achieved a 9% reduction in carbon intensity (2024/25: 2.2). Since 2019/20, we have reduced our carbon intensity by 73%, including emissions from acquired businesses from 2019/20 to 2024/25. See page 46 for further details.

#### Carbon emissions<sup>2</sup>

(tonnes of CO<sub>2</sub>e due to Scope 1 and 2 emissions)

**5,850**



We target absolute carbon reduction in line with our Climate Transition Plan, which is also a measure in our employee annual incentive. In our direct operations, we are well on track to achieving our ambition of a 75% reduction in our direct operations emissions by 2030. This year, we reduced our direct operations carbon footprint by 10% to 5,850 tonnes (2024/25: 6,500), and by 67% from our 2019/20 baseline. This has been driven by energy efficiency measures, renewable electricity, solar installations, and fleet electrification. See pages 45 and 46 for further details.

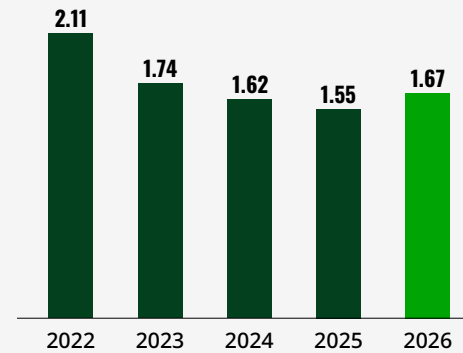
#### Link to remuneration

Performance measure in annual incentive

#### Packaging intensity<sup>1</sup>

(tonnes/£m revenue)

**1.67**

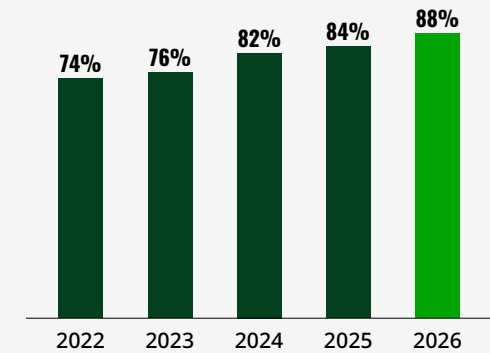


Our aim is to provide the best customer experience in the most sustainable way. We work across our site network to reduce packaging, while increasing recycled content and recyclability. This year, packaging intensity increased by 8% from 2024/25, while maintaining an overall decrease of 33% from our 2019/20 baseline. This temporary rise is primarily driven by higher utilisation of wood pallets for inter-site deliveries. In response, a more efficient closed-loop system has been implemented to counteract this shift. See page 47 for further details.

#### Waste

(% of waste recycled)

**88%**



We remain committed to reducing, reusing, and recycling our waste to cut environmental impact and operational costs, while strengthening circularity. In addition to segregating waste materials for recycling, we implement waste reduction and reuse initiatives internally, with a particular focus on targeted solutions for resource recovery. Recycling performance improved by 4 percentage points this year (2024/25: 84%), due to larger volumes of waste streams that have been recycled. See page 47 for further details.

1. Intensity metrics are on a constant exchange rate basis.

2. Coverage includes operations under our direct financial control globally, excluding BPX Group which will be integrated into our ESG reporting in 2026/27.

## Financial review

# INVESTING FOR THE FUTURE WITHIN CHALLENGING MARKETS



Our strong cash generation and robust balance sheet enable us to invest for growth while delivering meaningful and sustained returns to shareholders.”



**Kate Ringrose**  
CFO

Revenue  
**£2,881m**

Change: (1)%  
2024/25: £2,904m

Operating profit  
**£239m**

Change: +2%  
2024/25: £233m

Adjusted<sup>1</sup> operating profit margin  
**9.2%**

2024/25: 9.4%

Like-for-like<sup>1</sup> revenue growth  
**(0)%**

2024/25: (2)%

Adjusted<sup>1</sup> operating profit  
**£265m**

Like-for-like<sup>1</sup> change: (4)%  
2024/25: £274m

Net debt  
**£329m**

2024/25: £364m

## Group financial performance

	2026	2025	Change	Like-for-like <sup>1</sup> change
Revenue	<b>£2,881m</b>	£2,904m	(1)%	(0)%
Gross profit	<b>£1,250m</b>	£1,243m	1%	0%
Gross margin	<b>43.4%</b>	42.8%	0.6 pts	0.4 pts
Operating costs	<b>£(1,012)m</b>	£(1,010)m	0%	
Operating profit	<b>£239m</b>	£233m	2%	
Operating profit margin	<b>8.3%</b>	8.0%	0.3 pts	
Profit before tax	<b>£220m</b>	£206m	7%	
Basic earnings per share	<b>34.6p</b>	32.5p	6%	
Adjusted operating costs <sup>1</sup>	<b>£(985)m</b>	£(969)m	2%	
Adjusted operating profit <sup>1</sup>	<b>£265m</b>	£274m	(3)%	(4)%
Adjusted operating profit margin <sup>1</sup>	<b>9.2%</b>	9.4%	(0.2) pts	(0.4) pts
Adjusted operating profit conversion <sup>1</sup>	<b>21.2%</b>	22.1%	(0.9) pts	
Adjusted profit before tax <sup>1</sup>	<b>£246m</b>	£248m	(1)%	(2)%
Adjusted basic earnings per share <sup>1</sup>	<b>38.7p</b>	39.1p	(1)%	(2)%
Digital revenue <sup>2</sup>	<b>£1,733m</b>	£1,754m	(1)%	(1)%
Services and solutions revenue <sup>2</sup>	<b>£787m</b>	£742m	6%	6%
RS PRO revenue <sup>2</sup>	<b>£415m</b>	£392m	6%	5%

1. See Note 3 for definitions and reconciliations of all alternative performance measures, including like-for-like change and adjusted measures.

2. See Note 2 for disaggregation of revenue analysis and reconciliations.

## Financial review continued

### Revenue

Group revenue of £2,881 million was down 1% compared to 2024/25. After adjusting for adverse exchange rate movements, largely related to a weakening of the US dollar compared to last year, fewer trading days in 2025/26, and the revenue related to the acquisition of BPX, like-for-like revenue was flat. Group revenue was flat in the second half, an improvement on the first half decline of 1%, supported by the acceleration in growth across EMEA, Asia Pacific and Americas (with the exception of Mexico).

Regional revenue, gross margin, and operating profit is provided in the following Regional Performance sections.

Digital revenue, accounting for 60% of Group revenue (of which 65% is web revenue and 27% is procurement solutions such as eProcurement), reduced 1% on a like-for-like basis. Web revenue, which tends to reflect smaller, more transactional purchases decreased 6% like-for-like. This was mainly a result of the impact on web revenue in Americas due to the digital platform upgrade and the integration of Distrelec in the DACH region, with the decommissioning of certain products impacting our customer attrition as anticipated.

Services and solutions revenue, accounting for 27% of Group revenue, increased by 6% like-for-like, reflecting the increased use of eProcurement and a continuation of strong performance in maintenance, rental, technical, and design solutions. RS Integrated Supply revenue was broadly flat on a like-for-like basis.

RS PRO, which is our main own-brand product range and accounts for 14% of Group revenue (21% share of EMEA revenue, 1% of Americas, 16% of Asia Pacific), grew by 5% like-for-like. These results are supported by the extension of our product breadth and an end-to-end sales and marketing focus in all our regions. Our competitively priced range continues to resonate as a quality, non-competing alternative to third-party branded products, reinforced by our proven quality assurance qualifications and design and testing facilities.

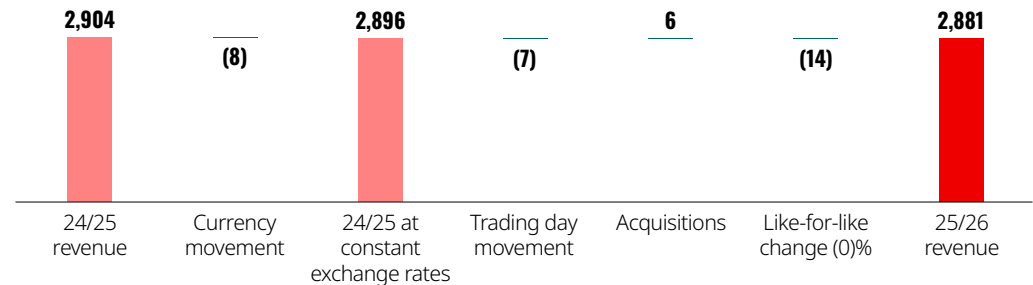
Consistent with trends seen over the past couple of years, revenue performance by product category demonstrates the difference between categories that are more industrial and tend to be less volatile (Facilities & Maintenance, Mechanical & Fluid Power, PPE & Site Safety) and those correlated to the electronics market (such as A&C and Electrification) and the more electronics-specific categories, Semi & Passives and Cables & Connectors.

### Gross margin

Group gross margin increased by 0.6 percentage points to 43.4%, or by 0.4 percentage points on a like-for-like basis. The improvement was driven by active pricing optimisation and stronger growth in higher margin product categories, particularly Facilities and Maintenance and Mechanical and Fluid Power. In the second half, gross margin increased further to 43.7%, reflecting favourable pricing alongside supply chain and commercial initiatives that improved both inventory management and changes to provisioning rates.

	Share of Group revenue	Like-for-like revenue growth
A&C and Electrification, Test & Measurement	47%	(2)%
Facilities & Maintenance, Mechanical & Fluid Power, PPE & Site Safety, Other	36%	3%
Semis & Passives (inc. Single Board Computing), Cables & Connectors	17%	(2)%
<b>Total</b>	<b>100%</b>	<b>(0)%</b>

### Like-for-like revenue development £m



### Operating costs

Reported operating costs were flat year-on-year and remained stable at 35% of revenue. On an adjusted basis, operating costs increased by £16 million or 2% year-on-year to £985 million.

Our ongoing operating cost base, which excludes one-offs and restructuring and integration costs, increased by £16 million year-on-year to £981 million. The majority of the year-on-year cost increase related to £29 million of inflationary costs and £4 million on employee incentive costs, which was partly offset by £17 million of restructuring and integration benefits, taking the total cost savings achieved in the last three years to £55 million. We continue to invest in the business, increasing our organic investment by £4 million in the year to £35 million, which was at the lower end of our guidance range.

We benefited from a £5 million one off gain, largely driven by a £3 million profit on the disposal of sales activities in the Nordics and Baltics. Restructuring and integration costs were £9 million in the year.

Guidance points for 2026/27 – we expect inflation on our ongoing operating cost base to be 3%, variable costs to be 6% of revenue, continued build of employee incentive to be c. £5-£10 million and cost savings to be £10-£15 million having absorbed further skills investment and incremental software as a service licence costs. Organic investments to be at the top-end of our target range £35-£45 million. Our restructuring and integration costs to deliver the savings to be c. £10 million.

## Financial review continued

### Operating profit and margin

Operating profit of £239 million was up 2% compared to the prior period. Adjusted operating profit saw a decrease of 3% (4% on a like-for-like basis). This reflects the regional movements described in the Regional Performance section, partially offset by the £3 million profit on disposal. Operating profit margin increased by 0.3 percentage points to 8.3% and on an adjusted basis declined by 0.2 percentage points to 9.2%, with volume pressure from softer markets and increased organic investment to a large extent mitigated by our cost benefits and gross margin improvement. As a result, adjusted operating profit conversion (adjusted operating profit/gross profit) declined by 1.1 percentage points on a like-for-like basis to 21%. Reported operating profit conversion improved by 0.4 percentage points to 19%.

### 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 3 for more detail on definitions and reconciliations of adjusted measures).

Adjusted items include acquisition-related net gains of £9 million (2024/25: net cost of £4 million) which included an £11 million legal settlement income offset by transaction costs related to the BPX acquisition and other acquisition-related expenses, amortisation and impairment of acquired intangibles of £20 million (2024/25: £37 million), and a £15 million impairment charge on certain technology assets, reflecting components whose functionality has been superseded by recently implemented replacement systems.

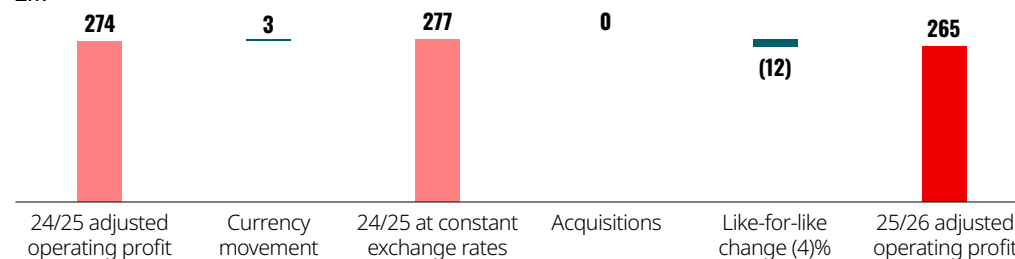
### Net finance costs

Net finance costs decreased to £20 million (2024/25: £27 million), reflecting reduction in net debt and lower market interest rates. At 31 March 2026, 34% of gross borrowings (excluding lease liabilities) were at fixed rates, unchanged year-on-year, with surplus cash held at variable rates.

### Profit before tax

Profit before tax increased by 7% to £220 million. Adjusted profit before tax declined by 1% to £246 million, or 2% lower on a like for like basis.

### Like-for-like adjusted operating profit movement £m



### Summary balance sheet

£m	31 March 2026			31 March 2025		
	Assets	Liabilities	Net assets	Assets	Liabilities	Net assets
Intangible assets	913	-	913	899	-	899
Property, plant and equipment	181	-	181	177	-	177
Right-of-use assets	52	-	52	54	-	54
Investment in joint venture	1	-	1	1	-	1
Other non-current assets and liabilities	10	(96)	(86)	16	(102)	(86)
Current assets and liabilities	1,345	(654)	691	1,324	(636)	688
Capital employed	2,502	(750)	1,752	2,470	(738)	1,733
Retirement benefit net assets/(obligations)	2	(11)	(9)	2	(16)	(14)
Net cash/(debt) (including lease liabilities)	167	(496)	(329)	148	(512)	(364)
Assets/(liabilities)	2,671	(1,257)	1,414	2,620	(1,266)	1,354

## Financial review continued

### Taxation

The income tax charge was £58 million (2024/25: £54 million). The adjusted tax charge was £65 million (2024/25: £64 million), resulting in an effective tax rate of 26.4% (2024/25: 25.8%) driven by overseas tax rate differentials, non-deductible items, movements in uncertain tax positions and prior year adjustments. Going forward, we expect the full-year 2026/27 effective tax rate on adjusted profit before tax to be c. 27.0%.

### Earnings per share

Basic earnings per share rose by 6% to 34.6p (2024/25: 32.5p). Adjusted basic EPS was 38.7p, 1% lower year-on-year and 2% lower on a like-for-like basis.

### Cash flow

£m	2026	2025
<b>Operating profit</b>	<b>239</b>	233
Add back depreciation and amortisation	<b>80</b>	85
<b>EBITDA<sup>1</sup></b>	<b>319</b>	318
Add back impairments and loss on disposal of non-current assets	<b>15</b>	13
Movement in working capital	<b>15</b>	18
Defined benefit retirement contributions in excess of charge	<b>(5)</b>	(11)
Movement in provisions	<b>(1)</b>	-
Equity-settled share-based payments and other	<b>8</b>	11
<b>Cash generated from operations</b>	<b>351</b>	349
Net capital expenditure	<b>(53)</b>	(49)
<b>Operating cash flow</b>	<b>298</b>	300
Cash effect of adjusting items <sup>1</sup>	<b>(9)</b>	4
<b>Adjusted operating cash flow<sup>1</sup></b>	<b>289</b>	304
Net interest paid	<b>(20)</b>	(29)
Income tax paid	<b>(67)</b>	(60)
<b>Adjusted free cash flow<sup>1</sup></b>	<b>202</b>	214

1. See Note 3 for definitions and reconciliations of all alternative performance measures.

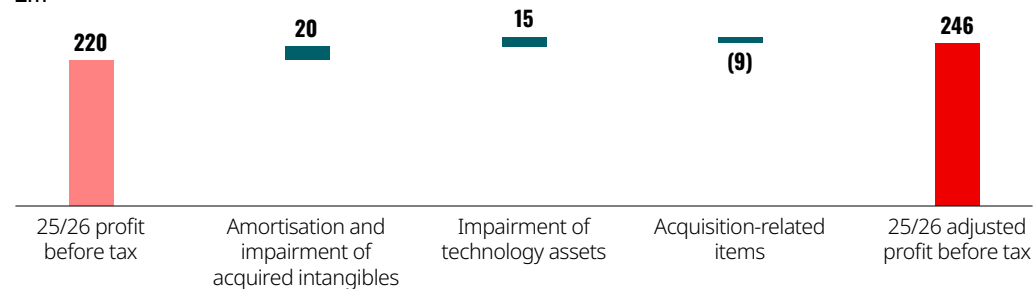
### EBITDA

EBITDA was broadly stable at £319 million, reflecting operating profit performance and slightly lower depreciation and amortisation.

### Cash flow and working capital

Cash generated from operations was £351 million (2024/25: £349 million), delivering adjusted operating cash conversion of 109%, well above the >80% target. Adjusted free cash flow was £202 million (2024/25: £214 million), with year-on-year decline primarily reflecting lower adjusted EBITDA and increased capital expenditure, partially offset by active management of working capital. After accounting for the cash effect of adjusting items (including the net gain related to the acquisition-related legal settlement) free cash flow increased by £1 million.

### Adjusted profit before tax reconciliation



Working capital reduced as revenues declined and we took an active working capital management position, with working capital remaining stable at 24% of revenue. Trade and other receivables increased by £41 million to £729 million, driven by higher Q4 sales and balances acquired with BPX. Credit risk continues to be tightly managed. Inventories decreased by £22 million to £595 million, with provision rates improving to 11.9% (2024/25: 12.3%). Inventory turns remained stable at 2.7x. Trade and other payables rose by £23 million to £634 million, primarily reflecting the acquisition of BPX and higher March trading.

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 markets recover. We pay our suppliers to terms and continue to work with some of our larger suppliers to improve terms where possible.

Net capital expenditure increased to £53 million (2024/25: £49 million), reflecting continued investment in supply chain (e.g. our DC in Italy) and customer experience capabilities (e.g. Digital commerce). Capex represented 1.3x depreciation, within the normal range. 2026/27 capex is expected to remain around £50 million.

## Financial review continued

### Net debt and liquidity

Net debt reduced to £329 million (2024/25: £364 million), reflecting strong free cash flow, partially offset by dividends (£106 million), purchase of shares in relation to employee share schemes (£34 million), and the BPX acquisition (£28 million).

Committed facilities total £682 million, with £335 million undrawn at year end. Financial headroom remains strong, with net debt to adjusted EBITDA at 1.0x and EBITA to interest of 14.9x, well within covenant limits.

### Return on capital employed

ROCE increased to 15.4% (2024/25: 15.2%), driven by lower capital employed, partially offsetting lower adjusted operating profit.

### Retirement benefit obligations

The UK pension recovery plan has been completed. Preliminary results from the 31 March 2025 triennial valuation indicate a likely surplus. No contributions are expected to the UK scheme in 2026/27, with £0.4 million payable to other defined benefit schemes.

### Net debt analysis

£m	2026	2025
Borrowings	(391)	(414)
Bank overdrafts	(50)	(42)
Lease liabilities	(55)	(57)
<b>Gross borrowings</b>	<b>(496)</b>	(512)
Cash and short-term deposits	167	148
<b>Net debt</b>	<b>(329)</b>	(364)

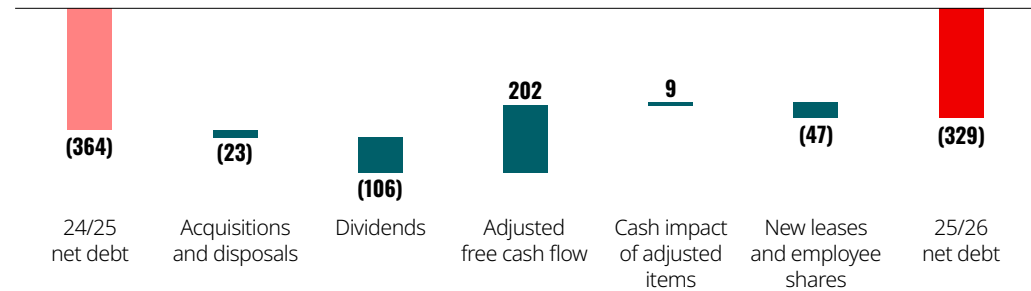
### Dividend and capital allocation

In line with our capital allocation policy and disciplined approach to deploying capital across both organic and M&A opportunities, the Board has reviewed the strength and efficiency of the balance sheet and intends to continue to pursue a progressive dividend policy, alongside the return of £100 million of capital to shareholders via a share buyback.

A progressive dividend policy supports the Group's commitment to maintaining healthy dividend cover over time, underpinned by improving performance and strong cash generation. The share buyback will be conducted over a 12-month period, and the Board will continue to review efficient deployment of capital in line with the capital allocation policy.

The Board proposes a final dividend at 14.2p per share. This will be paid on 24 July 2026 to shareholders on the register on 12 June 2026. As a result, the total proposed dividend for 2025/26 will be 22.9p per share, representing an increase of 2% over the 2024/25 full-year dividend. Adjusted earnings dividend cover for 2025/26 is 1.7 times.

### Movement in net debt £m



### Retirement benefit obligations

£m	31 March 2026			31 March 2025		
	UK	Other	Total	UK	Other	Total
Fair value of scheme assets	399	34	433	400	33	433
Defined benefit obligations	(339)	(27)	(366)	(342)	(26)	(368)
Effect of asset ceiling/ onerous liability	(60)	(5)	(65)	(63)	(5)	(68)
Status of funded schemes	-	2	2	(5)	2	(3)
Unfunded schemes	-	(11)	(11)	-	(11)	(11)
<b>Total net obligations</b>	<b>-</b>	<b>(9)</b>	<b>(9)</b>	<b>(5)</b>	<b>(9)</b>	<b>(14)</b>

### Foreign exchange

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 and US dollar would impact annual adjusted profit before tax by £1.8 million and £0.5 million respectively. Translation gains of £33 million were recorded in Other Comprehensive Income, partially offset by £5 million of net investment hedge losses.

The Group is also exposed to foreign currency transactional risk because most operating companies have some level of payables or receivables in currencies other than their functional currency. Where the exposure is material, 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 overall results

	2026	2025	Change	Like-for-like <sup>1</sup> change
Revenue	<b>£1,803m</b>	£1,777m	1%	(1)%
Operating profit <sup>2</sup>	<b>£196m</b>	£201m	(2)%	(6)%
Operating profit margin <sup>2</sup>	<b>10.9%</b>	11.3%	(0.4) pts	(0.6) pts
Digital revenue <sup>3</sup>	<b>£1,363m</b>	£1,330m	2%	1%
Services and solutions revenue <sup>3</sup>	<b>£607m</b>	£557m	9%	7%
RS PRO revenue <sup>3</sup>	<b>£371m</b>	£352m	6%	4%

+ Read more on our EMEA performance on pages 29 and 30

### Americas overall results

	2026	2025	Change	Like-for-like <sup>1</sup> change
Revenue	<b>£855m</b>	£907m	(6)%	(2)%
Operating profit <sup>2</sup>	<b>£77m</b>	£82m	(5)%	(1)%
Operating profit margin <sup>2</sup>	<b>9.0%</b>	9.0%	0.0 pts	0.1 pts
Digital revenue <sup>3</sup>	<b>£250m</b>	£305m	(18)%	(14)%
Services and solutions revenue <sup>3</sup>	<b>£129m</b>	£134m	(4)%	1%
RS PRO revenue <sup>3</sup>	<b>£8m</b>	£7m	14%	20%

+ Read more on our Americas performance on page 31

### Asia Pacific overall results

	2026	2025	Change	Like-for-like <sup>1</sup> change
Revenue	<b>£223m</b>	£219m	2%	5%
Operating profit <sup>2</sup>	<b>£7m</b>	£6m	11%	28%
Operating profit margin	<b>3.0%</b>	2.8%	0.2 pts	0.5 pts
Digital revenue <sup>3</sup>	<b>£120m</b>	£118m	1%	4%
Services and solutions revenue <sup>3,4</sup>	<b>£52m</b>	£52m	0%	3%
RS PRO revenue <sup>3</sup>	<b>£35m</b>	£34m	5%	8%

+ Read more on our Asia Pacific performance on page 32

1. Like-for-like adjusted for currency; revenue also adjusted for trading days and M&A. See Note 3.

2. See Note 2 for reconciliation to Group operating profit.

3. See Note 2 for disaggregation of revenue analysis and reconciliations to regional revenue.

4. 2024/25 restated following a review of service solutions categorisation, see Note 2.



### OVERVIEW

## EMEA PERFORMANCE

In EMEA, we have a broad product and services and solutions proposition and significant opportunity to grow market share, with an emphasis on serving larger Corporate and Key customers. We remain focused on driving efficiencies, to benefit from improved operational leverage.

### Highlights

**76%**

of revenue from digital

**21%**

of revenue from RS PRO

**34%**

of revenue from services and solutions

**46.6**

NPS

**62%**

of Group revenue

**70%**

of total segment operating profit

### EMEA

Revenue increased by 1% but was down 1% on a like-for-like basis, with a slightly stronger Euro during the period which was offset by fewer trading days. Reported revenue for the period included one month from the BPX acquisition. Despite weak markets, we saw revenue growth in our larger markets of UK and Ireland, France and Italy for the year, but a decline in the DACH region, where end-markets have been weaker. PMIs across the region were below the 50 level for most of the year, with the UK in expansion from November 2025 and the remaining markets from February this year.

Our strategic focus continues to be growing higher potential lifetime value customers, and as a result of some large Pan-EMEA contract wins with customers wanting to consolidate their supplier base, our like-for-like revenue from the Corporate customer segment grew 6%. Revenue from Standard, web-focused customers who are more transactional, grew by 4%, whilst the number of customers declined as a result of the short-term disruption from the closure of Distrelec's DC and discontinuation of non-profitable products. Our more resilient product categories of Facilities & Maintenance and Mechanical & Fluid Power delivered like-for-like growth for the year, which also contributed to the higher gross margin uplift in the second half of the year with our core Automation, Control & Electrification categories seeing recovery in the second half. Additionally, the data we gather from suppliers shows that we have gained market share overall in EMEA, particularly in Facilities & Maintenance and Cables & Connectors, with stronger competitive pressure in Automation, Control & Electrification and PPE categories.

## Regional review continued

UK and Ireland, which accounts for 38% of the region's revenue, returned to growth on a like-for-like basis for the year, accelerating from (1)% in the first half to 2% in the second half supported by strategic pricing initiatives. In Q4, we completed the acquisition of BPX which specialises in supporting industrial customers with technical automation and control solutions in UK and Ireland. As part of our UK & Ireland business, BPX will strengthen our technical capabilities within our core product categories and deepen our strategic supplier partnerships.

France, which accounts for 20% of the region's revenue, continued to deliver robust growth throughout the year, with like-for-like revenue up 6% despite a weak and uncertain economic backdrop with PMI largely below 50 recovering in Q4. France is realising the benefit of a strategically targeted product and sales offer to serve more resilient industry verticals, particularly those connected to process manufacturing such as food and beverage.

DACH (Germany, Austria and Switzerland), which accounts for 14% of the region's revenue, saw an 8% like-for-like revenue reduction, with a small improvement in the second half of the year. This performance was a result of continued weak end-markets with contracting PMIs as well as the anticipated operational disruption as part of the integration of Distrelec, particularly during the decommissioning of certain products as well as the closure of their distribution centre in the Netherlands in the first half of the year. The integration of Distrelec is largely complete, with the transition of the Swiss website and back-end systems being the last of the integration, and has delivered synergies well ahead of our business case.

RS Integrated Supply EMEA like-for-like revenue grew by 6%, as they leveraged their technology-led approach to business procurement outsourcing in attractive industry verticals with a strong pipeline of customer opportunities.

The business is more profitable as a result of exiting unprofitable contracts and replacing them with contracts that better reflect the solutions we provide for customers that value our outsourced supply chain and procurement process services.

Digital revenue (76% EMEA revenue) returned to growth in the second half of the year and up 1% on a like-for-like basis for the year. This performance was as a result of strong growth in our eProcurement and Purchasing Manager platforms which is focused on larger, higher value customers, and creates longer lifetime customer value. This performance is included in like-for-like services and solutions revenue growth of 7%. This was partly offset by web revenue (61% of digital revenue) which was down year-on-year, reflecting reduced activity from more transactional customers, particularly in the DACH region as suggested above. RS PRO like-for-like revenue was up 4% and now contributes 21% of total EMEA revenue.

EMEA's like-for-like gross margin was flat year-on-year with benefits from pricing discipline largely associated to inflationary increases. Benefits from the integration of Distrelec and strong cost control offset inflation in the cost base and a targeted increase in digital marketing to drive digital performance. This resulted in a £5 million decrease in reported operating profit to £196 million, and a resulting decline to operating profit margin to 10.9% year-on-year.

EMEA's rolling 12-month Transactional NPS was 46.6, down from 48.5 in 2024/25. The decline reflects temporary disruption to product availability data during the upgrade to our new product availability and tracking system in the first half, which was resolved in the second half and as a result monthly NPS has recovered.



Regional review continued



OVERVIEW

AMERICAS PERFORMANCE

In Americas, we have a strong technical A&C and Electrification focus, with expanding presence and solutions expertise. We see the opportunity to broaden our customer base and offer, through greater digital and own-brand RS PRO share.

Highlights

**29%**  
of revenue from digital

**1%**  
of revenue from RS PRO

**15%**  
of revenue from services and solutions

**56.8**  
NPS



**30%**  
of Group revenue



**28%**  
of total segment operating profit

Americas

Americas like-for-like revenue decreased by 2% for the year. However, our US and Canada business (73% of the region's revenue) grew by more than 2% on a like-for-like basis, accelerating in the second half. During the first half, we launched a new digital commerce platform in the US which had a short-term adverse impact on our digital revenue, however this was to a large extent offset by strong performance in offline sales as the result of focused activities with key suppliers, product category expansion, sales process improvements and some channel shift by existing customers from digital to offline transactions. Services and solutions in the US and Canada saw like-for-like revenue growth of 12% driven by increased demand for technical design solutions and expanded use of eProcurement by larger customers. The US and Canada business saw growth in energy and utility, facility and logistics, and discrete manufacturing vertical markets.

In Mexico we support customers in factory fit out of automotive and control panels, and therefore sales include a larger proportion of larger orders tied to capital investment. Economic and political uncertainty in Mexico, including ongoing concerns around tariffs and delays to a trade agreement with the US, led many large customers in the region to defer capital expenditure. This is reflected in Mexican Manufacturing PMIs, which fell below 50 in September and reached a low of 46 in December. Against this backdrop, like-for-like revenue in Latin America (c. 20% of regional revenue), declined by 13%. Mexico's like-for-like revenue in the first half decreased by 6% with a weighting to Q2. However, the lack of trade agreement visibility continued through the second half with Mexico declining by 21% over the same period – half the decline relating to the strengthening of the Peso against the US dollar. We have visibility of strong pipelines and a backlog of customer positions and remain confident that, as tariff uncertainty reduces, activity levels will recover.

At a product category level, sales in US and Canada for Automation, Control and Electrification products (c. 68% of the revenue) grew at 3% on a like-for-like basis. Mechanical and Fluid Power, a key strategic growth lever, grew by around 8%, while Semis and Passives components returned to growth in the second half. RS PRO for the Americas like-for-like revenue increased by 20% driven by improved range and availability, increased sales and marketing focus to capture a greater share of customer spend in the US and Canada.

RS Integrated Supply Americas like-for-like revenue declined by 4%. However, profitability improved following the deliberate exit from unprofitable agreements, with the strategy refocused on leveraging our technology led procurement outsourcing capabilities in attractive industry verticals and supported by a strong pipeline of new customer opportunities.

Americas gross margin increased 1.3 percentage points to 34.5%, mainly supported by c. 2 percentage point improvement in US & Canada reflecting strategic pricing initiatives, improved inventory management and changes to provisioning rates. Mexico's gross margin was stable year-on-year, despite the revenue decline. Operating costs reflected inflationary pressures and continued strategic investments, however these were mitigated by disciplined cost management. Americas operating profit of £77 million was 5% lower than last year, and down 1% on a like-for-like basis, driven by strong growth in the US and Canada, but more than offset by Mexico. The resulting Americas operating margin was flat at 9.0%.

Americas rolling 12-month Transactional NPS was 56.8, down from 65.2 in 2024/25 initially impacted by the digital commerce launch, but monthly NPS recovered in the fourth quarter.



## Regional review continued



## OVERVIEW

## ASIA PACIFIC PERFORMANCE

Asia Pacific benefits from the investment in process, inventory, and infrastructure in our EMEA region, and is able to build positions in a number of markets with strong growth opportunities.

## Highlights

**54%**  
of revenue  
from digital

**16%**  
of revenue  
from RS PRO

**23%**  
of revenue  
from services  
and solutions

**17.3**  
NPS



**8%**  
of Group  
revenue



**2%**  
of total segment  
operating profit

## Asia Pacific

Asia Pacific revenue was up 5% on a like-for-like basis driven by both volume and pricing growth. Growth accelerated in the second half of the year and reflects both stable economic conditions, with PMIs remaining above 50 in most of our markets throughout the year, and accelerated performance across our largest product categories, Automation & Control, Cables & Connectors and Facilities & Maintenance plus strong recovery of Semis & Passives. Strategic digital and marketing focus drove strong growth in Standard customers with like-for-like revenue up 23% and Corporate customers up 5%.

Australia and New Zealand (36% of the region's revenue), delivered 8% like-for-like revenue growth, reflecting a resilient manufacturing environment throughout the year. Southeast Asia (33% of the region's revenue), delivered 5% like-for-like revenue growth driven by the region's strategy of driving growth in higher value corporate customers and increased take up of RS PRO products and eProcurement solutions. Greater China (representing 21% of the region's revenue), saw a 2% increase in like-for-like revenue despite a weak first half with China and Taiwan growth accelerating in the second half. Hong Kong remains challenging due to significantly lower spend from a few large state-owned customers linked to government budgetary constraints. Japan and Korea, with 10% of the region's revenue, delivered 3% like-for-like revenue growth, with particularly strong RS PRO growth.

Digital like-for-like revenue was up 4% year-on-year and contributes to 54% of Asia Pacific revenue. Performance was driven by both web growth and greater take up of our eProcurement solution by larger Corporate customers. RS PRO like-for-like revenue was up 8%, accelerating in the second half, as we continue to enhance our go-to-market strategy, including targeted product marketing campaigns and focused product range catalogues.



Gross margin improved again in 2025/26 by 0.2 percentage points on a like-for-like basis, benefitting from favourable pricing and volume throughout the year. Regional operating costs increased by 4% on a like-for-like basis, driven by investment in our people, as well as increased freight costs. Increased operating costs were more than offset by our revenue growth, and as a result, operating profit increased by 11%, and 28% on a like-for-like basis, with a resulting operating margin of 3%.

Asia Pacific's rolling 12-month Transactional NPS decreased in 2025/26 by 1.7 points to 17.3 as a result of a temporary impact on order fulfilment during implementation of our product availability and tracking system. This was resolved in the second half with a strong recovery in monthly NPS.

## 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 framework

Risk management is an essential part of our business activities, to assist in identifying the problems the Group may face and to help avoid or manage them where necessary. Effective risk management empowers management and the business 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.

### 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 ExCo, with approval from the Board, has the responsibility of assigning a risk appetite against each of the risk categories, and agreeing behaviours that align to each of these categories. The appetite is underpinned by key factors, such as the strategic objectives of the business, our ways of working, and treating customers fairly, 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 60 and 68 for more information regarding our Code of Conduct and policies.

## OUR RISK GOVERNANCE APPROACH

### OVERALL ACCOUNTABILITY

#### Board

Overall accountability for the Group's risk management approach, which is delegated to the ExCo and supported by the Group's risk management team. The Board approves the Group's risk appetite and the principal risks.

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.

The Board is also supported by the Audit Committee to ensure effective internal controls and risk management systems are in place.

### 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. ExCo, and the Board, aim to set the correct tone from the top and ensure that risk is an intrinsic element of the governance structure.

#### 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.

Group risk also reviews the annual risk and controls questionnaire to help confirm more detailed and operational risk information across the Group.

#### 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.

### Assessment of risks

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.

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.

### Our risk landscape

#### Principal risks

ExCo and the Board use principal risks to identify the most significant threats the business faces and take proactive steps to manage them effectively.

#### Executive risks

Key risks to the business elevated from business area risk registers for discussion, assurance, or support at a senior level.

#### 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 classified as emerging, and they are monitored until more information is available.

## CYBER AND INFORMATION SECURITY

**Risk category:** Operational

**Risk owner:** Group Chief Information Officer

**Strategic action:** 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
- We regularly assess and continuously develop our 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 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
- Implementing a revised Security Awareness training course, which centres around acceptable use of technology by employees

### 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

## LEGAL AND REGULATORY COMPLIANCE

**Risk category:** Regulatory compliance

**Risk owner:** Chief of Corporate Services and Company Secretary / Chief of Product and Supply Chain

**Strategic action:** 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, and the Failure to Prevent Fraud offence within the Economic Crime and Corporate Transparency Act 2023)
- Non-conformance with operational compliance controls, such as AI policies (creating risks of intellectual property infringement, exposure of confidential information, and system vulnerabilities)

**What are we doing to manage the risk?**

- Managing environmental, health, safety, and security risks through accident and near-miss reporting, data-driven reduction strategies, and specialist actions
- Ongoing reviews of relevant national and international legal and compliance requirements, risk assessments, and aligned controls within the Group's control framework
- Training and awareness programmes focusing on legal regulations and requirements, such as fraud prevention, data protection, and anti-bribery and corruption
- Code of Conduct and associated training for all employees, alongside campaign and promotion of the Group's whistleblowing Speak Up process
- Global trade compliance policies and framework in place to monitor and drive adherence, with reporting and action planning of any non-compliance, including ethical sourcing policy for suppliers
- AI policy framework, controls, processes, and training in place to guide the use of public generative AI tools and AI literacy

**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
- Horizon scanning for upcoming trade compliance regulatory changes, with follow-up risk and impact assessments, and refreshing supply chain diligence

## GEOPOLITICAL AND MACROECONOMIC ENVIRONMENT

**Risk category:** Operational

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

**Strategic action:** 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, 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
- Identifying potential supply vulnerabilities through our supplier relationships (both direct and indirect), and ensuring appropriate resilience is in place
- Continuously investing in trade compliance intelligence and capabilities
- Continuously expanding 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
- Global supply chain network and integrated demand planning tools enable us to monitor live product availability and adjust purchasing, as required, based on lead times and supplier availability

**What are our future areas of focus?**

- Increasing share of local and nearshore sourcing, reducing singular risk from one sourcing market
- Ensuring visibility to and recovery of inflationary product and logistics cost changes through proactive cost and pricing analytics, and related pricing actions

**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

## CHANGE INITIATIVES

**Risk category:** Operational

**Risk owner:** Chief Financial Officer / Group Chief Information Officer

**Strategic action:** 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?**

- Accelerating a strategic delivery end execution framework supported by a defined governance process
- Prioritised enterprise roadmap with clearer alignment across all regions and functions
- A new business case and investment framework process
- Our portfolio review forum requires relevant senior leaders to review risks, financial performance, and the approach to change management
- 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?**

- Using an enterprise management platform to govern the strategic portfolio, enabling a refinement of priorities, management of dependencies, control of risks, and tracking the delivery of projects and the value they create
- Embedding a consistent global approach to change management
- Leveraging the expertise of industry leading partners to continue to improve delivery capability

## TALENT AND CAPABILITY

**Risk category:** Operational

**Risk owner:** Chief People Officer

**Strategic action:** Operational excellence



**What is the risk and how could it affect us?**

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?**

- Investing in our Talent Acquisition (TA) organisation, processes, and systems with over 95% of roles filled by our in-house TA team
- Progressing with our strategic workforce plan, targeted at building and acquiring the capabilities that will help deliver the RS strategy
- Significantly investing in leadership development through the Leadership Advantage Programme in partnership with Duke Corporate Education and manager capability through the development of a new manager programme
- Improving the cascade of objectives and performance management
- Continuing to support and grow our ERGs through our belonging strategy (page 52)
- Continuing investment in recognition programmes and incentives, including all employee share plans

**What are our future areas of focus?**

- Identifying core skills in the workforce, performing a gap analysis, and developing a plan to bridge the gap through capability building and hiring
- Supporting early careers with a programme to attract and retain talent for the future
- Delivering on the requirements of the European Pay Transparency legislation, in line with our pay philosophy

**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

## MARKET DISRUPTION

**Risk category:** Strategy and change 

**Risk owner:** Chief Customer Experience Officer / President EMEA / President Americas / President Asia Pacific

**Strategic action:** Operational excellence / customers / products and suppliers / services and solutions / experience

**What is the risk and how could it affect us?**

Increasing structural shifts in customer buying behaviour, pricing expectations, and routes to market could lead to lower than forecast growth or margin pressure if we do not anticipate and respond effectively. Key drivers include macroeconomic uncertainty (such as inflation, tariffs, and supply chain disruption), accelerating adoption of digital and AI-enabled purchasing tools, and heightened competitive intensity from both traditional competitors and digital-first entrants.


**What are we doing to manage the risk?**

- Strengthening customer insight and segmentation through improved data, analytics, and voice of customer inputs to better anticipate changes in demand and value drivers
- Continuing to improve the digital customer experience, including enhanced comparison tools and search capabilities, making it easier for customers to select the right products and service solutions from our broad and differentiated range
- Maintaining strong pricing discipline and increasing operational and cost base flexibility to enable a faster response to changes in volume, mix, and margin
- Reducing exposure to cyclical end markets by increasing focus on more resilient customer verticals, solutions-led propositions, and own brand and value added product ranges

**What are our future areas of focus?**

- Further expanding and optimising our product and service solutions portfolio, informed by horizon scanning of emerging technologies (including AI-enabled products and services) and evolving customer needs
- Accelerating strategic initiatives that strengthen differentiation, customer loyalty, and share of wallet, including deeper integration into customers' procurement workflows
- Continuing targeted investment in digital platforms, tools, and data capabilities to enhance personalisation, speed to market, and decision-making
- Embedding more agile, test and learn ways of working to improve responsiveness to market disruption and reduce response times

## BUSINESS RESILIENCE

**Risk category:** Operational 

**Risk owner:** Chief of Product and Supply Chain

**Strategic action:** 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?**

- Helping the business anticipate, prepare for, respond to, and recover from disruptions through business resilience policies, frameworks, and plans
- Aligning our Board-approved risk appetite statement with the strategy of the business and resilience priorities
- Strengthening our global supply chain network, which has the ability to fulfil customer orders by another distribution site to maintain service
- Ongoing assessments of critical third-party inventory suppliers and appropriate inventory levels mitigate risk, where identified
- Resilient IT systems infrastructure feature operating redundancies and disaster recovery, and core IT systems are tested annually for disaster recovery

**What are our future areas of focus?**

- Continue expanding product ranges stocked closer to customers to reduce dependency on individual distribution sites within the network
- Continuing with a standardised, structured approach and testing for incident, business continuity, and crisis management, ensuring consistency and alignment with best practice across the Group

**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 category:** Operational

**Risk owner:** Chief of Corporate Services and Company Secretary

**Strategic action:** Operational excellence / product and suppliers



**What is the risk and how could it affect us?**

We do not adequately manage potential business impacts from climate change, including:

- Physical risks from extreme weather (heatwaves, storms, floods), which could affect employee wellbeing, supply chains, and customer service, leading to revenue loss and higher operating/capital costs to mitigate impacts
- Transition risks from the shift to a low-carbon economy, such as reduced demand from energy-intensive industries, declining single-use RS product sales, and rising logistics costs (carbon taxes, clean tech investment) – potentially lowering revenue and customer satisfaction

**What are we doing to manage the risk?**

- Active monitoring of DCs during high-heat periods, with enhanced ventilation, rest breaks, and hydration; strengthened business continuity for extreme weather through alternative warehousing, drop shipments, and network optimisation across the Americas network
- Expanding our sustainable product portfolio, including the Better World product range, delivering technically led products that use more sustainable materials, improve sustainability and efficiency, and embed circular design
- Strengthening our supply chain and operational capabilities through a regionalised network that shortens delivery distances, reduces transport costs, and lowers emissions across distribution sites and product shipments
- Supporting newly acquired RS businesses to develop and execute first phase decarbonisation plans, including on-site solar generation such as Risoul's solar PV installation in Monterrey, Mexico
- Extending Scope 3 targets for products, suppliers, and logistics to more effectively manage emissions and related risks, while maximising the opportunities to support customer sustainability ambitions

**What are our future areas of focus?**

- Expanding sustainable offerings, deepening supplier partnerships, scaling Better World products, and enhancing climate resilient DCs to strengthen a low-carbon, resilient value chain and capture opportunities from the low-carbon transition
- Continuing investment in decarbonising acquired businesses to maintain progress towards our 2030 net zero target

## M&amp;A ACTIVITY

**Risk category:** Operational

**Risk owner:** President EMEA / President Americas / President Asia Pacific

**Strategic action:** Operational excellence / customers / products and suppliers / services and 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?**

- 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
- For each integration, monthly steering committees are formed with key stakeholders, which monitors progress plans for workstreams and risks and issues

**What are our future areas of focus?**

- Continuing to 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 15, 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 pages 33, 79 to 81 and 95.

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. Only £65 million of the Group's £400 million multi-currency facility was drawn down at 31 March 2026.

As described throughout this Annual Report and Accounts, the Group's performance was impacted by subdued market conditions. As a result, like-for-like revenue remained broadly flat. Continued strong working capital management resulted in adjusted operating cash flow conversion of 109% (2024/25: 111%) and adjusted free cash flow of £202 million, further reducing net debt to £329 million (including lease liabilities of £55 million) at 31 March 2026. We also paid dividends during the year of £106 million (2024/25: £105 million). We have ended the year with a strong balance sheet.

Details of our sources of finance are outlined in Note 23 on pages 164 to 168. The earliest facilities maturing are two tranches of the private placement loan notes totalling £76.0m, which come to term in the last three months of 2026.

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 2026 EBITA to interest was 14.9x (2024/25: 10.9x) and net debt to adjusted EBITDA was 1.0x (2024/25: 1.1x) (see Note 3 on pages 137 to 141 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 2029 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 34 to 38 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 December 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.

The scenarios and related stress tests modelled and how they link to the principal risks and uncertainties are shown on the next page.

## 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 2026/27, 2027/28 and 2028/29 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 2026/27

#### 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 and information security
- Business resilience

In performing the tests to the left 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 stress tests to the left 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. 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.

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 2029.

#### Going concern

The going concern period is defined as a period of at least 12 months from 19 May 2026.

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, and a major deterioration in cash collection. 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.

Environment, social and governance

# DRIVING VALUE, DIFFERENTIATION AND EFFICIENCY THROUGH ESG

Sustainability is core to how we do business, and a value driver for RS, our customers, and our suppliers. By integrating environmental sustainability, positive social impact, and responsible governance into our strategy, we strengthen resilience, unlock growth opportunities, and build trust. Our ESG commitments help to guide the decisions that shape our business today and ensure we contribute meaningfully to a sustainable future.

## In this section:

Our 2030 ESG action plan	42
Advancing sustainability	44
Empowering our people	51
Championing youth & communities	55
Doing business responsibly	58
Task Force on Climate-related Financial Disclosures (TCFD)	62
Non-financial and sustainability information statement	68
Section 172 statement	69

+ Read more about our ESG approach at:  
[rsgroup.com/sustainability](https://rsgroup.com/sustainability)

Our Better World product range is our flagship sustainability initiative offering c. 33,000 products backed by clear, verifiable sustainability claims to reduce resources, cost, and environmental impact.

+ Read more on pages 48 and 49



## Our 2030 ESG action plan

# FOR A BETTER WORLD

Our purpose, making amazing happen for a better world, captures our commitment to creating sustainable value for RS, our stakeholders, and the wider world. Embedded in our business strategy, our 2030 ESG action plan targets four global goals and 14 ambitions in the most material areas for our business.

ESG enables us to better serve our c. 1 million customers, our people, and our >2,500 global suppliers. Core to our growth strategy, it drives operational efficiency and supports sustainable products and solutions, strengthening value chain partnerships and opening commercial opportunities. ESG attracts high-value customers who prioritise sustainability, reinforced by our Better World product range and our EcoVadis Platinum and CDP A List ratings.

ESG underpins operational excellence, from more sustainable and efficient distribution centres (DCs) to optimised packaging and logistics, while enhancing customer experience through responsible product choices that differentiate us as a strategic partner. By working closely with suppliers and providing customers with the transparency needed for informed procurement, we are facilitating the transition to a resilient, low-carbon future.

Our ESG action plan is shaped by our most material topics, defined through our 2024/25 double materiality assessment and mapped to our action plan. In 2025/26, we expanded ESG assurance to enhance readiness for evolving regulatory requirements. We engaged Grant Thornton UK LLP (Grant Thornton) to provide independent limited assurance over selected sustainability data including metrics highlighted in this report with a (\*) symbol. Their full (unqualified) assurance report can be found on our website at [rsgroup.com/sustainability](https://rsgroup.com/sustainability)

### OUR 2030 ESG ACTION PLAN



+ Read more on pages 42 and 43



### ENVIRONMENT



#### ADVANCING SUSTAINABILITY

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

+ Read more on pages 44 to 50



### 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 51 to 54



#### 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 55 to 57



### GOVERNANCE



#### DOING BUSINESS RESPONSIBLY

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

+ Read more on pages 58 to 61

### OUR MATERIAL TOPICS

Goal	Topic	Materiality
Green	Climate change	Double
Green	Energy	Impact
Green	Circular economy and waste	Impact
Yellow	Culture and engagement	Impact
Yellow	Health and safety	Impact
Yellow	Diversity and inclusion	Impact
Yellow	Training and skills development	Impact

Goal	Topic	Materiality
Red	Community engagement	Impact
Teal	Corporate governance	Impact
Teal	Corporate culture	Impact
Teal	Responsible supply chain	Financial
Yellow/Red/Teal	Customer and supplier partnerships	Double
Yellow/Red/Teal	Macroeconomic environment	Financial

#### Materiality definitions





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

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

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

## 2030 ESG action plan: Performance highlights

A summary of progress against each of our global goals can be found in the table below, with detailed progress updates against all 14 ambitions outlined on pages 44 to 61. Progress includes data from acquisitions within all reporting years from 2019/20 to 2025/26, excluding BPX Group which will be added to current and historic years in 2026/27. 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](https://rsgroup.com/sustainability)

GLOBAL GOALS	KEY ACTION AREAS	PERFORMANCE HIGHLIGHTS		
 <p><b>ADVANCING SUSTAINABILITY</b></p>	<p>Net zero emissions in direct operations by 2030 and wider value chain by 2050 with science-based targets (SBTs) covering Scopes 1, 2 and 3.</p>	<p><b>67%</b> reduction in Scope 1 and 2 emissions since 2019/20</p>	<p><b>90%</b> of our packaging has &gt;50% recycled content, an increase of 8% pts since 2024/25</p>	<p><b>34%</b> reduction in Scope 3 transport emissions intensity<sup>1</sup> since 2019/20</p>
 <p><b>EMPOWERING OUR PEOPLE</b></p>	<p>Achieve and maintain an employee engagement score in the top 10% of high-performing companies.</p>	<p><b>75</b> employee engagement score up from 72 in 2024/25</p>	<p><b>38%</b> of our senior leaders are female and 13% are ethnically diverse<sup>2</sup></p>	<p><b>49%</b> reduction in our all accident frequency rate<sup>3</sup> since 2019/20</p>
 <p><b>CHAMPIONING YOUTH &amp; COMMUNITIES</b></p>	<p>Inspire one million young people to become future engineers and innovators.</p>	<p><b>968k</b> young engineers and innovators supported since 2020/21</p>	<p><b>£166k</b> raised for our global social impact partner SolarAid in 2025/26</p>	<p><b>30%</b> of our employees volunteered to support their local communities in the last two years</p>
 <p><b>DOING BUSINESS RESPONSIBLY</b></p>	<p>Increase screening and ESG objectives for suppliers. ESG metrics in employee rewards.</p>	<p><b>48%</b> of employees have their annual incentives aligned to carbon reduction targets</p>	<p><b>74%</b> of strategic suppliers by spend set SBTs</p>	<p><b>80%</b> of RS PRO suppliers by spend are Sedex members</p>

1. Tonnes of CO<sub>2</sub>e due to transportation emissions per tonne of product sold.

2. 108 of 136 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 14 identified as non-white.

3. Per 200,000 hours worked.

Environment



# ADVANCING SUSTAINABILITY

As a critical partner to the global industrial sector, we help customers operate more safely, sustainably, and efficiently as they work hard to reduce resource use, minimise costs, and improve their environmental and social impact.

By building a more sustainable network and delivering more product and service solutions that support sustainable businesses, we are creating tangible benefits across the industrial value chain and reinforcing our role as a trusted and strategic partner with both our customers and suppliers.



## 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, in 2025/26 we updated our 2030 emissions targets for products, suppliers, and transportation. This includes setting a new, more ambitious Scope 3 emission target (see below) and validating this with the Science Based Targets initiative (SBTi) in May 2026. 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 can be found on pages 45 and 46, our Task Force on Climate-related Financial Disclosures (TCFD) response on pages 62 to 67, and our independent limited assurance statement from Grant Thornton at [rsgroup.com/sustainability](https://rsgroup.com/sustainability)

Climate ambition	2030 ACROSS OUR DIRECT OPERATIONS			2050 ACROSS OUR VALUE CHAIN		
<b>Decarbonisation levers</b>	Decarbonising our sites page 46	Switching to renewable energy page 46	Creating a net zero fleet page 46	Sustainable product and service solutions pages 48 and 49	Supplier sustainability page 50	Product transportation page 50
<b>2030 targets<sup>1</sup></b> ✔ SBTi validated	<b>75%</b> reduction in Scope 1 and 2 emissions ✔	<b>100%</b> renewable electricity	<b>NET ZERO</b> company car fleet	<b>51.6%</b> reduction in Scope 3 emissions per £ million value added ✔	Engage our strategic suppliers to set SBTs	<b>40%</b> reduction in product transport emissions intensity <sup>2</sup>
<b>Progress to date</b>	<b>67%</b> reduction in Scope 1 and 2 emissions since 2019/20	<b>92%</b> renewable electricity use in 2025/26	<b>60%</b> of company cars are electric or hybrid in 2025/26	<b>37%</b> reduction in RS PRO product emissions in-use since 2019/20	<b>74%</b> of strategic suppliers by spend set SBTs with SBTi in 2025/26	<b>34%</b> reduction in product transport emissions intensity <sup>2</sup> since 2019/20
<b>Enablers and dependencies</b>	Access to technologies   Government policies and incentives   Energy grid decarbonisation Future availability of Gold Standard certified offsets   Manufacturing efficiencies   Product eco design Customer adoption of renewable electricity   Favourable macroeconomic environment					

1. From a 2019/20 baseline. 2. Tonnes of CO<sub>2</sub>e due to transport emissions per tonne of product sold.

### Our Climate Transition Plan (CTP)

RS has a key role to play in enabling the transition to a low-carbon global industrial sector for our people, customers, and suppliers. Our CTP clearly articulates our climate ambition and how our climate actions are supporting strategic progression and stakeholder value creation, as well as adding detail and transparency to our net zero delivery plan. This is a key differentiator designed to help our customers and suppliers achieve their own decarbonisation goals, enabling us to retain our position as a trusted business partner in the wider industry transition.

**+ Read more on our website at [rsgroup.com/sustainability](https://rsgroup.com/sustainability)**

## Environment continued

# REDUCING OUR CARBON FOOTPRINT

As a global distributor of industrial maintenance, repair and operations (MRO) products, we use our scale and influence to promote sustainable practices across our supply chain and provide customers with trusted, lower-impact procurement choices. This is an increasingly important differentiator as expectations for transparency, compliance, and low-carbon manufacturing continue to rise.

In our direct operations, we are on track to achieve our ambition of a 75% reduction in our direct emissions by 2030<sup>1</sup>. Through energy efficiency measures, renewable electricity, solar installations, and fleet electrification, we have made significant progress from our 2019/20 baseline (read more on page 46).

Decarbonising our value chain depends on product and supplier innovation, particularly related to our products (manufacturing and in-use) and our logistics network.

In 2025/26, we completed extensive modelling of our Scope 3 data which positions us to drive meaningful decarbonisation across our value chain, while supporting our high-value customers' ambitions and ensuring we meet the requirements of commercial bids and tenders.

In 2025/26, we achieved our SBT to reduce the in-use carbon intensity of RS PRO products by 20% (37% reduction from our baseline). Following extensive analysis, the ExCo approved an updated Scope 3 target that balances our ambition, strategic progress, and stakeholder value alongside our external dependencies and our limited influence and control as a distributor. We aim to achieve a 51.6% reduction in Scope 3 emissions per £ million value added<sup>1</sup> – this target was validated by the SBTi in May 2026 and we will report our first-year progress in 2026/27.

Our complete emissions inventory can be found in our ESG Report and ESG data centre, which can be found with our ESG basis of reporting at: [rsgroup.com/sustainability](https://rsgroup.com/sustainability)

## Scope 3 Greenhouse gas (GHG) emissions

Key Scope 3 emissions categories	% change from 2020	2026	2025	2030 target
<b>Category 1: Purchased goods and services*</b>	(38)%	2.2m	2.3m	
Target: % of strategic suppliers by spend with SBTs	+3% pts	74%	71%	100%
<b>Category 4: Upstream transportation and distribution<sup>2*</sup></b>	(28)%	42,600	49,600	
Target: Product transportation carbon intensity (tonnes CO <sub>2</sub> e per tonne of product sold*)	(34)%	1.09	1.23	(40)%
<b>Category 11: Use of sold products<sup>3*</sup></b>	(37)%	4.1m	5.3m	
Target: RS PRO products in-use carbon intensity (tonnes CO <sub>2</sub> e per tonne of RS PRO products sold*)	(37)%	95	122	(20)% (achieved)
Remaining Scope 3 categories	(19)%	27,000	27,000	
<b>Total Scope 3 GHG emissions (tonnes CO<sub>2</sub>e)</b>	(37)%	6.4m	7.7m	

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

In accordance with UK SECR requirements, our 2025/26 Group Scope 1 and 2 emissions are summarised in the table below.

In 2025/26, the Group commissioned independent limited external assurance from Grant Thornton of 34 2026 metrics, including those marked with an asterisk (\*). Their independent assurance report is available at [rsgroup.com/sustainability](https://rsgroup.com/sustainability)

Metric	Unit	2026	2025
Scope 1 GHG emissions*	tonnes CO <sub>2</sub> e	4,795	5,734
Scope 2 GHG emissions (market-based)*	tonnes CO <sub>2</sub> e	1,055	778
Scope 2 GHG emissions (location-based)*	tonnes CO <sub>2</sub> e	6,110	7,083
Total Scope 1 and Scope 2 (market-based) GHG emissions*	tonnes CO <sub>2</sub> e	5,850	6,512
Emissions from premises sources	tonnes CO <sub>2</sub> e	3,138	3,192
Emissions from vehicle sources	tonnes CO <sub>2</sub> e	2,712	3,320
Intensity metric: Total Scope 1 and Scope 2 (market-based) GHG emissions per £m revenue*	tonnes CO <sub>2</sub> e/£m	2.0	2.2
Total energy consumption*	GWh	52	54
Electricity use from renewable sources*	% Group electricity	92%	93%
Electricity use from own renewable generation*	% Group electricity	3%	2%

### Notes to SECR disclosures

- UK SECR: 35% of Scope 1 emissions, 40% of Scope 2 (location-based) emissions, zero market-based emissions, and 46% 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 (DESNZ) (2025) emission factors are applied, unless emission factors from other sources are deemed more appropriate.
- Intensity metric figures are on a constant exchange rate basis.
- Further details can be found in our ESG basis of reporting document alongside our full suite of ESG metrics in our ESG data centre on our website: [rsgroup.com/sustainability](https://rsgroup.com/sustainability)

2025/26 metrics marked (\*) have been independently assured by Grant Thornton.

1. By 2029/30 from 2019/20.

2. Includes only inbound, outbound, and inter-site deliveries controlled by RS Group.

3. Scope 3 category 11 figures have been updated to include in-use emissions from all products, not just RS PRO.

Environment continued

# ADVANCING SUSTAINABILITY WITHIN OUR BUSINESS

## CARBON EMISSIONS IN OUR DIRECT OPERATIONS

By 2029/30, our ambition is to reduce absolute emissions from our own operations by 75% (validated by the SBTi).

### Scope 1 and 2 carbon emissions<sup>1</sup>

**5,850**

10% reduction from 2024/25

#### Status

● On track or ahead

### Carbon intensity<sup>2</sup>

**2.0**

9% reduction from 2024/25

#### Status

● On track or ahead

Carbon reduction is a core KPI for the Group, with 48% of employees incentivised to achieve Scope 1 and 2 emissions reduction goals in 2025/26. As of this year, we have reduced our direct carbon footprint by 67%<sup>1</sup> from our 2019/20 baseline, driven predominantly by our site and fleet net zero initiatives, amongst other factors.

1. Tonnes CO<sub>2</sub>e. Progress includes emissions from acquisitions within all reporting years from 2019/20 to 2025/26, excluding BPX Group which will be added to current and historic years in 2026/27.  
 2. Tonnes CO<sub>2</sub>e/£ million revenue, on a constant exchange rate basis.  
 3. Hydrotreated vegetable oil.

### Decarbonising our sites

We are modernising our distribution sites with low-carbon heating technologies, improved insulation, and other upgrades to support energy efficiency, cost reduction, and sustainability. 2025/26 highlights include:

- Achieved a 15% reduction in absolute premises energy consumption and a 44% reduction in energy intensity from 2019/20
- Reduced gas consumption by 10% from 2024/25
- 23 energy efficiency projects across our site network, including electrification of heating and water, insulation improvements, rapid roller doors, LED lighting, and biogas use

### Switching to renewable energy

We are focusing first on maximising on-site solar installation, supplementing this with renewable electricity procurement, where required. 2025/26 highlights include:

- 92% renewable electricity use
- Self-generated solar power provided 38% of the electricity consumed across five sites
- Completed solar installation at our fulfilment centre (FC) in Sydney, Australia and initiated solar installation at our Risoul FC in Monterrey, Mexico

### Environmental Management System (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, 30 sites – covering 49% of our operations by revenue and 58% by floor area – are covered by ISO 14001 environmental management certifications.

### Creating a net zero fleet

We are transitioning our company car and van fleet to electric and hybrid vehicles, while promoting greater adoption by our people. 2025/26 highlights include:

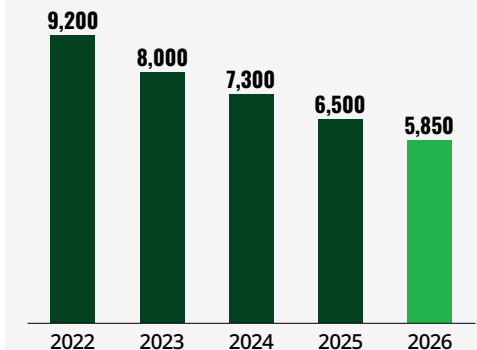
- Over half of our global fleet and 99% of UK cars are hybrid or electric
- 42% reduction in Group diesel consumption from 2024/25
- Transition to HVO<sup>3</sup> fuel for the RS Safety Solutions small HGV fleet with 420 tCO<sub>2</sub>e reduction in HGV-related emissions
- EV charging ports installed at 32 sites

Following the acquisition of BPX Group in March 2026, in 2026/27 we will begin to integrate BPX data into our ESG reporting and support their operational teams to establish effective reporting systems and sustainability plans aligned to our 2030 ESG action plan.



### Scope 1 and 2 (market-based) emissions (tonnes CO<sub>2</sub>e)

**5,850**



Includes emissions from all acquisitions up to 2025/26, enabling year-on-year progress comparison towards our SBT.

## Environment continued

## PACKAGING

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

### Packaging intensity<sup>1</sup>

**1.67**

8% increase from 2024/25

#### Status

● Not on track – further action required

### % packaging made with at least 50% recycled content

**90%**

8% pts increase from 2024/25

#### Status

● On track or ahead

### % packaging reusable or recyclable

**95%**

1% pts increase from 2024/25

#### Status

● On track or ahead

A key part of our sustainability journey is transforming our packaging to meet the growing expectations of customers and suppliers who want strategic, proactive partners who will support their ambitions to minimise waste and promote a circular economy.

### Packaging intensity

In 2025/26, our packaging intensity worsened by 8% from 2024/25 but remains improved by 33% from 2019/20. This temporary rise is primarily driven by higher utilisation of wood pallets for inter-site deliveries. In response, we have implemented a more efficient closed-loop system for transit movements between our EMEA sites, and we expect packaging intensity to return to a reduction trajectory in 2026/27.

### Packaging content and recyclability

Our steady progress is driven by innovation and collaboration across sites, teams, and external specialists to close remaining gaps. With increasing scrutiny from emerging packaging and waste regulations, we are working with suppliers to proactively shift to optimised materials. This reduces waste and costs, ensures compliance, and supports our position as a trusted partner, enabling a smooth transition across the value chain.

### Plastic reduction

This year, our focus has centred on our Plastic Out ambition, eliminating single-use plastics where viable alternatives exist. By introducing bespoke material solutions, particularly across our EMEA site network, we are addressing growing customer demand for responsible packaging. This approach not only reduces waste and improves recyclability, but also delivers operational efficiencies and long-term cost savings, demonstrating how strong partnerships and smart design can align commercial value with environmental responsibility.

### 2025/26 highlights include:

- In partnership with Chestnut Biopolymers Ltd, we introduced a biobased polymer into carriers for small electronic items, replacing 80% of single-use polypropylene across more than 300,000 units at our DC in Corby, UK
- Working with tesa, we eliminated plastic tape at our DCs in Bad Hersfeld, Germany and Beauvais, France by introducing a fully recyclable, reliable paper tape
- Our UK packaging and operations teams replaced plastic air-pillow infills with a paper-based alternative, removing c. 15 tonnes of plastic from our UK sites
- Initiated a shift to paper-based materials at our FC in Milan, Italy to prepare for the move to a new site – implementing recyclable packaging from day one to avoid the need for retrofitting in future

Our EMEA successes are building momentum globally through knowledge sharing that enables automation and packaging optimisation. In Americas, packaging made with at least 50% content has increased to 92% (2024/25: 87%). We have also optimised packaging for big and heavy items that are sea-freighted to our Asia Pacific region, reducing cost and emissions while protecting products. We continue to collaborate across RS and with our partners to champion alternative materials, without compromising cost or efficiency.

Together, these efforts mean that 90% of total packaging by weight is made from materials that contain at least 50% recycled content. This represents an 8 percentage points increase in recycled content from 2024/25. Overall, 95% of our packaging was reusable or recyclable, increased by 1 percentage point from 2024/25.

## 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<sup>1</sup>

**1.56**

13% increase from 2024/25

#### Status

● Not on track – further action required

### Waste recycled

**88%**

4% pts increase from 2024/25

#### Status

● On track or ahead

We remain committed to reducing, reusing and recycling our waste to cut environmental impact and operational costs while strengthening circularity. This year, our updated Waste Management Standard reinforced our commitment to responsible and lawful waste handling, with a stronger focus on reuse and recycling across all operations. Colleagues from across the business met to discuss landfill performance and targeted solutions, aiming to improve resource recovery and reduce costs.

In 2025/26, our waste intensity increased by 13% from 2024/25 and is therefore unchanged from 2019/20. This temporary rise is due to a 12% increase in total waste volume, while total waste recycled also increased to 88% (2024/25: 84%), as a result of recycling obsolete inventory. Waste that is not recycled is typically sent for incineration (in EMEA) and only to landfill as a last resort. In 2025/26, total waste incinerated was reduced to 7% (2024/25: 11%), while the percentage of waste sent to landfill remained at 5%.

1. Tonnes/£ million revenue, on a constant exchange rate basis.

Environment continued

## ADVANCING SUSTAINABILITY WITHIN OUR VALUE CHAIN

As an essential link in the industrial value chain, we leverage our central position with customers and suppliers to accelerate sustainability performance, while strengthening our collective resilience and creating new commercial opportunities.

Achieving our ambition to be net zero across our value chain by 2050 requires close collaboration with our stakeholders. We are expanding access to sustainable products that support operational efficiency, decarbonisation, and circularity, enabled by our industry-leading Better World product framework. By helping suppliers join the range and uphold the highest environmental standards, we strengthen RS's position as a sustainable and responsible procurement choice and ensure customers can access trusted, technically led sustainable solutions.

We are also deepening engagement with suppliers by encouraging alignment with our net zero strategy and optimising sourcing and distribution routes across our global network. Finally, by reducing emissions from thousands of daily shipments and working closely with carriers to promote decarbonisation and the transition to sustainable fuels, we are further improving the resilience and sustainability of our logistics operations and the wider industrial lifecycle. Through long-term partnerships with suppliers and logistics providers that deliver shared value for our customers, we are positioning the industry to thrive in a low-carbon future.

**+ Read more about these efforts on pages 49 and 50, and in our Climate Transition Plan at [rsgroup.com/sustainability](https://rsgroup.com/sustainability)**



### SUSTAINABLE PRODUCTS AND SOLUTIONS

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

Our Better World range in 2025/26

**c. 33,000**

products

Status

● Slightly behind target – monitor closely

**350+**

product families

**167**

suppliers

Our Better World product range is our flagship sustainability initiative, featuring products with clear, verifiable sustainability claims that are made more sustainably, improve operational efficiency and sustainability, and/or offer enhanced circularity benefits. It supports our strategic priority to deliver a differentiated, technically led product portfolio, while strengthening our role as the partner of choice for suppliers looking for a superior go-to-market channel to promote their sustainable product innovations and drive commercial performance.

For higher-value customers, it strengthens our offer through products that reduce resource use, cut environmental impact, and support energy and carbon reduction goals, all within a robust, claims-based framework.

Since 2023/24, this framework has helped customers make informed, cost-effective procurement decisions backed by clear and verified sustainability evidence. This includes Lifecycle Assessments (LCAs), Environmental Product Declarations, test reports, and/or one of 50+ recognised global sustainability certifications and energy labels.

**Products qualify for the Better World range by demonstrating at least one material sustainability improvement in at least one of three lifecycle stages:**

- **Made more sustainably:** Products that are produced using more sustainable materials or processes. For example: products containing recycled materials.
- **Sustainable solution:** Products that help customers run their business more efficiently and responsibly. For example: energy-saving RS PRO voltage optimisers that return surplus power to the grid.
- **Supports circularity:** Designed for longer life, repair, reuse, or recycling to reduce waste. For example: safety gloves with an extended lifespan for fewer replacements.

## Environment continued

In 2025/26, we continued to scale the range to

**c. 33,000**  
products

across

**350+**  
product families

in

**30**  
countries

supported by

**167**  
suppliers

This expansion demonstrates how curated, technically led ranges meet specialist customer needs. We also strengthened commercial execution by trialling enhanced sales tools to enable more targeted engagement and revenue growth opportunities.

To meet growing customer and regulatory demand for product-level CO<sub>2</sub> data, in 2025/26 we partnered with a third-party LCA software provider and selected six RS PRO suppliers to trial the production of LCAs and carbon footprints for RS PRO products. This capability identifies lifecycle environmental hotspots and supports improvements that reduce emissions. With LCAs increasingly required to substantiate claims, such as low-carbon manufacturing or recyclability, this partnership enhances data quality, strengthens the credibility of Better World claims, and supports continued expansion of the range.

In 2026/27, we will further evolve the Better World product range to include enabling solutions – product combinations that help customers reduce resource use, carbon, and waste.



Qualifying solutions must address clear impacts, deliver measurable results, and be evidence-led. This evolution improves customer access to focused solutions that maximise efficiency, reduce cost, and support progress towards sustainability targets.

Alongside Better World products, we are developing more granular carbon reporting for higher-value customers through a new customer carbon reporting dashboard, designed to track customer Scope 3 emissions. Currently in trial, this tool aims to deepen customer relationships, differentiate RS, and drive long-term value. We are also exploring how to integrate a quantified carbon benefit into the Better World range to make switching to more sustainable products even more compelling.

**64%**

**of procurement professionals consider sustainability to be important in procurement decisions**

Based on a sample of 681 responses across UK & Ireland; 2026 RS and CIPS Indirect Procurement Report.



**Our collaboration with RS around Better World products is very constructive. It gives us a common framework to highlight where our portfolio is evolving – for example through lighter designs and more recycled content – while continuing to offer repairable, long-lasting solutions. This is valuable for our mutual customers and fits well with Festo's ESG priorities."**

**Festo**

Strategic Supplier Partner

We continue to target growth in customer segments linked to the low-carbon economy, particularly in product categories that enable the net zero transition. The renewables sector remains a key focus, where we are building strong partnerships across onshore and offshore wind. In 2025/26, we formed a strategic partnership with a leading operator and supplier of onshore wind, to provide a bespoke original equipment manufacturer (OEM) conversion for almost 100 ageing UK turbines. We identified 157 RS products to replace obsolete parts, with the ambition to develop a scalable product framework that incorporates our Better World product range to enable further operational efficiencies. This partnership exemplifies how we combine technical expertise with product depth and range to service evolving needs in fast-growing sectors.

**+ Download the Better World product guidelines here: [rsgroup.com/sustainability/advancing-sustainability/sustainable-products](https://rsgroup.com/sustainability/advancing-sustainability/sustainable-products)**

## Environment continued

### SUPPLIER SUSTAINABILITY

By 2030, we commit to engage all of our strategic suppliers to set SBTs.

Strategic suppliers by spend with SBTs

**74%**

3% pts increase from 2024/25<sup>1</sup>

Status

● On track or ahead

With >875,000 stocked products from >2,500 suppliers, it is essential that we inspire our suppliers to prioritise sustainability through actions that make their products and service solutions more attractive to customers who are seeking to limit the environmental impact of their value chain. Progress is a shared responsibility, and we leverage our position with our suppliers to help them navigate challenges and leverage opportunities of sustainability to differentiate themselves with customers, and to create long-term value across the industry.

As a key business partner in the industrial value chain, 99% of our carbon footprint sits in Scope 3, making customer and supplier engagement and collaboration essential. During the year, we retired our 2025 supplier engagement SBTi target, shifting our focus to a 2030 target for strategic suppliers by spend, where we have the greatest opportunity for influence and impact. In 2025/26, 74% of strategic suppliers by spend and 41% of all suppliers have set SBTs with the SBTi. We will continue to drive progress in 2026/27 by embedding CO<sub>2</sub> reduction as a key aspect of our strategic supplier approach and engagement activity.

This year, we continued to engage our suppliers through regular meetings, supplier events, quarterly business reviews (QBRs), and supplier ESG communications to encourage alignment with the highest sustainability standards, including the SBTi. This work strengthens our value proposition to customers and suppliers by underpinning the credibility of our Better World product range and enabling us to offer more sustainable products, solutions, and operations (see page 61).



### PRODUCT TRANSPORTATION

By 2029/30, we aim to reduce Scope 3 transport emissions intensity by 40%<sup>2</sup> per tonne of product sold.

Scope 3 transport emissions intensity<sup>2</sup>

**1.09**

11% decrease from 2024/25

Status

● On track or ahead

With thousands of inbound supplier deliveries and outbound customer shipments every day, optimising our global supply chain remains essential to reducing our transport-related emissions.

In 2025/26, we reduced the intensity of our product transportation emissions by 11% from 2024/25 and by 34% from our 2019/20 baseline year. Given our strong performance to date and our continued commitment to decarbonisation of our value chain, we have increased our 2030 transport emissions intensity target to a 40% reduction from the 2019/20 baseline by 2029/30. Based on modelling of the future industry transition and factoring in initiatives already in place for RS, this revised target is a natural evolution of our transport strategy. We remain confident that initiatives already in place and industry decarbonisation will help achieve our new target by 2029/30.



Our progress has been driven by three key factors: shifting freight from air to road and sea, reducing mileage through sourcing and fulfilling orders closer to customers, and wider industry decarbonisation. Despite a 10% increase of average transport distances, in 2025/26 we achieved a 17% reduction in absolute emissions due to air transport. This was supported by an 8% reduction in transport weight.

While industry-wide decarbonisation has contributed significantly to our progress, further reductions will come from continuing modal shifts and progressing the move towards regional sourcing, storing, and shipping of our products closer to our customers and suppliers. We remain committed to working closely with carriers to promote decarbonisation, support the transition to sustainable fuels, and encourage alignment with our ESG ambitions. We continue to advocate with our suppliers to take science-based action to decarbonise their transport network and offer more sustainable delivery options to customers.

1. Target reset in 2025/26. Previously top 67% of suppliers by spend. Performance based on calculation of 2024/25 baseline.

2. Transport emissions intensity (tonnes of CO<sub>2</sub>e from inbound, outbound, and inter-site deliveries controlled by RS Group, per tonne of product sold) by 2029/30 from 2019/20.

Social



# EMPOWERING OUR PEOPLE

Our c. 8,500 colleagues are central to achieving our long-term, sustainable success and ensuring we realise our vision of being first choice for all our stakeholders.

Our commitment is 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.

We are focused on building the capability, capacity, and culture our business needs to succeed, enabling high performance today while preparing for the future.



## EMPLOYEE ENGAGEMENT

By 2029/30, we want to achieve and maintain an employee engagement score in the top 10% of high-performing companies<sup>1</sup>.

Engagement score

**75**

engagement score up by three pts from 72 in 2024/25

Status

● On track or ahead

Building a high-performance, motivated, and values-driven team starts with consistent, active listening. At RS, our employee engagement approach is designed to ensure we continuously gauge employee satisfaction and effectively address our team's needs. By gathering regular insights and turning them into tangible actions, we are building the capability needed for strategic execution, strengthening our talent pipeline, and embedding a culture underpinned by our four global values: we are one team, who deliver brilliantly, by doing the right thing, to make every day better.

A core element of this approach is our My Voice engagement survey. We run a full survey every 18 months – most recently in May 2025 with an 83% response rate and 8,300+ comments. The results showed strong progress, with improved scores for 15 questions, including career development, understanding of strategy, and removing barriers to execution. We also continued to see strong scores in health and safety, role clarity, and authenticity.

1. As at 31 March 2026, we were four points away from the global benchmark for the top 25% of high-performing companies.



At the same time, the results highlighted some key opportunities, such as strengthening cross-functional collaboration, which inform our people priorities going forward.

To ensure insights lead to effective action, we publish survey results for the Group and respond by agreeing local actions with line managers. Many of these are already incorporated in our comprehensive people strategy, which is supplemented by Group-wide actions, such as improving communication through regular team briefings. Engagement is driven from the top, with the ExCo reviewing results in detail to determine key functional actions, supported by initiatives such as virtual coffee sessions with members of the ExCo to hear directly from their functions.

In addition to our primary My Voice survey, we ended the year with a pulse survey in January 2026 as a temperature check of our progress towards our original commitments – this resulted in an overall increase in engagement, with increased scores for wellbeing, recognition, and satisfaction.

Beyond the regular cadence of surveys, we hear from employees through career conversations, focus groups, town halls, and events run by our Employee Resource Groups (ERGs) (read more on page 52). We prepare managers to support their direct reports through targeted workshops and establish touch points for engagement with their teams, reflected in a positive score of 81 for honest and transparent communication from managers in the 2025/26 pulse survey. To further promote transparency, this year we also launched a new employee engagement hub on our intranet that outlines our listening strategy and how we turn insights into meaningful action throughout the employee journey.

**83%**

response rate

May 2025 My Voice survey

## Social continued

**BELONGING**

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 senior leaders****38%**

increase of 1% pts from 2024/25

**Status**

● On track or ahead

**% ethnically diverse senior leaders<sup>1</sup>****13%**

increase of 3% pts from 2024/25

**Status**

● On track or ahead

**Belonging for all**

We continue to place belonging and wellbeing at the centre of how we support and empower our global workforce. As our belonging initiatives mature, we are evolving our holistic, Group-wide approach to ensure every employee feels that RS is there to support them.

Our culture is grounded in openness and respect. We are committed to creating an inclusive workplace where every employee feels valued, supported, and empowered to contribute. Our belonging programmes are available to all, reflecting our commitment to embedding inclusion in the employee experience across all parts of the business. By embracing the unique perspectives and backgrounds of our people, we strengthen our performance, fuel growth and development, and foster a genuine sense of belonging across RS.

We acknowledge and value the wide range of identities, backgrounds, and lived experiences that shape who we are – including gender, gender identity, sexual orientation, neurodivergence, age, ethnicity, disability, socio-economic background, and wellbeing. While we understand that championing diverse perspectives strengthens our organisation, our hiring practices remain grounded in our commitment to selecting the best candidate for each role. This approach enables us to attract and retain the talent we need to deepen our relationships with stakeholders and deliver on our long-term strategic ambitions.

As an equal opportunity employer, we are committed to providing fair access to opportunities and ensuring every employee feels valued, supported, and empowered to grow within RS. Our approach is reinforced by comprehensive policies, tools, and resources designed to help employees thrive.



For example, in 2025/26 we introduced a Group Neurodiversity Policy to ensure we have the appropriate tools and practices in place to embrace the skills and strengths of our neurodivergent colleagues.

Our people-led ERGs play a key role in building community and fostering connections. These groups bring together employees with shared backgrounds, interests, and lived experiences – such as youth (Bloomers), gender (Elevate), ethnicity (Embrace), mental health, neurodivergence, disability, and wellbeing (LifeWorks), sexual orientation and LGBTIQ+ (Spectrum). All employees are encouraged to attend events hosted by the ERGs throughout the year to raise awareness and understanding across the Group.

**Development and progression**

We take a data-driven approach to shape our people strategy and strengthen our position as an inclusive employer of choice. In 2025/26, we continued to mature our workforce data collection in the UK (within applicable legal parameters) through an ongoing campaign encouraging voluntary self-identification among applicants and employees. This helps us to improve workforce planning, address recruitment and retention challenges, and support accurate, transparent reporting aligned with emerging regulatory expectations.

We continue to focus on recruiting a senior leadership team that is reflective of the wider communities in which we operate and serve. During the year, the number of senior leaders that are women increased to 38% (2024/25: 37%), while the percentage of our leaders who are ethnically diverse increased to 13%<sup>1</sup> (2024/25: 10%). This is largely due to organic turnover in these roles, and our senior leaders are continually working with our Talent Acquisition team to ensure that gender and ethnically diverse talent is included in our long- and short-lists for open roles, where possible.

In 2025/26, the ExCo participated in an external Inclusive Leadership development course to raise their awareness of lived experiences of people with protected characteristics and to challenge traditional ways of thinking about inclusion.

Globally, our Group-wide gender split remains balanced, with near equal numbers of men and women across the organisation (2025/26: 49% female; 51% male) and our female ExCo population remained the same at 30%. We ranked joint second of FTSE 250 companies for 'Women on Boards' in the 2025 FTSE Women Leaders Review. Our external disclosures relating to Board and ExCo comply with the Financial Conduct Authority's diversity and reporting requirements (see page 90).

Our commitment to developing a diverse talent pipeline is central to driving progress within our business and the wider industrial sector, and we prioritise programmes, policies, and resources that support the attraction, retention, development, and progression of all talent. Our Elevate and Embrace ERGs bring together global colleagues and allies to influence policies, share experiences, and support career development for women and ethnically diverse talent, including through the continuation of networking and mentorship programmes to foster confidence and leadership. We continue to embed and grow support for people experiencing peri-menopause and menopause, supported by dedicated champions and community conversations.

We acknowledge the evolving diversity and inclusion landscape globally and are committed to belonging, equal opportunity, and good practice in all the markets we serve, while maintaining our core principle of selecting the best-qualified person for each role. Read more about our belonging programmes, policies, and progress on our website: [rsgroup.com/sustainability](https://rsgroup.com/sustainability)

1. 108 of 136 senior leaders self-reported ethnicity via the employee database (including not specified/prefer not to say) and 14 identified as non-white.

Social continued

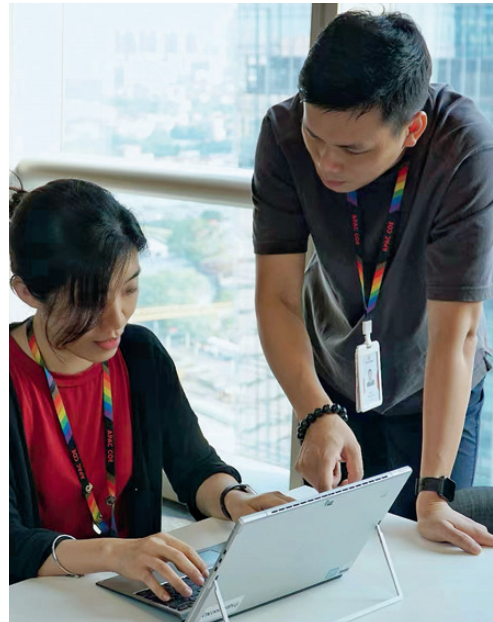
## TALENT AND CAPABILITY

### People capability

To achieve our long-term growth strategy, our talent approach focuses on building the capability, capacity, and culture needed for a future-ready workforce that can drive our commercial success. In 2025/26, we strengthened our strategic workforce planning, partnering with each area of the business to understand the people and organisational implications of our strategy. As a result, we have a clear, shared vision of the people capabilities we need to meet our strategic goals.

These priorities have informed a new Group-wide, technology-enabled approach to managing development: Skills@RS. Informed by robust data from our pilot teams, this approach identifies current skills and gaps, enabling more specialised development, clearer career pathways, and targeted investment in capability. For example, to ensure our people are equipped to leverage technology advancements, this year we ran a Data Week that blended practical learning and team-driven exercises to build data confidence and literacy. Along with refreshed AI@RS learning pathways and resources to support responsible adoption, we are reinforcing how we turn data into clear, actionable insight.

We continue to invest in our people through a consistent global learning framework, supported by mentoring and development opportunities. In 2025/26, employees completed over 88,600 hours of learning through live training and our global learning platform, My Academy, saw an increase of 62,000 hours (2024/25: 35,000). We enhance the leadership skills of emerging talent through the global Future Shapers programme, with a total cohort of 60 participants as of 2025/26.



Our employee performance reviews include objective setting, regular performance discussions, and annual career conversations. Insights from these sessions inform our development and succession planning, ensuring we have the capabilities needed to meet current and future business priorities. We focus on personal growth aligned with our business needs to strengthen our internal talent pipeline.

In 2025/26, we supported 290 colleagues in the UK through apprenticeships, along with 35 internships and 49 entry-level roles. We retained Platinum membership to the 5% Club for our commitment to supporting employees through 'earn and learn' opportunities and we ranked 86th in the UK Top 100 Apprenticeship Employers 2025.

## c. 88,600

learning hours completed in 2025/26

### Leadership development

As our business evolves, we continue to strengthen the senior leadership required to guide the organisation through future growth and transformation.

In 2025/26, we launched the Leadership Advantage Programme, an 18-month development experience delivered in partnership with Duke Corporate Education for three cohorts comprising 90 senior leaders, including all members of the ExCo. The programme focused on advancing the eight core competencies in our Amazing Leadership Framework, delivered via in-person modules and quarterly virtual workshops. Group coaching was supplemented by personal feedback mechanisms with an emphasis on leaders' ability to build trust and accelerate change in their teams. The programme received strong positive feedback, demonstrating the value our leaders place on developing the capabilities needed to drive our long-term ambitions.

Our Group development programmes are supported by self-insight tools such as 360 feedback and psychometric assessments. This reflects a growing culture of personal accountability for development across our management and leadership population.

We also increased development support for our people managers, introducing the Amazing Manager capability framework globally to clarify role expectations. Targeted development interventions aligned to this framework are now in design and will launch early next year, supporting stronger leadership capability across all levels of the business.

## REWARD AND RECOGNITION

Our global reward philosophy ensures transparency and wellbeing support across the RS employment journey. This aligns with our business strategy and helps us attract, retain, and motivate our people by reinforcing the behaviours and performance that drive long-term sustainable success. We have developed a long-term reward strategy to support our future ambitions and ensure our philosophy is embedded consistently across all elements of reward.

We continue to provide market competitive rewards, including performance related bonuses for all employees and long-term incentive plans for senior leaders, supported by market based benefits (read more on pages 98 to 117). In 2025/26, we invited employees to participate in an All-Employee Share Plan, enabling all of our eligible people to share in the Group's long-term success.

We are preparing to implement the new European Pay Transparency legislation across our EMEA region, enabling transparency on all aspects of reward. In addition, we are reviewing our medical plans to ensure they reflect our reward philosophy and support colleagues' wellbeing through inclusive and flexible benefits. We utilise a global recognition programme, Spotlight, for peer-to-peer recognition to show appreciation for colleagues who embody our values. Now in its second year, feedback from our colleagues shows that appreciation contributes to increased motivation and creates a culture of praise throughout RS.

Social continued

## HEALTH AND SAFETY

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

All accident frequency rate (per 200,000 hours)

**0.35**

decrease of 20% from 2024/25

Status

● On track or ahead

**5%**

increase in reported near misses per head in 2025/26

**28**

sites certified to ISO 45001 or an equivalent standard



As we work towards our 2030 ambition, we have evolved our health and safety (H&S) approach through our Protect What Matters campaign that places a stronger emphasis on safeguarding not only our employees, but also their teams and their families. This reflects our ongoing commitment to both a duty of care and responsibility across the Group.

In 2025/26, our all accident frequency rate per 200,000 hours decreased by 20% to 0.35 (2024/25: 0.44) and the total number of accidents across the Group decreased to 29 (2024/25: 37).

Although we have continued to see a year-on-year reduction in recordable H&S incidents, we are deeply saddened to report that one colleague tragically lost their life during the year, in Mexico. This fatality occurred as a result of a road traffic accident while the individual was travelling on business. This loss has been extremely upsetting for all those affected, and our thoughts remain with the individual's family, friends, and colleagues. Following the incident, actions are being implemented to further strengthen driver safety awareness and support across RS.

Key actions in 2025/26 included:

- **Standardisation:** We are aligning all processes and objectives to ensure teams operate in a consistent way, integrating safety into everyday decision-making.
- **Behaviour-based safety:** We focused on strengthening safety culture and behaviours. Improved data enhances our understanding of ergonomic risk areas, enabling targeted campaigns to strengthen safe manual handling behaviours. Real-time observations and coaching help identify and correct unsafe movements early, reducing incident risk.
- **Near miss reporting:** We simplified the reporting and strengthened the investigation of unsafe acts, hazards, and near misses, resulting in 22,000 reports in 2025/26 (unchanged from 2024/25). All near misses

are investigated, with corrective and preventative actions implemented and insights shared across sites to prevent recurrence.

- **Training, inspections, and audits:** We delivered tailored H&S training aligned to specific operational activities, with continued focus on higher-risk locations through targeted improvement plans. To strengthen governance, we are trialling a new compliance tool to drive consistent cross-site standards.
- **Travel safety:** Safety on every journey remains a priority. We enhanced travel security and expanded our global e-driver safety initiative to promote safer driving behaviours.
- **Safety moments:** Short H&S reminders are embedded in team meetings and have been broadened, in response to feedback, to better reflect behaviours across all functions and activities.

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 34% of our sites. We conduct H&S audits, assessments, inductions, and awareness training to any new acquisitions, aligning our new sites and colleagues to Group standards.

## Wellbeing

In 2025/26, we strengthened collaboration between our H&S and Belonging teams to ensure wellbeing is a core element of our people approach. We continued to support colleagues across our global workforce through Mental Health First Aiders, our Employee Assistance Programme, wellbeing rooms and quiet spaces on our sites, and access to our Global Benefits platform – providing physical, financial, social and emotional resources tailored to local needs. LifeWorks, our mental health and wellbeing ERG, has expanded global programming this year with monthly virtual sessions to connect, reflect and recharge. Read more about our belonging and wellbeing approach on page 52.

For additional H&S data, including how we are supporting mental health and wellbeing, please visit our ESG data centre:

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

## Health and safety performance

	Change from 2025	2026	2025	2024
All accidents	(22)%	<b>29</b>	37	32
All accident frequency rate (per 200,000 hours)	(20)%	<b>0.35</b>	0.44	0.37
Lost time accidents	(19)%	<b>21</b>	26	17
Lost time accident frequency rate (per 200,000 hours)	(16)%	<b>0.26</b>	0.31	0.19
Total calendar days lost	(60)%	<b>193</b>	481	302
Near misses reported	-	<b>22,000</b>	22,000	20,000
Near misses per head	+5%	<b>2.64</b>	2.51	2.25

## Social continued



## CHAMPIONING YOUTH & COMMUNITIES

Empowering the next generation of engineers and innovators is essential to building future skills for our industry. Through educational products, learning content, and hands-on skills development, we help young people develop the capabilities needed to strengthen the industry talent pipeline, while building early brand loyalty.

We also support our communities by empowering our people to make a positive difference both locally and globally. We help improve lives through our Local Community Fund, two paid volunteering days each year, and partnerships with organisations, like SolarAid, delivering scalable, long-term sustainable solutions.



## 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<sup>1</sup>**

**968k**

increase of 55k young people from 2024/25

**Status**

● On track or ahead

### Investing in industrial talent

RS invests in every stage of the engineering education and employment journey to help build the skills, capability, and confidence needed for the future of industrial innovation. Supported by engagement with 1,600 educational institutions globally, we are helping young people develop both technical and employability skills, while widening access to science, technology, engineering and maths (STEM) pathways for underrepresented groups.

This responds directly to the evolving needs of industry. As digital infrastructure expands, many organisations struggle to translate data into action. MRO now sits at the intersection of cost, risk, and operational continuity, with engineers under increasing pressure to improve efficiency, resilience, and uptime. The engineers of tomorrow must therefore combine strong technical foundations with digital fluency and human skills, including the confidence to challenge established processes and adapt to rapid change.

1. Since 2020/21.

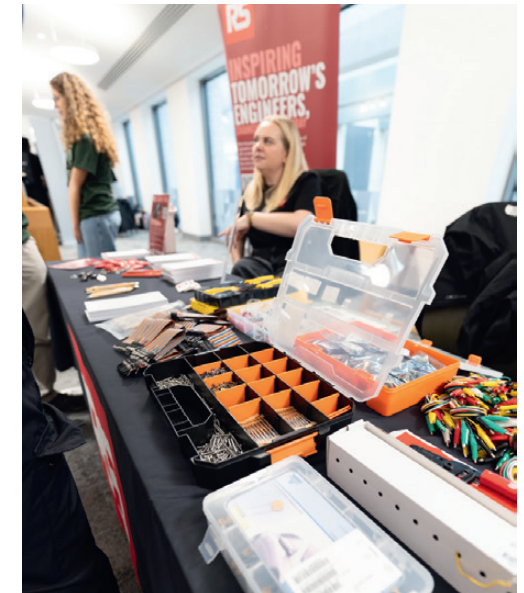
Demand for engineers is rising quickly, particularly in clean energy, digital and AI-enabled roles. At the same time, access remains uneven, with women and ethnic minority talent still significantly underrepresented across STEM careers. By broadening participation and providing hands-on learning opportunities, RS is helping to build a more diverse and prepared talent pool.

### Classroom-to-careers support

We recognise that building future-ready capabilities cannot start at a single point in time – it requires long-term engagement with young people at every stage of their journey. Programmes including product donations, applied engineering challenges, and early career pathways help bridge the gap between learning and employment. Our approach is differentiated by global scale and a practical, application-focused model that helps students develop engineering skills through real-world builds and competitions that also build teamwork, communication, and adaptability.

This is complemented by a broader ecosystem of support, including industry connections to extend impact into the workforce. By connecting students with industry professionals and exposing them to real engineering environments, we enable more confident career choices, better prepared graduates and a stronger pipeline of talent entering the industrial sector.

This work supports our vision to be first choice for all stakeholders. By strengthening the engineering pipeline for RS, our customers, and our suppliers, we ensure the industry has the skills needed to innovate, deliver, and grow sustainably.



**The funding has helped us be able to empower as many participants as possible. On a personal level, running DurHack has been an invaluable experience, and has helped me build so many skills, from communication to leadership."**

Student, aged 18-24, competing in the 2025 DurHack hackathon in the UK with support from an RS hardware library offering £2,200 worth of components for software testing, alongside an additional £2,700 to help run the event.

## Social continued

## Key actions delivered in 2025/26 across the three pillars of our youth education programme

## STEM ENGAGEMENT AND INCLUSION

## What we do

We support young people – particularly those from underrepresented backgrounds – to pursue engineering and technology careers by working with universities, student societies, and youth organisations. Through access to real STEM experiences and practical skill-building to turn ideas into reality, we help make the industry more inclusive and show young innovators that these pathways are possible.

66

student teams sponsored by RS globally to progress inclusive engineering projects

## Key actions in 2025/26

- Partnered with the Association for Black & Minority Ethnic Engineers (AFBE) to support 150+ ethnic minority engineers through career-focused events in the UK
- Engaged 60 future engineers through Mentorship in Motion event series, showcasing role models for underrepresented groups in STEM
- Expanded collaboration with FemEng at the University of Glasgow to deliver engineering workshops to 2,000+ girls aged five to 11 in Botswana
- Shortlisted for The Engineer's 2025 Collaborate to Innovate Awards for our RS STEM Inclusion Programme, recognising our support for female-led engineering groups

## TECHNICAL SKILLS AND EXPERIENCE

## What we do

To enable young people to get the hands-on technical experience that the industry demands, we provide them with RS products and expertise to support their design and build projects or participation in student engineering competitions. Supported by RS funding, training, and our youth network, students learn by designing, testing, and solving real-world problems to gain technical, leadership, and employability skills that prepare them for future careers.

7,000+

products for c. 26,000 students across 138 universities in 26 markets since 2020/21

## Key actions in 2025/26

- Formula Student Build Fund provided £1,000 in RS products to 50 teams
- Student Project Fund supported c. 3,000 students with c. £45,000 worth of RS products
- Supported projects across EMEA, such as the Delft Mercurians Robotics team in the Netherlands with £2,500 in RS products
- Sponsored 125 students at an American Society of Mechanical Engineers (ASME) competition in Texas, US and c. 100 students designing practical accessibility solutions at the UK Hacksessible event
- Continued to provide access to design resources and innovation tools through our global DesignSpark community of 1.5 million students, educators, and innovators, growing the number of under-25 users by 5% to 540,000 (2024/25: 516,000)

## EMPLOYABILITY SKILLS AND OPPORTUNITIES

## What we do

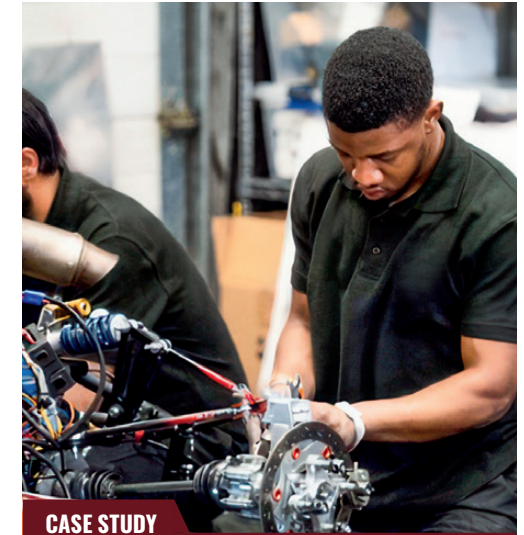
We are investing in the talent pipeline by helping young people build the career-ready skills needed for modern, technology-driven workplaces that rely on digital awareness, communication, collaboration, and problem-solving. By fostering long-term engagement from education into employment, we are preparing young adults to make meaningful contributions to the industry and building lifelong partnerships for RS, our customers, and our suppliers.

700+

students supported through employability sessions, training, and networking

## Key actions in 2025/26

- Continued internship programme with Texas A&M University in the US, and helped 220 additional students practice real-world industry networking
- Sponsored 68,000 students since 2021/22 to develop technical and job-ready skills through the Engineers Without Borders People Design Challenge in the UK, US, Ireland, South Africa, and Cameroon
- Delivered 14 free SuperSkills sessions to c. 450 young people across three markets to boost workplace preparation on topics such as pitching and presentations
- Upskilled 12 students through vocational work placement with RS customer in South Africa
- Partnered with ASME to engage 125 students in networking and career exploration in the US



## CASE STUDY

## FROM CLASSROOM TO CIRCUIT

The 2025/26 RS Formula Student Build Fund saw record engagement, with the highest number of applications yet from teams across 33 countries. The quality and ambition of submissions made judging highly competitive, and RS awarded funding to 50 teams – the largest cohort to date.

Each team received £1,000 in RS products to support the design, build, and testing of their vehicles, with an additional supply of RS PRO products for five teams. Formula Student continues to be a powerful platform for real-world learning, helping students develop essential engineering and technical skills for their future careers, complemented by RS's ongoing partnership with Formula Student UK, run by the Institution of Mechanical Engineers.

+ Read more at [rsgroup.com/sustainability](https://rsgroup.com/sustainability)

Social continued

## SUPPORTING OUR COMMUNITIES

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

### SOCIAL IMPACT PARTNERSHIPS

By 2029/30, we want to support our social impact partners to develop innovative engineering solutions that improve lives, including supporting SolarAid to help 150,000 people in need.<sup>1</sup>

Number of lives improved through our social impact partnerships since 2020/21

**136,000**

increase of 90,000 lives from 2024/25

#### Status

● Slightly behind target - monitor closely

Amount raised for SolarAid

**£166,000**

within first six months of our partnership

#### Status

● On track or ahead

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

By harnessing the expertise of our people and the innovation of our customers and suppliers, we can help communities thrive where support is needed most.

Our new global social impact partner, **SolarAid**, was selected by our employees in 2025/26 through a global vote. SolarAid provides safe, affordable, clean solar light and power to communities in Sub-Saharan Africa, extending their impact by training local repair technicians, supporting last-mile entrepreneurs to start their own solar businesses, and bringing affordable energy access to households with innovative solutions that can scale.

Over the next three years, we aim to raise £1 million to enable SolarAid to reach 150,000 people in rural, off-grid communities – supporting education, improving health outcomes, and unlocking economic opportunity. Since launching the partnership in September 2025, we have applied our technical expertise through skills-based volunteering and raised £166,000 through fundraising, matched giving, RS PRO product contributions, and corporate donations. We are also mobilising expertise across our value chain to demonstrate the social impact potential of the renewables sector.

In 2025/26, we concluded our four-year social impact partnership with The Washing Machine Project, which provides displaced and low-income communities with an accessible, off-grid washing machine solution. From 2020/21 to 2025/26, we improved the lives of 103,000 people through £965,000 in fundraising, matched giving and donations, and 1,000+ people volunteering.

1. Target extended in 2025/26 (previously 100,000 people in need).

### SUPPORTING LOCAL COMMUNITIES

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%**

unchanged from 2024/25

#### Status

● Slightly behind target - monitor closely

In 2025/26, we donated

**£409,000**

to c. 280 local charity and community initiatives worldwide, supported by our employees

We know the importance of making a positive impact in the communities where we live and work. That's why we empower our people to champion the causes that matter most to them so they can make a meaningful difference locally, through both financial support and volunteering. This investment also supports high-value customer bids and tenders, where social impact is an increasing criterion. For more on how we support our global social impact partners and our local communities, go to: [rsgroup.com/sustainability](https://rsgroup.com/sustainability)

In 2025/26, we continued to encourage our people to use their two annual paid volunteering days to support community initiatives. The number of employees using their volunteering days is unchanged at 30%, with employees volunteering 3,075 days to support local causes.

#### Key actions in 2025/26

- Through skills-based volunteering, 34 colleagues supported SolarAid by updating a repair app to meet software requirements, providing business expertise, and delivering a user experience website review
- Over 3,000 employees supported their communities by restoring a nature reserve, cleaning a residential care centre, promoting biodiversity by planting trees, and donating books, electronics, food, and more for local charities

While overall volunteering participation is the same as in 2024/25, engagement continues to vary across markets. We remain committed to promoting volunteering as a key driver of employee engagement, skills development, and positive community impact. To support this, we are strengthening leadership advocacy and reinforcing expectations to create a more consistent approach. We will continue to develop accessible opportunities aligned to our regions and ESG priorities, supported by clear structures and guidance to help more colleagues use their volunteering days effectively.

In 2025/26, we significantly increased our investment in local causes. Through our Local Community Fund, dedicated community champions help coordinate local volunteering activities, review donation applications from employees, and ensure funding supports the causes that resonate most with our people. This year, we focused on strengthening guidance and sharing best practice to ensure all markets can build strong relationships with local organisations, such as a donation to Swaragano in South Africa, which provides meals to underprivileged children and parents.

**c. 280**

local organisations supported in 2025/26

**55%**

increase in Local Community Fund investment in 2025/26



Governance



# DOING BUSINESS RESPONSIBLY

Our commitment to doing the right thing underpins how we operate and ensures we remain a trusted, transparent partner across the industrial value chain.

We apply a rigorous approach to governance, ethics, and compliance across our business and work closely with our >2,500 product suppliers to ensure our >875,000 strong range of stocked products is sourced from businesses that meet our high ethical and environmental standards. This creates clearer differentiation and a stronger go-to-market proposition for our trusted Better World product range – enhancing supplier alignment with customer expectations and reinforcing RS’s position as a reliable, sustainable channel partner.

## ESG GOVERNANCE

The ExCo, led by our CEO, holds overall accountability for the development, delivery, and ongoing progress of our 2030 ESG action plan. The ExCo oversees the strategy, implementation, and performance management of all ESG-related policies, goals, initiatives, investments, and disclosures.

To support this, the ExCo receives quarterly updates on ESG performance and participates in two dedicated ESG sessions each year. Focused on strategy, performance, and value-creation, these sessions reflect how closely ESG is embedded within our business strategy and operational management. This includes updates on our Climate Transition Plan and associated actions to ensure we are addressing the Group’s key climate-related risks and opportunities.

Our biannual ESG ExCo engagement is supplemented by ad-hoc briefings on material developments, including emerging regulations and updates on ESG priorities. In 2025/26, this included a focused session on sustainability to develop and approve our Climate Transition Plan, covering updates to our Scope 3 emissions footprint and our SBTs before validation with the SBTi. The ExCo also reviewed our social impact strategy, approving an increase in investment to support future engineers and communities across our global markets and aligning the programme more closely with our strategic people, customer, and supplier priorities (see pages 44, 45, and 55 to 57).

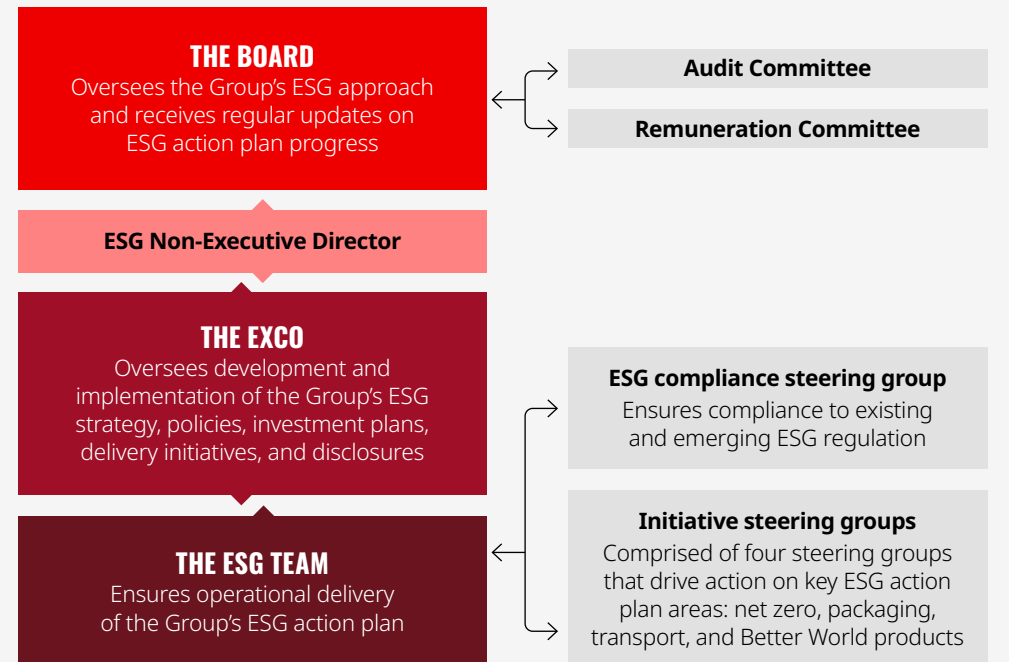
The Board maintains close oversight of our ESG action plan, including our five climate-related risks and opportunities (CRROs), and approves key ESG policies, targets, initiatives, and investments. Progress updates are provided ahead of each Board meeting through the CEO Board report, and the Chief Sustainability Officer (CSO) provides a regular verbal briefing to our Non-Executive Director ESG Lead, Bessie Lee. As part of its annual strategy review, the Board undertakes a dedicated deep dive into ESG strategy, investment plans, and performance, reinforcing ESG as a core priority.

Two Board committees further support ESG governance; the Audit Committee oversees alignment with existing and emerging ESG related compliance requirements, while the Remuneration Committee makes decisions

on ESG metrics and targets to be included in executive remuneration and employee rewards. Read more about Board activities on pages 79 to 81.

Led by our CSO, the Group ESG team is responsible for the day-to-day delivery of our ESG action plan. Strong governance policies and practices underpin their work, ensuring robust execution of our strategy and enabling us to create long-term value for stakeholders. The team is supported by cross-organisational steering groups focused on the core workstreams of net zero, packaging and transport, and Better World products. These groups meet regularly to shape strategic and investment plans, drive initiatives forward, and monitor ongoing performance.

### ESG governance structure



## Governance continued

## INCENTIVISING ESG PROGRESS

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

**% of employees with carbon reduction metric in annual incentive**

**48%**

unchanged from 2024/25

**Status**

● On track or ahead

**ESG metrics in Group performance scorecard**

**8**

unchanged from 2024/25



**We achieved our Scope 1 and 2 emissions reduction target for 2025/26 as a result of our net zero initiatives, delivering carbon reductions as expected – supported by further energy and operational efficiencies.”**



To drive progress towards our 2030 ESG action plan, we have integrated ESG targets into our employee rewards programme. As of 2025/26, 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 10% of the annual incentive. In 2025/26, we exceeded the maximum performance level for this metric. We achieved our Scope 1 and 2 emissions reduction target for 2025/26 as a result of our net zero initiatives, delivering carbon reductions as expected – supported by further energy and operational efficiencies (read more on pages 45 and 46).

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 (see pages 22 and 23). To drive further progress, ESG targets are incorporated into annual objectives and incentive structures for specific individuals.

## REPORTING AND DISCLOSURE

To meet the evolving expectations of our stakeholders, we continued to align our ESG disclosures with leading frameworks, standards, and ratings methodologies. The Group ESG team actively monitors the fast-changing regulatory landscape to ensure our policies, processes, and reporting reflect best practice and we are prepared for emerging UK and EU requirements.

Our 2025/26 ESG disclosures are aligned to the following frameworks and standards:

### TCFD

In 2025/26, we strengthened our climate-related risk controls by updating our scenario analysis to reflect the latest five-year plan and embedded stronger first-line ownership of climate risks across regions and functions. We also secured ExCo approval and Audit Committee endorsement of our extended Scope 3 targets to better manage emissions and product and logistics risks in our value chain, while strengthening value creation drivers with customers and suppliers (see pages 62 to 67).

### GRI and SASB

Our ESG reporting aligns to the sector-specific recommendations of the Global Reporting Initiative (GRI) and Sustainability Accounting Standards Board (SASB).

### UN Sustainable Development Goals (SDGs)

Our ESG action plan is aligned to six of the UN SDGs where we can make the biggest impact.

### UN Global Compact (UNGC)

We are members of the UNGC, and our latest Communication on Progress can be found on our website. To strengthen our approach and gain insight into priority ESG topics, in 2025/26 colleagues from our ESG and Belonging teams participated in the UNGC UK Working Groups on Sustainability Reporting, Circular Economy, Climate Peer Learning, and Diversity, Equity and Inclusion.

Data is the foundation of our ESG approach and we are committed to transparency, accessibility, and accountability. Our ESG data centre includes up to six years of ESG data back to our baseline year and the reporting methodology for key ESG KPIs can be found in our separate ESG basis of reporting document. These documents, alongside our ESG limited assurance statement from Grant Thornton, can be found at [rsgroup.com/sustainability](https://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 here and on page 68.

#### Code of Conduct

The Group 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 96).

Compliance with the Code of Conduct is required for employees and contractors. 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. In addition to mandatory training at onboarding, 99% of employees completed a refresher Code of Conduct training in 2025/26, which included specific sections covering modern slavery and anti-bribery and corruption.

#### Ethical trading

We continue to promote ethical standards for our people through the Code of Conduct and for our suppliers through our Group Procurement Policy and Group 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 2025/26, 65% 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 Group 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 languages on our intranet sites and via our Legal and Compliance chatbot.

#### Fraud prevention

We uphold strong fraud prevention controls, requiring all suspected cases to be reported within 48 hours and centrally reviewed. This year, we refreshed our Group Fraud Policy, completed a Group-wide risk assessment, and delivered mandatory Fraud Prevention training to reinforce our zero tolerance approach, completed by 100% of employees and contractors (read more on page 96).

#### Whistleblowing

Speak Up, our dedicated whistleblowing process, is a way for employees, customers, and suppliers to raise 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 2025/26, we received 86 Speak Up reports, all of which were investigated and acted upon, where necessary. The Group continued its awareness campaign throughout the year, using a variety of channels including reminders embedded within the Code of Conduct, fraud, and data protection training modules released during the year, as well as an internal communications approach.

#### 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 Group Anti-Slavery and Human Trafficking Policy and Ethical Trading Policy. We comply fully with the International Labour Organization's Forced Labour Convention, Abolition of Forced Labour Convention, and Minimum Age Convention. In 2025/26, 99% of employees completed a module on modern slavery as part of the refresher Code of Conduct training.

#### Data, information security, and privacy

Under the leadership of our Chief Information Security Officer, we continued to strengthen our integrated, Group-wide information security programme, driving greater standardisation through common tools and shared expertise across all markets. Following a year of high-profile industry security incidents, we enhanced our preparedness with incident rehearsal programmes and a refreshed training campaign on acceptable use. Regular phishing simulations and short mandatory training modules maintain employee awareness and confidence in identifying and reporting risks.

RS maintains active membership in the appropriate National Cyber Security Centre information sharing group. In 2025/26, a dedicated risk team and Technology Risk Management Committee were established to ensure all security activity is risk-informed and to guide the ongoing selection and refresh of protective technologies. We assess data protection risks across different parts of our business and in 2025/26 we rolled out tailored, in-depth training to 100% of employees in higher-risk areas.

In response to the rapid development of AI technologies, RS has agreed a Group-wide AI strategy aligned to responsible, value-driven adoption, supported by an in-depth Board session on AI during the year to assess emerging risks, controls, and strategic impacts (read more on pages 80 to 81 and 84 to 85). We strengthened our AI governance in 2025/26 through the introduction of a comprehensive Group AI Policy supported by tailored training and implementation of protective technologies to enable safe and compliant use. With oversight by an ExCo-level steering group, we consider all aspects of AI use, including security, ethics, people, and sustainability, and we are beginning to explore alignment with the emerging ISO 42001 AI management standard.

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



## 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 by spend with signed Ethical Trading Declaration

# 65%

1% pts increase from 2024/25

#### Status

● Not on track – further action required

### Suppliers by spend with EcoVadis rating

# 59%

4% pts increase from 2024/25

#### Status

● Slightly behind target – monitor closely

### Strategic suppliers by spend with SBTs

# 74%

3% pts increase from 2024/25<sup>1</sup>, with 41% of all suppliers by spend with SBTs

#### Status

● On track or ahead

### RS PRO suppliers by spend that are Sedex members

# 80%

5% pts increase from 2024/25

#### Status

● On track or ahead

### Supplier ESG action plan

As a critical link in the industrial value chain, we work closely with our >2,500 suppliers to strengthen ESG performance in ways that directly support customers' sustainability goals and enhance our shared market competitiveness. By strengthening go-to-market pathways and clarifying differentiation for credible sustainable products, we are expanding our Better World product framework and accelerating progress across four priority ESG areas to reduce risk, build trust, and unlock value for suppliers, customers, and RS.

ESG is embedded in our annual programme of supplier events, including the EMEA strategic supplier conference and RS Connect sessions across our regions, with keynote sessions and targeted action-focused breakout discussions. We offer opportunities to collaborate through our Better World product range, sustainable distribution, and youth and community programmes, driving open, commercially-focused dialogue that aligns suppliers with RS and our customers' strategic ESG priorities. These events strengthen collaboration, help suppliers enhance the sustainable procurement experience we deliver to customers, and create clearer go-to-market opportunities that drive value across our shared supply chain.

Our supplier management approach centres on rigorous screening, active collaboration, and consistent engagement. Supplier-facing teams are equipped to integrate our supplier ESG action plan into their ongoing engagement, supporting strategic supplier partners to prioritise sustainability and overcome barriers to progress. We define clear priority actions through practical resources, including our ESG Supplier Handbook and Better World Product Guidelines, and we promote shared learning through webinars, industry forums, and regular one-to-one discussions. ESG is the eighth pillar of the RS EMEA strategic supplier approach, ensuring that suppliers are evaluated and incentivised against our robust ESG standards.

We give our suppliers a clear ESG roadmap supported by tailored guidance and commercially-driven opportunities shaped by customer demand. By 2030, we aim for full engagement across four ESG priorities outlined in our ESG Supplier Handbook. This year, we focused our action on strategic suppliers, where we have the greatest opportunity to influence action. This is c. 160 suppliers, representing 43% of total spend, with 2025/26 progress below:

- 1 Sign and return the Ethical Trading Declaration (ETD): 65% of all suppliers and 97% of strategic suppliers by spend with a signed ETD in place (2024/25: 64% all, 94% strategic), as part of robust due diligence processes
- 2 Develop and offer more sustainable products: 35 new suppliers and c. 4,000 new products were added to the Better World product range in 2025/26, totalling c. 33,000 products from 167 suppliers (2024/25: c. 30,000 products from 132 suppliers)
- 3 Set science-based carbon reduction targets: This year we set a new 2030 ambition focused on our strategic suppliers. 74% of strategic suppliers and 41% of all suppliers have set SBTs with SBTi (see page 50)
- 4 Become EcoVadis-rated or Sedex members to benchmark and drive ESG progress: 59% of all suppliers and 88% of strategic suppliers by spend are rated by EcoVadis (2024/25: 55% all, 85% strategic) and 300+ are committed to improving their rating. This year we engaged over 60 additional suppliers through the EcoVadis Vitals solution. 80% of RS PRO suppliers are members with Sedex (2024/25: 75%)

## 167

suppliers contribute to our Better World product range (2024/25: 132)

Achieving an EcoVadis rating is a key part of our supplier ESG action plan, giving us clearer visibility across our value chain and ensuring alignment with our ESG priorities. Recognising that time and cost can be barriers to completing the full assessment, we introduced the EcoVadis Vitals tool in 2025/26 to offer a free, streamlined version that generates an initial risk rating. Paired with our education toolkits, this helps suppliers start their ESG journey with a focused plan for priority improvements, and any suppliers who receive an overall high risk rating will be asked to complete the full assessment. So far, we have asked 61 of our suppliers without an EcoVadis rating to complete the EcoVadis Vitals assessment, with 31% of those suppliers doing so in 2025/26.

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

- Risk screening all new and existing suppliers against global government lists and conducting more in-depth ethics and compliance checks on our higher-risk RS PRO suppliers. In 2025/26, we conducted 37 site audits of these suppliers
- In addition to the mandatory pre-qualification questionnaire as part of our supplier onboarding process, we run re-qualification questionnaires 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](https://rsgroup.com/sustainability)

1. Target reset in 2025/26. Previously top 67% of suppliers by spend.

# TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

At the time of publication, we comply with Listing Rule 6.6.6R and the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022 by providing disclosures consistent with the 11 TCFD recommendations. Our quantitative scenario analysis draws on the TCFD Final Recommendations Report, Annexes (2021) and related technical supplements, and we will continue to use these resources as we prepare for future alignment with IFRS S2 and the UK Transition Plan Taskforce (TPT) framework.

Climate change remains a defining global challenge, and as a critical partner to the industrial sector, we are committed to supporting the transition to a low-carbon economy. We work with customers and suppliers to drive more sustainable and efficient industrial operations across the value chain. This focus strengthens our ability to identify growth opportunities, generate long-term value, and support the decarbonisation journeys of both our customers and suppliers.

This is our fifth TCFD disclosure, and we continue to mature our reporting. Over the past year, we have refreshed our quantitative scenario analysis across our five climate-related risks and opportunities (CRROs) and further enhanced the governance and risk management processes that support our approach. This includes updating our climate risk control questionnaires across regions and functions and refreshing our solar generation modelling to ensure alignment with our net zero plan.

In parallel, we have continued to deepen the integration of climate and ESG priorities into our products, solutions, and operational excellence strategies.

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

Recommendations	Disclosure	Reference
<b>Governance</b>	A) Describe the Board's oversight of climate-related risks and opportunities	Doing business responsibly (page 58)
	B) Management's role in assessing and managing climate-related risks and opportunities	Doing business responsibly (page 58)
<b>Strategy</b>	A) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long-term	TCFD strategy (pages 63 to 67)
	B) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning	TCFD strategy (pages 63 to 67)
	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 63 to 67)
<b>Risk management</b>	A) Describe the organisation's processes for identifying and assessing climate-related risks	TCFD risk management (page 67)/ Risks, viability and going concern (page 38)
	B) Describe the organisation's processes for managing climate-related risks	TCFD risk management (page 67)/ Risks, viability and going concern (page 38)
	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 67)/ Risks, viability and going concern (page 38)
<b>Metrics and targets</b>	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 44 to 50)/ TCFD metrics and targets (page 67)
	B) Disclose Scope 1, Scope 2 and if appropriate Scope 3 GHG emissions and the related risks	Advancing sustainability (page 45)
	C) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	Advancing sustainability (pages 44 to 50)

These enhancements ensure we have the insight, systems and strategic focus needed to respond effectively to a changing climate, while positioning RS to create value for both our business and our stakeholders by enabling the transition to a low-carbon industrial sector.

## TCFD continued

Our five CRROs are summarised in the table on this page and further detail can be found on pages 64 and 65. These remain consistent with our assessment and disclosure in prior TCFD reports (available at: [rsgroup.com/sustainability/reporting-centre](https://www.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 embedded within our broader corporate governance framework. For an overview of our ESG governance and key activities for 2025/26, including the management of climate-related risks and opportunities, please refer to page 58. For a summary of key ExCo and Board climate-related engagement and activities during 2025/26, see pages 79 to 81.

### Strategy

Climate action is integral to our purpose, vision, and values, and is embedded in our strategy and 2030 ESG action plan. ESG is a core strategic enabler – strengthening our competitiveness, surfacing opportunities for growth and innovation, and ensuring that climate-related risks are identified, managed, and mitigated effectively. By aligning our strategy and ESG priorities, we are able to accelerate delivery and reinforce our position as a trusted partner in the low-carbon industrial transition. Some key examples of how we are mitigating climate risks and maximising opportunities through our strategy include:

- **Customers:** offering customers products with verified sustainability claims that build transparency and trust through responsible design, circular material choices, and evidenced in-use and end-of-life decarbonisation benefits, while developing enhanced carbon reporting solutions for high-value customers and supporting growth across sectors central to the low-carbon

transition, including renewables, energy and utilities, and automotive (see pages 48 and 49)

- **Products and suppliers:** working with our suppliers to develop a specialist, technically led range of sustainable products, such as variable speed drives, energy-efficient motors, etc. within our broader portfolio, while strengthening strategic partnerships as their go-to-market partner of choice. At the same time, we continue to collaborate with suppliers to decarbonise the industrial value chain by encouraging them to set SBTs (see page 50)
- **Services and solutions:** supporting customers to improve safety, sustainability, and operational efficiency by providing service solutions that meet their needs, from energy-saving technologies to more sustainable PPE (see pages 48 and 49)
- **Operational excellence:** offering our customers a greener distribution service, through more sustainable distribution sites, product shipments and packaging (see pages 23 and 44 to 50)

We are collaborating with suppliers, customers, and other value chain partners to accelerate sector-wide decarbonisation, supported by initiatives such as our Better World product range and supplier ESG action plan (see pages 48 to 50). Our strong ESG performance is a key commercial differentiator, helping us win and retain high-value customers with their own ambitious ESG agendas.

In June 2026, we will publish our first Climate Transition Plan, outlining our climate ambition and the key decarbonisation levers, enablers, and dependencies that support progress towards our net zero targets. Designed primarily as a stakeholder engagement tool ahead of a fully TPT-aligned version, the CTP is more than a roadmap – it is a call to action. Working with our customers, suppliers, and employees, we are using our scale, influence, and technical expertise to accelerate the low-carbon transition, supporting suppliers to advance more sustainable product development, responsible

sourcing, and lower-carbon manufacturing, while providing customers with trusted, cost-effective, and sustainable procurement choices.

### Maturing our climate scenario modelling

In 2025/26, we further enhanced the robustness and transparency of our quantitative climate scenario analysis. Working jointly, our ESG and Group Financial Control teams updated the analysis to reflect the latest five-year strategic and financial plan and projected impacts through to 2050. This work has strengthened visibility of the potential financial implications of our CRROs and demonstrates our continued commitment to embedding climate considerations into core business planning and decision-making.

We assessed the potential impact on Group adjusted operating profit, both before and after the application of mitigation measures. As in previous years, we have modelled transition risks using three International Energy Agency (IEA) climate scenarios and for physical risks we have used the three Intergovernmental Panel on




Climate Change Representative Concentration Pathways. The residual, post-mitigation impact of each CRRO under these scenarios is presented on page 66, with a reference table summarising the scenarios used.

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 2025/26. We have modelled our medium and long-term CRROs in the table on page 66.

## OUR FIVE CLIMATE-RELATED RISKS AND OPPORTUNITIES (CRROS)

	<p><b>Products, solutions, and customers</b></p> <ol style="list-style-type: none"> <li>Changes in customer segments and product demand (transition opportunity)</li> </ol>
	<p><b>Logistics</b></p> <ol style="list-style-type: none"> <li>Technology transition and rising fuel costs (transition risk)</li> </ol>
	<p><b>Distribution sites</b></p> <ol style="list-style-type: none"> <li>Reduced emissions and energy costs through solar generation (transition opportunity)</li> <li>Impact of extreme heat (physical risk)</li> <li>Impact of extreme weather (physical risk)</li> </ol>

TCFD continued

2025/26 actions on our CRROs:

CRRO	Description	Business owners	Metrics monitored	2025/26 initiatives, progress and investment activities
<b>Transition</b>				
<b>Opportunity</b>	<p><b>1. Products, solutions, and customers:</b> Changes in customer segments and product demand</p> <p><b>Strategic action alignment:</b></p> <p><b>Connected stakeholders:</b></p>	<p>Growth in customer segments linked to the low-carbon economy and product categories enabling the net zero transition.</p> <p>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).</p>	<p>Chief of Product and Supply Chain (P&amp;SC)</p> <ul style="list-style-type: none"> <li>Number of products in the Better World product range (ambition for 100,000 by 2030)</li> <li>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</li> <li>Reduce Scope 3 emissions 51.6% per £m value added (SBTi validated)</li> </ul>	<ul style="list-style-type: none"> <li>Better World products – c. 33,000 products from 350+ product families across 30 countries, with 167 suppliers contributing to the range (see pages 48 and 49)</li> <li>New Scope 3 intensity SBTi commitment to continue to drive decarbonisation of products across the lifecycle (see page 45)</li> <li>Reset our supplier sustainability target for 2030 focusing on strategic suppliers where we have the greatest ability to influence progress (see page 61)</li> <li>Delivered product CO<sub>2</sub> training to upskill category teams on Scope 3 emissions, the importance of low-carbon manufacturing and circular design, and how to embed this knowledge to drive value through the Better World product range</li> <li>Developing customer carbon reporting for high-value customers (see page 49)</li> <li>Low-carbon industry sectors – for example, partnered with a customer to deliver bespoke OEM conventions for ageing UK wind turbines, identifying 157 RS products and creating a scalable maintenance framework for global turbine models (see page 49)</li> </ul> <p><b>2026/27 focus:</b> Continue to grow our customer propositions and revenue from sustainable products, including launching more enabling solutions that help customers to reduce carbon, energy, and operating costs</p>
<b>Risk</b>	<p><b>2. Logistics:</b> Technology transition and rising fuel costs</p> <p><b>Strategic action alignment:</b></p> <p><b>Connected stakeholders:</b></p>	<p>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).</p>	<p>Chief of P&amp;SC and Regional Presidents (RPs)</p> <ul style="list-style-type: none"> <li>Reduction in total CO<sub>2</sub> emissions and emissions intensity for product transportation – 40% reduction per tonne of product sold by 2029/30 from 2019/20<sup>1</sup></li> <li>Logistics costs as a percentage of revenue</li> </ul>	<ul style="list-style-type: none"> <li>Raised our 2030 product transport emissions intensity target to 40% (from 35%), reflecting projected performance (see pages 44 and 50)</li> <li>34% reduction in product transport emissions intensity since 2019/20<sup>2</sup>, supported by a more regionalised supply chain and distribution network that shortens delivery distances, lowers transport costs, and reduces emissions (see page 50)</li> <li>Reviewed our cross-border logistics model to cut air shipments into Canada, ahead of a new local hub launching in 2026/27</li> </ul> <p><b>2026/27 focus:</b> Drive further supply chain optimisation via regional sourcing and modal shifts to reduce distance, emissions, and cost, supported by enhanced carrier engagement and technology to enable greener delivery options</p>

Strategic action

- Customers
- Products and suppliers
- Services and solutions
- Experience
- Operational excellence







1. Target reset in 2025/26. Previously 35% reduction per tonne of product sold.

Stakeholder key


- Our people
- Customers
- Suppliers
- Communities
- Shareholders

2. Scope 3 emissions from product transportation (Category 4) per tonne of product sold.





TCFD continued

CRRO	Description	Business owners	Metrics monitored	2025/26 initiatives, progress and investment activities
<b>Transition</b>				
<b>Opportunity</b>	<p><b>3. Distribution sites:</b> Reduced emissions and energy costs through solar generation</p> <p><b>Strategic action alignment:</b></p>  <p><b>Connected stakeholders:</b></p> 	Chief of P&SC and RPs	<ul style="list-style-type: none"> <li>Capital expenditure on distribution site solar generation and storage solutions has been embedded in goodwill impairment on page 94</li> <li>Reduction in energy costs</li> <li>Percentage of 2025/26 electricity use from on-site solar generation: 3%</li> </ul>	<ul style="list-style-type: none"> <li>Enhanced our net-zero plan by updating and expanding our solar generation modelling, including installing solar PV at Monterrey, Mexico and assessing further rollout across other Risoul sites</li> <li>Solar now provides 38% of electricity at our distribution sites in Germany, Spain, Australia, Switzerland, and South Africa</li> <li>Net zero capex investment of c. £2 million per annum included in the five-year strategic plan</li> </ul> <p><b>2026/27 focus:</b> Review and progress proposals for installation of solar generation at further sites</p>
<b>Physical</b>				
<b>Risk</b>	<p><b>4. Distribution sites:</b> Impact of extreme heat</p> <p><b>Strategic action alignment:</b></p>  <p><b>Connected stakeholders:</b></p> 	Chief of P&SC and RPs	<ul style="list-style-type: none"> <li>Distribution site operating temperatures</li> <li>Worker productivity and absence during high-heat periods (&gt;35°C and &gt;40°C)</li> <li>Capital expenditure in heating, ventilation, and air conditioning (HVAC) systems has been embedded in goodwill impairment on page 94</li> </ul>	<ul style="list-style-type: none"> <li>Employee productivity monitored by site management teams in distribution sites during high-heat periods with increased ventilation, regular breaks, and refreshments</li> <li>£1 million capital investment in energy efficiency projects at our DCs and FCs, for example insulation improvements, rapid roller doors, and LED lighting</li> <li>Our regional DC in Fort Worth, US, made further efficiency improvements to its HVAC systems</li> </ul> <p><b>2026/27 focus:</b> Ongoing mitigation through business continuity planning, review additional sites for HVAC and fabric improvement options</p>
	<p><b>5. Distribution sites:</b> Impact of extreme weather</p> <p><b>Strategic action alignment:</b></p>  <p><b>Connected stakeholders:</b></p> 	Chief of P&SC and RPs	<ul style="list-style-type: none"> <li>Distribution site insurance costs</li> <li>Frequency and cost impact of severe weather events on distribution sites</li> <li>Investment in distribution site facility improvements</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing business continuity planning by our regional DC team in Fort Worth, US, includes mitigations such as drop shipments, alternative warehousing, and revising its business continuity plans as part of a broader optimisation of the North America-Mexico network</li> </ul> <p><b>2026/27 focus:</b> Ongoing mitigation through business continuity planning</p>

Strategic action

 Customers 
  Products and suppliers 
  Services and solutions 
  Experience 
  Operational excellence

Stakeholder key

 Our people 
  Customers 
  Suppliers 
  Communities 
  Shareholders

## TCFD continued

**Refreshed climate scenario analysis**

High-level results from our refreshed 2025/26 climate scenario analysis are presented to 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 ESG basis of reporting document at: [rsgroup.com/sustainability](https://www.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 shows that at a gross level our climate-related risks are financially material. However, through effective mitigation activities and investment (detailed on pages 64 and 65), the risks present a limited financial impact to the Group as detailed in the table to the right. It also shows 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.

CRRO	Description	Financial impact	Timeframe <sup>1</sup>	Annual net impact (post mitigation) on Group adjusted operating profit financial materiality key			
				Temperature rise	1.5°C	2°C	>2°C
<b>Transition</b>				<b>Temperature rise</b>	<b>1.5°C</b>	<b>2°C</b>	<b>&gt;2°C</b>
1.	<b>Opp</b>	<b>Products, solutions, and customers: changes in customer segments and product demand</b>	Annual revenue impact	2030	Very low	Very low	Very low
				2050	Medium	Low	Very low
2.	<b>Risk</b>	<b>Logistics: technology transition and rising fuel costs</b>	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.	<b>Opp</b>	<b>Distribution sites: reduced emissions and energy costs through solar generation</b>	Annual operating costs impact (including depreciation)	2030	Very low	Very low	Very low
				2050	Very low	Very low	Very low
<b>Physical</b>				<b>Temperature rise</b>	<b>2°C</b>	<b>&gt;2°C</b>	<b>&gt;4°C</b>
4.	<b>Risk</b>	<b>Distribution sites: impact of extreme heat</b>	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.	<b>Risk</b>	<b>Distribution sites: impact of extreme weather</b>	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 (post mitigation) on Group adjusted operating profit<sup>2</sup>**

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

**Temperature scenarios<sup>3</sup>**

Temperature	Scenario	Temperature	Scenario
<b>Transition</b>		<b>Physical</b>	
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 63.
- Aligned to RS enterprise risk management guidance, a CRRO is considered to be material where the annual net impact (post mitigation) 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. At a gross impact level (pre mitigation), we apply the same materiality threshold, plus our enterprise risk management framework for financial resilience to evaluate the financial materiality of our climate risks. CRROs 2 (Logistics: technology transition and rising fuel costs) and 4 and 5 (Distribution sites: impact of extreme heat and weather) are deemed to be financially material at a gross level under the financial resilience assessment for Group risks.
- 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 maintain a high-level CRRO risk register and mitigation plans, which are refreshed annually in consultation with market and functional leaders. We have strategies and controls in place to mitigate physical climate-related risks on our operations and wider supply chain (see page 38).

CRROs are integrated into our risk management process for ongoing monitoring and action. Each CRRO has an assigned owner, defined mitigating controls, and supporting metrics and targets that are monitored and reported annually. The internal audit and risk team reviews the controls associated with our CRROs and considers these frameworks, where relevant, as part of audit inspections. ESG impacts are assessed during due diligence for acquisitions, and climate-related considerations will be incorporated into future integration plans. Updates on CRROs, including key risks and progress, are provided to the ExCo, Audit Committee and Board through their annual risk reviews, ensuring clear visibility and alignment with strategy, business planning, and decision-making.

A key focus for 2025/26 has been strengthening first-line ownership of climate-related risks. This included targeted support for regions and functions to assess, design, and enhance climate-related controls, embed climate considerations into risk processes, and improve the consistency and quality of climate risk reporting across the Group. For more information on our risks, including climate change, see pages 34 to 38.

### Metrics and targets

To understand and manage our climate impacts, we monitor a suite of key metrics for our CRROs and set performance targets for those with the greatest potential financial impact (see page 66).

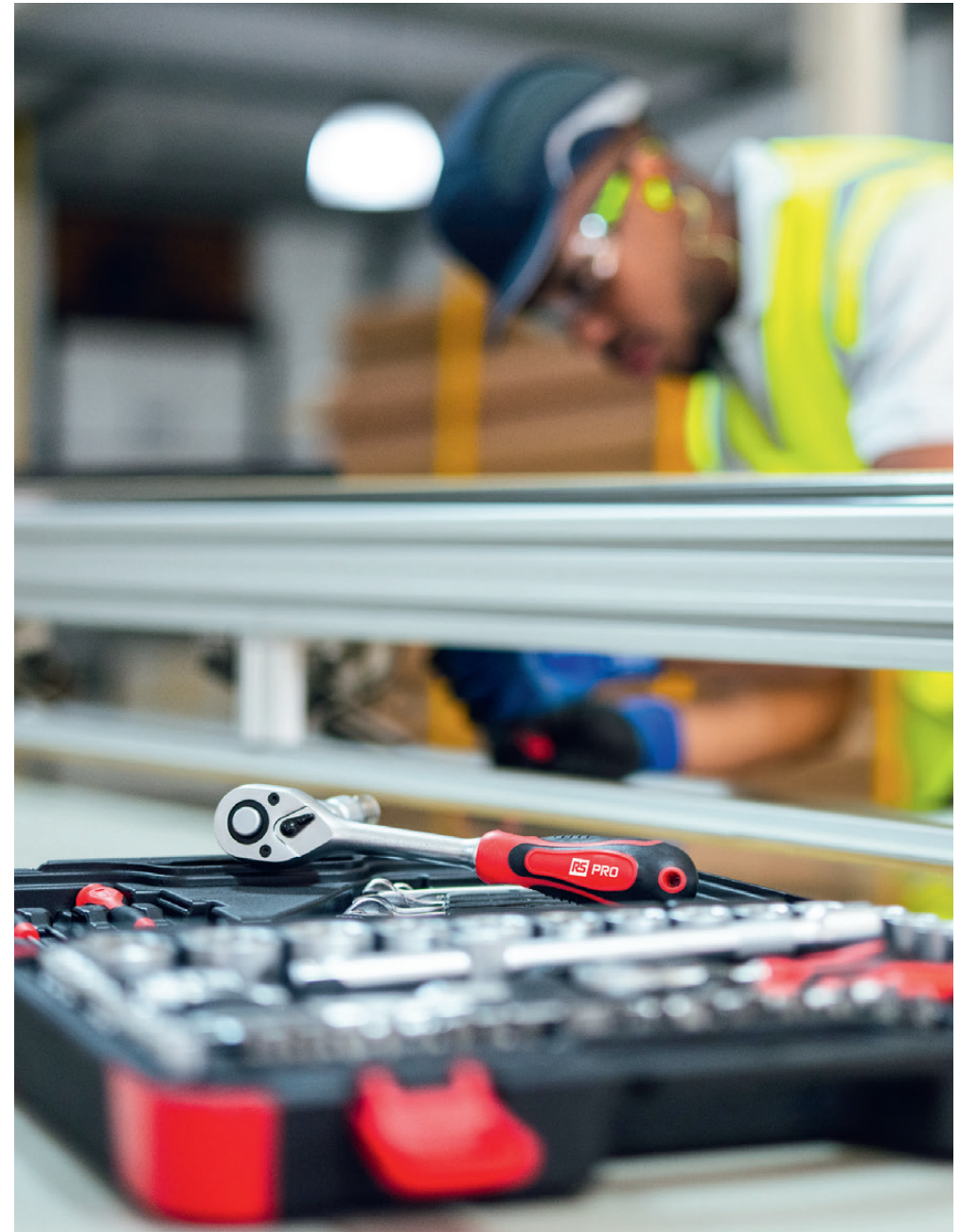
Each CRRO has an accountable business owner who oversees its management with relevant leadership teams (see pages 64 and 65).

The Group's non-financial KPIs include four climate-related metrics – Carbon emissions (Scope 1 and 2), carbon intensity, packaging intensity, and waste (recycled) – and we have two SBTi-validated SBTs covering our direct operations (Scope 1 and 2) and the intensity of our Scope 3 emissions.

In 2025/26, we strengthened our Scope 3 accounting through detailed modelling, enhancing the credibility of our Better World product range and supporting customers' decarbonisation goals. Based on this analysis, the ExCo approved a Scope 3 target to reduce Scope 3 emissions by 51.6% per £m value added (validated by the SBTi), that balances ambition, strategic progress, and stakeholder value with our role as a distributor and the external dependencies this creates.

We also increased the ambition of our supplier and product transportation targets – raising our 2030 product transport emissions intensity target to 40% (from 35%) – and reset our 2030 supplier sustainability target to focus on setting SBTs with our strategic suppliers across c. 43% of Group spend, where we have the deepest supplier relationships and greatest ability to influence progress. These changes followed significant engagement with the ExCo, Board, and product and supply chain leaders (see pages 50, 58 and 61).

Our science-based Scope 1 and 2 emissions target forms part of the annual performance incentive for 48% of RS employees, including Executive Directors (see page 59). Progress against our net zero metrics is reported in the Advancing sustainability section (pages 44 to 50), with full data available online.



# 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](https://rsgroup.com/sustainability/codes-policies-and-standards). Our Code of Conduct underpins the Group's business activities and provides our stakeholders with clear guidance on expected behaviours, actions, and compliance requirements covering each of the below areas.

	Reporting requirement and policy position	Relevant Group policies and standards	Due diligence and further information
<b>Environmental matters</b>	Our environmental policies set out our commitment to continuously improve our environmental performance to ensure sustainable growth in line with our global goals.	Environmental Policy Energy Management Policy Supplier Ethical Trading Declaration	<ul style="list-style-type: none"> <li>– Advancing sustainability: pages 44 to 50</li> <li>– TCFD report: pages 62 to 67</li> <li>– Sustainability section of website: <a href="https://rsgroup.com/sustainability">rsgroup.com/sustainability</a></li> </ul>
<b>People</b>	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.	Health and Safety Policy Diversity and Inclusion Policy Gender Pay Gap Report Equal Opportunity Policy Speak Up Policy Fraud Policy	<ul style="list-style-type: none"> <li>– Empowering our people: pages 51 to 54</li> <li>– Governance report: pages 70 to 121</li> <li>– Nomination Committee report: pages 87 to 90</li> <li>– Sustainability section of website: <a href="https://rsgroup.com/sustainability">rsgroup.com/sustainability</a></li> </ul>
<b>Social matters</b>	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	<ul style="list-style-type: none"> <li>– Empowering our people: pages 51 to 54</li> <li>– Championing youth &amp; communities: pages 55 to 57</li> <li>– Doing business responsibly: pages 58 to 61</li> <li>– Sustainability section of website: <a href="https://rsgroup.com/sustainability">rsgroup.com/sustainability</a></li> </ul>
<b>Respect for human rights</b>	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 Conflict Minerals and Chemicals of Concern Policy	<ul style="list-style-type: none"> <li>– Doing business responsibly: pages 58 to 61</li> <li>– Sustainability section of website: <a href="https://rsgroup.com/sustainability">rsgroup.com/sustainability</a></li> </ul>
<b>Anti-bribery and corruption</b>	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	<ul style="list-style-type: none"> <li>– ESG governance: page 58</li> <li>– Governance report: pages 70 to 121</li> <li>– Audit Committee report: pages 91 to 97</li> <li>– Sustainability section of website: <a href="https://rsgroup.com/sustainability">rsgroup.com/sustainability</a></li> </ul>
<b>Business model</b>			– Strategy and business model: pages 8 and 15
<b>Non-financial KPIs</b>			– Non-financial KPIs: pages 22 and 23
<b>Principal risks</b>			<ul style="list-style-type: none"> <li>– How we manage our risks effectively: page 33</li> <li>– Our principal risks and uncertainties: pages 34 to 38</li> </ul>
<b>Climate-related financial disclosures</b>			– Disclosures aligned to clauses (a) to (h) of The Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022 detailed in the TCFD report: pages 62 to 67

# 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 2025/26 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 79 to 81.

**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 8, 20 to 23 and 79 to 81
Ensuring we have the right foundations to support the Group's growth opportunity	Pages 6, 13 and 19
Acquisition of BPX Group and Distrelec integration programme to create effective synergies	Pages 10 and 19
Accelerating our growth ambitions organically and inorganically	Page 19
Refining our strategy to provide greater focus, more alignment, better prioritisation, and improved execution	Pages 8 to 14

### The interests of our employees

Strengthening our commitment to our people and culture through the embedding of our values	Pages 3, 10, 16 and 51
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 51 to 54
Prioritising the health, safety, and wellbeing of our workforce and providing career development and learning opportunities	Pages 53 and 54
Continuing our programme of Board employee engagement	Pages 79 and 82

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

Our competitive advantage and strategy in action	Pages 8 to 14
Aligning our operating plans to build organisational capabilities and a scalable market strategy	Pages 6 and 7
Engaging with our customers and suppliers and utilising data to better understand their needs	Pages 11 and 17

### 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 41 to 67
Driving to be a sustainable and responsible leader in our sector	Pages 58 to 61
Supporting suppliers to provide more sustainable products	Pages 48 to 50 and 61

### Our reputation for having high standards and sound ethical conduct

Code of Conduct: periodically refreshed and mandatory training conducted; Speak Up facility in place	Page 60
Mandatory fraud prevention training delivered to reinforce zero-tolerance approach	Page 60
Ensuring we apply a zero-tolerance approach to modern slavery	Page 60

### The need to act fairly between members of the Company

Continuing to pursue a progressive dividend policy	Page 28
Increasing operational effectiveness	Pages 9 to 14

The Strategic Report was approved by the Board on 19 May 2026 and is signed on its behalf by:

**Simon Pryce**

Chief Executive Officer