



**GROUP**

# **UNITED NATIONS GLOBAL COMPACT COMMUNICATION ON PROGRESS**

July 2025

To our valued stakeholders,

Statement of continued support:

I am delighted to confirm that RS Group Plc reasserts its support of the Ten Principles of the United Nations (UN) Global Compact in the areas of Human Rights, Labor, Environment and Anti-Corruption.

In this annual Communication on Progress, we set out the actions we have taken and initiatives we have instigated to continually improve the integration of the UN Global Compact and its principles into our business strategy, culture and daily operations. We commit to share this information with our stakeholders using our primary channels of communication.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Simon Pryce'.

Simon Pryce, CEO

## Introduction:

Over the past year, we have continued to embed environmental, social, and governance (ESG) principles at the heart of our strategy, business model and broader supply chain – reflecting our commitment to creating long-term value for all stakeholders and delivering positive outcomes for people and the planet. Central to this is our 2030 ESG action plan, For a Better World, which is driving sustainable progress across the industry through close collaboration with our stakeholders. 2025 marks the halfway point in our plan, and we are proud of the meaningful progress we've made – integrating sustainability into our operations and strategic decision-making and positioning ourselves as a leader in driving a more sustainable and responsible global industrial sector. Our company values underpin everything we do, including our commitment to 'do the right thing', which is guided by the principles of the UN Global Compact.

Our Group Code of Conduct, which is reviewed, updated, and communicated annually, outlines our position on key governance, environmental, and ethical topics. It serves as a guiding framework for our people and partners, helping to uphold the highest standards of ethical conduct and behaviour. This is supported by our Ethical Trading Declaration (ETD), which sets out clear expectations for our suppliers, and a rigorous programme of screening, collaboration and direct engagement designed to embed responsible and sustainable business practices across our supply chain.

1. [Human Rights Principles](#)
2. [Labour Principles](#)
3. [Environmental Principles](#)
4. [Anti-Corruption Principles](#)

# 1. Human Rights Principles

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses

## 1.1 Human Rights Principles

We are committed to protecting and advancing the human rights of our employees and workers across our wider supply chain. As such, we incorporate the principles of the Universal Declaration of Human Rights and the International Labour Organisation Core Conventions into our 2030 ESG action plan, Group Code of Conduct and related policies, which can be viewed at [rsgroup.com/sustainability](https://rsgroup.com/sustainability).

Beyond our own organisation, we collaborate with over 2,500 suppliers to raise and uphold ethical and sustainable standards across our global supply chain. From sourcing responsibly to strengthening labour practices, we are improving supply chain visibility and leveraging our leadership position in the industry to drive responsible action among our suppliers.

We have a rigorous supplier engagement programme that establishes clear ESG standards early in the process. Guided by our supplier ESG action plan and ESG Supplier Handbook, and supported by screening and due diligence tools such as EcoVadis and Sedex, we prioritise working with suppliers who share our values and demonstrate clear, measurable ESG improvements within their own operations and across their supply chains.

Our ETD further details the specific expectations we place upon our suppliers and partners with regard to human rights. We ask all our suppliers and partners to sign our ETD or provide their own equivalent policy that aligns to our standards.

Our Modern Slavery Statement and Policy detail our zero-tolerance approach to slavery and human trafficking and our safeguards to drive adherence to these standards in our supply chain. We will not engage with partners that do not have measures in place to ensure confidence that modern slavery, child labour, forced labour or human trafficking are not present in their supply chains.

Our Group Diversity and Inclusion Policy affirms our commitment to ensuring that all current and prospective employees are treated fairly and with respect, in a workplace free from any form of discrimination. This is supported by Speak Up, our dedicated whistleblowing process, which enables 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 all reports are investigated and acted upon where necessary.

All related policies and statements are available at [rsgroup.com/sustainability/codes-policies-and-standards/](https://rsgroup.com/sustainability/codes-policies-and-standards/).

## 1.2 Implementation

We have implemented measures to reduce human rights risks across our business and supply chain including:

- Asking our suppliers to sign our ETD, targeting our top 67% of suppliers by spend, representing c. 400 businesses. In 2024/25, 64% of our suppliers by spend had signed our ETD and we are targeting all suppliers by 2030
- Risk screening all existing suppliers against global government lists
- Conducting more in-depth ethics and compliance checks on our higher-risk RS PRO suppliers. c.200 inspections of RS PRO Asia suppliers have taken place since May 2019, covering 90% of RS PRO suppliers operating in higher-risk sourcing countries. In 2024/25, we conducted 57 audits and key issues raised related to contracts and health and safety, which are being addressed by the suppliers
- Utilising Sedex to enhance the visibility of our RS PRO supply chain, strengthen our ethical trading tools and support future inspections of high-risk suppliers. In 2024/25, 75% of RS PRO suppliers by spend had a Sedex membership and we are targeting 90% by 2030
- Issuing a supplier questionnaire containing key ESG requirements that suppliers must complete as part of our pre-qualification process. In 2024/25, we ran our second re-qualification trial targeting specific product categories as additional due diligence to ensure products contain responsibly sourced minerals.
- Encouraging our third-party product and indirect suppliers to become EcoVadis rated and engaging directly with them on areas of concern to identify clear actions to enhance their ESG position. In 2024/25, 55% of suppliers by spend were rated by EcoVadis.
- Aligning to the Responsible Minerals Initiative and complying with the Dodd-Frank Act in North America as part of our approach to keeping the products we sell free from conflict minerals and restricted hazardous substances. We request Conflict Minerals Reporting Templates (CMRTs) from all applicable suppliers and have collected CMRTs for c.77% of applicable product suppliers to RS Americas, many of which are also product suppliers to RS EMEA. Our Conflict Minerals and Materials of Concern policy and statement provides an annual update of these efforts and is available at [rs.group.com/sustainability](https://rs.group.com/sustainability)
- Rolling out Group Code of Conduct training, including a specific section on modern slavery, across the whole business alongside awareness email campaigns, with training delivered to our top 178 senior leaders in 2024/25
- Refreshing the Group Speak Up policy with an awareness campaign to encourage employees to report concerns and the addition of eight new local language whistleblowing telephone lines

## **1.3 Measurement of outcomes**

In 2024/25, we were awarded a Platinum EcoVadis medal for a third consecutive year, placing us in the top 1% of 150,000+ companies rated. We also maintained our AA rating by MSCI and were upgraded to a Negligible Risk rating with Sustainalytics, demonstrating that we are a trusted partner for customers and suppliers.

Our initial vetting of suppliers on our existing database did not identify any red flags or matches with regard to human rights violations

Our training on how to raise concerns via our whistleblowing line has led to increased awareness and use of the facility compared to the same period last year.

## 2. Labour Principles

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation

### 2.1 Assessment, Policy and Goals

We are committed to upholding freedom of association and we support the right to collective bargaining in compliance with all local legislation for the markets in which we operate. We have local policies for collective bargaining in relevant markets, and we work with our European Works Council (EWC) on pan-European matters within the framework of our EWC agreement.

Our Modern Slavery statement and policy detail our zero-tolerance approach to slavery or human trafficking and our safeguards to drive adherence to these standards in our supply chain. We will not engage with partners that do not have measures in place to ensure confidence that no modern slavery, child labour, forced labour or human trafficking exists in their supply chains.

Our 2030 ESG action plan – For a Better World – articulates our ambition to ensure our team is reflective of the customers, suppliers and communities we serve and that we are 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. Our Diversity and Inclusion policy demonstrates our commitment to ensuring that existing and prospective employees are treated fairly and with respect in an environment that is free from any form of discrimination. This ensures that:

- All employment, including recruitment, promotion, reward, working conditions, and performance management related policies, practices and procedures are applied impartially, fairly and objectively;
- We have equality of opportunity for all, and we will provide employees with the opportunity to develop and realise their full potential; and
- Respect is a right – we will inspire trust through honesty and openness.

It also defines the characteristics of RS Group as a diverse organisation, in which:

- An innovative culture where ideas are born from differences in perspective and experience
- Recognition of diversity as supportive of our strategic vision
- The wide acceptance and practise of our ways of working through which our diversity and inclusion principles are integrated
- An environment where the insights of all groups are sought and welcomed; where people are not alienated or sidelined because they don't 'fit' into a set of cultural norms

- A climate where people feel that their background and lifestyle do not affect perceptions of them as a professional or affect their opportunities for development and promotion
- Flexible/hybrid working practices being available where appropriate, as there is an appreciation that people can successfully deliver their objectives by working different hours, locations and in different patterns
- Creating internal mobility and succession opportunities for all our people across the Group

Our ETD further details the specific expectations we place upon our suppliers and partners with regard to labour practices, including the requirement to allow workers freedom of association and collective bargaining. We ask all our products and service suppliers to sign our ETD or provide their own equivalent ethical policy that aligns to our standards.

We are active participants in the UN Global Compact Working Group on Diversity, Equity and Inclusion.

All related policies and statements are available at [rsgroup.com/sustainability/codes-policies-and-standards/](https://rsgroup.com/sustainability/codes-policies-and-standards/).

## 2.2 Implementation

We have implemented measures to incorporate labour principles across the business which include:

- Continuing support for collective bargaining processes and employee representatives in relevant markets, in accordance with local legislation. We meet with the full EWC annually, and with an EWC select committee on a quarterly basis. In all relevant markets, we formally engage with Union Representative / local works councils on representative topics such as pay review and organisation changes, and we have a regular schedule of meetings to keep the works councils up to date with relevant information and activity.
- Maintaining a Modern Slavery Policy, reviewed periodically, to complement our annual Modern Slavery Statement. Our Group Code of Conduct training includes a dedicated section on modern slavery, which was delivered to our top 178 senior leaders in 2024/25, alongside an email awareness campaign for all employees
- Screening and evaluating suppliers on the basis of labour principles through both EcoVadis (all suppliers) and Sedex (RS PRO suppliers), targeting 67% of suppliers by spend (c.400) to become EcoVadis rated and all RS PRO suppliers (c.670) to have a Sedex membership. In 2024/25, 55% of suppliers by spend held an EcoVadis rating and 75% of RS PRO suppliers held a Sedex membership
- Promoting a culture of openness, respect and belonging to attract and retain top talent and harness a diverse range of strengths and perspectives from across a broad global talent pool, through mechanisms such as:
  - Our employee-led Employee Resource Groups, supporting colleagues in areas such as youth (Bloomers), gender (Elevate), ethnicity (Embrace), mental health, neurodivergence, disability and wellbeing (LifeWorks) and sexual orientation and LGBTIQ+ (Spectrum)
  - Leadership programmes such as Future Shapers (13 participants in 2024/25) and Women Rising (28 participants in 2024/25), mentorship programmes such

Mission Include that connect ethnically diverse employees with senior leaders, and broadening recruitment efforts through clear job descriptions, varied job boards and balanced interview panels

- Maintaining a robust whistleblowing process, defined in our Group Speak Up policy, for employees, customers and suppliers to raise ethical or legal concerns without fear of victimisation

## **2.3. Measurement of outcomes**

We actively encourage our employees to report any instances of discrimination or harassment of any kind by using our confidential and anonymous whistleblowing process, Speak Up, and we disclose this information within our annual report. We received 38 Speak Up reports, all of which were investigated and acted upon where necessary.

In 2024/25, 1,500 employees were part of collective bargaining arrangements.

In 2024/25, 37% of our senior leaders were women and 10% were ethnically diverse. Diversity statistics for the Board and senior leaders are available in our 2024/25 ESG Report at [rsgroup.com/sustainability](https://rsgroup.com/sustainability).

## 3. Environmental Principles

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies

### 3.1. Assessment, Policy and Goals

As a critical partner to the global industrial sector, we play an important role in advancing sustainability and tackling climate change. Environmental management is an integral part of our day-to-day activities, as outlined in our Group environment and health and safety (EHS) policy statements. These are designed to safeguard not only our employees and others who may be affected by our activities, but also our environment by actively striving to prevent emissions, other sources of pollution and resource depletion.

Our commitments and policies reflect the integrated way we work across the Group in the areas of EH&S and sustainability. All Group companies, contractors and joint ventures under our operational control must manage EH&S and sustainability in line with the commitment and policies.

RS Group is committed to enhancing the sustainability of the business by:

- Conserving energy and natural resources, preventing pollution and environmental incidents and promoting sustainable transportation, production and consumption.
- Reducing Scope 1, 2 and 3 emissions, aligned to our ESG emissions reduction targets.
- Reducing total waste and waste intensity, increasing recycling, minimising incineration and landfill and offering product end-of-life take-back and recycling options where appropriate.
- Reducing total water use and intensity across all sites.
- Reducing packaging use and increasing recycled and recyclable packaging.
- Ensuring our sites have environmental management systems in place, where appropriate certified to ISO 14001 and other appropriate standards.

Our 2030 ESG action plan – For a Better World – outlines our long-term commitments towards advancing sustainability and making environmental improvements within our direct operations and across our value chain.

Our ambition is to be net zero in our direct operations by 2030 and across our wider value chain by 2050. This means implementing our science-based emissions reduction targets across Scope 1, 2 and 3 emissions and using certified Gold Standard offsets for any additional residual, hard-to-abate emissions. To achieve this, we have set four SBTs, which are validated by the Science Based Targets initiative (SBTi) and cover the Group's most material emissions areas, including our direct operations, logistics, suppliers and products. These targets and their supporting initiatives drive our decarbonisation approach in line with the 2015 Paris Agreement to limit global warming to 1.5°C above pre-industrial levels.

Our 2030 ESG action plan also includes ambitions for sustainable packaging, recycling and waste, product transportation, sustainable products and service solutions, and supplier carbon reduction.

We align to external frameworks and standards to ensure we adhere to best practice and to enhance comparability of our ESG performance data. This includes the sector-specific recommendations of the Sustainability Accounting Standards Board (SASB) and the Global Reporting Initiative (GRI). We are also members of the UN Global Compact and our priorities are aligned to six UN Sustainable Development Goals (SDGs).

We are active participants in the UN Global Compact Working Groups on Sustainability Reporting, Circular Economy and Climate Peer Learning.

All related policies and statements are available at [rsgroup.com/sustainability/codes-policies-and-standards/](https://www.rsgroup.com/sustainability/codes-policies-and-standards/) and <https://www.rsgroup.com/sustainability/reporting-centre/>.

## **3.2. Implementation**

Our Group policies, processes and systems help manage our environmental performance.

We are committed to taking action to decarbonise our direct operations by 2030, with three priority areas:

1. Decarbonising our buildings: Upgrading our distribution sites to be more automated, energy efficient and sustainable to provide a better service to our customers and reduce our environmental impacts.
2. Switching to renewable energy: Generating and procuring renewable electricity by installing solar panels at our sites and procuring green electricity.
3. Creating a net zero fleet: Transitioning our company car and van fleet to electric and hybrid vehicles and encouraging adoption by our people.

Over 99% of our emissions sit within our global value chain, which is where we have the greatest opportunity to drive change and create value for our stakeholders. Beyond our own business, we are committed to supporting our customers and suppliers on their journey to tackling climate change and achieving net zero by 2050, with three priority areas:

1. Sustainable product and service solutions: Expanding our range of sustainable product and service solutions to help customers reduce costs, save resources and achieve their environmental goals.
2. Product transportation: Cutting the distance our products travel by sourcing, storing and shipping closer to customers and suppliers and switching to less carbon intensive modes of transport.
3. Supplier sustainability: Collaborating with our suppliers to drive carbon reductions across the value chain, including sourcing, designing, manufacturing and shipping products more sustainably. We are committed to engaging 67% of our suppliers by spend to set SBTs by 2025.

To measure our carbon footprint, the Group uses the Greenhouse Gas Protocol with emission factors for standard grid electricity by country from the International Energy Agency and other factors as published by the UK Department for Energy Security and Net Zero and the UK Department for Business, Energy & Industrial Strategy.

We report our annual GHG emissions in accordance with the Companies Act 2006 (Strategic and Directors' Report) Regulations 2013 and the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. This can be found in our Annual Report and Accounts and our ESG Report, available at [rsgroup.com/sustainability](https://rsgroup.com/sustainability).

We have participated in the annual Carbon Disclosure Project (CDP) since 2008. In 2024/25, we were included in CDP's prestigious A-list, having improved our CDP rating this year from A- to A for our commitment to climate action, environmental transparency and disclosure.

This is the fourth year we have published a Task Force on Climate-Related Financial Disclosures (TCFD) report and we continue to make good progress against the 11 recommendations. In 2024/25 we reviewed and strengthened our quantitative scenario analysis for our five climate-related risks and opportunities (CRROs) and broadened our governance, risk management controls and engagement. Additionally, we have continued to integrate climate and ESG priorities into our products, solutions, target customer industries and operational capabilities. Our TCFD statement is available at [rsgroup.com/sustainability](https://rsgroup.com/sustainability).

### **3.3. Measurement of outcomes**

In addition to maintaining our EcoVadis Platinum rating, our AA MSCI rating, and upgrading our Sustainalytics rating to Negligible Risk, in 2024/25 we were included in CDP's prestigious A-list, reflecting our commitment to climate action, environmental transparency and disclosure. We were also included in TIME Magazine's World's Most Sustainable Companies and were listed in the S&P Global Sustainability Yearbook for the second time, placing us in the top 15% of companies in our industry for ESG action.

During the year, we have had no legal action or investigations brought against us for environmental failings. We have robust and clear reporting mechanisms for Environmental, Health and Safety incidents which are embedded across the Group.

We are halfway to our 2030 ESG action plan goals and we have made significant progress towards our advancing sustainability ambitions.

2024/25 highlights include the following:

Carbon:

- We reduced our direct CO<sub>2</sub>e emissions by 7% on a like-for-like basis, with a 64% reduction from our 2019/20 baseline
- 94% of total group electricity usage was from renewable sources and solar power provided 29% of the electricity consumed across our sites in Germany, Spain and South Africa We reduced gas consumption across the Group by 11% with a 41% reduction in energy intensity since 2019/20

Fleet emissions:

- 39% of Group company cars and 89% of UK company fleet are electric or hybrid
- Risoul in Mexico began the transition to hybrid company cars with 37 hybrid leases, with the ambition to transition the full fleet by 2028
- RS Safety Solutions transitioned to hydrotreated vegetable oil (HVO) fuel for their HGV logistics fleet in the UK, resulting in a 23% reduction in HGV-related emissions for the RS Safety Solutions fleet

#### Supplier carbon:

- 38% of Group suppliers (by spend) had set SBTs as of 31 March 2025

#### Packaging:

- We reduced our packaging intensity to 1.55, a 4% reduction from 2023/24
- 82% of packaging is made with at least 50% recycled content and 94% of packaging is reusable or recyclable
- Reflecting our strong progress from the baseline year and future packaging action plan, during the year we increased our 2030 target for packaging intensity to 45% reduction from 2019/20 by 2029/30 (previously 30%).

#### Waste and recycling:

- We reduced waste intensity by 3% to 1.38
- 84% of waste was recycled, an increase of 2% points from 2023/24
- Our regional distribution centre (DC) in Beauvais, France, successfully introduced a new process to manage product waste, diverting over £600,000 worth of products from waste during the year

#### Transportation:

- 26% reduction in Scope 3 transport emissions per tonne of product sold since 2019/20
- We completed further modal shifts within Europe, switching customer deliveries from an air- to a road-based service, helping to reduce European emissions intensity by 6% from 2023/24
- We reduced the emissions intensity of customer deliveries in Asia Pacific by 15%
- Our 2030 ambition for product transport emissions intensity was increased to 35% per tonne of product sold by 2029/30 (previously 25%), taking account of our strong progress to date.

#### Sustainable product and service solutions:

- Our claims-based Better World products framework includes c.30,000 products from 132 suppliers across 30 countries, with over 1,700 products that support energy and carbon reduction or renewable energy generation across customer facilities. We added 44 suppliers and over 2,500 products to the range during the year.
- Sustainability solutions for maintenance, repair and operations (MRO) customers (e.g., energy, water saving and air quality surveys) promote operational efficiency, cut costs and reduce energy and emissions – a trial identified potential savings of c.£84,000 and 150 tonnes of CO<sub>2</sub>e for 20 customers across 101 sites in the UK and Ireland.
- We provide value-added procurement and maintenance solutions like RS ControlStock®, which helped a customer save £30,000+ pa by eliminating product and logistics waste through automated inventory management.
- We partner with the UK renewables sector to enable fast access to critical MRO products and solutions, which support asset longevity and efficient infrastructure in both offshore and onshore wind.

#### Environmental management systems and certification:

- 34 sites covering 51% of our operations by revenue and 58% by floor area are covered by ISO 14001 environmental management certifications
- The majority of our distribution sites have environmental management systems in place to manage risk, track ongoing performance and identify opportunities to target further emissions reductions

## 4. Anti-Corruption Principles

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

### 4.1. Assessment, Policy and Goals

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 our Group Code of Conduct.

Our Group Anti-Bribery and Corruption Policy, reviewed periodically, applies to all businesses within our Group, inclusive of all directors and employees, and our business partners. The purpose of this policy, and the additional policies linked within, is to establish controls to ensure compliance with all applicable anti-bribery and corruption laws and regulations, and to ensure that the Group's business is conducted in an ethical, legal and socially responsible manner. The policy sets out the commitment that all employees and business partners will not offer or receive any bribe or facilitation payment or enter into corrupt practices of any kind.

This commitment is reinforced by our Ethical Trading Declaration, which specifies expectations for supplier policies and practices in compliance with the Group Anti-Bribery and Corruption Policy.

All related policies and statements are available at [rsgroup.com/sustainability/codes-policies-and-standards/](https://rsgroup.com/sustainability/codes-policies-and-standards/).

### 4.2. Implementation

The Group Anti-Bribery and Corruption Policy and related controls are detailed in our Code of Conduct training and are available in 10 Group languages on our intranet sites and via a Legal & Compliance chatbot that is available 24/7 in over 80 languages. In 2024/25, our top 178 leaders completed Code of Conduct training, which included a particular emphasis on anti-bribery and corruption. An email awareness campaign was carried out to all employees at the same time.

### 4.3. Measurement of outcomes

We have had no claims for any breaches of any anti-bribery or corruption laws brought against us in any jurisdiction.

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

For more information, see our [2025 ESG Report](#) and further details at [rsgroup.com/sustainability](https://rsgroup.com/sustainability).