

# STRATEGIC PROGRESS



# BUILDING MOMENTUM



# STRATEGIC PROGRESS BUILDING MOMENTUM

As a global provider of product and service solutions for industrial customers, we stay ahead in a rapidly evolving world through focused execution and long-term thinking. Two years into our strategic plan, we are delivering a stronger proposition for our stakeholders and building momentum to capture growth and further increase market share. Our actions today are unlocking long-term value for RS Group, our stakeholders, and society – building on responsibility, inclusivity, and strong strategic foundations that are powering progress.

## HOW WE SHAPE FUTURE VALUE



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

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For information about your shareholding visit:

[rsgroup.com/investors/shareholder-information](https://rsgroup.com/investors/shareholder-information)

## 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 out 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 ARE  
ONE  
TEAM**

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



**WE  
DELIVER  
BRILLIANTLY**

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



**WE DO THE  
RIGHT  
THING**

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



**WE MAKE  
EVERY DAY  
BETTER**

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

## 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**

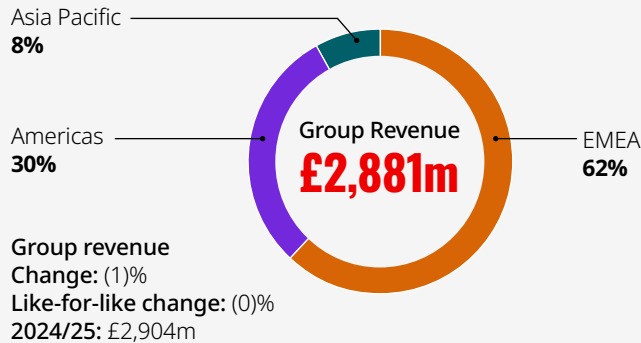
We are a high-service global product and service solutions provider for industrial customers, enabling them to operate efficiently and sustainably.

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**

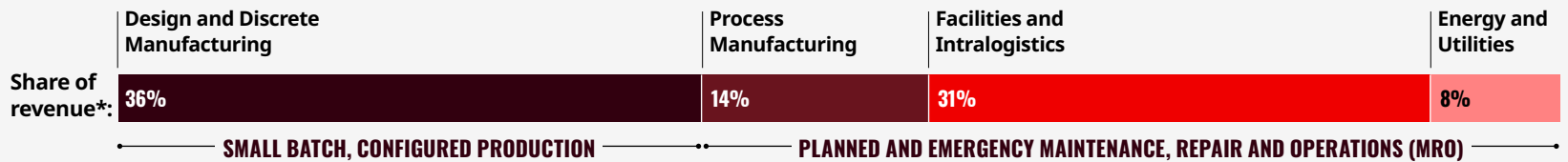
Revenue

**£223m**

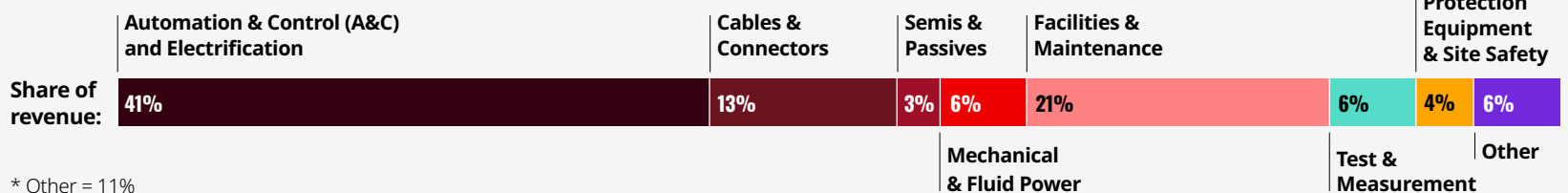
Change: 2%  
Like-for-like change: 5%  
2024/25: £219m

+ Read more on page 32

**SUPPORTING CUSTOMERS ACROSS A RANGE OF INDUSTRIES**



**MULTIPLE PRODUCT CATEGORIES**



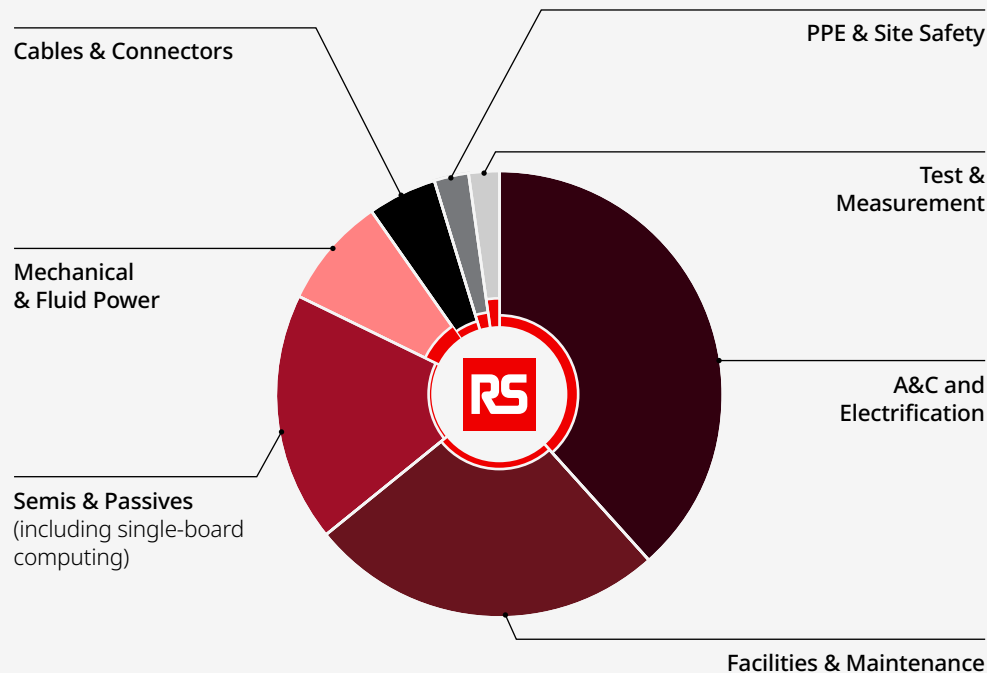
\* Other = 11%

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

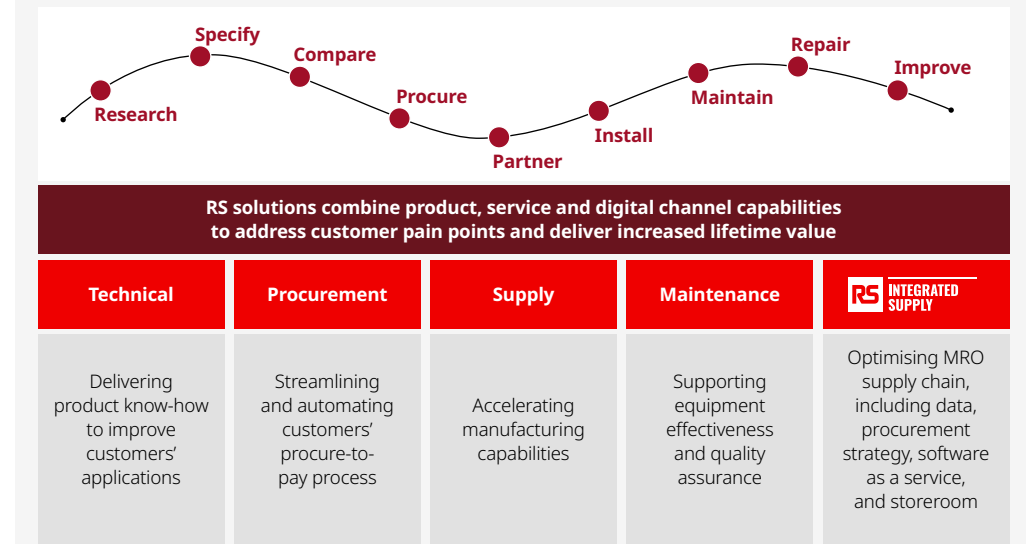
## A broad and deep product offering

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**

Target high potential lifetime value customers with a clear industrial MRO value proposition and appropriate cost to serve

**Operational excellence**

Leverage efficient physical, digital and process infrastructure sustainably

**Products and suppliers**

Focus on A&C, Electrification and associated technical categories within a broad MRO product offer

**Experience**

Enrich a tailored, digitally enabled, seamless customer experience

**Services and solutions**

Scale solutions that pull through product and drive customer loyalty



**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.

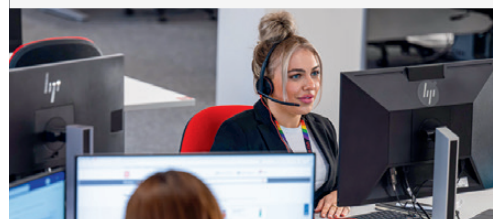
This enables faster, more informed responses and more personalised engagement across every touchpoint. Standardised processes and shared dashboards help reduce duplication and manual effort, meaning our colleagues spend less time navigating internal complexity and more time having value-add conversations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

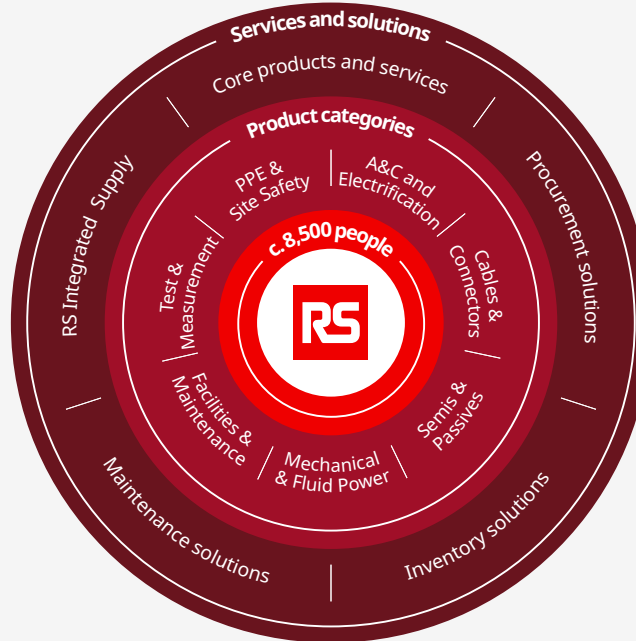
### FIRST CHOICE FOR CUSTOMERS

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.

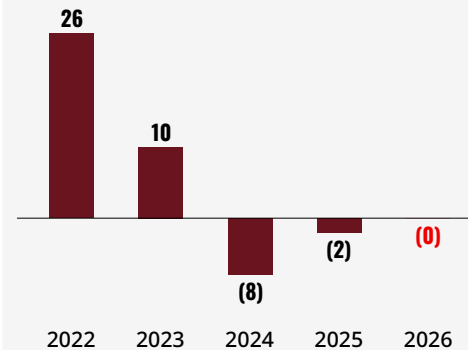
The following pages provide details of our KPIs which have been in place during 2025/26.

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)%**

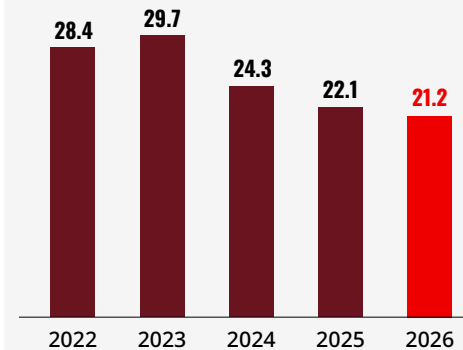


By driving a differentiated customer experience and providing innovative solutions, we aim to drive market share gains and higher revenue growth which, in turn, drives profit growth. Like-for-like revenue growth is adjusted for trading days, currency movements, and to exclude the impact of acquisitions 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

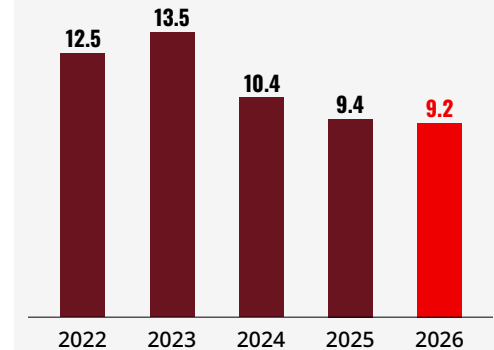
**21.2%**



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%**

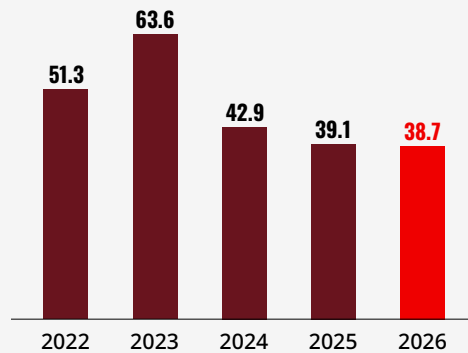


A great customer experience, high-performance team, and operational excellence should all drive improvement in adjusted operating profit margin. A higher adjusted operating profit margin should drive higher returns for our shareholders. It is adjusted operating profit expressed as a percentage of revenue.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

## Key performance indicators continued

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

**38.7p**



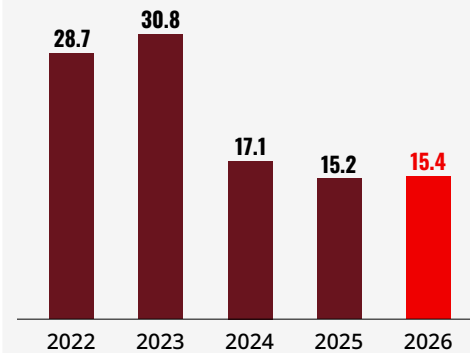
Adjusted EPS is a measure used by investors in deciding whether to invest in the Company. It is a measure of the growth and profitability of the Company that also reflects management performance. See page 27 for further details.

**Link to remuneration**

Performance measure in long term incentive plan

Return on capital employed (ROCE)

**15.4%**



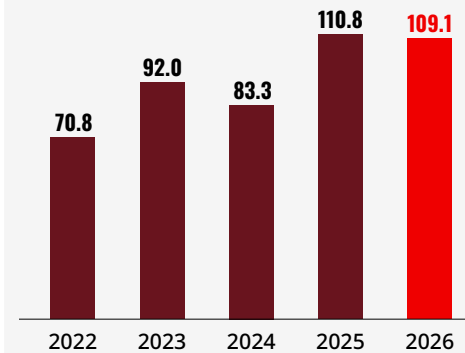
ROCE is a measure used by investors in deciding whether to invest in the Company. A tight focus on working capital control and more disciplined capital investment, coupled with increased profitability, will drive improved returns for our shareholders. ROCE is measured as adjusted operating profit expressed 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.

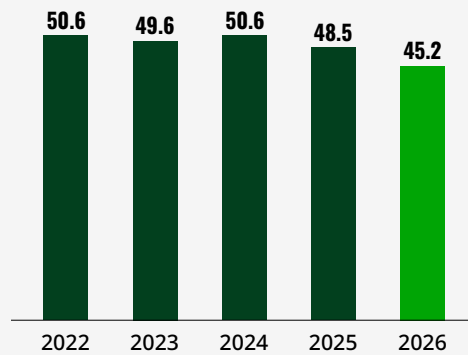
Key performance indicators continued

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.

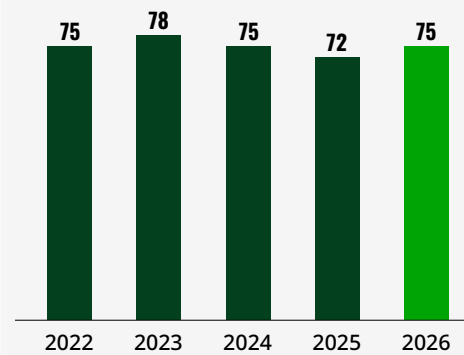
Link to remuneration

Performance measure in annual incentive

People

Employee engagement

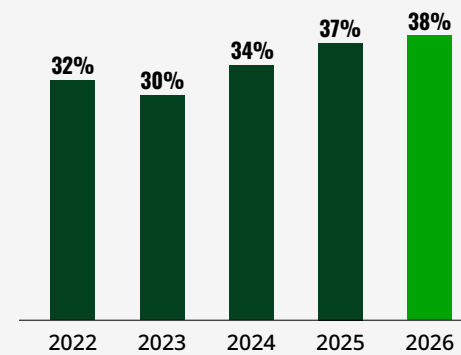
75



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%

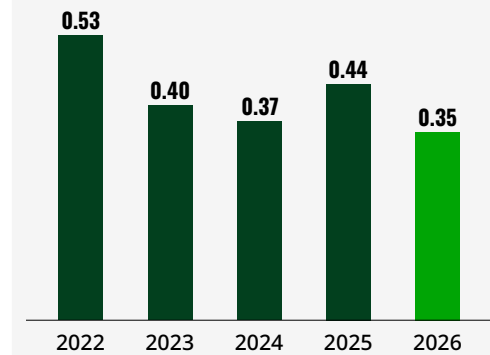


We aim to create an inclusive and engaging environment, where everyone is proud and excited to come to work and can perform at their best, develop, and thrive. We acknowledge the evolving global diversity and inclusion landscape and are committed to equal opportunity in all the markets we serve. We continue 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.

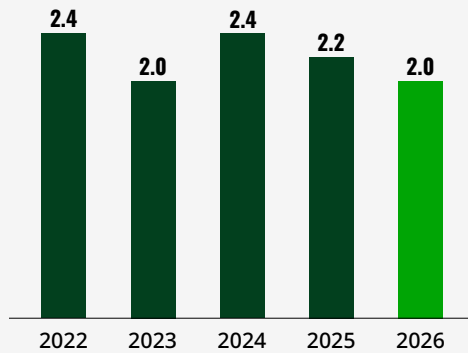
## Key performance indicators continued

### 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**

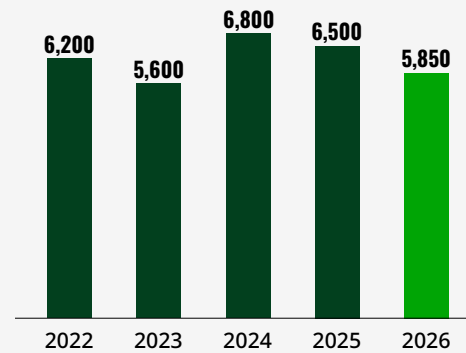


We recognise our role and responsibilities as a global business in addressing environmental impacts and supporting the climate transition for our industry. Our aim is to decouple business growth from our carbon footprint, and in 2025/26 we achieved a 9% reduction in carbon intensity (2024/25: 2.2). Since 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.

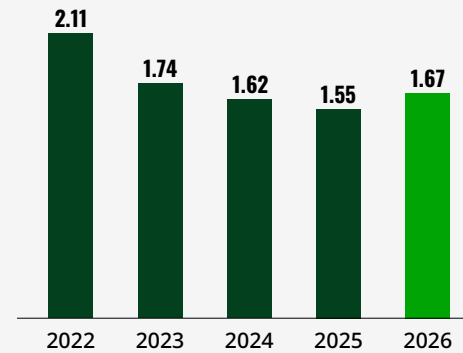
#### Link to remuneration

Performance measure in annual incentive

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

(tonnes/£m revenue)

**1.67**

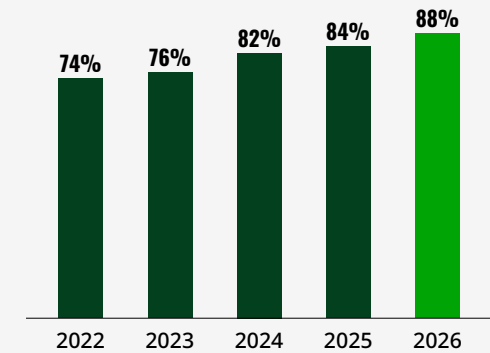


Our aim is to provide the best customer experience in the most sustainable way. We work across our site network to reduce packaging, while increasing recycled content and recyclability. This year, packaging intensity increased by 8% from 2024/25, while maintaining an overall decrease of 33% from our 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.

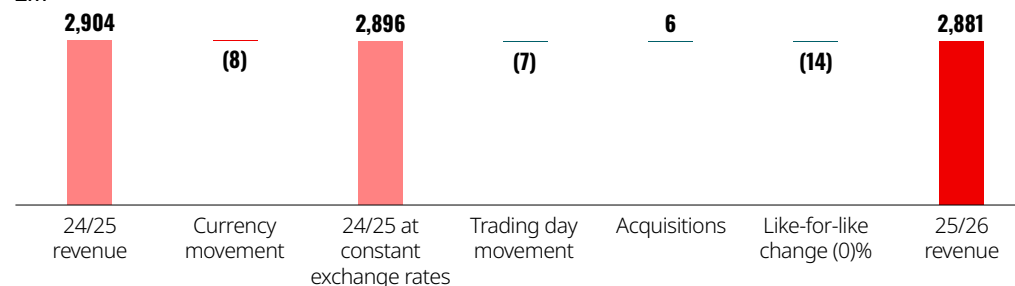
Consistent with trends seen over the past couple of years, revenue performance by product category demonstrates the difference between categories that are more industrial and tend to be less volatile (Facilities & Maintenance, Mechanical & Fluid Power, PPE & Site Safety) and those correlated to the electronics 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.

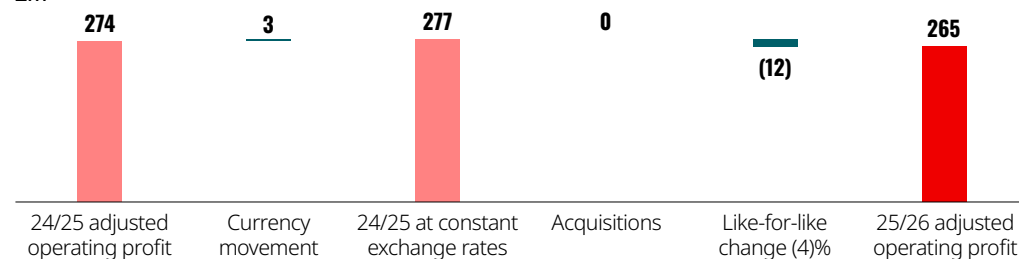
### Net finance costs

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.

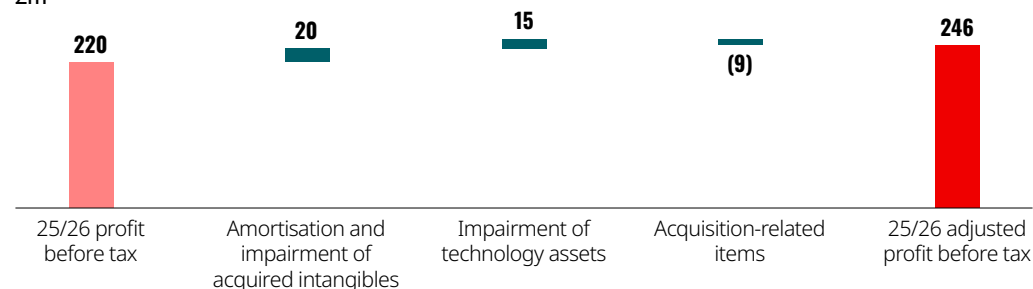
### EBITDA

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 £m



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>	<b>(512)</b>
Cash and short-term deposits	167	148
<b>Net debt</b>	<b>(329)</b>	<b>(364)</b>

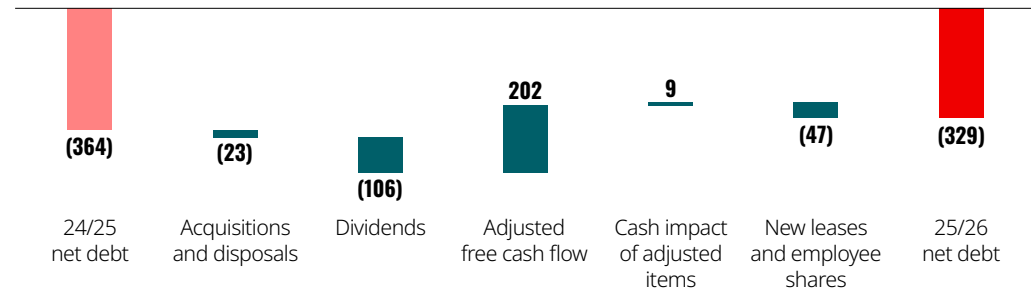
### Dividend and capital allocation

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:

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+ 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
	Climate change	Double
	Energy	Impact
	Circular economy and waste	Impact
	Culture and engagement	Impact
	Health and safety	Impact
	Diversity and inclusion	Impact
	Training and skills development	Impact

Goal	Topic	Materiality
	Community engagement	Impact
	Corporate governance	Impact
	Corporate culture	Impact
	Responsible supply chain	Financial
	Customer and supplier partnerships	Double
	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:

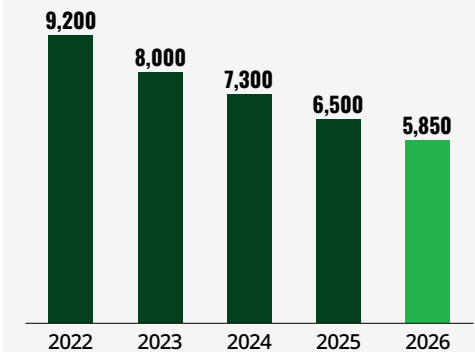
- Over half of our global fleet and 99% of UK cars are hybrid or electric
- 42% reduction in Group diesel consumption from 2024/25
- Transition to HVO<sup>3</sup> fuel for the RS Safety Solutions small HGV fleet with 420 tCO<sub>2</sub>e reduction in HGV-related emissions
- EV charging ports installed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



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

### 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.

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.



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.

## 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

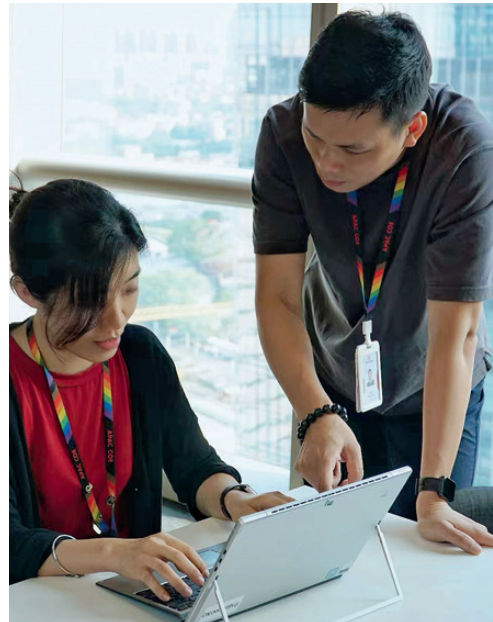
## TALENT AND CAPABILITY

### 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.

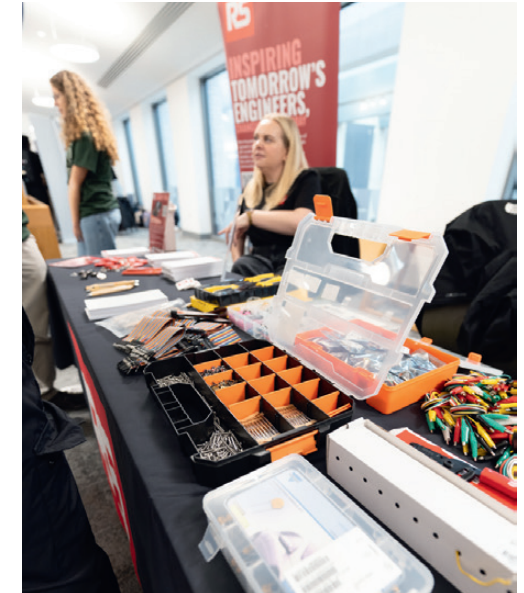
Demand for engineers is rising quickly, particularly in clean energy, digital and AI-enabled roles. At the same time, access remains uneven, with women and ethnic minority talent still significantly underrepresented across STEM careers. By broadening participation and providing hands-on learning opportunities,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

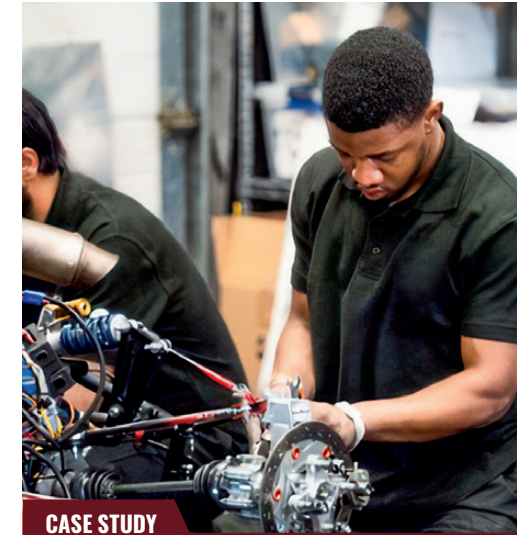
We are investing in the talent pipeline by helping young people build the career-ready skills needed for modern, technology-driven workplaces that rely on digital awareness, communication, collaboration, and problem-solving. By fostering long-term engagement from education into employment, we are preparing 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).

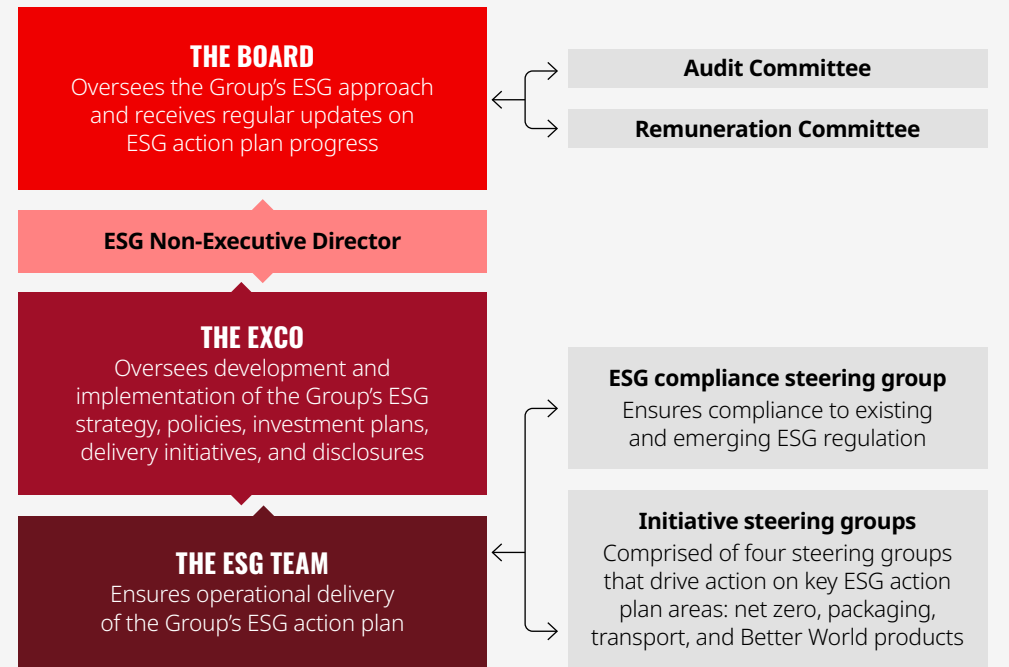
The Board maintains close oversight of our ESG action plan, including our five climate-related risks and opportunities (CRROs), and approves key ESG policies, targets, initiatives, and investments. Progress updates are provided ahead of each Board meeting through the CEO Board report, and the Chief Sustainability 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>1. Changes in customer segments and product demand (transition opportunity)</li> </ol>
	<p><b>Logistics</b></p> <ol style="list-style-type: none"> <li>2. Technology transition and rising fuel costs (transition risk)</li> </ol>
	<p><b>Distribution sites</b></p> <ol style="list-style-type: none"> <li>3. Reduced emissions and energy costs through solar generation (transition opportunity)</li> <li>4. Impact of extreme heat (physical risk)</li> <li>5. 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>	<p>Installation of solar panels on available distribution site roof space to reduce energy costs and increase resilience.</p> <p>Chief of P&amp;SC and RPs</p>	<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>	<p>Increased costs associated with installation of high-efficiency cooling systems and/or potential impacts on the health, safety, and wellbeing of people working at our distribution sites which could reduce productivity. Key material site identified to be exposed to extreme heat is our regional DC in Fort Worth, US.</p> <p>Chief of P&amp;SC and RPs</p>	<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>	<p>Extreme weather events, including flooding, storms, and tornadoes, have the potential to disrupt our operations and logistics and cause physical damage to our infrastructure. Our regional DC in Fort Worth, US, was identified to be the key site at risk, due to physical exposure and strategic importance for our Americas distribution network.</p> <p>Chief of P&amp;SC and RPs</p>	<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://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).

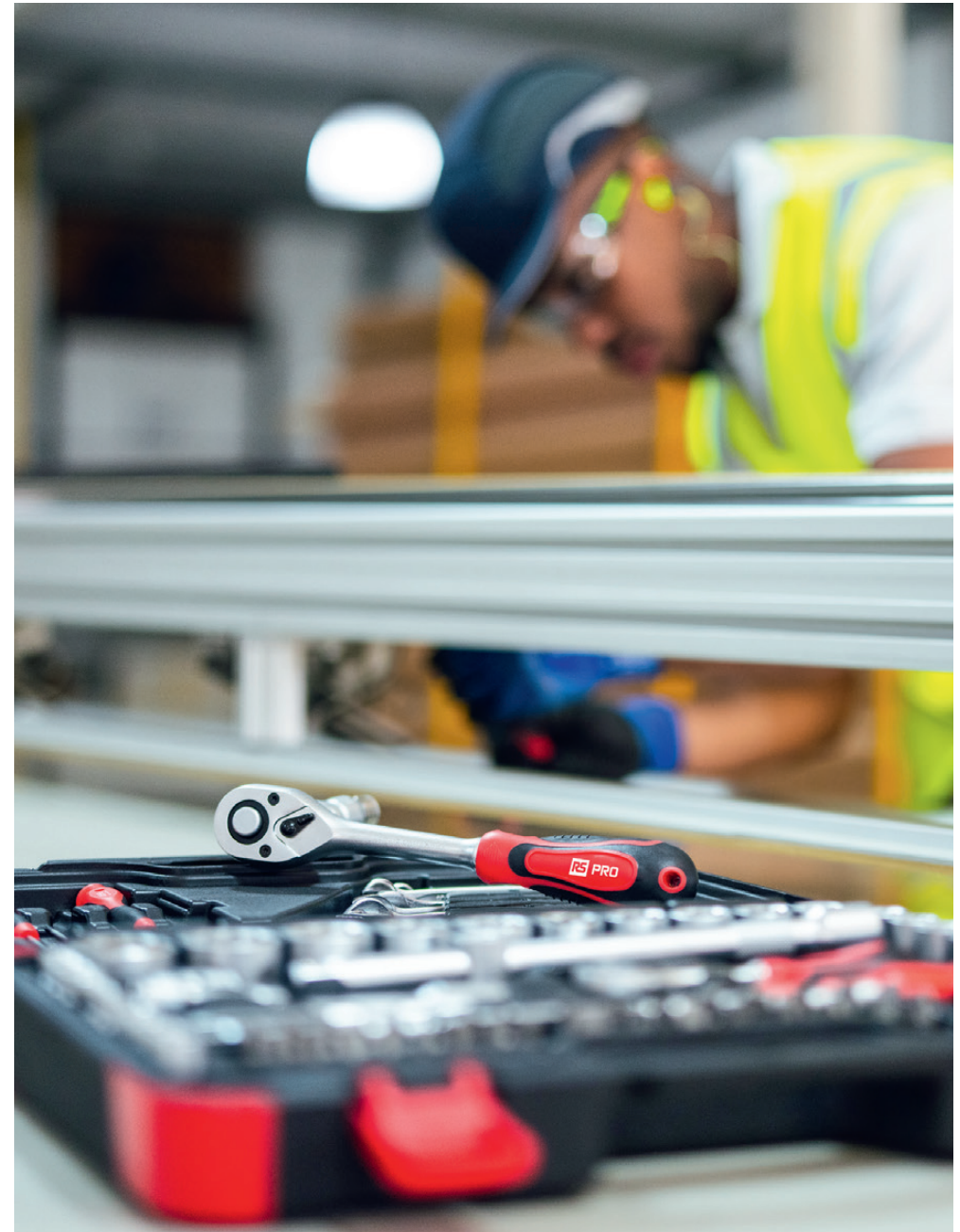
Each CRRO has an accountable business owner who oversees its management with relevant leadership teams (see pages 64 and 65).

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

## Corporate governance

# ROBUST GOVERNANCE FOR EFFECTIVE DECISION-MAKING

Our governance framework is designed to support effective, timely, and well-informed decision-making across the Group. It provides a clear division of roles and responsibilities, underpinned by accurate and timely information, enabling challenge, constructive debate, and informed judgement to support our strategic objectives.

**In this section:**

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The Board engaged with its stakeholders throughout the year to inform its oversight and governance

**+ Read more on pages 76 and 82**

# CHAIRMAN'S LETTER

**Rona Fairhead**  
Chairman



## Activities during 2025/26

- Continued oversight of strategic execution
- Evolved our corporate governance arrangements aligned to the 2024 UK Corporate Governance Code
- Continued oversight of operational performance
- Continued progression of Executive succession planning
- Monitored our ESG reporting to ensure compliance with evolving regulations
- Continued shareholder engagement following approval of the 2025 Directors' Remuneration Policy
- Completed an externally facilitated Board performance review
- Conducted two overseas site visits

## Priorities for 2026/27

- Continue to strengthen our governance and strategic oversight
- Continued development of both Executive and Non-Executive succession planning
- Continue to monitor the Group's progress on refining and adjusting the material controls to comply with the Code, including ensuring that appropriate controls are in place for the detection and prevention of fraud

## Dear shareholder

I am delighted to introduce our Governance Report for 2025/26 on behalf of the Board and in accordance with the 2024 UK Corporate Governance Code (the Code). This report sets out how the Board has applied its governance framework and best practice to ensure effective procedures are in place to support the creation of long-term value for all our stakeholders.

This is our first year reporting against the Code. We report in full, with the exception of Provision 29, which will be fully addressed in the 2026/27 Annual Report, in line with the Code requirements. For more information about the Group's preparation for Provision 29, see pages 91 and 95.

## Board and Committee changes

We said goodbye to Louisa Burdett this year as she stepped down from the Board at the end of her nine-year tenure. I would like to thank Louisa for the invaluable and dedicated contribution she made to RS during her tenure.

Carole Cran succeeded Louisa as Chair of the Audit Committee with effect from 15 July 2025.

Miles Roberts and Carole, who both joined towards the end of 2024/25, have each had an intensive induction and are bringing useful insights and contributions to Board discussions. See pages 81 and 85 for further information.

## Strategy and business oversight

As detailed in the Strategic report, this was the second year of our multi-year strategic plan. The Board continues to monitor the progress the Group is making against its strategic objectives, with greater clarity on the core areas of strength, underpinned by improved execution and alignment.

A dedicated strategy session was held with the Board in December 2025, where the ExCo presented their update to the strategic plan along with the priorities for the business and functions. For further information about the Board's activities during the year, see pages 79 to 81.

## Culture

In exercising its governance responsibilities, the Board remains guided by the Group's values, which are shaped by our people and are at the heart of how we work. Throughout the year, the Board provided oversight of the Group's culture, drawing on both direct and indirect feedback from employees. During the year, the Board visited the Group's operations in Beauvais, France and Fort Worth, US. A number of individual site visits also took place, including Miles Roberts' visit to the operations in Bad Hersfeld, Germany, and my visit with Miles to the RS Integrated Supply business in Warrington, UK, as part of his induction. Additionally, employee engagement sessions took place between our people and the employee engagement designated Non-Executive Directors.

Collectively, these activities, combined with the broader employee engagement survey results and presentations from the senior management team, help inform the Board's understanding of how the Group's culture continues to develop across the organisation. For more information on our values and belonging, see pages 3, 10, 16 and 52.

## Stakeholder engagement

We are always looking to enhance how we engage with our stakeholders. In developing the 2025 Directors' Remuneration Policy and determining the right level of reward, the Remuneration Committee undertook an extensive multi-phased consultation process, engaging with our top 30 shareholders, representing over 86% of the share register. The feedback from this engagement was instrumental in shaping the final 2025

Directors' Remuneration Policy. In addition to Executive Director engagement, the Chair of the Remuneration Committee and I each held meetings with shareholders during the year to further understand their views.

During the year, a review was conducted in respect of our employee engagement programme with the designated Directors. This included a review of the feedback loop to ensure the relevant management teams are held responsible in identifying actions arising from feedback, and that both the Board and participating employees are given regular updates on progress against the agreed actions. In addition to this, an exercise has been conducted during the year to seek feedback from employee participants of the engagement sessions. Information regarding the outcome of this feedback and further details on shareholder and employee engagement, which took place during the year, can be found on pages 76 and 82, respectively.

## Board performance review

After two years of internal Board performance reviews, we conducted an externally facilitated Board performance review during the year, in line with the Code. Clare Chalmers Limited (Clare Chalmers) was engaged to carry out the performance review process. This process concluded that the Board continues to operate very effectively and is supported by a particularly strong overall composition. The review identified some areas that the Board could consider to improve its effectiveness yet more. Full details of the performance review process, including outcomes and progress against the previous year's actions, can be found on pages 83 and 84.

## Corporate Governance Code

The Company's statement of compliance with the Code can be found on page 86.

**Rona Fairhead**  
Chairman  
19 May 2026

# BOARD OF DIRECTORS

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



## Rona Fairhead

Chairman

### Committee membership

**N**

### Date of appointment

November 2020

### Skills, experience, and contribution

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

### Current external roles

- Non-executive director of Oracle Corporation
- Crossbench member of the House of Lords
- Member of the International Advisory Council of Hong Kong Exchanges & Clearing Limited
- Senior independent director of CVC Capital Partners plc
- Non-executive director of The Royal Marsden NHS Foundation Trust



## Simon Pryce

Chief Executive Officer<sup>1</sup>

### Committee membership

**D**

### Date of appointment

September 2016

### Skills, experience, and contribution

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

### Current external roles

- Non-executive director of Smiths Group plc



## Kate Ringrose

Chief Financial Officer

### Committee membership

**D**

### Date of appointment

October 2023

### Skills, experience, and contribution

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

### Current external roles

- None

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

## Board of Directors continued

**David Sleath, OBE**

Senior Independent Director

**Committee membership**
**Date of appointment**

June 2019

**Skills, experience, and contribution**

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

**Current external roles**

- Chief executive officer of SEGRO plc

**Alex Baldock**

Independent Non-Executive Director

**Committee membership**
**Date of appointment**

September 2021

**Skills, experience, and contribution**

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

**Current external roles**

- Group chief executive of Currys plc

**Carole Cran**

Independent Non-Executive Director

**Committee membership**
**Date of appointment**

December 2024

**Skills, experience, and contribution**

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

**Current external roles**

- Chief financial officer of Halma plc

**Bessie Lee**

Independent Non-Executive Director

**Committee membership**
**Date of appointment**

March 2019

**Skills, experience, and contribution**

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

**Current external roles**

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

## Board of Directors continued

**Miles Roberts**

Independent Non-Executive Director

**Committee membership**
**Date of appointment**

March 2025

**Skills, experience, and contribution**

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

**Current external roles**

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

**Joan Wainwright**

Independent Non-Executive Director

**Committee membership**
**Date of appointment**

November 2019

**Skills, experience, and contribution**

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

**Current external roles**

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

**Clare Underwood**

Chief of Corporate Services and Company Secretary

**Date of appointment**

March 2022

**Skills, experience, and contribution**

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

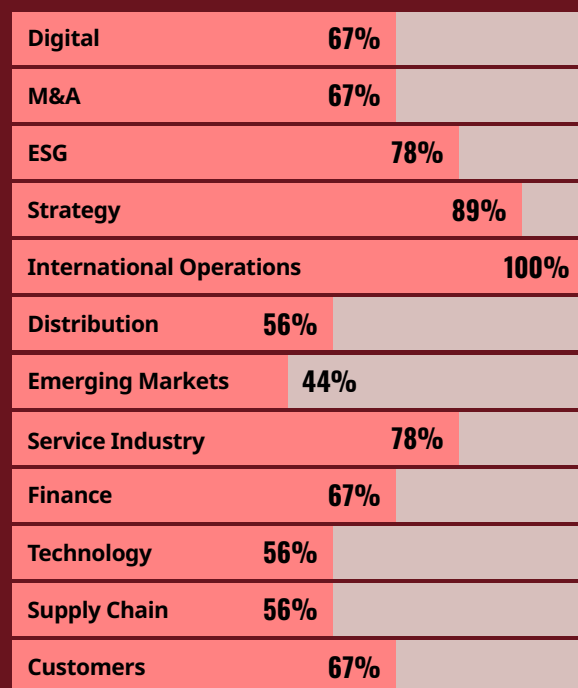
**Other Directors who served during the year**

Louisa Burdett stepped down from the Board on 31 January 2026.

# GOVERNANCE AT A GLANCE

## SKILLS, EXPERIENCE, AND KNOWLEDGE OF OUR BOARD

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



The FTSE Women Leaders Review 2026

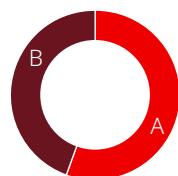
2<sup>ND</sup>

Joint second in the FTSE 250

## BOARD COMPOSITION

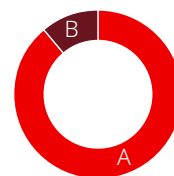
As at 31 March 2026

### Gender



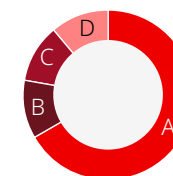
A Female	5
B Male	4

### Ethnicity



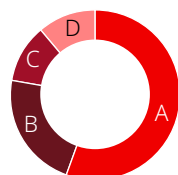
A Non-ethnic minority	8
B Ethnic minority	1

### Nationality



A British	6
B Chinese	1
C American	1
D British and South African	1

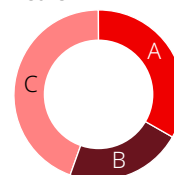
### Independence



A Independent	5
B Executive	2
C Independent Non-Executive Chairman	1
D Senior Independent Director	1

### Board tenure

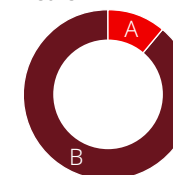
Years



A 0-3 years	3
B 3-6 years	2
C 6+ years	4

### Age of Directors

Years



A 45-54	1
B 55-64	8

## BOARD AND COMMITTEE MEETING ATTENDANCE

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

1. Alex Baldock was unable to attend one Audit Committee meeting due to a prior engagement.

2. Louisa Burdett stepped down from the Board with effect from 31 January 2026.

3. Miles Roberts was unable to attend one Board and Audit Committee meeting due to a prior engagement.

## OUR GOVERNANCE FRAMEWORK

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

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

The Board is responsible for ensuring that the strategic objectives are supported and adequately resourced to help drive the long-term success of the Group, realisation of its strategy, and to monitor the effective deployment of those resources. The Group's risk management framework supports the strategic actions of the Group, with controls to help mitigate identified risks. The Board regularly reviews the internal controls and overall risk management framework, with support from the Audit Committee. Full details of the risk management framework can be found on pages 33 and 34.

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

strategic matters. Each Committee comprises Non-Executive Directors only and has an experienced Chair. Regular updates are provided to the Board by the Committee Chairs as well as by the Chairman of the Board, the Chief Executive Officer (CEO), and Chief Financial Officer (CFO). Each Committee of the Board has provided reports on how they have discharged their responsibilities and details of their activities during the year, which can be found on pages 87 to 117.

The key topics the Board has focused on this year, as well as those it plans to assess for the coming year, are set out on page 71.

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



### CASE STUDY

## ENGAGING WITH SHAREHOLDERS

At the Company's 2025 Annual General Meeting (AGM), the Board welcomed the overwhelming support of the Company's shareholders for the majority of the resolutions but noted the outcome on the Directors' Remuneration Policy (the 2025 Remuneration Policy) (65.63%) and the Restricted Share Incentive Plan 2025 (67.43%).

In developing the 2025 Remuneration Policy and determining the right level of reward, the Remuneration Committee undertook an extensive multi-phased consultation process engaging with our top 30 shareholders, representing over 86% of the share register, broadening the coverage from previous policy consultations. The feedback from this engagement was instrumental in shaping

the final 2025 Remuneration Policy. Overall, shareholders were supportive of our approach and through the engagement exercise, the Remuneration Committee gained a clear understanding of the reasons why some shareholders were unable to support the 2025 Remuneration Policy. Feedback was primarily focused on the approach to transitioning to the hybrid Long-Term Incentive Plan structure and the award size for the CEO in 2025/26.

Since the 2025 AGM, we re-engaged with our largest 30 shareholders to provide a further opportunity for their input.

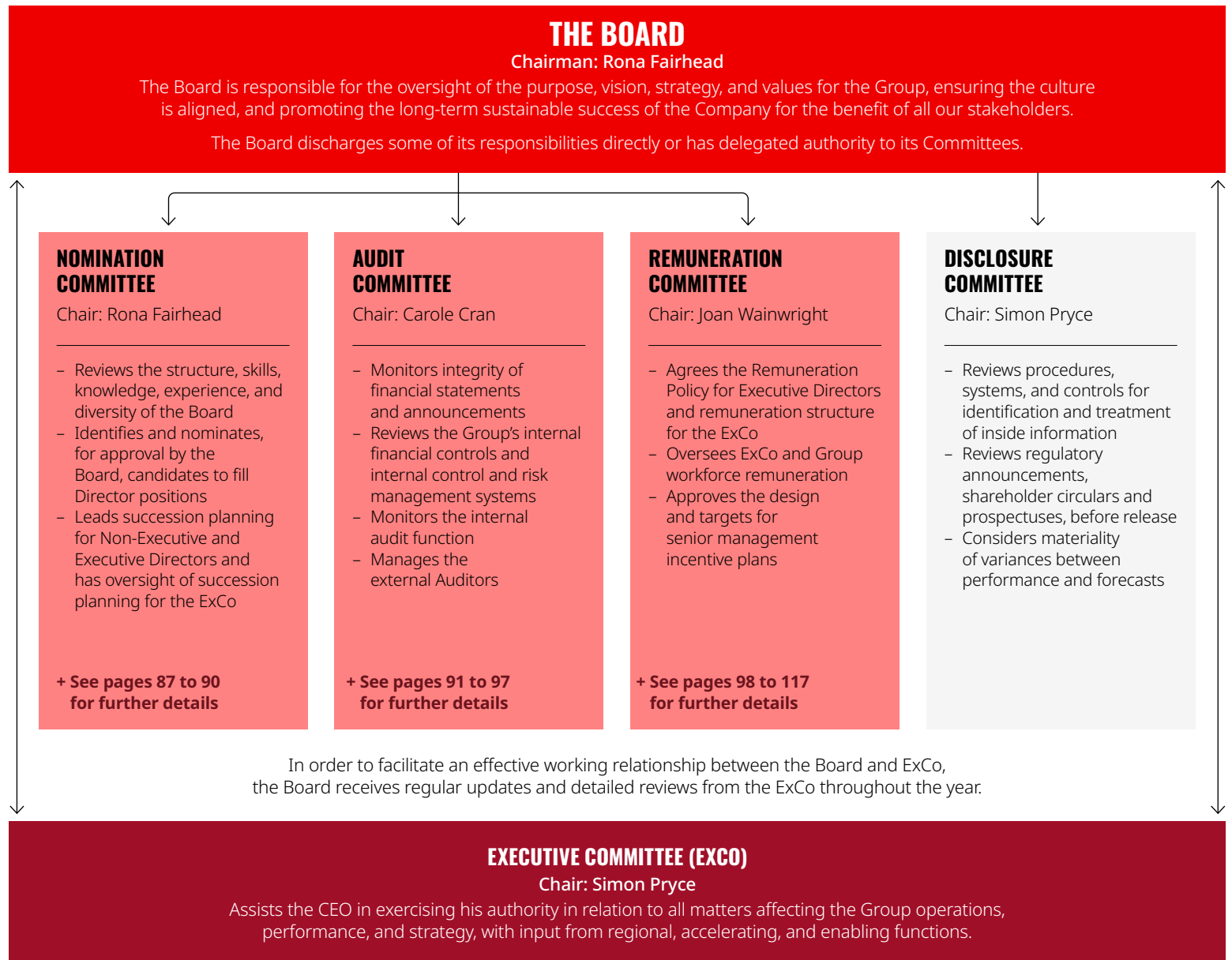
We would like to thank shareholders that took part in the engagement process and value the feedback provided. We remain committed to ongoing dialogue with shareholders, other stakeholders, and proxy voting agencies and we will continue to engage on remuneration and other matters.

## Our governance framework continued

Our Strategic report on pages 1 to 69 demonstrates how the business considers and engages with the Group's key stakeholders: our people, customers, suppliers, communities, and shareholders. The following pages of the Governance report set out how the Board works and the areas of focus for the Board during the year, how these relate to our strategic aims and, where appropriate, how our stakeholders have been considered.

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

As part of our ESG governance, the Board has close oversight of our ESG action plan and is provided with frequent updates on its performance. For further details on ESG governance, see pages 58 to 61.



## Our governance framework continued

### Division of responsibilities

There is a clear division of responsibilities between the leadership of the Board and the executive leadership of the Group. The responsibilities of the Chairman, CEO, CFO, Senior Independent Director, Board, and Committees are agreed by the Board. See pages 76 and 77 for the overall governance framework and below for a summary of the division of responsibilities. Full details can be found at [rsgroup.com](https://www.rsgroup.com).

Position	Responsibilities
<b>Chairman</b>	
<b>Rona Fairhead</b>	<ul style="list-style-type: none"> <li>– Leading the Board and ensuring its oversight of strategy, performance, value creation, culture, stakeholders and accountability</li> <li>– Promoting open, trusting, challenging discussions and debate, and constructive relations between Executive and Non-Executive Directors</li> <li>– Leading the Board succession planning and seeking to ensure effective communication with shareholders</li> </ul>
<b>Executive Directors</b>	
<b>Simon Pryce (CEO)</b>	<ul style="list-style-type: none"> <li>– Managing and leading the Group on a day-to-day basis, making decisions on matters affecting the operation and performance of the Group's business</li> <li>– Designing, developing, and implementing the strategic plans</li> <li>– Ensuring robust management succession plans are in place</li> <li>– Engaging effectively with all stakeholders</li> </ul>
<b>Kate Ringrose (CFO)</b>	<ul style="list-style-type: none"> <li>– Managing financial matters and implementing and monitoring financial controls</li> <li>– Developing the Group's financial policies and strategies</li> <li>– Ensuring a commercial focus across the business activities and appropriateness of risk management</li> </ul>
<b>Senior Independent Director</b>	
<b>David Sleath</b>	<ul style="list-style-type: none"> <li>– Acting as a sounding board to both the Chairman and the CEO</li> <li>– Acting as a conduit for the views of other Non-Executive Directors and conducting the Chairman's annual performance appraisal</li> <li>– Being available to shareholders to help resolve concerns</li> </ul>
<b>Non-Executive Directors</b>	
<b>Alex Baldock</b> <b>Carole Cran</b> <b>Bessie Lee</b> <b>Miles Roberts</b> <b>Joan Wainwright</b>	<ul style="list-style-type: none"> <li>– Overseeing and constructively challenging executive management regarding the performance of management against agreed performance objectives, and helping to review and monitor the Group's strategy</li> <li>– Satisfying themselves on the integrity of financial information and reviewing the Group's risk exposure and controls</li> </ul>
<b>Company Secretary</b>	
<b>Clare Underwood</b>	<ul style="list-style-type: none"> <li>– Supporting and advising the Board on matters relating to governance, ensuring good information flows and providing practical support to the Directors</li> <li>– Organising Directors' induction and training</li> </ul>

### Meetings during the year

The Board held a total of seven meetings during 2025/26, all of which were in person. Details of attendance is provided in the table on page 75.

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

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

The Chairman and the Committee Chairs ensure Board and Committee meetings are structured to facilitate open discussion, debate, and challenge. As part of the annual Board performance review process, the functioning of the Board and each of its Committees are reviewed and considered by the Board as a whole. The findings of the review are used to establish an ongoing programme of actions to improve effectiveness of both the Board and the Committees. Further information on this can be found on pages 83 and 84.

### Matters reserved for the Board

All matters that have a material impact upon the Group are reserved for the Board and are formally set out in a schedule which can be found on our website at:

[rsgroup.com/investors/governance/governance-framework](https://www.rsgroup.com/investors/governance/governance-framework)

# BOARD ACTIVITIES DURING THE YEAR

The Board is responsible for the overall leadership of the Group. Throughout 2025/26, Board activities and discussions continued to focus on the Company's strategic priorities.

The following pages outline some of the key Board activities, topics reviewed, monitored, considered, and discussed by the Board, and where applicable, highlight key decisions that have been taken in order to achieve the Group's objectives. Details are also provided in respect of how the outcomes of these decisions have been considered in relation to the strategy and objectives.

Ahead of each financial year, the Board and its Committees review a forward calendar of events and agenda items. This supports an assessment of key activities, decision points, and milestones anticipated as part of strategic execution. Within the governance framework, key strategic matters are identified and scheduled for in-depth review at appropriate points throughout the period.

The Chairman, with assistance from the CEO, CFO and Company Secretary, agrees the agenda for each Board meeting. This process ensures that sufficient time is being set aside for strategic discussions and business critical items, while including regular standing items, such as reports on trading and financial performance and routine reporting or compliance requirements.



## Regular updates

The Board and its Committees received regular updates on various aspects of the business. A typical Board meeting will comprise the following elements:

- Strategic deep dives: provided by each of the regional teams, and accelerating and enabling functions. These provide insight into risks and opportunities, impacts on stakeholders, and progress against the strategic plan to provide key discussion points for the Board. Details of key topics considered during the year can be found in our Section 172 Statement on page 69 and on the following pages
- Committee updates: the Chairs of the Board Committees provide a verbal update to the Board regarding the proceedings of those meetings, including the key discussion points and particular matters to bring to the Board's attention
- Executive reports: the CEO and CFO provide an overview of operational and financial performance since the last meeting and summarise the key challenges and opportunities for the Board's attention
- Regular written updates: provide information on our acquisition pipeline, health and safety (H&S) performance, and investor relations
- Stakeholder engagement feedback: provides updates on any employee engagement sessions or surveys and shareholder engagement activities
- Legal and governance updates: regular updates are received on the Speak Up service, fraud, data protection, cyber security, and approval of the Modern Slavery Statement, along with any regulatory changes

## ESG

The Board received regular updates on progress against the Group's ESG strategy and performance.

## Building rapport

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

## Employee engagement

Two site visits were conducted during the year, to Beauvais, France and Fort Worth, US.

To take advantage of these visits, Bessie Lee and Joan Wainwright (as our designated Directors for employee engagement) met with representatives from the Beauvais, France team in September 2025. They also met virtually with employees in Fort Worth, US in July 2025 and employees from the Risoul, Mexico business in March 2026.

In addition to this, the Non-Executive Directors met with around 30 employee representatives from Fort Worth, US in March 2026.

See page 82 for further details regarding our employee engagement programme and the key themes identified.

## OUTCOMES

On the following pages, we have highlighted some of the key outcomes from Board discussions during the year.

## Key activities during the year

### MAY 2025

#### Strategic deep dive

- The People team provided an update on the progress against the People Plan to ensure the Group has the right capability, capacity, and leadership to deliver the strategy through strategic workforce planning, strengthened leadership and management capability, support for operational excellence, and embedded, consistent change management

#### Approvals

- Year-end results and reporting included consideration of viability and going concern
- Re-appointment of external Auditors, subject to shareholder approval in July
- 2024/25 end of year ESG performance and reporting
- The TCFD statement contained within the Annual Report and Accounts
- Evaluation of all provisions of the 2018 UK Corporate Governance Code, to review compliance for the year ended 31 March 2025
- The revised Modern Slavery Statement

#### APPROVAL OUTCOMES

- Payment of final dividend, subject to shareholder approval in July. In making the Board's decision to continue with the progressive dividend policy, multiple stakeholders were considered, including our people, customer and supplier propositions, acquisitions, and our shareholder base, along with the wider geopolitical and economic environment
- The 2025/26 budget, ensuring investment aligns with the Group's strategic aims



### JULY 2025

#### Strategic deep dive

- The Customer Experience team provided an overview of progress against the customer experience strategy, an update on strategic customer experience investments, and a forward look at plans for the coming years
- The Process and Operational Excellence team delivered a deep dive on the programme, outlining its strategic rationale, key challenges, objectives and outcomes, and the planned roadmap and approach to delivery

#### Events

- The AGM was held. Shareholders had the opportunity to attend, vote, and raise questions directly to the Board
- Bessie and Joan held a virtual employee engagement session with the Americas team. The feedback from this was discussed and shared with senior management and the Board

#### Approvals

- The revised Fraud Policy, following annual review
- The revised Delegation of Authorities, following an annual review

### SEPTEMBER 2025

#### Strategic deep dive

- The Information Services & Technology team provided an update on progress in its transformation journey, including delivery to date, key learnings from implementations undertaken during the year to support operational efficiency, the continued maturation of the operating model, key risks, including cyber risks, and the evolving AI landscape
- The EMEA team provided an update on the EMEA strategy and performance, including the market opportunity, competitive landscape and key trends, an overview of the external economic context and implications for current performance, the updated EMEA strategy, progress against key priorities, and a forward look at next steps

#### Events

- The Board visited the Group's Distribution Centre (DC) and office in Beauvais, France
- Bessie and Joan held an employee engagement session with representatives from the Beauvais, France DC and office, the outcome of which was shared with the Board at the November meeting



### NOVEMBER 2025

#### Strategic deep dive

- The Product and Supply Chain team provided the Board with an overview of progress against the strategy, key learnings and proposed next steps across each strategic action, and the associated key initiatives
- The Environment, Health, Safety and Security (EHSS) team provided the Board with an overview of the strategic evolution of the function, including its current status, global priorities and actions, and the governance and organisational structure to support delivery

#### Approvals

- The half-year results included consideration of going concern status of the Group
- Payment of an interim dividend, which was paid to shareholders in January 2026

#### Governance

- The Board considered and endorsed the Group's approach to the employee engagement programme, in line with the requirements of the Code, and conducted a review of the structure and feedback loop for employee engagement to enhance the experience for all involved
- Reviewed the principal and executive risks of the Group and considered the half-year risk statement. Further information regarding the Group's principal and emerging risks can be found on pages 34 to 38

#### GOVERNANCE OUTCOMES

- Received constructive feedback from shareholders on the 2025 Remuneration Policy, which informed and shaped the final policy and supported an ongoing commitment to engage with them

## Key activities during the year continued

## DECEMBER 2025

**Strategic deep dive**

- The annual Group strategy session was held. The Board received an overview of refinements to the Group strategy as the Group enters year three of its five-year strategic planning and execution cycle, including progress to date, key learnings since January 2025, and the proposed next steps for further strategic analysis
- The Asia Pacific team provided an update regarding the Asia Pacific regional strategy and progress against key priorities, business performance of the region, including the market opportunity, competition and trends, an overview of the external economic context, and implications for performance

**Governance**

- Review of actions against the recommendations arising from the prior year's Board performance review
- The Board received an update on ESG performance against our 2030 ESG action plan, 2025/26 ESG performance update, and planned updates to strengthen the sustainability and social impact programme

**Events**

- As part of Miles Roberts' induction programme, he visited the Beauvais, France office and DC in December 2025. Miles met with the local management team and was provided with a tour of the DC and an overview of operations and strategic plans

## STRATEGIC DEEP DIVE OUTCOMES

- Each of the three business regions and accelerator functions presented their strategic updates, these enabled the Board to consider the strategies and action plans designed to create long-term sustainable value for all our stakeholders



## JANUARY &amp; FEBRUARY 2026

**Strategic deep dive**

- The Board took part in a deep dive into Artificial Intelligence (AI). The objective of the session was to provide an overview of the current AI environment globally and in the distribution sector, provide practical insights and demonstrations, and an overview of the Group's position on AI and plans for learning, using, and governing AI. See page 85 for further details

**Approvals**

- The revised Share Dealing Code
- The revised Audit Committee Terms of Reference, reflecting the changes to the Code

**Events**

- As part of Miles Roberts' ongoing induction programme, he visited the Group's DC in Bad Hersfeld, Germany to gain a first-hand understanding of the operations and strategy and to meet the local management team

## MARCH 2026

**Strategic deep dive**

- The Americas team, including the Risoul business, provided an update on strategy and performance, highlights of key market developments, performance insights, and demonstrated progress in executing the strategy
- An Executive succession planning update was provided, which detailed the continuous improvements to enhance quality and transparency of the development and succession process

**Approvals**

- The 2026/27 annual budget
- The Group's principal risks as at March 2026 and the Group risk appetite statement, including details of the principal risks
- The tax strategy. The key tax-related governance controls were also presented to the Board

**Events**

- The Board visited the Fort Worth, US, offices and DC, meeting with the local management team and touring the DC. An engagement session was held with the Non-Executive Directors and 30 representatives from the Fort Worth business. The employees were split into teams of around five, and met with each of the Non-Executives present, giving employees the opportunity to ask questions about the Directors' careers, experience, role at RS, and operational oversight
- Bessie and Joan held a virtual employee engagement session with representatives from the Risoul business to gain insight into their business and opportunities for improvement
- Miles and Rona visited the RS Integrated Supply team in Warrington, UK, for an in-depth overview into the business operations

**Governance**

- The Nomination Committee considered the findings of the external Board performance review process and discussed the key recommendations arising from it. See pages 83 and 84 for full details
- The Non-Executive Director and Chairman fees for 2026/27 were considered and approved

## APPROVAL OUTCOMES

- The Board undertook a robust assessment of the Group's principal and emerging risks and have assessed them against the Group's risk appetite
- The revised Nomination Committee Terms of Reference
- The revised Remuneration Committee Terms of Reference

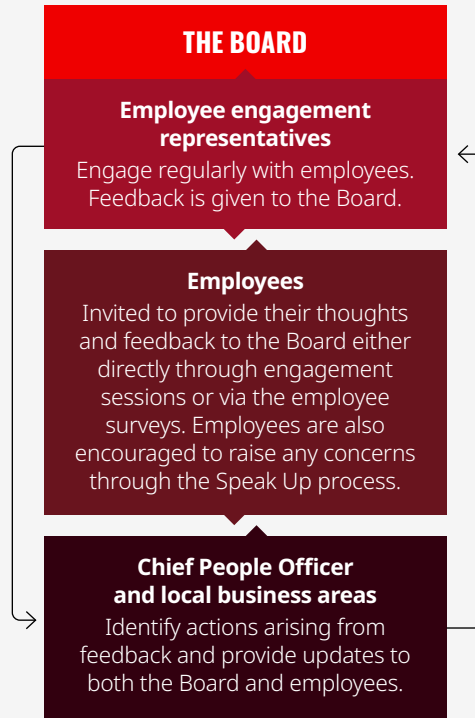
# EMBEDDING OUR CULTURE THROUGH BOARD ENGAGEMENT

## Board employee engagement approach

The Board undertook a comprehensive review of its approach to workforce engagement. Following the review, the Board agreed that the current approach of appointing two designated employee engagement Directors provides valuable and insightful perspectives on the culture of the business from employees' viewpoints, and that this approach should therefore continue.

To maximise outcomes from feedback gathered through workforce engagement sessions, a programme of regular meetings with the CPO has been implemented, together with structured updates from local business areas following engagement sessions and enhanced feedback to employees on actions taken.

In addition to this, the two designated Board Engagement Directors, Bessie Lee and Joan Wainwright, sought feedback from employees on the engagement sessions held between July and October 2025. The purpose of this was to ensure the sessions were of value to both the Board and employees.



## Board engagement highlights

**3**

employee engagement sessions held during the year

**5**

site visits conducted by Directors

**TOP 30**

shareholders engaged post AGM

## CASE STUDY

### ENGAGING WITH EMPLOYEES AT BEAUVAIS

In September 2025, as part of the Board visit to Beauvais, France, Bessie Lee and Joan Wainwright met with the RS team. The visit provided a comprehensive overview of the business and comprised of:

- A briefing from the management team on changes that had been made following Joan's previous visit in 2022
- A focus group with 12 employees as representatives from the office and DC, met in a group setting with the assistance of a translator to enable a productive discussion

Discussions during this session included what's working well, what can be improved, what one key change the team would like to see, and what is the hope for RS in the future.

The discussion was followed by a question-and-answer session between the employees and Bessie and Joan.

The visit concluded with a debrief with members of the local management team to discuss key feedback and actions. The general feedback from the focus group showed that the team are incredibly proud of what they have achieved as a business and are enthused by the future prospects, despite the current difficult trading environment.

A detailed summary of the visit was also provided to the Board and shared with the EMEA leadership team.

Key themes and observations from the employee engagement sessions conducted during the year were around working conditions, resources, IT infrastructure, strategic prioritisation, and clarity of communications and processes.



# BOARD PERFORMANCE REVIEW

Board performance reviews provide valuable insight and independent objectivity to the Board and its Committees, supporting the continuous enhancement of Board leadership, effectiveness and strategic focus. Through a considered evaluation of each Director's role and responsibilities within the context of the overall Board dynamic, the review process promotes constructive challenge, collaborative decision-making, and greater strategic clarity.

## Board performance review cycle

The Board undertakes an annual review of its performance and effectiveness. During 2025/26, an externally facilitated Board performance review was conducted in accordance with the provisions of the Code. Clare Chalmers was appointed to lead the review, having previously facilitated the Board's external performance review in 2022, thereby providing continuity and enabling an assessment of progress over the three-year period. The scope of the review encompassed the performance and effectiveness of the Board and its Committees, as well as the Chairman, the Senior Independent Director, and the Company Secretary. The review process is set out below.

The performance review demonstrated that the Group benefits from a strong, high calibre Board that operates very effectively. The review identified positive progress since the 2022 performance review, including a strengthened organisational culture under the CEO's leadership, and improvements in the quality and structure of information provided to the Board, supporting more effective and higher-quality discussions and decision-making. Areas to further strengthen the Board's effectiveness can be found to the right.

## OUR EIGHT-STAGE EXTERNALLY FACILITATED BOARD PERFORMANCE REVIEW PROCESS

### STAGE 1

Appointed Clare Chalmers to provide continuity and assessment of progress since the 2022 review

### STAGE 2

Scope, approach, structure, and objectives set

### STAGE 3

Review of Board and Committee meeting documents completed

### STAGE 4

Clare Chalmers observed Board and Committee meetings

### STAGE 5

Individual interviews conducted

### STAGE 6

A focused but descriptive written report was provided to the Chairman

### STAGE 7

Chairman met with each Director on a one-to-one basis

### STAGE 8

The report was presented to the whole Board for discussion

There is no other connection between Clare Chalmers and either RS or the individual Directors.

## Key outcomes from the 2025/26 performance review are as follows:

### Key considerations

### Actions agreed

#### Board composition and succession planning

- Continue to focus on the key skills and experience that will be required on the Board in the coming years
- Continue to oversee the strengthening of Executive and Senior Management succession planning and development
- Conduct a review of the Board's skills matrix to support review of any training needs for existing Directors and assist with any future Board recruitment

#### Board meeting dynamics and logistics

- Continue to build boardroom dynamics, with a collegiate atmosphere that encourages constructive challenge
- Maximise Board effectiveness through on-going review of Board meeting schedule and agenda items
- Explore ways of further refining Board papers, with commentary and feedback on the content of papers, reducing paper volume where possible
- While progress had been made in respect of the quality and length of Board papers, further streamlining of presentations and enhanced focus on key points was required to support effective discussion during Board meetings
- Cadence and timings of meetings to be reviewed
- Feedback to be sought to further refine improvements to meeting papers

#### Horizon scanning and stakeholder input

- Explore methods of enhancing horizon scanning with the support of a third party to discuss aspects such as macroeconomic environment
- Explore ways of bring more of the voice of the customer and supplier to the Board
- Invite a third-party expert to provide an overview in an informal setting, such as a Board dinner
- In addition to the deep dive strategic reviews provided by the Chief Customer Experience Officer, who would bring the voice of customers to the Board, a presentation from selected suppliers would also be considered

## Board performance review continued

### Progress against the 2024/25 performance review

A summary of the Board's progress against the actions from the 2024/25 performance review is set out below.

#### Key recommendations

#### Actions agreed

#### Progress against actions

##### Strategic discussions

- More time was requested to allow in-depth discussions regarding strategy along with further details around developing areas, such as AI and technology

- Strategic papers will continue to focus on performance against competitors, key risks, and opportunities, KPIs and objectives and sufficient time to be allocated for discussion
- Further deep dives on AI, technology, and digital developments to be implemented, including longer-term horizon scanning

- Good progress was made on the format of strategic papers. During the year, one-page executive summaries were introduced for all strategic papers to help the Board navigate the pre-read and discussion points
- The Board received deep dives on AI, technology, and digital advances during the year. See pages 81 and 85 for further detail

##### Board meetings

- In addition to regular Board meetings, market visits were seen as a vital element of the Board's activities and would be built into the Board's annual calendar

- It was agreed that market visits should form a key part of the annual meeting cycle as they provide valuable insight into the business. It was noted that the next site visit would take place in September 2025, with a further site visit planned for 2026. Annual site visits would be built into future annual calendars

- The Board visited both the Beauvais, France, and Fort Worth, US business operations during the year. Each of these provided valuable and first-hand insight into these business operations
- As part of his induction, Miles Roberts visited Beauvais, France and Bad Hersfeld, Germany. Alongside Rona, he also visited the UK operations of RS Integrated Supply

##### Training and development

- Further deep dives on AI, technology, and digital advances would be beneficial, especially in respect of how we compare to the competition
- Focus on horizon scanning over the next three to five years

- In addition to the deep dives (above), further training would be investigated in respect of digital, machine learning, geopolitical tension, and global portfolio management

- The Board received deep dives on AI, technology, and digital advances during the year
- The Board received regular updates from across the business which included considerations of the geopolitical environment

##### Succession planning

- Executive Director and ExCo succession planning was identified as an area of key focus for the Nomination Committee for 2025/26

- Regular succession planning updates have been built into the Nomination Committee forward agenda for 2025/26 to maintain focus on this topic

- The Nomination Committee continued its focus on succession planning during the year. See pages 87 and 88 for further detail
- Key appointments were made during the year, which further strengthened the ExCo

## Board appointments, time commitments and development

### Appointments and time commitments

The Chairman, Senior Independent Director, and other Non-Executive Directors each have letters of appointment with RS Group plc and neither serve, nor are employed in any capacity, by the Group.

Non-Executive Directors are generally appointed for three-year fixed terms; however, in line with what is considered good governance practice, all Directors are proposed for annual re-election (or election if newly appointed) by shareholders at the AGM, where letters of appointment for each Non-Executive Director are available for inspection. Each Non-Executive Director is subject to a review at the anniversary of each three-year term to ensure they are still independent and have sufficient time to dedicate to the role and evaluate their contribution to the Board.

As illustrated on page 75, the Board has a diverse and appropriate range of skills and experience and works effectively in its role.

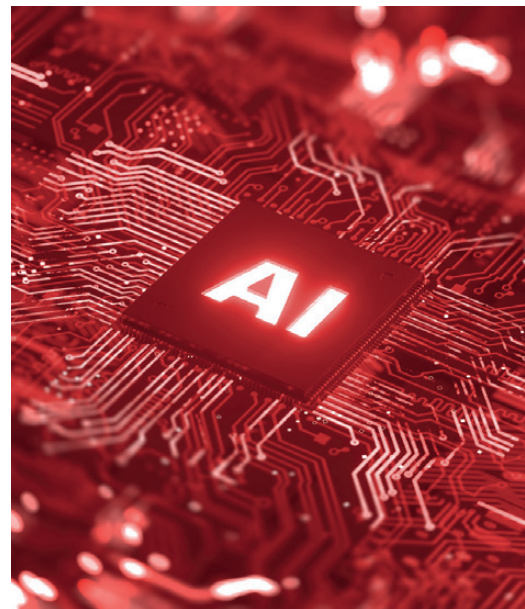
The expectation regarding time commitment for Board members to discharge their duties effectively is set out in the Directors' letters of appointment. The external commitments of our Directors are kept under review to ensure they have the time to contribute effectively to the activities of the Board and its Committees throughout the year. Any additional external appointment taken on by a Director must be approved by the Chairman prior to appointment, to ensure that the Director's ability to meet the required time commitments to the Group is maintained.

The Board, following the annual performance review process, also considers whether each Director performs effectively and demonstrates their commitment to the role. The Board recommends that all Directors be re-elected at this year's AGM.

As recommended by the Code, the Executive Directors who held roles during the year did not hold more than one non-executive directorship in a FTSE 100 company or any other significant appointments.

### Training and induction

As part of the Board's continuous development, the Directors receive regular updates from the Company Secretary as well as a schedule of externally available briefings and training sessions. External training includes facilitated events, forum discussions, and seminars related to the listed company environment, many of which were offered virtually. To strengthen its understanding of the business and support effective decision-making, the Board undertook in-depth reviews of each accelerating function during the year: Customer Experience and Product and Supply Chain, with each of the three regions providing deep dives into their region's culture, business performance, and market trends.



The Board also received deep dive insight from our enabling functions: Information Services & Technology, People, Finance, and Corporate Services, including H&S. These sessions served as an opportunity for the Board to gain further insight into our operating model and management capability. The Board also received an externally facilitated deep dive into AI, which was highlighted as an area of importance during the 2024/25 Board performance review, further details can be found below.

The Company Secretary is available to all Directors whenever needed and ensures that both Directors and Committees have access to independent professional advice (at the Group's expense) if they deem it necessary to carry out their role effectively.

Following the appointment of any new Director, the Chairman and Company Secretary ensure that a customised induction to the Company and the role of the Board is made available.

The induction programme is tailored to the individual Director, based on their skills, experience, and needs.

New Directors are provided with an induction pack that includes key corporate documents and information relating to the Group, such as the latest Annual Report and Accounts, strategy papers, the five-year plan, M&A pipeline, the internal audit plan, and governance documents, such as the Articles of Association, Terms of Reference of the Committees, and a Directors' responsibilities briefing.

Carole and Miles' induction programmes continued during the year. In addition to the Board visits to Beauvais, France and Fort Worth, US, Miles also visited Bad Hersfeld, Germany and our RS Integrated Supply business in Warrington, UK.

### CASE STUDY

#### EMBRACING TECHNOLOGICAL DEVELOPMENTS AND AI

In response to the recommendations from the 2024/25 Board performance review and recognising the requirement to strengthen Board capability and oversight in relation to AI, a dedicated training session was delivered to the Board during the year.

The Board recognises the importance of embracing AI, and the session in January 2026 helped to build a shared understanding of recent developments, their implications for the Group, and to advise on the Group's AI strategy.

The insightful session was led by a combination of internal leaders and external experts and covered the current state of AI adoption across

the business, the evolving external AI landscape, and how AI is already being embedded into our processes, platforms, and products.

The session enabled the Board to build its understanding and provoked constructive discussion around the Group's AI plans, including how opportunities are identified and prioritised, how AI is governed and deployed responsibly, and how we are building the skills, capabilities, and operating foundations required.

Particular focus was given to the opportunities for the Group, while managing risks relating to data, security, ethics, and regulatory compliance.

## Compliance with the UK Corporate Governance Code

# COMPLIANCE STATEMENT FOR 2025/26

The UK Corporate Governance Code 2024 (the Code) applied to the financial year ended 31 March 2026, with the exception of the new Provision 29, which will apply to the Group's 2026/27 Annual Report and Accounts. Existing Provision 29 of the UK Corporate Governance Code 2018 applied to the 2025/26 Annual Report and Accounts. The Group will report against the updated Provision 29 of the Code in the 2026/27 Annual Report and Accounts. For more information about the Group's preparation for the updated Provision 29, see pages 91 and 95.

**The Company confirms that it applied the Principles and has complied with the Provisions of the Code during 2025/26. The Code is publicly available at [www.frc.org.uk](http://www.frc.org.uk)**

### Application of the Code

The Directors' report is set out in a way that helps shareholders and investors to evaluate how the Company has applied the Principles and complied with the Provisions of the Code during the year. The table to the right signposts the most relevant parts of the Annual Report and Accounts, in particular where supporting information is not in the Directors' report.

Principles of the Code	Pages
<b>1. Board leadership and Company purpose</b>	
Chairman's introduction	2 to 4, and 71
Our Board	72 to 74
Purpose, values, and strategy	2 to 18
Culture	3, 10, 16 and 51 to 54 and 82
Board stakeholder engagement and decision-making and outcomes	76 and 79 to 82
Key performance indicators and strategic performance	20 to 23
Risk assessment	34
Risk management	33 to 40
Rewarding our people	53, 101 and 116
Whistleblowing	60 and 96
<b>2. Division of responsibilities</b>	
Our Board	72 to 74
Board leadership and governance framework	76 to 78
Board independence and time commitments	75 and 85
Committee reports	87 to 117
Board and Committee meeting attendance	75

Principles of the Code	Pages
<b>3. Composition, succession, and evaluation</b>	
Our Board	72 to 74
Board leadership and governance framework	76 to 78
Succession planning	87 and 88
Board performance review	83 and 84
Diversity	52, 89 and 90
Nomination Committee report	87 to 90
<b>4. Audit, risk, and internal controls</b>	
Audit Committee report	91 to 97
Statement of Directors' responsibilities	121
Risk management	33 to 40
Review of internal controls	33 to 40, and 95
Principal risks and emerging risks	34 to 38
Going concern	40
Viability statement	39 and 40
<b>5. Remuneration</b>	
Directors' Remuneration report	98 to 117
Other remuneration disclosures	116 and 117

# NOMINATION COMMITTEE REPORT

## Rona Fairhead

Chair of the  
Nomination  
Committee



## Key highlights

### Membership as at 19 May 2026:

- Rona Fairhead (Chair)
- Bessie Lee
- Miles Roberts
- David Sleath
- Joan Wainwright

### Activities during 2025/26

- Enhancement of talent mapping, development, and succession planning
- Oversight of the external Board performance review process
- Review of existing Non-Executive Directors' terms of appointment
- Review of Board Diversity and Inclusion (D&I) Policy

### Priorities for 2026/27

- Overseeing the progression of the Executive succession and development process
- Continued focus on Board composition and Non-Executive succession planning
- Overseeing the internally-facilitated Board and Committee performance review process

## Dear shareholder

I am pleased to present the Nomination Committee's (the Committee) report for the year ended 31 March 2026. This section of the Annual Report and Accounts details how the Committee discharged its duties during the year, along with its key activities.

### Board composition

Louisa Burdett stepped down from the Board at the end of her nine-year tenure, with effect from 31 January 2026, having served as Non-Executive Director and previously as Chair of the Audit Committee. The Committee and I would like to thank Louisa for the valuable contribution she made to RS during her tenure.

Succession for the Chair of the Audit Committee role was a key focus of the Committee's attention during the year and Carole Cran was appointed Chair of the Audit Committee from July 2025.

During the year, the Committee reviewed and approved Joan Wainwright's third three-year term. As part of this review it considered Joan's independence, contribution, and time commitment to the role. See page 88 for further information regarding Non-Executive succession planning.

### Succession planning

The Committee continued to oversee the Executive succession planning programme. This included a summary of progress during the year, opportunities to further strengthen senior leadership roles, an update on the development programme launched during the year, and planned actions for the next 12 months, to ensure the succession and development framework continues to evolve in line with the needs of the business.

## Belonging

The Board places great emphasis on benefiting from diversity in its broadest sense. During the year, the Committee reviewed the Board D&I Policy to ensure it continued to reflect best practice and promote the desired behaviours. This was subsequently adopted by the Board. This sets out the objectives for Board membership in respect of diversity. Further details on the Board D&I Policy can be found on page 89.

### Board performance review

An external Board performance review was conducted during the year and the process was overseen by the Committee. The findings from the performance review indicate a highly effective Board, with some areas of focus being identified. These will form the basis of an action plan, which will be implemented during the course of the year, with oversight from the Committee. The Committee also considered the actions identified from the 2024/25 internal performance review and monitored progress against these. Full details of the Board performance review process, outcomes, and previous actions can be found on pages 83 and 84.

## Rona Fairhead

Chair of the Nomination Committee  
19 May 2026

## KEY ACTIVITIES DURING THE YEAR

### JULY 2025

- Reviewed actions arising from the Executive succession planning deep dive presented to the Committee in March 2025
- Reviewed and approved Joan Wainwright's third three-year term as Non-Executive Director

### MARCH 2026

- External Board performance review outcome
- Executive succession planning
- Board D&I Policy reviewed and recommended to the Board for approval
- Reviewed the Committee Terms of Reference



## Nomination Committee report continued

### Board composition and changes

Louisa Burdett, Non-Executive Director stepped down from the Board at the end of her nine-year tenure, with effect from 31 January 2026, having served as Non-Executive Director and previously as Chair of the Audit Committee.

Carole Cran succeeded Louisa as Chair of the Audit Committee with effect from July 2025. Carole has in-depth financial experience, as she is a chartered accountant, and is currently chief financial officer of Halma plc. A smooth handover took place between Louisa and Carole, to ensure continued effectiveness of the Audit Committee.

On the third and sixth anniversary of appointment, each Non-Executive Director is subject to a review to assess their continued independence, the time available to fulfil the role, and their overall contribution to the Board. During the year, Joan Wainwright reached her sixth anniversary and, following this review, the Committee concluded that she remained independent and continued to make a strong contribution to the Board.

### Succession planning

Succession planning for key senior leadership roles remained a priority for the Committee during the year. Developing talent is a key enabler to delivering our business strategy and creating a high-performance, purpose-led culture.

#### Executive Director succession planning

The Board recognises the importance of robust succession planning to help nurture a diverse pipeline of talent in current and future leaders. The Committee is pleased with the progress that has been made during the last year in respect of executive succession planning. A more robust process, together with a good balance of bringing in external talent and promoting from within, has enhanced the talent succession pipeline at the ExCo and senior management level. Two new ExCo members have been hired in the last 12 months, as have some strong hires into some of our key market lead roles. Additionally, senior leadership capability has been enhanced over the past 12 months, supported by targeted role changes and appointments designed to enhance overall depth and experience.

The succession plans are split between short-term and long-term requirements:

- Short-term requirements: for use in unplanned or emergency situations, whereby interim cover on a short-term basis is implemented. The Committee was pleased that capable emergency successors have been identified for all ExCo roles
- Longer-term requirements: for creating a diverse pipeline of talent within the organisation by identifying individuals who have potential to step into the role in the next one to five years. Any gaps in experience and knowledge are identified, and a development plan devised and implemented to upskill potential candidates

Our succession planning process has evolved to strengthen leadership capability, provide greater accountability for developing key talent, drive and monitor more action-orientated outcomes, and develop a stronger and more diverse internal pipeline of talent through accelerated development and hiring.

During the year, the ExCo development and succession review was completed, which provided essential data points to enable focused development activities for each member of the ExCo. In addition to this, all ExCo roles have succession candidates identified within the five-year planning horizon with actions to strengthen and accelerate, with our succession coverage matching external best practice level. The Committee acknowledges that while there is strong representation of women on functional succession plans, it observed that there is more work to be done on ensuring the same applies for the succession plans of commercial roles, which will continue to be an area of focus going forward.

Over the last year, the team has implemented a robust talent policy and process for all senior manager hires, which includes an assessment of the candidate against our new leadership framework and competencies. This policy also ensures that it is a diverse and inclusive process.

In 2025/26, we launched our new Leadership Advantage Programme where 90 senior leaders began their 18-month leadership development journey with our selected global business school partner. This programme supports our People Plan objective to create a strong and diverse pipeline. Further detail can be found on page 53.

For the broader employee base, there is an annual process whereby all individuals throughout the Group undergo regular performance reviews and are responsible for their own development plans, with oversight and support provided by line managers. In addition to this, an ongoing succession planning process is in place to identify talent and successors to senior leadership roles, and to highlight any potential retention risks. For details of our talent programme, see page 53.

The Committee will continue to review and monitor the succession planning process, including performance and talent ratings, to ensure it is effective and appropriate for the Group.

#### Non-Executive Director succession planning

Throughout the year, the Committee continually considered the Board's balance of skills and experience to ensure the overall composition of the Board remains appropriate. This approach also enables the Committee to identify any skills gaps and to build role profiles quickly, when needed.

Consideration is also given to the Non-Executive Director tenure. During the year, Directors who reached a three- or six-year anniversary from the date of their appointment, were considered by the Committee, taking into account length of tenure, time commitments, and continued independence.

## Nomination Committee report continued

### Diversity and inclusion

During the year, the Committee approved an updated Board D&I Policy. This provides a high-level overview of the Board's approach to driving D&I in our succession planning, selection, nomination, operation, and performance review of the Board. This policy works in conjunction with our wider Group D&I Policy.

### Policy statement

We believe in creating an inclusive and engaging environment, where everyone is proud and excited to come to work and can perform at their best, develop, and thrive. We are proud to support our people to be their best by building an inclusive workplace that supports everyone, irrespective of ethnicity, disability, socio-economic backgrounds, mental health conditions, neurological divergence, age, religion, sexual orientation, or gender identity.

The Board places great emphasis on ensuring that its membership reflects diversity in its broadest sense. We believe a key driver in delivering our organisational diversity commitments is through a Board, which has a balance of skills, personal and cognitive strengths, experience, independence, and knowledge. Consideration is given to the combination of demographics, skills, experience, ethnicity, age, gender, and other relevant personal attributes on the Board to provide the range of perspectives, insights, and challenge needed to support good decision-making.

New appointments are made on merit, taking account of the specific skills and experience, independence, and knowledge needed to ensure a diverse and rounded Board and the benefits each candidate can bring to the overall composition of the Board and its Committees.

### Objectives

Objectives for achieving Board diversity are periodically reviewed. The Board aspires to be comprised of:

- At least 40% women
- At least one of the senior Board positions (Chair, CEO, CFO or Senior Independent Director) is a woman
- At least one Director from an ethnically diverse background

The Board acknowledges that in periods of Board change, there may be times when this balance is not maintained. As at 31 March 2026, the Board is comprised of 55% women and 11% from an ethnically diverse background.

Reflecting these aspirations, the Board will aim to meet any recommendations set out by the FTSE Women Leaders Review (formerly Hampton-Alexander Review) and the Parker Review.

The Board places high emphasis on ensuring the development of diversity in the senior management roles across the Group and supports and oversees the Group's ambition of working towards 37-42% of senior leaders being women and 17-22% being ethnically diverse by 2030. See page 52 for further details.

Currently, this Policy is not applied to Board Committees individually, although we strive to apply similar representation across the Committees. The Board is comfortable that the diversity of the Board is reflected across Committee memberships and that this remains an ongoing consideration.

### Responsibilities, monitoring, and reporting

The Chairman of the Board will lead the Board's diversity agenda and set measurable objectives, with the aim of continuously improving D&I generally, ultimately leading to better debate and decision-making.

The Board will be expected to role model inclusive language, behaviours, and practice in all undertakings for and on behalf of the Group, setting a clear tone from the top.

The Committee is responsible for ensuring that the Board has the right balance of skills, experience, and knowledge and, in accordance with its Terms of Reference, shall:

- Regularly review Board composition
- Monitor and drive succession planning, talent development, and the broader aspects of D&I for both Executive Directors and the ExCo
- For any Director appointments, work with executive search firms that reflect and understand the Group's values and approach to diversity, including this Policy, and will honour those values and approach in identifying and proposing suitable candidates for appointment to the Board and its Committees

- Identify suitable candidates for appointment to the Board on merit against objective criteria having regard to:
  - The benefits of diversity in promoting the success of the Group for the benefit of its shareholders as a whole
  - The skills, experience, background, independence, and expertise of current members of the Board and its Committees
- Report annually in the Governance report of the Annual Report and Accounts on the implementation of the Board D&I Policy and other matters as required by the Code and other regulatory and statutory requirements
- Review the Board D&I Policy at least annually and recommend any revisions to the Board



## Nomination Committee report continued

### Gender and ethnicity representation

The Financial Conduct Authority, in its capacity as the UK Listing Authority, introduced rules during 2022 that require listed companies to publish information on gender and ethnic representation on the Board and in executive management roles (Listing Rule UKLR 6.6.6R (9) and (10)). The tables below outline the current gender and ethnic diversity of the Board and our ExCo.

### Methodology of data collection

Data in respect of our senior leaders, including our ExCo, is compiled through our employee database and collected on a self-reporting basis. Data in respect of the Board is collected on a self-reporting basis and agreed directly with the Board members.

#### Diversity statistics as at 31 March 2026

##### Reporting table on gender representation

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number of ExCo members	Percentage of the ExCo
Men	4	45%	2	7	70%
Women	5	55%	2	3	30%
Not specified/prefer not to say	0	0	0	0	0%

##### Reporting table on ethnicity representation

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number of ExCo members	Percentage of the ExCo
White British or other White (including minority-white groups)	8	89%	4	10	100%
Mixed/Multiple Ethnic Groups	0	0	0	0	0%
Asian/Asian British	1	11%	0	0	0%
Black/African/Caribbean/Black British	0	0	0	0	0%
Other ethnic group	0	0	0	0	0%
Prefer not to say	0	0	0	0	0%
Not specified	0	0	0	0	0%

Throughout the 2025/26 Annual Report and Accounts, the information we disclose is in accordance with our reporting obligations as a UK registered company listed on the London Stock Exchange. We continue to keep our policies and procedures under review to ensure ongoing compliance with the laws and regulations of the jurisdictions in which we operate, including any anti-discrimination regimes as they evolve.

### Board performance review

The Committee, led by the Chairman of the Board, is responsible for overseeing the Board performance review process. This year, the Board underwent an externally facilitated performance review.

The Committee also considered the remaining actions taken in response to feedback from the previous internal review undertaken in 2024/25 and monitored progress against the agreed actions. Full details of both the performance review and actions against the previous year's performance review are provided on pages 83 and 84.

### Committee governance

#### Committee structure and meetings

The Committee is comprised of independent members. Louisa Burdett stepped down from the Board and Committee in January 2026. There were no further changes to the Committee membership during the year.

The Committee held two scheduled meetings during the year. Details of attendance at meetings can be found on page 75.

In addition to the members, the regular attendees at the meetings of the Committee have included the CEO, CFO, CPO, and the Company Secretary.

The Committee Chair attends the Company's AGM and is happy to answer any questions from shareholders on matters falling within the Committee's responsibilities.

Meetings of the Committee generally take place shortly before Board meetings and activities of the Committee are reported by the Chair to the Board as a separate agenda item.

### Committee responsibilities

The Committee's chief responsibilities have not changed during the year. The Committee's Terms of Reference are reviewed formally and approved annually and set out its principal duties in full, including its authority to carry out its duties. These are available at [rsgroup.com](https://www.rsgroup.com)

### Committee performance review

As part of the external performance review, the Committee examined its own performance and operational effectiveness. The Committee members agreed that the meetings continued to be well run with appropriate levels of detail presented.

The overall findings of the performance review demonstrated that the Committee operated effectively and continues to discharge its duties in line with its Terms of Reference.

# AUDIT COMMITTEE REPORT

## Carole Cran

Chair of the Audit Committee



## Key highlights

### Membership as at 19 May 2026

- Carole Cran (Chair)
- Alex Baldock
- Miles Roberts
- David Sleath

### Activities during 2025/26

Reviewed and confirmed adherence to the requirements of the new "Audit Committees and External Audit: Minimum Standard", through the activities described below:

- Monitored the integrity of the Group's financial statements, including half-yearly and annual announcements relating to financial performance
- Reviewed and monitored the Group's approach to risk management and the effectiveness of its internal controls
- Monitored the Group's preparations for the upcoming changes to the Code in readiness to meet the additional disclosures over the effectiveness of material controls (Provision 29)
- Evaluated the performance of the internal audit function
- Reviewed the Group's ESG reporting approach, including the update on its climate-related risks and opportunities in relation to TCFD and preparedness for future CSRD and ISSB alignment

- Reviewed preparations for the New Failure to Prevent Fraud offence
- Reviewed the performance and effectiveness of the external Auditors, including consideration of their appointment and remuneration
- Conducted regular reviews of cyber security risks, the effectiveness of existing controls, and further planned enhancements to this control environment

### Priorities for 2026/27

- Continue to monitor the Group's progress on refining the Group's material controls to comply with the Code, including ensuring that the controls are designed and working effectively, for the detection and prevention of fraud
- Prepare for known legislative or regulatory changes whilst monitoring any upcoming legislation changes
- Continue to focus on principal risks, including the evolving cyber security threat landscape
- Continue to ensure our external Auditors maintain a high standard of audit quality and are sufficiently challenging to management in the course of its work
- Continue to oversee the Group's preparedness for new and evolving ESG reporting and compliance requirements

## Dear shareholder

As recently appointed Chair of the Audit Committee (the Committee), I would like to thank our previous Chair, Louisa Burdett for her support in helping me transition into the role. I am pleased to present the Committee's Report for the year ended 31 March 2026. The purpose of this Report is to describe the work undertaken by the Committee and explain how it has discharged its responsibilities throughout the year.

The Committee's main role is to monitor and review the integrity of the Company's financial information. This includes recommending to the Board whether the Company's Annual Report and Accounts, taken as a whole, is fair, balanced, and understandable and whether the assessment of the Group's going concern assumptions and longer-term viability are reasonable. The Committee is also responsible for providing assurance to the Board that the Group's internal controls and risk management systems are fit for purpose and regularly reviewed, as well as overseeing the effectiveness and independence of the external Auditors, Deloitte LLP, including recommending to the Board the approval of their fees and appointment on an annual basis.

We continued to see professional, comprehensive, and robust work in all areas which has meant that the Committee has been able to discharge its obligations seamlessly throughout the year.

The Committee's focus on the Group's financial reporting, includes: the key accounting matters set out on pages 93 and 94; approving the disclosures in relation to climate change and geopolitical uncertainties; the Group's going concern and viability statements; and the Group's use and definitions of alternative performance measures. All of these matters were conducted to the satisfaction of the Committee.

We continued to monitor the Group's progress in further strengthening its internal control framework. Over the year, the Group has enhanced the clarity, consistency, and oversight of its material controls, supported by improvements in monitoring and reporting systems. The Committee is satisfied that the internal controls framework evolution is progressing well and that the Group will be in a position to meet the requirements of the Code provisions.

The Committee considered emerging ESG legislation and associated disclosure requirements, including the Group's approach to responding to these requirements. This encompassed oversight of the fifth year of climate-related risk and opportunity disclosures under TCFD (see pages 62 to 67), review of Scope 3 emissions targets, and the proposed approach for the publication of the Group's first Climate Transition Plan. Alignment with forthcoming ESG regulatory requirements, including CSRD and ISSB, was also covered.

As part of its duties, the Committee has continued to review the Group's information security and data protection controls. The Committee also continued to ensure that appropriate procedures were in place for the detection and prevention of fraud and received regular updates relating to the Group's whistleblowing protocol, further details of which can be found on pages 60 and 96.

On behalf of the Committee, I would like to thank our finance and internal audit teams for their hard work over the past year. I would also like to add thanks to Deloitte for their role as the Group Auditor.

I will be available at this year's AGM to answer any shareholder questions in relation to audit matters.

## Carole Cran

Chair of the Audit Committee  
19 May 2026

## Audit Committee report continued

### KEY ACTIVITIES DURING THE YEAR

#### MAY 2025

- Reviewed the year-end key accounting judgements and issues (including tax) and approved the accounting treatment; viability and going concern; and fair, balanced, and understandable criteria for recommendation to the Board
- Reviewed the ESG performance against our 2030 action plan targets, and considered the ESG related disclosures for year end, including the TCFD statement and financial scenario analysis recommendation to the Board
- Recommended to the Board for approval the adoption of the Annual Report and Accounts for the year ended 31 March 2025 and the full-year results announcement
- Reviewed non-audit fees and the Non-Audit Services Policy and recommended the Non-Audit Services Policy to the Board for approval
- Recommended to the Board for approval the appointment of Deloitte as Auditors for 2025/26
- Reviewed updates regarding internal audit reports, information security, and quarterly whistleblowing report

#### JULY 2025

- Reviewed Group internal audit remit and performance
- Quarterly review of non-audit fees completed
- Approved Deloitte's audit plan for 2025/26
- Received reports from the Data Protection Officer and quarterly whistleblowing report
- Review of internal audit reports
- Received an update on the US Inventory Provision review, further to the 2023/24 restatement
- Received an update on the Group's progress on preparing for Provision 29 of the Code (risk management and internal control framework)

#### NOVEMBER 2025

- Reviewed the half-year key accounting judgements and issues (including tax) and approved their accounting treatment; going concern; and fair, balanced, and understandable criteria for recommendation to the Board
- Reviewed the draft interim results for recommendation to the Board
- Quarterly review of non-audit fees completed
- Reviewed updates regarding internal audit reports and quarterly whistleblowing report
- Received an update on the Group's progress on preparing for Provision 29 of the Code
- Received an update from the Chief Information Security Officer

#### JANUARY 2026

- Received the Group internal audit update
- 2025/26 ESG reporting approach agreed, including TCFD actions, Scope 3 emissions targets, publication of the Group's first Climate Transition Plan, and wider ESG compliance plans
- Received an update on emerging ESG reporting regulations
- Received an update on the FRC evaluation of major auditors
- Quarterly review of non-audit fees completed
- Received a report from the Data Protection Officer
- Received an update from the Chief Information Security Officer
- Reviewed the annual whistleblowing arrangements and the quarterly whistleblowing report
- Reviewed the Committee's Terms of Reference and recommended adoption to the Board
- Received an update on the Group's progress on preparing for Provision 29 of the Code



### Fair, balanced, and understandable

The Board is required to confirm to the Company's shareholders that the Annual Report and Accounts, taken as a whole, is fair, balanced, and understandable and provides the necessary information and key messages to enable shareholders and other stakeholders to assess the Group and the Company's position, performance, business model, and strategy. The Committee advises the Board on whether this confirmation can be made and the Committee assesses whether it can make this recommendation to the Board by following its regular, robust approach which is:

- Ensuring regulatory requirements for the Annual Report and Accounts were thoroughly understood
- Reviewing draft copies of the Annual Report and Accounts to assess and advise on direction and key messages, with a near final version provided to the Committee and Board prior to sign-off of the Annual Report and Accounts
- Assessing management's fair, balanced, and understandable verification process and reviewing its results. This included a cascaded sign-off across the Group to determine the accuracy, consistency, and clarity of the data, information, and language
- Reviewing the use and disclosure of alternative performance measures and confirming its belief that separate disclosure of these measures enables readers of the Annual Report and Accounts to understand better the underlying financial and operating performance of the Group. The alternative performance measures are consistent with prior years. The definitions and reconciliations of alternative performance measures are set out in Note 3 on pages 137 to 141
- Ensuring that a thorough review of the Annual Report and Accounts was undertaken by all appropriate parties, including external advisors

## Audit Committee report continued

The Committee has reviewed the Annual Report and Accounts for the year ended 31 March 2026 and has advised the Board that, in its opinion, the Annual Report and Accounts, taken as a whole, is fair, balanced, and understandable and provides the information necessary to assess the Group's position and performance, business model, and strategy.

### Financial reporting

The primary role of the Committee in relation to financial reporting is to monitor the integrity of the Group's published financial information, including reviewing its full-year and half-year financial results. The Committee undertakes this with both management and Deloitte and concentrates on ensuring compliance with the relevant financial and governance reporting requirements. The Committee considers the principal accounting policies that are used when preparing these results as well as reviewing the significant accounting matters and areas of judgement made as noted below and other key areas of focus as noted on this page and page 94. Also, this includes the fair, balanced, and understandable review as described in more detail on page 92. The Committee receives regular reports from the CFO and Group Financial Controller to support this work.

During the year, the FRC's Corporate Reporting Review (CRR) team carried out a review of the Group's 2025 Annual Report and Financial Statements as part of its annual review of corporate reporting. The Committee received and reviewed the final report from the CRR team which identified no significant findings. The Committee considered the recommendations provided by the CRR team when preparing this Annual Report and Accounts and notes that the FRC's review does not provide assurance that the Annual Report and Accounts is correct in all material respects, as the FRC's role is not to verify information provided, but to consider compliance with reporting requirements.

### Significant accounting and reporting matters and areas of judgement

Management is required to exercise judgement in a number of areas when preparing the Group accounts and the Company accounts. The Committee focuses on any significant areas of judgement that may materially impact the Group's and Company's reported results and assesses and challenges, if necessary, whether these judgements are reasonable and appropriate. The Committee also reviews the clarity and transparency of the related disclosures.

The significant accounting issues and areas of judgement considered by the Committee during the year, and how these were addressed, are set out below.

#### Inventories valuation

Inventories represent a material proportion of the Group's net assets. At 31 March 2026, inventories amounted to £595.0 million (2024/25: £617.3 million), including attributable overheads. Management applies judgement in estimating the net realisable value (NRV) of inventories to determine appropriate provisions. At 31 March 2026, inventory provisions totalled £80.6 million (2024/25: £86.8 million).

The estimation of NRV involves judgement over forecast sell-through volumes and the recoverable value of inventory, informed by historical sales, returns data and current market conditions. Sensitivity analysis was performed on the key assumptions used in determining inventory provisions, considering reasonably possible changes arising from current global economic uncertainty and environmental regulation; this included the impact of an increase and decrease of 10% in provision rates. This analysis indicates that reasonably possible changes in these assumptions are not expected to have a material impact on the NRV of inventories.

#### How the Committee addressed these matters and conclusions reached

Following the inventory provision restatement in the prior year, which arose from process and system issues within the US operations and unsupported deviations from the Group's inventory provisioning policy, the Group has implemented a more robust, data-driven, and regularly reviewed methodology for calculating and analysing inventory provisions, together with strengthened controls. The revised approach, including the key assumptions, judgements, and sensitivities, was presented to and reviewed by the Committee, which agreed that it is reasonable. See Note 18 on page 159.

### Going concern and viability statements

As part of its role in advising the Board, the Committee reviewed the preparation of the Directors' viability statement and the related supporting analysis, as well as the going concern assessment and the adoption of the going concern basis in preparing the Annual Report and Accounts. The Committee also reviewed and agreed the wording of the going concern statement and recommended its approval to the Board.

In reviewing the viability and going concern statements, the Committee considered the assessment period and reviewed and challenged the scenarios applied to each principal risk, including the determination and outcomes of severe but plausible stress tests and reverse stress tests. Based on this work, the Committee recommended that the Board approve both the viability statement and the going concern statement. Further details are set out on pages 39 and 40 of the Strategic report.

### Other key areas of focus

The Committee also reviews a number of other key areas that require management to exercise judgement. These judgements have not had a significant effect on the amounts recognised in the accounts in the year ended 31 March 2026, nor are they significant estimates which have a significant risk of resulting in a material adjustment to the carrying amounts of the Group's assets and liabilities within the next year. However, the Committee focuses on these areas to ensure these judgements are also reasonable and appropriate, and to ensure they have not become significant.

## Audit Committee report continued

### Other key areas of focus

The other key areas of focus in the year were:

#### Impairment of other assets

The Group carries a significant amount of other intangible assets on the balance sheet. Intangible assets excluding goodwill are stated at cost, or fair value at the date of acquisition, less accumulated amortisation and any provisions for impairment. Residual value is reassessed annually for risk of impairment which involves judgement around the assessment of indicators of impairment, the determination of useful economic lives, and the estimation of future economic benefits.

#### How the Committee addressed these matters and conclusions reached

In addition to the annual goodwill impairment assessment, other assets are regularly reviewed for indicators of impairment. Where indicators are identified, impairment assessments are performed and reviewed by the Committee, including consideration of key assumptions.

During the year, as the Group entered the next phase of its business and technology transformation programme, management undertook a comprehensive review and impairment testing of legacy and superseded technology assets to assess whether they remained fit for purpose in the context of the Group's future strategic and operational priorities. The review concluded that certain capitalised technology projects were no longer in use and were not expected to generate future economic benefits. As a result, an impairment charge of £14.9 million was recognised in accordance with IAS 36.

An impairment charge was recognised within adjusting items in line with the Group's Alternative Performance Measures and is disclosed in Note 14 on pages 154 to 156. The Committee reviewed management's approach, including the identification of impacted projects, the assessment of recoverability, and the presentation of the impairment charge. The Committee was satisfied that the impairment recognised and the related disclosures are appropriate, clear, and consistent with IFRS and the Group's transformation strategy.

The Committee also reviewed and agreed the trade receivables impairment allowance and the related disclosures in Note 23 on pages 164 to 168.

#### Impairment of goodwill

At 31 March 2026, goodwill recognised on the balance sheet totalled £634.7 million (2024/25: £616.4 million). The impairment assessment of goodwill involves judgement, particularly in relation to the assumptions applied in value in use models, where indicators of impairment exist.

#### How the Committee addressed these matters and conclusions reached

The value of goodwill is reviewed regularly for impairment using value-in-use models using cash flows and discount rates as set out in Note 14 on pages 154 to 156. The Committee reviews these impairment tests every year, including the main assumptions. These assumptions also include consideration of the impact of climate change.

The Committee agreed with the tests' confirmation that there remains adequate headroom in place and no impairment provision is required. If there are any indicators that they may be impaired.

#### Fair values and goodwill on acquisition of business

On 1 March 2026, the Group completed the acquisition of BPX Group for consideration of £35.4 million. The provisional purchase price allocation resulted in goodwill of £9.3 million and other intangible assets of £11.2 million. Judgement is required in determining the fair values of the identifiable intangible assets acquired and the goodwill recognised. In accordance with IFRS 3, the acquisition accounting is not yet finalised at the reporting date and provisional amounts have therefore been recognised. The measurement period will not exceed one year from the acquisition date. Further details are set out in Note 29 on page 170.

#### How the Committee addressed these matters and conclusions reached

The Committee reviewed the accounting treatment applied to the BPX Group acquisition, including the identification and fair value measurement of the assets acquired and liabilities assumed, and the resulting goodwill. The Committee noted the proximity of the acquisition date to the Group's year end and acknowledged that further valuation work will be completed during the measurement period, with a final purchase price allocation to be presented to the Committee in the next financial year.

The Committee reviewed and challenged the key judgements and estimates applied by management and concluded that it is satisfied with the provisional fair values recognised and the goodwill arising on acquisition.

## Audit Committee report continued

### Other matters

The Committee also carried out a range of other activities in relation to financial reporting during the year which included:

- Reviewing the impact of amendments to accounting standards adopted during the year
- Reviewing the effective tax rate, judgements made in relation to the levels of tax contingencies for potential challenges by local tax authorities and recoverability of losses, and relevant disclosures
- Reviewing and agreeing the accounting treatment and disclosure of any potential post-balance sheet events at both the half-year and full-year
- Agreeing with management's assessment that there are no indicators of impairment for the investments the Company holds in its subsidiaries

### Internal control and risk management

The Vice President, Group Operational Audit and Risk (VP Audit and Risk), provides quarterly reports to the Committee on internal audit assignments completed during the period. These reports highlight matters that may impact delivery of the Group's strategic objectives or indicate areas where improvements to processes or controls are required. The Committee considers these findings and discusses appropriate actions where necessary.

In addition, a biannual review of the Company's principal and emerging risks is undertaken. The outputs are reviewed by the Board and are used to challenge the effectiveness of the Group's risk management and internal control frameworks, as well as to inform the internal audit plan for the year ahead.

The Group's system of internal control and risk management processes have been in place throughout the year and up to the date of this Annual Report and Accounts. In the event weaknesses are identified in the internal control system, plans for strengthening them are put in place and then regularly monitored.

During the year, the Group launched a structured Internal Controls Programme, led by the Director of Controls, to further enhance the Internal Control Framework in response to the increasing scale and complexity of the business. The enhancement of the Internal Control Framework and implementation of controls monitoring, testing, and reporting tool has enabled a more consistent, risk-based approach to control design, monitoring, and reporting, providing improved management insight, oversight, and governance. The programme has strengthened the control environment through targeted enhancements across key processes aligned to material financial and operational risks. No material control weaknesses were identified which would impact the effectiveness of the Group's system of internal control. The Committee receives regular updates on the operation and effectiveness of the Internal Control Framework and takes action where required.

These activities enabled the Board to assess the effectiveness of the Group's system of internal control and residual risks before making its statement in the Annual Report and Accounts. Further information on the Group's principal risks is set out on pages 34 to 38 of the Strategic report.

### Internal controls

Internal financial controls are the systems and processes employed by the Group to support the Board in discharging its responsibilities for financial matters and the financial reporting process, as described on page 121.

The principal elements of the Group's internal financial control framework include:

- Continuous monitoring, oversight, and enhancement of the Internal Controls Framework by the Director of Controls, supported by the recently implemented controls management tool
- Independent assessments by internal audit of the effectiveness of operational controls
- Clearly defined terms of reference setting out the responsibilities of the Board and its Committees, with appropriate delegation to management across all locations
- Group Finance and Group Treasury manuals setting out accounting policies, procedures, and control requirements
- Weekly, monthly, quarterly, and annual reporting cycles, including Board-approved targets and regular forecast updates
- Review of financial performance by local leadership teams against forecasts and agreed performance metrics, with consolidated performance reviewed at regional, business, and Group levels
- Specific reporting systems covering treasury operations, tax, major investment projects, and legal and insurance activities, which are reviewed regularly by the Board and its Committees
- Whistleblowing protocol enabling individuals to report fraud, financial irregularities, or other matters of concern

The updated UK Corporate Governance Code was published in January 2024. Through a targeted Internal Controls Programme, the Group has increased its focus on enhancing financial reporting controls, building on the existing control environment. The programme prioritises key risk areas and extends to other relevant aspects of the controls environment impacted by the Code, which will apply to the Group for the year ending 31 March 2027. The Committee will continue to monitor progress against these requirements.

### Internal audit

The work of the internal audit function spans the whole Group, including, as and when relevant, acquired businesses, and provides independent and objective assurance over the Group's systems of internal controls through a risk-based approach. The Committee reviews and approves the scope and resourcing of the internal audit plan annually with the VP Audit and Risk. The scope of the plan is determined by reference to the Group's operating risks and strategy as well as geographic, functional, and external risks. The Committee reviews:

- The level and skills of resources allocated to the internal audit function to conduct this programme of work
- The summary of the results of each audit and the business team's resolution of any control issues identified
- The effectiveness of the internal audit function

The VP Audit and Risk has regular, open access to the Committee Chair. Discussions focus on audit planning and matters noted during internal audit assignments. Other members of the Committee are also available as required. The Committee meets with the VP Audit and Risk without the presence of management at least once a year. As noted in the 2024/25 Annual Report and Accounts, Mark Taylor retired from the position of VP Audit and Risk in May 2025 and the Committee welcomed Chris Curtis as Mark's replacement.

## Audit Committee report continued

### Other activities

#### Cyber security risk, digital security, and information governance

The Committee noted that the approach to identifying, assessing, and managing cyber security risk is integrated within our Group-wide approach to risk management, with failure in information technology and cyber security identified as a principal risk. The Committee conducted regular reviews of cyber security risks, the effectiveness of existing controls, and the need for additional mitigations.

#### Fraud

The Committee is responsible for reviewing the Group's procedures for the prevention and detection of fraud. Suspected cases of fraud must be reported to the Company Secretary or General Counsel within 48 hours and investigated by operational management, Group compliance, or internal audit, as appropriate. The outcome of any investigation is reported to the Company Secretary, General Counsel, and the CFO. A register of all suspected fraudulent activity and the outcome of any investigation is maintained and circulated to the Board on a regular basis, with the Committee also receiving regular updates.

The Group takes steps in line with good business practice to detect and prevent fraudulent activity, and is preparing for the new requirements of the Economic Crime and Corporate Transparency Act related to fraud prevention. The Committee is pleased to report that there were no frauds of a material nature discovered during the year, although the Group is subject to various attempts at external and low-level credit card and online fraud.

### Whistleblowing

In accordance with the provisions of the Committee's Terms of Reference, the Committee is responsible for reviewing the arrangements whereby all of the Group's employees may, in confidence, raise concerns about illegal, unethical, or improper behaviour or other matters and for ensuring that these concerns are investigated and escalated as appropriate. Reports may be raised directly to senior management or through an external third-party reporting tool. Whistleblowing is referred to internally as Speak Up and is available to all of the Group's employees, customers, and suppliers. The Committee receives aggregated reports on matters raised through these services and monitors their resolution. The Group's existing policies and procedures (adopted globally) have been updated to reflect the ongoing implementation across EU Member States of the 2021 European Whistleblowing Directive. An awareness campaign was also launched across the Group during the year. The Group will continue to monitor any national laws that implement additional, relevant requirements and make any required changes to policies and procedures where appropriate. For further information see page 60.

### ESG

During the year, the Committee considered current and emerging ESG legislation and disclosure requirements and received updates from the ESG team on the Group's regulatory readiness, including progress towards alignment with CSRD and ISSB. This included oversight of the fifth year of climate-related risk and opportunity disclosures under TCFD (see pages 62 to 67), review of Scope 3 emissions targets, and consideration of the proposed approach to publishing the Group's first Climate Transition Plan. The Committee reviewed and agreed the ESG reporting requirements for 2026/27 and future years and was satisfied that the ESG disclosures, including the TCFD report, contained appropriate and accurate data and information, recommending their approval to the Board.

### Data protection

The Committee continued its reviews of the data protection compliance programme through reports from the Data Protection Officer. The Committee continued to provide oversight of the Group's compliance with laws regarding the protection of personal data across its operations, including the General Data Protection Regulation and the UK's Data Protection Act.

The Committee received regular reports from the Data Protection Officer, highlighting ongoing compliance work such as training, targeted training for high risk teams, and awareness campaigns to embed a culture of privacy by design, as well as assessments of the impact of material changes to the Group's operations on its handling of personal data (such as significant changes to systems and integration of acquisitions) and monitoring of changes in the regulatory environment.

### External Auditors Effectiveness and independence

The Committee is responsible for reviewing the performance and effectiveness of the external Auditors, Deloitte, as well as their appointment and remuneration.

A review of Deloitte's audit of the Group's 2025 accounts was conducted during the year by the FRC's Audit Quality Review (AQR) team. The Committee received regular updates from Deloitte and management during the process, and reviewed the final report from the AQR team which assessed the audit as limited improvements required. The Committee also considered the FRC's Audit Quality Inspection report on audits performed by Deloitte for 2025/26, published in July 2025.

During the year, the Lead Audit Partner, Jon Thomson, and the Group Second Partner, Becky Drew, together with other relevant and appropriate members of the Deloitte audit team, attended all of the Committee's meetings. Deloitte provided reports and conclusions on the Group's key accounting judgements, internal control processes, and half-year report.

Further details of how the Committee and the external Auditors work together, as well as how the external Auditors' independence is maintained, can be found in the governance section of our website. As in previous years' reports, the Committee can confirm that the Group does not engage Deloitte to undertake any work that could affect its independence.

The Committee has satisfied itself that the Company has complied with the provisions of the Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Processes and Audit Committee Responsibilities) Order 2014, published by the Competition and Markets Authority on 26 September 2014.

### Non-audit assignments undertaken by the Auditors

The Group operates a policy to ensure that the provision of non-audit services does not impair the external Auditors' independence or objectivity and that only permitted services are provided. In determining this policy, the Committee took into account possible threats to the external Auditors' independence and objectivity.

The policy on non-audit services includes:

- In providing a non-audit service, the external Auditors should not:
  - Audit their own work
  - Make management decisions for the Group
  - Create a mutuality of interest
  - Find themselves in the role of advocate for the Group

## Audit Committee report continued

- The total non-audit fees for any financial year should not exceed 70% of the average of the external audit fee over the last three years. In practice, the non-audit fees are normally significantly below this level

The policy also states that the Committee has pre-approved the CFO to have authority to commission the external Auditors to undertake non-audit work (not covered on the previous page) where there is a specific project with a cost that is not expected to exceed £50,000. Any fees above £50,000 must be pre-approved by the Committee.

Full details of our policy in relation to non-audit services can be found on the governance section of our website. This policy was reviewed by the Committee during the year and no changes were required.

During the year under review, there were non-audit fees of £0.1 million for Deloitte compared to audit fees of £4.3 million. The non-audit fees primarily relate to the interim audit review. Further information on fees payable to Deloitte are included in Note 6 on page 143.

The Committee has satisfied itself that its use of the external Auditors complies with both the Code and the FRC's Ethical and Auditing Standards regarding the scope and level of non-audit work and non-audit fees incurred by the Group.

### Committee governance

#### Committee structure and meetings

The Committee acts independently of management to ensure the interests of our shareholders are protected properly in relation to financial reporting, risk, and internal control. All members of the Committee are independent Non-Executive Directors, with sufficiently wide-ranging business experience, expertise, and competence to enable the Committee to fulfil its responsibilities effectively. Louisa Burdett stepped down as Chair of the Committee in July 2025 and as a member of the Committee and the Board in January 2026. Carole Cran was appointed as Chair of the Committee in July 2025, and is a chartered accountant and, having held senior financial management positions, has extensive knowledge and experience of financial markets, treasury, risk management, and financial accounting standards. Biographies for the Committee members are set out on pages 72 to 74.

The Committee held four scheduled meetings during the year. Meetings were held in line with the financial and reporting cycles of the Company. Meetings are generally held prior to Board meetings so that optimum collaboration with the Board is maintained. The Committee Chair provides updates to the Board on the proceedings, considerations, and findings of each meeting.

The Committee Chair extends invitations to certain other key individuals to attend meetings, including the Chairman of the Board, other Non-Executive Directors who are not members of the Committee, the CEO, CFO, Company Secretary, Group Financial Controller, VP Audit and Risk, and the external Auditors. The Data Protection Officer attends meetings twice a year to give updates on data protection matters, and the Chief Information Security Officer regularly attends to report on cyber security matters.

During the year, the Committee held separate sessions with the VP Audit and Risk and the external Auditors without the presence of management. The VP Audit and Risk and the external Auditors have direct access to the Committee Chair outside of formal Committee meetings.

#### Committee responsibilities

The Committee's chief responsibilities have not changed during the year. The Committee's Terms of Reference set out its principal duties in full, including its authority to carry out its duties, they are reviewed formally and approved annually to ensure compliance with the latest regulatory requirements. The Terms of Reference were reviewed during the year and updated to provide greater clarity regarding aspects included in the controls framework and inclusion and further clarity of the duty to ensure a robust assessment of emerging and principal risks. The updated Terms of Reference are available in the governance section of our website:

#### [rsgroup.com](https://www.rsgroup.com)

The core functions of the Committee include:

- Supporting the Board in ensuring the integrity of the financial and corporate reporting and auditing processes
- Assisting the Board in assessing the long-term viability of the Group by reviewing and challenging the scenarios considered and severe but plausible stress testing performed on the principal risks
- Advising the Board on whether the half-year and full-year financial reports present a fair, balanced, and understandable assessment of the Group's position and prospects
- Ensuring effective internal control and risk management systems are in place
- Measuring the Group's effectiveness in managing risk and reviewing the risk identification process
- Approving the remit of the internal audit function and reviewing its effectiveness and findings

- Ensuring that an appropriate relationship is maintained between the Group and its external Auditors, including the recommendation to the Board to approve their appointment and fees
- Monitoring progress of the Group's information security strategy to mitigate its major risks
- Reviewing the scope and effectiveness of the external audit process
- Reviewing whistleblowing, fraud, anti-bribery and corruption, and data protection procedures

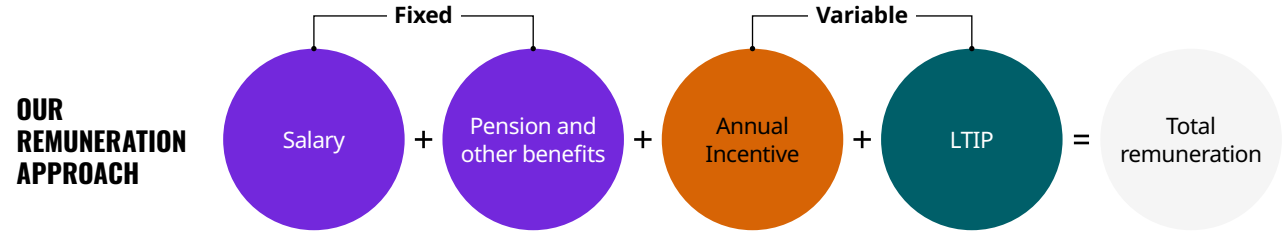
#### Committee performance review

This year, the Board underwent an external performance review, and the activities of the Committee were reviewed as part of this process. The results of this review demonstrated that the Committee continued to operate effectively and provided sufficient challenge and that the composition worked well with a good balance of experience. The Committee agreed that a smooth handover took place to the new Committee Chair, and that meetings were felt to have good substance, with a good blend of personalities across the Non-Executive Directors and beyond. It was noted that oversight of control design and implementation would continue to be a key area of focus for the Committee, and that there was good oversight of the internal controls programme. After noting that there had been improvements to papers, key recommendations arising include the opportunity to improve papers further by utilising more detailed executive summaries to enable better discussion, and continued focus on the work required to ensure compliance with Provision 29.

**+ Further details of the performance review process can be found in the Governance Report on pages 83 and 84.**

Directors' Remuneration report

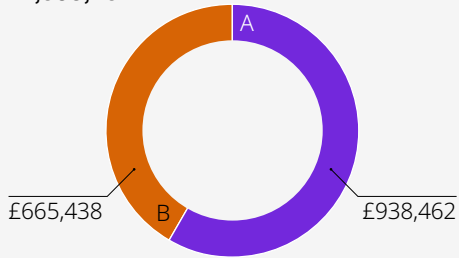
# REMUNERATION AT A GLANCE



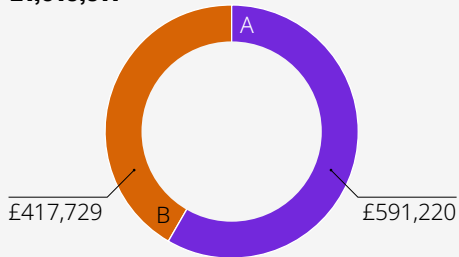
REMUNERATION OUTCOMES IN 2026

Single figure of remuneration

**Simon Pryce**  
£1,608,462



**Kate Ringrose**  
£1,013,511



**A** Salary, pension and other benefits  
**B** Annual Incentive

2026 Annual Incentive

Measure (weighting)	Threshold	Maximum	Outcome
Adjusted profit before tax excluding restructuring (25%)	£232.2m	£264.2m	10.2%
Actual			<b>£248.6m</b>
Adjusted free cash flow excluding restructuring (25%)	£107.5m	£139.5m	25.0%
Actual			<b>£204.7m</b>
Like-for-like Group revenue change (25%)	0.1%	5.1%	0.0%
Actual			<b>(0.5)%</b>
CO <sub>2</sub> e reduction (Scope 1 & 2 emissions) (10%)	3.8%	6.9%	10.0%
Actual			<b>10.0%</b>
Net Promoter Score - Transactional (4%)	48.5	49.1	0.0%
Actual			<b>45.2</b>
Net Promoter Score - Relational (1%)	39.3	40.3	0.0%
Actual			<b>35.5</b>
Individual strategic targets (10%)	Simon Pryce/Kate Ringrose		<b>7.5%/7.5%</b>
Total formulaic bonus	Simon Pryce/Kate Ringrose		<b>45.2%/45.2%</b>
<b>Total Adjusted bonus (0.2)%</b>	<b>Simon Pryce/Kate Ringrose</b>		<b>52.5%/52.5%</b>

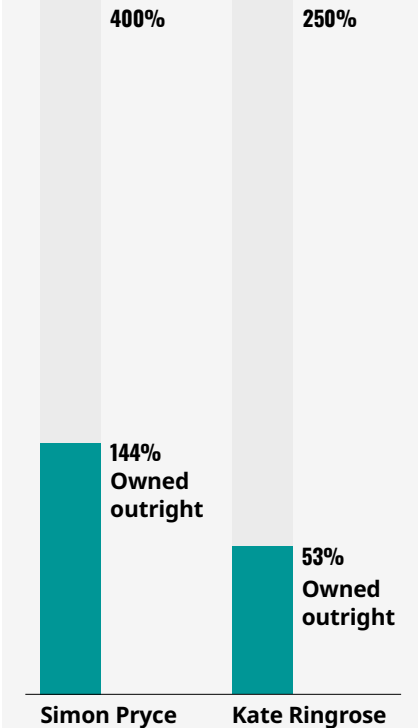
2023 LTIP AWARD

**0%**

of maximum

Vesting of this award was determined in accordance with the performance targets, measured over the three years ended 31 March 2026. See page 109.

Share ownership requirement



Directors' Remuneration report continued

# DIRECTORS' REMUNERATION POLICY AND IMPLEMENTATION FOR 2026/27

## Directors' Remuneration Policy

The key components of our remuneration framework are fixed pay, annual bonus and share awards as set out in the Directors' Remuneration Policy. Our objective is to appropriately reward the delivery of the strategic plan.

Element	Year 1	Year 2	Year 3	Year 4	Year 5
Fixed pay	Salary, benefits and pension				
Annual bonus	Delivered two-thirds in cash	One-third delivered in shares. Two-year deferral period. No further performance conditions			
LTIP	Three-year hybrid delivered as a mix of performance and restricted shares			Two-year holding period. No further performance conditions	
Shareholding requirement	Executive Directors' minimum shareholding requirement				

## Fixed pay

Simon Pryce

**£870,300**

(3% increase)

Kate Ringrose

**£551,600**

(4% increase)

## Alignment with broader employee rewards

**3%**

UK employees average salary increase

**88%**

of employees are either shareholders or award holders

**100%**

of employees are eligible to participate in an incentive plan

**£250**

of restricted shares will be awarded to all eligible employees

## Directors' Remuneration report continued

# REMUNERATION COMMITTEE REPORT

## Joan Wainwright

Chair of Remuneration Committee



### Key highlights

#### Membership as at 19 May 2026

- Joan Wainwright (Chair)
- Alex Baldock
- Miles Roberts
- David Sleath

#### Activities during 2025/26

- Approved the 2025 pay review for the Executive Directors and senior management
- Approved and aligned 2024/25 remuneration outcomes with Company performance, including the 2024/25 Annual Incentive, Journey to Greatness (J2G) Long-term Incentive Plan (LTIP), and 2022 LTIP Award outcomes
- Reviewed senior management pay outcomes
- Approved the 2025/26 Annual Incentive and 2025 LTIP design
- Approved the remuneration package for the incoming President, Americas and Chief Customer Experience Officer
- Reviewed the approach to the wider workforce remuneration including the award of the All-Employee Share Plan
- Approved the 2025 Directors' Remuneration Report put to shareholders at the July 2025 AGM
- Reviewed the 2025 Gender Pay Gap report

- Reviewed the Terms of Reference for the Committee and All-Employee Share Plan Committee
- Reviewed the performance of the Remuneration Advisor, Alvarez & Marsal

#### Priorities for 2026/27

- Ensuring that both short- and long-term incentive design and outcomes continue to support delivery of our strategy and reflect the performance of the Company, and the experience of our stakeholders
- Continue to oversee the embedding of our Reward philosophy across the organisation
- Review of the strategy to address gender pay gaps
- Maintain an active and engaging dialogue with shareholders and ensure their views are sought and considered when determining executive remuneration

### Dear shareholder

On behalf of the Remuneration Committee (the Committee), I am pleased to present the Directors' Remuneration report for the year ended 31 March 2026. This report explains the remuneration outcomes for our Executive Directors and the wider workforce during the year, including how we ensure strong alignment to the performance delivered for our stakeholders.

This year, we operated under the 2025 Directors' Remuneration Policy (the Policy) approved at the 2025 AGM. The Policy can be found on our website [rsgroup.com](https://www.rsgroup.com). I would like to thank our shareholders for their continued support for our approach to executive remuneration.

### Introduction

At the 2025 AGM, shareholders approved our new Policy, under which we introduced a 'hybrid' LTIP structure. Our objective was to more optimally align our long-term incentive structure with our strategy and better reflect the nature of the markets in which the Group operates, ensuring that we can appropriately reward Executive Directors for the delivery of sustainable performance and continued strategic execution through the industrial cycle. The hybrid model is also consistent with our approach to management incentives below the Executive Directors and allows us to better compete in global talent markets (with a sizable portion of our business based in North America). A detailed rationale for the hybrid structure was set out in my letter in last year's report.

In developing the Policy and determining the right level of reward, the Committee undertook an extensive multi-phased consultation process engaging with our top 30 shareholders, representing over 86% of the share register, broadening the coverage from previous Policy consultations.

Overall, shareholders were supportive of our approach, with a clear understanding of the challenges we face and acknowledgment of how we were seeking to address these in a robust and responsible way. Shareholders were supportive of the removal of the J2G LTIP Award and the transition of our LTIP towards the hybrid structure, with the continued commitment to performance. Shareholders also appreciated the recalibration of our market reference point from FTSE 50-100 to FTSE 75-125. The feedback from this engagement was instrumental in shaping the final Policy in a number of areas; as we explained last year.

At the 2025 AGM, while we received strong support of c. 98% for our Directors' Remuneration Report, the Committee recognises that a reasonable minority of our shareholders, as well as some of the proxy voting agencies, were not able to support the Policy. Following the AGM, we re-engaged with our top 30 shareholders to provide a further opportunity for their input. As anticipated, given the extensive engagement exercise we had conducted in advance of the AGM, which had already provided the opportunity for views to be shared as the Policy proposal was developed, we received a very limited response to the follow-up engagement. Most responses reiterated the support provided during the original engagement process.

Based on all these engagements and the feedback received, the Committee has a very clear understanding of the views of our shareholders. We are comfortable that overall, shareholders were supportive of our approach, in particular the material reduction in quantum from the J2G LTIP award under the 2022 Directors' Remuneration Policy and the application of the 50% 'discount' in how we calibrated the normal restricted share award sizes under the hybrid LTIP.

## Directors' Remuneration report continued

However, we acknowledge that some shareholders were unable to support the Policy, primarily due to the quantum of award made to the CEO in 2025, as we transitioned to the hybrid structure. The award size was critical to the Committee's desire to retain and engage Simon Pryce to continue his strong leadership through the next phase of strategic execution, in the face of a highly competitive market for experienced high-calibre leadership talent. Nevertheless, we recognise and acknowledge that not all shareholders shared this view.

Looking forward to 2026/27, we will continue our implementation of the hybrid structure, which is working as intended through the management team – providing a continued focus on driving long-term performance in key shareholder metrics (earnings per share (EPS), total shareholder return (TSR) and return on capital employed (ROCE)), while also ensuring we build long-term shareholdings to align and retain our talented executive team. In line with the commitment made last year, which was an important part of securing support from our shareholders, the award level for the CEO will reduce this year, to align with the normal award level under the Policy (200% performance shares, 50% restricted shares), calibrated to reflect the 50% discount on what his equivalent LTIP award would have been. Full details of proposed packages for the year ahead are described below. We are confident that our shareholders are supportive of this approach, which reflects a market-aligned award level against our FTSE 75-125 peer group.

On behalf of the Committee, I would like to again thank shareholders that took part in the various engagement processes and for the valuable feedback they have provided. We remain fully committed to a transparent ongoing dialogue with shareholders, stakeholders and proxy voting agencies and we will continue to engage on remuneration and other matters.

### 2025/26 Performance outcomes Incentive outcomes for the year ended 31 March 2026

The Committee reviewed and made some changes to the bonus performance measures as part of the Policy review: The 2025/26 Annual Incentive measures included adjusted profit before tax excluding restructuring, like-for-like Group revenue change, adjusted free cash flow excluding restructuring (each equally weighted 25%), CO<sub>2</sub>e reduction (Scope 1 and 2 emissions) (weighted 10%), a reintroduction of Net Promoter Score (NPS) (weighted 5%), reflecting the importance of having a customer measure at the Group level and individual strategic targets (weighted 10%).

The formulaic outcome against the stretching targets set was 45.2%. During the final review, the Committee then determined, together with management that it would be appropriate to reduce the outcome by 0.2% to ensure internal consistency in annual incentive outcomes across the Group. This results in an adjusted outcome of 45.0% of maximum. Including the individual strategic measures, the adjusted bonus outcomes are 52.5% of maximum for both Simon and Kate. Details of the individual strategic targets are shown on page 110.

The 2023 LTIP Award, which was based on performance over the three-years ended 31 March 2026, did not achieve the threshold level of performance for both the EPS and TSR performance measures and therefore the Committee determined it was appropriate to lapse these awards in full for all participants, including the Executive Directors.

The Committee reviewed the bonus and LTIP outturns against a broader assessment of underlying performance for our stakeholders over the respective performance periods. Overall, the Committee concluded that both outcomes described above were appropriate and no further adjustments were made.

### Remuneration for the year ahead 2026/27

#### 2026 salary review

Having considered individual performance, the competitiveness of the Executive Directors base salaries and the UK average workforce increase of 3%, the Committee determined base-salary increases of 3% for Simon Pryce and 4% for Kate Ringrose to be appropriate and aligns both just below the market. These increases will be effective 1 June 2026.

#### 2026/27 annual incentive

The Annual Incentive for 2026/27 will continue to be based on key financial and strategic targets for the year. The Committee reviewed the performance measures and agreed these remain the right focus areas, but to ensure continued alignment with the strategy and objectives for the year ahead, there will be some changes to the weight of some measures. In recognition of the strategic importance of delivering for our customers (discussed further on page 11), the weighting of the NPS measure will be increased from 5% to 10%.

The remainder of the incentive will continue to be based on an appropriately balanced mix of key metrics: adjusted like-for-like Group revenue change (20%), adjusted PBT excluding restructuring (25%), adjusted free cash flow excluding restructuring (25%), CO<sub>2</sub>e reduction (Scope 1 and 2 emissions) (10%) and individual strategic targets (10%).

Before any incentive pays out, a threshold level of adjusted profit before tax excluding restructuring will need to be achieved.

Consistent with prior years we will set stretching performance targets for each of the performance measures and will disclose these retrospectively in next year's report. The Executive Directors will continue to be eligible for a maximum award of 150% of salary and one-third of any earned amount will be deferred into shares for two-years.

#### 2026 LTIP

For 2026, it is proposed to grant awards for the Executive Directors at the normal Policy award level for their role. For Simon Pryce this will result in an award of 200% and 50% of salary for performance shares and restricted shares, respectively. Kate Ringrose will receive 170% performance shares and 40% restricted shares consistent with last year. The performance shares will continue to be based on a combination of EPS and TSR, with a ROCE underpin. For 2026, the EPS target range will be increased from 5-10% p.a. to 7.5%-15% p.a., reflecting our continued commitment to driving exceptional performance through our incentives. The restricted shares will be subject to a discretionary performance underpin.

#### Chairman of the Board and Non-Executive Director fees

Following a review, the fees for Non-Executive Directors were increased by 3%; consistent with the wider UK workforce. As the Chairman's fee is well positioned against the FTSE 75-125 peer group, the Chairman's fee was increased by 2%.

#### Consideration of wider workforce experience

During the year, we continued to embed our reward philosophy by launching an All-Employee share plan to all employees who are not eligible for LTIP awards. We are delighted that 88% of our employees are now shareholders or award holders. External recognition of the reach of our All-Employee share plan was received in the form of a Newspad award for Best All-Employee Share Plan. Enabling our people to become shareholders and to have a personal stake in the business remains important to us and in 2026/27 we will be awarding our eligible employees a second award of restricted shares.

## Directors' Remuneration report continued

Each year we make systemic progress against our strategy to ensure globally that our people feel a sense of belonging. This includes policy implementation around neurodiversity, growth of our ERGs to support our people, and the implementation of a Veteran's community. Additionally, we continue to grow our mental health first aiders across the Group with an additional cohort in Germany.

The wellbeing of our people remains an ongoing priority for the Group and we will continue to review our reward offering to ensure it reflects our reward philosophy and supports colleague wellbeing through inclusive and flexible benefits.

As we look ahead, we are preparing for the implementation of the European Union Pay Transparency Directive across our European operations. This development further reinforces our commitment to fostering a transparent and equitable approach to pay, which remains a central pillar of our Reward Philosophy.

### Looking forward

I am proud of the work the Committee has done during the year and would like to thank the Committee members for their contribution. Once again, I would also like to thank our shareholders for the time taken to engage with us during the year and their continued support at the last AGM. I hope that you will join the Board in supporting the resolution to approve the 2025/26 Directors' Remuneration report, to be put to shareholders at the 2026 AGM.

### Joan Wainwright

Chair of Remuneration Committee  
19 May 2026



## KEY ACTIVITIES DURING THE YEAR

### MAY 2025

- Approved the 2025 Policy and considered shareholder feedback
- Approved the 2024/25 Annual Incentive, J2G LTIP Award and 2022 LTIP Award outcomes
- Approved the final design of the 2025/26 Annual Incentive and 2025 share plans design for the ExCo, senior management and all employees
- Approved Executive Directors, ExCo and senior management share awards
- Approved the 2025 Directors' Remuneration Report
- Reviewed the approach to the wider workforce remuneration
- Received an overview of the European Union Pay Transparency Directive

### JULY 2025

- Reviewed and approved the 2025/26 Annual Incentive targets
- Considered shareholder feedback to the 2025 Policy

### NOVEMBER 2025

- Discussed and agreed the approach to further engagement with shareholders on the 2025 Policy
- Approved the remuneration package on appointment of the new President, Americas

### DECEMBER 2025

- Reviewed the proposed share awards to eligible employees who joined the Group between June and December 2025
- Approved the remuneration package on the appointment of the new Chief Customer Experience Officer
- Reviewed the Remuneration Advisor performance and fees for the year
- Received a market update from the Remuneration Advisor

### MARCH 2026

- Reviewed the initial view of the 2025/26 Annual Incentive and 2023 LTIP Award outcomes against the performance targets
- Approved the 2026 LTIP and 2026/27 Annual Incentive plan design
- Reviewed the share ownership status of Executive Directors and the ExCo
- Reviewed the Committee annual performance review
- Reviewed the Terms of Reference for the Committee and All-Employee Share Plans Committee
- Reviewed the 2025 Gender Pay Gap Report

# SUMMARY OF THE 2025 DIRECTORS' REMUNERATION POLICY

## 2025 Directors' Remuneration Policy

The Policy was approved by shareholders at the AGM held on 17 July 2025 and became effective from that date. A summary of key terms in the Policy is set out below and the full Policy as approved by shareholders is available in the Corporate Governance section of our website at [rsgroup.com](https://www.rsgroup.com). Details of how the Policy has been applied during the year can be found throughout the Annual Report on Remuneration on pages 107 to 111.

### Component: Base salary

Element	Details
<b>Objective</b>	To provide a market-competitive level of fixed pay reflecting the scale and complexity of our business enabling us to attract and retain global talent.
<b>Operation</b>	Generally reviewed each year, with increases normally effective from 1 June. Salaries are set by the Committee to reflect factors which include the scale and complexity of the Group, the scope and responsibilities of the role, the skills, experience and performance level of the individual, the overall total compensation opportunity, and the Committee's assessment of the competitive environment, including consideration of appropriate market data for companies of broadly similar size, sector and international scope to RS Group plc.
<b>Opportunity</b>	There is no prescribed maximum salary.  Base salary increases are applied in line with the outcome of the annual review. Factors that are considered include: increases for other employees, changes in role and responsibilities, market levels, and individual and Company performance. Salary increases will normally be based on the same framework which applies across the UK employee population.
<b>Performance measures</b>	Not applicable.

### Component: Pension

Element	Details
<b>Objective</b>	To provide a level of retirement benefit that is competitive in the relevant market and aligned to the approach for the employee population.
<b>Operation</b>	Executive Directors may participate in the defined contribution section of the group pension scheme or receive a cash supplement in lieu.
<b>Opportunity</b>	A maximum contribution or cash supplement from the Company for any Executive Directors will be in line with the maximum rate taken by the majority of the wider UK workforce (currently 10.5% of salary).
<b>Performance measures</b>	Not applicable.

## Summary of the 2025 Directors' Remuneration Policy continued

### Component: Benefits

Element	Details
<b>Objective</b>	To provide benefits in line with the relevant market.
<b>Operation</b>	Executive Directors are provided with a company car (or a cash allowance in lieu thereof) and medical insurance. Other benefits may be provided or introduced from time to time to ensure the benefits package is appropriately competitive and reflects the circumstances of the individual Executive Director.
<b>Opportunity</b>	While there is no prescribed maximum, Executive Directors do not normally receive total taxable benefits exceeding 10% of base salary and it is not currently anticipated that the cost of benefits provided will exceed this level in the years over which this Policy will apply. The Committee retains the discretion to approve a higher cost where appropriate (for example, relocation expenses or expatriation allowance) or in circumstances where factors outside the Company's control have changed materially (for example, market increases in insurance costs).
<b>Performance measures</b>	Not applicable.

### Component: Annual Incentive

Element	Details
<b>Objective</b>	To focus Executive Directors on achieving demanding annual targets relating to Group performance. The deferral element ensures focus on our longer-term business goals.
<b>Operation</b>	<p>Performance targets are normally set at the start of the financial year taking into account the annual targets and objectives agreed by the Board. After the end of the financial year, the Committee determines the extent to which these targets have been achieved.</p> <p>A proportion of the total annual incentive payment (currently one-third) is delivered in the form of deferred shares in the Company under the Deferred Share Bonus Plan (DSBP). These shares normally vest after a period of two years, subject to continued employment. Dividend equivalents may be payable on shares which vest and may be delivered in the form of shares. The remainder is paid in cash after the year end.</p> <p>Malus and clawback provisions apply to all elements of the Annual Incentive.</p> <p>The Committee will operate the DSBP in accordance with the rules of the plan.</p>
<b>Opportunity</b>	The maximum opportunity in respect of a financial year is 150% of base salary.
<b>Performance measures</b>	<p>Payment is determined by reference to performance, assessed over one financial year based on financial and strategic performance measures which the Committee considers to be aligned to the strategy and the creation of shareholder value.</p> <p>The performance measures and weighting for Awards to be granted in 2026/27 are summarised on page 107.</p> <p>The performance measures and weightings are normally agreed by the Committee at the start of each year, according to annual business priorities. The overall framework will normally be weighted towards financial measures of performance. The Committee retains discretion to use different or additional measures and weightings to ensure that the annual incentive framework appropriately supports the business strategy and objectives for the relevant year.</p> <p>The Committee has discretion to adjust the formulaic annual incentive outcomes to ensure alignment of pay with performance and fairness to shareholders and participants. The Committee also has the discretion to adjust targets for any exceptional events that may occur during the year. Any such discretion will be within the limits of the plan and will be fully disclosed in the relevant Annual Report on Remuneration.</p> <p>Before any incentive may pay out, a threshold level of adjusted profit before tax excluding restructuring must be achieved. For threshold performance, the annual incentive payout will not normally exceed 10% of the maximum opportunity. For target performance, the annual incentive payout will be no higher than 50% of the maximum opportunity.</p>

## Summary of the 2025 Directors' Remuneration Policy continued

### Component: Long-term incentive

Element	Details
<b>Objective</b>	To link the largest part of the Executive Director's annual package with long-term business performance, while ensuring the Group can reward on a through-cycle basis, and attract and retain Executives globally. Performance metrics are aligned with shareholders' interests and the holding period ensures a focus on sustainable long-term performance.
<b>Operation</b>	Awards of shares may be made annually under the Company's LTIP, in the form of conditional shares or nil-cost options. Dividend equivalents may be payable on any shares vesting and may be delivered in the form of shares. Under the hybrid structure, awards of both Performance Shares and Restricted Shares will be made. These awards will vest over a period of three years subject to continued employment and the satisfaction of the performance measures (for the Performance Shares) and the discretionary underpin (for the Restricted Shares), as described below. There will be a further holding period of two years following vesting. Malus and clawback provisions apply. The Committee will operate the LTIP in accordance with the rules of the plans.
<b>Opportunity</b>	<p>The maximum LTIP award in respect of a financial year will comprise of:</p> <ul style="list-style-type: none"> <li>– A maximum Performance Share award of 250% of salary; and</li> <li>– A maximum Restricted Share award of 100% of salary</li> </ul> <p>Awards will normally be granted below these maximum award level.</p>
<b>Performance measures</b>	<p>Vesting of the Performance Shares will be determined by reference to performance assessed over a period of at least three years, based on performance measures which the Committee considers to be aligned with the delivery of strategy and long-term shareholder value. The performance measures are determined annually and will normally include metrics linked to profitability, shareholder value and capital efficiency.</p> <p>The level of vesting for threshold performance of the Performance Shares will be no higher than 25% of maximum. Additionally, for the Award to vest, the Committee must be satisfied that there has been a sustained improvement in the Company's underlying financial performance. The Committee has discretion to adjust the formulaic outcomes if it does not appropriately reflect underlying performance over the period or is not appropriate in the context of circumstances that were unexpected or unforeseen when awards were made. The Committee also has discretion to adjust targets if it considers that an amended target is reasonable, appropriate and would not be materially more or less difficult to satisfy than when it was originally set.</p> <p>Whilst the Restricted Share awards provide greater certainty of reward by their very nature, the Committee will ensure any value delivered to Executive Directors is fair and appropriate in the context of the business performance and experience of our shareholders. As a result, they are subject to a discretionary underpin that guides the Committee when determining whether any discretion needs to be applied to reduce, including to zero, the final vesting of awards. The underpin is based on a holistic review of overall business performance delivered over the vesting period, as determined by the Committee. In assessing the underpin, the Committee will consider the Group's overall performance by reference to a range of factors including, but not limited to, underlying financial health in the context of the Board's expectations and the market environment, strategic execution, and progress towards our sustainability commitments.</p>

## Summary of the 2025 Directors' Remuneration Policy continued

### Component: Share ownership requirement

Element	Details
<b>Objective</b>	To align Executive Director and shareholder interests and reinforce long-term decision making.
<b>Operation</b>	<p>Executive Directors are expected to build up and retain a personal holding in RS Group plc shares:</p> <ul style="list-style-type: none"> <li>– CEO – holding of 400% of base salary</li> <li>– CFO – holding of 250% of base salary</li> </ul> <p>To support this objective, Executive Directors are expected to retain at least 50% of any share awards that vest (net of tax) until this guideline is met. Unvested DSBP awards and vested LTIP awards in a holding period will count towards this guideline (on a net-of-tax basis).</p>
<b>Opportunity</b>	Not applicable.
<b>Performance measures</b>	Not applicable.

### Component: Post-employment share ownership requirement

Element	Details
<b>Objective</b>	To create long-term alignment between Executive Director and shareholder interests by ensuring a shareholding is retained in the period after an Executive Director has left the Group.
<b>Operation</b>	Executive Directors are required to retain a personal holding in RS Group plc shares for a period of two years after leaving the Board/Company. The level of required shareholding is equal to that of the in-employment guideline (for the CEO this is 400% of salary and for the CFO this is 250% of salary) or, if lower, the actual shareholding at the date of leaving the Board/Company. The actual shareholding at cessation includes only shares which have vested (or are in a deferral or holding period, on a net-of tax basis).
<b>Opportunity</b>	Not applicable.
<b>Performance measures</b>	Not applicable.

# ANNUAL REPORT ON REMUNERATION

This part of the Remuneration Report has been prepared in accordance with Part 3 of the revised Schedule 8 set out in The Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013 and Listing Rule 6.6.6R. The Annual Report on Remuneration will be put to an advisory shareholder vote at the forthcoming AGM.

## 2025 Directors' Remuneration Policy implementation for the year ending 31 March 2027

### Executive Directors

#### Base salary

Base salary for the Executive Directors effective from 1 June 2026 are shown below.

	Base salary effective 1 June 2026	Base salary effective 1 June 2025	Change
Simon Pryce	£870,300	£845,000	3%
Kate Ringrose	£551,600	£530,450	4%

Consistent with previous years and the principles we apply when reviewing base salary through the organisation, a number of factors, including performance, market position and relativity to the wider workforce, were considered by the Committee for the Executive Directors. This year, the average expected increase for the wider UK workforce is 3%. Following a review of the Executive Directors salaries, the Committee determined that both Executive Directors salaries, Simon Pryce's salary will be increased by 3% and Kate Ringrose's salary will be increased by 4%.

#### Benefits

Benefits will be provided in accordance with the Policy. There are no changes in benefits compared to the prior year.

#### Pension

The pension rate for Executive Directors is 10.5% of base salary, which aligns with the rate for the majority of the wider UK employee population.

#### Performance-related annual incentive

The maximum annual incentive opportunity for Executive Directors will remain unchanged at 150% of base salary.

The annual incentive will be based on a balanced set of key financial and strategic targets for the year, as set out below:

	Weighting
Adjusted profit before tax excluding restructuring	25%
Adjusted free cash flow excluding restructuring	25%
Like-for-like Group revenue change	20%
CO <sub>2</sub> e reduction (Scope 1 and 2 emissions)	10%
NPS	10%
Individual strategic targets	10%

As set out in the Chair's letter on pages 100 to 102, the Annual Incentive for 2026/27 will continue to be based on key financial and strategic targets for the year. The Committee reviewed the performance measures and felt that these remain appropriately aligned with strategy and our objectives for the year ahead. In recognition of the strategic importance of delivering for our customers (discussed further on page 11), the weighting of the NPS measure will be increased from 5% to 10%. The remainder of the incentive will continue to be based on an appropriately balanced mix of key metrics: adjusted profit before tax excluding restructuring (25%), adjusted free cash flow excluding restructuring (25%), like-for-like Group revenue change (20%), CO<sub>2</sub>e reduction (Scope 1 and 2 emissions) (10%) and individual strategic targets (10%).

The Annual Incentive targets are considered to be commercially sensitive and will therefore be disclosed retrospectively in next year's report. For 2026/27, before any incentive may be paid to Executive Directors, a threshold level of adjusted PBT must be achieved.

One-third of any incentive earned by Executive Directors will be deferred into shares for a further two years under the DSBP.

#### 2026 LTIP Award

In line with the Policy, awards will be made under the hybrid structure in 2026, combining awards of Performance Shares and Restricted Shares. Award sizes for the Executive Directors are set out in the table below, and are consistent with normal award levels under the Policy. For the CEO, this represents a reduction in award size from 2025.

	Performance Shares	Restricted Shares
Simon Pryce	200% of salary	50% of salary
Kate Ringrose	170% of salary	40% of salary

## Annual report on remuneration continued

Vesting of performance shares will be determined in accordance with the following performance targets measured over the three years ending 31 March 2029 as follows:

Measure	Weight	Threshold (25% of max)	Maximum (100% of max)
Adjusted EPS CAGR (three-year CAGR of the 2028/29 adjusted EPS, compared with the 2025/26 adjusted EPS) <sup>1</sup>	50%	7.5%	15.0%
TSR (FTSE 350 index) <sup>1,2</sup>	50%	Median	Upper quartile
ROCE (average of 2026/27, 2027/28, 2028/29)	Underpin 15%	If the underpin is not met, the Committee will review the formulaic level of vesting and consider whether it would be appropriate to use its discretion to adjust the level of vesting.	

1. Straight-line vesting between measurement points.

2. TSR peer group comprises of the FTSE 350 index, excluding financial services and energy companies.

Taking account of internal forecasts of performance over the performance period, the challenging market conditions in which the Group operates, our long-term growth ambitions and the expectations of the investment community of the Group's future potential performance, and the adjusted EPS targets The performance shares will continue to be based on a combination of EPS and TSR, with a ROCE underpin. For 2026, the EPS target range will be increased from 5-10% p.a. to 7.5%-15% p.a., reflecting our continued commitment to driving exceptional performance through our incentives. The Restricted Share awards will be subject to the underpin as described on page 105.

The award will be subject to a post-vesting holding period of two years.

### All-Employee share plans

Executive Directors can participate in any all-employee share schemes offered to all employees on identical terms, with the exception of the 2025 and 2026 All-Employee share awards explained on page 101.

### Chairman and Non-Executive Directors

Following a review, the fees for Non-Executive Directors will be increased by 3%. The pay increases for UK employees are expected to be an average of 3%. As the Chairman's fee is well positioned against the FTSE 75-125 peer group, the Chairman's fee will increase by 2%. With effect from 1 April 2026, the Chairman's fees increased from £393,070 to £400,930 and the Non-Executive Directors' fees were increased from £69,973 to £72,072. The additional fees for the Audit and Remuneration Committee Chairman's fees and the roles in respect of employee engagement and Senior Independent Director remain unchanged at £17,000, £10,000 and £15,000 respectively.

## Implementation of Directors' Remuneration Policy for the year ended 31 March 2026

### Single figure for total remuneration for Executive Directors (audited)

The following table provides a single figure for total remuneration of the Executive Directors for the year ended 31 March 2026 and the prior year.

	Simon Pryce		Kate Ringrose	
	2026	2025	2026	2025
Base salary	<b>£832,950</b>	£768,946	<b>£527,875</b>	£512,500
Taxable benefits <sup>1</sup>	<b>£18,052</b>	£17,463	<b>£16,252</b>	£15,458
Pension benefit <sup>2</sup>	<b>£87,460</b>	£80,739	<b>£47,093</b>	£53,812
Total fixed	<b>£938,462</b>	£867,148	<b>£591,220</b>	£581,770
Annual incentive <sup>3</sup>	<b>£665,438</b>	£608,499	<b>£417,729</b>	£393,975
LTIP	<b>0</b>	-	<b>0</b>	-
Buy-out <sup>4,5</sup>	-	-	-	£141,128
SAYE award discount <sup>6</sup>	<b>£4,562</b>	-	<b>£4,562</b>	-
Total variable	<b>£670,000</b>	£608,499	<b>£422,291</b>	£535,103
Total	<b>£1,608,462</b>	£1,475,647	<b>£1,013,511</b>	£1,116,873

- Taxable benefits consist of medical benefits and car allowance.
- Simon received the amounts shown above as a cash supplement in lieu of pension. In 2025/26, Kate received a contribution of £10,000 to the defined contribution pension plan and received a further £37,093 as a cash supplement in lieu of pension. No Executive Director has prospective benefits under a defined benefit pension relating to qualifying service.
- Annual incentive shows the full value of the annual incentive in respect of each year. For 2025/26 the final outcome of the incentive was 52.5% of maximum for both Simon Pryce and Kate Ringrose. This value will be delivered as one-third shares (which will vest after two-years) and two-thirds cash. For 2024/25 the final outcome of the incentive was 52.5% of maximum for Simon Pryce and 51.0% of maximum for Kate Ringrose. This value was delivered as one-third shares and two-thirds cash.
- The buy-out vesting value in 2024/25 shows the value of Kate Ringrose's performance share sign-on award which vested on 30 June 2024. The award granted Kate over 25,973 shares on 14 November 2023. The value of the sign-on award is based on the share price on the date of vesting 701.5p. The figure includes dividend equivalent shares to the value of £5,493. The value of Kate's award declined over the period between grant and vest by £2,340, due to share price depreciation. Full details can be found on page 124 of last year's report.
- Malus and Clawback provisions were not operated in the year.
- The Save as You Earn (SAYE) discount shown for 2025/26 is the difference between the grant date value per share and the exercise price; the exercise price was 452.00p.

## Annual report on remuneration continued

### Incentive outcomes for the year ended 31 March 2026 (audited)

#### Annual incentive in respect of performance for the year ended 31 March 2026

The performance measures, target ranges and performance against each of the measures for the 2025/26 Annual Incentive are outlined in the table to the right. Targeted performance was calibrated to deliver an incentive of 75% of salary for the Executive Directors (50% of the maximum opportunity), with incentive payments worth up to 150% of salary for achieving stretch performance targets.

The formulaic outcome against the stretching targets set was 45.2%. During the final review, the Committee then determined together with management that it would be appropriate to reduce the outcome by 0.2% to ensure internal consistency in annual incentive outcomes across the Group. This results in an adjusted outcome of 45.0% of maximum. Including the individual strategic measures, the adjusted bonus outcomes are 52.5% of maximum for both Simon and Kate. Further background on financial and strategic performance for the year ended 31 March 2026 is provided in the Strategic report.

#### 2023 LTIP Awards vesting

An award of shares was made under the LTIP in May 2023 to Simon Pryce of over 236,414 shares and to Kate Ringrose in November 2023 of over 175,168 shares. These awards are subject to vesting based 50% on adjusted EPS compound annual growth rate (CAGR) and 50% on the Company's TSR versus the industrial/electronics peer group with a ROCE underpin over the three years ended 31 March 2026. Performance targets, and actual performance against these is summarised in the table below:

Measure	Weight	Threshold (25% of max)	Maximum (100% of max)	Performance achieved	Vesting (% of maximum)
Adjusted EPS (three-year CAGR of the 2025/26 adjusted EPS, compared with the 2022/23 adjusted EPS) <sup>1</sup>	50%	5%	10%	(15.3)%	0%
TSR (vs industrial/electronic peer group) <sup>1,2</sup>	50%	Median	Upper quartile	Below Median	0%
ROCE (average over 2023/24, 2024/25, 2025/26)	Underpin 20%			15.9%	
<b>Total 2023 LTIP Award vesting</b>				<b>0%</b>	<b>0%</b>

1. Straight-line vesting between measurement points.

2. TSR peer group comprises ABB, Arrow Electronics, Avnet, Bunzl, Datwyler, Essentra, Fastenal, Ferguson, MSC Industrial Direct, Rexel, Rockwell, Schneider, Siemens, TE Connectivity, WESCO International and WW Grainger.

Following the end of the performance period, the Committee determined that as the threshold level of performance was not achieved on either performance measure nor the underpin, the awards should lapse in full.

The Committee reviewed the bonus and LTIP outturns against a broader assessment of underlying performance for our stakeholders over the respective performance periods. Overall, the Committee concluded that both outcomes described above were appropriate and no further adjustments were made.

Measure and weighting	Performance level	% Payout performance level	Target	Actual performance	Simon Pryce earned incentive (% of max)	Kate Ringrose earned incentive (% of max)
Adjusted profit before tax excluding restructuring (25% weighting)	Threshold	0.0%	£232.2m	£248.6m	10.2%	10.2%
	Target	12.5%	£252.2m			
	Maximum	25.0%	£264.2m			
Adjusted free cash flow excluding restructuring (25% weighting)	Threshold	0.0%	£107.5m	£204.7m	25.0%	25.0%
	Target	12.5%	£127.5m			
	Maximum	25.0%	£139.5m			
Like-for-like Group revenue change (25% weighting)	Threshold	0.0%	0.1%	(0.5)%	0.0%	0.0%
	Target	12.5%	3.1%			
	Maximum	25.0%	5.1%			
Transactional NPS (4% weighting)	Threshold	0.0%	48.5	45.2	0.0	0.0
	Target	2.0%	48.7			
	Maximum	4.0%	49.1			
Relational NPS (excl. Japan) (1% weighting)	Threshold	0.0%	39.3	35.5	0.0	0.0
	Target	0.5%	39.8			
	Maximum	1.0%	40.3			
CO <sub>2</sub> e reduction (Scope 1 and 2 emissions) (10% weighting)	Threshold	0.0%	3.8%	10.0%	10.0%	10.0%
	Target	5.0%	5.4%			
	Maximum	10.0%	6.9%			
Individual strategic targets (detailed on page 110)		Up to 10%			7.5%	7.5%
Formulaic incentive outcome					52.7%	52.7%
<b>Adjusted incentive outcome (0.2)%</b>					<b>52.5%</b>	<b>52.5%</b>

## Annual report on remuneration continued

Simon Pryce	
Individual strategic targets	Outcomes
Continue to drive cultural evolution, embedding values and promoting belonging within an appropriate risk management and control environment.	Exceeded – Continued to drive cultural evolution, embedding values and supported by successful launch of belonging strategy. Overall engagement score increased to 75.
Review and develop an evolution of the operating model to improve efficiency, optimise product and trading flows and enhance the customer experience.	Fully met – On-going effectiveness monitored and opportunities identified. Clear plan and delivery resources in place, milestones met.
Enhancing people bench strength.	Exceeded – Strong people capability enhancements and improved bench strength. Global leadership program designed and launched, delivering measurable improvements in leadership approach, behaviours and decision making.
Continue effective communication and execution of the Group strategic plan.	Exceeded – Completed strategy review reflecting internal experience, external trends, market developments, competitor analysis and customer and supplier insights. Successful cascade throughout the business and translated into updated execution plans. Value creating acquisition executed and integration of acquired businesses delivering ahead of plan. Disciplined capital allocation.
Drive material enhancements in customer strategy and experience.	Fully met – Enhanced experiences enabled. Created potential based segmentation to support more targeted activation in 2026/27. Global digital commerce engine design and build on plan.

Kate Ringrose	
Individual strategic targets	Outcomes
Design deliver and embed step change improvements to key financial processes, driving accuracy and insight for decision making.	Exceeded – key financial process upgrades delivered. Improved forecasting accuracy and consistency. Standard programme management process and tools launched providing enhanced insights, decision making and prioritisation.
Elevate organisation capability through new global control framework and effective monitoring.	Exceeded – Designed and commenced implementation of enhanced risk based controls framework.
Continue to ensure efficiency and effectiveness of operating model including Enterprise Resource Planning (ERP).	Exceeded – On-going effectiveness monitored, opportunities identified. Clear plan and delivery resources in place. High level S4/HANA process architecture complete. Data cleanse and migration on track. Risk mitigated programme planning complete.
Build highly engaged, inclusive and motivated finance organisation.	Fully met – finance transformation plan commenced. Enhanced people capability and experience. Improved engagement scores across function.

## Annual report on remuneration continued

### Scheme interests awarded during the year ended 31 March 2026 (audited)

#### 2025 LTIP Award

During the year the following LTIP Awards were granted to the Executive Directors:

	Performance shares		Restricted shares	
	Simon Pryce	Kate Ringrose	Simon Pryce	Kate Ringrose
Basis of award (% of base salary)	250%	170%	100%	40%
Number of performance shares awarded <sup>1</sup>	383,393	163,659	153,357	38,508
Award date face value	£2,112,500	£901,765	£845,000	£212,180
Threshold vesting outcome	25%	25%	N/A	N/A
Performance/underpin period	1 April 2025 – 31 March 2028			
Post-vesting holding period	Two years			

1. Awards were made using the average of the share price for the thirty dealing days immediately preceding the grant date of 5 June 2025, being 551.00p.

The performance conditions for the performance shares are as follows:

Measure	Weight	LTIP targets	
		Threshold (25% of max)	Maximum (100% of max)
Adjusted EPS CAGR (three-year CAGR of the 2027/28 adjusted EPS compared with the 2024/25 adjusted EPS) <sup>1</sup>	50%	5%	10%
TSR (FTSE 350 peer group) <sup>1,2</sup>	50%	Median	Upper Quartile
ROCE (average of 2025/26, 2026/27, 2027/28)	Underpin at 15%. If the underpin is not met, the Committee will review the formulaic level of vesting and consider whether it would be appropriate to use its discretion to reduce the level of vesting.		

1. Straight-line vesting between measurement points.

2. TSR peer group is detailed on page 108.

The restricted share awards are subject to the discretionary underpin detailed on page 105.

### Total pension entitlements (audited)

The pension rate for Executive Directors is 10.5% of base salary, which aligns with the rate for the majority of the wider UK employee population.

### Chairman and Non-Executive Director remuneration

#### Single figure for total remuneration for Non-Executive Directors (audited)

The table below sets out a single figure for the total remuneration received by each Non-Executive Director for the year ended 31 March 2026 and the prior year:

	Total fees		Taxable expenses		Total	
	2026	2025	2026	2025	2026	2025
Rona Fairhead	<b>£393,070</b>	£385,360	<b>£4,604</b>	£3,998	<b>£397,674</b>	£389,358
Alex Baldock	<b>£69,973</b>	£67,935	<b>£781</b>	£583	<b>£70,754</b>	£68,518
Louisa Burdett <sup>1</sup>	<b>£63,574</b>	£82,935	<b>£1,520</b>	£735	<b>£65,094</b>	£83,670
Carole Cran <sup>2</sup>	<b>£82,515</b>	£22,645	<b>£512</b>	£3,351	<b>£83,027</b>	£25,996
Navneet Kapoor <sup>3</sup>	-	£50,951	-	£3,009	-	£53,960
Bessie Lee	<b>£79,974</b>	£72,935	<b>£4,318</b>	£9,343	<b>£84,292</b>	£82,278
Miles Roberts <sup>4</sup>	<b>£69,973</b>	£5,661	<b>£1,112</b>	£51	<b>£71,085</b>	£5,712
David Sleath	<b>£84,974</b>	£82,935	<b>£951</b>	£660	<b>£85,925</b>	£83,595
Joan Wainwright	<b>£96,973</b>	£87,935	<b>£8,835</b>	£12,431	<b>£105,808</b>	£100,366

- Louisa Burdett stepped down as Chair of the Audit Committee and as a member of the Board on 15 July 2025 and 31 January 2026 respectively.
- Carole Cran was appointed as a Director of the Board and Chair of the Audit Committee on 1 December 2024 and 15 July 2025 respectively.
- Navneet Kapoor stepped down from the Board on 31 December 2024.
- Miles Roberts was appointed as a Director of the Board on 1 March 2025.

For 2025/26, the Non-Executive Directors received base fees of £69,973 per annum. Fees were paid on a pro-rata basis, reflecting length of time in the role. Additional fees of £15,000 and £17,000 per annum were paid in respect of the Senior Independent Director role and to the Chairs of the Audit and Remuneration Committees respectively. The Chair of the Nomination Committee role was conducted by Rona Fairhead, Chairman. Rona did not receive an additional fee for chairing the Nomination Committee. Bessie Lee and Joan Wainwright each received an additional fee of £10,000 per annum for their role as the Board's representatives on employee engagement.

## Annual report on remuneration continued

### Percentage change in remuneration of the Directors and employees as 31 March 2026

The table below shows the percentage change in the annual cash remuneration of the Directors (comprising base salary/fees, the value of taxable benefits and earned annual incentives), as disclosed in the single figure for total remuneration (see the tables on page 108 for Executive Directors and on page 111 for the Non-Executive Directors) from the prior year compared with the average percentage change for all UK employees of RS Group plc. If the Directors did not serve a full year their base salary/fee is annualised.

	Base salary/fees					Taxable benefits					Annual incentive				
	Change 2026	Change 2025	Change 2024	Change 2023	Change 2022	Change 2026	Change 2025	Change 2024	Change 2023	Change 2022	Change 2026	Change 2025	Change 2024	Change 2023	Change 2022
Simon Pryce <sup>1</sup>	<b>8.3%</b>	2.6%	850.3%	2.8%	9.6%	<b>3.4%</b>	1.7%	100%	N/A	N/A	<b>9.4%</b>	100%	N/A	N/A	N/A
Kate Ringrose <sup>2</sup>	<b>3.0%</b>	1.7%	N/A	N/A	N/A	<b>5.1%</b>	4.7%	N/A	N/A	N/A	<b>6.0%</b>	100%	N/A	N/A	N/A
Rona Fairhead <sup>3</sup>	<b>2.0%</b>	2.0%	3.0%	4.8%	223.1%	<b>N/A</b>	N/A	N/A	N/A	N/A	<b>N/A</b>	N/A	N/A	N/A	N/A
Alex Baldock <sup>4</sup>	<b>3.0%</b>	2.0%	3.0%	4.8%	N/A	<b>N/A</b>	N/A	N/A	N/A	N/A	<b>N/A</b>	N/A	N/A	N/A	N/A
Louisa Burdett <sup>5</sup>	<b>(23.3)%</b>	1.6%	2.4%	3.9%	9.6%	<b>N/A</b>	N/A	N/A	N/A	N/A	<b>N/A</b>	N/A	N/A	N/A	N/A
Carole Cran <sup>6</sup>	<b>264.4%</b>	N/A	N/A	N/A	N/A	<b>N/A</b>	N/A	N/A	N/A	N/A	<b>N/A</b>	N/A	N/A	N/A	N/A
Navneet Kapoor <sup>7</sup>	<b>N/A</b>	2.0%	23.5%	N/A	N/A	<b>N/A</b>	N/A	N/A	N/A	N/A	<b>N/A</b>	N/A	N/A	N/A	N/A
Bessie Lee <sup>8</sup>	<b>9.7%</b>	1.9%	2.8%	5.8%	9.8%	<b>N/A</b>	N/A	N/A	N/A	N/A	<b>N/A</b>	N/A	N/A	N/A	N/A
Miles Roberts <sup>9</sup>	<b>1,136%</b>	N/A	N/A	N/A	N/A	<b>N/A</b>	N/A	N/A	N/A	N/A	<b>N/A</b>	N/A	N/A	N/A	N/A
David Sleath <sup>10</sup>	<b>2.5%</b>	1.6%	2.4%	3.9%	(2.1)%	<b>N/A</b>	N/A	N/A	N/A	N/A	<b>N/A</b>	N/A	N/A	N/A	N/A
Joan Wainwright <sup>11</sup>	<b>10.3%</b>	0.6%	24.0%	7.0%	9.8%	<b>N/A</b>	N/A	N/A	N/A	N/A	<b>N/A</b>	N/A	N/A	N/A	N/A
UK-based ExCo and employee population <sup>12</sup>	<b>3.5%</b>	4.3%	7.4%	8.1%	1.9%	<b>13.6%</b>	(6.8)%	(8.3)%	5.6%	(6.4)%	<b>16.1%</b>	(251.6)%	17.1%	20.3%	17.7%

1. Simon Pryce stepped down as Chair of the Remuneration Committee on 14 March 2023 and as a Non-Executive Director with effect from 2 April 2023, following confirmation of his appointment as CEO of the Group effective 3 April 2023. The very large percentage increase for 2023/24 simply reflects this transition of Simon's role from a Non-Executive Director to an Executive Director.
2. Kate Ringrose was appointed as CFO of the Group effective 2 October 2023.
3. Rona Fairhead was appointed to the Board on 1 November 2020 as Non-Executive Director and received the Non-Executive Director base fee until she became Chairman and Chair of the Nomination Committee on 1 February 2021, at which point her fee was increased to the Chairman's fee at that time of £350,000.
4. Alex Baldock was appointed to the Board on 1 September 2021.
5. Louisa Burdett stepped down as Chair of the Audit Committee and as a member of the Board on 15 July 2025 and 31 January 2026 respectively.
6. Carole Cran was appointed as a Director of the Board and Chair of the Audit Committee on 1 December 2024 and 15 July 2025 respectively.
7. Navneet Kapoor was appointed to the Board on 1 June 2022 and stepped down from the Board on 31 December 2024.
8. Bessie Lee was appointed as Board employee engagement representative on 1 June 2021.
9. Miles Roberts was appointed to the Board on 1 March 2025.
10. David Sleath stepped down as Chair of the Nomination Committee on 31 January 2021.
11. Joan Wainwright was appointed as Board employee engagement representative on 1 June 2021 and Chair of the Remuneration Committee on 14 March 2023.
12. The annual percentage change in annual incentive is calculated by reference to the annual incentive payable in respect of performance applicable to the financial year for Executive Directors and by reference to all incentive payments received during the financial year for all employees.

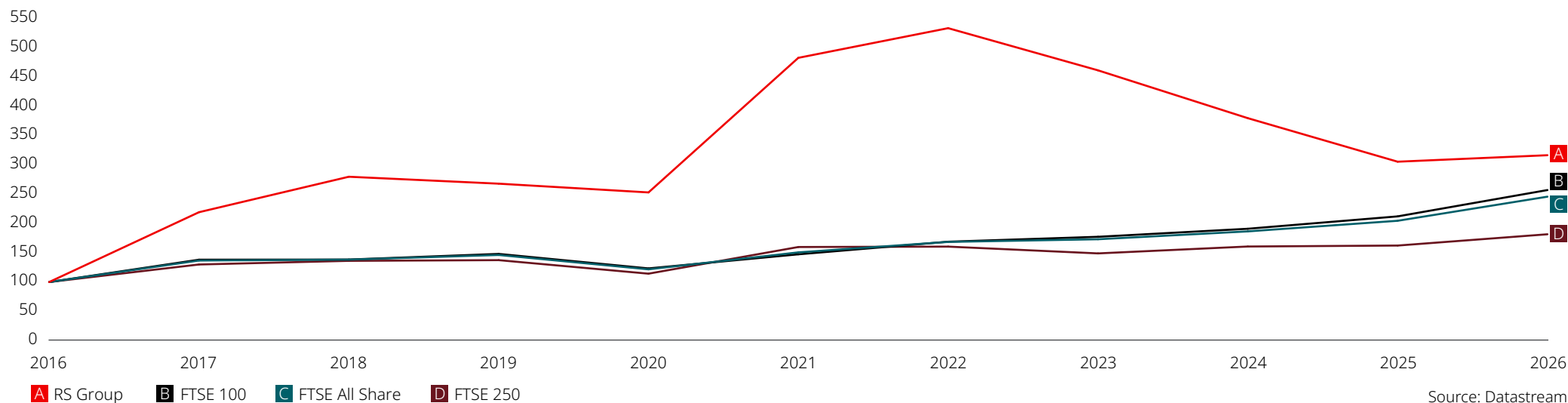
## Annual report on remuneration continued

### Performance graph and table

The following graph shows the ten-year TSR performance of the Company relative to the FTSE 250, FTSE 100 and All Share Indices. The FTSE All Share, FTSE 100 and FTSE 250 are broad equity market indices of which RS Group plc has been a member in this period. The table below details the CEO's single figure of remuneration for the same period.

#### Total shareholder return

(value of £100 invested on 31 March 2016).



Year	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended
	31 March 2017	31 March 2018	31 March 2019	31 March 2020	31 March 2021	31 March 2022	31 March 2023	31 March 2024	31 March 2025	31 March 2026	
	<b>Lindsley Ruth<sup>1</sup></b>	<b>Lindsley Ruth</b>	<b>Lindsley Ruth</b>	<b>Lindsley Ruth</b>	<b>Lindsley Ruth</b>	<b>Lindsley Ruth</b>	<b>Lindsley Ruth<sup>2</sup></b>	<b>David Egan<sup>3</sup></b>	<b>Simon Pryce<sup>4,5</sup></b>	<b>Simon Pryce<sup>5</sup></b>	<b>Simon Pryce<sup>6</sup></b>
CEO total remuneration (£000s)	1,401	4,410	4,421	2,551	2,578	2,976	1,813	487	850	1,476	<b>1,608</b>
Annual incentive award (as a % of maximum opportunity)	82.5%	90.1%	68.0%	21.7%	80.8%	80.0%	63.2%	63.2%	0% <sup>4</sup>	52.5%	<b>52.5%</b>
LTIP award vesting (as a % of maximum opportunity)	N/A <sup>1</sup>	100%	100%	91.3%	74.7%	46.0%	50.0%	50.0%	N/A <sup>5</sup>	N/A <sup>5</sup>	<b>0.0%<sup>6</sup></b>

1. Lindsley Ruth joined the Company in 2015 and therefore did not receive any vested LTIP Awards in 2017.

2. Lindsley Ruth's remuneration for the year ended 31 March 2023 was pro-rated to reflect that he stepped down from the role of CEO on 16 December 2022.

3. David Egan's remuneration for the year ended 31 March 2023 was adjusted to reflect the period he acted as CEO (3 November 2022 to 31 March 2023).

4. Simon Pryce did not receive an incentive award for the year ended 31 March 2024. Full details of the incentive outcomes are detailed on page 107 of the 2023/24 report.

5. Simon Pryce was appointed as CEO in 2023 and did not receive any vested LTIP Awards in 2024 and 2025.

6. Simon Pryce did not receive a vested LTIP Award in 2026 as the 2023 LTIP Award did not meet the required threshold level of performance. Full details of this award are set out on page 109.

## Annual report on remuneration continued

### CEO pay ratio reporting

Year	Method	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
2026 <sup>1</sup>	A	55:1	40:1	25:1
2025 <sup>2</sup>	A	53:1	40:1	24:1
2024	A	31:1	24:1	14:1
2023	A	104:1	80:1	48:1
2022	A	115:1	93:1	56:1
2021	A	99:1	88:1	49:1
2020	A	207:1	166:1	105:1

1. UK-based employee data and the CEO data was taken as at 31 March 2026.

2. The pay ratios for 2025 shown in last year's report were incorrectly based on salary only and have been re-stated above based on total compensation.

The Company adopted Method A in the regulations to calculate the pay ratios because this is considered to be the most statistically robust methodology. Under Method A, the total pay and benefits has been calculated on a full-time equivalent basis to identify the 25th percentile, median and 75th percentile people.

The salary of the individuals at the 25th, 50th and 75th percentile in the table above for 2025/26 are £25,770, £32,285, and £53,264 respectively. The total pay and benefits of the individuals at the 25th, 50th and 75th percentile in the table above for 2025/26 are £29,501, £40,166, and £65,605 respectively.

A significant portion of CEO pay is delivered as variable pay which can change materially by year. For 2026, the ratio has remained broadly consistent with the prior year, reflecting the similarity of CEO incentive outcomes for those years. In line with the Company's reward practices, the median pay ratio employee receives a base salary at market rates for their role and is eligible for the full range of benefits and bonus participation available to their peers of the same level within the organisation, see page 116.

#### Payments for loss of office (audited)

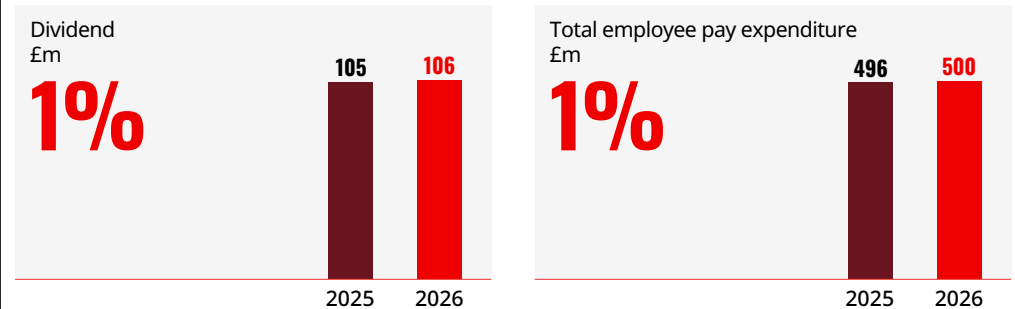
There were no payments for loss of office during the year.

#### Payments to past directors (audited)

There were no payments to past directors during the year.

### Relative importance of spend on pay

The graphs below show total dividends paid by the Company to shareholders and expenditure on total employee pay for the year and the prior year, and the percentage change year-on-year.



The total employee pay expenditure figures above include labour exit costs set out in Note 8 on pages 143 and 144.

#### Directors' shareholdings (audited)

The interests of the Directors and their connected persons in the Company's ordinary shares are shown on the right, together with total share awards and share options and information on whether the Executive Directors had met their shareholding requirements on 31 March 2026. For 2025/26, Executive Directors are expected to continue to build up their personal holding in RS Group plc shares. The shareholding requirement under the Policy is 400% and 250% of salary for Simon Pryce and Kate Ringrose, respectively.

The value of the shares used to calculate whether the shareholding guideline is met is 652.00p, being the average share price over the three months ended 31 March 2026. Between the year end and the date of this Annual Report and Accounts, there has been no movement in current Directors' shareholdings. Details of the scheme interests contained in columns A–D of the table on the right are provided in the 'Share Awards' table on page 115.

#### Executive Directors' service contracts

Simon Pryce entered a service contract with an effective date of 3 April 2023. Kate Ringrose entered a service contract with the Company with an effective date of 2 October 2023. Both contracts have no fixed term and are subject to 12 months' notice by either party.

## Annual report on remuneration continued

	Owned outright	Shareholding guideline % base salary	Current holding % salary	Guideline met?	Share awards held			Options held
					RSU unvested, subject to performance (A)	LTIP unvested, subject to performance (B)	DSBP unvested, not subject to performance (C)	SAYE unvested, not subject to performance (D)
Simon Pryce	186,947	400%	144%	No	153,357	892,806	36,811	4,037
Kate Ringrose	43,016	250%	53%	No	38,508	520,780	23,833	4,037
Rona Fairhead	12,541							
Alex Baldock	2,239							
Louisa Burdett	-							
Carole Cran	3,000							
Bessie Lee	-							
Miles Roberts	7,860							
David Sleath	31,188							
Joan Wainwright	-							

## Director's share scheme interests (audited)

## Share awards

	Scheme	Notes	Date of award	Shares awarded on 1 April 2025	Awarded during the year	Vested during the year	Lapsed during the year	Shares held on 31 March 2026	Normal vesting date
<b>Simon Pryce</b>	LTIP	1	26 May 2023	236,414	-	-	-	<b>236,414</b>	26 May 2026
	LTIP	1	5 Jun 2024	272,999	-	-	-	<b>272,999</b>	5 Jun 2027
	LTIP	1	18 Jul 2025	-	383,393	-	-	<b>383,393</b>	18 Jul 2028
	Restricted Shares	2	18 Jul 2025	-	153,357	-	-	<b>153,357</b>	18 Jul 2028
	J2G LTIP	1	26 May 2023	355,427	-	-	355,427	-	21 Jul 2025
	DSBP		5 Jun 2025	-	36,811	-	-	<b>36,811</b>	5 Jun 2027
<b>Total</b>				<b>864,840</b>	<b>573,561</b>	-	<b>355,427</b>	<b>1,082,974</b>	
<b>Kate Ringrose</b>	Restricted sign-on	3,4	14 Nov 2023	12,527	504	13,031	-	-	30 Jun 2025
	LTIP	1	14 Nov 2023	175,168	-	-	-	<b>175,168</b>	26 May 2026
	LTIP	1	5 Jun 2024	181,953	-	-	-	<b>181,953</b>	5 Jun 2027
	LTIP	1	18 Jul 2025	-	163,659	-	-	<b>163,659</b>	18 Jul 2028
	Restricted Shares	2	18 Jul 2025	-	38,508	-	-	<b>38,508</b>	18 Jul 2028
	DSBP		5 Jun 2025	-	23,833	-	-	<b>23,833</b>	5 Jun 2027
<b>Total</b>				<b>369,648</b>	<b>226,604</b>	<b>13,031</b>	-	<b>583,121</b>	

1. All awards made to the Executive Directors under the LTIP awards are subject to performance conditions, set in prior year reports. The normal vesting date for the LTIP award is the third anniversary of grant.

2. Awards made to Executive Directors under the Restricted Share Incentive Plan are subject to a performance underpin.

3. The restricted sign-on award is not subject to performance conditions and therefore has been disclosed in the Single Figure Remuneration table on page 108 accordingly.

4. Shares in lieu of dividends were awarded to Kate Ringrose upon vesting of the Restricted sign-on award.

## Annual report on remuneration continued

### Share options

	Scheme	Date of grant	Vesting date	Expiration date	Exercise price	Shares under option 1 April 2025	Granted during the year	Exercised during the year	Lapsed during the year	Shares under option 31 March 2026
<b>Simon Pryce</b>	SAYE	6 Dec 2023	1 Feb 2027	31 Jul 2027	562.00p	3,300	–	–	3,300	–
	SAYE	3 Dec 2025	1 Feb 2029	31 Jul 2029	452.00p	–	4,037	–	–	<b>4,037</b>
<b>Total</b>						<b>3,300</b>	<b>4,037</b>	–	<b>3,300</b>	<b>4,037</b>
<b>Kate Ringrose</b>	SAYE	6 Dec 2023	1 Feb 2027	31 Jul 2027	562.00p	3,300	–	–	3,300	–
	SAYE	3 Dec 2025	1 Feb 2029	31 Jul 2029	452.00p	–	4,037	–	–	<b>4,037</b>
<b>Total</b>						<b>3,300</b>	<b>4,037</b>	–	<b>3,300</b>	<b>4,037</b>

### Remuneration for the wider workforce

The remuneration for the wider workforce is based on principles broadly aligned with the Policy. Annual salary reviews across the Group consider business performance, local pay and market conditions, individual performance and salary levels for similar roles in comparable companies.

All employees, including the Executive Directors, the ExCo and senior management across the Group are eligible to participate in an incentive programme. In line with typical market practice, opportunities and performance measures vary by organisational level, geographical region and an individual's role. Executive Directors and the ExCo are eligible to participate in the DSBP, LTIP and Restricted Awards on similar terms, including share ownership requirements. Differences apply where appropriate (e.g. in the grant levels awarded). Senior leaders may also be invited to participate in the LTIP or receive Restricted Share awards. All our eligible employees can participate in the Company's all-employee share plans. This includes the All-Employee Share Award, see page 101 for further information.

It is important that our people have the opportunity to share in the success of the business that they help create. We achieved this in 2025/26 through:

#### Refresh of the Group's reward philosophy to underpin the Group's strategy and values

- Continuation of our global recognition programme and platform aligned to the Group's values
- Providing the opportunity for all of our employees at all levels of the Group to participate in the short-term incentive programme
- Award of restricted shares to senior leaders below the ExCo
- Launch of the All-Employee share plan to employees globally
- Providing a SAYE plan to help our UK employees become shareholders
- Providing a phantom SAYE plan in those countries outside the UK where it is legally possible to do so (which is cash settled for participants)

#### Priorities for 2026/27

- Continued embedding of our Reward philosophy across the organisation
- Preparing for compliance with the forthcoming EU Pay Transparency legislation
- Delivery of a second All-Employee share plan, enabling even more colleagues to become shareholders

### Committee governance

#### Committee structure and meetings

The Committee is comprised of independent members. Joan Wainwright was appointed as Chair in March 2023. Joan has been a member of the Committee since July 2021 and therefore meets the requirements of the Code. Louisa Burdett stepped down as member of the Board and as a Committee member with effect from 31 January 2026. There have been no further changes to Committee membership during the year. Details of the skills and experience of the Committee members can be found on pages 72 to 74.

The Committee held three scheduled and two unscheduled meetings during the year. Details of attendance at meetings can be found on page 75.

The Chairman of the Board, CEO, CFO, other Board members, Company Secretary, Chief People Officer and Vice President of Group Reward, were invited to attend Committee meetings to advise on specific items and on matters relating to the performance and remuneration of senior managers, other than in relation to their own remuneration. The Company Secretary acts as Secretary to the Committee. Meetings of the Committee generally take place shortly before Board meetings, and activities of the Committee are reported by the Chair to the Board as a separate agenda item.

The Committee Chair attends the Company's AGM and is happy to answer any questions from shareholders on matters falling within the Committee's responsibilities. As described above, the Committee Chair is also one of the Non-Executive Directors designated to undertake employee engagement, therefore also providing employees the chance to raise direct remuneration-related questions during the year.

#### Committee responsibilities

The role of the Committee is to consider the remuneration packages designed to promote the long-term success of the Company and to ensure that Executive Directors and the ExCo are compensated appropriately for their contributions to the Group's performance, taking into consideration the wider employee group. The Committee also considers the remuneration of the Chairman of the Board. The Board determines the remuneration of the Non-Executive Directors. No individual is present while decisions are made regarding their own remuneration.

The Committee's key responsibilities have not changed during the year. The Committee's Terms of Reference are reviewed formally and approved annually and are available at: [rsgroup.com](https://www.rsgroup.com).

## Annual report on remuneration continued

### Committee performance review

This year, the Board underwent an externally facilitated performance review and the activities of the Committee were reviewed as part of this process. The results of the performance review demonstrated that the Committee continued to operate effectively and in alignment with its Terms of Reference. Further details of the performance review process can be found in the Corporate Governance report on pages 83 and 84.

### Advisors

Alvarez & Marsal (A&M) has provided independent advice to the Committee since its appointment in 2023. A&M is a member of the Remuneration Consultants Group and voluntarily operates under the Code of Conduct in relation to executive remuneration consultancy in the UK (details of which can be found at [remunerationconsultantsgroup.com](https://remunerationconsultantsgroup.com)). There is no connection between A&M, the Company or its Directors.

During the year A&M provided advice in several areas, including:

- Independent advice to support the Committee in setting performance targets and to implement the Policy
- Support in drafting the Directors' Remuneration Report for the year ended 31 March 2026
- Updates to the Committee on regulatory changes and the investor environment

A&M's fees for the provision of executive remuneration consultancy services to the Committee during the year, charged on a time and materials basis, totalled £75,100.

### Consideration of employment conditions elsewhere in the Group

The Group seeks to promote and maintain good relations with employee representative bodies, including trade unions and works councils, as part of its broader employee engagement strategy and consultation on matters affecting our people and business performance as required, in each case, by law and regulation in the jurisdictions in which the Group operates. The Committee is mindful of the pay increases, incentive outcomes and share award participation in relevant markets across the rest of the Group when considering the remuneration of the Executive Directors. Our people have the opportunity to discuss various topics including remuneration via various internal forums. One such forum is the employee engagement sessions held with Bessie Lee and Joan Wainwright, in their capacity as engagement designated Non-Executive Directors. Further information regarding the sessions held during the year can be found on page 82.

### Consideration of shareholder views

The Committee consulted widely with key investors and proxy advisers and took feedback into account when developing the Policy. Since the 2025 AGM, we re-engaged with our largest 30 shareholders to provide a further opportunity for their input (as described in further detail on pages 100 to 101). It remains the Committee's intention that key shareholders will normally be consulted before making any significant changes to the application of the Policy.

More broadly, the Committee considers shareholder views received during the year and at the AGM each year and is regularly kept abreast of evolving guidance from shareholders and investor bodies. The Chair of the Committee is always available to shareholders, should they wish to discuss remuneration arrangements.

### Summary of shareholder voting

Summarised below are the results at the 2025 AGM vote on the 2025 Directors Remuneration Policy and the vote on the 2025 Directors' Remuneration Report:

	Total number of votes	% of votes cast
<b>2025 vote on Directors' Remuneration Policy</b>		
For (including discretionary)	264,865,666	65.63%
Against	138,733,440	34.37% <sup>1</sup>
Total votes cast (excluding withheld votes)	403,599,106	
Votes withheld	15,042,059	
<b>Total votes (including withheld votes)</b>	<b>418,641,165</b>	
<b>2025 vote on Directors' Remuneration Report</b>		
For (including discretionary)	402,826,628	97.90%
Against	8,644,692	2.10%
Total votes cast (excluding withheld votes)	411,471,320	
Votes withheld	7,169,845	
<b>Total votes (including withheld votes)</b>	<b>418,641,165</b>	

1. For further details regarding the vote outcome for the 2025 Directors' Remuneration Policy, see pages 100 to 101.

## Directors' report

# DIRECTORS' REPORT

## Information incorporated by reference

The following information required to be disclosed in this Directors' report (in accordance with Listing Rule (LR) 6.6.6R and otherwise) is set out on the page numbers below:

Likely future developments	4 and 9 to 14
Diversity and Inclusion Policy (including disability <sup>1</sup> )	52, 89 and 90
Employee engagement	16, 51 and 82
Other stakeholder engagement	17, 18 and 76
Greenhouse gas emissions <sup>1</sup>	45 and 46
Names of Directors who served during the year	72 to 74
Details of employee share schemes	99, 101 and 116
Risk management (including hedging) and financial instruments	164 to 168
Activity on Company culture	3, 10, 16 and 51 to 54
Long-term incentive schemes	98 to 101, 105, 107, 109 and 111

1. Information required by the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 and included in the Strategic Report.

This section (together with the information on pages 70 to 117 and other information cross-referenced by this section which is incorporated by reference) constitutes the Directors' report for the purposes of the Companies Act 2006 (Companies Act) and fulfils the requirements of the corporate governance statement for the purposes of the Financial Conduct Authority's Disclosure Guidance and Transparency Rules (DTR).

## Principal activities

RS Group is a differentiated, high-service global distributor of product and service solutions providing small volumes of our suppliers' products to our industrial customers. RS Group plc is a public company incorporated in England and Wales with company number 647788.

A list of the Company's investments and subsidiaries at 31 March 2026 can be found in Note 31 to the Group accounts on pages 171 to 175 of this Annual Report and Accounts.

The principal activity of the Company is to act as the holding company of the Group.

The Directors are not aware, at the date of this report, of any major changes in the Group's activities in the coming year.

## Results and dividends

The Group's results for the year ended 31 March 2026 are set out in the Group income statement on page 130.

The Board proposes, subject to approval of shareholders at the AGM to be held on 16 July 2026, that a final dividend of 14.2p per ordinary share be paid on 24 July 2026 to shareholders whose names are on the register of members at the close of business on 12 June 2026. The Directors have declared dividends as follows:

Dividends in 2026	Dividends in 2025
Interim dividend of 8.7p per ordinary share (paid on 2 January 2026)	8.5p per ordinary share
Proposed final dividend of 14.2p per ordinary share (to be paid on 24 July 2026)	13.9p per ordinary share
Total ordinary dividend of 22.9p per ordinary share for the year ended 31 March 2026	22.4p per ordinary share

During the year under review Computershare Trustees (Jersey) Limited, trustee of the RS Group Employee Trust, has waived its right to receive dividends over its total holding of 10,883,849 shares as at 31 March 2026.

## Appointment and retirement of Directors

The appointment and retirement of Directors is governed by the Company's Articles of Association (Articles), the Code and the Companies Act. The Company's Articles may only be amended by a special resolution of the shareholders in a general meeting.

In the interest of good governance and in accordance with the provisions of the Code, all Directors will retire and will seek re-election at the forthcoming AGM.

Biographies of the current Directors can be found on pages 72 to 74. Details of the Directors seeking re-election at the AGM are set out in the Notice of AGM.

## Board composition changes

Changes to the composition of the Board since 1 April 2025 up to the date of this Report are shown in the table below.

	Left the Board
Louisa Burdett	31 January 2026

## Directors' report continued

### Directors' interests

The Directors' interests in, and options over, ordinary shares in the Company are shown in the Directors' Remuneration report. Since the year end, there have been no changes to such interests.

In line with the requirements of the Companies Act, Directors have a statutory duty to avoid situations in which they have, or may have, interests that conflict with those of the Company unless that conflict is first authorised by the Board.

The Board has in place a formal conflicts of interest management procedure. The Board is responsible for considering whether authorisation is required, and if it can be given, in relation to new situations as they arise. The Board reviews annually any conflict authorisations it has given and any limitations that have been applied. The Company's Articles contain provisions to allow the Directors to authorise potential conflicts of interest, so that if approved, Directors will not be in breach of their duty under company law.

### Powers of the Directors

Subject to the Articles, the Companies Act, and any directions given by special resolution, the business of the Company will be managed by the Board, who may exercise all the powers of the Company. The Board may exercise all the powers of the Company to borrow money and to mortgage or charge any of its undertaking, property, and uncalled capital and to issue debentures or other securities, whether outright or as collateral security for any debt, liability, or obligation of the Company or of any third party.

### Directors' indemnities

In accordance with the relevant provisions of the Companies Act and the Company's Articles, the Company entered into a new deed in March 2023 to indemnify the Directors and Officers (from time to time) of the Company to the extent permitted by the law. The deed for existing Directors is available for inspection at the registered office of the Company.

The Company purchased and maintained Directors' and Officers' liability insurance throughout 2025/26, which was renewed for 2026/27. Neither the indemnity nor insurance provides cover in the event that a Director or Officer is proved to have acted fraudulently.

### Substantial shareholders

The processes by which the Company seeks to understand the views of its major shareholders are described on page 18.

Information provided to the Company by substantial shareholders pursuant to the DTR is published via a Regulatory Information Service.

As at 31 March 2026 and 19 May 2026, being the last practicable date, the Company had been notified by its substantial shareholders under Rule 5 of the DTR of the following interests in the Company's shares:

Shareholder	Number of	Percentage of	Number of	Percentage of
	shares as at 31 March 2026	issued share capital as at 31 March 2026	shares as at 19 May 2026	issued share capital as at 19 May 2026
FMR LLC	38,165,532	8.05%	38,165,532	8.05%
Artemis Investment Management LLP	25,745,982	5.43%	25,745,982	5.43%
Wellington Management Group LLP	23,807,812	5.02%	23,807,812	5.02%

### Share capital

As at 31 March 2026, the Company's issued share capital comprised a single class of 474,049,468 ordinary shares of 10p each, totalling £47,404,946.80.

Full details of share options, awards, and shares issued under the terms of the Company's share incentive plans can be found in Note 9 on pages 144 to 146.

The Company was authorised by shareholders at the AGM held on 17 July 2025 to purchase up to 10% of its ordinary share capital in the market. The Company did not make use of this authority during the year, and in line with market practice, will be seeking to renew such authority at this year's AGM.

### Restrictions on voting rights

A member is not entitled to vote (in person or by proxy) at any general meeting or class meeting if either: (i) any call or other sum then payable by that member in respect of that share remains unpaid; or (ii) that member has been served with a notice after failure to provide the Company with information concerning interests in those shares required to be provided under the Companies Act. Voting rights may be exercised in person, by proxy or, in relation to corporate members, by a corporate representative. Proxy forms must be submitted not less than 48 hours before the time of the meeting or adjourned meeting.

## Directors' report continued

### Restrictions on transfer of shares

The Directors may, in the case of shares in certificated form, in their absolute discretion and without assigning any reason, refuse to register any transfer of shares (not being fully paid shares) provided that such discretion may not be exercised in such a way as to prevent dealings in the shares of that class from taking place on an open and proper basis.

The Directors may also refuse to register an allotment or transfer of shares (whether fully paid or not) in favour of more than four persons jointly, in which case notice of the refusal must be sent to the allottee or transferee within two months after the date on which the letter of allotment or transfer was lodged with the Company. A shareholder does not need to obtain the approval of the Company, or of other shareholders in the Company, for a transfer of shares to take place.

### Political donations

In the year ended 31 March 2026, the Group made no political donations or contributions. It remains the Company's policy not to make political donations. However, the application of the relevant provisions of the Companies Act is potentially very broad in nature and, as it did last year, the Board will be seeking shareholder authority to make political donations up to a defined limit to ensure that the Group does not inadvertently breach these provisions as a result of the breadth of its business activities, although the Board has no intention of using this authority.

### AGM

The Notice of AGM is set out in a separate circular and is available on our website at [rsgroup.com/investors/shareholder-information/agm-information](https://www.rsgroup.com/investors/shareholder-information/agm-information). Shareholders can submit questions relating to the business of the meeting in advance to [CompanySecretary@rsgroup.com](mailto:CompanySecretary@rsgroup.com).

### Independent Auditors and audit information

Each of the persons who is a Director at the date of approval of this Annual Report and Accounts confirms that:

- So far as the Director is aware, there is no relevant audit information of which the Company's Auditors are unaware; and
- The Director has taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's Auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of the Companies Act.

### Significant agreements: change of control

The Company has a number of contractual arrangements which it considers essential to the business of the Company. Specifically, these are committed loan facilities from a number of banks and arrangements with third-party providers of administrative services. A change of control of the Company may cause some agreements to which the Company is a party to alter or terminate. These include bank facility agreements and employee share plans, which would normally vest and become exercisable on a change of control, subject to the satisfaction of any performance conditions at that time.

The Group has committed facilities totalling £682 million as at 31 March 2026 which contain clauses which require lender consent for any change of control. Should consent not be given, a change of control would trigger mandatory repayment of the said facilities.

### Articles of Association

Any amendments to the Articles of the Company may be made in accordance with the provisions of the Companies Act by way of a special resolution of the Company's shareholders in a general meeting. The Articles were last approved by shareholders at the AGM in 2021/22.

### Governance arrangements

Information regarding the Company's governance arrangements is set out in the Governance report on pages 70 to 121. These pages are incorporated by reference into the Directors' report.

On behalf of the Board:

### Clare Underwood

Company Secretary  
19 May 2026

# STATEMENT OF DIRECTORS' RESPONSIBILITIES

## Responsibility of Directors for annual report and accounts

The Directors are responsible for preparing the Annual Report and Accounts in accordance with applicable law and regulation.

Company law requires the Directors to prepare accounts for each financial year. Under that law the Directors have prepared the Group accounts in accordance with UK-adopted international accounting standards (UK IAS) and Company accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102), and applicable law).

Under company law the Directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group and Company for that period. In preparing the accounts, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- State whether applicable UK IAS have been followed for the Group accounts and United Kingdom Accounting Standards, comprising FRS 102, have been followed for the Company accounts, subject to any material departures disclosed and explained in the accounts;
- Make judgements and accounting estimates that are reasonable and prudent; and
- Prepare the accounts on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company, and enable them to ensure that the accounts and the Directors' Remuneration Report comply with the Companies Act 2006.

The Directors are also responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

The Directors consider that the Annual Report and Accounts, taken as a whole, is fair, balanced, and understandable and provides the information necessary for shareholders to assess the Group and Company's position and performance, business model, and strategy.

Each of the Directors, whose names and functions are listed on pages 72 to 74 confirm that, to the best of their knowledge:

- The financial statements, prepared in accordance with the relevant financial reporting framework, give a true and fair view of the assets, liabilities, financial position, and profit or loss of the Company and the undertakings included in the consolidation taken as a whole;
- The Strategic Report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and
- The Annual Report and Financial Statements, taken as a whole, are fair, balanced, and understandable and provide the information necessary for shareholders to assess the Company's position, performance, business model, and strategy.

In the case of each Director in office at the date the Directors' Report is approved, they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Group and Company's Auditors are aware of that information.

## Simon Pryce

Chief Executive Officer  
19 May 2026

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RS GROUP PLC

## Report on the audit of the financial statements

### 1. Opinion

In our opinion:

- the financial statements of RS Group plc (the 'Company') and its subsidiaries (the 'Group') give a true and fair view of the state of the Group's and of the Company's affairs as at 31 March 2026 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards;
- the Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the Group income statement;
- the Group statement of comprehensive income;
- the Group and Company balance sheets;
- the Group cash flow statement;
- the Group and Company statements of changes in equity; and
- the related Group notes 1 to 32, and Company notes 1 to 17.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and United Kingdom adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the Company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

### 2. Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Group and the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the FRC's) Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services provided to the Group and the Company for the year are disclosed in Note 6 to the financial statements. We confirm that we have not provided any non-audit services prohibited by the FRC's Ethical Standard to the Group or the Company.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### 3. Summary of our audit approach

#### Key audit matter

The key audit matter that we identified in the current year was the valuation of inventory obsolescence provisions.

#### Materiality

Materiality used for the Group financial statements was £11.2 million. Group materiality was determined as approximately 5% of adjusted profit before tax including amortisation of acquired intangibles.

#### Scoping

We identified 16 components across the Group.

We have focused our audit procedures on four of these components, being the EMEA and Americas divisions, Risoul in Mexico and the Group's head office entities. In addition, audit procedures were performed on specific account balances at other components. Further details of our audit scope and identification of components is set out on pages 125 to 127.

Our audit scope addressed 85% of Group revenue, 85% of Group profit before tax and 93% of Group total assets.

#### Significant changes in our approach

In the prior year, accounting for contractual relationships was also identified as a key audit matter. As there have been no new significant contractual relationships in the year, it is no longer considered a key audit matter as it did not have a significant effect on our overall audit strategy, allocation of resources or direction of efforts of the engagement team.

## Independent Auditors' report continued

### 4. Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the Directors' assessment of the Group's and Company's ability to continue to adopt the going concern basis of accounting included:

- understanding the process used to prepare the budget and strategic plan including obtaining an understanding of relevant controls over management's going concern model;
- assessing the reasonableness of the assumptions in the budget and strategic plan, including those relating to the current macroeconomic uncertainty (including the impact of trade tariffs and the ongoing war in the Middle East) and evaluating the appropriateness of these assumptions and their consistency with management's presentations to the Board and Audit Committee. This included challenging the assumptions used within the Group's going concern model by obtaining third-party and market data and evaluating any differences between this data and the judgements and assumptions used by management;
- evaluating the historical accuracy of forecasts prepared by management;
- testing the mechanical accuracy of the going concern model;
- confirming the existence and availability of financing facilities;
- assessing the Group's liquidity forecast and performing sensitivity analysis to assess whether there is sufficient headroom over the going concern period;
- considering the mitigating factors and reasonable downside scenarios identified by management in relation to their going concern analysis; and
- assessing the appropriateness of the Group's disclosure concerning the going concern basis of accounting.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to the reporting on how the Group has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

### 5. Key audit matters

The key audit matter communicated below is a matter that, in our professional judgement, was of most significance in our audit of the financial statements in the current year and includes the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. This matter had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team.

This matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

#### 5.1 Valuation of inventory obsolescence provisions

##### Key audit matter description

The gross inventory balance as at 31 March 2026 was £675.6 million (2025: £704.1 million), against which provisions of £80.6 million (2025: £86.8 million) were held.

The Group's business model is based on stocking an extensive range of products, which are delivered quickly to customers to support critical operations. As a result, the Group holds significant quantities of inventory on hand across a wide range of products for sustained periods of time, increasing the risk of inventory obsolescence.

The Group's inventory obsolescence provision is calculated on an 'inventory cover' basis, by establishing estimated levels of excess inventories through considering the historic run rate of sales, and the length of time it will require to sell all inventory held. Key assumptions therefore include sales trends, the ability to return stock to suppliers and the history of such returns, the number of years of inventory cover, and recoverable amounts to determine provision rates.

The obsolescence provision is calculated across the Group using either Excel or data analytics (where the dataset is too large for Excel) in order to analyse excess inventories based on inventory turn and apply the provisioning percentages to the different categories of products based on historical recoverability rates. Adjustments are applied to the calculated provision by the local finance teams to account for specific product or market circumstances at the period-end.

As set out in Note 18 and on page 93 of the Audit Committee Report, the Group has reviewed its methodology for determining the inventory provisioning percentages in the current year, adopting a data driven approach by considering historic sell through of inventory and returns to suppliers to determine recoverable amounts. The inventory obsolescence provision is sensitive to changes in these assumptions.

Given the judgement required in determining the sell through rate of inventory (which may take many years), the ability of the Group to return stock to suppliers and the recoverable amount of the inventory balance as a result, we have identified the assumptions used by management in determining the inventory obsolescence provision as a key audit matter. This includes the assumptions regarding sell through rates, return levels, and the provisioning percentages applied to product categories in the calculation.

## Independent Auditors' report continued

### Key audit matter description

To respond to this key audit matter, we have:

- Obtained an understanding of the Group's processes and controls relevant to the obsolescence provision methodology determination and calculation;
- Performed a recalculation of the obsolescence provision based on management's provisioning policy, with the assistance of our data analytics specialists to assess the mathematical accuracy of the provision and consistency of application with the Group's provisioning methodology;
- Recalculated the inventory provisioning percentages in accordance with management's methodology and historical write offs;
- Tested a sample of stock lines to assess whether they have been classified in the correct product category in the inventory provision calculation and therefore assigned the right provisioning percentage based on their classification;
- Tested the completeness and accuracy of inventory data used to calculate the provision by reconciling the inventory sub-ledger and sales to the Group's accounting system and selecting a sample of inventory items and agreeing the cost back to supplier invoice;
- Tested a sample of sales to assess the validity of the sales data used in the model;
- Tested a sample of historic stock returns to ensure the cost of the inventories was recovered and challenged whether the trends in return rates to suppliers are in line with existing contractual return provisions and are reflective of the ability of management to return inventory in the future, especially in light of current market conditions;
- Assessed the validity and completeness of manual adjustments made to the provision by understanding the circumstances relating to the adjustments and agreeing a sample of the adjustments to supporting documentation. In addition, we have considered the effect of economic and market uncertainty on specific product groups and whether specific manual provisions are needed for certain product categories;
- Challenged the reasonableness of management's assumptions using data analytics regarding inventory sell through rates, recoverability and provisioning percentages by analysing trends in historical sales and returns by product type over the last 4 years and historical inventory write-offs, and assessing the right-to-return of inventory under supplier specific contractual clauses; and
- Evaluated compliance with the disclosures required by the accounting standards relating to a reasonably possible change in a key assumption, including their clarity and understandability to users of the financial statements.

### Key observations

Management has strengthened their review controls over the inventory provision in the year.

Based on the audit procedures performed, we are satisfied that the valuation of the inventory obsolescence provision is acceptable, and that the associated disclosures in the financial statements with respect to the inventory provision and the related key source of estimation uncertainty are appropriate.

## 6. Our application of materiality

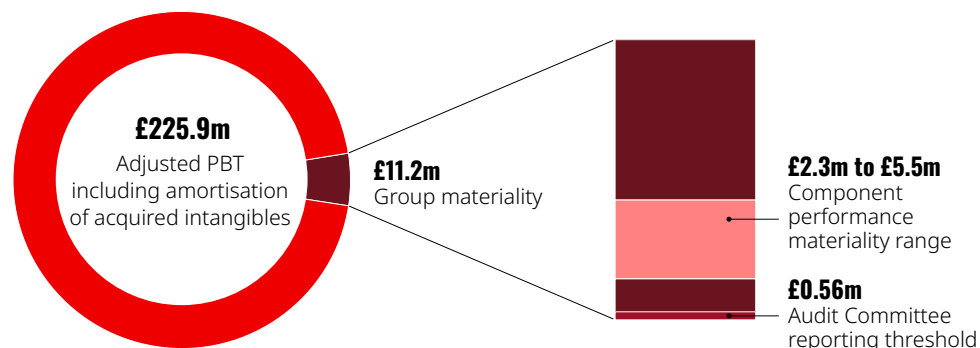
### 6.1 Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	Company financial statements
Materiality	£11.2 million (2025: £11.0 million)	£11.5 million (2025: £10.3 million)
Basis for determining materiality	5% of adjusted profit before tax including amortisation of acquired intangibles.  Further details on adjusting items are set out in Note 3.	The basis for materiality is net assets. The materiality used represents 1% of net assets.
Rationale for the benchmark applied	<p>We have determined that the primary benchmark for materiality for the Group is profit before tax, because we consider this measure to be the primary focus of users of the financial statements. We also considered revenue, net assets, and total assets as relevant metrics to the users of the financial statements.</p> <p>Management's key performance measure used internally to measure the Group's performance and in the Directors' remuneration targets is Adjusted PBT, which excludes certain 'adjusting' items to profit before tax, including amortisation of acquired intangibles and other items which do not represent the normal continuing operations of the Group. See page 109 for further details.</p> <p>In determining adjusted profit for the purposes of our materiality, we have added back amortisation of acquired intangibles to adjusted profit as defined above, because the balance recurs each year. Our selected materiality represents 0.4% of revenue (2025: 0.4%), 0.8% of net assets (2025: 0.8%), and 0.4% of total assets (2025: 0.4%).</p>	Due to the nature of the Company as a parent entity holding company, we consider net assets to be the most appropriate basis for materiality.

## Independent Auditors' report continued



### 6.2. Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole.

	Group financial statements	Company financial statements
<b>Performance materiality</b>	70% (2025: 70%) of Group materiality	70% (2025: 70%) of Company materiality
<b>Basis and rationale for determining performance materiality</b>	In determining performance materiality, we considered the following factors: <ul style="list-style-type: none"> <li>– our understanding of the entity and its environment;</li> <li>– our risk assessment, including our assessment of the Group's overall control environment; and</li> <li>– the results of the previous years' audit, including the value and quantum of corrected and uncorrected misstatements in prior periods and our expectation of the likelihood of misstatements recurring in the current period.</li> </ul>	

### 6.3. Error reporting threshold

We agreed with the Audit Committee that we would report to them all audit differences in excess of £0.56 million (2025: £0.55 million), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identify when assessing the overall presentation of the financial statements.

## 7. An overview of the scope of our audit

### 7.1. Identification and scoping of components

The Group is headquartered in the UK, with operations in more than 30 countries across Europe, the Middle East, North and South America, and the Asia Pacific regions. The Group uses three Global Shared Business Service Centres (GSBS) centres to support financial reporting across a number of key business processes.

We identified the Group's EMEA, Americas and APAC divisions as components, noting their common IT systems and processes and controls, alongside a series of smaller components relating to more recent acquisitions, or specific local businesses. In total, we identified 16 components (2025: 15 components) across the Group, following the Group's acquisition of BPX in March 2026.

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including Group-wide controls, and assessing the risks of material misstatement at the Group level. The identification of significant accounts, including the identification and classification of risks of material misstatement was performed by the Group audit team, including scoping of relevant IT systems and controls relevant to the audit. The concentration of activity and controllership in the Group, including the centralisation of the finance function in the Group's Head Office and Shared Business Service Centres, enabled us to structure the audit centrally with the majority of the audit work performed by the Group audit team in the UK.

We have focused our audit procedures on four components being the EMEA and Americas divisions, Risoul in Mexico and the Group head office entities. In the prior year, the procedures were focused on the same four components, and additionally APAC, which following consideration of quantitative and qualitative factors, we have excluded from our scope the current year. In addition, audit procedures were performed on specific account balances at other components, including APAC.

Our procedures on the above four components, in combination with the additional specified account balances at other components represent 85% of the Group's revenue (2025: 89%), 85% of the Group's profit before tax (2025: 88%) and 93% of the Group's total assets (2025: 96%). They were also selected to provide an appropriate basis for undertaking audit work to address the risks of material misstatement identified above.

### Audit work performed at Global Shared Business Service Centres and other components

A significant amount of the Group's operational processes which cover financial reporting are undertaken at the Group's Shared Business Service Centres. The common IT systems in the GSBS centres, together with our data analytical tools, allowed us to scrutinise large transactional data sets for unusual trends, characteristics, outliers or transaction flows to support our identification of audit risks and perform the audit work of the related balances centrally without the need to engage component auditors. The Group audit team therefore performed the audit work at the GSBS centres located in Corby (UK) and Fort Worth (US) where balances were in scope for the Group audit. Please refer to section 7.5 below for further information regarding our use of technology throughout the audit.

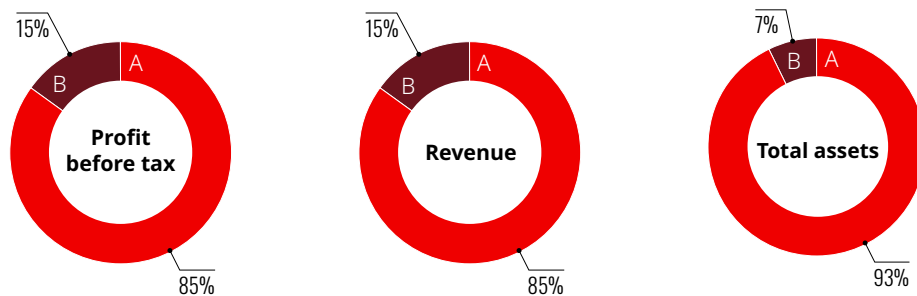
## Independent Auditors' report continued

Audit work was further performed at other components centrally by the Group team on specific balances or classes of transactions.

The audit of Risoul was performed locally in Mexico by a component audit team. Component teams were also engaged to perform specified procedures relating to existence of inventory and PPE verification at specific components.

Procedures performed at the GSBS centres and other components were performed applying component performance materiality in a range of £2.3 million to £5.5 million (2025: £2.7 million to £5.4 million).

Inventory counts at significant locations in the UK, Germany and America were performed by the Group Audit team. Local country Deloitte audit teams performed inventory counts at other non-significant locations. All local teams received a briefing by the Group audit team prior to attending the count. Where within the scope of our audit, all inventory counts were attended in person.



**A** Specified audit procedures **B** Reviews at Group level

### Audit procedures undertaken at a Group level and on the Company

We performed audit work on the Head Office entities at the Group level. Further, we performed audit work at Group and on the Company financial statements, including but not limited to the consolidation of the Group's results, the preparation of the financial statements, certain disclosures within the Directors' Remuneration Report, treasury, defined benefit pension schemes, going concern, goodwill impairment, and litigation and claims procedures. Audit procedures undertaken at a Group level relating to Head Office were performed to Group materiality, or Company materiality where the procedures related to the Company. In addition, we carried out reviews at a Group level to confirm our conclusion that we had reduced the audit risk of material misstatement of the aggregated financial information of the remaining components not subject to audit or audit of specified account balances to a sufficiently low level.

### 7.2. Our consideration of the control environment

The Group's operations utilise a range of information systems which underpin the financial reporting process. We identified the main finance systems used in the GSBS locations, the Group consolidation system and inventory management systems at key inventory locations as the key IT systems relevant to our audit. With the assistance of our IT specialist, we also obtained an understanding of and/or tested relevant controls relating to these key systems used to process transactions, manage inventory and to consolidate the financial results of the Group. However, given a number of control improvements identified as being required we have not relied on automated system controls in any component.

In addition, we obtained an understanding of the Group's control environment performing process and controls walkthroughs on key business cycles including but not limited to order-to-cash, purchase-to-pay, inventory management and provisioning, the financial close and reporting process, and other head office and relevant areas.

As set out on page 95 of the Audit Committee Report, management has commenced a programme to improve and build upon its existing controls framework, including to standardise controls across the Group and enhance general IT controls across the key IT systems. This is expected to be a multi-year project, ahead of Provision 29 of the updated UK Corporate Governance Code 2024 becoming applicable for the Group in 2027. Noting a number of legacy controls are in the process of being strengthened, we have performed a fully substantive audit, though we plan to continue to review our controls reliance strategy as this project progresses.

### 7.3. Our consideration of climate-related risks

In planning our audit, we have considered the potential impact of climate change on the Group's businesses and its financial statements.

The Group has assessed the risk and opportunities relevant to climate change, and the Group's Principal Risks capture physical and transitional climate-related risks as determined in the Enterprise Risk Management Process. The risks have also been considered and embedded into the businesses, as explained in the Strategic report on page 33.

As part of our audit procedures, we have obtained management's climate-related risk assessment and held discussions to understand the process of identifying climate-related risks, the determination of mitigating actions and the impact on the Group's financial statements. While management has acknowledged the risks and opportunities posed by climate change, they have assessed that climate change does not create any specific key sources of estimation uncertainty in the financial statements as at 31 March 2026, as explained in Note 1 to the accounts.

We performed our own qualitative risk assessment of the potential impact of climate change on the Group's account balances and classes of transactions, with particular focus on areas of judgement such as inventory provisioning, the forecasting assumptions used in going concern and goodwill impairment testing, and did not identify any additional risks of material misstatement. Our risk assessment and wider procedures were performed with the involvement of our ESG specialists and included reading disclosures in the Strategic report to consider whether they are materially consistent with the financial statements and our knowledge obtained in the audit. We have not been engaged to provide assurance over the accuracy of these disclosures.

## Independent Auditors' report continued

### 7.4. Working with other auditors

The Group audit team are responsible for the scope and direction of the audit process. As set out in section 7.1, we engaged a component auditor based in Mexico to assist with the audit of specific balances and classes of transactions relating to the Risoul trading entity.

In exercising appropriate direction, supervision, and review activities over the component auditor, the Group team:

- Provided detailed referral instructions setting out the procedures to be performed;
- Engaged in regular communication with the component auditor, enabling timely reporting and challenge of outcomes across the Group and component audit, including holding regular virtual calls with local management during the year-end period; and
- Performed virtual file reviews over higher and significant risk areas of the audit so that the work performed was in line with our referral instructions and challenged the appropriateness of the conclusions reached on key judgement areas.

We also directed and supervised other component auditors in the performance of specific procedures relating to inventory counts and the existence of PPE. We issued detailed instructions to the component audit teams on the procedures to be performed. We reviewed all work or deliverables performed by each component team to support the Group audit opinion.

In addition, we held a Group-wide virtual planning meeting, as well as regular virtual meetings with the component teams. These sessions were all led by the Group audit team. These meetings enabled a good level of understanding of the Group's businesses, its core strategy, and a thorough discussion of the significant risks and our planned audit approach.

### 7.5. Use of audit technology

The central control and extent of common systems throughout the Group enable us to deploy and utilise process and data analytics across the breadth of the Group, providing a more detailed understanding of the flow of transactions, enabling us to focus our risk assessment and design targeted audit testing procedures.

We embed technology throughout our audit to improve quality and effectiveness, including in the areas of risk assessment, substantive testing, and reporting insights to management and the Audit Committee.

We have continued to leverage process analytics to perform substantive procedures on revenue at a Group level by automatically matching key revenue data points across sales orders, invoices and shipping documents generated during the revenue process, and subsequent matching to cash. In addition, we used profiling technology to identify journal entries that exhibit potential fraud characteristics in testing the appropriateness of journal entries and other adjustments.

We used data analytical techniques to perform a recalculation over 100% of the cost of inventory, (excluding goods in transit), by performing weighted average cost calculations for all lines of inventory, and also to recalculate inventory provisions. Furthermore, we used data analytics to compare the cost and net realisable value of the EMEA and Americas inventory balances in order to determine if any stock items were selling below cost and thus needed a separate provision.

### 8. Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### 9. Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

### 10. Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## Independent Auditors' report continued

### 11. Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

#### 11.1. Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the Group's remuneration policies, key drivers for Directors' remuneration, bonus levels and performance targets;
- the Group's own assessment of the risks that irregularities may occur either as a result of fraud or error;
- results of our enquiries of management, operational audit, the Directors and the Audit Committee about their own identification and assessment of the risks of irregularities, including those that are specific to the Group's sector;
- any matters we identified having obtained and reviewed the Group's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations; and
- the matters discussed among the audit engagement team including the component audit team and relevant internal specialists, including tax, valuations, financial instruments, actuarial, pensions, data analytics, IT and ESG specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud relating to inventory obsolescence provisioning. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the Group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the regulations from the UK Companies Act 2006, the UK Listing Rules, pensions legislation and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group's ability to operate or to avoid a material penalty. These included environmental regulations relevant to the Group.

#### 11.2. Audit response to risks identified

As a result of performing the above, we identified the valuation of inventory obsolescence provisions as a key audit matter related to the potential risk of fraud. The key audit matters section of our report explains the matter in more detail and also describes the specific procedures we performed in response to that key audit matter.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management, the Audit Committee and in-house and external legal counsel concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists and component audit teams and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

## Report on other legal and regulatory requirements

### 12. Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the Directors' Remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and of the Company and their environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic report or the Directors' report.

## Independent Auditors' report continued

### 13. Corporate Governance Statement

The UK Listing Rules require us to review the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Group's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- the Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 40;
- the Directors' explanation as to its assessment of the Group's prospects, the period this assessment covers and why the period is appropriate set out on page 39;
- the Directors' statement on fair, balanced and understandable set out on page 92;
- the Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 34;
- the section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 95; and
- the section describing the work of the Audit Committee set out on page 91.

### 14. Matters on which we are required to report by exception

#### 14.1. Adequacy of explanations received and accounting records

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Company financial statements are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

#### 14.2. Directors' Remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of Directors' remuneration have not been made or the part of the Directors' Remuneration report to be audited is not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

### 15. Other matters which we are required to address

#### 15.1. Auditor tenure

Following the recommendation of the Audit Committee, we were appointed by the shareholders on 11 July 2024 to audit the financial statements for the year ended 31 March 2025 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is two years, covering the years ended 31 March 2025 to 31 March 2026.

#### 15.2. Consistency of the audit report with the additional report to the Audit Committee

Our audit opinion is consistent with the additional report to the Audit Committee we are required to provide in accordance with ISAs (UK).

### 16. Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

As required by the Financial Conduct Authority (FCA) Disclosure Guidance and Transparency Rule (DTR) 4.1.15R – DTR 4.1.18R, these financial statements will form part of the Electronic Format Annual Financial Report filed on the National Storage Mechanism of the FCA in accordance with DTR 4.1.15R – DTR 4.1.18R. This auditor's report provides no assurance over whether the Electronic Format Annual Financial Report has been prepared in compliance with DTR 4.1.15R – DTR 4.1.18R.

#### Jon Thomson FCA (Senior Statutory Auditor)

For and on behalf of Deloitte LLP  
Statutory Auditor  
London, United Kingdom  
19 May 2026

## Group accounts

**GROUP INCOME STATEMENT**

For the year ended 31 March 2026

	Notes	2026 £m	2025 £m
<b>Revenue</b>	2,3,4	<b>2,881.1</b>	2,903.5
Cost of sales	5	<b>(1,630.8)</b>	(1,660.3)
<b>Gross profit</b>		<b>1,250.3</b>	1,243.2
Operating costs		<b>(1,011.7)</b>	(1,010.4)
<b>Operating profit</b>	2,3,6	<b>238.6</b>	232.8
Finance income	7	<b>2.9</b>	4.7
Finance costs	7	<b>(22.4)</b>	(32.0)
Share of profit of joint venture	17	<b>0.6</b>	0.6
<b>Profit before tax</b>		<b>219.7</b>	206.1
Income tax expense	11	<b>(57.8)</b>	(53.5)
<b>Profit for the year</b>		<b>161.9</b>	152.6
Profit for the year is attributable to:			
Owners of the Company		<b>162.0</b>	152.7
Non-controlling interests		<b>(0.1)</b>	(0.1)
		<b>161.9</b>	152.6
<b>Earnings per share attributable to owners of the Company</b>			
Basic	12	<b>34.6p</b>	32.5p
Diluted	12	<b>34.5p</b>	32.5p

The Notes on pages 134 to 175 form part of these Group accounts.

**GROUP STATEMENT OF COMPREHENSIVE INCOME**

For the year ended 31 March 2026

	Notes	2026 £m	2025 £m
<b>Profit for the year</b>		<b>161.9</b>	152.6
<b>Other comprehensive income/(expense)</b>			
<b>Items that will not be reclassified subsequently to the income statement</b>			
Remeasurement of retirement benefit obligations	10	-	1.5
Related income tax	11	-	(0.3)
		-	1.2
<b>Items that may be reclassified subsequently to the income statement</b>			
Foreign exchange translation differences of joint venture	17	-	(0.1)
Foreign exchange translation differences		<b>32.6</b>	(84.1)
Fair value (loss)/gain on net investment hedges	27	<b>(5.2)</b>	6.6
Movement in cash flow hedges	27	<b>2.4</b>	1.4
Related income tax	11	<b>(0.6)</b>	(0.2)
		<b>29.2</b>	(76.4)
<b>Other comprehensive income/(expense) for the year</b>		<b>29.2</b>	(75.2)
<b>Total comprehensive income for the year</b>		<b>191.1</b>	77.4
Total comprehensive income is attributable to:			
Owners of the Company		<b>191.2</b>	77.5
Non-controlling interests		<b>(0.1)</b>	(0.1)
		<b>191.1</b>	77.4

The Notes on pages 134 to 175 form part of these Group accounts.

## Group accounts continued

**GROUP BALANCE SHEET**

For the year ended 31 March 2026

Company number: 647788

	Notes	2026 £m	2025 £m
<b>Non-current assets</b>			
Intangible assets	14	913.0	898.9
Property, plant and equipment	15	181.2	176.7
Right-of-use assets	16	52.3	54.3
Investment in joint venture	17	1.2	1.2
Other receivables	19	4.8	4.6
Retirement benefit net assets	10	2.4	2.5
Deferred tax assets	11	5.0	11.1
<b>Total non-current assets</b>		<b>1,159.9</b>	1,149.3
<b>Current assets</b>			
Inventories	18	595.0	617.3
Trade and other receivables	19	729.2	688.5
Cash and cash equivalents – cash and short-term deposits	22	166.5	147.7
Derivative assets	21	2.6	1.9
Current income tax receivables		17.6	15.9
<b>Total current assets</b>		<b>1,510.9</b>	1,471.3
<b>Total assets</b>		<b>2,670.8</b>	2,620.6
<b>Current liabilities</b>			
Trade and other payables	20	(634.2)	(611.0)
Cash and cash equivalents – bank overdrafts	22	(50.2)	(41.7)
Borrowings	22	(120.6)	(23.5)
Lease liabilities	16,22	(16.9)	(15.5)
Derivative liabilities	21	(2.8)	(1.8)
Provisions	24	(4.7)	(5.0)
Current income tax liabilities		(12.8)	(17.9)
<b>Total current liabilities</b>		<b>(842.2)</b>	(716.4)

	Notes	2026 £m	2025 £m
<b>Non-current liabilities</b>			
Other payables	20	(6.6)	(7.4)
Retirement benefit obligations	10	(11.3)	(16.4)
Borrowings	22	(270.0)	(390.0)
Lease liabilities	16,22	(37.7)	(41.2)
Provisions	24	(4.0)	(3.1)
Deferred tax liabilities	11	(85.1)	(91.6)
<b>Total non-current liabilities</b>		<b>(414.7)</b>	(549.7)
<b>Total liabilities</b>		<b>(1,256.9)</b>	(1,266.1)
<b>Net assets</b>		<b>1,413.9</b>	1,354.5
<b>Equity</b>			
Share capital and share premium	26	287.1	287.1
Own shares held by Employee Benefit Trust (EBT)	26	(73.4)	(42.3)
Other reserves	27	58.9	32.0
Retained earnings		1,140.9	1,077.2
<b>Equity attributable to owners of the Company</b>		<b>1,413.5</b>	1,354.0
<b>Non-controlling interests</b>		<b>0.4</b>	0.5
<b>Total equity</b>		<b>1,413.9</b>	1,354.5

The Notes on pages 134 to 175 form part of these Group accounts.

The financial statements of RS Group plc were approved by the Board of Directors and authorised for issue on 19 May 2026. They were signed on its behalf by:

**Kate Ringrose**  
Chief Financial Officer

## Group accounts continued

**GROUP CASH FLOW STATEMENT**

For the year ended 31 March 2026

	Notes	2026 £m	2025 £m
<b>Cash flows from operating activities</b>			
Profit before tax		219.7	206.1
Depreciation and amortisation	6	80.1	85.4
Impairment of intangible assets	14	14.9	12.8
Impairment of property, plant and equipment	15	-	0.4
Profit on business disposal	29	(3.4)	-
Loss on disposal of non-current assets	6	0.3	0.1
Equity-settled share-based payments	8,9	10.4	9.9
Net finance costs		19.5	27.3
Share of profit of and dividends received from joint venture	17	-	-
Decrease in inventories		35.5	7.6
Increase in trade and other receivables		(11.2)	(2.0)
(Decrease)/increase in trade and other payables		(9.3)	12.3
Decrease in provisions		(0.5)	(0.4)
Defined benefit retirement contributions in excess of charge		(5.2)	(10.7)
<b>Cash generated from operations</b>		<b>350.8</b>	<b>348.8</b>
Interest received		2.9	4.7
Interest paid		(22.5)	(34.0)
Income tax paid		(67.4)	(60.4)
<b>Net cash from operating activities</b>		<b>263.8</b>	<b>259.1</b>

	Notes	2026 £m	2025 £m
<b>Cash flows from investing activities</b>			
Acquisition of businesses	29	(31.8)	(8.4)
Cash and cash equivalents acquired with businesses	29	7.4	-
Total cash impact on acquisition of businesses		(24.4)	(8.4)
Purchase of intangible assets		(34.0)	(33.1)
Purchase of property, plant and equipment		(18.9)	(16.2)
Proceeds from sale of business	29	4.5	-
<b>Net cash used in investing activities</b>		<b>(72.8)</b>	<b>(57.7)</b>
<b>Cash flows from financing activities</b>			
Proceeds from the issue of share capital	26	-	0.2
Purchase of own shares by EBT		(33.7)	(46.5)
Net repayment of revolving facilities and short-term loans		(27.4)	(42.3)
Other loans drawn down		-	24.0
Other loans repaid		-	(0.4)
Principal elements of lease payments		(17.2)	(15.7)
Dividends paid	13	(105.9)	(104.7)
<b>Net cash used in financing activities</b>		<b>(184.2)</b>	<b>(185.4)</b>
<b>Net increase in cash and cash equivalents</b>		<b>6.8</b>	<b>16.0</b>
Cash and cash equivalents at the beginning of the year		106.0	96.0
Effect of exchange rate changes		3.5	(6.0)
<b>Cash and cash equivalents at the end of the year</b>	22	<b>116.3</b>	<b>106.0</b>

The Notes on pages 134 to 175 form part of these Group accounts.

Group accounts continued

## GROUP STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2026

	Attributable to owners of the Company						Total equity £m
	Share capital and share premium (Note 26) £m	Own shares held by EBT £m	Other reserves (Note 27) £m	Retained earnings £m	Total £m	Non-controlling interests £m	
<b>At 1 April 2024</b>	286.9	(1.8)	108.9	1,024.3	1,418.3	0.6	1,418.9
Profit for the year	-	-	-	152.7	152.7	(0.1)	152.6
Other comprehensive (expense)/income	-	-	(76.4)	1.2	(75.2)	-	(75.2)
<b>Total comprehensive (expense)/income</b>	-	-	(76.4)	153.9	77.5	(0.1)	77.4
Cash flow hedging gains transferred to inventories	-	-	(0.6)	-	(0.6)	-	(0.6)
Tax on cash flow hedging transferred to inventories	-	-	0.1	-	0.1	-	0.1
Dividends (Note 13)	-	-	-	(104.7)	(104.7)	-	(104.7)
Equity-settled share-based payments (Notes 8 and 9)	-	-	-	9.4	9.4	-	9.4
Settlement of share awards	0.2	6.0	-	(5.5)	0.7	-	0.7
Purchase of own shares by EBT	-	(46.5)	-	-	(46.5)	-	(46.5)
Tax on equity-settled share-based payments	-	-	-	(0.2)	(0.2)	-	(0.2)
<b>At 31 March 2025</b>	287.1	(42.3)	32.0	1,077.2	1,354.0	0.5	1,354.5
Profit for the year	-	-	-	<b>162.0</b>	<b>162.0</b>	<b>(0.1)</b>	<b>161.9</b>
Other comprehensive income	-	-	<b>29.2</b>	-	<b>29.2</b>	-	<b>29.2</b>
<b>Total comprehensive income/(expense)</b>	-	-	<b>29.2</b>	<b>162.0</b>	<b>191.2</b>	<b>(0.1)</b>	<b>191.1</b>
Cash flow hedging gains transferred to inventories	-	-	<b>(3.1)</b>	-	<b>(3.1)</b>	-	<b>(3.1)</b>
Tax on cash flow hedging transferred to inventories	-	-	<b>0.8</b>	-	<b>0.8</b>	-	<b>0.8</b>
Dividends (Note 13)	-	-	-	<b>(105.9)</b>	<b>(105.9)</b>	-	<b>(105.9)</b>
Equity-settled share-based payments (Notes 8 and 9)	-	-	-	<b>9.9</b>	<b>9.9</b>	-	<b>9.9</b>
Settlement of share awards	-	<b>2.6</b>	-	<b>(2.1)</b>	<b>0.5</b>	-	<b>0.5</b>
Purchase of own shares by EBT	-	<b>(33.7)</b>	-	-	<b>(33.7)</b>	-	<b>(33.7)</b>
Tax on equity-settled share-based payments	-	-	-	<b>(0.2)</b>	<b>(0.2)</b>	-	<b>(0.2)</b>
<b>At 31 March 2026</b>	<b>287.1</b>	<b>(73.4)</b>	<b>58.9</b>	<b>1,140.9</b>	<b>1,413.5</b>	<b>0.4</b>	<b>1,413.9</b>

The Notes on pages 134 to 175 form part of these Group accounts.

## Group accounts continued

# NOTES TO GROUP ACCOUNTS

For the year ended 31 March 2026

## 1 Basis of preparation

RS Group plc (the Company) is a public limited company registered in England and Wales and listed on the London Stock Exchange.

The Group accounts for the year ended 31 March 2026 are presented in sterling and rounded to £0.1 million. They are prepared in accordance with UK-adopted international accounting standards (UK IAS) and the requirements of the Companies Act 2006.

The Group accounts have been prepared on a going concern basis under the historical cost convention, modified by the revaluation of retirement benefit obligations and certain financial assets and liabilities (including derivative financial instruments) as explained in the relevant notes. The principal accounting policies have been applied consistently unless otherwise stated.

In adopting the going concern basis for preparing these Group accounts, the Board has considered the Group's future trading prospects; the Group's available liquidity; the maturity of its debt facilities and obligations under its debt covenants; and the Group's principal risks.

We have undertaken reverse stress tests on the latest forecast to assess the circumstances that would threaten the Group's current financing arrangements. These included significant declines in revenue, significant declines in revenue and gross margin, 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.

### Basis of consolidation

The Group accounts comprise the results, assets, and liabilities of the Company and all its subsidiaries (together referred to as the Group) and include the Employee Benefit Trust (EBT) and the Group's interest in a joint venture. Subsidiaries are entities controlled by the Company and the EBT is controlled by the Company. The joint venture is accounted for using the equity method of accounting.

The results of businesses acquired in the year are consolidated from the effective date of acquisition. The net assets of businesses acquired are incorporated in the Group accounts at their fair values at the date of acquisition.

Intra-group transactions and balances are eliminated in preparing the Group accounts and no profit or loss is recognised on intra-group transactions. Unrealised gains or losses arising from transactions with the joint venture are eliminated to the extent of the Group's interest in the entity.

## Estimates and judgements

The preparation of accounts in accordance with UK IAS requires the Group to make judgements and estimates that affect the application of accounting policies and reported amounts of assets and liabilities, income, and expenses. Except for judgements involved in estimations, no judgements have been made in the process of applying the Group's accounting policies that have had a significant effect on the amounts recognised in the accounts. The judgements involved in estimations take account of the Group's latest expectations of the long-term impacts of climate change and environmental regulations and the current global economic and geopolitical uncertainties, and the impact was not material.

Significant estimates are those that have a significant risk of resulting in a material adjustment to the carrying amounts of the Group's assets and liabilities within the next year. The significant estimates made in preparing the accounts were in relation to inventory provisioning and further details on the application of these estimates can be found in Note 18. While not significant estimates, the Group also focuses on estimates made in relation to the fair values on acquisition of businesses (Note 29), the review of intangibles and other assets for impairment (Notes 14 and 23), and retirement benefit obligations (Note 10). Further details are provided in the relevant notes.

Actual results in the longer term may differ from these estimates.

## Foreign currency

### Foreign currency transactions

Transactions in foreign currencies are recorded using the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated at the rate ruling at that date and the gains and losses on translation are recognised in operating profit. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated at the rate ruling at the date the fair value was determined.

### Translation of foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated at exchange rates ruling at the balance sheet date. The income statement and cash flows of foreign operations are translated at the average rate for the period. Foreign exchange differences on translation of foreign operations are recognised in other comprehensive income.

## Standards and interpretations adopted in the year

### Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' titled 'Lack of Exchangeability'

The amendments specify how to assess whether a currency is exchangeable, and how to determine the exchange rate when it is not. There was no material impact on the reported results or financial position of the Group.

Group accounts continued

## NOTES TO GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2026

### 1 Basis of preparation continued

#### Standards or interpretations issued but not yet applied

The Group has not applied any of the following standards, interpretations, or amendments that have been issued but are not yet effective, and in some cases not yet adopted by the UK Endorsement Board (UKEB).

#### IFRS 18 'Presentation and Disclosures in Financial Statements'

IFRS 18 replaces IAS 1, carrying forward many of the requirements in IAS 1 unchanged and complementing them with new requirements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Furthermore, the IASB has made minor amendments to IAS 7 and IAS 33 Earnings per Share. The requirements are effective for annual reporting periods beginning on or after 1 January 2027.

The Group is currently assessing the impact of IFRS 18 on presentation and disclosures in the consolidated financial statements. It will affect how the Group presents and discloses its financial performance but will not impact the recognition or measurement of any items in the financial statements. The Group's profit before tax will not change.

Key areas of presentation which will be impacted include:

- items of income and expenses presented in the income statement will be grouped into the new categories: operating, investing, financing, income taxes, and discontinued operations, along with revised mandatory subtotals
- the starting point of the cash flow statement will be the operating profit subtotal
- enhanced disclosures on management-defined performance measures (MPMs) in the notes to the accounts
- revised principles for aggregation and disaggregation

IFRS 18 requires retrospective application with specific transition provisions. In the transition year, a reconciliation disclosure is required for each line item in the income statement between the restated amounts and amounts previously published upon transition from IAS 1 to IFRS 18.

#### Other

The Group does not consider that the following standards, interpretations, or amendments will have a significant impact on the accounts, except if indicated below.

Amendments to IFRS 9 'Financial Instruments' and IFRS 7 'Financial Instruments: Disclosures' titled 'Amendments to the Classification and Measurement of Financial Instruments' effective for annual reporting periods beginning on or after 1 January 2026. The potential impact on cash and banking operations and amounts reported in cash and cash equivalents on adoption of the amendments is currently being assessed.

Amendments to IFRS 9 'Financial Instruments' and IFRS 7 'Financial Instruments: Disclosures' titled 'Contracts Referencing Nature-dependent Electricity' effective for annual reporting periods beginning on or after 1 January 2026.

IFRS 19 'Subsidiaries without Public Accountability: Disclosures', not yet endorsed for adoption in UK IAS, effective for annual reporting periods beginning on or after 1 January 2027 with earlier application permitted.

### 2 Segmental reporting

The Group's operating segments comprise three geographical regions: EMEA, Americas and Asia Pacific. Their principal activities are described on pages 29 to 32. The operating segments' performance is assessed on revenue and adjusted operating profit on a monthly basis by the chief operating decision maker, who is the Chief Executive Officer. Inter-segment pricing is determined on an arm's length basis, comprising sales of product at cost and a handling charge included within distribution and marketing expenses.

	EMEA £m	Americas £m	Asia Pacific £m	Group £m
<b>Year ended 31 March 2026</b>				
<b>Revenue from external customers</b>	<b>1,803.0</b>	<b>854.7</b>	<b>223.4</b>	<b>2,881.1</b>
<b>Segmental operating profit</b>	<b>196.1</b>	<b>77.3</b>	<b>6.8</b>	<b>280.2</b>
Central costs				<b>(15.2)</b>
Adjusted operating profit <sup>1</sup>				<b>265.0</b>
Amortisation of acquired intangibles				<b>(20.2)</b>
Impairment of technology assets (Note 14)				<b>(14.9)</b>
Acquisition-related items (Note 3)				<b>8.7</b>
Operating profit				<b>238.6</b>
Net finance costs				<b>(19.5)</b>
Share of profit of joint venture				<b>0.6</b>
Profit before tax				<b>219.7</b>
<b>Segmental capital expenditure</b>	<b>44.9</b>	<b>7.9</b>	<b>1.0</b>	<b>53.8</b>
Central costs				<b>-</b>
<b>Capital expenditure</b>				<b>53.8</b>
<b>Segmental depreciation and amortisation</b>	<b>43.3</b>	<b>12.0</b>	<b>3.2</b>	<b>58.5</b>
Central costs				<b>1.4</b>
Amortisation of acquired intangibles				<b>20.2</b>
<b>Depreciation and amortisation (including of right-of-use assets)</b>				<b>80.1</b>

1. See Note 3 for definition of this APM.

Group accounts continued

## NOTES TO GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2026

### 2 Segmental reporting continued

	EMEA £m	Americas £m	Asia Pacific £m	Group £m
<b>Year ended 31 March 2025</b>				
<b>Revenue from external customers</b>	1,777.3	907.4	218.8	2,903.5
<b>Segmental operating profit</b>	200.5	81.6	6.1	288.2
Central costs				(14.0)
Adjusted operating profit <sup>1</sup>				274.2
Amortisation and impairment of acquired intangibles				(37.3)
Acquisition-related items (Note 3)				(4.1)
Operating profit				232.8
Net finance costs				(27.3)
Share of profit of joint venture				0.6
Profit before tax				206.1
<b>Segmental capital expenditure</b>	38.2	9.9	0.8	48.9
Central costs				-
<b>Capital expenditure</b>				48.9
<b>Segmental depreciation and amortisation</b>	41.7	13.1	3.2	58.0
Central costs				1.4
Amortisation of acquired intangibles				26.0
<b>Depreciation and amortisation (including of right-of-use assets)</b>				85.4

1. See Note 3 for definition of this APM.

#### Disaggregation of revenue

The Group's largest own brand is RS PRO. Services and solutions includes procurement solutions, maintenance solutions, and other solutions. In the tables to the right, revenue is disaggregated by sales channels, RS PRO or other, and services and solutions or other. £2,791.0 million of revenue is recognised at a point in time (2024/25: £2,805.2 million) and £90.1 million over time (2024/25: £98.3 million).

#### Sales channel

During the year the Group reviewed its categorisation of services and solutions revenue in Asia Pacific and identified that certain revenues should have been categorised differently, resulting in an increase in services and solutions revenue of £4.9 million in the year ended 31 March 2025. The information below represents the new categorisations.

	EMEA £m	Americas £m	Asia Pacific £m	Group £m
<b>Year ended 31 March 2026</b>				
Web	838.2	211.8	83.0	1,133.0
eProcurement and other digital	525.1	38.0	36.8	599.9
Digital	1,363.3	249.8	119.8	1,732.9
Offline	439.7	604.9	103.6	1,148.2
Revenue	1,803.0	854.7	223.4	2,881.1

#### Year ended 31 March 2025

Web	851.2	269.5	81.9	1,202.6
eProcurement and other digital	479.1	35.7	36.5	551.3
Digital	1,330.3	305.2	118.4	1,753.9
Offline	447.0	602.2	100.4	1,149.6
Revenue	1,777.3	907.4	218.8	2,903.5

#### RS PRO

	EMEA £m	Americas £m	Asia Pacific £m	Group £m
<b>Year ended 31 March 2026</b>				
RS PRO	371.4	8.1	35.4	414.9
Other	1,431.6	846.6	188.0	2,466.2
Revenue	1,803.0	854.7	223.4	2,881.1

#### Year ended 31 March 2025

RS PRO	351.5	7.1	33.7	392.3
Other	1,425.8	900.3	185.1	2,511.2
Revenue	1,777.3	907.4	218.8	2,903.5

## Group accounts continued

**NOTES TO GROUP ACCOUNTS CONTINUED**

For the year ended 31 March 2026

**2 Segmental reporting** continued**Services and solutions**

	EMEA £m	Americas £m	Asia Pacific £m	Group £m
<b>Year ended 31 March 2026</b>				
Services and solutions	<b>606.5</b>	<b>128.9</b>	<b>51.7</b>	<b>787.1</b>
Other	<b>1,196.5</b>	<b>725.8</b>	<b>171.7</b>	<b>2,094.0</b>
Revenue	<b>1,803.0</b>	<b>854.7</b>	<b>223.4</b>	<b>2,881.1</b>

**Year ended 31 March 2025 (restated)**

Services and solutions	557.1	133.7	51.6	742.4
Other	1,220.2	773.7	167.2	2,161.1
Revenue	1,777.3	907.4	218.8	2,903.5

**Revenue and non-current assets by geographical location**

In the table below, revenue is based on the location of the Group operation where the sales originated and non-current assets are based on the location of the assets. Non-current assets exclude financial instruments, retirement benefit net assets and deferred tax assets.

	Revenue		Non-current assets	
	2026 £m	2025 £m	2026 £m	2025 £m
UK (country of domicile)	<b>677.8</b>	669.5	<b>222.3</b>	209.0
US	<b>651.6</b>	671.0	<b>355.5</b>	366.8
France	<b>360.0</b>	331.1	<b>17.9</b>	16.2
Mexico	<b>165.7</b>	197.9	<b>192.3</b>	181.8
Germany	<b>165.1</b>	169.9	<b>52.7</b>	27.5
Italy	<b>126.4</b>	120.1	<b>9.3</b>	5.3
Switzerland	<b>43.3</b>	51.2	<b>267.8</b>	289.5
Rest of World	<b>691.2</b>	692.8	<b>29.9</b>	35.0
Group	<b>2,881.1</b>	2,903.5	<b>1,147.7</b>	1,131.1

**3 Alternative Performance Measures (APMs)**

The Group uses a number of APMs in addition to those measures reported in accordance with UK IAS. Such APMs are not defined terms under UK IAS and are not intended to be a substitute for any UK IAS measure. The Directors believe that the APMs are important when assessing the financial and operating performance of the Group. The APMs are used internally for performance analysis and in employee incentive arrangements, as well as in discussions with the investment analyst community.

The APMs assist with the comparability of information between reporting periods by adjusting for factors such as fluctuations in foreign exchange rates, number of trading days, and items, such as reorganisation costs, that are substantial in scope and impact and do not form part of operational or management activities that the Directors would consider when assessing performance. The Directors review on at least an annual basis the threshold for what is substantial, in the context of the business performance. The Directors also believe that excluding recent acquisitions, amortisation and impairment of acquired intangibles, and acquisition-related items aids comparison of the performance between reporting periods and between businesses with similar assets that were internally generated.

**Adjusted profit measures**

These are the equivalent UK IAS measures adjusted to exclude amortisation and impairment of intangible assets arising on acquisition of businesses, acquisition-related items, substantial reorganisation costs, substantial asset write-downs, one-off pension credits or costs, significant tax rate changes and, where relevant, associated income tax effects. Adjusted operating profit conversion, adjusted operating profit margin, and adjusted earnings per share are financial key performance indicators (KPIs) which are used to measure the Group's progress in delivering the successful implementation of its strategy and monitor and drive its performance.

## Group accounts continued

**NOTES TO GROUP ACCOUNTS CONTINUED**

For the year ended 31 March 2026

**3 Alternative Performance Measures (APMs) continued**

	Operating costs £m	Operating profit £m	Operating profit margin <sup>1</sup> %	Operating profit conversion <sup>2</sup> %	Profit before tax £m	Profit for the year £m	Basic earnings per share p	Diluted earnings per share p
<b>Year ended 31 March 2026</b>								
Reported	(1,011.7)	238.6	8.3%	19.1%	219.7	161.9	34.6p	34.5p
Amortisation and impairment of acquired intangibles	20.2	20.2			20.2	15.3	3.3p	3.3p
Impairment of technology assets	14.9	14.9			14.9	11.2	2.3p	2.3p
Acquisition-related items	(8.7)	(8.7)			(8.7)	(7.2)	(1.5)p	(1.5)p
<b>Adjusted</b>	<b>(985.3)</b>	<b>265.0</b>	<b>9.2%</b>	<b>21.2%</b>	<b>246.1</b>	<b>181.2</b>	<b>38.7p</b>	<b>38.6p</b>
<b>Year ended 31 March 2025</b>								
Reported	(1,010.4)	232.8	8.0%	18.7%	206.1	152.6	32.5p	32.5p
Amortisation and impairment of acquired intangibles	37.3	37.3			37.3	28.0	6.0p	6.0p
Acquisition-related items	4.1	4.1			4.1	3.0	0.6p	0.6p
<b>Adjusted</b>	<b>(969.0)</b>	<b>274.2</b>	<b>9.4%</b>	<b>22.1%</b>	<b>247.5</b>	<b>183.6</b>	<b>39.1p</b>	<b>39.1p</b>

1. Operating profit margin is operating profit expressed as a percentage of revenue.

2. Operating profit conversion is operating profit expressed as a percentage of gross profit.

In the year ended 31 March 2026, the Group undertook a review of its assets and recognised an impairment charge of £14.9 million on certain technology assets, for which functionality was superseded by the release of new assets. In the year ended 31 March 2025, the customer contracts, relationships, and distribution agreements in relation to the acquisition of RS Integrated Supply EMEA were fully impaired, with an impairment charge of £10.9 million. In addition, £0.4 million of software acquired with RS Integrated Supply EMEA was also impaired.

Acquisition-related items comprise transaction costs directly attributable to the acquisition of businesses, any deferred consideration payments relating to the retention of former owners and key employees of acquired businesses expensed as remuneration, adjustments to acquisition-related indemnification assets and the related liabilities that result from events after the acquisition date, and any remeasurements of contingent consideration payable on acquisition of businesses that result from events after the acquisition date.

	2026 £m	2025 £m
Transaction costs – acquisition-related costs incurred in year	(1.2)	-
Acquisition-related legal settlement income	10.5	-
Acquisition-related legal claim costs	-	(2.1)
Retention bonuses	(0.2)	(1.7)
Other acquisition-related costs	(0.4)	(0.6)
Remeasurements of contingent consideration (Note 29)	-	0.3
<b>Acquisition-related items (in operating costs)</b>	<b>8.7</b>	<b>(4.1)</b>
Adjustments to uncertain tax provisions related to indemnification assets	0.4	0.7
Other associated income tax effects	(1.9)	0.4
<b>Acquisition-related items after tax</b>	<b>7.2</b>	<b>(3.0)</b>

Items recognised in the year to 31 March 2026 included £10.5 million related to legal settlement income following a successful arbitration relating to a historical acquisition, with a related tax charge of £2.5 million. For the year ended 31 March 2025, £2.1 million of legal costs were incurred in respect of this dispute.

## Group accounts continued

## NOTES TO GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2026

## 3 Alternative Performance Measures (APMs) continued

## Like-for-like revenue and profit measures

Like-for-like revenue and profit measures are adjusted to exclude the effects of changes in exchange rates on translation of overseas profits. They exclude acquisitions in the relevant years until they have been owned for a year, at which point they start to be included in both the current and comparative years for the same number of months. These measures enable management and investors to track more easily, and consistently, the performance of the business.

The principal exchange rates applied in preparing the Group accounts and in calculating the following like-for-like measures are:

	2026 Average	2026 Closing	2025 Average	2025 Closing
US dollar	1.341	1.324	1.276	1.293
Euro	1.157	1.151	1.189	1.198

## Like-for-like revenue change

Like-for-like revenue change is also adjusted to eliminate the impact of differences in trading days year-on-year. It is calculated by comparing the revenue of the base business for the current year with the prior year, converted at the current year's average exchange rates and pro-rated for the same number of trading days as the current year. It is a performance measure for the annual incentive and a financial KPI.

	£m
Revenue for 2025	2,903.5
Effect of exchange rates	(7.5)
Effect of trading days	(7.3)
<b>Revenue for 2025 at 2026 rates and trading days</b>	<b>2,888.7</b>

	2026 Group £m	Less: acquisitions owned < 1 year £m	2026 base business £m	2025 £m	2025 at 2026 rates and trading days £m	Like- for-like change %
EMEA	1,803.0	6.2	1,796.8	1,777.3	1,806.6	(1)%
Americas	854.7	-	854.7	907.4	869.1	(2)%
Asia Pacific	223.4	-	223.4	218.8	213.0	5%
<b>Revenue</b>	<b>2,881.1</b>	<b>6.2</b>	<b>2,874.9</b>	2,903.5	2,888.7	(0)%

## Gross margin and like-for-like gross margin change

Gross margin is gross profit expressed as a percentage of revenue. Like-for-like change in gross margin is calculated by taking the difference between gross margin for the base business for the current year and gross margin for the prior year, with reported revenue and reported gross profit converted at the current year's average exchange rates.

	2026 Group £m	Less: acquisitions owned < 1 year £m	2026 base business £m	2025 £m	2025 at 2026 rates £m	Like- for-like change pts
Revenue	2,881.1	6.2	2,874.9	2,903.5	2,896.0	
Gross profit	1,250.3	1.6	1,248.7	1,243.2	1,243.9	
<b>Gross margin</b>	<b>43.4%</b>	<b>25.8%</b>	<b>43.4%</b>	42.8%	43.0%	0.4 pts

## Like-for-like profit change

Like-for-like change in profit is calculated by comparing the base business for the current year with the prior year, converted at the current year's average exchange rates.

	2026 Group £m	Less: acquisitions owned < 1 year £m	2026 base business £m	2025 £m	2025 at 2026 rates £m	Like- for-like change %
Segmental operating profit						
EMEA	196.1	0.4	195.7	200.5	207.7	(6)%
Americas	77.3	-	77.3	81.6	77.8	(1)%
Asia Pacific	6.8	-	6.8	6.1	5.3	28%
Segmental operating profit	280.2	0.4	279.8	288.2	290.8	(4)%
Central costs	(15.2)	-	(15.2)	(14.0)	(14.0)	9%
<b>Adjusted operating profit</b>	<b>265.0</b>	<b>0.4</b>	<b>264.6</b>	274.2	276.8	(4)%
<b>Adjusted profit before tax</b>	<b>246.1</b>	<b>0.4</b>	<b>245.7</b>	247.5	250.0	(2)%
<b>Adjusted basic earnings per share</b>	<b>38.7p</b>	<b>0.0p</b>	<b>38.7p</b>	39.1p	39.5p	(2)%
<b>Adjusted diluted earnings per share</b>	<b>38.6p</b>	<b>0.1p</b>	<b>38.5p</b>	39.1p		

## Group accounts continued

## NOTES TO GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2026

## 3 Alternative Performance Measures (APMs) continued

	2026 Group £m	Less: acquisitions owned < 1 year £m	2026 base business £m	2025 £m	2025 at 2026 rates £m	Like- for-like change %
Segmental revenue						
EMEA	1,803.0	6.2	1,796.8	1,777.3	1,811.2	
Americas	854.7	-	854.7	907.4	871.3	
Asia Pacific	223.4	-	223.4	218.8	213.5	
Revenue	2,881.1	6.2	2,874.9	2,903.5	2,896.0	
Segmental operating profit margin						
EMEA	10.9%	-	10.9%	11.3%	11.5%	(0.6) pts
Americas	9.0%	-	9.0%	9.0%	8.9%	0.1 pts
Asia Pacific	3.0%	-	3.0%	2.8%	2.5%	0.5 pts
Adjusted operating profit margin	9.2%	-	9.2%	9.4%	9.6%	(0.4) pts

## Adjusted free cash flow and adjusted operating cash flow conversion

Adjusted free cash flow is net cash from operating activities less purchases of intangible assets, property, plant and equipment plus any proceeds on sale of intangible assets, property, plant and equipment, adjusted for the cash impact of substantial reorganisation costs and acquisition-related items.

Adjusted operating cash flow is adjusted free cash flow before income tax and net interest paid.

Adjusted operating cash flow conversion is adjusted operating cash flow expressed as a percentage of adjusted operating profit and is a financial KPI.

	2026 £m	2025 £m
Net cash from operating activities	263.8	259.1
Purchase of intangible assets	(34.0)	(33.1)
Purchase of property, plant and equipment	(18.9)	(16.2)
Add back: impact of substantial reorganisation cash flows	-	0.2
Add back: impact of acquisition-related items cash flows	(8.7)	4.1

	2026 £m	2025 £m
Adjusted free cash flow	202.2	214.1
Add back: income tax paid	67.4	60.4
Add back: net interest paid	19.6	29.3
Adjusted operating cash flow	289.2	303.8
Adjusted operating profit	265.0	274.2
Adjusted operating cash flow conversion	109.1%	110.8%

## Earnings before interest, tax, depreciation and amortisation (EBITDA), net debt and net debt to adjusted EBITDA

EBITDA is operating profit excluding depreciation and amortisation. Net debt to adjusted EBITDA (one of the Group's debt covenants) is the ratio of net debt to EBITDA excluding impairment of intangible assets arising on acquisition of businesses, acquisition-related items, substantial reorganisation costs, substantial asset write-downs, and one-off pension credits or costs on an annualised basis covering the preceding twelve-month period. Net debt comprises cash and cash equivalents, borrowings, and lease liabilities and is reconciled in Note 22.

	2026 £m	2025 £m
Operating profit	238.6	232.8
Add back: depreciation and amortisation	80.1	85.4
EBITDA	318.7	318.2
Add back: impairment of acquired intangibles	-	11.3
Add back: impairment of technology assets	14.9	-
Add back: acquisition-related items	(8.7)	4.1
Adjusted EBITDA	324.9	333.6
Net debt	328.9	364.2
Net debt to adjusted EBITDA	1.0x	1.1x

## Earnings before interest, tax and amortisation (EBITA) and EBITA to interest

EBITA is adjusted EBITDA after depreciation. EBITA to interest (one of the Group's debt covenants) is the ratio of EBITA to finance costs including capitalised interest less finance income (interest per debt covenants).

## Group accounts continued

## NOTES TO GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2026

## 3 Alternative Performance Measures (APMs) continued

	2026 £m	2025 £m
Adjusted EBITDA	324.9	333.6
Less: depreciation	(35.3)	(34.7)
<b>EBITA</b>	<b>289.6</b>	298.9
Finance costs	22.4	32.0
Less: finance income	(2.9)	(4.7)
Interest (per debt covenants)	19.5	27.3
<b>EBITA to interest</b>	<b>14.9x</b>	10.9x

## Return on capital employed (ROCE)

ROCE is annualised adjusted operating profit expressed as a percentage of annualised monthly average net assets, excluding net cash/debt and retirement benefit obligations, and is an underpin for the LTIP Award and a financial KPI. Annualised monthly average net assets, annualised average net debt, and annualised average retirement benefit net (assets)/obligations are the average of those respective month-end balances of the preceding thirteen months.

	2026 £m	2025 £m
Average net assets	1,387.0	1,374.9
Add back: average net debt	323.1	414.7
Add back: average retirement benefit net (assets)/obligations	10.3	20.2
Average capital employed	1,720.4	1,809.8
Adjusted operating profit	265.0	274.2
<b>ROCE</b>	<b>15.4%</b>	15.2%

## Working capital as a percentage of revenue

Working capital is inventories, current trade and other receivables, and current trade and other payables.

	2026 £m	2025 £m
Inventories	595.0	617.3
Current trade and other receivables	729.2	688.5
Current trade and other payables	(634.2)	(611.0)
Working capital	690.0	694.8
Revenue	2,881.1	2,903.5
<b>Working capital as a percentage of revenue</b>	<b>23.9%</b>	23.9%

## Inventory turn

Inventory turn is cost of sales divided by inventories.

	2026 £m	2025 £m
Cost of sales	1,630.8	1,660.3
Inventories	595.0	617.3
<b>Inventory turn</b>	<b>2.7</b>	2.7

## Ratio of capital expenditure to depreciation

Ratio of capital expenditure to depreciation is capital expenditure divided by depreciation and amortisation, excluding amortisation of acquired intangibles and depreciation of right-of-use assets.

	2026 £m	2025 £m
Depreciation and amortisation	80.1	85.4
Less: amortisation of acquired intangibles	(20.2)	(26.0)
Less: depreciation of right-of-use assets	(17.4)	(17.2)
Adjusted depreciation and amortisation	42.5	42.2
Capital expenditure	53.8	48.9
<b>Ratio of capital expenditure to depreciation</b>	<b>1.3 times</b>	1.2 times

## Annual incentive performance measures

Two additional measures are used for the purpose of annual incentive targets, as presented in the Directors' Remuneration Report: adjusted profit before tax excluding restructuring and adjusted free cash flow excluding restructuring. These measures exclude restructuring costs and related cash flows incurred in the year and not already included in the definition of adjusting items.

	2026 £m	2025 £m
Adjusted profit before tax	246.1	247.5
Add back: Restructuring costs	2.5	8.2
<b>Adjusted profit before tax excluding restructuring</b>	<b>248.6</b>	255.7
Adjusted free cash flow	202.2	214.1
Add back: Restructuring cash flows	2.5	6.4
<b>Adjusted free cash flow excluding restructuring</b>	<b>204.7</b>	220.5

## Group accounts continued

## NOTES TO GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2026

**4 Revenue recognition**

Revenue from the sale of goods is recognised in the income statement when control of the goods has transferred, which in most countries is contractually on delivery to the customer but in a few countries is contractually on collection from the Group's distribution sites by the delivery company. When the Group arranges the delivery of goods where control has transferred on collection, the freight revenue is considered a separate performance obligation for which the Group acts as agent, and net commission is recognised in revenue when the delivery service has been arranged. Customers are invoiced on dispatch of the goods. Revenue is measured with reference to the amount invoiced to the customer, net of any immediate discounts applicable to the order. Obligations for retrospective customer volume discounts are calculated by estimating the expected discount percentage that will be achieved for the contractual period using historical data adjusted for current experience and applying that percentage to actual qualifying sales. When a customer has a right to return goods purchased, the Group estimates the obligation for the expected value of the refunds using recent experience. Obligations for both retrospective customer volume discounts and the expected value of refunds for returns are deducted from the revenue recognised when the goods are sold and included in other payables on the balance sheet, and at 31 March 2026 were £22.8 million (2024/25: £19.1 million).

Products sourced for customers under the provision of outsourced services are sent directly by suppliers to customers and the Group has no control over the products sourced and bears no inventory risk. The Group does not have discretion in establishing the price as the price, charged to customers is the price charged by the suppliers. Therefore, the Group acts as an agent in relation to these products and so does not recognise the value of these products in revenue or cost of sales. Revenue is measured with reference to the amount invoiced to the customer for management charges and is recognised either over time based on time elapsed for monthly management charges or when the related products are delivered for other management charges.

Invoices are raised monthly for monthly management charges or when the invoices for the related products are invoiced for other management charges, normally on a weekly or monthly basis. Income earned from suppliers for access to the Group's online procurement portals is recognised as revenue either over time, based on time elapsed for subscription fees, or as their products are delivered to the Group's customers for licence fees. Invoices are raised monthly, quarterly, or annually in advance for subscription fees depending on contractual terms. Credit notes for licence fee income are received from suppliers depending on contractual terms, with the least frequent being annual.

Revenue from the sale of calibration services is recognised when control of the services has transferred, which is upon delivery to the customer of the items which have been calibrated. Customers are invoiced on dispatch of the calibrated items. Revenue is measured with reference to the amount invoiced to the customer.

All revenue is recognised net of sales taxes and all payment terms are based on commercially reasonable terms for the respective markets and no element of financing is deemed present.

Remaining performance obligations (unsatisfied or partially unsatisfied) at the year end all relate to customer contracts that have an original expected duration of not more than one year or are invoiced based on time incurred. As permitted under IFRS 15 'Revenue from Contracts with Customers', the transaction price allocated to these remaining performance obligations is not disclosed.

**5 Cost of sales**

Cost of sales comprises the cost of goods delivered to customers and the write-down of inventories to net realisable value, excluding freight and packaging expenses.

When a customer has a right to return goods, the Group estimates the expected value of the goods that are likely to be returned based on historical experience and the expected gross margin. It recognises an asset in other receivables for the right to recover these goods and deducts this from cost of sales when the goods are sold.

The Group receives rebates from certain suppliers relating mainly to the volume of purchases made in a specified time period. These rebates are recognised as a reduction in cost of sales to the extent that the inventories purchased from the supplier and eligible for rebates have been sold in the year. Rebates on purchases that remain in inventories are deducted from the cost of inventories, thus reducing cost of sales in the income statement in the period in which the inventories are expensed. The Group recognises the rebate only where there is evidence of a binding arrangement with the supplier, the amount can be estimated reliably and receipt is probable. The Group estimates whether the supplier rebates relate to products already sold or remaining in inventories, based on inventory turns.

When estimating the value of supplier rebates earned but not yet received, the Group makes assumptions about the likely volume of eligible purchases to be made over the remaining rebate period. As at 31 March 2026, the Group had £1.0 million (2024/25: £3.3 million) of supplier rebates recognised within trade and other receivables.

	2026 £m	2025 £m
Inventory scrapped	19.5	15.1
Movement in inventory provisions	(3.1)	7.1
Write-down of inventories to net realisable value	16.4	22.2
Loss on foreign exchange related to sales and purchases	-	0.4
Net gains on forward foreign exchange contracts classified as fair value through profit or loss	(0.5)	(0.1)
Direct costs related to the provision of outsourced services	39.8	42.6
Inventories recognised as an expense	1,575.1	1,595.2
<b>Cost of sales</b>	<b>1,630.8</b>	1,660.3

## Group accounts continued

## NOTES TO GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2026

## 6 Operating profit

	2026 £m	2025 £m
The following items have been included in operating profit:		
Amortisation of intangible assets (Note 14)	44.8	50.7
Depreciation of property, plant and equipment (Note 15)	17.9	17.5
Depreciation of right-of-use assets (Note 16)	17.4	17.2
Depreciation and amortisation	80.1	85.4
Impairment of intangible assets (Note 14)	14.9	12.8
Impairment of property, plant and equipment (Note 15)	-	0.4
Freight and packaging expenses	113.4	111.0
Amortisation of government grants	(0.1)	(0.1)
Loss/(gain) on other foreign exchange	0.3	(0.6)
Net (gains)/losses on forward foreign exchange contracts classified as fair value through profit or loss	(0.1)	0.7
Acquisition-related legal settlement income	(10.5)	-
Profit on business disposal	(3.4)	-
Loss on disposal of intangible assets	-	0.3
Loss on disposal of property, plant and equipment	-	0.1
Loss/(gain) on disposal of right-of-use assets	0.3	(0.3)
Increase in impairment allowance for financial assets (Note 23)	2.1	4.2
Employee costs (Note 8)	499.6	496.0

Fees paid to the Auditors were:

	2026 £m	2025 £m
Fees payable to the Company's Auditors for the audit of the Company and Group accounts	2.7	2.1
Fees payable to the Company's Auditors and their associates for other services:		
Audit of the Company's subsidiaries	1.6	2.0
Audit-related assurance services	0.1	0.1
Total fees payable to the Company's Auditors and their associates	4.4	4.2

## 7 Finance income and costs

Finance costs that are directly attributable to the construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of that asset. Interest on financial assets and liabilities measured at amortised cost and on lease liabilities is calculated using the effective interest method and recognised in the income statement as incurred.

Invoice finance charges relate to costs incurred when the Group makes use of its customers' supplier invoice financing options where this is commercially and administratively attractive. These options are used for some outsourced services customers, including where they give the Group access to the customers' invoice portals to simplify the invoice query reconciliation process and so speed up the receipt of payments.

	2026 £m	2025 £m
<b>Finance income</b>		
Interest income on financial assets measured at amortised cost	2.9	4.7
<b>Finance income</b>	2.9	4.7
<b>Finance costs</b>		
Interest expense on financial liabilities measured at amortised cost	(16.5)	(25.8)
Interest expense on lease liabilities	(2.8)	(2.8)
Interest expense on financial liabilities not at fair value through profit or loss	(19.3)	(28.6)
Interest expense on tax payable	-	(0.1)
Interest credit/(charge) on uncertain income tax positions	(0.2)	0.4
Invoice finance charges	(2.9)	(3.7)
<b>Finance costs</b>	(22.4)	(32.0)

## 8 Employees

Average number of employees	2026	2025
EMEA	5,640	5,689
Americas	2,150	2,192
Asia Pacific	750	760
Central	60	68
<b>Group</b>	<b>8,600</b>	<b>8,709</b>

## Group accounts continued

## NOTES TO GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2026

## 8 Employees continued

	2026 £m	2025 £m
<b>Employment costs</b>		
Wages and salaries	401.0	401.9
Social security costs	58.0	51.0
Share-based payments – equity-settled (Note 9)	9.9	9.4
Share-based payments – cash-settled (Note 9)	0.9	(0.8)
Defined contribution retirement benefit costs (Note 10)	22.4	21.4
Defined benefit retirement benefit costs (Note 10)	2.9	3.4
	495.1	486.3
Termination benefits	4.5	9.7
<b>Total</b>	<b>499.6</b>	<b>496.0</b>

Information on the Directors' remuneration is given in the Directors' Remuneration report on pages 98 to 117.

## 9 Share-based payments

The Group operates share-based payment schemes which are the hybrid Long Term Incentive Plan (LTIP), the Deferred Share Bonus Plan (DSBP) and the Savings-Related Share Option Scheme (SAYE).

Equity-settled share-based payments are measured at fair value at the grant date, calculated using an appropriate option pricing model. The fair value is expensed in the income statement with a corresponding increase in equity on a straight-line basis over the period that employees become unconditionally entitled to the awards. The income statement charge is adjusted to reflect expected and actual levels of vesting associated with non-market performance related criteria.

Cash-settled share-based payments are measured at fair value at the balance sheet date, taking into account the estimated number of awards that will actually vest and the relative completion of the vesting period. This fair value is included in liabilities and changes in the value of these liabilities are recognised in the income statement.

The Employee Benefit Trust (EBT) established to administer the schemes owns shares in the Company which are shown in equity.

## LTIPs – equity-settled and cash-settled

The Group's active equity-settled and cash-settled LTIPs are granted under the Long Term Incentive Plan 2022 (2022 LTIP), the Restricted Share Incentive Plan 2024 (2024 RSU) and the Restricted Share Incentive Plan 2025 (2025 RSU). Under these LTIPs, awards made to plan participants are generally subject to service conditions and may also be subject to performance conditions. At the vesting date the award will either vest, in full or in part, or expire, depending on the outcome of the performance conditions (if any). All awards have £nil exercise price and generally receive accrued dividends on settlement.

Awards under the 2022 LTIP are subject to a market performance condition based on TSR of the Group versus a defined comparator group (see the Directors' Remuneration report for details) and a non-market performance condition based on the adjusted EPS compound annual growth rate (CAGR) over the vesting period with a ROCE underpin.

Awards under the 2024 RSU and 2025 RSU made to senior management are generally subject to a discretionary underpin based on a holistic review of overall business performance delivered over the vesting period, as determined by the Remuneration Committee. Awards under the 2025 RSU made to all other employees are only subject to service conditions.

The fair values of equity-settled LTIP awards were calculated at the grant date using the assumptions below, with the fair value of those subject to market performance conditions calculated using a Monte Carlo model.

Grant date	2026			2025	
	December 2025	July 2025	June 2025	December 2024	June 2024
<b>Market performance conditions</b>					
Awards granted	21,029	273,526	128,576	32,298	447,743
Fair value at grant date	234p	209p	213p	243p	268p
Assumptions used:					
Share price	665p	580p	573p	701p	698p
Expected volatility	29.3%	30.3%	30.3%	29.2%	29.0%
Expected life	2 years 5 months	3 years	3 years	2 years 5 months	3 years
Risk-free interest rate	3.79%	3.92%	3.88%	4.07%	4.24%
<b>Other conditions</b>					
Awards granted - LTIP	21,029	273,526	128,576	32,298	447,743
Fair value at grant date	605p	528p	522p	640p	637p
Awards granted - restricted shares	259,384	546,735	1,451,621	136,838	774,977
Fair value at grant date	665p	580p	573p	701p	698p

Expected volatility was estimated based on the historical total return of the Company over the most recent period leading up to the grant date as equal to the remaining performance period. The risk-free interest rate has been based on the implied yield of zero-coupon UK government bonds with a remaining term equal to the expected life of the awards.

## Group accounts continued

## NOTES TO GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2026

**8 Employees** continued

The fair values of cash-settled LTIP awards at 31 March 2026 were:

	Awards granted	Fair value
June 2024 - Other conditions	7,035	560p
June 2025 - Other conditions	4,079	560p
July 2025 - Other conditions	3,735	560p

The movements in the LTIP awards (equity- and cash-settled) were:

	2026 Number of awards	2025 Number of awards
Outstanding at 1 April	7,330,127	6,827,091
Forfeited during the year	(586,135)	(507,411)
Expired during the year	(3,371,386)	(427,907)
Exercised during the year	(114,929)	(475,579)
Granted during the year	3,118,596	1,913,933
<b>Outstanding at 31 March</b>	<b>6,376,273</b>	7,330,127

**DSBP – equity-settled**

Under the DSBP, one-third of the total annual incentive earned by plan participants is awarded as shares and vests after two years, normally subject to the continued employment of the participant within the Group. There are no other performance conditions. The participants receive accrued dividends on vesting. Deferred share awards relating to the annual incentive for the year ended 31 March 2026 are expected to be awarded in June 2026. The fair value of the shares awarded during the year was 570p (2024/25: 698p) per share award which was the share price at the date of award.

The movements in the DSBP awards were:

	2026 Number of awards	2025 Number of awards
Outstanding at 1 April	177,395	248,588
Forfeited during the year	(15,873)	-
Exercised during the year	(161,387)	(115,527)
Granted during the year	178,353	44,334
<b>Outstanding at 31 March</b>	<b>178,488</b>	177,395

**SAYE – equity-settled and cash-settled**

The SAYE scheme is available to the majority of employees of the Group employed at the time that the invitation period commences. The UK element is equity-settled and the overseas element is cash-settled. The option price is based on the average market price of the Company's shares over the three days prior to the offer, discounted by 20%. The option exercise conditions are the employee's continued employment for a three-year period and the maintenance of employee's regular monthly savings. Failure of either of these conditions is normally deemed a forfeiture of the option. Employees may subscribe to the three-year or, when offered, the five-year savings period. Under the UK element, at the end of the savings period, the employee has six months to either exercise their options to purchase the shares at the agreed price or withdraw their savings with accrued interest. Under the overseas element, at the end of the savings period, the employee has six months to either exercise their options to receive cash equal to the difference between the market price and the option price or withdraw their savings with accrued interest. There are no market conditions attached to the vesting of the options.

The fair value of equity-settled SAYE options was calculated at the grant date using a Black-Scholes model, with the assumptions below.

	2026 3 year December 2025	2025 3 year December 2024
Grant date		
Options granted	1,485,010	879,923
Fair value at grant date	168p	219p
Assumptions used:		
Share price	601p	722p
Exercise price	452p	573p
Expected volatility	29.1%	31.5%
Expected option life	3 years 5 months	3 years 2 months
Expected dividend yield	4.33%	2.93%
Risk-free interest rate	3.71%	4.01%

Expected volatility was estimated based on the historical volatility of the Company's shares over the most recent three-year period. Expected dividend yield was the annual dividend yield as at the grant date. The risk-free interest rate was the yield, at the grant date, of three-year UK government bonds.

## Group accounts continued

## NOTES TO GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2026

**9 Share-based payments** continued

The fair values of cash-settled SAYE options at 31 March 2026 are shown below and were calculated using a Black-Scholes model, using a share price of 560p, expected dividend yield of 3.8% and additional assumptions below.

	Options granted	Fair value	Exercise price	Expected volatility	Expected remaining option life	Risk-free interest rate
5 year September 2021	11,939	2p	824p	27.4%	0.6	4.38%
3 year November 2023	707,264	58p	562p	29.3%	0.8	4.38%
3 year December 2024	309,326	83p	573p	30.6%	1.8	4.41%
3 year December 2025	632,825	149p	452p	29.2%	2.8	4.42%

Expected volatility is estimated based on the historical volatility of the Company's shares over the most recent period commensurate to the expected remaining life of the option. Expected dividend yield is the annual dividend yield as at the year end. The risk-free interest rate is the yield, at the year end, of UK government bonds with duration commensurate to the expected remaining life of the option.

The movements in and weighted average exercise price of the SAYE options (equity- and cash-settled) were:

	2026		2025	
	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options
Outstanding at 1 April	612p	4,500,577	616p	4,526,870
Forfeited during the year	638p	(464,848)	641p	(195,806)
Expired during the year	629p	(1,283,413)	623p	(646,268)
Exercised during the year	525p	(122,209)	500p	(373,468)
Granted during the year	452p	2,117,835	573p	1,189,249
<b>Outstanding at 31 March</b>	<b>535p</b>	<b>4,747,942</b>	612p	4,500,577
Exercisable at 31 March	704p	615,345	767p	391,978

SAYE options outstanding at the year end were:

	2026	2025
Option prices:		
£4.00 - £4.99	2,074,988	57,406
£5.00 - £5.99	2,082,612	3,284,752
£7.00 - £7.99	565,629	795,500
£8.00 - £8.99	24,713	362,919
	<b>4,747,942</b>	4,500,577
Weighted average remaining contractual life (in years)	1.75	2.01
Weighted average share price during period of exercise	626p	701p

**10 Retirement benefit obligations**

For defined benefit schemes, the surplus or deficit recognised in the balance sheet is the difference between the fair value of the scheme assets and the present value of the obligations at the balance sheet date. The present value of the obligations is calculated by independent actuaries using the projected unit credit method. It is determined by discounting estimated future cash outflows using a discount rate reflecting yields on high-quality corporate bonds with terms approximating the terms of the related obligation. The operating profit charge comprises the current service cost, net interest cost, past service costs, administrative expenses, curtailment gains and losses and settlement gains and losses. The net interest cost is based on the discount rate at the beginning of the year, contributions paid in and the surplus or deficit during the year. Past service costs and curtailment gains and losses are recognised at the earlier of when the scheme amendment or curtailment occurs and when any related reorganisation costs or termination benefits are recognised. Settlement gains and losses are recognised when the settlement occurs. Remeasurements, representing returns on scheme assets excluding amounts included in interest and actuarial gains and losses arising from changes in demographic and financial assumptions and experience adjustments, are recognised in other comprehensive income.

The Group's largest defined benefit pension scheme is in the UK, providing benefits based on final pensionable pay for eligible employees who joined on or before 1 April 2003. The scheme is administered by a corporate trustee and the funds are independent of the Group's finances. The Group also has defined benefit pension schemes in Germany and the Republic of Ireland, which are closed to both new members and accruals for future service, defined benefit retirement indemnity schemes in France and Italy, and a contribution-based pension scheme in Switzerland that guarantees a minimum rate of investment return and so is accounted for under IAS 19 'Employee Benefits' as a defined benefit pension scheme.

## Group accounts continued

# NOTES TO GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2026

## 10 Retirement benefit obligations continued

For defined contribution schemes, the costs are charged to operating profit as they fall due. The Group has defined contribution schemes in a number of countries, including the UK, the US, Australia, and Germany, and contributes to government schemes in a number of other countries that are defined contribution schemes. The Group also makes payments to employees' personal pensions in the UK when their employing company does not provide defined benefit or defined contribution schemes.

### Regulatory framework and governance

The UK scheme, the RS Group Pension Scheme, is a registered scheme established under trust law and, as such, is subject to UK pension, tax, and trust legislation. It is managed by a corporate trustee, RS Group Pension Trustees Limited (the Trustee). The Trustee includes representatives appointed by both the Company and members. Although the Company bears the financial cost of the scheme, the Trustee directors are responsible for the overall management of the scheme, including compliance with applicable regulations and legislation. The Trustee directors are required by law to act in the interest of all relevant beneficiaries and to set certain policies, to manage the day-to-day administration of the benefits and to set the scheme investment strategy in consultation with the Company.

UK pensions are regulated by the Pensions Regulator whose statutory objectives and regulatory powers are described on its website: [www.thepensionsregulator.gov.uk](http://www.thepensionsregulator.gov.uk).

### Deficit position and funding

The funding of the UK scheme is assessed using assumptions in accordance with the advice of independent actuaries. These assumptions may be different to those used for the accounting valuation. The last triennial funding valuation was carried out as at 31 March 2022 and showed a deficit of £36.4 million on a statutory technical provisions basis. The Trustee and the Company agreed a recovery plan to eliminate this deficit over time. Under this plan, the Group agreed to make deficit contributions of £11.1 million per annum with the aim that the scheme will be fully funded on a statutory technical provisions basis by 30 September 2025. This recovery plan has now been completed. The 31 March 2025 triennial valuation is still being processed, however the preliminary results show that the UK Scheme is likely to be in surplus on a statutory technical provisions basis.

The rules of the UK scheme give the Trustee powers to wind up the scheme, which it may exercise if the Trustee is aware that the assets of the scheme are insufficient to meet its liabilities. Although the scheme was in deficit on a statutory funding basis at 31 March 2022, the Trustee has confirmed that it has no current intention to exercise its power to wind up the scheme.

Under the UK scheme's rules the power to wind up the scheme and augment benefits is with the Trustee and, therefore, under IFRIC 14 the Group does not have an unconditional right to any surplus that may arise. On that basis, the defined benefit net asset at 31 March 2026 has been restricted to £nil (2024/25: £nil). There is no additional liability as at 31 March 2026 (2024/25: £5.4 million) as the recovery plan has been completed and no further deficit contributions are payable.

Based on the funding position as at 31 March 2026, in the year ending 31 March 2027 the Group expects to pay £nil contributions to the UK scheme, and £0.4 million to the other defined benefit schemes.

### Investment strategy and risk exposure

The defined benefit schemes expose the Group to actuarial risks such as longevity, interest rate, inflation, and investment risks. The approach for managing the UK scheme's investment strategy and risks are set out below.

#### Interest rate risk

The Trustee has set a benchmark for total investment in bonds (government and corporate), interest rate swaps, inflation swaps, gilt repurchase agreements, and cash as part of its matching asset portfolio (comprising the qualifying investor alternative investment fund (QIAIF), a bespoke pooled structure in which the scheme is the sole investor). Under this strategy, if gilt yields fall, the value of the investments within the matching asset portfolio will rise to help match the increase in the valuation of the liabilities arising from a fall in the discount rate, which is derived from gilt yields. Similarly, if gilt yields rise, the value of the matching asset portfolio will fall, as will the valuation of the liabilities because of an increase in the discount rate.

#### Inflation risk

The scheme holds index-linked gilts, inflation swaps, and repurchase agreements to manage against inflation risk associated with pension liability increases. Derivatives are only held indirectly, via the QIAIF.

#### Longevity risk

Prudent mortality assumptions are used that appropriately allow for future improvements in life expectancy. These assumptions are reviewed on a regular basis to ensure they remain appropriate. The Trustee uses the Club Vita Service to provide a better estimate of the mortality rates of the scheme's membership than the standard tables. Club Vita facilitates the accumulation and pooling of data and helps pension schemes understand and manage longevity risk by providing data-driven insights into life expectancy patterns and trends, enabling more informed strategic decisions and better risk management. With effect from 1 June 2008, the scheme introduced a mortality risk sharing mechanism whereby members' benefits for pensionable service after that date will be reduced if the life expectancy of the scheme's members increases more quickly than a pre-determined rate.

## Group accounts continued

## NOTES TO GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2026

**10 Retirement benefit obligations** continued**Environmental, social and governance (ESG) and climate risk**

The Trustee considers how ESG and climate change are integrated within investment processes and how they align with the Trustee's policies in appointing new investment managers and monitoring existing investment managers. The Trustee has set out clear expectations for its advisors and the scheme's investment managers to consider ESG issues, including climate change, where relevant to investment outcomes. The Trustee, together with its advisor, monitors annually the extent to which ESG factors, including explicit consideration of climate change, are integrated into the investment managers' approaches. To supplement this, the Trustee makes regular use of the investment consultant's ESG ratings and will engage proactively with investment managers whose ESG ratings are judged to be lagging their peers within the asset class. The investment and risk subcommittee meets all investment managers at least annually to discuss ESG and climate change issues specifically.

**Assumptions****Financial assumptions**

The principal assumptions used to determine the UK defined benefit obligations were:

	2026	2025
Discount rate	<b>6.20%</b>	5.80%
Rate of increase in pensionable salaries	<b>Nil</b>	Nil
Rate of RPI inflation	<b>3.30%</b>	3.10%
Rate of CPI inflation	<b>3.10%</b>	2.80%
Rate of pension increases		
RPI inflation capped at 5.0% p.a.	<b>3.05%</b>	2.90%
RPI inflation capped at 2.5% p.a.	<b>2.00%</b>	1.90%

**Life expectancy assumptions**

Based upon the demographics of scheme members, the weighted average life expectancy assumptions used to determine the UK defined benefit obligations were:

	2026 Years	2025 Years
Member aged 65 (current life expectancy) – male	<b>22.0</b>	22.1
Member aged 65 (current life expectancy) – female	<b>23.8</b>	23.5
Member aged 45 (life expectancy at aged 65) – male	<b>22.1</b>	22.5
Member aged 45 (life expectancy at aged 65) – female	<b>24.8</b>	25.2

At 31 March 2026, the weighted average duration of the UK defined benefit obligation was 12 years (2024/25: 12 years).

**Sensitivity analysis of the impact of changes in key assumptions**

The calculations of the defined benefit obligations are sensitive to the assumptions used. The sensitivity analysis below is based on a change in reasonably possible assumptions for the UK scheme while holding all other assumptions constant, as the amount of the Retirement Obligation for the other defined benefit schemes is less material to the Group; in practice changes in some of the assumptions may be correlated.

A change would have the following increase/(decrease) on the UK defined benefit obligations as at 31 March 2026:

	Increase in assumption £m	Decrease in assumption £m
Effect on obligation of a 0.5 pts change to the assumed discount rate	(18.3)	20.2
Effect on obligation of a 0.25 pts change in the assumed inflation rate	5.4	(5.9)
Effect on obligation of a change of one year in assumed life expectancy	(8.1)	10.1

Group accounts continued

## NOTES TO GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2026

### 10 Retirement benefit obligations continued

#### Income statement

The net charge/(credit) recognised in operating profit for retirement benefit obligations was:

	2026			2025		
	UK £m	Other £m	Total £m	UK £m	Other £m	Total £m
Current service cost	1.0	0.6	1.6	1.1	0.5	1.6
Past service cost	-	(0.2)	(0.2)	-	(0.1)	(0.1)
Interest expense on obligation	19.3	0.9	20.2	18.4	0.8	19.2
Interest income on scheme assets	(22.8)	(0.6)	(23.4)	(20.5)	(0.6)	(21.1)
Interest expense on asset ceiling/ onerous liability	3.7	0.1	3.8	2.6	0.1	2.7
Administrative expenses	0.9	-	0.9	1.1	-	1.1
<b>Total charge for defined benefit schemes</b>	<b>2.1</b>	<b>0.8</b>	<b>2.9</b>	<b>2.7</b>	<b>0.7</b>	<b>3.4</b>
<b>Total charge for defined contribution schemes and personal pensions</b>	<b>11.3</b>	<b>11.1</b>	<b>22.4</b>	<b>11.2</b>	<b>10.2</b>	<b>21.4</b>

The other defined benefit schemes were:

	2026				2025			
	Fair value of scheme assets £m	Present value of defined benefit obligations £m	Effect of asset ceiling/onerous liability £m	Retirement benefit obligations £m	Fair value of scheme assets £m	Present value of defined benefit obligations £m	Effect of asset ceiling/onerous liability £m	Retirement benefit obligations £m
Germany's defined benefit pension scheme	-	(7.0)	-	(7.0)	-	(6.8)	-	(6.8)
Republic of Ireland's defined benefit pension scheme	7.5	(5.1)	-	2.4	7.0	(5.1)	-	1.9
France's defined benefit retirement indemnity scheme	-	(3.3)	-	(3.3)	-	(3.0)	-	(3.0)
Italy's defined benefit retirement indemnity scheme	-	(1.0)	-	(1.0)	-	(1.2)	-	(1.2)
Switzerland's contribution-based scheme	26.8	(21.6)	(5.2)	-	25.5	(20.6)	(4.3)	0.6
<b>Other</b>	<b>34.3</b>	<b>(38.0)</b>	<b>(5.2)</b>	<b>(8.9)</b>	<b>32.5</b>	<b>(36.7)</b>	<b>(4.3)</b>	<b>(8.5)</b>

#### Balance sheet

The amounts included in the balance sheet arising from the Group's assets/(obligations) in respect of its defined benefit schemes was:

	2026			2025		
	UK £m	Other £m	Total £m	UK £m	Other £m	Total £m
Fair value of scheme assets	398.5	34.3	432.8	400.4	32.5	432.9
Present value of defined benefit obligations	(338.7)	(38.0)	(376.7)	(342.6)	(36.7)	(379.3)
Effect of asset ceiling/onerous liability	(59.8)	(5.2)	(65.0)	(63.2)	(4.3)	(67.5)
<b>Retirement benefit net obligations</b>	<b>-</b>	<b>(8.9)</b>	<b>(8.9)</b>	<b>(5.4)</b>	<b>(8.5)</b>	<b>(13.9)</b>
Amount recognised on the balance sheet – liability	-	(11.3)	(11.3)	(5.4)	(11.0)	(16.4)
Amount recognised on the balance sheet – asset	-	2.4	2.4	-	2.5	2.5

## Group accounts continued

## NOTES TO GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2026

**10 Retirement benefit obligations** continued

Movements in the present value of the defined benefit obligations in the year were:

	2026			2025		
	UK £m	Other £m	Total £m	UK £m	Other £m	Total £m
At 1 April	342.6	36.7	379.3	385.1	36.7	421.8
Acquisitions	-	-	-	-	0.6	0.6
Current service cost	1.0	0.6	1.6	1.1	0.5	1.6
Past service cost	-	(0.2)	(0.2)	-	(0.1)	(0.1)
Interest expense	19.3	0.9	20.2	18.4	0.8	19.2
Effect of changes in demographic assumptions	2.4	(0.2)	2.2	-	-	-
Effect of changes in financial assumptions	(10.7)	(0.4)	(11.1)	(43.5)	(1.0)	(44.5)
Effect of experience adjustments	4.2	0.9	5.1	0.9	0.8	1.7
Benefits paid	(20.1)	(2.7)	(22.8)	(19.4)	(1.4)	(20.8)
Employee contributions	-	0.2	0.2	-	0.2	0.2
Exchange differences	-	2.2	2.2	-	(0.4)	(0.4)
<b>At 31 March</b>	<b>338.7</b>	<b>38.0</b>	<b>376.7</b>	342.6	36.7	379.3

Of the UK scheme's present value of the defined benefit obligations, £22.9 million (2024/25: £30.9 million) relates to active members, £115.9 million (2024/25: £135.9 million) to vested deferred members and £199.9 million (2024/25: £175.8 million) to retirees.

Movements in the fair value of the schemes' assets in the year were:

	2026			2025		
	UK £m	Other £m	Total £m	UK £m	Other £m	Total £m
At 1 April	400.4	32.5	432.9	421.2	30.8	452.0
Acquisitions	-	-	-	-	-	-
Interest income	22.8	0.6	23.4	20.5	0.6	21.1
Return on scheme assets (excluding interest income)	(10.7)	0.3	(10.4)	(33.9)	1.5	(32.4)
Contributions by company	7.0	1.1	8.1	13.1	1.0	14.1
Benefits paid	(20.1)	(2.7)	(22.8)	(19.4)	(1.4)	(20.8)
Administrative expenses	(0.9)	-	(0.9)	(1.1)	-	(1.1)
Employee contributions	-	0.2	0.2	-	0.2	0.2
Exchange differences	-	2.3	2.3	-	(0.2)	(0.2)
<b>At 31 March</b>	<b>398.5</b>	<b>34.3</b>	<b>432.8</b>	400.4	32.5	432.9

The fair values of the schemes' assets were:

	2026			2025		
	UK £m	Other £m	Total £m	UK £m	Other £m	Total £m
QIAIF (liability driven investment and credit portfolio of quoted assets)	217.1	-	217.1	213.5	-	213.5
Quoted equities	-	9.1	9.1	-	10.7	10.7
Quoted debt instruments	66.5	15.7	82.2	102.6	13.5	116.1
Unquoted debt instruments	114.4	-	114.4	83.5	-	83.5
Property	-	9.2	9.2	-	8.2	8.2
Cash	0.5	0.3	0.8	0.8	0.1	0.9
<b>Total market value of scheme assets</b>	<b>398.5</b>	<b>34.3</b>	<b>432.8</b>	400.4	32.5	432.9

Property relates to investments in unquoted real estate funds and no property or real estate funds are held directly. The split of UK quoted and unquoted debt instruments is based on the split of the underlying assets of pooled investment vehicles in which the scheme is invested.

## Group accounts continued

## NOTES TO GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2026

**10 Retirement benefit obligations** continued

The fair values of the unquoted debt instruments are determined by the fund managers, using quoted prices for similar assets or other valuation techniques where all the inputs are directly observable or indirectly observable from market data.

The defined benefit schemes do not invest in the Company and no assets owned by the schemes are used by the Group.

Movements in the effect of asset ceiling/onerous liability were:

	2026			2025		
	UK £m	Other £m	Total £m	UK £m	Other £m	Total £m
At 1 April	<b>63.2</b>	<b>4.3</b>	<b>67.5</b>	52.2	3.7	55.9
Acquisitions	-	-	-	-	-	-
Interest expense	<b>3.7</b>	<b>0.1</b>	<b>3.8</b>	2.6	0.1	2.7
Change in asset ceiling/onerous liability (excluding interest expense)	<b>(7.1)</b>	<b>0.5</b>	<b>(6.6)</b>	8.4	0.5	8.9
Exchange differences	-	<b>0.3</b>	<b>0.3</b>	-	-	-
<b>At 31 March</b>	<b>59.8</b>	<b>5.2</b>	<b>65.0</b>	63.2	4.3	67.5

**11 Taxation**

Current and deferred tax are recognised in the income statement, except when they relate to items recognised in other comprehensive income or directly in equity when the related tax is also recognised in other comprehensive income or directly in equity.

Current tax is the expected tax payable on the taxable income for the year and the charge is based on the results for the year, adjusted for items which are non-taxable or non-tax deductible, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years. The Group intends to settle its current tax assets and liabilities on a net basis in a particular jurisdiction if offset is permissible according to the relevant jurisdiction's tax laws and that authority permits the Group to make a single net payment.

The Group recognises deferred tax assets and liabilities based on estimates of future taxable income and recoverability. Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The amount of deferred tax provided is calculated using tax rates enacted or substantively enacted at the balance sheet date that are expected to apply when the deferred tax asset is realised or the deferred tax liability is settled. Deferred tax assets and liabilities are offset where there is a legally enforceable right to do so, and when they relate to income taxes levied by the same taxation authority. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which these temporary differences can be utilised.

Deferred tax assets are reviewed at each reporting date taking into account the recoverability of the deferred tax assets, future profitability and any restrictions on use. The Group considers available evidence to assess future profitability over a reasonably foreseeable time period.

No deferred tax liabilities are recognised on the initial recognition of goodwill. However, when goodwill arises in a jurisdiction where it is deductible in determining taxable profit, the amortisation for tax purposes of goodwill creates a taxable temporary difference and this resulting deferred tax liability is recognised. Deferred tax is also not recognised for temporary differences related to investments in subsidiaries and associates where the Group is able to control the timing of the reversal of the temporary difference and it is probable that this will not reverse in the foreseeable future.

The Group recognises a current tax provision when the Group has a present obligation as a result of a past event, and it is considered probable that there will be a future outflow of funds. As an international business, the Group is exposed to the income tax laws of the large number of jurisdictions in which it operates and is subject to factors that may affect future tax charges, including transfer pricing, tax rate and tax legislation changes, tax authority interpretation, expiry of statute of limitations and resolution of tax audits and disputes. These laws are complex and subject to different interpretations by taxpayers and tax authorities.

The assessment of uncertain tax positions is subjective. It is based on the Group's interpretation of country-specific tax law and its application and interaction, on previous experience and on management's professional judgement concerning the ultimate outcome of any tax audit or dispute, supported by external advisors where necessary to assess the range of potential outcomes and estimate additional tax that may be due. At any given time the Group has unagreed years outstanding in various countries and is involved in tax audits and disputes, some of which may take several years to resolve.

The Group believes that it has made adequate provision about the position likely to be taken by each tax authority in relation to unagreed years, tax audits and disputes. The Group has made a provision where it is considered probable that the tax authority will not accept the tax treatment used. The actual liability for a particular issue may be higher or lower than the amount provided, resulting in a negative or positive effect on the tax charge in any given year. A reduction in the tax charge may also arise for other reasons such as an expiry of the relevant statute of limitations. Such an impact can vary year-on-year.

Provisions for uncertain tax positions are included within current tax liabilities. The Group's uncertain tax positions relate principally to cross-border transfer pricing. As at 31 March 2026, the total value of these tax provisions was £9.3 million (2024/25: £9.1 million). £2.2 million (2024/25: £1.9 million) of penalties and interest on provisions for uncertain tax positions are included in Note 24.

## Group accounts continued

## NOTES TO GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2026

**11 Taxation** continued**Tax expense/(income) recognised in the income statement**

	2026 £m	2025 £m
<b>Current tax</b>		
Current tax on profits for the year	61.0	58.6
Adjustments for prior years	3.3	(0.1)
Total current tax	64.3	58.5
<b>Deferred tax</b>		
Origination and reversal of temporary differences	(4.4)	(4.3)
Changes in tax rates and laws	(0.2)	-
Adjustments for prior years	(1.9)	(0.7)
Total deferred tax	(6.5)	(5.0)
<b>Income tax expense</b>	<b>57.8</b>	53.5

The income tax expense for the year can be reconciled to the profit per the income statement as follows:

	2026 £m	2025 £m
Profit before tax	219.7	206.1
Expected tax charge at UK corporation tax rate of 25% (2025: 25%)	54.9	51.6
<b>Recurring items</b>		
Differences in overseas corporation tax rates	(3.0)	(1.2)
Impact of tax losses	(0.2)	(1.7)
Items not taxable for tax purposes	(0.9)	(0.8)
Items not deductible for tax purposes	1.1	3.3
Other local taxes suffered overseas	3.5	2.1
<b>Non-recurring items</b>		
Changes in tax rates and laws	0.2	0.7
Movement in uncertain tax positions in current year	0.8	1.1
Movement in uncertain tax positions for prior years	(0.6)	(0.8)
Prior year adjustments	2.0	(0.8)
	<b>57.8</b>	53.5

In the year ended 31 March 2026, other local taxes suffered overseas includes state taxes, trade tax and withholding taxes on dividends.

The OECD Pillar Two GloBE Rules (Pillar Two) introduce a global minimum corporation tax rate of 15% applicable to multinational enterprise groups with global revenue over €750 million. All participating OECD members are required to incorporate these rules into national legislation. The Group is within the scope of the OECD Pillar Two model rules, which the UK government substantively enacted Pillar Two rules in its Finance (No.2) Act 2023 on 20 June 2023, introducing an income inclusion rule and domestic minimum top-up tax that apply for accounting periods beginning on or after 31 December 2023. The Group has reviewed the impact of these rules and it does not have a material impact on the reported results or financial position of the Group. The Group is adopting the mandatory temporary exception from the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules.

**Effective tax rate**

In assessing the underlying performance, the Group uses adjusted profit before tax. The tax effect of the adjusting items (see Note 3) is excluded in calculating the effective tax rate (being the tax rate on adjusted profit before tax) which is shown in the table below.

	2026 £m	2025 £m
Income tax expense	57.8	53.5
Tax associated with adjusting items (Note 3)	7.1	10.4
<b>Tax on adjusted profit</b>	<b>64.9</b>	63.9
Profit before tax	219.7	206.1
Adjusting items (Note 3)	26.4	41.4
<b>Adjusted profit before taxation</b>	<b>246.1</b>	247.5
Reported tax rate	26.3%	26.0%
Effective tax rate	26.4%	25.8%
<b>Tax expense recognised directly in other comprehensive income</b>		
	2026 £m	2025 £m
Relating to remeasurement of retirement benefit obligations	-	0.3
Relating to movement in cash flow hedges	0.6	0.2
	<b>0.6</b>	0.5

Tax recognised directly in equity includes a charge of £0.2 million (2024/25: £0.2 million) for share-based payments, and a credit of £0.8 million (2024/25: £0.1 million) in relation to cash flow hedging.

## Group accounts continued

## NOTES TO GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2026

## 11 Taxation continued

## Movement in deferred tax assets and liabilities

	Intangible assets (excluding goodwill), right- of-use assets and property, plant and equipment £m	Goodwill £m	Retirement benefit obligations £m	Employee benefits £m	Tax losses £m	Lease liabilities £m	Provisions, inventory and other short- term temporary differences £m	Net tax (liabilities)/ assets £m
At 1 April 2024	(90.4)	(49.9)	6.1	6.5	6.8	18.9	12.8	(89.2)
Acquisitions	(0.8)	-	-	-	-	-	-	(0.8)
Credit/(charge) to income statement	12.6	(0.4)	(0.1)	(1.1)	(3.6)	(5.0)	2.6	5.0
Recognised directly in equity	-	-	(2.7)	(0.4)	-	-	-	(3.1)
Translation differences	6.0	1.1	-	(0.2)	(1.2)	-	1.9	7.6
At 31 March 2025	(72.6)	(49.2)	3.3	4.8	2.0	13.9	17.3	(80.5)
Acquisitions (Note 29)	<b>(3.5)</b>	-	-	-	-	<b>0.7</b>	-	<b>(2.8)</b>
Credit/(charge) to income statement	<b>7.4</b>	<b>(0.9)</b>	<b>0.8</b>	<b>4.2</b>	<b>0.1</b>	<b>(1.4)</b>	<b>(3.7)</b>	<b>6.5</b>
Recognised directly in equity	-	-	<b>(1.9)</b>	<b>(0.2)</b>	-	-	<b>0.2</b>	<b>(1.9)</b>
Translation differences	<b>(3.4)</b>	<b>1.0</b>	<b>(0.1)</b>	-	-	<b>0.7</b>	<b>0.4</b>	<b>(1.4)</b>
<b>At 31 March 2026</b>	<b>(72.1)</b>	<b>(49.1)</b>	<b>2.1</b>	<b>8.8</b>	<b>2.1</b>	<b>13.9</b>	<b>14.2</b>	<b>(80.1)</b>

Analysed in the balance sheet as:

	2026 £m	2025 £m
Deferred tax assets	<b>5.0</b>	11.1
Deferred tax liabilities	<b>(85.1)</b>	(91.6)
	<b>(80.1)</b>	(80.5)

The Group has gross unused tax losses of £10.5 million (2024/2025: £13.5 million) available for offset against future profits, of which £5.6 million will expire within 7 years. A deferred tax asset of £2.1 million (2024/2025: £2.0 million) has been recognised for tax losses where current projections show that sufficient taxable profits will arise in the near future against which these losses may be offset. A deferred tax asset totalling £4.3 million (2024/2025: £3.0 million) has not been recognised in respect of total carried forward tax and capital losses. The total unrecognised losses now include unused capital losses of £9.7 million (2024/2025: £9.7 million). The losses have not been recognised as it is not probable that future taxable profits or chargeable gains will be available against which they can be utilised. Management will reassess the recoverability of deferred tax assets at each balance sheet date by taking into account all relevant and available information.

## 12 Earnings per share

Basic earnings per share is calculated by dividing the profit for the year attributable to owners of the Company by the weighted average number of shares in issue during the year, excluding shares held by the EBT.

Diluted earnings per share is calculated by adjusting the weighted average number of shares to assume the conversion of all potentially dilutive ordinary shares. The share-based payment schemes which result in the issue of shares at a value below the market price of the shares are potentially dilutive.

	2026 Number	2025 Number
Weighted average number of shares	<b>467,881,253</b>	470,022,152
Dilutive effect of share-based payments	<b>1,467,287</b>	214,829
Diluted weighted average number of shares	<b>469,348,540</b>	470,236,981
Basic earnings per share	<b>34.6p</b>	32.5p
Diluted earnings per share	<b>34.5p</b>	32.5p

## Group accounts continued

## NOTES TO GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2026

## 13 Dividends

	2026 £m	2025 £m
Final dividend for the year ended 31 March 2025 – 13.9p (2024: 13.7p)	65.1	64.9
Interim dividend for the year ended 31 March 2026 – 8.7p (2025: 8.5p)	40.8	39.8
	<b>105.9</b>	104.7

The trustees of the EBT have waived their right to receive dividends and this amounts to £1.5 million (2024/25: £0.8 million).

A proposed final dividend for the year ended 31 March 2026 of 14.2p is subject to approval by shareholders at the Annual General Meeting on 16 July 2026 and the estimated amount to be paid of £65.8 million has not been included as a liability in these accounts.

## 14 Intangible assets

Goodwill represents the excess of the fair value of the consideration of an acquisition over the fair value attributed to the net assets acquired (including contingent liabilities). Goodwill is not amortised but is reviewed annually for impairment. Acquisition-related costs are charged to the income statement as incurred.

Intangible assets excluding goodwill are stated at cost, or fair value at the date of acquisition, less accumulated amortisation and any provisions for impairment. Residual value is reassessed annually. Expenditure on internally generated goodwill and brands is recognised in the income statement as an expense as incurred. Amortisation is calculated to write off the cost on a straight-line basis over the following useful lives from the date the assets are first available for use: software 2 – 11 years; development expenditure 3 years; brands 5 – 10 years; customer contracts, relationships and distribution agreements 4 – 18 years; and acquired research 3 years.

An internally generated intangible asset arising from development expenditure, including the cost of internally developed software, is recognised in the income statement as incurred unless it is probable that economic benefits will flow to the Group from the asset being developed, the cost of the asset can be reliably measured and technical feasibility can be demonstrated. When these conditions are met, the expenditure is capitalised as an intangible asset on the balance sheet.

Where the Group enters into licence agreements to use cloud based software, these arrangements are treated as service contracts and expensed in the income statement, unless the Group has both a contractual right to take possession of the software at any time without significant penalty, and the ability to run the software independently of the host vendor. In such cases the licence agreement is capitalised as software within intangible assets. Costs to configure or customise a cloud software licence are expensed alongside the related service contract in the income statement, unless they result in the creation of a separately identifiable resource controlled by the Group, in which case such costs are capitalised.

	Goodwill £m	Software £m	Development expenditure £m	Brands £m	Customer contracts, relationships and distribution agreements £m	Acquired research £m	Total £m
<b>Cost</b>							
At 1 April 2024	646.3	387.4	1.8	22.0	279.7	1.1	1,338.3
Acquisitions	5.9	–	–	–	0.5	–	6.4
Additions - internally generated	–	16.5	–	–	–	–	16.5
Additions - other	–	16.5	–	–	–	–	16.5
Disposals	–	(2.4)	–	–	–	–	(2.4)
Reclassifications	–	3.0	–	–	–	–	3.0
Translation differences	(35.8)	(2.0)	–	(0.7)	(26.3)	–	(64.8)
At 31 March 2025	616.4	419.0	1.8	21.3	253.9	1.1	1,313.5
Acquisitions (Note 29)	<b>9.3</b>	–	–	<b>2.2</b>	<b>9.0</b>	–	<b>20.5</b>
Additions - internally generated	–	<b>16.2</b>	–	–	–	–	<b>16.2</b>
Additions - other	–	<b>17.9</b>	–	–	–	–	<b>17.9</b>
Disposals	–	<b>(16.2)</b>	–	–	–	–	<b>(16.2)</b>
Disposals from sale of business (Note 30)	<b>(2.0)</b>	–	–	–	<b>(0.7)</b>	–	<b>(2.7)</b>
Translation differences	<b>11.0</b>	<b>0.7</b>	–	<b>0.9</b>	<b>12.1</b>	–	<b>24.7</b>
<b>At 31 March 2026</b>	<b>634.7</b>	<b>437.6</b>	<b>1.8</b>	<b>24.4</b>	<b>274.3</b>	<b>1.1</b>	<b>1,373.9</b>

## Group accounts continued

## NOTES TO GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2026

## 14 Intangible assets continued

	Goodwill £m	Software £m	Development expenditure £m	Brands £m	Customer contracts, relationships and distribution agreements £m	Acquired research £m	Total £m
<b>Amortisation</b>							
At 1 April 2024	-	289.1	1.8	2.0	61.7	1.1	355.7
Charge for the year	-	24.7	-	2.6	23.4	-	50.7
Impairment losses	-	1.9	-	-	10.9	-	12.8
Disposals	-	(2.1)	-	-	-	-	(2.1)
Reclassifications	-	2.4	-	-	-	-	2.4
Translation differences	-	(1.2)	-	(0.1)	(3.6)	-	(4.9)
At 31 March 2025	-	314.8	1.8	4.5	92.4	1.1	414.6
Charge for the year	-	<b>24.6</b>	-	<b>2.7</b>	<b>17.5</b>	-	<b>44.8</b>
Impairment losses	-	<b>14.9</b>	-	-	-	-	<b>14.9</b>
Disposals	-	<b>(16.2)</b>	-	-	-	-	<b>(16.2)</b>
Disposals from sale of business (Note 30)	-	-	-	-	<b>(0.1)</b>	-	<b>(0.1)</b>
Translation differences	-	<b>0.6</b>	-	<b>0.3</b>	<b>2.0</b>	-	<b>2.9</b>
<b>At 31 March 2026</b>	<b>-</b>	<b>338.7</b>	<b>1.8</b>	<b>7.5</b>	<b>111.8</b>	<b>1.1</b>	<b>460.9</b>
<b>Net book value</b>							
<b>At 31 March 2026</b>	<b>634.7</b>	<b>98.9</b>	<b>-</b>	<b>16.9</b>	<b>162.5</b>	<b>-</b>	<b>913.0</b>
At 31 March 2025	616.4	104.2	-	16.8	161.5	-	898.9

There were no reclassifications during the year. In the prior year, £2.4 million was reclassified between cost and accumulated amortisation of software following a review of the fixed asset register. £0.6 million was also reclassified between software and plant and machinery.

As at 31 March 2026, the cost and accumulated amortisation of internally generated intangible assets included in software were £107.0 million and £69.1 million (2024/25: £91.6 million and £59.4 million) respectively.

At 31 March 2026, the material individual software assets was the new product management system with a net book value of £16.0 million (2024/25: £18.2 million), which will have a useful life of 8 years. Material individual customer contracts, relationships and distribution agreements are from the acquisitions of Synovos, Risoul, Distrelec and BPX with net book values of £6.5 million, £76.9 million, £61.0 million and £9.0 million respectively (2024/25: £10.4 million, £75.8 million, £63.6 million and £nil) and remaining useful lives of 4 years, 1 to 14 years, 15 years and 12 to 18 years respectively.

Goodwill is allocated at acquisition to groups of cash generating units (CGUs) that are expected to benefit from the synergies arising as a result of the acquisition, with £383.9 million (2024/25: £380.1 million) relating to the Americas group of CGUs, £241.6 million (2024/25: £227.5 million) relating to the EMEA group of CGUs and £9.2 million (2024/25: £8.8 million) relating to the Asia Pacific group of CGUs. Cash generating units represent the smallest identifiable groups of assets that generate cash inflows that are largely independent of the cash inflows from other groups of assets. The goodwill from the BPX acquisition forms part of the EMEA group of CGUs.

The Group reviews its intangible assets regularly to assess if there are any indications the assets may be impaired. In addition, goodwill and any other intangible assets that are not yet being amortised are subject to annual impairment reviews.

An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. The recoverable amount is calculated as the higher of fair value less costs of disposal and value in use. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

In the year ended 31 March 2026, the Group undertook a review of its assets and recognised an impairment charge of £14.9 million on certain technology assets including the production management system and inventory availability and production fulfilment module, for which functionality was superseded by the release of new assets. These assets were assessed as providing no future economic benefits and these components were fully written down. In the previous year, the impairment assessment of the customer contracts, relationships and distribution agreements indicated that the asset related to the acquisition of RS Integrated Supply EMEA required full impairment, with an impairment charge of £10.9 million recorded in the year ended 31 March 2025. In addition, £0.4 million of software acquired with RS Integrated Supply EMEA was also impaired.

## Group accounts continued

## NOTES TO GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2026

**14 Intangible assets** continued

For the goodwill impairment reviews, the recoverable amount of the groups of CGUs are based on value-in-use calculations, which use cash flow projections based on the Group's annual targets and strategic plan which cover the next five years. The strategic plan is also used as the basis for the viability statement. When the strategic plan was prepared it considered current performance and made assumptions about future revenue and gross margin growth rates, determined using internal forecasts based upon historical growth rates and future medium-term plans which consider, and are consistent with, relevant macroeconomic indicators. It also took into account expected increases in costs of products and overheads, including those related to climate change as well as expected benefits from the expansion of the Group's more sustainable product range and ESG solutions business. The cash flows from the strategic plan are extrapolated using the relevant long-term growth rate for the groups of CGUs and discounted at the Group's externally sourced pre-tax weighted average cost of capital adjusted for the estimated tax cash flows and risk applicable for the groups of CGUs to estimate cash flow projections. These cash flow projections are adjusted to take account of the likely future capital expenditure costs of meeting the Group's climate change commitments to be net zero in its direct operations by 2030 (expected to be c. £14 million over the period to 2030/31) and are consistent with the Group's climate scenario analysis of physical and transition risk impacts conducted for the Task Force on Climate-related Financial Disclosures (TCFD).

For the Americas group of CGUs, the long-term growth rate is 2.4% (2024/25: 2.5%), which is consistent with the market estimate of long-term average growth rates for the product and service solutions providers industries and does not exceed expected long-term GDP growth for Americas. The nominal pre-tax discount rate is 12.0% (2024/25: 11.5%).

For the EMEA group of CGUs, the long-term growth rate is 1.9% (2024/25: 2.0%), which is consistent with the market estimate of long-term average growth rates for the product and service solutions providers industries and does not exceed expected long-term GDP growth for EMEA. The nominal pre-tax discount rate is 12.5% (2024/25: 11.2%).

For the Asia Pacific group of CGUs, the long-term growth rate is 2.4% (2024/25: 1.4%), which is consistent with the market estimate of long-term average growth rates for the product and service solutions providers industries and does not exceed expected long-term GDP growth for Asia Pacific. The nominal pre-tax discount rate is 17.4% (2024/25: 15.9%).

There is significant headroom between the carrying amount and the value in use of the groups of CGUs and so the Directors believe that currently all reasonably likely changes in the key assumptions referred to above would not give rise to an impairment charge.

**15 Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and any provisions for impairment after taking into account any impact of the Group's strategy related to climate change. The Group monitors property, plant and equipment throughout the year and tests for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable. The cost of self-constructed assets includes the cost of materials, direct labour and certain direct overheads.

No depreciation has been charged on freehold land. Other assets are depreciated to residual value, which is reassessed annually, on a straight-line basis over the following useful lives: freehold buildings and improvements to leasehold buildings 50 years (or the lease term if shorter); plant and machinery 5 – 20 years; and computer equipment 3 – 5 years. This reassessment of residual value includes consideration of the Group's climate scenario analysis of physical and transition risk impacts conducted for the TCFD and there have been no significant changes in the year.

	Land and buildings £m	Plant and machinery £m	Computer equipment £m	Total £m
<b>Cost</b>				
At 1 April 2024	163.1	246.9	68.7	478.7
Acquisitions	0.1	1.7	–	1.8
Additions	0.9	13.2	1.8	15.9
Disposals	(1.4)	(6.3)	(1.8)	(9.5)
Reclassifications	–	(0.6)	–	(0.6)
Translation differences	(2.7)	(2.9)	(0.6)	(6.2)
At 31 March 2025	160.0	252.0	68.1	480.1
Acquisitions (Note 29)	<b>0.2</b>	<b>1.0</b>	<b>0.1</b>	<b>1.3</b>
Additions	<b>2.8</b>	<b>13.6</b>	<b>3.3</b>	<b>19.7</b>
Disposals	<b>(1.6)</b>	<b>(1.4)</b>	<b>(7.2)</b>	<b>(10.2)</b>
Reclassifications	<b>(0.5)</b>	<b>0.7</b>	<b>(0.2)</b>	<b>–</b>
Translation differences	<b>1.2</b>	<b>1.7</b>	<b>(0.1)</b>	<b>2.8</b>
<b>At 31 March 2026</b>	<b>162.1</b>	<b>267.6</b>	<b>64.0</b>	<b>493.7</b>

## Group accounts continued

**NOTES TO GROUP ACCOUNTS CONTINUED**

For the year ended 31 March 2026

**15 Property, plant and equipment** continued

	Land and buildings £m	Plant and machinery £m	Computer equipment £m	Total £m
<b>Depreciation</b>				
At 1 April 2024	63.2	172.7	61.9	297.8
Charge for the year	3.8	11.6	2.1	17.5
Disposals	(1.3)	(6.3)	(1.8)	(9.4)
Impairment losses	0.4	-	-	0.4
Translation differences	(0.9)	(1.4)	(0.6)	(2.9)
At 31 March 2025	65.2	176.6	61.6	303.4
Charge for the year	<b>3.8</b>	<b>11.9</b>	<b>2.2</b>	<b>17.9</b>
Disposals	<b>(1.6)</b>	<b>(1.4)</b>	<b>(7.2)</b>	<b>(10.2)</b>
Translation differences	<b>0.6</b>	<b>0.8</b>	-	<b>1.4</b>
<b>At 31 March 2026</b>	<b>68.0</b>	<b>187.9</b>	<b>56.6</b>	<b>312.5</b>
<b>Net book value</b>				
<b>At 31 March 2026</b>	<b>94.1</b>	<b>79.7</b>	<b>7.4</b>	<b>181.2</b>
At 31 March 2025	94.8	75.4	6.5	176.7

Included above is £7.7 million of property, plant and equipment under construction at 31 March 2026 (2024/25: £1.8 million).

**16 Leases**

The Group assesses at the inception of a contract whether the contract is, or contains, a lease. Where it conveys the right to control the use of an identified asset for a period of time in exchange for consideration, the contract is deemed to be, or to include, a lease. The Group leases various properties, plant and machinery, computer equipment and vehicles typically for periods between two and 20 years. Where a contract includes a vehicle lease, the Group has elected to account for the non-lease components as part of the lease. Where the Group determines, at the commencement date of each lease, that it is reasonably certain to exercise an option to extend the lease or not to exercise an option to terminate the lease, the additional period is included within the lease term.

Leases are recognised on the balance sheet at their commencement date as a liability representing the present value of the future lease payments not yet paid and a right-of-use asset reflecting the future benefit to the Group generated by using the underlying asset. The discount on the lease liability is calculated using the Group's incremental borrowing rate, as rates implicit in the Group's leases cannot be readily determined, and is charged to finance costs in the income statement as it unwinds. The Group's incremental borrowing rate is adjusted to take account of the country risk, lease term and start date for each lease. Fixed payments less any lease incentives receivable, in-substance fixed payments and variable payments based on an index or rate form part of the lease liability. Variable payments which are not based on an index or rate are expensed when the event that triggers the payment occurs.

The right-of-use asset is stated at cost less accumulated depreciation and any provisions for impairment. Initially the cost of the right-of-use asset comprises the initial amount of the lease liability adjusted for any lease payments made at or before commencement of the lease less any lease incentives received, plus any direct costs incurred and an estimate of the cost to restore the underlying asset. The right-of-use asset is depreciated on a straight-line basis over the lease term (or useful life of the asset, if shorter), which is reassessed as the underlying facts and circumstances of the lease change.

The Group has elected to not recognise the lease liability and right-of-use asset in respect of short-term leases and leases of low-value assets on the balance sheet. Short-term leases and leases of low-value assets are expensed in the income statement on a straight-line basis over the lease term.

The lease liability is remeasured when there is a change in the future lease payments or if the Group changes its assessment of whether it will exercise an extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying value of the right-of-use asset. If the carrying value of the right-of-use asset is reduced to zero, any further reductions are recognised in the income statement.

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as an operating lease by reference to the right-of-use asset arising from the head lease. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

## Group accounts continued

## NOTES TO GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2026

**16 Leases** continued

The amounts recognised relating to leases were:

	2026 £m	2025 £m
<b>Right-of-use assets</b>		
Buildings	42.1	45.1
Plant and machinery	0.5	0.3
Vehicles	9.7	8.9
<b>Right-of-use assets</b>	<b>52.3</b>	54.3
<b>Lease liabilities</b>		
Current	16.9	15.5
Non-current	37.7	41.2
<b>Lease liabilities</b>	<b>54.6</b>	56.7
<b>Depreciation charge for right-of-use assets</b>		
Buildings	12.7	12.8
Plant and machinery	0.2	0.1
Vehicles	4.5	4.3
<b>Depreciation charge for right-of-use assets</b>	<b>17.4</b>	17.2
<b>Additions to right-of-use assets</b>		
Right-of-use assets acquired with businesses	3.3	2.4
Other additions to right-of-use assets	10.5	5.9
<b>Additions to right-of-use assets</b>	<b>13.8</b>	8.3

	2026 £m	2025 £m
<b>Total cash outflow/(inflow) for leases</b>		
Included in cash flows from operating activities:		
Interest expense	2.8	2.8
Expense relating to short-term leases	0.6	0.8
Expense relating to leases of low-value assets, excluding short-term leases of low-value assets	0.4	0.3
Expense relating to variable lease payments not included in measurement of lease liabilities	1.4	2.0
Income from sub-leasing right-of-use assets	-	(0.4)
Included in cash flows from financing activities:		
Principal elements of lease payments	17.2	15.7
<b>Total cash outflow for leases</b>	<b>22.4</b>	21.2

Right-of-use asset disposals of £0.7 million (2024/25: £16.8 million) were recognised in the year. The interest expense on lease liabilities recognised in the income statement was £2.8 million (2024/25: £2.8 million). Potential future cash outflows that are not reflected in the measurement of lease liabilities were not material. The contractual maturity analysis of lease liabilities is included in liquidity risk in Note 23.

**17 Investment in joint venture**

The Group's share of the post-tax profit of its joint venture is included in profit before tax. The investment in the joint venture is carried in the Group balance sheet at historical cost plus post-acquisition changes in the Group's share of the joint venture's net assets. The Group owns 50% of the share capital of RS Components & Controls (India) Limited, its joint venture.

	2026 £m	2025 £m
At 1 April	1.2	1.3
Group's share of profit for the year	0.6	0.6
Group's share of other comprehensive income/(expense)	-	(0.1)
Group's share of total comprehensive income	0.6	0.5
Dividends	(0.6)	(0.6)
<b>At 31 March</b>	<b>1.2</b>	1.2

## Group accounts continued

## NOTES TO GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2026

**18 Inventories**

Inventories are valued at the lower of cost and net realisable value. Cost is calculated on a weighted average basis and for finished goods and goods for resale includes attributable overheads.

The Group estimates the net realisable value of inventories in order to determine the value of any provision required. In this estimation judgements, including any impact of obsolescence including that related to regulatory changes due to amongst other things climate change, are made in relation to the number of years of sales there are in inventories of each product and the value recoverable from those inventories. In determining the recoverable value, judgement is taken about the ability of the Group to return a proportion of stock to suppliers under supplier specific contractual provisions. The Group bases its estimates on recent historical experience and knowledge of the products on hand and the terms of contractual arrangements with suppliers. Should more or less inventory be able to be returned to suppliers than planned, there would be a consequential impact on the inventory provision.

	2026 £m	2025 £m
Raw materials and consumables	87.7	97.6
Finished goods and goods for resale	587.9	606.5
Gross inventories	675.6	704.1
Inventory provisions	(80.6)	(86.8)
<b>Net inventories</b>	<b>595.0</b>	<b>617.3</b>

**Sensitivity analysis of the impact of changes in key assumptions**

A reduction in the value recoverable, which is based on observable sell through and returns data, leading to an increase in provision rates of 10%, up to a maximum of 100% provision per product, would increase the inventory provisions by £7.5 million (2024/25: £2.7 million). An increase in the value recoverable leading to a decrease in provision rates of 10% would decrease the inventory provisions by £7.8 million (2024/25: £8.6 million).

**19 Trade and other receivables**

	2026 £m	2025 £m
<b>Current</b>		
Gross trade receivables	651.9	615.9
Impairment allowance (Note 23)	(11.4)	(11.5)
Net trade receivables	640.5	604.4
Amounts owed by joint venture	1.8	1.3
Prepayments	48.9	44.5
Other taxation and social security	6.7	8.8
Contract assets	1.5	2.8
Other receivables	29.8	26.7
<b>Current trade and other receivables</b>	<b>729.2</b>	<b>688.5</b>
<b>Non-current</b>		
Prepayments	0.1	0.1
Other receivables	4.7	4.5
<b>Non-current other receivables</b>	<b>4.8</b>	<b>4.6</b>

Contract assets relate mainly to licence fee income and are where the Group has performed its part of the contract for that element, but other performance obligations are required to be completed before it can receive the credit note for licence fee income from suppliers or raise the invoice for other contracts with customers.

Current other receivables include £6.0 million (2024/25: £8.1 million) for amounts yet to be invoiced to customers related to product sales where the Group acts as an agent (Note 4), expected inventory returns and loans to employees. Non-current other receivables include insurance claims receivables and lease deposits.

## Group accounts continued

## NOTES TO GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2026

## 20 Trade and other payables

	2026 £m	2025 £m
<b>Current</b>		
Trade payables	376.6	359.4
Other taxation and social security	41.0	41.2
Government grants	0.1	0.1
Cash-settled share-based payment liability	0.4	0.4
Accruals	167.0	165.2
Contract liabilities	2.4	3.9
Other payables (including estimated obligations for customer volume discounts and refunds – Note 4)	46.7	40.8
<b>Current trade and other payables</b>	<b>634.2</b>	<b>611.0</b>
<b>Non-current</b>		
Government grants	2.0	2.0
Cash-settled share-based payment liability	1.3	0.6
Other employee benefits	3.3	3.1
Other payables	–	1.7
<b>Non-current other payables</b>	<b>6.6</b>	<b>7.4</b>

Contract liabilities are where the Group has received payment but is yet to perform its part of the contract.

Government grants related to expenditure on property, plant and equipment are credited to the income statement at the same rate as the depreciation on the asset to which the grant relates.

The Group offers a supply chain finance facility to its suppliers. This was set up when the Group worked with suppliers to extend payment terms to protect its working capital position. It is primarily provided to give suppliers the option to protect their own working capital position from the impact of this extension.

Judgement is required to assess the payables subject to these arrangements and whether they should continue to be classified as trade payables and whether the cash flows should still be classified as operating. The substance of the contractual terms with the bank providing the financing does not differ from the terms under the supplier contracts. The standard payment terms under supplier contracts are 60 days, with a maximum payment term of 180 days. As there are no changes to the invoice terms, the amount owed to the bank is included in trade payables. Related cash flows are included in cash generated from operations.

	2026	2025
<b>Carrying amount of the financial liabilities that are subject to supplier finance arrangements (£m)</b>		
Presented within trade and other payables	14.0	14.7
– of which suppliers have received payment from the bank	11.1	0.3
<b>Range of payment due dates (days after invoice date)</b>		
Trade payables subject to supplier finance arrangement	Up to 180	Up to 180
Comparable trade payables	Up to 180	Up to 180

Changes in liabilities that are subject to supplier finance arrangements are primarily attributable to additions resulting from purchases of goods and services and subsequent cash settlements. There were no material non-cash changes in these liabilities.

The Group does not face a significant liquidity risk as a result of its supplier finance arrangements, given the limited amount of liabilities subject to supplier finance arrangements and the Group's access to other sources of finance on similar terms.

## 21 Financial instruments

The Group uses derivative financial instruments, principally forward foreign exchange contracts and occasionally currency swaps, to cover its exposure to foreign exchange risk arising from operational and financing activities.

In accordance with its treasury policies, the Group designates the majority of its derivative financial instruments as cash flow hedges. The Group does not hold or issue derivative financial instruments for trading purposes.

Derivatives are recognised at fair value. Derivative financial instruments that do not qualify for cash flow hedge or net investment hedge accounting are classified as measured at fair value through profit or loss (FVTPL) and changes in their fair values are recognised in the income statement as they arise.

## Group accounts continued

**NOTES TO GROUP ACCOUNTS CONTINUED**

For the year ended 31 March 2026

**21 Financial instruments** continued**Cash flow hedge accounting**

The Group uses derivative financial instruments, namely forward foreign exchange contracts, to hedge variability in cash flows of a recognised asset or liability, or a highly probable forecast transaction. The effective part of any gain or loss on the derivative financial instrument is recognised in other comprehensive income, while any ineffective part is recognised immediately in the income statement. When the hedged item subsequently results in the recognition of a non-financial asset or liability (e.g. inventories), the associated cumulative gain or loss recognised in the hedging reserve is transferred to the initial carrying amount of the asset or liability. When the hedged item subsequently results in the recognition of a financial asset or liability, the associated cumulative gain or loss that was recognised in other comprehensive income is reclassified from equity to the income statement in the same period that the hedged item affects the income statement.

When a hedging instrument expires or is sold, terminated or exercised, or the Group discontinues hedge accounting as it no longer meets the Group's risk management objective but the hedged forecast transaction is still expected to occur, the cumulative gain or loss at that point remains in equity and is reclassified from equity when the transaction occurs in accordance with the above policy. If the hedged transaction is no longer expected to take place, the cumulative unrealised gain or loss recognised in equity is reclassified to the income statement.

The fair value of forward foreign exchange contracts is the difference between their discounted contractual forward price and their current forward price.

**Net investment hedge accounting**

The portion of the gain or loss on an instrument used to hedge a net investment in a foreign operation that is determined to be an effective hedge is recognised in other comprehensive income. The ineffective portion is recognised immediately in the income statement. Amounts taken to other comprehensive income are reclassified from equity to the income statement when the foreign operations are sold or liquidated.

**Other financial instruments**

All other financial instruments are initially recognised at fair value and adjusted for transaction costs. Initial fair value is generally the transaction price. Subsequent measurement is as follows:

- Borrowings are measured at amortised cost. Options to extend the term of facilities are considered to be loan commitments.
- All other financial assets, including current receivables, are measured at amortised cost less any impairment allowances on the basis that these assets are held to collect all contractual cash flows being principal and interest on the amount outstanding.
- All other financial liabilities, including current payables, are measured at amortised cost.

**Classes and categories of financial instruments**

	2026 £m	2025 £m
<b>Financial assets measured at amortised cost</b>		
Non-current other receivables	4.7	4.5
Cash and cash equivalents - cash and short-term deposits	166.5	147.7
Trade and other receivables	664.7	625.3
	<b>835.9</b>	777.5
<b>Financial assets mandatorily measured at FVTPL</b>		
Derivative financial instruments	0.8	0.1
<b>Derivatives designated and effective as hedging instruments (fair value movements through other comprehensive income)</b>		
Derivative financial instruments	1.8	1.8
	<b>838.5</b>	779.4
<b>Financial liabilities measured at amortised cost</b>		
Non-current other payables	-	(1.7)
Cash and cash equivalents - bank overdrafts	(50.2)	(41.7)
Trade and other payables	(526.7)	(504.4)
Multicurrency revolving facility	(65.0)	(112.6)
Unsecured bank facilities	(44.6)	(23.5)
Term loan	(129.6)	(124.2)
Private placement loan notes	(151.4)	(153.2)
Lease liabilities	(54.6)	(56.7)
	<b>(1,022.1)</b>	(1,018.0)

## Group accounts continued

## NOTES TO GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2026

## 21 Financial instruments continued

	2026 £m	2025 £m
<b>Financial liabilities mandatorily measured at FVTPL</b>		
Derivative financial instruments	(0.5)	(0.1)
Contingent consideration liabilities	(1.7)	-
<b>Derivatives designated and effective as hedging instruments (fair value movements through other comprehensive income)</b>		
Derivative financial instruments	(2.3)	(1.7)
<b>Total financial liabilities</b>	<b>(1,026.6)</b>	<b>(1,019.8)</b>

## Fair values

Under IFRS 13 'Fair Value Measurement', fair values are measured using a hierarchy where the inputs are:

- Level 1 – quoted prices in active markets for identical assets or liabilities.
- Level 2 – not Level 1 but are observable for that asset or liability either directly or indirectly.
- Level 3 – not based on observable market data (unobservable).

The derivatives listed above are measured at fair value using Level 2 inputs, estimated by discounting the future contractual cash flows using appropriate market-sourced data at the balance sheet date. The overall valuation is classified as Level 2 on the fair value hierarchy. The contingent consideration is measured at fair value using Level 3 inputs.

For all financial assets and liabilities, fair value approximates the carrying amounts in the balance sheet except for the following:

	2026		2025	
	Carrying amounts £m	Fair value £m	Carrying amounts £m	Fair value £m
Non-current and current private placement loan notes	(151.4)	(144.8)	(153.2)	(145.4)

The fair values are calculated by discounting future cash flows to net present values using prevailing interest rate curves, a Level 2 input, and indicative values of the Group's credit margin, a Level 3 input. The overall valuation is classified as Level 3 on the fair value hierarchy.

## Derivatives

	2026		2025	
	Current assets £m	Current liabilities £m	Current assets £m	Current liabilities £m
Forward foreign exchange contracts designated as cash flow hedges (principal amount £157.0 million (2024/25: £150.5 million))	1.8	(2.3)	1.8	(1.7)
Forward foreign exchange contracts classified as fair value through profit or loss	0.8	(0.5)	0.1	(0.1)
<b>Derivatives</b>	<b>2.6</b>	<b>(2.8)</b>	<b>1.9</b>	<b>(1.8)</b>

## Netting arrangements for financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The Group has no financial instruments that meet the criteria for offsetting.

## Group accounts continued

**NOTES TO GROUP ACCOUNTS CONTINUED**

For the year ended 31 March 2026

**22 Net debt**

	2026 £m	2025 £m
Cash and short-term deposits	166.5	147.7
Bank overdrafts (unsecured)	(50.2)	(41.7)
<b>Cash and cash equivalents</b>	<b>116.3</b>	106.0
	<b>2026 £m</b>	<b>2025 £m</b>
<b>Non-current borrowings</b>		
Unsecured private placement loan notes repayable after more than five years	(37.7)	(38.6)
Unsecured private placement loan notes repayable from four to five years	-	(37.8)
Unsecured private placement loan notes repayable from three to four years	(37.7)	-
Unsecured private placement loan notes repayable from one to two years	-	(76.8)
Unsecured multicurrency revolving credit facility repayable from four to five years	-	(112.6)
Unsecured multicurrency revolving credit facility repayable from three to four years	(65.0)	-
Unsecured term loan repayable from three to four years	-	(124.2)
Unsecured term loan repayable from two to three years	(129.6)	-
<b>Non-current borrowings</b>	<b>(270.0)</b>	(390.0)
<b>Current borrowings</b>		
Unsecured bank facilities repayable within one year	(44.6)	(23.5)
Unsecured private placement loan notes repayable within one year	(76.0)	-
<b>Current borrowings</b>	<b>(120.6)</b>	(23.5)
<b>Total borrowings</b>	<b>(390.6)</b>	(413.5)
Cash and cash equivalents	116.3	106.0
Non-current lease liabilities	(37.7)	(41.2)
Current lease liabilities	(16.9)	(15.5)
<b>Net debt</b>	<b>(328.9)</b>	(364.2)

See Note 3 for definition of net debt which is an APM. Cash and cash equivalents comprise cash in hand and in current accounts, overnight deposits, and short-term deposits of less than three months, net of overdrafts with qualifying financial institutions. Borrowings represent loans from qualifying financial institutions. See Note 23 for details of the Group's committed debt facilities.

Movements in net debt were:

	Borrowings £m	Lease liabilities £m	Total liabilities from financing activities £m	Cash and cash equivalents £m	Net debt £m
At 1 April 2024	(440.3)	(73.9)	(514.2)	96.0	(418.2)
Cash flows	18.7	15.7	34.4	16.0	50.4
Acquired with businesses	-	(2.3)	(2.3)	-	(2.3)
New leases	-	(5.9)	(5.9)	-	(5.9)
Lease modifications	-	(7.8)	(7.8)	-	(7.8)
Disposal of leases	-	16.8	16.8	-	16.8
Translation differences	8.1	0.7	8.8	(6.0)	2.8
At 31 March 2025	(413.5)	(56.7)	(470.2)	106.0	(364.2)
Cash flows	<b>27.4</b>	<b>17.2</b>	<b>44.6</b>	<b>(0.6)</b>	<b>44.0</b>
Acquired with businesses	-	(3.3)	(3.3)	7.4	4.1
New leases	-	(10.5)	(10.5)	-	(10.5)
Lease modifications	-	(2.8)	(2.8)	-	(2.8)
Disposal of leases	-	0.4	0.4	-	0.4
Translation differences	(4.5)	1.1	(3.4)	3.5	0.1
<b>At 31 March 2026</b>	<b>(390.6)</b>	<b>(54.6)</b>	<b>(445.2)</b>	<b>116.3</b>	<b>(328.9)</b>

## Group accounts continued

## NOTES TO GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2026

**23 Financial risk management**

The principal financial risks to which the Group is exposed are those of credit, liquidity, and market. Market risk includes foreign currency transaction risk and interest rate risk. Each of these is managed in accordance with Board-approved policies.

**Credit risk**

The Group is exposed to credit risk on financial assets such as cash deposits, derivative instruments, and trade and other receivables.

The amounts in the balance sheet represent the maximum credit risk exposure at the balance sheet date. There were no significant concentrations of credit risk at the balance sheet date, as exposure is spread over a large number of counterparties, customers, and geographic locations. The Group has reviewed its credit risk again carefully this year due to the current global economic and geopolitical uncertainties and the Group does not believe it has materially altered during the year.

For cash deposits and derivative instruments, the Group identifies counterparties of suitable creditworthiness based on ratings assigned by international credit-rating agencies and has procedures to ensure that only these parties are used, that exposure limits are set based on the external credit ratings and that these limits are not exceeded. The impairment losses on these are immaterial. The table below sets out the credit exposure to counterparties by rating for cash and cash equivalents and derivatives.

The maximum exposure with a single bank for deposits was £34.1 million (2024/25: £22.7 million) and the largest mark to market exposure for derivative financial instruments to a single bank was £0.4 million (2024/25: £0.2 million). The Group also occasionally uses money market funds to invest surplus cash, thereby diversifying credit risk, and at 31 March 2026 its exposure to these funds was £nil (2024/25: £nil).

	Aaa £m	Aa £m	A £m	Baa £m	Ba1 and below/ unrated £m	Total £m
Bank balances and deposits	-	100.9	59.2	1.5	4.9	166.5
Third-party financial derivatives	-	1.8	0.8	-	-	2.6
<b>At 31 March 2026</b>	-	<b>102.7</b>	<b>60.0</b>	<b>1.5</b>	<b>4.9</b>	<b>169.1</b>

	Aaa £m	Aa £m	A £m	Baa £m	Ba1 and below/ unrated £m	Total £m
Bank balances and deposits	-	98.1	46.0	0.8	2.8	147.7
Third-party financial derivatives	-	1.0	0.9	-	-	1.9
<b>At 31 March 2025</b>	-	<b>99.1</b>	<b>46.9</b>	<b>0.8</b>	<b>2.8</b>	<b>149.6</b>

For trade and other receivables, all operating companies have credit policies and monitor their credit exposure on an ongoing basis. Each operating company performs credit evaluations on all customers seeking credit over a certain amount. For countries with no local operating company presence, export credit limits are set and monitored on a country basis monthly by the Treasury Committee. The impairment losses on contract assets, amounts owed by joint venture, and other receivables are immaterial.

The impairment allowance for trade receivables is measured at an amount equal to lifetime expected credit losses. Trade receivables have been grouped based on shared credit risk characteristics and the number of days from date of invoice. The expected loss rates are based on the payment profile of sales over a 36-month period from 1 April 2022 and the corresponding historical credit losses experienced within this period, calculated as the trade receivables from this period that have not been paid by the year end. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

On that basis, the impairment allowance for trade receivables was determined as follows:

	2026			2025		
	Expected loss rate %	Gross carrying amount £m	Loss allowance £m	Expected loss rate %	Gross carrying amount £m	Loss allowance £m
0 - 30 days from date of invoice	0.4%	386.1	1.7	0.7%	348.6	2.3
31 - 60 days from date of invoice	0.5%	163.4	0.8	0.6%	162.0	1.0
61 - 90 days from date of invoice	1.0%	50.4	0.5	1.4%	50.8	0.7
91 - 120 days from date of invoice	2.9%	17.5	0.5	3.3%	18.4	0.6
Over 120 days from date of invoice	22.9%	34.5	7.9	19.1%	36.1	6.9
<b>Total</b>		<b>651.9</b>	<b>11.4</b>		<b>615.9</b>	<b>11.5</b>

## Group accounts continued

## NOTES TO GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2026

**23 Financial risk management** continued

The ageing of net trade receivables at the reporting date was:

	2026 £m	2025 £m
Not past due	510.4	469.2
Past due 1 - 30 days	71.1	73.3
Past due 31 - 60 days	24.9	26.5
Past due 61 - 120 days	14.2	14.3
Past due over 120 days	19.9	21.1
<b>Total</b>	<b>640.5</b>	<b>604.4</b>

The movement in the impairment allowance for trade receivables was:

	2026 £m	2025 £m
At 1 April	(11.5)	(11.1)
Acquisitions	(0.1)	–
Trade receivables written off	2.2	3.5
Increase in impairment allowance recognised in profit or loss	(2.1)	(4.2)
Translation differences	0.1	0.3
<b>At 31 March</b>	<b>(11.4)</b>	<b>(11.5)</b>

Trade receivables are written off when there is no reasonable expectation of recovery, for example when a customer enters liquidation or the Group agrees with the customer to write off an outstanding invoice. The Group continues to limit its exposure through tight credit policies, proactive monitoring, and collections. Historically, the Group has generally experienced very low levels of trade receivables not being recovered, including those significantly past due, and this was also the case during 2025/26. However, with the continued global economic and geopolitical uncertainties, the Group remains cautious about its exposure and so has reviewed carefully, and maintained at a higher level, its expected loss rates for those markets and industries that are most affected.

At 31 March 2026, the largest trade receivable balance was £12.6 million (2024/25: £15.5 million), of which £4.0 million has been received since the year end.

**Liquidity risk**

The Group's key priority is to ensure that it can meet its liabilities as they fall due. The Group ensures this by having sufficient committed debt facilities in place to meet its anticipated funding requirements. The Group's forecast funding requirements and its committed debt facilities are reported to and monitored by the Treasury Committee monthly.

As at 31 March 2026, the Group had the following committed debt finance in place:

- Private placement loan notes of €18 million with a maturity of October 2026, US\$80 million with a maturity of December 2026, €13 million with a maturity of October 2029, US\$35 million with a maturity of March 2030 and US\$50 million with a maturity of October 2031.
- A £400 million multicurrency revolving credit facility, with an accordion of up to a further £100 million, which has a maturity of October 2029. Amounts borrowed under this facility are borrowed for fixed amounts of time, after which they can be repaid or rolled up to a maximum of the facility maturity.
- A €150 million term loan repayable by October 2028.

As at 31 March 2026, the Group had £335.0 million (2024/25: £287.4 million) of available undrawn committed debt facilities in respect of which all conditions precedent had been met.

The Group also uses bank overdrafts, uncommitted short-term money market loans, cash, and short-term investments. The main purpose of these financial instruments is to manage the Group's day-to-day funding and liquidity requirements.

## Group accounts continued

## NOTES TO GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2026

**23 Financial risk management** continued

The contractual maturities of financial liabilities, including contractual future interest payments were:

	Carrying amounts £m	Contractual cash flows £m	Within 1 year £m	1-2 years £m	2-3 years £m	3-4 years £m	After 4 years £m
<b>Derivative financial liabilities</b>							
Inflows for foreign exchange contracts	N/A	209.3	209.3	-	-	-	-
Outflows for foreign exchange contracts	N/A	(211.3)	(211.3)	-	-	-	-
Forward foreign exchange contracts	(2.8)	(2.0)	(2.0)	-	-	-	-
<b>Non-derivative financial liabilities</b>							
Multicurrency revolving credit facility	(65.0)	(75.8)	(3.0)	(3.0)	(3.0)	(66.8)	-
Unsecured bank facilities	(44.6)	(45.3)	(45.3)	-	-	-	-
Term loan	(129.6)	(141.5)	(4.3)	(4.3)	(132.9)	-	-
Private placement loan notes	(151.4)	(164.9)	(80.0)	(2.5)	(2.5)	(40.1)	(39.8)
Lease liabilities	(54.6)	(63.0)	(19.1)	(12.7)	(9.2)	(6.1)	(15.9)
Bank overdrafts	(50.2)	(50.2)	(50.2)	-	-	-	-
Trade payables, other payables and accruals	(524.8)	(524.8)	(524.8)	-	-	-	-
<b>At 31 March 2026</b>	<b>(1,023.0)</b>	<b>(1,067.5)</b>	<b>(728.7)</b>	<b>(22.5)</b>	<b>(147.6)</b>	<b>(113.0)</b>	<b>(55.7)</b>

	Carrying amounts £m	Contractual cash flows £m	Within 1 year £m	1-2 years £m	2-3 years £m	3-4 years £m	After 4 years £m
<b>Derivative financial liabilities</b>							
Inflows for foreign exchange contracts	N/A	161.7	161.7	-	-	-	-
Outflows for foreign exchange contracts	N/A	(163.2)	(163.2)	-	-	-	-
Forward foreign exchange contracts	(1.8)	(1.5)	(1.5)	-	-	-	-
<b>Non-derivative financial liabilities</b>							
Multicurrency revolving credit facility	(112.6)	(134.7)	(4.8)	(4.8)	(4.8)	(4.8)	(115.5)
Unsecured bank facility	(23.5)	(24.0)	(24.0)	-	-	-	-
Term loan	(124.2)	(141.8)	(4.5)	(4.5)	(4.5)	(128.3)	-
Private placement loan notes	(153.2)	(171.9)	(4.8)	(81.0)	(2.5)	(2.5)	(81.1)
Lease liabilities	(56.7)	(67.2)	(17.9)	(14.8)	(9.0)	(6.2)	(19.3)
Bank overdrafts	(41.7)	(41.7)	(41.7)	-	-	-	-
Trade payables, other payables and accruals	(504.1)	(504.1)	(500.6)	(3.5)	-	-	-
<b>At 31 March 2025</b>	<b>(1,017.8)</b>	<b>(1,086.9)</b>	<b>(599.8)</b>	<b>(108.6)</b>	<b>(20.8)</b>	<b>(141.8)</b>	<b>(215.9)</b>

**Market risk – foreign currency transaction risk**

The Group is exposed to foreign currency transaction risk as it has operating companies with payables and receivables in currencies other than their functional currency. The Group also has foreign currency translation risk resulting from foreign currency debt (mainly denominated in US dollars and euros) and investment in foreign subsidiaries.

Hedging of currency exposures during periods when operating companies cannot easily change their selling prices is implemented in order to shelter the forecast gross profit during those periods. In this way the impacts of currency fluctuations can be smoothed until selling prices can be changed in the light of movements in exchange rates.

## Group accounts continued

## NOTES TO GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2026

**23 Financial risk management** continued

The hedges are enacted through forward foreign exchange contracts entered into by Group Treasury in appropriate currencies, based on trading projections provided by the operating companies, with fixed terms mainly of between three and seven months and occasionally out to 11 months for some more certain US dollar trading projections. The Group's largest exposures relate to euros and US dollars.

In addition, specific cash flows relating to material transactions in currencies other than the functional currency of the local business are hedged when the commitment is made.

As of 31 March 2026, net transactions of £20 million (2024/25: £77 million) and £34 million (2024/25: £40 million) were hedged for EUR/GBP and USD/GBP respectively.

The Group classifies forward foreign exchange contracts as hedging instruments against forecast cash receipts and payments for sales and purchases, and designates the forward element of these contracts as cash flow hedges for accounting purposes on a 1:1 basis, which means the fair value movement in the hedged item is equal and opposite to the fair value movement in the hedging instrument. The forecast cash flows are expected to occur evenly throughout the forecast period from the year end, which is between three and 11 months, and will affect the income statement in the period in which they occur or the inventories are sold. The average forward prices of the outstanding forward foreign exchange contracts are €1.16:£1 and US\$1.35:£1 (2024/25: €1.16:£1 and US\$1.27:£1).

Foreign currency transaction exposures, and the hedges in place to mitigate them, are monitored monthly by the Treasury Committee. The Group does not believe its foreign currency transaction risk has altered materially during the year. Ineffectiveness may arise if actual foreign currency transactions are lower than the trading projections. There may also be hedge ineffectiveness from the effect of the counterparty and Group's own credit risk on the fair value of forward contracts, which is not reflected in the fair value of the hedged item attributable to changes in foreign exchange rates, or basis risk or from the timing of transaction. No other sources of ineffectiveness emerged from these hedging relationships.

The Group has designated up to US\$165 million private placement loan notes (2024/25: US\$165 million), with a carrying amount of up to £124.5 million (2024/25: £127.3 million), as hedges of up to US\$165 million (2024/25: US\$165 million) of net investments in its US dollar functional currency subsidiaries. The Group has designated up to €181 million of private placement loan notes and term loan (2024/25: €181 million), with a carrying amount of up to £156.5 million (2024/25: £150.1 million), as hedges of up to €181 million (2024/25: €181 million) of net investments in its euro functional currency subsidiaries. These hedges are expected to remain highly effective as the change in the value of the net assets of the subsidiaries hedged is always exactly offset by the related change in the fair value of the private placement loan notes and term loan. No other foreign currency translation exposures are explicitly hedged although local currency debt is used, where economically and fiscally efficient, in the financing of subsidiaries and this provides a degree of natural hedging. Guidelines are in place to manage the currency mix of the Group's net debt.

The Group does not believe its foreign currency translation risk has altered materially during the year. The balance in the cumulative translation reserve relating to the US\$165 million and €181 million net investment hedges is a gain of £8.5 million (2024/25: £13.7 million) with a further loss of £36.7 million (2024/25: £36.7 million) relating to previous net investment hedging relationships. During the year to 31 March 2026 a loss of £5.2 million was recognised in OCI.

Borrowings are analysed by currency as:

	Bank overdrafts £m	Bank facilities £m	Term loan £m	Multicurrency revolving credit facility £m	Private placement loan notes £m	Total £m
<b>At 31 March 2026</b>						
Sterling	(31.0)	(25.0)	-	(65.0)	-	(121.0)
US dollar	(4.8)	-	-	-	(124.5)	(129.3)
Euro	(2.1)	-	(129.6)	-	(26.9)	(158.6)
Canadian dollar	(7.9)	-	-	-	-	(7.9)
Other	(4.4)	(19.6)	-	-	-	(24.0)
Total borrowings	(50.2)	(44.6)	(129.6)	(65.0)	(151.4)	(440.8)
<b>At 31 March 2025</b>						
Sterling	(22.0)	-	-	(50.0)	-	(72.0)
US dollar	(5.6)	-	-	-	(127.3)	(132.9)
Euro	(8.0)	-	(124.2)	(62.6)	(25.9)	(220.7)
Canadian dollar	(4.0)	-	-	-	-	(4.0)
Other	(2.1)	(23.5)	-	-	-	(25.6)
Total borrowings	(41.7)	(23.5)	(124.2)	(112.6)	(153.2)	(455.2)

**Market risk - interest rate risk**

The Group's policy dictates regular monitoring of interest rate exposure, with a view to taking suitable actions should exposure reach certain levels.

As at 31 March 2026 (and 31 March 2025), the Group had US\$165 million and €31 million of private placement loan notes at fixed interest rates. All other borrowings were at variable rates. At 31 March 2026, 34% (2024/25: 34%) of the Group's gross borrowings excluding lease liabilities (total borrowings plus bank overdrafts) was at fixed rates, with surplus cash deposited at variable rates.

## Group accounts continued

## NOTES TO GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2026

**23 Financial risk management** continued**Sensitivity analysis of exposure to interest rates and foreign exchange rates**

The sensitivity analysis is based on the following:

- Change of one percentage point in market interest rates affecting all variable rate elements of financial instruments.
- Change of 5% in euro and US dollar exchange rates affecting the fair value of derivative financial instruments designated as hedging instruments and other financial assets and liabilities. The transactional foreign exchange effect in equity due to net investment hedges included below would be offset in full by the translation of the US and European subsidiaries.

	2026		2025	
	Impact on income statement gain/(loss) £m	Impact on equity gain/(loss) £m	Impact on income statement gain/(loss) £m	Impact on equity gain/(loss) £m
One percentage point increase in interest rates	(1.2)	-	(1.6)	-
5% weakening of the euro	(2.1)	6.9	1.5	5.5
5% weakening of the US dollar	(0.7)	7.1	(1.9)	12.1

A corresponding decrease in interest rates or strengthening of exchange rates would result in an equal and opposite effect to the amounts above.

**Capital management**

The Board's policy is to maintain a strong capital base always, with an appropriate debt to equity mix, to ensure investor, creditor, and market confidence and to support the future development of the business. The Board monitors ROCE (Note 3) and the level of dividends to ordinary shareholders.

The Group seeks to raise debt from a variety of sources and with a variety of maturities. See Note 22 for further details.

The Group's debt covenants are net debt to adjusted EBITDA to be less than 3.25 times and EBITA to interest to be greater than 3 times, which are measured on a rolling 12-month basis at half-year and year-end. At the year-end the Group comfortably met these covenants with net debt to adjusted EBITDA of 1.0x (2024/25: 1.1x) and EBITA to interest of 14.9x (2024/25: 10.9x).

There were no significant changes in the Group's approach to capital management during the year.

**24 Provisions and contingent liabilities**

Provisions are recognised when the Group has a present obligation as a result of a past event and a reasonable estimate can be made of a probable adverse outcome. Otherwise, material contingent liabilities are disclosed unless the transfer of economic benefits is remote.

	Reorganisation provision £m	Penalties and interest on uncertain income tax provision £m	Dilapidation provision £m	Total £m
At 1 April 2025	3.8	1.9	2.4	8.1
Acquisitions (Note 29)	-	-	0.6	0.6
Additions	3.9	0.2	-	4.1
Utilised	(3.7)	-	-	(3.7)
Released	(0.7)	-	-	(0.7)
Translation differences	0.1	0.1	0.1	0.3
<b>At 31 March 2026</b>	<b>3.4</b>	<b>2.2</b>	<b>3.1</b>	<b>8.7</b>

Analysed in the balance sheet as:

	2026 £m	2025 £m
Current	4.7	5.0
Non-current	4.0	3.1
	<b>8.7</b>	<b>8.1</b>

Provisions for uncertain tax positions are recognised in current tax liabilities, with relevant penalties and interest recognised in provisions. See Note 11. The reorganisation provision is expected to be fully utilised by March 2027 and the dilapidation provision is expected to be fully utilised by March 2028.

At 31 March 2026, there were no material contingent liabilities (2024/25: none).

## Group accounts continued

## NOTES TO GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2026

**25 Capital commitments**

As at 31 March 2026, the Group is contractually committed to, but has not provided for, future capital expenditure of £6.3 million (2024/25: £12.9 million) for property, plant and equipment and £2.2 million (2024/25: £4.5 million) for intangible assets.

**26 Share capital and share premium**

	Number of shares	Share capital £m	Share premium £m	Total £m
Issued and fully paid ordinary shares of 10p each:				
At 1 April 2024	474,012,312	47.4	239.5	286.9
Issues to settle employee share awards	37,156	-	0.2	0.2
At 31 March 2025	474,049,468	47.4	239.7	287.1
<b>At 31 March 2026</b>	<b>474,049,468</b>	<b>47.4</b>	<b>239.7</b>	<b>287.1</b>

The EBT buys shares on the open market and holds them in trust for employees participating in the Group's share-based payment schemes. At 31 March 2026, the EBT held 10,883,849 shares (2024/25: 5,538,418 shares) which had not yet vested unconditionally with employees.

**27 Other reserves**

	Hedging reserve £m	Cumulative translation reserve £m	Total £m
At 1 April 2024	(0.4)	109.3	108.9
Foreign exchange translation differences	-	(84.2)	(84.2)
Fair value gain on net investment hedges (Note 23)	-	6.6	6.6
Cash flow hedging losses taken to equity	(5.6)	-	(5.6)
Cash flow hedging losses transferred to cost of sales	7.0	-	7.0
Tax on other comprehensive income (Note 11)	(0.2)	-	(0.2)
Total comprehensive expense	1.2	(77.6)	(76.4)
Cash flow hedging gains transferred to inventories	(0.6)	-	(0.6)
Tax on cash flow hedging transferred to inventories	0.1	-	0.1
At 31 March 2025	0.3	31.7	32.0

	Hedging reserve £m	Cumulative translation reserve £m	Total £m
Foreign exchange translation differences	-	32.6	32.6
Fair value loss on net investment hedges (Note 23)	-	(5.2)	(5.2)
Cash flow hedging gains taken to equity	4.0	-	4.0
Cash flow hedging gains transferred to cost of sales	(1.6)	-	(1.6)
Tax on other comprehensive income (Note 11)	(0.6)	-	(0.6)
Total comprehensive income	1.8	27.4	29.2
Cash flow hedging gains transferred to inventories	(3.1)	-	(3.1)
Tax on cash flow hedging transferred to inventories	0.8	-	0.8
<b>At 31 March 2026</b>	<b>(0.2)</b>	<b>59.1</b>	<b>58.9</b>

**28 Related parties**

The Group's joint venture (Note 17) is a related party and during the year, the Group made sales of £0.9 million (2024/25: £4.4 million) to the joint venture, and a balance of £1.8 million (2024/25: £1.3 million) was outstanding at the year end.

The Group's pension schemes are related parties and the Group's transactions with them are disclosed in Note 10. Transactions and balances between the Company and its subsidiaries have been eliminated on consolidation.

The key management personnel of the Group are the Directors and the Senior Management Team/ Executive Committee, whose compensation was:

	2026 £m	2025 £m
Short-term employee benefits	8.3	9.5
Post-employment benefits	0.1	0.1
Termination benefits	0.4	0.4
Share-based payments	3.2	1.4
	<b>12.0</b>	<b>11.4</b>

## Group accounts continued

## NOTES TO GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2026

**29 Acquisitions**

On 1 March 2026 the Group acquired 100% of the issued share capital of BPX Group Holdings Limited, a UK and Ireland based specialist distributor of industrial automation and control products. BPX stocks, supports, and supplies automation and control components, devices and solutions from many of the world's leading electrical, electronic and pneumatic manufacturers. Serving over 6,000 active customers, BPX's offering is highly complementary to the Group's automation and control capabilities, and further expand the Group's relationship with key suppliers. The goodwill arising on the acquisition represents the anticipated revenue synergies through offering enhanced product and capability to complementary customers in addition to the optimisation of combined costs over the medium term.

The fair value of the net assets acquired, consideration, and goodwill arising, plus transaction costs and contribution to the Group's results since acquisition were:

	£m
Intangible assets – customer contracts, relationships and distribution agreements	9.0
Intangible assets – brands	2.2
Property, plant and equipment	1.3
Right-of-use assets	3.3
Inventories	7.0
Current trade and other receivables	15.2
Cash and cash equivalents – cash and short-term deposits	7.4
Current trade and other payables	(12.3)
Current lease liabilities	(0.9)
Non-current lease liabilities	(2.4)
Non-current other provisions	(0.6)
Current income tax liabilities	(0.3)
Deferred tax liabilities	(2.8)
Net assets acquired	26.1
Goodwill	9.3
Consideration paid – cash	31.8
Deferred consideration payable	1.9
Contingent consideration payable	1.7
<b>Total consideration</b>	<b>35.4</b>

	£m
Acquisition-related costs charged to administrative expenses:	
In 2025/26	1.2
Revenue since acquisition	6.2
Profit after tax since acquisition	0.4
Trade and other receivables:	
Gross contractual amounts receivable	15.3
Estimate of amounts not expected to be collected	0.1

At 31 March 2026 the measurement period for the purchase price allocation remained open and accordingly, the fair values presented are provisional.

The goodwill will not be deductible for tax purposes. The deferred consideration is due 12 months after the completion date and the contingent consideration is based on EBITDA performance in the 12 months to October 2026, with a range of outcomes from £nil to £3.0 million.

If the acquisition had occurred on 1 April 2025, the Group's revenue and profit for the year ended 31 March 2026 would have been £2,940.5 million and £162.9 million respectively, including the additional amortisation of acquired intangibles that would have been charged and the consequential tax effects.

## Group accounts continued

## NOTES TO GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2026

**30 Disposals**

On 1 August 2025 the Group disposed of its sales activities in Finland, Estonia, Lithuania, and Latvia to Boreo plc, the Group's exclusive regional distributor in those regions. RS will continue to supply Distrelec customers in these markets through an expanded distribution agreement. These trading activities were acquired on 30 June 2023 as part of the acquisition of Distrelec B.V. and its subsidiaries (Distrelec), a high-service, digital-led distributor of industrial and maintenance, repair and operations (MRO) product in Europe, and were included in the EMEA segment. The transaction was in the form of both a transfer of share capital (Finland) and of assets and trade, with compensation received for any working capital liabilities (Estonia, Lithuania, and Latvia). The disposal includes the transfer of customer relationships and staff, excluding the shared service centre activities in Latvia which is retained by the Group. The gain on disposal is recognised in the income statement within operating profit.

The carrying value of the net assets disposed, consideration received, and resulting gain on disposal were:

	<b>£m</b>
Goodwill	<b>(2.0)</b>
Intangible assets – customer relationships	<b>(0.6)</b>
Trade and other receivables	<b>(0.3)</b>
Cash and cash equivalents – cash and short-term deposits	<b>(0.4)</b>
Current trade and other payables	<b>0.6</b>
Deferred tax liabilities	<b>0.1</b>
Net assets disposed	<b>(2.6)</b>
Consideration received – cash	<b>4.9</b>
Consideration receivable	<b>1.1</b>
Total consideration	<b>6.0</b>
Gain on disposal	<b>3.4</b>

**31 Related undertakings**

A full list of related undertakings (comprising subsidiaries and a joint venture) is set out below. All subsidiaries are wholly owned except where indicated below and operate within their countries of incorporation. Those companies marked with an asterisk (\*) are indirectly held by the Company.

<b>Name and registered address of undertaking</b>	<b>Country of incorporation</b>	<b>Class of share held</b>
<b>Distributor of product and service solutions</b>		
<b>RS Components Pty Limited*</b>		
25, Pavesi Street, Smithfield, Sydney NSW 2164, Australia	Australia	Ordinary
<b>Trident Australia Pty Limited*</b>		
25, Pavesi Street, Smithfield, Sydney NSW 2164, Australia	Australia	Ordinary
<b>RS Components Handelsgesellschaft m.b.H.*</b>		
Albrechtser Straße 11, 3950, Gmünd, Austria	Austria	Share of equity
<b>RS Integrated Supply Belgium*</b>		
Louizalaan 65/11, 1050 Elsene, Belgium	Belgium	Ordinary
<b>RS Americas (Canada), Inc.*</b>		
22 St Clair Avenue East, Suite 200, Toronto, Ontario, M4T2S3, Canada	Canada	Common
<b>RS Integrated Supply Canada Corp.*</b>		
600-1741 Lower Waters Street, Halifax, NS, B3J 0J2, Canada	Canada	Common
<b>RS Group Limitada (DBA - RS Limitada)*</b>		
Av. Eduardo Frei Montalva, 6001-71 Conchali, Santiago, Chile	Chile	Ordinary
<b>RS Components Limited*</b>		
4/F, VC House, 4-6 On Lan Street, Central, Hong Kong	China	Ordinary
<b>RS Components (Shanghai) Company Limited*</b>		
East Part, 2 Floor, No.27 building, No.30, Fu Te East Third Road China (Shanghai) Pilot Free Trade Zone	China	Ordinary
<b>RS Group (Macau) Limited*</b>		
Block DH, 15th Floor, Dynasty Plaza Building, No.411-417 Song Yusheng Plaza, Macau	China	Ordinary
<b>RS Components A/S*</b>		
Nattergalevej 6, 2400, København NV, Denmark	Denmark	Ordinary
<b>Risoul Dominicana S.R.L.*</b>		
Autopista Duarte KM 17, Calle Los Almejos, Palma Enana No 13, Nave 1, Villa Linda, Palmarejito, Santo Domingo Oeste, Dominican Republic	Dominican Republic	Ordinary
<b>Elfa Distrelec OÜ*</b>		
Hobujaama 4, Tallinn 10151, Estonia	Estonia	Ordinary

Group accounts continued

## NOTES TO GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2026

### 31 Related undertakings continued

Name and registered address of undertaking	Country of incorporation	Class of share held
<b>RS Components SAS*</b> Rue Norman King, 60000, Beauvais, France	France	Ordinary
<b>RS Integrated Supply France*</b> Rue Norman King BF 453, F-60031 Beauvais Cedex, France	France	Ordinary
<b>RS Components GmbH*</b> Mainzer Landstraße 180, 60327, Frankfurt, Germany	Germany	Ordinary
<b>RS Integrated Supply Deutschland GmbH*</b> Bleibtreustr. 21, 10623, Berlin, Germany	Germany	Ordinary
<b>RS Integrated Supply Hungary Korlátolt Felelősségű Társaság*</b> 1134 Budapest, Váci út. 23-27	Hungary	Ordinary
<b>RS Components &amp; Controls (India) Limited*†</b> 222 Okhla Industrial Estate, New Delhi, India	India	Ordinary
<b>RS Components S.r.l.*</b> Sesto san Giovanni, Viale Thomas Alva Edison, 110, 20099, MI, Italy	Italy	Ordinary
<b>RS Integrated Supply Italy S.r.l.*</b> Sesto san Giovanni, Viale Thomas Alva Edison, 110, 20099, MI, Italy	Italy	Ordinary
<b>RS Components KK*</b> West Tower 12F, Yokohama Business Park, 134 Godocho, Hodogaya, Yokohama, Kanagawa, 240-0005, Japan	Japan	Ordinary
<b>Elfa Distrelec SIA*</b> Krišjāņa Valdemāra iela 62, Rīga LV 1013, Latvia	Latvia	Ordinary
<b>Elfa Distrelec, UAB*</b> Jogailos g.9, LT-01116 Vilnius	Lithuania	Ordinary
<b>RS Components Sdn. Bhd.*</b> Suite 9D, Level 9, Menara Ansar, 65 Jalan Trus, Johor Bahru, 80000, Johor, Malaysia	Malaysia	Ordinary
<b>Allied Electronics &amp; Automation S. de R.L. de C.V.*</b> Piso 10, Apt. 1004, Office 1004-A, 505 Ejército Nacional Avenue, Granada, Miguel Hidalgo, Mexico City, 1152, Mexico	Mexico	Ordinary
<b>Risoul y Cia, S.A. de C.V.*</b> Avenida Sendero Divisorio 400, Residencia Casa Bella, San Nicolas de los Garza, Nuevo Leon, 66428, Mexico	Mexico	Ordinary

Name and registered address of undertaking	Country of incorporation	Class of share held
<b>RS Custom Order Solutions, S.A. de C.V.*</b> Avenida Sendero Divisorio 400, Residencia Casa Bella, San Nicolas de los Garza, Nuevo Leon, 66428, Mexico	Mexico	Ordinary
<b>Storeroom Solutions Mexico, S. de R.L. de C.V.*</b> Florencia 57 P, 3 Juarez Distrito Federal, 06600, Mexico	Mexico	Ordinary
<b>Liscombe B.V.*</b> Jarmuiden 56 a, 1046 AE, Amsterdam, Netherlands	Netherlands	Ordinary
<b>Distrelec B.V.*</b> Bingerweg 19, 2031 AZ Haarlem, Netherlands	Netherlands	Ordinary
<b>RS Components B.V.*</b> Bingerweg 19, 2031 AZ Haarlem, Netherlands	Netherlands	Ordinary
<b>RS Integrated Supply Netherlands B.V.*</b> Bingerweg 19, 2031 AZ Haarlem, Netherlands	Netherlands	Ordinary
<b>RS Components Limited*</b> KPMG, 18 Viaduct Harbour Avenue, Auckland, 1010, New Zealand New Zealand	New Zealand	Ordinary
<b>RS Components AS*</b> Kristian Augusts Gate 13, 0164 Oslo, Norge	Norway	Ordinary
<b>RS Components Corporation*</b> 21st Floor Multinational Bancorporation Centre, 6805 Ayala Avenue, Makati City, Philippines	Philippines	Common and preference
<b>RS Components sp. z.o.o.*</b> Ul. Domaniewska 48, 02-672, Warszawa, Poland	Poland	Ordinary
<b>RS Integrated Supply Poland Sp. z.o.o.*</b> Ul. Domaniewska 48, 02-672, Warszawa, Poland	Poland	Ordinary
<b>BPX Electromechanical Company Limited*</b> Unit 3A, Deerpark Business Complex, Dublin Road, Carlow, Ireland	Republic of Ireland	Ordinary
<b>Radionics Limited*</b> Glenview Industrial Estate, Herberton Road, Rialto, Dublin 12, Ireland	Republic of Ireland	Ordinary
<b>RS Integrated Supply Ireland Limited*</b> Glenview Industrial Estate, Herberton Road, Rialto, Dublin 12, Ireland	Republic of Ireland	Ordinary

Group accounts continued

## NOTES TO GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2026

### 31 Related undertakings continued

Name and registered address of undertaking	Country of incorporation	Class of share held
<b>Synovos Ireland Limited*</b> Glenview Industrial Estate, Herberton Road, Rialto, Dublin 12, Ireland	Republic of Ireland	Ordinary
<b>RS Components Pte Ltd*</b> 133 Cecil Street, #14-01, Keck Seng Tower, Singapore	Singapore	Ordinary
<b>RS Integrated Supply Singapore Pte. Ltd.*</b> 10 Ubi Crescent, #06-18 Ubi Techpark, 408564, Singapore	Singapore	Ordinary
<b>Synovos Singapore Pte. Ltd.*</b> 1 Marina Boulevard, #28-00, One Marina Boulevard, 018989, Singapore	Singapore	Ordinary
<b>RS Integrated Supply Slovakia s.r.o.*</b> Landererova 12, Bratislava - mestská časť Staré Mesto, 81109, Slovakia	Slovakia	Ordinary
<b>Amidata S.A.U.*</b> Avenida de Bruselas 6, Alcobendas, 28108, Madrid, Spain	Spain	Ordinary
<b>Risoul Iberica SA*</b> 08402 - Granollers, calle Girona, numero 85, Barcelona, Spain	Spain	Ordinary
<b>Elfa Distrelec AB*</b> Kronborgsgränd 1, 164 46 Kista, Sweden	Sweden	Ordinary
<b>RS Components AB*</b> Kronborgsgränd 1, 164 46 Kista, Sweden	Sweden	Ordinary
<b>RS Integrated Supply Sweden AB*</b> Drottninggatan 96, 113 60, Stockholm, Sweden	Sweden	Ordinary
<b>Distrelec Schweiz AG*</b> Grabenstrasse 6, 8606 Nänikon, Switzerland	Switzerland	Ordinary
<b>Domnick (Thailand) Co., Ltd.* (86.74%)</b> No. 99/1-3, Naradhiwas Rajanagarindra Road, Chong Nonsi, Yan Nawa, Bangkok, 10120, Thailand	Thailand	Ordinary and preference
<b>RS Components Co., Ltd*</b> GMM Grammy Place, Room No. 1901-1904, Floor 19, No. 50, Sukhumvit 21 (Asoke), Klongtoey Nua, Wattana, Bangkok, 10110, Thailand	Thailand	Ordinary
<b>Risoul (Trinidad and Tobago) Limited*</b> Nunez & Co, Level 2, Invaders Bay Tower, Invaders Bay, Off Audrey Jeffers Highway, Port of Spain, Trinidad and Tobago	Trinidad and Tobago	Ordinary

Name and registered address of undertaking	Country of incorporation	Class of share held
<b>Automation Technology Limited*</b> Unit 11 Rutherford Way, Drayton Fields, Daventry, Northamptonshire	UK	Ordinary
<b>BPX Electro-Mechanical Company Limited*</b> Unit 3 Rothley Lodge Commercial Park, Loughborough Road, Rothley, Leicestershire, United Kingdom	UK	Ordinary
<b>Control Components (Anglia) Limited*</b> Unit 3 Rothley Lodge Commercial Park, Loughborough Road, Rothley, Leicestershire, United Kingdom	UK	Ordinary
<b>Controls &amp; Drives Limited*</b> Unit 3 Rothley Lodge Commercial Park, Loughborough Road, Rothley, Leicestershire, United Kingdom	UK	Ordinary
<b>Distrelec Ltd*</b> 7th floor, 2 St Peter's Square, Manchester, M2 3AA, UK	UK	Ordinary
<b>IESA A &amp; D Limited*</b> IESA Works Daten Park, Birchwood, Warrington, Cheshire, WA3 6UT, UK	UK	Ordinary
<b>Leicester Switch &amp; Control Co. Limited*</b> Unit 3 Rothley Lodge Commercial Park, Loughborough Road, Rothley, Leicestershire, United Kingdom	UK	Ordinary
<b>OKdo Technology Limited*</b> Fifth Floor, Two Pancras Square, London N1C 4AG, UK	UK	Ordinary
<b>RS Components Limited</b> Birchington Road, Weldon, Corby, Northamptonshire, NN17 9RS, UK	UK	Ordinary
<b>RS Integrated Supply UK Limited*</b> IESA Works Daten Park, Birchwood, Warrington, Cheshire, WA3 6UT, UK	UK	Ordinary
<b>Truelec Control Systems Limited*</b> Unit 3 Rothley Lodge Commercial Park, Loughborough Road, Rothley, Leicestershire, United Kingdom	UK	Ordinary
<b>MRO Distribution, Inc.*</b> Two Radnor Corporate Center, Suite 400, Radnor, PA 19087, United States	United States of America	Common

Group accounts continued

## NOTES TO GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2026

### 31 Related undertakings continued

Name and registered address of undertaking	Country of incorporation	Class of share held
<b>New DEAM, LLC*</b> Two Radnor Corporate Center, Suite 400, Radnor, PA 19087, United States	United States of America	Common
<b>RS Americas, Inc*</b> 7151 Jack Newell Blvd S., Fort Worth, TX 76118, United States	United States of America	Common
<b>RS Integrated Supply Puerto Rico LLC*</b> Two Radnor Corporate Center, Suite 400, Radnor, PA 19087, United States	United States of America	Common
<b>RS Integrated Supply US Inc.*</b> Two Radnor Corporate Center, Suite 400, Radnor, PA 19087, United States	United States of America	Common

### Holding, Financing and Management Companies

<b>RS Components Business Services (Foshan) Limited*</b> 22nd Floor, Glory International Financial Center, No.25, Ronghe Road, Guicheng, Nanhai District, Foshan, Guangdong, 528200, China	China	Ordinary
<b>Electrocomponents France SARL*</b> Rue Norman King, 60000, Beauvais, France	France	Ordinary
<b>Bodenfeld Immobilien GmbH*</b> Mainzer Landstraße 180, 60327, Frankfurt, Germany	Germany	Ordinary
<b>Electrocomponents Jersey Finance Unlimited*</b> 44 Esplanade, St Helier, JE4 9WG, Jersey	Jersey	Common
<b>Synovos Netherlands C.V.*</b> Two Radnor Corporate Center, Suite 400, Radnor, PA 19087, United States	Netherlands	Partnership
<b>BPX Electromechanical Holdings Limited*</b> Unit 3, Deerpark Business Park, Dublin Road, Ballyvergal, Carlow, Ireland	Republic of Ireland	Ordinary
<b>Electrocomponents Holdings (Thailand) Limited* (49.00%)</b> GMM Grammy Place, Room No. 1901-1904, Floor 19, No. 50, Sukhumvit 21 (Asoke), Klongtoey Nua, Wattana, Bangkok, 10110, Thailand	Thailand	Ordinary

Name and registered address of undertaking	Country of incorporation	Class of share held
<b>Electrocomponents Newco (Thailand) Limited* (86.73%)</b> GMM Grammy Place, Room No. 1901-1904, Floor 19, No. 50, Sukhumvit 21 (Asoke), Klongtoey Nua, Wattana, Bangkok, 10110, Thailand	Thailand	Ordinary
<b>Electrocomponents (Thailand) Limited* (73.99%)</b> GMM Grammy Place, Room No. 1901-1904, Floor 19, No. 50, Sukhumvit 21 (Asoke), Klongtoey Nua, Wattana, Bangkok, 10110, Thailand	Thailand	Ordinary
<b>BPX Group Holdings Limited*</b> Fifth Floor, Two Pancras Square, London N1C 4AG, UK	UK	Ordinary
<b>BPX Group Limited*</b> Unit 3 Rothley Lodge Commercial Park, Loughborough Road, Rothley, Leicestershire, United Kingdom	UK	Ordinary
<b>Control Components Holdings Ltd*</b> Unit 3 Rothley Lodge Commercial Park, Loughborough Road, Rothley, Leicestershire, United Kingdom	UK	Ordinary
<b>Control Components Incorporated Limited*</b> Unit 3 Rothley Lodge Commercial Park, Loughborough Road, Rothley, Leicestershire, United Kingdom	UK	Ordinary
<b>Electrocomponents Overseas Limited*</b> Fifth Floor, Two Pancras Square, London N1C 4AG, UK	UK	Ordinary
<b>Electrocomponents US Finance Limited*</b> Fifth Floor, Two Pancras Square, London N1C 4AG, UK	UK	Ordinary
<b>IESA A &amp; D Holdings Limited*</b> IESA Works Daten Park, Birchwood, Warrington, Cheshire, WA3 6UT, UK	UK	Ordinary
<b>IESA Holdings Limited*</b> IESA Works Daten Park, Birchwood, Warrington, Cheshire, WA3 6UT, UK	UK	Ordinary
<b>RS Components Holdings Limited*</b> Fifth Floor, Two Pancras Square, London N1C 4AG, UK	UK	Ordinary
<b>RS Group International Holdings Limited</b> Fifth Floor, Two Pancras Square, London N1C 4AG, UK	UK	Ordinary
<b>RS Group Pension Trustees Limited</b> Fifth Floor, Two Pancras Square, London N1C 4AG, UK	UK	Ordinary

Group accounts continued

## NOTES TO GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2026

### 31 Related undertakings continued

Name and registered address of undertaking	Country of incorporation	Class of share held
<b>Electrocomponents, Inc.*</b> 7151 Jack Newell Blvd S., Fort Worth, TX 76118, United States	United States of America	Common and preference
<b>Electrocomponents North America, Inc.*</b> 7151 Jack Newell Blvd S., Fort Worth, TX 76118, United States	United States of America	Common
<b>Electrocomponents North America LLC*</b> 7151 Jack Newell Blvd S., Fort Worth, TX 76118, United States	United States of America	Common
<b>Electrocomponents (US), Inc.*</b> 7151 Jack Newell Blvd S., Fort Worth, TX 76118, United States	United States of America	Common
<b>Electrocomponents US LLC*</b> 7151 Jack Newell Blvd S., Fort Worth, TX 76118, United States	United States of America	Common
<b>Synovos International, Inc.*</b> Two Radnor Corporate Center, Suite 400, Radnor, PA 19087, United States	United States of America	Common
<b>Not currently trading</b>		
<b>RS Components (Proprietary) Limited*</b> 20 Indianapolis Street, Kyalami Business Park, Kyalami Midrand, Gauteng, 1684, South Africa	South Africa	Ordinary
<b>Electro Lighting Group Limited*</b> Fifth Floor, Two Pancras Square, London N1C 4AG, UK	UK	Ordinary
<b>IESA Limited</b> Fifth Floor, Two Pancras Square, London N1C 4AG, UK	UK	Ordinary
<b>RS Limited*</b> Fifth Floor, Two Pancras Square, London N1C 4AG, UK	UK	Ordinary
<b>John Liscombe Limited*</b> Fifth Floor, Two Pancras Square, London N1C 4AG, UK	UK	Ordinary and preference
<b>Needlers Limited*</b> Fifth Floor, Two Pancras Square, London N1C 4AG, UK	UK	Ordinary and preference

Name and registered address of undertaking	Country of incorporation	Class of share held
<b>Needlers Holdings Limited*</b> Fifth Floor, Two Pancras Square, London N1C 4AG, UK	UK	Ordinary and preference
<b>BPX Limited*</b> Unit 3 Rothley Lodge Commercial Park, Loughborough Road, Rothley, Leicestershire, United Kingdom	UK	Ordinary
<b>Ranger Computer Systems Limited*</b> Unit 3 Rothley Lodge Commercial Park, Loughborough Road, Rothley, Leicestershire, United Kingdom	UK	Ordinary
<b>Ranger Industries Ltd*</b> Unit 3 Rothley Lodge Commercial Park, Loughborough Road, Rothley, Leicestershire, United Kingdom	UK	Ordinary

### Subsidiary exemptions

For the year ended 31 March 2026 the following subsidiaries of the Company have taken advantage of the exemption from an audit available under s479a of the Companies Act 2006, as the Company has given a statutory guarantee of all of the outstanding liabilities of these subsidiaries as at 31 March 2026.

Name	Company Number
Distrelec Ltd	10698604
Electrocomponents Overseas Limited	2397713
Electrocomponents US Finance Limited	4180300
IESA A & D Holdings Limited	9082338
IESA A & D Limited	4621135
IESA Holdings Limited	6337851
John Liscombe Limited	144689
RS Components Holdings Limited	3718521

### 32 Post balance sheet events

On 20 May 2026, the Company announced the commencement of a share buyback programme to purchase ordinary shares of 10 pence each in the capital of the Company for up to a maximum consideration of £100,000,000, excluding stamp duty and expenses.

The purpose of the programme is to reduce the share capital of the Company. The programme began on the date of announcement and will end no later than 19 May 2027. All ordinary shares purchased under the programme will be cancelled.

## Company accounts

## COMPANY BALANCE SHEET

As at 31 March 2026

	Notes	2026 £m	2025 £m
<b>Fixed assets</b>			
Tangible assets	7	13.9	14.5
Investments in subsidiaries	8	599.0	558.6
<b>Total fixed assets</b>		<b>612.9</b>	573.1
<b>Current assets</b>			
Debtors: amounts falling due after more than one year	10	22.6	17.7
Debtors: amounts falling due within one year	10	1,221.6	1,130.6
Cash at bank and in hand		15.1	29.0
<b>Total current assets</b>		<b>1,259.3</b>	1,177.3
Creditors: amounts falling due within one year	11	(451.6)	(332.5)
<b>Net current assets</b>		<b>807.7</b>	844.8
<b>Total assets less current liabilities</b>		<b>1,420.6</b>	1,417.9
Creditors: amounts falling due after more than one year	12	(270.3)	(390.4)
<b>Net assets</b>		<b>1,150.3</b>	1,027.5
<b>Capital and reserves</b>			
Share capital	16	47.4	47.4
Share premium account	16	239.7	239.7
Own shares held by Employee Benefit Trust (EBT)	16	(73.4)	(42.3)
Profit and loss account (including profit for the year of £251.7 million (2024/25: £128.9 million))	16	936.6	782.7
<b>Total equity</b>		<b>1,150.3</b>	1,027.5

The Company accounts on pages 176 to 180 were approved by the Board of Directors and authorised for issue on 19 May 2026. They were signed on its behalf by:

**Kate Ringrose**

Chief Financial Officer

RS Group plc  
Company number: 647788

## COMPANY STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2026

	Share capital £m	Share premium account £m	Own shares held by EBT £m	Profit and loss account £m	Total £m
<b>At 1 April 2024</b>	47.4	239.5	(1.8)	754.4	1,039.5
Profit and total comprehensive income for the year	-	-	-	128.9	128.9
Dividends (Note 16)	-	-	-	(104.7)	(104.7)
Equity-settled share-based payments (Note 5)	-	-	-	9.4	9.4
Settlement of share awards (Note 16)	-	0.2	6.0	(5.1)	1.1
Purchase of own shares by EBT (Note 16)	-	-	(46.5)	-	(46.5)
Tax on equity-settled share-based payments	-	-	-	(0.2)	(0.2)
<b>At 31 March 2025</b>	47.4	239.7	(42.3)	782.7	1,027.5
Profit and total comprehensive income for the year	-	-	-	251.7	251.7
Dividends (Note 16)	-	-	-	(105.9)	(105.9)
Equity-settled share-based payments (Note 5)	-	-	-	9.9	9.9
Settlement of share awards (Note 16)	-	-	2.6	(2.2)	0.4
Purchase of own shares by EBT (Note 16)	-	-	(33.7)	-	(33.7)
Tax on equity-settled share-based payments	-	-	-	0.4	0.4
<b>At 31 March 2026</b>	<b>47.4</b>	<b>239.7</b>	<b>(73.4)</b>	<b>936.6</b>	<b>1,150.3</b>

## Company accounts continued

## NOTES TO THE COMPANY ACCOUNTS

For the year ended 31 March 2026

### 1 General information

RS Group plc (the Company) is the parent company of the RS Group and is included in the consolidated accounts of RS Group plc (the Group accounts). The Company is a public limited company and is incorporated, registered and domiciled in England and Wales. The address of its registered office is Fifth Floor, Two Pancras Square, London N1C 4AG, UK.

### 2 Statement of compliance

The individual accounts of the Company have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102), and the Companies Act 2006.

### 3 Basis of preparation

These are the Company's separate accounts and have been prepared on a going concern basis, under the historical cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value through profit and loss. They are presented in sterling and rounded to the nearest £0.1 million. The principal accounting policies have been applied consistently unless otherwise stated.

The preparation of accounts under FRS 102 requires the Company to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income, and expenses. There are no areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant, that are included in these accounts.

Under section 408 of the Companies Act 2006, the Company is exempt from the requirement to present its own profit and loss account.

The Company has taken advantage of the following disclosure exemptions available under FRS 102:

- i. preparation of a cash flow statement
- ii. financial instrument disclosures
- iii. share-based payment disclosures
- iv. key management personnel compensation disclosure

Transactions in foreign currencies are recorded using the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated at the rate ruling at that date and the gains and losses on translation are recognised in profit or loss.

As part of the Periodic Review 2024, Section 20 'Leases' was significantly amended, with changes effective for annual reporting periods beginning on or after 1 January 2026. The amendments introduce new lease accounting requirements based on IFRS 16 'Leases', with appropriate simplifications. The Company expects the application of this amendment to result in the recognition of a right-of-use asset and a lease liability on the balance sheet.

### 4 Employees

	2026	2025
<b>Average number of employees</b>		
Management and administration for the Company	60	68
Management and administration for the Company's subsidiaries	730	789
<b>Management and administration total</b>	<b>790</b>	857
	2026	2025
<b>Aggregate employment costs</b>	<b>£m</b>	<b>£m</b>
Wages and salaries	11.7	9.5
Social security costs	1.7	1.2
Share-based payments - equity-settled (Note 5)	2.1	1.0
Share-based payments - cash-settled	0.2	(0.1)
Defined contribution retirement benefit costs (Note 6)	0.4	0.5
	<b>16.1</b>	12.1
Termination benefits	<b>(0.1)</b>	0.6
<b>Total</b>	<b>16.0</b>	12.7

Information on the Directors' remuneration is in the Directors' Remuneration Report on pages 98 to 117.

The numbers above are for employees who work for the Company. There are a number of Group employees whose contracts of employment are with the Company but who actually work in its subsidiaries and perform no services directly for the Company. These employees are not included in the cost numbers above.

### 5 Share-based payments

The Company operates a number of share-based payment schemes for employees of the Group, details of which are in Note 9 of the Group accounts. A number of the Company's employees participate in the equity-settled LTIPs, DSBP, and equity-settled SAYE, which grant rights to the Company's own equity instruments and hence are accounted for as equity-settled share-based payments.

## Company accounts continued

## NOTES TO COMPANY ACCOUNTS CONTINUED

For the year ended 31 March 2026

### 6 Post-employment benefits

Employees of the Company may be members of the Group's UK pension schemes.

#### Defined benefit scheme

There is no agreement or stated policy for charging the net defined benefit cost for the scheme to the individual Group entities. Both the Company and RS Components Limited, the main UK trading subsidiary of the Company, are the sponsoring employers. The majority of the scheme members work for RS Components Limited and so it accounts for the UK scheme as a defined benefit scheme in its accounts. The Company recognises a cost equal to its contributions.

Details of the UK defined benefit scheme is in Note 10 of the Group accounts.

#### Defined contribution scheme

Contributions to the defined contribution scheme are expensed as they fall due.

### 7 Tangible assets

Tangible assets are stated at cost (or deemed cost for the freehold warehouse facility which is occupied by a wholly owned subsidiary) less accumulated depreciation and any provisions for impairment. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, and any dismantling and restoration costs.

No depreciation has been charged on land. Other assets are depreciated to residual value on a straight-line basis over the following useful lives: investment property (freehold warehouse facility occupied by a wholly owned subsidiary) 50 years; leasehold improvements 10 years; plant and machinery 10 years; and computer equipment 5 years.

	Investment property £m	Leasehold improvements £m	Plant and machinery £m	Computer equipment £m	Total £m
<b>Cost</b>					
<b>At 1 April 2025 and 31 March 2026</b>	<b>18.2</b>	<b>1.2</b>	<b>9.2</b>	<b>0.8</b>	<b>29.4</b>
<b>Depreciation</b>					
At 1 April 2025	4.0	0.9	9.2	0.8	14.9
Charged in the year	0.5	0.1	-	-	0.6
<b>At 31 March 2026</b>	<b>4.5</b>	<b>1.0</b>	<b>9.2</b>	<b>0.8</b>	<b>15.5</b>
<b>Net book value</b>					
<b>At 31 March 2026</b>	<b>13.7</b>	<b>0.2</b>	<b>-</b>	<b>-</b>	<b>13.9</b>
At 31 March 2025	14.2	0.3	-	-	14.5

### 8 Investments in subsidiaries

Investments in subsidiaries are carried at the lower of cost and expected recoverable amount.

This includes loans that are intended for use on a continuing basis in the entity's activities, including acquisition of subsidiaries, and expected to be repaid after more than one year, although there is an option for the Company to require repayment on demand. Impairments are recognised in the profit and loss account.

The expense relating to share-based payments that grant rights to the Company's equity instruments to employees of other Group companies is treated as an increase in investments, with the corresponding credit taken directly to reserves. In the year ended 31 March 2026, this amounted to £7.8 million (2024/25: £8.4 million).

	Shares £m	Loans £m	Total £m
<b>Cost</b>			
At 1 April 2025	243.8	329.9	573.7
Additions	7.8	30.2	38.0
Translation differences	-	2.4	2.4
<b>At 31 March 2026</b>	<b>251.6</b>	<b>362.5</b>	<b>614.1</b>
<b>Impairments</b>			
At 1 April 2025	-	15.1	15.1
<b>At 31 March 2026</b>	<b>-</b>	<b>15.1</b>	<b>15.1</b>
<b>Net book value</b>			
<b>At 31 March 2026</b>	<b>251.6</b>	<b>347.4</b>	<b>599.0</b>
At 31 March 2025	243.8	314.8	558.6

During the year, additional loans of £30.2 million (2024/25: £nil) were extended to a subsidiary holding company to restructure its balance sheet and support long-term investment in the EMEA market.

A list of the Company's related undertakings is in Note 31 to the Group accounts.

## Company accounts continued

## NOTES TO COMPANY ACCOUNTS CONTINUED

For the year ended 31 March 2026

**9 Financial instruments****Derivative financial instruments and hedging activities**

The Company has elected to adopt the recognition and measurement provisions of IAS 39 (as adopted in the UK) and the disclosure provisions of FRS 102 in respect of financial instruments.

The Company uses derivative financial instruments to cover its exposure to foreign exchange risks arising from operational and financing activities. It principally employs forward foreign exchange contracts to hedge against changes in exchange rates on behalf of its operating subsidiaries, using back-to-back external and intra-group forward foreign exchange contracts, and these subsidiaries apply cash flow hedging where appropriate. In accordance with its treasury policies, the Company does not hold or issue derivative financial instruments for trading purposes.

All the Company's derivatives are measured at fair value with changes in the fair values recognised in profit or loss.

**Other financial instruments**

All other financial assets, including cash and bank balances and amounts owed by subsidiary undertakings, are initially recognised at transaction price and then subsequently at amortised cost less any provision for impairment.

All other financial liabilities, including accruals, other creditors, bank overdrafts and loans, private placement loan notes, and amounts owed to subsidiary undertakings, are initially recognised at transaction price and then subsequently at amortised cost.

**10 Debtors**

	2026 £m	2025 £m
<b>Amounts falling due within one year:</b>		
Amounts owed by subsidiary undertakings	1,210.3	1,123.2
Other derivative assets	5.0	3.6
Prepayments	5.1	3.8
Other receivables	1.2	-
<b>Debtors: amounts falling due within one year</b>	<b>1,221.6</b>	<b>1,130.6</b>
<b>Amounts falling due after more than one year:</b>		
Amounts owed by subsidiary undertakings	21.1	17.5
Deferred tax asset (Note 13)	1.5	0.2
<b>Debtors: amounts falling due after more than one year</b>	<b>22.6</b>	<b>17.7</b>

During the year, a net impairment reversal of £18.7 million (2025/26: impairment of £14.4 million) was recognised in profit and loss against amounts owed by subsidiary undertakings, mainly due to the restructuring of subsidiary loans (Note 8).

Amounts owed by subsidiary undertakings are unsecured, bear interest at market rates, and are repayable on demand. The carrying amount includes an impairment allowance of £36.1 million (2024/25: £54.8 million).

**11 Creditors: amounts falling due within one year**

	2026 £m	2025 £m
Amounts owed to subsidiary undertakings	288.5	281.2
Unsecured private placement loan notes repayable within one year	76.0	-
Unsecured term loan repayable within one year	25.0	-
Bank overdrafts	48.4	41.6
Other derivative liabilities	4.7	3.7
Provisions	-	0.3
Accruals	7.7	4.7
Other creditors	1.3	1.0
	<b>451.6</b>	<b>332.5</b>

Amounts owed to subsidiary undertakings are unsecured, bear interest at market rates and are repayable on demand.

## Company accounts continued

**NOTES TO COMPANY ACCOUNTS CONTINUED**

For the year ended 31 March 2026

**12 Creditors: amounts falling due after more than one year**

	2026 £m	2025 £m
Unsecured private placement loan notes repayable after more than five years	37.7	38.6
Unsecured private placement loan notes repayable from four to five years	-	37.8
Unsecured private placement loan notes repayable from three to four years	37.7	-
Unsecured private placement loan notes repayable from one to two years	-	76.8
Unsecured multicurrency revolving facility agreement repayable from four to five years	-	112.6
Unsecured multicurrency revolving facility agreement repayable from three to four years	65.0	-
Unsecured term loan repayable from three to four years	-	124.2
Unsecured term loan repayable from two to three years	129.6	-
Other creditors	-	0.3
Cash-settled share-based payment liability	0.3	0.1
	<b>270.3</b>	390.4

Details of the private placement loan notes, and multicurrency revolving facility agreement are in Notes 21 to 23 of the Group accounts.

**13 Deferred tax**

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is calculated using tax rates enacted or substantively enacted at the balance sheet date that are expected to apply when the deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are attributable to the following:

	2026 £m	2025 £m
Equity-settled share-based payments	1.5	0.2
<b>Deferred tax asset (Note 10)</b>	<b>1.5</b>	0.2

The Company has gross unused capital losses of £6.6 million (2024/2025: £6.6 million) available for offset against future chargeable gains. No deferred tax asset has been recognised on these unused losses as it is not probable that future chargeable gains will be available against which they can be utilised.

**14 Operating lease commitments**

Future minimum amounts payable under non-cancellable operating leases are:

	2026 £m	2025 £m
Within one year	1.2	1.2
From one to five years	0.4	1.5
	<b>1.6</b>	2.7

**15 Contingent liabilities**

The Company enters into financial guarantee contracts to guarantee the indebtedness of certain other companies within the Group. The Company treats the guarantee contracts as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

Guarantees exist in respect of bank facilities available to certain subsidiaries, up to a maximum of £110.6 million (2024/25: £110.6 million), of which £9.0 million (2024/25: £0.9 million) had been drawn down at the end of the year.

**16 Capital and reserves and dividends**

Details of the Company's share capital, share premium account, EBT, and dividends paid to shareholders are in Notes 13 and 26 of the Group accounts.

The Company has sufficient distributable reserves to pay dividends for a number of years and is also able to increase its distributable reserves further by receiving distributions from its subsidiaries.

**17 Post balance sheet events**

On 20 May 2026, the Company announced the commencement of a share buyback programme to purchase ordinary shares of 10 pence each in the capital of the Company for up to a maximum consideration of £100,000,000, excluding stamp duty and expenses.

The purpose of the programme is to reduce the share capital of the Company. The programme began on the date of announcement and will end no later than 19 May 2027. All ordinary shares purchased under the programme will be cancelled.

## Five-year record

## FIVE-YEAR RECORD

Year ended 31 March

## Summary income statements and related metrics

	2026 £m	2025 £m	2024 £m	2023 £m	2022 £m
<b>Revenue</b>	<b>2,881.1</b>	2,903.5	2,942.4	2,982.3	2,553.7
Operating profit	<b>238.6</b>	232.8	274.5	383.0	308.8
Add back: amortisation and impairment of acquired intangibles	<b>20.2</b>	37.3	26.6	16.6	11.6
Add back: acquisition-related items	<b>(8.7)</b>	4.1	5.1	2.6	-
Add back: substantial reorganisation costs and substantial asset write-downs	<b>14.9</b>	-	-	-	-
<b>Adjusted operating profit</b>	<b>265.0</b>	274.2	306.2	402.2	320.4
Net finance costs	<b>(19.5)</b>	(27.3)	(31.9)	(12.2)	(7.1)
Share of profit of joint venture	<b>0.6</b>	0.6	0.6	0.7	0.5
<b>Adjusted profit before tax</b>	<b>246.1</b>	247.5	274.9	390.7	313.8
Amortisation and impairment of acquired intangibles	<b>(20.2)</b>	(37.3)	(26.6)	(16.6)	(11.6)
Acquisition-related items	<b>8.7</b>	(4.1)	(5.1)	(2.6)	-
Substantial reorganisation costs and substantial asset write-downs	<b>(14.9)</b>	-	-	-	-
Profit before tax	<b>219.7</b>	206.1	243.2	371.5	302.2
Income tax expense	<b>(57.8)</b>	(53.5)	(63.8)	(86.7)	(72.2)
Profit for the year attributable to owners of the Company	<b>161.9</b>	152.6	179.4	284.8	230.0
<b>Basic earnings per share</b>	<b>34.6p</b>	32.5p	37.9p	60.4p	48.9p
<b>Adjusted basic earnings per share</b>	<b>38.7p</b>	39.1p	42.9p	63.6p	51.3p
<b>Dividend per share</b>	<b>22.9p</b>	22.4p	22.0p	20.9p	18.0p

## Summary balance sheets and other metrics

	2026 £m	2025 £m	2024 £m	2023 £m	2022 £m
Non-current assets	<b>1,159.9</b>	1,149.3	1,257.0	953.7	706.1
Current assets	<b>1,510.9</b>	1,471.3	1,622.8	1,577.1	1,395.1
Current liabilities	<b>(842.2)</b>	(716.4)	(815.3)	(838.9)	(726.2)
Non-current liabilities	<b>(414.7)</b>	(549.7)	(645.6)	(357.0)	(266.5)
<b>Net assets</b>	<b>1,413.9</b>	1,354.5	1,418.9	1,334.9	1,108.5
Add back: net debt	<b>328.9</b>	364.2	418.2	113.0	42.1
Add back: retirement benefit net assets/ (obligations)	<b>8.9</b>	13.9	25.7	36.4	12.4
<b>Capital employed</b>	<b>1,751.7</b>	1,732.6	1,862.8	1,484.3	1,163.0
<b>Return on capital employed (ROCE)<sup>1</sup></b>	<b>15.4%</b>	15.2%	17.1%	29.7%	28.7%
<b>Adjusted free cash flow</b>	<b>202.2</b>	214.1	151.2	263.6	162.9
<b>Average number of employees</b>	<b>8,600</b>	8,709	8,964	7,818	7,383
<b>Share price at 31 March</b>	<b>560.0p</b>	561.5p	726.8p	914.0p	1,084.0p

1. ROCE is based on monthly average capital employed.

## Shareholder information

# REGISTERED OFFICE, FINANCIAL CALENDAR AND ADVISORS

### Registered office

RS Group plc  
Fifth Floor  
Two Pancras Square  
London  
N1C 4AG  
United Kingdom  
Tel: +44 (0)20 7239 8400  
**rsgroup.com**

Registered number: 647788  
Registered in England and Wales

### Shareholder services

#### Registrar

If you have any questions about your shareholding in the Company, please contact our Registrar:

Computershare Investor Services PLC  
The Pavilions,  
Bridgwater Road,  
Bristol  
BS99 6ZZ

Tel: 0370 703 0199  
**investorcentre.co.uk/contactus**

### Investor Centre

To access online information about your shareholding, visit **investorcentre.co.uk**. Through the Investor Centre you can:

- Update member details and address changes
- Update dividend bank mandate instructions and review dividend payment history
- Register to receive Company communications electronically

Your shareholder reference number (SRN) is required to access your shareholding. This can be found at the top of your welcome letter or share certificate. Alternatively, you can obtain your SRN by contacting Computershare on the number provided.

### Dividend reinvestment plan (DRIP)

Should you wish to reinvest your dividends in the Company, you can take advantage of our DRIP.

It will allow you to use your cash dividend to buy more RS Group shares in the market. You will need to complete a DRIP application form and return it to Computershare. This can be found, together with plan terms and conditions, at **investorcentre.co.uk** or in the Shareholder Information section of our website under Shareholder FAQs. Alternatively, please contact Computershare on the number provided, and details and a form will be sent to you.

### Share price information

The latest information on the RS Group plc share price is available on our corporate website: **rsgroup.com**

### Be scam smart

Investment scams are designed to look like genuine investments.

### Spot the warning signs

Have you been:

- Contacted out of the blue?
- Promised tempting returns and told the investment is safe?
- Called repeatedly?
- Told the offer is only available for a limited time? If so, you might have been contacted by fraudsters.

### Avoid investment fraud

#### Reject cold calls

If you have received unsolicited contact about an investment opportunity, the chances are it is a high-risk investment or a scam. You should treat the call with extreme caution. The safest thing to do is to hang up.

#### Check the FCA Warning List

The FCA Warning List is a list of firms and individuals we know are operating without our authorisation.

#### Get impartial advice

Think about getting impartial financial advice before you hand over any money. Seek advice from someone unconnected to the firm that has approached you.

#### Report a scam

If you suspect that you have been approached by fraudsters please tell the FCA using the reporting form at

**fca.org.uk/consumers/report-scam-us**

You can also call the FCA Consumer Helpline on **0800 111 6768**

If you have lost money to investment fraud, you should report it to Action Fraud on 0300 123 2040 or online at **actionfraud.police.uk**

Find out more at **fca.org.uk/scamsmart**

**Remember:** If it sounds too good to be true, it probably is!

## Shareholder information continued

**Financial calendar****Announcement of results**

The results of the Group are normally published at the following times:

- Half-year results for the six months ending 30 September in early-November
- Preliminary announcement for the year ending 31 March in late-May
- Annual Report and Accounts for the year ending 31 March in mid-June

**Dividend payments**

Our current policy is to normally make dividend payments at the following times:

- Interim dividend in January
- Final dividend in July

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Barclays  
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E14 5HP

**Registrar and transfer office**

Computershare Investor Services PLC  
The Pavilions  
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BS99 6ZZ

**Solicitors**

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EC1Y 8YY

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- Share price
- Corporate governance
- Analyst consensus estimates
- Updates via email

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- Financial results
- Annual Reports
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For more information and the latest news, including details of our principal locations, visit: [rsgroup.com](https://www.rsgroup.com)

# GLOSSARY OF TERMS

<b>A&amp;C</b>	Automation and Control	<b>ESG</b>	Environmental, social, and governance	<b>ROCE</b>	Return on capital employed
<b>AGM</b>	Annual General Meeting	<b>ETD</b>	Ethical Trading Declaration	<b>RSIS</b>	RS Integrated Supply
<b>AI</b>	Artificial Intelligence	<b>EU</b>	European Union	<b>SAYE</b>	Save as you earn
<b>B2B</b>	Business to business	<b>ExCo</b>	Executive Committee	<b>SBT</b>	Science-based targets
<b>B2C</b>	Business to customer	<b>FC</b>	Fulfilment centre	<b>SBTi</b>	Science Based Targets initiative
<b>BEIS</b>	Department of Business, Energy & Industrial Strategy (from February 2023, the Department for Business and Trade)	<b>FCA</b>	Financial Conduct Authority	<b>STEM</b>	Science, technology, engineering, and maths
<b>CAGR</b>	Compound annual growth rate	<b>FRC</b>	Financial Reporting Council	<b>TCFD</b>	Task Force on Climate-related Financial Disclosures
<b>CEO</b>	Chief Executive Officer	<b>FRS</b>	Financial Reporting Standard	<b>The Code</b>	UK Corporate Governance Code 2024
<b>CFO</b>	Chief Financial Officer	<b>GHG</b>	Greenhouse gas	<b>TPT</b>	UK Transition Plan Taskforce
<b>CO<sub>2</sub>e</b>	Carbon dioxide equivalent	<b>H&amp;S</b>	Health and safety	<b>TSR</b>	Total shareholder return
<b>CPO</b>	Chief People Officer	<b>HVO</b>	Hydrotreated vegetable oil	<b>UK IAS</b>	UK-adopted international accounting standards
<b>CRM</b>	Customer Relationship Manager	<b>IAS</b>	International accounting standards	<b>UNGC</b>	United Nations Global Compact
<b>CRROs</b>	Climate-related risks and opportunities	<b>IFRS</b>	International Financial Reporting Standard	<b>UN SDGs</b>	United Nations Sustainable Development Goals
<b>CSRD</b>	Corporate Sustainability Reporting Directive	<b>J2G LTIP</b>	Journey to Greatness Long-term Incentive Plan		
<b>D&amp;I</b>	Diversity and inclusion	<b>KPIs</b>	Key performance indicators		
<b>DC</b>	Distribution centre	<b>LCA</b>	Lifecycle Assessment		
<b>DRIP</b>	Dividend Reinvestment Plan	<b>LTIP</b>	Long-term incentive plan		
<b>DSBP</b>	Deferred share bonus plan	<b>M&amp;A</b>	Mergers and acquisitions		
<b>DTP</b>	Deliver to Promise	<b>MRO</b>	Maintenance, repair and operations		
<b>EBITA</b>	Earnings before interest, taxes, and amortisation	<b>NPI</b>	New product introduction		
<b>EBITDA</b>	Earnings before interest, taxes, depreciation, and amortisation	<b>NPS</b>	Net Promoter Score		
<b>EMS</b>	Environmental management system	<b>PBT</b>	Profit before tax		
<b>EPS</b>	Earnings per share	<b>PMI</b>	Purchasing Manager Index		
<b>ERG</b>	Employee resource group	<b>PPE</b>	Personal protective equipment		
		<b>PMS</b>	Product Management Solution		
		<b>QBR</b>	Quarterly business review		

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