Welcome to your CDP Climate Change Questionnaire 2022

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

RS Group, formerly known as Electrocomponents, is a leading global omni-channel industrial product and service solutions provider to customers who are involved in designing, building and maintaining industrial equipment and operations, safely and sustainably.

We provide a wide range of product and service solutions to over 1.2 million customers, globally with over 700,000 stocked and 3 million unstocked products, sourced from over 2,500 suppliers.

With operations in 32 countries, we trade through multiple channels and ship over 60,000 parcels a day. The Group's revenue for the 2021/22 year ended 31 March 2022 was £2,554m (2020/21: £2,003m) with adjusted profit before tax of £313.8m (2020/21: £181.7m).

Our name change from Electrocomponents plc to RS Group plc in May 2022 starts our transition for our operating brands to unite under the RS name. Our brands are currently RS Components, Allied Electronics & Automation, RS PRO, DesignSpark, OKdo, IESA, Synovos, Needlers and Liscombe.

We support customers across the industrial lifecycle, whether via innovation and technical support at the design phase, improving time to market and productivity at the build phase, or reducing purchasing costs, optimising inventory, condition monitoring and extending asset lifetime in the maintenance phase. We offer our customers tailored product and service propositions that are essential for the successful operation of their businesses. We help them save time and money and run their businesses safely and sustainably.

We offer differentiated product and services solutions that help our customers achieve their sustainability goals, for example by saving energy or water in their operations. By working closely with our suppliers, we are increasing our range of sustainable products, clean technologies and circular solutions that span all stages of the industrial lifecycle. We collaborate with a number of major customers to reduce the environmental impact of the supply chain and to reduce emissions for example by consolidating their deliveries and using re-useable packaging such as ecototes.

Likewise, we are engaging with our suppliers to help them to take greater climate action. Many of the manufacturers of the products we stock and sell and many of our other suppliers, such as third-party carriers, have committed to set science based targets and report their emissions to CDP.
Our primary sources of Scope 1 and Scope 2 CO2 emissions relate to the use of energy in our distribution centres (DCs) and other sites and in company cars and vans.
The main sources of Scope 3 CO2 emissions relating to our business are those due to the production of the products we sell and those emitted by the third-party logistics carriers who deliver products to our customers and transfer inventory to our operations globally.

In 2018 we set targets to reduce the carbon intensity of our direct operations by 50% by 2024/25 from a 2017/18 baseline and have achieved a 69% reduction by 2021/22.

To further accelerate our climate action, in November 2021 we introduced our 2030 ESG action plan – For a Better World. As part of this we announced our ambition to be net zero in our direct operation by 2030 (with a science based target to reduce scope 1 and 2 emissions by 75% from 2019/20 to 2029/30) and in our wider value chain by 2050. We submitted our targets to the Science Based Target initiative (SBTi) in May 2022 and

these are awaiting approval. Our target ambitions are aligned with limiting warming to 1.5ºC. See https://www.rsgroup.com/sites/rsgroup/files/ESG/reports/ESG_Better_World_62pp_2122.pdf

In 2022/23 we have introduced a climate-linked KPI to our annual incentive programme that applies to c. 40% of all Group employees including our Senior Management Team (SMT) and wider leadership team. We have also amended our £300 million revolving credit facility, maturing in 2024, with a one-year extension option, to link with our climate related actions around Scope 1 and 2 CO2e emissions and packaging intensity reductions (as well as percentage of management that are women).

RS Group is a long-term TCFD supporter. In 2021/22, we worked with an external TCFD partner to identify our key climate-related risks and opportunities (CRROs), complete climate scenario analysis and report against the TCFD's recommendations. Our TCFD report 2021/22 is available from https://www.rsgroup.com/sites/rsgroup/files/ESG/reports/TCFD_Report_2021-22.pdf

We also endorse the UK Government's adoption of the Committee on Climate Change's (CCC's) recommendations on legislating for a net-zero carbon economy by 2050.

In addition to the responses to the specific questions as set out below, reference should be made to our website ww.rsgroup.com/esg and the following reports which have been uploaded to CDP as part of this submission:
RS Group Annual Report 2021/22
RS Group ESG Pack 2021/22
RS Group TCFD report 2021/22

C0.2

(C0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Reporting year	April 1, 2021	March 31, 2022	Yes	1 year

C0.3

(C0.3) Select the countries/areas in which you operate.

Australia
Austria
Belgium
Canada
Chile
China
Denmark
France
Germany
Hong Kong SAR, China
Hungary
Ireland
Italy
Japan
Malaysia
Mexico
Netherlands
New Zealand
Norway
Philippines
Poland

Singapore
Slovakia
South Africa
Spain
Sweden
Thailand
United Kingdom of Great Britain and Northern Ireland
United States of America

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

GBP

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

Financial control

C0.8

(C0.8) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

Indicate whether you are able to provide a unique identifier for your organization	Provide your unique identifier
Yes, an ISIN code	GB0003096442
Yes, a Ticker symbol	RS1.L

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Chief Executive Officer (CEO)	Our CEO has overall responsibility for climate change-related matters and ensures that the Board and its Committees have oversight of the Group's approach. The CEO provides regular updates on climate change-related matters to the Board of RS Group plc throughout the financial year. The CEO is supported in this work by the Board's Audit and Remuneration Committees, the Senior Management Team (SMT), the ESG Committee*, the SMT Risk Committee and the TCFD Steering Group. *Comprises members of the senior management team and is chaired by an independent Non-Executive Director of the RS Group plc Board with the Group CFO and the SVP Group Professional Service & Company Secretary as members . EXAMPLE OF CLIMATE-RELATED DECISION MADE: To approve the net zero plan and Group's submission to SBTi of a science-based target.
Chief Financial Officer (CFO)	Our CFO supports and advises our CEO and has overall responsibility for the Group risk management process which covers climate-related matters. The CFO is a member of the ESG leadership committee which is chaired by a Non-Executive Director.

	EXAMPLE OF CLIMATE-RELATED DECISION MADE: driving the decision and approval process to engage in a sustainability-linked loan with interest rates linked to achievement of the Group's climate-related targets.

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Please explain
Scheduled – some meetings	Reviewing and guiding strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding annual budgets Reviewing and guiding business plans Setting performance objectives Monitoring implementation and performance of objectives Overseeing major capital expenditures, acquisitions and divestitures	During the reporting year the Board received updates on climate change and environmental issues pertinent to the Group. This included specific reports on CO2 emissions. Additional reports and updates were also provided during the year in relation to the development of the Group's ESG strategy. The Board also reviewed and approved the Group's first TCFD report The Audit Committee reviewed TCFD disclosures for recommendation to the Board. The CEO provides regular ESG updates to the Board as part of his CEO reports. The VP, Social Responsibility and Sustainability also provides a more in depth update to the Board of ESG strategy and the ESG action plan – For a Better World. The Board also receives regular updates via the Audit Committee regarding climate-related risks and mitigation plan and their audit, plus risk management policies. The Board reviews the Group's principle risks and the Audit Committee, which is a sub-committee of the Board, ensures there are effective internal control and risk management systems in place and measures the Group's effectiveness in managing risk and reviews the risk identification process.. The Audit Committee reviews the Group's CRROs and climate-

	Monitoring and overseeing progress against goals and targets for addressing climate-related issues	scenario analysis so that it can support the Board in fully understanding and embedding CRROs into the Group's strategy. EXAMPLE OF CLIMATE-RELATED DECISIONS MADE: one of the Audit Committee's key functions includes measuring the Group's effectiveness in managing risk and reviewing the risk identification process – these identified risks include ESG-related matters. The Chair of the Audit Committee also ensures that the Committee reviews and approves the Group's annual TCFD report, in the same way that it does the Group's annual report and accounts, and recommends, if appropriate, approval by the Board of the TCFD report The Remuneration Committee is a sub-committee of the Board which agrees ESG KPIs that apply to the remuneration of the Executive Directors and wider employee reward programmes. EXAMPLE OF CLIMATE-RELATED DECISIONS MADE: that the Executive Directors and wider management should have an incentive related to ESG and climate action as part of their annual incentive. The Board also receives progress updates when appropriate on climate-related matters that are discussed and approved at the ESG Committee meetings, which are chaired by an independent Non-Executive Director of the RS Group Board. When considering potential merger and acquisition (M&A) work, ESG matters are factored into the due diligence and integration processes with each workstream lead. Any material items are reported to the Board as a risk.

C1.1d

(C1.1d) Does your organization have at least one board member with competence on climate-related issues?

	Board member(s) have competence on climate-related issues	Criteria used to assess competence of board member(s) on climate-related issues
Row 1	Yes	Criteria used to assess competence of board members on climate-related issues include: • Executive or board experience in a company / industry where climate has a major impact on the company and/or the company has a major impact on climate • Relevant training and/ or personal interest • Strong contributions on insight to / on Board discussions on the topic • Relevant sub-committee experience

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Name of the position(s) and/or committee(s)	Responsibility	Frequency of reporting to the board on climate-related issues
Chief Executive Officer (CEO)	Both assessing and managing climate-related risks and opportunities	Annually
Chief Executive Officer (CEO)	Other, please specify Overseeing the performance of the Group's climate action and carbon reduction plan	Half-yearly
President [1]	Both assessing and managing climate-related risks and opportunities	Quarterly

[1] The President, Global Supply Chain has responsibility for both assessing and managing climate-related risks and opportunities

C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).

Our CEO has overall responsibility for climate change-related matters across RS Group and is a member of the Board.

The Audit and Remuneration Committees are sub-committees of the Board. The Senior Management Team consists of the CEO, CFO and other senior leaders of the Group including the President, Global Supply Chain. Reporting into the Senior Management Team are the ESG Committee, the SMT Risk Committee and the TCFD Steering Group:

ESG Committee:
Chaired by an non-executive Director of the Board and comprises SMT members including the CFO, the President, Global Supply Chain and SMT sponsor for ESG, the Chief Operating Officer, the Chief People & Culture Officer and the SVP Group Professional Services and Company Secretary. The VP Social Responsibility and Sustainability is also a member. Company-specific responsibilities of the ESG Committee include, amongst other things, reviewing the Group's climate-related risks and opportunities (CRROs), climate-scenario analysis and TCFD action and disclosure plans.

SMT Risk Committee:
Manages the Group's risk management approach. It reviews, manages and discloses climate-related risks. The RS Group plc lead is the VP Group Operational Audit and Risk (VP Audit and Risk), who also sits on the TCFD Steering Group and attends meetings of the Board Audit Committee.

TCFD Steering Group:
Responsible for conducting climate scenario analysis and delivering the TCFD action and disclosure plans. It is sponsored by the Group's President, Global Supply Chain and chaired by the VP Social Responsibility and Sustainability. Members are VP Audit and Risk (risk lead); Deputy Company Secretary (governance lead); VP Strategic Change (strategy lead); VP Global Health, Safety and Environment (metrics and targets lead); and the ESG Programme Manager. It is also supported by external experts in the TCFD field. The VP Social Responsibility and Sustainability and the VP Audit and Risk report to the Audit Committee twice per year on the TCFD action and disclosure plans. They also present the TCFD disclosure for review by the Audit Committee, and for subsequent approval by the Board.

During the year, the Group's President, Global Supply Chain had key responsibilities for monitoring and managing climate-related issues and for leading the development and implementation of the Group's ESG strategy. The President, Global Supply Chain is a member of the Group's Senior Management Team ('SMT') and reports to the CEO who is a member of the Board.

The President, Global Supply Chain had these responsibilities as part of the responsibility for the Group's operations and supply chain, including the Group's use of third-party carriers. The President, Global Supply Chain was supported by the Group's VP Global Health, Safety and Environment as well as by other functions including risk management.

Responsibilities included monitoring climate-related issues and reporting these to the SMT and the Board. This included risks, opportunities and performance of the Group's operations and supply chain, including the scope 3 emissions relating to the Group's use of third-party carriers.

The monitoring process includes monthly, quarterly, semi-annual and annual reviews and reports, including relevant dashboard reports.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive	Type of incentive	Activity incentivized	Comment
Corporate executive team	Monetary reward	Emissions reduction target	At the AGM held in 2022, shareholders approved the Group's three year remuneration policy which includes the introduction of a climate-related measure into the annual bonus for

			2022/23. A Scope 1 and 2 carbon emissions reduction target has been added to the 2022/23 annual bonus for all qualifying employees across the Group – c.40% of employees. This metric accounts for 10% of the bonus and is aligned to the Group's goal to be net zero in its direct operations by 2030.
Buyers/purchasers	Monetary reward	Efficiency target	Buyers/purchasers qualifying participate in the Group's annual bonus scheme which includes the introduction of an ESG measure for 2022/23, being the achievement of direct emissions reduction targets.
Chief Procurement Officer (CPO)	Monetary reward	Emissions reduction project	Chief Purchasing officers qualifying to participate in the Group's annual bonus scheme which includes the introduction of an ESG measure for 2022/23, being the achievement of direct emissions reduction targets.
Buyers/purchasers	Non-monetary reward	Environmental criteria included in purchases Supply chain engagement	Buyers and purchasers involved with supply chain engagement and ensuring suppliers sign up to the Group's Ethical Trading policy which covers supplier science based targets and other environmental matters receive recognition according to progress made.

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	0	5	N/A
Medium-term	5	10	N/A
Long-term	10	100	N/A

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

SUBSTANSIVE RISK DEFINED
The Group defines substantive financial impact as one which would be outside our risk appetite according to three matters: (1) the risk category (strategic, operational or regulatory), (2) its likelihood and (3) its magnitude.

For example, a strategic risk which would reduce operating profit by £100m or more over a five-year period would be classed as substantive when combined with a certain likelihood. A substantive strategic impact would be one which prevented the Group from implementing or delivering a significant element of its strategy or one which required a major change to its business model.

QUANTIFIABLE INDICATORS:
We use a number of quantifiable indicators to define, monitor and manage this including: Group impact scores; and the financial and non-financial KPIs set out on pages 36 - 37 of our 2022 Annual Report: revenue growth, operating profit conversion and margin, EPS, ROCE, cash conversion, CO2 emissions, packaging, waste, % of waste recycled, customer Net Promoter Score, employee engagement and employee accident rates.
Over the last two years we have developed a robust process to identify, define, assess and mitigate substantive risks resulting from climate change. Further details on the Group's risk management processes are included on pages 50-57 of the RS Group 2022 Annual Report with further detail relevant to climate change on page 55.

Our 2022 Annual Report and TCFD Report are available on our website and have been uploaded to CDP in the engagement section of this submission

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered

Direct operations
Upstream
Downstream

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

More than once a year

Time horizon(s) covered

Short-term
Medium-term
Long-term

Description of process

The Group operates a top-down and bottom-up approach to risk identification and scoring,

TIME HORIZONS:
This covers the following time horizons: short term (0-5 years); medium term (5-10 years); long term (10-100 years) – as set out in C2.1a. Our climate risk and opportunity identification, assessment and management response is embedded in this process to ensure a robust and consistent approach across the Group

RS GROUP'S RISK MANAGEMENT APPROACH:

The Board has overall accountability for the Group's risk management which is managed by the Senior Management Team (SMT).

The SMT Risk Committee meets at least twice per year to review existing risks and their assessments to determine which are substantive according to magnitude, likelihood against the Group's risk appetite.

The SMT Risk Committee also reviews the adequacy of control measures which help to mitigate the risks and identify further actions to strengthen the controls as necessary.

The SMT Risk Committee also identifies and discusses new and emerging risks and opportunities which should be included within the Group risk register. Each risk is allocated an owner from the SMT team who has responsibility for the mitigation controls for that risk.

Each operating company and Group function is required to maintain a risk register or equivalent document which is reviewed periodically by the respective management teams. Where appropriate, risks appearing on the Group risk register are included within one or more of these registers and vice versa.

The specific process for identifying, assessing and responding to climate-related risks and opportunities is part of the Group's wider risk management approach and is described in detail below and in the RS Group TCFD report 2021/22.

SUBSTANSIVE RISKS
As stated above, a strategic risk which would reduce operating profit by £100m or more over a five-year period would be classed as substantive when combined with a certain likelihood. In general, substantive risks are those which could prevent the Group from implementing or delivering a significant element of its strategy or one which required a major change to its business model.

Value chain stage(s) covered

Direct operations
Upstream
Downstream

Risk management process

A specific climate-related risk management process

Frequency of assessment

More than once a year

Time horizon(s) covered

Short-term
Medium-term
Long-term

Description of process

SPECIFIC CLIMATE-RELATED RISK MANAGEMENT PROCESS & TIME HORIZONS:
To support the overarching Group risk management approach described above, RS Group has a more detailed Climate Related Risks and Opportunities (CRRO) management approach which aligns with the time horizons set out in C2.1a.

RS GROUP'S CRRO MANAGEMENT APPROACH:
Our CEO has overall accountability for climate change and its impacts across the Group. The CEO ensures that the Board and its committees have oversight, while management, supported by the SMT, TCFD Steering Group and risk team identify and manage key CRROs effectively. The climate-related roles and responsibilities of our Board, SMT and their committees, TCFD Steering Group and key management roles are described in the organisation chart on p5 of our RS Group TCFD report 2021/22 as uploaded as part of our CDP submission.

Updates on CRROs are provided to the SMT, the SMT Risk Committee and the Audit Committee at least annually and to the Board during their biannual risk reviews, deep dives on related business topics, monitoring implementation and performance, and during the review of acquisitions and major capital expenditure proposals. This allows the Board to consider climate-related issues when reviewing and guiding the short and long term strategy of the Group.

The Audit Committee is a sub-committee of the Board, which has responsibility for reviewing the Group's CRROs and scenario analysis so that it can support the Board to fully understand and embed CRROs in corporate strategy.

The SMT will review CRROs and scenario analysis through the SMT Risk Committee on an annual basis. The SMT is responsible for ensuring that its teams are aware of the results, developing plans and embedding action to mitigate risks and leverage opportunities.

This process provides a clear line of reporting to ensure a strong link between local teams and management / Board, and ensures we have a robust process for assessing and managing CRROs across the Group. A key output of this process in 2021/22 is that the potential impact of climate change moved from being an emerging to a principal risk. We disclose this in the risk section on p55 of 2021/22 Annual Report.

Identifying CRROs:
Our Group risk team co-ordinates our country and regional teams to identify the CRROs in their local or functional area. This process led to the formation of the Group's CRRO register in 2021/22. This was refined further and assessed by the TCFD Steering Group and our external sustainability partners, who undertook qualitative scenario analysis of the key climate-related physical and transition risks and opportunities on the Group, before assessing their materiality.

Assessing CRROs:
In 2021/22, we established a process to evaluate the potential size and scope of each CRRO by assessing its impact, likelihood and overall materiality (defined as financial impact on adjusted operating profit over five years, and likelihood is categorised over short, medium and long term time horizons. Combined, these elements produce an indicative materiality score for each CRRO (low, medium or high), which enables the Group to better understand and prioritise its CRROs. See pages 15 and 19 of the RS Group TCFD report 2021/22 uploaded to CDP with this submission.

Responding to CRROs:
Our CRROs are managed through a CRRO register. Each CRRO is monitored, mitigated and reported on with a description, business owner/s, mitigating controls and a series of specific metrics and targets. This process is overseen by the RS Group risk team.

CASE STUDIES:

PHYSICAL RISK – DIRECT OPERATIONS
Climate scenario analysis showed our primary physical risks relate to the impact of extreme heat and severe weather events (e.g. storms, tropical cyclones and flooding). We are undertaking more detailed risk assessments, quantitative impact modelling and mitigation plans to protect our sites and people from the impact of these physical climate change risks e.g. installation of high-efficiency air con systems, business

continuity planning and loss prevention measures.

TRANSITION RISK – SUPPLY CHAIN
One of the main sources of Scope 3 emissions associated with the Group's operations are those associated with the outbound transport of the products we sell and the movement of inventory between our distribution centres. Scenario analysis showed that the Group faces increased costs of third-party logistics services from carriers as they invest in low carbon technologies and fuel prices rise globally.
We are working with our product suppliers to source, store and ship more products closer to where are our customers are based. We are also working with transport partners to identify opportunities to reduce the emissions associated with our use of their services.

In 2021/22, we implemented several changes across our European operations to source, store and ship a greater percentage of our products locally and regionally. The expansion of our Bad Hersfeld DC in Germany as a highly automated and sustainable DC is a key enabler of this strategy. We are also shifting to lower-carbon forms of transportation, such as road and sea freight rather than air, which is driving cost, distance and carbon out of our supply chain. For example, in 2021/22, we switched a proportion of our European customer deliveries from air to road, which reduced emissions intensity (tonnes of CO2e per tonne of product sold) by 14% across these lanes, compared to 2020/21. By setting weight limits on what we deliver by air, higher weight products are now delivered by road to further decarbonise our logistics and reduce costs. In addition to driving down cost, distance and emissions, the regionalisation of our supply chain also increases our resilience to global supply chain challenges, by ensuring we are not dependent on any single DC, supplier or sourcing and delivery route.

TRANSITION OPPORTUNITY – CUSTOMERS
The climate scenario analysis demonstrated that as our customers transition to a more sustainable and low carbon economy, we have a commercial opportunity to support them with essential product and service solutions that help them decarbonise. Our solutions already help our customers to manage their operations, improve efficiency, cut costs and reduce their energy and water use.
From products like variable speed drives, high efficiency motors and LED lighting, to service solutions such as condition monitoring and energy saving audits. We see a huge opportunity in helping to facilitate the low-carbon transition for our industrial customers. We have made this a key part of our strategy. Over the next year we will be expanding our range of RS and RS PRO sustainable products and introducing eco-certifications to give our customers greater choice and confidence in sustainable alternatives.

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	Risks due to current regulation which seeks to restrain actions which contribute to climate change are relevant to RS Group. They may cover our operations, transport of inventory and / or the products we provide. These risks are included in the risk management process when appropriate, normally due to more information on the implications becoming available or due to changes to regulation. For example, as / when the impact of current regulation becomes clearer, or when the regulations are changed or withdrawn, including ongoing changes to legislation caused by the withdrawal of the UK from the European Union. Examples in the UK were the withdrawal of the CRC (Carbon Reduction Commitment) regulations, the introduction of the SECR (Streamlined Energy and Carbon Reporting) regulations and changes to legislation due to Brexit. The process for assessing these risks and their impacts involves the management of our business in each of the countries in which we operate. This applies to climate-related regulations and other areas of regulation. Impacts are generally seen EU-wide or country by country as appropriate.
Emerging regulation	Relevant, always included	Risks due to emerging regulation which seeks to promote adaption to climate change are relevant to RS Group. They may cover our operations, transport of inventory and / or the products and service solutions we provide. They may result in opportunities as well as down-side risks. As regulations may emerge at any time, this risk is normally always included in the process. For example, energy efficiency regulations have an impact on our business in terms of the obsolescence or otherwise of the products we sell and on the management of our operation. Similarly, with product labelling. Specifically, we have changed our product offerings due to emerging regulation changes.

		The process for assessing these risks and their impacts involves the management of our business in each of the countries in which we operate. This applies to climate-related regulations and other areas of regulation. Impacts are generally seen EU-wide or country by country as appropriate.
Technology	Relevant, sometimes included	Risks due to technology and innovation in the transition to a lower-carbon economy are relevant to RS Group, both to our operations, transport of inventory and / or the products we provide. Technology changes may result in opportunities as well as down-side risks. Long-term technology risks are included in the risk assessment process when relevant or significant. For example, changes in technology may impact the obsolescence or otherwise of the products we stock and sell, also on the management of our operations. The process for assessing these risks and their impacts involves the operational management teams and our product teams. This applies to climate-related / relevant technology and to other areas of technology.
Legal	Relevant, always included	Legal risks including potential litigation are relevant to RS Group and we work to ensure legal compliance in relation to climate issues and other matters, so climate-related legal risks are always included in the process. For example, in respect of the Group's compliance in relevant EU countries with Article 8 of the EU Energy Efficiency Directive. The process for assessing these risks and their impacts involves our legal teams, operational management and appropriate external advisors as well as country management. This applies to climate-related / relevant legal matters and to other areas .

Market	Relevant, always included	Shifts in demand for the products we supply and in terms of product availability and supply due to the transition to a low-carbon economy are relevant to RS Group. This may result in opportunities as well as down-side risks. Market risks are always included in the risk assessment process when relevant or significant and with a view to the medium-longer-term. For example, changes in supply and demand for certain products and services may result in RS Group not being able to satisfy customer demand or result in the discounting / scrapping of products. The process for assessing these risks and their impacts involves the operational management teams and our product management teams. This applies to climate-related / relevant products and to other products we provide.
Reputation	Relevant, always included	As a public company listed in the UK with global operations serving customers worldwide, RS Group's' reputation is key to our license to operate. This applies to the Group's reputation in relation to the transition to a low-carbon economy as well as to other aspects of our business. There are opportunities as well as down-side risks. Climate risks related to our reputation risks are relevant and generally always included in the risk assessment process For example, our decision to work with our third-party logistics partners to ascertain the CO2 emissions due to the movement of inventory between our facilities and to deliver products to customers which is resulting in a programme to reduce transport emissions by switching to lower carbon modes of transport and locating our DC closer to the customer. The process for assessing these risks and their impacts involves the corporate and operational management teams with appropriate support from external advisors. We have made net zero commitments for our direct operations and value chain, and submitted our carbon reduction

		targets, aligned to a 1.5C future of global warming and covering Scopes 1, 2 and 3 emissions, to the SBTi. We are making strong progress against our goals e.g. decreasing our Scope 1 and 2 CO2 emissions by 50% between FY20 and FY22. This is helping to position RS Group as a business taking positive climate action and helps mitigate potential negative reputational impact in the future.
Acute physical	Relevant, always included	Acute physical risks are considered as part of climate change risk – for example considering the long-term severity of extreme weather on our sites as part of our climate scenario analysis, when considering an investment in a new or extended facility, and as part of the Group's insurance, property maintenance and loss prevention programme. For example, acute physical risks were considered in the risk assessment for the expanded distribution centre in Fort Worth, Texas. This included windstorm and other risks. The process for assessing these risks involves project teams, senior and operational management and external advisors.
Chronic physical	Relevant, always included	Longer-term chronic physical risks are considered as part of climate change risk– for example, when the pattern of chronic change becomes clearer or when the rate of change is updated. For example, chronic physical risks such as extreme heat are considered in relation to our existing facilities and when investing in new or expanded facilities e.g. installation of air con or insulation and when planning initiatives to support the health, wellbeing and productivity of our people. During the 40ºC heatwave in the UK in July 2022, the Nuneaton and Corby DC teams put in place extra mitigation measures to protect people's health and wellbeing and monitor productivity e.g. frequent breaks, rotation of staff, energy management systems being monitored and cooling periods extended within Operations and Offices and productivity study to inform future mitigation strategies. The process for assessing these risks involves project teams, senior and operational management and external advisors.

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Acute physical

Cyclone, hurricane, typhoon

Primary potential financial impact

Decreased revenues due to reduced production capacity

Company-specific description

Flooding and storms have the potential to disrupt RS Group's operations and logistics and to cause physical damage to our infrastructure. Specifically, acute weather events such as tropical storms and flooding have the potential to damage our DCs. Some less material sites in Hong Kong and Shanghai also have exposure to the risk of landslides and watercourse flooding in the longer term.

Time horizon

Medium-term

Likelihood

Unlikely

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

0

Potential financial impact figure – maximum (currency)

170,000,000

Explanation of financial impact figure

Our climate scenario analysis shows that acute weather events such as tropical storms and flooding have the potential to damage our sites. We applied datasets aligned with two possible futures - IPCC's 4.5 and 8.5. - to explore the potential physical risks from either outcome on the Group's key sites. Under both scenarios and timelines, the analysis showed that our primary severe weather risk is likely to be storms, followed by tropical cyclones and flooding in Asia. The risks are likely to increase over time and were shown to be higher in the RCP8.5 scenario. An example summary of the results for RCP4.5 on the 2030 timeline is shown in the physical climate scenario analysis on p14 of the RS Group TCFD report 2021/22.

FINANCIAL IMPACTS

We have modelled the financial impact of a range of severe weather, climate-related events on our DCs, from minor events that cause limited property damage through to a major physical, climate-related event that causes the total loss of a large DC. For the latter, we assessed the maximum perceivable one-off loss to the Group resulting from property damage and loss of revenue due to business interruption over a three-

year period.

The financial impact is calculated as the unmitigated impact on adjusted profit before tax over a three year period which is an average of c.£170m per annum.

It ranges from £0 for a severe weather event that causes no damage or disruption to £500 million over three years for the total loss of a major DC from a climate-related event.

It should be noted that the figures were modelled assuming no mitigation was in place e.g. insurance policies or property loss prevention measures. The loss range therefore reflects the gross impact to adjusted profit before tax of damage and fully replacing the DC. In reality this is an impact that the Group would not be exposed to, due to existing insurance policies in place.

Based on the Group's control environment of insurance policies, property loss prevention measures and capacity to switch operations to other DCs in the relevant region, the net loss figure would reduce to under £50m per year impact on adjusted profit before tax over a three year period. This is under our threshold for substantive risks and is therefore classified as a low rated risk in the short-term, potentially rising to a low / medium rated risk in the medium to long term as extreme weather events increase in frequency and severity.

Cost of response to risk

3,000,000

Description of response and explanation of cost calculation

RS Group manages risks related to extreme weather through a strong property development, maintenance and loss prevention programme and via robust business continuity plans (BCPs) across all our DCs and key sites. BCPs are reviewed in real time and in depth annually by site leadership, supply chain leadership and risk teams.

We also ensure we have full insurance coverage for property damage and longer-term business interruption for all our sites.

Furthermore, our global footprint of 14 DCs allows us to switch operations between DCs in the event of a major incident, which is a key resilience feature of our distribution model. The expansion of our DCs In North America and Germany also reduces the concentration of the risk

previously placed on our DC in Nuneaton, UK, and ensures the Group would be less impacted overall, by a major incident at one of its key DCs.

The £3m cost calculation is annual operating cost, which takes account of facilities and property loss prevention programme, as well as insurance premiums.

Comment

N/A

Identifier

Risk 2

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Chronic physical

Heat stress

Primary potential financial impact

Decreased revenues due to reduced production capacity

Company-specific description

IMPACT OF EXTREME HEAT ON OPERATIONS AND/OR SUPPLY CHAIN

Results from RS Group's climate scenario analysis indicates that the impact of extreme heat on our direct operations is a primary rated physical climate risk.

We have applied datasets aligned with two possible futures - IPCC's 4.5 and 8.5. - to explore the potential risk from extreme heat on the Group's key sites.

While extreme heat may have a low impact on our business operations in the short term, under both RCP4.5 and RCP8.5 scenarios, it has the potential to have a higher risk impact and require greater risk reduction action in the long term.

Extreme heat has the potential to impact our direct operations (DC people and technology), manifesting as an impact on the health, safety and

wellbeing of our DC colleagues which could reduce productivity and in turn revenue. There will be increased costs (operating and capital expenditure) associated with cooling systems to mitigate the risk.

Time horizon

Medium-term

Likelihood

More likely than not

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

50,000,000

Potential financial impact figure – maximum (currency)

80,000,000

Explanation of financial impact figure

To calculate the financial impacts we have modelled the potential financial impacts of reduced worker productivity in our DCs on annual revenue under two different climate scenarios – IPCC's RCP 4.5 and 8.5 - and their potential annual impact from FY22 to FY50.

We have used IPCC projected data on temperature cooling days at six of our key DCs across our three regions –EMEA, Americas and Asia Pacific. This identifies the number of days that are predicted to be over a) >30C, b) >35C and c) >40C by 2030 and 2050.

We have then applied a flat rate principle across all sites that worker productivity is reduced by 10% in temperatures above 35C and by 25% in temperatures above 40C. We feel this is reflective of the conditions of our DCs (i.e. inside working in open and well-ventilated warehouse spaces).
The scenario assumes no controls or mitigation is in place, such as air conditioning. However, a number of our DCs, including our Fort Worth DC in Texas, have air conditioning in place and thereby are already mitigating the risk of reduced worker productivity and impacted revenue on high heat days.

NOTE: magnitude of impact takes mitigation into account.

CASE STUDY:
Qualitative assessment has shown that material locations including our UK and German DCs have a moderate risk score for the impact of extreme heat under the RCP 4.5 scenario up to 2050. This increases to high risk if climate change initiatives are not implemented by 2050 under the RCP 8.5 scenario. Our North America, French and Italian DCs are higher risk under both scenarios by 2050

Madrid is the only location where extreme heat is estimated to be 'high risk' by 2030 under RCP 4.5. However, given that this location primarily serves the Iberia market and our ability to switch supply to other distribution centres, we have assessed this not to have a material impact.

Cost of response to risk

3,000,000

Description of response and explanation of cost calculation

Capital expenditure of installing high-efficiency air conditioning systems able to cope with high-heat situations between FY23 and FY50 is estimated to be c.£3m under both scenarios.

The estimated annual running and maintenance costs for high efficiency air conditioning systems for our key DCs is under £1m per annum by 2030 under scenario RCP 4.5 and by 2050 under scenario RCP 8.5 (at current prices).

RESPONSE AND STRATEGIC RESILIENCE:
We implement metrics and initiatives to monitor DC employee’s health and wellbeing and productivity in high heat scenarios.

CASE STUDY: During the UK heatwave in July 2022 when temperatures reached nearly 40ºC, we took the following action:
• Energy management systems being monitored and cooling periods extended within Operations and Offices
• Where practicable extra air flow into building through doors, windows and fans where no air con support
• Welfare facilities ensuring drinking water available.
• Additional fluid breaks and rest as required and rotation of staff and tasks where applicable.
• Monitored productivity levels to ensure we have clear picture of where greater controls maybe needed in the future e.g. air con in additional spaces or with greater capability

A number of our sites already have air conditioning systems including our key DCs in the UK, North America and France.
We are currently evaluating options for low-carbon HVAC systems (cooling and heating) to replace existing fossil fuel systems at the end of their lives, as part of our commitment to net zero and climate risk reduction approach.
We are investing in energy-efficient, highly automated and sustainable DCs to support our business growth and ambition to be net zero in our direct operations by 2030.
We have business continuity plans in place to support switching operations between regional DCs if necessary, during extreme localised heat waves.

We are alert to the need to plan other adjustments to DCs (costs not included above) e.g. shaded goods-in areas or changes in worker shift patterns in the future to ensure we build our resilience and mitigate the impact of higher heat scenarios on our people, productivity and revenue.

Comment

N/A

Identifier

Risk 3

Where in the value chain does the risk driver occur?

Upstream

Risk type & Primary climate-related risk driver

Emerging regulation
Carbon pricing mechanisms

Primary potential financial impact

Increased indirect (operating) costs

Company-specific description

For RS Group's climate transition analysis we assessed impacts relating to technology, policy and legal, market and reputation changes on our direct operations, supplier transport network, product categories and raw materials. We used the International Energy Agency's (IEA) SDS and STEPS scenarios at the following time intervals: 2025, 2030, 2035 and 2040.

The qualitative results indicate that one of our key transition risks is the potential increase in costs due to the decarbonisation of the logistics network. This is a higher-rated risk for the Group by 2040, increasing under the SDS scenario. The risk may materialise as carriers invest in green technologies and governments create policies and regulations to limit carbon emissions from transport, particularly air freight. This could result in higher transportation costs, which would be passed onto the end customer via product inflation or product delivery charges.

Time horizon

Medium-term

Likelihood

Likely

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

15,000,000

Potential financial impact figure – maximum (currency)

40,000,000

Explanation of financial impact figure

The financial impacts calculated shows the range in how annual freight costs may increase due to climate change.

Under the SDS scenario we assumed freight costs may increase more significantly and faster to promote earlier decarbonisation of global logistics by 2050. We assume this cost is passed onto RS Group by our third-party logistics carriers. The financial model assumes a low single digit percentage annual increase in freight costs to account for increased cost of fuel, the introduction of potential global carbon taxes and investment in green logistics technologies.

Under this model additional annual freight costs related to decarbonisation could be £30m per annum by 2030 and £40m per annum by 2050.

Our financial modelling under the STEPS scenario assumes a slower and less significant rate of decarbonisation and applies a less than one percent annual increase in freight costs to support lower-level investment in green logistics technologies and a more measured increase in global fuel prices.

Under this model additional annual freight costs related to decarbonisation could be £15m per annum by 2030 and £20m per annum by 2050. Thus the potential impacts are in the range £15-40m

Cost of response to risk

10,000,000

Description of response and explanation of cost calculation

SUPPLY CHAIN RESTRUCTURING

We are proactively restructuring our supply chain to a local and regional model, whereby we source, store and ship more of our products closer to our suppliers and customers. We are also switching our transport modes from air to surface or sea transport, wherever possible. This action is helping to drive significant distance, emissions and cost out of our supply chain. Our DC expansion programme has been a key enabler of this strategy, allowing us to hold more inventory regionally to serve our customers from within a region and to fly less products out from our UK

locations.

In addition, we are selecting carriers committed to decarbonising their logistics technologies, optimising our supply chain routes and deliveries, developing technologies that give our customers choice over their delivery options (e.g. greener modes and consolidation).

These activities are built into our existing strategy and reduce operating costs rather than increase them.

The estimated financial range of £5m-£10m relates to capex costs between FY24 and FY30 to develop technologies in our DCs which promote customer choice over greener delivery options.

We have reduced the intensity of our scope 3 transport emissions (tonnes of C02 per tonne of product sold) by 17% between 2019/20 to 2021/22.

Comment

N/A

Identifier

Risk 4

Where in the value chain does the risk driver occur?

Downstream

Risk type & Primary climate-related risk driver

Market

Changing customer behavior

Primary potential financial impact

Decreased revenues due to reduced demand for products and services

Company-specific description

Our scenario analysis showed we could face a risk in the decline of RS Group customers linked to traditional and heavy industries who are fossil fuel reliant and product segments linked to mechanical fluid and power and maintenance of heavy industry assets. This risk increases in the SDS scenario where more severe regulation and technology and market changes to drive swifter and more significant decarbonisation, impact customers and reduce demand for existing products.

Time horizon

Long-term

Likelihood

Unlikely

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

1,000,000

Potential financial impact figure – maximum (currency)

50,000,000

Explanation of financial impact figure

We have calculated the annualised effect on RS Group revenue assuming certain product and service solutions decline due to decarbonisation.

Under the SDS scenario we have applied an annual flat rate single digit percentage decline in revenue from products, which may decline in the low carbon economy. Under this model the annual impact of revenue at risk is £4m per annum by 2030 and £50m per annum by 2050.

Under the STEPS scenario we have applied a flat rate, lower than single digit percentage, annual decline in revenue from products, which may decline in the low carbon economy. Under this model the annual impact of revenue at risk is £1m per annum by 2030 and £20m per annum by 2050.

Cost of response to risk

5,000,000

Description of response and explanation of cost calculation

Our response to this potential risk is fully embedded in our strategy to be a global provider of products and service solutions that help our customers to be more sustainable.

The cost of response relates to the sourcing and on-boarding of relevant products and the development of new service solutions as part of this strategy, but not the cost of the product itself.

CASE STUDIES:
We are proactively increasing our range of products and service solutions that enable our customers to optimise, automate and control their operations and reduce their environmental impacts, such as energy and water consumption. One of our 15 2030 ESG actions is to increase the range of sustainable products and service solutions to our customers. During FY23, we will introduce a ‘sustainable product flag’ on our website for products that hold third party sustainability certifications.

Our customer and product management teams actively monitor customer and product demand and evaluate their future requirements to ensure we have the most appropriate inventory. We continue to work with suppliers to understand future product ranges to ensure we can adapt existing ranges to meet any new demand and we are proactively engaging and influencing them to develop more sustainable, lower emissions products.

Industry category analysis by Texas A&M University, shown on page 18 of the RS Group TCFD report 2021/22, indicates facilities and maintenance is both one of the largest global markets and serviceable available markets of all the areas in which we operate. We are responding accordingly – growing our MRO solutions portfolio which help our customers’ operations run at peak efficiency and sustainability, while prolonging the life of their assets.

As part of our strategy to accelerate profitable growth through service solutions, we have made significant investments to develop our facilities and maintenance service solutions, globally. For example:

RS Integrated supply: Our integrated supply businesses of Synovos and IESA, operating predominately in North America and Europe, provide an in-house, global supply and procurement solution for maintenance, repair and operations (MRO) professionals in large industrial and manufacturing companies.

RS Industria™: launched in FY22 in the UK connects factories and provides essential data and condition monitoring reports to optimise performance, promote equipment longevity and minimise air, water and energy leakage.

Comment

N/A

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Opp1

Where in the value chain does the opportunity occur?

Downstream

Opportunity type

Products and services

Primary climate-related opportunity driver

Ability to diversify business activities

Primary potential financial impact

Increased revenues resulting from increased demand for products and services

Company-specific description

RS Group's climate scenario analysis shows that decarbonisation presents significant opportunities for the Group to offer an increased range of sustainable product and service solutions to help our industrial customers minimise their energy use, cut their emissions and make the transition to low carbon operations. The opportunity in this space increases in the short term under the SDS scenario.

Industry category analysis by the Industrial Distribution Programme at Texas A&M University shown on page 18 of the RS Group TCFD report 2021/22 (separate to our climate-scenario analysis) shows market segments highly linked to sustainable technologies such as automation and control and electrical and electronics have high, long-term growth potential. Likewise, our service solutions such as energy lighting audits, predictive procurement, integrated supply, condition monitoring and smart maintenance solutions are all well positioned for growth in a low-carbon economy and will enable our customers to address their climate and wider sustainability goals.

Furthermore, we have opportunities to provide products and service solutions that will help the designers, builders and maintainers of low carbon industries such as renewables, hydrogen and electric mobility and we are investing in our capability to target and serve these industries.

Time horizon

Short-term

Likelihood

Likely

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

50,000,000

Potential financial impact figure – maximum (currency)

480,000,000

Explanation of financial impact figure

Calculated as the annualised effect on revenue assuming increased demand and supply of product and service solutions linked to the low carbon transition.

Under the SDS scenario we have applied a flat rate single digit percentage, annual increase in revenue from products and service solutions which will be in greater demand in the low carbon economy. Under this model the annual impact on revenue is £100m per annum by 2030 and £480m per annum by 2050.

Under the STEPS scenario we have applied a flat rate, lower than single digit, annual increase in revenue from products, which are likely to be in greater demand in the low carbon economy. Under this model the annual impact on revenue is £50m per annum by 2030 and £230m per annum by 2050.

Cost to realize opportunity

5,000,000

Strategy to realize opportunity and explanation of cost calculation

RS Group's response to this potential risk is fully embedded in our strategy to be a global provider of products and service solutions, that help our customers be more sustainable.

We are proactively increasing our range of product and service solutions that enable our customers to optimise, automate and control their operations and reduce their environmental impacts, such as energy and water consumption. One of our 15 2030 ESG actions is to increase the range of sustainable products and service solutions to our customers.

By working closely with our suppliers, we are providing sustainable products and circular solutions that span all stages of the industrial lifecycle. We are growing our range of product and service solutions to help global industrial customers design, build, maintain and protect their businesses more sustainably. From products like variable speed drives, high efficiency motors and lighting, through to RS PRO recycled PLA 3D printer filament created from recycled post-industrial waste and Raspberry Pi single-board computers that can be refurbished and reused.

During FY23, we will introduce a 'sustainable product flag' on our website for products that hold third party sustainability certifications.

We are targeting new customers in industries linked to the low carbon transition e.g. renewable and wind power in the UK

Market segments which have sustainable technologies at their heart (automation and control, electrical, electronics and single-board computing) already represent 69% of revenue and have significant growth potential.

Original equipment manufacturers, who are at the forefront of developing clean technologies to tackle climate change, represent 24% of our current revenue.

We have estimated £5m in operating costs per annum to accelerate the development and promotion of our product and service solutions, which help our customers be more sustainable. This is over and above the cost of product and service solution development that is already embedded in our strategy.

Comment

N/A

Identifier

Opp2

Where in the value chain does the opportunity occur?

Downstream

Opportunity type

Products and services

Primary climate-related opportunity driver

Other, please specify

Low emissions/ zero emissions logistics

Primary potential financial impact

Other, please specify

Lower costs due to efficiencies and higher revenues from marketing low emissions logistics.

Company-specific description

One of the main sources of Scope 3 CO2 emissions relating to our business are those emitted by the third-party carriers who deliver products to our customers and transfer inventories to our operations globally.

We are working proactively to restructure our supply chain to a regional model where more inventory is held closer to the customer. We are also working with our logistics carriers to reduce distance travelled and to use more fuel-efficient modes of transport where possible, for example switching from air freight to sea, rail or road freight where feasible.

This is driving distance, cost and emissions our of our supply chain. Furthermore, it is an attractive offer to our customers, many of whom have ambitious goals to reduce their scope 3 emissions from product transportation. This positions RS as an attractive and strategic supply chain partner and has been a critical factor in helping us to win, new high value partnerships in the UK, Europe and North America in 2021/22.

Time horizon

Short-term

Likelihood

Virtually certain

Magnitude of impact

Medium-low

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

20,000,000

Potential financial impact figure – maximum (currency)

40,000,000

Explanation of financial impact figure

This opportunity could reduce operating costs due to our enhanced operational efficiency and generate additional revenue through the provision of low CO2 emissions/ green logistics and deliveries.

Financial impact calculated from these initiatives could result in an estimated reduction of 5% to 10% of the Group's annual supply chain costs or £10-£20m, plus account for an additional £10-£20m in customer revenue per year.

Cost to realize opportunity

10,000,000

Strategy to realize opportunity and explanation of cost calculation

Strategy to realize opportunity:
We are committed to resource efficiency and to lowering the carbon emissions throughout the value chain. The measurement, management and reduction of the Scope 3 emissions relating to the providers of third party logistics ('3PL') who deliver goods to customers and move inventories

between our sites form an important part of this.

By 2029/30, we are targeting a 25% reduction in Scope 3 transport emissions per tonne of product sold against a 2019/20 baseline. Moving forward, we will implement further measures to reduce our Scope 3 transport emissions and disclose our progress on an annual basis

Our strategy for this has two phases:

1, We are partnering with our 3PL providers to measure emissions, reduce distances and to use more fuel efficient modes of transport where possible, for example switching from air freight to sea, rail or road freight where feasible.

For example, we moved our product replenishments from the UK to our Asia Pacific DCs from air to sea in 2019/20 which has led to an 80% reduction in transport emissions across these lanes (tonnes of CO2e / per tonne of product moved). In addition, in 2021/22 we switched a proportion of our European customer deliveries from air to road, which reduced emissions intensity (tonnes of CO2e / per tonne of product sold) by 14% across these lanes compared to 2020/21. Together, these efforts have resulted in a 17% reduction in Scope 3 transport emissions per tonne of product sold since 2019/20.

This activity saves significant cost in our supply chain rather than creating cost.

2. To develop low carbon delivery options to our customers. For example, selecting consolidated deliveries over a long lead time or delivery by electric vehicle.

COST CALCULATIONS
The estimated financial range of £5m-£10m relates to a capex cost between FY24 and FY30 to develop technologies in our DCs which promote customer choice for greener delivery options.

This strategy is being implemented and is ongoing.

Comment

N/A

C3. Business Strategy

C3.1

(C3.1) Does your organization's strategy include a transition plan that aligns with a 1.5°C world?

Row 1

Transition plan

Yes, we have a transition plan which aligns with a 1.5°C world

Publicly available transition plan

Yes

Mechanism by which feedback is collected from shareholders on your transition plan

We have a different feedback mechanism in place

Description of feedback mechanism

ESG meetings with top shareholders and investors at least twice a year

ESG Employee engagement session by Board employee engagement champion in May 2022

Frequency of feedback collection

More frequently than annually

Attach any relevant documents which detail your transition plan (optional)

RS1 ESG Pack 2021/22 RS1 TCFD Report 2021/22

RS1 2021-22 ESG pack.pdf

RS1 TCFD_Report_2021-22.pdf

C3.2

(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?

	Use of climate-related scenario analysis to inform strategy
Row 1	Yes, qualitative and quantitative

C3.2a

(C3.2a) Provide details of your organization's use of climate-related scenario analysis.

Climate-related scenario	Scenario analysis coverage	Temperature alignment of scenario	Parameters, assumptions, analytical choices
Physical climate scenarios RCP 4.5	Company-wide		Under RCP4.5, the world may experience an average increase in temperature of up to 2°C. Scope: Direct operations Time horizons: 2030 and 2050. Selected to complement the existing short, medium and long-term horizons of our risk management approach and included
Physical climate scenarios RCP 8.5	Company-wide		Under this scenario, global average temperatures are projected to increase by c. 4°C. Scope: Direct operations Time horizons: 2030 and 2050. Selected to complement the existing short, medium and long-term horizons of our risk management approach.
Transition scenarios IEA STEPS (previously IEA NPS)	Company-wide		The framework of the yearly-issued World Energy Outlook (WEO) considers a pathway that takes account of announced climate-related policies but does not forcefully pursue decarbonisation. Current range of global warming under this scenario is 1.9ºC - 3.7ºC of global warming by 2100 Scope: Direct operations, supplier transport network, product categories and raw

			materials Time horizons: 2025, 2030, 2035 and 2040
Transition scenarios IEA SDS	Company-wide		Below 2°C' scenario In the framework of the yearly issued WEO, the SDS considers a pathway towards reducing global CO2 emissions and achieving other, non-climate, sustainable development goals. Scope: Direct operations, supplier transport network, product categories and raw materials Time horizons: 2025, 2030, 2035 and 2040

C3.2b

(C3.2b) Provide details of the focal questions your organization seeks to address by using climate-related scenario analysis, and summarize the results with respect to these questions.

Row 1

Focal questions

Physical:

• What are the key climate-related related physical risks facing the Group's direct operations?
• How do risks differ across different regions, timeframes and climate scenarios?
• What impacts might these have on our business (people and productivity, facilities, equipment, operational capacity, revenue etc)
• What are the potential financial impacts?
• What are the actions and costs to mitigate against the risks?

Transition

• What are the key climate-related transition risks and opportunities facing the Group?
• How do these differ across different regions, timeframes and climate scenarios?
• What impacts might these have on our business (people and productivity, facilities, equipment, operational capacity, revenue etc) and wider value chain (products, suppliers and customers)

• What are the potential financial impacts (losses and gains)?
• What are the actions and costs to mitigate against the risks and realise the opportunities?

Results of the climate-related scenario analysis with respect to the focal questions

See RS Group TCFD report 2021/22 for further Climate scenario analyses results.

PHYSICAL:
- Extreme heat
Risks:
impact of extreme heat and severe weather events on our DCs.
Increased costs of cooling and reduced productivity of DC staff.

Mitigation: Upgrade and decarbonisation of DCs over the next 10 years will ensure business continuity, reduce operating costs and support staff wellbeing.

- Severe weather events
Risk: Acute weather events (e.g. tropical storms, flooding) may damage DCs. Less material sites in Hong Kong and Shanghai have exposure to landslides / watercourse flooding.

Mitigation: property loss prevention, business continuity planning, insurance.

TRANSITION
Assessed impacts: technology, policy and legal, market and reputation changes on direct operations and wider value chain. Key transition CRROs:
- Distribution network decarbonisation
Risk: Increase in costs due logistics network decarbonisation. Higher risk by 2040, increasing under the SDS scenario. May materialise as carriers invest in green technologies and governments implement regulations to limit CO2 emissions from transport. This could result in higher transportation costs, to be passed onto end customers via product price / product delivery charges.

Mitigation: Restructuring of supply chain to regional model, reducing transport distances, cost and emissions. Switching from air road and sea

transport. Intensity of scope 3 transport emissions reduced by 17% 2019/20 to 2021/22.
Costs to mitigate: Already built into strategy and financial planning.
Opportunity: Our more sustainable distribution model is helping win new, high-value partnerships.

CHANGING CUSTOMER SEGMENTS AND DEMAND FOR NEW PRODUCT AND SERVICE SOLUTIONS
Risk: decline of traditional customer and product segments e.g. fossil fuel industries or products linked to maintenance of heavy industry.

Opportunity: to grow revenue by supporting new customer segments linked to the low CO2 energy transition e.g. renewables, offering sustainable product and service solutions to help all customers minimise their energy use and cut emissions. Opportunity increases under SDS scenario.
Product segments linked to sustainable technologies (e.g. automation and control, electrical, electronics) have high, long-term growth potential.
Service solutions (e.g. energy lighting audits, predictive procurement, integrated supply, condition monitoring, smart maintenance solutions) are well positioned for growth in a low-CO2 economy and will enable customers achieve climate and wider sustainability goals.

C3.3

(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	We supply goods to a significant proportion of major private and public sector organisations globally. Customers are increasingly looking for more sustainable product and service solutions which will help them to improve the efficiency of their operations and minimise their environmental footprint. Impacts our strategy for product and service solutions, and some customers and suppliers. We use climate-related scenario analysis to review the robustness and resilience of our product and service solution offerings under different climate pathways. Changing customer segments and demand

		for new product and service solutions was identified as one of our key climate-related transition risks and opportunities (CRROs) in our climate scenario analysis as set out in the RS Group TCFD report 2021/22. We have since conducted early quantification of this CRRO and this is included in the risk section of our CDP 2022 submission. As part of our 2030 ESG action plan we have set a goal to 'Develop innovative and sustainable product and service solutions for all our customers' and we are working to define our baseline position and 2030 target. Time horizon covers the short, medium and long term. CASE STUDY EXAMPLES: RISK: some energy-related products we sell have been impacted by risks around product efficiency and labelling regulations with implications for obsolescence. OPPORTUNITY: However, the products that relate to energy management, sensing and control have seen revenue growth over recent years due to customer demand for more energy efficient / lower emissions products. In 2021/22 RS Industria™ was launched in the UK to support our customers with their maintenance needs. Using data insight, RS Industria™ is able to predict the needs of our customers' business before a problem occurs, while also supporting their sustainability goals by providing energy usage insight, process quality and asset reliability, which promotes their longevity. In 2022/23 we are working to introduce a range of RS sustainable products that hold certified energy and eco-labels, to help give our customers greater choice and confidence to buy more sustainable products.

		In 2022/23 we have established a customer-facing ESG solutions unit to bring together and grow the range of product and service solutions we offer to help our customers be more sustainable.
Supply chain and/or value chain	Yes	Our global supply chain will be impacted by both physical and transition risks. We are increasingly integrating these risks into our sourcing, distribution, operational and customer strategies. The RS Group TCFD report 2021/22 details the following: Climate physical risk: 1. Extreme heat on our sites 2. Impact of severe weather events on our sites Climate transition risk and opportunity: 3. Changing customer segments and demand for new product and service solutions 4. Decarbonisation of product transportation Time horizon is short, medium - long term. We have also adopted the SDGs and have committed to the UN Global Compact. CASE STUDY: Restructuring of our supply chain to reduce distance, cost and carbon RISK: Increased costs of 3rd party logistics services as governments create policies and regulations to limit carbon emissions, particularly air freight. This could result in higher transportation costs for the Group, which may be passed on to customers. OPPORTUNITY: Reduction in operating costs as we cut distances, cost and carbon. Increase in customers and revenue, attracted by sustainable logistics offering. In 2021/22, we implemented changes across our European operations to source, store and ship products locally and regionally. The expansion of our German DC is a key enabler of this strategy, as it will be a key hub to serve our European customers via surface transport.

		We are shifting to lower-carbon forms of transport vs air, which is driving cost, mileage and carbon out of our supply chain. For example, we have switched a proportion of our European deliveries from air to road, which reduced emissions intensity by 14% across these lanes. By setting weight limits on what we deliver by air, heavier products are now delivered by road to further decarbonise and reduce costs. The regionalisation of our supply chain also increases our resilience as we are not dependent on any one DC, supplier or sourcing and delivery route. It also provides opportunities to attract large corporate customers who are looking to develop strategic partnerships with an industrial provider who can proactively optimise their supply chain deliveries, reduce costs and carbon emissions. As part of our 2030 ESG action plan – For a Better World we have set a goal to reduce Scope 3 transport emissions by 25% per tonne of product sold by 2029/30, from 2019/20.
Investment in R&D	Yes	Impacted for some suppliers, facilities, or product lines As a global omni-channel provider of product and service solutions, RS Group R&D 'type' investment is generally in our internal capabilities and in collaboration with customers and suppliers Examples include our RS Industria™ which was launched by the Group in the UK in 2021/22 to support our customers with their maintenance needs. Using Internet of Things (IoT) technology to gather data insights on whole-factory operation, RS Industria™ is able to predict the needs of our customers' business before a problem occurs. It also supports their sustainability goals by providing energy usage insights, it prevents energy losses and water leakages, and promotes quality and reliability of assets, to promote their longevity. RISK: Investment in R&D is not at the level required to support rapid development in clean technologies that will support decarbonisation of the global industrial sector.

		OPPORTUNITY: R&D investment and collaboration has achieved revenue from products and services which support emissions reduction, energy efficiency and related products.
Operations	Yes	Our strategy – The RS Way - is underpinned by our 2030 ESG action plan – For a Better World, which includes our climate transition plan and related KPIs and targets. Our climate KPIs and targets cover scope 1 and 2 emissions, packaging and waste. They are: - Reduce absolute emissions from our own operations by 75% by 2030 (submitted to SBTi) - Reduce packaging intensity by 30% by 2030 - Packaging is made with 50% recycled content by 2030 - 100% of packaging widely reusable, recyclable or compostable by 2030 - Reduce waste intensity by 50% by 2030 - Achieve zero waste to landfill in our direct operations by 2030 - Recycle > 95% of our waste by 2030 We have added a number of these climate goals to our Group organisational performance scorecard. In 2022/23 we have introduced a climate-linked KPI to our annual incentive programme that applies to c. 40% of all Group employees including our Senior Management Team (SMT) and wider leadership team. As part of our TCFD response and climate scenario analysis we have also analysed the impact of physical and transition CRROs on our operations. Two key risks were identified: impact of extreme heat and impact of severe weather events. Time horizon covers the short, medium and long term. RISK: Rising global temperatures impact worker wellbeing and productivity of our distribution centre employees in southern Europe during heatwaves.

		OPPORTUNITY: As we embed our net zero strategy across the business, our facilities and site management teams are implementing site energy efficiency improvements which are reducing energy, costs and emissions and procuring renewable energy. At our newly expanded DC in Germany, the site is powered by a 6,000m² solar-powered system that generates up to 750kW of green photovoltaic (PV) electricity and provided 22% of its annual electricity consumption in 2021/22. The addition of a green grass-seeded roof, meadow and bee garden are enhancing local biodiversity and providing a green space for our people to enjoy. In addition, as we work to mitigate the potential impacts of climate change physical risks on our sites e.g. extreme heat, we are planning investments in high-efficiency air con systems which will help to protect worker wellbeing and productivity.

C3.4

(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Revenues Indirect costs Capital expenditures Capital allocation Acquisitions and divestments Access to capital Assets Liabilities	REVENUES: Climate change has significant implications for a number of the key product lines we supply and for our services offerings. For example, the products we supply that relate to energy management, efficiency, sensing and control and data and condition monitoring have seen revenue growth in recent years due to customer demand for more energy efficient / lower emissions products and for products which help customers move to a low-carbon business model This is incorporated into our financial planning processes. Timescale is current and ongoing in the short term and beyond.

		INDIRECT COSTS: RS Group strategy and continuous improvement programmes include actions to reduce greenhouse gas emissions in line with our science-based carbon reduction targets and longer-term net zero ambition. These actions also reduce our vulnerability to climate change within our operations. This is included in our low-carbon transition plan covering our operations and the use of third parties as part of our operations. Examples include (A) the energy and carbon reduction actions taken in our DCs to help deliver our science-based target, also help to reduce operating costs related to energy procurement (B) our proactive strategy to restructure our supply chain to source, store and ship more products closers to our customers and suppliers (made possible by increasing the size of some our regional DCs), as well as shifting to lower carbon modes of transport, (e.g. from air to road and sea transport) is driving cost and carbon out of our product transportation model Such impacts are incorporated in to our financial planning processes. Timescale is current and ongoing in the short term and beyond. CAPITAL EXPENDITURES/CAPITAL ALLOCATION: We have developed a proactive net zero plan for our direct operations and the investment required to support this is incorporated in our financial planning processes. Accordingly, we continue to invest in ongoing carbon reduction and sustainability projects as part of our low-carbon transition plan. Examples of such investments include the installation of Solar PV panels at our extended DC in Bad Hersfeld, Germany, the installation of EV charging stations in our EMEA sites and our actions to reduce emissions and energy including improvements to the HVAC, lighting and other systems at our sites worldwide, including submetering, building management systems and AMR (automated remote meter reading systems).

		Timescale is current and ongoing for the short term and beyond. ACQUISITIONS AND DIVESTMENTS: Our processes for assessing and reviewing acquisitions and divestments at due diligence and integration stage cover climate change-related factors e.g. compliance, costs / opportunities, fit with our low-carbon transition plan and net zero commitment (direct operations by 2030 and value chain by 2050). In addition, as our core business strategy evolves to further incorporate climate change we are proactively identifying opportunities to acquire capabilities which will accelerate the implementation of our strategy, increase our offer of sustainable product and service solutions for our customers and deliver our low-carbon transition plans. The timescale for this is current and ongoing for the short term and beyond. ACCESS TO CAPITAL: Investors and other providers of capital, such as banks, are key stakeholders in RS Group and we seek to report on climate change related matters to meet their needs and to attract support for our low-carbon transition plans. For example, we were early supporters of TCFD. We have embedded the TCFD recommendations in our governance, strategy, financial planning, risk management and metrics and targets. We disclosed the actions we have taken and progress made in our first TCFD Report 2021/22. We summarise our action and results in our Annual Report, ESG Pack, ESG investor presentation and at our annual financial results presentation. The target audience for this material includes providers of capital and our communications in this regard help support our access to capital. We also hold one to one meetings with our key investors and banks to discuss our commitments, action and progress on annual basis. We amended our revolving credit facility to a sustainability-linked loan to coincide with the November 2021 launch of our 2030 ESG action plan – For a Better World. We worked together with our banking partners to leverage the opportunity to embed ESG and climate action within our financial facilities and develop an instrument that was linked to the progress of our most material ESG and climate action goals including our science based carbon reduction target. We have also

		worked with our banking partners to promote this activity across their network to inspire other companies to take similar action. ASSETS: As noted above, our actions to reduce emissions and energy use include capital expenditure projects at our key facilities (for example to upgrade HVAC systems and to incorporate low carbon and energy saving technologies as part of our low-carbon transition plans) which impact on our asset base. This also includes actions to mitigate the impacts of physical climate risks on our sites, such as property maintenance and loss prevention programmes, which will incur operating costs and capital expenditure. This is incorporated into financial planning process, as well as the long-term viability modelling of our assets. Timescale is current and ongoing for the short term and beyond.

C3.5

(C3.5) In your organization's financial accounting, do you identify spending/revenue that is aligned with your organization's transition to a 1.5°C world?

Yes

C3.5a

(C3.5a) Quantify the percentage share of your spending/revenue that is aligned with your organization's transition to a 1.5°C world.

Financial Metric

Other, please specify

Procurement spend

Percentage share of selected financial metric aligned with a 1.5°C world in the reporting year (%)

19

Percentage share of selected financial metric planned to align with a 1.5°C world in 2025 (%)

67

Percentage share of selected financial metric planned to align with a 1.5°C world in 2030 (%)

67

Describe the methodology used to identify spending/revenue that is aligned with a 1.5°C world

We have collated our supplier spend across the Group. Identified that 65% of spend is concentrated with approx. 380 suppliers and then cross-referenced these suppliers with the companies that have committed to the SBTi.

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Absolute target
Intensity target

C4.1a

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

Target reference number

Abs 1

Year target was set

2021

Target coverage

Company-wide

Scope(s)

Scope 1

Scope 2

Scope 2 accounting method

Market-based

Scope 3 category(ies)

Base year

2020

Base year Scope 1 emissions covered by target (metric tons CO2e)

5,600

Base year Scope 2 emissions covered by target (metric tons CO2e)

7,500

Base year Scope 3 emissions covered by target (metric tons CO2e)

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

13,100

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

100

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

100

Base year Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

Target year

2030

Targeted reduction from base year (%)

75

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]

3,275

Scope 1 emissions in reporting year covered by target (metric tons CO2e)

4,600

Scope 2 emissions in reporting year covered by target (metric tons CO2e)

1,400

Scope 3 emissions in reporting year covered by target (metric tons CO2e)

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

6,000

% of target achieved relative to base year [auto-calculated]

72.2646310433

Target status in reporting year

Underway

Is this a science-based target?

Yes, we consider this a science-based target, and the target is currently being reviewed by the Science Based Targets initiative

Target ambition

1.5°C aligned

Please explain target coverage and identify any exclusions

Notes:

1. Target is for Scope 1 and Scope 2 (market based) emissions due to premises energy use (electricity, natural gas, fuel oil, LPG, etc.) and in-house transport.
2. Target is currently (July 2022) undergoing review by SBTi
3. Coverage is 100% and covers all our operations worldwide
4. Target status is "Underway" as it was active during the reporting year.
5. The base, reporting and target years are financial years ending 31 March, not calendar years
6. Emissions for the baseline year 2019/20 include those due to businesses subsequently acquired by RS Group. but which were not within our financial reporting boundary at that time.
7. The emissions due to businesses subsequently acquired have been calculated and reported so as to be consistent with the emissions reported within our financial reporting boundary.
8. We have also announced our net-zero ambition for 2030.

Plan for achieving target, and progress made to the end of the reporting year

1. Switch to renewable energy: 88% of Group electricity usage from renewable sources in 2021/22
2. Solar panels added to German DC: 750kW capacity
3. Energy efficiency improvements to DCs and sites
4. All new UK company cars are electric or hybrid from 2021/22

List the emissions reduction initiatives which contributed most to achieving this target

C4.1b

(C4.1b) Provide details of your emissions intensity target(s) and progress made against those target(s).

Target reference number

Int 1

Year target was set

2019

Target coverage

Company-wide

Scope(s)

Scope 1

Scope 2

Scope 2 accounting method

Market-based

Scope 3 category(ies)

Intensity metric

Metric tons CO2e per unit revenue

Base year

2018

Intensity figure in base year for Scope 1 (metric tons CO2e per unit of activity)

2.7

Intensity figure in base year for Scope 2 (metric tons CO2e per unit of activity)

4.7

Intensity figure in base year for Scope 3 (metric tons CO2e per unit of activity)

Intensity figure in base year for all selected Scopes (metric tons CO2e per unit of activity)

7.4

% of total base year emissions in Scope 1 covered by this Scope 1 intensity figure

100

% of total base year emissions in Scope 2 covered by this Scope 2 intensity figure

100

% of total base year emissions in Scope 3 (in all Scope 3 categories) covered by this Scope 3 intensity figure

% of total base year emissions in all selected Scopes covered by this intensity figure

100

Target year

2025

Targeted reduction from base year (%)

50

Intensity figure in target year for all selected Scopes (metric tons CO2e per unit of activity) [auto-calculated]

3.7

% change anticipated in absolute Scope 1+2 emissions

-50

% change anticipated in absolute Scope 3 emissions

0

Intensity figure in reporting year for Scope 1 (metric tons CO2e per unit of activity)

1.8

Intensity figure in reporting year for Scope 2 (metric tons CO2e per unit of activity)

0.5

Intensity figure in reporting year for Scope 3 (metric tons CO2e per unit of activity)

Intensity figure in reporting year for all selected Scopes (metric tons CO2e per unit of activity)

2.3

% of target achieved relative to base year [auto-calculated]

137.8378378378

Target status in reporting year

Underway

Is this a science-based target?

No, but we are reporting another target that is science-based

Target ambition

Please explain target coverage and identify any exclusions

Notes:

1. Target is for Scope 1 and Scope 2 (market based) emissions intensity due to premises energy use (electricity, natural gas, fuel oil, LPG, etc.) and in-house transport.
2. Target status is "Underway" as it was active during the reporting year.
3. Note constant FX rates applied.

4. The base, reporting and target years are financial years ending 31 March not calendar years.
5. The % decrease in absolute emissions assumes constant revenue and CO2 factors.
6. In addition to this target, SBTi are in the reviewing our absolute science based targets for approval.
7. We have also announced our net-zero ambition for 2030.

Plan for achieving target, and progress made to the end of the reporting year

1. Switch to renewable energy: 88% of Group electricity usage from renewable sources in 2021/22
2. Solar panels added to German DC: 750kW capacity
3. Energy efficiency improvements to DCs and sites
4. All new UK company cars are electric or hybrid from 2021/22

List the emissions reduction initiatives which contributed most to achieving this target

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Target reference number

Int 2

Year target was set

2021

Target coverage

Company-wide

Scope(s)

Scope 3

Scope 2 accounting method

Scope 3 category(ies)

Category 4: Upstream transportation and distribution

Intensity metric

Metric tons CO2e per metric ton of product

Base year

2020

Intensity figure in base year for Scope 1 (metric tons CO2e per unit of activity)

Intensity figure in base year for Scope 2 (metric tons CO2e per unit of activity)

Intensity figure in base year for Scope 3 (metric tons CO2e per unit of activity)

1.36

Intensity figure in base year for all selected Scopes (metric tons CO2e per unit of activity)

1.36

% of total base year emissions in Scope 1 covered by this Scope 1 intensity figure

% of total base year emissions in Scope 2 covered by this Scope 2 intensity figure

% of total base year emissions in Scope 3 (in all Scope 3 categories) covered by this Scope 3 intensity figure

100

% of total base year emissions in all selected Scopes covered by this intensity figure

100

Target year

2030

Targeted reduction from base year (%)

25

Intensity figure in target year for all selected Scopes (metric tons CO2e per unit of activity) [auto-calculated]

1.02

% change anticipated in absolute Scope 1+2 emissions

0

% change anticipated in absolute Scope 3 emissions

-25

Intensity figure in reporting year for Scope 1 (metric tons CO2e per unit of activity)

Intensity figure in reporting year for Scope 2 (metric tons CO2e per unit of activity)

Intensity figure in reporting year for Scope 3 (metric tons CO2e per unit of activity)

1.13

Intensity figure in reporting year for all selected Scopes (metric tons CO2e per unit of activity)

1.13

% of target achieved relative to base year [auto-calculated]

67.6470588235

Target status in reporting year

Underway

Is this a science-based target?

No, but we are reporting another target that is science-based

Target ambition

Please explain target coverage and identify any exclusions

1. Target is to reduce our Scope 3 transport emissions by 25% per tonne of product sold by 2030
2. Target status is "Underway" as it was active during the reporting year.
3. The base, reporting and target years are financial years ending 31 March, not calendar years.
4. The % decrease in absolute emissions assumes constant CO2 factors.
5. In addition to this target, SBTi are reviewing our absolute science based targets for approval.
6. We have also announced our net-zero ambition for 2030 for our own operations and for 2050 for our wider supply chain.

Plan for achieving target, and progress made to the end of the reporting year

1. We are switching to lower-carbon transport modes from air to road and sea, which is helping to drive reductions in transport emissions.
2. For example, we moved our product replenishments from the UK to our Asia Pacific DCs from air to sea in 2019/20 which has led to an 80%1 reduction in transport emissions across these lanes. In addition, in 2021/22 we switched a proportion of our European customer deliveries from air to road, which reduced emissions intensity by 14% across these lanes compared to 2020/21.
3. Together, these efforts have resulted in a 17% reduction in Scope 3 transport emissions per tonne of product sold since 2019/20.
4. Moving forward, we will implement further measures to reduce our Scope 3 transport emissions and disclose our progress on an annual basis.

List the emissions reduction initiatives which contributed most to achieving this target

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?

Target(s) to increase low-carbon energy consumption or production
Net-zero target(s)
Other climate-related target(s)

C4.2a

(C4.2a) Provide details of your target(s) to increase low-carbon energy consumption or production.

Target reference number
Low 1

Year target was set
2021

Target coverage
Company-wide

Target type: energy carrier
Electricity

Target type: activity
Consumption

Target type: energy source
Renewable energy source(s) only

Base year
2020

Consumption or production of selected energy carrier in base year (MWh)
29,400

% share of low-carbon or renewable energy in base year
10

Target year

2030

% share of low-carbon or renewable energy in target year

100

% share of low-carbon or renewable energy in reporting year

88

% of target achieved relative to base year [auto-calculated]

86.6666666667

Target status in reporting year

Underway

Is this target part of an emissions target?

Yes targets ABS 1 and INT 1 Include LOW 1

Is this target part of an overarching initiative?

No, it's not part of an overarching initiative

Please explain target coverage and identify any exclusions

1. Target coverage is Group wide
2. Note years referred to are financial years ending 31 March respectively.

Plan for achieving target, and progress made to the end of the reporting year

1. Purchase of renewable electricity on specific renewable tariffs
2. Solar panels installed at certain sites including our German DC: 750kW capacity electricity

List the actions which contributed most to achieving this target

C4.2b

(C4.2b) Provide details of any other climate-related targets, including methane reduction targets.

Target reference number

Oth 1

Year target was set

2021

Target coverage

Company-wide

Target type: absolute or intensity

Absolute

Target type: category & Metric (target numerator if reporting an intensity target)

Engagement with suppliers

Percentage of suppliers (by procurement spend) with a science-based target

Target denominator (intensity targets only)

Base year

2021

Figure or percentage in base year

15

Target year

2025

Figure or percentage in target year

67

Figure or percentage in reporting year

19

% of target achieved relative to base year [auto-calculated]

7.6923076923

Target status in reporting year

Underway

Is this target part of an emissions target?

This target and the % for the reporting year is for the % of suppliers by spend that are committed to setting an SBT by 2025 and is part of our set of science based targets which are currently undergoing review by SBTi.

Is this target part of an overarching initiative?

Science Based targets initiative - other

Other, please specify

Science based targets initiative supplier engagement target currently undergoing review

Please explain target coverage and identify any exclusions

Supplier engagement target is company-wide and by % spend

Our science based targets are currently under review by SBTi

Note years referred to are financial years ending 31 March respectively.

Plan for achieving target, and progress made to the end of the reporting year

The RS Group ethical trading policy requires that suppliers should adopt science based targets

Supplier engagement - at our global supplier conference in July 2021, we asked 450 of our top suppliers to commit to setting SBTs

List the actions which contributed most to achieving this target

C4.2c

(C4.2c) Provide details of your net-zero target(s).

Target reference number

NZ1

Target coverage

Company-wide

Absolute/intensity emission target(s) linked to this net-zero target

Abs1

Target year for achieving net zero

2030

Is this a science-based target?

Yes, we consider this a science-based target, and the target is currently being reviewed by the Science Based Targets initiative

Please explain target coverage and identify any exclusions

1. Target is for Scope 1 and Scope 2 (market based) emissions due to premises energy use (electricity, natural gas, fuel oil, LPG, etc.) and in-house transport (i.e. our direct operations)
2. Target is currently (July 2022) undergoing review by SBTi
3. Coverage is 100% and covers all our operations worldwide
4. The base, reporting and target years are financial years ending 31 March, not calendar years
5. Target Abs1 is linked to this target

Do you intend to neutralize any unabated emissions with permanent carbon removals at the target year?

Yes

Planned milestones and/or near-term investments for neutralization at target year

1. 100% renewable electricity across the Group
2. Increase onsite renewable electricity generation
3. Low-carbon DCs delivered through low-carbon technology and efficiency projects
4. Net zero emissions company car and van fleet
5. Gold standard offset project strategy for residual emissions

Planned actions to mitigate emissions beyond your value chain (optional)

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	66	
To be implemented*	32	400
Implementation commenced*	22	600
Implemented*	12	2,500
Not to be implemented	0	

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

Energy efficiency in buildings
Lighting

Estimated annual CO2e savings (metric tonnes CO2e)

200

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 2 (location-based)
Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

40,000

Investment required (unit currency – as specified in C0.4)

40,000

Payback period

1-3 years

Estimated lifetime of the initiative

11-15 years

Comment

- Reduction of energy consumption through focus on the installation of LED lighting linked to movement sensors in appropriate locations. This process is still ongoing across our sites.
- We are utilising an online platform to support automatic lux level adjustments at certain sites.
- LED lighting is now set as the corporate standard for replacement / new installations
- Implemented and ongoing, for example 70% completion across UK sites.

Initiative category & Initiative type

Low-carbon energy consumption
Low-carbon electricity mix

Estimated annual CO2e savings (metric tonnes CO2e)

1,600

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 2 (location-based)
Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

0

Investment required (unit currency – as specified in C0.4)

10,000

Payback period

No payback

Estimated lifetime of the initiative

3-5 years

Comment

Sourcing of electricity from renewable sources at sites in the USA, UK, Denmark, France, Austria, etc.

Initiative category & Initiative type

Energy efficiency in buildings

Building Energy Management Systems (BEMS)

Estimated annual CO2e savings (metric tonnes CO2e)

400

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 1

Scope 2 (location-based)

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

50,000

Investment required (unit currency – as specified in C0.4)

10,000

Payback period

<1 year

Estimated lifetime of the initiative

1-2 years

Comment

- Working with the integrated building management systems (BMS) at key sites, changes have been made to the reference temperature points for our heating systems and cooling system. Additionally, we have adjusted air circulation to encourage heat retention within the buildings. This in turn has reduced the load requirements on variable speed drives from 100% to 70%
- These changes reduce natural gas use for space heating and electricity use for air circulation, pumps and air conditioning systems.
- Implemented and ongoing

Initiative category & Initiative type

Company policy or behavioral change

Other, please specify

Staff behaviour change

Estimated annual CO2e savings (metric tonnes CO2e)

200

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 1

Scope 2 (location-based)

Scope 2 (market-based)

Voluntary/Mandatory

Annual monetary savings (unit currency – as specified in C0.4)

10,000

Investment required (unit currency – as specified in C0.4)

5,000

Payback period

<1 year

Estimated lifetime of the initiative

3-5 years

Comment

- Implementation and promotion of staff awareness schemes and relevant training through our ESG 'For a Better World' 2030 Target Zero programme and activities.
- We have introduced monthly energy targets to support an over all site reduction of 3% Carbon. This drive from top management to DC floor has promoted increase continuous improvement projects directed towards energy savings as well as energy shut down walks.
- Covers both Scope 1 and 2
- Costs are estimated re programme development, tool box training and communications etc.
- Implemented and ongoing. To be expanded across the portfolio

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Initiative category & Initiative type

Transportation

Company fleet vehicle efficiency

Estimated annual CO2e savings (metric tonnes CO2e)

100

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 1

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

0

Investment required (unit currency – as specified in C0.4)

0

Payback period

No payback

Estimated lifetime of the initiative

3-5 years

Comment

We have updated our Company car policies to help reduce emissions. Policies vary by country where we have operations and examples include encouraging employees to select electric or hybrid vehicles and to set a max CO2 per km.

The policy changes are complemented by the installation of electric car charging points at a number of sites.

Implemented and ongoing

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Compliance with regulatory requirements/standards	E.g. SECR to raise awareness of energy use, CO2 emissions and costs, and in relevant EU markets, Article 8 of the EU Energy Efficiency Directive
Employee engagement	Employee engagement – we use the intranet, Yammer, townhall meetings, workshops and internal ESG updates (including Environmental Management Dashboards) to promote environmental initiatives, to engage employees, to gather feedback and to provide a channel for employee suggestions and ideas for investment in emissions reductions and other environmental improvement initiatives.
Financial optimization calculations	E.g. re CAPEX for energy efficient equipment. Supported where appropriate by use of capital allowances for investment in energy efficient technologies (e.g. Enhanced Capital Allowance schemes)

Internal incentives/recognition programs	E.g. employee recognition for energy saving / CO2 reduction and other environmental improvement suggestions. Links with our Target Zero programme, Earth Day celebrations and our intranet site / Yammer
Other External standards	External standards and accreditation e.g. certification of the UK business to the CEMARS Standard.
Other Training/Education	Internal Environment Awareness Training, External Environmental Training (NEBOSH), Campaigns around environmental Objectives & Targets.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products?

Yes

C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products.

Level of aggregation

Group of products or services

Taxonomy used to classify product(s) or service(s) as low-carbon

Other, please specify

We use emissions factors sourced from DEFRA to calculate avoided emissions and to classify products as low-carbon.

Type of product(s) or service(s)

Other

Other, please specify

Electronics, lighting, control components and variable speed drives to help our customers to reduce energy use and emissions through increased control of manufacturing processes, lighting, HVAC systems and other applications.

Description of product(s) or service(s)

We stock over 700,000 products including electronics, lighting, and control components and variable speed drives. These products can help our customers to reduce their use of energy through increased control of manufacturing processes, lighting HVAC systems and other applications.

Have you estimated the avoided emissions of this low-carbon product(s) or service(s)

Yes

Methodology used to calculate avoided emissions

Other, please specify

We use emissions factors sourced from DEFRA to calculate avoided emissions and to classify products as low-carbon.

Life cycle stage(s) covered for the low-carbon product(s) or services(s)

Use stage

Functional unit used

10 year operating life of the product(s) and system(s) supplied vs. a system/ unit etc which does not included the products supplied. Measured in tonnes CO2e

Reference product/service or baseline scenario used

Reference baseline is the most likely alternative scenario to the product provided or a system/ unit/ installation which does not include the products supplied.

Life cycle stage(s) covered for the reference product/service or baseline scenario

Use stage

Estimated avoided emissions (metric tons CO2e per functional unit) compared to reference product/service or baseline scenario

44

Explain your calculation of avoided emissions, including any assumptions

Customers using the products we supply to help reduce energy use will avoid emissions at the typical rate of some 0.5kg of CO2 per kWh of electricity saved. (potentially some 44 tonnes of CO2e over a 10-year life of a product consuming 1kWh consistently) Products are sold to all sectors of the economy, including the public sector. These products will help to reduce / avoid emissions over a typical period of 5-10 years.

Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year

25

Level of aggregation

Product or service

Taxonomy used to classify product(s) or service(s) as low-carbon

Other, please specify

We use emissions factors sourced from DEFRA to calculate avoided emissions and to classify services as low-carbon.

Type of product(s) or service(s)

Other

Other, please specify

Consolidated deliveries to reduce transport-related CO2 emissions

Description of product(s) or service(s)

The breadth of our product range enables our customers to obtain a complete Bill of Material lists of products from one source, thus saving on multiple deliveries from a range of individual suppliers and thereby reducing the CO2e emissions vs. those which would be incurred with multiple deliveries.

Have you estimated the avoided emissions of this low-carbon product(s) or service(s)

Yes

Methodology used to calculate avoided emissions

Other, please specify

We use emissions factors sourced from DEFRA to calculate avoided emissions and to classify services as low-carbon.

Life cycle stage(s) covered for the low-carbon product(s) or services(s)

Use stage

Functional unit used

CO2 due to the performance of the service being the delivery and distribution of products. . Measured in tonnes CO2e

Reference product/service or baseline scenario used

Reference baseline is the most likely alternative scenario to the service provided.

Life cycle stage(s) covered for the reference product/service or baseline scenario

Use stage

Estimated avoided emissions (metric tons CO2e per functional unit) compared to reference product/service or baseline scenario

0.025

Explain your calculation of avoided emissions, including any assumptions

Emissions will generally be avoided in the year in which the products are purchased at the rate of approx. 250 grammes of CO2 per km for a light commercial vehicle or some 25 kg of CO2 for a 100km round trip

Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year

50

C5. Emissions methodology

C5.1

(C5.1) Is this your first year of reporting emissions data to CDP?

No

C5.1a

(C5.1a) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?

Row 1

Has there been a structural change?

Yes, an acquisition

Name of organization(s) acquired, divested from, or merged with

Needlers
Synovos
John Liscombe

Details of structural change(s), including completion dates

The acquisition of Needlers completed on 9 December 2020
The acquisition of Synovos completed on 12 January 2021
The acquisition of Liscombe completed on 28 February 2021
Emissions and energy data from acquired companies is included in our reports from the day on which the acquisition completes and so our 2021/22 year covering the 12 months to 31 March 2022 includes the full year impact of these acquisitions. For the purposes of our science based targets we re-state the 2019/20 base line year to include emissions from these acquired businesses in that year.

C5.1b

(C5.1b) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?

	Change(s) in methodology, boundary, and/or reporting year definition?	Details of methodology, boundary, and/or reporting year definition change(s)

Row 1	Yes, a change in methodology Yes, a change in boundary	We have updated our base year reports to reflect the revised IEA and DEFRA emissions factors for the relevant year. In addition, for the purposes of our science based targets we have recalculated the base year emissions to include subsequently acquired businesses.

C5.1c

(C5.1c) Have your organization's base year emissions been recalculated as result of the changes or errors reported in C5.1a and C5.1b?

	Base year recalculation	Base year emissions recalculation policy, including significance threshold
Row 1	Yes	Our base year emissions recalculation policy is to retroactively recalculate emissions and targets should corporate activity (e.g. the acquisition or disposal of a business) have an impact of 5% or more on our base year emissions. We may also choose to retroactively recalculate and restate base year emissions if this threshold is not met to help ensure the relevance of our baseline, targets and plans to decarbonise our business. In addition, our policy is to perform a recalculation at least every five years in accordance with SBTi requirements, if this has not been necessary for other reasons. In addition, we update our emissions calculations for prior years to take account of updates to emissions factors (e.g. revisions and corrections by IEA and DEFRA) and to take account of improvements and corrections to reporting.

C5.2

(C5.2) Provide your base year and base year emissions.

Scope 1

Base year start

April 1, 2019

Base year end

March 31, 2020

Base year emissions (metric tons CO2e)

5,600

Comment

Note that the emissions and other data reported on page 62 of our 2021/22 Annual Report only include CO2 relating to businesses within our financial reporting boundary in the base year and so exclude emissions relating to subsequently acquired businesses which are included here for the purposes of our science based targets.

Scope 2 (location-based)

Base year start

April 1, 2019

Base year end

March 31, 2020

Base year emissions (metric tons CO2e)

8,700

Comment

Note that the emissions and other data reported on page 62 of our 2021/22 Annual Report includes scope 2 emissions at market rates and only includes CO2 relating to businesses within our financial reporting boundary in the base year and so exclude emissions relating to subsequently acquired businesses which are included here for the purposes of our science based targets.

Scope 2 (market-based)

Base year start

April 1, 2019

Base year end

March 31, 2020

Base year emissions (metric tons CO2e)

7,500

Comment

Note that the emissions and other data reported on page 62 of our 2021/22 Annual Report only includes CO2 relating to businesses within our financial reporting boundary in the base year and so exclude emissions relating to subsequently acquired businesses which are included here for the purposes of our science based targets.

Scope 3 category 1: Purchased goods and services

Base year start

April 1, 2019

Base year end

March 31, 2020

Base year emissions (metric tons CO2e)

1,700,000

Comment

We stock more than 700,000 product lines sourced from over 2,500 third-party direct suppliers in addition to products and services purchased from our indirect suppliers and the products and services purchased on behalf of the clients of our integrated supply and outsourced procurement businesses.
Spend based method used to calculated emissions in the supply chain covering goods for resale, goods and services used by the Group and purchases made on behalf of clients by our integrated supply and outsourced procurement businesses.
Emissions are calculated using spend data by product/service and combined with emissions intensity data by category. Pro-rata calculations are used where information is not available, or where data is not of sufficient quality.
As noted above, includes the purchases made on behalf of clients by our integrated supply and outsourced procurement businesses which account for some 20-25% of the emissions reported.

Scope 3 category 2: Capital goods

Base year start

April 1, 2019

Base year end

March 31, 2020

Base year emissions (metric tons CO2e)

0

Comment

Purchases of capital goods are included within indirect procurement in category 1, purchased goods and services.

Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)

Base year start

April 1, 2019

Base year end

March 31, 2020

Base year emissions (metric tons CO2e)

1,300

Comment

The emissions due to fuel-and-energy-related activities not included in Scope 1 or 2 are calculated from the site by site and country by country energy reports from our primary data collection and reporting processes. Relevant scope 3 factors for transmission and distribution by country are sourced from the IEA to calculate the emissions for electricity and relevant DEFRA well-to-tank factors are used for other forms of energy. Note - includes pre-acquisition emissions relating to subsequently acquired businesses.

Scope 3 category 4: Upstream transportation and distribution

Base year start

April 1, 2019

Base year end

March 31, 2020

Base year emissions (metric tons CO2e)

49,700

Comment

Emissions due to third party logistics services purchased by RS Group including outbound logistics and intra-site logistics AND transportation of purchased products from tier 1 suppliers to RS Group where this is under our control (e.g. ex-works or FOB) (all in vehicles not owned/ controlled by the Group) Calculations take account of the weight of products shipped, the origin location and the destination locations, transport modes for each route, allowing for multi-modal transport. Emissions factors and GWP potentials are sourced from DEFRA by transport mode and distance.

Scope 3 category 5: Waste generated in operations

Base year start

April 1, 2019

Base year end

March 31, 2020

Base year emissions (metric tons CO2e)

200

Comment

The waste generated in our operations is included in our site by site and country by country environmental reports through our primary data collection and reporting processes. Relevant scope 3 factors for landfill, recycling and incineration sourced from DEFRA are used to calculate the emissions.

Scope 3 category 6: Business travel

Base year start

April 1, 2019

Base year end

March 31, 2020

Base year emissions (metric tons CO2e)

2,600

Comment

We calculate scope 3 emissions due to employee business travel by air using data from our travel management providers and other sources. CO2 emissions are calculated from distances flown using DEFRA factors. (including RF and distance uplift) We do not estimate the scope 3 emissions due to employee use of other forms of public transport for business travel (including rail, bus, ferry, taxis etc.) nor due to employee use of own vehicles for business travel as the relevant data is not consistently available / would be expensive or difficult to collect.

Scope 3 category 7: Employee commuting

Base year start

April 1, 2019

Base year end

March 31, 2020

Base year emissions (metric tons CO2e)

12,000

Comment

The data to calculate these emissions is from available employee survey data extrapolated with reasoned assumptions to cover operations for which survey data is not available. Relevant CO2 factors from DEFRA are then used to calculate the emissions from vehicle use, public transport, etc.

Scope 3 category 8: Upstream leased assets

Base year start

April 1, 2019

Base year end

March 31, 2020

Base year emissions (metric tons CO2e)

800

Comment

Upstream assets leased by the Group that are not within our reporting boundary are primarily offices where the energy and other utility costs are included in the lease/ rental costs. Energy use and emissions are calculated/ estimated on a pro-rata basis from floor area data according to climactic conditions. using IEA emissions factors on a location basis (no renewable electricity assumed) and Scope 1 according to DEFRA factors. Distribution and transmission related emissions are included.

Scope 3 category 9: Downstream transportation and distribution

Base year start

April 1, 2019

Base year end

March 31, 2020

Base year emissions (metric tons CO2e)

Comment

Our customers use our operating companies to arrange the shipping for products they purchase therefore the emissions associated with transport and distribution are covered in Scope 3 category 4. Upstream transportation and distribution.

Scope 3 category 10: Processing of sold products

Base year start

April 1, 2019

Base year end

March 31, 2020

Base year emissions (metric tons CO2e)

Comment

RS Group does not sell intermediate products to third parties for further processing. The products we sell are for use / installation in buildings and equipment, etc. and thus this source of emissions is not relevant.

Scope 3 category 11: Use of sold products

Base year start

April 1, 2019

Base year end

March 31, 2020

Base year emissions (metric tons CO2e)

Comment

We stock over 700,000 product lines around the world and have over 1.2million customers. These products include components which are used by our customers to assemble / develop other products which are sold to consumers and others. The products we supply are also used to maintain and repair existing systems. A number of the products we supply consume energy during their useful life and are disposed of at the end of their life cycle by recycling and recovery, landfill or incineration. Generally, we have limited visibility of the specific nature of the end use of the products we supply. Further, a component we supply may be used for a variety of different end products etc. In addition, the products we supply may be to replenish the inventory held by a customer and we have no information as to when the product will actually enter service. We also supply other distributors and wholesalers for onward sale to their customers and so have no information on the timing or actual use of the products. Many of our customers are electronic design engineers who utilise the components we supply in prototype and pre-production energy efficiency enhancing products. Thus, we do not estimate scope 3 emissions due to the use of the products we supply as the relevant data is not

consistently available and will vary widely according to the way in which our products are used by each customer / our customer's end customer. Notwithstanding this, many of our customers will report their emissions to CDP.

Scope 3 category 12: End of life treatment of sold products

Base year start

April 1, 2019

Base year end

March 31, 2020

Base year emissions (metric tons CO2e)

2,700

Comment

The end-of-life treatment of products sold includes disposal of packaging applied by RS Group and the weight of product placed on the market in the financial year. Relevant scope 3 factors for landfill, recycling and incineration are used to calculate the emissions.

Scope 3 category 13: Downstream leased assets

Base year start

April 1, 2019

Base year end

March 31, 2020

Base year emissions (metric tons CO2e)

Comment

RS Group does not have downstream leased assets.

Scope 3 category 14: Franchises

Base year start

April 1, 2019

Base year end

March 31, 2020

Base year emissions (metric tons CO2e)

Comment

RS Group does not operate through franchises

Scope 3 category 15: Investments

Base year start

April 1, 2019

Base year end

March 31, 2020

Base year emissions (metric tons CO2e)

100

Comment

50% of the emissions from our JV in India.

Data is for the financial year ending 31 March.

Note that the Group's significant investments are in its operations for which it reports its Scope 1 and Scope 2 emissions.

Scope 3: Other (upstream)

Base year start

April 1, 2019

Base year end

March 31, 2020

Base year emissions (metric tons CO2e)

Comment

The Group does not have upstream or downstream assets which are not accounted for in the data reported as Scope 1 and 2.

Scope 3: Other (downstream)

Base year start

April 1, 2019

Base year end

March 31, 2020

Base year emissions (metric tons CO2e)

Comment

The Group does not have upstream or downstream assets which are not accounted for in the data reported as Scope 1 and 2.

C5.3

(C5.3) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

Defra Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance, 2019
ISO 14064-1
The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)

4,600

Start date

April 1, 2021

End date

March 31, 2022

Comment

Reported in accordance with our financial reporting boundary - there were no acquisitions or disposals in the year.

Past year 1

Gross global Scope 1 emissions (metric tons CO2e)

4,800

Start date

April 1, 2020

End date

March 31, 2021

Comment

Note that the emissions and other data reported on page 62 of our 2021/22 Annual Report only includes CO2 relating to businesses within our financial reporting boundary and so exclude pre-acquisition emissions relating to businesses acquired in 2020/21 which are included here for the purposes of our science based targets.

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based

We are reporting a Scope 2, location-based figure

Scope 2, market-based

We are reporting a Scope 2, market-based figure

Comment

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based

7,700

Scope 2, market-based (if applicable)

1,400

Start date

April 1, 2021

End date

March 31, 2022

Comment

Reported in accordance with our financial reporting boundary - there were no acquisitions or disposals in the year.

Past year 1

Scope 2, location-based

7,900

Scope 2, market-based (if applicable)

3,400

Start date

April 1, 2020

End date

March 31, 2021

Comment

Note that the emissions and other data reported on page 62 of our 2021/22 Annual Report includes scope 2 emissions at market rates and only includes CO2 relating to businesses within our financial reporting boundary in 2020/21 and so exclude pre-acquisition emissions of businesses acquired in that year which are included here for the purposes of our science based targets.

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

No

C6.5

(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

2,200,000

Emissions calculation methodology

Spend-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

We stock more than 700,000 product lines sourced from over 2,500 third-party direct suppliers in addition to products and services purchased from our indirect suppliers and the products and services purchased on behalf of the clients of our integrated supply and outsourced procurement businesses.

Spend based method used to calculated emissions in the supply chain covering goods for resale, goods and services used by the Group and purchases made on behalf of clients by our integrated supply and outsourced procurement businesses.

Emissions are calculated using spend data by product/service and combined with emissions intensity data by category. Pro-rata calculations are used where information is not available, or where data is not of sufficient quality.

Data is for the financial year ending 31 March 2022 and ,as noted above, includes the purchases made on behalf of clients by our integrated

supply and outsourced procurement businesses which account for some 20-25% of the emissions reported.

Capital goods

Evaluation status

Not relevant, explanation provided

Please explain

Our purchases of capital goods are included within indirect procurement in category 1, purchased goods and services.

(As a distributor our business is not capital-goods intensive)

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

1,100

Emissions calculation methodology

Other, please specify

Calculated from the site by site energy reports using factors for energy transmission and distribution

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

Calculated using scope 3 factors for transmission and distribution by country are sourced from the IEA for the emissions for electricity and relevant DEFRA well-to-tank factors are used for other forms of energy.

Data is for the financial year ending 31 March 2022 and includes emissions from transmission and distribution of purchased electricity and natural gas and well-to-tank emissions for vehicle fuel.

Upstream transportation and distribution

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

50,300

Emissions calculation methodology

Other, please specify

Emissions due to logistics services including outbound and intra-site logistics AND transportation of purchased products from tier 1 suppliers to RS Group where this is under our control (e.g. ex-works or FOB) in vehicles not controlled by the Group)

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Calculations take account of the weight of products shipped, the origin location and the destination locations, transport modes for each route, allowing for multi-modal transport. Emissions factors and GWP potentials are sourced from DEFRA by transport mode and distance.

Data is for the financial year ending 31 March 2022

Waste generated in operations

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

200

Emissions calculation methodology

Other, please specify

The waste generated in our operations is reported using vendor data in our primary data collection processes. Relevant scope 3 factors for landfill, recycling and incineration sourced from DEFRA are used to calculate the emissions.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

Data is for the financial year ending 31 March 2022 and includes emissions from the disposal of waste generated in our operations.

Business travel

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

500

Emissions calculation methodology

Distance-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

We calculate scope 3 emissions due to employee business travel by air using data from our travel management providers and other sources. CO2 emissions are calculated from distances flown using DEFRA factors. (including RF and distance uplift) We do not estimate the scope 3 emissions due to employee use of other forms of public transport for business travel (including rail, bus, ferry, taxis etc.) nor due to employee use of own vehicles for business travel as the relevant data is not consistently available / would be expensive or difficult to collect.

Data is for the financial year ending 31 March 2022

Use of in-house transport (including company cars) is reported with the scope 1 and scope 2 (for electric vehicles) emissions in the previous sections of this submission.

Employee commuting

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

11,000

Emissions calculation methodology

Hybrid method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

The data to calculate these emissions is from available employee survey data extrapolated with reasoned assumptions to cover operations for which survey data is not available. Relevant CO2 factors from DEFRA are then used to calculate the emissions from vehicle use, public transport, etc.

The Group employs over 7600 people in multiple countries around the world. Our employees are free to make choices about where they live nor do we specify how they travel to work, although we do, where possible, encourage them to use green transport (e.g. to cycle/ walk/ use public transport) and those eligible for a company car increasingly have the option of an electric vehicle.

Data is for the financial year ending 31 March 2022.

Upstream leased assets

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

700

Emissions calculation methodology

Hybrid method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Upstream assets leased by the Group that are not within our reporting boundary are primarily offices where the energy and other utility costs are included in the lease/ rental costs. Energy use and emissions are calculated/ estimated on a pro-rata basis from floor area data according to climactic conditions. using IEA emissions factors on a location basis (no renewable electricity assumed) and Scope 1 according to DEFRA factors. Distribution and transmission related emissions are included

Data is for the financial year ending 31 March 2022

Downstream transportation and distribution

Evaluation status

Not relevant, explanation provided

Please explain

Our customers use our operating companies to arrange the shipping for products they purchase therefore the emissions associated with transport and distribution are covered in Scope 3 category 4. Upstream transportation and distribution.

Processing of sold products

Evaluation status

Not relevant, explanation provided

Please explain

RS Group does not sell intermediate products to third parties for further processing. The products we sell are for use / installation in buildings and equipment, etc. and thus this source of emissions is not relevant.

Use of sold products

Evaluation status

Not relevant, explanation provided

Please explain

We stock over 700,000 product lines around the world and have over 1.2million customers. These products include components which are used by our customers to assemble / develop other products which are sold to consumers and others. The products we supply are also used to maintain and repair existing systems. A number of the products we supply consume energy during their useful life and are disposed of at the end of their life cycle by recycling and recovery, landfill or incineration. Generally, we have limited visibility of the specific nature of the end use of the products we supply. Further, a component we supply may be used for a variety of different end products etc. In addition, the products we supply may be to replenish the inventory held by a customer and we have no information as to when the product will actually enter service. We also supply other distributors and wholesalers for onward sale to their customers and so have no information on the timing or actual use of the products. Many of our customers are electronic design engineers who utilise the components we supply in prototype and pre-production energy efficiency enhancing products. Thus, we do not estimate scope 3 emissions due to the use of the products we supply as the relevant data is not consistently available and will vary widely according to the way in which our products are used by each customer / our customer's end customer. Notwithstanding this, many of our customers will report their emissions to CDP.

End of life treatment of sold products

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

3,200

Emissions calculation methodology

Hybrid method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

The Group provides a range of over 700,000 different products to more than 1.2 million customers annually. This a number of general assumptions are required to determine emissions due to end of life disposal which may take place at some future time with some product lives of 25 years or more.

The end-of-life treatment of products sold includes disposal of packaging applied by RS Group and the weight of product placed on the market in the financial year. Relevant scope 3 factors for landfill, recycling and incineration are used to calculate the emissions.

Data is for the financial year ending 31 March 2022.

Downstream leased assets

Evaluation status

Not relevant, explanation provided

Please explain

RS Group does not have any downstream leased assets.

Franchises

Evaluation status

Not relevant, explanation provided

Please explain

RS Group does not operate through franchises

Investments

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

100

Emissions calculation methodology

Hybrid method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Includes 50% of the Scope 1 and Scope 2 emissions from our joint venture in India. The % is consistent with 50% ownership. Calculation method is consistent with the methods set out in C5 ‘Emissions methodology’ for our own operations

Data is for the financial year ending 31 March 2022.

Note that the Group's significant investments are in its operations for which it reports its Scope 1 and Scope 2 emissions.

Other (upstream)

Evaluation status

Not relevant, explanation provided

Please explain

The Group does not have upstream or downstream assets which are not accounted for in the data reported as Scope 1 and 2.

Other (downstream)

Evaluation status

Not relevant, explanation provided

Please explain

The Group does not have upstream or downstream assets which are not accounted for in the data reported as Scope 1 and 2.

C6.5a

(C6.5a) Disclose or restate your Scope 3 emissions data for previous years.

Past year 1

Start date

April 1, 2020

End date

March 31, 2021

Scope 3: Purchased goods and services (metric tons CO2e)

1,700,000

Scope 3: Capital goods (metric tons CO2e)

0

Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

1,100

Scope 3: Upstream transportation and distribution (metric tons CO2e)

44,200

Scope 3: Waste generated in operations (metric tons CO2e)

200

Scope 3: Business travel (metric tons CO2e)

100

Scope 3: Employee commuting (metric tons CO2e)

8,000

Scope 3: Upstream leased assets (metric tons CO2e)

800

Scope 3: Downstream transportation and distribution (metric tons CO2e)

0

Scope 3: Processing of sold products (metric tons CO2e)

0

Scope 3: Use of sold products (metric tons CO2e)

0

Scope 3: End of life treatment of sold products (metric tons CO2e)

2,600

Scope 3: Downstream leased assets (metric tons CO2e)

0

Scope 3: Franchises (metric tons CO2e)

0

Scope 3: Investments (metric tons CO2e)

100

Scope 3: Other (upstream) (metric tons CO2e)

0

Scope 3: Other (downstream) (metric tons CO2e)

0

Comment

C6.7

(C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?

No

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure

2.3

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

6,000

Metric denominator

unit total revenue

Metric denominator: Unit total

2,553.7

Scope 2 figure used

Market-based

% change from previous year

41

Direction of change

Decreased

Reason for change

Decrease due to emissions reduction initiatives (including increased use of electricity from renewable sources and initiatives to improve energy efficiency (e.g. LED lighting, improved HVAC management and equipment upgrades at our distribution centres)) and revenue growth.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?

Yes

C7.1a

(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).

Greenhouse gas	Scope 1 emissions (metric tons of CO2e)	GWP Reference
CO2	4,600	IPCC Fourth Assessment Report (AR4 - 100 year)
HFCs	150	IPCC Fourth Assessment Report (AR4 - 100 year)

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/region.

Country/Region	Scope 1 emissions (metric tons CO2e)
Americas	250
Asia, Australasia	100
Europe and Africa	4,250

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

By business division

By activity

C7.3a

(C7.3a) Break down your total gross global Scope 1 emissions by business division.

Business division	Scope 1 emissions (metric ton CO2e)
EMEA	4,220
Americas	170
Asia Pacific	100
Integrated supply	110

C7.3c

(C7.3c) Break down your total gross global Scope 1 emissions by business activity.

Activity	Scope 1 emissions (metric tons CO2e)
Distribution centres - Space heating	2,430
In house transport - company cars / business travel	820

Offices - space heating	110
RS locals – space heating	430
In house transport – commercial vehicles	810

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/region.

Country/Region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Americas	2,800	400
Asia, Australasia	600	600
Europe and Africa	4,300	400

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

By business division

By activity

C7.6a

(C7.6a) Break down your total gross global Scope 2 emissions by business division.

Business division	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
EMEA	4,200	400
Americas	2,700	300
Asia Pacific	600	600
Integrated supply	200	100

C7.6c

(C7.6c) Break down your total gross global Scope 2 emissions by business activity.

Activity	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Distribution centres (inc co-located sales facilities)	6,950	900
RS Locals	120	0
Sales offices and other	590	500

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Decreased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	1,800	Decreased	24	Additional supplies of renewable energy in the year for sites in the USA, France, Austria, Denmark, Germany and the UK. Use is subject to the same energy reduction programmes as other types of energy. Calculation: 1800 tonne reduction/prior year market based CO2 of 7500 = -24% DECREASE

Other emissions reduction activities	1,200	Decreased	16	Includes emissions reductions due to our programme of energy efficiency projects across our global sites, the impact of employee engagement through our Target Zero programme, the introduction of hybrid and electric cars in our company car fleet. The total reduction in emissions of CO2 from these activities is some 1200 tonnes of CO2e. Calculation: 1200 tonne reduction/prior year market based CO2 of 7500 = -16% DECREASE.
Divestment	0	No change	0	No divestments in the year.
Acquisitions	700	Increased	9	Full year effect of the acquisitions were completed during the 2020/21 year with emissions reported from completion of the transactions to the prior year end in line with the financial statements. The impact of this is an increase in emissions of 700 tonnes of CO2e from the relevant operations. Divided by the total market based prior year emissions of 7500 tonnes of CO2e gives a value of +9% increase.
Mergers	0	No change	0	No mergers in the year.
Change in output	500	Increased	7	Output, represented by revenues at constant foreign exchange rates, increased in real terms in the reporting year. The impact of this resulted in an increase in emissions of approximately 500 tonnes of CO2e. Dividing 500 tonnes by the total market based prior year emissions of 7500 tonnes of CO2e gives a value of 7% increase.
Change in methodology	0	No change	0	No change in methodology in the year.
Change in boundary	0	No change	0	No change in boundary in the year.
Change in physical operating conditions	0	No change	0	No related changes in the year.
Unidentified	0	No change	0	No unidentified changes in the year.

Other	300	Increased	4	Easing of COVID-19 restrictions allowed an increase in company car use compared to the prior year which covered the pandemic. Resulted in an increase of some 300 tonnes of CO2e. Divided by prior year emissions of 7500 tonnes +4% increase.

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Market-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No

Generation of electricity, heat, steam, or cooling	Yes

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	HHV (higher heating value)	0	15,900	15,900
Consumption of purchased or acquired electricity		27,200	3,700	30,900
Consumption of self-generated non-fuel renewable energy		600		600
Total energy consumption		27,800	19,600	47,400

C8.2b

(C8.2b) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	No
Consumption of fuel for the generation of heat	Yes
Consumption of fuel for the generation of steam	No
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	No

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Sustainable biomass

Heating value

HHV

Total fuel MWh consumed by the organization

0

Comment

RS Group does not currently consume biomass

Other biomass

Heating value

HHV

Total fuel MWh consumed by the organization

0

Comment

RS Group does not currently consume biomass

Other renewable fuels (e.g. renewable hydrogen)

Heating value

HHV

Total fuel MWh consumed by the organization

0

Comment

RS Group does not currently consume renewable hydrogen

Coal

Heating value

HHV

Total fuel MWh consumed by the organization

0

Comment

RS Group does not consume coal

Oil

Heating value

HHV

Total fuel MWh consumed by the organization

0

Comment

RS Group does not currently consume oil

Gas

Heating value

HHV

Total fuel MWh consumed by the organization

15,500

Comment

Natural gas used for space heating at our sites world-wide

Other non-renewable fuels (e.g. non-renewable hydrogen)

Heating value

HHV

Total fuel MWh consumed by the organization

400

Comment

Other non-renewable fuels used by RS Group comprise LPG propane and fuel oil.

Total fuel

Heating value

HHV

Total fuel MWh consumed by the organization

15,900

Comment

C8.2d

(C8.2d) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.

	Total Gross generation (MWh)	Generation that is consumed by the organization (MWh)	Gross generation from renewable sources (MWh)	Generation from renewable sources that is consumed by the organization (MWh)

Electricity	700	600	700	600
Heat	0	0	0	0
Steam	0	0	0	0
Cooling	0	0	0	0

C8.2e

(C8.2e) Provide details on the electricity, heat, steam, and/or cooling amounts that were accounted for at a zero or near-zero emission factor in the market-based Scope 2 figure reported in C6.3.

Sourcing method

Green electricity products from an energy supplier (e.g. green tariffs)

Energy carrier

Electricity

Low-carbon technology type

Renewable energy mix, please specify

Solar, wind, hydro

Country/area of low-carbon energy consumption

United Kingdom of Great Britain and Northern Ireland

Tracking instrument used

Contract

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

15,800

Country/area of origin (generation) of the low-carbon energy or energy attribute

United Kingdom of Great Britain and Northern Ireland

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

2,020

Comment

Note commissioning year is not confirmed - year shown is the calendar year in which our business in the relevant country first sourced electricity with the specified attributes from this provider.

Sourcing method

Green electricity products from an energy supplier (e.g. green tariffs)

Energy carrier

Electricity

Low-carbon technology type

Renewable energy mix, please specify

Solar, wind, hydro

Country/area of low-carbon energy consumption

Germany

Tracking instrument used

Contract

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

2,200

Country/area of origin (generation) of the low-carbon energy or energy attribute

Germany

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

2,015

Comment

Note commissioning year is not confirmed - year shown is the calendar year in which our business in the relevant country first sourced electricity with the specified attributes from this provider.

Sourcing method

Green electricity products from an energy supplier (e.g. green tariffs)

Energy carrier

Electricity

Low-carbon technology type

Renewable energy mix, please specify

Solar, wind, hydro

Country/area of low-carbon energy consumption

France

Tracking instrument used

Contract

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

2,400

Country/area of origin (generation) of the low-carbon energy or energy attribute

France

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

2,021

Comment

Note commissioning year is not confirmed - year shown is the calendar year in which our business in the relevant country first sourced electricity with the specified attributes from this provider

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Sourcing method

Green electricity products from an energy supplier (e.g. green tariffs)

Energy carrier

Electricity

Low-carbon technology type

Renewable energy mix, please specify

Solar, wind, hydro

Country/area of low-carbon energy consumption

United States of America

Tracking instrument used

Contract

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

6,700

Country/area of origin (generation) of the low-carbon energy or energy attribute

United States of America

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

2,014

Comment

Note commissioning year is not confirmed - year shown is the calendar year in which our business in the relevant country first sourced electricity with the specified attributes from this provider.

C8.2g

(C8.2g) Provide a breakdown of your non-fuel energy consumption by country.

Country/area

Other, please specify

Americas

Consumption of electricity (MWh)

7,800

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

7,800

Country/area

Other, please specify

Asia, Australasia

Consumption of electricity (MWh)

1,000

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

1,000

Country/area

Other, please specify

EMEA

Consumption of electricity (MWh)

22,500

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

22,500

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

Description

Waste

Metric value

1.37

Metric numerator

3500 tonnes total waste

Metric denominator (intensity metric only)

£2554m revenue

% change from previous year

1

Direction of change

Decreased

Please explain

As part of our work to decrease resource use and the associated green-house gas emissions we report on waste intensity which was down by 1% in the year. Note metric is tonnes waste/£m revenue

---

Description

Other, please specify

Water use

Metric value

4.06

Metric numerator

31800m3 total water use

Metric denominator (intensity metric only)

7826 average headcount for the year

% change from previous year

4

Direction of change

Decreased

Please explain

We also focus and report water use and intensity as part of our climate-connected reporting. The Group is not an intensive water user, with the main use of water being 'domestic / sanitary'. We report water intensity indexed to full-time equivalent headcount. Note metric is m3/head

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

RS1 FY22 ESG verification CO2 packaging diversity.pdf

Page/ section reference

The assurance statement from ERM CVS is set out on pages 80-81 of the RS Group 2021/22 annual report as extracted uploaded to CDP.
SCOPE 1: “Scope of our assurance engagement” which confirms that Scope 1 and 2 CO2e equivalent emissions (tonnes CO2e) are included.
ASSURANCE STD: “Assurance standard” which confirms ISAE 3000 (revised)
ASSURANCE LEVEL: Engagement summary confirms “Limited Assurance”
VERIFICATION OPINION: See ’Our conclusion’.

Relevant standard

ISAE3000

Proportion of reported emissions verified (%)

100

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Scope 2 approach

Scope 2 market-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

RS1 FY22 ESG verification CO2 packaging diversity.pdf

Page/ section reference

The assurance statement from ERM CVS is set out on pages 80-81 of the RS Group 2021/22 annual report as extracted uploaded to CDP.
SCOPE 2: “Scope of our assurance engagement” which confirms that Scope 1 and 2 CO2e equivalent emissions (tonnes CO2e) are included.
ASSURANCE STD: “Assurance standard” which confirms ISAE 3000 (revised)
ASSURANCE LEVEL: Engagement summary confirms “Limited Assurance”
VERIFICATION OPINION: See ’Our conclusion’.

Relevant standard

ISAE3000

Proportion of reported emissions verified (%)

100

C10.1c

(C10.1c) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Scope 3 category

Scope 3: Upstream transportation and distribution

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Underway but not complete for reporting year – previous statement of process attached

Type of verification or assurance

Limited assurance

Attach the statement

RS Achilles GHG verification 2020-21.pdf

Page/section reference

The assurance statement uploaded to CDP.
SCOPE 3: included in the verified totals – see page 6
ASSURANCE STD: ISO 14064 is included in the Audit criteria on page 1
ASSURANCE LEVEL: page 3 under the heading ‘verification level of assurance’ confirms “Limited Assurance”
VERIFICATION OPINION: see page 3 also under the heading ‘verification level of assurance’
RELEVANT YEAR: See ‘inventory period’ on P1 which refers to the year from 1/4/20 to 31/3/21.

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

73

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?

Yes

C10.2a

(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?

Disclosure module verification relates to	Data verified	Verification standard	Please explain
C6. Emissions data	Other, please specify Packaging consumption and intensity	ASSURANCE STD: “Assurance standard” which confirms ISAE 3000 (revised) ASSURANCE LEVEL: Engagement summary confirms “Limited Assurance”	Packaging consumption contributes to our scope 3 category 12 emissions end of life disposal of products sold.

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

No, and we do not anticipate being regulated in the next three years

C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?

No

C11.3

(C11.3) Does your organization use an internal price on carbon?

Yes

C11.3a

(C11.3a) Provide details of how your organization uses an internal price on carbon.

Objective for implementing an internal carbon price

Navigate GHG regulations
Stakeholder expectations
Change internal behavior
Drive energy efficiency
Supplier engagement

GHG Scope

Scope 1
Scope 2
Scope 3

Application

Business units: Following a pilot on our 2021/22 reports, in 2022/23 we have agreed a shadow internal price on carbon for FY23. This covers our Scope 1, 2 and part of our scope 3 CO2 emissions, including category 4 (upstream transportation and distribution) and category 6 (business

travel). We will report this internally and to our SMT and Board of Directors quarterly – starting with Q1 FY23. The results will be reported for our key regions and business units to engage and incentivise them to drive efficiencies and decarbonise their business unit

Actual price(s) used (Currency /metric ton)

42

Variance of price(s) used

We will keep our internal carbon price flexible, to allow it to change with time as external factors evolve, and thus ensure our model remains best practice

Type of internal carbon price

Shadow price

Impact & implication

We will calculate an internal carbon price covering scope 1, 2 and part of our scope 3 CO2 emissions for our key regions and business units. We will report this annually to our SMT and Board of Directors. The intended impact is to engage and incentivise our different business units to drive efficiencies and decarbonise their business unit.

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

Yes, our suppliers

Yes, our customers/clients

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement

Engagement & incentivization (changing supplier behavior)

Details of engagement

Run an engagement campaign to educate suppliers about climate change

% of suppliers by number

10

% total procurement spend (direct and indirect)

65

% of supplier-related Scope 3 emissions as reported in C6.5

Rationale for the coverage of your engagement

We are working with suppliers to reduce carbon in the value chain as part of the implementation of our responsible procurement programme. This covers both direct and indirect suppliers.

Our supplier code of conduct and supplier ethical trading declarations cover environmental matters and climate change. This includes supplier operations and product performance.

We are working with suppliers to launch a sustainable product range that have sustainability attributes, including energy Star ratings, Ecolabels and other certifications, etc.

We are also encouraging suppliers to adopt Science Based Targets to reduce their Scope 1 and Scope 2 Greenhouse Gas emissions and to address Scope 3 emissions in their supply chain.

As part of our science based targets we have committed to a target for 2/3 of our suppliers for have set science based targets by 2025.

The suppliers covered by this engagement are selected according to their impact and where we have the most leverage to influence change. They include our largest suppliers along with a number of those supplying our main own-brand ranges.

Impact of engagement, including measures of success

We are actively using tools provided by EcoVadis and Sedex (own suppliers) to facilitate a direct engagement programme.

To date 40% of our suppliers are signed up to EcoVadis and 30% of RS PRO suppliers to Sedex We have run training programmes with both organisations for our supplier facing employees.

MEASUREMENTS OF SUCCESS:
1. Through a focused campaign 29% of our suppliers have signed our Ethical Trading agreement or have their own agreement which meets our standards in full

2. We continue to work with our larger suppliers to set science based targets as part of our own science based targets.

Suppliers representing 19% of spend have now committed to set science based targets by 2025)

We have given training to our Procurement teams through ETI and CIPS to help equip them to collaborate with our suppliers Examples include working with suppliers to identify mutually beneficial ways of reducing Scope 1, 2 and 3 emissions in the value chain and to encourage them to take action (e.g. installing solar panels.)

3. We have committed to launch a sustainable product range by the end of the 2022/23 year. Work has been completed with key Suppliers and a recognised accreditation agency to define the attributes of this range.

Our ambition is to expose 100k sustainable products by the end of financial year 2022/23

Comment

We are also working to influence materials use, product efficiency, waste, and water footprints. We are focusing on working with our largest suppliers on these issues.

Type of engagement

Information collection (understanding supplier behavior)

Details of engagement

Collect climate change and carbon information at least annually from suppliers

% of suppliers by number

1

% total procurement spend (direct and indirect)

90

% of supplier-related Scope 3 emissions as reported in C6.5

Rationale for the coverage of your engagement

RS Group is working with our providers of third-party logistics to assess the CO2 emissions due to our use of their services, the routes and modes of transport used.

Further understanding of this is allowing us to work with our customers and suppliers to reduce the CO2 emissions and thus the carbon footprint of the distribution supply chain, leading to improved performance and reduced emissions.

Impact of engagement, including measures of success

This work is helping to inform our supply chain strategy through the use of CO2 emissions as a proxy for cost and efficiency. Both RS Group and our suppliers are learning from this process which is helping to identify carbon 'hot-spots'.

The key measures of success include modal changes (e.g. air freight changed to sea freight) resulting in improved performance and reduced

emissions.

Comment

This work is ongoing.

C12.1b

(C12.1b) Give details of your climate-related engagement strategy with your customers.

Type of engagement & Details of engagement

Collaboration & innovation

Run a campaign to encourage innovation to reduce climate change impacts

% of customers by number

% of customer - related Scope 3 emissions as reported in C6.5

25

Please explain the rationale for selecting this group of customers and scope of engagement

Customers selected according to size and spend - actual or potential - and according to their interest in collaborating and innovating to reduce emissions and other environmental impacts of the supply chain.

Examples include dedicated services / kits and offerings of low-energy products (e.g. hand tools); scheduled consolidated deliveries resulting in lower logistics emissions and less packaging; e-invoicing and e-ordering to reduce printing and paper use; new and innovative services such as test and measurement, thermal imaging and leak detection; investment in technology to enable virtual meetings, less travel (Teams/ Zoom etc.); new packing including reusable totes, custom boxes and increased use of recycled and recyclable packaging.

Impact of engagement, including measures of success

Engagement on climate change supports the growth of the business, particularly with certain and enlightened customers. It is leading to innovation in the supply chain in respect of climate change and other areas of environmental performance (e.g. packaging use)

Success is measured based on customer relationships and loyalty, value and cost and the overall performance of the business.

Type of engagement & Details of engagement

Education/information sharing

Run an engagement campaign to educate customers about the climate change impacts of (using) your products, goods, and/or services

% of customers by number

% of customer - related Scope 3 emissions as reported in C6.5

30

Please explain the rationale for selecting this group of customers and scope of engagement

Customers selected according to size and spend - actual or potential - and according to their interest in CO2 emissions and other environmental impacts of the supply chain.

Engagement includes meetings and discussions and the provision / exchange of data. This also includes customer questionnaires and site visits, evaluations and surveys, reporting and engagement.

We prioritise such engagement according to stakeholder expectations, the scale of the opportunity and commercial value.

Impact of engagement, including measures of success

Engagement on climate change supports the growth of the business, particularly with certain and enlightened customers. It is leading to innovation in the supply chain in respect of climate change and other areas of environmental performance (e.g. packaging use)

Success is measured based on customer relationships and loyalty, value and cost and the overall performance of the business

C12.2

(C12.2) Do your suppliers have to meet climate-related requirements as part of your organization's purchasing process?

Yes, climate-related requirements are included in our supplier contracts

C12.2a

(C12.2a) Provide details of the climate-related requirements that suppliers have to meet as part of your organization's purchasing process and the compliance mechanisms in place.

Climate-related requirement

Setting a science-based emissions reduction target

Description of this climate related requirement

Suppliers are required to sign up to the RS Group Ethical Trading Policy requires that appropriate suppliers adopt Science Based Targets to reduce their Scope 1 and Scope 2 Greenhouse Gas emissions and to address Scope 3 emissions in their supply chain. These targets should be aligned with the current guidance from the Science Based Targets initiative (SBTi) and where possible approved by the SBTi. Where appropriate, preference will be given to suppliers with or committed to Science Based Targets and where possible RS Group will work with suppliers to encourage and facilitate this.

% suppliers by procurement spend that have to comply with this climate-related requirement

67

% suppliers by procurement spend in compliance with this climate-related requirement

19

Mechanisms for monitoring compliance with this climate-related requirement

Certification
Supplier self-assessment
First-party verification

Response to supplier non-compliance with this climate-related requirement

Retain and engage

C12.3

(C12.3) Does your organization engage in activities that could either directly or indirectly influence policy, law, or regulation that may impact the climate?

Row 1

Direct or indirect engagement that could influence policy, law, or regulation that may impact the climate

Yes, we engage directly with policy makers
Yes, we engage indirectly through trade associations

Does your organization have a public commitment or position statement to conduct your engagement activities in line with the goals of the Paris Agreement?

Yes

Attach commitment or position statement(s)

Page 61 of our 2021/22 Annual Report confirms our position which is to drive collaboration and industry-wide action, and we joined the UN Global Compact's Business Ambition for 1.5°C and the UN Race to Zero in 2021/22 to align to best-practice guidelines and collaborate to drive positive change. In addition our Science based targets align with 1.5°C and the goals of the Paris Agreement.

RS GROUP AR 2022.pdf

Describe the process(es) your organization has in place to ensure that your engagement activities are consistent with your overall climate change strategy

Our VP Social Responsibility and Sustainability and our VP Global EHS work to ensure the Group's direct and indirect engagement activities, which influence climate change policy are consistent with the Group's overall climate change-related strategy. The process is supported through the Group's ESG leadership committee which is chaired by a non-executive director. It also involves the investor relations team and public relations teams to identify the key contacts for engagement with regard to climate change. This ensures a common approach to multiple climate engagement activities is consistent with our strategy on climate change.

C12.3a

(C12.3a) On what policy, law, or regulation that may impact the climate has your organization been engaging directly with policy makers in the reporting year?

Focus of policy, law, or regulation that may impact the climate

Climate-related targets

Specify the policy, law, or regulation on which your organization is engaging with policy makers

Adoption of the Committee on Climate Change's (CCC's) recommendations on legislating for a net-zero carbon economy in the UK by 2050.

Policy, law, or regulation geographic coverage

National

Country/region the policy, law, or regulation applies to

United Kingdom of Great Britain and Northern Ireland

Your organization's position on the policy, law, or regulation

Support with no exceptions

Description of engagement with policy makers

Our CEO supported and signed the letter sent by the CBI, the CLG, and the IIGCC on 31 May 2019 to the Prime Minister calling for adoption of the Committee on Climate Change's (CCC's) recommendations on legislating for a net-zero carbon economy by 2050.

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation

Have you evaluated whether your organization's engagement is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Focus of policy, law, or regulation that may impact the climate

Climate-related targets

Specify the policy, law, or regulation on which your organization is engaging with policy makers

Paris Agreement

Policy, law, or regulation geographic coverage

Global

Country/region the policy, law, or regulation applies to

Your organization's position on the policy, law, or regulation

Support with no exceptions

Description of engagement with policy makers

As a TCFD supporter, Global Compact participant and as supporters of the Paris Agreement we support the introduction of zero emissions targets and have set our own ambition to achieve net-zero across our own operations by 2030 and across the wider value chain before 2050 .

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation

Have you evaluated whether your organization's engagement is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

C12.3b

(C12.3b) Provide details of the trade associations your organization engages with which are likely to take a position on any policy, law or regulation that may impact the climate.

Trade association

Confederation of British Industry (CBI)

Is your organization's position on climate change consistent with theirs?

Consistent

Has your organization influenced, or is your organization attempting to influence their position?

We are not attempting to influence their position

State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)

Supports net-zero targets and legislation: The CBI, with the CLG, and the IIGCC, supported the call to the UK Prime Minister to adopt the Committee on Climate Change's (CCC's) recommendations on legislating for a net-zero carbon economy by 2050

Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)

0

Describe the aim of your organization's funding

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication

In mainstream reports, incorporating the TCFD recommendations

Status

Complete

Attach the document

RS GROUP AR 2022.pdf

Page/Section reference

See pages 58-81 of our 2021/22 Annual Report which covers the content listed below.

Content elements

Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics

Comment

Our Scope 1 and 2 CO2 emissions are subject to external assurance. See P80-81 of the 2021/22 Annual Report

Publication

In mainstream reports, incorporating the TCFD recommendations

Status

Complete

Attach the document

RS1 TCFD_Report_2021-22.pdf

Page/Section reference

See 2021/ 22 TCFD report. Pages 1-31 (table of contents on page 2)

Content elements

Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics

Comment

Publication

In voluntary sustainability report

Status

Complete

Attach the document

RS1 2021-22 ESG pack.pdf

Page/Section reference

See 2021/22 ESG pack pages 13-25

Content elements

Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics

Comment

C15. Biodiversity

C15.1

(C15.1) Is there board-level oversight and/or executive management-level responsibility for biodiversity-related issues within your organization?

	Board-level oversight and/or executive management-level responsibility for biodiversity-related issues	Description of oversight and objectives relating to biodiversity

Row 1	Yes, executive management-level responsibility	The responsibilities of our VP of Social Responsibility and Sustainability and our VP EHS include biodiversity-related issues, working with global, regional and local facilities management. Preservation and promotion of biodiversity is covered by our environmental policy.

C15.2

(C15.2) Has your organization made a public commitment and/or endorsed any initiatives related to biodiversity?

	Indicate whether your organization made a public commitment or endorsed any initiatives related to biodiversity	Biodiversity-related public commitments
Row 1	Yes, we have made public commitments only	Other, please specify Covered by publicly available environmental policy

C15.3

(C15.3) Does your organization assess the impact of its value chain on biodiversity?

	Does your organization assess the impact of its value chain on biodiversity?
Row 1	No, and we do not plan to assess biodiversity-related impacts within the next two years

C15.4

(C15.4) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?

	Have you taken any actions in the reporting period to progress your biodiversity-related commitments?	Type of action taken to progress biodiversity- related commitments
Row 1	Yes, we are taking actions to progress our biodiversity-related commitments	Other, please specify Bee gardens tended by employees; green roof installation

C15.5

(C15.5) Does your organization use biodiversity indicators to monitor performance across its activities?

	Does your organization use indicators to monitor biodiversity performance?	Indicators used to monitor biodiversity performance
Row 1	No	

C15.6

(C15.6) Have you published information about your organization's response to biodiversity-related issues for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Report type	Content elements	Attach the document and indicate where in the document the relevant biodiversity information is located
No publications		

C16. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

C16.1

(C16.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	CFO	Chief Financial Officer (CFO)