



ESG SUPPLIER HANDBOOK 2025



MAKING AMAZING
HAPPEN FOR A
BETTER WORLD

This ESG handbook applies to all RS supplier partners and aims to inspire positive action that will deliver greater benefits for people, planet and profit, including for your business and stakeholders.

In this document we cover:

1. Our ask to supplier partners, including insights and guidance to help you embed ESG across your business and value chain (P5)
2. The fundamentals of Environmental, Social and Governance (ESG) and the key issues for the global industrial sector (P28)
3. The benefits and opportunities of adopting a strong sustainability approach (P34)
4. RS Group's ESG approach (P36-40)

In 2019/20, RS Group launched its 2030 ESG action plan: For a Better World, to embed responsible and sustainable business practices across everything we do. A core part of this commitment is working closely with our suppliers to build a more sustainable and resilient industrial value chain and work together to meet our customer's sustainability needs. We are now halfway to our 2030 goals, and we are grateful to our suppliers who have joined in our commitment and helped us accelerate our collective progress and value creation.

Why is this collaboration so important? Because ESG is not only the right thing to do, it makes strong business sense.

Customers consistently tell us that sustainability is a strategic priority, and ESG performance is now a differentiating factor in both supplier and product selection, especially for high-value partnerships.

It's important that we continue to drive action and faster progress. Our customers are looking for more choice of sustainable product solutions that promote efficiency in their operations, and that reduce costs, resource-use and environmental impacts. By investing in ESG, suppliers can unlock brand and product differentiation, new green revenue opportunities, stronger and more resilient businesses and supply chains with less risk.

This handbook outlines our supplier ESG action plan, with five immediate priorities for our partners. RS is committed to supporting you on this journey and promoting your ESG progress to our customers. We also want to collaborate, learn, and share together.

This handbook is packed with practical tips and real-world case studies. We hope you find it useful, wherever you are on your ESG journey. Please reach out if you need support – we're here to help make amazing happen, together.

Christian Horn

Chief Product and Supply Chain Officer,
RS Group

Who is this document for?

This document is for supplier partners of RS Group, its brands and markets. Please share it across your business with your customer, supplier and ESG-related teams to drive positive impact.



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NAVIGATING ESG IN 2025: A SHARED COMMITMENT TO SUSTAINABLE PROGRESS

Dear Supplier Partner,

Climate change continues to reshape our world, with rising temperatures, droughts, and flooding becoming increasingly frequent. At the same time, businesses face inflation, geopolitical instability, and supply chain disruption - making resilience, transparency, and long-term value creation more critical than ever.

Our customers look to RS and our suppliers to help them run their businesses more efficiently, safely and sustainably. That's why we're focused on driving faster action - investing in sustainable innovation now is essential to thrive in an increasingly competitive market.

At RS Group, our ESG supplier action plan is built on shared responsibility and mutual benefit. The key asks outlined in this handbook reflect what we've learned from working closely with our customers - whether it's expanding our sustainable product range, cutting Scope 3 emissions, or improving employee wellbeing. ESG action helps future-proof operations and keep pace with market expectations - enabling greater efficiency and lower costs as well as providing new commercial opportunities with customers.

ESG is now central to stakeholder trust and ultimately commercial value, particularly with increasing scrutiny driven by new regulations. These developments call for proactive governance, robust data, and deeper supplier collaboration.

As of October 2025, 39% of our suppliers have set science-based targets, and 56% are aligned with the EcoVadis framework. Together with EcoVadis, we've launched a new questionnaire called EcoVadis Vitals to make it easier for suppliers to assess ESG maturity and identify improvement opportunities - more on this soon.

Our own progress has been recognised with an EcoVadis Platinum medal for the third consecutive year and inclusion in the CDP A-list. We have also expanded our Better World product range to over 33,000 products from 140+ suppliers. A new sales tool now helps guide customers toward greener choices, aligning MRO product procurement with ESG goals.

We're proud of the progress we've made together and grateful for your continued commitment. As we look ahead, we invite you to engage with our supplier ESG action plan priorities - not just as compliance measures, but as opportunities to build a more sustainable, inclusive, and resilient supply chain

Danny Hobson

Head of Product and Supplier Sustainability,
RS Group



SUPPLIER ESG ACTION PLAN: OUR 10 KEY ASKS

While RS Group and many of our supplier partners have made positive strides to embed ESG within our businesses, we want to ensure that all our partners are taking action to have a broader impact across the industrial value chain.

By focusing on these areas, we believe you will increase your impact, strengthen your business and generate significant stakeholder and commercial value.



ADVANCING SUSTAINABILITY

1. Develop, certify and share more sustainable products for our Better World product range (P7-10)
2. Set science-based carbon reduction targets by 2025 and drive action (P11-12)
3. Use less packaging and more sustainable alternatives (P13-14)
4. Use lower-carbon modes of transport (P15-16)



EMPOWERING OUR PEOPLE

5. Protect and empower people across your business and value chain (P17-18)



DOING BUSINESS RESPONSIBLY

6. Provide transparent ESG information as part of our supplier qualification process (P19)
7. Commit to and sign an Ethical Trading Declaration (P20-21)
8. Become EcoVadis rated (Sedex members for RS PRO) and target ESG performance improvements (P22-23)
9. Align your efforts to the United Nations Global Compact (UNGC) (P24-25)
10. Collaborate to set ESG partnership objectives and drive shared action (P26)

We have ten key asks aligned to three of our global ESG goals.

FIVE IMMEDIATE PRIORITIES

For our partners just starting out on your ESG and sustainability journeys we ask you to prioritise these top five immediate priorities:

01.

BETTER WORLD PRODUCTS

Develop, share evidence and provide marketing materials

02.

ETHICAL TRADING DECLARATION

Sign and return or provide your own published document

03.

SCIENCE-BASED TARGETS

Map, set and action emissions reduction. Target 4.2% p.a. e.g., c.45% from 2020 to 2030

04.

ECOVADIS OR SEDEX

EcoVadis: Join EcoVadis. Aim for silver medal +
Sedex: Membership for RS PRO

05.

ESG MANAGEMENT SYSTEMS

Implement and align to Environmental (ISO 14001), Health & Safety (ISO 45001), Quality (ISO 9001)



ADVANCING SUSTAINABILITY

01. DEVELOP AND OFFER MORE SUSTAINABLE PRODUCTS

Why is it important?

To rapidly decarbonise, businesses must provide innovative product and service solutions that enable their customers to operate more sustainably and achieve net zero outcomes. We must all innovate to create the [circular products](#), [smart technologies](#), and [energy-saving alternatives](#) that our customers require. Beyond net zero, we know that customers expect sustainability at all stages of the product lifecycle – from raw materials and manufacturing to distribution, in-use and end-of-life.

Learn more at uk.rs-online.com/web/content/m/better-world

Better World product Guidelines 2024 can be found [here](#)



What is RS Group doing?

- The RS Better World claims-based framework gives customers more choice and information to select products that help them run their businesses more sustainably. For supplier partners, this offers a consistent and robust industry framework to help accelerate their sustainable product improvements and innovation, and gives them a trusted partner in RS to bring these to market.

“Our industry leading Better World product framework is enabling customers to find trusted and verified sustainable products and support suppliers to accelerate their sustainable product development. We are proud to be the go-to market partner for our suppliers and the sustainability shop window to help our customers advance sustainability across our industry.”

Simon Pryce,
CEO, RS Group

Better World



What are Better World products?

Whether our customers are looking for products that are made from more sustainable materials, or solutions to help save energy, reduce waste and water in their facilities, or products designed to stay in use for longer – our Better World product range can help meet their needs.

The range is diverse and extensive and covers all our key product categories and technologies including: electrical equipment such as lighting, PPE and workwear, renewable energy equipment, water and heat pumps, hygiene products including cloths and washroom equipment, automation and control and mechanical equipment such as inverter drives, contactors and MCBs.

The breadth and depth of our product offering will grow over time, as we continue to advocate with our suppliers to prioritise sustainability in their product development. Each product in the range carries a Better World badge to make it easy for our customers to find more sustainable product alternatives.

The Better World badge identifies products that have:

- **Been made more sustainably, provide a sustainable solution or support circularity**
- **At least one sustainability improvement, which is material to the product's life cycle**
- **Clear sustainability claims, supported by robust evidence, aligned to global best practice standards.**
Evidence can include:

- **Product Environment Profiles (PEP)**
- **Lifecycle Assessments (LCA)**
- **Environmental Product Declarations (EPDs)**
- **Other relevant evidence to support the claim, or one of 40+ leading global sustainability certifications and energy labels that we have identified**

Better World product methodology

Our framework is built on globally recognised standards, ensuring that Better World product claims are clear, credible and trusted.

Our claims-based framework

We have segmented Better World products into three distinct claim types that deliver sustainability benefits across the most material phases of the product lifecycle. Our range highlights products with at least one material sustainability improvement in at least one of these lifecycle stages. The graphic below lists the lifecycle stages and claims. For more information, please refer to our Better World Guidelines document [here](#).

MADE MORE SUSTAINABLY



Recycled materials



Alternative materials



Responsibly sourced materials



Concentrated or compact solution



Low carbon manufacture



Designed to optimise safety

SUSTAINABLE SOLUTION



Saves energy



Saves water



Reduces waste



Renewable energy solution



Improves air quality



Protects health and safety

SUPPORTS CIRCULARITY



Extended product life



Rechargeable innovation



Take back scheme



Designed for disassembly



Repairable by the end user

What are the benefits for our supplier partners?

- A clear and robust industry framework to align to - with no existing framework in place, suppliers are trusting to RS to set the precedent. Our framework is a key enabler to help drive product sustainability improvements and innovation.
- Claims relating to the full product lifecycle - to appeal to a wide range of customers and their needs.
- Adheres to EU regulations and directives - to promote trust and assurance.
- Externally validated - we have worked in partnership with external experts to validate our claims and the framework.

What is our ask of you?

1. Tell us about your existing products with sustainability benefits and share any evidence or certifications relating to the claims. To be included in the Better World product range, products must have:
 - A material sustainability improvement, listed in our claims-based framework
 - The claim must meet the minimum criteria for the product type
 - The claim should be scientifically tested or verified by the supplier or a third party
 - The claim must be clear with robust supporting evidence, such as third-party verification, certification (visit our website to see full list), or from another trusted source, e.g., product test reports
2. Prioritise sustainability in your future product development. Commit to providing more sustainable products and service solutions that help customers meet their objectives to reduce energy, emissions, water and waste – and that have a lower impact throughout the product lifecycle.
3. We want to collaborate to bring our customers the latest innovative product solutions that help support a cleaner, greener and healthier world. If you have a new idea – get in touch.



How can I take action?

1. Consider third party sustainability certifications and energy labels which could apply to your product.

Start by reviewing your product offer and committing to review how your products are made, their in-use benefits and how each supports circularity. In doing so, this will enable your products to be included in our Better World product range. Further information is available at <https://uk.rs-online.com/web/content/m/better-world>

2. Provide evidence for any additional sustainability claims

Beyond certification and labelling, consider providing additional evidence on any further claims regarding the in-use sustainability benefits of products such as energy savings. This will enable customers to better understand the benefits of the product while increasing transparency. Please raise queries via your main RS contact or via our dedicated Better World product mailbox betterworldproducts@rs.rsgroup.com

3. Introduce new and innovative sustainable products into your range

Finally, if you have a limited range of sustainable products currently, consider what you can do to bring more sustainable alternatives into your product range. We are happy to collaborate with you and share our expertise in developing these solutions.

Where can I find out more?

Find out more about our Better World Product range.

HERE



Read about the EU's Ecodesign for Sustainable and Circular Products Regulation.

HERE

Read about our commitment to product compliance and quality codes, policies and standards.

HERE

Find out more about sustainable raw materials through the Responsible Minerals Initiative (RMI).

HERE

Find out more about the circular economy.

HERE





ADVANCING SUSTAINABILITY

02 SET AND DRIVE SCIENCE-BASED CARBON TARGETS BY 2025

Why is it important?

As outlined by the [IPCC](#), we must reduce global emissions by 45% by 2030 and reach net zero by 2050 if we want to limit global warming to 1.5°C.

All businesses must take action to decarbonise their direct operations and work with their customers and suppliers to drive towards net zero in their wider value chain.

As climate action ramps up into 2030, we will see a rapid rise in attention, scrutiny on and focus on businesses to act. In recent years, there has been a surge in the number of companies committing to net zero carbon reduction targets, which are aligned to the [Science-based Targets initiative \(SBTi\)](#).

What is RS Group doing?

- **We are committed to becoming a net zero business by 2030.** To achieve this, we have set a target to reduce our direct emissions (Scope 1 and 2) by 75% by 2029/30, from 2019/20.
- We have also committed to reducing our Scope 3 transport emissions intensity by 35% per tonne of product sold by 2030.
- Within our supply chain, we have set the objective for 67% of our suppliers by spend to set science-based targets by 2025.

What is our ask of you?

- **We want you to set science-based carbon reduction targets (SBTs) covering your organisational and product-related emissions by 2025.** Use SBTi as the 'gold standard' ensuring your targets are ambitious and achievable and aligned to the IPCC report.
- 38% of our suppliers by spend have set SBTs to date.
- An SBT needs to deliver an annual reduction of >4.2% in CO₂ emissions. This means that if your baseline year is 2020, you would need to reduce your emissions by a minimum of 22% by 2025 and by 45% by 2030.
- We encourage you to go beyond reducing carbon in your direct operations and drive action around your value chain/Scope 3 emissions related to products, logistics, customers and suppliers.



How can I take action?

1. Measure and report your Scope 1, 2 and 3 carbon emissions

The starting point is to measure and report your direct carbon emissions (Scope 1 and 2) followed by your value chain emissions (Scope 3). [The Greenhouse Gas Protocol website](#) is a good place to start as they set the global standard for measuring and managing emissions.

2. Produce a long-term carbon reduction plan

Start with your direct operations and focus on implementing solutions such as building energy management, switching to renewables, low-carbon heating and transitioning to electric vehicles. [The 1.5°C business playbook](#) is a great resource to develop your plan.

3. Commit to setting a dedicated Science Based Target

All businesses should be aiming to halve their emissions within 10 years and be net zero by 2050 to meet global goals. Review the guidance from the [SBTi](#) to help set and define boundaries for your target and for advice on how to set your targets.

4. Create internal alignment

By building consensus and strong internal alignment from leadership down, you will be ready and have the right resources in place to publicly commit to your goals.

5. Follow the five SBTi steps to set a target before 2025 and share your commitments with RS Group

The SBTi details a [5-step process](#) to formally set your targets. The process includes submitting a letter of intent, developing targets, submitting targets, communicating with your stakeholders and disclosing them externally. Once developed, share your commitments with RS Group and provide ongoing updates via Quarterly Business Reviews (QBRs). See Step 10 on page 26.

Where can I find out more?

Read about the process for measuring and setting carbon reduction targets using the Greenhouse Gas Protocol.

HERE



Read more about the SBTi.

HERE

Read the guidelines on how to set a science-based target.

HERE

Definitions for Scope 1, 2 and 3 emissions as well as other carbon and GHG-related terminology can be found in the glossary on page 41.





ADVANCING SUSTAINABILITY

03 USE LESS PACKAGING AND MORE SUSTAINABLE ALTERNATIVES

Why is it important?

Packaging remains key to ensuring our products are delivered safely, securely, and without damage - but it is also one of the most visible sustainability challenges for our customers. In 2025, regulations to reduce packaging, remove plastics, and replace them with more sustainable alternatives are accelerating worldwide. This includes measures such as plastic taxes on non-recycled content, stricter Extended Producer Responsibility (EPR) schemes, and upcoming global legislation that will hold businesses accountable for the end-of-life impacts of their packaging. Urgent action is required - not only to ensure compliance but to respond to customer expectations by using less packaging overall and choosing materials that are more sustainable, recyclable, and circular in design.

What is RS Group doing?

- **We have set commitments to reduce our packaging intensity by 45%, with 100% of our packaging to be widely reusable or recyclable and made with 50% recycled content by 2030.**
- We have begun removing single-use plastics from our operations, replacing them with paper and other sustainable alternatives, and are investing in automation to reduce waste and optimise material use.
- Over the last year, we have increased the proportion of our packaging with over 50% recycled content. Our branded cartons and paper bags for customer orders now contain an average of 71% recycled content.

We encourage all suppliers to:

- **Conduct a sustainability audit of your packaging materials.**
- Remove or reduce excessive packaging wherever possible – especially single use plastics.
- Work with our packaging team to trial sustainable materials and improve recyclability without compromising production protection.
- Be ready to provide accurate packaging data (material type, weight, recycled content, recyclability, and supplier details) to support compliance with packaging regulations.

What is the Extended Producer Responsibility?

- Extended Producer Responsibility (EPR) is a regulation that makes businesses financially responsible for the recovery, recycling, and disposal of the packaging they place on the market.
- In the UK, EPR has been in place since 2023, requiring businesses to report packaging data and contribute to the costs of managing packaging waste. Similar schemes exist or are emerging in many other countries.
- Packaging and Packaging Waste Regulation (PPWR) is an EU-wide initiative to harmonise rules, increase recyclability, reduce packaging waste, and phase out certain materials (including many single-use plastics).
- As a distributor, RS Group must collect accurate data from our suppliers to meet these obligations. This includes material type, weight, recyclability, and recycled content for every packaging component. This data will be used to meet legal reporting requirements and avoid penalties.
- More information will be shared by the global packaging team to support this requirement.

How can I take action?

1. Remove Excess Packaging

Identify and eliminate unnecessary packaging components or labelling. Consolidate where possible to reduce waste, simplify handling, and lower costs - without impacting product safety.

2. Reduce Packaging Volume

Optimise packaging design to minimise size and material use while still protecting the product in transit. Consider right-sizing, automated packing solutions, and multi-use outer packaging.

3. Replace with Sustainable Alternatives

Audit your current packaging materials and identify opportunities to transition away from single-use plastics and hard-to-recycle items. Introduce widely recyclable, compostable, or higher-recycled-content alternatives.

4. Recycle or Reuse

Choose materials that can be easily recycled at kerbside or reused within the supply chain. Clearly label packaging with recycling or reuse guidance to help customers and ensure compliance with current and upcoming environmental regulations.



Where can I find out more?

Find out more about
EU plastic tax.

HERE

Find out more about
UK plastic tax.

HERE

Read a helpful
article on plastic
packaging taxes.

HERE

Learn about EU
regulations on
packaging design,
labelling and waste
management.

HERE





ADVANCING SUSTAINABILITY

04 USE LOWER CARBON MODES OF TRANSPORT

Why is it important?

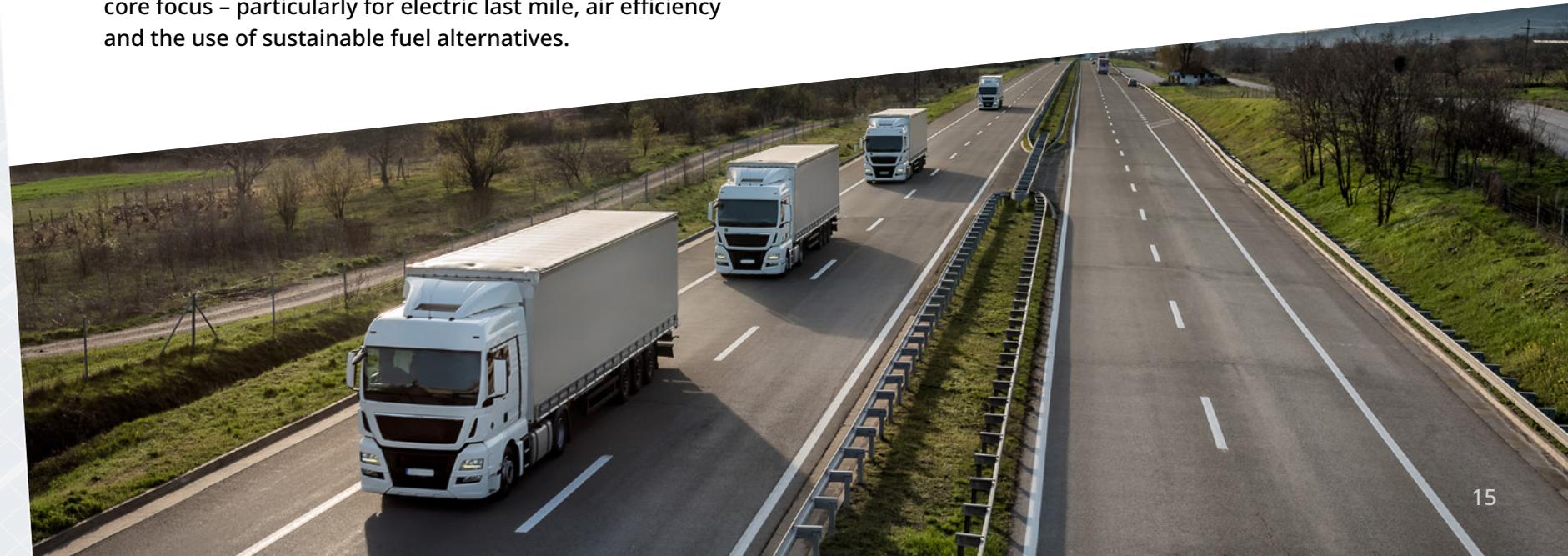
Transportation accounts for [one fifth of global GHG emissions](#), and is therefore a vital area to target with low-carbon solutions. With thousands of product shipments every day, it's critical that our industry finds ways to reduce its transport emissions footprint. By switching to [lower-carbon modes of transportation](#) and implementing route optimisation, significant cost and emissions reductions can be achieved. Many logistics providers are also investing in low-carbon technologies and utilising sustainable fuel alternatives to make a difference.

What is RS Group doing?

- **By 2029/30, we are targeting a 35% reduction in Scope 3 transport emissions per tonne of product sold against a 2019/20 baseline. To date, we have reduced our transport emissions intensity by 26% as at March 2025.**
- To achieve this, we have restructured our supply chain to source, store and ship more products locally and regionally. This is made possible by our regional distribution centre (DC) in Bad Hersfeld, Germany to serve our European partners.
- We regularly target modal shifts (e.g., air to sea and air to road) for internal product replenishments and customer deliveries. We also focus on parcel consolidation and average orders via small order handling charges.
- Engaging with freight providers to prioritise decarbonisation and lower carbon technologies is also a core focus – particularly for electric last mile, air efficiency and the use of sustainable fuel alternatives.

What is our ask of you?

- **We want to work together to ensure products reach RS and our customers in the most efficient and sustainable way possible.**
- By implementing supply chain optimisation initiatives and embedding low-carbon logistics solutions we can make a positive difference together to reduce our collective Scope 3 transport emissions.



How can I take action?

1. Optimise transportation routes

Partner with us to help optimise the sourcing and delivery routes you use. RS Group utilises innovative technology to ensure we are using the most efficient and effective transportation routes possible.

2. Consider modal shifts

Optimise inbound deliveries by prioritising surface or sea shipments over air, or by considering the use of sustainable fuel alternatives. If you don't deliver directly, consider switching to logistics providers that prioritise decarbonisation as part of their commercial offer.

3. Consolidate shipments

Bring shipments together to maximise the full space available and prevent multiple shipments. In doing so you will save emissions, time and costs.

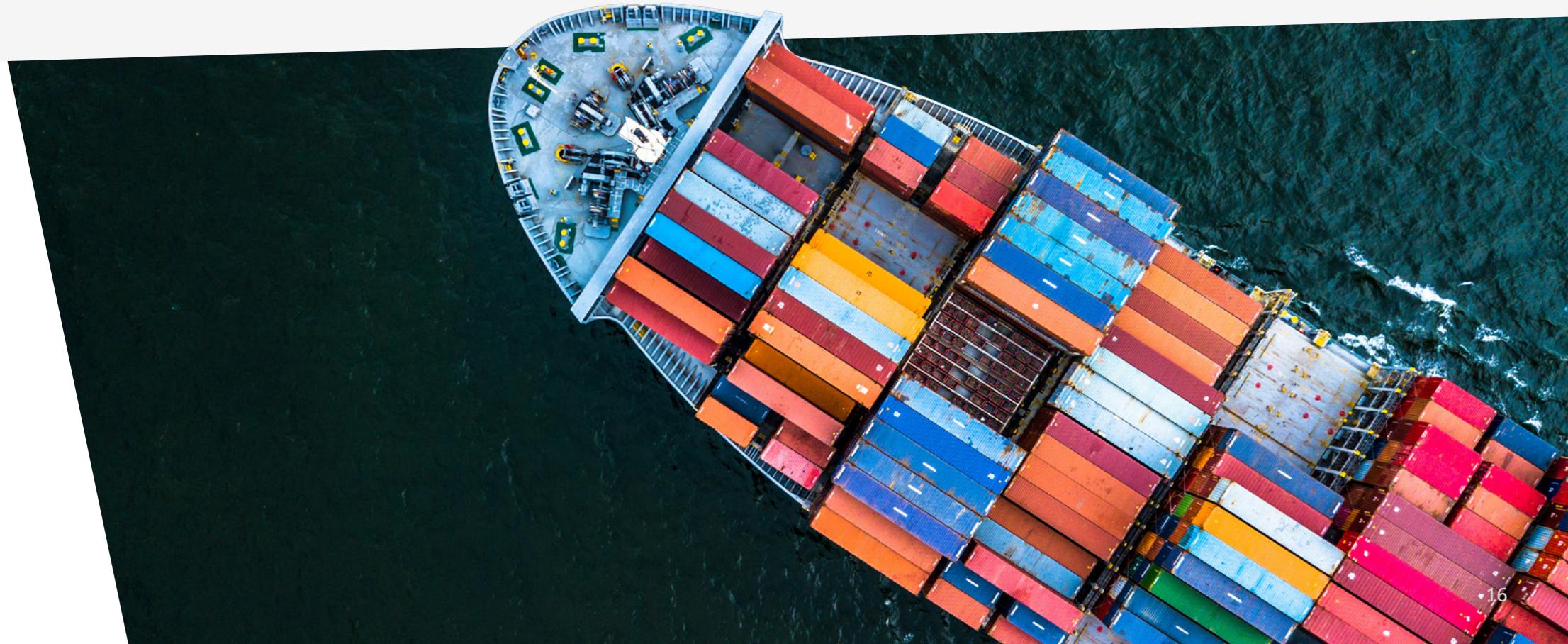
4. Share your transportation data with RS Group

To ensure regular reporting and monitoring, we request that you produce a carbon report on RS product deliveries. This will help us to track progress and identify ways to further reduce carbon and in turn, reduce costs and enhance efficiency for customers.

Where can I find out more?

Read the GHG protocol for emissions from product transportation.

HERE





EMPOWERING OUR PEOPLE

05

PROTECT AND EMPOWER PEOPLE ACROSS YOUR BUSINESS AND THE WIDER VALUE CHAIN

Why is it important?

With complex and dynamic relationships with various stakeholders, it is vital that individuals are protected and empowered wherever or whenever they are within the organisation and beyond it.

What is RS Group doing?

- The health, safety and wellbeing of our people is a top priority. We target zero people accidents and focus on creating an inclusive, purpose-led and high-performance culture.
- We want to ensure our team is reflective of the customers, suppliers and communities we serve and create an inclusive and engaging environment where everyone is proud and excited to come to work and can perform at their best, develop and thrive.
- We are focused on creating an engaged workforce by achieving an employee engagement score in the top 10% of high performing companies by 2030.

- We have a broad and far-reaching set of policies and processes covering all areas relating to empowering our people. This can be found on our website [here](#).
- For those working in our supply chain – we ask our suppliers to commit to strong labour practices and ensure their business and supply chain are free from modern slavery by signing our Ethical Trading Declaration or supplying their own equivalent policy.
- We ask our suppliers to get EcoVadis rated and RS PRO suppliers to become Sedex members to continuously benchmark and improve their ESG approach. We also conduct ethical inspections of our high-risk private-label suppliers.

What is our ask of you?

- **We want you to develop robust policies, processes and procedures to ensure that you are protecting and empowering people across your business and throughout the supply chain.**
- This should include a focus on human rights, modern slavery, child labour, wellbeing, remuneration, diversity & inclusion, health & safety and all other topics that ensure your people are respected, valued and able to thrive.



How can I take action?

1. Conduct a Human Rights risk assessment

As a first step, we suggest you undertake a detailed Human Rights risk assessment to identify any potential risks within your value chain. In doing so you will be able to implement effective mitigation strategies to prevent any breaches.

2. Undertake Modern Slavery training for your sourcing team and supply chain partners

It is a requirement for UK businesses with an annual turnover of £36 million to comply with the Modern Slavery Act. Despite this, many do not conduct formal training to help their people or partners identify potential risks. Consider implementing mandatory training for your sourcing team and supply chain partners.

3. Conduct regular ethical inspections

Consider conducting regular ethical inspections of your sites to ensure you are keeping up to date with requirements.

4. Check in with your people

It's important to have a two-way dialogue with your people so they can share their views and speak out when they have questions or concerns. By undertaking annual employee surveys, providing access to a whistleblowing hotline and holding regular managerial reviews, you will be better able to support your people.

5. Ensure fair pay and remuneration

Making sure you pay your employees at least the minimum wage in your region of operation is vital, as is ensuring you pay fair remuneration for their performance and contribution to your business.

6. Prioritise diversity and inclusion in your direct business and in your sourcing programs

It's vital that employees feel supported and able to thrive regardless of their race, ethnicity, nationality, gender, sexual orientation or disability. To achieve this, it's important to put in place relevant standards and processes that promote inclusivity – including long-term commitments and ensuring consistent leadership across jurisdictions.

Where can I find out more?

Read and download our Code of Conduct.

[HERE](#)

Download our Ethical Trading Policy.

[HERE](#)

Read our Modern Slavery policy and statement.

[HERE](#)

For more information on frameworks for empowering your people, check out the Responsible Labour Initiative (RLI).

[HERE](#)

For more information on frameworks for empowering your people, check out the Global Business Initiative on Human Rights.

[HERE](#)

For more information on frameworks for empowering your people, check out the Ethical Trading Initiative.

[HERE](#)





DOING BUSINESS RESPONSIBLY

06

PROVIDE TRANSPARENT ESG INFORMATION AS PART OF OUR SUPPLIER QUALIFICATION PROCESS

Why is it important?

To take meaningful action on ESG, it's vital that businesses across the value chain are aligned on the issues that matter most. By establishing clear standards in our supplier engagement process, we can ensure that we are prioritising suppliers that share our values and that display clear evidence of taking action within their direct operations and with their value chain partners.

What is RS Group doing?

- We require all suppliers to complete a supplier qualification questionnaire at the start of our partnership, and a follow-up re-qualification questionnaire approximately every two years.
- As part of our responsible supply chain commitment, we risk screen all existing suppliers against global government lists.

What is our ask of you?

- We will ask every supplier to complete a brief questionnaire containing key ESG-related questions as part of our supplier qualification and due diligence activities.
- As part of this process, we ask for openness, transparency and a commitment from our partners that they will do all they can to ensure a responsible and sustainable supply chain.
- For suppliers of RS PRO branded products, we ask you to become a member of Sedex and complete their self assessment questionnaire. 75% of RS PRO suppliers are members with Sedex, as at the end of 2024/25.

How can I take action?

1. Complete the supplier qualification or requalification questionnaire

This will be provided to you by your procurement governance team as part of the onboarding process, or as part of a supplier qualification process if you're an existing supplier.

2. Commit to ESG improvement targets and timelines

Through QBRs our team will sit down with you to monitor your ESG commitment and progress towards embedding action within your business. This will include monitoring your policies, processes and certifications during our partnership.

3. Conduct your own supplier qualification, risk screening and due diligence activities

Follow the same process with your own suppliers to ensure accountability at all levels of the value chain.





DOING BUSINESS RESPONSIBLY

07 COMMIT TO AND SIGN OUR ETHICAL TRADING DECLARATION

Why is it important?

Every business holds a moral responsibility to act in an ethical and compliant way in all its interactions and conduct. At RS Group, our Ethical Trading Policy sets out the minimum mandatory requirements for doing business with any company that is part of RS Group. It is our first port of call when it comes to how we conduct business with our suppliers.

What is RS Group doing?

- RS Group has strong policies and processes relating to all areas disclosed in the Ethical Trading Declaration. This includes governance, compliance frameworks, and ethical and environmental standards.
- These are outlined in our [Code of Conduct](#) which sets out the standards of behaviour to which we all must work. Our wider codes, policies and standards library can be found [here](#).
- To date, 64% of our suppliers by spend have signed our Ethical Trading Declaration or provided one of their own.

What is our ask of you?

- **We require all our suppliers and partners to read our Ethical Trading Policy and sign our [Ethical Trading Declaration](#).**
- The Ethical Trading Declaration confirms your organisation's commitment to meeting our minimum mandatory requirements for doing business. Also, to continuously improve in all areas outlined in the policy in line with best practice.
- We also ask that you develop your own Ethical Trading Policy and ask your suppliers to read and commit to this.



How can I take action?

1. Commit to and sign the RS Group Ethical Trading Declaration

Our Ethical Trading Policy and Declaration can be downloaded at the link below. It should be completed and returned to your relevant RS Procurement Governance team immediately. Alternatively, please provide your own equivalent policy, which our team can review and confirm.

2. Take action by embedding policies and processes relating to Section A: Compliance and Section B: Ethical and Environmental standards

Our Ethical Trading Policy is split into two sections. Section A: Compliance covers ten requirements. Section B: Ethical and Environmental Standards covers three requirements. Please review the document annually to ensure all actions are being addressed.



Where can I find out more?

Read our Ethical Trading Policy and sign the Declaration.

HERE

Read the RS Code of Conduct.

HERE





DOING BUSINESS RESPONSIBLY

08

BECOME ECOVADIS RATED OR SEDEX MEMBERS TO TARGET ESG PERFORMANCE IMPROVEMENTS

Why is it important?

[EcoVadis](#) provides reliable, globally recognised sustainability ratings and insights to enable its 100,000+ rated companies to reduce risk and drive improvements in all areas of ESG. At RS, we ask our strategic suppliers to undergo an annual EcoVadis assessment to understand their performance, adopt best practice and target improvements. For RS PRO suppliers, we ask you to become a [Sedex](#) member. Sedex is one of the world's leading ethical trade membership organisations, working to improve working conditions in global supply chains.

What is RS Group doing?

- **RS Group have been EcoVadis rated since 2020 and we retained the Platinum Medal for our performance in 2025.** This achievement puts us in the top 1% of the 100,000+ rated companies assessed by EcoVadis. To continue to improve year-on-year, we target performance improvements in line with our 2030 ESG action plan.
- We encourage our strategic suppliers to be EcoVadis rated. To date 55% of suppliers by spend are rated.
- We have partnered with EcoVadis to offer all suppliers a free assessment using EcoVadis Vitals, a light questionnaire to help suppliers identify high-level sustainability risks within their operations.
- We also ask all RS PRO suppliers to become Sedex members. As at 31 March 2025, 75% of RS PRO suppliers by spend are members.



What is our ask of you?

- **We want our product and service suppliers to sign-up to the EcoVadis platform,** undertake the rating process and target performance improvements over time.
- **For those suppliers who have yet to sign up to the EcoVadis platform,** maybe due to concern on costs or level of resource, we encourage you to take the EcoVadis Vitals questionnaire. It will take approximately one hour to complete and will help to identify sustainability risks within your business.
- **For our RS PRO suppliers, we ask to you become Sedex members,** complete their questionnaire and also encourage your own suppliers to become members.
- EcoVadis has lots of useful resources to promote ESG best practice, including its Return on Sustainability thought leadership series [here](#).



How can I take action?

1. Sign-up to EcoVadis and complete the Sustainability Assessment

Once complete, share your scorecard with RS. In addition, we recommend that you work with EcoVadis, internal stakeholders and supply chain partners to drive improvement actions over time that increase your performance and overall rating, aiming for a silver medal and above.

2. Take the EcoVadis Vitals questionnaire

A free, lighter alternative to the full assessment to help identify high-level sustainability risks within your operations.

3. Become a Sedex member and complete the questionnaire (for RS PRO suppliers)

Once complete, share your scorecard with RS. In addition, we recommend that you work with Sedex, internal stakeholders and supply chain partners to drive improvement actions over time that increase your performance and overall rating.

Where can I find out more?

Read more
about EcoVadis.

HERE



Read more
about becoming
EcoVadis rated.

HERE

Read more
about Sedex.

HERE





DOING BUSINESS RESPONSIBLY

09

ALIGN YOUR EFFORTS TO THE UNITED NATIONS GLOBAL COMPACT (UNGC)

Why is it important?

The [UNGC](#) provides a common framework for ESG and corporate responsibility that guides all businesses regardless of size, complexity or location. By signing up to its [Ten Principles](#) on human rights, labour, environment and anti-corruption you reinforce your commitment to embedding strong ethical principles and practices within your business. This is a voluntary initiative that over 12,000 companies in 160 countries are committed to, to help drive positive change across all areas of sustainability.



United Nations
Global Compact

What is RS Group doing?

- RS Group has supported the principles of the United Nations Global Compact (UNGC) since 2021 and we produce our annual Communication on Progress (CoP) [here](#). We are taking action on each of the Ten Principles through our 2030 ESG action plan.

What is our ask of you?

- **We encourage you to sign up to the UNGC and align your activities to its Ten Principles.**
- This includes obtaining buy-in from your CEO to sign an annual Communication on Progress statement.



How can I take action?

1. Review the UNGC application guidelines for a step-by-step guide on the business application joining process

The requirements for aligning with the UNGC and its Ten Principles are outlined [here](#).

2. Prepare a letter of commitment addressed to the UN Secretary-General

The letter should be signed by your company's highest-level executive (or equivalent) committing to implement the Ten Principles of the UN Global Compact, take action in support of the Sustainable Development Goals and submit an annual 'CoP'.

Letter templates can be found [here](#).

3. Complete the online application form

Complete the online application form [here](#) and upload a digital copy of the Letter of Commitment signed by the highest-level executive.

Where can I find out more?

Read more about the United Nations Global Compact.

HERE



Read about the requirements for signing up to the UNGC.

HERE

Read RS Group's Communication on Progress (CoP).

HERE





DOING BUSINESS RESPONSIBLY

10.

COLLABORATE TO SET ESG PARTNERSHIP OBJECTIVES AND DRIVE SHARED ACTION

Why is it important?

It's vital that we [collaborate](#) and work together to share ideas and best practice and align on our key areas of focus to drive meaningful ESG action. We want to work with our strategic suppliers to set ESG partnership objectives that highlight the win-win benefits of acting on ESG. To ensure we are constantly improving and doing all that we can, we will start reviewing our ESG objectives within quarterly business reviews to track our progress and adjust. It may also be a good idea to hold an annual ESG review with you and your sustainability lead to work together on key initiatives.

What is RS Group doing?

As part of our 2030 ESG action plan we have committed to drive key ESG objectives with our suppliers. These include:

- 67% of suppliers by spend to have set science-based carbon reduction targets by 2025
- Evaluating our suppliers against our high ethical and environmental standards and setting ESG objectives for strategic suppliers
- Risk screening all of our suppliers and asking them to commit to our ethical trading declaration
- 80% of suppliers by spend being EcoVadis rated and 90% of RS PRO suppliers becoming Sedex members by 2030

What is our ask of you?

- Collaborate with your strategic RS account manager to set mutually beneficial ESG objectives for our partnership around key topics including: sustainable products, carbon reduction and SBTs, packaging, product transportation, and your EcoVadis rating or Sedex membership and assessment
- Agree targets to embed in our partnership scorecard and review progress at quarterly and annual business reviews
- Implement and align to ISO Management Systems, including ISO 9001, ISO 14001 and ISO 45001 to complement your ESG strategy

How can I take action?

- 1. Share your strategy and the best practice actions your business is taking to support ESG**
- 2. Agree key initiatives and objectives and review as part of QBR meetings**
- 3. Hold an annual conversation with supplier managers to discuss key ESG agenda items important to both parties**
- 4. Provide a key ESG contact to RS to enable effective two-way conversations**



APPENDIX AND ADDITIONAL RESOURCES



WHAT IS ESG?

In simple terms, ESG is an acronym for Environmental, Social and Governance. This encompasses sustainability, responsible business and social impact activities. It is an approach that encourages stronger and more successful businesses, delivering greater long-term value for stakeholders and benefits for people, planet and profit.

As a framework, ESG includes a broad spectrum of issues to be considered within corporate strategy, as well as measured and reported as part of non-financial performance. It is an essential factor for smart businesses today, and collaboration across the supply chain is the biggest lever for change.

WHAT ARE THE KEY ESG ISSUES FOR THE INDUSTRIAL AND ELECTRONICS INDUSTRY?

There are a huge variety of ESG topics and it is vital for each industry and company to conduct a materiality assessment to understand their most material ESG issues - including both risks and opportunities. On pages 32 - 33 we have highlighted some of the key ESG issues for our industry.

You can also leverage the CSRD framework by conducting a double materiality assessment to better understand your ESG impacts, risks, and opportunities (see page 41 for more information).



How can I identify ESG issues that are relevant to my business?

Established external frameworks and standards such as the [Global Reporting Initiative \(GRI\)](#) and the [Sustainability Accounting Standards Board \(SASB\)](#) provide useful guidance to help you identify your most material issues and understand how to take action on ESG.



ENVIRONMENTAL (E):

To avoid the worst impacts of climate change, we must keep global warming below a maximum of 1.5°C above pre-industrial levels in line with the 2015 Paris Agreement. To achieve this, we need to decarbonise on a global scale. This requires businesses to develop robust net zero strategies throughout the value-chain to accelerate sustainable systems.

Key topics include:

- Climate change and greenhouse gas (GHG) emissions
- Sustainable and circular products
- Greener packaging and logistics
- Chemical materials of concern
- Circular economy, waste and recycling
- Energy efficiency
- Environmental management systems (EMS)
- Pollution and air quality
- Water management
- Biodiversity

Spotlight on:

- **Energy consumption & GHG emissions:**

Driving towards net zero operations through strict energy management, switching to renewables and adopting low-carbon heat solutions

- **Sustainable products & service solutions:**

Ensuring that products are made with sustainable and recyclable materials and help the end consumer reduce their environmental impacts, e.g., reducing energy, emissions and water

- **Sustainable packaging:**

Reducing the use of packaging and ensuring that necessary packaging is recyclable, reusable, or compostable and made with recycled content where possible. Work to eliminate the use of single-use plastics and other unsustainable materials



SOCIAL (S):

Businesses play a vital role in helping people lead healthy, productive and dignified lives. Companies must act to uphold human rights, promote diversity and create an equitable playing field for all while supporting their people to achieve their best and building skills for the future. Those that do will attract and retain the best talent and empower their people to lead their future success.

Key topics include:

- Diversity and inclusion
- Employee development and learning opportunities
- Employee engagement and purpose-led culture
- Fair pay and rewards
- Health, safety and well-being
- Labour standards and human rights
- STEM (Science, Technology, Engineering and Maths) education and early talent
- Communities

Spotlight on:

- **Health, safety and wellbeing:**

Embedding safety-first principles across all elements of activity to protect and preserve the health, safety and wellbeing of your people, customers and the public.

- **Labour and human rights:**

Upholding the human rights of all of those that work within the industry and eliminating all forms of corruption, child labour, slavery and human trafficking.

- **Diversity and inclusion:**

Promoting a culture of equal opportunity, equitable employment, and fairness to all irrespective of gender, race, religion, sexuality or disability.



GOVERNANCE (G):

Good corporate governance requires businesses to embed strong policies, processes and standards which support better ways of working. To achieve this, businesses need clear leadership, an established ethical framework and transparent practices for consistent implementation at all levels of the organisation and throughout the supply chain.

Key topics include:

- Anti-bribery and corruption
- Business ethics
- Cyber security
- Policies, processes and risk management
- Product governance (including traceability, use of conflict minerals and counterfeit products)
- Remuneration
- Responsible supply chain
- Taxes and payments

Spotlight on:

- **Business ethics:**

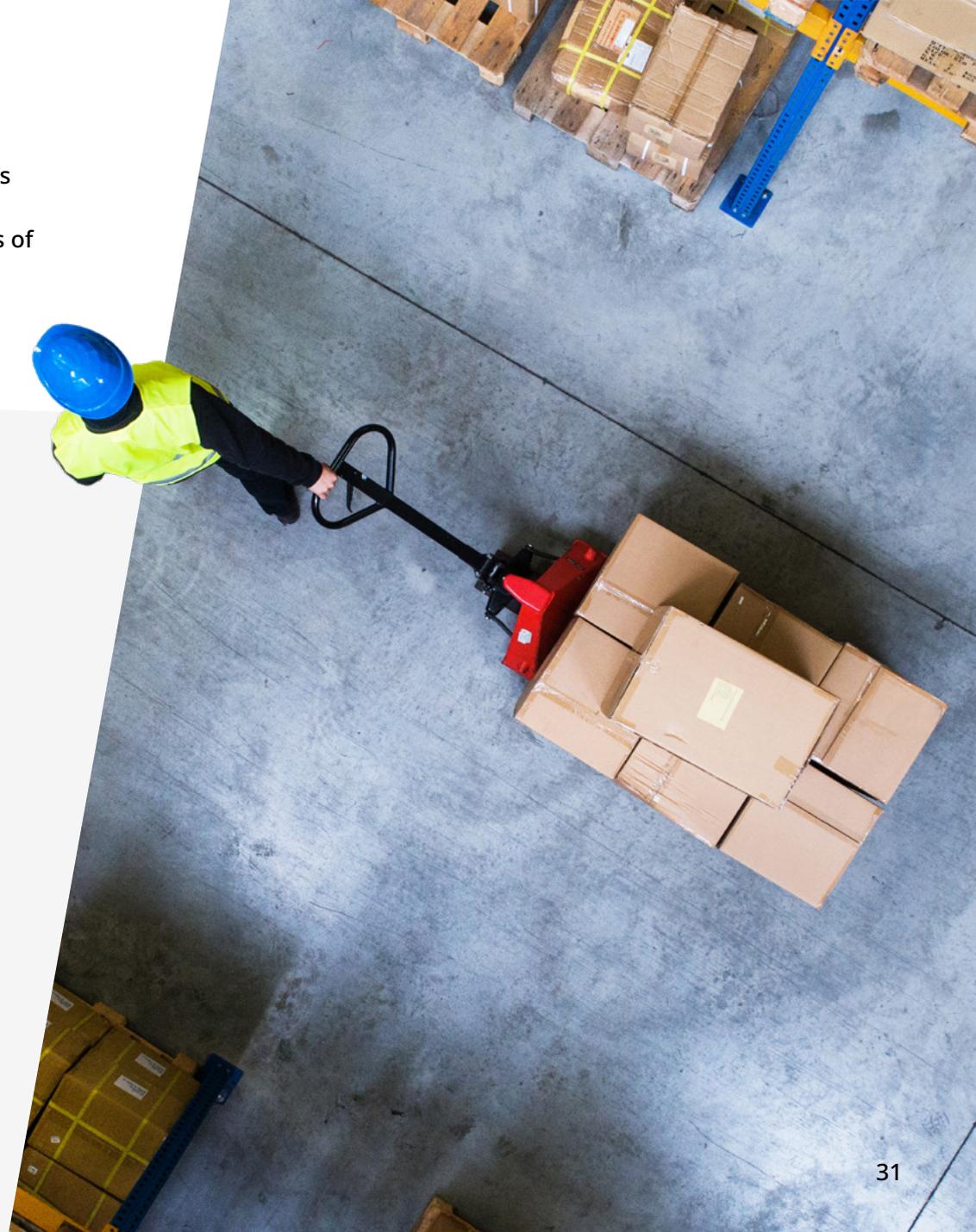
Upholding high standards of legal and ethical conduct through good governance, effective policies, processes, and strong values

- **Responsible supply chain:**

Collaborating with partners and vendors to develop mutually beneficial relationships and applying ethical standards throughout the value chain

- **Information security and data privacy:**

Protecting and preserving information by embedding effective data privacy and information security practices and complying with relevant legislation and standards



KEY DRIVERS OF ESG

The significant rise in corporate activity regarding ESG over the last several years has been driven by many converging factors. These include:

Stakeholder expectations

Around the world, stakeholders are converging on the importance of businesses to act on ESG. In response, **60% of the world's largest public companies have now set net zero GHG emissions commitments** (Net Zero Tracker, Stocktake 2022).

Customers are increasingly expecting businesses to act on sustainability. A 2021 study found that **85% of people have shifted their purchasing behaviour towards more sustainable choices** in the past five years alone (Simon-Kucher & Partners, Global Sustainability Study).

Employees want the business they work for to share their values. According to a LinkedIn survey, **73% of professionals who identify as working for a purpose-driven business are satisfied with their jobs**. In addition, **companies with a sustainability action plan have considerably higher employee satisfaction ratings** than those that don't (March McLennan; ESG as a Workforce Strategy).

CEOs also agree that sustainability matters. **93% of CEOs stated that sustainability is important to the success of the business**, while **80% view sustainability as a route to competitive advantage in their industry** (UNGC and Accenture; Reimagining the Agenda).

It's also becoming a major topic within the supply chain. **91% of companies take sustainability criteria into account in purchasing decisions**, with 81% of buyers stating that if it was easier to buy sustainably-certified products, they would (HEC Sustainable Procurement Benchmark).



WHY TAKE ACTION ON ESG?

There are many reasons to take action to embed ESG within your business. Many of these are driven by external factors such as the rapidly evolving regulatory landscape, shifting stakeholder preferences and evolving socio-economic trends. Below, we outline some of the key factors worth monitoring.

Converging legislation

Global legislation around ESG matters has increased substantially in recent years. In the UK, legislation such as **Streamlined Energy and Carbon Reporting (SECR)**, **Gender Pay Gap Reporting**, the **Modern Slavery Act** as well as climate-risk reporting from the **Taskforce for Climate-related Financial Disclosures (TCFD)** has encouraged companies to take a more structured approach to ESG strategy and disclosure.

Global regulation is also converging around **mandatory sustainability disclosures**, with organisations like the **International Sustainability Standards Board (ISSB)** and the **Corporate Sustainability Reporting Directive (CSRD)** working to standardise frameworks for joined-up ESG disclosures, assurance and reporting.

Risk management

77% of UK organisations say energy is their biggest risk and 66% of companies are focused on increasing their energy efficiency to mitigate future concerns (Context Consulting).

ESG investment

There has been a substantial rise in the number of **ESG-specific investment funds**, with many portfolio managers shifting their capital allocation from unsustainable business models to ESG-only funds. As a result, **ESG assets are now on track to exceed \$53 trillion by 2025** – a third of global AUM (Bloomberg).

As a result, **87% of business leaders anticipate that their organisations' financial investment in sustainability initiatives will increase** over the next two years (Gartner 2022 Sustainability Survey).

BENEFITS OF A STRONG ESG APPROACH

These ESG drivers also provide many opportunities for businesses. When implemented effectively, ESG can help to add:

01.

Drive responsible and sustainable growth

02.

Differentiate your brand and provide a commercial advantage

03.

Reduce operational costs and promote resilience

04.

Reduce risks or controversies

05.

Strengthen relationships with customers, suppliers and partners

06.

Attract and retain talent, empower and motivate your people via a purpose-led culture

07.

Increase attractiveness to shareholders

08.

Meet legal and compliance requirements



RS AT A GLANCE

OUR VISION

To be first choice for all our stakeholders

OUR PURPOSE

Making amazing happen for a better world

WHAT WE DO

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

>1m
customers

>2,500
suppliers

£252
average order
value

>830,000
stocked
products

c.30k
Better World
products

c.8,500
employees

36
countries with
RS operations

A GLOBAL PARTNER

Revenue split

■ EMEA	61%
■ Americas	31%
■ Asia Pacific	8%

FINANCIAL HIGHLIGHTS

Revenue
£2,904m
Change: (1)%
2023/24: £2,942m

OUR 2030 ESG ACTION PLAN

For a Better World is our 2030 ESG action plan to support a more sustainable and inclusive world. We are bringing our people, customers, suppliers and communities together to accelerate our positive impact and deliver our purpose of making amazing happen for a better world.

Our ESG goals



**ADVANCING
SUSTAINABILITY**



**EMPOWERING
OUR PEOPLE**



**CHAMPIONING YOUTH &
COMMUNITIES**



**DOING BUSINESS
RESPONSIBLY**

Our ESG ratings and standards



EcoVadis
Platinum
Medal 2025



Climate
leadership
score A

S&P Global

Included in
Sustainability
Yearbook

MSCI

AA rating

SUSTAINALYTICS

Global top 50 ESG companies



WE ARE TAKING ACTION ACROSS FOUR GLOBAL GOALS

UNDER ONE, ALIGNED VALUE CREATION APPROACH

OUR 2030 ESG ACTION PLAN



ADVANCING SUSTAINABILITY

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



EMPOWERING OUR PEOPLE

Creating a safe, inclusive and dynamic culture where everyone can thrive & grow.



CHAMPIONING YOUTH & COMMUNITIES

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



DOING BUSINESS RESPONSIBLY

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

2030 ESG ACTION PLAN

Global goals		2024/25 highlights		
 ADVANCING SUSTAINABILITY	Developing sustainable operations and product & service solutions for our customers & our suppliers	64% education in Scope 1 and 2 emissions since 2019/20 ¹	82% of our packaging has >50% recycled content, an increase of 16% pts since 2023/24 ²	26% reduction in Scope 3 transport emissions intensity since 2019/20 ³
 EMPOWERING OUR PEOPLE	Creating a safe, inclusive and dynamic culture where our people can thrive and grow	72 employee engagement score down from 75 in 2023/24	37% of our senior leaders are women and 10% are ethnically diverse ⁴	36% reduction in our all accident frequency rate ⁵ since 2019/20
 CHAMPIONING YOUTH & COMMUNITIES	Partnering with education providers, building skills & fostering innovative solutions that improve lives	913K young engineers and innovators supported since 2020/21	£963K raised to support The Washing Machine Project to improve lives since 2020/21	30% of our employees volunteered to support their local communities in the last two years
 DOING BUSINESS RESPONSIBLY	Taking action to ensure the highest ethical and environmental standards throughout our business and global value chain	48% of employees had their annual incentive aligned to carbon reduction targets	38% of suppliers by spend set science-based targets	75% of RS PRO suppliers are Sedex members

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

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

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

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

5. Per 200,000 hours worked.

HOW WE SUPPORT OUR SUPPLIERS

We are committed to supporting our suppliers to raise ESG standards across our supply chain, from sourcing responsibly to strengthening labour practices and developing a sustainable distribution model. Here's how we support our suppliers through our responsible supply chain programme, and what we've achieved to date:



Support provided	What does this mean?	What we've achieved to date
Risk management	We work with our suppliers to embed effective risk management processes within their operations.	100% of suppliers on our existing RS database are risk screened against over c.650 global government-issued lists.
Supplier screening	We conduct ethical inspections of our higher risk RS PRO sites in Asia by holding regular inspections to ensure they are upholding the highest standards of conduct.	In 2024/25, we conducted 57 site audits of our RS PRO suppliers in Asia to conduct more in-depth ethics and compliance checks.
Alignment to RS Group ethical standards	We require our suppliers to align their activities to our Ethical Trading Declaration.	In February 2022, we introduced an improved ethical trading declaration and asked all suppliers to commit in a phased rollout. 64% of suppliers by spend had a signed Ethical Trading Declaration in place in 2024/25.
Alignment to external leading ESG standards	We encourage our suppliers to get assessed by leading external sustainability agencies such as EcoVadis and Sedex to implement responsible business practices within their operations.	In early 2021/22, we partnered with EcoVadis to understand the ESG performance of our suppliers and target improvements. As at 31st March 2025, 55% of suppliers by spend are EcoVadis rated and 75% of RS PRO suppliers are Sedex members.
Setting carbon targets	We are asking our suppliers to set science-based carbon reduction targets in line with the Science Based Targets initiative (SBTi) to decarbonise the industrial supply chain.	In July 2021, we asked over 450 suppliers to set SBTs at our global supplier conference. As of 2024/25, 38% of suppliers have set science-based climate goals through the SBTi.

FOUR GLOBAL GOALS, 14 AMBITIONS BY 2030



1. ADVANCING SUSTAINABILITY

We are developing sustainable operations and product and service solutions for our customers and suppliers.

By 2030 in our direct operations:

- Be net zero with a science-based target to reduce absolute emissions from our own operations by 75%¹
- Make our packaging more sustainable: reduce intensity by 45%¹, with 100% of packaging widely reusable, recyclable or compostable, and made with 50% recycled content
- Reduce, reuse and recycle our waste: reduce intensity by 50%¹, recycle > 95% and achieve zero waste to landfill in our direct operations

Work towards a net zero global value chain by 2050:

- Reduce Scope 3 transport emissions by 35% per tonne of product sold¹
- Develop innovative and sustainable product and service solutions for all our customers, including offering 100,000 Better World products¹
- Engage 67% of our suppliers by spend to set science-based targets by 2025

¹By 2029/30 from 2019/20



3. EMPOWERING OUR PEOPLE

We are creating a safe, inclusive and engaging environment where everyone is proud and excited to come to work and can perform at their best, develop and thrive.

- Achieve and maintain an employee engagement score in the top 10% of high-performing companies
- Ensure our team is reflective of the customers, suppliers and communities we serve and create an inclusive and engaging environment where everyone is proud and excited to come to work and can perform at their best, develop and thrive
- Aim for zero accidents involving our people



2. CHAMPIONING YOUTH & COMMUNITIES

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

- Support one million young people with educational technologies, learning content and skills development opportunities
- Support our social impact partners to develop solutions that improve lives to help 100,000 people in need
- Inspire 50% of our colleagues to volunteer to support their communities and build new skills



4. DOING BUSINESS RESPONSIBLY

We are ensuring the highest ethical and environmental standards throughout our business and global value chain.

- ESG-related targets included in our employee rewards programme
- Evaluate our suppliers against our high ethical and environmental standards and set ESG objectives for strategic suppliers

CYBER SECURITY

Why is this important?

Cyber attacks are rising in frequency and severity and can have a much broader impact than just loss of business and loss of reputation. Cyber attacks regularly have a much broader societal impact, from affecting availability of goods and services to preventing the provision of critical healthcare and educational services. When it comes to cyber security, all organisations have a responsibility to not just protect their own services and financial viability but also to consider the role they play in broader supply chains and the communities they serve.

All businesses are targeted, no matter their size, industry, or how well they're known. The simple fact is that if you make money, you will be targeted. Cyber criminals are highly professional, highly resourced and, sadly, often very successful. The annual revenue achieved by cyber criminals tops \$1.5bn, greater than the GDP of many countries. Cybercrime is not going away.

What is RS doing?

We have an ongoing information security programme that addresses technical, physical and social factors.

The aim is to ensure that all our people understand how they can protect themselves and understand their role in keeping the company safe.

We conduct third party risk assessments and define minimum security standards.

What action can you take?

- Ensure that you have a cyber security incident response plan; it really is a case of when, not if, so being prepared is crucial.
- Ensure these plans are regularly tested, with practice exercises for all staff.
- Perform regular and proactive security testing against systems using professional penetration testers and associated software. This enables you to identify any weaknesses before a criminal does.
- Implement technical controls including multi-factor authentication, email security, and anti-malware software.
- Ensure you have a robust patching programme and keep systems up to date.
- If possible, employ qualified cyber security professionals.



GLOSSARY OF TERMS

- **CSRD**

The Corporate Sustainability Reporting Directive is a European Union directive that mandates large companies and listed entities to disclose detailed information on their ESG impacts, risks and opportunities. Under CSRD, companies must report in line with the European Sustainability Reporting Standards (ESRS), developed by EFRAG, and apply a double materiality lens - considering both the impact of the company on society and the environment, and the financial risks ESG issues pose to the company.

- **GHGs**

Greenhouse gases absorb infrared radiation (net heat energy) emitted from Earth's surface and re-radiating it back to the Earth's atmosphere, thus contributing to the greenhouse effect. The greenhouse gases that contribute to the greenhouse effect are listed in the Kyoto Protocol of the United Nations Framework Convention on Climate Change (UNFCCC).

- **Net zero**

Net zero target setting supports the rapid decline of a company's value-chain emissions to limit global temperature rise to 1.5°C. Net zero ambitions cover the entire value chain emissions, including those produced by one's own processes (Scope 1), purchased electricity and heat (Scope 2), and emissions generated by suppliers, service providers and customers (Scope 3).

- **Scope 1 emissions**

Total direct GHG emissions from sources owned or controlled by a company.

- **Scope 2 emissions**

Total indirect GHG emissions from sources that are related to the generation of purchased energy outside the company boundaries.

- **Scope 3 emissions**

Total indirect GHG emissions from the production of fuel and raw materials; business travel; raw materials; transport of products and raw materials; and employee commuting.





GLOSSARY OF TERMS

- **SBTi**
The Science Based Targets initiative (SBTi) is a collaboration between CDP, the United Nations Global Compact (UNGC), World Resources Institute (WRI), the World Wide Fund for Nature (WWF) and one of the 'We Mean Business Coalition' commitments. It champions science-based target setting as a powerful way of boosting companies' competitive advantage in the transition to the low carbon economy.
- **Science based target**
A carbon emission target is defined as 'science-based' if it is in line with the scale of reductions required to keep global temperature rise to well-below 2°C above pre-industrial levels and pursuing efforts to limit warming to 1.5°C.
- **Recyclable**
A product or package is deemed recyclable when it can be collected, separated, or otherwise recovered from the waste stream through an established recycling programme and returned to use in the form of raw materials or products. Collection and sorting mechanisms are conveniently available to a reasonable proportion of consumers of the product and recycling takes place in practice on an industrial scale.
- **Reusable**
A characteristic of a product or packaging that has been conceived and designed to accomplish within its life cycle a certain number of trips, rotations or uses for the same purpose for which it was conceived.

GLOSSARY OF TERMS

- **SDGs**
The United Nations Sustainable Development Goals, are a set of universal goals that meet the urgent environmental, political, and economic challenges facing our world.
- **EcoVadis**
EcoVadis is a global sustainability rating agency that organisations can use to understand more about the ESG performance of their suppliers.
- **Sedex**
Sedex is a membership organisation that provides one of the world's leading online platforms for companies to manage and improve working conditions in global supply chains.
- **TCFD**
The Task Force on Climate-related Financial Disclosures (TCFD) develops voluntary, consistent climate-related financial risk disclosures for use by companies in providing information to investors, lenders, insurers and other stakeholders. Physical and transition risks associated with climate change are considered.
- **UK Modern Slavery Act (MSA)**
An Act of the Parliament of the United Kingdom, which became a law in 2015 and was the first of its kind in Europe, and one of the first in the world, to specifically address slavery and trafficking in the 21st century.
- **UNGC**
The United Nations Global Compact (UNGC) is a non-binding United Nations pact to encourage businesses and firms worldwide to adopt sustainable and socially responsible policies, and to report on their implementation. Formal disclosure is done through a document referred to as the Communication on Progress (CoP).

CONTACTS

For more information on RS Group's ESG approach or how we can work together to take action please visit:

WWW.RSGROUP.COM/SUSTAINABILITY



Or contact your local RS account manager

For Better World products, find us on:

UK.RS-ONLINE.COM/WEB/CONTENT/M/BETTER-WORLD

