ROBERT WALTERS GROUP

# Annual Report & Accounts 2023

www.robertwaltersgroup.com

# Powering people and organisations to fulfil their unique potential.

At the Robert Walters Group, our purpose is to power people and organisations to fulfil their unique potential, and our vision is to be the world's leading specialist professional recruitment business. In a contested marketplace, the quality of service we have consistently delivered to our clients and candidates over the last almost 40 years has seen the Robert Walters brand develop the strength it has today.

Each day, over 3,900 colleagues spread across 31 countries live out our core principles of teamwork, integrity, passion, innovation, quality and inclusion as we solve talent challenges, champion people's stories and deliver better experiences and outcomes.

We match highly skilled professionals to permanent, contract and interim roles across the disciplines of accountancy, finance, banking, engineering, HR, healthcare, technology, legal, sales, marketing, secretarial & support, supply chain, logistics and procurement. Our client base ranges from the world's most influential multi-national corporates through to small and medium-sized businesses and start-ups.

Our purpose drives our environmental, social and governance ("ESG") commitments as we seek to positively impact lives, reduce our environmental impact and be a responsible, ethical business. It also means we put people and relationships first, investing in technology which gives our consultants more time to deepen candidate and client relationships all while building a dynamic culture to attract and retain the best people.

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View our Annual Report and Accounts online:
**robertwaltersgroup.com/investors**

# 2023 Overview

3% ↓

**£1,064.1m**

**Revenue**
2022: £1,099.6m

64% ↓

**20.1p**

**Basic Earnings Per Share**
2022: 56.2p

10% ↓

**£386.8m**

**Net Fee Income (Gross Profit)**
2022: £428.2m

No change

**23.5p**

**Ordinary Dividend Per Share**
2022: 23.5p

55% ↓

**£26.3m**

**Operating Profit**
2022: £58.2m

No change

**4.2**

**Glassdoor rating**
2022: 4.2

63% ↓

**£20.8m**

**Profit Before Taxation**
2022: £55.6m

2% ↓

**77%**

**Employee engagement score**
2022: 79%

Robert Walters Group at a Glance

# Market-leading global brand

■ Our locations

## Asia-Pacific

Net fee income 13% ↓

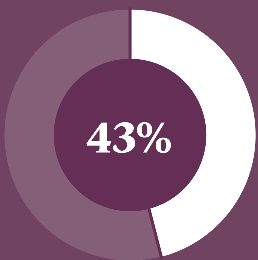
**£167.9m**

Operating profit

**£19.3m**

2022: £37.5m operating profit

% Group NFI




## Europe

Net fee income 2% ↑

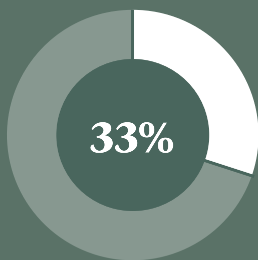
**£126.3m**

Operating profit

**£11.4m**

2022: £17.6m operating profit

% Group NFI



## UK

Net fee income 18% ↓

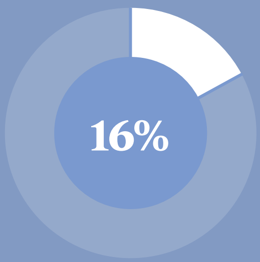
**£60.9m**

Operating loss

**£(0.4)m**

2022: £3.4m operating profit

% Group NFI




## Rest of World

The Americas, South Africa, Middle East

Net fee income 13% ↓

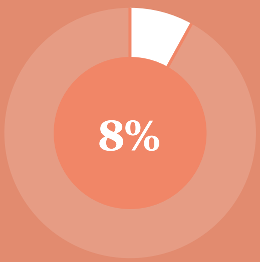
**£31.7m**

Operating loss

**£(4.0)m**

2022: £0.3m operating loss

% Group NFI



# Chair's Statement

It gives me great pleasure to introduce the 2023 Robert Walters plc Annual Report and Accounts. I have the immense privilege of serving as Board Chair and hope this report conveys the strengths of the Group's businesses, the special culture that is lived out each day by our people and how both of those elements were brought to bear as we navigated a challenging business environment during 2023.

## A year of change

Change, perhaps, is the only constant in the world in which we live today. For the Company, one of the clearest ways in which that was seen during the past year was in the composition of the Board itself. April 2023 saw the Group's founder, Robert Walters, retire from his role as Chief Executive at the time of the AGM. Over the course of almost 40 years, Robert devoted incalculable energy, time and dedication to building the Robert Walters business. Perhaps the most fitting tribute we can pay is to say that it would have been impossible to find another leader for the business quite like Robert. I know I speak not just for the Board, but for all of our people, when I say, on a personal level, the daily involvement of Robert in the business is greatly missed.

Nevertheless, the business needed a new leader, and the succession and selection process the Board ran left it incredibly confident that the right person to lead the Group during its next phase of development was Toby Fowlston. Toby assumed the role of Chief Executive also at the time of the AGM. Having spent most of his career with Robert Walters, both in the UK and leading our key Asia-Pacific business, Toby brings vital skills in leading successful recruitment operations, building highly effective teams and then motivating them to achieve clear strategic goals. The Board was delighted to welcome Toby as Chief Executive and is already benefiting from the knowledge, experience and perspective he brings and is committed to supporting and constructively challenging him and his senior team as they seek to build on a great platform. In addition, Toby and the Board continue to benefit from Robert staying connected to the business in an advisory capacity.

Board deliberations have also benefited from the input of the Group's new Chief Financial Officer, David Bower, who joined the business in September. As a Board we are already drawing on David's experience, particularly built during his time with HomeServe, operating in different international jurisdictions, as well as his plc experience supporting a business as it grew shareholder value. David's appointment followed the retirement of Alan Bannatyne from the role of CFO, also in September. Alan's contribution during his 21 years with the business, 16 of those as CFO, was considerable. During those two decades the business was transformed from a mainly UK focused operator with fewer than 1,000 people into the highly internationally diversified specialist talent partner that it is today, deriving c.85% of net fee income from outside the UK and with over 3,900 people. On behalf of the Board, I would like to thank Alan for the great contribution he made.

Additionally, the Board's Non-executive ranks were refreshed during the year as we welcomed Jane Hesmondhalgh and Michaela Tod in June. Jane and Michaela both bring considerable international business experience, with Jane's gained predominantly in the technology sector in North America and Michaela's in both Greater China and North-East Asia. This rich experience has already seen them make valuable contributions to the Board's deliberations and perspective. At the time Jane and Michaela joined the Board, we said farewell to Steven Cooper, who stepped down after serving on the Board for five years. Once again, I would like to record my thanks to Steven for his contribution to the development of the business.

**Leslie Van de Walle**
Chair
Robert Walters Group

## A year of challenge

In deep contrast to the hiring markets of the post-pandemic period of 2021-2022, trading conditions were challenging in 2023, becoming progressively tougher as the year wore on. The impact of significantly higher levels of inflation globally, and the resultant higher interest rates implemented by global monetary authorities in response, have been well documented and acted to dampen client and candidate confidence through the year.

In this context I am extremely proud of the resilient performance of the Group during 2023. Though Group financial performance, set against the all-time record fee income and profit performance of 2022, was clearly impacted by the external environment, all parts of our business demonstrated resilience and some parts of our business did see growth. Belgium particularly stands out for its fantastic performance in recording double-digit net fee income growth on an already record prior year, whilst our Japan business was incredibly resilient, broadly holding net fee income in line with the prior year.

## Sustainability

The Group's approach to sustainability is informed by our purpose of powering people and organisations to fulfil their unique potential. To bring this to life, in 2023 our business helped place over 42,000 candidates in new roles, thereby helping c.10,000 organisations. This purpose helps shape and focus the contribution we can make to a sustainable future. To take one element – the environment – a future state consistent with the Paris Agreement can only be achieved if businesses find and retain the right talent to deliver the solutions required for marked decarbonisation throughout the value chain.

Given our purpose and business model, and with the help of an external consultancy, back in 2022 we reflected on how we could make the biggest difference to help deliver a sustainable future. We published this framework in last year's annual report and our priorities are outlined in the six pillars of our ESG strategy. Within this we have also reported on progress against our targets during 2023, and I am pleased to say we took some significant strides forward during the year (see ESG Strategy from p26).

## Dividend

Given the strength of the Group's balance sheet and the Board's confidence in the medium to long term outlook and performance of the business, the Board is proposing a final dividend of 17.0p per share. Together with the interim dividend of 6.5p per share paid in September 2023, this takes the total dividend for the year to 23.5p, in line with that for the prior year.

## Looking ahead

I started this statement by reflecting on change being the only constant in the global business environment, and looking out over the rest of 2024 only serves to reinforce that view. The Group's strategic decision to balance sensible management of its cost base with maintaining its core consultant capacity is founded on our prior experience in trading through cyclical hiring markets. When client and candidate confidence becomes entrenched and markets move past the inflection point, momentum builds quickly – and we are determined to be well-placed to strengthen our positions in our key markets.

Consistent data to suggest such a trend is in place is not yet with us. However, in such a time we focus on the things that are in our control, and Toby and the rest of the management team are undertaking a set of initiatives to strengthen the business even further.

As I close this introductory welcome, I would like to thank all of our people for their passion, dedication and hard work over the last year.

**Leslie Van de Walle**
Chair
7 March 2024

# Chief Executive’s Statement

Toby Fowlston discusses the Group's performance in 2023 and looks ahead to key areas of focus for the business.

One of the great strengths of this business is the extent of our international diversification."

Toby Fowlston
**Chief Executive**

## You've been with the Group over 20 years. How has your career journey unfolded over that time?

2024 marks my 25th year with Robert Walters. Enough time to enable me to form the impression, biased though I clearly am, that it's a fantastic place to build your career. I initially qualified as a solicitor in the 1990s, which gave me a great insight into the skills needed to serve clients well and boost your firm, however it also enabled me to see that pursuing a legal career ultimately wasn't for me. I loved working with people, seeing what motivates them and learning from a diverse range of individuals from different backgrounds, and so I joined Robert Walters in 1999 to recruit into the London finance sector. Within our business, I'm not alone in first having qualified in a professional discipline – which helped the transition to the specialist professional recruitment offering of Robert Walters.

From there I was given the opportunity, privilege and responsibility of leading progressively larger teams in the London operation, culminating with leading the whole London recruitment business. By this time I had a good understanding of the Robert Walters culture, not least the relationships of deep trust we look to build with clients and candidates, and so it was fantastic to be given the opportunity to head up our recruitment operations in South-East Asia, which I did for five years based out of Singapore. I was able to build on the strong foundation of our global brand in a very different culture, whilst understanding the local market landscape and building tailored relationships with clients there. This was an excellent grounding for then serving as CEO of the whole Asia-Pacific business for two years. With Asia-Pacific being our largest segment, this gave me an invaluable perspective as I moved back to the UK in 2021 as CEO of the Robert Walters and Walters People brands globally, and then as I took on the responsibility of Group CEO in April 2023.

## How would you summarise how the business performed in 2023?

2023 was a challenging year in most hiring markets globally. For a talent partner with a presence in such a breadth of geographical markets as Robert Walters, this perhaps made the last year unlike any other that has preceded it in terms of the sharp correction in market conditions. 2022 had already seen geopolitical volatility and uncertainty, combined with pent-up consumer demand following the lifting of most Covid-19 restrictions globally, start to drive significantly higher inflation. In 2023 we saw the anticipated bounce-back in the Chinese economy fail to materialise, and consolidation of a sharply rising interest rate cycle across many countries, with a resultant cooling in global labour markets.

Against this context I'm very proud of the resilience our business has demonstrated, with Group net fee income down 8%* on a record prior year comparative, and profit before tax of £20.8m. One of the great strengths of this business is the extent of our international diversification. This diversification has meant that, even in a tough year such as this one, we've seen some strong performances in our portfolio. Europe held net fee income flat* versus the prior year. Within this, our Belgian business was the standout performer. In Belgium we have strong contract and interim businesses alongside permanent in the mix, and Belgium not only recorded double-digit* year-on-year growth in each quarter of 2023, it also grew sequentially quarter-on-quarter through the year – a fantastic performance. We continue to have a very strong position in Japan, the second largest hiring market globally. The hyper-specialisation of that business means we are able to pivot to serve the most appealing sectors of the market as and when we detect signs of growth, and that contributed to a resilient performance, with net fee income marginally down (by 1%*) on a record prior year.

*Constant currency is calculated by applying prior year exchange rates to local currency results for the current and prior years.

# Chief Executive's Statement continued

## You've been in the role of CEO for around one year now. What are some of your early impressions and what will be your key focus areas looking ahead?

I cannot overstate how much a business like ours is, fundamentally, powered by our people. We are, of course, inextricably tied to global macro-economic shifts, and a key competency for our business is anticipating, understanding and exploiting those. However, more than any other source of intelligence, we rely on our consultants, and the close relationships they have with clients and candidates, to help us achieve success year after year. Furthermore, the centricity of people to our business model is seen when you step back and consider what specialist recruitment is: being a trusted partner to clients and candidates, supporting them through some of the most consequential events in their professional lives – moments that really matter.

That explains our conviction as a business, proven through historical market cycle troughs, that maintaining our core consultant capacity, of course balanced against sensible management of our cost base, continues to be the right strategy. In particular, we have maintained our core 'muscle' in those markets that excite us most, and we have let natural attrition flow through on those fee

earner cohorts that are typically less productive. Looking out over the rest of 2024, we will continue to maintain this balanced and data-driven approach, ensuring we remain rightsized to capture opportunities as and when they are presented.

2023 has also been a year in which, as a society, perhaps more than ever in the recent past, we've started to look ahead to the potential changes that technology, in particular generative artificial intelligence ("AI"), can unleash.

We are clear that, for a business like ours, application of AI is all about helping our people do what they do best – build strong relationships that enable them to be trusted partners to their clients and candidates. It's been exciting to gauge the growing awareness that our people have of the potential of AI to make them even more effective partners. That has seen over 1,000 of our people join together as "AI trailblazers", engaging with our own private version of *Microsoft Azure Open AI Studio* to propose, test and refine specific AI use cases for our business. Increasingly, our consultants are incorporating AI to enhance job adverts and assist with sales outreach to name just a few examples. This is only set to gain further traction over 2024.

The other key technology focus during the year has been on our internally developed CRM solution. Following its initial deployment on a minimum viable product basis in the UAE in 2021, and the learnings from that deployment then being taken on in 2022, it was great to see the rollout gather momentum in 2023 such that the new CRM is now being used in 50% of the Group's markets. The new CRM solution is specifically built for how we function as a business and gives us a greater degree of future flexibility compared to an "off the shelf" solution. Additionally, it is supporting our consultants in completing core CRM activities on average two-and-a-half times quicker than on the legacy system. Everything we've learnt so far is being incorporated into future rollouts, and this stands us in excellent stead as we target having the majority of our consultants migrated onto the new CRM by the end of 2024.

My 25 years with the Group, both in the UK and across the Asia-Pacific region, as a consultant and then at increasing levels of leadership, has enabled me to see what a fantastic platform we have. We have a strong long-run track record of growth ahead of that of our key markets, we are amongst the most internationally diversified of our peer group – with no single country market accounting for more than a sixth of Group net fee income, and we benefit from incredibly strong brand equity that is synonymous in our clients' minds with the specialist professional segment that we serve.

> We are clear that, for a business like ours, application of AI is all about helping our people do what they do best – build strong relationships that enables them to be trusted partners to their clients and candidates."

Toby Fowlston
**Chief Executive**

In my new role as Group CEO, and with this great platform in place, what really excites me are the opportunities to drive an improvement in performance, ensuring the business is well-positioned for the shifts in the world of work that are already underway. We are clear there is more value we can add for our clients and candidates by leveraging the Robert Walters brand further across our three key offerings of recruitment, outsourcing and advisory – and we will start to grasp this opportunity in 2024. Additionally, and reflecting the desire of the talent they need to attract, organisations will increasingly require products and solutions from a trusted talent partner like Robert Walters to help them successfully navigate and win in the sustainable world of work. As such, it was highly satisfying for our pioneering 'ESG for HR' consultancy solution to be recognised at the TALiNT International Annual Recruitment Awards. Furthermore, bringing greater focus to bear on our conversion of net fee income to operating profit, and beginning to execute against a set of initiatives to deliver this, is a key focus for the medium-term. Underpinning all of this will be an unwavering commitment to keeping the needs of clients and candidates firmly at the heart of what we do.

In summary, I couldn't be prouder to lead such a great business and, together with all of our people, I'm excited by the opportunity we have to deliver for our clients and candidates in the year ahead.

> In my new role as Group CEO, what really excites me are the opportunities to drive an improvement in performance."
>
> Toby Fowlston
> **Chief Executive**

# Operating Review

## Asia-Pacific (43% of Group net fee income)

The Group's Asia-Pacific business comprises the recruitment offering in North-East Asia (Japan and South Korea), Australia & New Zealand, South-East Asia (Indonesia, Malaysia, Philippines, Singapore, Thailand and Vietnam) and Greater China (Mainland China, Hong Kong and Taiwan), as well as the region-wide outsourcing and advisory offering through Resource Solutions. Resource Solutions accounted for 11% of Asia-Pacific 2023 net fee income.

Net fee income was down 9%* year-on-year, most notably driven by Australia (-19%*) and Greater China (-19%*). North-East Asia (flat*) delivered a more resilient performance.

The Australia business was impacted by the notable cooling through the year in the wider Australian hiring market – a more material drop-off versus the 2022 peak activity levels than seen in other regional markets. Lower levels of client confidence drove some larger clients to markedly slow or even pause hiring during the year, leading to lower activity levels as a result.

Performance in Greater China did contrast slightly between H1 and H2, with notably impacted performance in the first half stabilising somewhat in the second half. The anticipated bounce back in activity in the wider economy from the late 2022 relaxation of Covid-19 control measures did not materialise, as evidenced by three consecutive months of contracting manufacturing activity (measured by PMI surveys) as the first half came to a close. The rate of decline moderated in the second half, with Mainland China H2 net fee income down 10%* year-on-year (H1: -40%*).

North-East Asia, the majority of which is the Japan business, registered the most resilient performance throughout Asia-Pacific, with H1 net fee income down 2%*, improving to growth of 1%* in the second half. Well-positioned to serve the needs of the highly developed Japanese hiring market – the second largest hiring market globally – and reflecting the competitive differentiation of the Robert Walters brand, the Japan business has a breadth of discipline specialisms, enabling it to pivot to service parts of the market seeing the most attractive growth.

| | 2023 | 2022 | % change | % change (constant currency*) |
|---|---|---|---|---|
| Net fee income | **£167.9m** | £193.8m | (13%) | (9%) |
| Of which Resource Solutions | **£18.8m** | £22.0m | (14%) | (13%) |
| Operating profit | **£19.3m** | £37.5m | (48%) | (45%) |
| Conversion rate | **11.5%** | 19.3% | (780) bps | n/a |

## Europe (33% of Group net fee income)

The Group's Europe business largely comprises the recruitment offering in Northern Europe (Belgium, France, Germany, Republic of Ireland, the Netherlands and Switzerland) and Southern Europe (Italy, Portugal and Spain). Outsourcing and advisory services through Resource Solutions accounted for 1% of 2023 Europe net fee income.

Net fee income was flat* year-on-year, with an outstanding result in Belgium (up 21%*), strong performance in Germany (up 8%*) and good momentum in the nascent Italy business (office opened Q2 2022) offset by a more challenging market backdrop in the Group's largest European businesses of France (down 3%*) and the Netherlands (down 5%*), particularly during the second half of the year.

Belgium was the standout performer in Europe and the Group during 2023, with trading momentum accelerating as the year progressed (H1: up 14%*, H2: up 28%*), notably driven by its interim business which places mid to senior-level talent. The German business also performed strongly, recording its highest ever net fee income performance (against an already record 2022) and taking opportunities to grow its coverage following the opening of the Berlin office during 2022.

Meanwhile, in France and the Netherlands, good first half net fee income growth (up 3%* in France, up 4%* in the Netherlands) gave way to a weaker second half performance (France: H2 down 9%*, Netherlands: H2 down 13%*). The combination of higher inflation and a lower growth macro-economic outlook served to increase caution and hesitancy among both clients and candidates. Nevertheless, as is true of other developed hiring markets globally, the French and Dutch labour markets remain very tight and extremely favourable for the highest skilled candidates who continue to be sought after.

| | 2023 | 2022 | % change | % change (constant currency*) |
|---|---|---|---|---|
| Net fee income | **£126.3m** | £124.1m | 2% | 0% |
| Of which Resource Solutions | **£1.4m** | £1.9m | (28%) | (31%) |
| Operating profit | **£11.4m** | £17.6m | (35%) | (37%) |
| Conversion rate | **9.0%** | 14.2% | (520) bps | n/a |

*Constant currency is calculated by applying prior year exchange rates to local currency results for the current and prior years.

## UK (16% of Group net fee income)

The Group's UK business comprises the recruitment offering in London and the regions, and outsourcing and advisory through Resource Solutions. The Resource Solutions segment is the most material in the UK of any of the Group's reportable segments, accounting for more than 50% of 2023 net fee income.

Net fee income was down 18% year-on-year, with recruitment in London (down 29%) having the most challenging performance, recruitment in the regions seeing more resilience (down 7%) and Resource Solutions down 16%.

London recruitment was not immune to the more challenging sectoral backdrop for the financial services and technology industries. Much lower levels of venture capital funding for technology start-ups acted as both a headwind on new vacancies, as well as driving job losses – with both client and candidate confidence severely impacted as a result. The legal and accounting disciplines held up better in London, albeit both saw some further softening in the second half compared to the first.

Performance in the regions was fairly even across the year, underpinned by accounting – where the Robert Walters brand has a long-developed specialism and is recognised as such by clients.

Under new leadership as 2023 closed, the UK business will sharpen focus on productivity and cost management, whilst seeking to take further share across its key disciplines as market conditions continue to favour stronger players.

| | 2023 | 2022 | % change |
|---|---|---|---|
| Net fee income | **£60.9m** | £74.0m | (18%) |
| Of which Resource Solutions | **£34.3m** | £41.1m | (16%) |
| Operating (loss)/profit | **£(0.4)m** | £3.4m | n/m |
| Conversion rate | **(0.7%)** | 4.6% | (530) bps |

## Rest of World (8% of Group net fee income)

The Group's Rest of World business comprises the recruitment offering in North America (Canada and USA), South America (Brazil, Chile and Mexico), the Middle East and South Africa, as well as the region-wide outsourcing and advisory offering through Resource Solutions. Resource Solutions accounted for 40% of Rest of World 2023 net fee income.

Net fee income was down 12%* year-on-year, with challenging conditions in North America (down 40%*) and as faced by Resource Solutions (down 11%*) partially offset by growth in Mexico (up 68%*) and South Africa (up 38%*).

Hiring markets were weak in North America, particularly in technology where the Q1 failure of Silicon Valley Bank dented confidence in funding the sector. As the year progressed, job losses at larger and more established technology firms added to much reduced levels of venture capital funding available to fledgling technology companies, acting to dampen sector sentiment amongst both clients and candidates.

In Mexico, a more benign macro-economic backdrop (growing employment levels, inflation falling towards low-single digits) combined with market share gains to drive a strong, profitable performance.

Meanwhile in South Africa, which also serves markets in west and east Africa, the business continued to benefit from the strong Robert Walters brand and candidate networks built over the last several years, driving a double-digit conversion rate.

Our Rest of World segment gives us good positions in some of the most attractive hiring markets of the future which, over time, have the potential to become good profit contributors.

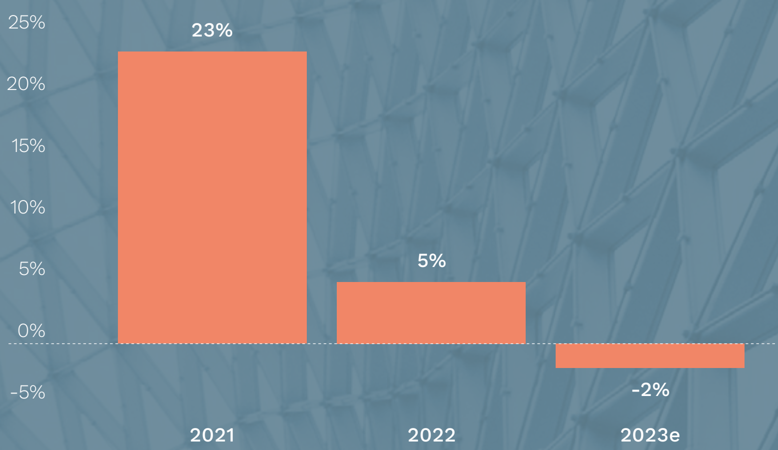
| | 2023 | 2022 | % change | % change (constant currency*) |
|---|---|---|---|---|
| Net fee income | **£31.7m** | £36.3m | (13%) | (12%) |
| Of which Resource Solutions | **£12.6m** | £14.4m | (13%) | (11%) |
| Operating profit | **£(4.0)m** | £(0.3)m | n/m | n/m |
| Conversion rate | **(12.6%)** | (0.8%) | (1180) bps | n/a |

*Constant currency is calculated by applying prior year exchange rates to local currency results for the current and prior years.

# Market overview

The Group serves both the staffing and recruitment process outsourcing ("RPO") markets. These markets are characterised by some distinct features, which are set out in more detail below.

**Global Staffing Market year-on-year revenue growth**




Source: Staffing Industry Analysts, Global Staffing Market estimates & forecasts (November 2023)

## Staffing

The Group seeks to address the segment of the global staffing market that is driven by the placement of specialised professionals into permanent, contract or interim roles. Management estimates are that this portion accounts for between 10-20% of the $600bn[1] global staffing market.

The market globally saw strong double-digit rates of growth in 2021 and the first half of 2022, as economies rebounded strongly from the Covid pandemic and corporates competed fiercely to address their talent needs as a result. This drove both volume growth (as seen in materially higher levels of vacancies across several markets) and value growth (as seen in significantly higher levels of wage inflation).

This rate of growth began to moderate in the latter part of 2022. This moderation was first seen on a volume basis (i.e. a falling number of total vacancies, albeit still very high compared to historical levels) and was driven by significantly higher levels of general price inflation in the wider economy (exacerbated by geopolitical conflict), rising global interest rates and the resultant dampening effect on the outlook for global economic growth. This trend continued in 2023, with a mixed picture in the performance of the staffing market in individual countries netting out to an overall moderate decline in the value of the total market when set against 2022. More recently, the moderation in growth has also been seen in lower levels of wage inflation.

Notwithstanding this, the structural long-term growth drivers of the staffing market have been brought into even sharper relief during 2023. Perhaps the most significant of these, particularly in developed markets, is the acute labour and skills shortage, which itself is effected by the twin underlying trends of ageing societies and the rapid pace of technological change. For example, in Japan, the working age population is expected to decline rapidly from the latter part of this decade, meaning that the country

may face a shortage of more than 10m workers by 2040[3].

This outlook only serves to increase to corporates the value of a talent partner with the necessary specialist competencies, candidate networks, international infrastructure and local market knowledge and intelligence.

## Recruitment process outsourcing

RPO is the partial or full outsourcing of a corporate's internal recruitment function to a third-party specialist provider with the necessary skills and tools to effectively take on the role of the client's recruitment function. Globally, the RPO market is sized at c.$6bn[2].

Mirroring the staffing market, the RPO market saw comfortably double-digit rates of growth in 2021-2022, whilst the clouded macro picture in 2023 has meant more moderate growth more recently. However, over the longer term, and in contrast to the staffing market, macro-economic headwinds do act as something of a stimulant to demand in the RPO market, with the requirement to optimise talent needs in a more unsettled economic environment driving a need for greater flexibility in talent acquisition models. In commercial terms, this feature drives some of the natural hedge effects that RPO can bring alongside permanent hiring in the portfolio.

In common with the staffing market, the labour and skills shortage significantly underpins the long-term development of the RPO market. The other notable trend projected to grow the RPO market over the near term at a rate well above global GDP growth is the increasing propensity for corporates to need providers to fulfil and provide additional elements of the RPO value chain above and beyond the traditional "core" suite of sourcing, selection and contracting. Advising on employer branding, conducting talent mapping and assisting with corporates' equity, diversity and inclusion (ED&I) agendas are increasingly service offerings which RPO buyers are desiring from suppliers.

## Key takeaways

Though not immune to shorter-term fluctuations driven by macro-economic conditions, the staffing and RPO segments are both large, structural growth markets. The provision of staffing and RPO in many ways requires distinct competencies, infrastructure and networks, however corporates are increasingly seeking providers that are able to provide both.

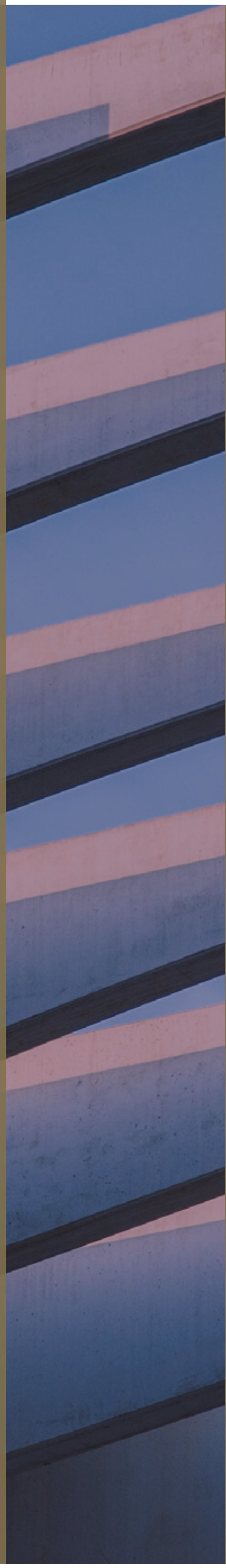
1. Source: Staffing Industry Analysts, Global Staffing Market estimates & forecasts (November 2023)
2. Source: Everest Group, Recruitment Process Outsourcing (RPO) State of the Market 2023 (November 2023)
3. Source: Recruit Works Institute, Future Predictions 2040 in Japan (March 2023)

# Our strategy for growth

The Group is cognisant of the trend whereby hiring organisations increasingly desire talent partners able to service the full breadth of the talent agenda. This encompasses not only the traditional service provision of specialist recruitment and outsourcing but also, in recent years, the growing demand for specialist talent advisory and consulting solutions such as market intelligence and ED&I (equity, diversity and inclusion) audits. Provision of these advisory and consulting services is a great way to broaden and deepen client relationships (often giving a route into the C-suite) as well as qualifying Robert Walters to provide additional services. This evolving landscape informs the framework under which the Board considers how the Group can best serve clients and candidates across its markets, both now and into the future.

The Group's growth strategy has been stable for a number of years, reflecting the long-term structural tailwinds we have positioned ourselves to benefit from. Demographic change, and in particular ageing societies, will continue to drive a global shortage of skilled labour, making talent partners like Robert Walters ever more valuable to organisations as they seek the right talent to develop and grow.

As such, as we look out across both our existing markets and markets which offer exciting future opportunities, we are convinced there is plenty more to go for. We will drive this growth by remaining focused on the organic levers of geographic penetration (and expansion where there are compelling opportunities to do so) and discipline diversification. Additionally, we are increasingly mindful of the potential to enhance growth through capital investment – both organically and inorganically.



As we look out across both our existing markets and markets which offer exciting future opportunities, we are convinced there is plenty more to go for.

## Geographic penetration

Geographic penetration is mainly driven by growing the scale of Robert Walters within countries where we have an existing presence. Secondarily, there are a number of attractive country markets in which Robert Walters does not currently have a presence and, particularly where there are shifts in the landscape in these markets, we will evaluate opportunities to enter.

**2023 in action**
2023 saw the launch of a refreshed Robert Walters brand in most of our country markets. This brand refresh was predominantly launched via digital channels (both owned and third-party) and has helped drive greater geographic penetration. For example, in New Zealand, the first country market to launch the new brand in early 2023, website traffic more than doubled year-on-year, driving a double-digit increase in revenue from the website versus the prior year.

## Discipline diversification

In newer and emerging markets, this is driven by adding coverage of adjacent disciplines. In the Group's larger and more established markets, this is driven by developing even more dedicated specialist coverage within a particular discipline ("hyper-specialisation"), underpinned by the strength of client relationships, candidate networks and local market intelligence.

**2023 in action**
During 2023, the Robert Walters business in Japan further developed the highly specialised discipline coverage it has built over time and which is a key source of competitive advantage. Robert Walters teams helping employers in the mobility industry with their talent needs were further focused on sub-specialisms within mobility such as business development and engineering.

## Strategic pillars

To deliver the Group's growth strategy, we are highly focused on execution against five key strategic pillars:

1. **Productivity**
2. **Technology and innovation**
3. **People**
4. **Customer experience**
5. **Data**

Our efforts on productivity and data are at an earlier stage of maturity compared to those on technology and innovation, people and customer experience. We delve a little deeper into our activities on these three in the following pages.

Our Strategic Pillars: Technology and Innovation

# Embracing technology to power human connections

2023 saw the power of technology and automation accelerate rapidly. Harnessing the expertise and agility of our technology and transformation team, we focused our time, energy and investment on enhancing what is core to our business – enabling our recruitment consultants to build strong, personal relationships and deliver exceptional customer experiences.

**Kevin Bulmer**
Chief Technology & Transformation Officer
Robert Walters Group

## A business-wide approach to transformation

We are now well into our transformation journey and our goal remains the same – to utilise technology and automation to support our consultants to build strong, personal relationships and deliver exceptional customer experiences.

The foundational building blocks of our approach are now firmly established and we are focused on improving every aspect of how we do business by creating greater efficiencies, improving productivity and driving innovation.

## Zenith, our bespoke CRM system

The roll-out of Zenith, our bespoke customer relationship management (CRM) system, continued successfully in 2023. Zenith is designed by our business, for our business, ensuring that we can implement the features and functionality that allow us to deliver the highest levels of service to our clients and candidates.

We completed deployments in South-East Asia, Mainland China, Hong Kong and Taiwan, with Zenith now live in 50% of our locations around the world. New features were also rolled out during 2023, improving the experience for users, including a new terms and conditions feature allowing easy access to multi-regional contracts to maximise cross-selling opportunities, and an integration with our job advert platform so that consultants can post ads directly from Zenith making it easier to attract candidates. We are on track to have the majority of our consultants on Zenith by the end of 2024.

Our vision for Zenith is to equip our consultants with intuitive, consumer-grade technology that empowers them to deliver exceptional service and focus on the moments that matter in the recruitment process through the utilisation of specialised tools, AI-driven capabilities and seamless integrations. We aim to revolutionise how we build and nurture long-term candidate and client relationships, enabled through a CRM tailored to the needs of our business and customers, boosting productivity and driving sustainable growth.

> Our vision for Zenith is to equip our consultants with intuitive, consumer-grade technology that empowers them to deliver exceptional service and focus on the moments that matter."

**Kevin Bulmer**
Chief Technology & Transformation Officer
Robert Walters Group

## Automation and AI powering productivity

Generative AI swept into our world in 2023, and as a business we were ready to harness the potential to innovate, improve and inspire.

Our innovation strategy has always been clear: we embrace the latest technologies to enhance our productivity and save time, enabling us to focus on the strategic, human connections that power our business. As a Group, we are committed to ensuring that our people have safe, secure access to learn how to use AI as an accelerator in their working lives.

In July 2023, we launched our OpenAI Playground, our own private and secure version of ChatGPT (enabled in our Microsoft Azure environment), giving us the ability to trial new ways of working with AI with total security and confidence. To engage our people in the programme, we invited employees globally to join an internal collaboration group called the AI Trailblazers.

The AI Trailblazers group is now a thriving, global, online community where our people can learn, interact with each other and our innovation specialists, and, most importantly, share ideas and test potential use cases for AI in their everyday working lives. Embedded in this explorative approach, our innovation team has been capturing the use cases with the highest potential for productivity impact, in order to develop AI-powered apps within our core tech stack for the wider business.

Through a truly collaborative approach we're working together as a business to harness the power and opportunities of AI and automation to allow us to focus on what's most important to our business – building long-term relationships and delivering exceptional service.

Our Strategic Pillars: People

# Creating a high-performance culture where our people can thrive

As a business, our strength lies in our people and the exceptional quality of service they deliver every day to our clients, candidates and colleagues. We empower our teams to thrive in the vibrant, dynamic and collaborative culture we've built, and we're passionate about giving our people the tools, support and development opportunities to build long-term successful careers with us. By attracting and retaining exceptional people, we can build a strong and sustainable business.




**Indy Lachhar**
Chief People Officer
Robert Walters Group

## Setting the standard of excellence

We were proud to launch our leadership behaviours framework in 2023, a defined global standard for what 'great' behaviours look like from our people leaders, centred around three key principles – leading with authenticity, care and an entrepreneurial mindset (ACE). The three principles create a holistic framework to guide behaviour – how we lead ourselves, how we lead our teams, and how we lead the business forward. Leaders are assessed not just on the results they deliver, but how they go about delivering those results.

We also launched our new code of conduct, setting out the global standards that guide the actions and behaviours of all of our people, in every location around the world. The code of conduct is built around three guiding principles; looking after ourselves and others, doing business fairly and protecting our reputation.

## Embedding collaboration and teamwork

As a global business built on teamwork and collaboration, our Global Explorer Programme promotes knowledge-sharing and learning between our people around the world to further support geographical penetration and discipline diversification. In 2023, 19 high-performing employees took part in our Global Explorer Programme, each visiting an international office for a week, meeting with team members and senior leaders to share insights, learn and build connections that will last a lifetime.

## Creating a culture of continuous learning

We know that by equipping our people with the skills and knowledge they need to excel in their roles, they will be set up to have successful and meaningful careers with us. To support this, we have an agile approach to learning, developing capabilities across all levels while ensuring leaders are offered bespoke development support to set them up for success and equip them to set the right tone and expectations for the teams they lead.

Our new online learning platform, The Learning Hub, is launching in March 2024 and leverages best-in-class technology to support the growth and development of all our people. Supported by over 160 ambassadors to ensure high levels of adoption globally, we have also matched over 500 people in the business to the training programmes they will be responsible for or deliver online, ensuring we 'train the trainer' so they are all equipped to deliver high quality training outcomes.

## Building successful, meaningful careers

We have mapped career pathways based on a skills-first approach to ensure our people are not only supported in their current role but also given the tools to build their careers and progress with us, creating an agile workforce fit for the future.

We launched our Women's Leadership programme, which is helping us to develop the next generation of senior female leaders in our business through one-to-one coaching and mentoring. Additionally, any senior leader stepping into a new role has a conversation with the talent development team about how the business can set them up for success, which could involve coaching, mentoring or external executive education such as business school.

> We're proud to invest in our people to help them thrive and be the best they can be at work, building a high-performance culture driven by leaders and embedding continuous learning at every stage of our people's careers to build a sustainable future for our business."

**Indy Lachhar**
Chief People Officer
Robert Walters Group

Our Strategic Pillars: Customer Experience

# People powering the moments that matter

As a people business, our clients, candidates and colleagues are at the heart of everything we do, and by focusing on delivering exceptional experiences we are able to power the collaborative and long-lasting relationships that drive our business. Our continued vision for our customer experience (CX) programme is that, by using technology as an enabler, we make working with us the best and easiest decision for our candidates, clients and colleagues.

**Sinead Hourigan**
Global Head
CX, Commercial
and Advisory
Robert Walters Group

## Voice of Customer programme

**Voice of Candidate –** we continued to build our net promoter score (NPS) programme in 2023, looking at finding ways to ensure that we are asking candidates the right questions at the right time, reaffirming our commitment to continually enhancing the candidate experience.

**Voice of Client –** in 2023, we expanded our Voice of Customer programme to include the Voice of Client. This was our first global listening programme, supported by an external market research firm, which gathered objective insights from our clients on their perception of our service and areas for improvement. Feedback was overwhelmingly positive, with 86% of respondents indicating they would use Robert Walters again. The feedback received has allowed us to align our services more closely with our clients' needs and expectations, ensuring even more open lines of communication and improving and enhancing our post-placement engagement.

**Voice of Contractor –** we completed a Voice of Contractor programme globally, which, to fully understand the specific needs and expectations of our contractors in different markets, was tailored to each individual region. This has enabled us to make region-specific improvements, including the streamlining of onboarding processes and enhanced benefits packages.

## Candidate management

Building on our commitment to deliver exceptional service to our candidates, in 2023 we took an in-depth look at the key engagement points where, as a true recruitment partner, we can have the most influence and biggest impact, measured through our NPS programme. These 'moments that matter' are: the very first time we engage with our candidates, the point at which they go for an interview with our clients and the point at which we place them. By focusing on improving our communication and support for each candidate at these key points, we ensure that we are delivering the service that they expect. We truly believe that every interaction matters and contributes to the overall candidate experience.

## Delivering a great experience for our contractors

Recognising the importance of our contractor workforce and the opportunity we have to ensure every engagement with us makes their lives easier, we remained dedicated to delivering a first-class experience for them. To improve our efficiency and productivity, push notifications from our customer relationship management (CRM) system alert our consultants when their contractors' assignments are nearing completion. In 2023, this proactive approach resulted in over 5,500 redeployments of existing talent, thus keeping our valued contractor workforce connected to us.

## Looking ahead

As we move into 2024, we're excited about the ongoing evolution of our CX programme. We will continue to listen to our customers and adapt our services to meet their needs. We are currently developing a client version of our NPS, which we will roll out in 2024. This will provide us with a more complete picture, as we can match the sentiment of our candidates and clients at the moments that matter along their engagement journeys and understand how the hiring experience has been for both.

We take a holistic approach to customer experience, focusing not only on candidates and clients but also our colleagues – with a programme of activity for each audience."

**Sinead Horigan**
Global Head
CX, Commercial and Advisory
Robert Walters Group

# Business Model

At Robert Walters, each day, the focus for all of our 3,900 people, wherever they are in the globe, is helping the business be the future first choice for the clients and candidates we serve. This focus has been inherent in our approach to business since the very first candidate was placed almost forty years ago, and it remains the guiding principle in how we set ourselves up to succeed today. To make ourselves the future first choice, we seek to focus rigorously on doing four key things consistently well.

## The key elements that drive our business model

### Build a culture that people want to be part of

As a people business above all else, culture is the starting point for our model. We focus on building a culture that people want to be part of, contribute to and feel they belong in. Our leaders and people managers play a major role in modelling our core principles and valued behaviours, and this is then reinforced for our people more widely through how we train, recognise, incentivise and promote.

### Attract fee earners who are specialists in their field

One of the ways our model is differentiated is in the specialist expertise upon which consultants can draw for the benefit of their clients and candidates. For some of our consultants this means that, prior to joining Robert Walters, they have worked in the disciplines they then go on to recruit into. All of our consultants know that taking the time to deeply understand the sectors in which their clients and candidates operate in will enable them to become ever more trusted advisers. As such, they prioritise understanding their candidates and therefore building stronger networks, and staying close to the end markets in which their clients operate.

### Motivate and incentivise our people to deliver the best results together

The way in which we motivate, recognise and reward our people further helps to embed the behaviours and principles we believe are critical for success. We operate a team-based profit share for our fee earners instead of individual commission. This actively promotes the sharing of ideas and ensures the needs of our candidates and clients always come first.

### Support our fee earners with the right tools and free up their time, enabling them to focus on their clients and candidates

Our consultants are trusted advisers and partners to their clients and candidates, and so we give them the best possible platform and toolkit to deepen and enhance these relationships of trust. Time is a critical resource, and we're seeking to harness fast evolving technological change (e.g. the deployment of AI to reduce human time given to standardised tasks) on behalf of our consultants so they can spend even more time with their clients and candidates.


Build
a culture
that people want
to be part of
Attract
fee earners
who are specialists
in their field
Motivate
and incentivise
our people to deliver
the best results
together
Support
our fee earners with
the right tools and
free up their time, to
focus on their clients
and candidates
Powering people
and organisations
to fulfil their
unique potential

# Key Performance Indicators

### Net fee income
10% ↓

**£386.8m**

(2022: £428.2m)

**Definition**
Net fee income is the total placement fees of permanent candidates, the margin earned on the placement of contract candidates and the margin from advertising. It also includes the outsourcing, consulting and payrolling margin earned by Resource Solutions.

**Analysis**
Net fee income decreased by 10% against a record prior year comparative, driven by softening macro-economic conditions as the year progressed in many of the Group's markets.

### Debtor days
5 days ↓

**30**

(2022: 35)

**Definition**
Debtor days represents the length of time it takes the Group to receive payments from its clients. It is calculated by reference to the number of days' billings it takes to cover the debtor balance.

**Analysis**
Debtor days declined in 2023 as continued tight credit control was accompanied by shift in mix of fee income to markets in which shorter payment terms prevail.

### Operating profit
55% ↓

**£26.3m**

(2022: 58.2m)

**Definition**
Operating profit represents net fee income less operating costs.

**Analysis**
The much lower operating profit was driven by the operating leverage impact on the lower net fee income.

### International mix
1% ↑


(2022: 83%)

**Definition**
International mix represents non-UK net fee income expressed as a percentage of total net fee income.

**Analysis**
The Group saw further mix shift towards its non-UK businesses as regions such as Europe (net fee income up 2% year-on-year) were more resilient compared to the UK (net fee income down 18% year-on-year).

### Productivity

£20.5k ↓

# £151.5k

(2022: £172.0k)

**Definition**
Productivity represents the total net fee income generated per fee earner.

**Analysis**
Consultant productivity declined during 2023, reflecting the lower placement volumes driven by more challenging macro-economic conditions and the consequent impact on client and candidate confidence.

### Basic earnings per share

64% ↓

# 20.1p

(2022: 56.2p)

**Definition**
Earnings per share is defined as profit for the year attributable to the Group's equity shareholders, divided by the weighted average number of shares in issue during the year.

**Analysis**
The year-on-year decrease reflects the underlying trading performance.

### Net cash

18% ↓

# £79.9m

(2022: £97.1m)

**Definition**
Net cash represents the Group's cash and short-term deposits less bank overdrafts and borrowings.

**Analysis**
The Group's business model continues to be highly cash generative, with 2023 cash conversion of 207% (2022: 102%).

### Glassdoor rating

No change

# 4.2

(2022: 4.2)

**Definition**
The Glassdoor rating recognises companies that embrace transparency and engage with jobseekers.

**Analysis**
The Group maintained its good 4.2 out of 5 rating in 2023.

ESG Strategy

# Our commitment to positive impact

We truly believe that a commitment to sustainable business practices is not only the right thing to do, but also helps us to achieve our purpose of powering people and organisations to fulfil their unique potential.

Our ESG strategy is aligned to our purpose and to the UN's Sustainable Development Goals, creating a long-term strategy that reflects the areas of ESG where we can have the greatest impact.”

**Toby Fowlston**
Chief Executive
Robert Walters Group

Now more than ever, it is essential for companies to embed environmental, social and governance (ESG) practices across all aspects of their business, not just for the benefit of shareholders, but because it is the right thing to do.

We're proud to align our ESG strategy to the UN's Sustainable Development Goals, taking a long-term strategic approach to ESG within our business, for our people and to help our clients and candidates.

In 2023, we completed the first year of our new ESG strategy, built around six key pillars:

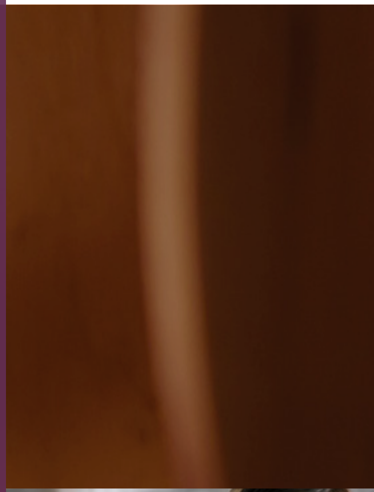
- **Engaging our workforce**
- **Enhancing our equity, diversity and inclusion (ED&I) initiatives, both internally and for clients**
- **Responding to a sustainable world of work**
- **Reducing our environmental impact**
- **Supporting our communities**
- **Being a responsible business**

Responsibility for implementing our ESG strategy sits with our ESG Committee, which is made up of leaders from across the Group and works closely with key stakeholders to ensure that ESG considerations are integrated into decision-making at all levels of the organisation.

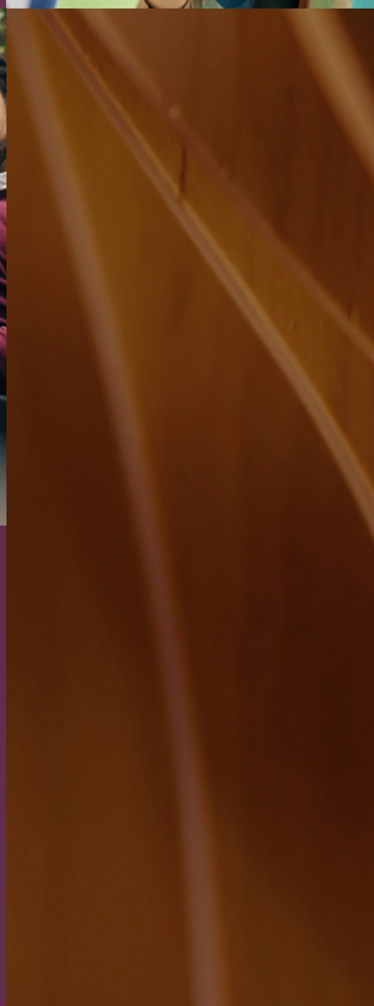
I'm proud that we have been publicly recognised for our ESG strategy and initiatives. In January 2023, the Group was accepted as a participant of the United Nations Global Compact, as well as being named runner-up in the Best Company for Social Responsibility (Small Cap) category at the Corporate ESG Awards 2023. We were also listed as a constituent member of the FTSE4Good Index for the 15th consecutive year.

The following pages outline our progress against our targets and our 2023 ESG highlights.

# The cornerstone of our ESG strategy



Our materiality assessment, conducted in 2022 by a specialist ESG consultancy, was commissioned to inform the development of our new ESG strategy by helping us understand stakeholder perceptions of the Group and identify the ESG issues that most impact our business and reflect the areas of ESG where we can have the greatest impact.

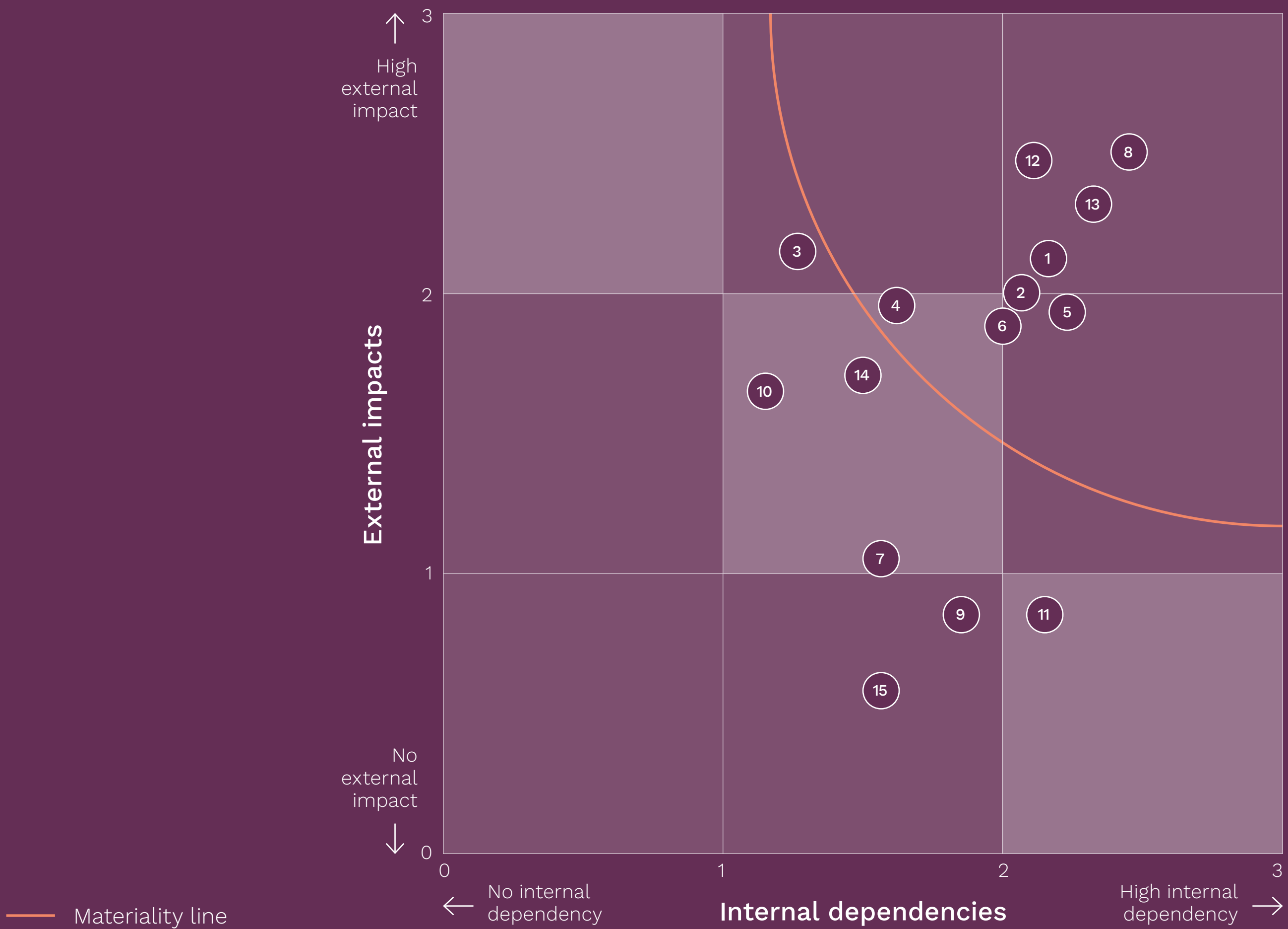


## Materiality Assessment

Designed to identify the building blocks of a robust ESG strategy, the materiality assessment took a double materiality approach looking at both material issues that impact our business as well as the components of our business that have an impact on the economy, environment and people.

The materiality assessment was comprised of a peer review, to uncover a long list of material issues for the recruitment industry and the Group, together with primary research in the form of surveys and interviews with internal stakeholders across a variety of roles. This led to the creation of the materiality matrix, which contains the issues most pertinent to the Group in 2023 and 2024. This formed the cornerstone of our new ESG strategy.

## Material ESG issues




### Materiality line

Issues with high internal dependency and external impact above the materiality line are deemed most material. They are marked in bold.

| Material issue | Internal dependencies |
|---|---|
| 1 **Candidate recruitment and placement** | Responding to a sustainable world of work |
| 2 **Changing market dynamics** | |
| 3 Charity and community engagement | Supporting our communities |
| 4 **Climate change** | Reducing our environmental impact |
| 5 **ED&I** | Enhancing our ED&I initiatives |
| 6 **Employee wellbeing** | Engaging our workforce |
| 7 Environment | Reducing our environmental impact |
| 8 **Ethics and responsible business** | Being a responsible business |
| 9 Health and safety | |
| 10 Human rights | |
| 11 Impact of services | Responding to a sustainable world of work |
| 12 **Information security** | Being a responsible business |
| 13 **Employee engagement, acquisition and retention** | Engaging our workforce |
| 14 Risk and crisis management | Being a responsible business |
| 15 Supply chain | |

ESG Strategy continued

# 1. Engaging our workforce

People want a meaningful experience with an employer that helps to unlock their unique potential. Our purpose – powering people and organisations to fulfil their unique potential – underpins everything we do as a business and is why engaging our employees and building a great employee experience is so important to us.

We're committed to creating a work environment that engages, supports and empowers our employees to develop and thrive. To do this, we actively listen to our people, prioritise effective communication of our values and continuously work towards enhancing the employee experience.

## Our ambition

To be led by a purpose which resonates with our employees and informs our company culture. By listening attentively to our employees we aim to help them thrive – both personally and professionally.

## Framework of approach

We will achieve our ambition by focusing on the following areas:

1. Bringing our purpose to life: helping our people engage with our purpose and understand how it's woven into the way we work every day, inspiring them to make a positive and meaningful difference for our candidates, clients, colleagues and communities.
2. Continuous listening: building a deep understanding of our people's unique experiences and aspirations to ensure we know what's most important and how we can help them bring their best selves to work.
3. Continuous learning: investing in learning and development for all of our people to ensure we build the skills our business needs for the future.
4. Wellbeing: creating an environment where our people are supported to be at their best and ensuring our approach to benefits supports this.

## Our 2023 highlights

### Actively listening to our people

We conducted our second annual employee engagement survey in 2023, partnering with employee engagement specialists Glint to provide the technology platform for the survey. 86% of our people completed the survey, up from 82% last year, and the percentage of our people who feel aligned to our company purpose increased to 79%. Our overall engagement score was 77%, which is above the Glint industry benchmark.

We empowered our teams to discuss their feedback and, together, implement meaningful actions. Based on our people's feedback, our key strengths were that our people believe meaningful action will be taken as a result of the survey, that their opinions count and that regardless of background, everyone has an equal opportunity to succeed. The three key areas of opportunity that were identified at a global level were benefits, belonging and wellbeing.

To take action in these areas, we mapped and reviewed our benefits packages in each region and improved these over the course of the year where we could. We're taking the time to further understand what it truly means to 'belong' at the Group and empower our people to identify how they can foster a sense of belonging in their work every day. And we've focused on ensuring our people are equipped with the right wellbeing awareness and education tools and resources.

Our employee engagement survey, together with the half-year pulse check-in survey that we conducted in the latter part of the year, form the backbone of our continuous listening programme. This is supported by a robust programme empowering our managers with access to the data relevant to their teams coupled with training to equip them to have the conversations with their teams about what engagement means for them. Following the survey, teams agreed over 1,700 actions together, around themes including better collaboration, giving people the safe space to speak their mind, taking effective action, boosting wellbeing and improving communication.

## Wellbeing

We are committed to ensuring our people feel supported to be their best at work. Through our global network of wellbeing champions and mental health first aiders we have created a global network of our people to help drive key wellbeing initiatives at a global and local level, such as World Mental Health Day, to share resources and to provide input into local wellbeing strategies. We have increased awareness around the mental health support pathways available to our people, as well as provided training to managers to ensure they have the skills to support the mental health of their teams.

## Embedding our purpose

Our purpose, to power people and organisations to fulfil their unique potential, underpins everything we do and is embedded in our people practices globally to ensure we continue to deliver a world-class people experience.

In 2023, we rolled out our global Engaging Leaders programme, designed to help embed our purpose within our leadership community. Leaders were given an opportunity to discuss their personal purpose and how they connect with our Group purpose. This approach led to some significant moments and stories shared, bringing our purpose to life for the leadership community. Following the programme, leaders were equipped with the tools, resources and language to talk to their own teams about purpose and, together, establish how they will live our purpose.

We also partner with organisations that help people in the community from all walks of life to fulfil their potential, sometimes by giving them a second chance. For example, in the UK we're a proud partner of StandOut, a charity working to transform the lives of people leaving prison, through our RE:START initiative, giving our people the opportunity to volunteer to provide interview skills training and CV assistance to people leaving prison and preparing to re-enter the workforce.

### Our targets

Maintain or increase employees completing the global employee engagement survey

**82%+**

Employees feel aligned to our company purpose

**80%**

Overall employee engagement index score

**80%**

Maintain a cohort of wellbeing champions across all key locations

### Our progress and highlights

Employees completing the global employee engagement survey in 2023

**86%**

Employees feel aligned to our company purpose in 2023

**79%**

Overall employee engagement index score in 2023

**77%**

Number of wellbeing champions around the world in 2023

**98**

# 2. Enhancing our ED&I initiatives

At the Robert Walters Group, we recognise the power of diversity and the role it plays in enabling each of our clients, candidates and people to fulfil their unique potential. This is why we take a two-fold approach – to promote diverse hiring practices in our clients' organisations and to build an inclusive workplace culture within our own business.

## Our ambition

To be a global ED&I leader, leveraging our relationships with our clients, candidates and colleagues, alongside our inclusive recruiting expertise, to challenge status quo hiring practices.

## Framework of approach

We will achieve our ambition by focusing on the following areas:

1. Consciously inclusive culture: Create an inclusive culture with equitable processes and policies.
2. Amplified voices: Increase allyship and develop upstander behaviour.
3. Leading the conversation: Improve clients' diverse hiring with advisory services and thought leadership.
4. Inclusive accountable leadership: Ensure leaders are diverse and inclusive.
5. Knowing our data: Collect data to drive meaningful change.
6. Powering people potential: Develop programmes to reach under-represented groups internally and externally.

## Our 2023 highlights

### Empowering our people

Our regional ED&I councils are key to helping us to achieve our ED&I goals. With ten councils now in place globally, our 120+ volunteer ED&I council members are tasked with driving awareness and education as well as championing changes to policies and processes that underpin our inclusive culture.

In 2023, they helped our people globally celebrate over 25 different cultural awareness moments including International Women's Day, Pride, Ramadan, Black History Month, Holi, National Reconciliation Week, World Mental Health Day, Africa Day, International Day of Transgender Visibility, Diwali and International Men's Day.

Creating an environment where everyone across the business feels safe, supported and free to speak up is essential to helping our people feel a sense of belonging, and our employee resources groups (ERGs) provide a safe space and community. Our Pride ERG for LGBTQ+ team members and allies; Enable ERG for people with hidden or visible disabilities, long-term health or neurodivergent conditions or those with caring responsibilities for members of those communities; and Family ERG for working parents and carers, now have over 500 members.

## Knowing our data

In 2023, we ran our second employee engagement survey, giving our employees the opportunity to share their feedback. 73% of our employees said they felt a sense of belonging in 2023, down by 2% from last year. We recognise that 2023 was a challenging year for our people, against the backdrop of difficult recruitment market conditions and global economic and political uncertainty, and we're very proud that we're taking active steps to not only measure the sense of belonging our people feel, but to identify what belonging means in our business and the important role it plays in our overall employee experience.

To help our people on this journey, we held 'Good to Great' internal learning sessions for managers on psychological safety, managing difference and fostering belonging, which will be available to all employees globally in the first quarter of 2024.

Around the world we've been making improvements to the way we know and understand our people to ensure we are putting actions in place as part of our ED&I journey to enable everyone to thrive. In 2023, we developed a diversity dashboard utilising Microsoft PowerBI and in local regions we conducted projects on pay gap analysis, multigenerational workforce demographics, gender, leadership and ethnicity data.

## Partnerships, commitments and accreditations

We're proud to partner with organisations that are creating positive change by improving diversity and inclusion outcomes in education and workplaces in communities around the world.

As part of our UN Global Compact partnership we have taken part in the Target Gender Equality accelerator programme, supporting our ongoing commitment to gender equality. We completed our Disability Smart Assessment with the Business Disability Forum, and progressed from bronze to silver accreditation with Clear Assured in the UK.

## Award-winning solutions for clients

Our Recruitment Inclusivity Audit continued to be recognised for the impact it is having on empowering employers with the knowledge they need to remove barriers and bias from their recruitment processes and open the door for talent from diverse backgrounds.

The audit won Product Innovation of the Year: Software, Systems and Services at the prestigious edie Awards in 2023.

## Governance and policies

**Gender equality**

The Board remains committed to increasing its diversity through future Board appointments, and in 2023 saw an increase in gender and ethnic representation of our Board. As shown in the table below, the ratio of female senior managers has decreased by 2%, and the gender split of other employees has remained the same. In accordance with the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, the Group has provided the gender table below.

**Gender pay gap reporting UK**

We support gender equality and we published our UK gender pay gap report on 4 April 2023. Our reports can be found online:

**robertwalters.co.uk /gender-pay-gap-report**

**resourcesolutions.com /gender-pay-gap-report**

## Our targets

Employees feel a sense of belonging at the Group by 2025

**80%+**

Global leaders (Associate Directors and above) that identify as women by 2025

**50%**

Percentage of promotions awarded to those identifying as women in 2023

**50%+**

## Our progress and highlights

Employees that feel a sense of belonging at the Group in 2023

**73%**

Global leaders (Associate Directors and above) that identify as women in 2023

**47%**

Percentage of promotions awarded to those identifying as women in 2023

**59%**

Number of internal cultural conversations held in 2023

**32**

Number of different diversity and inclusion awareness moments celebrated globally in 2023

**25**

| | 2023 average employees | | | | | 2022 average employees | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Male | Female | Unspecified | Total | Ratio (%) | Male | Female | Unspecified | Total | Ratio (%) |
| Board Directors | **5** | **2** | **-** | **7** | **69:31:0** | 5 | 1 | - | 6 | 84:16:0 |
| Senior managers[1] | **162** | **135** | **-** | **297** | **55:45:0** | 157 | 137 | - | 294 | 53:47:0 |
| Other employees | **1,509** | **2,450** | **3** | **3,962** | **38:62:0** | 1,422 | 2,297 | 12 | 3,731 | 38:62:0 |
| Total | **1,676** | **2,587** | **3** | **4,266** | **39:61:0** | 1,584 | 2,435 | 12 | 4,031 | 40:60:0 |

1. A senior manager is a person who is responsible for managing significant activities within the Group, or who is strategically important to part of the Group. This will include any operating country or regional Directors and functional heads of department.

| | Number of Board Members | % of the Board | Numbers of senior positions on the Board (Chair, CEO, CFO, Senior Independent Director) | Number in executive management | % of executive management |
|---|---|---|---|---|---|
| White British or other White (including minority white groups) | 6 | 86% | 4 | 5 | 83% |
| Mixed/Multiple ethnic groups | - | - | - | - | - |
| Asian/Asian British | 1 | 14% | - | 1 | 17% |
| Black/African/Caribbean/Black British | - | - | - | - | - |
| Other ethnic group | - | - | - | - | - |

# 3. Responding to a sustainable world of work

We're committed to supporting businesses that are driving the transition to a sustainable economy and seeking to improve their ESG impact. Our unique advantage lies in our ability to provide data-driven insights and research on ESG, recruitment, and the future of work, positioning us well to help businesses find and retain the right talent for a sustainable future.

As ESG grows in importance for businesses across all sectors, ESG hiring practices will change. Companies will need to adapt by hiring for new roles and skill sets, addressing new talent shortages, and ESG considerations will become essential criteria for certain roles. Additionally, candidates are increasingly seeking employers that are aligned to their personal values and committed to sustainability and social impact.

The Group helps businesses navigate these changes, ensuring they attract and retain talent aligned with their ESG goals, contributing to a sustainable future.

## Our ambition

To be a global recruitment group that can respond to the new commercial opportunities within an ESG-informed economy.

## Framework of approach

We will achieve our ambition by focusing on the following areas:

1. Insights: Publish thought leadership on ESG and the transitioning economy to support clients through change.
2. Supporting the transition: Shift our focus to clients and placements supporting the transition, and minimise work with lagging companies and sectors.

## Our 2023 highlights

### ESG for HR

The ability to attract and retain the best talent is increasingly linked to a business's capacity to communicate and deliver on its ESG commitments. We recognised that there was a gap in the understanding of how a company's ESG strategy interacts with its employee value proposition and employer brand – we call this the employee sustainability proposition.

As candidate expectations change, employers that fail to recognise the areas of ESG that are important to their employees and potential employees will be held back in their efforts to attract the best talent.

Answering this need, we developed a pioneering consultancy service offering – ESG for HR – to help employers optimise and communicate their employee sustainability proposition to attract and retain top talent.

Built around our award-winning Employee Sustainability Proposition Audit, we're able to help businesses identify the elements of ESG that matter to their employees, how their company ranks in these areas, and how effectively they convey their ESG strategy, actions and results to their current and prospective employees.

Launched in 2023, the audit is truly innovative in its emphasis on ESG in connection to the employee value proposition. Our consultants provide a precise audit of a company's employee sustainability proposition, assessing its environmental, social, and governance promises and what is important for their employees and potential employees. A comprehensive toolkit of bespoke recommendations is delivered to allow businesses to strengthen their employee value proposition, attract top-tier talent, and communicate their ESG strategy effectively.

We're already being recognised as an innovator in this space, with our consultancy service winning Innovation of the Year at the TALiNT International Annual Recruitment Awards, and client partner Triodos Bank UK awarded Best ESG Strategy at the HR Excellence Awards for their adoption of our ESG for HR solution.

## Our 2023 targets

Launch the ESG for HR consultancy service in

**2023**

Increase number of engagements by clients, candidates and employees with our ESG thought leadership in 2023 by

**10%**

Agree comprehensive and robust ESG categorisation framework to measure sustainable and responsible business placements in

**2023**

## Our 2024 targets

Number of awards (win or finalist) our ESG for HR consultancy service is recognised for in 2024

**2**

Percentage of Resource Solutions clients that ESG thought leadership is offered to in 2024

**100%**

Host ESG for HR Masterclasses for our clients throughout

**2024**

## Our progress and highlights

ESG for HR consultancy service launched in

**2023**

Number of engagements with our ESG thought leadership in 2023 increased by

**39%**

Maintain current reporting on sustainable and responsible business placements while we complete the global roll-out of Zenith, our new CRM

## Recruit-Train-Deploy

Delivered through our Resource Solutions business, our Recruit-Train-Deploy accelerate programme provides a socially conscious way for employers to build a tech talent pipeline while improving diversity and addressing skills gaps.

Our global reach, international talent pool and expertise in skills-based recruitment, assessment and training means that we're able to find high-potential early-in-careers talent and help them build a successful tech career. After a rigorous assessment process, programme members join one of our bespoke tech bootcamps and are then placed with employers looking for skilled and accredited professionals. We provide a career development framework for all programme members, coaching, mentoring and further opportunities to upgrade their skills. This allows our clients to access not only recent graduates or school leavers, but also untapped potential, enabling young people from under-represented or disadvantaged groups, career returners, or ex-military break into sectors where they can develop long and successful careers in tech.

## ESG thought leadership

As a global recruitment business, we're in a unique position to provide insights, research and analysis on the ESG factors driving hiring today as well as the trends that signify major shifts on the horizon that will impact the future of work.

Using our own proprietary data, publicly available insights and the subject matter expertise of our experienced recruitment specialists, we're able to help businesses navigate the changing recruitment landscape as we transition to an ESG-informed economy.

This year we've delivered e-guides on building the business case for sustainable HR; considerations for a 4-day work week; empowering people to deliver ESG transformation; case studies on diverse hiring; ED&I recruitment strategy reports on gender, LGBTQ+ diversity, race and ethnicity inclusion and disability equality in the workplace; events and roundtables on diversity and neurodiverse talent; an ESG masterclass for HR and talent acquisition professionals; and global webinars on diversity and future trends impacting the workforce.

# 4. Reducing our environmental impact

As a business we are committed to reducing our environmental impact, recognising the global threat posed by climate change. We take our responsibility to safeguard the environment for future generations seriously, as in order to power people and organisations to fulfil their unique potential, we must also protect the planet we all share.

We're taking action to reduce our emissions, increase the use of renewable energy, invest in reforestation initiatives around the world and empower our offices to take local action to reduce our impact on the environment, to help us reach our target of net zero (which is about reduction rather than offsetting) by 2040 across Scope 1 and Scope 2 greenhouse gas (GHG) emissions.

## Our ambition

To be an environmentally conscious business which understands and reduces its environmental impact globally.

## Framework of approach

We will achieve our ambition by focusing on the following areas:

1. Group level decarbonisation: Set a net zero target for 2040. Use our decarbonisation framework to reduce carbon emissions as much as possible.
2. Environmental reporting: Maintain regulatory compliance with climate-related reporting.
3. Local environmental initiatives: Engage employees with local initiatives focusing on waste, water and energy.

## Our 2023 highlights

### Reforestation and biodiversity

We've partnered with the World Land Trust since 2015, investing in programmes to protect and restore threatened forests to support the protection of carbon-rich habitats in key areas of conservation importance. The Group's operations are offset through the World Land Trust Carbon Balanced Programme, which means we invest in carbon offset schemes equivalent to our emissions, as assessed by World Land Trust carbon specialists. Through our partnership with the World Land Trust, the Group offset more than 3,000 tonnes of the business's $CO_2$ emissions in 2023.

Through the World Land Trust we also plant a tree for every permanent candidate placement made across our Robert Walters and Walters People businesses, as well as one tree for every employee in our Resource Solutions business – over 16,600 in 2023. We currently support programmes in Armenia to restore a corridor for leopards and lynx, Brazil to replenish critically threatened Atlantic Forest habitat and India to reforest a corridor for safe passage of the Asian Elephant and other species.

## Local action supporting global goals

Our Amsterdam, Dublin, London and Paris offices have all successfully maintained ISO 14001 accreditation, the international standard for environmental management.
Supported by our global ESG Champions and ESG Committee, our local offices are also empowered to take local action that helps to reduce our environmental impact and support us in achieving our global goals.
For example, in the Philippines we segregate biodegradable and non-biodegradable waste, in Korea we are reducing water usage by using water storage tanks, in France we recycle all electronic waste using a specialist local company, in a number of our offices air conditioning and smart lighting energy saving initiatives are in place, and in London a significant amount of materials and furniture were re-used during a recent refurbishment while maintaining a high quality finished result.

## Reducing our emissions

We're taking action to reduce our emissions to help us reach our target of net zero by 2040 across Scope 1 and Scope 2 greenhouse gas (GHG) emissions. When any of our offices renew or take a new lease we choose a renewable energy supplier where available. We're also focused on reducing our emissions from business travel, with a reduction in business travel emissions per head of 43% compared to the 2019 base line year. And we are moving our company car fleet to hybrid or electric vehicles in the UK and EU, with 47% hybrid or electric in 2023.

Additionally, we are looking at enhancing our Scope 3 emission reporting by including a wider range of categories, with a view to their incorporation into our 2040 net zero target.

## A commitment to best practice

To align to industry best practice standards we have implemented a number of environmental policies including our Carbon Reduction Plan, Sustainable Procurement Policy Statement and Carbon Conscious Business Travel Policy in addition to our existing Environmental Policy Statement, Energy Policy Statement, Environmental Code of Conduct for suppliers and Sustainability Policy Statement.

## Our targets

Reach net zero across Scope 1 and 2 GHG emissions by

**2040**

Offices where we have control over energy sources to use renewable energy by 2035

**100%**

Reduction per head in business travel emissions by 2030*

**30%**

Number of trees planted by 2030

**100k+**

Percentage of company cars that are hybrid or electric vehicles in the UK and EU by 2035

**60%**

Eliminate single use plastic across all offices globally by the end of

**2024**

## Our progress and highlights

Total Group emissions reduced in 2023 against the base year* by

**39%**

Percentage of offices that use 100% renewable energy sources in 2023

**32%**

Reduction in business travel emissions per head on the 2019 base year*

**43%**

Number of trees planted since our plant a tree programme launched in 2020

**61k**

Percentage of company cars that are hybrid or electric vehicles in the UK and EU in 2023

**47%**

Percentage of offices where single use plastics have been eliminated in 2023

**80%**

*Using 2019 as the baseline year.

# ESG Strategy continued
## Task Force on Climate-related Financial Disclosures (TCFD)

This statement contains the Group's TCFD-aligned disclosure in accordance with the FCA's Listing Rules and BEIS' statutory instrument on climate-related financial disclosures. The Group has provided responses across the TCFD's pillars and aims to advance the maturity of its climate-related actions and disclosures on an annual basis. This statement complies with each of the TCFD's 11 recommended disclosures and is in compliance with the new Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022 (SI 2022/31).

### Governance

The Board has primary oversight for the Group's ESG performance and monitors the risks and opportunities, including climate-related ones. The Board considers climate-related issues when reviewing and guiding strategy, risk management policies, annual budget and business plans as well as setting the organisation's performance objectives, monitoring implementation and performance and overseeing major capital expenditures. ESG was a listed topic on the agenda at two Board meetings in the last year, the mechanism through which the Board reviews emerging ESG issues for relevance to the Group's risk profile and company strategy. Any new emerging risks or changes in risk profile are then discussed at the Audit and Risk Committee meetings and a decision is made on whether they should be included in the Group's risk matrix.

During the year, the Board used the updates from the ESG Committee to review progress made against the Group's ESG strategy and the Group's ESG targets, among others.

The ESG Committee was established at the beginning of 2021 and meets at least quarterly, meeting seven times in 2023. The Committee has ownership and responsibility for the execution of the Group's ESG strategy and consists of key stakeholders from across the Group including members of the Operating Board and representatives from HR, finance, internal audit, marketing and innovation.

David Bower (CFO) is the Chair of the ESG Committee and is responsible for informing the Board of the Committee's findings and of any required actions. The Committee has appointed two operational ESG 'champions' responsible for driving change and influencing behaviour throughout the business, working with local management teams to meet the Group's ESG targets, including the environmental targets. These targets (listed on page 37) have been incorporated into the Executive Directors' KPIs, within the

ESG targets – corresponding to a maximum annual bonus of 8% (see page 47), as well as those of senior management.

Climate-related risks are identified, assessed and managed in line with the Group's risk management process outlined in full on pages 40 to 41.

## Strategy

Climate change mitigation is a key piece of the Group's environment pillar within our ESG strategy. We have made a commitment to reach net zero by 2040 across scope 1 and 2 GHG emissions, and continue to progress against our GHG emissions reduction targets as found on page 37.

The Group recognises that climate change, specifically the transition to a low carbon economy, will change the landscape in which the business operates. In 2022, we undertook a qualitative scenario analysis with the help of specialist ESG consultancy Sillion, which assessed the material climate-related risks and opportunities (CRROs) within a 2°C by 2100 warming scenario.

The process consisted of engaging key internal stakeholders across risk, strategy, operations, communications and other support functions, to examine potential impacts of the scenario. A range of risks and opportunities were then identified, looking at how these might evolve in the short (current to 2025), medium (2026 to 2040) and long term (2041 to 2050). The materiality of those risks was assessed based on their likelihood and potential financial impact. The mitigating activities for each of these were then discussed and agreed upon. Our most material CRROs can be found on pages 40 to 41.

The Group utilised assumptions of physical risks from the Representative Concentration Pathways (RCP 3.4) and assumptions about policy change, market dynamics and customer demand from the Shared Socioeconomic Pathways (SSP2).

We assessed the impacts of the 2°C scenario up until 2050, such that we would be reasonably able to influence upcoming decisions around strategies, capital allocations, costs and revenues. The scenario we examined

was centred on a disorderly transition, where economies take reactive, regional approaches to climate change challenges, rather than globally coordinated responses.

In this scenario, the wider implications related to the Group were broadly categorised as the following:

- Green skills: The demand for green skills could increase, creating a widening gap between demand for talent and availability.
- Clients decarbonising their operations: Clients could face more pressure to decarbonise, and therefore would need to hire individuals with green skills. This is already underway for Financial Services, a key client category, that is under increasing pressure to reduce operations and financed emissions (i.e. their funds and the issuers within those funds).
- Climate migrants and brain drain: Climate catastrophes and desertification moving from the equator outwards could result in climate migration. The majority of such migrants would likely be displaced internally, with only a minority of the wealthiest individuals moving internationally. This could cause brain drain, further exacerbating international inequalities.
- Climate resilience: For those CRROs where the Group is most exposed, we have established mitigating activities to minimise any impact and capitalise on opportunities.

As the transition to a low-carbon economy begins, the Group has put in place actions to strengthen our green skills recruitment and support both clients and candidates in navigating a

changing market. This could have the potential of increasing revenues, where the Group is able to increase the number of placements for companies seeking green and other sustainability skills. Our plan and associated KPIs can be found in our Sustainable World of Work pillar, on pages 34 to 35.

As a people-centred business, some key risks are centred around our employees' welfare and candidates wanting to work for purpose-led businesses. We believe that our Workforce Engagement (pages 30-31) and ED&I (pages 32-33) pillars will enhance employee welfare and communicate our sustainability progress to current employees and emerging talent, which in turn may give us access to a wider talent pool. As a business that is not strongly exposed to climate-related risks and which is in a position to benefit from emerging climate-related specialist career opportunities, we believe our financial performance and operations will not be under severe stress from climate change. Our strength is in the flexibility of our business strategy and we have an opportunity to assist in enabling employment to a new generation of individuals to whom purpose and sustainability is extremely important.

# ESG Strategy continued

## Climate-related risks and opportunities

| Opportunity | TCFD category | Description of impact | Short term | Mid term | Long term | Activities to capture opportunity |
|---|---|---|---|---|---|---|
| **Helping stakeholders adapt to climate change and the transition to a sustainable economy** | Transition: Market | The transition to a low-carbon economy and the physical impacts of climate change may have disruptive effects on people and the world of work.<br><br>Employees may require more support from recruitment companies as they navigate changes to their routine working conditions. | ● | ● | ● | The Group has developed an award-winning ESG for HR Audit, enabling the Group to audit clients' Employee Sustainability Propositions. This will enable the Group to support clients in achieving their ESG objectives and targets in addition to assisting the Group in being recognised as a thought leader in sustainable HR.<br><br>With the roll out of Zenith, the Group's new customer relationship management (CRM) system, the Group plans to establish a framework for the classification of sustainable jobs, to initiate a formal tracking of recruitment pipelines. This will put the Group in the position to support and benefit from the growth in sustainable and ESG-aligned investment and skills.<br><br>As the Group obtains relevant data, we will continue to refine horizon scanning for emerging ESG market trends and climate-related risks and opportunities for the Group and our clients. Monitoring market trends will allow us to explore the possibility of creating a 'sustainable' recruitment division to capture any increased investment in that space. |

| Risk | TCFD category | Description of impact | Short term | Mid term | Long term | Activities to mitigate risk |
|---|---|---|---|---|---|---|
| **Climate-related cost of living crisis** | Transition: Market | Climate change and the transition to a low-carbon world could increase the cost of living (e.g. energy cost through policy taxes, or food prices due to droughts), putting pressure on people's economic welfare.<br><br>This could have an impact on the financial wellbeing of the Group's employees. | ● | ● | ● | The Group operates in a highly competitive sector. We are a professional services company and our approach to the remuneration of all employees has been fundamental to our culture and our success over the years. We pay well across the Group, based upon talent, merit and performance, as well as continue to provide employees with benefits to support them and their families in their personal lives.<br><br>Beyond the existing support we provide through our management and HR teams, we also encourage our people to make use of the locally relevant Employee Assistance Programme (EAP), which offers financial and wellbeing advice.<br><br>We support gender pay equality and are committed to taking action to close gaps where these may exist.<br><br>We clearly communicate and promote the Group's contribution to ESG, to improve employee awareness and also provide a sense of purpose. |

| Risk | TCFD category | Description of impact | Short term | Mid term | Long term | Activities to mitigate risk |
|---|---|---|---|---|---|---|
| **Rising energy costs** | Transition: Market | As regulation becomes more stringent, high emissive sources of energy may become more expensive.<br><br>This may increase energy costs and therefore operating costs. | High risk | High risk | High risk | As part of our ESG strategy, we are committed to choosing low-carbon and renewable energy, targeting 100% use of renewable energy by 2035 in offices where we have control over our energy supply.<br><br>In addition, we are also committed to reducing total energy consumption. |
| **Talent attraction and retention** | Transition: Reputational | Younger talent may increasingly want to align their personal purpose with their employer's purpose.<br><br>If the Group is slow in its action against climate change, it could struggle to attract and retain talent. | Medium risk | High risk | High risk | The Group acknowledges the very real threat of climate change and we are committed to further reducing our impact on the environment and continue embedding purpose throughout business activities and into the employee value proposition (EVP). |
| **Enhanced carbon reporting obligations** | Transition: Policy | The Group is dealing with the rapidly changing landscape of carbon reporting and will need to ensure disclosures are aligned with reporting requirements. | Medium risk | Medium risk | Medium risk | The requirements of climate-related corporate reporting and disclosures are reviewed by the Group Financial Controller annually and are written in line with legislative disclosure requirements. |
| **Acute asset damage** | Physical: Acute | As temperatures rise, there may be more extreme weather events (e.g. floods) which could impact some of the Group's office locations.<br><br>Damages could result in extra costs for the business and interruption of business activity.<br><br>With the advent of remote working, employees' homes could increase the amount of locations with the potential of being impacted by physical risks. | Low risk | Medium risk | High risk | The Group operates from leased office space and as a service industry has limited high-value physical assets.<br><br>The Group is geographically diversified and our disaster recovery processes, which are regularly reviewed, ensure the Group is able to mitigate natural disaster risks (e.g. floods, earthquakes).<br><br>In addition, the provision of Microsoft Surface Pros, one of the most sustainable choices on the market, to all staff ensures we have the flexibility to work remotely as required. |
| **Climate impact on physical work conditions** | Physical: Chronic | As temperatures rise, the working conditions during very warm periods may negatively affect employees' productivity and mental wellbeing. | Low risk | Medium risk | Medium risk | The wellbeing of our people is a high priority. The Group has management and HR support available in all locations to assist employees in managing productivity and wellbeing in offices where climate has an impact on working conditions. |

**Risk/opportunity**

- Low risk
- Medium risk
- High risk
- Low opportunity
- Medium opportunity
- High opportunity

**Time horizon**

Short term: Current – 2025

Mid term: 2026 – 2040

Long term: 2041 – 2050

# ESG Strategy continued

## Risk management

As detailed in the strategy section of the TFCD statement on page 38, in 2022 the Group undertook a qualitative scenario analysis which included an assessment of predicted physical, regulatory and societal shifts in a 2°C warming scenario. Through this process the Group identified relevant CRROs and assessed their impact up until 2050. The CRROs identified and monitored are disclosed in the CRRO table on pages 40-41.

The Board recognises the importance of identifying and actively monitoring the full range of financial and non-financial risks facing the business, at both a local and Group level. The materiality of risks is considered as a product of occurrence (the likelihood of the risk happening within the next 10 years) and impact (the degree of the impact should the risk happen), with a summary of the key risks that we believe could potentially impact the Group's operating and financial performance disclosed in our Principal Risks and Uncertainties section on pages 52-58. At present, in relation to the key risks identified in the Principal Risks and Uncertainties section, the relevant CRROs identified are not considered to have a material impact for the Group.

The processes for mitigating the identified CRROs can be found in the CRRO table on pages 40-41. As part of the overall risk management process, which includes CRROs, the Audit and Risk Committee reviews and considers the extent to which management has addressed the key risks through appropriate controls and actions to mitigate those risks.

CRROs are managed and prioritised as part of the Group's overall risk identification and management process (outlined in full on page 52). Additionally, we plan to review the scenario analysis annually and update any key assumptions and market trends that might uncover emerging risks or opportunities. The Group will continue to monitor the CRROs and their significance (including existing and emerging regulatory requirements) quarterly as a standing item at the ESG Committee, implement mitigating activities, and disclose in line with materiality to the Group.

## Metrics and targets

Commitment to the ongoing tracking and monitoring of climate-relevant metrics facilitates the effective management of the CRROs. The Group has set specific climate-related targets, disclosed in full on page 37.

The Group measures and reports Scope 1, 2 and 3 emissions which are summarised in the table overleaf in line with the Greenhouse Gas (GHG) methodology. The Group reports absolute figures (tonnes of $CO_2e$) and intensity figures ($CO_2e$ per head) across all scopes.

## Streamlined Energy Carbon Reporting (SECR)

This section includes our mandatory reporting of greenhouse gas emissions pursuant to the 'streamlined and more effective energy and carbon reporting framework' for the UK – SECR, which was enacted into law in 2018 through The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

### Reporting year

The greenhouse gas emissions report has been prepared based on a reporting year of 1 January to 31 December 2023, which is the same as the Group's financial reporting period.

### Reporting boundary

The Group's report is based on all entities and offices which are either owned or under operational control globally.

### Methodology and scope

The methodology used to calculate the Group's emissions is based on the 'Environmental Reporting Guidelines: including Mandatory Greenhouse Gas Emissions Reporting Guidance' (June 2013 as updated in March 2019) issued by the Department for Environment, Food and Rural Affairs (Defra).

The Group has also utilised Defra's 2023 conversion factors within the reporting methodology.

The greenhouse gas emissions data has been prepared with reference to GHG protocol, which categorises greenhouse gas emissions into three scopes. Reporting on emissions from Scope 1 (direct GHG emissions) and Scope 2 (indirect GHG emissions) activities is mandatory.

The reporting of Scope 3 emissions (other indirect emissions from sources not owned or controlled by the Group) is voluntary and therefore, the Group reports on all those Scope 3 activities which it feels are relevant and sufficiently accurate and complete.

We have commenced a detailed screening process across all Scope 3 activities to identify those with the most significant impact, allowing us to focus our data collection efforts and expand our scope 3 reporting.

The Group's energy consumption in kWh has been calculated for 2023 by taking the calculated fuel consumed by the Group for gas and electricity usage and combining with an estimated kWh for our company cars and business-related travel by employees using their personal vehicles.

**Intensity metric**
The Group has recorded the total global emissions, in tonnes of $CO_2e$ ($tCO_2e$), and has decided to use an intensity metric of tonnes of $CO_2e$ per head, which the Group believes is the most relevant indication of our growth and provides the best comparative measure over time.

The table below shows the total global emissions in tonnes of $CO_2e$ and tonnes of $CO_2e$ per head for the Group. It also shows the Group's energy consumption for UK and non-UK activities.

**Base year**
The 2019 financial year is being used as the baseline due to lower-than-average emission levels in 2020 during the global pandemic.

The base year and the prior year have been recalculated for changes to the scope of operation and measurements, including any additions to measured Scope 3 data. The base year and the prior year are also recalculated if more accurate data is identified.

**Energy efficiency initiatives**
As a result of our 2022 pilot scheme to enable us to more accurately measure, identify and attribute energy use, we have been able to make improvements to both plant and lighting during 2023, resulting in energy reductions in our London head office. Although lighting upgrades are still only 75% complete, energy use by lighting alone has been reduced by 5% due mainly to the introduction of energy efficient LED lighting but also through better control of the system. We have replaced old and inefficient air conditioning equipment in our server room resulting in an energy reduction of 35%.

**Greenhouse gas emission source (base year 2019)**

| | | | | Current Revision | | Current Revision | | |
|---|---|---|---|---|---|---|---|---|
| | **2023 Dec YTD $tCO_2e$** | **2023 Dec YTD $tCO_2e$ per head** | **2023 v 2022 $tCO_2e$ variance %** | 2022 Dec YTD^ $tCO_2e$ | 2022 Dec YTD^ $tCO_2e$ per head | 2019 Dec YTD^ $tCO_2e$ | 2019 Dec YTD^ $tCO_2e$ per head | 2023 v 2019 $tCO_2e$ variance % |
| **Scope 1** | | | | | | | | |
| Vehicle fleet and purchased gas | **641** | **0.13** | **(25%)** | 593 | 0.18 | 764 | 0.18 | (26%) |
| **Total Scope 1 emissions** | **641** | **0.13** | **(25%)** | 593 | 0.18 | 764 | 0.18 | (26%) |
| **Scope 2** | | | | | | | | |
| Purchased electricity and heat | **1,132** | **0.24** | **(26%)** | 1,057 | 0.32 | 1,704 | 0.40 | (41%) |
| **Total Scope 2 emissions** | **1,132** | **0.24** | **(26%)** | 1,057 | 0.32 | 1,704 | 0.40 | (41%) |
| **Scope 3** | | | | | | | | |
| Business travel – air | **1,010** | **0.21** | **(33%)** | 1,039 | 0.31 | 1,560 | 0.37 | (43%) |
| Business travel – land* | **238** | **0.05** | **(11%)** | 185 | 0.06 | 376 | 0.09 | (44%) |
| Transmission and distribution | **80** | **0.02** | **(25%)** | 74 | 0.02 | 112 | 0.03 | (37%) |
| **Total Scope 3 emissions** | **1,328** | **0.28** | **(29%)** | 1,298 | 0.39 | 2,048 | 0.49 | (43%) |
| **Total Group emissions** | **3,101** | **0.65** | **(27%)** | 2,948 | 0.89 | 4,516 | 1.07 | (39%) |
| Carbon offset | **(3,101)** | **(0.65)** | | (2,945) | (0.89) | (4,314) | (0.93) | |
| **Total net emissions** | **0** | **0.00** | | 3 | 0.00 | 202 | 0.14 | |
| **Energy consumption (kWh)** | | | | | | | | |
| UK energy consumption (kWh) | **1,110,561** | **n/a** | | 1,136,946 | n/a | 1,576,801 | n/a | |
| Non-UK energy consumption (kWh) | **5,048,161** | **n/a** | | 4,610,690 | n/a | 5,641,293 | n/a | |
| **Total energy consumption (kWh)** | **6,158,722** | **n/a** | | 5,747,636 | n/a | 7,218,094 | n/a | |

*Land travel includes all forms of land transport, such as rail and taxi, but excludes travel in the Group's vehicle fleet. The appropriate conversion factor for the method of transportation is applied to the distance travelled.

^The base year and the prior year have been recalculated for changes to the scope of operation and measurements, including any additions to measured Scope 3 data. The base year and the prior year are also recalculated if more accurate data is identified.

ESG Strategy continued

# 5. Supporting our communities

Giving back to the communities in which we do business has always been important to us – it's part of our DNA, and our people have a long history of supporting local charities and community organisations which are focused on improving people's lives around the world.

## Our ambition

Our purpose is to power people and organisations to fulfil their unique potential and this purpose extends to the support we give our local communities. It's our ambition to have a global impact through local action in support of the UN's Sustainable Development Goals (SDGs) to eliminate poverty and hunger, secure access to clean water, reduce inequalities and share our skills and expertise to help disadvantaged groups access good quality job opportunities.

We focus our efforts on the three areas where we think we can have the greatest impact:

- Delivering global impact through local action
- Investing in emerging and under-represented talent across all sections of society
- Providing pathways to employment

## Framework of approach

1. Group corporate charitable partner: Support a global charity partner at Group level.
2. Global Charity Day: Continue to align local employee priorities to Global Charity Day.
3. Individual charitable activities: Encourage employees to use their one paid volunteering day a year to donate their time to a given charity. This charity must align either to the ESG strategy's aims or utilise their recruitment skills.

## Our 2023 highlights

### Transforming Tsavo with Global Angels

Since 2017, we've partnered with Global Angels as our Group charitable partner, working together with the local community in Tsavo, Kenya, empowering them to build a sustainable future.

Our funding and year-round support drives a programme of activity to put essential infrastructure in place, provide access to clean water for drinking and secure water sources for agriculture, develop sustainable farming techniques, provide education and training and create small businesses. In 2023, we sent eight employees to volunteer on the Global Angels project farm. They worked closely with community leaders managing the key projects, and saw the progress and positive impact of some of our key projects including:

- Repairing damaged land by planting hundreds of indigenous trees across the farm to prevent soil erosion.
- Funding training and qualifications for key community members so they can in turn educate the community.
- Building additional water tanks to reinforce water storage capacity.
- Establishing new orchards to provide food for the local community, with pomegranate, orange, lemon, tangerine, guava, papaya and banana plants.
- Continuing to trial regenerative and innovative farming techniques to develop sustainable climate-proof agriculture practices, including vermiculture, indigenous poultry farming and growing animal feed.

Our Transforming Tsavo partnership with Global Angels was recognised as Best Charity, NGO or NFP Programme (Gold) and Most Effective Long-term Commitment (Bronze) at the Corporate Engagement Awards 2023, and finalist in the ESG Related Charity Partnership of the Year category at the 2023 ESG Awards.

## Global Charity Day

Every year we see the creativity and collaborative spirit of our people as they come together to fundraise, volunteer their time and support a wide range of charities around the world for our Global Charity Day. We're proud to give back to the communities in which we operate, and this Global Charity Day we supported charities helping to fight cancer, improve the lives of children, provide pathways to help people into jobs, provide disaster relief and mental health support.

## Empowering young women in rural India through sport

In 2023, we partnered with The Change Foundation to launch On Drive – a women's leadership programme using the power of sport to develop young leaders and drive sustainable development. Providing cricket training, leadership skills development, career advice and mentoring, On Drive, delivered by local foundation Magic Bus and supported by our employee volunteers, empowered young women in rural India to become effective leaders and agents of long-term change for their communities through sustainable development projects.

## Showcasing the next generation of artists

Now in its fourth year, our Robert Walters Group UK New Artist of the Year award helps to discover and champion the work of emerging artists whose work and vision represent contemporary Britain. In collaboration with UK New Artists and Saatchi Gallery, the award provides a platform for 10 exceptional finalists to showcase their work to an international audience.

With over 1,600 entries in 2023, the award continues to grow and is truly a springboard for artists to jumpstart the next stage of their career. 2022 winner Habib Hajallie and second prize winner Tyreis Holder were named in the 2023 Forbes '30 Under 30' Europe Art and Culture list, and 2021 second prize winner Catriona Robertson's sculptures were commissioned for the Chelsea Flower Show in 2023.


## Bringing under-represented stories to the stage

As a passionate supporter of the arts, we were the proud Production Sponsor of The Old Vic Theatre's show Sylvia, which told the story of Sylvia Pankhurst, the lesser-known Pankhurst at the heart of the Suffragette movement, who changed the lives of working women and men across the world. The Old Vic Theatre is focused on making theatre accessible to all as well as diversifying talent within the arts, which aligns to the Group's values and ambitions.

## Supporting Ukraine

At the end of 2023, we completed our funding (which started in early 2022, soon after the conflict broke out) of one of our consultants, Dana Okomaniuk, to run goodjob (findyourgoodjob.com), a platform she co-founded to help Ukrainians displaced by the conflict connect to jobs, mentoring and a network of support. Now successfully established as a non-profit in Ukraine and able to receive government funding, we're proud to have been able to support Dana and her colleagues as well as having many employees volunteer to support the mentoring programme.

### Our targets

**Amount raised through Global Charity Day fundraising over the next three years (2023 to 2025)**

**£500k**

**Percentage of countries participating in Global Charity Day**

**100%**

**Lives positively impacted by 2030***

**400k**

*Using 2020 as the baseline year.

### Our progress and highlights

**Amount raised through Global Charity Day fundraising in 2023**

**£139k**

**Percentage of countries that participated in Global Charity Day 2023**

**100%**

**Lives positively impacted since 2020**

**173k**

**Charities supported and impacted by our people in 2023**

**80**

**Amount donated to charities through corporate donations in 2023**

**£339k**

ESG Strategy continued

# 6. Being a responsible business

We are committed to operating as responsible corporate citizens, upholding strong ethical principles, policies, procedures and practices in everything we do. This dedication shapes every aspect of our business, ensuring that we continue to be a trusted partner to our stakeholders.

## Our ambition

To meet the evolving expectations of best practice governance, ensuring we always operate responsibly and with strong internal oversight.

## Framework of approach

1. Structure and responsibilities: Review organisational design for ESG governance and ensure the Board and management committees have a diverse combination of skills and experience to govern effectively.
2. Remuneration: Ensure that remuneration policies promote long-term sustainable success.
3. Policies and procedures: Continue to review policies, especially those aligned to business priorities, and join and comply with the obligations of the UN Global Compact.

## Our 2023 highlights

### Joining the UN Global Compact

In January 2023, we were proud to join the UN Global Compact, a voluntary platform for responsible business practices. This partnership aligns our strategy and operations with the UN's Sustainable Development Goals (SDGs), focusing on human rights, labour, environment and anti-corruption. With over 20,000 participants in over 160 countries, the UN Global Compact is the largest corporate sustainability initiative in the world. Our membership strengthens our commitment to ethical business practices and creating a sustainable future alongside other leading global businesses.

### Launching our enhanced ESG strategy

In 2023, we launched our new ESG strategy to our employees through a series of global webinars, ESG video content and presentation packs designed to equip our people to talk to clients and candidates about our ESG priorities. The strategy was also launched externally through our Annual Report & Accounts 2022, Group website and social media. It is built upon the six key pillars outlined in this ESG report and was developed following a thorough materiality assessment (page 29) conducted by external ESG specialists. Our ESG Committee, formed in 2021 and comprising members of our Board, senior members of our management team and senior stakeholders from our business support functions, is responsible for continuing to drive forward our ESG strategy.

### Recognised as a global ESG leader

We're proud to be recognised as an ESG leader, named runner-up in the Best Company for Social Responsibility (Small Cap) category at the Corporate ESG Awards 2023 and finalist in the ESG Related Charity Partnership of the Year category at the 2023 ESG Awards. We were also listed as a constituent member of the FTSE4Good Index for the 15th consecutive year.

## Accreditations and partnerships

We are committed to aligning with best practice frameworks and independent evaluation of our processes and ESG policies.

Our Singapore and Paris offices are Ecovadis silver rated, and the London office is bronze rated. We continue to be Cyber Security Certified, the scheme backed by the UK government to help businesses ensure they are protected from cyber threats.

We have achieved silver status with the Achilles Network, a supply chain pre-qualification assessment that covers all key risk and compliance areas, are certified under the Safety Schemes in Procurement Competence programme, and we hold a ConstructionLine Social Value Certificate, a supply chain prequalification system that assesses health and safety and ESG factors.

Our Amsterdam, Brussels, Dublin, Kuala Lumpur, London and Paris offices are all ISO 9001 certified, and seven of our offices in Australia and New Zealand are ISO 45001 certified, the international standard for health and safety.

## Governance and social policies

**Human rights and ethical behaviour**

The Group respects all human rights and, in conducting its business, the Group regards those rights relating to non-discrimination, fair treatment and respect for privacy to be the most relevant and to have the greatest potential impact on its key stakeholder groups of clients, candidates, employees and suppliers. The Board has overall responsibility for ensuring the Group upholds and promotes respect for human rights. The Group seeks to anticipate, prevent and mitigate any potential negative human rights impacts as well as enhance positive impacts through its policies and procedures and, in particular, through its policies regarding employment, equality and diversity. Group policies seek to both ensure that employees comply with all applicable legislation and regulation and to promote good practice.

The Group's policies are formulated and kept up to date by the relevant business areas, authorised by the Board and communicated to all employees.

The Group has a zero-tolerance approach to bribery and corruption and has specific processes in place to prevent it. The Group's Anti-Bribery policy (with specific reference to the Bribery Act) is included in core training to all employees. The Anti-Bribery policy is revalidated annually to ensure that it is current.

The Group is aware of the UK Modern Slavery Act 2015 and complies with its obligations under it. In respect of actions taken during the year, we believe that we operate a supply chain with a very low inherent risk of slavery and human trafficking potential. As such, over and above our normal operating procedures, we have taken no specific steps in this regard.

The Group undertakes extensive monitoring of the implementation of all of its policies and has not been made aware of significant breaches of policy or any incident in which the organisation's activities have resulted in an abuse of human rights.

**Health and safety**

The Chief Executive has overall responsibility for the implementation of the Group's Health and Safety policy, with specific operational responsibility delegated to managers at each location. Every effort is made to ensure that all national safety requirements are met at all times, and there were no notable injuries or health and safety issues identified during the year.

## Our targets

Executive remuneration linked to ESG targets

**8%** Bonus opportunity

**10%** LTIPS opportunity

Annual rate of serious injuries and fatalities no more than

**1%**

Join and comply with the obligations of the UN Global Compact in

**2023**

## Our progress and highlights

Executive remuneration linked to ESG targets

**5%** Bonus opportunity*

**10%** LTIPS opportunity

Annual rate of serious injuries and fatalities in 2023

**<1%**

Joined and complied with the obligations of the UN Global Compact in

**2023**

*The bonus opportunity linked to ESG targets, as set by the Remuneration Committee, was lower in 2023 due to the on-boarding of the new Executive Directors. The percentage above is an average, see detail on page 80.

# Stakeholder Engagement

## Our People

### How we engage

- Group-wide annual and pulse employee surveys
- Quarterly regional business update videos and financial results
- Internal forums and conferences to discuss and consult on business priorities
- Regular performance and development reviews
- Employee training programmes and workshops
- Whistleblowing policy and hotline

### How we respond

We listen to our people's views and value their feedback.

The focus in 2023 was on wellbeing and benefits. We've focused on ensuring our people are equipped with the right wellbeing tools and resources and have reviewed our benefits packages in each region.

## Our Clients

### How we engage

- Key Director, Manager and Consultant relationships
- Client satisfaction surveys are carried out on a regular basis
- Client and industry events
- Market insights and market intelligence
- Ongoing conversations

### How we respond

Through building long-term, personal relationships, our consultants are seen as trusted advisers focused on supporting clients and providing a high-quality service. Whilst macro-economic conditions softened in many of our markets as the year progressed, talent shortages remained. We were able to deliver a high-quality professional service and provide support to our clients on how best to position themselves to attract high-quality talent.

## Our Candidates

### How we engage

- Candidate satisfaction surveys are carried out on a regular basis
- Candidate events
- Ongoing conversations
- Salary surveys

### How we respond

By building long-term relationships with candidates, we help them fulfil their career potential. Feedback is taken extremely seriously and where appropriate is brought to the attention of the Chief Executive during the year. Our internally developed CRM system allows our consultants to provide candidates with a better and more positive experience.

## Our Communities

### How we engage

- Global Charity Day
- Global Angels
- Employee volunteering
- Tree-planting initiative

### How we respond

The Group has a long history of giving back to the communities in which we operate. It's part of our DNA and is evidenced by the passion of our people to give their time, energy and finances to champion local and global causes.

We continue to support and invest in charitable initiatives and partnerships that help individuals and communities to fulfil their own unique potential through economic empowerment and corporate advocacy, with our initiatives detailed in the Supporting our Communities section on pages 44 to 45.

## Our Shareholders

### How we engage

- Direct, ad-hoc access to the Company via newly established investor relations function
- Quarterly trading updates
- Half-year and full-year results statements and presentations
- Annual General Meeting
- Results roadshows and participation in investor conferences
- Providing access to the Chair for meetings with shareholders, including an annual invitation for our largest shareholders to meet with the Chair

### How we respond

We continue to regularly engage with our shareholders and the wider pool of investors, focusing on our strategy, refreshed management team, financial performance, market dynamics, governance and remuneration. Regular meetings of the Board are used as the forum to ensure that Non-executive Directors are updated on the views of shareholders and the wider investment community that have been communicated to the Executive Directors.

## Our Suppliers

### How we engage

- Responsible procurement process
- Supplier assessments and evaluations
- Relationship meetings with key suppliers

### How we respond

The Group maintains a zero-tolerance policy for bribery and modern slavery, and all suppliers are required to behave ethically, in accordance with all legislation including the Anti-Bribery and Modern Slavery Acts.

We value our suppliers and adopt the principles of prompt payment and the agreement of mutually sensible and beneficial contractual terms. The Board considers this ethical approach to be appropriate and our whistleblowing processes ensure confidential escalation can take place as required.

**Section 172 statement**
P59 →

# Financial Review

**David Bower**
Chief Financial Officer
Robert Walters Group

These Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the United Kingdom.

## Group statutory results

The headline statutory financial results for the Company are presented below.

| | 2023 £ millions | 2022 £ millions |
|---|---|---|
| **Revenue** | **1,064.1** | 1,099.6 |
| Cost of sales | **(677.3)** | (671.4) |
| **Gross profit (net fee income)** | **386.8** | 428.2 |
| Administrative expenses | **(360.5)** | (370.0) |
| **Operating profit** | **26.3** | 58.2 |
| Net finance costs | **(4.2)** | (3.1) |
| (Loss)/gain on foreign exchange | **(1.3)** | 0.5 |
| **Profit before taxation** | **20.8** | 55.6 |
| Taxation | **(7.4)** | (16.5) |
| **Profit for the year** | **13.4** | 39.1 |
| | | |
| **Attributable to:** | | |
| Equity holders of the Company | **13.4** | 39.1 |

### Revenue

Revenue for the Group is the total income from the placement of permanent and temporary (comprising contract and interim) staff, and therefore includes the remuneration costs of temporary candidates and the total cost of advertising recharged to clients. It also includes outsourcing fees, consultancy fees and the margin derived from payrolling contracts charged by Resource Solutions to its clients.

Revenue was down 3% to £1,064.1m. In recruitment, net fee income on temporary placements was flat year-on-year, with the associated higher remuneration costs of temporary candidates that are included in revenue partially offsetting the lower net fee income (down 12% in reported terms) on permanent placements.

### Gross profit (net fee income)

Net fee income is the total placement fees of permanent candidates, the margin earned on the placement of temporary candidates and the margin from advertising. It also includes the outsourcing, consultancy and payrolling margin earned by Resource Solutions. Net fee income is the primary financial top-line metric used to evaluate business performance.

Net fee income was down 10% year-on-year, driven by the lower volume of permanent placements as hiring markets globally corrected from the record activity levels seen in 2022. At 52% of the 2023 total, H1 net fee income accounted for a higher proportion than seen in the prior year (2022 H1 net fee income: 49% of total), reflecting the more pronounced slowdown across the Group's markets as the year progressed.

### Operating profit

Operating profit was down 55% to £26.3m, driven by the operating leverage impact whereby the lower net fee income (down 10%) was not matched, in the short term, by proportionately lower operating costs (down 3%).

The majority of the Group's operating costs (c.70%) relate to staff, being fee earners (recruitment consultants) and non-fee earners (support staff across various corporate functions such as marketing, HR, IT, legal and finance). Though period end headcount of 3,980 was down 9% year-on-year (31 December 2022: 4,356), the average headcount during 2023 was up 6% year-on-year as the adjustment in headcount to match activity levels in more challenging markets was second half-weighted. In addition, there was a limited amount of restructuring in some leadership roles, and all of the related costs were charged to the income statement in the ordinary course, as opposed to being recognised as exceptional costs.

### Interest and financing costs

The Group incurred a net interest charge for the year of £4.2m (2022: £3.1m), of which £3.4m (2022: £2.5m) relates to the interest charge on lease liabilities, being predominantly office leases.

The Group has a £60.0m financing facility, currently due to expire in March 2027. At the year-end date, £15.8m (31 December 2022: £26.1m) was drawn down under this facility.

A foreign exchange loss of £1.3m (2022: £0.5m gain) arose during the year on translation of the Group's intercompany balances and external borrowings.

### Taxation
The tax charge in 2023 was £7.4m (2022: £16.5m) which gives an effective tax rate ("ETR") of 36.0% (2022: 29.7%). On 1 April 2023, the main UK corporation tax rate increased from 19% to 25%. The ETR is higher than the 2023 blended average UK rate of 23.5% primarily as a result of higher rates of taxation in some of the Group's major overseas markets such as Japan, France and the Netherlands and the impact of adjustments to accounting profits in the tax calculation and the movement in the deferred tax asset.

Over the medium term, other than governmental changes to corporation tax rates, the key factor affecting the ETR is likely to be the mix of profits generated across various tax jurisdictions.

### Earnings per share
Basic earnings per share for the year fell to 20.1p (2022: 56.2p), reflecting the underlying trading performance. The weighted average number of shares decreased to 66.8m (2022: 69.6m), as a result of the Company's share buyback programme.

### Cash flow and financing
The Group's business model continues to be highly cash generative with cash conversion in 2023 of 207% (2022: 102%).

### Working capital
The working capital net inflow of £6.5m (2022: net outflow of £27.0m) was principally driven by the lower net fee income compared to the prior year, and consequently lower trade receivables balance.

### Capital expenditure
Intangibles capital expenditure of £7.6m (2022: £7.1m) principally comprises spend to further develop the Group's in-house CRM system.

Property, plant and equipment net capital expenditure of £7.2m (2022: £8.8m spend, nil sale proceeds) comprises spend of £8.3m, principally on the Group's office estate, partially offset by sale proceeds of £1.1m.

### Dividend
Given the strength of the Group's balance sheet and the Board's confidence in the medium to long term outlook and performance of the business, the Board is proposing a final dividend of 17.0p per share. Together with the interim dividend of 6.5p per share paid in September 2023, this takes the total dividend for the year to 23.5p, in-line with that for the prior year.

### Share buyback
During the first half of the year, the Company purchased 0.8m shares at an average price of £4.15 per share for £3.4m and subsequently cancelled those shares. During the second half of the year, the Company purchased a further 1.7m shares at an average price of £3.87 per share for £6.6m and cancelled those shares. In aggregate, the Company therefore repurchased £10.0m of shares for cancellation (2022: £10.0m).

| | 2023 £ millions | 2022 £ millions |
|---|---|---|
| Operating profit | **26.3** | 58.2 |
| Depreciation and amortisation charges | **24.0** | 21.7 |
| Other non-cash items | **(2.3)** | 6.7 |
| Decrease/(increase) in working capital | **6.5** | (27.0) |
| **Cash generated by operations** | **54.5** | 59.6 |
| Net interest and associated borrowing costs | **(0.8)** | (3.1) |
| Repayment of lease principal | **(15.9)** | (16.8) |
| Taxation | **(9.0)** | (21.5) |
| Capital expenditure – Intangibles | **(7.6)** | (7.1) |
| Net capital expenditure – property, plant & equipment | **(7.2)** | (8.8) |
| **Free cash flow** | **14.0** | 2.3 |
| Purchase of own shares | **-** | (12.7) |
| Share buyback | **(10.0)** | (10.0) |
| Equity dividends paid | **(15.8)** | (15.2) |
| Other | **1.2** | 0.3 |
| **Net movement in cash (excl. financing facility)** | **(10.6)** | (35.3) |
| Impact of foreign exchange | **(6.6)** | 5.8 |
| Opening net cash | **97.1** | 126.6 |
| **Closing net cash** | **79.9** | 97.1 |

### Capital allocation
During the year, the Group has reviewed its capital allocation strategy to ensure alignment with maximising shareholder value and providing clarity to all stakeholders. The Group's business model remains highly cash-generative, enabling investment opportunities to be funded through the free cash flow of the Group.

The Board continues to recognise the value of a strong balance sheet, and targets net cash (excluding IFRS 16 leases) of at least £50m. As noted elsewhere, we believe in the fundamental growth drivers of the Group's strategy and hence will consider all investment in those opportunities that provide sufficient headroom above the Group's cost of capital. These investments will focus on improving the efficiency and productivity of our people, improving the candidate and client experience, and increasing the geographic penetration and discipline diversification of the Group.

We will seek to maintain a dividend cover ratio of 1.75-2.25x through the cycle, however the Group may allow cover to fall outside this range at points in the cycle, such as at present. Where this is the case, the Group will seek a clear route to return to this range, balancing the continued development of the business and the needs of all the Group's stakeholders.

Finally, should the Group hold cash in excess of its target, and should the Board expect this position to continue for the medium term, then consideration will be given to returning the excess capital to shareholders through either a share buyback programme, special dividends, or a combination of the two.

### Foreign exchange impact
The Group's primary overseas functional currencies are the Japanese Yen, the Australian Dollar and the Euro.

The impact of foreign exchange movements between 2023 and 2022 resulted in a £5.5m decrease in reported net fee income and £1.4m decrease in operating profit for the Company.

# Principal Risks and Uncertainties

## Risk management process

The Board recognises the importance of identifying and actively monitoring the full range of financial and non-financial risks facing the business, at both a local and Group level. The effectiveness of the risk management process is monitored by the Audit and Risk Committee.

A review of the Company's risk profile was carried out during the year, including the ongoing identification and consideration of emerging risk, including climate-related and cyber-related risk. The process involves identifying and prioritising the key risks within the Group and developing and implementing appropriate mitigation strategies to address those risks. By regularly reviewing the risk profile of the business, the Board ensures that the risk strategy remains appropriate at any point in the cycle. The process for identifying, assessing, and managing climate-related risks is integrated into the Company's overall risk management process, and is detailed in our TCFD statement on pages 38 to 43.

Climate-related risk is assessed by considering both the risks related to the physical impacts of climate change and those related to transitioning to reduce carbon emissions and the switch to lower carbon, together with climate-related opportunities and the impact on the Group strategy. Climate-related risk is continually evolving, and the potential impact to our organisation in the short, medium and long term and our impact on the environment is considered. Climate-related risks and opportunities are detailed in our TCFD statement on pages 38 to 43. The Group has made disclosures consistent with the TCFD recommendations and recommended disclosures. At present, these factors are not considered to have a material impact for the Group. We continue to monitor the significance of these risks, implement actions to mitigate the risk where possible and report on these where it is considered that they could have a material impact on the Group.

We review our risks in terms of likelihood of occurrence and potential impact on the business and the Audit and Risk Committee reviews and considers the net risk position of each identified risk against the Group's risk appetite, and the extent to which management has addressed the key risks through appropriate controls and actions to mitigate those risks. Each local management team continues to consider key risk areas on an ongoing basis with a specific periodic review at least once a year of their system of internal controls to ensure that each risk area is addressed within the business. The internal audit function reviews and tests the effectiveness of these controls to ensure that risk is being managed properly and effectively.

A summary of the key risks that we believe could potentially impact the Group's operating and financial performance, together with year-on-year movement in net risk (i.e. increasing, decreasing or no material change), associated key actions, and link to our strategic pillars are shown below. This includes the climate-related impact where relevant with detailed climate-related risks and opportunities shown in our TCFD statement on pages 38 to 43.

The year-on-year movement in net risk rating takes account of possible events in the near future which may impact on the gross risk rating.

↑ **Increasing**

→ **No material change**

↓ **Decreasing**

## Our strategic pillars

1. **Productivity**
2. **Technology and innovation**
3. **People**
4. **Customer experience**
5. **Data**

| Risk | Actions to mitigate risk | Net risk trend | Link to our strategic pillars |
|---|---|---|---|
| **Political factors, economic, environmental and market uncertainty**<br>The level of candidate and client confidence in the employment market and job availability are important factors in determining the total number of recruitment transactions in a given year and are significantly impacted by political and economic turbulence and uncertainty.<br><br>Candidates are less inclined to move jobs when the number of jobs available is in decline or stagnant, which could lead to a deterioration in the Group's financial performance.<br><br>Continued global political turbulence could add pressure to local economies and have a significant negative impact on the jobs market and result in reduced hiring volumes.<br><br>Climate change (including increased extreme weather events) could result in geopolitical disruption and could have an impact on job losses and the job market. | • The Group is geographically diversified, spanning 31 countries which limits the reliance on the success of any particular market. The Group also continues to develop its contract business, which provides more resilient revenue streams in the event of an economic downturn. The Group has successfully diversified into other sectors to reduce its concentration risk in the event of a downturn.<br><br>• The Board's strategy when facing a slowdown in a market is to balance the cost base, such that the impact on profit is mitigated, against the expected future benefit from the retention of key staff. Historically, the Group has benefited substantially from increased operational gearing as a result of its policy of deliberately retaining key staff through economic downturns.<br><br>• The Resource Solutions business is prepared to support the relocation of workers, with the opportunity to leverage off existing infrastructure within the Robert Walters Group. Live job availability is monitored to ensure action plans are documented for immediate action in response to any potential adverse impact on hiring volumes.<br><br>• The Group has strong but prudent cost management. Management continuously monitor the ongoing impact of political and economic factors, and increased market uncertainty on individual markets, implementing appropriate actions as required.<br><br>• The impact of climate-related environmental issues on the Group and local markets is considered on an ongoing basis. An ESG Committee meets regularly to assist the Board in identifying and assessing climate-related risks and opportunities. | | Productivity |

# Principal Risks and Uncertainties continued

| Risk | Actions to mitigate risk | Net risk trend | Link to our strategic pillars |
|---|---|---|---|
| **Talent attraction and retention**<br>The Group relies heavily on recruiting and retaining talented individuals with the right and diverse skill sets to grow the business.<br><br>In addition, as the Group expands its operations in emerging markets, the supply of people with the required skills in specific geographic regions may be limited.<br><br>Failure to attract and retain key employees with the required sales, management and leadership skills may adversely affect the Group's financial results.<br><br>The overall culture and leadership behaviours of an organisation has a direct influence on performance and retention.<br><br>An inability to maintain and continue to strive for a truly diverse and inclusive culture could have an adverse impact on talent attraction and retention, strategic thinking, decision-making and overall employee engagement.<br><br>A global pandemic, eco-anxiety and unusual stressful working environments could have an impact on employees' mental health, which could lead to increased staff turnover and reduced engagement.<br><br>Increased importance of ESG, alignment of personal and employer's purpose and action against climate change and flexible working, could have an impact on attraction and retention of staff. | • The Group's policy of linking bonuses to profitability in discrete operating units has a high correlation to the retention of efficient and effective members of staff.<br><br>• The long-term incentive schemes that are detailed in note 19 to the accounts form a key part of a wider strategy to improve levels of staff retention, particularly of the Group's senior employees.<br><br>• The Group offers international career opportunities and actively encourages the redeployment of existing talent to international offices and also to establish new offices.<br><br>• Other elements of the strategy to improve staff retention and maximise career opportunities include significant investment of time and financial resources in employee training and development including regular appraisals, aimed at core consultant competencies and focused on enhancing management potential.<br><br>The Group's culture and the associated processes help to increase productivity and improve employee alignment to the business. A comprehensive approach to succession planning and career development is also in place across the Group.<br><br>• Our equity, diversity and inclusion (ED&I) initiatives are encapsulated as part of wider ESG targets and associated KPIs. The Board promotes, monitors and benchmarks ED&I, with initiatives and actions being a focus across all of the Group's regions.<br><br>The Group has a Global Head of Equity, Diversity & Inclusion to drive our ongoing commitment to a working environment that promotes inclusion, dignity and respect for all. A Group-wide ED&I council is in place, the purpose of which is to create a forum for staff to discuss topical ED&I issues and to ensure, as a business, we are striving to create a truly inclusive culture. All-inclusive leadership training for all managers form part of the Group's training programme.<br><br>The Group does not accept or tolerate inappropriate behaviour and has clear policies and processes to that effect.<br><br>• Our approach to ESG stems from our purpose and focuses on the six pillars of our ESG Strategy: Engaging our workforce, Enhancing our ED&I initiatives, Responding to a sustainable world of work, Reducing our environmental impact, Being a responsible business and Supporting our communities. Our ESG strategy is informed by our materiality assessment and aligns to the United Nations' 17 Sustainable Development Goals (SDGs). This ensures that our actions are aligned with the latest thinking and best practice, and that we can respond to the most critical areas of concern in an effective, agile way.<br><br>• There are a significant number of mental health and wellbeing initiatives in place across the Group and they are considered as high priority by management. | → | People |

| Risk | Actions to mitigate risk | Net risk trend | Link to our strategic pillars |
|---|---|---|---|
| **Competition and emerging technologies**<br>Competition risk varies in each of the Group's main regions depending on the maturity of the client and candidate market. The emergence of new technology platforms such as web-based applications and artificial intelligence for recruitment purposes may also lead to increased competition. The release of OpenAI's ChatGPT and the increasing use of generative AI could have an impact on the recruitment process for both clients and candidates. | • The development of strong commercial relationships with clients has enabled the Group to win and then maintain its contracts with large global organisations and the Group also has a significant and diverse income stream across the SME marketplace.<br>• The Group reviews and monitors changes in technology and social media trends to ensure that it evolves appropriately. The Group continues to promote itself as a relationship recruiter operating in specialised markets, ensuring its online presence is competitive and provides a high-quality customer experience.<br>• Through our innovation, marketing, customer experience (CX) and technology and transformation teams, we continue to identify, trial and adopt new technology to both enhance and augment the service our consultants can provide and to drive efficiencies across our business.<br>• Time is a critical resource, and we're seeking to harness fast-evolving technological change (e.g. the deployment of AI to reduce human time given to standardised tasks) on behalf of our consultants so they can spend even more time with their clients and candidates. In 2023 we launched our OpenAI Playground, our own private and secure version of ChatGPT (enabled in our Microsoft Azure environment). Our consultants are incorporating AI to enhance job adverts and assist with sales outreach to name just a few examples. | → | Technology and innovation<br>Customer experience |
| **Brand, reputation and business strategy**<br>There is an inherent risk that the brand and reputation of the Group could be impacted by failure to maintain high-quality service levels to both candidates and clients.<br>The increasing use of social media increases the Group's exposure to reputational damage.<br>A failure to demonstrate progress in reducing our environmental impact and meeting our ESG Strategy targets could have a negative impact on the Group's reputation. | • Quality control standards are maintained and reviewed for each stage of the recruitment cycle.<br>• A 'contact us' email address is available on the Group's websites to give users and candidates the ability to provide feedback or concerns. These can then be acted upon swiftly by the Chief Strategy & Transformation Officer and local senior management. The Group has a well-defined whistleblowing process which can be accessed by candidates, clients and suppliers. To complement this and in line with best practices, the Group has appointed an independent confidential reporting service where concerns can be raised anonymously and treated with complete confidence.<br>• The Group's long-term strategy for growth is centered around geographic penetration and discipline diversification. It is a testament to this strategy and underlying strength of the Group's brand and management team that we have delivered a resilient performance throughout the difficult market conditions.<br>• Candidate satisfaction surveys are carried out on a regular basis, with Directors addressing any negative feedback directly with the candidate or client.<br>• The Group has committed to the ongoing tracking and monitoring of our core ESG KPIs, including climate-relevant metrics and targets. These are disclosed in full on page 37. | → | People<br>Customer experience |

# Principal Risks and Uncertainties continued

| Risk | Actions to mitigate risk | Net risk trend | Link to our strategic pillars |
|---|---|---|---|
| **Candidate risk**<br>A negative candidate experience as a result of poor candidate service, data breach or other candidate dissatisfaction, could result in candidate complaints, loss of quality candidate base or loss of referrals. | • Clear processes are in place around candidate engagement and active candidate management. Quality control standards are maintained and reviewed for each stage of the recruitment cycle with all new employees receiving appropriate levels of training applicable to their role.<br>• We have an ongoing global review dedicated to refining our engagement with candidates and to ensure that best practice candidate experience protocols are delivered consistently across the Group.<br>• We monitor consumer trends outside of the recruitment industry and analyse how consumers' changing expectations could drive the imperative for change within our industry.<br>• We continue to develop the ways we use Microsoft Power BI to deliver business insights and management information. | | Technology and innovation<br>Customer experience |
| **Non-compliance with contractual obligations**<br>The Group operates under a number of complex contractual arrangements. Any non-compliance with contractual obligations may have an adverse effect on the Group's financial performance and reputation. | • Contractual terms and conditions are thoroughly reviewed before signing to ensure contract provisions are fully understood, risks are fairly allocated between parties and are monitored to ensure contractual obligations are adhered to.<br>• An escalation process exists such that contracts with non-standard terms are reviewed and approved by the Chief Legal Officer and Chief Financial Officer as appropriate. | | Customer experience |
| **Non-compliance with laws and regulations and regulatory environment**<br>The Group operates in a number of diverse jurisdictions and has to comply with numerous domestic and international laws and regulations.<br>Any non-compliance with legislation or regulatory requirements may result in legal penalties, non-renewal or revocation of a local business licence or financial loss which could have a detrimental effect on the Group's financial performance and reputation. Specifically, the landscape of carbon reporting, data protection and use of AI is rapidly changing, increasing the risk of non-compliance with reporting requirements.<br>Any change in the regulatory environment, particularly impacting employment legislation for both candidates and clients, could have a detrimental effect on how the Group operates and the Group's financial performance. Any unanticipated change or implementation of climate policies may result in increased costs and a possible threat to licences to operate if the Group is unable to keep up with legal requirements. | • To ensure compliance, our legal department works with leading external advisers, as required, to monitor potential changes in employment legislation across the markets in which we operate.<br>• The Group's legal department, together with local legal expertise, remains up to date with any proposed regulatory changes, allowing the Group sufficient time to assess the impact and implement processes to minimise the exposure and maximise opportunity.<br>• A log of licences and renewals is maintained. There is formalisation of regulatory reporting and escalations with legal oversight of licensing processes, and the Group makes use of external counsel where necessary.<br>• The Group has set environmental targets and corporate strategy to reduce carbon emissions and has made disclosures consistent with the TCFD recommendations and recommended disclosures. Appropriate disclosures are made where they are considered to have a material impact on business strategy, operations or the environment. Although the Group does not operate in a sector with a significant environmental impact, the Group recognises its requirements and embraces environmental stewardship. | | Productivity<br>People<br>Customer experience<br>Data |

| Risk | Actions to mitigate risk | Net risk trend | Link to our strategic pillars |
|---|---|---|---|
| **Data breach and cyber security**<br>A data breach, cyber-attack or loss of confidential and competitive information could have a material impact on the Group's financial results and an adverse impact on the operations and the reputation of the Group. | • The Group maintains a comprehensive IT security policy. Though it is not possible to eliminate all risk, the policy covers all relevant areas of IT security, and is reviewed on a regular basis to ensure it continues to robustly support business developments.<br>• Third-party advisers are used to perform penetration tests on major systems and operations.<br>• All candidate and client information is held securely with restricted access and with data protection rules in place.<br>• Appropriate guidance and training on the security and handling of both manual and electronic documents, including confidential and sensitive data is available to all staff.<br>• The Group has a dedicated Chief Technology Architect and Group Information Security Officer with specific remits to consider and ensure that appropriate and reasonable controls are put in place, particularly in respect of cyber-related threats and data breach.<br>• The Group has appointed a Data Protection Officer to oversee the handling of personal data and compliance with Data Protection laws. | | Technology and innovation<br>Customer experience<br>Data |
| **Reliance on technology infrastructure**<br>The Group is reliant on its technological infrastructure for day-to-day operations and for delivering client and candidate services.<br>A critical infrastructure or system disruption could have a material impact on the Group's financial results and an adverse impact on operations and the reputation of the Group.<br>Climate change could result in more extreme weather events, which could cause damage and disruption to the Group's technology infrastructure. | • The Group continues to review and improve its business continuity and disaster recovery plans to mitigate against any critical infrastructure disruptions. The Group has invested in technology and innovation, enabling effective ongoing hybrid working.<br>• Third-party advisers are used to perform penetration tests on major systems and operations.<br>• A change management team is in place to ensure that appropriate consideration is given to all change requirements, including a risk analysis of the requirement, and appropriate plans are developed to deal with any potential critical disruptions.<br>• Our disaster recovery processes, which are regularly reviewed, ensure the Group is able to mitigate natural disaster risks (e.g. floods, earthquakes), and the Group is also geographically diversified. In addition, all staff have the tools and flexibility to work remotely as required. | | Technology and innovation<br>Data |

# Principal Risks and Uncertainties continued

| Risk | Actions to mitigate risk | Net risk trend | Link to our strategic pillars |
|---|---|---|---|
| **Financial risk**<br>Foreign currency risk<br>In the course of its core business, the Group transacts in a number of functional currencies. Any unfavourable movement in the foreign exchange rates may have an adverse effect on translation of overseas operations' local currency earnings, and subsequently the Group's Pounds Sterling financial results.<br><br>Liquidity risk<br>An adverse cash position, or the inability to access capital/funding could result in an inability to pay creditors and to fulfil day-to-day operations and requirements.<br><br>The future success of the Group could be affected if the Group fails to align its capital planning with its business strategy.<br><br>Credit risk<br>There is an increased uncertainty over cash flows due to economic pressures, which could increase the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. | Foreign currency risk<br>• Revenues and costs are in their functional currencies in the local entities, which minimises the Group's transactional exposure.<br>• The Group continues to monitor the sensitivity to foreign currency fluctuations through performing regular sensitivity analysis and reducing exposure wherever possible.<br><br>Liquidity risk<br>• Cash flow and working capital forecasts are prepared and reviewed regularly to ensure the Group remains in a strong balance sheet position and a detailed plan for any growth opportunities is created before any deal is executed to ensure that the appropriate finance is in place.<br><br>Credit risk<br>• The Group has adopted a policy of only dealing with counterparties that are deemed creditworthy and that are considered to have adequate credit ratings.<br>• Credit exposure is controlled by counterparty limits that are reviewed and approved by management.<br>• The Group's exposure and the credit ratings of its counterparties are regularly monitored. | → | Productivity<br>Technology and innovation<br>People<br>Customer experience<br>Data |
| **Transformation, change and management of significant projects**<br>Investing in technology, transformation and innovation is vital for the Group to remain an industry-leading organisation and in achieving its strategic objectives.<br><br>Poor governance and management of our significant global projects could result in increased costs, inefficiencies, reduced employee engagement and risk to business continuity. | • A Technology & Transformation Investment Board, including members of the Operating Board and the Transformation and Portfolio Director, reviews and approves all significant technology and transformation investments before they begin.<br>• A Change Advisory Board is in place, which ensures that appropriate consideration is given to the introduction of changes to our live environments.<br>• A monthly steering committee/weekly core project team meeting is held with representatives from key areas involved or impacted by the project/program. The steering committee/project team reviews progress against the current program objectives, spend and approves any significant changes to both. Regular program team meetings are conducted to manage the day-to-day activities of the program. Other governance sessions include product counsel and program, product, technology and business working groups.<br>• Business change plans are in place to actively communicate and engage with employees throughout the process of transformation and change and include ongoing evaluation and feedback to ensure the impact of any change is continually monitored and improved. This includes the use of change champions in each region, user feedback surveys, quarterly updates, relevant training and communication channels with key stakeholders. The outputs from these activities are used to support evidence-based decision making. | New in 2023 | Productivity<br>Technology and innovation<br>Customer experience |

## Section 172 Statement

The Board acknowledges Section 172 (1) of the UK Companies Act 2006, and its duty to promote the success of the Company.

A Director of a Company must act in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so has regard (amongst other matters) to:

a) the likely consequences of any decision in the long term
b) the interests of the Company's employees
c) the need to foster the Company's business relationships with suppliers, customers and others
d) the impact of the Company's operations on the community and the environment
e) the desirability of the Company maintaining a reputation for high standards of business conduct
f) the need to act fairly between members of the Company.

Key stakeholders are identified as those stakeholder groups fundamentally impacted by the performance and decisions of the Company, and those which have a significant impact on the long-term success of the Company. Our key stakeholder groups identified are our people, our clients, our candidates, our communities, our investors and our suppliers.

The Board has considered the interests of key stakeholders through fostering the Company's business relationships and actively engaging with them. Our key stakeholder groups and other interested parties, and how we engage with them, are detailed in the Stakeholder Engagement section of the Strategic Report on pages 48 to 49. We consider the most effective way of communicating with our stakeholders to be through encouraging participation and active consultation.

The interests of key stakeholder groups are considered in Board discussions and decision-making and are embodied in our purpose of powering people and organisations to fulfil their unique potential.

Balance of interests of different stakeholder groups were assessed, with outcomes managed through effective engagement and active consideration of any feedback received.

The Board's focus on clients, candidates and culture ensures the Group maintains a reputation for high standards of business conduct, and the need to act fairly between members of the Company.

Through the risk management process as detailed in the Principal Risks and Uncertainties section of the Strategic Report on pages 52 to 58, the Board has assessed the Company's risk profile, consequences of any decision in the long term, appropriate risk mitigation strategies and identification and consideration of emerging risks.

## Strategic Report approval

The Strategic Report, outlined on pages 4 to 59, incorporates the Chair's Statement, Chief Executive's Statement, Operating Review, Market Overview, Our Strategy for Growth, Our Strategic Pillars, Our Business Model, Key Performance Indicators, ESG Strategy, Stakeholder Engagement, Financial Review, Principal Risks and Uncertainties and Section 172 Statement.

By order of the Board,

**David Bower**
Chief Financial Officer
7 March 2024

**Stakeholder Engagement:** pages 48 to 49
**Our Strategy for Growth:** pages 14 to 21
**ESG Strategy:** pages 26 to 47
**Principal Risks and Uncertainties:** pages 52 to 58

# Chair's Introduction to Corporate Governance

**Leslie Van de Walle**
Chair

> As a Group, we have an expressed aim of respecting the needs of shareholders, employees, clients, candidates, contractors and suppliers."

**Dear Shareholder**

I am pleased to report that your Company has again complied with the UK Corporate Governance Code throughout the year.

As a Board, we are pleased with the further progress that the Group has made to ensure high standards of corporate governance are maintained. We monitor developments and trends in corporate governance both in the UK and internationally, adopting emerging practice we feel improves our governance.

As a Group, we have an expressed aim of respecting the needs of shareholders, employees, clients, candidates, contractors and suppliers. The Board has a wide range of responsibilities, and it is my duty to ensure it has the right mix of skills and talent, that the Directors have sufficient time available to meet Board responsibilities and that we work effectively as a team. The shared objectives of the Board are to promote the long-term success of the Group, create value for our shareholders and proactively invest in a sustainable future for people and communities around the world.

The Board also monitors the risks and opportunities arising from ESG-related factors to ensure that the Group meets and embraces the requirements from environmental stewardship. Further details can be found in the Principal Risks and Uncertainties section on pages 52 to 58 and the Climate-related risks and opportunities section on pages 40 to 41.

The Board Committees have had an active year. The Nominations Committee led the appointment process with the assistance of an external advisor for Toby Fowlston as Chief Executive Officer in April 2023, Michaela Tod and Jane Hesmondhalgh as Non-executive Directors in June 2023 and David Bower as Chief Financial Officer in September 2023.

The Audit and Risk Committee continued to see appropriate controls evident in all areas of risk management. The internal audit function continued to enhance and evolve its scope and areas of focus, including addressing ongoing amendments driven from the Group's risk register. Further information on the work and responsibilities of the Audit and Risk Committee and the effectiveness of the Group's system of internal control is detailed in the Report of the Audit and Risk Committee and the audit, risk, and internal control sections of this report.

> As a Board, we are pleased with the further progress that the Group has made to ensure high standards of corporate governance are maintained."

**Leslie Van de Walle**
**Chair**

The Remuneration Committee reviewed the Executive Directors' pay during the year against a backdrop of macro-economic uncertainty and continue to incorporate current best practice.

A key aspect of ensuring your Board's effectiveness is our annual Board and Committee evaluation process. Further details can be found on page 73.

On the following pages we describe our corporate governance framework in more detail.

**Leslie Van de Walle**
Chair
7 March 2024

# Report of the Board

## Board of Directors

### Leslie Van de Walle
Chair

**Appointed**
November 2022

**Committees**
N

Leslie is Chair of Greencore Group plc.

Leslie has held various non-executive roles and was previously Non-executive Director of HSBC UK Bank plc. He has also been Chair of Euromoney Institutional Investor plc and Chair of SIG plc, as well as Deputy Chair at Crest Nicholson Holdings and Senior Independent Director of DCC plc. He also served as Chair of the Robert Walters Group between 2012 and 2018. Leslie's executive career has included serving as Group Chief Executive Officer at Rexam plc and Chief Executive Officer at United Biscuits plc.

### Toby Fowlston
Chief Executive Officer

**Appointed**
April 2023

After qualifying as a solicitor, Toby joined the business as a consultant in 1999 and has since held senior positions leading the Group's recruitment operations in both the UK and Asia-Pacific, the Group's largest and most profitable region.

Having worked his way up from consultant to leading the Group's London recruitment business, Toby transferred to Singapore, heading up operations in Singapore and South-East Asia for five years before being promoted to CEO Asia-Pacific, a role he held for two years. In early 2021, Toby moved back to London to work closely with the Group's founder, Robert Walters, as CEO of Robert Walters and Walters People, two of the Group's global recruitment brands. He was appointed to the role of Group CEO on 27 April 2023.

### David Bower
Chief Financial Officer

**Appointed**
September 2023

David joined the Board of Robert Walters plc as Chief Financial Officer on 4 September 2023 and brings significant experience of working with international businesses.

Prior to joining Robert Walters, David spent 18 years at HomeServe plc, where he held a number of senior divisional and group finance roles. David was appointed as Chief Financial Officer of HomeServe plc in 2017 and led its sale to Brookfield Infrastructure Partners L.P., a transaction which completed in early 2023 for an equity value of £4.1bn.

David is a graduate of Loughborough University of Technology and is a Fellow of the Institute of Chartered Accountants in England and Wales.

### Tanith Dodge
Non-executive Director,
Senior Independent Director

**Appointed**
February 2017

**Committees**
A N R

Tanith is an HR executive with a strong consumer background in international organisations. Her recent experience includes Chief People Officer at Bicester Village Shopping Collection.

Prior to this, she spent eight years at Marks & Spencer Group plc where she ran the global HR for 80,000 employees in 53 countries. Before joining Marks & Spencer Group plc, Tanith was Group Human Resources Director at WH Smith, where she also held responsibility for Public Relations, Communications and Post Office Operations. Prior to this, she was Senior Vice President Human Resources for Europe, Middle East and Africa (EMEA) at InterContinental Hotels Group. Tanith has also held senior HR roles at Diageo plc and Prudential Corporation plc. Tanith has a breadth of Board experience. Since March 2021 she has been Chair of Samarkand Global plc and also Chair of the Remuneration Committee. Since July 2019 she has been a member of the Advisory Council for PricewaterhouseCoopers. She is also a Non-executive Director of Silverwood Brands since October 2022.

**Matt Ashley**
Non-executive Director

**Appointed**
December 2021

**Committees**
A N R

Matt joined the Board of Robert Walters plc on 23 December 2021. He brings a broad range of experience from different sectors. As Group CFO of Micro Focus International plc, one of the world's largest enterprise software providers, Matt completed its sale to Open Text Inc for an Enterprise Value of $6bn in early 2023. Previously, Matt was Chief Financial Officer at William Hill plc, prior to which he held several senior positions at National Express Group plc including Group Finance Director and Chief Executive, North America. He was a director of transport, infrastructure and public company reporting at Deloitte LLP and began his career as an auditor in London. Matt is a graduate of Leeds University and member of the Institute of Chartered Accountants in England and Wales.

**Michaela Tod**
Non-executive Director

**Appointed**
June 2023

**Committees**
A N R

Michaela is an experienced Board member and is currently a Non-executive Director of publicly quoted MYT Netherlands Parent B.V. and CEO of Chiaro Technology Ltd. Michaela's executive career spanned the consumer products industry including senior executive positions at Dyson where she spent 14 years and latterly served as President of Greater China. More recently, Michaela served as Co-Chief Executive of ProSiebenSat.1 Entertainment. Prior to Dyson, Michaela held senior positions at Grey Group and FCB Global.

**Jane Hesmondhalgh**
Non-executive Director

**Appointed**
June 2023

**Committees**
A N R

Jane is an experienced senior executive with wide-ranging and international experience across the technology sector. Jane was most recently Corporate Vice President within Microsoft's Global Commercial business and has held other senior finance positions across Microsoft including Chief Financial Officer, Microsoft International and Chief Financial Officer, Microsoft Global Consumer Business. Prior to joining Microsoft, Jane held senior finance positions at Palm Inc., 3Com, and Boeing.

## Board Composition

A dynamic and professional leadership team, focused on delivering our strategic ambition.

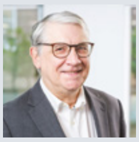
1 Chair
2 Executives
4 Non-executives

A Audit and Risk
N Nominations
R Remuneration
Chair of Committee

# Report of the Board continued

## Division of responsibilities

### Division of responsibilities between Chair and Chief Executive



**Leslie Van de Walle**
Chair

**Toby Fowlston**
Chief Executive Officer

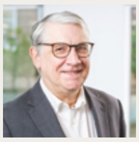
The Board has shown its commitment to dividing responsibilities for the Board and running the Company's business by keeping the roles of Chair and Chief Executive separate.

The roles are set out in writing and have been approved by the Board.

The key responsibilities of the Chair and Chief Executive are summarised below:

- As Chair, Leslie Van de Walle is responsible for leading the Board, and for its effectiveness and integrity. The Chair sets the tone for the Company, ensures the links between the Board and shareholders are strong, that Directors receive accurate, timely and clear information and management are held accountable.
- As Chief Executive, Toby Fowlston is responsible for the day-to-day management of the Group's operations, implementing Board-approved strategic objectives and policies, and developing the vision and strategy for the Board's review and approval.

### Board balance and independence



**Leslie Van de Walle**
Chair

**Tanith Dodge**
Non-executive Director

**Matt Ashley**
Non-executive Director

**Michaela Tod**
Non-executive Director

**Jane Hesmondhalgh**
Non-executive Director

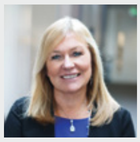
The Board comprises the Chair, two Executive Directors and four independent Non-executive Directors.

The Board annually reviews its composition to ensure there is an appropriate balance between Executive and Non-executive Directors and by promoting diversity ensures the Board has the appropriate mix of skills, experience and knowledge.

The Group's commitment to achieving a balance of Executive and Non-executive Directors is shown by:

- The Non-executive Directors comprising more than half of the Board of Directors;
- The Non-executive Directors, comprising Leslie Van de Walle, Tanith Dodge, Matt Ashley, Michaela Tod and Jane Hesmondhalgh, being considered to act independently of management and free from any business or other relationship that could materially interfere with the exercise of their independent judgement; additionally, no Non-executive Director, including the Chair, has served on the Board for more than nine years from the date of their first appointment; and
- The independent Non-executive Directors met a number of times during the year without management present.

### Senior Independent Director



**Tanith Dodge**
Non-executive Director

Tanith Dodge is the Senior Independent Director. As such, she is available to shareholders and other Directors when they may have issues or concerns where contact through the normal channels of either the Chair or the Executive Directors has failed to resolve concerns, or where contact is deemed inappropriate.

## Statement of compliance with the UK Corporate Governance Code

The Company has complied throughout the year ended 31 December 2023 with the Code provisions set out in the 2018 UK Corporate Governance Code (the Code).

The Board of Directors is committed to the highest standards of corporate governance and has applied the principles set out in the Code, including the provisions, by complying with the Code as reported above. Further explanation of how we integrate the principles of the five sections of the Code into our business, being: Board leadership and Company purpose; division of responsibilities; composition, succession and evaluation; audit, risk and internal control; and remuneration, is set out below.

Our principles and policy in relation to remuneration are covered separately in the Report of the Remuneration Committee on pages 74 to 97.

## Board leadership and Company purpose

**Company's purpose, values and strategy**

Our purpose as a business is to power people and organisations to fulfil their unique potential. This is the bedrock of our growth strategy which is covered separately in the Strategic Report on pages 4 to 59. Likewise, our purpose underpins our dynamic culture and our core principles of teamwork, integrity, passion, innovation, quality and inclusion.

As a global business we continue to strive to build a high-performing and inclusive organisation with a culture that enables all of our employees to build long-term and rewarding careers. Our purpose-driven culture is covered in more depth on pages 18 to 19 and 30 to 31.

**Culture**

The Board regularly monitors culture for alignment with the Group's purpose, core principles and strategy. Corporate culture has been fundamental to our success over the years. Employee engagement surveys, third-party awards for employer brand excellence (e.g., Great Place to Work), external benchmarking and professional certifications and accreditations are examples of metrics used by the Board in assessing corporate culture, and they are embedded in the Board agenda. The Group's cultural values and principles of teamwork, integrity, passion, innovation, quality, and inclusion are evident in Our Strategy for Growth section and throughout our ESG Strategy section on pages 26 to 47. In 2020 the Board appointed a member of the Board to be responsible for employee engagement, as detailed in the Report of the Remuneration Committee on page 91, and this encompasses regular meetings with employees, including meeting with new starters and leavers. Any whistleblower reports are reviewed by the Board and its Committees to confirm any appropriate corrective actions are taken.

**Engagement with shareholders and key stakeholders**

In order to meet its responsibilities to shareholders and stakeholders, the Board ensures the Group has processes in place to engage with all key stakeholder groups through encouraging participation, active consultation and by building long-term relationships in order to achieve our strategic priorities. The Chair and the Remuneration Committee Chair offer to meet with largest shareholders and hear their views on an annual basis. How we engage with some of these key stakeholder groups and other interested parties is detailed in the Stakeholder engagement section of the Strategic Report on pages 48 to 49.

# Report of the Board continued

## The Board and its role

The Board is responsible to the Group's shareholders for the conduct and performance of the Group's business. Having strong governance processes and oversight helps drive the culture of the business so that it can better deliver on its responsibility to all of our stakeholders, including creating long-term value for our shareholders and proactively investing in a sustainable future for people and communities around the world.

The Board has developed a Board governance framework which sets out the governance structure of the Board and its Committees. The Board considers that it has shown its commitment to assessing opportunities and risks to achieve long-term success and leading and controlling the Group by:

- Having a Board constitution which details the Board's responsibility to the Group's shareholders for the management of the Group's affairs. It exercises direction and supervision of the Group's operations throughout the world and defines the line of responsibility from the Board to the Chief Executive and the Executive Directors, in whom responsibility for the Executive management of the business is vested;
- The Board retaining specific responsibility for agreeing the strategic direction of the Group, the approval of accounts, business plan, budget and capital expenditure, the review of operating results, the effectiveness of governance practice and risk management, and also the appointment of senior Executives and succession planning;
- Consideration of Section 172 (1) of the UK Companies Act 2006 and their duty to promote the success of the Company;
- Oversight of the Group's organisational health, working culture and wellbeing of employees (now elevated to the Board itself rather than the former Organisational Health Committee);
- All Directors have access to the advice of the Company Secretary, who is responsible for advising the Board on all governance matters;
- Considering any concerns about the operation of the Board or management of the Company, and recording any unresolved concerns in the Board minutes;
- The provision of appropriate training to all new Directors at the time of appointment to the Board, and by ensuring that existing Directors receive such training as to be equipped with the skills required to fulfil their roles;
- Delegating responsibilities to sub-Committees: Audit and Risk Committee; Remuneration Committee; and Nominations Committee.

External appointments of Directors are not undertaken without prior approval of the Board.

## Understanding the business

The Board has sought to ensure that Directors are properly briefed on issues arising at Board meetings by establishing procedures for:

- Distributing Board papers in advance of meetings in the appropriate form including detailed reports and presentations to enable the Board to discharge its duties;
- Presentations on different aspects of the Group's business from members of the Operating Board or other members of senior management;
- Regularly reviewing financial plans, including budgets and forecasts;
- Adjourning meetings or deferring decisions when Directors have concerns about the information available to them; and
- Making the Company Secretary responsible to the Board for the timeliness and quality of information.

## Audit and Risk Committee

The Audit and Risk Committee's primary focus is to assist the Board in fulfilling its oversight responsibilities. During the year the Audit and Risk Committee met three times and reviewed the following:

- Half-year results and the annual Financial Statements;
- The effectiveness of the Group's system of internal controls, internal audit and risk management;
- The performance of the external auditor, their terms of engagement, the scope of the audit and audit findings including findings on key judgements and estimates in the Financial Statements; and
- The opinions of management and the external auditor in relation to the appropriateness of the accounting policies adopted, significant estimates and judgements and whether disclosures were balanced and fair.

Further information on the work of the Audit and Risk Committee during the year can be found on pages 69 to 71.

### Nominations Committee

The Nominations Committee met three times during the year and its activities included:

- Engaging the assistance of an external advisor and subsequently recommending the appointment of Toby Fowlston as Chief Executive Officer in April 2023, Michaela Tod and Jane Hesmondhalgh as Non-executive Directors in June 2023 and David Bower as Chief Financial Officer in September 2023;
- Monitoring the Board's structure, size, composition and diversity to achieve a balanced and effective Board in terms of skills, knowledge and experience;
- Considering all aspects of the Board with regard to succession planning;
- Reviewing the leadership capabilities, needs and succession planning of the Group including identifying and developing talent;
- Recommending any changes in the membership of the Board Committees;
- Assessing potential conflicts of interest of all Directors, including those resulting from significant shareholdings; and
- An annual review of progress achieved, including the diversity objectives of the Group, the gender balance and other aspects of diversity of those in senior management and their direct reports.

Further information on the work of the Nominations Committee during the year can be found on pages 72 to 73.

### Remuneration Committee

The Remuneration Committee met five times during the year and its activities included:

- Engaging with our largest shareholders and the workforce to ensure a strong level of communication and dialogue;
- Ensuring the framework for Executive remuneration remains effective, incorporating current guidance on best practice and in line with the tri-annual requirement for shareholder approval of the remuneration policy;
- Determining the individual remuneration packages for Executive Directors;
- Approving the targets and performance assessments for performance-related incentive schemes; and
- Overseeing the operation of all incentive schemes and awards and determining whether the performance criteria had been met.

Further information on the work of the Committee during the year can be found in the Report of the Remuneration Committee on pages 74 to 97, including the Chief Executive pay ratio and incentive outcomes.

### Attendance at meetings

The number of scheduled Board meetings and Committee meetings attended as a member by each Director during the year is set out below. By invitation, the Chief Executive Officer and Chief Financial Officer are invited to attend all meetings of the Audit and Risk Committee, and the Remuneration Committee. Toby Fowlston, as Chief Executive Officer, was also invited to attend all meetings of the Nominations Committee, other than those that were held to consider his own appointment. Leslie Van de Walle also attended two Audit and Risk Committee meetings.

| | Board (7 meetings) | Audit and Risk Committee (3 meetings) | Nominations Committee (3 meetings) | Remuneration Committee (5 meetings) |
|---|---|---|---|---|
| L Van de Walle | 7 | n/a | 3 | n/a |
| R C Walters[1] | 2 | n/a | 2 | n/a |
| A R Bannatyne[2] | 3 | n/a | n/a | n/a |
| T Fowlston[3] | 5 | n/a | n/a | n/a |
| D Bower[4] | 3 | n/a | n/a | n/a |
| T Dodge | 7 | 3 | 3 | 5 |
| S Cooper[5] | 4 | 1 | 3 | 4 |
| M Ashley | 7 | 3 | 3 | 5 |
| J Hesmondhalgh[6] | 4 | 1 | n/a | 1 |
| M Tod[6] | 4 | 1 | n/a | 1 |

1. R C Walters stepped down from Board on 27 April 2023.
2. A R Bannatyne stepped down from Board on 1 September 2023.
3. T Fowlston was appointed to the Board as Chief Executive Officer on 27 April 2023.
4. D Bower was appointed to the Board as Chief Financial Officer on 4 September 2023.
5. S Cooper stepped down from the Board on 1 June 2023.
6. M Tod and J Hesmondhalgh joined the Board on 1 June 2023.

# Report of the Board continued

**Governance of climate matters**

Climate change has been a key focus for the Group in 2023 and is now part of the Group's strategic growth drivers. The Board has delegated oversight of the management of climate-related risks to the Environmental, Social and Governance (ESG) Committee which was established in early 2021. The Committee includes members of our operational management team, Board and business support functions and has met seven times during the year. The Committee is responsible for providing strategic direction for the management of environmental impacts, with a particular focus on the Group's management of the financial risks from climate change and reports to the Board twice yearly. Within the committee, two operational 'champions' (EMEAA and APAC) have been appointed to drive change and influence behaviours in the business through internal communication and engagement with management teams in our local businesses in order for the Group to meet its environmental targets. Further details on our environmental targets can be found on page 37.

The environmental targets have been part of the Executive Directors KPIs for 2023, and together with other ESG targets, bonus payable is up to a maximum of 8% out of the 25% payable under the KPI element.

**Audit, risk and internal control**

Internal control

The Board is responsible for the effectiveness of the Group's system of internal control. A review has been completed by the Board for the year ended 31 December 2023 and up to the date of approval of the Annual Report. The Board's monitoring covers all controls, including financial, operational and compliance controls and risk management. It is based primarily on reviewing reports from management to consider whether significant risks are identified, evaluated, managed and controlled and whether any significant weaknesses are promptly remedied and indicate a need for more extensive monitoring. The Audit and Risk Committee assists the Board in discharging its review responsibilities. During the course of its review of the system of internal control, the Board has not identified nor been advised of any failings or weaknesses which it has determined to be significant.

The Group's system of internal control is designed to safeguard the Group's assets and to ensure the reliability of information used within the business and for publication. Such a system is designed to manage, rather than eliminate, the risk of failure to achieve business objectives and can provide only reasonable and not absolute assurance against material misstatement or loss.

The full Board meets regularly and has a schedule of matters which are required to be brought to it or its duly authorised Committees for decision, aimed at maintaining full and effective control over appropriate strategic, financial, operational and compliance issues on an ongoing basis.

The Board has put in place an organisational structure with clearly defined responsibilities and delegation of authority. The Board constitution clearly sets out those matters for which the Board is required to give its approval. The Board delegates the implementation of the Board's policy on risk and control to Executive management and this is monitored by the internal audit function which reports back to the Board through the Audit and Risk Committee.

The internal audit function provides objective assurance to both the Audit and Risk Committee and to the Board.

Report of the Audit and Risk Committee and the Auditor

A separate report of the Audit and Risk Committee is set out on pages 69 to 71 and provides details of the role and activities of the Committee and its relationship with the external auditor.

**Leslie Van de Walle**
Chair
7 March 2024

# Report of the Audit and Risk Committee

**Matt Ashley**
Audit and Risk Committee Chair

**Dear Shareholder**
As Chair of the Audit and Risk Committee, I am pleased to present my report on the activities of the Audit and Risk Committee for the year ended 31 December 2023.

**Composition of the Audit and Risk Committee**
The members of the Audit and Risk Committee are appointed by the Board from the Non-executive Directors of the Company. The Audit and Risk Committee's terms of reference include all matters indicated by Disclosure Guidance and Transparency Rule 7.1 and the 2018 UK Corporate Governance Code (the Code) relevant to its work. The terms of reference are considered annually by the Audit and Risk Committee and are available upon request.

Members of the Audit and Risk Committee include myself (Chair), Tanith Dodge, Michaela Tod and Jane Hesmondhalgh; all of whom are independent Non-executive Directors. The Audit and Risk Committee met three times during the year, with full attendance at each of the meetings. Michaela Tod and Jane Hesmondhalgh who joined the Board in June 2023, were present at each of the meetings since their appointment. In the case of Steven Cooper who stepped down from his role as a Non-executive Director on 1 June 2023, attendance was at the first of those meetings during the year.

The composition of the Audit and Risk Committee was reviewed during the year and the Board and the Committee are satisfied that it has the expertise and resource to fulfil its responsibilities effectively including those relating to risk and control.

The Audit and Risk Committee is required to include at least one financially qualified member, with this requirement currently fulfilled by myself. All Audit and Risk Committee members are considered to be financially literate.

As Audit and Risk Committee Chair, I invited the Chair of the Board and the Executive Directors to each meeting. In addition, the Chief Financial Officer – Global Finance, Group Financial Controller, Head of Internal Audit and representatives from the Group's external auditor, BDO LLP, were present at each meeting.

**Role of the Audit and Risk Committee**
The Audit and Risk Committee meets at least three times a year to review the interim and annual Financial Statements, the accounting policies of the Group, its internal financial control procedures and compliance with accounting standards, business risk, legal requirements and the requirements of all other matters indicated by the terms of reference.

A process has been in existence throughout the period that this report relates to in order to assess the risks within the business and to report and monitor such risks. The Audit and Risk Committee regularly receives reports identifying the key internal controls in existence and also risk reports from the business. The Audit and Risk Committee then evaluates the effectiveness of those controls and the management of key risks within the Group.

The Audit and Risk Committee discharges its responsibility in respect of the annual Financial Statements by reviewing the terms of the scope of the external audit in advance of the audit and subsequently evaluating the findings of the external audit as presented to the Audit and Risk Committee by the auditor prior to the approval of the annual Financial Statements.

The evaluation of the Committee as well as the Board is commented on on page 73 in the Report of the Nominations Committee.

"I am pleased to present my report on the activities of the Audit and Risk Committee for the year ended 31 December 2023."

**Matt Ashley**
Audit and Risk Committee Chair

# Report of the Audit and Risk Committee continued

**Significant accounting judgements and estimates**
The Audit and Risk Committee reviewed the Group's draft full-year and half-year results statements and announcements prior to Board approval and reviewed the external auditor's detailed reports thereon. In particular, the Committee reviewed the opinions of management and the auditor in relation to the appropriateness of the accounting policies adopted, significant estimates and judgements and whether disclosures were balanced and fair. The main areas of focus in 2023 and matters where the Committee specifically considered the judgements that had been made are set out below:

### Revenue recognition – permanent placements
Revenue in respect of permanent placements is deemed to be earned when a candidate accepts a position, and a start date is determined. A provision is made by management, based on historical evidence, for the proportion of those placements not yet invoiced where the candidate is expected to reverse their acceptance prior to the start date. The Audit and Risk Committee reviewed the detailed criteria for revenue recognition and was satisfied by the judgements made by management. Internal audit reports regularly on key processes and controls, which include revenue recognition and earned but not invoiced revenue. The Committee concluded that the internal controls currently in place around revenue recognition are operating effectively. The Audit and Risk Committee also reviewed the judgements made by management in determining the back-out provision applied to this revenue, whereby a percentage of candidates may cancel placements prior to or shortly after the commencement of employment. The level of this provision is considered to be calculated on a consistent basis and to be appropriate based on historical trends and considering economic pressures on current client and candidate conditions.

### Revenue recognition – temporary placements
Revenue from temporary placements, which is amounts billed for the services of temporary staff, is recognised when the service has been provided. Rate cards are used, particularly in the Resource Solutions business, to determine the temporary worker rates and to calculate the amounts to be billed. The Committee reviews and discusses revenue recognition from temporary placements with management, internal audit and the external auditor. Internal audit reports on and evaluates the design, implementation and operating effectiveness of the internal controls in place to ensure that changes in rate cards are being processed appropriately and temporary worker rates are being recorded accurately. The Committee concluded that management's approach to revenue recognition from temporary placements was consistent with the accounting policy, that any judgements made were appropriate, and that the internal controls currently in place around rate cards are operating effectively.

**Other significant matters considered by the Audit and Risk Committee**
The Committee considered other significant matters as set out below:

### Going concern and viability statement
In order to support the going concern assumption, the Committee was presented with detailed forecasts showing the current Group financing position and future cash flows; please refer to the going concern and viability statement on page 101. For the three-year period ending 31 December 2026, the Group's financing arrangements include:

- Net funds totalling £79.9m (this is net of the facility drawn down to the extent of £15.8m at 31 December 2023);
- A committed four-year borrowing facility of £60.0m which expires in March 2027; and
- Net current assets of £164.9m.

The Committee considered that a three-year period is appropriate as the timeframe over which any reasonable view can be formed given the nature of the market in which the Group operates (more detail is provided on page 101).

Based on the current financing position and projected cash flows and market uncertainty, the Committee concluded that the going concern assumption was appropriate.

### Future accounting standards
The Committee receives regular updates on future accounting standards changes and the potential impact that these may have on the Group's Financial Statements. One amendment to accounting standards, as detailed in the Developments in accounting standards/IFRS section of the Statement of Accounting Policies on page 119, will apply with no material impact for the financial year 2024 and the Committee will continue to assess the impact on the Group's Financial Statements.

### Fair, balanced and understandable
A final draft of the Annual Report and Accounts is reviewed by the Audit and Risk Committee prior to consideration by the Board, and the Committee considered whether the 2023 Annual Report and Accounts was fair, balanced and understandable and whether it provided the necessary information for shareholders to assess the Group's performance, business model and strategy. They were satisfied that, taken as a whole, the Annual Report and Accounts is fair, balanced and understandable and provided the necessary information for shareholders to assess the Group's performance, business model and strategy.

### Internal audit and risk

At the end of 2022, the Committee approved the internal audit plan for 2023. During the year the internal audit function has delivered both significant geographic and financial coverage, as well as risk-based assurance across a wide remit including operational activities and support departments. Internal audit reports regularly on key business processes and control activities, following up on the implementation of management action plans to address any identified control weaknesses. At each meeting, the Committee received a summary of new audit findings and a progress update on previously raised audit recommendations. A robust Group-wide risk analysis, including the identification and consideration of emerging and climate-related risks, was performed during the year as detailed in the Strategic Report: Principal Risks and Uncertainties on pages 52 to 58. The Committee reviewed the independence and objectivity of the internal audit function and concluded that it was fit for purpose and also approved the internal audit plan for 2024.

### Assessment of effectiveness of external audit process

The Committee assessed the effectiveness of the external audit process by obtaining feedback from all parties involved in the process, including management and the external auditor. As part of a formal review process, audit effectiveness questionnaires are completed by members of the Audit and Risk Committee and senior finance employees across the Group. The questionnaires cover the quality of robust challenge and perceptiveness provided by the audit team at Group level and of key components of the audit, in handling key accounting and audit judgements including demonstrating professional scepticism and independence. A summary report of these responses, including recommendations for future improvement, was presented to the Committee for its consideration. It was concluded that the external audit process was operating effectively. The Committee held private discussions with BDO LLP at all three of the Audit and Risk Committee meetings providing BDO LLP an opportunity for open dialogue and feedback without management being present. Matters discussed included the preparedness and efficiency of management with respect to the audit, the strengths and any perceived weaknesses of the financial management team, confirmation that no restriction on scope had been placed on them by management and how they had exercised professional judgement. Based on this formal feedback and its own ongoing assessment, the Committee remains satisfied with the efficiency and effectiveness of the audit.

### Reappointment of auditor

The Audit and Risk Committee is responsible for making recommendations to the Board regarding the appointment of its external auditors and their remuneration. BDO LLP has been the Group’s auditor since 2019. The Audit and Risk Committee, following a review during the year, remains satisfied with the effectiveness and independence of BDO LLP. There are no contractual obligations restricting our choice of external auditor.

### Independence of our external auditor

The Audit and Risk Committee recognises the importance of ensuring the independence and objectivity of the Group’s auditor and reviews the service provided by the auditor and the level of their fees. Any non-audit fees greater than £25,000 require the approval of the Audit and Risk Committee each financial year. The Audit and Risk Committee has adopted a policy with respect to the provision of non-audit services provided to the Group by the external auditor that complies with the requirements of the Code. The Audit and Risk Committee has assessed the risk and does not believe auditor independence to have been compromised. The Board has delegated responsibility to the Audit and Risk Committee for making recommendations on the appointment, evaluation and dismissal of the external auditor.

### Raising concerns in confidence

The Group's whistleblowing procedures ensure that appropriate arrangements are in place for employees, clients, suppliers and candidates to be able to raise matters of possible impropriety in confidence, with suitable follow-up action. Reports on any such matters are given to Board members.

**Approved**

This report was approved by the Board of Directors on 7 March 2024 and is signed on its behalf by:

**Matt Ashley**
Audit and Risk Committee Chair
7 March 2024

# Report of the Nominations Committee

**Leslie Van de Walle**
Chair

> The Board remains committed to increasing its diversity, which was enhanced during the year with the appointment of Michaela Tod and Jane Hesmondhalgh."

**Roles and activities of the Committee**

The Nominations Committee nominates candidates to fill Board vacancies, considers the ongoing succession of the Board and its Committees and makes recommendations on Board composition and balance. In addition to myself as Chair, the other members of the Committee are Tanith Dodge, Matt Ashley and, from 31 October 2023, Michaela Tod and Jane Hesmondhalgh. Robert Walters and Steven Cooper were members of the Committee until 27 April 2023 and 1 June 2023 respectively.

During the year, the Nominations Committee met to consider and approve the recommendation to put forward the re-election of the Directors at the April 2023 Annual General Meeting, considering both sufficient time available to meet Board responsibilities and other significant commitments which are disclosed in the Directors' Report on page 67. As explained further below, the Committee also met in connection with each of the Board appointments during the year.

We are committed to equality of opportunity regardless of gender, sexual orientation, race, age, disability or religious belief. Board vacancies are filled following a robust selection process, including, for example external search ensuring a high calibre and diverse shortlist, including strong female candidates, being presented to the Committee. The Board remains committed to increasing its diversity, which was enhanced during the year with the appointment of Michaela Tod and Jane Hesmondhalgh as Non-executive Directors to the Board.

The Nominations Committee has written terms of reference which are available on request. The procedure for appointments to the Board includes the requirement to specify the nature of the position in writing and to ensure that appointees have sufficient time available to meet the demands of the position. The terms of the contracts for the Non-executive Directors are available upon request.

> The Group remains committed to maximising career opportunities through significant investment in training and professional development."

**Leslie Van de Walle**
**Chair**

### Appointments
During the year, the Committee met on a number of occasions to manage the appointment of Toby Fowlston as Chief Executive Officer in April 2023, Michaela Tod and Jane Hesmondhalgh as Non-executive Directors in June 2023 and David Bower as Chief Financial Officer in September 2023. These appointments followed formal, rigorous and transparent appointment and recruitment processes. They were undertaken with the assistance of an external adviser, with no other connections to the Group, and a detailed Board skills analysis was performed.

The Committee is satisfied with the current composition of the Board and its Committees though it will continue to monitor and refresh the composition of the Board where appropriate.

In relation to the Board's engagement with the workforce, Tanith Dodge is our designated Non-executive Director under the UK Corporate Governance Code. We continue to promote an honest and open environment and encourage colleagues with any concerns to report issues directly through line managers or via an independent, confidential integrity line.

### Professional development
On appointment, the Directors receive relevant information about the Group, the role of the Board and the matters reserved for its decision-making, the terms of reference and membership of the principal Board Committees and the authorities delegated to those Committees, the Group's corporate governance policies and procedures and the latest financial information about the Group. Throughout their period in office, the Directors are regularly updated on the Group's business and the environment in which it operates, by written briefings and by meetings with senior executives, who are invited to attend and present at Board meetings from time to time. They are also updated on any changes to the legal and governance requirements of the Group and those which affect them as Directors and are able to obtain training, at the Group's expense, to ensure they are kept up to date on relevant new legislation and changing commercial risks.

### Performance evaluation
In line with the Code, a formal and rigorous performance appraisal of the Board, its Committees, the Directors and the Chair is conducted annually as we recognise that our effectiveness is critical to the Group's continued long-term success. This process includes a tailored questionnaire that specifically includes, among other areas, Board effectiveness on communication, strategic approach and risk assessment.

In 2023, a detailed review was completed by each Director and individual discussions took place between the Chair and each of the Directors. In the case of the Chair's performance and leadership, this was reviewed with the other Directors by the Senior Independent Director. Subsequently, there was a full Board discussion of the matters that were raised, a process for any matters that were considered needing additional attention and an agreement of the Board priorities for 2024. Overall, the outcome of the evaluation process was very positive, with good progress noted on the areas of focus raised in previous evaluations. This process did not identify any material issues that needed to be addressed. Areas where actions were agreed included:

- Ongoing enhancement of business reporting to the Board
- Continued increase in Board engagement with leaders within the business.
- Further elevation of the People agenda at each main Board meeting
- Maintaining discussions on long-term strategic plans
- Reviewing progress on each action at mid-year as well as full-year.

The Board intends that a future evaluation will be externally facilitated. In the context of the significant number of recent changes to the Board, and the actions agreed upon in the 2023 evaluation to be implanted over the course of 2024, a decision regarding the appropriate timing of that external facilitation will be taken in the coming year.

### Regular re-election of Directors
In line with the recommendations of the Code, the Board has agreed to submit all Directors for annual election. As a result of their annual performance evaluation, the Chair considers that their individual performances continue to be effective, with each Director demonstrating commitment to their role. The Chair is therefore pleased to support the re-election of Directors, as does the Committee and the Board. As Michaela Tod, Jane Hesmondhalgh, and David Bower were appointed to the Board during the year, they will offer themselves for election to the Board at the Annual General Meeting in April 2024.

### Succession planning
A clear focus on career progression, including specific development plans and appropriate training and development support, for employees is core to the Group's growth and helps attract and retain talented individuals. The Group remains committed to maximising career opportunities through significant investment in training and professional development. Executive succession planning discussions were held in 2023 and a succession plan is in place for the Executive Directors and their direct reports which strives to reflect talent and diversity. When a new Chair is being appointed, the Chair of the Board does not chair the Committee in leading that appointment.

**Leslie Van de Walle**
Chair
7 March 2024

# Report of the Remuneration Committee

**Tanith Dodge**
Remuneration Committee Chair

## Directors' Remuneration Report at a glance

In contrast to the hiring markets of 2021-2022, trading conditions were challenging in 2023 – particularly during the second half of the year. Revised full-year profit expectations for the Group were met, though the tougher trading conditions drove a lower profit before taxation for the Group compared to the prior year.

**Executive Directors received a salary increase of 3.0% effective from 1 January 2024. The increases for UK employees were 3.5%.**

**The Remuneration Committee set stretching but realistic performance targets which were aligned to the business strategy. In light of the financial performance for the year, the bonus outturn was 0% of maximum.**

**Leaver terms were agreed for the founder CEO, Robert Walters and the former CFO, Alan Bannatyne who both retired during the year. The remuneration arrangements were decided for the incoming CEO, Toby Fowlston and CFO, David Bower.**

**The performance shares granted in 2021 will lapse in full in March 2024.**

The Report of the Remuneration Committee is divided into two sections::

- The Annual Report on remuneration which details payments made to Directors in 2023. It shows the link between Group performance and remuneration for the 2023 financial year and the intended approach to be applied for the 2024 financial year. The Annual Report on remuneration is subject to an advisory vote at the 2024 Annual General Meeting.
- A summary of the Directors' remuneration policy which sets out the Group's remuneration policy for Directors. This was approved by shareholders at the 2023 Annual General Meeting with 99.66% of votes cast in favour and is included for information.

**Principles of pay across Robert Walters Group**

Robert Walters Group operates in a highly competitive sector. We are an international professional services company and our approach to the remuneration of all employees, including the Executive Directors, has been fundamental to our culture and our success over the years. We pay well across the Group, based upon talent, merit and performance. Our approach to pay has endured for many years and reflects the long-established team-based values of the founder who set up the Company in 1985. Robert Walters plc has been a listed entity for more than twenty years and now operates in 31 countries.

Our objective is to ensure that our shareholders receive value for money from our investment in remuneration. The total employee pay cost in 2023 was £260.3m of which the Executive Directors' total remuneration in 2023 was 0.4% of this. The Committee's remit includes the review and approval of the Operating Board's pay and bonus payments. The Committee also reviews decisions on the remuneration of employees throughout the business. In addition to my role as Remuneration Committee Chair, I have undertaken additional engagement internally to provide the Board with greater visibility of employee-related matters across the Group.

The Remuneration Committee takes all these factors into account when setting policy and assessing outcomes for the Executive Directors' remuneration, thereby ensuring the alignment of incentives with the culture of the Group.

Share ownership is considered to be a key element of remuneration across the Group and 121 senior employees participate in a Group share incentive scheme. Additionally, the Executive Directors have an obligation to build and hold minimum shareholdings in order to align their interests with those of long-term shareholders. This obligation continues for two years after employment as a director ceases.

The Group's performance has been affected by macro-economic uncertainty and volatility and the ripple effect on candidate and client confidence, resulting in a decrease in net fee income of 10% to £386.8m and profit before taxation decreased by 63% to £20.8m. 84% of our net fee income now comes from outside the UK and only 11% of recruitment net fee income from the financial services sector. Basic earnings per share was 20.1p, a decrease of 64% on the prior year basic earnings per share of 56.2p.

The balance sheet remains strong and our net cash position was £79.9m at the year-end.

The Board has proposed that the final dividend remains flat at 17.0p per share (2022: 17.0p).

**Board changes**

As announced on 10 March 2023, Robert Walters decided to retire as CEO and stepped down from the Board with effect from 27 April 2023. He remains employed by the Company in his capacity as Founder of the Company. Robert Walters' notice began on 10th March 2023 and he continues to receive his base salary, cash pension allowance and other benefits up until 9 March 2024. He remained eligible to receive an annual bonus for the 2023 financial year based on performance achieved, however as noted elsewhere in this report, in light of the current year financial performance of the Group, no bonus is payable in respect of the year. Outstanding incentive awards, including deferred bonus awards and Performance Share Plan ("PSP") awards will continue to vest on their original dates and PSP awards remain subject to performance achievement. Robert Walters was entitled to a capped contribution of £5,000 plus VAT towards legal fees incurred in connection with the transition of his role. More details of these arrangements are set out on page 83.

In his role of Founder of the Company Robert Walters has provided consultancy and advisory services to the Company's board and new Chief Executive Officer, Toby Fowlston throughout his notice period. At the end of his notice period on 9 March 2024, Robert Walters continues in his role as Founder of the Company and his services will then be provided on an 'as required' basis for which he will receive a payment of £10,000 per month.

Toby Fowlston was appointed as Chief Executive Officer on 27 April 2023. His salary on appointment was £540,000, which was 24% lower than his predecessor reflecting that this is his first Board appointment. His incentive awards are in line with the approved directors' remuneration policy with a bonus of up to 150% of salary per year and a normal PSP award of 180% of salary each year. His bonus for 2023 was due to be pro-rated for the period of service as CEO and his previous role. However, as noted elsewhere in this report, in light of the current year financial performance of the Group, no bonus is payable in respect of the year.

As announced on 26 July 2023, Alan Bannatyne decided to retire as CFO and stepped down from the Board with effect from 1 September 2023. He remains employed by the Company until expiry of his notice period on 14 August 2024. During his notice period, he continues to receive his base salary, cash pension allowance and other benefits up until 14 August 2024. He remained eligible to receive an annual bonus for the 2023 financial year based on performance achieved. However as noted elsewhere in this report, in light of the financial performance of the Group in 2023, no bonus is payable in respect of the year. Outstanding incentive awards, including deferred bonus awards and Performance Share Plan ("PSP") awards will continue to

# Report of the Remuneration Committee continued

vest on their original dates and PSP awards remain subject to performance achievement. Mr Bannatyne was entitled to a capped contribution of £3,000 plus VAT towards legal fees incurred in connection with the transition of his role. More details of these arrangements are set out on page 83.

David Bower was appointed as Chief Financial Officer on 4 September 2023. His salary on appointment was £434,000 which reflects his previous experience as a listed company CFO. His incentive awards are in line with the approved remuneration policy with a bonus of up to 150% of salary per year and a normal PSP award of 180% of salary each year. His bonus for 2023 was due to be pro-rated for the period of service. However, even though he was appointed after the reduction in profit expectations were announced in June 2023, it has been agreed that due to the financial performance of the Group, no bonus will be paid.

Whilst no bonuses are being paid to the executive Directors, the Committee and Board recognise their substantial work and strong personal contributions in their roles.

**Pay decisions and outcomes in 2023**
The performance measures for the 2023 annual bonus plan comprise profit before taxation, which has a weighting of 75%, and specific strategic KPIs which are aligned to the business strategy and culture of the Group. The profit before taxation achieved for the year of £20.8m was below the threshold profit before taxation target set at the start of the year and as a result no bonus for the financial element was payable.

Specific strategic KPIs were set at the start of the year for Robert Walters and Alan Bannatyne and included both individual objectives for the Executive Directors and team objectives. KPIs were also set for Toby Fowlston and David Bower when they were appointed to the Board. Key areas of focus in 2023 included delivery of strategic objectives, financial targets, operational delivery and ESG targets. The Remuneration Committee approved some amendments to individual objectives to take account of the Board changes noted above and to allow for an orderly handover.

However, in light of the reduction in profit performance of the Group in the current year, and that this was substantially below the threshold target, it has been agreed that no bonuses should be payable.

The Group's annualised compound earnings per share (EPS) growth was negative 34.1% and below the threshold of the performance range and will result in the lapse of the performance shares granted in 2021 under the EPS performance condition. The Group's total shareholder return (TSR) over the three-year performance period was 5.5% compared to a relative result for the FTSE Small Cap Index performance of 17.0%, resulting in the lapse of the performance shares granted in 2021 under the TSR performance conditions. This means that none of the performance shares granted in 2021 will vest in March 2024.

The Committee is satisfied that overall the pay outcomes are a fair reflection of the collective performance delivered over the year, are in line with the performance of the Group, and the stakeholder experience.

**Details of 2024 base salary increases**
The Remuneration Committee reviewed the base salaries of the Executive Directors and considered the average increase for employees across the Group as a whole; and information from relevant comparator groups including our industry peer group, together with current trading conditions. As a result, the Committee has decided to increase the Executive Directors' salaries by 3% with effect from 1 January 2024, which compares to an average of 3.5% increase to the wider workforce across the UK.

**Details of the 2024 annual bonus and LTIP awards**
For 2024, the Remuneration Committee has determined that the annual bonus payment for the Executive Directors will be by reference to specific performance targets set at the beginning of the year. The performance measures are:

- Reported profit before taxation for the Group (75% weighting); and
- Key Performance Indicators (25% weighting).

In respect of the 2024 LTIP awards, the performance shares to be granted in 2024 will continue to be granted subject to a combination of EPS, TSR, cash conversion and ESG performance measures. The TSR performance measurement process will be standardised and will, from the 2024 awards, be based on a relative ranking of the constituents of the FTSE Small Cap Index (excluding investment trusts), with threshold vesting for median ranking, rising to full vesting for upper quartile ranking. The Committee believes this approach is better aligned to market practice. Full details of the performance measures are set out on page 89.

I look forward to your support on all of the resolutions relating to remuneration at the Annual General Meeting on 30 April 2024.

**Tanith Dodge**
Remuneration Committee Chair
7 March 2024

## Principles of pay

Robert Walters Group operates in a highly competitive sector. We are an international professional services company and our approach to the remuneration of all employees, including the Executive Directors, has been fundamental to our culture and our success over the years.

### Total employee pay 2023

The employee pay cost in 2023 was

**£260.3m**

of which the Executive Directors' total remuneration in 2023 was

**0.4%**

### Employee salary increases

2023 average increase in employee salaries

**8.6%**

2024 budgeted average increase in UK employee salaries

**3.5%**

# Report of the Remuneration Committee continued

## Annual Report on remuneration

This section of the report provides details of the payments made to Directors in respect of the 2023 financial year.

The sections of the report which are subject to audit have been highlighted.

### Single total figure of remuneration (audited)

The total remuneration for 2023 and comparative prior year figures for each Executive Director are set out in the table below based on their period of service on the Board.

| | 2023 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Base salary £'000 | Other benefits[1] £'000 | Pension £'000 | Total fixed pay £'000 | Bonus[2] £'000 | LTIPs[3] £'000 | Total variable pay £'000 | Total £'000 |
| R C Walters* | 237 | 20 | 12 | 269 | - | - | - | 269 |
| A R Bannatyne** | 290 | 17 | 14 | 321 | - | - | - | 321 |
| T Fowlston† | 360 | 12 | 18 | 390 | - | - | - | 390 |
| D Bower‡ | 142 | 6 | 7 | 155 | - | - | - | 155 |
| | 1,029 | 55 | 51 | 1,135 | - | - | - | 1,135 |

* R C Walters stepped down from the Board on 27 April 2023 and the figures set out above reflect his remuneration to that date. He will continue to be employed by the Group after the end of his notice period on 9 March 2024 at a salary of £10,000 per month.

** A R Bannatyne stepped down from the Board on 1 September 2023 and the figures set out above reflect his remuneration to that date. He will cease to be employed by the Group at the end of his notice period on 14 August 2024.

† T Fowlston was appointed to the Board as Chief Executive Officer on 27 April 2023 and the figures set out above reflect his remuneration from that date.

‡ D Bower was appointed to the Board as Chief Financial Officer on 4 September 2023 and the figures set out above reflect his remuneration from that date.

| | 2022 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Base salary £'000 | Other benefits[1] £'000 | Pension £'000 | Total fixed pay £'000 | Bonus[2] £'000 | LTIPs[3] £'000 | Total variable pay £'000 | Total £'000 |
| R C Walters | 684 | 60 | 34 | 778 | 600 | - | 600 | 1,378 |
| A R Bannatyne | 418 | 26 | 21 | 465 | 356 | - | 356 | 821 |
| | 1,102 | 86 | 55 | 1,243 | 956 | - | 956 | 2,199 |

1. The Executive Directors received a range of benefits, comprising permanent health insurance, private medical insurance, a car allowance and mortgage subsidy.
2. Two thirds of any annual bonus is paid in cash and one third is deferred and held as shares. The performance measures, targets and the outcomes for the annual bonus plan are described on page 79.
3. The performance measures, targets and the performance outcomes for the Performance Share Plan are detailed on page 81.

### The Chair and Non-executive Directors (audited)

The total remuneration for 2023 and 2022 for the Chair and each Non-executive Director is set out in the table below:

| | 2023[1] Total fees £'000 | 2022[1] Total fees £'000 |
|---|---|---|
| L Van de Walle[2] | 200 | 31 |
| T Dodge[3] | 84 | 95 |
| M Ashley | 79 | 72 |
| M Tod[4] | 39 | - |
| J Hesmondhalgh[4] | 39 | - |
| S Cooper[5] | 28 | 65 |
| R Mobed[6] | - | 71 |
| B McArthur-Muscroft[7] | - | 26 |
| | 469 | 360 |

1. No taxable benefits are payable to the Chair and Non-executive Directors.
2. L Van de Walle joined the Board on 1 November 2022.
3. T Dodge was interim Chair for four months in 2022.
4. M Tod and J Hesmondhalgh joined the Board on 1 June 2023.
5. S Cooper stepped down from the Board on 1 June 2023.
6. R Mobed stepped down from the Board on 15 July 2022.
7. B McArthur-Muscroft stepped down from the Board on 28 April 2022.

## Additional details in respect of the single total figure (audited)

### Base salary

The salaries for Toby Fowlston and David Bower were set on their appointment to the Board and reflected their respective experience as Main Board Directors.

### Other benefits

Each of the Executive Directors is entitled to a range of benefits, comprising permanent health insurance, private medical insurance, car allowance and mortgage subsidy.

### Pensions

During the year, the Executive Directors received an allowance of 5% of salary to be paid as cash in lieu of a pension contribution. The Executive Directors take their pension contribution as a cash allowance.

### Annual bonus

For 2023, the Remuneration Committee determined the annual bonus payment for the Executive Directors by reference to specific performance targets set at the beginning of the year. The total maximum bonus pay-out is 150% of salary of which 112.5% is subject to profit before taxation performance and 37.5% is subject to strategic and personal KPIs performance. The bonus is pro-rated for the period of service for joiners and good leavers. Given the timing of David Bower's appointment towards the end of 2023, his annual bonus was subject to personal KPIs, underpinned by achievement of the threshold of profit before taxation.

## Annual bonus performance outcomes

### Profit before taxation

The 2023 threshold, budget (i.e. target) and maximum performance standards for reported profit before taxation (which has a 75% weighting) were set in light of both internal budgets and market expectations at the start of the year. The upper end of the target range was considered to be particularly stretching at the time it was set.

The table below shows the maximum bonus payable under each performance standard.

| | Performance standards | | | Performance Outcome |
|---|---|---|---|---|
| | Threshold | Target | Maximum | Achieved |
| Profit before taxation | £42.4m | £53.0m | £63.6m | 20.8m |
| % of maximum bonus payable | 20.0% | 37.5% | 75.0% | 0% |
| % of salary | 30.0% | 56.3% | 112.5% | 0% |

The outcome of profit before taxation was £20.8m. This was below threshold and resulted in the payment of 0% of salary for each Executive Director (2022 payment: 53.5% of salary). The targets were set at a time of continued uncertainty. They were in the judgement of the Remuneration Committee stretching and the target for profit before taxation represented an increase of around 7% over the prior year profit before taxation.

### Key Performance Indicators

Key Performance Indicators (KPIs) which have a 25% weighting are set at the beginning of each year for a number of objectives covering several different areas including strategic, operational and environmental, social and governance (ESG). The KPIs are set with a team approach in mind to align with the culture of the business although many of the objectives are individual. The changes to the Board in 2023 including the appointment of our new CEO and CFO inevitably meant that a review of the suitability of the KPIs was required during the year.

The substantial work and personal contributions of the Executive Directors in their roles during the year are recognised. Nonetheless, in light of the outcome against the profit before tax target set out above, and notwithstanding that the financial goals and the KPIs are independent of each other, it was agreed no bonus be paid in respect of KPIs for 2023.

The KPIs set for the current Executive Directors following their appointments to the Board, and their respective weightings as a percentage of the maximum potential bonus, are shown below.

# Report of the Remuneration Committee continued

### CEO – Toby Fowlston

| Performance goals and targets | Weighting as a % of maximum bonus |
|---|---|
| **Delivery of strategic objectives, including:**<br>• Build and develop senior management team<br>• Succession planning<br>• Review of Group strategy<br>• Successful roll out of new CRM system<br>• Specific client engagement metrics<br>• Client wins and business extensions<br>• Geographical expansion | 10% |
| **Operational delivery, including:**<br>• Employee retention<br>• Focus on headcount investment<br>• Reduction in job board spend per fee earner | 8% |
| **ESG targets, including*:**<br>• Diversity and Inclusion objectives<br>• Employee engagement score<br>• Environmental objectives<br>• Glassdoor rating | 7% |
| **Total weighting as a % of maximum bonus** | **25%** |

### CFO – David Bower

| Performance goals and targets | Weighting as a % of maximum bonus |
|---|---|
| **Delivery of strategic objectives, including:**<br>• Development of investor and analyst relationships<br>• Review Group planning process<br>• Review capital allocation<br>• Review of Finance function processes and structures | 17.5% |
| **Operational delivery, including*:**<br>• Review of client payments/processes<br>• Assessment of the Group's advisers<br>• Technology and automation review | 5% |
| **ESG targets, including:**<br>• Build relationships with key stakeholders including shareholders and Finance teams worldwide | 2.5% |
| **Total weighting as a % of maximum bonus** | **25%** |

* The bonus opportunity linked to ESG targets, as set by the Remuneration Committee, was lower in 2023 due to the on-boarding of the new Executive Directors.

No deferred payment on bonus is applicable this year as no bonus is due.

Over the last five years, the average total bonus pay-out has been 34.4% of total bonus opportunity.

## Long-term incentive plans (audited)

The remuneration shown in the long-term incentive plan (LTIP) figures in the single total figure table on page 78 shows the total vested value of shares granted under the Performance Share Plan (PSP) which are detailed below:

### Performance Share Plan (PSP)

The PSP awards granted in March 2021 will lapse in full in March 2024. Details of the performance conditions set over the three-year period are set out below:

| Performance measure | Weighting | Performance required for minimum vesting (i.e. 33% of award) | Performance required for maximum vesting (i.e. 100% of award) | Actual performance | % of vesting achieved |
|---|---|---|---|---|---|
| Compound annual increase in EPS compared to the increase in RPI over three years. | 50% | The Group's annualised EPS growth rate to exceed the UK retail price index by at least an annual compound growth of 8% | The Group's annualised EPS growth rate to exceed the UK retail price index by at least an annual compound growth of 14%. | The Group's annualised Compound EPS growth was negative 34.1% and below the threshold of the performance range. | 0.0% |
| Relative TSR measured against the FTSE Small Cap Index over three years. | 50% | Relative TSR of the Group matches the median relative TSR performance of the FTSE Small Cap Index. | Relative TSR of the Group exceeds the median relative TSR performance of the FTSE Small Cap Index by at least an annual compound growth of 12.5%. | TSR over the three-year period ended 31 December 2023 was 5.5% compared to TSR of the FTSE Small Cap Index of 17.0%. Therefore, performance was below threshold. | 0.0% |
| **Total to vest in March 2024** | | | | | **0.0%** |

The table below details the awards granted in 2021, the potential value of these awards at grant date and the estimated value of the shares awarded under the PSP included in the single figure table for the financial year 2023.

| | No. of PSP awards granted | Grant price (p)[1] | Face value (£'000)[2] | Fair value (£'000)[3] | % of vesting achieved | No. of vested awards | Value attributable to share price increases | Total value of vested awards (£'000) |
|---|---|---|---|---|---|---|---|---|
| T Fowlston | 75,330 | 711 | 536 | 306 | 0.0% | – | – | – |
| D Bower | – | – | – | – | – | – | – | – |
| R C Walters | 217,404 | 531 | 1,154 | 884 | 0.0% | – | – | – |
| A R Bannatyne | 132,738 | 531 | 705 | 539 | 0.0% | – | – | – |

1. Grant price is the market value at the time of grant.
2. Face value has been calculated as the maximum number of shares that would vest if all performance measures and targets are met, multiplied by the share price at date of grant.
3. Fair value has been calculated as the fair value of one share using the stochastic option pricing model, supported by external advisers, multiplied by the number of shares granted.

The performance conditions for all outstanding awards under the PSP can be found on the next page.

## Long-term incentives awarded in 2023 (audited)

### Performance Share Plan (PSP)

In 2023, the Executive Directors were granted share awards to the value of 180% of salary as follows:

| | Share awards | Grant date | Grant price (p)[1] | Face value (£'000)[2] | Fair value (£'000)[3] | % award vesting at minimum threshold performance |
|---|---|---|---|---|---|---|
| T Fowlston | 229,245 | 4 May 2023 | 426 | 977 | 791 | 25% |
| D Bower[4] | 69,589 | 13 Sep 2023 | 367 | 255 | 240 | 25% |
| R C Walters | – | – | – | – | – | – |
| A R Bannatyne | 153,282 | 4 May 2023 | 510 | 782 | 529 | 25% |

1. Grant price is the market value at the time of grant.
2. Face value has been calculated as the maximum number of shares that would vest if all performance measures and targets are met multiplied by the share price at date of grant.
3. Fair value has been calculated as the fair value of one share as provided by FIT Remuneration's stochastic option pricing model, multiplied by the number of shares granted
4. Granted on 13 September 2023 and pro-rated for the period from 4 September 2023.

# Report of the Remuneration Committee continued

The performance conditions and weightings for these PSP awards are set out as follows:

| Performance measures | Weighting | Performance required for minimum vesting (i.e. 33% of award) | Performance required for maximum vesting (i.e. 100% of award) |
|---|---|---|---|
| Compound annual increase in EPS compared to the increase in RPI over three years. | 35% | The threshold EPS target was 67.5p, calculated by using the current consensus expectation for the year one performance of the Company and a target growth rate for year two and year three. | The maximum EPS target was 75.0p, calculated by using the previous consensus expectation for the year one performance of the Company and a stretching growth rate for year two and year three. |
| Relative TSR measured against the FTSE Small Cap Index over three years. | 35% | Relative TSR of the Group matches the TSR performance of the FTSE Small Cap Index. | Relative TSR of the Group exceeds the TSR performance of the FTSE Small Cap Index by at least an annual compound growth of 12.5%. |
| Cumulative cash conversion: Three-year cash conversion is the cumulative operating cash flow of the Group before tax stated as a percentage of cumulative operating profit before exceptional items. | 20% | Cumulative cash conversion was at least 90%. | Cumulative cash conversion was at least 110%. |
| ESG – see below | 10% | 50% of ESG targets achieved. | 100% of ESG targets achieved. |

The fourth measure covered key elements of our sustainability strategy across six pillars. A minimum of five of the targets listed below would need to be achieved to deliver 33% vesting of this specific performance measure. All ten objectives would need to be achieved for maximum vesting, with pro-rata weighting applied for achieving between five and ten of the objectives:

**Year 1 Activities**

| Pillars | Activities |
|---|---|
| Engaging our workforce | • Achieve an average Glint employee engaged score of 78 for 25% vesting, 79 for 50% and 80 or higher for full vesting (2022 score of 79) |
| Enhancing our ED&I initiatives | • In line with our focus on a consciously inclusive culture, 50% of global leadership to identify as female by 2025 (Associate Director and above) (2022: 47%) |
| Responding to a sustainable world of work | • Provide industry-leading insights, informed by RWG's work with clients and candidates addressing ESG trends (e.g. Inclusivity Audit)<br>• Launch the planned RS Consultancy ESG Employee Sustainability Proposition Audit |
| Reducing our environmental impact | • Continue to achieve carbon neutral status across Scopes 1, 2 and 3<br>• Abolish single use plastic across the Group by 2024 and thereafter |
| Being a responsible business | • Achieve an average Glassdoor rating in excess of 3.5 out of 5.0 for 25% vesting, 3.7 for 50% and 4.0 or higher for full vesting<br>• Join and comply with the obligations of the UN Global Compact |
| Supporting our communities | • Achieve more than £500,000 fund raising through the global charity day over the next three years<br>• Enhance the average uptake of one day a year volunteering |

## Payments for loss of office / payments to former directors

### Robert Walters

On 10 March 2023, the Company announced Robert Walters' decision to retire as CEO and step down from the Board with effect from 27 April 2023. Robert Walters was required to give 12 months' notice of his resignation as CEO, which was provided on 9 March 2023. He received his base salary, cash pension allowance and other benefits up until the expiry of his notice period on 9 March 2024. He will receive no other compensation for loss of office.

Robert Walters formally stepped down from his role as Chief Executive Officer and Executive Director of the Company on 27 April 2023, at which time he moved to the role of Founder of the Company. In his role of Founder of the Company, he provides consultancy and advisory services to the Board and CEO Toby Fowlston. At the end of his notice period on 9 March 2024, he will continue in his role as Founder of the Company with his services provided on an 'as required' basis, and he will receive a payment of £10,000 per month for services provided.

Robert Walters received no bonus for 2023. He will not participate in the annual bonus plan for 2024, he received no award in 2023 under the Company's Performance Share Plans ("PSP") and he will receive no further awards.

A third of Robert Walters' bonus for each of the 2021 and 2022 financial years was deferred in shares, payable in equal tranches at the end of years one and two. In accordance with the Policy, a total of 25,051 shares vested on 31 December 2023, and 10,485 shares are due to vest on 31 December 2024. These shares are subject to malus and clawback provisions in accordance with the Policy.

Robert Walters was the holder of two outstanding awards granted in March 2021 and March 2022 under the Company's 2014 PSP. As explained on page 81 of this report, the March 2021 award will lapse due to the performance conditions not being achieved. Given his ongoing employment as Founder of the Company, Robert Walters is expected to retain his March 2022 award until the normal vesting date in March 2025 in accordance with the rules of the PSP, subject to (a) the satisfaction of the performance conditions and (b) the rules of the PSP more generally. These outstanding awards are subject to malus and clawback provisions in accordance with the terms of the 2014 PSP and the Policy.

In accordance with the Policy, Robert Walters is required to hold shares to the value of two times his salary until 27 April 2025.

### Alan Bannatyne

On 26 July 2023, the Company announced Alan Bannatyne's decision to retire and to step down from the Board with effect from 1 September 2023. Alan Bannatyne receives his base salary, cash pension allowance and other benefits during his notice period up until the date his employment formally terminates on 14 August 2024. He will receive no other compensation for loss of office.

Alan Bannatyne received no bonus for 2023. He will not participate in the annual bonus plan for 2024 and will receive no further awards under the Company's Performance Share Plans ("PSP").

A third of Alan Bannatyne's bonus for each of the 2021 and 2022 financial years was deferred in shares, payable in equal tranches at the end of years one and two. In accordance with the Policy, a total of 14,572 shares vested on 31 December 2023 and 6,003 shares are due to vest on 31 December 2024. These shares are subject to malus and clawback provisions in accordance with the Policy.

Alan Bannatyne was the holder of two outstanding awards granted in March 2021 and March 2022 under the Company's 2014 PSP, and one outstanding award granted in May 2023 under the Company's 2023 PSP. As explained on page 81 of this report, the March 2021 award will lapse due to the performance conditions not being achieved. As Alan Bannatyne is leaving the Group due to retirement, he is expected to qualify automatically as a good leaver under the rules of the PSP. As a good leaver, he will be permitted to retain his remaining awards until their normal vesting dates in March 2025 and March 2026 respectively, subject to (a) the satisfaction of the performance conditions, (b) remaining a good leaver, (c) complying with post-employment restrictions and not leaving to join a competitor, and (d) the rules of the PSP generally. The share awards granted in March 2022, in so far as they would vest, are subject to pre-determined time pro-rating in accordance with the rules of the 2014 PSP. In the context of Alan Bannatyne's retirement after twenty-one years of service to the Group, including sixteen years as CFO, and in light of the key role he has played in the Group over this period, and the contribution he has made during the recent Board transitions including that of the role of CEO, the Committee has agreed to exercise its discretion under the terms of the Policy and the rules of the 2023 PSP to disapply the time pro-rating of the awards granted in 2023, providing all the conditions set out above continue to be satisfied. All these outstanding awards are subject to malus and clawback provisions in accordance with the terms of the PSP and the Policy.

In accordance with the Policy, Alan Bannatyne is required to hold shares to the value of two times his salary until 14th August 2025.

# Report of the Remuneration Committee continued

## Statement of Directors' shareholdings and share interests (audited)

### Share options

Details of the options to acquire ordinary shares in the Company granted to or held by the Directors under the Company's Executive Share Option Scheme (legacy awards) or SAYE Option Scheme are as follows:

| | Options at 1 January 2023 | Options granted during the year | Options exercised during the year | Options lapsed during the year | Options at 31 December 2023[1] | Price granted (p)[2] | Share price on exercise (p) | Gain on exercise (p) | Exercise dates |
|---|---|---|---|---|---|---|---|---|---|
| **R C Walters** | | | | | | | | | |
| SAYE Options | 5,521 | – | (5,521) | – | – | 326 | – | – | Sep 2023 – Mar 2024 |
| | **5,521** | **–** | **(5,521)** | **–** | **–** | | | | |
| **A R Bannatyne** | | | | | | | | | |
| SAYE Options | 5,521 | – | (5,521) | – | – | 326 | – | – | Sep 2023 – Mar 2024 |
| | **5,521** | **–** | **(5,521)** | **–** | **–** | | | | |
| **T Fowlston** | | | | | | | | | |
| SAYE Options | – | 6,374 | – | – | 6,374 | 291 | – | – | Oct 2026 – Mar 2027 |
| | **–** | **6,374** | **–** | **–** | **6374** | | | | |
| **DJ Bower** | | | | | | | | | |
| SAYE Options | – | 6,374 | – | – | 6,374 | 291 | – | – | Oct 2026 – Mar 2027 |
| | **–** | **6,374** | **–** | **–** | **6374** | | | | |
| | **11,042** | **12,748** | **(11,042)** | **–** | **12,748** | | | | |

1. There are no options that have vested but are unexercised.
2. Market price when awarded, except for SAYE Options which were granted at a 20% discount to the market price.

SAYE Options are not subject to any performance measures.

The market price of the ordinary shares at 31 December 2023 was 445p per share (2022: 540p per share) and the range during the year was 353p to 560p per share.

## Performance Share Plan (PSP) (audited)

There are currently 121 senior Executives who participate in the PSP, including the Executive Directors. The table below shows the number of shares that have been awarded to the Executive Directors under the PSP and that remained unexercised at the end of the financial year, and also shows the shares which were granted, which vested and which lapsed during the year. All PSP awards are subject to the same performance measures and targets.

| | Date of grant | Share awards | Vested during the year | Lapsed during the year | At 31 December 2023 | Share price on date of award (p)[1] | Exercise date |
|---|---|---|---|---|---|---|---|
| **T Fowlston** | | | | | | | |
| | March 2020 | 53,423 | – | (53,423) | – | 594 | March 2023 |
| | July 2021 | 75,330 | – | – | 75,330 | 711 | July 2024 |
| | March 2022 | 60,150 | – | – | 60,150 | 665 | March 2025 |
| | May 2023 | 229,245 | – | – | 229,245 | 424 | May 2026 |
| | | **418,148** | **–** | **(53,423)** | **364,725** | | |
| **D Bower** | | | | | | | |
| | September 2023 | 69,589 | – | – | 69,589 | 367 | September 2026 |
| | | **69,589** | **–** | **–** | **69,589** | | |
| **R C Walters** | | | | | | | |
| | March 2020 | 194,346 | – | (194,346) | – | 594 | March 2023 |
| | March 2021 | 217,404 | – | – | 217,404 | 531 | March 2024 |
| | March 2022 | 185,089 | – | – | 185,089 | 665 | May 2026 |
| | | **596,839** | **–** | **(194,346)** | **402,493** | | |
| **A R Bannatyne** | | | | | | | |
| | March 2020 | 118,659 | – | (118,659) | – | 594 | March 2023 |
| | March 2021 | 132,738 | – | – | 132,738 | 531 | March 2024 |
| | March 2022 | 113,035 | – | – | 113,035 | 665 | March 2025 |
| | May 2023 | 153,282 | – | – | 153,282 | 424 | May 2026 |
| | | **517,714** | **–** | **(118,659)** | **399,055** | | |

1. Market price when awarded.

In accordance with the guidance issued by The Investment Association and consistent with the rules of the Company's share schemes, the maximum number of new shares that may be issued in respect of all share schemes is limited to 10% of the issued share capital over a period of 10 years. At 1 January 2024 the Company had outstanding options representing 1.7% of issued share capital.

Share awards made under the PSP are satisfied with market-purchased shares through the Employee Benefit Trust.

In the event of a change of control, the rules specify that all awards would vest subject to satisfaction of the performance conditions. The awards would normally then be pro-rated to reflect the period of time between the date of grant and the date of change of control. Further information relating to all equity awards currently available to Executive Directors is detailed on page 84 and in note 19 to the accounts.

**Directors' interests in shares (audited)**
The Directors who held office during 31 December 2023 had the following interests in the ordinary shares of the Company:

| | **31 December 2023 Number** | 31 December 2022 Number |
|---|---|---|
| T Fowlston | **-** | - |
| D Bower | **-** | - |
| R Walters | **2,055,449** | 2,235,963 |
| A Bannatyne | **676,667** | 699,283 |
| L Van de Walle | **27,500** | 8,000 |
| T Dodge | **6,000** | 6,000 |
| M Ashley | **9,667** | 9,667 |
| M Tod | **-** | - |
| J Hesmondhalgh | **-** | - |

There has been no change to the interest of the Directors between 31 December 2023 and the date of the Annual Report and Accounts.

**Share ownership policy (audited)**
Executive Directors are subject to share ownership guidelines which recommend building and then retaining a minimum holding of 200% of salary. Only the net value of unvested deferred bonus shares and shares that are beneficially owned by the Executive Directors and connected persons count towards the share ownership policy. For the avoidance of doubt, Directors are not permitted to take forward options or in any way securitise or hedge their holdings of Robert Walters plc shares. The Executive Directors are also required to retain shares to the value of 200% of salary for two years post-cessation as a Director.

The percentage and value of the shareholdings of the Executive Directors who held office during the year, based on the share price at 31 December 2023 and expressed as a percentage of salary, are as follows:

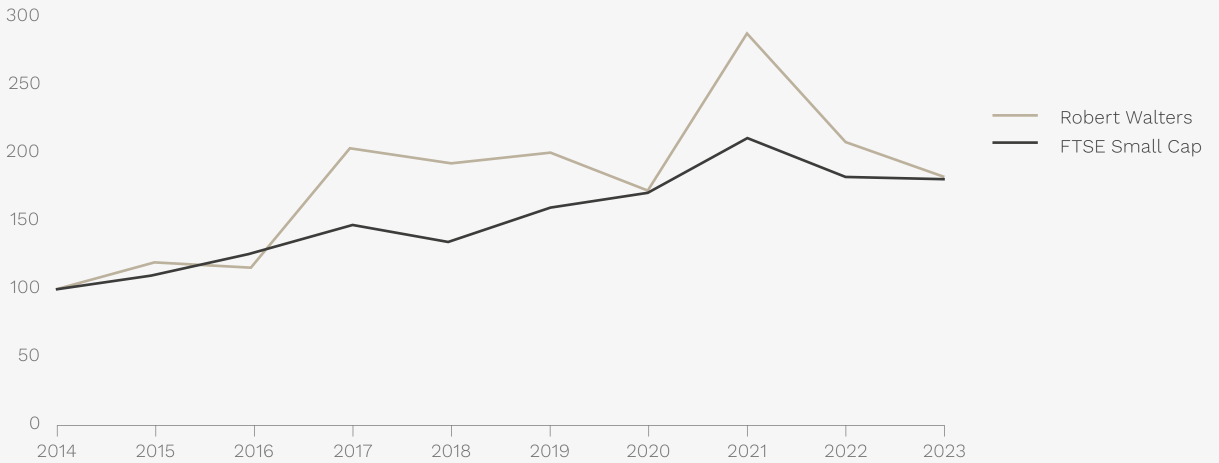
| Shares held | % of issued share capital | % of salary |
|---|---|---|
| T Fowlston | – | – |
| D Bower | – | – |
| R C Walters | 2.69% | 1,286% |
| A R Bannatyne | 0.89% | 693% |

# Report of the Remuneration Committee continued

### TSR performance

The Remuneration Committee supports the Group's strong view that remuneration should be linked to performance. The following graph shows the Company's total shareholder return (TSR) against the TSR of the FTSE Small Cap Index. The FTSE Small Cap Index has been selected because Robert Walters plc is a constituent.

**Total shareholder return (rebased to 100)**




The following table shows the Chief Executive's total realised pay (calculated using the same approach we have used to calculate the single total figure) in each of the last 10 years. It also shows the levels of pay-outs from the annual bonus and the long-term share-based plans in each year going back to 2014.

| T Fowlston/ R C Walters | Single total figure showing realised remuneration £'000[1] | % of total bonus paid against maximum opportunity[2] | % of LTIPs vesting against maximum opportunity[3] | Period over which the LTIP performance targets are based |
|---|---|---|---|---|
| 2023 T Fowlston | 390 | 0% | 0% | 2020 - 2023 |
| 2023 R C Walters | 269 | 0% | 0% | 2020 - 2023 |
| 2022 R C Walters | 1,378 | 58% | 0% | 2019 - 2022 |
| 2021 R C Walters | 2,034 | 94% | 24% | 2018 - 2021 |
| 2020 R C Walters | 765 | 0% | 0% | 2017 - 2020 |
| 2019 R C Walters | 1,674 | 20% | 98% | 2016 - 2019 |
| 2018 R C Walters | 3,471 | 96% | 89% | 2015 - 2018 |
| 2017 R C Walters | 3,501 | 95% | 100% | 2014 - 2017 |
| 2016 R C Walters | 2,092 | 80% | 78% | 2013 - 2016 |
| 2015 R C Walters | 3,014 | 93% | 100% | 2012 - 2015 |
| 2014 R C Walters | 1,463 | 100% | 18% | 2011 - 2014 |
| **Total average** | | **64%** | **51%** | |

1. Total remuneration is calculated as the total of fixed and variable pay based on the same calculation method used in the single total figure table on page 78.
2. The percentage (%) of total bonus paid against maximum opportunity is calculated as the annual bonus pay-out in each respective year based on the same calculation method used in the single total figure table as a % of the maximum opportunity.
3. The percentage (%) of LTIP shares vesting against maximum opportunity is calculated as the number of share options and PSP awards that have vested in the year as a % of number granted.

### Percentage change in the Directors' pay compared to employees

The table below shows the year-on-year percentage movement of base pay, other benefits and annual bonus in 2023 for each member of the Board, compared with the average percentage change for Group employees. The average percentage change for Group employees has been used as there are no employees in Robert Walters plc.

The remuneration disclosed in the table below uses the same information for base salary, other benefits and bonus as the single total figure on page 78. The Group employee pay is calculated using the movement of the average remuneration (per head) for all Group employees.

| | 2023 vs 2022 | | | 2022 vs 2021 | | | 2021 vs 2020 | | | 2020 vs 2019 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **Base salary[6]** | **Other benefits including pension[7]** | **Bonus** | Base salary/fee (voluntary salary reductions results in year-on-year increase)[8] | Other benefits including pension | Bonus | Base salary/ fee (with voluntary salary reductions)[8] | Other benefits including pension | Bonus | Base salary/ fee (with voluntary salary reductions)[9] | Other benefits including pension | Bonus |
| **All employees** | **8.6%** | **2.0%** | **(36.6%)** | **8.8%** | **3.0%** | **(3.1%)** | **14.6%** | **0.0%** | **100.9%** | **0.4%** | **(4.5%)** | **(31.3%)** |
| T Fowlston | **n/a** | **n/a** | **n/a** | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| D Bower | **n/a** | **n/a** | **n/a** | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| R C Walters | **4.0%** | **1.4%** | **(100%)** | 5.0% | (50.5%) | (34.3%) | 12.8% | 1.1% | 100.0% | (7.7%) | 1.7% | (100.0%) |
| A R Bannatyne | **4.0%** | **1.8%** | **(100%)** | 5.0% | (55.7%) | (36.1%) | 12.8% | 1.1% | 100.0% | (7.7%) | 1.9% | (100.0%) |
| L Van de Walle[1] | **n/a** | **n/a** | **n/a** | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| T Dodge[2] | **(11%)** | **n/a** | **n/a** | 30.6% | n/a | n/a | 5.3% | n/a | n/a | (2.6%) | n/a | n/a |
| M Ashley[3] | **9.0%** | **n/a** | **n/a** | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| M Tod[4] | **n/a** | **n/a** | **n/a** | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| J Hesmondhalgh[4] | **n/a** | **n/a** | **n/a** | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| S Cooper[5] | **4.0%** | **n/a** | **n/a** | 3.6% | n/a | n/a | 5.3% | n/a | n/a | (2.6%) | n/a | n/a |

1. L Van de Walle joined the Board on 1 November 2022.
2. T Dodge was interim Chair for four months in 2022.
3. M Ashley was Audit Committee Chair for only eight months in 2022.
4. M Tod and J Hesmondhalgh joined the Board on 1 June 2023.
5. S Cooper stepped down from the Board on 1 June 2023.
6. Base salary from the single total figure on page 78 has been recalculated on an annualised basis for the purpose of the disclosure in the table above.
7. Pension allowances have been aligned (5% of salary) with that payable to employees generally, effective 1 January 2022 (2021: 20% of salary).
8. There was a 3% increase in salary, effective 1 July 2021, for Robert Walters and Alan Bannatyne given no salary increase at 1 January 2021.
9. In 2020, there was a voluntary salary reduction of 20% for the Executive Directors and 10% for the Non-executive Directors between April and September. Without the voluntary reduction, the increase in salary would have been 2.5% for both the Executive Directors and the Non-executive Directors.

## The ratio of the Chief Executive's total pay ratio to the pay of UK employees

The table below shows the ratio of the Chief Executive's single total figure remuneration to the UK-based lower, median and upper quartile paid (full-time equivalent) employees' single figure total remuneration. The employee total remuneration includes base salary, other benefits including pension, annual bonus and share-based remuneration.

| | Method | Lower quartile | Median | Upper quartile |
|---|---|---|---|---|
| 2023 ratio | Option A | 17:1 | 11:1 | 7:1 |
| 2022 ratio | Option A | 42:1 | 25:1 | 17:1 |
| 2021 ratio | Option A | 68:1 | 39:1 | 26:1 |
| 2020 ratio | Option A | 24:1 | 17:1 | 12:1 |
| 2019 ratio | Option A | 76:1 | 51:1 | 36:1 |

Set out in the table below is the base salary and the total pay and benefits each of the quartiles.

| £'000 | Lower quartile | Median | Upper quartile |
|---|---|---|---|
| 2023 salary | 30.4 | 57.0 | 59.3 |
| 2023 total pay and benefits | 38.1 | 61.0 | 88.9 |

The ratio of the Chief Executive's pay to the median level of pay across the Group reflects no annual bonus payment and the lapsing of the 2021 performance shares awards for the Chief Executive this year. Our pay, reward and progression policies are designed to be applied in the same way to all employees across the Group. A much higher proportion of the Chief Executive's pay is related to performance than is the case for employees across the Group generally. The variability of the pay ratio over time reflects the strong link between the Chief Executive's pay and performance and that a significant proportion of his total pay is variable. The total pay shown for the CEO for 2023 combined the remuneration of the outgoing and incoming CEO's pay.

The Group has chosen to calculate the ratios in accordance with Option A methodology laid out in the remuneration regulations as the lower quartile, median and upper quartile employees could be identified based on full-time equivalent pay data as at 31 December 2023 and the Group believes that this was the most accurate way of calculating the ratios.

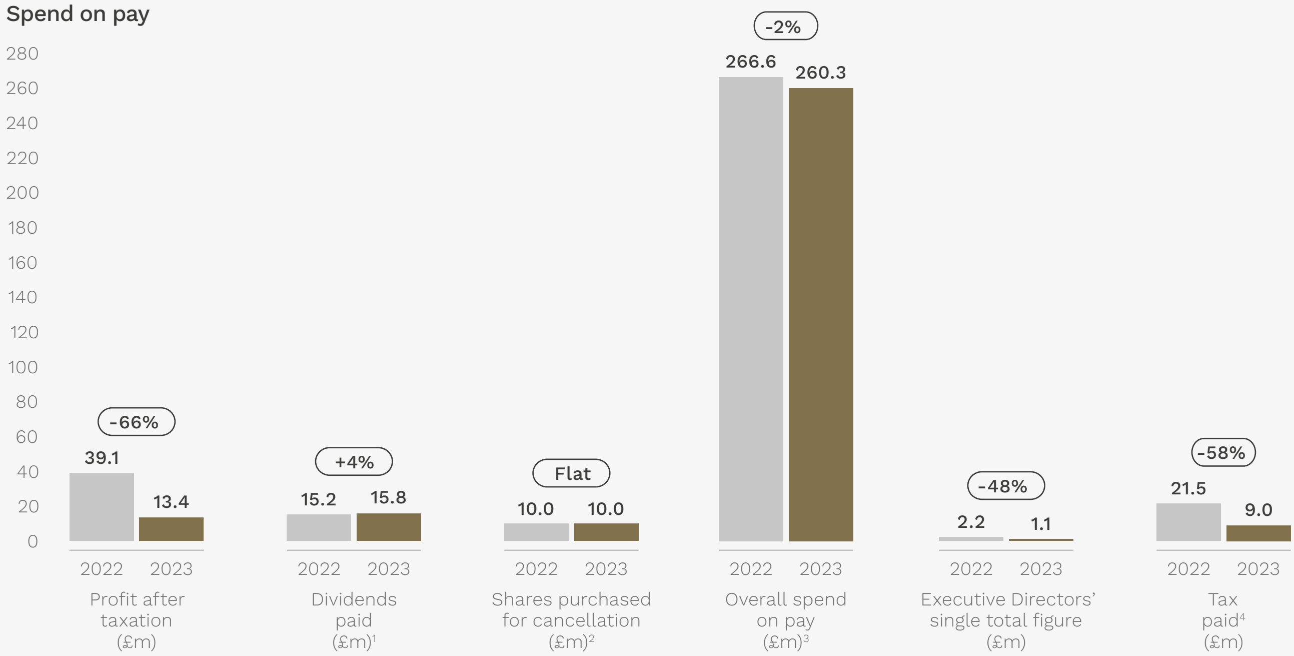
The employee pay data was obtained from the single payroll system used in the UK and after reviewing the data, the Group is satisfied that it fairly reflects the relevant quartiles given the range of roles within the UK business. As the head office is located in the UK and based on the Group's organisational shape and nature, there is a large proportion of administrative and support roles in the UK which explains both the ratios at the lower quartile and median. The upper quartile ratio is reflective of the make-up of Group management and senior management who have a broad range of salaries. Given potential volatility in the Chief Executive single figure, year-to-year movements can be significant.

# Report of the Remuneration Committee continued

## Relative importance of the spend on pay

The graph below shows details of the Group's profit after taxation, dividends paid, share buybacks, total spend on pay and taxation paid for the years ended 31 December 2022 and 2023. In the opinion of the Board, profit after taxation and taxation paid are both helpful reference points for putting the investment of pay costs necessary in a professional services business into context.

**Spend on pay**




Notes to the illustrative graph:

1. The total dividend paid during the year ended 31 December 2023 was £15.8m based on a final dividend of £11.5m paid on 26 May 2023, and an interim dividend of £4.3m paid on 29 September 2023. Further details on dividends are given in note 6.
2. The shares purchased for cancellation represent the total amount spent by the Group on shares for cancellation during the year ended 31 December 2023 and 31 December 2022.
3. Overall spend on pay includes wages and salaries, social security costs, pension costs and share-based payments for all employees including Directors. Further details of the total remuneration of the Group are given in note 4.
4. Taxation paid during the year represents the corporation taxation paid for the Group during the year ended 31 December 2023.

## The implementation of our Directors' remuneration policy in 2024

The Group's policy on Executive Directors' remuneration and implementation for the year ended 31 December 2024 will be as follows:

### (a) Executive Directors

#### (i) Base salary

For 2024, the budgeted average salary increases for employees in the UK other than Executive Directors is expected to be 3.5% with effect from 1 January. The Remuneration Committee has, further to both internal and external benchmarking, decided to, once again, give the Executive Directors salary increases lower than the average employee salary increase. Toby Fowlston and David Bower will each receive a base salary increase of 3.0%.

#### (ii) Other benefits

No changes will be made to benefits in 2024.

#### (iii) Annual bonus

For 2024, the Remuneration Committee has determined that the annual bonus payment for the Executive Directors will be by reference to specific performance targets set at the beginning of the year. The performance measures are:

- Reported profit before taxation for the Group (75% weighting); and
- Key Performance Indicators (25% weighting) which will include a range of distinct and specific goals under three categories – strategic, operational and ESG measures. The maximum bonus potential remains unchanged at 150% of salary. One third of any earned bonus will be deferred for two years into shares, payable in equal tranches on the first and second anniversary of grant.

Where possible targets will be set for each goal and the targets are intended to be disclosed together with the Remuneration Committee's assessment of performance against the targets in next year's Directors' Remuneration Report.

### (iv) Performance Share Plan (PSP)

For 2024, it is envisaged that each Executive Director will receive awards under the PSP to the value on grant of 180% of base salary.

The performance period is the three-year period ending 31 December 2026. The performance conditions and weightings for these PSP awards are set out as follows:

| Performance measure | Weighting | Performance required for minimum vesting (i.e. 33% of award) | Performance required for maximum vesting (i.e. 100% of award) |
|---|---|---|---|
| Compound annual increase in EPS compared to the increase in RPI over three years. | 35% | The threshold EPS target is 40p, calculated by using the current consensus expectation for the year one performance of the Company and a target growth rate for year two and year three. | The maximum EPS target is 63p, calculated by using the current consensus expectation for the year one performance of the Company and a stretching growth rate for year two and year three. |
| Relative TSR measured against the constituents of the FTSE Small Cap Index (excluding investment trusts) over three years. | 35% | Relative TSR of the Group matches the median ranking TSR performance of the constituents of the FTSE Small Cap Index (excluding investment trusts). | Relative TSR of the Group equals or exceeds the upper quartile ranking TSR performance of the FTSE Small Cap Index (excluding investment trusts). |
| Cumulative cash conversion: Three-year cash conversion is the cumulative operating cash flow of the Group before tax stated as a percentage of cumulative operating profit before exceptional items. | 20% | Cumulative cash conversion is at least 90%. | Cumulative cash conversion is at least 110%. |
| ESG | 10% | 33% of ESG targets achieved. | 100% of ESG targets achieved. |

As per our ESG section on pages 26 to 47, we have developed a robust and long-term ESG strategy and the fourth measure will cover the key elements of this strategy as per below. A fulfilment of one target is required for 33% vesting of this specific performance measure, two targets for 66% vesting, and all three targets will need to be achieved for maximum vesting.

| **ESG performance measure** | |
|---|---|
| Pillars | Targets |
| Engaging our workforce | • Achieve an average Glint employee engaged score of 78 for 25% vesting, 79 for 50% and 80 or higher for full vesting of this condition (2023: score of 77) |
| Enhancing our ED&I initiatives | • In line with our focus on a consciously inclusive culture, 50% of global leadership to identify as women by 2025 (Associate Director and above) (2023: 47%) |
| Reducing our environmental impact | • Deliver the decarbonisation initiatives required to achieve the Group's 2040 net zero target. |

# Report of the Remuneration Committee continued

(v) Pensions
Pension contributions or cash in lieu of pension as a percentage of base salary have been aligned with the wider workforce and are 5% of salary. Any new appointments or change of role will also be aligned with the Group average.

(b) Chair and Non-executive Directors
The Remuneration Committee is responsible for determining the remuneration of the Chair and the Board is responsible for determining the fees of the Non-executive Directors.

As of 1 January 2024, the agreed fees for the Chair (as determined by the Remuneration Committee) and the Non-executive Directors (as determined by the Chair and the Executive Directors) are as follows:

| | **2024**<br>**Total fees[1]**<br>**£'000** | 2023<br>Total fees[1]<br>£'000 |
|---|---|---|
| L Van de Walle | 206 | 200 |
| T Dodge | 87 | 84 |
| M Ashley | 81 | 79 |
| M Tod | 69 | 39 |
| J Hesmondhalgh | 69 | 39 |
| | 512 | 441 |

1. No other taxable benefits are payable to the Chair and Non-executive Directors.

## The Remuneration Committee
The Remuneration Committee comprises Tanith Dodge (Chair), Matt Ashley, Michaela Tod and Jane Hesmondhalgh, all of whom are independent Non-executive Directors. On invitation, the Chair and Executive Directors attended all Remuneration Committee meetings during the year.

The purpose of the Committee is to consider all aspects of the remuneration of the Executive Directors and selected other senior management and to make recommendations to the Board on the specific remuneration packages, including bonus schemes, severance, pension contributions and other benefits. The Committee also determines the remuneration of the Board Chair. The Committee ensures that the remuneration packages are competitive within the recruitment industry and reflect both Group and personal performance during the year, while also having regard to the broader levels of remuneration within the Group itself and environmental, social and governance issues. The Committee meets when required to consider all aspects of Executive Directors' remuneration. The Committee also reviews but does not decide the remuneration of employees across the Group.

## Advisers to the Remuneration Committee
The Committee received independent external advice from FIT Remuneration Consultants LLP during the year. FIT Remuneration Consultants LLP has been formally appointed by the Committee and does not provide other services to the Remuneration Committee or to the Group. The Committee has used its best judgement to satisfy itself that the advice provided is objective and independent.

FIT Remuneration Consultants LLP is also a member of the Remuneration Consultants Group. The fees paid during the year were £52,700. The fees are charged on a time and expenses basis.

## Remuneration for employees below the Board
The Committee's extended remit considers and approves the reward structure and levels of remuneration for the Operating Board. In addition, the Committee continues to review overall Group remuneration average increases and workforce-related pay policies and takes these into consideration when setting pay increases for the Executive Directors.

Our senior management participate in an annual bonus scheme that is measured against Group and regional financial targets and personal and strategic objectives. Members of the Operating Board also participate in the Performance Share Plan (PSP) with the same performance conditions as the Executive Directors. Employees below the Operating Board receive salary and benefits benchmarked to the local markets and countries in which they work. These are reviewed annually. There is a strong link between reward and performance which is recognised through annual bonuses, commission or other non-financial recognition. Employees who hold key strategic positions or are deemed critical to the business through their performance are also offered the opportunity to participate in the Performance Share Plan with performance conditions based on Group EPS and TSR results measured over three years.

### Employee engagement

In line with the Code, the Board appointed Tanith Dodge, Non-executive Director and Chair of the Remuneration Committee, to represent employee engagement. Tanith's annual responsibilities include, but are not limited to, the following:

- Hosting breakfast sessions with a cross-section of employees;
- Meeting with a sample of new hires and departing employees at exit interviews; and
- Reviewing internal benchmarking, including staff attrition rates and employee engagement surveys.

These actions enable the Board to understand the views of employees and to ensure that the Board's approach to investing in and rewarding its workforce is appropriate and aligns with the culture and principles of the Group.

The Board believes that a diverse workforce and inclusive culture are essential to business success and the Group supports and values diversity in all forms, not just gender. The Committee believes this is an important part of the employee engagement in relation to remuneration. A detailed explanation of the Group's approach to diversity and inclusion can be found in the Enhancing our ED&I initiatives section on pages 32 to 33.

The terms of reference of the Remuneration Committee are available on the website.

### Voting at the Annual General Meeting

At the Group's Annual General Meeting on 27 April 2023, shareholders approved the Directors' Remuneration Report for the year ended 31 December 2022. The table below shows the results in respect of the resolution. The table also shows the percentage of votes cast for and against the resolution on the Directors' remuneration policy, approved at the Group's Annual General Meeting on 27 April 2023.

| Resolution | Votes for | % | Votes against | % | Votes withheld |
|---|---|---|---|---|---|
| Approve the Directors' Remuneration Policy (April 2023) | 58,082,804 | 99.66 | 195,483 | 0.34 | 270 |
| Approve the Directors' Remuneration Report (April 2023) | 57,680,990 | 99.66 | 195,483 | 0.34 | 402,084 |

The Committee has engaged with shareholders on the new Directors' Remuneration Policy and is grateful for the views expressed and the support. In the last two years and in the light of clear feedback from shareholders we have significantly enhanced the disclosure of the Key Performance Indicators (KPIs) relating to the annual bonus criteria.

# Report of the Remuneration Committee continued

## Pay outcomes

The Committee is satisfied that overall the pay outcomes are a fair reflection of the collective performance delivered over the year, are in line with the performance of the Group, and the stakeholder experience.

### Chief Executive's pay ratio 2023

The ratio of the Chief Executive's total realised pay to the median pay in the Group for 2023 is

**11:1**

For 2022

**25:1**

# Directors' remuneration policy

The second part of this report details the Group's remuneration policy (the policy) for Executive Directors, which was approved by the shareholders in a binding vote during the 2023 Annual General Meeting. The policy took effect from the Annual General Meeting on 27 April 2023. The full policy approved by shareholders can be found in the 2022 Annual Report. There are no proposed changes to the current policy for 2024 and therefore we do not propose to table a resolution seeking approval of the policy at the next Annual General Meeting.

The policy is designed to support the strategic business objectives of the Group in order to attract, retain and motivate our Executive Directors. We place considerable importance on pay for performance, on setting tough targets and on share ownership, which is in line with the entrepreneurial culture of the Group.

### Executive Directors' remuneration policy

| Element | Base salary |
|---|---|
| Link to strategic objectives | The base salary of each Executive Director takes into account the performance of each individual and is set at an appropriate level to secure and retain the talent needed to deliver the Group's strategic objectives. |
| Operation | Salaries are normally reviewed annually on 1 January and are influenced by:<br>• The performance of each Executive Director;<br>• Average increase for employees across the Group as a whole; and<br>• Information from relevant comparator groups including our industry peer group. |
| Maximum potential | There is no formal limit to increases, but the Committee would not expect any annual increases to exceed 7.5% + inflation, or the average increase of employees across the Group in any given year, whichever is higher.<br>The level of increase may deviate from this maximum in the case of special circumstances (for example, increases in responsibilities). In these cases, any exceptional increase will not be expected to exceed 20% a year, unless for a material promotion. |
| Performance conditions and assessment | Base salary increases are principally set in line with market movement and also consider the average salary increase for other employees across the Group rather than individual performance. Poor performance is likely to lead to no adjustment being made. |

| Element | Pensions |
|---|---|
| Link to strategic objectives | To provide a competitive employment benefit and long-term security. |
| Operation | The Group operates a money purchase pension scheme. Executive Directors participating in the pension plan may benefit from annual Group contributions which are aligned with those available to the wider workforce.<br>Executive Directors are entitled to take all or part of their pension contributions as a cash allowance. |
| Maximum potential | For current and any new Executive Directors, the maximum contribution is aligned to that available to the wider workforce. |
| Performance conditions and assessment | n/a |

# Report of the Remuneration Committee continued

**Executive Directors' remuneration policy** continued

| Element | Other benefits |
|---|---|
| Link to strategic objectives | To provide cost-effective employment benefits and encourage share ownership. |
| Operation | Benefits currently include car allowance, mortgage subsidy, permanent health insurance and private medical insurance, and may also include other benefits in future.<br><br>Relocation assistance may also be provided.<br><br>All benefits are subject to annual review to ensure they remain in line with market practice.<br><br>Reasonable business-related expenses will be reimbursed (including any tax due). The Group will continue to operate the Save As You Earn (SAYE) Option Scheme and Executive Directors are eligible to participate on the same terms as other employees. |
| Maximum potential | The cost of providing individual benefit items will depend on the specific circumstances of the individual and therefore the Committee has not set a formal maximum level of aggregate benefits. However, the Committee would not expect the cost to exceed a value of £89,000 a year, except where a relocation package is required, and the costs will be capped by the Group's relocation policy. |
| Performance conditions and assessment | n/a |

| Element | Annual bonus |
|---|---|
| Link to strategic objectives | The annual bonus is designed to drive the achievement of the Group's financial and strategic business targets on an annual basis. |
| Operation | The annual bonus is dependent upon the achievement of specific annual performance conditions.<br><br>One third of any earned bonus will be deferred for two years into shares, payable in equal tranches at the end of years one and two.<br><br>Clawback and malus provisions will apply as set out below.<br><br>Dividends may be payable on any vesting deferred bonus awards. |
| Maximum potential | The maximum bonus opportunity is 150% of salary for the achievement of stretch performance in any given year. Zero payment will be made for performance below threshold performance.<br><br>The on-target bonus is 50% of maximum. |
| Performance conditions and assessment | Performance is measured over one financial year, based on the following measures:<br><br>• Financial targets as set out in the budget at the start of the year; and<br>• KPIs set against pre-determined strategic performance objectives.<br><br>It is intended that the majority of the bonus will be weighted towards financial measures. The Committee reserves the right to determine which performance measures and targets are to be used at the beginning of each financial year in order to align to the Group's strategic objectives. |

## **Executive Directors' remuneration policy** continued

| Element | Performance Share Plan (PSP) award |
|---|---|
| Link to strategic objectives | The PSP is designed to promote staff retention, motivate Executives across the Group and promote team efforts towards Group-wide strategic objectives.<br><br>The three-year time horizon of these share awards also aligns leadership with the longer-term returns of the business and shareholder interests. |
| Operation | PSP awards are normally granted annually and vest after three years, dependent on the achievement of performance conditions over a three-year period.<br><br>A two-year holding period will apply to the post-tax value of vested shares in respect of awards made from 2024.<br><br>Clawback and malus provisions will apply as set out below.<br><br>Dividends may be payable on any vesting PSP awards in respect of dividends declared in the vesting period (and also the holding period in respect of unexercised awards where relevant). |
| Maximum potential | The maximum award of PSP shares that may be made to an Executive Director in any financial year is limited to shares with an aggregate market value of 200% of base salary.<br><br>The normal award level is 180% of salary and no change to this is envisaged.<br><br>Threshold performance will result in the vesting of 25% of the shares under award while maximum performance will result in full vesting. |
| Performance conditions and assessment | Performance will be measured over a three-year period, subject to performance conditions which may include financial, value creation, strategic and ESG metrics which are aligned to the business priorities at the time. Most of the performance measures will be weighted towards financial and value creation measures. |

| Element | Shareholding guideline |
|---|---|
| Link to strategic objectives | To encourage a sustainable mindset and to align Executives with the longer-term returns of the business and shareholder interests. |
| Operation | Executive Directors are expected to build a material shareholding in the Company in a reasonable time frame.<br><br>Progress towards the guidelines and continued compliance will be monitored by the Remuneration Committee on an annual basis. Executive Directors are required to hold their in-employment shareholding for a further two years following cessation of employment. |
| Maximum potential | Executive Directors are subject to share ownership guidelines which recommend a minimum holding of 200% of salary. Shares that are beneficially owned and the net value of unvested deferred bonus awards held by the Executive Directors and connected persons count towards the share ownership policy.<br><br>The Executive Directors are also required to retain shares to the value of 200% of salary for two years post-cessation as a Director. |
| Performance conditions and assessment | n/a |

# Report of the Remuneration Committee continued

### The Chair and Non-executive Directors

The table below summarises the Directors' remuneration policy as it applies to the Chair and Non-executive Directors:

| Element | Chair and Non-executive Directors |
|---|---|
| Link to strategic objectives | The Group seeks to pay fees which reflect the level of responsibility, the time commitment and experience of the Chair and Non-executive Directors and which are competitive with peer group fee levels.<br><br>In order to ensure no potential impairment to the required impartiality and objectivity of the Chair and Non-executive Directors, fees are not linked to performance. |
| Operation | The remuneration of the Chair and Non-executive Directors is determined annually by the Remuneration Committee.<br><br>The fee level is usually reviewed annually – and may be increased, in light of practices in our peer group and in companies of similar size.<br><br>The Chair and Non-executive Directors have a letter of appointment and not an employment contract. Their appointment is terminable by either party giving not fewer than three months' written notice at any time. No compensation is payable on early termination.<br><br>The Chair and Non-executive Directors do not participate in any of the Group's share schemes, pension schemes or bonus arrangements. |
| Maximum potential | The maximum aggregate fees for the Non-executive Directors (excluding the Chair) is set out in the Articles of Association and is currently £500,000.<br><br>The fees for the Chair and Non-executive Directors are determined by reference to benchmark market data and assessment of the expected time commitment.<br><br>Reasonable business and travel expenses are reimbursed (including any tax due). Increases in fee value in any given year will be in line with market movement and time commitments. Whilst there is no formal maximum, any increase is not expected to exceed a maximum of 10% + RPI in any given year.<br><br>In the event of a temporary but material increase in the time commitment required, an adjustment may be made to the fee level on a pro-rata basis. |
| Performance conditions and assessment | The Chair and Non-executive Directors are subject to an annual evaluation as part of the assessment of the Board's performance but no element of pay is specifically linked to performance conditions or the outcome of this assessment. |

### Legacy awards and any other contractual obligations

All contractual commitments or awards made which are consistent with the remuneration policy in force at the time that the commitment or award was made, will be honoured even if they would not otherwise be consistent with the policy prevailing when the commitment is fulfilled or awards vest. For example, this will include payment for the vesting of option awards made prior to the introduction of this policy. Any contractual commitments entered into before the Large and Medium-sized Companies and Groups (Accounts and Reports) Amendment Regulations 2013 came into force or before a person became a Director will also be honoured.

None of the Executive Directors currently hold Non-executive Director positions.

| Contract of service/letter of appointment | Date of original contract/letter of appointment[1] |
|---|---|
| Executive Directors | |
| T Fowlston | 27 April 2023 |
| D Bower | 4 September 2023 |
| Non-executive Directors | |
| T Dodge | 1 February 2017 |
| M Ashley | 23 December 2021 |
| L Van de Walle | 1 November 2022 |
| M Tod | 1 June 2023 |
| J Hesmondhalgh | 1 June 2023 |

1. The Directors' contracts of service/letters of appointment provide details of the Directors' obligations and are available to view at the Company's registered office.

The Directors all stand for election at the Annual General Meeting every year.

The tables on page 84 show the details of the share options and PSP awards that are currently held by each Director and when they will vest.

The table on page 90 shows the fees payable to the Non-executive Directors.

The Executive Directors are required to seek approval from the Board prior to the acceptance of any such positions in companies outside the Group.

### Approval

This report was approved by the Board of Directors on 7 March 2024 and signed on its behalf by:

Tanith Dodge

**Tanith Dodge**
Remuneration Committee Chair
7 March 2024

# Directors' Responsibility Statement

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with UK adopted international accounting standards and applicable law and regulations.

Company law requires the Directors to prepare Financial Statements for each financial year. Under that law the Directors are required to prepare the Group Financial Statements in accordance with UK adopted international accounting standards, and have elected to prepare the Parent Company Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice (UK Accounting Standards and applicable laws). Under Company law the Directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period. In preparing these Financial Statements, the Directors are required to:

- Suitably select and apply accounting policies consistently;
- Ensure information, including accounting policies, is presented in a manner that provides relevant, reliable, comparable and understandable information;
- Provide additional disclosures when compliance with the specific requirements of UK adopted international accounting standards are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance;
- Make judgements and accounting estimates that are reasonable and prudent;
- Prepare a Directors' Report, Strategic Report and Report of the Remuneration Committee which comply with the requirements of the Companies Act 2006; and
- Make an assessment of the Group's ability to continue as a going concern.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the Financial Statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for ensuring the Annual Report and the Financial Statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of Financial Statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the Financial Statements contained therein.

**Statement of the Directors in respect of the Annual Report and Accounts**
As required by the Code, the Directors confirm that they consider that the Annual Report and Accounts, taken as a whole, presents a fair, balanced and understandable view and provides the information necessary for shareholders to assess the Group's performance position, business model and strategy. When arriving at this position the Board was assisted by a number of processes, including the following:

- The Annual Report and Accounts is drafted by appropriate senior management with overall coordination by the Head of Investor Relations and Group Financial Controller to ensure consistency across sections;
- An extensive verification process is undertaken to ensure factual accuracy;
- Comprehensive reviews of drafts of the report are undertaken by members of the Operating Board and senior management team;
- An advanced draft is considered and reviewed by two Operating Board members; and
- The final draft is reviewed by the Audit and Risk Committee prior to consideration by the Board.

**Responsibility statement pursuant to DTR4**
We confirm that to the best of our knowledge:

- The Group Financial Statements have been prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group and the undertakings included in the consolidation taken as a whole; and
- The Annual Report and Accounts includes a fair review of the development and performance of the business and the financial position of the Group and the Parent Company together with a description of the principal risks and uncertainties that they face.

By order of the Board,

**David Bower**
Chief Financial Officer
7 March 2024

# Directors' Report

## Overview
The Directors present their Annual Report on the activities of the Group together with the audited Financial Statements for the year ended 31 December 2023.

The Strategic Report provides information relating to the Group's activities, its business and strategy, the principal risks and uncertainties faced by the business and environmental and employee matters. The Group's ESG strategy is detailed on pages 26 to 47 and the Group's TCFD aligned disclosure in accordance with FCA requirements, including the analysis for greenhouse gases and energy consumption is shown on pages 38 to 43. These sections, together with the Report of the Board and the Report of the Remuneration Committee provide an overview of the Group and offer an insight of future developments in the Group's business.

## Results and dividends
The Group's audited Financial Statements for the year ended 31 December 2023 are set out on pages 111 to 141 and the Company's audited Financial Statements are set out on pages 142 to 145. The Group's profit after taxation for the year ended 31 December 2023 was £13.4m (2022: £39.1m).

The Directors recommend a final dividend of 17.0p per ordinary share (2022: 17.0p) to be paid on 31 May 2024 to shareholders on the register on 3 May 2024, which together with the interim dividend of 6.5p per share paid on 29 September 2023 makes a total of 23.5p per share for the year (2022: 23.5p).

## Post-balance sheet events
There have been no significant post balance sheet events to report since 31 December 2023.

## Directors
The Directors who served during the year and at the date of this report are shown as follows:

| |
|---|
| L Van de Walle[1] |
| T Fowlston (appointed 27 April 2023) |
| D Bower (appointed 4 September 2023) |
| R C Walters (resigned 27 April 2023) |
| A R Bannatyne (resigned 1 September 2023) |
| S Cooper[1] (resigned 1 June 2023) |
| T Dodge[1] |
| M Ashley[1] |
| M Tod[1] (appointed 1 June 2023) |
| J Hesmondhalgh[1] (appointed 1 June 2023) |

1. Non-executive Directors.

Details of the Directors' service contracts are shown in the Report of the Remuneration Committee on page 97.

Details of share awards granted to Directors and the interests of the Directors in the ordinary shares of the Company are shown on pages 84 to 85.

The Company has made qualifying third-party indemnity provisions for the benefit of its Directors, which were in place during the year and remain in force at the date of this report.

## Political donations
The Group made no political donations during the year (2022: £nil).

## FTSE4Good Index
The Group has held FTSE4Good status since 2008. FTSE4Good Index inclusion criteria covers a number of corporate responsibility themes, such as environmental management, climate change, countering bribery and supply chain labour standards. Our continued inclusion in the index recognises that our policies and management systems enable us to address and mitigate key corporate responsibility risks.

## Capital structure
Details of the authorised and issued share capital, together with the movements in the Company's issued share capital during the year, are shown in note 18. Each share carries the right to one vote at the general meetings of the Company. Further information on the voting and other rights of shareholders, including deadlines for exercising voting rights, are set out in the Company's Articles of Association and in the explanatory notes that accompany the Notice of the Annual General Meeting which are available on the Company's website at robertwaltersgroup.com/investors.

# Directors’ Report continued

### Restrictions on securities
There are no specific restrictions on the size of a holding nor on the transfer of shares, which are both governed by the general provisions of the Articles of Association and prevailing legislation. The Directors are not aware of any agreements between holders of the Company’s shares that may result in restrictions on the transfer of securities or on voting rights. Awards of shares under the Company’s incentive arrangements, the Performance Share Plan and the Executive Share Option Scheme are subject to restrictions on the transfer of shares prior to vesting.

Certain share awards under the Company’s incentive arrangements are held in trust on behalf of the beneficiaries. The Trustee of the Robert Walters Group Employee Benefit Trust does not seek to exercise the voting rights on these shares which in any event are restricted to 5% of the Company's share capital.

### Substantial shareholdings
On 7 March 2024 the Company has been notified, in accordance with Chapter 5 of the Disclosure and Transparency Rules, of the following voting rights as a shareholder of the Company:

| Name of shareholder | Number of shares | % of voting rights |
|---|---|---|
| Liontrust Asset Mgt | 12,519,102 | 17.30 |
| Aberforth Partners | 10,577,337 | 14.62 |
| BlackRock Investment Mgt | 6,903,018 | 9.54 |
| Robert Walters plc Employee Benefit Trust[1] | 6,736,987 | 9.31 |
| abrdn (Standard Life) | 3,948,664 | 5.46 |
| AEGON Asset Mgt | 3,115,729 | 4.31 |
| Canaccord Genuity Wealth Mgt | 2,920,552 | 4.04 |
| Jupiter Asset Mgt | 2,534,004 | 3.50 |
| Invesco | 2,490,517 | 3.44 |
| Mr Robert Walters | 2,055,449 | 2.84 |

1. Robert Walters plc Employee Benefit Trust is restricted to 5% voting rights.

There is no significant change to substantial shareholdings between 31 December 2023 and the date of this report.

### Appointment and retirement of Directors
The Directors may from time to time appoint one or more additional Directors. The Board may appoint any person to be a Director (so long as the total number of Directors does not exceed the limit prescribed in the Articles of Association). The UK Corporate Governance Code recommends that all Directors be subject to annual re-election by shareholders.

Therefore all Directors will offer themselves for re-election at the 2024 Annual General Meeting.

### Power of Company’s Directors and acquisition of Company’s own shares
The business of the Company shall be managed by the Directors, who may exercise all powers of the Company, subject to legislation, the provisions of the Articles of Association and any directions given by special resolution.

The Directors were authorised at the Company’s last Annual General Meeting, held on 27 April 2023, to make market purchases of ordinary shares representing up to 10% of its share capital at that time and to allot shares within certain limits permitted by shareholders and the Companies Act. The Directors intend to renew this authority annually and will continue to exercise this power only when, in light of market conditions prevailing at the time, they believe that the effect of such purchases will be to increase earnings per share and will likely promote the success of the Company for the benefit of its members as a whole.

### Provisions on change of control
The Company’s revolving credit facility agreement for £60.0m includes a provision for a lending counterparty to amend, alter or cancel the relevant commitment to the Group following a change of control of the Company.

The Company does not have agreements with any Director or employee that would provide specific compensation for loss of office or employment resulting from a takeover, except that provisions of the Group’s share plans may cause options and awards to vest on a takeover.

### Articles of Association
The Company’s Articles of Association may only be amended by a special resolution of the members.

## Going concern and viability statement

The Group's business activities, together with the factors likely to affect its future development, performance and position, are set out on pages 52 to 58.

The Directors have assessed the long-term prospects of the Parent Company and the Group based upon business plans, forecasts and cash flow projections for both the twelve-month period ending 31 December 2024 and the three-year period ending 31 December 2026 together with the uncertainty surrounding the macro-environment and continued global political turbulence and conflicts. The three-year period was chosen as it is considered the longest timeframe over which any reasonable view can be formed, given the nature of the market in which the Group operates. Furthermore, the nature of recruitment activity is highly reactive to market sentiment and the forward visibility of permanent recruitment, which represents 63% of the Group's net fee income, can be measured in weeks, whilst temporary recruitment and recruitment process outsourcing may be less affected.

The forecasts and cash flow projections being used to assess going concern and longer-term viability have been comprehensively stress-tested by using simulation techniques involving sensitivity analysis applying, in particular, projections of reduced net fee income of up to 20% from forecasts each year over a three-year period. The Directors have also completed reverse stress testing (as per the FRC guidance), by running various downside scenarios, designed to explore the resilience of the Group to the potential impact of the principal risks as set out on pages 52 to 58 or a combination of those risks.

The scenarios included, but were not limited to, significant reductions in revenue, losses of key clients, increases in debtor days, higher inflation and limited cost management. The Group also considered mitigating actions that could be undertaken in the event of one or more of the scenarios occurring, or that of an even more significant downturn, which included but are not limited to, further reductions in capital expenditure, further reductions in non-business critical expenditure as well as the potential for headcount reductions. The scenarios were designed to be impactful but at the same time realistic and the Group remained viable throughout.

The Group has a proven and historic track record of profitably weathering international crises and benefiting from operational gearing when market conditions become more favourable. During the year, the Group experienced a significant reduction in its fee income, as the challenging macro-economic environment across many countries impacted the number of clients looking to recruit new staff and candidates looking to change jobs. Despite this 10% reduction in fee income, the Group remained profitable and before the payment of dividends and share buybacks increased its cash balances. The Group's blend of revenue streams remained a clear strength and source of competitive advantage and resilience when market conditions became tougher and enabled us to continue to meet the changing requirements of our clients and candidates. Client and candidate hesitation continues to exist across all geographies and disciplines.

It should be noted that the Group has limited forward visibility and similarly to all organisations, it remains hard to predict the increasingly uncertain macro-economic backdrop which continued into 2023. Consequently, there is a high degree of uncertainty in respect of future outcomes. However, the Group has a strong balance sheet with net cash as at 31 December 2023 of £79.9m, a £60.0m four-year committed financing facility until March 2027 (of which £15.8m was drawn down as at 31 December 2023), a blend of revenue streams covering permanent, contract, interim and recruitment process outsourcing and a diverse range of clients and suppliers across 31 countries. The various stress test scenarios indicate continued operation within its banking covenants and existing cash and financing facilities. Importantly, cash risk is mitigated to an extent as in the event of a reduction in the overall number of contractors, working capital is released and credit risk is an ongoing area of key focus. Further details of the financial position of the Group, its cash flows, liquidity position and borrowing facilities are described within the Financial Review.

In forming their opinion, the Directors have performed a robust assessment of the principal risks and uncertainties facing the Group as set out on pages 52 to 58. In addition, note 17 to the accounts includes the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposure to credit risk and liquidity risk. As a consequence, the Directors believe that the Group is well placed to manage its business risks successfully.

As a result, the Directors have formed a judgement, at the time of approving the Financial Statements, that there is a reasonable expectation that the Group has adequate resources to continue in operational existence and meet its liabilities as they fall due over the three-year assessment period. The Directors have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the entity's ability to continue as a going concern for a period of at least twelve months from when the Financial Statements are authorised for issue. For this reason, the Directors continue to adopt the going concern basis in preparing the Financial Statements.

# Directors’ Report continued

**Auditor and disclosure of information to the auditor**
As required by Section 418 of the Companies Act 2006, each of the Directors as at 7 March 2024 confirms that:

- So far as the Director is aware, there is no relevant audit information of which the Group’s auditor is unaware; and
- The Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Group’s auditor is aware of that information.

BDO LLP has expressed their willingness to continue in office as Auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

**Annual General Meeting**
The Annual General Meeting will be held on 30 April 2024 and the Notice of the Annual General Meeting, including an explanation of the special business of the meeting, will be sent out in due course.

By order of the Board,

**David Bower**
Chief Financial Officer
7 March 2024

# Independent Auditor's Report

## Opinion on the Financial Statements

In our opinion:

- the Financial Statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2023 and of the Group's profit for the year then ended;
- the Group Financial Statements have been properly prepared in accordance with UK adopted international accounting standards;
- the Parent Company Financial Statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the Financial Statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the Financial Statements of Robert Walters plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2023 which comprise:

| | Composition | Financial reporting framework |
|---|---|---|
| **Group** | • Consolidated Income Statement<br>• Consolidated Statement of Comprehensive Income<br>• Consolidated Balance Sheet<br>• Consolidated Cash Flow Statement<br>• Consolidated Statement of Changes in Equity<br>• Statement of Accounting Policies<br>• Notes to the Group accounts, including a summary of material accounting policies | • Applicable law and UK adopted international accounting standards |
| **Parent Company** | • Company Balance Sheet<br>• Company Statement of Changes in Equity<br>• Notes to the Company accounts, including a summary of material accounting policies | • Applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 *Reduced Disclosure Framework* (United Kingdom Generally Accepted Accounting Practice). |

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit opinion is consistent with the additional report to the Audit and Risk Committee.

### Independence

Following the recommendation of the Audit and Risk committee, we were appointed by the Directors on 17 May 2018 to audit the Financial Statements for the year ended 31 December 2019 and subsequent financial periods. The period of total uninterrupted engagement including retenders and reappointments is five years, covering the years ended 31 December 2019 to 31 December 2023. We remain independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the Financial Statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services prohibited by that standard were not provided to the Group or the Parent Company.

### Conclusions relating to going concern

In auditing the Financial Statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the Financial Statements is appropriate. Our evaluation of the Directors' assessment of the Group and the Parent Company's ability to continue to adopt the going concern basis of accounting included:

- Review and challenge, through enquiry and consideration of historical performance, of key assumptions applied by the Directors in preparation of cash flow forecasts, including growth assumptions and movements in headcount and base costs, and the Group's ability to meet working capital requirements over the going concern period.
- Review of the Directors' reverse stress tested forecasts, modelling scenarios to covenant and cash 'breaking points' and consideration of the likelihood of occurrence and feasible actions to increase headroom.
- Consideration of the adequacy of the Group's banking facilities and ability to meet key financial covenants.

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

# Independent Auditor's Report continued

**Conclusions relating to going concern** continued
In relation to the Parent Company's reporting on how it has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the Financial Statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

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

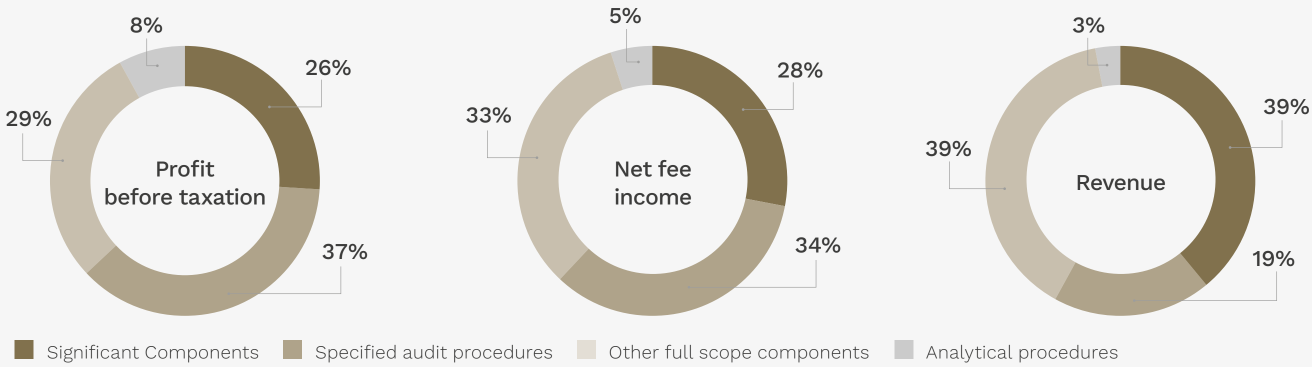
**Overview**

| | | | |
|---|---|---|---|
| **Audit coverage**[1] | • 78% (2022: 87%) of Group revenue<br>• 61% (2022: 73%) of Group net fee income (NFI)<br>• 55% (2022: 79%) of Group profit before taxation | | |
| **Key audit matters** | Revenue recognition for permanent and temporary placements | 2023 ✓ | 2022 ✓ |
| **Materiality** | • Group Financial Statements as a whole<br>• £1.7m (2022: £2.7m) based on 5.0% of 5-year average profit before taxation (2022: 5.0% of profit before taxation). | | |

1. These relate to significant components and other full scope components which have been subject to full scope audits.

**An overview of the scope of our audit**
Our Group audit was scoped by obtaining an understanding of the Group and its environment, including the Group's system of internal control, and assessing the risks of material misstatement in the Financial Statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

We designed an audit strategy to ensure we have obtained the required audit assurance for each component for the purposes of our Group audit opinion (ISA 600 (UK)). Components were scoped in to address aggregation risk and to ensure sufficient coverage was obtained of Group balances on which to base our audit opinion. The coverage of our audit procedures for each benchmark as included above, is summarised graphically below and then detailed in the following table:



### Our involvement with component auditors

For the work performed by component auditors, we determined the level of involvement needed in order to be able to conclude whether sufficient appropriate audit evidence has been obtained as a basis for our opinion on the Group Financial Statements as a whole. Our involvement with component auditors included the following:

| The scope of our audit | |
|---|---|
| **Significant components** | • We focussed our Group audit scope primarily on the audit work at four significant components, which were subject to full scope audit procedures.<br>• These significant components contribute 26% (2022: 30%) of the Group profit before taxation, 28% (2022: 30%) of the Group net fee income, and 39% (2022: 41%) of the Group revenue.<br>• The four components considered to be significant were Robert Walters plc, Resource Solutions Limited (UK), Robert Walters Operations Limited (UK) and Robert Walters Japan KK (Japan).<br>• For the Japanese component, following involvement in risk assessment and setting the overall audit approach and strategy at the planning stage with the component auditor, we visited the component auditor (a local BDO member firm in Japan) and performed a detailed review of the testing. We attended in person meetings with local management and the component auditor to challenge conclusions reached.<br>• The audits of the remaining UK significant components were performed by the Group audit team. |
| **Full scope audits** | • Sixteen further components were subject to full scope audit procedures due to size, geographical coverage and aggregation risk in addition to the four identified significant components above (twenty in total).<br>• These components contribute 29% (2022: 48%) of the Group profit before taxation, 33% (2022: 43%) of the Group net fee income, and 39% (2022: 46%) of the Group revenue.<br>• Full scope audits on Resource Solutions Europe Limited, Robert Walters Holdings Limited and Robert Walters Dubai Limited were performed by the Group audit team.<br>• The full scope audits on other components were performed by BDO Member Firms under direction and supervision of the Group audit team.<br>• The Group audit team directed work for all full scope components through detailed instructions, remote briefings and review of selected working papers on significant risk areas. |
| **Specified audit procedures** | • Specified audit procedures were performed by the Group audit team to address the risk of material misstatement arising from key balances in smaller components, with testing performed on certain material balances within these components.<br>• This specific scope testing was performed on components that contribute 37% (2022: 21%) of the Group profit before taxation, 34% (2022: 17%) of the Group net fee income, and 19% (2022: 8%) of the Group revenue. |
| **Remaining components** | • All other components were scoped in for analytical review procedures performed by the Group audit team to confirm our conclusion that there were no significant risks of material misstatement of the aggregated financial information. |
| **Parent Company and consolidation** | • The Group audit team performed testing of the consolidation and related consolidation adjustments posted in preparation of the Group Financial Statements. |

### Climate change

Our work on the assessment of potential impacts of climate-related risks on the Group's operations and Financial Statements included:

- Enquiries and challenge of management to understand the actions they have taken to identify climate-related risks and their potential impacts on the Financial Statements and adequately disclose climate-related risks within the annual report; and
- Our own qualitative risk assessment taking into consideration the sector in which the Group operates and how climate change affects this particular sector.

We also assessed the consistency of managements disclosures included as 'Statutory Other Information' on page 38 with the Financial Statements and with our knowledge obtained from the audit.

Based on our risk assessment procedures, we did not identify there to be any Key Audit Matters materially impacted by climate-related risks and related commitments.

# Independent Auditor's Report continued

## Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. This matter was addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

| Key audit matter | | How the scope of our audit addressed the key audit matter |
|---|---|---|
| **Revenue recognition for permanent and temporary placements (Accounting Policies (f) & Note 1)** | • The significant risks in revenue recognition lies within:<br>– For temporary placements, in the existence of unbilled revenue and completeness of revenue at year end; and<br>– For permanent placements, in the existence, accuracy, and due to the high degree of judgement and estimation uncertainty as explained on page 121.<br>• For permanent placements, as detailed in the material accounting policies on page 121, revenue is recognised when a start date is confirmed and a candidate has accepted in writing. An Earned But Not Invoiced (EBNI) provision is made based on historical experience, for a proportion of placements where the candidate accepts but are expected to reverse their acceptance prior to start date. This is calculated as a percentage of the accrued income balance. Whether the percentage applied remains valid is considered to be a matter of significant management judgement.<br>• For temporary placements, the Group's policy is to recognise revenue as the service is provided at contractually agreed rates. There is a risk that timecards are not appropriately approved or are not submitted on time, or that incorrect rates are applied and therefore that the related revenue does not exist, is inaccurate or is not recognised in the appropriate financial year. | • The operating effectiveness of direct controls in the revenue cycle was tested where relevant. For permanent placements, we have considered controls over the signing of the contract, evidence of candidate acceptance and allocation of cash receipts. For temporary placements we checked that timecards and the rate applied have been appropriately approved.<br>• Permanent placements recorded around year end were sampled and agreed to confirmation of candidate acceptance and start date, to ensure that the point of revenue recognition was supportable.<br>• For those permanent candidates that had accepted but had not started at the year-end, where revenue is recorded in accrued income, we challenged the appropriateness of the provision rate applied by reference to the rate of historical and actual 'back-outs' post year-end.<br>• We tested the operating effectiveness of direct controls around the correct application of contract rates to invoicing and agreed a sample of rates used to contractual documentation.<br>• We recalculated the accrued income and associated costs recognised for a sample of late timecards or timecards straddling the year end (where the approved timecard was submitted after the year end but related to services provided in the year).<br><br>**Key observations:**<br>• We did not identify any material indication that revenue that has not yet been invoiced does not exist or is not valued appropriately.<br>• We did not identify any material indication that revenue has not been recognised in the correct period or at the correct value. |

**Our application of materiality**

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the Financial Statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the Financial Statements as a whole.

Based on our professional judgement, we determined materiality for the Financial Statements as a whole and performance materiality as follows:

| | Group | Parent Company |
|---|---|---|
| **Materiality** | £1.7m (2022: £2.7m) | £1.5m (2022: £2.4m) |
| **Basis** | 5.0% of 5-year average profit before taxation (2022: 5.0% of profit before taxation). | Lower of 3.5% of net assets (2022: 3.5%) or 90% Group materiality. |
| **Rationale** | 5-year average profit before taxation is considered to be the most appropriate benchmark based on market practice, investor expectations and recent macro-economic factors. | Net assets is considered to be the most appropriate benchmark as the Parent Company does not trade. |
| **Performance materiality** | £1.2m (2022: £1.9m) based on 70% (2022: 70%) of materiality.<br>Based on history of adjustments and an assessment of the aggregated error risk. | £1.1m (2022: £1.7m) based on 70% (2022: 70%) of materiality.<br>Based on history of adjustments and an assessment of the aggregated error risk. |

| | Measure | Application |
|---|---|---|
| **Component materiality** | £0.3m - £1.5m (higher of 15% Group performance materiality or 3% net fee income)<br>(2022: £0.3m -£2.4m) | Our audit work at each component, excluding the Parent company, was executed at levels of materiality applicable to each individual entity as approved by the Group audit team and in each case, lower than that applied to the Group. |
| **Reporting threshold** | £70,000<br>(2022: £110,000) | The amount agreed with the Audit and Risk Committee for which all individual audit differences in excess of this amount will be reported. We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds. |
| **Qualitative disclosures** | We also reported to the Audit and Risk Committee on disclosure matters that we identified when assessing the overall presentation of the Financial Statements. | |

# Independent Auditor's Report continued

**Other information**
The Directors are responsible for the other information. The other information comprises the information included in the Annual Report and Accounts other than the Financial Statements and our auditor's report thereon. Our opinion on the Financial Statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the Financial Statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the Financial Statements or our knowledge obtained during the audit.

| | |
|---|---|
| **Going concern and longer-term viability** | • The Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified is set out on page 101; and<br>• The Directors' explanation as to their assessment of the Group's prospects, the period this assessment covers and why the period is appropriate is set out on page 101. |
| **Other Code provisions** | • Directors' statement on fair, balanced and understandable is set out on page 70;<br>• Board's confirmation that it has carried out a robust assessment of the emerging and principal risks is set out on pages 52 to 58;<br>• The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems is set out on page 68; and<br>• The section describing the work of the Audit and Risk Committee is set out on pages 69 to 71. |

**Other Companies Act 2006 reporting**
Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

| | |
|---|---|
| **Strategic and Directors' Report** | In our opinion, based on the work undertaken in the course of the audit:<br>• the information given in the Strategic report and the Directors' report for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements; and<br>• the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.<br>In the light of the knowledge and understanding of the Group and Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Directors' report. |
| **Directors' remuneration** | In our opinion, the part of the Directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006. |
| **Matters on which we are required to report by exception** | We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:<br>• adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or<br>• the Parent Company Financial Statements and the part of the Directors' remuneration report to be audited are not in agreement with the accounting records and returns; or<br>• certain disclosures of Directors' remuneration specified by law are not made; or<br>• we have not received all the information and explanations we require for our audit. |

### Responsibilities of Directors

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

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

### Auditor's responsibilities for the audit of the Financial Statements

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

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

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

### Non-compliance with laws and regulations

Based on:

- Our understanding of the Group and the industry in which it operates;
- Discussion with management and those responsible for legal and compliance procedures; and
- Obtaining an understanding of the Group's policies and procedures regarding compliance with laws and regulations

we considered the significant laws and regulations to be those related to the reporting framework (UK adopted international accounting standards, United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice) and the Companies Act 2006), regulations impacting recruitment company licencing in certain jurisdictions, and labour and tax regulations in key territories in which the Group operates.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation;
- Involvement of tax specialists in the audit; and
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

### Fraud

We assessed the susceptibility of the Financial Statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group's policies and procedures relating to:
  - Detecting and responding to the risks of fraud; and
  - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the Financial Statements; and
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

We also considered potential fraud drivers: including financial or other pressures, opportunity, and personal or corporate motivations. We obtained an understanding of the programmes and controls that the Group has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes and controls. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk.

# Independent Auditor's Report continued

**Fraud** continued
Based on our risk assessment, we considered the areas most susceptible to fraud to be management override of controls and key areas of estimation uncertainty or judgement.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year and at year end, which met a defined risk criteria, by agreeing to supporting documentation; and
- Assessing significant estimates made by management for bias by testing key areas of estimation uncertainty or judgement, for example; placement 'back-out' provisions for which we assessed the year end position by reviewing the accuracy of the prior year estimate and by comparing against actual back-outs post year end, and expected credit loss provision for which we assess the reasonableness of assumptions used in context of our understanding of the entity and the industry, as set out in the key audit matters section above.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including component engagement teams who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit. For component engagement teams, we also reviewed the result of their work performed in this regard.

Our audit procedures were designed to respond to risks of material misstatement in the Financial Statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the Financial Statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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

BDO LLP

**Sandra Thompson (Senior Statutory Auditor)**
For and on behalf of BDO LLP, Statutory Auditor
London, UK
7 March 2024

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

# Consolidated Income Statement

## For the year ended 31 December 2023

| | Note | **2023 £ millions** | 2022 £ millions |
|---|---|---|---|
| **Revenue** | 1 | **1,064.1** | 1,099.6 |
| Cost of sales | | **(677.3)** | (671.4) |
| **Gross profit (net fee income)** | | **386.8** | 428.2 |
| Administrative expenses | | **(360.5)** | (370.0) |
| **Operating profit** | | **26.3** | 58.2 |
| Finance income | | **0.6** | 0.4 |
| Finance costs | 2 | **(4.8)** | (3.5) |
| (Loss) gain on foreign exchange | | **(1.3)** | 0.5 |
| **Profit before taxation** | 3 | **20.8** | 55.6 |
| Taxation | 5 | **(7.4)** | (16.5) |
| **Profit for the year** | | **13.4** | 39.1 |
| **Attributable to:** | | | |
| Owners of the Company | | **13.4** | 39.1 |
| **Earnings per share (pence):** | 7 | | |
| Basic | | **20.1** | 56.2 |
| Diluted | | **19.0** | 53.4 |

The amounts above relate to continuing operations.

# Consolidated Statement of Comprehensive Income

## For the year ended 31 December 2023

| | **2023 £ millions** | 2022 £ millions |
|---|---|---|
| Profit for the year | **13.4** | 39.1 |
| **Items that may be reclassified subsequently to profit or loss:** | | |
| Exchange differences on translation of overseas operations | **(8.6)** | 6.0 |
| **Total comprehensive income and expense for the year** | **4.8** | 45.1 |
| **Attributable to:** | | |
| Owners of the Company | **4.8** | 45.1 |

# Consolidated Balance Sheet
## As at 31 December 2023

| | Note | 2023 £ millions | 2022 £ millions |
|---|---|---|---|
| **Non-current assets** | | | |
| Intangible assets | 8 | **33.8** | 29.3 |
| Property, plant and equipment | 9 | **15.3** | 14.3 |
| Right-of-use asset | 10 | **67.5** | 71.6 |
| Lease receivables | 10 | **4.0** | - |
| Deferred tax assets | 15 | **11.8** | 10.0 |
| | | **132.4** | 125.2 |
| **Current assets** | | | |
| Trade and other receivables | 12 | **182.5** | 221.4 |
| Lease receivables | 10 | **0.8** | - |
| Corporation tax receivables | | **4.3** | 4.3 |
| Cash and cash equivalents | 17 | **95.7** | 123.2 |
| | | **283.3** | 348.9 |
| **Total assets** | | **415.7** | 474.1 |
| **Current liabilities** | | | |
| Trade and other payables | 13 | **(148.0)** | (179.6) |
| Corporation tax liabilities | | **(4.8)** | (5.0) |
| Bank overdrafts and borrowings | 14 | **(15.8)** | (26.1) |
| Lease liabilities | 10 | **(18.0)** | (18.3) |
| Provisions | 16 | **(0.7)** | (0.8) |
| | | **(187.3)** | (229.8) |
| **Net current assets** | | **96.0** | 119.1 |
| **Non-current liabilities** | | | |
| Deferred tax liabilities | 15 | **(0.2)** | (0.2) |
| Lease liabilities | 10 | **(61.2)** | (58.1) |
| Provisions | 16 | **(2.1)** | (2.1) |
| | | **(63.5)** | (60.4) |
| **Total liabilities** | | **(250.8)** | (290.2) |
| **Net assets** | | **164.9** | 183.9 |
| **Equity** | | | |
| Share capital | 18 | **15.3** | 15.8 |
| Share premium | | **22.6** | 22.6 |
| Other reserves | 20 | **(70.9)** | (71.4) |
| Own shares held | 20 | **(37.8)** | (40.5) |
| Treasury shares held | 20 | **(9.1)** | (9.1) |
| Foreign exchange reserves | | **2.5** | 11.1 |
| Retained earnings | | **242.3** | 255.4 |
| **Equity attributable to owners of the Company** | | **164.9** | 183.9 |

The accounts on pages 111 to 141 were approved and authorised for issue by the Board of Directors on 7 March 2024 and signed on its behalf by:

**David Bower**
Chief Financial Officer

# Consolidated Cash Flow Statement
## For the year ended 31 December 2023

| | Note | 2023 £ millions | 2022 £ millions |
|---|---|---|---|
| **Operating profit** | | **26.3** | 58.2 |
| Adjustments for: | | | |
| Depreciation and amortisation charges | | **24.0** | 21.7 |
| Impairment of right-of-use asset | | **0.2** | - |
| (Profit) loss on disposal of right-of-use assets, property, plant and equipment and computer software | | **(0.2)** | 0.4 |
| Charge in respect of share-based payment transactions | | **0.7** | 2.5 |
| Unrealised foreign exchange loss | | **(3.0)** | 3.8 |
| **Operating cash flows before movements in working capital** | | **48.0** | 86.6 |
| Decrease (increase) in receivables | | **32.2** | (25.0) |
| Decrease in payables | | **(25.7)** | (2.0) |
| **Cash generated from operating activities** | | **54.5** | 59.6 |
| Income taxes paid | | **(9.0)** | (21.5) |
| **Net cash from operating activities** | | **45.5** | 38.1 |
| **Investing activities** | | | |
| Interest received | | **0.6** | 0.4 |
| Investment in intangible assets | | **(7.6)** | (7.1) |
| Purchases of property, plant and equipment | | **(8.3)** | (8.8) |
| Sale of property, plant and equipment | | **1.1** | - |
| **Net cash used in investing activities** | | **(14.2)** | (15.5) |
| **Financing activities** | | | |
| Equity dividends paid | 6 | **(15.8)** | (15.2) |
| Interest paid | | **(1.4)** | (1.0) |
| Net interest on leases | 10 | **-** | (2.5) |
| Principal paid and received on lease liabilities | 10 | **(15.9)** | (16.8) |
| Proceeds from financing facility | 14 | **10.4** | 37.1 |
| Repayment of financing facility | | **(20.7)** | (26.7) |
| Share buy-back for cancellation | | **(10.0)** | (10.0) |
| Purchase of own shares | | **-** | (12.7) |
| Proceeds from exercise of share options | | **1.2** | 0.2 |
| Proceeds from issue of equity | | **-** | 0.1 |
| **Net cash used in financing activities** | | **(52.2)** | (47.5) |
| **Net decrease in cash and cash equivalents** | | **(20.9)** | (24.9) |
| Cash and cash equivalents at beginning of year | | **123.2** | 142.3 |
| Effect of foreign exchange rate changes | | **(6.6)** | 5.8 |
| **Cash and cash equivalents at end of year** | | **95.7** | 123.2 |

# Consolidated Statement of Changes in Equity
## For the year ended 31 December 2023

| Group | Share capital £ millions | Share premium £ millions | Other reserves £ millions | Own shares held £ millions | Treasury shares held £ millions | Foreign exchange reserves £ millions | Retained earnings £ millions | Total equity £ millions |
|---|---|---|---|---|---|---|---|---|
| Balance at 1 January 2022 | 16.1 | 22.6 | (71.8) | (29.9) | (9.1) | 5.1 | 241.8 | 174.8 |
| Profit for the year | – | – | – | – | – | – | 39.1 | 39.1 |
| Foreign currency translation differences | – | – | – | – | – | 6.0 | – | 6.0 |
| Total comprehensive income and expense for the year | – | – | – | – | – | 6.0 | 39.1 | 45.1 |
| Dividends paid | – | – | – | – | – | – | (15.2) | (15.2) |
| Credit to equity for equity-settled share-based payments | – | – | – | – | – | – | 2.5 | 2.5 |
| Tax on share-based payment transactions | – | – | – | – | – | – | (0.9) | (0.9) |
| Transfer to own shares held on exercise of equity incentives | – | – | – | 1.9 | – | – | (1.9) | – |
| Shares repurchased for cancellation | (0.4) | – | 0.4 | – | – | – | (10.0) | (10.0) |
| New shares issued and own shares purchased | 0.1 | – | – | (12.5) | – | – | – | (12.4) |
| Balance at 31 December 2022 | 15.8 | 22.6 | (71.4) | (40.5) | (9.1) | 11.1 | 255.4 | 183.9 |
| Profit for the year | – | – | – | – | – | – | 13.4 | 13.4 |
| Foreign currency translation differences | – | – | – | – | – | (8.6) | – | (8.6) |
| Total comprehensive income and expense for the year | – | – | – | – | – | (8.6) | 13.4 | 4.8 |
| Dividends paid | – | – | – | – | – | – | (15.8) | (15.8) |
| Credit to equity for equity-settled share-based payments | – | – | – | – | – | – | 0.7 | 0.7 |
| Tax on share-based payment transactions | – | – | – | – | – | – | 0.1 | 0.1 |
| Transfer to own shares held on exercise of equity incentives | – | – | – | 1.5 | – | – | (1.5) | – |
| Share repurchase and cancellation | (0.5) | – | 0.5 | – | – | – | (10.0) | (10.0) |
| New shares issued and own shares purchased | – | – | – | 1.2 | – | – | – | 1.2 |
| **Balance at 31 December 2023** | **15.3** | **22.6** | **(70.9)** | **(37.8)** | **(9.1)** | **2.5** | **242.3** | **164.9** |

# Statement of Accounting Policies
## For the year ended 31 December 2023

**Accounting policies**
Robert Walters plc is a public company limited by shares, incorporated and domiciled in the United Kingdom under the Companies Act.

The financial report for the year ended 31 December 2023 has been prepared in accordance with the historical cost convention and with international accounting standards in conformity with the requirements of the Companies Act 2006 and with UK adopted International Financial Reporting Standards (IFRSs).

The Financial Statements have been prepared on a going concern basis. This is discussed within the Directors' Report on page 101.

The principal accounting policies of the Group are summarised below and have been applied consistently in all aspects throughout the current year and preceding year.

The Financial Statements have been presented in UK Pounds Sterling, the functional currency of the Company.

### (a) Basis of consolidation
The Group Financial Statements consolidate the Financial Statements of Robert Walters plc and its subsidiary undertakings drawn up to 31 December each year. Subsidiaries are entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

### (b) Goodwill
Goodwill arising on the acquisition of subsidiary undertakings, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is not amortised but reviewed for impairment at least annually. Any impairment is recognised in the Consolidated Income Statement and is not subsequently reversed.

Goodwill arising on acquisitions before the date of transition to IFRSs has been retained at the net 1 January 2004 Pounds Sterling UK GAAP amounts, subject to being tested for impairment at that date. On disposal the attributable amount of goodwill is included in determining the profit or loss on disposal.

### (c) Taxation
Current taxation, including UK corporation taxation and foreign taxation, is provided at amounts expected to be paid (or recovered) using the tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

Deferred taxation is accounted for using the balance sheet liability method and on an undiscounted basis. Deferred tax liabilities are generally recognised for all taxable temporary differences (except unremitted earnings from overseas entities which the Group cannot control timing), and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred taxation is reviewed at each balance sheet date and is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantially enacted by the end of the reporting period.

Current and deferred taxation is recognised in the income statement except when the taxation relates to items charged or credited directly to equity, in which case the taxation is also recognised in equity.

Deferred taxation is posted as a credit to the Consolidated Income Statement up to the value of the tax impact of the share-based payment charge, with any excess deferred taxation being posted as a credit to equity.

# Statement of Accounting Policies continued

For the year ended 31 December 2023

**Accounting policies** continued

### IFRIC Interpretation 23 uncertainty over Income Tax Treatment

The Group operates in many countries therefore being subject to tax laws in a number of different tax jurisdictions. Management applies judgement in identifying uncertainties over income tax treatments based on interpretations of tax statute and case law, taking into account professional advice and prior experience.

### (d) Employee share schemes

The cost of awards made under the Group's employee share schemes is based on the fair value of the shares at the time of grant and is charged to the Consolidated Income Statement on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest.

Fair value is measured by use of a stochastic model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

### (e) Revenue from contracts with customers

Revenue comprises the value of services, net of VAT and other sales-related taxes, provided in the normal course of business. Any expected credit loss provision that may be deemed necessary is treated as an administrative expense. The Group provides a breadth of services to clients with revenue generated by all service offerings, including recruitment process outsourcing, primarily due to the placement of permanent and temporary candidates. There are occasions where the Group will manage the recruitment supply chain on behalf of a client and in such cases a fee is received in respect of the work performed managing a supply chain. This is in accordance with IFRS 15 and is not considered a matter of judgement.

Revenue from the placement of permanent staff on non-retained assignments is recognised at the point in time when a candidate accepts a position and a start date is determined. A provision is made for the cancellation of placements prior to or shortly after the commencement of employment based on past experience of this occurring. For retained assignments revenue is recognised in line with completion of defined stages of work.

Revenue from temporary placements represents the amounts billed for the services of temporary staff including the salary costs of those staff. This is recognised as the service is provided, to the extent that the Group is acting as a principal. Where the Group is not considered to act as a principal, the salary costs of the temporary staff are excluded from revenue and only the net margin is recognised as revenue. Revenue in respect of outsourcing and consultancy is recognised as the service is provided, over time.

Robert Walters is acting as a principal for both its permanent and its temporary/interim business and as such presents its revenue gross (i.e. the whole amount collected from the clients) and then it presents its net fee income as gross profit. Resource Solutions is seen as an agent where it does not make a direct placement (i.e. for temporary and put through) and as such presents its revenue net in the Financial Statements in relation to indirect placements with revenue recognised over time.

Revenue from other rechargeable services (e.g. advertising and advisory services) is recognised when the service is provided.

### (f) Gross profit (net fee income)

Gross profit is the total placement fees of permanent candidates, the margin earned on the placement of contract candidates and advertising margin. It also includes the outsourcing and consultancy margin earned by Resource Solutions.

### (g) Operating profit

Operating profit is the total revenue less the total associated costs incurred in the production of revenue. The only items that are excluded from operating profit are finance costs (including foreign exchange), investment income and expenditure and taxation.

### (h) Finance income and finance costs

Interest received is recorded as finance income in the Consolidated Income Statement and included under investing activities in the Consolidated Cash Flow Statement, in the period in which it is receivable.

Interest paid includes interest payable on bank loans and the net unwinding of lease receivables and liabilities, it is recorded as finance costs in the Consolidated Income Statement and is included as part of financing activities in the Consolidated Cash Flow Statement in the period in which it is paid.

**Accounting policies** continued

(i) Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date, with any gain or loss that may arise as a result being included in net profit or loss for the period.

The results of overseas operations are translated at the average rates of exchange during the period and their balance sheets at the rates ruling at the balance sheet date. Exchange differences arising on translation of the opening net assets and the results of overseas operations are dealt with through other comprehensive income and reserves, and recognised as income or as expenses in the period in which an operation is disposed of.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. The Group has elected to treat goodwill and fair value adjustments arising on acquisitions before the date of transition to IFRSs as Pounds Sterling denominated assets and liabilities.

(j) Property, plant and equipment and computer software

Property, plant and equipment and computer software are stated at cost, net of depreciation and amortisation. Depreciation and amortisation are provided on all property, plant and equipment and computer software at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

- Leasehold improvements and right-of-use assets: the shorter of estimated useful life and the period of the lease;
- Motor vehicles: 17.5%;
- Fixtures, fittings and office equipment: 10% to 33.3%; and
- Computer equipment and computer software: 10% to 33.3%.

Depreciation and amortisation are recognised in administration expenses.

(k) Leases

The Group reviews contracts at inception to identify if the contract is or contains a lease, ensuring that the contract conveys the right to control an identified asset for an agreed period of time in exchange for consideration.

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of the right of use asset includes the lease liability value recognised, directly associated costs in setting up the lease, and contractual costs relating to make good and dilapidation commitments. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. The right-of-use assets are also subject to impairment.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments are discounted at an incremental borrowing rate, determined by the average of the risk free rate and property yields for the relevant location, if undisclosed within the lease contract.

The lease payments include fixed payments less any lease incentives receivable, variable lease payments where the rate is defined in the lease agreement, and amounts expected to be paid under residual value guarantees. Variable lease payments that depend on an inflation or undefined rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs. The Group also includes lease payments that will fall due under reasonable certain extension options in the initial measurement of the liability.

When the Group renegotiates the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification. Where the renegotiated lease increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount.

# Statement of Accounting Policies continued
## For the year ended 31 December 2023

**Accounting policies** continued

### Lease receivables
Leases for which the Group is a lessor for sub-letting part of its office space are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

The Group recognises lease receivables at the commencement date of the lease with a third party and is measured at the present value of the lease receivable amount due over the lease term, discounted using the rate from the head lease. Where the right to use the asset transfers to the third party, the Group derecognises the underlying right of use asset and updates the future depreciation charge accordingly, with any difference between the net book value of the right of use asset and the lease receivable recognised is recognised in the Consolidated Income Statement on the commencement date of the sub-lease.

The lease income includes fixed receivable amounts less any lease incentives payable, variable lease income where the rate is fixed in the contract, and amounts expected to be received under residual value guarantees. Variable lease income that does not depend on a predetermined rate are recognised as income in the period in which the event or condition that triggers the income occurs. Lease income to be received under reasonable certain extension options are also included in the measurement of the asset.

The finance income relating to sublet properties, is included as part of finance costs, such that the net cost of the head lease is presented in the Consolidated Income Statement.

### Short-term leases and leases of low-value assets
For short-term leases (lease term of 12 months or less) and leases of low-value assets (less than £3,000), the Group has opted to recognise a lease expense on a straight-line basis as permitted by IFRS 16.

### (l) Financial instruments – initial recognition and subsequent measurement
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### Financial assets
#### (i) Investments
Investments are shown at cost, less provision for impairment where appropriate.

#### (ii) Receivables
Impairment provisions for trade receivables are recognised based on the simplified approach within IFRS 9 using a provision matrix to determine the lifetime expected credit losses. To measure expected credit losses on a collective basis, trade receivables are grouped based on similar credit risk and ageing. The expected loss rates are based on the Group's historical credit losses experienced over the three-year period prior to the period end. The historical loss rates are then adjusted for current and forward-looking information on factors affecting the Group's clients. For trade receivables, which are reported net; such provisions are recorded in a separate provision account with the movement in the expected loss being recognised within administrative expenses in the Consolidated Income Statement. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

#### (iii) Cash and cash equivalents
Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

#### (iv) Derecognition of financial assets
The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset; the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

### Financial liabilities
#### (v) Other financial liabilities
Other financial liabilities, including borrowings, are measured at fair value, net of transaction costs and subsequently held at amortised cost.

#### (vi) Pensions
The Group currently contributes to the money purchase pension plans of certain individual Directors and employees. Contributions payable in respect of the year are charged to the Consolidated Income Statement.

**Accounting policies** continued

(vii) Provisions

A provision is recognised when the Group has a present legal or contractual obligation as a result of a past event for which it is probable that an outflow of resources will be required to settle the obligation and when the amount can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability.

(viii) Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled, or they expire.

(m) Employee Benefit Trust

Own shares are held by an Employee Benefit Trust (EBT) to satisfy the potential share obligations of the Group. Own shares are recorded at cost and deducted from equity. As the Company is deemed to have control of its EBT, it is treated as a subsidiary and consolidated for the purposes of the consolidated Financial Statements. The EBT's assets (other than investments in the Company's shares), liabilities, income and expenses are included on a line-by-line basis in the consolidated Financial Statements.

(n) Government grants

The Company applied for various government support programmes introduced in response to the global pandemic.

Payroll support

The Group received total global government support of £nil (2022: £1.1m). Included in the Consolidated Income Statement is £nil (2022: £1.0m) of global government support relating to the payroll of the Group's employees, and £nil (2022: £nil) was in respect of client based contractors. The Group has elected to present the government support by reducing the related expenses. The Group committed to spending the support on payroll expenses, and not to reduce employee headcount below prescribed levels for a specified period of time. The Group does not have any unfulfilled obligations relating to the support programmes.

**New standards, interpretations and amendments adopted from 1 January 2023**

The Group has applied the following new and revised relevant IFRSs during the year:

| | |
|---|---|
| IAS 8 (amendments) | Definition of Accounting Estimates |
| IAS 1 and IFRS Practice Statement 2 (amendments) | Disclosure of Accounting Policies |
| IAS 12 (amendments) | Deferred Tax related to Assets and Liabilities arising from a Single Transaction |
| IFRS 17 (amendments) | Initial Application of IFRS 17 and IFRS 9 – Comparative Information |
| IFRS 17 | Insurance contracts including amendments to IFRS 17 |
| International Tax Reform | Pillar Two Model Rules (Amendment to IAS 12 Income taxes) |

Amendments to IAS 8 – Definition of Accounting Estimates

Entities find it difficult to distinguish between a change in accounting policy and a change in accounting estimate, especially when it relates to a change in a measurement method. Therefore, to help entities distinguish accounting policies from accounting estimates, the IASB has amended IAS 8 to introduce a definition of 'accounting estimates' and provide other clarifications. Amendments to IAS 8 is effective for annual reporting periods beginning on or after 1 January 2023.

Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies

In order to help entities apply materiality judgements to accounting policy disclosure, the IASB has amended paragraphs 117–122 of IAS 1, which will require entities to disclose their material accounting policies rather than their significant accounting policies. To support this amendment, the IASB has also amended IFRS Practice Statement 2 to explain and demonstrate the application of the 'four-step materiality process' to accounting policy disclosures. Amendments to IAS 1 and IFRS Practice Statement 2 is effective for annual reporting periods beginning on or after 1 January 2023.

Amendments to IAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

In May 2021 the IASB published amendments to IAS 12 that narrowed the scope of the recognition exemption in paragraphs 15 and 24 to specify how companies should account for deferred tax on transactions such as leases and decommissioning obligations. In specified circumstances, companies are exempt from recognising deferred tax when they recognise assets or liabilities for the first time. Previously, there had been some uncertainty about whether the exemption applied to transactions such as leases and decommissioning obligations – transactions for which companies recognise both an asset and a liability. The amendments clarify that the exemption does not apply and that companies are required to recognise deferred tax on such transactions. The aim of the amendments is to reduce diversity in the reporting of deferred tax on leases and decommissioning obligations. Amendments to IAS 12 is effective for annual reporting periods beginning on or after 1 January 2023.

# Statement of Accounting Policies continued
## For the year ended 31 December 2023

**Accounting policies** continued

Amendment to IFRS 17 – Initial Application of IFRS 17 and IFRS 9 – Comparative Information

In December 2021, the IASB issued amendments to IFRS 17, which gives insurers a transition option relating to comparative information about financial assets presented on initial application of IFRS 17. The amendment is aimed at helping entities to avoid temporary accounting mismatches between financial assets and insurance contract liabilities. The amendment relates to insurers' transition to the new Standard only and it does not affect any other requirements in IFRS 17. IFRS 17 incorporating the amendment is effective for annual reporting periods beginning on or after 1 January 2023.

IFRS 17 – Insurance contracts including amendments to IFRS 17

IFRS 17 Insurance Contracts replaces IFRS 4, which was brought in as an interim Standard in 2004. IFRS 4 has given companies dispensation to carry on accounting for insurance contracts using national accounting standards, resulting in a multitude of different approaches. As a consequence, it is difficult for investors to compare and contrast the financial performance of otherwise similar companies. IFRS 17 is intended to solve the comparison problems created by IFRS 4 by requiring all insurance contracts to be accounted for in a consistent manner. It requires Insurance obligations to be accounted for using current values instead of historical cost and updated regularly. IFRS 17 and amendments are effective for annual reporting periods beginning on or after 1 January 2023.

International Tax Reform – Pillar Two Model Rules (Amendment to IAS 12 Income taxes)

In December 2021, the Organisation for Economic Co-operation and Development (OECD) released a draft legislative framework ('Pillar Two') for a global minimum tax that is expected to be used by individual jurisdictions. The goal of the framework is to reduce the shifting of profit from one jurisdiction to another in order to reduce global tax obligations in corporate structures. In March 2022, the OECD released detailed technical guidance on the rules of Pillar Two and in May 2023, the IASB followed with the release of the final Amendments (the Amendments) International Tax Reform – Pillar Two Model Rules.

Pillar Two rules are applicable to the Group from 1 January 2024, and the Amendments introduce a mandatory exception to entities from the recognition and disclosure of information about deferred tax assets and liabilities related to Pillar Two model rules which is effective immediately and retrospectively. The Group has applied the temporary exception in relation to the accounting and disclosure for deferred taxes arising from the implementation of the Pillar Two rules.

The Amendments also provide for additional disclosure requirements with respect to an entity's exposure to Pillar Two income taxes. From an initial review of the Group's business and tax profile, it is unlikely that the Pillar Two rules will have a material impact on the Group's tax profile.

**Developments in accounting standards/IFRSs**

At the date of authorisation of these Financial Statements, the Group has not applied the following new and revised relevant IFRSs that have been issued but are not yet effective:

| | |
|---|---|
| IAS 1 (amendments) | Classification of Liabilities as Current or Non-current |

**Amendments to IAS 1: Classification of Liabilities as Current or Non-current**

In January 2020, the IASB issued amendments to IAS 1, which are intended to clarify the requirements that an entity applies in determining whether a liability is classified as current or non-current. The amendments are intended to be narrow-scope in nature and are meant to clarify the requirements in IAS 1 rather than modify the underlying principles. The amendments include clarifications relating to: how events after the end of the reporting period affect liability classification; what the rights of an entity must be in order to classify a liability as non-current; how an entity assesses compliance with conditions of a liability (e.g. bank covenants); and how conversion features in liabilities affect their classification. Amendments to IAS 1 is effective for annual reporting periods beginning on or after 1 January 2024.

### Key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. Due to inherent uncertainty involved in making estimates and assumptions, actual outcomes could differ from those assumptions and estimates.

- Revenue recognition: revenue from the placement of permanent staff is recognised when a candidate accepts a position and a start date is determined. A provision is made by management, based on historical evidence, for the proportion of those placements where the candidate is expected to reverse their acceptance prior to the start date. As disclosed in note 12, the provision made in 2023 is £1.5m (2022: £1.9m). The Group does not expect changes to the provision to have a material impact on the Financial Statements of the Group, but it has been disclosed due to the large estimate.
- Revenue from temporary placements, which is amounts billed for the services of temporary staff, is recognised when the service has been provided. Rate cards are used, particularly in the Resource Solutions business, to determine the temporary worker rates and to calculate the amounts to be billed. An estimate is made by management where it is believed that temporary staff have provided the service before year-end, but where no timesheet has been received. Based on historical experience, the Group would not expect changes to the actual outcome to have a material impact on the Financial Statements of the Group.
- Expected credit losses: the Group applies a risk rating based on industry and market trends and a probability of default to its trade receivables and contract assets. A provision is then made by management, based on historical evidence and the risk assessment. As disclosed in note 17, the provision made in 2023 is £3.1m (2022: £3.0m). The Group does not expect movement in the provision to have a material impact on the Financial Statements of the Group, but it has been disclosed as it is a large estimate.

### Critical accounting judgements

Management has identified the timing of revenue recognition, deferred tax assets and lease terms as critical judgements in arriving at the amounts recognised in the Group's Financial Statements.

- Revenue recognition: revenue in respect of permanent placements is deemed to be earned when a candidate accepts a position and a start date is agreed, but prior to employment commencing. In making this judgement, management considered the detailed criteria for the recognition of revenue from permanent placements.
- Deferred tax assets: deferred tax assets are recognised to the extent that their utilisation is probable. The utilisation of deferred tax assets will depend on whether it is possible to generate sufficient taxable income in the respective tax type and jurisdiction, taking into account any legal restrictions on the length of the loss-carry forward period. Various factors are used to assess the probability of the future utilisation of deferred tax assets, including past operating results, operational plans, loss-carry forward periods, and tax planning strategies. In making this judgement, management reviewed the recoverable amount of the deferred tax assets carried by certain tax entities with significant tax loss carry forwards.
- Determining the lease term of contracts with renewal and termination options: the Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

# Notes to the Group Accounts
## For the year ended 31 December 2023

### 1. Segmental information

| | 2023 £ millions | 2022 £ millions |
|---|---|---|
| **i) Revenue:** | | |
| Asia Pacific | **484.9** | 519.6 |
| UK | **254.9** | 259.7 |
| Europe | **281.9** | 276.5 |
| Rest of World | **42.4** | 43.8 |
| | **1,064.1** | 1,099.6 |
| **ii) Gross profit (net fee income):** | | |
| Asia Pacific | **167.9** | 193.8 |
| UK | **60.9** | 74.0 |
| Europe | **126.3** | 124.1 |
| Rest of World | **31.7** | 36.3 |
| | **386.8** | 428.2 |
| **iii) Operating profit and profit before taxation:** | | |
| Asia Pacific | **19.3** | 37.5 |
| UK | **(0.4)** | 3.4 |
| Europe | **11.4** | 17.6 |
| Rest of World | **(4.0)** | (0.3) |
| **Operating profit** | **26.3** | 58.2 |
| Net finance costs | **(5.5)** | (2.6) |
| **Profit before taxation** | **20.8** | 55.6 |

The analysis of revenue by destination is not materially different to the analysis by origin and the analysis of finance income and costs are not significant.

The Group is divided into geographical areas for management purposes, and it is on this basis that the segmental information has been prepared.

| | 2023 £ millions | 2022 £ millions |
|---|---|---|
| **iv) Revenue by business grouping:** | | |
| Robert Walters[1] | **836.0** | 868.5 |
| Resource Solutions (recruitment process outsourcing) | **228.1** | 231.1 |
| | **1,064.1** | 1,099.6 |

1. Walters People is included within Robert Walters

| | 2023 £ millions | 2022 £ millions |
|---|---|---|
| **v) Revenue by service grouping:** | | |
| Permanent | **242.7** | 281.9 |
| Temporary | **628.9** | 670.5 |
| Interim | **128.7** | 119.9 |
| Other | **63.8** | 27.3 |
| | **1,064.1** | 1,099.6 |

### 2. Finance costs

| | Note | 2023 £ millions | 2022 £ millions |
|---|---|---|---|
| Interest on financing facilities | | **1.4** | 1.0 |
| Lease interest | 10 | **3.4** | 2.5 |
| **Total borrowing costs** | | **4.8** | 3.5 |

## 3. Profit before taxation

| | 2023 £ millions | 2022 £ millions |
|---|---|---|
| **Profit is stated after charging:** | | |
| Auditor's remuneration – BDO LLP (as auditor) | | |
| - Fees payable to the Company's auditor for the audit of the Company's annual accounts | **0.1** | 0.1 |
| - The audit of the Company's subsidiaries pursuant to legislation | **1.0** | 0.7 |
| **Total audit fees** | **1.1** | 0.8 |
| - Audit related assurance services | **-** | - |
| - Other services supplied pursuant to legislation | **0.1** | 0.1 |
| **Total non-audit fees** | **0.1** | 0.1 |
| **Total fees** | **1.2** | 0.9 |
| Depreciation and amortisation of property, plant & equipment and intangible assets owned | **8.9** | 6.8 |
| Depreciation of right-of-use assets | **15.1** | 14.9 |
| (Profit) loss on disposal of right-of-use assets, PPE and intangibles | **(0.2)** | 0.4 |
| Impairment of right-of-use assets | **0.2** | - |
| Impairment of trade receivables (net) | **0.4** | (0.3) |
| Expense relating to short-term leases | **1.3** | 1.5 |
| Foreign exchange loss (gain) | **1.3** | (0.5) |

## 4. Staff costs

| | 2023 Number | 2022 Number |
|---|---|---|
| The average monthly number of employees of the Group (including Executive Directors) during the year was: | | |
| **Group employees** | **4,266** | 4,031 |

The Group's closing headcount at 31 December 2023 was 3,980 (2022: 4,356).

| | 2023 £ millions | 2022 £ millions |
|---|---|---|
| **Their aggregate remuneration comprised:** | | |
| Wages and salaries | **225.0** | 231.7 |
| Social security costs | **26.3** | 24.5 |
| Other pension costs | **8.3** | 7.9 |
| Cost of employee share options and awards | **0.7** | 2.5 |
| | **260.3** | 266.6 |

The gain made on share options by the Directors during the year was nil (2022: £1.5m). Full details of the Directors' remuneration are given in the Report of the Remuneration Committee on page 78.

Included in the profit for the year is nil (2022: £1.0m) of global government support relating to the payroll of the Group's employees. The Group has elected to present the government support by reducing the related expenses. The Group committed to spending the support on payroll expenses, and not to reduce employee headcount below prescribed levels for a specified period of time. The Group does not have any unfulfilled obligations relating to the support programs.

# Notes to the Group Accounts continued

For the year ended 31 December 2023

## 5. Taxation

| | 2023 £ millions | 2022 £ millions |
|---|---|---|
| **Current tax charge** | | |
| Corporation tax – UK | - | 0.2 |
| Corporation tax – Overseas | 9.3 | 14.7 |
| **Adjustments in respect of prior years** | | |
| Corporation tax – UK | (0.2) | - |
| Corporation tax – Overseas | 0.2 | 0.8 |
| | 9.3 | 15.7 |
| **Deferred tax** | | |
| Deferred tax – UK | 0.1 | 0.5 |
| Deferred tax – Overseas | (2.6) | (0.4) |
| **Adjustments in respect of prior years** | | |
| Deferred tax – UK | (0.6) | (0.2) |
| Deferred tax – Overseas | 1.2 | 0.9 |
| | (1.9) | 0.8 |
| **Total tax charge for year** | 7.4 | 16.5 |
| Profit before taxation | 20.8 | 55.6 |
| Tax at standard UK corporation tax rate of (23.5%) (2022: 19%) | 4.9 | 10.6 |
| Effects of: | | |
| Unrelieved losses | 1.6 | 0.7 |
| Tax exempt income and other expenses not deductible | (0.4) | (0.4) |
| Other timing difference | (0.1) | 0.3 |
| Overseas earnings taxed at different rates | 0.8 | 4.0 |
| Adjustments to tax charges in previous years | 0.6 | 1.5 |
| Impact of tax rate change | - | (0.2) |
| **Total tax charge for year** | 7.4 | 16.5 |
| **Tax recognised directly in equity** | | |
| Tax on share-based payment transactions | (0.1) | 0.9 |

The tax charge is based on the expected annual effective tax rate of 36.0% (2022: 29.7%) on profit before taxation.

The UK Government announced its intention to increase the rate of corporation tax from 19% to 25% with effect from 1 April 2023. The change in rate from 19% to 25% has been substantively enacted and therefore the effects of the increase have been included in the calculation of deferred tax in the Financial Statements.

The effective tax rate is higher than the standard UK rate of 23.5% primarily as a result of overseas taxation in Japan, Belgium, France and Netherlands and the impact of adjustments to accounting profits in the tax calculation and the movement in deferred tax asset.

On 20 December 2021, the OECD published its proposal in relation to Global Anti-Base Erosion Rules, which provide for an internationally co-ordinated system of taxation to ensure that large multinational groups pay a minimum level of corporate income tax in countries where they operate. On 23 March 2023, the UK government introduced draft legislation in Finance (No. 2) Bill 2022-23 to implement Pillar 2 of the OECD/G20 inclusive framework. The new rules will take effect from 2024 onwards.

There remains a considerable amount of uncertainty with respect to the detailed operation of the rules and their impact. From an initial review of the Group's business and tax profile, it is unlikely that the rules will have a material impact on the Group's tax profile.

## 6. Dividends

| | 2023 £ millions | 2022 £ millions |
|---|---|---|
| **Amounts recognised as distributions to equity holders in the year:** | | |
| Interim dividend paid of 6.5p per share (2022: 6.5p) | 4.3 | 4.5 |
| Final dividend for 2022 of 17.0p per share (2021: 15.0p) | 11.5 | 10.7 |
| | 15.8 | 15.2 |
| Proposed final dividend for 2023 of 17.0p per share (2022: 17.0p) | 11.2 | 11.5 |

**6. Dividends** continued

The proposed final dividend of £11.2m is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these Financial Statements.

## 7. Earnings per share

The calculation of earnings per share is based on the profit for the year attributable to equity holders of the Parent and the weighted average number of shares of the Company.

| | 2023 Number of shares | 2022 Number of shares |
|---|---|---|
| **Weighted average number of shares:** | | |
| Shares in issue throughout the year | **78,928,095** | 80,689,295 |
| Shares issued in the year | **631** | 203,095 |
| Shares cancelled during the year | **(1,121,137)** | (529,847) |
| Treasury and own shares held | **(11,022,701)** | (10,784,800) |
| **For basic earnings per share** | **66,784,888** | 69,577,743 |
| Outstanding share options | **3,700,484** | 3,687,416 |
| **For diluted earnings per share** | **70,485,372** | 73,265,159 |

The total number of options in issue is disclosed in note 19.

| | 2023 £ millions | 2022 £ millions |
|---|---|---|
| Profit for the year attributable to equity holders of the Parent | **13.4** | 39.1 |

| Earnings per share (pence): | 2023 | 2022 |
|---|---|---|
| Basic | **20.1** | 56.2 |
| Diluted | **19.0** | 53.4 |

## 8. Intangible assets

| | Goodwill £ millions | Computer software £ millions | Total £ millions |
|---|---|---|---|
| **Cost:** | | | |
| At 1 January 2022 | 8.1 | 24.7 | 32.8 |
| Additions | – | 7.5 | 7.5 |
| Disposals | – | (3.6) | (3.6) |
| Foreign currency translation differences | – | 0.1 | 0.1 |
| **At 31 December 2022** | **8.1** | **28.7** | **36.8** |
| Additions | – | 7.9 | 7.9 |
| Disposals | – | (0.9) | (0.9) |
| Foreign currency translation differences | (0.1) | (0.1) | (0.2) |
| **At 31 December 2023** | **8.0** | **35.6** | **43.6** |
| **Accumulated amortisation and impairment:** | | | |
| At 1 January 2022 | – | 8.1 | 8.1 |
| Charge for the year | – | 2.9 | 2.9 |
| Disposals | – | (3.5) | (3.5) |
| Foreign currency translation differences | – | – | – |
| **At 31 December 2022** | **–** | **7.5** | **7.5** |
| Charge for the year | – | 3.3 | 3.3 |
| Disposals | – | (0.9) | (0.9) |
| Foreign currency translation differences | – | (0.1) | (0.1) |
| **At 31 December 2023** | **–** | **9.8** | **9.8** |
| **Carrying value:** | | | |
| At 1 January 2022 | 8.1 | 16.6 | 24.7 |
| At 31 December 2022 | 8.1 | 21.2 | 29.3 |
| **At 31 December 2023** | **8.0** | **25.8** | **33.8** |

# Notes to the Group Accounts continued
## For the year ended 31 December 2023

### 8. Intangible assets continued
Goodwill Impairment Review

The carrying value of goodwill primarily relates to the acquisition of Talent Spotter in China (£1,202,000) and the historic acquisition of the Dunhill Group in Australia (£6,847,000). The historical acquisition cost of Talent Spotter was £768,000, with the movement to the current carrying value a result of foreign currency translation differences. Goodwill is tested annually for impairment, or more frequently if there are indications that goodwill might be impaired. The recoverable amount of the goodwill is based on value-in-use in perpetuity, the cash generating units to which the goodwill is assigned being Australia and China. The key assumptions in the value-in-use are those regarding expected changes to cash flow during the period, growth rates, discount rates and the impact of uncertainty in the macro-economic environment.

Estimated cash flow forecasts are derived from the most recent financial budgets and an assumed average net fee income and cost growth rate of between 5-20% for years two and three. The forecast for revenue and costs as approved by the Board reflects the latest industry forecasts, the impact of uncertainty in the macro-economic environment and management expectations based on past experience. Although the growth rates of 5-20% exceed the long-term growth rate for the economy, the growth rates are considered appropriate based on the expected future growth rate of the business.

The value of the cash flows is then discounted at a post-tax rate of 9.1% (pre-tax rate of 12.9%), based on the Group's estimated weighted average cost of capital and risk adjusted depending on the location of goodwill. The discount rate for the forecast from year four onwards has also been adjusted for a terminal growth rate, between 1-5% depending on location.

Management has undertaken sensitivity analysis taking into consideration the impact in key assumptions. This included reducing the cash flow growth from year two onwards by 10% and 20% in absolute terms. While the lower growth rates and sensitivity analysis on net fee income may suggest an impairment could be required, management would take action with regards to variable costs in response to the lower net fee income environment, which would be sufficient to improve cashflows and remove risk of impairment.

### 9. Property, plant and equipment

| | Leasehold improvements £ millions | Fixtures, fittings and office equipment £ millions | Computer equipment £ millions | Total £ millions |
|---|---|---|---|---|
| **Cost:** | | | | |
| At 1 January 2022 | 9.1 | 17.5 | 10.9 | 37.5 |
| Additions | 2.3 | 4.1 | 3.1 | 9.5 |
| Disposals | (1.0) | (2.5) | (0.5) | (4.0) |
| Foreign currency translation differences | (0.1) | 0.7 | 0.3 | 0.9 |
| **At 31 December 2022** | **10.3** | **19.8** | **13.8** | **43.9** |
| Additions | 0.5 | 6.2 | 1.4 | 8.1 |
| Transfers | (1.1) | 1.1 | – | – |
| Disposals | (2.5) | (2.7) | (2.5) | (7.7) |
| Foreign currency translation differences | (0.5) | (0.7) | (0.5) | (1.7) |
| **At 31 December 2023** | **6.7** | **23.7** | **12.2** | **42.6** |
| **Accumulated depreciation and impairment:** | | | | |
| At 1 January 2022 | 7.5 | 11.5 | 9.5 | 28.5 |
| Charge for the year | 0.6 | 1.7 | 1.6 | 3.9 |
| Disposals | (1.0) | (2.3) | (0.4) | (3.7) |
| Foreign currency translation differences | 0.2 | 0.5 | 0.2 | 0.9 |
| **At 31 December 2022** | **7.3** | **11.4** | **10.9** | **29.6** |
| Charge for the year | 0.7 | 3.1 | 1.8 | 5.6 |
| Disposals | (2.5) | (1.7) | (2.5) | (6.7) |
| Foreign currency translation differences | (0.4) | (0.4) | (0.4) | (1.2) |
| **At 31 December 2023** | **5.1** | **12.4** | **9.8** | **27.3** |
| **Carrying value:** | | | | |
| At 1 January 2022 | 1.6 | 6.0 | 1.4 | 9.0 |
| At 31 December 2022 | 3.0 | 8.4 | 2.9 | 14.3 |
| **At 31 December 2023** | **1.6** | **11.3** | **2.4** | **15.3** |

## 10. Leases

### Amounts recognised in the Consolidated Balance Sheet

The balance sheet shows the following amounts relating to leases where the Group is a lessee:

| Right-of-use assets | Buildings £ millions | Equipment £ millions | Vehicles £ millions | Total £ millions |
|---|---|---|---|---|
| **Cost:** | | | | |
| At 1 January 2022 | 94.2 | 0.3 | 5.7 | 100.2 |
| Additions | 18.0 | – | 2.3 | 20.3 |
| Lease modifications | 1.3 | – | – | 1.3 |
| Disposals | (3.7) | (0.2) | – | (3.9) |
| Foreign currency translation differences | 3.2 | – | 0.5 | 3.7 |
| **At 31 December 2022** | **113.0** | **0.1** | **8.5** | **121.6** |
| Additions | 11.9 | – | 2.8 | 14.7 |
| Lease modifications | 3.9 | – | – | 3.9 |
| Disposals | (15.0) | – | (4.1) | (19.1) |
| Foreign currency translation differences | (4.4) | – | (0.2) | (4.6) |
| **At 31 December 2023** | **109.4** | **0.1** | **7.0** | **116.5** |
| **Accumulated depreciation and impairment:** | | | | |
| At 1 January 2022 | 33.5 | 0.2 | 3.9 | 37.6 |
| Charge for the year | 13.3 | 0.1 | 1.5 | 14.9 |
| Impairment | – | – | – | – |
| Disposals | (3.7) | (0.2) | – | (3.9) |
| Foreign currency translation differences | 1.0 | – | 0.4 | 1.4 |
| **At 31 December 2022** | **44.1** | **0.1** | **5.8** | **50.0** |
| Charge for the year | 13.4 | – | 1.7 | 15.1 |
| Impairment | 0.2 | – | – | 0.2 |
| Disposals | (10.1) | – | (4.1) | (14.2) |
| Foreign currency translation differences | (2.0) | – | (0.1) | (2.1) |
| **At 31 December 2023** | **45.6** | **0.1** | **3.3** | **49.0** |
| **Carrying value** | | | | |
| At 1 January 2022 | 60.7 | 0.1 | 1.8 | 62.6 |
| At 31 December 2022 | 68.9 | – | 2.7 | 71.6 |
| **At 31 December 2023** | **63.8** | **–** | **3.7** | **67.5** |

The disposal of vehicle assets relates to the completion of those leases, whereby the Group has returned those assets at the end of their lease term.

During the year the Group entered into a sublet arrangement for two of its offices, one in the UK and one in the USA. On signing of the leases, the Group had transferred the rights to use the office space over to a third party, as such the Group derecognised the right of use asset relating to the space accordingly and recognised a lease receivable for the income due from the lessees. The lease receivable was discounted at the incremental borrowing rate for the head lease. Any differences arising from the derecognition of the right-of-use asset and the value of the lease receivable was recognised as an impairment in the Consolidated Income Statement for the year ended 31 December 2023.

The recoverable amount of the cash generating unit (CGU) is based on value-in-use in perpetuity. The key assumptions in the value-in-use are those regarding expected changes to cash flow during the period, growth rates and discount rates.

Estimated cash flow forecasts are derived from the most recent financial budgets and an assumed average growth rate of between 10% and 15% for years two and three. The forecast for revenue and costs as approved by the Board reflect the latest industry forecasts and management expectations based on past experience.

The value of the cash flows is then discounted at a post-tax rate range of 9.0% and 10.1% (pre-tax rate range of 12.9% and 14.4%), based on the CGU's estimated weighted average cost of capital and risk adjusted depending on the location of the right-of-use asset.

# Notes to the Group Accounts continued
For the year ended 31 December 2023

**10. Leases** continued

### Amounts recognised in the Consolidated Balance Sheet continued

The discount rate for year four onwards has been adjusted for a terminal growth rate, between 0-5% depending on location.

Management has undertaken sensitivity analysis taking into consideration the impact in key assumptions. This included reducing the cash flow growth from year two onwards by 10% and 20% in absolute terms. The sensitivity analysis shows no impairment charge would arise under each scenario.

### Lease Receivables and Lease Liabilities

| Lease Receivables | **2023 £ millions** | 2022 £ millions |
|---|---|---|
| Current | **0.8** | – |
| Non-current[1] | **4.0** | – |
| **At 31 December** | **4.8** | – |

1. Of the Non-current lease receivable £3.0m relates to receivables between 2 and 5 years (2022: £nil).

During the year the Group entered into financing lease arrangements as a lessor to sublet office space from the UK and USA operations.

These lease contracts contain extension and early termination options.

| Lease Liabilities | **2023 £ millions** | 2022 £ millions |
|---|---|---|
| Current | **(18.0)** | (18.3) |
| Non-current[1] | **(61.2)** | (58.1) |
| **At 31 December** | **(79.2)** | (76.4) |

1. Of the Non-current liability £43.9m relates to liabilities between 2 and 5 years (2022: £46.7m).

### Amounts recognised in Consolidated Income Statement

The Consolidated Income Statement shows the following amounts relating to leases:

| | **2023 £ millions** | 2022 £ millions |
|---|---|---|
| Depreciation charge of Right-of-use assets | **15.1** | 14.9 |
| Interest expense (included in finance cost) | **3.5** | 2.5 |
| Interest receivable (included in finance cost) | **(0.1)** | – |
| Expense relating to short-term leases (included in administrative expenses) | **1.3** | 1.5 |
| **Total charges in relation to leases** | **19.8** | 18.9 |

The total cash outflow for leases in 2023 was £16.1m (2022: £19.3m). The total cash inflow for leases in 2023 was £0.3m (2022: £nil).

### The Group's leasing activities and how these are accounted for

The leases held by the Group primarily relate to offices, equipment and vehicles. Rental contracts are typically made for fixed periods of four months to 10 years. The Group sometimes negotiates break clauses and extension options into the rental contracts. This allows the Group to manage its risk arising from lease contracts and maximise the operational flexibility in terms of managing the assets used in the Group's operations. Approximately 20% of the Group's leases contain extension options of a two to five year period. The lease receivable relates to offices subsequently sublet to a third party.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments, less any lease incentives receivable; and
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date.

Lease receivables include the net present value of the following lease income receivable:

- fixed income, less any lease incentives payable; and
- variable lease income receivables that are based on an index or a rate, initially measured using the index or rate as at the commencement date.

### The Group's leasing activities and how these are accounted for continued

Lease payments to be made under reasonable certain extension options are also included in the measurement of the liability. Lease receivables to be secured under reasonable certain extension options are also included in the measurement of the asset. On renegotiation of an existing lease, the Group will recognise any movement in the lease depending on the nature of the modification. Further details can be found in the accounting policies on pages 117 to 118.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease income and payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. The right-of-use assets are also subject to impairment.

For short-term leases (lease term of 12 months or less) and leases of low-value-assets (less than £3,000), the Group has opted to recognise a lease expense on a straight-line basis as permitted by IFRS 16.

# Notes to the Group Accounts continued
For the year ended 31 December 2023

## 11. Group investments

| Subsidiary undertaking | Effective ownership of ordinary shares | Principal activity | Country of incorporation |
|---|---|---|---|
| Robert Walters Pty Limited | 100% | Recruitment consultancy | Australia |
| Robert Walters Australia Pty Limited | 100% | Recruitment consultancy | Australia |
| Resource Solutions Corporation Pty Limited | 100% | HR outsourcing services | Australia |
| Robert Walters SA | 100% | Recruitment consultancy | Belgium |
| Robert Walters People Solutions SA | 100% | Recruitment consultancy | Belgium |
| Robert Walters Brazil Limitada | 100% | Recruitment consultancy | Brazil |
| Robert Walters Canada Inc | 100% | Recruitment consultancy | Canada |
| Robert Walters Chile SpA | 100% | Recruitment consultancy | Chile |
| Walters People Chile Empresa de Servicios Transitorios SpA | 100% | Recruitment consultancy | Chile |
| Robert Walters Business Consulting (Shanghai) Ltd Company | 100% | Recruitment consultancy | China |
| Robert Walters Talent China Limited | 100% | Recruitment consultancy | China |
| RS Resourcing S.r.o | 100% | HR outsourcing services | Czech Republic |
| Robert Walters SAS | 100% | Recruitment consultancy | France |
| Walters People SAS | 100% | Recruitment consultancy | France |
| Walters People Business Support SAS | 100% | Recruitment consultancy | France |
| Robert Walters Germany GMBH | 100% | Recruitment consultancy | Germany |
| RS Resource Solutions GMBH | 100% | HR outsourcing services | Germany |
| Resource Solutions Consulting (Hong Kong) Limited | 100% | HR outsourcing services | Hong Kong |
| Robert Walters (Hong Kong) Limited | 100% | Recruitment consultancy | Hong Kong |
| Resource Solutions India Private Limited | 100% | HR outsourcing services | India |
| Resource Solutions Consulting Private Limited | 100% | HR outsourcing services | India |
| PT. Robert Walters Indonesia[1] | 49% | Recruitment consultancy | Indonesia |
| Robert Walters Limited | 100% | Recruitment consultancy | Ireland |
| Robert Walters Italy s.r.l. | 100% | Recruitment consultancy | Italy |
| Robert Walters Japan KK | 100% | Recruitment consultancy | Japan |
| Resource Solutions Japan KK | 100% | HR outsourcing services | Japan |
| Robert Walters Resource Solutions Sdn Bhd | 100% | HR outsourcing services | Malaysia |
| Agensi Pekerjaan Walters Sdn Bhd[1] | 49% | Recruitment consultancy | Malaysia |
| Robert Walters Mexico S. de R.L. de C.V. | 100% | Recruitment consultancy | Mexico |
| Walters People BV | 100% | Recruitment consultancy | Netherlands |
| Robert Walters BV | 100% | Recruitment consultancy | Netherlands |
| SAI Holdings BV[2] | 100% | Holding Company | Netherlands |
| Robert Walters New Zealand Limited | 100% | Recruitment consultancy | New Zealand |
| Resource Solutions Global Service Centre (Philippines), Inc. | 100% | HR outsourcing services | Philippines |
| Resource Solutions sp. z o.o. | 100% | HR outsourcing services | Poland |
| Robert Walters Portugal Unipessoal Lda | 100% | Recruitment consultancy | Portugal |
| Resource Solutions Consulting (Singapore) Pte Ltd | 100% | HR outsourcing services | Singapore |
| Robert Walters (Singapore) Pte Ltd | 100% | Recruitment consultancy | Singapore |

1. The holdings for Agensi Pekerjaan Walters Sdn Bhd and PT. Robert Walters Indonesia are 49%, however they are deemed 100% controlled.
2. Direct holdings of Robert Walters plc.
3. These subsidiaries, all of which are incorporated in England and Wales, are exempt from the requirements of the UK Companies Act 2006 relating to the individual accounts by virtue of section 394A of that Act.
4. This company qualifies for an audit exemption for non-dormant entities under the requirements of s479A of the Companies Act 2006. As such, no audit has been conducted for this company in the current financial year. The registered number of the audit exempt subsidiary is No. 03542052.
5. Robert Walters Holdings Limited has branch operations in South Africa.

| Registered address |
|---|
| Level 23, Queen & Collins Tower, 376-390 Collins Street, Melbourne VIC 3000, Australia |
| Level 23, Queen & Collins Tower, 376-390 Collins Street, Melbourne VIC 3000, Australia |
| Level 23, Queen & Collins Tower, 376-390 Collins Street, Melbourne VIC 3000, Australia |
| Avenue Louise 326, 10th Floor, Brussels, 1050, Belgium |
| Avenue Louise 326, 10th Floor, Brussels, 1050, Belgium |
| Rua do Rocio 00350, Conjunto 41, Vila Olimpia, Sao Paulo, Brazil |
| 145 King Street West, Suite 720, Toronto, Ontario M5X |
| Av. El Bosque Central 92, piso 6, Las Condes, Santiago, Chile |
| Av. El Bosque Central 92, piso 6, Las Condes, Santiago, Chile |
| Unit 2207A, No. 1601 West Nanjing Road, JingAn District, Shanghai, PRC |
| Unit 2206, 2207B, No. 1601 West Nanjing Road, JingAn District, Shanghai, PRC |
| Nádražní 344/23, Smíchov 150 00 Prague 5, Czech Republic |
| 6-8 rue Pergolèse, 75116, Paris, France |
| 6-8 rue Pergolèse, 75116, Paris, France |
| 6-8 rue Pergolèse, 75116, Paris, France |
| Fuerstenwall 172, 40217 Dusseldorf, Germany |
| Main Tower, Neue Mainzer Str. 52-58, 60311, Frankfurt am Main, Germany |
| Unit 2001, 20/F, Nexxus Building, 41 Connaught Road Central, Hong Kong |
| Unit 2001, 20/F Nexxus Building, 41 Connaught Road Central, Hong Kong |
| 12th Floor, My Home Twitza, Plot Nos, 30/A, Survey No,83/1,APIIC Hyderabad knowledge City, Raidurg(Panmaqtha)Village, Seriligampally Mandal, Ranga Reddy Dist., Hyderabad, Telangana – 500081 |
| 12th Floor, My Home Twitza, Plot Nos, 30/A, Survey No,83/1,APIIC Hyderabad knowledge City, Raidurg(Panmaqtha)Village, Seriligampally Mandal, Ranga Reddy Dist., Hyderabad, Telangana – 500081 |
| World Trade Centre 3, 18th Floor, Jl. Jend. Sudirman Kav. 29-31 Jakarta 12920, Indonesia |
| Level 3, Custom House Plaza 2, IFSC, Dublin 1, Ireland |
| Via Giuseppe Mazzini 9, CAP 20123, Milano, Italy |
| Shibuya Minami Tokyu Building, 14th Floor 3-12-18 Shibuya, Shibuya-ku, Tokyo, 150-0002 |
| Ebisu Garden Place, 16th Floor, 4-20-3 Ebisu, Shibuya-ku, Tokyo 150-6018 |
| Q Sentral, Unit 37-2, Level 37, 2A, Jalan Stesen Sentral 2, 50470 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur |
| B4-3A-6 Solaris Dutamas, No 1 Jalan Dutamas 1, 50480, Kuala Lumpur, Malaysia |
| Bosque de Duraznos 69 Torre A 1101-C, Bosque de las Lomas, Miguel Hidalgo, Ciudad de México, Mexico |
| Strawinskylaan 1057, 1077 XX, Amsterdam, Netherlands |
| Strawinskylaan 1057, 1077 XX, Amsterdam, Netherlands |
| Herikerberweg 283, 1101CM, Amsterdam, The Netherlands |
| c/o Deloitte, 80 Queen Street, Auckland 1010 New Zealand |
| 37/F Philamlife Tower, 8767 Paseo De Roxas Makati City, Manila 1226 |
| Grzybowska 2/29, 00-131 Warszawa, Poland |
| Avenida da Liberdade 110, 1269-046, Lisboa, Portugal |
| 6 Battery Road #09-01 Singapore 049909 |
| 6 Battery Road #09-01 Singapore 049909 |

# Notes to the Group Accounts continued
## For the year ended 31 December 2023

### 11. Group investments continued

| Subsidiary undertaking | Effective ownership of ordinary shares | Principal activity | Country of incorporation |
|---|---|---|---|
| Robert Walters South Africa Proprietary Limited | 100% | Recruitment consultancy | South Africa |
| K2018112216 (South Africa) (Pty) Ltd (t/a Resource Solutions South Africa) | 100% | Recruitment consultancy | South Africa |
| Robert Walters Korea Limited | 100% | Recruitment consultancy | South Korea |
| Robert Walters Holding SAS Sucursal En Espana | 100% | Recruitment consultancy | Spain |
| Walters People Sociedad Limitada Empresa de Trabajo Temporal | 100% | Recruitment consultancy | Spain |
| Robert Walters Switzerland AG | 100% | Recruitment consultancy | Switzerland |
| Robert Walters Company Limited (Taiwan) | 100% | Recruitment consultancy | Taiwan |
| Robert Walters (Eastern Seaboard) Ltd | 100% | Recruitment consultancy | Thailand |
| Robert Walters Recruitment (Thailand) Ltd | 100% | Recruitment consultancy | Thailand |
| Robert Walters Holdings (Thailand) Limited | 100% | Holding company | Thailand |
| Robert Walters Middle East Limited | 100% | Recruitment consultancy | UAE |
| Robert Walters Dubai Ltd | 100% | Recruitment consultancy | United Kingdom |
| Robert Walters Operations Limited | 100% | Recruitment consultancy | United Kingdom |
| Robert Walters Consultancy Ltd[3] | 100% | Recruitment consultancy | United Kingdom |
| Resource Solutions Limited | 100% | HR outsourcing services | United Kingdom |
| Resource Solutions Europe Limited | 100% | HR outsourcing services | United Kingdom |
| Resource Solutions Europe Limited External Profit Company | 100% | HR outsourcing services | United Kingdom |
| Resource Solutions Workforce Management Limited[4] | 100% | Recruitment consultancy | United Kingdom |
| Robert Walters Holdings Limited[2,5] | 100% | Holding Company | United Kingdom |
| Walters Interim Ltd[3] | 100% | Recruitment consultancy | United Kingdom |
| Resource Solutions Inc (Delaware) | 100% | HR outsourcing services | USA |
| Resource Solutions Inc (Florida) | 100% | HR outsourcing services | USA |
| Robert Walters Associates Inc. | 100% | Recruitment consultancy | USA |
| Robert Walters Associates California Inc. | 100% | Recruitment consultancy | USA |
| Robert Walters Holdings North America | 100% | Holding Company | USA |
| Robert Walters Texas Inc. | 100% | Recruitment consultancy | USA |
| Robert Walters Vietnam Company Limited | 100% | Recruitment consultancy | Vietnam |

1. The holdings for Agensi Pekerjaan Walters Sdn Bhd and PT. Robert Walters Indonesia are 49%, however they are deemed 100% controlled.
2. Direct holdings of Robert Walters plc.
3. These subsidiaries, all of which are incorporated in England and Wales, are exempt from the requirements of the UK Companies Act 2006 relating to the individual accounts by virtue of section 394A of that Act.
4. This company qualifies for an audit exemption for non-dormant entities under the requirements of s479A of the Companies Act 2006. As such, no audit has been conducted for this company in the current financial year. The registered number of the audit exempt subsidiary is No. 03542052.
5. Robert Walters Holdings Limited has branch operations in South Africa.

| Registered address |
|---|
| 19th Floor, GreenPark Corner, Cnr West Road South and Lower Road, Morningside, Sandton, Johannesburg, 2196 South Africa |
| 19th Floor, GreenPark Corner, Cnr West Road South and Lower Road, Morningside, Sandton, Johannesburg, 2196 South Africa |
| 21F East Center, Center 1 Building, 26 Euljiro 5 gil, Jung-gu, Seoul 04539 |
| Paseo de Recoletos 7-9, 6a planta, 28004 Madrid, Spain |
| Paseo de Recoletos 7-9, 6a planta, 28004 Madrid, Spain |
| Claridenstrasse 41, Zurich 8002, Switzerland |
| Room F, 10th Floor, No. 1 Songzhi Road, Xin-Yi District, Taipei, Taiwan |
| Level 12, Room No. 1259-1260, Harbor Mall office, 4/222 Moo 10, Sukhumvit Road, Thungsukhla, Sriracha, Chonburi 20230 Thailand |
| Q House Lumpini, 17th Floor, Unit 1702, 1 South Sathorn Road, Thungmahamek, Sathorn, Bangkok 10120, Thailand |
| 175 Sathorn City Tower, Level 18/1, South Sathorn Road, Thungmahamek, Sathorn, Bangkok 10120 |
| WeWork Hub 71 Al Khatem Tower, ADGM, Abu Dhabi, UAE |
| 11 Slingsby Place, St Martin's Courtyard, London WC2E 9AB |
| 11 Slingsby Place, St Martin's Courtyard, London WC2E 9AB |
| 11 Slingsby Place, St Martin's Courtyard, London WC2E 9AB |
| 11 Slingsby Place, St Martin's Courtyard, London WC2E 9AB |
| 11 Slingsby Place, St Martin's Courtyard, London WC2E 9AB |
| 11 Slingsby Place, St Martin's Courtyard, London WC2E 9AB |
| 11 Slingsby Place, St Martin's Courtyard, London WC2E 9AB |
| 11 Slingsby Place, St Martin's Courtyard, London WC2E 9AB |
| 11 Slingsby Place, St Martin's Courtyard, London WC2E 9AB |
| 7 Times Square, Suite 4301, New York NY 10036 |
| 11 Slingsby Place, St Martin's Courtyard, London WC2E 9AB |
| 7 Times Square, Suite 4301, New York NY 10036 |
| 520 Broadway, Suite 200, Santa Monica, CA, 90401, USA |
| 7 Times Square, Suite 4301, New York NY 10036 |
| 211 E. 7th Street, Austin, Texas, 78701 |
| Unit 1, Level 9, The Metropolitan, 235 Dong Khoi Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam |

# Notes to the Group Accounts continued

For the year ended 31 December 2023

## 12. Trade and other receivables

| | 2023 £ millions | 2022 £ millions |
|---|---|---|
| **Receivables due within one year:** | | |
| Trade receivables | **116.5** | 142.9 |
| Other receivables | **7.8** | 6.3 |
| Prepayments | **7.8** | 8.8 |
| Accrued income | **50.4** | 63.4 |
| | **182.5** | 221.4 |

Trade receivables is presented net of the expected credit loss provision, disclosed further in note 17.

Included within accrued income is a provision against the cancellation of placements where a candidate may reverse their acceptance prior to the start date.

The value of this provision as of 31 December 2023 is £1,472,000 (31 December 2022: £1,892,000). The movement in the provision during the year is a credit to the income statement of £420,000 (2022: credit of £541,000). Contract assets are expected to convert into contract receivables within three months of recognition.

## 13. Trade and other payables: amounts falling due within one year

| | 2023 £ millions | 2022 £ millions |
|---|---|---|
| Trade payables | **7.8** | 8.7 |
| Other taxation and social security | **30.4** | 34.7 |
| Other payables[1] | **27.3** | 25.4 |
| Accruals and deferred income | **82.5** | 110.8 |
| | **148.0** | 179.6 |

1. Other payables includes amounts owing to employees, contractor and benefit providers.

There is no material difference between the fair value and the carrying value of the Group's trade and other payables.

## 14. Bank overdrafts and borrowings

| | 2023 £ millions | 2022 £ millions |
|---|---|---|
| Bank overdrafts and borrowings: current | **15.8** | 26.1 |
| | **15.8** | 26.1 |
| The borrowings are repayable as follows: | | |
| Within one year | **15.8** | 26.1 |
| | **15.8** | 26.1 |

In October 2023, the Group renewed its four-year committed financing facility of £60.0m which expires in March 2027. At 31 December 2023, £15.8m (2022: £26.1m) was drawn down under this facility.

The Directors estimate that the fair value of all borrowings is not materially different from the amounts stated in the Consolidated Balance Sheet of £15.8m (2022: £26.1m).

The Group has not entered into any reverse factoring arrangements during the year ended 31 December 2023 (2022: none).

## 15. Deferred taxation

The following are the major tax assets (liabilities) recognised by the Group and the movements during the current and prior year.

| | Accelerated depreciation £ millions | Tax losses £ millions | Share-based payment £ millions | Accruals and provisions £ millions | Total £ millions |
|---|---|---|---|---|---|
| **At 1 January 2022** | 0.5 | 2.6 | 1.7 | 6.2 | 11.0 |
| Charge to income | (0.8) | 0.3 | 0.2 | (0.5) | (0.8) |
| Credit to equity | – | – | (0.7) | – | (0.7) |
| Foreign currency translation differences | – | 0.2 | – | 0.1 | 0.3 |
| **At 31 December 2022** | **(0.3)** | **3.1** | **1.2** | **5.8** | **9.8** |
| Charge to income | (0.9) | 3.4 | (0.1) | (0.5) | 1.9 |
| Credit to equity | – | – | 0.1 | – | 0.1 |
| Foreign currency translation differences | – | 0.3 | – | (0.5) | (0.2) |
| **At 31 December 2023** | **(1.2)** | **6.8** | **1.2** | **4.8** | **11.6** |

The following is the analysis of the deferred tax balances for financial reporting purposes:

| Group | **2023 £ millions** | 2022 £ millions |
|---|---|---|
| Deferred tax assets | **11.8** | 10.0 |
| Deferred tax liabilities | **(0.2)** | (0.2) |
| | **11.6** | 9.8 |

At 31 December 2023, no deferred tax liability is recognised on temporary differences of £33.7m (2022: £25.8m) relating to the unremitted earnings of overseas subsidiaries as the Group is able to control the timing and reversal of these temporary differences and it is probable that they will not reverse in the foreseeable future.

Where a reversal is foreseeable, deferred tax liabilities are provided for using the relevant tax rate applicable on distributed profits.

Deferred tax assets of £6.8m (2022: £3.1m) have been recognised in respect of carried forward losses and latest forecasts show that these are expected to be recovered against future profit streams.

The Group has total unrecognised deferred tax assets relating to tax losses of £10.5m (2022: £4.4m) of which £9.0m (2022: £3.0m) have no time restriction over when they can be utilised, and the remaining £1.5m (2022: £1.4m) are time restricted, for which the weighted average period over which they can be utilised is seven years.

## 16. Provisions

| | Total £ millions |
|---|---|
| **At 1 January 2022** | 3.2 |
| Additional provisions charged to income statement | 1.2 |
| Provision released | (0.1) |
| Utilisation of provisions | (1.5) |
| Foreign exchange movements | 0.1 |
| **At 31 December 2022** | **2.9** |
| Additional provisions charged to income statement | 0.8 |
| Provision released | (0.5) |
| Utilisation of provisions | (0.2) |
| Foreign exchange movements | (0.2) |
| **At 31 December 2023** | **2.8** |
| Analysis of total provision: | |
| Current | 0.7 |
| Non-current | 2.1 |
| | **2.8** |

The provisions comprise of dilapidation provisions.

The payment of non-current provision (£2.1m) (2022: £2.1m) is expected to occur between two and five years.

# Notes to the Group Accounts continued
For the year ended 31 December 2023

## 17. Financial risk management
The Group's financial instruments comprise cash and liquid resources and various items, such as trade receivables and trade payables, that arise directly from its operations. The main purpose of these financial instruments is to finance the Group's operations. The Group has not entered into derivative transactions and no gains or losses on hedges have been incurred.

The main risks arising from the Group's financial instruments are foreign currency risk, liquidity risk and interest rate risk.

### (i) Financial assets
Surplus cash balances are invested in financial institutions with favourable credit ratings that offer competitive rates of return, while still providing the Group with flexibility in its cash management.

| Cash | 2023 £ millions | 2022 £ millions |
|---|---|---|
| Euros | **27.4** | 28.4 |
| Japanese Yen | **15.6** | 22.1 |
| Hong Kong Dollars | **8.9** | 13.6 |
| Australian Dollars | **7.5** | 11.3 |
| Singapore Dollars | **4.7** | 4.3 |
| Chinese Renminbi | **4.3** | 7.8 |
| New Zealand Dollars | **4.1** | 6.6 |
| South Korean Won | **3.7** | 6.8 |
| Great British Pounds Sterling | **2.7** | 3.8 |
| Taiwan Dollar | **2.6** | 3.0 |
| Thai Baht | **2.2** | 2.1 |
| US Dollars | **2.1** | 4.5 |
| Chilean Peso | **1.8** | 1.2 |
| Other | **8.1** | 7.7 |
| | **95.7** | 123.2 |

All financial assets, as detailed above, are at floating rate. There is no material difference between the fair value and the carrying value of the financial assets.

### (ii) Currency exposures
The main currencies of the Group are Pounds Sterling, the Euro, Australian Dollars and Yen. The Group does not have material transactional exposures because in the local entities, revenues and costs are in their functional currencies.

There are no material net foreign exchange exposures to monetary assets and monetary liabilities.

The Group has translation exposure in accounting for overseas operations and its policy is not to hedge against this exposure.

### (iii) Liquidity risk
The Group's overall objective is to ensure that at all times it is able to meet its financial commitments as and when they fall due.

Surplus funds are invested on short-term deposit. Short-term flexibility is achieved by overdraft facilities, if appropriate.

The capital structure of the Group consists of net cash of £79.9m and equity of the Group, comprising issued share capital, reserves and retained earnings as disclosed in notes 18 to 20.

### (iv) Interest rate risk
The Group manages its cash funds through its London head office and does not actively manage its exposure to interest rate fluctuations. Surplus funds in the UK earn interest at a rate linked to the Bank of England base rate.

Surplus funds in other countries earn interest based on a number of different indices, varying from country to country.

**17. Financial risk management** continued

(v) Credit risk

The Group's principal financial assets are bank balances and cash, trade and other receivables and investments. The Group's credit risk is primarily in respect of trade receivables.

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group.

The Group has adopted a policy of only dealing with counterparties that are deemed creditworthy and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group transacts with entities that are considered to have adequate credit ratings. This information is supplied by independent rating agencies where available and if not available the Group uses other publicly available financial information and its own trading records to rate its major customers. During the year, the Group reassessed the credit-worthiness of its existing clients to assess any new risks arising from expected credit losses.

The Group's exposure and the credit ratings of its counterparties are regularly monitored. Credit exposure is controlled by counterparty limits that are reviewed and approved by management.

Trade receivables consist of a large number of customers, spread across industry sectors and geographical locations. In a number of territories in which the Group operates, particularly in the contract and interim businesses, invoices are contractually payable on demand. Ongoing credit evaluation is performed on the financial condition of accounts receivable and, if considered appropriate, credit guarantee insurance cover is purchased.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables and contract assets. To measure expected credit losses on a collective basis, trade receivables and contract assets are grouped based on similar credit risk and ageing. The contract assets have similar risk characteristics to the trade receivables for similar types of contracts.

The expected credit losses are estimated using a provision matrix and applying a probability of default. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions and the impact of uncertainty in the macro-economic environment.

The expected loss rates are based on the Group's historical credit losses experienced over the three-year period prior to the period end. When measuring expected credit losses the Group uses reasonable and supportable forward-looking information, adjusting for factors that are specific to the debtors and general economic conditions of the industry in which the debtors operate.

| | Current | 31 to 60 days past due | 61 to 90 days past due | More than 91 days past due | Total |
|---|---|---|---|---|---|
| **31 December 2023** | | | | | |
| Expected loss rate | **0.2%** | **1.4%** | **2.1%** | **40.0%** | **2.6%** |
| Trade receivables (£'millions) | **49.3** | **51.0** | **14.3** | **5.0** | **119.6** |
| Bad debt provision (£'millions) | **0.1** | **0.7** | **0.3** | **2.0** | **3.1** |

| | Current | 31 to 60 days past due | 61 to 90 days past due | More than 91 days past due | Total |
|---|---|---|---|---|---|
| **31 December 2022** | | | | | |
| Expected loss rate | 0.2% | 1.5% | 1.2% | 24.0% | 2.1% |
| Trade receivables (£'millions) | 61.2 | 53.0 | 24.2 | 7.5 | 145.9 |
| Bad debt provision (£'millions) | 0.1 | 0.8 | 0.3 | 1.8 | 3.0 |

The below table shows a breakdown of the movement in our expected credit loss model during the year:

| | **2023 £ millions** | 2022 £ millions |
|---|---|---|
| **At 1 January** | **3.0** | 3.7 |
| Increase during the year | **0.4** | 0.5 |
| Receivables written off during the year as uncollectible | **0.4** | (0.3) |
| Unused amounts reversed | **(0.7)** | (0.9) |
| **Movement in provision for impairment during the year** | **0.1** | **(0.7)** |
| **At 31 December** | **3.1** | 3.0 |

# Notes to the Group Accounts continued

For the year ended 31 December 2023

(vi) Financial liabilities

The Group financed its operations during the year through a mixture of retained earnings and a four-year committed Pounds Sterling sales financing facility, expiring in March 2027. The average effective interest rate for 2023 on the sales financing facility approximates to 6.13% and is determined upon the lenders' published rate plus 1.45%. As the rates are floating, the Group is exposed to cash flow risk. Further details in respect of these loans are disclosed in note 14 to the accounts.

Trade and other payables are settled within normal terms of business and are payable in less than 120 days.

The Group does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Group's treasury function.

## 18. Share capital

| | **2023 Number** | 2022 Number | **2023 £ millions** | 2022 £ millions |
|---|---|---|---|---|
| Authorised | | | | |
| Ordinary shares of 20p each | **200,000,000** | 200,000,000 | **40.0** | 40.0 |
| Allotted, called-up and fully paid | | | | |
| Ordinary shares of 20p each | **76,429,714** | 78,928,095 | **15.3** | 15.8 |

The called-up share capital of the Company decreased during the year following the cancellations of shares, offset by the issue of new shares in accordance with obligations in respect of the Executive Share Option Scheme.

Share capital includes shares held in treasury and in the employee benefit trust (EBT); see note 20 for more detail.

The Company has one class of ordinary shares which carry no right to fixed income.

## 19. Share options

Equity-settled share option plan

As at 31 December 2023 the following options had been granted and remained outstanding in respect of the Company's ordinary shares of 20p each under the Company's Executive Share Option Scheme and SAYE Option Scheme:

| | | | Exercisable | |
|---|---|---|---|---|
| | Share options granted | Price granted (p) | From | To |
| Executive Options | 25,000 | 353 | March 2017 | March 2024 |
| Executive Options | 44,500 | 339 | February 2018 | February 2025 |
| Executive Options | 100,000 | 299 | March 2019 | March 2026 |
| Executive Options | 172,000 | 400 | March 2020 | March 2027 |
| SAYE | 88,943 | 326 | September 2023 | March 2024 |
| Executive Options | 55,250 | 521 | March 2024 | March 2031 |
| SAYE | 21,527 | 541 | October 2024 | April 2025 |
| Executive Options | 55,000 | 577 | March 2025 | March 2032 |
| SAYE | 135,044 | 408 | October 2025 | April 2026 |
| Executive Options | 23,000 | 501 | March 2026 | March 2033 |
| SAYE | 571,856 | 291 | November 2026 | May 2027 |
| | **1,292,120** | | | |

The movements within the balance of share options are indicated below, as well as a calculation of the respective weighted averages for each category of movement and the opening and closing balances.

| | **2023** | | 2022 | |
|---|---|---|---|---|
| | **Options** | **Weighted average exercise price (£)** | Options | Weighted average exercise price (£) |
| **At 1 January** | **1,477,486** | **3.98** | 2,105,241 | 3.93 |
| Granted during the year | 617,051 | 2.99 | 314,973 | 4.53 |
| Forfeited during the year | (207,373) | 3.92 | (170,827) | 4.43 |
| Lapsed during the year | (133,550) | 5.52 | (171,499) | 5.36 |
| Exercised during the year | (461,494) | 3.48 | (600,402) | 3.57 |
| **At 31 December** | **1,292,120** | **3.54** | 1,477,486 | 3.98 |

**19. Share options** continued

The fair value of share options granted during the year was £35,000 (2022: £115,000).

The weighted average share price at the date of exercise for share options exercised during the period was £3.48 (2022: £3.57). The options outstanding at 31 December 2023 had a weighted average remaining contractual life of three years (2022: three years) and a weighted value of £3.54 (2022: £3.98).

The weighted average exercise price is calculated based on a range of share prices between £3.26 and £4.09.

There were 430,000 (2022: 524,000) options already exercisable at the end of the year, with a weighted exercise price of £3.52 (2022: £3.63). The inputs into the stochastic model are as follows:

| | Executive Options | | | | SAYE options | | |
|---|---|---|---|---|---|---|---|
| | **2023** | 2022 | 2021 | 2020 | **2023** | 2022 | 2021 |
| Weighted average share price | **£5.60** | £5.77 | £5.52 | £5.00 | **£2.91** | £4.08 | £5.41 |
| Weighted average exercise price | **£5.01** | £5.77 | £5.21 | £5.52 | **£2.91** | £4.08 | £5.41 |
| Expected volatility | **34.5%** | 34.5% | 33.4% | 31.3% | **34.5%** | 34.5% | 33.4% |
| Expected life | **6** | 6 | 6 | 6 | **3.25** | 3.25 | 3.25 |
| Risk free rate | **3.5%** | 1.3% | 0.4% | 0.2% | **3.5%** | 1.3% | 0.4% |
| Expected dividend yield | **4.2%** | 3.5% | 2.8% | 3.0% | **4.2%** | 3.5% | 2.8% |

Expected volatility has been calculated over the period of time commensurate with the expected award term immediately prior to the date of grant. The expected life used in the model has been adjusted, based upon management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

Exercise of the Executive Share Options is subject to the achievement of a percentage increase in earnings per share which exceeds the percentage increase in inflation by at least an average 8% per annum, over a period of three financial years of the Group.

On satisfaction of these performance targets, 33.33% of the options vest. Vesting then increases progressively with the Executive Share Options fully vesting where earnings per share growth matches the UK retail price index plus an average of 14% per annum.

The SAYE Option Scheme enables UK permanent employees to use the proceeds of a related SAYE contract to acquire options over ordinary shares of the Company at a discount of up to 20% of their market price. Options granted under the scheme can normally be exercised during a period of six months starting on the third anniversary of the start of the relevant SAYE contract.

Exercise of an option is subject to continued employment.

### Equity-settled Performance Share Plan (PSP)

As at 31 December 2023 the following share awards had been granted and remained outstanding in respect of the Company's ordinary shares of 20p each under the Company's Executive PSP Scheme:

The movements within the balances of share awards and co-investment awards are indicated below.

| | 2023 | | | 2022 | | |
|---|---|---|---|---|---|---|
| | Share awards | Co-investment awards | Total | Share awards | Co-investment awards | Total |
| **At 1 January** | **2,999,085** | **686,215** | **3,685,300** | 3,320,308 | 654,255 | 3,974,563 |
| Granted during the year | 1,235,741 | 285,715 | 1,521,456 | 990,668 | 300,625 | 1,291,293 |
| Vested and exercised during the year | (106,010) | - | (106,010) | (239,040) | (54,858) | (293,898) |
| Lapsed during the year | (838,853) | (237,799) | (1,076,652) | (772,991) | (176,683) | (949,674) |
| Forfeited during the year | (269,737) | (25,493) | (295,230) | (299,860) | (37,124) | (336,984) |
| **At 31 December** | **3,020,226** | **708,638** | **3,728,864** | 2,999,085 | 686,215 | 3,685,300 |

The fair value of share awards and co-investment awards granted during the year was £5,402,000 (2022: £4,630,000).

The awards outstanding at 31 December 2023 had a weighted average remaining contractual life of 15 months (2022: 14 months). No awards expired during the year (2022: none).

# Notes to the Group Accounts continued
For the year ended 31 December 2023

**19. Share options** continued
The inputs into the stochastic model are as follows:

| | **2023** | 2022 | 2021 | 2020 |
|---|---|---|---|---|
| Weighted average share price | **£5.24** | £6.65 | £5.52 | £5.00 |
| Weighted average exercise price | **nil** | nil | nil | nil |
| Expected volatility | **34.5%** | 36.6% | 37.4% | 34.5% |
| Expected life | **3** | 3 | 3 | 3 |
| Risk free rate | **3.6%** | 1.4% | 0.1% | 0.2% |
| Expected dividend yield | **4.6%** | 3.5% | 2.8% | 3.0% |

Expected volatility has been calculated over the period of time commensurate with the remainder of the performance period immediately prior to the date of grant. The expected life used in the model has been adjusted, based upon management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

Under the terms of the PSP the number of shares receivable by Executive Directors for a nominal value is dependent upon the total shareholder return (TSR), the earnings per share (EPS) growth, cumulative cash conversion and ESG targets over the three-year period from the initial date of grant. In the case of co-investment awards, which is not available for Executive Directors, the continued ownership of qualifying shares in the Company is also required. As such it is not possible to determine the interests of the individual Directors prior to the completion of the vesting period, although no shares will vest if the TSR performance does not at least match the median ranking TSR performance of the constituents of the FTSE Small Cap Index (excluding investment trusts), EPS is at least 40p, cumulative cash conversion is at least 90% or ESG targets achieved is at least 50%. For all of the PSP shares to vest, the TSR must equal or exceed the upper quartile ranking TSR performance of the FTSE Small Cap Index (excluding investment trusts), EPS must equal or exceed 63p, cumulative cash conversion must equal or exceed 110% and 100% of ESG targets must be achieved.

The Group recognised an expense of £393,000 (2022: £2,478,000) during the year in respect of equity-settled share-based payment transactions and £nil (2022: £nil) in respect of cash-settled share-based payment transactions.

**20. Reserves**
The other reserves of the Group include a merger reserve of £83,379,000 (2022: £83,379,000), offset by a capital reserve of £9,301,000 (2022: £9,301,000), capital redemption reserve of £3,123,000 (2022: £2,622,000) and a capital contribution reserve of £44,000 (2022: £44,000).

The own shares are held by an Employee Benefit Trust (EBT) to satisfy the potential share obligations of the Group. The Company also has an obligation to make regular contributions to the EBT to enable it to meet its financing costs. Rights to dividends on shares held by the EBT have been waived by the trustees. Charges of £33,800 (2022: £39,500) have been reflected in the Consolidated Income Statement in respect of the EBT.

The number and market value of own shares held at 31 December 2023 was 6,657,739 (2022: 7,130,801) and £29,627,000 (2022: £38,506,000). The number and market value of treasury shares held at 31 December 2023 was 4,074,000 (2022: 4,074,000) and £18,129,000 (2022: £22,000,000).

## 21. Reconciliation of net cash and debt position

| | Bank borrowings £ millions | Cash and cash equivalents £ millions | Leases £ millions | Total £ millions |
|---|---|---|---|---|
| **Net cash (debt) as at 1 January 2022** | **(15.7)** | **142.3** | **(66.4)** | **60.2** |
| Cash flows | (9.4) | (24.9) | 19.3 | (15.0) |
| **Non cash flows:** | | | | |
| New leases | – | – | (20.3) | (20.3) |
| Interest | (1.0) | – | (2.5) | (3.5) |
| Foreign exchange adjustments | – | 5.8 | (5.2) | 0.6 |
| Other changes[1] | – | – | (1.3) | (1.3) |
| **Net cash (debt) as at 1 January 2023** | **(26.1)** | **123.2** | **(76.4)** | **20.7** |
| Cash flows | 11.7 | (20.9) | 16.1 | 6.9 |
| **Non cash flows:** | | | | |
| New leases | – | – | (14.7) | (14.7) |
| Interest | (1.4) | – | (3.4) | (4.8) |
| Foreign exchange adjustments | – | (6.6) | 2.9 | (3.7) |
| Other changes[1] | – | – | (3.7) | (3.7) |
| **Net cash (debt) as at 31 December 2023** | **(15.8)** | **95.7** | **(79.2)** | **0.7** |

1. The other changes for leases totalling £3.7m in 2023 (2022: £1.3m), relate to lease modifications, further details can be found in note 10.

## 22. Related party transactions

Transactions between Robert Walters Plc and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. The remuneration of key management personnel who are deemed to be Directors has been disclosed in the Report of the Remuneration Committee on pages 74 to 97.

During the year, there were no related party transactions included within administrative expenses (2022: nil)

There were no outstanding balances at 31 December 2023.

All transactions were undertaken on an arms-length basis.

## 23. Contingent liabilities

Each member of the Robert Walters plc Group is party to joint and several guarantees in respect of banking facilities granted to Robert Walters plc.

The Group has no other contingent liabilities as at 31 December 2023 (2022: £nil).

# Company Balance Sheet
## As at 31 December 2023

| | Notes | 2023 £ millions | 2022 £ millions |
|---|---|---|---|
| **Non-current assets** | | | |
| Investments | 26 | **232.4** | 232.1 |
| **Current assets** | | | |
| Trade and other receivables | 27 | **3.5** | 18.9 |
| Cash and cash equivalents | | **-** | - |
| **Total assets** | | **235.9** | 251.0 |
| **Current liabilities** | | | |
| Trade and other payables | 28 | **(116.2)** | (122.3) |
| Net current liabilities | | **(112.7)** | (103.4) |
| **Net assets** | | **119.7** | 128.7 |
| **Equity** | | | |
| Share capital | 29 | **15.3** | 15.8 |
| Share premium | | **22.6** | 22.6 |
| Capital redemption reserve | | **3.1** | 2.6 |
| Own shares held | 20 | **(37.8)** | (40.5) |
| Treasury shares held | 20 | **(9.1)** | (9.1) |
| Retained earnings | | **125.6** | 137.3 |
| **Shareholders' funds** | | **119.7** | 128.7 |

Robert Walters plc reported a profit for the year of £15.3m (2022: £42.4m).

The accounts of Robert Walters plc, Company Number 03956083, on pages 142 to 145 were approved by the Board of Directors on 7 March 2024 and signed on its behalf by:

D Bower

**David Bower**
Chief Financial Officer

# Company Statement of Changes in Equity

## For the year ended 31 December 2023

| | Share capital £ millions | Share premium £ millions | Capital redemption reserve £ millions | Own shares held £ millions | Treasury shares held £ millions | Retained earnings £ millions | Total equity £ millions |
|---|---|---|---|---|---|---|---|
| Balance at 1 January 2022 | 16.1 | 22.6 | 2.2 | (29.9) | (9.1) | 119.5 | 121.4 |
| Profit for the year | – | – | – | – | – | 42.4 | 42.4 |
| Foreign currency translation differences | – | – | – | – | – | – | – |
| Total comprehensive income and expense for the year | – | – | – | – | – | 42.4 | 42.4 |
| Dividends paid | – | – | – | – | – | (15.2) | (15.2) |
| Credit to equity for equity-settled share-based payments | – | – | – | – | – | 2.5 | 2.5 |
| Transfer to own shares held on exercise of equity incentives | – | – | – | 1.9 | – | (1.9) | – |
| Shares repurchased for cancellation | (0.4) | – | 0.4 | – | – | (10.0) | (10.0) |
| New shares issued and own shares purchased | 0.1 | – | – | (12.5) | – | – | (12.4) |
| Balance at 31 December 2022 | 15.8 | 22.6 | 2.6 | (40.5) | (9.1) | 137.3 | 128.7 |
| Profit for the year | – | – | – | – | – | 15.3 | 15.3 |
| Foreign currency translation differences | – | – | – | – | – | – | – |
| Total comprehensive income and expense for the year | – | – | – | – | – | 15.3 | 15.3 |
| Dividends paid | – | – | – | – | – | (15.8) | (15.8) |
| Credit to equity for equity-settled share-based payments | – | – | – | – | – | 0.3 | 0.3 |
| Transfer to own shares held on exercise of equity incentives | – | – | – | 1.5 | – | (1.5) | – |
| Share repurchase and cancellation | (0.5) | - | 0.5 | – | – | (10.0) | (10.0) |
| New shares issued and own shares purchased | – | – | – | 1.2 | – | – | 1.2 |
| **Balance at 31 December 2023** | **15.3** | **22.6** | **3.1** | **(37.8)** | **(9.1)** | **125.6** | **119.7** |

# Notes to the Company Accounts
## For the year ended 31 December 2023

### 24. Accounting policies
The principal accounting policies of the Company are summarised below and have been applied consistently in all aspects throughout the current year and the preceding year.

(a) Basis of accounting
The separate Financial Statements of the Company are presented as required by the Companies Act 2006. The Company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council.

The Financial Statements have therefore been prepared in accordance with FRS 101 (Financial Reporting Standard 101) 'Reduced Disclosure Framework' as issued by the Financial Reporting Council.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under the standard in relation to share-based payment, financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash flow statement and certain related party transactions.

Where required, equivalent disclosures are given in the consolidated Financial Statements.

The Financial Statements have been prepared on the historical cost basis. The principal accounting policies adopted are the same as those set out in the Statement of Accounting Policies to the consolidated Financial Statements on page 115 except as noted below.

(b) Foreign currencies
Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

(c) Investments
Investments are shown at cost less provision for impairment where appropriate.

(d) Employee Benefit Trust
The own shares are held by an Employee Benefit Trust (EBT) to satisfy the potential share obligations of the Group.

Own shares are recorded at cost and deducted from equity.

As the EBT is deemed to be an extension of the Company, the EBT's assets (other than investments in the Company's shares), liabilities, income and expenses are included on a line-by-line basis in the Company Financial Statements.

### 25. Profit for the year
The Company has elected not to present its own profit and loss account as permitted by Section 408 of the Companies Act 2006.

£21.9m (2022: £31.2m) of the retained earnings of the Company represent distributable reserves.

Details of the proposed final dividend are provided in note 6 to the accounts.

Details of share based payments are disclosed in note 19 to the accounts.

Details of Treasury and own shares held are disclosed in note 20 to the accounts.

There are no employees of Robert Walters plc.

### 26. Fixed asset investments

| | Total £ millions |
|---|---|
| At 1 January 2023 | 232.1 |
| Increase in the year due to equity incentive schemes | 0.3 |
| **At 31 December 2023** | **232.4** |

There were no indicators to suggest an impairment review was required, as such there was no provision for impairment (2022: £nil).

Please refer to note 11 for a list of the Company's principal investments.

### 27. Trade and other receivables

| | 2023 £ millions | 2022 £ millions |
|---|---|---|
| Amounts due from subsidiaries | **3.5** | 18.9 |
| | **3.5** | 18.9 |

Amounts owed by Group undertakings are unsecured, carry no interest and are repayable on demand.

### 28. Trade and other payables: amounts falling due within one year

| | 2023 £ millions | 2022 £ millions |
|---|---|---|
| Amounts due to subsidiaries | **116.2** | 122.3 |
| | **116.2** | 122.3 |

Amounts owed to group undertakings are unsecured, carry no interest and are repayable on demand.

### 29. Share capital

| | 2023 Number | 2022 Number | 2023 £ millions | 2022 £ millions |
|---|---|---|---|---|
| **Authorised** | | | | |
| Ordinary shares of 20p each | **200,000,000** | 200,000,000 | **40.0** | 40.0 |
| **Allotted, called-up and fully paid** | | | | |
| Ordinary shares of 20p each | **76,429,714** | 78,928,095 | **15.3** | 15.8 |

### 30. Commitments

The Company has no lease commitments (2022: £nil).

There are no capital commitments for the Company (2022: £nil).

### 31. Related party transactions

There are no disclosable related party transactions in the year to 31 December 2023 (2022: £nil) other than as disclosed in the Directors' Remuneration Report and notes 27 and 28.

### 32. Contingent liabilities

The Company has no other contingent liabilities than those disclosed in note 23 as at 31 December 2023 (2022: £nil).

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**Registered number**
03956083

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