Reed Global

Annual Report
And Financial Statements

For the Year Ended 30 June 2023

Reed Global Limited

Company Information

Executive Directors	James Reed CBE, FCIPD, MBA, MA Nigel Marsh ACMA, MBA (resigned 19 December 2022) Lewis Crowther ACMA, BA (appointed 19 December 2022) Jennifer May MSc (appointed 01 July 2023)
Non-Executive Directors	Anita Dougall BA Clifford Tompsett FCA, MA
Secretary	Siu Fai Yuen LLB
Registered office	Academy Court 94 Chancery Lane London WC2A 1DT United Kingdom
Company number	10169598
Independent Auditors	PricewaterhouseCoopers LLP 1 Embankment Place London WC2N 6RH

The directors present their Strategic Report on the affairs of Reed Global Limited (the "Company") and its subsidiaries (collectively the "Group", "Reed") and the consolidated financial statements for the year ended 30 June 2023.

Principal activities

The Group's significant activities are the provision of specialist temporary, permanent and contract recruitment solutions, digital recruitment and learning, and, in partnership with local authorities and the government, the delivery of programmes that positively transform people and their communities. The directors do not envisage any major changes in the Group's activities in the next year to 30 June 2024.

The Company's principal activity is that of a holding company of trading subsidiaries. The Company receives income from its subsidiaries for the use of the Reed brand.

Business review

The Group's turnover increased to £1,301.5m from £1,195.6m as it benefited from growth in its core recruitment markets. Income from its partnerships with central and local government fell slightly due to the natural conclusion of some contracts.

Gross margin decreased to 23.8% from 24.9% during the year, driven principally by changes to the mix of sales.

Operating profits fell to £44.1m versus £61.2m in the prior year, a result of inflationary cost pressures affecting net margins as well as increased investments in technology and in the Group's brand advertising. Cash generated from operating activities remained strong at £45.2m, though less than the prior year of £82.6m. Beyond the difference caused by the reduction in operating profit, the prior year benefited from changes in working capital linked with the implementation of significant new contracts.

Results and dividends

The profit for the year is set out in the Consolidated Income Statement on page 31. The Group generated a profit before tax of £44.4m (2022: £60.8m) and an EBITDA of £65.3m (2022: £75.6m). Interim dividends of £20m were declared on 16th December 2022 and paid during the year (2022: £10m) and no final dividend was declared. Return on capital employed fell from 31.3% in the prior year to 21.5% in the current year due to the reduced profit after tax. The Group remains funded largely by its retained earnings and is unencumbered by external bank borrowings.

Future developments

The directors do not expect significant changes to the business in the foreseeable future.

Key Performance Indicators

	2023	2022	2021	2020	2019
Gross margin	**23.8%**	24.9%	20.0%	19.4%	20.4%
Net profit margin	**3.4%**	5.1%	3.2%	0.7%	1.2%
Number of business units	**602**	605	600	468	525
Employee cost ratio	**31.8%**	35.3%	44.2%	36.5%	34.2%
Current ratio	**1.32**	1.28	1.33	1.14	1.35
Return on capital employed	**21.5%**	31.3%	23.7%	4.3%	11.6%
Earnings per share	**18.08p**	24.21p	14.10p	1.79p	4.97p
EBITDA	**£65.3m**	£75.6m	£38.9m	£16.1m	£15.8m

Notes to key performance indicators

- Gross margin is calculated as gross profit as a percentage of revenue
- Net profit margin is calculated as operating profit as a percentage of revenue
- The increase in the number of business units is due to the requirement to fulfil new contracts in both Reed Specialist Recruitment Limited, and Reed in Partnership Limited.
- Employee cost ratio represents the staff costs as a percentage of revenue
- Current ratio is derived by dividing current assets by current liabilities, and is a good indicator of a Group's ability to meet short-term debt obligations; the higher the ratio, the greater the liquidity of the Group.
- Return on capital employed is derived by dividing the profit for the year by total shareholders' equity.
- Earnings per share is derived by the profit for the year divided by the average number of shares in issue during the year
- EBITDA represents Earnings before Interest, Taxes, Depreciation and Amortisation and is derived from the operating profit for the year plus depreciation, amortisation and fair value gains and losses on financial investments, and investment properties. In accordance with IFRS 16, EBITDA for the year to 30 June 2020 and subsequent periods includes the add-back of depreciation in respect of right-of-use assets. In the year to 30 June 2019, in accordance with IAS 17, the corresponding lease rental cost is not added back to EBITDA.

Transactions in own shares

As of the reporting date, the Company held 529,412 (2022: 529,412) ordinary shares through its controlled funding of an Employee Benefit Trust. The nominal value of the shares is 10 pence.

Principal risks and uncertainties facing the Group

Financial risks

The Group did not utilise any bank finance during the reporting period. The only source of external borrowing is that of the debentures which stood at £12.2m at the end of the year (2022: £13.4m) as disclosed in Note 19.

The Group's operations are exposed to a variety of financial risks including the effects of changes in exchange rates, interest rates, credit risk and liquidity risk. The Group does not have material exposures in any of these areas and consequently does not use derivative instruments to manage these exposures.

The Group's principal financial instruments comprise sterling cash and bank deposits and debentures together with trade debtors and trade creditors that arise directly from its operations.

The main risks arising from the Group's financial instruments can be analysed as follows:

Foreign currency risk

The Group and the vast majority of its trading operations are in the UK, where revenue and costs are in pounds sterling, meaning that the Group's exposure to foreign exchange risk is low. Translation reserves presented in the Consolidated Statement of Financial Position arise on consolidation of those businesses forming part of the Group that transact in currencies other than pounds sterling. Movements in these reserves reflect the cumulative differences between the average rates applied to profits or losses and the prevailing rate as at the year-end at which balance sheet assets are translated.

Credit risk

The Group's principal financial assets are cash and trade debtors. These represent the Group's major exposure to credit risk in relation to the financial assets. Both are discussed in detail within Financial Risk Management (Note 21). Reporting in this area includes daily aged debt for every client as well as overall ledger profiles from the invoicing date, accounting for pre-agreed payment terms. Credit risk in respect of cash is low as the Group's cash is placed primarily with four quality financial institutions which hold a long-term A1 rating from Moody's.

The amounts presented in the Statement of Financial Position are net of allowances for doubtful debts, estimated by the Group's management based on prior experience and their assessment of the current economic environment.

The Group has no significant concentration of credit risk, with the exposure spread over many customers. Credit risk is mitigated by robust credit control functions that work closely with operations teams to perform credit checks and use the resultant rating in accordance with sectoral risk, the type of sale, and past client experience to assign payment terms and to determine an appropriate credit strategy. In some cases, credit insurance is utilised to further mitigate credit exposure. Because of these measures, together with the diverse spread of clients across many sectors and Group's the large volume of public sector business, bad debt experience is low.

Liquidity risk

The Group's policy has been to ensure continuity of funding through the operation of its Treasury function, discussed in more detail in Financial Risk Management (Note 21).

Cash flow interest rate risk

The Group is exposed to cash flow interest rate risk on its debentures, which carry a floating interest rate pegged to movements in SONIA, however this risk is not deemed significant due to the value of debentures versus the overall value of assets held by the Group.

Other risks and business response

The business is exposed to changes in government policy in the markets in which it operates, though it seeks to mitigate these through positive engagement through industry forums and through external advisors.

The ever-increasing need to keep data secure, as highlighted by cyber security and the Data Protection Act, is met by a range of mitigation actions to ensure the Group remains vigilant and compliant.

The risk of fraud is taken seriously. Prevalent in circumstances where high volumes of transactions are routinely processed, such as within a temporary recruitment model, this risk is mitigated through system automation, dedicated compliance and internal risk management teams and thorough vetting of our co-members in positions of trust, as well as through exception reporting.

The Group invests to ensure continued compliance with regulations and awareness of changes in government policy.

Consideration of climate change

In preparing the financial statements we have considered the impact of climate change. There has not been a material impact on the financial reporting judgments and estimates from our considerations, consistent with our assessment that climate change is not expected to have a meaningful impact on the viability of the Group in the medium term. Further details can be found in the UK Climate-related Financial Disclosure Report at the end of the Directors' Report.

Section 172 Statement

This Statement sets out how the Board of Directors ("the Board") of the Company complies with the requirements of Section 172 of the Companies Act 2006 and how consideration of stakeholder interests has impacted the Board's activities and decision making during the financial year ending 30 June 2023 ("FY23").

Section 172 of the Companies Act 2006 states that directors 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 the members as a whole, and in doing so have 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, and
f) the need to act fairly between members of the company.

These duties are designed to ensure that directors act in such a way as to promote the long-term success of the company by delivering and creating sustainable shareholder value as well as contributing to wider society. The Reed Group ("Reed") comprises the Company and its subsidiaries, including Reed Specialist Recruitment Limited ("RSR"), Reed in Partnership Limited ("Reed in Partnership"), Reed Online Limited ("Reed Online"), and Reed Learning Limited ("Reed Learning"). As a director of all Reed companies, James Reed, our Chairman and Chief Executive Officer, ensures strong governance principles are applied consistently across Reed.

Engaging with stakeholders to deliver long-term success has remained a priority for the Board during FY23. The Board is conscious of the environment in which the Company operates and the importance of engaging with key stakeholders including but not limited to clients; employees ("co-members"); suppliers; central and local government; local communities; and shareholders. A Stakeholder Map, identifying the key internal and external stakeholders and how the Company interacts with them, has been created and may be found, along with other relevant statements, on the Company's 'Corporate Governance' page on its website: https://www.reed.com/corporate-governance.

Reed is proud of its culture as a family business, and all Reed directors understand and adhere to the requirements of Section 172 due to the nature, ethos, purpose, and values of the Company. In addition, all Reed directors have received formal training on their responsibilities and accountabilities, and principal decisions have been defined and formalised as part of Board meetings.

Principal decisions that were taken by the Board across FY23 include approval of investments in three businesses, the appointment of two new directors to the Board, approval of the annual financial plan for Reed for FY24, approval of an interim dividend of £20m (10.10p per share), the purchase of a building in Liverpool, and investment in a new Enterprise Resource Planning ("ERP") system to be implemented group-wide. The Board took these decisions after considering their impact on stakeholders alongside the potential long-term consequences and growth opportunities presented.

In deciding to declare an interim dividend for FY23 of £20m, the board sought to meet shareholder expectations in a sustainable fashion whilst considering the Company's profitability and financial position. The Company's key stakeholders were considered regarding the proposal, including co-members, the Reed Executive Pension Scheme, UK government, and the Reed Foundation. It was acknowledged that as a significant shareholder, the Reed Foundation could utilise the dividend to benefit wider communities via its activities in the UK and abroad. It is in the interests of all stakeholders that the company retains sufficient cash to honour its commitments and to support investment to fuel future growth. Reviewing all factors, the proposal of an interim dividend of £20m was deemed affordable and taken as a principal decision by the board.

The board similarly considered a wide set of stakeholders when reviewing the proposal to invest in a replacement ERP system. The investment was proposed on the basis that a modern set of tools was required to facilitate improved operational efficiencies and to improve the Group's control environment. The board considered the requirements of customers and suppliers when trading with the Group, the co-member experience of using ERP tools to carry out various day to day tasks, and the efficiencies and control enhancements that ultimately would generate returns for shareholders. It was felt that the benefits brought by the investment in an ERP were substantial and justified the cost incurred, and therefore the investment was approved and adopted as a principal decision of the board.

An example of how stakeholders were engaged in the appointment of two new directors to the Board can be found under 'Principle 6: Stakeholder Engagement' of the Corporate Governance statement in the Directors' Report.

In taking these actions, and in supporting the subsidiary boards in their own decision-making processes, the Board's main objectives were to ensure continuing high standards of business conduct, support continued positive business relationships with stakeholders and to protect the long-term viability of the Company to the benefit of all stakeholders.

The Corporate Governance Statement, the Employee Engagement and Other Stakeholder Engagement Statements within the Director's Report, further detail how the Board have considered and engaged with stakeholders in the light of their Section 172 duties.

Modern Slavery Statement

The Board has approved the Group's Modern Slavery Statement, which may be found on the Company's website.

On behalf of the Board on 15 December 2023

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J A Reed
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James Reed CBE, FCIPD, MBA, MA

Chairman

The directors present their report on the Group and Company audited financial statements and the independent auditors' report thereon for the year ended 30 June 2023.

Board of Directors

The directors who held office in the year and up to the date of signing these financial statements are listed within Company Information presented on page 1 of these financial statements.

Membership of the Board of Directors consists of both Executive and independent Non-Executive Directors. The latter serve limited terms of office and are not selected from former members of the Group, both of which policies ensure their independence. The board meets at least once per calendar quarter and receives input from the various subsidiary boards.

There are two committees of the board. The first is the Group Audit and Risk Committee, chaired by Non-Executive Director Clifford Tompsett. This committee is tasked with ensuring good financial governance of the Group, including the engagement and oversight of independent auditors, as well as supervision and oversight of the general risk management framework of the Group. The Audit and Risk Committee meets at least once every calendar quarter and follows an agreed plan of work.

The second committee is the Sustainability Committee. Established in November 2023, the committee was created to set and to drive Reed's sustainability strategy, which aims to improve people's lives, to help communities prosper, and to care for our planet. The Sustainability Committee is sponsored by Chief Executive James Reed, chaired by Chief Customer Officer Jennifer May, and has senior representation from across the Group, including the managing directors of each major operating company. It meets at least once every calendar quarter.

Directors' indemnities

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third-party indemnity provision as defined by Section 234 of the Companies Acts 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors.

Employee Engagement Statement

The Company values input and feedback from its co-members and has numerous processes in place to capture the thoughts and views of its workforce across all its subsidiary companies. These include periodic anonymous co-member surveys with numeric results and qualitative feedback. These results are analysed, and actions are taken in response to trends or specific feedback. The Board delegates the collation and initial analysis of co-member feedback to working groups, who present consolidated data to the Board to enable appropriate decisions and actions to be taken.

Diversity and inclusion at work is important for Reed, and the Board has pledged to increase the number of women in leadership roles across Reed. Additionally, mentorship programmes and other social inclusion initiatives take place to support all co-members in the organisation and ensure the workforce is diverse and inclusive. Further information on Reed's commitment to diversity and inclusion can be found on the 'Diversity and Inclusion' page of the Company's website: https://www.reed.com/diversity-and-inclusion.

The Board continues to ensure that the Company upholds its Armed Forces Covenant and that it remains an armed forces-friendly employer. In FY23, the Board demonstrated the Company's continued commitment to being recognised as a Defence Employer. Reed was subsequently awarded the gold level of the Defence Employer Recognition Scheme.

Further details on how the Company pro-actively interacts and measures its engagement with employees may be found within the Stakeholder Map on the 'Corporate Governance' page of the Company's website, within the Section 172 Statement in the Strategic Report, and under 'Principle 6 - Stakeholder Engagement' within the Corporate Governance Statement in the Director's Report.

Other Stakeholder Engagement Statement

In addition to the feedback received from employees, the Company seeks and obtains input from a diverse range of other stakeholders. The stakeholder feedback received by the Board includes customer-based metrics on satisfaction levels and the views of local communities, as well as external regulatory audit feedback. The Board delegates specific stakeholder engagement responsibilities and actions to a Customer Service Excellence function, which engages with other stakeholders and provides targeted feedback to the Board so that informed decisions and strategic policies may be implemented with other stakeholders' needs at heart.

The Board continues to advocate for improved standards in its industry for all stakeholders, in line with the Company's purpose of "Improving lives through work". To do so, Reed proactively engages with its regulators and UK government, as well as working with its local community and supporting charitable initiatives through the Big Give.

Through its principal decision making during FY23, the Board considered the impact on its stakeholders, including clients, shareholders, and the environment. In doing so, the Board was able to ensure that, for example, the decisions taken to invest in technology and new markets were in the best interest of its stakeholders and would support the long-term, sustainable success of the Company and society.

The Company led a Reed-wide consultancy project to review the status of Reed's environmental and social impact initiatives and has already begun to work on implementing the project recommendations. These recommendations include refreshing Reed's environmental targets and commitments to ensure long-term, challenging yet achievable, sustainability goals. As a result of this review, the board also elected to establish the Sustainability Committee. An improved communications strategy ensures all stakeholders are informed about the work that Reed is doing across environmental, social and governance topics as it relates to sustainability. Reed has been carbon neutral since 2005 and continues to focus on sustainability as a Board sponsored strategy.

Further details on how the Company interacts and measures its engagement with other stakeholder groups may be found within the Stakeholder Map on the 'Corporate Governance' page of the Company's website, within the Section 172 Statement in the Strategic Report, and under 'Principle 6 - Stakeholder Engagement' within the Corporate Governance Statement in the Director's Report.

Inclusion and Belonging – Our commitment

Reed is committed to creating an inclusive and diverse workforce by recognising and understanding each individual's unique differences and celebrating these within the business. By valuing inclusion and belonging, we hope to create a workplace where co-members can thrive and be the best they can be each day.

Our customers

Reed seeks to promote inclusion and belonging, not only among co-members, but also among our clients and candidates as an equal opportunities employer. A long-standing principle we hold is that 'no one is unemployable' and we stand by this through supporting people to find work as a vital public service. It is Reed's policy to support people who hold Protected Characteristics (under the Equality Act 2010) both internally and externally through supporting recruitment practices based solely upon merit.

Our co-members

Reed's 'Inclusion & Belonging Commitment' encourages inclusivity across our workforce. In support of this, co-members are invited to complete diversity training, including an unconscious bias training module which is designed to help them to recognise and combat any unconscious bias in the workplace.

We have implemented diversity reporting so we can be driven by data, whilst appointing inclusion board sponsors to raise the profile of our commitment. We have also developed co-member inclusion resources to support the understanding of others within our organisation and appointed inclusion champions to help bring our commitment to life.

Reed has continued to utilise a range of external accreditations and partnerships to support with best practice resources, support lines, networks and knowledge to make experiences better for co-members at work.

It is a policy of the Company to employ and train disabled people whenever appropriate and to actively promote equal opportunities by evaluating co-members solely on the basis of merit, regardless of age, gender, marital status, sexual orientation, disability or dependants' considerations, and ethnic, racial or religious background. In the event of co-members becoming disabled every effort is made to ensure their employment with the Company continues and the Company is committed to ensuring sufficient and appropriate adjustments are made in order to achieve this objective.

Charitable activities

Charity is core to the values of the Group and of Sir Alec Reed, the Founder of Reed.

Established in 1972, the Reed Foundation owns 18% of the issued share capital of the Company and uses the proceeds of this investment, in conjunction with other donations received, to support a range of charities. Foremost of these are The Big Give and Ethiopiaid, both founded by Sir Alec Reed.

The Big Give was established in 2007 and enables donors to find and support charitable projects in their field of interest. It also operates a match-funding mechanism, whereby donations by the public to particular charitable causes are doubled by Charity Champions, being individuals or organisations pledging money in support of their chosen charities. The Big Give has raised over £247m since its inception and operates the UK's largest online match funding campaign, its annual Christmas Challenge.

Ethiopiaid was established in 1989 with an original donation of £1m and has raised over £50m from UK donors since its foundation. The charity works in partnership with local grassroots organisations in Ethiopia to create lasting impact for vulnerable and marginalised people and communities. Projects supported are across Ethiopia and include support for women and girls, access to education, ending harmful practices, maternal health and ending obstetric fistula, neglected tropical diseases, supporting the most vulnerable and responding to emergencies. Over the years Reed co-members have supported the charity through fundraising activities and taking part in the Great Ethiopian Run in Ethiopia.

The Group is glad to support its charitable partners and looks forward to continuing to do so in the year ahead.

Political donations

The Group made no political donations during the year to 30 June 2023 (2022: £Nil).

Dividends

Dividends proposed and paid by the Company in the year amounted to £20m (2022: £10m).

Pension funds

Reed Executive Limited, a subsidiary of the Group, operates a pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately and are administered by external pension managers. This scheme had two trustees at any one time during the year, namely Nigel Marsh (resigned 16th December 2022), Darren Murton and Lewis Crowther (appointed 16th December 2022). The scheme may not invest in the shares of the Group. The audit of the scheme is currently undertaken by RSM UK Audit LLP and is thus completely separate from that of the Group.

Several other Group companies operate defined contribution schemes, provided by Scottish Widows, which are contract based and therefore not subject to audit.

Going concern basis

After making enquiries, the directors have formed a judgement that, at the time of approving the financial statements, there is a reasonable expectation that the Group has adequate resources to continue in operation for the foreseeable future. For this reason, the directors continue to adopt the going concern basis in preparing the financial statements.

The Directors of the Company agreed after the balance sheet date that, should it be required, the Company intends to provide support for the meeting of liabilities as and when they fall due to certain Reed Group companies to continue in operation until at least 31 December 2024.

That support is intended to include assistance to meet the liabilities of payment of intercompany creditors until 31 December 2024, such that certain companies in the Reed Group can meet their liabilities as they fall due. See Note 2 for the detailed assumptions used in the going concern model.

Financial risk management

The Group's financial risk management policies and procedures, including the principal risks and uncertainties identified by the directors, are disclosed in the Strategic Report and within the notes to the financial statements, see Note 3.

Future developments

The future developments of the Group are disclosed in the Strategic Report on page 2.

Corporate Governance Statement

Introduction

Reed is committed to good corporate governance, which supports the running of a responsible business and the upholding of our values.

This Corporate Governance Statement explains how, for the year ended 30 June 2023, Reed has managed its corporate governance responsibilities by applying the Wates Corporate Governance Principles in compliance with The Companies (Miscellaneous Reporting) Regulations 2018.

Principle 1: Purpose and Leadership

An effective board develops and promotes the purpose of a company, and ensures that its values, strategy and culture align with that purpose.

Reed is a family run, recruitment and business services company. Founded in 1960, the company has been delivering human resources, learning and community solutions to public and private sector clients for over 60 years. With operations spanning across the UK, Europe, the USA, and Asia and access to the UK's largest candidate database and expertise across 20 specialist sectors, Reed is committed to ensuring that people are at the heart of everything it does to ensure its purpose - improving lives through work – is fulfilled.

There are three core values at Reed:

We are Fair, Open and Honest

- we treat everyone with fairness and respect
- we act with integrity
- we are true to our commitments

We Take Ownership

- we respond swiftly to execute our promises
- we take responsibility for providing solutions
- we hold ourselves accountable for our actions

We Work Together

- we work in partnership and build sustainable trusted relationships
- we value a diverse workforce and respect the contributions of all
- we support our customers and colleagues in achieving their goals

The Group's annual strategy was confirmed early in the financial year under the direction of the Board. The strategy defines priorities and overall targets to help co-members and teams understand their role in contributing towards the success of Reed and to enable them to make the right choices to achieve Reed's overall goals.

The Group ensures its purpose and values are clearly articulated to co-members via effective channels of engagement, including senior leadership communications/events and internal communication networks. It is through these engagement channels that Reed has implemented its inclusion and belonging strategies. Reed has appointed diversity champions across the Group to raise the voice of co-members and steer its commitment to inclusion and belonging to drive initiatives such as improving diversity reporting; women in leadership; race and ethnicity mentoring schemes; and disability awareness.

James Reed, the Group's Chairman and Chief Executive, actively engages with the business via regular office visits and maintains his visible presence within Reed, promoting its ethos, inclusion and belonging, engagement and increasing focus on environmental sustainability and other strategic transitions.

Principle 2: Board Composition

Effective board composition requires an effective chair and a balance of skills, backgrounds, experience and knowledge, with individual directors having sufficient capacity to make a valuable contribution. The size of the board should be guided by the scale and complexity of the company.

The leadership and responsibility for the overall effective running of the Board sits with the Company Chairman and Chief Executive. The Board comprises three executive directors and two independent non-executive directors ("independent NEDs"), the latter of which serve limited terms of office and are not selected from former members of the Group to ensure their independence. The Board's size and balance between executive and non-executive directors is appropriate to facilitate prompt and effective decision making.

The Board delegates some of its responsibility to the Audit and Risk Committee ("ARC"), chaired by one of the independent NEDs, which reports to the Board and has a documented Terms of Reference that are reviewed and approved by the Board annually.

A short biography for each Board member, detailing their appropriate skills, background, experience, and knowledge is below:

James Reed CBE, FCIPD, MBA, MA - Chairman and Chief Executive of Reed.

James Reed is the Chairman and Chief Executive of Reed. He was appointed Chief Executive in 1997 and became Chairman in 2004 when he took over the role from his father, the founder of the Reed Group, Sir Alec Reed. He was awarded the CBE in the 2023 New Year Honours List for services to business and charity. James is a regular media commentator on work and labour market issues, with recent appearances including BBC News, Sky News, BBC Radio 2 and BBC Radio 4. He has contributed insight to a wide range of publications including the Financial Times, Bloomberg, Harvard Business Review and The Sunday Times.

James is a best-selling author of four books, *Life's Work: 12 Proven Ways to Fast-Track Your Career, The Happy Recruiter: The 7 Ways to Succeed, The 7 Second CV: How to Land the Interview, and Why You?: 101 Interview Questions You'll Never Fear Again*.

He also co-authored *Put Your Mindset to Work* with Dr Paul Stoltz. James has an MA in Philosophy, Politics and Economics from Oxford University, an MBA from Harvard Business School and is a Fellow of the Chartered Institute of Personnel and Development (CIPD).

Lewis Crowther ACMA, BA – Group Chief Financial Officer of Reed.

Lewis Crowther has served as the Group's Chief Financial Officer ("CFO") since being appointed to the Board in 2022. Lewis joined Reed in 2006 on the Reed Graduate Training Scheme and held a series of Finance roles within Reed Specialist Recruitment, Reed in Partnership, Reed Online and in Group finance prior to his appointment to the Global board. He is a trustee of Big Give, a charity founded by Sir Alec Reed that brings together larger donors with the giving public and the charities who need them. Lewis is a Chartered Management Accountant and holds a degree in Economics and Politics from the University of York.

Jennifer May MSc – Chief Customer Officer of Reed.

Jennifer May was appointed to the Global Board as Chief Customer Officer in July 2023. Since joining Reed Group in 2019 as Customer Experience Officer, Jennifer has been involved in a variety of customer experience and brand initiatives. Jennifer's background is within commercial organisations such as Dixons Retail, Tesco, Argos and Travelex. She holds a Master of Science in Behaviour Change from Henley Business School and is accredited with the European Mentoring and Coaching Council ("EMCC") as a Senior Practitioner (EIA).

Anita Dougall BA – Independent Non-Executive Director.

Anita Dougall is a founder and CEO of Sagacity Solutions, an innovative data solutions company dedicated to helping organisations increase revenues and profitability through the use of its specialised solutions for Utilities, Water, Energy, Telco and Financial Services. Anita's operational expertise underpinned by advanced technology and data solutions allows her to add significant value to businesses by improving their customer experience and financial performance. Prior to setting up Sagacity, Anita held senior positions within the finance and commercial teams at One 2 One (T-Mobile and now EE), having started her career as an Energy analyst in investment banking at NatWest Markets. Anita has a BA in Political Economy from Greenwich University.

Clifford Tompsett MA, FCA – Independent Non-Executive Director and Chairman of the Audit & Risk Committee.

Clifford Tompsett is a Fellow of the Institute of Chartered Accountants in England and Wales with over 40 years of experience advising companies and their boards on financial matters including financial reporting, internal controls, risk and governance. He is a former audit, capital markets and transaction partner at PricewaterhouseCoopers LLP where he worked for 37 years until he retired in 2017. He is a Non-Executive Director and Chairman of the Audit Committee of Asia Energy Impact Trust plc. More recently he has also been the Senior Independent Director and Chairman of the Audit and Risk committee of Cello Health plc and three Nasdaq listed SPACs: Kismet Acquisition One Corp, which completed the US$1.9 billion acquisition of Nexters Inc. an international game development company in 2021, Kismet Acquisition Three Corp, and Quadro Acquisition One Corp. He has an MA in Chemistry from Oxford University.

The independent NEDs broaden the Board's skills, knowledge and experience, and constructively challenge the Board to develop insightful strategies and deliver strong performance. The independent NEDs' prior working experience brings expertise on governance, audit, accounting, innovation in technology, data analytics and improving customer experience, in addition to perspectives from outside the sectors in which the Company operates. Two directors were appointed to the board during FY23: Lewis Crowther, replacing the previous Group CFO, and Jennifer May taking on a newly defined role on the Board. The previous Group CFO, Nigel Marsh, retired during the year after a long and successful career with Reed. The Board expressed its thanks for his dedication and wish him a happy retirement.

The appointment of Lewis Crowther as CFO in December 2022 followed the completion of an extensive recruitment process built around the Company's and its stakeholders' needs.

Lewis' qualifications, background, and experience were considered, including his accomplishments in his previous role the Finance Director of Reed Online as well as his extensive career within Reed, starting with entry onto the Graduate Scheme in 2006 and subsequent progression. Lewis' leadership, strategic thinking skills and financial proficiency were assessed in line with the responsibilities of a Board director and Group CFO, and the Board considered the growth opportunities Lewis intends to bring to the Company through this role. Lewis was ultimately successful in being appointed based on these qualities, his experience, and the skills he demonstrated during the process.

Following the Board's increased strategic focus on the experience of, and communications to, the Company's customers, environment and local community, the Board elected to take a stronger approach in ensuring clear direction and leadership from the Board in these areas. With Board oversight, customer experience and communications sit at the heart of strategic planning and execution across Reed Group. This approach included the development of a new Board director role with responsibility in this space. Jennifer May was appointed to this role in July 2023 following a similar process to that described above. Jennifer has extensive experience executing customer and digital strategies, alongside delivering new investments and initiatives for the Group, providing an opportunity to maximise her impact at Board level. Jennifer's experience both within Reed and externally were key to her success in being appointed, along with demonstration of Jennifer's proposals and initiatives which would offer the Company an opportunity to advance its strategy.

The Company has a long-standing approach to nurturing and developing talent amongst its co-members, including a preference for internal promotion where appropriate, which enables Reed to achieve favourable co-member retention figures and develop a supportive and long-serving co-member community. The internal promotion of both Lewis and Jennifer are clear examples of how the Board upholds these values.

The Company is committed to ensuring that the composition of the Board continues to comprise directors who possess the diversity of skills and experience required to fulfil the role, and fully supports the professional development of all board members.

The Board has adopted standardised documentation and receives information regarding each subsidiary company covering financial, commercial, people, and social responsibility matters in a timely fashion ahead of each meeting. The Chairman facilitates a constructive relationship between the executive and non-executive directors, enabling the independent NEDs to discuss Board agendas ahead of meetings, challenge current practices, and communicate with senior executives outside of meetings.

A regular formal effectiveness review of the Board takes place every other year, with the next scheduled for the end of 2023; assessing that the Board is competent and well run and has the potential to become more effective by taking forward some key observations which included a deeper insight into risks and risk management via the ARC.

Principle 3: Director responsibilities

The board and individual directors should have a clear understanding of their accountability and responsibilities. The board's policies and procedures should support effective decision making and independent challenge.

The Board is responsible for establishing the culture, values, and framework within which the Company operates, including the Company's strong values as defined under Principle 1. The Board upholds its responsibility to stakeholders for ensuring the Company's long-term success and considers stakeholder impact in its decision making. The Board provides leadership, oversees strategy, ensures the necessary resources are available and sets policies, key operational initiatives, and standards across the Company.

There are two committees of the Board, the ARC and the Sustainability Committee, both of which meet at least quarterly.

The ARC committee is chaired by independent NED, Clifford Tompsett, who has extensive experience of financial reporting and risk management and can appropriately challenge and influence the Board.

The ARC supports the Board by reviewing the comprehensiveness and reliability of assurances on governance, risk management, control environment, and the integrity of the Company's financial statements and annual report.

The Sustainability Committee is sponsored by James Reed, chaired by Jennifer May, and is attended by Managing Directors from across the business, demonstrating the Group's commitment to achieving the committee's goals and to make a positive contribution to people's lives, to communities, and to the environment.

The Board relies on accurate and relevant information to make effective business decisions and is free to challenge decisions as it sees fit. Board members receive regular reports from each subsidiary business on areas such as financial performance, strategy, and operations, to keep the members informed of the Company's overall performance, position, and long-term sustainable success.

Principle 4: Opportunity and Risk

A board should promote the long-term sustainable success of the company by identifying opportunities to create and preserve value, and establishing oversight for the identification and mitigation of risks.

The Board focuses on future opportunities for innovation and entrepreneurship. Short-term opportunities are highlighted through Board meetings, executive reporting and subsidiary company boards, whilst longer term strategic opportunities are reviewed through the annual Strategic Review process. The evolving nature of the labour market, environmental and social pressures, and the impact of technological innovation mean that the Board is regularly presented with opportunities to assess.

The Board, with assistance from the ARC, has oversight on how risk is managed and responsibility for determining the nature and extent of the principal risks the Company is facing, the overall risk appetite, and for the Company's internal control framework. There are robust procedures in place to identify, monitor and manage risk via an established risk framework. This framework includes structured communication channels between the subsidiary companies and the Board as well as other stakeholders, to ensure effective risk management and mitigation. RSR and RinP hold certifications for ISO 9001 and ISO 14001, and these standards are incorporated into the Group's overall approach to risk management.

Throughout FY23 the Board's oversight of risk has continued to evolve, including a greater consideration placed on climate-related risks as well as how the Company controls and mitigates its principal risks. In FY23, Reed's subsidiary companies evaluated the impact of the principal risks identified by the Board on their own operations, which will support the Company's full annual assessment of its principal risks due to take place at the beginning of the next financial year ("FY24"). Furthermore, the ARC has access to in-house audit resource which provides assurance to the ARC and the Board, on the effectiveness of internal controls, risk management and governance processes.

Principle 5: Remuneration

A board should promote executive remuneration structures aligned to the long-term sustainable success of a company, taking into account pay and conditions elsewhere in the company.

Remuneration of members of the Board is based on performance, behaviours, demonstration of company culture and values, and achievement of business goals. The Board's approach to remuneration considers fairness and ensures alignment with the Company's strategic objectives whilst considering the impact of said remuneration package on co-members, investors and other stakeholders, and the possible risks that could result from ineffective incentives such as talent loss and misaligned goals and values. The Board regards existing remuneration processes as appropriate to the needs of the Company and includes executive remuneration as a consideration in its board effectiveness reviews.

The Board recognises the importance of closing the Gender Pay Gap across all levels of the Company, which is supported by clear policies across all subsidiary companies.

Principle 6: Stakeholder Engagement

Directors should foster effective stakeholder relationships aligned to the company's purpose. The board is responsible for overseeing meaningful engagement with stakeholders, including the workforce, and having regard to their views when taking decisions.

As a family-run group, Reed has a strong emphasis on corporate responsibility and a track record of social impact, philanthropy and sustainability, with over 18% of the Company's shares donated to the Reed Foundation, enabling consistent and far-reaching philanthropic outcomes. The Company continues to commit to being a CarbonNeutral® organisation, which it has been since 2005, and complies with ISO14001 environmental standards. In FY23, the Board approved a consultancy partner to review Reed's Environmental, Social and Governance ("ESG") maturity and strategy, to ensure that the Company continues to consider the importance of ESG factors and their impact on stakeholders in its decision-making. Recommendations from the review are to be implemented in FY24 - these include developing a formalised Sustainability Strategy and supporting communications plan, greater consideration of opportunities arising in this space and the establishment of a Sustainability Committee to manage environmental and social risk and opportunity for the Company, which first met in November 2023. Further information regarding the Company's initial review of its climate related risks and opportunities can be found in its UK-CFD statement, and information regarding its environmental impact can be found within the Company's SECR Report and Environmental Statement.

The Company's commitment to social impact is driven by the Company's purpose: 'Improving lives through work', and the Company has three sustainability pillars: improving people's lives, helping communities prosper, and caring for our planet. By virtue of its 18% shareholding in the Company, regular dividends distributed to the Reed Foundation helped to support one of the Foundation's projects, the Big Give, in raising over £43m for more than 1,000 charities in FY23. Further information around the Company's corporate social responsibility commitments can be found at https://www.reed.com/our-social-impact.

The Board understands the importance of communication across constituent groups. The Company has produced a Stakeholder Map to help identify, define, and demonstrate how it engages with stakeholder groups. This map outlines the interests, issues, and methods of communication with each group and can be found on the 'Corporate Governance' page of the Company's website.

For co-members, the Company collects four-weekly survey results across all subsidiary companies, operates idea initiatives, as well as having whistleblowing processes in place as routes for anonymous feedback to be reported. New digital communication routes have also been established utilising Viva Engage and Slack as a quick and accessible channel for questions, discussions, and feedback. Reed furthermore has extensive Evaluation of Service processes in place to understand the views of customers and co-members.

For all principal decisions, the Company engages with and obtains feedback as appropriate from affected stakeholder groups. For example, in taking the decision to appoint new directors Lewis Crowther and Jennifer May to the Board, co-members who would be impacted by these decisions were consulted to provide information around the suitability of the individual to be elected a Board member.

Further detail on how the Board have effectively engaged with stakeholders across FY23 can be found within the Company's Stakeholder Map.

The Company's overall position and prospects are assessed within the going concern basis of the Director's Report.

Environment

The Reed Group ("Reed")'s policy with regard to the environment is to ensure that it understands and effectively manages the actual and potential environmental impact of its activities. Reed's operations are conducted in such a way that it complies with all its legal requirements relating to the environment. During the period covered by this report, Reed has not incurred any fines or penalties or been investigated for any breach of environmental regulations.

Reed has issued a statement of intent to demonstrate how it aims to deliver its commitment to continually improve its environmental performance, highlighting implementation and monitoring plans, as well as clarifying employee responsibility. Reed acts in accordance with the spirit of all relevant legislation and to set itself appropriate targets for long-term improvements.

Reed's FY23 environmental targets were set against a 2019 baseline. These targets were to:

1. Make year on year reductions in our carbon emissions and maintain our CarbonNeutral® status
2. Make year on year reductions in our waste
3. Eliminate single use plastics

During FY23, Reed evaluated its success against these targets and invested in third-party consultancy to set new targets and continue its achievements as a sustainable business. Year on year between FY19 and FY23, Reed achieved reductions in its carbon emissions and its waste, excluding FY22 which followed the financial year most impacted by the COVID-19 pandemic (FY21). Overall, from FY19 to FY23, Reed achieved a 15.4% reduction in its total carbon emissions and an 88% decrease in its waste-related emissions. To eliminate single use plastics in operations, Reed has driven a number of initiatives to raise awareness with co-members and encourage more environmentally-friendly purchasing habits. Further information on the Company's environmental performance against its targets in FY23 can be found in the Company's streamlined energy carbon report on page 23 and the UK-CFD statement on page 17.

From FY24 onwards, following investment in a materiality assessment and a Group Sustainability strategy, Reed will set newer, more ambitious targets for its environmental performance that ensure alignment with achieving net zero by 2050.

In the UK, Reed was the first recruitment company to become CarbonNeutral®. Since 2005, Reed has offset emissions through a variety of projects, including hydropower in India and China, methane capture in Germany, forestry in the UK, and heat recovery in India. In FY23, Reed maintained its CarbonNeutral® status and supported environmentally positive initiatives through the Big Give's Green Match Fund.

Reed was one of the first to be awarded the European Code of Conduct for Data Centres. Our data centre utilises free cooling and cold air containment giving it one of the lowest power usage effectiveness ratings in Europe.

One of Reed's subsidiary companies, Reed Specialist Recruitment Limited ("RSR") was awarded ISO 14001 status in February 2010, which they have successfully maintained. Reed has since earned ISO 14001 status across the group of companies. Being ISO 14001 compliant recognises the organisation's ability to control its impact on the environment and monitors its compliance with regulations.

Reed is committed to including its stakeholders in its environmental journey, for example, co-members complete an e-learning module called "Reed and the Environment" when they join the Company, through Reed's online talent management system.

Governance

Climate-related risks are currently identified at Group management level on behalf of the Company and considered along with other risks by the ARC as part of the risk management process, while opportunities are identified and considered at the subsidiary level.

The Managing Directors of the Group's subsidiaries are responsible for the management of any climate-related risks and opportunities relevant to their company with the support of the Group functions including Property, Risk and Compliance.

The Board is ultimately responsible for the oversight and governance of climate-related risks and opportunities for the Group.

During FY23, ESG was introduced as a standing item on the agenda at ARC quarterly meetings, during which information relating to the Group's climate-related risks and opportunities was considered, monitored, and discussed.

Based on a recent assessment, climate change does not pose any material impacts to the Group.

As discussed earlier, the Group recently established a Sustainability Committee that reports to the Board and is empowered to guide and advance activities that further the Group's environmental and sustainability goals. Working alongside the ARC, the Sustainability Committee will ensure that climate-related risks and opportunities are identified and addressed. The Group's overall risk management process will ensure that governance arrangements are regularly reassessed to ensure they remain appropriate.

Risk Management

During FY23, the Company engaged a third-party consultancy to identify and prioritise specific transition and physical climate risks, as well as climate-related opportunities for the Group. Identification of these risks was guided by the non-binding BEIS guidance.

This exercise included research and consultation within every major part of the Group to understand the climate-related risks and opportunities that could impact the Group.

During these discussions, it was explored how the Company, and its subsidiaries, were being impacted by climate considerations; for example, exploring the extent to which customers are increasingly interested in engaging with companies that are sustainable and ethical. The Group also recognises that there are opportunities created in response to climate change in its chosen markets, such as growth sectors supporting retrofitting of housing stock in the UK.

Climate risks and opportunities were identified during this exercise, their time horizons were reviewed, and the findings were discussed with the Group's management teams through a workshop. From these workshops a prioritised list of risks and opportunities was determined. This third-party engagement included training on ESG generally and climate risks specifically for the relevant stakeholders in the business.

In future, the Group will refresh the list of identified climate-related risks and opportunities based on their materiality under different scenarios and integrate any material climate-related risks as part of the Group's risk management process.

As climate change is not considered a principal material risk to the Company, it has not been included in its own right under the formal risk identification and assessment of management systems and processes within the Group. Nonetheless, the Board identifies and considers climate-related risks when necessary while evaluating business decisions; for example, stakeholder perception and client needs regarding sustainability are at the forefront of strategic planning.

The existing Group risk management process involves the identification and prioritisation of key risks, the development of appropriate controls and plans for mitigation, together with a comprehensive system of review.

The Company and its subsidiaries manage any identified risks via a 6-step approach:

1. Identifying the risks to achieving strategic and operational objectives.
2. Determining the owner of the risk.
3. Determining and assessing the existing controls in place.
4. Assessing the impact and likelihood of the risk after taking account of existing controls.
5. Determining further control improvements to mitigate the risk and indicate what the impact on net risk will be when they are fully implemented.
6. Liaising with operations management to agree implementation of controls and actions.

The Group plans to embed climate change considerations into the existing risk management framework.

Scenario analysis:

In identifying its climate-related risks and opportunities, the Company has considered the impact of climate change on the Group under two carefully considered qualitative scenarios (A and B, see below).
In future, the Board may consider undertaking a quantitative scenario analysis that accounts for scientific assessments of its risks, opportunities and targets.

Scenario A: Higher transition risk scenario: The assumption is for early, committed action by society to reduce global emissions in conjunction with policies and legislation, immediately implemented towards a low carbon economy for which the pressure to comply is intensifying over time. This action is viewed as an effective way to limit global warming to less than 2ºC in line with the 2015 Paris Climate Agreement.

It is not expected that the identified transition risks discussed in table 2, will lead to significant impacts to the Company's performance, but their impact will be monitored regularly within the Group's risk management framework.

The Group's actions to reduce its carbon emission footprint, monitor and comply with regulatory developments, and diversify its product and service offerings through new opportunities make it resilient towards a high transition risk scenario.

Scenario B: Higher physical risk scenario. The assumption is that consumer preferences do not shift, and/or policies to address climate change are not implemented sufficiently. This results in ambitions falling behind the 2015 Paris Climate Agreement targets, which leads to an increase in global temperatures above 3ºC, with associated acute and chronic climate events.

The Company expects to be able to mitigate the potential impacts of climate-related risks identified under this scenario in table 2. For certain offerings that involve in-person training and involvement, the Board is assured that the Group will be able to adapt to the changes arising from a high physical risk scenario.

Risks

Although climate change is not considered as a principal material risk to the operations of the Group, the Group continues to monitor the climate-related risks (transition and physical) identified in table 2 through its risk management framework and strategic plans.

Table 1: Assessment of time horizons

Time	Definition	Rationale
Short	Present - 3 years	Immediate operational and strategic opportunities and risks which are aligned to the Group's financial planning cycle and allows for more reactive action plans.
Medium ("Med")	3 years - 10 years	Medium-term opportunities and risks are those where action is not required immediately or where there is a requirement for a longer-term process to integrate the risk or opportunity.
Long	>10 years	Longer-term opportunities and risks are those that will not affect the Company's current strategies but that should be considered in future strategic plans.

Table 2: Identified climate-related risks

Risk Category	Risk Detail	Impact	Time Horizon	Resilience
1. Transition: Reputation	1a. Increased stakeholder concern or negative stakeholder feedback regarding sustainability	In scenario A, stakeholders are increasingly considering their carbon footprint and the sustainability of businesses when making choices on purchases and investment etc. **Potential impact of risk:** Potential reputation risk and reduction in demand from customers through failure to meet expectations.	Short	As part of its ESG strategy, the Company will continuously improve its ESG propositions. This includes monitoring targets set on certain ESG and climate-related KPIs.
2. Transition: Market	2a. Changing market conditions leading to revenue exposure and job losses in sectors such as fossil fuels	In scenario A, job demand from relevant sectors, such as fossil fuels, is expected to decrease gradually as demand for their services declines. For example, placements and job advertisements for certain manual labour professions may gradually decrease due to shifting demand,, linked to companies and society reducing their carbon footprint. **Potential impact of risk:** Decrease in revenue from clients in emissions-intensive sectors.	Med	The Group will identify potential new business streams to replace weakening markets, as described in the opportunity section of this report.
2. Transition: Market	2b. Green procurement policy (Procurement Policy Note 06/21)	In both scenarios, the 06/21 PPN sets out how government departments account for Supplier Net Zero Carbon Reduction Plans in the procurement of major contracts. In bidding for such contracts, the Company is required to confirm its commitment to achieving Net Zero by 2050 for its UK operations and provide current emissions data. **Potential impact of risk:** Loss of opportunities for major government contracts if the Company is not able to provide the required information	Short	The Group will continue to closely measure and monitor the data and targets required under 06/21 PPN, and continuously improve its data collection processes.
3. Transition: Policy and Legal	3a. Increased price of greenhouse gas emissions through carbon tax	In scenario A the price of carbon is expected to increase over time as the economy transitions towards a low-carbon trajectory. This will impact businesses which remain carbon intensive in operations and continue to procure from carbon intensive suppliers, but wish to offset their carbon emissions. Since 2005, the Company has been CarbonNeutral® and offsets its emissions through a variety of projects. **Potential impact of risk:** The higher price for carbon could increase the cost of carbon offset purchases.	Med	The Group is committed to being Net Zero by 2050 and will regularly monitor its progress against its carbon emissions targets to reduce the need for carbon offsetting.

Risk Category	Risk Detail	Impact	Time Horizon	Resilience
4. Physical: Acute Risk	4a. Risk of flood for certain locations	In scenario B, global temperatures rising above 3ºC may result in climate events such as flash floods which would impact local offices and/or clients. This would be particularly impactful on certain in-person business activities such as the Reed in Partnership Limited ("RinP") business model which includes offerings which require in-person attendance. **Potential impact of risk:** Floods and other climate events could leave certain business areas exposed to temporary loss of operations and revenue, especially if the service cannot be offered remotely.	Long	Much of the Group is covered by a Business Continuity Plan which is reviewed and tested regularly. The risk of flooding is considered for any new sites and offices.
5. Physical: Chronic Risk	5a. Longer-term shifts in climate patterns include increase/ decrease in temperature	In scenario B, global temperatures rising above 3ºC may result in country-wide heatwaves, or other extreme weather. This could cause an increase in cooling or heating costs in the Group's offices, as well as affect operations through the impacts on ability to travel and reduced co-member productivity and wellbeing. **Potential impact of risk:** Increase in operating costs, reduced co-member productivity and impact on wellbeing.	Long	The Group is committed to being Net Zero by 2050 to help minimise scenario B. In the shorter term, the Group will, where possible, engage in the use of renewable energy sources for the premises it controls.

Opportunities

The Group has identified climate-related opportunities, found in table 3, which will be explored and managed through its existing risk management framework and strategic plans.

Table 3: Identified climate-related opportunities

Opportunity category	Opportunity detail	Impact	Time Horizon	Linked risks
1. Market	1a. New markets opening	In both scenarios, the ESG sector has grown rapidly, driving demand for skilled workers in this new market segment. As governments and businesses respond to climate change, new departments are introduced within organisations to address climate-related risks and opportunities. The current shortage of skilled individuals in this area provides opportunity for multiple new market segments including recruitment and reskilling. **Potential impact of opportunity:** New market opportunities leading to increase in client base and revenue. The impact of this opportunity is considered greater in scenario A.	Short to Med	2a

Opportunity category	Opportunity detail	Impact	Time Horizon	Linked risks
2. Resource Efficiency	2a. Reduced business travel	In scenario A, most meetings and events taking place in society will have a remote attendance option. Within the Group, the introduction of state-of-the-art technology means that most meetings are now conducted online, and business travel is only conducted under certain criteria. This has led, and will lead to a further, reduction in business travel. **Potential impact of opportunity:** Decrease in travelling costs.	Short	3a
2. Resource Efficiency	2b. Reduction in waste	A reduction in waste is critical to scenario A, and the Group's commitment to being Net Zero by 2050. The Group is already working towards minimising its use of resources through a 'Reduce, Re-use and Recycle' scheme. All sites where the Group has control over the waste collection, have full recycling services. The waste reduction plan also covers electronic equipment disposal, printing policies and the digitalisation of certain physical processes. **Potential impact of opportunity:** Decrease in operating costs.	Short	3a
2. Resource Efficiency	2c. Efficient office management and switch to energy efficient infrastructure	With the introduction of technology and increased remote working in both scenarios, the Group has an opportunity to review the efficiency of its office portfolio. The Group's management teams regularly monitor the required space for its businesses to ensure efficient office space management. Where the Group has control over a property, it has already undertaken initiatives such as using verified renewable electricity tariffs and LED lighting. The Group continuously encourages landlord-managed buildings to consider renewable tariffs. **Potential impact of opportunity:** decrease in operating costs and fossil-fuel-based emissions	Med	3a, 4a
3. Marketing & Communications	3a. Stakeholder engagement	The Company has been CarbonNeutral® since 2005 and the sustainability of the environment is a key concern to the Group's strategy. With a number of initiatives already in place, the Group has an opportunity, in both scenarios, to engage its clients and other stakeholders in its ESG strategy, to help them understand the Group's impact on reducing climate change. **Potential impact of opportunity:** Increased stakeholder awareness of the Group's activities to combat climate change.	Short	1a, 2b

Metrics and targets:

As part of its environmental policy, the Group has made three pledges which it will commit to:

1. Make year on year reductions in our carbon emissions and maintain our CarbonNeutral® status.
2. Make year on year reductions in our waste.
3. Eliminate single use plastics.

These pledges drive the Group's environmental targets, which will support the Company in achieving its goal of Net Zero by 2050. For FY23, the Group committed to the following targets based on the impacts to its business model:

1. Reduce transport related emissions by 10% year on year
2. 100% of all energy contracts in Reed managed properties are from verified, renewable sources
3. Reduce landfill waste by 10% year on year
4. Reduce UK paper consumption by 10% year on year
5. Each Reed business to conduct a single use plastic audit and elimination plan

The targets above are linked to the Group's efforts in reducing its carbon footprint.

In future, the Group will consider aligning KPIs and targets to the climate-related risks and opportunities identified.

The Group's performance in relation to these targets is shown in tables 4, 5a and 5b.

Table 4: Progress against commitments

Commitment	Annual target	Baseline	Link to risks & opportunities identified	How we assess	FY2023	FY2022
Make year on year reductions in our carbon emissions and maintain our CarbonNeutral® status	Reduce transport-related emissions by 10% year on year (YOY)	932 (tCO2e)*	Transition risk, resource efficiency	All business travel which is monitored via each subsidiary company's expenses system	770 (tCO2e)	506 (tCO2e)
	100% of all energy contracts in Reed managed properties are from verified, renewable sources.	n/a	Transition risk, resource efficiency	Supplier confirmation on energy supplied. Currently the data available covers energy contracts across all properties, not just those that Reed manage. Where Reed has control of the energy contracts, where possible, they are from verified, renewable sources.	57% of total electricity spend is on green tariff	19% of total electricity spend is on green tariff

Commitment	Annual target	Baseline	Link to risks & opportunities identified	How we assess	FY2023	FY2022
Make year on year reductions in our waste	Reduce landfill waste by 10% YOY	68.4 tonnes*	Resource efficiency	Waste collection information from waste management contractor	8.08 tonnes	8.76 tonnes
	Reduce UK paper consumption by 10% YOY	11,438 reams**		Papers procured during the year	8,734 reams	n/a

*September 2017-August 2018,

**August 2018-September 2019

In addition to the targets in table 4, the Group had also committed to eliminating single-use plastic in its offices. This activity was not measured scientifically however practical steps have been taken to ensure that offices are no longer able to procure single-use plastic, ensuring that the Group is able to achieve this target.

The Company's CarbonNeutral® status is achieved by calculating a carbon footprint and reducing it to zero through a combination of efficiency measures in-house and supporting external emission reduction projects.

Environmental Impact – Streamlined Energy and Carbon Reporting ("SECR")

Overall emissions have increased by 281 tonnes of CO2e, or 14.8%, from 1,897 tonnes of CO2e, in FY22, to 2,178 tonnes of CO2e, in FY23. This increase in emissions is mainly due to two reasons. The first being the number of Full Time Equivalent Employees ("FTEE") working for Reed increased by 13.5% against last year prompting a natural increase in the Group's emissions. The second being an increase in the amount of business travel undertaken by co-members in FY23 compared to FY22. Reed's FY23 featured the ongoing UK economic recovery from the COVID-19 pandemic, which provided opportunities for business travel which had not been present in the prior two years. Nonetheless, a number of initiatives undertaken, including the roll out of improved technical architecture over the past three years has ensured that Reed's Scope 3 emissions around business travel remain below previous assessments taken prior to FY21, with Reed committed to continue to reduce its overall emissions year on year. Electricity consumption accounts for the largest portion of emissions with 1,098 tonnes of CO2e, or 46.6% of the total emissions*.

The table below sets out a summary of Reed's UK energy usage, associated emissions and energy performance predominantly from Reed's energy use in buildings and co-member business travel.

A breakdown of the total emissions 2,178 tCO2e is provided below:

Scope	2022/23 Summary by WBCSD/WRI Scope*	2021/22 Summary by WBCSD/WRI Scope*	% Difference in emissions
Scope 1 - direct GHG emissions	285	333	-14.4%
Scope 2 – energy & indirect emissions	1098	847	+29.6%
Scope 3 – other indirect emissions	795	717	+10.8%
Total	**2178**	**1897**	**+14.8%**

*Location-Based methodology, tCO2e

2022/23		2021/22		% Difference in tCO2e per Full Time Equivalent Employee
Intensity metric	**KPI**	**Intensity metric**	**KPI**	
4182 Full Time Equivalent Employees	0.521 tCO2e per Full Time Equivalent Employee (Location-Based)	3684 Full Time Equivalent Employees	0.515 tCO2e per Full Time Equivalent Employee (Location-Based)	+1%

This assessment was conducted in accordance with the World Business Council for Sustainable Development and World Resources Institute's (WBCSD/WRI) Greenhouse Gas Protocol; a Corporate Accounting and Reporting Standard, including the GHG Protocol Scope 2 Guidance. GHG emissions have been reported by the three WBCSD/WRI Scopes. The location-based method applies average emission factors that correspond to the grid where consumption occurs. The intensity metric used is tonnes of CO2e per full time equivalent employee.

Disclosure of information to auditors

At the date of making this report each of the Company's Directors, as set out on page 1, confirm the following:

- so far as each Director is aware, there is no relevant information needed by the Company's auditors in connection with preparing their report of which the Company's auditors are unaware and
- each Director has taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant information needed by the Company's auditors in connection with preparing their report and to establish that the Company's auditors are aware of that information.

This information is given and should be interpreted in accordance with the provision of s418 of the Companies Act 2006.

Independent Auditors

PricewaterhouseCoopers LLP were reappointed Group auditors during the year.

Approval

Approved by the Board of Directors on 15 December 2023 and signed on its behalf by:

DocuSigned by:
J A Reed
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James Reed CBE, FCIPD, MBA, MA

Director

DocuSigned by:
Clifford Tompsett
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Clifford Tompsett FCA, MA

Director