ROBERT WALTERS GROUP

Annual Report & Accounts 2022

www.robertwaltersgroup.com

Powering people and organisations to fulfil their unique potential.

The Robert Walters Group is a market-leading international specialist professional recruitment group.

With over 4,300 staff spanning 31 countries, we deliver specialist recruitment consultancy, staffing, recruitment process outsourcing and managed services across the globe.

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, and supply chain, logistics & procurement. Our client base ranges from the world's leading blue-chip corporates and financial services organisations through to SMEs and start-ups.

Our commitment to teamwork, integrity, passion, innovation, quality and inclusion means that we are always striving to set the standard for the industry. We deliver engaging candidate experiences and power rewarding careers, giving talented individuals the freedom to choose and the opportunity to grow.

We are a purpose-led business committed to powering people and organisations to fulfil their unique potential. Our purpose drives our ESG commitments as we seek to reduce our environmental impact, positively impact lives and be a responsible, ethical business. In practice, 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

2022 Highlights

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Our Business Model

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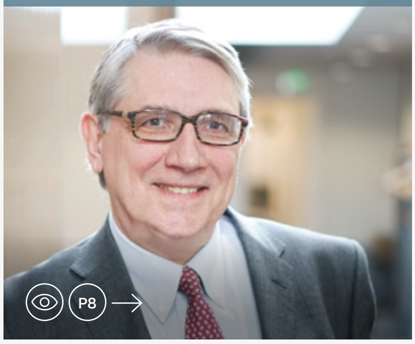
Chair's Statement



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"The Group delivered a second consecutive record annual performance with operating profit increasing to an all-time high of £58.2m (2021: £54.1m)."

Chief Executive's Statement

"The Group continued to invest for the long term in line with our strategy for growth which is centred on international expansion and discipline diversification."

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Our Strategy for Growth

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Supporting our Communities

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What we do

In an increasingly complex global recruitment market, the Group builds strong and long-term relationships with clients and candidates, and offers an end-to-end recruitment service on a local, regional and global basis.

Our mission

We're always striving to be the best. That means being the world's leading specialist professional recruitment group with a clear differentiation on the quality of service delivered to our clients and candidates.

Our core principles

Teamwork

Given what we do, we believe in the power of the team. This shows in how we work with candidates and clients, how we reward teamwork (we don't pay individual commission), and how we make a difference in the community.

Integrity

We demand the highest standards of integrity in business. That means respecting the needs of shareholders, employees, clients, candidates, contractors and suppliers.

Passion

There's a real purpose and contagious energy across the business. Ultimately, our success belongs to our people and their commitment to powering people and organisations to fulfil their unique potential.

Innovation

To fulfil our mission to be the best, we have to innovate. That's why innovation is part of our cultural mindset and a springboard for success and growth. So, at every turn, we look for ways to be better.

Quality

Our reputation for quality is built on the high standards of service we offer – indeed, it is our key differentiator from our competitors and ensures the long-term sustainability of our business.

Inclusion

We believe the diversity of our people makes us stronger. In building an open and inclusive workplace where everyone feels free to be their authentic selves, different perspectives and experiences drive collaboration and innovation.

Our services across the world

ROBERT WALTERS

Specialist Professional Recruitment

Robert Walters recruits specialists for permanent, contract and interim roles across our core disciplines of accountancy & finance, banking, engineering, HR, healthcare, technology, legal, sales, marketing, secretarial & support and supply chain, logistics & procurement.

Walters —People

Specialist Staffing

Walters People is the staffing specialist for tomorrow's working world matching people to permanent and contract jobs.

RESOURCESOLUTIONS

Recruitment Process Outsourcing

Resource Solutions is a market leader in recruitment process outsourcing (RPO) and managed services. Resource Solutions designs and deploys tailored recruitment outsourcing solutions for clients across the world.

2022 Highlights

13% ↑

£1.1bn

Revenue
2021: £970.7m

11% ↑

£55.6m

Profit Before Taxation
2021: £50.2m

21% ↑

£428.2m

Net Fee Income (Gross Profit)
2021: £353.6m

21% ↑

56.2p

Basic Earnings Per Share
2021: 46.3p

8% ↑

£58.2m

Operating Profit
2021: £54.1m

12% ↑

48.6k+

Number of people we have helped to fulfil their unique potential

14% ↑

13k+

Number of organisations we have helped to fulfil their unique potential

Robert Walters Group at a Glance

Market-leading global brand

■ Our locations

Asia Pacific

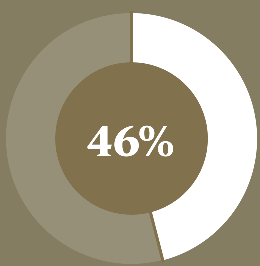
Net fee income 18% ↑

£193.8m

Operating profit 3% ↑

£37.5m

% Group NFI



Europe

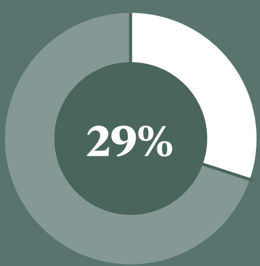
Net fee income 30% ↑

£124.1m

Operating profit 29% ↑

£17.6m

% Group NFI



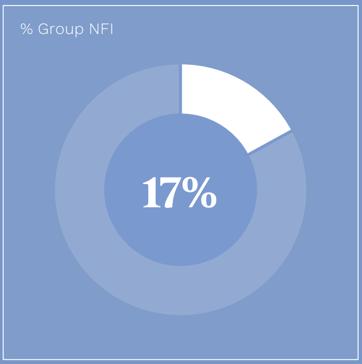
UK

Net fee income 8% ↑

£74.0m

Operating profit 1% ↑

£3.4m



Other International

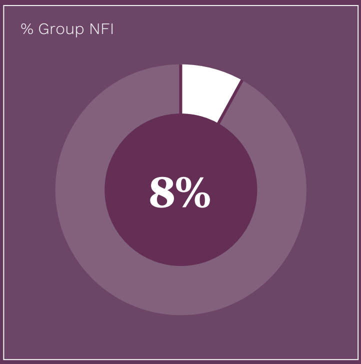
The Americas, South Africa, Middle East

Net fee income 43% ↑

£36.3m

Operating loss 152% ↓

£0.3m



Our Business Model

Our foundations

Team-based profit share

No individual commission means our specialist consultants work together as a team so that the needs of our candidates and clients always come first.

Specialist expertise

Our consultants are discipline specialists, often having worked in the field before joining us and possessing an excellent network of talent.

Commitment to quality

We build consultative, long-term relationships with clients and candidates, based on integrity and the delivery of exceptional service.

Innovation culture

We're entrepreneurial and open minded, with an agile business model that allows us to bring innovation to clients first.

People and culture

We're diverse, inclusive and meritocratic, with career progression based on performance and a home-grown leadership team.

Long-term business focus

Our organic growth model and commitment to taking a long-term view even when markets are challenging means we retain clients, candidates and employees.

Our strategy for growth

Organic growth through international expansion and discipline diversification

We grow organically by expanding into new international markets as well as diversifying our disciplines and services in existing markets.

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Building a culture to attract and retain the best talent

Building and nurturing our purpose-driven culture is key to attracting and retaining the best people who will deliver outstanding service to our clients and candidates.

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Our purpose

Our core principles

ESG pillars

Engaging our workforce | Enhancing our ED&I initiatives | Responding to a sustainable world of work

People and relationships first

The Group is a people business. Our strength lies in building long-term relationships based on trust.

Through our Customer Experience (CX) programme we aim to make working with the Group the easiest and best decision for our candidates, clients and colleagues to make.

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Investing in technology and innovation

We focus on investing in technology and innovation which enables our consultants to do what they do best – to build strong, personal relationships and deliver great customer experiences.

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What we offer

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Leads to

Our People

- Team-based profit share
- Training and development
- Global career opportunities
- Competitive benefits

Leads to:

- Positive team culture
- Rapid career progression
- Long-term international careers
- Strong retention rates

Our Clients

- High quality, personal service
- Specialist sector knowledge
- Multiple consultants working to find the best-suited candidate

Leads to:

- Long-term relationships
- Retention of clients even when they change employer
- Clients becoming candidates

Our Candidates

- High quality, personal service
- Deep understanding of the market
- Specialist career advice
- Multiple consultants working in the best interests of the candidate

Leads to:

- Long-term relationships
- New candidate referrals
- Candidates becoming clients

Our Communities

- Purpose-led employees
- Sharing our recruitment skills and expertise
- Fundraising for local causes

Leads to:

- Employees using their volunteer leave to serve the community
- Providing CV and interview skills training to help people find employment
- Financial support for local charities

Our Investors

- Tenured senior leadership team
- Agility to capitalise on market opportunities and navigate challenging economic conditions
- Progressive dividend policy
- Strong balance sheet

Leads to:

- Stable, well run company
- In business for over three decades
- Delivering returns for shareholders
- Proven track record of long-term profitable growth

Our Suppliers

- Mutually sensible and beneficial contractual agreements
- Prompt payments

Leads to:

- Long-term relationships
- Positive reputation

Powering people and organisations to fulfil their unique potential

Teamwork | Integrity | Passion | Innovation | Quality | Inclusion

Reducing our environmental impact | Supporting our communities | Being a responsible business

Chair's Statement

Firstly, I would like to say how privileged I am to have returned to the role of Chair of the Robert Walters Group, one of the global standard bearers of the specialist professional recruitment industry. I'd also like to thank my Board colleagues and the executive team for making my transition into the role as seamless as possible.

Turning now to the Group's results, I am delighted to be able to report that in 2022 the Group delivered a second consecutive record annual performance with operating profit increasing by 8% (9%*) to an all-time high of £58.2m (2021: £54.1m). This performance has been delivered despite the increasingly uncertain macro-economic backdrop that impacted many of the Group's markets during the second half of the year.

Revenue was up 13% (12%*) to £1.1bn (2021: £970.7m) and net fee income increased by 21% (20%*) to £428.2m (2021: £353.6m). Operating profit increased by 8% (9%*) to £58.2m (2021: £54.1m) and profit before taxation increased by 11% (12%*) to £55.6m (2021: £50.2m). Earnings per share increased by 21% to 56.2p per share (2021: 46.3p per share). The Group has maintained a very strong balance sheet with net cash of £97.1m as at 31 December 2022 (31 December 2021: £126.6m).

Whilst all the Group's regions delivered net fee income growth, Asia Pacific and Europe delivered the strongest performances and combined now represent 75% of the Group's net fee income reflecting how internationally diverse the Group has become and the strength of the Group's global brand and geographic footprint.

Employee Engagement

Our people are the lifeblood of our business, and we recognise the importance of continually listening to feedback to ensure we are positioned as an employer of choice across not only the recruitment market but the wider business community.

During the year, the Group undertook its first global employee engagement survey, underpinned by the market-leading Glint platform. With an 82% response rate across the globe, our people told us that they feel there is a strong level of communication in our teams, that everyone has an equal opportunity to succeed regardless of their background and that the Group offers good long-term career opportunities. The Group's overall engagement score was 79% which is above Glint's global engagement benchmark for excellence when mapped across all surveyed businesses globally. That said, there are always learnings and opportunities to improve and our management teams across the globe have been in dialogue with their local teams to action and implement changes to address those areas of development raised. The global employee engagement survey will be run annually moving forward, with the second iteration scheduled for quarter two of this year.

Environmental, Social and Governance (ESG)

ESG is a key priority for the Group, and we continue to strive to ensure that the Group is adopting all relevant best practice and setting meaningful short and long-term targets. Highlights from the year include:

i. Purpose
- The Group's purpose is to power people and organisations to fulfil their unique potential and it is the foundation that underpins what we do as a business.
- During 2022, we helped over 48,600 people and 13,000 organisations fulfil that unique potential through providing new careers and valued team members.

ii. Materiality Assessment and Strategy
- The Group engaged Sillion, a leading ESG consultancy, to undertake a Group-wide ESG materiality assessment.
- The output of the materiality assessment resulted in the development of a refreshed ESG framework and targets focused on the six key pillars of Engaging our workforce; Enhancing our Equity, Diversity & Inclusion initiatives; Responding to a sustainable world of work; Reducing our environmental impact; Supporting our communities; and Being a Responsible Business.

iii. Engaging our workforce
- We continued to invest in the development of our people delivering over 3,500 learning and development sessions across the globe.
- We are especially proud of our long-term commitment to grow our leaders from within and I am very pleased to report that over 1,100 employees were promoted during the year of which 59% were female, as we continue to strive to improve gender balance across the Group.
- With Covid restrictions easing we were also able to re-start our international mobility programme with 43 staff members transferring between our international businesses during the year.

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

Leslie Van de Walle
Chair
Robert Walters Group

iv. Enhancing our Equity, Diversity & Inclusion initiatives

- Global and regional ED&I councils, chaired by our Global Head of ED&I, continue to champion best practice across the Group and ensure that our people have a voice and can feed into our overall strategy and approach.
- Two global ED&I webinars hosted for our clients in partnership with our global ED&I partner, Vercida Consulting.
- Held a series of internal and external events and developed marketing campaigns on a broad range of themes such as Pride, Black History Month, World Menopause Day, Neurodiversity and International Women's Day.
- Multiple Employee Resource Groups established encompassing LGBTQ+ staff and allies, disability, working parents and carers.

v. Reducing our environmental impact

- 18,990 trees planted through our 'Plant a Tree' initiative where a tree is planted for each permanent placement made by our Robert Walters and Walters People businesses and for each Resource Solutions employee.
- The Group has been offsetting the equivalent of our carbon emissions since 2015 through the World Land Trust Carbon Balanced Programme.
- The Group has set a target to achieve net-zero for Scope 1 and Scope 2 greenhouse gas emissions by 2040.

vi. Supporting our communities

- Over £150k raised by employees through the Group's 11th annual Global Charity Day. The Group has raised over £1m for charities across the globe since its inception in 2012.
- Investment, resourcing and mentoring support to goodjob, an initiative co-founded by one of the Group's consultants to help displaced Ukrainians find meaningful employment.
- Supported Amdaris, our global customer relationship management (CRM) technology partner to create roles for 11 Ukrainian technology professionals to support the Group's technology and transformation programme.

vii. Accreditations

- In January 2023, the Group joined the UN Global Compact, the world's largest corporate sustainability initiative.
- The Group has been a member of the FTSE4Good Index for the last 14 years.

viii. Awards

- Finalist for the second consecutive year in the ESG Reporting Awards for Best Sustainability Reporting in the Services category.
- Winner of nine awards and finalists in another 10 across the ESG spectrum including employee engagement, employee value proposition, employee policies, innovation in ED&I, corporate engagement and cultural development programmes.

The Group's ESG Committee comprising members of our operational management team, Board, business support functions and ESG champions from across the business met six times during the year. The Committee is responsible for ensuring the Group remains at the forefront of developments in the ESG space, to ensure best practice is devolved across the globe and to provide all of our people with a dedicated forum through which to champion new ideas.

Board

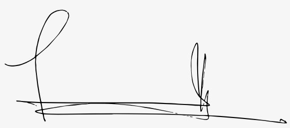
Brian McArthur-Muscroft retired as a Non-executive Director at the Group's Annual General Meeting in April having served his full nine-year term and on behalf of the Board I would like to formally thank him for his counsel and contribution to the Group's success. I would also like to thank Ron Mobed, who stepped down as Non-executive Chair in July and Tanith Dodge who served as Interim Non-executive Chair until my appointment in November, and I am delighted that Tanith has remained with the Board to provide her insight and guidance as Senior Independent Non-executive Director.

Dividend and Share Buy Backs

The Board will be recommending a 13% increase in the final dividend to 17.0p per share, which combined with the interim dividend of 6.5p per share would result in a 15% increase in the total dividend to 23.5p per share (2021: 20.4p).

In 2022, the Group purchased 2m shares at an average price of £6.25 per share through the Group's Employee Benefit Trust. A further 2m shares were purchased at an average price of £4.93 for £10.0m and cancelled. The Board is authorised to re-purchase up to 10% of the Group's issued share capital and will be seeking approval for the renewal of this authority at the Group's Annual General Meeting on 27 April 2023.

Last and most certainly not least, I would like to take this opportunity to thank all of our amazing people across the globe for their continued drive and commitment. To help over 48,600 people and 13,000 organisations fulfil their unique potential through providing new careers and valued team members is a great achievement of which everyone should be very proud.



Leslie Van de Walle
Chair
9 March 2023

Chief Executive's Statement

The Group delivered a record performance in 2022 despite the increasingly uncertain macro-economic backdrop which emerged as the year progressed.

> The Group continued to invest for the long term in line with our strategy for growth which is centred on international expansion and discipline diversification.”

Robert Walters
Chief Executive

In a continuation of the positive market conditions we experienced in the latter half of 2021, competition for talent was fierce and wage inflation significant – often circa 20% plus for job movers with high-demand and niche skill sets – during the first half of the year. However, recruitment activity levels softened, time to hire lengthened and candidate and client confidence waned as the second half of the year progressed, even though the competition for highly sought after professionals remained relatively high.

The Ukraine conflict, a high inflation and high interest rate environment, significant cutbacks across the global technology market and Covid-enforced lockdowns in Mainland China all had a cumulative effect on market confidence.

Whilst permanent and interim recruitment were the dominant drivers of growth during the first half, contract recruitment activity increased during the second half as flexible, short-term recruitment decision-making became prevalent. The Group's blend of revenue streams – permanent, contract, interim and recruitment process outsourcing – remains a clear strength and source of competitive advantage and resilience when market conditions become tougher enabling us to continue to meet the changing requirements of our clients and candidates and produce record results. The Group's permanent to contract recruitment mix is now 70%:30% (2021: 68%:32%).

The Group continued to invest for the long term in line with our strategy for growth which is centred on international expansion and discipline diversification. We expanded our international footprint with the opening of our first office in Italy and also further expanded our office network in existing markets with new offices in Austin, Berlin and Bilbao. We continued to roll out new teams and specialist disciplines to capitalise on growth opportunities with a further 49 new teams created during the period following the 47 new teams created in the prior year. We now have a technology recruitment business in every one of our territories globally and are actively working to ensure our legal, interim and contract recruitment solutions are further expanded over the course of the next year.

Group headcount is up 25% year-on-year and now stands at 4,356 (2021: 3,484). Headcount growth slowed in the second half of the year reflecting the tightening market conditions.

Chief Executive's Statement continued

Technology and Innovation

The Group's long-term investment in technology has continued to enable the Group to provide hybrid-working solutions to our people, where required, and ensured no impact on our ability to deliver the highest quality of service to our clients and candidates through our ongoing use of digital CVs and video interviewing.

With the threat of Covid continuing to recede in many parts of the world, the trend towards more face-to-face interviews, in-office working and client and candidate entertainment and networking, which we saw begin to return at the back end of 2021, continued to gather momentum as the year progressed.

The Group's most significant technology investment – the development and roll out of Zenith our new customer relationship management (CRM) platform – progressed well through the year and remains in line with budget. We are in year three of a planned four-year development and roll-out programme and have significantly enhanced the product to a greater level of functionality over and above our first pilot roll-out in the Middle East and regional deployments in our smaller Americas businesses. The next deployment to our South East Asia region, scheduled for quarter two this year, will be at circa 90% of full planned system functionality.

Our Innovation team has continued to explore and implement new technology solutions that meet the need of freeing up our consultants' time to focus on building long-term relationships with our candidates and clients or improving processes in our business partner functions. Of particular note in 2022 has been the roll-out of a bespoke CV formatting tool which has significantly enhanced our capability to showcase our candidates to existing and potential clients, resurfacing candidates through artificial intelligence (AI) chat capability and the digitisation of our reference checking processes.

Market Intelligence and Insights

During the year, we further invested in our market intelligence and insights solutions which provide our clients with access to comprehensive global internal and external datasets to better inform recruitment searches and talent attraction strategies. Clients are able to access a range of bespoke services covering, for example, salary and benefits benchmarking, diversity and inclusion trends, talent mapping, competitor analysis and relocation analysis all of which we provide on a local, regional or global basis depending on client need. These services are a clear source of competitive advantage, particularly in less developed and less mature recruitment markets and are an increasingly significant source of revenue across both our Robert Walters and Resource Solutions operations.

Our global content programme, encompassing whitepapers, e-guides, webinars, events and podcasts continues to go from strength to strength with over 120,000 client and candidate engagements during the year.

Review of Operations

Asia Pacific (46% of Group net fee income)
Revenue was £519.6m (2021: £427.0m), net fee income increased by 18% (16%*) to £193.8m (£191.2m*) (2021: £164.2m) and operating profit increased by 3% (3%*) to £37.5m (£37.6m*) (2021: £36.5m).

In Mainland China, our business was significantly impacted by extended periods of Covid-related lockdown and restrictions with operating profit declining by 45%* year-on-year. The ripple effect of the slowdown of the Chinese economy and disruption to supply chains was felt right across the region particularly during the second half of the year.

Japan, the Group's largest and most profitable business where we have a market-leading position, proved resilient and still delivered a record performance increasing net fee income by 16%* and operating profit by 6%* despite the backdrop of slowing trade with China. Elsewhere across Asia, standout performances came from South Korea and Thailand with operating profit increasing by 22%* and 31%* respectively, with a special mention also to Hong Kong which shrugged off the impact of Covid restrictions to bounce back with a 29%* increase in operating profit.

Australia, the second largest business in the region, was also impacted by the slowdown in trade with China but nevertheless delivered a solid performance with net fee income up 9%* and operating profit up 4%*. Our business in New Zealand, where we have a dominant market position in the specialist professional recruitment space, produced outstanding results, increasing net fee income and operating profit by over 20%* year-on-year to record levels.

Resource Solutions had a record year across the region increasing net fee income by 31%* year-on-year underpinned by a number of new client wins and extensions.

Europe (29% of Group net fee income)
Revenue was £276.5m (2021: £216.1m), net fee income increased by 30% (31%*) to £124.1m (£124.7m*) (2021: £95.3m) and operating profit increased by 29% (31%*) to £17.6m (£17.9m*) (2021: £13.7m).

Excellent performance across the region, with seven out of nine markets delivering record levels of net fee income with our blend of permanent, contract and interim recruitment solutions continuing to provide a competitive advantage.

France, the largest business in the region, performed strongly more than doubling operating profit year-on-year and the Netherlands and Belgium both delivered record levels of net fee income and operating profit. We further invested in growing the regional footprint of our business in Spain with the opening of an office in Bilbao – we now have four offices across the country enabling us to service a wider network of clients and candidates.

Germany had a record year in terms of both net fee income and operating profit with our newer interim teams performing well alongside our more established permanent business. The addition of an office in Berlin provides us with wider coverage across this important market for the Group long term.

During the second quarter, we opened the Group's first office in Italy, in Milan. This new business has started well, and we are excited at the opportunity to develop a scale business in one of Europe's largest economies.

UK (17% of Group net fee income)
Revenue was £259.7m (2021: £297.6m), net fee income increased by 8% to £74.0m (2021: £68.7m) and operating profit increased by 1% to £3.4m (2021: £3.3m).

Recruitment activity levels remained relatively strong throughout the year across the disciplines of financial services, legal and commerce finance with technology also holding up well despite the rightsizing trend seen across parts of the sector. Regulatory requirements are ever-changing and increasingly complex which bolstered demand for regulatory, risk and compliance professionals whilst the continued emergence of the UK as a fintech hub also served to boost demand for both banking and technology professionals.

Net fee income in Resource Solutions declined by 6% year-on-year with placement rates impacted in the first half of the year by candidate shortages and delays in the time taken to onboard new hires. Encouragingly, the business has won seven net new clients year-on-year which provides a good platform for long-term growth.

Other International (8% of Group net fee income)
Other International encompasses the Americas, South Africa and the Middle East. Revenue was £43.8m (2021: £30.0m), net fee income increased by 43% (29%*) to £36.3m (£32.9m*) (2021: £25.4m) producing an operating loss of £0.3m (operating loss of £0.1m*) (2021: operating profit of £0.6m).

Our business in the US, which is solely focused on permanent recruitment, has been significantly impacted by the large-scale technology layoffs that have hit corporate America and as a result was loss-making for the year. The effect of these layoffs has had a negative effect on candidate confidence and rippled into other specialist disciplines.

The Group's newer businesses in South America continued to perform well with both Chile and Mexico more than doubling operating profit year-on-year. Our business in the Middle East continued to go from strength to strength with net fee income increasing by 28%* and operating profit by 255%*.

Outlook

The global macro-economic backdrop became increasingly uncertain as 2022 progressed and this uncertainty has tipped over into the early months of 2023. Whilst it's too early to tell whether this is a short-lived correction or a more prolonged economic slowdown, we have successfully managed the business through numerous economic cycles and I am confident that the Group's strong brand, experienced senior management team and diverse breadth of geographies, disciplines and revenue streams ensures we are well positioned to quickly respond to any further deterioration of market confidence or equally to rapidly capitalise on market opportunities as they arise.

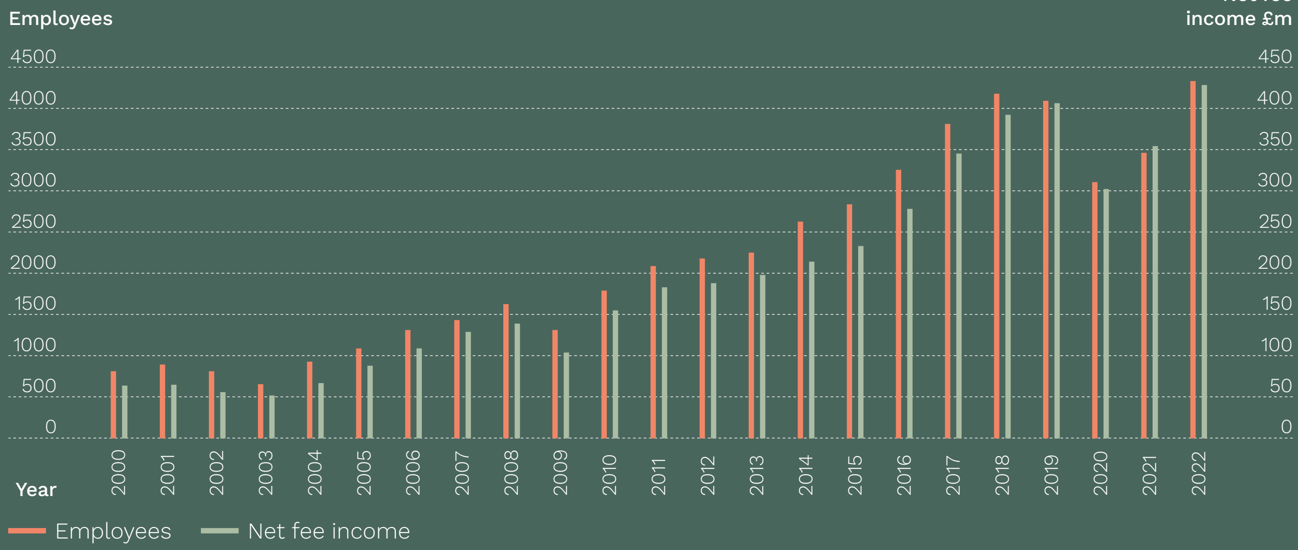
Robert Walters
Chief Executive
9 March 2023

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

Our Growth Opportunities

Growth & opportunity

Headcount growth and net fee income



In the first half of the year we saw an extremely active recruitment market across the globe underpinned by several key trends which the Group, as a result of our long-term strategy, was well placed to take advantage of despite softening market conditions in the latter half of the year.

Candidate shortages and salary inflation

Over the past year we saw a significant rise in demand for specialist skill sets as companies sought to hire for growth following Covid-related hiring freezes. The competition for talent was fierce as companies' growth plans were directly linked to their ability to hire the best talent. This was coupled with a global candidate shortage as, post-pandemic, many professionals reassessed their priorities related to career, family and lifestyle. This led to many employees changing roles in pursuit of greater work-life balance, people returning to their home countries to be closer to family, professionals changing careers and even starting their own businesses or opting for self-employment and older workers choosing to retire early. In addition, attitudes shifted with employees choosing to move roles if their employer didn't offer hybrid or remote working options.

As a result, over the past year, there has been marked salary inflation across many markets as companies compete for in-demand skill sets.

How we responded and key decisions taken

The Group was well placed to take advantage of these trends and demonstrate to clients the value that we can bring as a specialist recruitment consultancy. Our recruitment consultants are experts in the disciplines in which they operate, often having worked in the field before joining us and possessing an excellent network of talent. Due to our focus on building long-term, personal relationships our consultants were able to identify and headhunt high quality, passive candidates to present them with job opportunities that would motivate them to move. The uplift in salaries also strengthened our ability to headhunt top talent on behalf of our clients, creating further movement and churn in the market which benefited our business.

In response to the high demand for specialist skill sets, the Group has also created 49 more teams in more hyper-specialised disciplines. For example, in Tokyo, we now have 14 specialised teams within the sales and marketing discipline. This hyper-specialisation has enabled our consultants to focus even further on building deep relationships with often very niche and small sets of candidates who frequently command significant uplifts in salary. Our focus on hyper-specialisation allows us to develop new revenue streams and create opportunities for our employees, candidates and clients alike.

Data-informed hiring decisions

With such competition for high quality candidates, hiring managers were looking for high quality data to help inform their talent attraction strategies.

During the year, we further invested in, and expanded, our global market intelligence service which was already significantly revenue generating across both our Robert Walters and Resource Solutions businesses. These services are delivered by our dedicated global Market Intelligence team, in conjunction with our specialist recruitment consultants, who provide existing and prospective clients with bespoke reporting covering:

- Salary and benefits benchmarking
- Talent mapping
- Competitor analysis
- Relocation analysis.

Utilising our market intelligence data and insights, our consultants are now building even stronger relationships with clients and becoming trusted advisers as they supplement their industry knowledge with clear and real-time evidence of local, regional and global hiring and salary trends.

Our specialist disciplines

	Commerce Finance	Banking Finance	Technology	Sales & Marketing	Legal	Support	HR	Engineering	Procurement	Healthcare & Pharma	Recruitment Process Outsourcing
Australia	●	●	●	●	●	●	●	●	●		●
Hong Kong	●	●	●		●		●				●
India											●
Indonesia	●	●	●	●			●				●
Japan	●	●	●	●	●	●	●	●	●	●	●
Mainland China	●		●	●				●	●	●	●
Malaysia	●	●	●	●	●				●		●
New Zealand	●	●	●	●	●	●	🔴		●		
Philippines	●	●	●	●			●	●	●		●
Singapore	●	●	●	●					●		●
South Korea	●		●	●			🔴			●	●
Taiwan	●		●	●							●
Thailand	●	●	●	●	🔴		●				●
Vietnam	●		●	●					●	●	●
Belgium	●	🔴	🔴			●					
France	●	●	●	●	●	●	●	●	●	●	
Germany	●		●	🔴							
Ireland		●	●		●						●
Italy			🔴								
Netherlands	●	●	🔴		●	●					●
Poland											●
Portugal			🔴					●			
Spain	●		●	●	●	●		●		🔴	
Switzerland	●	●	●								●
UK	●	●	●		●				●		●
Brazil	●		●					🔴			
Canada	●	●	●		🔴						
Chile	●		●					🔴			
Mexico	●		●								
Middle East	●	●	●	●	●						●
South Africa	●	●	●								●
USA	●	●	●	●	●						●

🔴 New disciplines opened in 2022

Our strategy for growth

As the world around us continues to change and evolve, our purpose of powering people and organisations to fulfil their unique potential continues to guide us and form the foundation of our strategy.

Organic growth through international expansion and discipline diversification

We grow organically by expanding into new international markets as well as diversifying our disciplines and services in existing markets.

People and relationships first

The Group is a people business. Our strength lies in building long-term relationships based on trust.

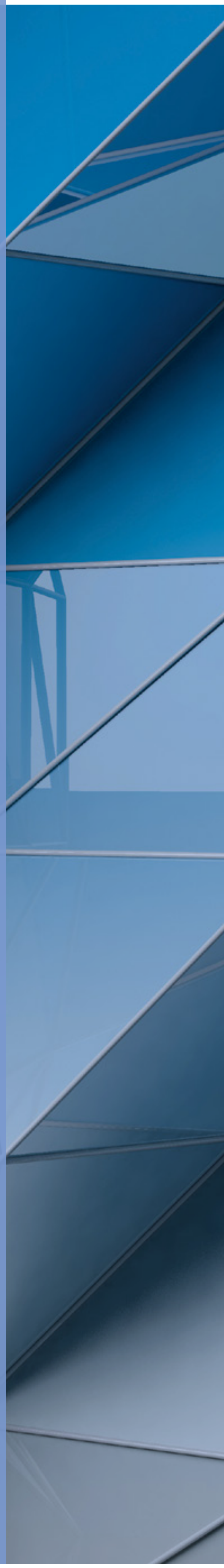
Through our Customer Experience (CX) programme we aim to make working with the Group the easiest and best decision for our candidates, clients and colleagues to make.

Building a culture to attract and retain the best talent

Building and nurturing our purpose-driven culture is key to attracting and retaining the best people who will deliver outstanding service to our clients and candidates.

Investing in technology and innovation

We focus on investing in technology and innovation which enables our consultants to do what they do best – to build strong, personal relationships and deliver great customer experiences.



Our International Expansion

1985
UK

1988
Belgium

1990
Netherlands

1994
USA

1997
Hong Kong
New Zealand

1996
Australia

1998
South Africa
Singapore

1999
Ireland
France
Japan

2008
Thailand
Mainland China

2007
Spain

2006
Malaysia

2009
Switzerland

2010
Germany
Brazil
South Korea

2011
Indonesia
Taiwan
Vietnam

2013
Middle East

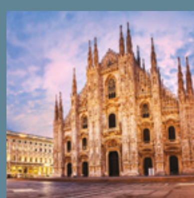
2018
Chile

2016
Canada
Philippines
Portugal

2015
India

2019
Mexico

2021
Poland



2022
Italy

Growing the business organically

As a global business, we grow organically by both expanding into new international markets and diversifying our disciplines and services in existing markets. This enables us to leverage new opportunities while also achieving a balanced footprint which covers both mature and developing markets.

"As we grow, we provide new career opportunities for our people which also helps us to embed the Group's DNA into new locations."

Toby Fowlston
CEO
Robert Walters & Walters People

Toby Fowlston
CEO
Robert Walters
& Walters People

"Our purpose as a business is to power people and organisations to fulfil their unique potential and we do this by delivering an outstanding customer experience which begins with truly listening to the needs of our clients, candidates and colleagues. Ultimately, it's always down to how you make people feel.

We train our consultants to listen deeply, to give honest feedback and to deliver on what they've committed to do – this is what keeps people coming back, as well as generating referrals to friends and colleagues. In a highly competitive market, if we can be an organisation that provides high quality service and drives repeat business and referrals then that will stand us in good stead."

Delivering on our strategy of international expansion and discipline diversification

"The Group's long-standing strategy focuses on expanding the business into new markets and diversifying our discipline offering in existing markets. In 2022, we expanded our international presence into Italy (Milan) as well as opening new offices in existing markets in Austin, Berlin and Bilbao. These are exciting locations with significant growth potential and we're now focused on consolidating and building our presence in these markets.

We also reviewed our discipline coverage globally and identified opportunities to further expand selected, long-term growth disciplines into all of the countries where we have a presence. For example, technology is a long-term, high-growth discipline for Robert Walters so we took the decision to accelerate the roll-out of this discipline across all of our businesses globally. Our top performing, specialist technology consultants ran workshops for other local teams on how to launch and run a successful technology discipline. This cross-border knowledge sharing enabled our local teams to quickly launch technology disciplines all over the world.

We are now focused on expediting the expansion of our legal recruitment offering as this is another highly profitable growth discipline and is a relatively sustainable sector regardless of changing market conditions. The other core principle we've refocused on is specialisation – we want to ensure that structurally we are set up with very clear, simple and super-specialised teams who can become real domain experts in their fields. We've grown headcount to achieve this and also provided career progression opportunities for many of our people as they've moved into newly created manager roles."

Prioritising our people

"As a business leader, growing our people and listening to their voices is very important to me and we've taken big steps forward in our employee engagement in 2022. We ran our first annual global employee engagement survey which was hugely valuable in identifying what we're doing well and our areas of improvement which are being addressed at a local level by our leaders.

We also focused on bringing global consistency to our learning and development offering ensuring it is world class and really sets our people up for success while also delivering bespoke coaching and leadership training for our senior people. I was also delighted to relaunch our Global Mobility programme, which gives our high performing people the chance to grow their careers overseas through an international transfer within the Group."

P24 →

Delivering a world-class customer experience

"In 2022, we launched our new Customer Experience programme which is designed to improve the quality of experience we deliver to our candidates, clients and colleagues. In year one, given that most of our markets were facing talent shortages, we focused on improving the candidate experience leading to more high-quality candidates engaging with us and going on to be interviewed by our consultants. In addition, the team improved our contractor onboarding process making working with us a much better experience for these high-value candidates."

P22 →

Looking ahead to 2023

"We're in a world where candidate shortages are a real issue for a variety of reasons including a rise in nationalism, tightening immigration policies, long-term sickness and early retirement due to the pandemic. With all of these factors affecting candidate flow, an additional market solution is to source international candidates and help them to relocate. We know that during the pandemic people had time to reassess their lives and priorities and I believe that there is a greater appetite from overseas professionals to return home to be closer to their families. In 2023, our plan is to extend our International Candidate Management programme into new locations supported by marketing campaigns and proactively build our networks in order to meet our clients' hiring needs."

Our Strategy for Growth continued

Norma Gillespie
CEO
Resource Solutions

> As the economic outlook, working patterns and the recruitment industry itself continue to change rapidly, it's important that we are continually looking ahead to future-proof our business."

Differentiating ourselves in a crowded market

"Our ambition at Resource Solutions is simple: to redefine work so everyone has a lifetime of opportunity and we do this by delivering ethical talent solutions. I believe that this clarity of ambition helps to differentiate us in the current crowded market.

Our clients are facing a rapidly changing talent marketplace with an ever-increasing need to attract and retain top talent at pace. In response, we've adapted our business in multiple ways, expanding existing services and developing new solutions to meet current market needs and trends.

Our focus on data-led research and development enables us to support our clients' hiring strategies and decision-making through our advanced RSIntelligence platform. This service allows Resource Solutions to be what we call a 'powerful partner' to our clients, providing expert market analysis globally to support their hiring strategies. This data-led approach looks at the macro and micro environments and reports on critical topical areas, including wage inflation, diversity and inclusion best practices and a wide range of thought leadership.

Our network of Global Service Centres drives our commitment to borderless hiring 24/5. These talent hubs of the future provide the agility to scale and flex, finding and engaging talent through the digital ecosystem we've built to support our clients' hiring needs."

Diversifying our services

"In 2022, in addition to winning new clients and expanding services with existing clients in the traditional outsourced recruitment fields of RPO and managed service provider (MSP) solutions, we also launched several new landmark services. These focus on niche but potent growth and market share opportunities. They also allow us to become true partners as we help our clients shape their hiring and talent attraction strategies.

Our Workforce Consultancy solution offers a range of resources from entry-level future talent to accredited professionals, allowing our clients flexible access to skills to deliver projects and programmes in the most efficient way possible.

With similar ambitions, our wide-ranging RSConsultancy service provides solutions that include our award-winning ED&I auditing to help clients de-bias their hiring processes and data-rich market intelligence via our RSIntelligence reports. When combined with Workforce Consultancy, Resource Solutions is a premium consultancy business, which is both high margin for us and high touch, high quality for our clients."

Practising what we preach

"Amongst all of the new solutions we've launched, I would say our most significant success during 2022, and my proudest achievement since becoming CEO of Resource Solutions, has been the launch of our Recruiter Academy. It represents the closest and clearest alignment between our ambition and our actions.

As the competition for talent raged in early 2022, the Academy allowed us to create our own diverse talent pool of recruiters by hiring for potential, looking beyond traditional backgrounds and experiences to offer candidates opportunities that may not otherwise have been open to them. As a result, not only have our clients welcomed the opportunity to bring these talented people on board, but the Academy perfectly demonstrates how we are 'practising what we preach'.

It's a clear differentiator for our business and while competitors have since followed our lead, we are the front-runner in this space. It's good for our clients, who welcome freshly trained and enthusiastic talent. It's good for individuals who are beginning or reimagining their careers. And it's good, by extension, for society by providing opportunities to those who need them."

Future-proofing our growth

"As the economic outlook, working patterns and the recruitment industry itself continue to change rapidly, it's important that we are continually looking ahead to future-proof our business.

In 2023 we will have two clear areas of focus over and above our core existing business:

- **Accelerate the growth of our more recently developed service lines.** We will further invest and grow our RSConsultancy and Workforce Consultancy services. We will build on the success of RSConsultancy in the UK and will launch it into our North America and APAC regions. Simultaneously, we will continue to build on the solid foundations of our Workforce Consultancy business in the UK market, to consolidate and expand its reach.
- **Geographic expansion.** We will continue to focus on and invest in our new growth in North America. This will complement our strategic focus on the APAC region, where our growth has accelerated during recent years, with encouraging signs for more to come."

Case study

Expanding into Berlin, Germany

Christian Meyer
Director, Robert Walters Berlin

"I started my career as a financial consultant working in the healthcare sector in Berlin, and like many of our consultants, I then made the switch into recruitment where I was able to apply all of my industry knowledge to the role. I believe that this is one of the things that sets us apart as a business – our consultants are true discipline specialists with a deep understanding of the market as many have previously worked in the sector they now recruit in.

The Group opened its first office in Germany in Dusseldorf in 2010 and since then we have grown our presence across the country so it was clear that opening an office in Berlin was the next exciting step for our business. Operating costs and salaries are lower in Berlin compared to other regions, making Berlin very attractive to start-ups, technology companies, payment providers and fintech businesses, as well as many larger, established companies in industries like real estate, financial services and ecommerce.

We recruit finance and HR professionals, primarily in the start-up, real estate and ecommerce sectors, which has helped make our new business very resilient as we face a rapidly changing post-pandemic economic landscape.

One of the current drivers of growth in Berlin is a shift in strategic focus for many companies, moving away from organic growth and focusing on mergers and acquisitions (M&A), generating growth through acquiring smaller entities and driving demand for M&A specialist roles. In the post-pandemic economic climate, as businesses are being wound up and some investors and venture capital firms are pulling back, the market is opening up for acquisitions by larger companies.

Whilst the technology and real estate sectors globally were resilient during the pandemic, we are seeing a correction in terms of employee numbers now. However, when the challenges currently facing the real estate sector (such as the impact of the energy crisis, rising costs and shortage of raw materials) abate, areas like asset management and property management will drive growth in Berlin. In the technology and finance sectors, we expect to see growth in areas such as payments, fintech and insurtech.

Our key differentiator in Berlin is the quality of our service and the fact that we build trusted relationships based on honesty and integrity.

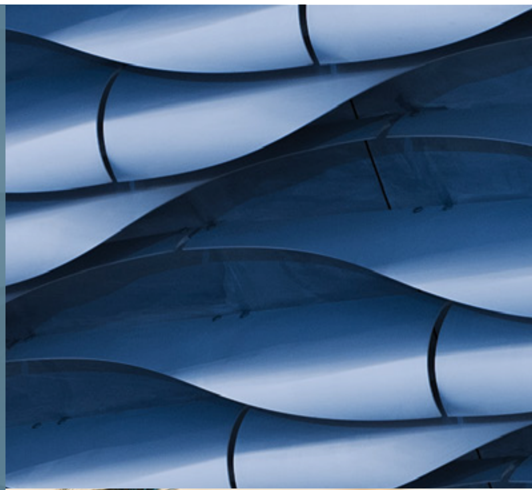
We have a deep knowledge of the market, we have experienced people with industry backgrounds recruiting in highly specialised areas and we have an open, collaborative culture that you don't see in other large corporate environments, where everyone, including our senior leadership team, are open to new ideas and opinions.

I'm proud to be building a team of highly specialised consultants who thrive in our entrepreneurial environment and share my dedication to delivering exceptional service in every interaction with clients and candidates. Our people have the autonomy to build strong, enduring relationships and their depth of professional and industry knowledge means they are trusted advisers and career partners for the people and organisations we work with.

I have a clear long-term vision for the future of our Berlin business – that we set the standard of quality in the market and that our business delivers the best service in the specialised areas we recruit in. This is my 'why' – to be the best in a competitive market based on the delivery of exceptional service. Our aim is not to simply have the highest headcount or the largest number of business units, but to be a team working together to consistently deliver the best service."

Our Strategy for Growth continued

People and relationships first



The Group is a people business. Our strength lies in the quality of our people and the relationships they build with our candidates and clients. Technology serves as an enabler to these all-important relationships by increasing efficiencies, enhancing communication and freeing up our consultants' time.

It's our conviction that to truly understand our clients and candidates, we need to invest time in building strong and lasting relationships. It's these relationships which lead to many of our candidates becoming clients as we help them grow their careers year after year. In turn, our loyal base of candidates and clients refer new business to us enabling us to extend our network and grow our business.

As always, we continue to employ a team-based profit share remuneration model so that the needs of our candidates and clients always come first. Our consultants work in teams to ensure that our candidates are presented with the greatest range of career options and our clients have access to as broad a pool of high calibre professionals as possible.

The Group has always believed that strong relationships and excellent customer service are what differentiate us and enables the ongoing growth and expansion of our business. With this in mind, we launched our new Customer Experience programme in 2022 which focuses on ensuring that we put our clients, candidates and colleagues at the centre of what we do.

Sinead Hourigan
Global Head of Customer Experience
Robert Walters Group

Enhancing our customer experience

"The vision of the Customer Experience programme is to make working with the Group the easiest and best decision for our candidates, clients and colleagues to make. This year we've focused on our candidates because we know that skill shortages are at an all-time high globally. Therefore, it's really important that we engage with candidates in such a way that we exceed their expectations every time they interact with us."

Respect for all

"Our first focus area in 2022 was regret management as, in general, one of the most common complaints candidates have about recruitment consultancies is not receiving feedback when they're unsuccessful for a role. As a people-focused business, it's essential that we're treating our candidates with respect and helping them as much as we can, even when they're unsuccessful for a role. We have since reviewed and changed the communications we send out to unsuccessful candidates to ensure the wording is human and empathetic, as well as providing useful content to help people improve their CV and interview skills.

We've also started building some more structured engagement with our candidate community to ensure that we are communicating with them in a more frequent and consistent manner. This has led to a significant uplift in engagement with more of our candidates engaging in interviews with our consultants and subsequently being represented to our clients. We are also now ensuring that candidates who are selected for interviews with clients but are unsuccessful are being surfaced quickly in our morning reviews so that we can ensure maximum engagement with them.

On top of this, we've focused on training over 1,300 consultants to improve their communication when speaking to unsuccessful candidates, ensuring that we are providing 'best in class' feedback. We need to be honest with our candidates but there's a right way to do it by showing empathy and giving useful feedback. All of this is helping us to build stronger relationships."

Delivering a great experience for our contractors

"Our second priority area involved a review of our contractor onboarding processes globally because our contractor community is such a critical part of our workforce. We wanted to look at how we engage with them to ensure that working with us is a great experience.

One of the pain points we identified was the volume of documentation we require our contractors to fill out. In Australia and New Zealand, we've embedded a new platform to streamline the contractor onboarding process because we want them to feel excited about their new contract, not overwhelmed by paperwork. We'll be reviewing this for other regions in 2023.

We're also looking at how we engage with our contractors and add value to them through contractor benefit and recognition programmes as well as building a contractor community. It's important that we are building strong, sustainable relationships so that when their contract comes to an end they feel connected to us and want us to help them transition to a new role."

Candidate management

"Part of the remit of the Customer Experience programme is to focus on our candidates' expectations. When we interview a candidate, we bring them into our community and it is imperative that we offer them the service they expect. Part of this is ensuring that we share their capability with our clients in a considered and qualitative fashion. This focus on our candidates is key to building strong relationships with both clients and candidates and is critical to driving productivity and increased placements across the Group. The programme team is working closely with our reporting and analytics function to ensure that we are building meaningful reporting frameworks so that we can measure our performance and identify improvement opportunities where appropriate."

Voice of Customer Programme

"In 2022, our programme team reviewed how we approach the Voice of Customer across the Group and identified opportunities for improvement:

1. Voice of Candidate – we have already commenced a net promoter score (NPS) programme and this is continuing to evolve with greater refinement and engagement.
2. Voice of Contractor – we have launched a programme focused specifically on our contractor community to ensure that their feedback is being gathered and activated in a consistent manner globally.
3. Voice of Client – we have launched the first phase of a Voice of Client research programme supported by an external market research firm and the full programme of work will launch in Australia and New Zealand in 2023 and will roll out to all other regions during the year.
4. Voice of Colleague – the HR team has already launched a global engagement survey and will be continuing to evolve this as a critical part of our listening framework.

All of these programmes of work will feed into our customer experience approach and will provide us with deeper insights into our customers and ensure that we are making decisions based on their feedback and requirements, rather than our own."

Our Strategy for Growth continued

Building a culture to attract and retain the best talent

As a people-first business, the way we deliver outstanding service to our clients and candidates is by building and nurturing a culture that attracts the very best talent to the Group and makes them want to stay and grow long-term careers with us. We're proud of the vibrant, dynamic culture we've built – one where teamwork, collaboration and excellence are rewarded. We continue to focus on building our purpose-driven culture while also delivering a world-class employee experience.

"When it comes to attracting and retaining the best people, we look at the employee experience at all points in the employee lifecycle – from hiring to development, to retention – so we can focus on creating a world-class employee experience."

Indy Lachhar
Global HR Director
Robert Walters & Walters People

Indy Lachhar
Global HR Director
Robert Walters &
Walters People

Listening to our people

At the start of 2022 we launched our first global employee engagement survey, partnering with Glint to provide a technology platform which ensured confidentiality and gave our employees the confidence to provide honest and open feedback.

With an 82% response rate, our people told us that our top three strengths are: that there is good communication within our teams; that regardless of their background everyone has an equal opportunity to succeed; and they have good career opportunities with Robert Walters Group. Our overall engagement index was 79% and our scores for two thirds of our questions were above the global Glint benchmark.

We also wanted to know where we had the opportunity to improve. Following the results of the survey, we invested heavily in helping our managers understand their role in creating a great experience at work for their people, and we also reviewed our benefits globally to ensure they were market competitive in each region. The Group survey will be conducted annually with a six-month pulse check to ensure that we are actively listening to our people to track and measure progress.

Kirsty Adams
Chief People &
Culture Officer
Resource Solutions

“We have a multi-generational workforce, from people in their early careers to the ‘working wise,’ and their learning and development needs change over time. But what we've seen is that, regardless of location, our people want to learn, develop and grow. And we can help them do that.”

Kirsty Adams
Chief People & Culture Officer
Resource Solutions

In our Robert Walters and Walters People businesses, we developed our Engaging Leaders programme to help managers embed a coaching culture and an environment that prioritises open communication and psychological safety, so that all our people feel confident to speak their mind and drive innovation. In our Resource Solutions business, we ran a global internal event to kick-start a renewed focus on bringing our purpose to life and building a culture of belonging for our employees.

Building long-term successful careers

Our learning and development programmes ensure that our people receive the hands-on, expert training they need to succeed in their roles from the moment they join our business and through each stage of their career.

As people returned to offices following Covid lockdowns, we employed a blended learning approach combining virtual and in-person delivery of our learning and development programmes. This provided our people with access to a rich mix of learning and development opportunities including on-demand learning, gamified e-learning, structured courses, virtual sessions, in-person classroom training and peer-to-peer communities. This is supported through our mentoring programmes that, across the Group, connect our people across locations, functions and seniority levels to help our people grow.

We have taken the time to understand the different learning and development needs of people at every stage of their career. For those new to recruitment, or new to our business, we offer intensive, hands-on training to help them learn the core building blocks to being a successful recruiter and how to deliver a high-quality service, and we have continued to invest in creating world-class support and development opportunities for our business partner functions.

We support our people as they progress in their careers and help them to develop skills and focus their ambition to succeed. In our Resource Solutions business, our new global leadership development programme equips leaders with the skills needed to lead in a post-pandemic world, and in our Robert Walters and Walters People businesses, our talent development team provide leaders with bespoke leadership coaching, as well as informal mentoring of all our leaders to help them learn from sharing their experiences with each other.

Our Strategy for Growth continued

"If you think about where we are now, post-pandemic, people have had an opportunity during that time to really stop and think about what's important to them. And as an employer, how do we respond to that? We do that by listening and evolving in a positive way for our people."

Indy Lachhar
Global HR Director
Robert Walters & Walters People

Growing talent from within

Offering our people long-term, satisfying careers is key to our ability to attract and retain the best talent. In 2022, Resource Solutions developed a career paths framework to empower individuals to take charge of their own careers, and in the Robert Walters and Walters People businesses, our established career paths framework was enhanced by embedding behaviours that set the standard of excellence into development and appraisal processes.

Our Resource Solutions Recruiter Academy not only builds a talent pipeline for our business but also helps to build a more diverse workforce. We offer people from non-recruitment backgrounds, but with transferable skills, an intensive 12-week training programme, where they gain the skills and confidence to kick-start a career in recruitment with us.

A place where everyone can bring their whole selves to work

With the return of Coral Bamgboye, Global Head of Equity, Diversity & Inclusion (ED&I), from parental leave in 2022, we were able to build on the momentum of our ED&I change agenda to continue to make the Group an even more inclusive workplace. In 2022 we saw our regional council structure expanded, diversity and inclusion celebrated through events, webinars, cultural conversations and online discussions, policies updated such as the ability to add pronouns to emails, and trusted accreditations and pledges signed, including Clear Assured, the Valuable 500 and the Menopause Workplace Pledge.

After the successful creation of our LGBTQ+ and Allies Employee Resource Group in 2021, we also announced two new employee resource groups in 2022, one for working parents and carers and another for colleagues and allies championing disability inclusion, helping to create safe spaces for our employees.

A collaborative culture of excellence

Recognising excellence, celebrating our team-based culture and embedding diversity and inclusion into our workplace means that we will not only continue to deliver exceptional levels of service to clients and candidates but also that we will attract and retain the best talent.

> When we ask Recruiter Academy candidates why they considered a career in recruitment, they say they were drawn to our business because of our ED&I credentials and really strong training programme, and that they trusted us to give them the tools and support they needed to build a long and successful career in recruitment."

Kirsty Adams
Chief People & Culture Officer
Resource Solutions

Our Strategy for Growth continued

Investing in technology to power relationships

As a global business, we believe that investing in technology, innovation and product testing is vital for us to remain an industry-leading organisation. As always, our focus is honed towards technology that enables our recruitment consultants to do what they do best – to build strong, personal relationships and deliver great customer experiences. We're also here to try to make the business as efficient as possible, to reduce costs and of course to protect the Group's data, systems and the brand.

Kevin Bulmer
Chief Technology & Transformation Officer
Robert Walters Group

Deploying Zenith to our global teams

"Zenith is our innovative CRM system, designed by our business, for our business, which was piloted in the Middle East in the last quarter of 2021. Since then, we've rolled Zenith out to the US, Canada, Latin America and Italy. We've also focused on adding new features to Zenith including integration with our ERP systems to improve efficiencies and integration with Broadbean, our applicant tracking system. This ensures we can easily identify and import candidates into Zenith. We are in year three of a planned four-year development and roll-out programme, with the next deployment to our South East Asia region scheduled for quarter two of 2023 and expected to be at circa 90% of full planned system functionality.

Zenith has enabled us to modernise our business functions and streamline our data collection and analysis. This ensures we can leverage data to make informed decisions about our business, and allows us to deploy new technological innovations into our environment more easily. For our investors, better performance and workflows will drive higher profitability, as well as support effective cost management strategies."

Retention through automation

"In addition to this, our digital transformation efforts have been strongly driven by our passion for people. We're finding new ways to harness the talent of employees and support their transition from mundane and sometimes manual tasks, to digital ones. For example, a full automation of the Starters, Movers, Leavers process created significant time savings for our internal teams and within our Resource Solutions business, we've implemented our in-house RSEngage platform which automates our workflow across our Global Service Centres and facilitates 'follow-the-sun' sourcing. The appetite for digital transformation is promising and we're finding effective ways to support employees to develop new skills and transition to digital-first roles to support our transformation.

Our latest digital integrations platform, together with the benefits associated with a single global finance and HR system, has allowed us to stay ahead of the curve with our data sharing needs between divisions and externally. We focused on five distinct use cases, aiming to maximise efficiency and provide the best possible results. These included a streamlined integration with payroll for Resource Solutions contractors plus temp payroll for Robert Walters in the Netherlands. This leading payroll integration will be applied to our other payroll suppliers across the Group, again focusing on the efficient movement of data. Another initiative successfully integrated Appraisd, our online employee appraisal system, into HR processes, cutting down on manual labour and reducing the costs associated with maintaining legacy systems.

These successes highlight the Group's potential to continue to lighten the load while optimising efficiency in a wide range of areas and we have a range of additional exciting projects in the pipeline for 2023."

Investing in people

"Our technology and transformation team has seen steady growth and we've been successful at retaining key talent in a market where digital skill sets are highly sought after. Recently we've had former colleagues return to the Group due to our strong culture which has had a very positive effect on morale. The competition for talent is still evident in the market which is challenging, but I'm proud that we have a culture that people love and can return to.

We're also really committed to training our people and giving them opportunities to grow their careers. In this competitive industry our priority is to identify, nurture and attract high potential talent. The quality of people that we have recruited in the region is exceptional, with more than 70 employees in our Manila team, which is now our largest technology and transformation team globally. In 2023, we will prioritise the growth of our team in Manila, as this has proven to bring excellent value to the business by improving the quality of our service to colleagues while reducing costs. We're gearing up to establish a training academy in Manila in 2023 to bring in less experienced professionals for a six-month training programme, before we deploy them into roles within our technology and transformation team."

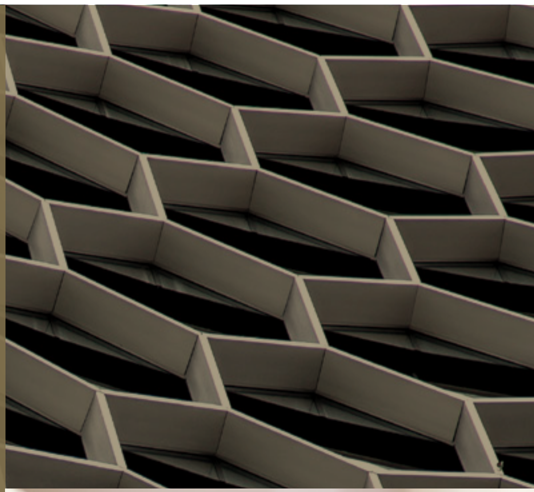
Prioritising ESG

"In 2022, we reached out to our technology partner in Europe to explore how we could support their operations in Ukraine, as the country was facing large risks of unemployment. We supported our partner to successfully set up a small team in Ukraine which has grown into a strong component delivering functionality for the Zenith platform. Over the last few months, our technology partner has been able to double the size of their office in Ukraine due to the projects they are supporting us on, and this has positively impacted their employees during this very difficult time.

Additionally, in support of the Group's ESG strategy, we are also exploring ways to reduce our environmental impact and in 2023 we will be running a pilot in our London office to test out new sustainable solutions aimed at reducing our energy usage and impact on the environment."

Our Strategy for Growth continued

Unlocking the power of innovation



The Group understands the power of innovation and its impact on how the recruitment industry operates. We are continually striving to trial and adopt leading-edge technologies and processes to help us meet the needs of our clients, candidates and colleagues. Our commitment to innovation is embedded in every aspect of our operations, from developing new tools for job seekers and our consultants, to exploring emerging technologies to support our clients' hiring processes.

"Our innovation incubator has successfully run more than 22 sprints through our own development teams before new products and solutions are rolled out to our stakeholders. Our team understands that we need to do more with less and deliver better results."

Faye Walshe
Group Innovation Director

Faye Walshe
Group Innovation Director
Robert Walters Group

"Over the past two years we've invested in innovative solutions to improve the experience we offer our candidates and clients. Our vision is to enable our recruitment consultants to tell our candidates' and clients' stories better than anyone else, and we achieve this with a unique blend of technology and human connection. We believe that having both allows us to create more meaningful conversations around hiring opportunities while enabling valuable relationships along the way."

We continue to aim for the bullseye

"In collaboration with the Group's Technology and Transformation (T&T) team, we bring human connection and digital platforms together in a way that not only increases accuracy but also further enhances the limitless potential of meaningful connections. To do this efficiently, our team leverages systems like Marketo, our marketing automation system, and Zenith, the Group's new CRM system, so our consultants can quickly automate workflows without missing any critical steps. Our 'dartboard' analogy best describes how automation helps us hit the target every time.

We have also invested heavily in digital transformation initiatives in order to enhance our system capability. This includes the implementation of a cloud platform approach which allows us to access data securely from any location around the world. Automation has been integral in streamlining many manual processes previously undertaken by consultants, freeing up valuable time to be spent on more strategic activities such as personalised candidate engagement. Our mission is to continuously uncover opportunities for improvement in the way we serve our clients and candidates."

Digital when you want it, human when you need it

"Digitalisation continues to offer opportunities for us to humanise virtual customer experiences and deliver solutions that may not be available in the current market. We recently launched the Digital CV which incorporates self-recorded videos to submit responses to standard interview questions. For example, rather than submitting a written response as part of an application, our candidates can efficiently and proactively introduce themselves to potential employers through various digital platforms.

In addition, our bespoke CV formatting programme which we designed in our innovation incubator, exemplifies how creativity and technology can empower valuable conversations with stakeholders. What's more, it enables us to fast-track existing initiatives, such as Zenith, by streamlining the candidate application process - a pivotal part of recruitment success.

2022 saw the Innovation team kick off trials into advanced chatbot experiences which enable us to provide a more personalised candidate experience without sacrificing quality standards or efficiency goals. As well as this, we also trialled conversational platforms which enable customers to conduct transactions online without needing human intervention - allowing them to complete tasks such as updating their details with us or showing interest in particular roles, much faster than ever before, whilst still maintaining our high levels of security and data protection measures."

What 2023 holds for tech and innovation

"Looking ahead to 2023, the Innovation team will continue leveraging gap analysis as a method for product development. Our most recent case study is the digital reference programme where we use an automated platform to obtain references. We implemented this after identifying that the cumbersome process of candidates reaching out to professional referees, and our teams validating them, was a barrier in the hiring process. Our commitment to automation and efficiency has increased the speed at which we are now able to source references from our candidates' previous employers. Whereas our manual referencing process was taking up to two weeks, with automation it can now take as little as 24 hours. This progress helps us to maintain customer satisfaction by improving their journey with us. Clients also know that they can trust us to place fully vetted candidates in the quickest possible timeframes.

Similarly to the Technology and Transformation team, we are currently exploring ways to embed efficiency at the core of our day-to-day processes. Overall, our goal is to streamline the communication channels that our stakeholders interact with us through, to ensure that they can be exposed to the full ecosystem of our solutions, without undergoing irrelevant stages in the customer journey cycle. Our bespoke CV formatting programme is also revolutionising and streamlining the recruitment process, resulting in up to 40% time and resource savings after only six to eight weeks of implementation. We're constantly testing new innovations through comprehensive trial systems deployed across multiple regions – a surefire way for us to stay ahead of the game when rolling out our programmes."

ESG Strategy

Our commitment to positive impact

In today's business environment, it is essential for companies to embed environmental, social and governance (ESG) practices across every aspect of their operations and strategic planning, not just for the benefit of shareholders, but because it is the right thing to do.

> We've developed a robust and long-term ESG strategy which aligns to our purpose and the UN's Sustainable Development Goals."

Robert Walters
Chief Executive
Robert Walters
Group

Our business remains committed to sustainable business practices in order to achieve our purpose: powering people and organisations to fulfil their unique potential. I'm proud that in January 2023 the Group was accepted as a participant of the United Nations Global Compact, as well as being named a finalist in ESG Investing's ESG Reporting Awards 2022, for the second year in a row, in the Best Sustainability Reporting: Services category.

To build on our existing ESG initiatives, we commissioned ESG consultancy Sillion to carry out a materiality assessment (presented in full on pages 34 to 35) in order to identify the key ESG issues that have the most impact on the Group, as well as the areas where we can make the greatest positive contribution. In addition, Sillion carried out a qualitative scenario analysis for our Task Force on Climate-related Financial Disclosures (TCFD) statement which has enabled us to identify our climate-related risks and opportunities. While the nature of our business means that we are a low carbon company, we remain committed to reducing our carbon footprint as much as possible. Following this, the Group worked closely with Sillion to develop a robust and long-term ESG strategy which responds to these material issues and aligns with both our purpose as a business and the United Nations' Sustainable Development Goals.

The Group's new ESG strategy encompasses 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.

As part of our strategy, we have set clear targets demonstrating our commitment to continued progress and greater positive impact. Our ESG Committee, made up of leaders from across the Group, will be responsible for implementing the strategy, and we will work closely with shareholders to ensure that ESG considerations are integrated into decision-making at all levels of the organisation.

I'm delighted to share our new ESG strategy with you on the following pages.

The cornerstone of our ESG strategy

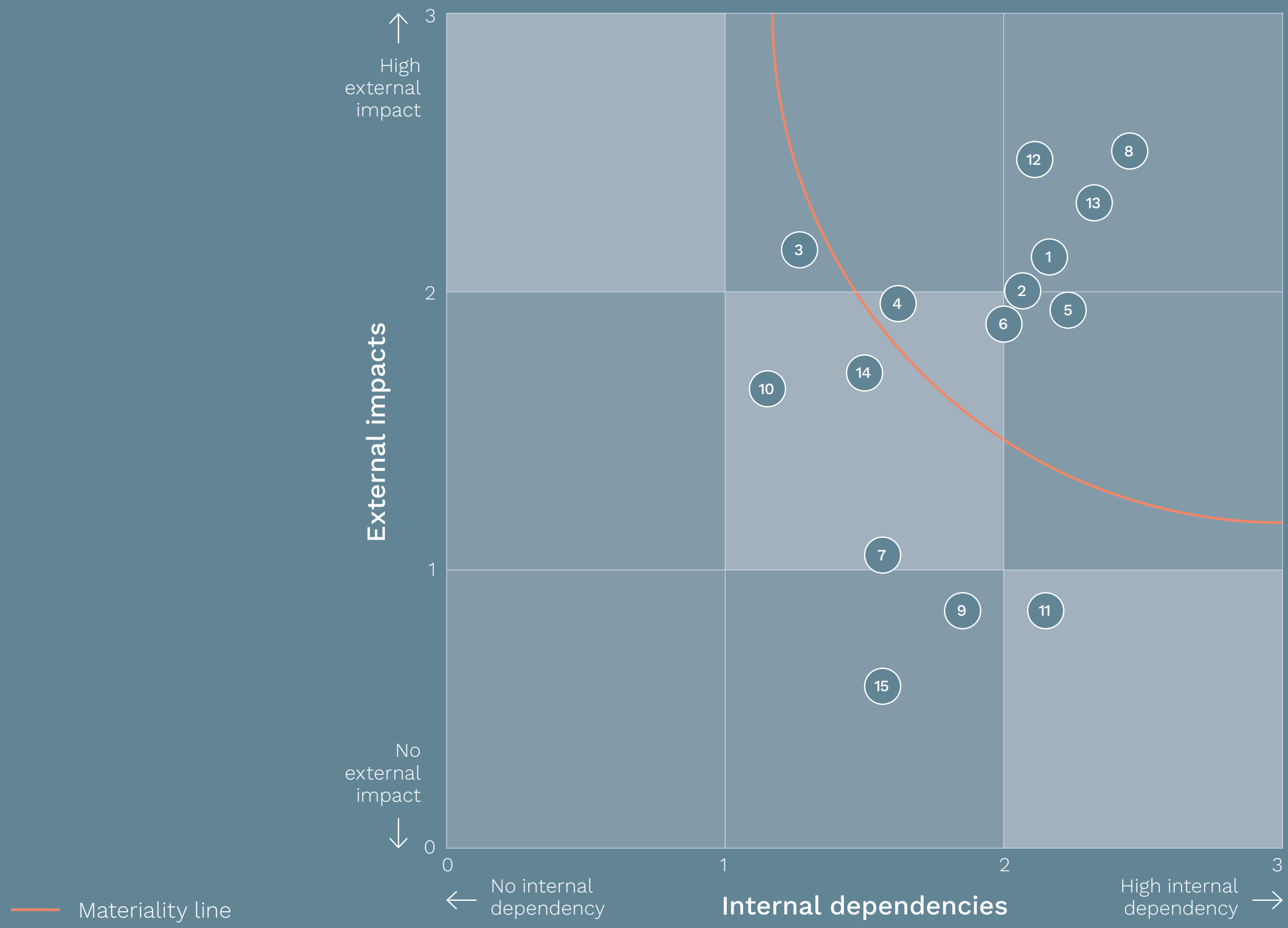
In 2022, a materiality assessment was carried out by our specialist ESG consultancy, Sillion, to reveal stakeholder perceptions of the Group and to inform the development of our new ESG strategy.

Materiality Assessment

The assessment took on a double materiality approach, identifying material impacts both inwards (i.e. sustainability issues that impact enterprise value) and outwards (i.e. components of the Group's business that have an impact on the economy, environment and people).

Sillion carried out a peer review to uncover a long list of material issues for the recruitment industry and the Group. They then conducted primary research in the form of surveys and interviews with internal stakeholders across a variety of roles. This was followed by the creation of the materiality matrix, which contains the issues most pertinent to the Group over the next 24 months. 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 in the next column.

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**	
9 Health and safety	Being a responsible business
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	

1. Engaging our workforce

Our purpose – to power people and organisations to fulfil their unique potential – underpins everything we do.

With people at the heart of our business, the Group is committed to creating a workplace where our employees are engaged, supported and given the best opportunities to develop and grow. To achieve this, we take the time to communicate our values, listen to our people and strive to create an even better 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. **Implementation of purpose:** Engage employees with the Group's purpose helping them to identify how their personal values align to it. Align our benefits offering to the purpose as well as to new client-facing services.
2. **Employee engagement:** Collect and action employee feedback to provide more of a voice to our employees.
3. **Tailored learning and development:** Continue with learning and development opportunities and provide upskilling programmes related to purpose and market trends.
4. **Tailored health, wellbeing and benefits:** Increase mental health and wellbeing salience across the business. Communicate the positive impact of the team-based profit share model.

"People want to enjoy coming to work and they want a meaningful experience with an employer that helps to unlock their unique potential. This is why engaging our employees and building a great employee experience is so important to us at the Group."

Indy Lachhar, Global HR Director
Robert Walters & Walters People

Our 2022 highlights

Listening to our people

In the first quarter of 2022 we conducted our first global employee engagement survey with our partner Glint, supported by an internal communications campaign and significant investment in helping senior leaders and managers have meaningful conversations around employee engagement.

82% of our people completed the survey, and with an overall engagement index of 79%, we were above the global Glint benchmark. Our people told us that within our teams we communicate openly and honestly with each other, that as a business we offer equal opportunities to succeed to all our people regardless of background, and that our people have great, long-term career opportunities with us.

ESG Strategy continued

Tailored learning and development

We take the time to understand the needs of our people and what support they need to develop long, successful careers with the Group.

In our Resource Solutions business, we launched a new global leadership development programme to equip leaders with the skills needed to lead in a post-pandemic world. Eighty leaders joined the programme which will continue into 2023 to allow us to build on the capabilities developed through the programme so far.

The business also invested heavily in its learning management system to deliver Netflix-style access to on-demand training covering recruitment and commercial skills, service excellence and building confidence, as well as a stream for on-demand management training. This was supplemented with Social Talent, a digital recruiter platform which uses gamification to help recruiters learn new skills and build engagement.

Further investment in building our global learning and development team in 2022 and the appointment of Louise Campbell as our new Global Head of L&D to support our Robert Walters and Walters People businesses has ensured the delivery of a consistent learning experience globally for our people, at every career stage. A robust programme of core training, the creation of peer-to-peer networks and a focus on building a coaching culture through leadership training were cemented as the core pillars of our L&D strategy.

We also launched new programmes such as the 'Good to Great' series, focused on embedding best practice and excellence in the business, and 'Robert Walters Opens the Door to…' where each month a business leader shares insights into their local business in support of the international mobility programme.

Career development pathways

In our Robert Walters and Walters People businesses, we further developed our manager capability through leadership and coaching skills training, and we will be embedding our leadership behaviours framework into our appraisal processes. We also invested in training our managers to equip them with the skills to lead their teams in a hybrid-working environment.

Our talent development team also worked with leaders throughout the year, building self-awareness and confidence through bespoke coaching programmes based on 360-degree feedback. This was supported with informal mentoring for our leaders allowing them to share their experiences with each other. In the past two years, we've worked with over 85 leaders on a one-to-one basis and 32 leadership teams across APAC and EMEAA.

In 2022, Resource Solutions developed a career paths framework to empower individuals to take charge of their own careers. Launched in EMEA at the beginning of 2022, with 60 managers trained in how to facilitate career path conversations, the programme was rolled out to the US in June and will soon be launched in APAC.

As a business we are also committed to inclusive hiring by providing career opportunities to those from non-recruitment backgrounds via our Recruiter Academy. After a rigorous assessment process to ensure they have the right transferrable skills, attendees join an intensive 12-week programme to prepare them for deployment into a recruitment role. In 2022, over 50 people entered the programme in two of our core markets. Additionally, we are supporting professionals who have taken a career break to get back into the workforce via our Rejoin programme.

Awards

Our business continues to be recognised as a leader in building an engaged and inclusive workplace. We won the Women Back to Work DE&I award at the TIARA Talent Solutions Awards US and the TIARA Awards MENA Best Recruitment Company to Work For award, and were named as a Great Place to Work® in Japan. We were also finalists at the Engage Awards for Best Use of Technology in Employee Engagement, Personnel Today Awards in the Family Friendly Employer of the Year category and TIARA Awards MENA for Talent Solutions Company of the Year which is awarded to an employer of choice.

Engaging our workforce in 2023

In 2023 we will continue to invest in engaging our workforce in the following ways:

- Reward and recognise our employees through employee recognition programmes that promote the values of collaboration, teamwork and excellence.
- Conduct our second global employee engagement survey, analysing the results at a global, regional, local and team level, implementing changes so we continue to make Robert Walters Group an even better place to work.
- Review our exit interview process to explore possible improvements.
- Provide global learning and development opportunities to all our people, communicating internally and monitoring utilisation rates and outcomes.
- Monitor market trends and develop upskilling programmes relevant to ESG market trends (such as hybrid working and ED&I).
- Promote meaningful conversations across all levels of the business about mental health.
- Engage our people through campaigns to further embed our Group purpose and help our people bring to life the everyday actions and personal values that align to our purpose.
- Explore the expansion of our Recruiter Academy to different geographies and business units.

2022 highlights in brief

Employees completing the global employee engagement survey

82%

Employees feel aligned to our company purpose

78%

Overall employee engagement index score

79%

Number of internal promotions

1,123

Training, learning and development sessions delivered

3.5k+

Participants in the Recruiter Academy

50+

Employee wellbeing champions across key locations

65

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%

Employees promoted per annum

17.5%

Continue to focus on the Recruiter Academy and build further to support administration roles.

Maintain a cohort of wellbeing champions across all key locations.

All targets are for 2023.

2. Enhancing our ED&I initiatives

As a global recruitment group, we understand the power and responsibility we have to champion diverse hiring and inclusive workplaces, as well as creating a fair and inclusive workplace for our own people.

We believe in the power of a diverse global workforce, built upon the principles of inclusion and respect for all, that gives people the right to be their true, authentic selves. And, as a people business, we are committed to creating a workplace for our people where everyone listens and learns from each other to drive innovation, and where unique perspectives and experiences open up new ways for our business to grow and achieve more.

Our ambition

To be a global ED&I thought 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 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 2022 highlights

Asking the right questions

In early 2022 we conducted our first global Group-wide employee engagement survey, partnering with Glint as our engagement technology partner, to better understand what our people value and how we could continue to create an even better workplace environment and culture. The response rate was extremely high at 82%, and 75% of our people said that they feel a sense of belonging which is above Glint's external benchmark evaluating over 750 businesses.

Empowering our people

Our regional ED&I councils play a key role in helping our people get actively involved in building a welcoming and inclusive culture within our business at a local level. In 2022 we launched two new regional councils, bringing the total to eight across the globe represented by over 100 employees. Our volunteer council members, in addition to their everyday responsibilities, meet regularly to help drive our Group ED&I agenda forward in their local businesses and flow feedback and insights through to our global ED&I council. This works to ensure that the Group understands the local priorities, challenges and cultural nuances around diversity and inclusion in our business in every region.

Coral Bamgboye
Global Head of Equity, Diversity & Inclusion
Robert Walters Group

Celebrating diversity

Coming together to celebrate and reflect on important events and times of the year that shine a spotlight on diversity and inclusion is hugely important to us as a business. As people returned to the office post-pandemic, we were able to hold in-person events as well as virtual meet-ups and continue the collaboration and conversation in our ED&I group on our internal communications platform, Workplace.

In 2022, led by our regional councils, HR and senior leadership teams, our people got involved in activities all across the globe, from celebrating Pride with our Rainbow Visibility webinars, which saw over 300 attendees, to conversations on being an anti-racist organisation and the role of allies in supporting black colleagues, as well as webinars on neurodiversity in the workplace and cultural conversations on LGBTQ+ History Month, ADHD in the workplace, mental health and allyship. We also held webinars to mark International Women's Day, International Men's Day, World Menopause Day and World Mental Health Day. These events saw us come together as a business to show our colleagues, clients and candidates that we support and celebrate diversity in our business all year round.

Creating safe spaces

We have focused on building our employee resource groups to help provide safe spaces for colleagues to support and advise each other: an LGBTQ+ and Allies group, a group for working parents and carers, and one for colleagues and allies championing disability inclusion. Our employee resource groups also work with our ED&I councils to identify ways that we can be more inclusive across the business.

ESG Strategy continued

Trusted partnerships and accreditations

At a global and local level, the Group works in partnership with a number of trusted organisations who support and advocate on behalf of under-represented groups and individuals to help ensure everyone in society has the opportunity to fulfil their unique potential.

In 2022, we were awarded bronze status with Clear Assured, which is a globally recognised diversity and inclusion standard, and our Robert Walters Japan business has been granted the highest level of the L-boshi certification for our efforts to promote women's advancement in the workplace. We are also certified as Level 2 Disability Confident Committed through the UK Government's Disability Confident initiative.

Our partnerships and accreditations

Helping clients build more inclusive workplaces

As a recruitment group we are uniquely positioned to champion diversity and inclusion not just in our own business but also for the benefit of our clients and candidates. Our vision is to empower businesses with the knowledge they need to remove barriers and bias from their recruitment processes. Through the production of data-driven ED&I research pieces, practical guides, events and webinars we are able to share our thought leadership with businesses to help them make practical, positive changes to open the door to talent from diverse backgrounds.

In 2022, we launched e-guides on gender, ethnicity, age, disability and socio-economic inclusion and held events such as our global ED&I webinar series which had over 1,000 registrations and explored how to transform yourself into an inclusive leader by understanding how inclusive leaders think and act, and how to remove bias from the recruitment process and increase diverse hiring.

Innovation driving change

We believe that equal employment opportunities for all is fundamental to achieving true equality and representation.

Our award-winning Recruitment Inclusivity Audit assesses a company's end-to-end recruitment process, scoring a company for how inclusive each stage is against seven diversity lenses (age, disability and neurodiversity, ethnicity, gender, faith, LGBTQ+ and socio-economic) and then provides a bespoke toolkit for change.

The audit has been recognised by a number of leading industry awards in 2022, and has been delivered to clients including AXA, Phoenix Group and NHS Kings College Hospital Foundation Trust.

Awards

Social Sustainability, Diversity & Inclusion Award

Product Innovation of the Year

"Our vision is to create a workplace based on the principles of inclusion and respect for all; where people listen and learn from each other; an environment where everyone can be their authentic selves."

Coral Bamgboye, Global Head of Equity, Diversity & Inclusion Robert Walters Group

Enhancing our ED&I initiatives in 2023

In 2023 we will continue to drive forward our ED&I strategy in the following ways:

- Roll out inclusive leadership behaviours training through our Engaging Leaders Programme.
- Develop bitesize training programmes and toolkits that align with a scaled understanding of ED&I across the business and which are regionally relevant, with a particular focus on our middle managers.
- Continue to challenge and improve our gender pay gap.
- Review all policies annually to make sure they are inclusive and representative of best practice through an ED&I lens.
- Raise awareness and celebrate diversity across the business through our global celebration days.
- Continue to deliver ED&I related thought leadership across all regions.
- Develop a reverse mentoring programme to amplify diverse voices to senior leadership across the business.
- Continue to embed and review our employee resource groups (ERGs) to ensure safe spaces and communities are available.
- Embed a data-focused approach into our ED&I strategy to drive meaningful sustainable action, monitor progress and drive accountability.
- Continue to promote the RSConsultancy Recruitment Inclusivity Audit to existing and potential clients, delivering insights and actionable recommendations and helping advance diversity.

2022 highlights in brief

Employees feel a sense of belonging at the Group

75%

Attendees at over 30 internal ED&I events

1.2k+

Registrations for our two global ED&I webinars

1k+

Training sessions delivered for ED&I councils, talent acquisition teams and our people

150+

Number of ED&I thought leadership pieces and events

37

Governance and policies

Gender equality

The Board has a policy to encourage diversity, including gender. On 1 January 2014, the Board implemented a policy to ensure that there will be an equal gender quota for any future long list for a Board appointment. The Board remains committed to increasing its diversity through future Board appointments.

As shown in the table below, the gender split for 2022 has improved by 13% for senior managers and reduced by 2% for other employees.

Our targets

Employees feel a sense of belonging at the Group by 2025

80%+

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

50%

Percentage of Non-executive Board members that identify as female by 2025

40%

Percentage of promotions awarded to those identifying as female in 2023

50%+

In 2022, female employees made up 59% of all promotions globally. In accordance with the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, the Group has provided the table below.

Gender pay gap reporting UK

We support gender equality and we published our UK gender pay gap report on 4 April 2022. The Robert Walters and Resource Solutions reports can be found on our websites:

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

resourcesolutions.com/gender-pay-gap-report

	2022 average employees[1]				2021 average employees[1]			
	Male	Female	Total	Ratio (%)	Male	Female	Total	Ratio (%)
Board Directors	5	1	6	84:16	5	1	6	83:17
Senior managers[2]	121	157	278	44:56	108	80	188	57:43
Other employees	1,456	2,260	3,716	40:60	1,155	1,890	3,045	38:62
Total	1,582	2,418	4,000	40:60	1,268	1,971	3,239	39:61

1. Certain employees do not disclosure their gender identity and as such, this information has not been included in the gender pay table for both years to ensure comparable data.
2. 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.

ESG Strategy continued

3. Responding to a sustainable world of work

The Group is committed to supporting businesses and sectors that will drive the transition to a sustainable economy, as well as helping those companies that are working to improve their ESG impact.

We have, and will continue to, increase our focus on working with clients in sustainable sectors, as well as making placements for roles that support a transitioning economy. We are also in a unique position to provide access to data-driven insights and research relating to ESG, recruitment and the future of work. This will ensure that we are well placed to help businesses find and retain the people needed to secure a sustainable future for generations to come.

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 2022 highlights

ESG thought leadership

Working with a wide range of clients and candidates across the world, we are uniquely positioned to understand and interpret the sentiment, trends and changes impacting recruitment and the future world of work. We are able to provide data-driven insights and analysis, using our own proprietary data, publicly available insights and the subject matter expertise of our experienced recruitment specialists, to help businesses and candidates navigate the changing recruitment landscape as we transition to an ESG-informed economy.

This year, by way of example, we've hosted podcasts on subjects as diverse as gender equality, autism in the workplace and indigenous employment, as well as webinars on disability equality in recruitment, LGBTQ+ inclusion and inclusive leadership, and we've also launched e-guides on how to empower people to deliver ESG transformation, labour market trends in an ESG-focused era, and cultivating a diverse contingent workforce.

ESG Strategy continued

Employee Sustainability Proposition Audit

Increasingly, the ability to attract top talent is linked to a business's ability to communicate and deliver on its ESG commitments. Existing ESG frameworks focus on measuring ESG actions and outcomes in relation to investments or government interventions, but nothing existed to help businesses understand how their ESG strategy interacts with their employee value proposition and employer brand. To address this, our Group Innovation team developed a new consultancy service offering, the Employee Sustainability Proposition Audit, to help businesses understand which elements of ESG are important to employees, how their company performs in these areas and how effectively they are communicating their ESG strategy and results to their employees and potential employees to help attract and retain the best skilled talent.

Piloted in 2022, the ESG Employee Sustainability Proposition Audit is truly innovative in its focus on ESG in relation to the employee value proposition, and as the world moves to a sustainable economy, businesses that wish to attract and retain the best talent will need to be able to honestly and authentically communicate to potential employees how they are reducing their environmental impact, serving their local communities and ensuring they act as a responsible and ethical business.

Accessing early careers talent or job changers

Our Accelerate programme is delivered to clients through our Resource Solutions business and finds and trains untapped, high-potential talent to help businesses rapidly upscale their recruitment project teams. We attract graduates and other entry-level candidates from diverse backgrounds and provide them with accredited training to equip them with technical skills and commercial experience so they can be deployed into client organisations.

Accelerate also promotes re-skilling, career change and social mobility, with 83% of Accelerate consultants coming from an ethnic minority background. Consultants are supported by mentors throughout the programme to help them develop successful recruitment careers, and the programme helps clients improve diversity in their own organisations.

Helping people return to the workforce after a career break

The Covid pandemic saw a rapid shift to hybrid working, with many employers embracing this approach as a permanent way of working. This new-found flexibility opened up access to talent pools who may have previously been excluded from the workforce, for example, opportunities for women with parenting and caring responsibilities, as women still take on a greater proportion of these responsibilities.

Our Rejoin Talent programme helps employers to fill skills gaps by introducing them to a pool of experienced professionals who are returning to the workforce after an extended career break – whether that be from raising a family or fulfilling caring responsibilities. The programme supports participants through their transition back into the workforce, helping them to return with confidence. In 2022, over 120 people went through our Rejoin Talent programme.

Responding to a sustainable world of work in 2023

In 2023, we will continue to develop our strategy to respond to a sustainable world of work in the following ways:

- Provide insights (for example webinars and whitepapers) on current trends (such as digitalisation and diversity) through the global thought leadership programme, delivering ESG-related content.
- Promote and sell the Employee Sustainability Proposition Audit, helping to advance ESG as a key trend.
- Provide industry-leading insights, informed by the Group's work with clients and candidates, addressing ESG trends.
- Measure client, candidate and employee engagement with content, including training, thought leadership and webinars.
- Agree framework to report the Group's sustainable revenue streams.

2022 highlights in brief

Number of sustainable placements

770

Number of ESG thought leadership pieces (including whitepapers, podcasts, webinars and events)

42

Engagements by clients, candidates and employees with our ESG thought leadership

4.2k

Accelerate programme consultants from an ethnic minority background

83%

Rejoin Talent programme participants

120+

Our targets

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

2023

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

10%

Launch the Employee Sustainability Proposition Audit in

2023

4. Reducing our environmental impact

As a business we acknowledge the global threat posed by climate change and we're committed to safeguarding the planet and reducing our impact on the environment.

We take our responsibility for environmental stewardship seriously, as in order to empower people and organisations to fulfil their unique potential, we must also protect the planet. From using renewable energy sources and reducing our emissions, to investing in reforestation initiatives around the world, we are taking a variety of actions to reach our target of net zero 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, and compensate with offsets for any remaining emissions.
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 2022 highlights

Reducing emissions from deforestation and forest degradation

We've been proud to partner with the World Land Trust since 2015, investing in programmes to protect and restore threatened forests in key areas of conservation importance and supporting the protection of carbon-rich habitats. We support World Land Trust forest protection and restoration projects in Vietnam, Ecuador and Mexico.

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 2,945 tonnes of the business's CO_2 emissions in 2022.

ESG Strategy continued

Planting the seed of opportunity

Since 2020, the Robert Walters Group has pledged to 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.

In 2022, we planted 18,990 trees, on top of our regular offsetting, in collaboration with the World Land Trust to restore forest habitats in Brazil and India.

Reducing our carbon emissions

In 2021, we committed to reducing our global carbon emissions by 30%* per head by the end of 2030. Working towards this goal in 2022, our Scope 1 and 2 GHG emissions were down 21% on the previous year, and business travel emissions reduced by 40%* per head. However, in 2022 the impact of Covid on working patterns and business travel was still being felt and was a contributing factor to this result.

As part of our new ESG strategy we are taking our commitment even further as we aim to reach net zero by 2040 across our Scope 1 and 2 GHG emissions. We will work on a transition plan in 2023 to outline how we will achieve this goal.

Environmental management

Our Amsterdam, Dublin, London and Paris offices have all successfully maintained ISO 14001 accreditation, the international standard for environmental management.

Currently, more than one-fifth of the Group's employees worldwide operate in locations which are covered by this certification.

Reducing our environmental impact in 2023

In 2023 we will continue to reduce our impact on the environment in the following ways:

- Continue to offset emissions through our partnership with the World Land Trust.
- Review the materiality of all Scope 3 categories of GHG emissions.
- If required, expand data collection capability to measure any additional sources of Scope 3 emissions and complete a robust GHG review.
- Promote the responsible use of water, paper and energy in offices through local initiatives, expanding initiatives to include internal communications and engagement on decarbonisation plans.
- Assess emissions reductions from operational changes during Covid (e.g. reduced travel) and evaluate whether these emissions can be eliminated permanently.

2022 highlights in brief

Trees planted through our 'Plant a Tree' initiative with the World Land Trust

18,990

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

40%

Company cars are hybrid or electric vehicles

35%

Years as a constituent member of the FTSE4Good Index

14

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

All targets use 2019 as the baseline year.

*The Group's commitments to the reduction in carbon emissions per head is being measured using 2019 emissions as the baseline due to lower-than-average emission levels in 2020 during the global pandemic.

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.

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 has used the updates from the ESG Committee to sign off on the Group's new ESG strategy and to agree the decarbonisation target, among others.

The ESG Committee was established at the beginning of 2021 and met six times in 2022. Going forward the Committee will meet at least quarterly. 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 Executive Board, members of the Operating Board, and representatives from HR, finance, internal audit, marketing and innovation.

Alan Bannatyne (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 51) have been incorporated into the Executive Directors' KPIs, within the ESG targets — corresponding to a maximum annual bonus of 8% (see pages 107 to 108), 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 54 to 55.

Strategy

Climate change mitigation is a key piece of the Group's environment pillar within our new 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 51.

The Group recognises that climate change, specifically the transition to a low carbon economy, will change the landscape in which the business operates. In line with our stated intentions in the Group's 2021 Annual Report and Accounts, we undertook a qualitative scenario analysis in 2022. With the help of specialist ESG consultancy Sillion, this 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 54 to 55.

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 44 to 47.

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 36 to 39) and ED&I (pages 40 to 43) 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 matter even more.

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. Employees may require more support from recruitment companies as they navigate changes to their routine working conditions.	●	●	●	The Group is developing client audits and services, with the aim of capturing identified ESG trends. This should assist the Group in being recognised as thought leaders in sustainable HR. 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 a position to work with candidates who want to switch to sustainable jobs, and track candidates who do switch to sustainable jobs. 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. 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. Beyond the existing support we provide through our management and HR teams, we also encourage our people to make use of the global Employee Assistance Programme (EAP), which offers financial wellbeing advice. We support gender pay equality and are committed to taking action to close gaps where these may exist. As we implement our ESG strategy, we will 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. This may increase energy costs and therefore operating costs.				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. 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. If the Group is slow in its action against climate change, it could struggle to attract and retain talent.				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.				The requirements of climate-related corporate reporting and disclosures are reviewed by the Group Financial Controller annually, written in line with legislative disclosure requirements, and then included within the annual external audit process.
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. Damages could result in extra costs for the business, and interruption of business activity. With the advent of remote workers, employees' homes could increase the amount of locations with the potential of being impacted by physical risks.				The Group operates from leased office space and as a service industry has limited high value physical assets. 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). 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.				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 53, 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 are disclosed in the CRRO table on pages 54 to 55.

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 72 to 76. 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 54 to 55. The mitigating activities were discussed during the scenario analysis, reviewed by the Head of Internal Audit and presented at the ESG Committee. 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.

The CRROs are managed and prioritised as part of the Group's overall risk identification and management process (outlined in full on page 72). 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 51.

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) Protocol 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 2022, 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 2022 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 have a significant impact on its greenhouse gas emissions.

All other Scope 3 activities have been considered but the Group feels that the impact of these was so limited as to be negligible and has decided not to disclose these activities within this report. This decision will be reviewed on an annual basis, or sooner, if changes are made to regulatory reporting requirements.

The Group's energy consumption in kWh has been calculated for 2022 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
In 2022, we started looking at the contracts we have in place with our energy suppliers to assess where we can move to renewable sources. We also explored ways to improve the energy efficiency of our buildings and in 2023 we will be running a pilot in our London office to test out new sustainable solutions aimed at reducing our impact on the environment.

Greenhouse gas emission source (base year 2019)

	2022 Dec YTD tCO_2e	**2022 Dec YTD tCO_2e per head**	2021^ Dec YTD tCO_2e	2021^ Dec YTD tCO_2e per head	2019^ Dec YTD tCO_2e	2019^ Dec YTD tCO_2e per head
Scope 1						
Vehicle fleet and purchased gas	**563**	**0.17**	529	0.20	716	0.22
Total Scope 1 emissions	**563**	**0.17**	529	0.20	716	0.22
Scope 2						
Purchased electricity and heat	**1,096**	**0.33**	1,153	0.43	1,872	0.59
Total Scope 2 emissions	**1,096**	**0.33**	1,153	0.43	1,872	0.59
Scope 3						
Business travel — air	**1,021**	**0.31**	164	0.06	1,560	0.49
Business travel — land*	**190**	**0.06**	115	0.05	376	0.12
Transmission and distribution	**75**	**0.02**	80	0.03	127	0.04
Total Scope 3 emissions	**1,286**	**0.39**	359	0.14	2,063	0.65
Total Group emissions	**2,945**	**0.89**	2,041	0.77	4,651	1.46
Carbon offset	**(2,945)**	**(0.89)**	(2,211)	(0.83)	(4,314)	(1.24)
Total net emissions	**0**	**0.00**	(170)	(0.06)	337	0.22
Energy consumption (kWh)						
UK energy consumption (kWh)	**1,109,078**	**n/a**	1,023,813	n/a	1,576,801	n/a
Non-UK energy consumption (kWh)	**4,518,630**	**n/a**	4,432,671	n/a	5,672,980	n/a
Total energy consumption (kWh)	**5,627,708**	**n/a**	5,456,484	n/a	7,249,781	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.

5. Supporting our communities

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.

Each year our people enthusiastically take part in a broad range of fundraising and volunteering initiatives from marathon walks, climbing mountains and sponsored runs, to hosting charity bake sales, karaoke competitions to painting wall murals, food donation drives and organising community clean-ups. Likewise, the Group supports a diverse group of charities and not-for-profit organisations in the UK, Kenya, India and beyond.

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. As we play our part in contributing towards the SDGs, we will see local communities transformed.

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 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.

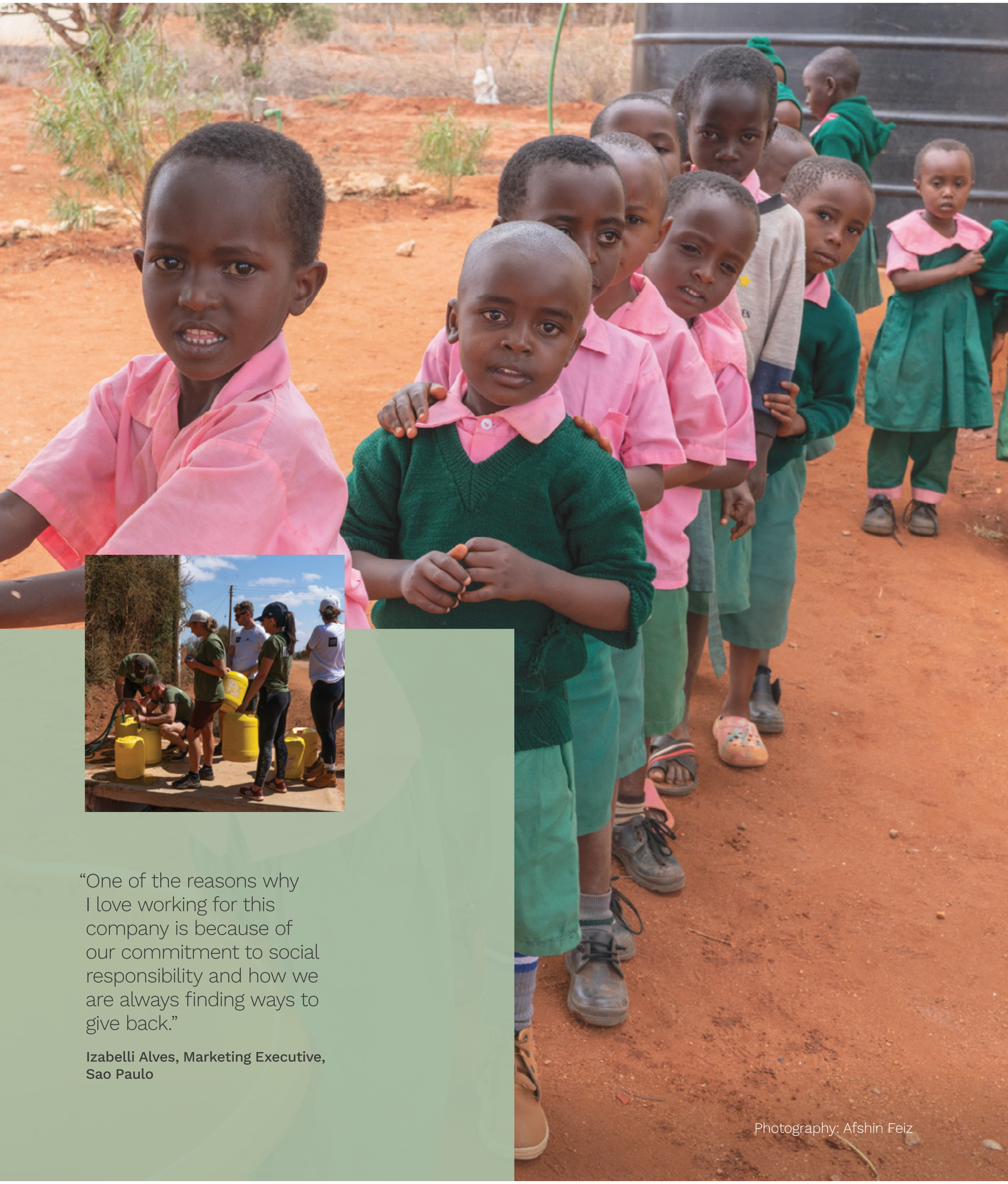
Our 2022 highlights

Transforming Tsavo: powering sustainable growth

For over five years the Robert Walters Group has partnered with the Global Angels Foundation, supporting the Itinyi Valley community in Tsavo, Kenya. In 2022, we sent eight employees to Tsavo to volunteer on the farm to contribute to the community and build upon the impact we're having in the area.

As drought and the effects of climate change increasingly impact the community, our year-round support is making an impact every day to help the community build sustainable business and infrastructure projects including:

- Empowering farmers through the provision of staff accommodation and a community information centre which provides advice on effective farming.
- Building a community water kiosk where families can access clean drinking water close to home.
- Provision of key infrastructure including renovating the mill and upgrading the abattoir and poultry buildings in preparation for the opening of a Global Angels farm shop.
- Training local residents in community development, mill management and poultry and farm management, as well as how to successfully grow crops and harvest them.
- Supporting the development of a poultry farm.



"One of the reasons why I love working for this company is because of our commitment to social responsibility and how we are always finding ways to give back."

Izabelli Alves, Marketing Executive, Sao Paulo

Photography: Afshin Feiz

ESG Strategy continued

Elevating Britain's emerging artists

Now in its third year, our Robert Walters Group UK New Artist of the Year Award, run in partnership with UK New Artists and Saatchi Gallery, was once again a huge success.

The award helps to discover and champion the work of exceptional new artists whose work and vision represent contemporary Britain. This year we received a record 1,348 entries with just 10 exceptional artists selected to exhibit their work at the prestigious Saatchi Gallery for the Awards evening. Congratulations to our 2022 winner Habib Hajallie and runner up Tyreis Holder.

The UK New Artist of the Year Award programme was also recognised as Best Arts and Culture Programme (Gold) and Best Collaboration for a Single Event (Silver) at the Corporate Engagement Awards 2022.

Photography: Tom Morley

Supporting Ukraine

We are proud to have fully funded one of our consultants, Dana Okomaniuk, to run goodjob (findyourgoodjob.com), a platform she co-founded to help Ukrainians displaced by the conflict find new jobs, access mentoring and connect to a community and network of global professionals.

In 2022, with the Group's support, goodjob has:

- Assisted over 1,000 people find a new job or career opportunity both in Ukraine and abroad.
- Helped over 100,000 Ukrainians find new educational opportunities by partnering with organisations such as LinkedIn, Accenture and SheCodes, enabling Ukrainians to pursue their educational dreams while also finding safe and peaceful homes abroad.
- Made over 300 mentor/mentee matches through its mentorship programme in which 20 of the Group's employees participated as mentors.

The Group will continue to support Dana to run goodjob fulltime in 2023.

In addition to goodjob, we supported one of our technology providers to recruit 11 people in Ukraine to work on our Technology and Transformation projects as well as donating to RefuAid, a charity helping refugees to access employment opportunities.

"Robert Walters Group recognised that what I'm doing with goodjob is important and they allowed me to put all of my time and resources into helping Ukrainians and to feel a strong sense of purpose during the darkest days of my life. So, I wanted to say thank you to my incredible company. This certainty that my company had my back has helped me so much."

Dana Okomaniuk
Associate Consultant, Tokyo

Proud production sponsors of Sylvia at The Old Vic Theatre

Robert Walters Group is a passionate supporter of the arts and in November 2022 we became production sponsor for The Old Vic Theatre's new show, Sylvia, which opened in January 2023.

Starring Beverley Knight as Emmeline Pankhurst, this revolutionary story celebrates the life of Sylvia Pankhurst – feminist, activist, pacifist, socialist, rebel – the lesser-known Pankhurst at the heart of the Suffragette movement, who changed the lives of working women and men across the world.

With a 200-year history, The Old Vic Theatre is a not-for-profit and values-led organisation with a strong focus on making theatre accessible to all as well as embracing ED&I with the aim of diversifying the talent pool within the creative industries, both on and off the stage. The Group shares in these values having a strong focus on giving back to our local communities and using our influence to diversify talent pools within our recruitment disciplines. It is with these synergies in mind that the Group is partnering with The Old Vic Theatre to help bring Sylvia to the stage in 2023.

Supporting our communities in 2023

In 2023 we will continue to enhance our support of local communities in the following ways:

- Establish relationships with charities that align with our ESG strategy and the passions of our people. Encourage our people to use their paid volunteering day to support local charities.
- Support Global Angels as our corporate charitable partner through corporate donations, an employee volunteer trip to Tsavo and profile raising.
- Run our annual Global Charity Day with a focus on supporting local charities which align to our ESG strategy.
- Provide a platform for breakthrough UK artists through our Robert Walters Group UK New Artist of the Year Award.
- Support a new global charity, The Change Foundation, to develop young female leaders through the power of cricket. Our people will also provide CV and interview skills training.
- Start providing school meals and stationery items for children from disadvantaged backgrounds through our support of The Akshaya Patra Foundation, a not-for-profit organisation striving to eliminate classroom hunger in India.
- Sponsor the Old Vic Theatre's show, Sylvia, enabling the important story of the suffragette movement to be shared with a diverse audience.
- Support inmates with CV and interview skills training through the Re:Start programme in partnership with prison reform charity, StandOut.
- Provide 10,000 nutritious meals to malnourished children through the Feeding Dreams food programme in Cambodia.

2022 highlights in brief

Record amount raised on Global Charity Day

£151.5k

Amount donated to charities through corporate donations

£420.9k

Percentage of the Group's 31 countries that participated in Global Charity Day

100%

Charities supported and impacted by our people in 2022

70

People mentored by our employees

300+

Ukrainians assisted to find new jobs through goodjob

1k+

Ukrainians supported to find new educational opportunities through goodjob

10k

Best Arts and Culture Programme (Gold) and Best Collaboration for a Single Event (Silver) at the Corporate Engagement Awards for our UK New Artist of the Year Awards programme in

2022

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.

Photography: Afshin Feiz

ESG Strategy continued

6. Being a responsible business

Being good corporate citizens has always been core to the way we do business, and the Group is committed to being a responsible business with strong ethical policies, procedures and practices.

As a participant of the UN Global Compact, we are proud to be taking responsible business action to secure a sustainable future. With robust ESG governance in place and diverse skills and experience on our Board and management committees we are committed to responsible oversight, accountability and transparency.

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 become a participant of the UN Global Compact.

Our 2022 highlights

Joining the UN Global Compact

In January 2023, we were very proud to join the UN Global Compact, a voluntary leadership platform for the development, implementation and disclosure of responsible business practices. Joining with other leading global companies we are taking action to create a more sustainable future by aligning our strategy and operations with the UN's Sustainable Development Goals (SDGs) - 10 universally accepted principles covering human rights, labour, environment and anti-corruption.

Launched in 2000, the UN Global Compact is the largest corporate sustainability initiative in the world, with more than 15,000 companies and 3,800 non-business signatories based in over 160 countries, and more than 69 local networks.

ESG Strategy continued

Building on our existing ESG initiatives

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, continued to drive forward our ESG strategy in 2022. The committee worked closely with specialist ESG consultancy Sillion and key stakeholders to understand the areas where we can have the greatest impact as a business, to inform the development of our long-term ESG strategy and align it with the UN's SDGs.

Materiality assessment

To further understand the key ESG issues that have the most impact on the Group, and to build on our existing ESG initiatives, in 2022 we commissioned Sillion to conduct a materiality assessment (see pages 34 to 35 for more information). The results of the materiality assessment, which was informed by research into stakeholder perceptions of the Group, and backed by thorough industry research, peer review and internal analysis, has helped us to develop our enhanced ESG strategy.

Continued to be recognised as an ESG leader

We were proud to be recognised as a leader in ESG reporting for the second year in a row, with the Group named as a finalist in ESG Investment's 2022 ESG Reporting Awards, for the Best Sustainability Reporting: Services category. The ESG Reporting Awards is an international programme recognising the best in sustainability and climate-related reporting by listed companies. We were also named as a constituent member of the FTSE4Good Index for the 14th consecutive year.

Accreditations and partnerships

We are committed to demonstrating that we are aligned with best practice frameworks by independent evaluation of our processes and ESG policies. We continue to be Cyber Security Certified, the scheme backed by the UK government to help businesses ensure they are protected from cyber threats. Our Singapore and Paris offices are Ecovadis silver rated, and the London office is bronze rated. We are certified under the Safety Schemes in Procurement Competence programme, have achieved silver status with the Achilles Network, a supply chain pre-qualification assessment that covers all key risk and compliance areas, and we hold a ConstructionLine Social Value Certificate, a supply chain pre-qualification system that assesses health and safety and ESG factors. Our Amsterdam, Brussels, Dublin, Kuala Lumpur, London and Paris offices are all also ISO 9001 certified.

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 reviewed 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.

Being a responsible business in 2023

In 2023 we will continue to demonstrate that we are a responsible business by doing the following:

- Have an ESG Committee that oversees ESG progress and which, along with the Board, receives regular ESG progress updates.
- Have the Board assess ESG opportunities and risks at least twice annually.
- Ensure the Board and committees have members with a combination of skills, experience and knowledge, and evaluate annually the Board's composition, diversity and how effectively members work together to achieve objectives.
- Have a balance of Executive and Non-executive Directors on the Board and remain committed to increasing its diversity through future Board appointments, in line with the UK Corporate Governance Code.
- Engage a remuneration consultant to advise on ESG-linked remuneration, with the goal of designing remuneration policies and practices to support our strategy, which are aligned to our company purpose and which promote long-term sustainable success.
- Provide team-based profit share, ensuring the Group can create a better outcome for clients and candidates, which aligns to our company purpose.
- Train new starters in the business on Group ethics and conduct.
- Conduct a detailed review of all policies ensuring all material issues are covered and continue to maintain our Group policy library catalogue, outlining all required policies, aligned to strategic pillars, with named owners and expiry dates.
- Report in line with the Companies Act, Financial Conduct Authority (FCA) and other UK regulatory guidance.

2022 highlights in brief

Completed a materiality assessment to identify the areas of ESG where we can have the greatest impact

Finalists in the 2022 ESG Reporting Awards for the second consecutive year, in the Best Sustainability Reporting: Services category

Named a constituent of the FTSE4Good Index for the 14th consecutive year

Continued to be Cyber Essentials Certified

Our Singapore and Paris offices are Ecovadis silver rated, and the London office is bronze rated

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

ESG Strategy continued
Stakeholder Engagement

Our People

How we engage

- Group-wide annual and pulse employee surveys
- Quarterly regional business update videos and financial results via our Workplace from Meta platform
- 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 2022 was on the mental health and wellbeing of our people, with increased flexibility in work approaches. Growing our people through learning and development opportunities was also a key priority for our business leaders.

Number of employees

4,356

% of employees who completed the global employee engagement survey

82%

Number of training, learning and development sessions

3.5k+

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. With rapidly changing market conditions and talent shortages across all disciplines, we were able to deliver a high-quality professional service and provide support to our clients on how to thrive in a post-Covid market.

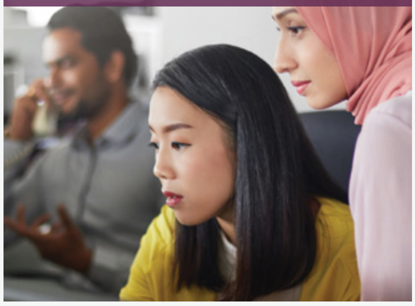
Number of organisations we helped to fulfil their unique potential

13k+

Number of whitepapers/e-guides

88

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 new internally developed CRM allows our consultants to provide candidates with a better and more positive experience.

Number of people we helped to fulfil their unique potential

48.6k+

Candidate satisfaction rating

86%

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 58 to 61.

Total Group donations
£421k

Number of charities supported
70

Number of countries who participate in Global Charity Day
100%

Our Investors

How we engage

- Annual General Meetings
- Annual and interim presentations to institutional investors
- Roadshows, telephone calls and other meetings
- Capital Markets Day
- Providing direct access to the Chair for regular meetings with shareholders, including an annual invitation to meet with the top 10 shareholders
- Communicating regularly throughout the year

How we respond

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

PBT growth
11%

EPS growth
21%

Dividend growth
15%

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.

Number of key strategic global suppliers
25+

Fast Payer Awards Accredited
2022

Section 172 statement
P77 →

Financial Review

Alan Bannatyne
Chief Financial Officer
Robert Walters Group

Financial and operational highlights

Year ended	2022	2021	% change	% change (constant currency)
Revenue	**£1,099.6m**	£970.7m	13%	12%
Gross profit (net fee income)	**£428.2m**	£353.6m	21%	20%
Operating profit	**£58.2m**	£54.1m	8%	9%
Profit before taxation	**£55.6m**	£50.2m	11%	12%
Basic earnings per share	**56.2p**	46.3p	21%	

Revenue

Revenue for the Group is the total income from the placement of permanent and contract staff, and therefore includes the remuneration costs of contract 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 increased 13% (12%*) to £1,099.6m (2021: £970.7m). Revenue was £561.0m in the second half of the year compared to £538.6m in the first half (2021: 1H £468.2m, 2H £502.5m). Revenue from temporary placements represents 74% (2021: 74%) of revenue.

Gross profit (net fee income)

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, consultancy and payrolling margin earned by Resource Solutions. Net fee income for the year increased by 21% (20%*) to £428.2m (2021: £353.6m) with 51% (2021: 53%) of the annual total being generated in the second half of the year. The increase in net fee income was mainly the result of the ongoing recovery from the pandemic in both the permanent and interim Robert Walters divisions.

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

Operating profit

Operating profit increased by 8% (9%*) to £58.2m (2021: £54.1m). Administrative expenses were £370.0m (2021: £299.5m). The 24% (22%*) increase in costs was primarily due to an increase in employment costs during the year as a result of headcount increasing by 25% year on year.

Conversion ratio

Operating profit as a percentage of gross profit was 13.6%, a decrease of 1.7% on prior year. The Group continues to focus on consultant productivity and hiring in the areas of the business where recruitment activity levels are increasing.

Interest and financing costs

The Group incurred a net interest charge for the year of £3.1m (2021: £2.6m), including £2.5m relating to the interest charged on leases (2021: £2.2m), and has a £60.0m financing facility until March 2026. At 31 December 2022, £26.1m (2021: £15.7m) was drawn down under this facility. More details are provided in note 14 to the accounts. A foreign exchange gain of £0.5m arose during the year on translation of the Group's intercompany balances and external borrowings (2021: loss of £1.3m).

"Net fee income for the year increased by 21% (20%*) to £428.2m (2021: £353.6m)."

Taxation
The taxation charge in 2022 was £16.5m (2021: £16.7m) which gives an effective rate of 29.7% (2021: 33.3%). The tax rate is higher than the standard UK rate of 19%, primarily as a result of higher rates of overseas taxation in Japan, Australia, France and the Netherlands and the impact of timing adjustments to accounting profit in the tax calculation.

Over the medium term, other than governmental changes to corporation tax rates, the key factor affecting the effective tax rate is likely to be the mix of profits generated across low and high tax jurisdictions.

Earnings per share
Basic earnings per share was 56.2p (2021: 46.3p).

The weighted average number of shares for the year was 69.6m (2021: 72.3m).

Dividend
A final dividend of 17.0p (2021: 15.0p) per ordinary share is being proposed by the Board. Together with the interim dividend of 6.5p (2021: 5.4p) per ordinary share paid in September 2022, the total dividend per share would amount to 23.5p (2021 20.4p) an increase of 15%. The final dividend, if approved, which amounts to £11.5m, will be paid on 26 May 2023 to those shareholders on the register as at 28 April 2023.

Balance sheet and equity
The Group had net assets of £183.9m at 31 December 2022 (31 December 2021: £174.8m) including goodwill of £8.1m (2021: £8.1m). The increase in the Group net assets of £9.1m comprises profit after taxation for the year of £39.1m, investment in computer software of £7.5m, currency movements of £6.0m, credits relating to share schemes of £2.5m, offset primarily by share purchases of £22.7m and dividends paid of £15.2m. The exchange differences arising in respect of the Group's overseas operations in 2022, resulted in a gain of £6.0m (2021: loss of £7.4m). This was mainly due to the exchange movements in the overseas functional currencies for the Japanese Yen, Australian Dollar and the Euro.

The Group purchased £12.7m of shares in 2022 (2021: £12.3m) through the Employee Benefit Trust. The Group also repurchased £10.0m of shares for cancellation (2021: £nil).

The fluctuations in payables and receivables during the year relate to working capital movements.

Cash flow and net cash position
At 31 December 2022, the Group had net cash balances of £97.1m (31 December 2021: £126.6m). Cash inflow from operating activities was £59.6m (2021: £42.7m). Operating cash flows increased due to an increase in profit for the year offset by the movement in working capital, primarily linked to growth in net fee income compared to the prior year.

The significant cash outflows in the year were: £19.3m of lease liability payments; £15.2m of dividends; £22.7m of share purchases; £21.5m of corporation tax payments; £7.1m of intangible asset investments and £8.8m of fixed asset expenditure. The Group received net cash inflows totalling £10.4m of bank borrowings; and £1.1m of global government support in relation to furlough schemes.

The Group had positive cash flows from its operations and is currently well placed to meet future working capital cash requirements. Surplus cash balances are invested with financial institutions with favourable credit ratings that offer competitive rates of return.

Subsidiary undertakings
The subsidiary undertakings and branches principally affecting the profits or net assets of the Group in the year are listed in note 11 to the accounts.

Going concern
Details on the Directors' consideration and decision to adopt the going concern basis in preparing the accounts can be found on pages 122 to 123.

Key Performance Indicators

Net fee income

£428.2m

(2021: £353.6m)

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 increased by 21% as a result of the global economic bounce-back increasing both client and candidate confidence.

Debtor days

35

(2021: 29)

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

Analysis
Tight control over debtor collection assists in reducing the overall risk profile of the business. The increase is due to some customers taking longer to pay as a result of the ongoing uncertainty in the market and a change in the permanent, temporary and payroll mix in the Group.

Operating profit

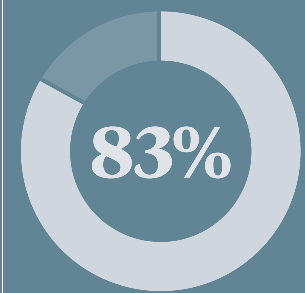
£58.2m

(2021: 54.1m)

Definition
Operating profit represents net fee income less administrative expenses.

Analysis
Net fee income growth offset by investment in headcount led to an 8% increase in operating profit.

International mix



(2021: 81%)

Definition
International mix represents the percentage of net fee income generated outside UK operations expressed as a percentage of total net fee income.

Analysis
There has been a 2% movement in the international mix, primarily due to operations in Europe ending 2022 with a strong performance.

Productivity

£172.0k

(2021: £171.3k)

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

Analysis
Productivity increased despite the investment in headcount during the year. This is a testament to the Group's ability to benefit from operational gearing when market conditions improved.

Candidate engagement

4.2
Glassdoor rating

(2021: 4.1)

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

Analysis
Our Company rating is 4.2 out of 5 which is considered a high score on a comparative basis.

Net cash

£97.1m

(2021: £126.6m)

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

Analysis
Pre cash distribution to shareholders through the share purchases of £22.7m and the dividend payment of £15.2m, operating cash was up £8.5m on prior year.

Business mix

Permanent v contract 70% : 30%

(2021: 68% : 32%)

Definition
Business mix represents the ratio of permanent and contract net fee income.

Analysis
Permanent and Interim recruitment grew more strongly during the year as clients confidently hired for the long term.

Contract recruitment provides a cash hedge in the event of a downturn.

Environmental

Decreased carbon emissions per head

Definition
The Group has made a commitment to reach net zero by 2040 across its scope 1 and 2 greenhouse gas emissions.

Analysis
The Group's scope 1 and 2 greenhouse gas emissions per head is down 21% on prior year and down 38% on the 2019 revised base year.

Basic earnings per share

56.2p

(2021: 46.3p)

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 21% increase is mainly as a result of the increase in profitability of the Group.

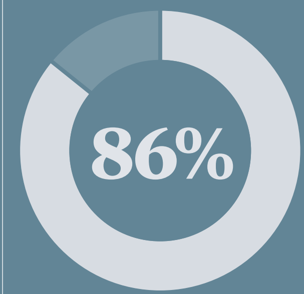
Risk management

Continue to enhance the risk management framework

Definition
The Group's risk management framework is designed to safeguard the Group's assets and to manage the risk of failure to achieve business objectives.

Analysis
A risk review is undertaken each year to assess the principal risks in the existing framework against the current environment and operations, with the required changes made to the risk profile.

Candidate satisfaction



(2021: 85%)

Definition
The candidate satisfaction score recognises the percentage of candidates who would recommend our services to others.

Analysis
The score is taken from responses to our candidate satisfaction surveys in 2022.

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. In 2022, a TCFD scenario analysis was performed which is detailed in our TCFD statement on pages 52 to 57.

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 52 to 57. 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 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 associated key actions, 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 52 to 57.

Risk	Actions to mitigate risk
Political factors, economic, environmental and market uncertainty 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. 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. The aftermath of the Covid pandemic, higher inflation, rising energy costs and rising interest rates as well as 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. 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 reduces 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. 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 perceived 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. 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. 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. 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. Wage inflation may increase the propensity of candidates to change jobs despite greater uncertainty.

Risk	Actions to mitigate risk
Talent attraction and retention The Group relies heavily on recruiting and retaining talented individuals with the right and diverse skill sets to grow the business. 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. Failure to attract and retain key employees with the required sales, management and leadership skills may adversely affect the Group's financial results. 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. 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. 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. 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. 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. 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 is also in place across the Group. 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 the Group's regions. 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. The Group does not accept or tolerate inappropriate behaviour and has clear policies and processes to that effect. 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. The Group offers international career opportunities and actively encourages the redeployment of existing talent to international offices and also to establish new offices. There are a significant number of mental health and well-being initiatives in place across the Group and they are considered as high priority by management.
Competition and emerging technologies 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 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. 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. 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.

Principal Risks and Uncertainties continued

Risk	Actions to mitigate risk
Brand, reputation and business strategy 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. The increasing use of social media increases the Group's exposure to reputational damage. 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. A 'contact us' email address is available on the Group's websites so to give users and candidates the ability to provide feedback or concerns. These can then be acted upon swiftly by the Chief Marketing 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. The Group's long-term strategy for growth is founded on the two pillars of organic international expansion 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. Candidate satisfaction surveys are carried out on a regular basis, with Directors addressing any negative feedback directly with the candidate. 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 51.
Candidate risk 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 policies and 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. During the year we have commenced an ongoing global review dedicated to refining our engagement with candidates and also to ensure that best practice candidate experience protocols are delivered consistently across the Group. We monitor consumer trends outside of the recruitment industry and analyse how consumers' changing expectations could drive the imperative for change within our industry. We continue to develop the ways we use Microsoft Power BI to deliver business insights and management information.
Non-compliance with laws, regulations and contractual obligations The Group operates in a number of diverse jurisdictions and has to comply with numerous domestic and international laws and regulations and other specific contractual obligations. Any non-compliance with legislation, regulatory requirements or contractual obligations 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. The landscape of carbon reporting is rapidly changing, increasing the risk of non-compliance with reporting 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. 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. 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. Climate-related risks and opportunities, including guidance from the Task Force on Climate-related Financial Disclosures (TCFD), and compliance with climate-related corporate reporting in conjunction with other regulatory requirements are reviewed on an ongoing basis. 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.

Risk	Actions to mitigate risk
Regulatory environment The Group operates in a number of diverse jurisdictions and has to comply with numerous domestic and international regulations. Any change in the regulatory environment, particularly impacting employment legislation for both candidates and clients, could have a detrimental effect on 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.	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. 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. The Group has pre-emptively set environmental targets and corporate strategy to reduce carbon emissions and has made disclosures consistent with the TCFD recommendations and recommended disclosures.
Data breach and cyber security 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 an IT security policy, which is comprehensive but not able to eliminate all risk, which is reviewed on a regular basis and covers all areas of IT security from user access through to server access. Third-party advisers are used to perform penetration tests on major systems and operations. All candidate and client information is held securely with restricted access and with data protection rules in place. 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. 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. The Group has appointed a Data Protection Officer to oversee the handling of personal data and compliance with Data Protection laws.
Reliance on technology infrastructure The Group is reliant on its technological infrastructure for day-to-day operations and for delivering client and candidate services. 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. 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. Third-party advisers are used to perform penetration tests on major systems and operations. 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. 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, the provision of Microsoft Surface Pros to all staff ensures we have the flexibility to work remotely as required.

Principal Risks and Uncertainties continued

Risk	Actions to mitigate risk
Treasury risk The Group operates under a number of functional currencies. Any unfavourable movement in the foreign exchange rates may have an adverse effect on translation of overseas operations, and subsequently the Group's Pounds Sterling financial results. 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. There is an increased uncertainty over cash flows due to economic pressures, which could have an adverse impact on working capital balances and increases the level of risk of an adverse effect on Pounds Sterling and client payment risk profile. The future success of the Group could be affected if the Group fails to align its capital planning with its business strategy.	Revenues and costs are in their functional currencies in the local entities, which minimises the Group's transactional exposure. Credit worthiness and client risk profiles are monitored, with prompt escalation procedures for disputes and instances of slow payment. The Group continues to monitor the sensitivity to foreign currency fluctuations through performing regular sensitivity analysis and reducing exposure wherever possible. 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.

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 66 to 67. 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 define our purpose of powering people and organisations to fulfil their unique potential. This includes interests of our people, our clients, our candidates, our communities, our investors and our suppliers, which is detailed in Our Strategy for Growth on pages 16 to 31 and our ESG Strategy on pages 32 to 67.

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 72 to 76, 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 3 to 77, incorporates the 2022 Highlights, Robert Walters Group at a Glance, Our Business Model, Chair's Statement, Chief Executive's Statement, Our Growth Opportunities, Our Strategy for Growth, Our ESG Strategy, Financial Review, Key Performance Indicators, Principal Risks and Uncertainties and Section 172 statement.

By order of the Board,

Alan Bannatyne
Chief Financial Officer
9 March 2023

Stakeholder Engagement: pages 66 to 67
Our Strategy for Growth: pages 16 to 31
ESG Strategy: pages 32 to 67
Principal Risks and Uncertainties: pages 72 to 76

Chair's Introduction to Corporate Governance

> 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

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. For example, in 2022, the ESG Committee, with the help of Sillion, a leading ESG consultancy, was focused on setting a new environmental, social and governance (ESG) strategy, with defined KPIs and targets. More details of the ESG issues that are most critical to our business and that shape our strategy for the future can be found on pages 32 to 67. A Global Head of Equity, Diversity and Inclusion role also started in May 2022. This is a key role to support our ongoing commitment to a working environment that promotes inclusion, dignity, and respect for all – not only for our own employees, but for clients, candidates and other stakeholders we work with. This role will also focus on promoting diverse hiring in our clients' organisations.

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 72 to 76 and the Climate-related risks and opportunities section on pages 54 to 55.

> The Remuneration Committee has continued to engage with our shareholders, completing a comprehensive review of Executive Directors' pay during the year and incorporating best practice."

Leslie Van de Walle
Chair

The Board Committees have had an active year. The Nominations Committee led the appointment process with the assistance of an external advisor for myself as the new Chair. I joined the Board on 1 November 2022. We are in the process of hiring an additional Non-executive Director and will be looking to ensure that our Board is in line with best practice gender guidelines as quickly as possible. Additionally Brian McArthur-Muscroft was succeeded by Matt Ashley at the end of his nine-year tenure and I would again like to extend a sincere thank you to Brian for his contribution to the Group during his tenure.

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.

The Remuneration Committee has continued to engage with our shareholders, completing a comprehensive review of Executive Directors' pay during the year and incorporating 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 91.

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

Leslie Van de Walle
Chair
9 March 2023

Report of the Board

Board of Directors

Leslie Van de Walle
Chair

Appointed
November 2022

Committees
N

Leslie is a Non-executive Director of HSBC UK Bank plc and the Chair of Greencore Group plc.

Leslie has held various non-executive roles and was previously 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.

Robert Walters
Chief Executive Officer

Appointed
July 2000

Committees
N

After three years at Touche Ross & Co., Robert joined the recruitment firm Michael Page as one of its very first employees. Following an eight-year period which included setting up its New York office, he returned to London and established his own recruitment business in 1985, specialising in middle management professional positions. Since then the Company has grown, largely organically, into different sectors and a variety of regional and international locations.

Robert Walters plc is quoted on the London Stock Exchange and currently has a global presence spanning 31 countries.

Alan Bannatyne
Chief Financial Officer

Appointed
March 2007

After qualifying as a Chartered Accountant with Deloitte & Touche, Alan was Commercial Manager of Primecom and then Financial Director of Foresight, both subsidiaries of Primedia, a listed South African Media Group.

Alan joined Robert Walters as Group Financial Controller in September 2002 and was appointed to the Board of Robert Walters Group as Chief Financial Officer in March 2007.

In November 2022 he was appointed the Non-executive Chair of XPS Pensions Group (XPS). Alan has served on the Board of XPS since 2017.

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.

Steven Cooper
Non-executive Director

Appointed
October 2018

Committees
A N R

Steven Cooper is an experienced international business leader who has been at the forefront of business transformation in the banking and payments sector, generating sustainable returns and significantly improving colleague and customer engagement scores. This has been achieved through repositioning the customer offer and using digital and data-driven technologies.

He is currently Chief Executive Officer of Aldermore Group and was formerly Chief Executive Officer of UK Private Bank C. Hoare & Co. Steven began his career at Barclays in 1986 and occupied numerous senior positions, including Chief Executive Officer Barclaycard Business, Chief Executive Officer Business Banking and Chief Executive Officer Personal Banking for UK and Continental Europe. Steven is currently Chair of Experian UK and previously he was Co-Chair of the Social Mobility Commission, a Non-executive Director of the Financial Services Compensation Scheme, served on the advisory board of Teach First and was also a member of the FCA Practitioner Panel as well as various Government taskforces. He was awarded an Honorary Doctorate from Heriot Watt University for services to banking and social mobility and was last year named as banking Chief Executive Officer of the Year by Today magazine. Steven was awarded a CBE in January 2022 in recognition for his services to banking and social mobility.

Matt Ashley
Non-executive Director

Appointed
December 2021

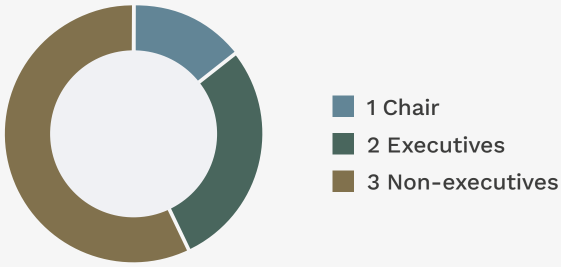
Committees
A N R

Matt joined the Board of Robert Walters plc in December 2021 and brings a broad range of experience from different sectors. As Group Chief Financial Officer of Micro Focus International plc, one of the world's largest enterprise software providers, Matt has just completed its sale to Open Text Inc for an Enterprise Value of $6bn. 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.

Board Composition

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

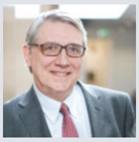


A Audit and Risk
N Nominations
R Remuneration
● Chair of Committee

Report of the Board continued

Division of responsibilities

Division of responsibilities between Chair and Chief Executive



Leslie Van de Walle
Chair

Robert Walters
Chief Executive Officer

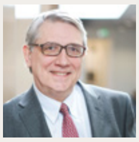
The Board has shown its commitment to dividing responsibilities for the Board and running the Company's business by keeping the roles of Chair and Chief Executive separate.

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, Robert Walters 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

Steven Cooper
Non-executive Director

Matt Ashley
Non-executive Director

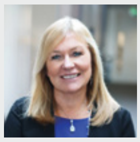
The Board comprises the Chair, two Executive Directors and three independent Non-executive Directors.

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, Steven Cooper and Matt Ashley 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 2022 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 92 to 119.

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 16 to 31. 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 24 to 27 and 36 to 39.

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 16 to 67. 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 118, 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 top 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 our Stakeholder engagement of our ESG Strategy section of the Strategic Report on pages 66 to 67.

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, including obtaining a written statement on resignation of a Non-executive Director, of any such concerns;
- 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 87 to 89.

Nominations Committee

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

- Engaging the assistance of an external advisor and subsequently recommending Leslie Van de Walle as the Non-executive Chair;
- 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.

Remuneration Committee

The Remuneration Committee met four 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 92 to 119, 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. Robert Walters, by invitation, attended two Remuneration Committee meetings during the year. Alan Bannatyne, by invitation, also attended three Audit and Risk Committee, six Nominations Committee meetings and four Remuneration Committee meetings during the year.

	Board (8 meetings)	Audit and Risk Committee (3 meetings)	Nominations Committee (6 meetings)	Remuneration Committee (4 meetings)
Leslie Van de Walle[1]	2	n/a	1	n/a
Robert Walters[2]	7	n/a	5	n/a
Alan Bannatyne	8	n/a	n/a	n/a
Tanith Dodge	8	3	6	4
Steven Cooper	8	3	6	4
Matt Ashley[3]	8	2	4	2
Ron Mobed[4]	3	n/a	2	n/a
Brian McArthur-Muscroft[5]	3	1	2	2

1. Leslie Van de Walle joined the Board on 1 November 2022.
2. Robert Walters was unable to attend one of the Board meetings and one of the Nominations Committee meetings due to illness.
3. Matt Ashley attended all the Board and Committee meetings in 2022. The table above shows his attendance since he became a member of each Committee after the 2022 AGM on 28 April 2022.
4. Ron Mobed stepped down from the Board on 15 July 2022.
5. Brian McArthur-Muscroft stepped down from the Board on 28 April 2022.

Report of the Board continued

Governance of climate matters

Climate change has been a key focus for the Group in 2022 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 six 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 new environmental targets. Further details on our new environmental targets can be found on page 51.

The new environmental targets have been part of the Executive Directors KPIs for 2022, 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 2022 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.

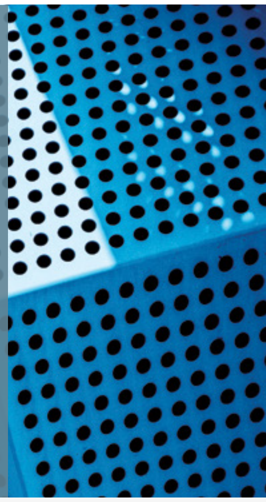
Report of the Audit and Risk Committee and the Auditor

A separate report of the Audit and Risk Committee is set out on pages 87 to 89 and provides details of the role and activities of the Committee and its relationship with the external auditor.

Leslie Van de Walle
Chair
9 March 2023

Report of the Audit and Risk Committee

Matt Ashley
Audit and Risk Committee Chair



Dear Shareholder
I am delighted to be appointed the Audit and Risk Committee Chair of such a talented business. I would like to thank Brian McArthur-Muscroft for his help during my onboarding to the business.

I would like to give you an overview of the operation and scope of the Audit and Risk Committee and report on our work over the past year.

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 and Steven Cooper; 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. I joined the Board in December 2021 replacing Brian McArthur-Muscroft as the Chair of the Audit and Risk Committee after the conclusion of the Annual General Meeting on 28 April 2022 when he retired from the Board. The four-month handover between Brian and I ensured that there was a seamless transition of the Chairpersonship 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 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 Group Financial Controller, the 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 page 91 in the Report of the Nominations Committee.

“I am delighted to be appointed the Audit and Risk Committee Chair of such a talented business. I would like to thank Brian McArthur-Muscroft for his help during my onboarding to the business.”

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's 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 2022 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, which include revenue recognition and earned but not invoiced revenue. 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 in reality reverse their acceptance prior to their start date. The level of this provision is considered to be calculated on a consistent basis and appropriate based on historical trends and considering economic pressures on current client 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 pages 122 and 123. For the three-year period ending 31 December 2025, the Group's financing arrangements include:

- Net funds totalling £97.1m (this is net of the facility drawn down to the extent of £26.1m at 31 December 2022);
- A guaranteed four-year borrowing facility of £60.0m; and
- Net current assets of £119.1m.

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 pages 122 and 123).

Based on the current financing position and projected cash flows and the ongoing impact of Covid 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. Five amendments to accounting standards, as detailed in the Developments in accounting standards/IFRS section of the Statement of Accounting Policies on pages 140 to 141, will apply with no material impact for the financial year 2023 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 2022 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 2021, the Committee approved the Internal Audit plan for 2022. 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 such as Human Resources. 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 72 to 76. 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 2023.

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. Sandra Thompson replaced Mark Cardiff as the Lead Audit Partner in the current year, following his rotation from the audit. Sandra is an experienced Audit Partner, with 30 years' experience working in the profession, bringing with her a wealth of experience across many sectors. She has also spent time as a Global Chief Financial Officer of an AIM-listed company. 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 9 March 2023 and is signed on its behalf by:

Matt Ashley
Audit and Risk Committee Chair
9 March 2023

Report of the Nominations Committee

We are committed to equality of opportunity regardless of gender, sexual orientation, race, age, disability or religious belief."

Leslie Van de Walle
Chair

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. The members of the Committee are Tanith Dodge, Steven Cooper, Matt Ashley, Robert Walters and myself (since 1 November 2022). Brian McArthur-Muscroft and Ron Mobed were members of the Committee until 28 April 2022 and 15 July 2022 respectively. During the year, the Nominations Committee met to consider and approve the re-election of the Directors at the April 2022 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 84.

We are committed to equality of opportunity regardless of gender, sexual orientation, race, age, disability or religious belief. We 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. For the two previous Board vacancies, a robust external search was carried out, with a high calibre and diverse shortlist, including strong female candidates, being presented to the Committee. The Board remains committed to increasing its diversity through future Board appointments and is in the process of hiring an additional individual with a redoubling of efforts to ensure that we are a more diverse Board in the future.

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.

Appointments
In October 2022, the Committee recommended the appointment of myself as the Non-executive Chair. This appointment followed formal, rigorous and transparent 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.

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 2022, a detailed review was completed by each Director and individual discussions took place between the Chair and each of the Directors and 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 2023. In the case of the Chair's performance and leadership, the review didn't take place in 2022 due to the change in Chair and appointment of the new Chair in November but will become an annual appraisal going forwards. 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.

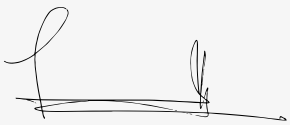
With the change in Chair during the year, the Board has pushed back its intention that the evaluation be externally facilitated to 2023, originally intended for 2022 as the third year since the previous externally facilitated evaluation.

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 all Directors, as does the Committee and the Board.

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 2022 and a succession plan is in place for the Executive Board 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
9 March 2023

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

Leslie Van de Walle
Chair

Report of the Remuneration Committee

Tanith Dodge
Remuneration Committee Chair

Dear Shareholder

This year's report incorporates changes to our Directors' remuneration policy and our shareholders will be invited to vote on both the Annual Report on remuneration and on the Directors' remuneration policy at the Annual General Meeting (AGM) on 27 April 2023. This will be the third anniversary of the approval of our current policy.

Directors' Remuneration Report at a glance

During the year, the Group's profit before taxation was up 11% which was a record year for the Group. Against this backdrop:

Executive Directors received a salary increase of 3.5%, effective from 1 January 2022

The performance shares granted three years ago in 2020 will lapse in full in March 2023

Robert Walters and Alan Bannatyne received 58.5% and 56.9% respectively of the maximum bonus payable for 2022

The Remuneration Committee reviewed the effectiveness of the Directors' Remuneration Policy and decided on the changes to recommend to shareholders for approval

The Remuneration Committee believes that the policy has served the Company and shareholders well and is therefore asking shareholders to re-approve substantially the same policy which incorporates a number of amendments to reflect developments in remuneration and governance practice. We expect the Policy to remain in place for the next three years from the date of the AGM.

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

- The Directors' remuneration policy which sets out the Group's intended remuneration policy for Directors which, subject to the approval by shareholders, will be effective from the 2023 Annual General Meeting. The Directors' remuneration policy is subject to a binding vote.
- The Annual Report on remuneration which details payments made to Directors in 2022, showing the link between Group performance and remuneration for the 2022 financial year and describes the intended approach to be applied for the 2023 financial year. The Annual Report on remuneration will be subject to an advisory vote at the 2023 Annual General Meeting.

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 2022 was £266.6m of which the Executive Directors' total remuneration in 2022 was 0.8% 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 workforce remuneration. In addition to my role as Remuneration Committee Chair, I have undertaken additional engagement internally in order to have greater visibility of the workforce and related matters within 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 130 senior employees participate in a Group share incentive scheme. Additionally, the Executive Directors have an obligation to 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 delivered a record performance in 2022 despite the increasingly uncertain macro-economic backdrop that impacted many of the Group's markets during the second half of the year. The Group delivered an increase in net fee income of 21% to £428.2m and profit before taxation increased by 11% to £55.6m. The balance sheet remains strong and our net cash position was £97.1m at the year-end. 83% of our net fee income now comes from outside the UK and only 12% of recruitment net fee income from the financial services sector. Basic earnings per share was 56.2p, an increase of 21% on the prior year basic earnings per share of 46.3p.

The Board has proposed a final dividend payment of 17.0p per ordinary share, representing an increase of 13% on the prior year 15.0p final dividend payment and a 15% increase in the total dividend payment year on year.

In respect of wider stakeholder experience the business remains at the forefront of the specialist recruitment market. The Group was recognised as a leading recruitment and employer brand at both recruitment and wider industry events across the globe - see the list of awards on pages 38 and 42. During the year we established a new ESG strategy and have once again offset the equivalent of our carbon emissions – see page 57. Our annual Global Charity Day combined the energy of our employees with genuine engagement with local communities in need to make a real difference to the lives of those less privileged. ESG specific targets were set as Key Performance Indicators (KPIs) at the beginning of the year and are set out on pages 107 to 108.

Pay decisions and outcomes in 2022

The performance goals for the annual bonus of the Executive Directors for 2022 were set at the start of the year. They are profit before taxation and specific KPIs which are aligned to the business strategy and culture of the Group. The profit before taxation achieved for the year of £55.6m was just below the mid-range of the internal target set for the year, and as a result 35.7% bonus for the financial element was payable. The maximum bonus hurdle of £62.7m set at the start of the year was 25% higher than the profit before taxation reported for 2021, reflecting a significant stretch based on both internal budgeting and external consensus forecasts which were considered relevant at the time.

The specific strategic KPIs set at the start of the year included both individual objectives for the Executive Directors and team objectives. Key areas of focus in 2022 included delivery of strategic objectives, financial targets, operational delivery and ESG targets. The Remuneration Committee assessed the performance of the Executive Directors against each of the KPIs and determined that, for Robert Walters, the objectives were 91.2% achieved and for Alan Bannatyne, the objectives were 84.8% achieved. Further details on how bonus had been earned against strategic KPIs are disclosed on pages 107 to 108.

Report of the Remuneration Committee continued

Consequently, total bonus of 58.5% and 56.9% of the maximum was awarded to Robert Walters and Alan Bannatyne respectively, representing 87.7% and 85.3% of salary respectively (2021: both received 140.3% of salary). One third of the earned bonus for 2022 will be deferred for two years into shares, payable in equal tranches after one and two years respectively. These shares, once vested, must be retained by the Executive Directors for two years after payment or vesting.

The Group's annualised compound earnings per share (EPS) growth was 5.0% and below the threshold of the performance range and will result in the lapse of the performance shares granted in 2020 under the EPS performance condition. The Group's total shareholder return (TSR) over the three-year performance period was negative 0.22% compared to a relative result for the FTSE Small Cap Index constituent performance of 3.2%, resulting in the lapse of the performance shares granted in 2020 under the TSR performance conditions. This means that none of the performance shares granted in 2020 will vest in March 2023.

As a result of the incentive outcomes noted above, the total remuneration of the Chief Executive as shown in the single total figure table is 32% lower than his total remuneration for the previous year.

The Committee is satisfied that overall the pay outcomes are a fair reflection of the individual performance delivered over the year, are in line with the performance of the Group and the stakeholder experience. The ratio of the Chief Executive's total realised pay to the median pay in the Group is 25:1 for 2022 (2021: 39:1). The Chief Executive's single total figure is 40% of the 2018 single total figure which was the highest over the last five years. Further details in respect of the Chief Executive pay ratio are disclosed on page 113.

New Directors' remuneration policy and implementation of policy for 2023

There are three changes to the Directors' remuneration policy as follows:

- A two-year holding period will apply to all vested shares under the LTIP from 2023 irrespective of whether the executive director has met the share ownership requirement of 200% of salary.
- The malus and clawback provisions in respect of the annual bonus plan and LTIP awards have been widened and strengthened so that the provisions may be applied in respect of annual bonus, the deferred bonus and awards under the LTIP for a period of two years after payment or vesting. The provisions specifically cover serious financial and/or misstatement of the Company's audited financial results; serious reputational damage as a result of a breach of the Company's Code of Conduct or policies; a miscalculation or an assessment of a performance condition based on incorrect information; or insolvency.
- The policy governing the operation of the annual bonus and awards under the Performance Share Plan (PSP) will also be drafted so as to provide greater flexibility to change the performance criteria and the mix within the three-year life of the policy, for example, to allow the introduction of sustainability or ESG measures. We shall of course engage with our major shareholders in the event of any significant changes to the measures in respect of LTIP awards are envisaged.

No changes are proposed to the quantum of the annual awards under the PSP to Executive Directors. We shall be asking shareholders to approve a new set of plan rules which will reflect the governance changes we have made as well as modernising the plan. The plan would ordinarily have expired in May 2024.

Details of 2023 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 4.0% with effect from 1 January 2023. The Remuneration Committee thought carefully about the level of increases for the Executive Directors. The Committee decided that, in accordance with the Directors' Remuneration Policy and taking into account the performance of the Executive Directors throughout the year that a salary increase was both merited and necessary. The budgeted increase for employees across the Group is 4.9%.

Pension allowances for both Executive Directors have already been aligned to the wider workforce and were reduced from 20% to 5% of salary, effective 1 January 2022.

Details of the 2023 annual bonus and LTIP awards

For 2023, 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 2023 LTIP awards, relative Total Shareholder Return (TSR) and EPS will be retained as measures but the weighting will change. TSR will, as now, be measured against the FTSE Small Cap Index and will account for 35% of the weighting (down from 50%). EPS growth will be retained as now but the weighting will be reduced from 50% to account for 35%. We are introducing two new key goals. They are cumulative cash conversion and ESG, which will have a weighting of 20% and 10% respectively – see page 116.

I engaged with our largest shareholders on the changes to the Policy and to the proposed performance measures and targets for awards under the LTIP in 2023 and am happy to say that they were extremely supportive.

I look forward to your support on all of the resolutions relating to remuneration at the Annual General Meeting on 27 April 2023.

Tanith Dodge

Tanith Dodge
Remuneration Committee Chair
9 March 2023

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 2022

The employee pay cost in 2022 was

£266.6m

of which the Executive Directors' total remuneration in 2022 was

0.8%

Employee salary increases

2022 average increase in employee salaries

8.8%

2023 budgeted average increase in employee salaries

4.9%

Report of the Remuneration Committee continued

Directors' remuneration policy

This section details the Group's Directors' remuneration policy (the policy) for Executive Directors. Shareholders are being asked to approve the policy at the 2023 Annual General Meeting in April and if approved, the policy will take effect from the AGM and is expected to remain in place for at least three years.

The Remuneration Committee conducted a comprehensive review of the policy in 2022 and consulted with our major shareholders. The Committee also sought feedback from the Executive Directors and management. We were supported in this by external advisers, FIT Remuneration Consultants LLP, in part to help ensure that conflicts of interests were managed and minimised. There were no identified conflicts during the review process and the Remuneration Committee set forth its policy recommendation to the Board.

The Remuneration Committee believes that the current policy, which was originally approved at the AGM on 13 May 2020, remains effective and shareholders will be asked to vote on the new policy which is substantially the same as the previously approved policy. The policy is designed to support the strategic business objectives of the Group in order to attract, retain and motivate our Executive Directors and continues to do so. 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.

How the Remuneration Committee sets remuneration

The Remuneration Committee reviews the Group's remuneration philosophy and structure each year to ensure the remuneration framework remains effective in supporting the Group's business objectives. The review ensures that there is external input from professional advisers, consideration of the remuneration structures and quantum of the internal workforce and the performance of the business. The Remuneration Committee seeks to ensure that the policy is in line with best practice and fairly rewards individuals for the contribution to the business, having regard for the size and complexity of the Group's operations and the need to motivate and attract employees of the highest calibre.

When reviewing the policy, the Committee were mindful of the factors set out in the UK Corporate Governance Code:

Clarity

The proposed policy updates the previous policy, with minimal structural changes so is already embedded into the business and is well understood by participants and shareholders alike.

Simplicity

The proposed policy has a single share-based scheme with clear measures which deliver pay outcomes aligned with performance over that period.

Risk

The policy addresses remuneration risk by balancing quantum of performance based reward with minimum required shareholding and sensible and stretching performance criteria.

The total remuneration package links corporate and individual performance with an appropriate balance between long- and short-term elements, and fixed and variable components.

Predictability

The possible reward outcomes under the proposed policy are quantifiable.

The illustrations of the policy in operation clearly show the potential performance scenarios and resulting pay outcomes.

Proportionality

Equity incentives are proportionate to salary, and as the Group scales in size, percentage outperformance inherently moderates.

The policy is designed to incentivise Executive Directors to meet the Company's key objectives and, consequently, a significant portion of total remuneration is performance related.

Culture

The policy is structurally consistent with that of the 130 senior employees and is consequentially culturally aligned.

Key changes in the new policy

As noted above, the current policy is considered to be effective in supporting the strategic business objective and therefore few changes have been proposed for the new policy. The key changes in our new policy are:

- A two-year holding period will apply to all vested shares under the LTIP from 2023 irrespective of whether the Executive Director has met the share ownership requirement of 200% of salary.
- The malus and clawback provisions in respect of the annual bonus plan and LTIP awards have been widened and strengthened so that the provisions may be applied in respect of annual bonus, the deferred bonus and awards under the LTIP for a period of two years after payment or vesting. The provisions specifically cover serious financial and/or misstatement of the Company's audited financial results; serious reputational damage as a result of a breach of the Company's Code of Conduct or policies; a miscalculation or an assessment of a performance condition based on incorrect information; or insolvency.
- We have also introduced more flexibility to permit changes to the performance criteria and the mix of measures within the three-year life of the policy and to allow, for example, the introduction of sustainability or ESG measures into the annual bonus plan and awards under the PSP.

At the 2023 AGM, shareholders will be asked to approve the rules of a new Performance Share Plan which have been updated from the previous 2014 plan to align with the proposed policy.

Executive Directors' remuneration policy

The table below sets out the detailed workings of each component of total remuneration which will be effective from the AGM on 27 April 2023.

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: • The performance of each Executive Director; • Average increase for employees across the Group as a whole; and • 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. 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. 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. Relocation assistance may also be provided. All benefits are subject to annual review to ensure they remain in line with market practice. 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 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. 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. Clawback and malus provisions will apply as set out below. 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. The on-target bonus is 50% of maximum.
Performance conditions and assessment	Performance is measured over one financial year, based on the following measures: • Financial targets as set out in the budget at the start of the year; and • KPIs set against pre-determined strategic performance objectives. 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. The typical 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 typically vest after three years, dependent on the achievement of performance conditions over a three-year period. A two-year holding period will apply to the post-tax value of vested shares in respect of normal policy awards made from 2023. Clawback and malus provisions will apply as set out below. Dividends equivalents 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. The normal award level is 180% of salary and no change to this is envisaged. 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 guidelines
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. 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. 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

Notes to the policy table:
In operating the policy, the Remuneration Committee retains the following discretions:

a. The Committee will retain the right to adopt performance measures, targets and weightings (within the framework of policy) as appropriate at the beginning of each plan cycle to reflect the Group's current operations.

b. The Group may operate all-employee awards such as the Robert Walters Group plc Save As You Earn (SAYE) Option Scheme, which is an HMRC-approved scheme open to all permanent UK employees. Executive Directors will be eligible to participate in such arrangements on the same terms as other employees up to the relevant maximum limits.

c. The Committee operates the annual bonus, deferred bonus, PSP and all-employee share plans in accordance with their respective rules, the Listing Rules and, where appropriate, HMRC rules. The Committee retains a number of discretions, in accordance with the rules of those plans, to ensure the efficient operation of the plans, which include but are not limited to: a. The participants of each award plan. b. The timing of award grant, vesting or payment. c. The award quantum (although limited to that set out in the policy table on page 99). d. The determination of good/bad leaver status for incentive plan purposes. e. How to deal with a change of control situation. f. Any adjustments which are required to take account of, for example, a variation in share capital.

d. The Committee may vary the performance conditions to take account of events that the Committee considers to be exceptional, which cause the Committee to consider that the performance conditions would not, without the change, achieve their original purpose, provided the Committee considers the varied conditions are fair and reasonable and not materially less challenging than the original conditions would have been but for the event in question.

e. The Committee retains discretion in exceptional circumstances to adjust pay outcomes under the incentive plans (for example, that would otherwise result by reference to formulaic outcomes alone).

f. The Committee may make minor changes to this policy (for example for regulatory, exchange control, tax or administrative purposes or to take account of a change in legislation or corporate governance requirements or guidance) without seeking shareholder approval for that amendment.

g. The Committee retains discretion to grant recruitment related awards under the PSP to facilitate recruitment policy on the terms outlined below.

Selection of performance measures
In relation to the annual bonus:

h. The Remuneration Committee will select the most appropriate performance measures based on the strategic priorities of the business at that time. Measures may include financial, operational, ESG, strategic, team-based on individual metrics.

i. The financial performance measure or measures will be set by the Remuneration Committee at the beginning of each year in line with the budget and market expectations and may include measures such as profit before taxation which drive our business. In order to achieve maximum pay-out the financial performance delivered will have to be significantly ahead of budgets and market consensus.

j. KPIs are linked to the delivery of key projects designed to enhance the Group's operational strength and competitiveness in line with future strategy. They help to balance our financial operational performance with strategic investments during the year in, for example, clients, our people and internal systems to ensure the long-term growth and sustainability of the Group.

k. At the end of the financial year, the Remuneration Committee meets to assess the performance of each Executive Director against the financial performance targets and KPIs and determine the bonus pay-out.

In relation to the PSP, the vesting criteria are split into the following two components:

l. The Remuneration Committee will select the most appropriate performance measures at the outset of each grant taking into account the market environment and the strategic priorities of the business at that time. Measures may include financial, value creation, operational, ESG or strategic metrics.

m. When determining any financial targets, the Committee will consider internal plans, external consensus and general views of macro-economic activity. Targets are set to be stretching, yet achievable.

n. Targets for non-financial measures will be calibrated so they remain stretching, particularly to achieve the maximum, but remain achievable and do not encourage undue risk taking.

o. At the end of the performance period, the Remuneration Committee will assess performance against the targets and KPIs and determine the PSP vesting.

Malus and clawback provisions

All incentive awards are subject to recoupment (or clawback) and/or withholding or reducing amounts or awards before payment or vesting (malus) for a period of up to two years after payment or vesting. The Remuneration Committee will have discretion to enact these provisions if there has been material misstatement of the Company's audited financial results; an error in calculation (including on account of inaccurate or misleading information), in the event of serious misconduct, serious reputational damage; or corporate failure.

The malus and clawback may be satisfied by way of a reduction in the amount of any future bonus, existing award or future share awards and/or a requirement to make a cash payment.

Legacy commitments

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.

The Chair and Non-executive Directors

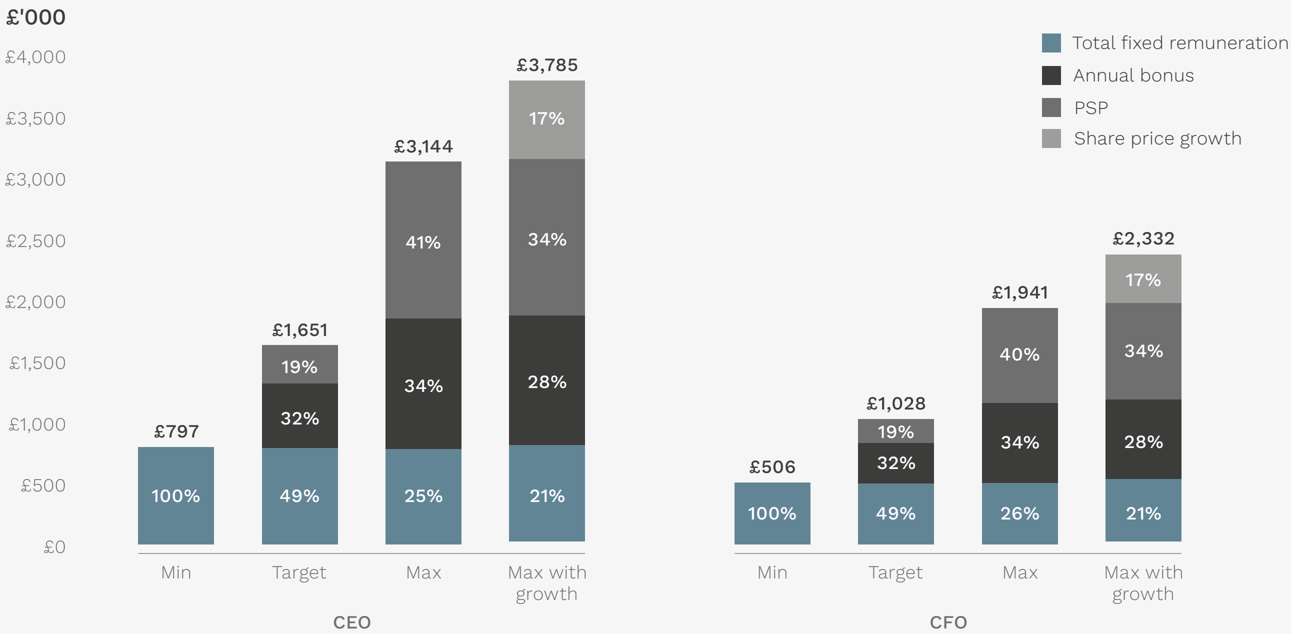
The table below sets out the fees payable to the Chair and Non-executive Directors:

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. 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. 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. The Chair and Non-executive Directors have letters of appointment. The Chair's appointment is terminable by either party giving three months' written notice. The appointment of the Non-executive Directors is terminable by either party serving one month's notice. No compensation is payable on early termination. 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. The fees for the Chair and Non-executive Directors are determined by reference to benchmark market data and assessment of the expected time commitment. 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. 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.

Report of the Remuneration Committee continued

Illustration of application of the Directors' remuneration policy

The graph below provides an indication of the potential total remuneration of each Executive Director based on four performance scenarios: minimum, on-target, maximum and maximum plus 50% share price increase. As required by the Large and Medium-sized Companies and Groups (Accounts and Reports) Amendment Regulations 2013, the graph below takes no account of changes in share price growth or dividend and hence may differ from realised earnings shown in the single total remuneration figures on page 105 of the Annual Report on remuneration.



Notes to the illustrative graph:

1. Share price appreciation and the value of the dividends have not been included (i.e. the deferred bonus and PSP awards are based on the face value at grant with the exception of the fourth scenario).
2. For simplicity the value of any all-employee award has been ignored.

Each remuneration scenario is defined in the table below:

Element	Description
Minimum (fixed pay only)	Base salaries effective as at 1 January 2023. Pension at 5% of base salary. Actual benefit costs as recorded for the year ended 31 December 2022.
On-target	Fixed pay as above. On-target annual bonus of 75% of salary (50% of maximum). On-target PSP award vesting of 45% of salary (25% of maximum).
Maximum	Fixed pay as above. Maximum bonus of 150% of salary. Maximum PSP award vesting of 180% of salary.
Maximum plus 50% share price increase	Fixed pay as above. Maximum bonus of 150% of salary. Maximum PSP award vesting of 270% of salary (i.e. an awards of 180% of salary with a 50% share price increase).

Recruitment and appointment policy

Any remuneration arrangements for a new Director will be in line with the remuneration policy for existing Directors. Incentive awards will be in line with the current awards given to Directors and will be subject to the same maximum award levels and vesting criteria. It is intended that performance measures will be consistent across the executive team, but depending on the timing and circumstances of a new appointment, it may be necessary to set alternative measures for the initial awards. PSP awards may be granted shortly following an appointment, subject to the Company not being in a closed period. As set out in the policy table, any new Director's pension contribution rate will be no more than that which applies to the general workforce. Relocation costs which are reasonable and appropriate may also be paid as necessary.

Where the appointee has variable remuneration arrangements with a previous employer that will be forfeited on the termination of that employment, the Remuneration Committee reserves the right to offer a buyout for any value foregone. A cash-based buyout may be required if shares cannot be awarded. Buyout awards would only be used to facilitate the recruitment of key individuals and may be made under the PSP in addition to any normal award or otherwise in accordance with the rules of the UK Listing Authority. Any such award would only be made in exceptional circumstances, would not exceed the estimated value being forfeited and would take into account any performance and timing conditions appropriate to the awards being replaced.

Service contracts

The service contracts for each of the Executive Directors are open-ended and are available for inspection at the Company's registered address. These service contracts are terminable by either party giving up to 12 months' written notice at any time and there are no specific provisions relating to any payments for early termination of office, or in the event of a change of control. Service contracts for any new Executive Directors will feature broadly similar terms.

Executive Directors may accept external non-executive positions with the prior approval of the Board. Any fees earned may be retained by the individual.

Policy on payment for loss of office

In the event of early termination of a current Executive Director's service contract, the Group has an absolute requirement to pay compensation reflecting the salary, pension and benefits to which the Executive Director would have become entitled to under the contract during the notice period.

Any unvested awards are expected to lapse on cessation. The Committee may, under the contracts of employment in place and the rules of the plans, at its discretion, determine the executive is a 'good leaver' and thus make the following payment:

- Notice period of 12 months' base salary, pension and contractual benefits or payments in lieu of notice;
- Bonus payable and time pro-rated for the period worked, subject to the achievement of the relevant personal and financial performance conditions;
- Vesting of PSP awards are governed by the rules of the relevant incentive plans. Awards will normally vest on the normal timetable. The extent to which an award will vest will be subject on the achievement of performance conditions and will ordinarily be subject to time pro rating. The Committee can decide to pro-rate an award to a lesser extent (including as to nil) if it regards it as appropriate to do so in the circumstances. Alternatively, the Committee can decide that the participant's award will vest when they leave, subject to performance and, ordinarily, time pro-rating. Any holding periods applicable to awards will normally continue to apply to a good leaver's awards, although the Committee may choose to relax this requirement at its discretion, where for example, the post employment share ownership requirement has been met; and
- The right to exercise already vested but unexercised awards shall be retained for a short period except in the case of misconduct.

Each Executive Director has a duty to mitigate his loss in the event of termination. The Committee may settle any other amounts reasonably due to the Executive Director, for example to reimburse the leaver for a reasonable level of legal fees in connection with a settlement agreement or for outplacement services. The Chair and the Non-executive Directors are not entitled to any compensation in the event of early termination.

Statement of employment conditions elsewhere in the Group

Each year, prior to reviewing the remuneration of the Executive Directors, the Remuneration Committee is fully briefed on the remuneration practice across the Group, including an overview by country of how employee pay compares to the market, and material changes during the year and detailed comparative analysis of basic pay and variable pay changes within the UK where all of the Executive Directors are based. It ensures that the decisions on the remuneration of Executive Directors are made in the context of pay and employment conditions elsewhere in the Group. The Group does not formally consult with employees as part of the process of reviewing Executive pay, but employees have the opportunity to express their views as part of our employee engagement activities throughout the year. The Remuneration Committee Chair oversees employee engagement and hence is able to easily feedback employee views to the rest of the Committee.

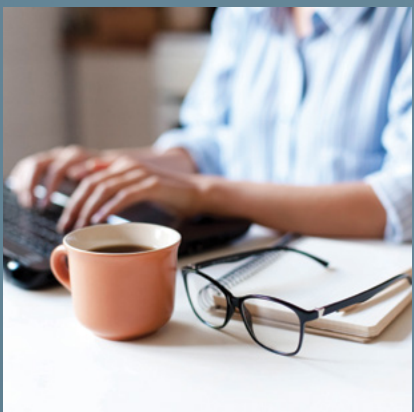
Consideration of shareholders' views

The Committee engages in dialogue with major shareholders and their representatives and meets with the Group's largest investors to discuss and take feedback and to consult on major changes to the Directors' remuneration policy and governance matters. The level of support for the Directors' remuneration policy was high even though our shareholders have differing views on remuneration, for example, on performance measures.

Report of the Remuneration Committee continued

Pay outcomes

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



Chief Executive's pay ratio 2022

The ratio of the Chief Executive's total realised pay to the median pay in the Group for 2022 is

25:1

For 2021

39:1

Annual Report on remuneration

This section of the report provides details of the payments made to Directors in respect of the 2022 financial year. The sections of the report which are subject to audit have been highlighted.

Single total figure of remuneration (audited)

As illustrated by the TSR performance graph on page 112, the Group has outperformed the FTSE Small Cap. Even so the 2020 awards under the Performance Share Plan have lapsed. The Remuneration Committee has set tough targets over the years to ensure a strong link between performance and pay.

Executive Directors

The total remuneration for 2022 and comparative prior year figures for each Executive Director are set out in the table below. The single total figures for 2022 are lower than those for the previous year and reflect a lower annual bonus payment and the lapsing of the 2020 performance shares awarded.

The single total remuneration figures for 2021 have also been updated to reflect the share price on the date of vesting of LTIP awards (rather than the estimated price used last year prior to them vesting).

	2022							
	Base salary £'000	**Other[1] benefits £'000**	**Pension £'000**	**Total fixed pay £'000**	**Bonus[2] £'000**	**LTIPs[3] £'000**	**Total variable pay £'000**	**Total[4] £'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

	2021							
	Base salary £'000	Other[1] benefits £'000	Pension £'000	Total fixed pay £'000	Bonus[2] £'000	LTIPs[3] £'000	Total variable pay £'000	Total[4] £'000
R C Walters	651	60	130	841	913	280	1,193	2,034
A R Bannatyne	397	26	80	503	557	171	728	1,231
	1,048	86	210	1,344	1,470	451	1,921	3,265

1. The Executive Directors received a range of benefits, comprising permanent health insurance, private medical insurance, a car allowance and mortgage subsidy. The benefits for Robert Walters have not been increased in value since 2000; and, in the case of Alan Bannatyne, since his promotion to Chief Financial Officer in 2007.
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 106.
3. The performance measures, targets and the performance outcomes for the Performance Share Plan are detailed on page 109.
4. The single total LTIP figures for both Executive Directors are based on an estimate of the share price on the date of vesting. The 2021 single total figures were based on an estimate using the average share price for the final quarter of the financial year for 2021 of 790p and have been revised (in accordance with the reporting regulations) to reflect the actual share price on vesting of 570p for the PSP.

Chair and Non-executive Directors (audited)

The total remuneration for 2022 and 2021 for the Chair and each Non-executive Director is set out in the table below:

	2022[1]	2021[1]
	Total fees £'000	Total fees £'000
T Dodge	95	73
M Ashley	72	2
R Mobed[2]	71	127
S Cooper	65	62
L Van de Walle[3]	31	-
B McArthur-Muscroft[4]	26	78
	360	342

1. No taxable benefits are payable to the Chair and Non-executive Directors.
2. Ron Mobed stepped down from the Board on 15 July 2022.
3. Leslie Van de Walle joined the Board on 1 November 2022.
4. Brian McArthur-Muscroft stepped down from the Board on 28 April 2022.

The 2022 fees of the Non-executive Directors were increased with effect from 1 January 2022.

Report of the Remuneration Committee continued

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

Base salary

For 2022, the Committee gave Robert Walters and Alan Bannatyne a base salary increase of 3.5% and this came into effect on 1 January 2022. These salary increases were lower than the average salary increase for employees across the Group of 4.7%.

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, each of 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 2022, 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 personal KPIs performance.

Annual bonus performance outcomes

Profit before taxation

The 2022 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 represented a 25% increase on the prior year outturn and was therefore considered to be particularly stretching at the time.

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

	Performance standards			Performance Outcome
	Threshold	Target	Maximum	Achieved
Profit before taxation	£51.3m	£57.0m	£62.7m	£55.6m
% of maximum bonus payable	29.5%	37.5%	75.0%	35.7%
% of salary	44.3%	56.3%	112.5%	53.5%

The outcome of profit before taxation was £55.6m. This was 98% of target and resulted in the payment of 53.5% of salary for each Executive Director (2021 payment: 112.5% of salary). The targets were set at a time of continued uncertainty and prolonged periods of full or partial lockdowns in a number of our businesses around the world. They were in the judgement of the Remuneration Committee stretching and the target for profit before taxation represented an increase of around 14% over the prior year profit before taxation.

Key Performance Indicators

Performance against the Key Performance Indicators (KPIs) (which have a 25% weighting) has been assessed against a number of objectives which cover several different areas including financial, environmental, social and governance. The Remuneration Committee takes a systematic approach to setting the KPIs and to the assessment of performance against them. Although many of the objectives are individual, the Remuneration Committee seeks to encourage the Executive Directors to work effectively as a team, which aligns to the culture of the business. Some of the KPIs therefore reflect their shared responsibilities for moving the business forward and investing appropriately in the long-term sustained performance of the Group. At the start of the year, the Remuneration Committee selects and agrees, for each of the Executive Directors, specific goals which are designed to develop the Group and to mitigate a variety of the risks that face the Group. They are designed to be stretching and require actions and delivery to a high standard. The objectives for 2022 covered key areas of focus that included delivery of strategic objectives, financial targets, operational delivery and ESG targets.

KPIs were evaluated in detail by the Remuneration Committee after the end of the financial year and it was considered that the following were achieved to the respective degree:

CEO – Robert Walters

Performance goals and targets	Bonus outturn and weighting as a % of maximum bonus	Factors considered in assessment of performance
Delivery of strategic objectives, including: Specific client engagement metrics and geographical focus with specific profit targets in respect of certain locations and industries, successful delivery of the new CRM platform as per the 2022 roadmap and quality of candidate experience.	6.8% out of a maximum of 9%	• Resource Solutions had 16 net new wins during the year. • Specific profit targets were set in respect of certain offices and whilst good progress was made, these were not achieved. • The delivery of the new CRM platform is progressing well and no overall slippage in product development. • The launch of a Candidate Experience Programme for Robert Walters and Walters People has been extremely well received and was able to deliver immediate improvements as well as staying on track to deliver on its original expectations. The Remuneration Committee concluded that, although several of these objectives were achieved, the specific profit targets were not however met. **Overall assessment: achieved 3 out of 4**
Operational delivery including: Development of key employees, focus on headcount investment, office expansion and review of job board spend.	8% of a maximum of 8%	• Development of key employees has been delivered for the majority, with remits being increased where applicable. • Headcount increased at higher rates relative to budget. • 4 new offices were opened during the year. • Job board spend was reduced by 13%. The Remuneration Committee in its evaluation decided that all of the objectives were met. **Overall assessment: fully achieved**
ESG targets, including: Deliver against a number of specific diversity and employee initiatives, industry accreditation and environmental targets.	8% out of a maximum of 8%	• A number of specific diversity and inclusion targets were set at the beginning of the year. Several of these objectives have been met. • Glassdoor rating of 4.2 means that the target was achieved. • New environment targets were set in 2021 and the Group is tracking ahead of the established targets. • A net zero framework has been agreed in conjunction with Sillion. • The Group was recognised as a leading recruitment and employer brand at both recruitment and wider industry events across the globe. The Group was also recognised as a finalist in the ESG Reporting Awards Best Sustainability Reporting: Services category. The Remuneration Committee concluded that the Glassdoor rating and the industry awards metrics were considered to be a strong achievement. **Overall assessment: fully achieved**
Overall assessment	22.8% out of 25%	The overall direction and consequential positioning of the business entering 2023 has been enhanced by the work undertaken in the above identified key priorities for the business. Whilst not all aspects were fully achieved, the majority were and the overall assessment of 22.8% out of 25% maximum is considered an appropriate outcome.

Report of the Remuneration Committee continued

CFO – Alan Bannatyne

Performance goals and targets	Bonus outturn and weighting as a % of maximum bonus	Factors considered in assessment of performance
Delivery of strategic objectives, including: Specific client engagement metrics and geographical focus with specific profit targets in respect of certain locations and industries, successful delivery of the new CRM platform as per the 2022 roadmap and quality of candidate experience.	6.8% out of a maximum of 9%	• Resource Solutions had 16 net new wins during the year. • Specific profit targets were set in respect of certain offices and whilst good progress was made, these were not achieved. • The delivery of the new CRM platform is progressing well and no overall slippage in product development. • The launch of a Candidate Experience Programme for Robert Walters and Walters People has been extremely well received and was able to deliver immediate improvements as well as staying on track to deliver on its original expectations. The Remuneration Committee concluded that, although several of these objectives were achieved, the specific profit targets were not however met. **Overall assessment: achieved 3 out of 4**
Financial targets including: Specific metrics for debtors days and free cash flow, delivering savings from system efficiencies and simplifications and tax compliance.	6.4% of a maximum of 8%	• Debtors days were on average 34 days. • Free cash flow from operating profit, after adjusting for temp movements, was over 80%. • The Group was fully tax compliant in 2022. • Savings delivered from system efficiencies and simplifications were over £500,000. The Remuneration Committee in its evaluation decided that all of the objectives were met, except for the debtors day metric. **Overall assessment: achieved 4 out of 5**
ESG targets, including: Deliver against a number of specific diversity and employee initiatives, industry accreditation and environmental targets.	8% out of a maximum of 8%	• A number of specific diversity and inclusion targets were set at the beginning of the year. Several of these objectives have been met. • Glassdoor rating of 4.2 means that the target was achieved. • New environment targets were set in 2021 and the Group is tracking ahead of the established targets. • A net zero framework has been agreed in conjunction with Sillion. • The Group was recognised as a leading recruitment and employer brand at both recruitment and wider industry events across the globe. The Group was also recognised as a finalist in the ESG Reporting Awards Best Sustainability Reporting: Services category. The Remuneration Committee concluded that the Glassdoor rating and the industry awards metrics were considered to be a strong achievement. **Overall assessment: fully achieved**
Overall assessment	21.2% out of 25%	The overall direction and consequential positioning of the business entering 2023 has been enhanced by the work undertaken in the above identified key priorities for the business. Whilst not all aspects were fully achieved, the majority were and the overall assessment of 21.2% out of 25% maximum is considered an appropriate outcome.

It was therefore determined that 91.2% of the maximum was payable under this element to Robert Walters, representing 22.8% of the maximum bonus and 34.2% of salary and for Alan Bannatyne 84.8% of the maximum was payable under this element, representing 21.2% of the maximum bonus and 31.8% of salary.

Consequently, total bonus of 58.5% of the maximum was awarded to Robert Walters and 56.9% to Alan Bannatyne, representing 87.7% and 85.3% of salary respectively (2021: both received 140.3% of salary). One third of the earned bonus for 2022 will be deferred for two years into shares, payable in equal tranches after one and two years respectively. The bonus figure shown in the single total figure table on page 105 is the total bonus awarded in relation to the performance for the year, including the portion that is deferred. Details of the cash payment and the deferred shares are on the next page.

	2022			2021		
	Annual bonus £'000	**Cash payment – two thirds £'000**	**Deferred payment – one third £'000**	Annual bonus £'000	Cash payment – two thirds £'000	Deferred payment – one third £'000[1]
R C Walters	**600**	**400**	**200**	913	609	304
A R Bannatyne	**356**	**237**	**119**	557	371	186

Over the last five years, the average total bonus pay-out has been 53.6% 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 105 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 2020 will lapse in full in March 2023. 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 5.0% 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 TSR performance of the FTSE Small Cap Index.	Relative TSR of the Group exceeds 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 2022 was negative 0.22% compared to the TSR of the FTSE Small Cap Index of 3.2%. Therefore, performance was below threshold.	0.0%
Total to vest in March 2023					**0.0%**

The table below details the awards granted in March 2020, 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 2022.

	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[4]	Total value of vested awards (£'000)[4,5]
R C Walters	194,346	594	1,154	972	0.0%	–	–	–
AR Bannatyne	118,659	594	705	593	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 as provided by Aon Hewitt New Bridge Street's stochastic option pricing model, multiplied by the number of shares granted.
4. The component value of the awards vesting which is the direct result of the share price increasing over the vesting period.
5. The total value of awards has been estimated using the average share price for the final quarter of 2022 of 522p per share. The value of the award may differ as it is dependent on the share price on the vesting date.

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

Report of the Remuneration Committee continued

Long-term incentives awarded in 2022 (audited)

Performance Share Plan (PSP)

On 7 March 2022, the Executive Directors were granted share awards to the value of 180% of salary as follows:

	Share awards	Grant price (p)[1]	Face value (£'000)[2]	Fair value (£'000)[3]	% award vesting at minimum threshold performance
R C Walters	185,089	665	1,231	1,074	25%
A R Bannatyne	113,035	665	752	656	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.

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

Performance measures	Weighting	% of award vesting at threshold
Total shareholder return (TSR) relative to the FTSE Small Cap Index over a three-year period	50%	12.5%
Earnings per share (EPS) growth over a three-year period	50%	12.5%
Total	**100%**	**25.0%**

In relation to the PSP performance measures, the vesting criteria are split into the following two components:

a. In determining the three-year EPS targets, the first year is set using a specific growth target, which represents the most reasonable current expectation for year one performance of the Company, taking into account all available data. For the 2022 awards, the first year target was set at a stretching target level of 12.5% given the current market conditions. Years two and three targets are then based on a fixed rate of growth in earnings per share of UK RPI + 8%. The overall threshold target will be the compound result of EPS growth in years one, two and three. There is then a straight-line increase in vesting, with 100% vesting occurring where EPS growth matches the annual compound growth rate of UK RPI + 14% in respect of years two and three.

b. In relation to the three-year relative TSR performance measure, no vesting occurs unless performance at least matches the performance of the FTSE Small Cap Index and full vesting occurs only when TSR exceeds the FTSE Small Cap Index by annual compound growth of 12.5%. This is deemed to be the equivalent of upper quartile performance.

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 2022	Options granted during the year	Options exercised during the year	Options lapsed during the year	Options at 31 December 2022[1]	Price granted (p)[2]	Share price on exercise (p)	Gain on exercise (p)	Exercise dates
R C Walters									
Executive Options	300,000	-	(300,000)	-	-	353	625	272	Mar 2017 – Mar 2024
SAYE Options	5,521	-	-	-	5,521	326	-	-	Sep 2023 – Mar 2024
	305,521	**-**	**(300,000)**	**-**	**5,521**				
A R Bannatyne									
Executive Options	10,000	-	(10,000)	-	-	211	650	439	Mar 2016 – Mar 2023
Executive Options	200,000	-	(200,000)	-	-	353	650	297	Mar 2017 – Mar 2024
SAYE Options	5,521	-	-	-	5,521	326	-	-	Sep 2023 – Mar 2024
	215,521	**-**	**(210,000)**	**-**	**5,521**				
	521,042	**-**	**(510,000)**	**-**	**11,042**				

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.

The performance criteria of the options are detailed in note 19. SAYE Options are not subject to any performance measures.

The market price of the ordinary shares at 31 December 2022 was 540p per share (2021: 770p per share) and the range during the year was 440p to 862p per share.

Performance Share Plan (PSP) (audited)

There are currently 130 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 2022	Share price on date of award (p)[1]	Exercise date
R C Walters							
	March 2019	207,798	(49,080)	(158,718)	–	542	March 2022
	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	March 2025
		804,637	**(49,080)**	**(158,718)**	**596,839**		
A R Bannatyne							
	March 2019	126,872	(29,967)	(96,905)	–	542	March 2022
	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
		491,304	**(29,967)**	**(96,905)**	**364,432**		

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. At 1 January 2023 the Company had outstanding options representing 4.8% 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 pages 110 to 111 and in note 19 to the accounts.

Directors' interests in shares (audited)

The Directors who held office at 31 December 2022 had the following interests in the ordinary shares of the Company:

	31 December 2022 Number	31 December 2021 Number
R C Walters	**2,235,963**	2,235,963
A R Bannatyne	**699,283**	699,283
L Van de Walle	**8,000**	–
S Cooper	**7,000**	6,000
T Dodge	**6,000**	6,000
M Ashley	**9,667**	–

There has been no change to the interest of the Directors between 31 December 2022 and the date of the Annual Report and Accounts.

Share ownership policy (audited)

Executive Directors are subject to share ownership guidelines which recommend a minimum holding of 200% of salary. Their current holdings are all well in excess of this, which we believe aligns their interests with those of shareholders. 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.

Report of the Remuneration Committee continued

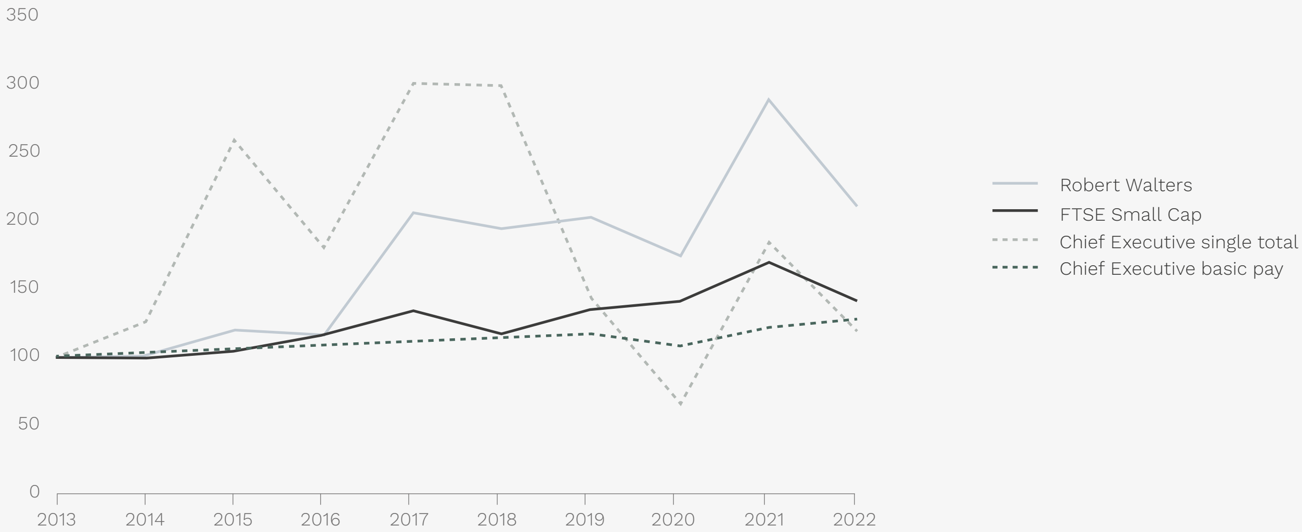
The percentage and value of the shareholdings of the Executive Directors, based on the share price at 31 December 2022 and expressed as a percentage of salary, are as follows:

Shares held	% of issued share capital	% of salary
R C Walters	2.83%	1,766%
A R Bannatyne	0.89%	904%

TSR performance and the Chief Executive's pay

The Remuneration Committee supports the Group's strong view that remuneration should be linked to performance. The following graph shows how the Chief Executive's base salary (and total realised pay) has changed since 2013. It also 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 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 2013.

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
2022	1,378	58%	0%	2019 - 2022
2021	2,034	94%	24%	2018 - 2021
2020	765	0%	0%	2017 - 2020
2019	1,674	20%	98%	2016 - 2019
2018	3,471	96%	89%	2015 - 2018
2017	3,501	95%	100%	2014 - 2017
2016	2,092	80%	78%	2013 - 2016
2015	3,014	93%	100%	2012 - 2015
2014	1,463	100%	18%	2011 - 2014
2013	1,241	100%	0%	2010 - 2013
Total average		**74%**	**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 105.
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 Board Directors' pay compared to employees

The table below shows the year-on-year percentage movement of base pay, other benefits and annual bonus in 2022 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 105. The Group employee pay is calculated using the movement of the average remuneration (per head) for all Group employees.

	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
All employees	**8.8%**	**3%**	**(3%)**	**14.6%**	**0.0%**	**100.9%**	**0.4%**	**(4.5%)**	**(31.3%)**
R C Walters	**5.0%**	**(50.5%)**	**(34.3%)**	12.8%	1.1%	100.0%	(7.7%)	1.7%	(100.0%)
A R Bannatyne	**5.0%**	**(55.7%)**	**(36.1%)**	12.8%	1.1%	100.0%	(7.7%)	1.9%	(100.0%)
S Cooper	**3.6%**	**n/a**	**n/a**	5.3%	n/a	n/a	(2.6%)	n/a	n/a
T Dodge[1]	**30.6%**	**n/a**	**n/a**	5.3%	n/a	n/a	(2.6%)	n/a	n/a
B McArthur-Muscroft[2]	**n/a**	**n/a**	**n/a**	5.3%	n/a	n/a	(2.6%)	n/a	n/a
R Mobed[3]	**n/a**	**n/a**	**n/a**	n/a	n/a	n/a	n/a	n/a	n/a
M Ashley[4]	**n/a**	**n/a**	**n/a**	n/a	n/a	n/a	n/a	n/a	n/a
L Van de Walle[5]	**n/a**	**n/a**	**n/a**	n/a	n/a	n/a	n/a	n/a	n/a

1. T Dodge was interim Chair for four months in 2022.
2. B McArthur-Muscroft stepped down from the Board on 28 April 2022.
3. R Mobed stepped down from the Board on 15 July 2022.
4. M Ashley joined the Board on 23 December 2021.
5. L Van de Walle joined the Board on 1 November 2022.
6. 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.
7. Pension allowances have been aligned (5% of salary) with that payable to employees generally, effective 1 January 2022 (2021: 20% of salary).
8. 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.

Chief Executive's pay ratio to the UK workforce

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
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 for each of the quartiles.

£'000	Lower quartile	Median	Upper quartile
2022 salary	24.0	45.0	69.5
2022 total pay and benefits	32.6	54.2	82.6

The ratio of the Chief Executive's pay to the median level of pay across the Group reflects a lower annual bonus payment and the lapsing of the 2020 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.

Report of the Remuneration Committee continued

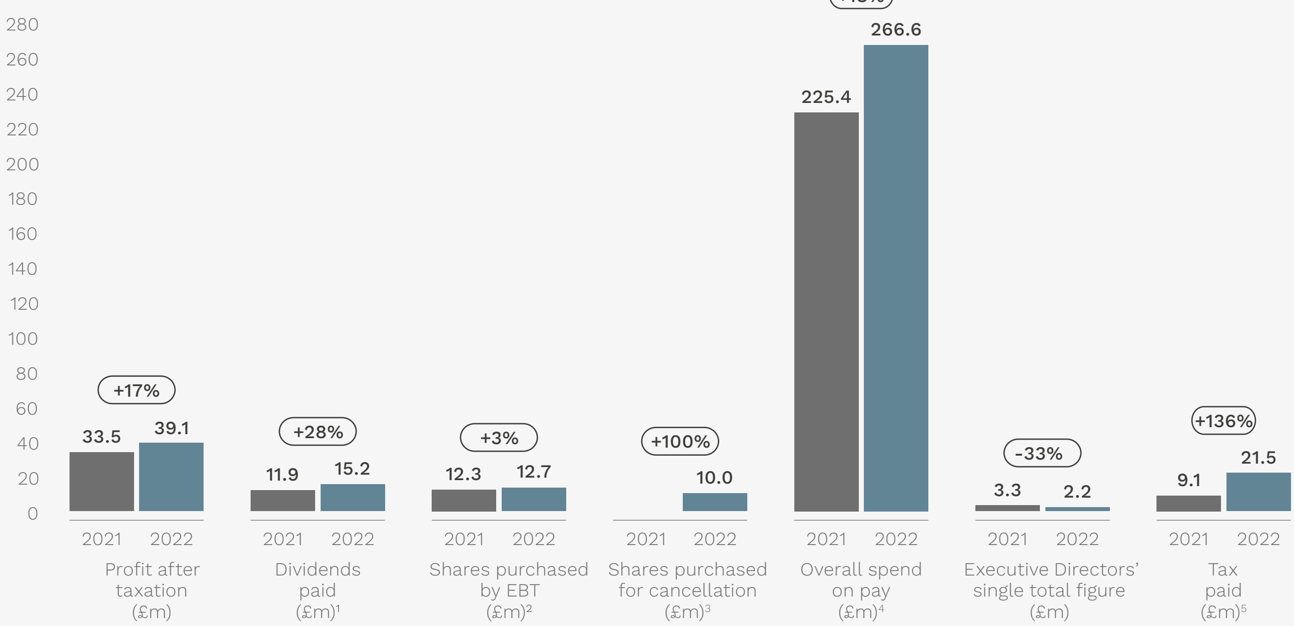
The Group has chosen to calculate the ratios in accordance with Option A methodology laid out in the remuneration regulations as the lower quartile, median and upper quartile employees could be identified based on full-time equivalent pay data as at 31 December 2022 and the Group believes that this was 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.

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 2021 and 2022. 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 2022 was £15.2m based on a final dividend of £10.7m paid on 20 May 2022, and an interim dividend of £4.5m paid on 30 September 2022. Further details on dividends are given in note 6.
2. The shares purchased by the EBT represent the total amount spent by the EBT on shares during the year ended 31 December 2022.
3. The shares purchased for cancellation represent the total amount spent by the Group on shares for cancellation during the year ended 31 December 2022. No shares were purchased and cancelled in 2021.
4. 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.
5. Taxation paid during the year represents the corporation taxation paid for the Group during the year ended 31 December 2022.

The implementation of our Directors' remuneration policy in 2023

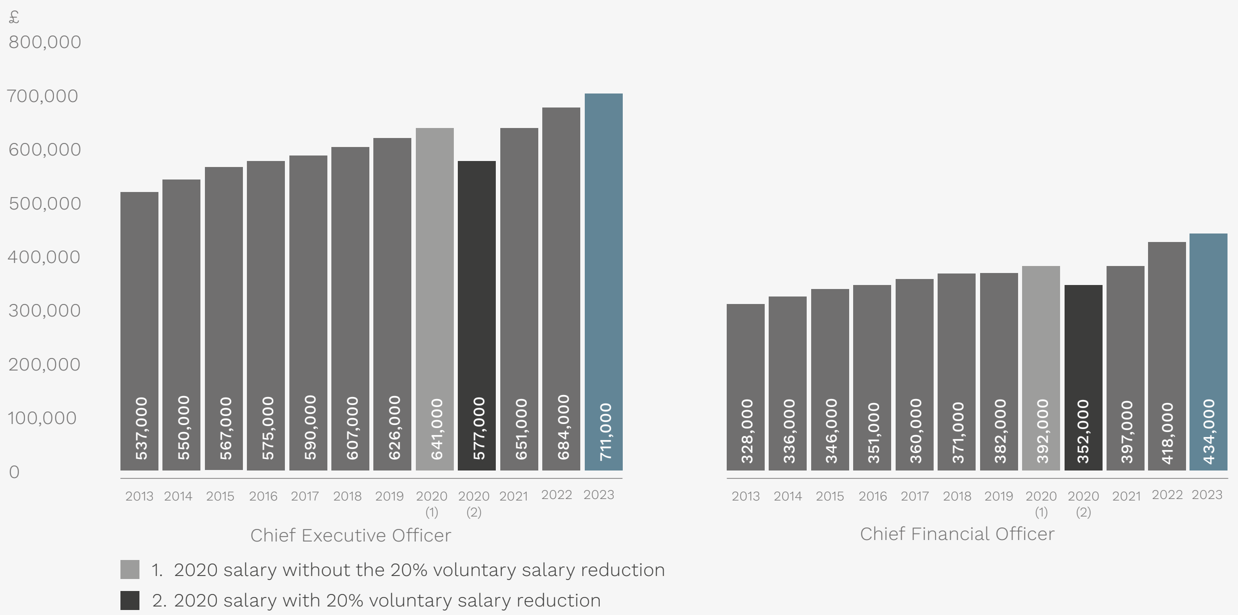
The Group's policy on Executive Directors' remuneration and implementation for the year ended 31 December 2023 will be as follows:

(a) Executive Directors

(i) Base salary

For 2023, the budgeted salary increases for employees across the Group other than Executive Directors is expected to be 4.9% 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. Robert Walters and Alan Bannatyne will each receive a base salary increase of 4.0%. The graph below sets out the base salaries of the Executive Directors going back to 2013.

Base salaries of the Executive Directors



(ii) Other benefits

No changes will be made to benefits in 2023.

(iii) Annual bonus

For 2023, 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 will 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 2023, it is envisaged that each Executive Director will receive awards under the PSP to the value on grant of 180% of base salary.

In respect of the 2023 LTIP awards, relative Total Shareholder Return (TSR) and EPS will be retained as measures but the weighting will change. TSR will, as now, be measured against the FTSE Small Cap Index and will account for 35% of the weighting (down from 50%). EPS growth will be retained as now but the weighting will be reduced from 50% to account for 35%.

We are introducing two new key goals. They are cumulative cash conversion and ESG in line with the key strategic aims set out in page 116. We propose to measure the cumulative operating cash flow of the Group before tax stated as a percentage of cumulative operating profit before exceptional items and adjusted for temporary worker volumes. Profit and cash are key elements of our strategy to drive value creation.

Report of the Remuneration Committee continued

Performance will be measured over the three-year period to 31 December 2025. The performance targets 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)
Compound annual increase in EPS compared to the increase in RPI over three years.	35%	The threshold EPS target is 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 is 75.0p, 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 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 is at least 90%.	Cumulative cash conversion is at least 110%.
ESG – see below	10%	50% of ESG targets achieved.	100% of ESG targets achieved.

As per our ESG section on pages 33 to 67, we have worked closely with Sillion to develop a robust and long-term ESG strategy and the fourth measure will cover the key elements of the six ESG pillars below. A minimum of five of the targets listed below will need to be achieved to deliver 33% vesting of this specific performance measure. All ten objectives will need to be achieved for maximum vesting, with pro-rata weighting applied for achieving between five and ten of the objectives.

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 (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) • 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 • 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 • Join and comply with the obligations of the UN Global Compact
Supporting our communities	• Achieve more than £500,000 fundraising through the Global Charity Day over the next three years • Enhance the average uptake of one day a year volunteering

(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 2023, 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:

	2023	2022
	Total fees[1] £'000	Total fees[1] £'000
L Van de Walle	200	31
T Dodge	84	95
S Cooper	67	65
M Ashley	79	72
	430	263

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

The Remuneration Committee
The Remuneration Committee comprises Tanith Dodge (Chair), Steven Cooper and Matt Ashley, 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 of the specific remuneration packages, including bonus schemes, severance, pension contributions and other benefits. The Committee also recommends to the Board the remuneration of the 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. The Committee has satisfied itself that the advice provided is independent and objective. 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 £35,300. 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.

Report of the Remuneration Committee continued

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 will 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 will enable the Board to understand the views of employees and to ensure that the Board's approach to investing 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 40 to 43.

The terms of reference of the Remuneration Committee are available upon request.

Voting at the Annual General Meeting
At the Group's Annual General Meeting on 28 April 2022, shareholders approved the Directors' Remuneration Report for the year ended 31 December 2021. 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, originally approved at the Group's Annual General Meeting on 13 May 2020.

Resolution	Votes for	%	Votes against	%	Votes withheld
Approve the Directors' Remuneration Policy (May 2020)	60,100,257	96.93	1,903,372	3.07	3,256
Approve the Directors' Remuneration Report (April 2022)	64,720,209	98.91	710,917	1.09	2,004

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.

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.

Alan Bannatyne is the Non-executive Chair of XPS Pensions Group plc and his 2022 fees were £89,000. No other Executive Directors currently hold Non-executive Director positions.

Contract of service/letter of appointment	Date of original contract/letter of appointment[1]
Executive Directors	
R C Walters	19 June 2000
A R Bannatyne	1 March 2007
Non-executive Directors	
T Dodge	1 February 2017
S Cooper	8 October 2018
M Ashley	23 December 2021
L Van de Walle	1 November 2022

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 pages 110 to 111 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 105 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 9 March 2023 and signed on its behalf by:

Tanith Dodge
Remuneration Committee Chair
9 March 2023

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.

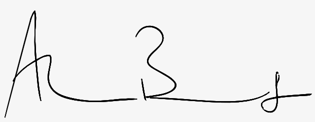
Statement of the Directors in respect of the Annual Report and Accounts
As required by the Code, the Directors confirm that they consider that the Annual Report and Accounts, taken as a whole, presents a fair, balanced and understandable view and provides the information necessary for shareholders to 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 Chief Marketing Officer 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 Executive 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,



Alan Bannatyne
Chief Financial Officer
9 March 2023

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 2022.

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 32 to 67 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 52 to 57. 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. The Directors consider the Annual Report and Financial Statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's performance, business model and strategy, in accordance with the latest narrative reporting requirements.

Results and dividends
The Group's audited Financial Statements for the year ended 31 December 2022 are set out on pages 132 to 159 and the Company's audited Financial Statements are set out on pages 160 to 163. The Group's profit after taxation for the year ended 31 December 2022 was £39.1m (2021: £33.5m).

The Directors recommend a final dividend of 17.0p per ordinary share (2021: 15.0p) to be paid on 26 May 2023 to shareholders on the register on 28 April 2023, which together with the interim dividend of 6.5p per share paid on 30 September 2022 makes a total of 23.5p per share for the year (2021: 20.4p).

Post-balance sheet events
There have been no significant post balance sheet events to report since 31 December 2022.

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

L Van de Walle[1]
R C Walters
A R Bannatyne
S Cooper[1]
T Dodge[1]
M Ashley[1]
B McArthur-Muscroft (stepped down 28 April 2022)
R Mobed (stepped down 15 July 2022)

1. Non-executive Directors.

Details of the Directors' service contracts are shown in the Report of the Remuneration Committee on page 119.

Details of share awards granted to Directors and the interests of the Directors in the ordinary shares of the Company are shown on page 111.

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 (2021: £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.

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

Directors' Report continued

Restrictions on securities continued
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.

Substantial shareholdings
On 9 March 2023 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	%
Liontrust Asset Mgt	12,558,560	16.78
Aberforth Partners	9,847,168	13.16
BlackRock Investment Mgt	7,558,026	10.10
Robert Walters plc Employee Benefit Trust[1]	7,172,535	9.58
abrdn (Standard Life)	6,884,773	9.20
Canaccord Genuity Wealth Mgt	3,793,287	5.07
Jupiter Asset Mgt	3,068,423	4.10
AEGON Asset Mgt	2,627,188	3.51
Invesco	2,514,495	3.36
Mr Robert Walters	2,235,963	2.99

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

There is no significant change to substantial shareholdings between 31 December 2022 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 2023 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 28 April 2022, 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 72 to 76.

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 2023 and the three-year period ending 31 December 2025 in addition to the macro-environment uncertainty and ongoing recovery from the pandemic. 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 70% of the Group's net fee income, can be measured in weeks, whilst temporary recruitment and recruitment process outsourcing may be less affected.

Going concern and viability statement continued

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 72 to 76 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. The Group delivered a second consecutive record annual performance with operating profit increasing by 8% to an all-time high of £58.2m, despite the increasingly uncertain macro-economic backdrop that impacted many of the Group's markets during the second half of the year. The Group's blend of revenue streams remained a clear strength and source of competitive advantage and resilience when market conditions become tougher and enabled us to continue to meet the changing requirements of our clients and candidates. Candidate shortages continue to exist across all geographies and disciplines and wage inflation is increasing everywhere. The Group has also taken advantage of the various Government's schemes available throughout the pandemic, with any remaining schemes coming to an end during the year.

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 emerged as 2022 progressed. 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 2022 of £97.1m, a £60.0m four-year committed financing facility until March 2026 (£26.1m was drawn down as at 31 December 2022), 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 72 to 76. 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.

Auditor and disclosure of information to the Auditor

As required by Section 418 of the Companies Act 2006, each of the Directors as at 9 March 2023 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 27 April 2023 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,

Alan Bannatyne
Chief Financial Officer
9 March 2023

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 2022 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;
- 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 2022, which comprise:

	Composition	Financial reporting framework
Group	• Consolidated Income Statement • Consolidated Statement of Comprehensive Income • Consolidated Balance Sheet • Consolidated Cash Flow Statement • Consolidated Statement of Changes in Equity • Statement of Accounting Policies • Notes to the Group accounts, including a summary of significant accounting policies.	• Applicable law and UK adopted international accounting standards.
Parent Company	• Company Balance Sheet • Company Statement of Changes in Equity • Notes to the Company accounts, including a summary of significant 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 is four years, covering the years ending 31 December 2019 to 31 December 2022. 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	
Conclusion	• 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. • 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.

Independence continued

Conclusions relating to going concern	
Approach	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. 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

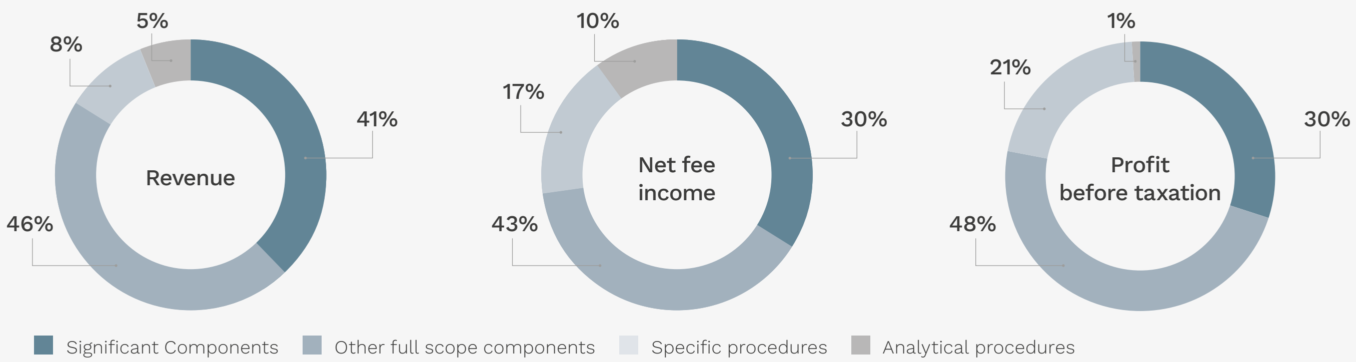
Audit coverage[1]	• 87% (2021: 85%) of Group revenue • 73% (2021: 72%) of Group net fee income (NFI) • 79% (2021: 79%) of Group profit before taxation		
Key audit matters	Revenue recognition for permanent and temporary placements	2022 ✓	2021 ✓
Materiality	• Group financial statements as a whole. • £2.7m (2021: £2.4m) based on 5.0% of profit before taxation (2021: 5.0% of profit before taxation).		

1. These are areas which have been subject to a full scope audit.

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 is summarised graphically below and then detailed in the following table.



Independent Auditor's Report continued

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 focused our Group audit scope primarily on the audit work at four significant components, which were subject to full scope audit procedures. • These significant components contribute 30% (2021: 35%) of the Group profit before taxation, 30% (2021: 34%) of the Group net fee income, and 41% (2021: 38%) of the Group revenue. • 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). • 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 performed a detailed review of the testing performed and attended in person meetings with local management and the component auditor (a local BDO member firm in Japan) to challenge conclusions reached. • 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). • These components contribute 48% (2021: 44%) of the Group profit before taxation, 43% (2021: 39%) of the Group net fee income, and 46% (2021: 46%) of the Group revenue. • Full scope audits on Resource Solutions Europe Limited, Robert Walters Holdings Limited and Robert Walters Dubai Limited were performed by Group audit team. • The full scope audits on other components were performed by BDO Member Firms under direction and supervision of the Group audit team. • 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. • This specific scope testing was performed on components that contribute 21% (2021: 16%) of the Group profit before taxation, 17% (2021: 16%) of the Group net fee income, and 8% (2021: 10%) 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.

Our involvement with component auditors 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 risk in revenue recognition lies within the existence, accuracy, and valuation of unbilled revenues, due to the high degree of judgement and scope for fraud/error as explained on page 141. • For permanent placements, as detailed in the summary of significant accounting policies on page 141, 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. • 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 key controls in the revenue cycle were 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. • 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. • 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. • We tested the operating effectiveness of key controls around the correct application of contract rates to invoicing and agreed a sample of rates used to contractual documentation. • 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). **Key observations:** • We did not identify any material indication that revenue, that has not yet been invoiced does not exist or is not valued appropriately. • We did not identify any material indication that revenue has not been recognised in the correct period or at the correct value.

Independent Auditor's Report continued

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	£2.7m (2021: £2.4m)	£2.4m (2021: £2.2m)
Basis	5.0% of profit before taxation (2021: 5.0% of profit before taxation).	3.5% of net assets (2021: 3.5%)
Rationale	Profit before taxation is considered to be the most appropriate benchmark based on market practice and investor expectations.	Net assets is considered to be the most appropriate benchmark as the Parent Company does not trade.
Performance materiality	£1.9m (2021: £1.7m) based on 70% (2021: 70%) of materiality. Based on history of adjustments and an assessment of the aggregated error risk.	£1.7m (2021: £1.5m) based on 70% (2021: 70%) of materiality. Based on history of adjustments and an assessment of the aggregated error risk.

	Measure	Application
Component materiality	£0.3m - £2.4m (higher of 15% Group performance materiality or 3% NFI) (2021: £0.3m - £2.2m)	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	£110,000 (2021: £96,000)	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.	

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report & 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 88; and • 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 88.
Other Code provisions	• Directors' statement on fair, balanced and understandable is set out on page 88; • Board's confirmation that it has carried out a robust assessment of the emerging and principal risks is set out on pages 122 and 123; • The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems is set out on page 72; and • The section describing the work of the Audit and Risk Committee is set out on page 87.

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: • the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and • the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements. In 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: • 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 • 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 • certain disclosures of Directors' remuneration specified by law are not made; or • we have not received all the information and explanations we require for our audit.

Independent Auditor's Report continued

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

In preparing the Financial Statements, the Directors are responsible for assessing the Group's and 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:

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group. We determined that the most significant laws and regulations which are directly relevant to specific assertions in the financial statements are those related to the reporting framework (IFRS, UK GAAP 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.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group. We determined that the most significant laws and regulations which are directly relevant to specific assertions in the financial statements are:
  - 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.
- We understood how the Group is complying with those legal and regulatory frameworks by making enquiries of management and those responsible for legal and cowmpliance procedures. We corroborated our enquiries through, inter alia, our review of Board minutes, legal invoices, correspondence and/or confirmations (where relevant) within significant component and full scope entities. Where these procedures were conducted by component auditors, the Group audit team issued specific Group reporting instructions and reviewed the component auditors' working papers, as well as attending key meetings with the component auditors.
- We assessed the susceptibility of the Group's financial statements to material misstatement, including how fraud might occur by meeting with management to understand where it is considered there was a susceptibility of fraud, for example, where revenue could become fraudulently misstated due to incorrect cut-off, as set out in the key audit matters section above. Our considerations included enquiries with component management and component auditors.
- 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. These procedures included testing a sample of journals and detailed testing in key areas of estimation uncertainty or judgement, for example; accrual or deferral of revenue from placements, placement 'back out' provisions, expected credit loss provisions, bonus accruals, provisions for losses on customer contracts customer overpayments, contractor cost accruals and certain key assumptions underpinning the IFRS 16 Leases Right of Use asset and lease liability calculations, as set out in the key audit matters section above. These procedures were conducted by both the Group and component auditors where relevant.
- We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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

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
9 March 2023

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 2022

	Note	2022 £s millions	2021 £s millions
Revenue	1	**1,099.6**	970.7
Cost of sales		**(671.4)**	(617.1)
Gross profit (net fee income)		**428.2**	353.6
Administrative expenses		**(370.0)**	(299.5)
Operating profit		**58.2**	54.1
Finance income		**0.4**	0.4
Finance costs	2	**(3.5)**	(3.0)
Gain (loss) on foreign exchange		**0.5**	(1.3)
Profit before taxation	3	**55.6**	50.2
Taxation	5	**(16.5)**	(16.7)
Profit for the year		**39.1**	33.5
Attributable to:			
Owners of the Company		**39.1**	33.5
Earnings per share (pence):	7		
Basic		**56.2**	46.3
Diluted		**53.4**	43.7

The amounts above relate to continuing operations.

Consolidated Statement of Comprehensive Income

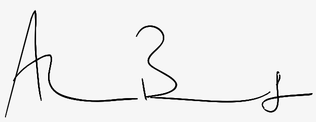
For the year ended 31 December 2022

	2022 £s millions	2021 £s millions
Profit for the year	**39.1**	33.5
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of overseas operations	**6.0**	(7.4)
Total comprehensive income and expense for the year	**45.1**	26.1
Attributable to :		
Owners of the Company	**45.1**	26.1

Consolidated Balance Sheet
As at 31 December 2022

	Note	2022 £s millions	2021 £s millions
Non-current assets			
Intangible assets	8	**29.3**	24.7
Property, plant and equipment	9	**14.3**	9.0
Right-of-use asset	10	**71.6**	62.6
Deferred tax assets	15	**10.0**	11.2
		125.2	107.5
Current assets			
Trade and other receivables	12	**221.4**	190.4
Corporation tax receivables		**4.3**	6.1
Cash and cash equivalents	17	**123.2**	142.3
		348.9	338.8
Total assets		**474.1**	446.3
Current liabilities			
Trade and other payables	13	**(179.6)**	(173.5)
Corporation tax liabilities		**(5.0)**	(12.5)
Bank overdrafts and borrowings	14	**(26.1)**	(15.7)
Lease liabilities	10	**(18.3)**	(15.2)
Provisions	16	**(0.8)**	(1.3)
		(229.8)	(218.2)
Net current assets		**119.1**	120.6
Non-current liabilities			
Lease liabilities	10	**(58.1)**	(51.2)
Deferred tax liabilities	15	**(0.2)**	(0.2)
Provisions	16	**(2.1)**	(1.9)
		(60.4)	(53.3)
Total liabilities		**(290.2)**	(271.5)
Net assets		**183.9**	174.8
Equity			
Share capital	18	**15.8**	16.1
Share premium		**22.6**	22.6
Other reserves	20	**(71.4)**	(71.8)
Own shares held	20	**(40.5)**	(29.9)
Treasury shares held	20	**(9.1)**	(9.1)
Foreign exchange reserves		**11.1**	5.1
Retained earnings		**255.4**	241.8
Equity attributable to owners of the Company		**183.9**	174.8

The accounts on pages 132 to 159 were approved and authorised for issue by the Board of Directors on 9 March 2023 and signed on its behalf by:



Alan Bannatyne
Chief Financial Officer

Consolidated Cash Flow Statement

For the year ended 31 December 2022

	Note	2022 £s millions	2021 £s millions
Operating profit		**58.2**	54.1
Adjustments for:			
Depreciation and amortisation charges		**21.7**	21.0
Impairment of right-of-use asset (reversal)		**-**	(1.1)
Loss on disposal of property, plant and equipment and computer software		**0.4**	0.3
Charge in respect of share-based payment transactions		**2.5**	2.3
Unrealised foreign exchange loss (gain)		**3.8**	(0.3)
Operating cash flows before movements in working capital		**86.6**	76.3
Increase in receivables		**(25.0)**	(42.2)
(Decrease) increase in payables		**(2.0)**	8.6
Cash generated from operating activities		**59.6**	42.7
Income taxes paid		**(21.5)**	(9.1)
Net cash from operating activities		**38.1**	33.6
Investing activities			
Interest received		**0.4**	0.4
Investment in intangible assets		**(7.1)**	(8.7)
Purchases of property, plant and equipment		**(8.8)**	(4.5)
Net cash used in investing activities		**(15.5)**	(12.8)
Financing activities			
Equity dividends paid		**(15.2)**	(11.9)
Interest paid		**(1.0)**	(0.8)
Interest on lease liabilities	10	**(2.5)**	(2.2)
Principal paid on lease liabilities	10	**(16.8)**	(16.4)
Proceeds from financing facility	14	**37.1**	41.8
Repayment of financing facility		**(26.7)**	(26.1)
Share buy-back for cancellation		**(10.0)**	-
Purchase of own shares		**(12.7)**	(12.3)
Proceeds from exercise of share options		**0.2**	0.2
Proceeds from issue of equity		**0.1**	0.5
Net cash used in financing activities		**(47.5)**	(27.2)
Net decrease in cash and cash equivalents		**(24.9)**	(6.4)
Cash and cash equivalents at beginning of year		**142.3**	155.5
Effect of foreign exchange rate changes		**5.8**	(6.8)
Cash and cash equivalents at end of year		**123.2**	142.3

Consolidated Statement of Changes in Equity
For the year ended 31 December 2022

Group	Share capital £s millions	Share premium £s millions	Other reserves £s millions	Own shares held £s millions	Treasury shares held £s millions	Foreign exchange reserves £s millions	Retained earnings £s millions	Total equity £s millions
Balance at 1 January 2021	16.0	22.2	(71.8)	(18.1)	(9.1)	12.5	217.6	169.3
Profit for the year	–	–	–	–	–	–	33.5	33.5
Foreign currency translation differences	–	–	–	–	–	(7.4)	–	(7.4)
Total comprehensive income and expense for the year	–	–	–	–	–	(7.4)	33.5	26.1
Dividends paid	–	–	–	–	–	–	(11.9)	(11.9)
Credit to equity for equity-settled share-based payments	–	–	–	–	–	–	2.3	2.3
Tax on share-based payment transactions	–	–	–	–	–	–	0.6	0.6
Transfer to own shares held on exercise of equity incentives	–	–	–	0.3	–	–	(0.3)	–
New shares issued and own shares purchased	0.1	0.4	–	(12.1)	–	–	–	(11.6)
Balance at 31 December 2021	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)	–
Share repurchase and 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**

Statement of Accounting Policies
For the year ended 31 December 2022

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 2022 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 in the Financial Review on page 69, and within the Directors' Report on pages 122 and 123.

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) Business combinations
The acquisition of subsidiaries is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree.

All costs directly attributable to the business combination are accounted for as expenses in the periods in which the costs are incurred and the services received. The only exception to this is in respect of the costs incurred to issue debt or equity securities, which should be recognised in accordance with IAS 32 and IFRS 9. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 are recognised at their fair value at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-Current Assets Held for Sale and Discontinued Operations, which are recognised and measured at fair value less costs to sell.

(c) 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.

(d) 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.

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.

(e) 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.

(f) 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) is recognised when the service is provided.

(g) 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.

(h) 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.

(i) 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 interests payable on bank loans and the unwinding of lease 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.

(j) 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.

Statement of Accounting Policies continued
For the year ended 31 December 2022

(j) Foreign currency continued
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.

(k) 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.

Assets under construction relate to software under development presented under intangible assets and are stated at cost and are not amortised. When the assets are ready for use they will be transferred to computer software at cost less impairment, which is also when amortisation of the asset will commence.

(l) Leases
The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a 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. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

The Group applies the practical expedient surrounding Covid-related rent concessions, published by the IASB on 28 May 2020, whereby any payment holidays and rent concessions granted as a result of the Covid pandemic have not resulted in a lease modification, any reduction in payment has been recognised in the profit and loss account.

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. 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 include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs. Lease payments to be made under reasonable certain extension options are also included in the 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.

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.

(m) 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.

(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.

(n) 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 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.

(o) 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 £1.1m (2021: £3.7m). Included in the profit for the year is £1.0m (2021: £4.3m) of global government support relating to the payroll of the Group's employees, and £nil (2021: £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.

Statement of Accounting Policies continued
For the year ended 31 December 2022

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 8 (amendments)	Definition of Accounting Estimates
IAS 1 and IFRS Practice Statement 2 (amendments)	Disclosure of Accounting Policies
IAS 1 (amendments)	Classification of Liabilities as Current or Non-current
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

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 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.

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.

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.

The Directors do not expect that the adoption of the standards listed above will have a material impact on the financial statements of the Group in future periods.

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 2022 is £1.9m (2021: £2.4m). 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.
- 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 2022 is £3.0m (2021: £3.7m). 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.
- Bonus accruals: the Group's bonus scheme is based on a team-based profit share with a defined percentage applied to the team profit on a quarterly basis. Timing differences arise between the bonus accrual and the payment of bonuses. A bonus accrual of £9.4m (2021: £9.3m) is included as a liability for the year ended 31 December 2022. The Group does not expect movement in the accrual to have a material impact on the Financial Statements of the Group, with bonus payments expected to be made in 2023 in relation to 2022 performance.

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 it is probable that taxable profits will be available against which deductible temporary differences can be utilised. In making this judgement, management considered the recoverability of the deferred tax assets over a five-year period.
- 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 2022

1. Segmental information

	2022 £s millions	2021 £s millions
i) Revenue:		
Asia Pacific	**519.6**	427.0
UK	**259.7**	297.6
Europe	**276.5**	216.1
Other International	**43.8**	30.0
	1,099.6	970.7
ii) Gross profit (net fee income):		
Asia Pacific	**193.8**	164.2
UK	**74.0**	68.7
Europe	**124.1**	95.3
Other International	**36.3**	25.4
	428.2	353.6
iii) Operating profit and profit before taxation:		
Asia Pacific	**37.5**	36.5
UK	**3.4**	3.3
Europe	**17.6**	13.7
Other International	**(0.3)**	0.6
Operating profit	**58.2**	54.1
Net finance costs	**(2.6)**	(3.9)
Profit before taxation	**55.6**	50.2

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.

	2022 £s millions	2021 £s millions
iv) Revenue by business grouping:		
Robert Walters[1]	**868.5**	700.0
Resource Solutions (recruitment process outsourcing)	**231.1**	270.7
	1,099.6	970.7

1. Walters People is included within Robert Walters

	2022 £s millions	2021 £s millions
v) Revenue by service grouping:		
Permanent	**281.9**	229.5
Temporary	**670.5**	632.3
Interim	**119.9**	88.3
Other	**27.3**	20.6
	1,099.6	970.7

2. Finance costs

	Note	2022 £s millions	2021 £s millions
Interest on financing facilities		**1.0**	0.8
Lease interest	10	**2.5**	2.2
Total borrowing costs		**3.5**	3.0

3. Profit before taxation

	2022 £s millions	2021 £s 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	**0.7**	0.6
Total audit fees	**0.8**	0.7
- Audit related assurance services	-	0.1
- Other services supplied pursuant to legislation	0.1	-
Total non-audit fees	**0.1**	0.1
Total fees	**0.9**	0.8
Depreciation and amortisation of assets – owned	**6.8**	5.9
Depreciation of right-of-use assets	**14.9**	15.1
Loss on disposal of property, plant and equipment and computer software	**0.4**	0.3
Impairment of right-of-use assets (reversal)	**-**	(1.1)
Impairment of trade receivables (net)	**(0.3)**	-
Expense relating to short-term leases	**1.5**	1.5
Foreign exchange (gain) loss	**(0.5)**	1.3

4. Staff costs

	2022 Number	2021 Number
The average monthly number of employees of the Group (including Executive Directors) during the year was:		
Group employees	**4,031**	3,270

The Group's closing headcount at 31 December 2022 was 4,356 (2021: 3,484). The further analysis of Group employees is shown on page 43.

	2022 £s millions	2021 £s millions
Their aggregate remuneration comprised:		
Wages and salaries	**231.7**	194.7
Social security costs	**24.5**	21.6
Other pension costs	**7.9**	6.8
Cost of employee share options and awards	**2.5**	2.3
	266.6	225.4

The gain made on share options by the Directors during the year was £1.5m (2021: £0.9m). Full details of the Directors' remuneration are given in the Report of the Remuneration Committee on page 105.

The Group applied for the various government support programmes introduced in response to the global pandemic in 2020.

Included in the profit for the year is £1.0m (2021: £4.3m) 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 programmes.

Notes to the Group Accounts continued

For the year ended 31 December 2022

5. Taxation

	2022 £s millions	2021 £s millions
Current tax charge		
Corporation tax – UK	**0.2**	0.1
Corporation tax – Overseas	**14.7**	15.8
Adjustments in respect of prior years		
Corporation tax – UK	**-**	(0.8)
Corporation tax – Overseas	**0.8**	0.3
	15.7	15.4
Deferred tax		
Deferred tax – UK	**0.5**	0.7
Deferred tax – Overseas	**(0.4)**	(0.4)
Adjustments in respect of prior years		
Deferred tax – UK	**(0.2)**	0.4
Deferred tax – Overseas	**0.9**	0.6
	0.8	1.3
Total tax charge for year	**16.5**	16.7
Profit before taxation	**55.6**	50.2
Tax at standard UK corporation tax rate of 19% (2021: 19%)	**10.6**	9.5
Effects of:		
Unrelieved losses	**0.7**	1.2
Tax exempt income and other expenses not deductible	**(0.4)**	0.8
Other timing difference	**0.3**	(0.3)
Overseas earnings taxed at different rates	**4.0**	5.1
Adjustments to tax charges in previous years	**1.5**	0.5
Impact of tax rate change	**(0.2)**	(0.1)
Total tax charge for year	**16.5**	16.7

Tax recognised directly in equity		
Tax on share-based payment transactions	**0.9**	(0.6)

The tax charge is based on the expected annual effective tax rate of 29.7% (2021: 33.3%) on profit before taxation.

The effective tax rate is higher than the standard UK rate of 19%, primarily as a result of overseas taxation in Japan, Australia and the Netherlands, and the impact of adjustments to accounting profit in the tax calculation and the movement in deferred tax asset in relation to accruals and provisions.

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 corporation tax 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 results.

6. Dividends

	2022 £s millions	2021 £s millions
Amounts recognised as distributions to equity holders in the year:		
Interim dividend paid of 6.5p per share (2021: 5.4p)	**4.5**	3.9
Final dividend for 2021 of 15.0p per share (2020: 11.0p)	**10.7**	8.0
	15.2	11.9
Proposed final dividend for 2022 of 17.0p per share (2021: 15.0p)	**11.5**	10.7

The proposed final dividend of £11.5m 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.

	2022 Number of shares	2021 Number of shares
Weighted average number of shares:		
Shares in issue throughout the year	**80,689,295**	80,167,760
Shares issued in the year	**203,095**	310,858
Shares cancelled during the year	**(529,847)**	-
Treasury and own shares held	**(10,784,800)**	(8,152,297)
For basic earnings per share	**69,577,743**	72,326,321
Outstanding share options	**3,687,416**	4,266,350
For diluted earnings per share	**73,265,159**	76,592,671

The total number of options in issue is disclosed in note 19.

	2022 £s millions	2021 £s millions
Profit for the year attributable to equity holders of the Parent	**39.1**	33.5

Earnings per share (pence):	2022	2021
Basic	**56.2**	46.3
Diluted	**53.4**	43.7

Notes to the Group Accounts continued
For the year ended 31 December 2022

8. Intangible assets

	Goodwill £s millions	Computer software £s millions	Assets under construction £s millions	Total £s millions
Cost:				
At 1 January 2021	8.0	11.3	5.5	24.8
Additions	–	8.7	–	8.7
Disposals	–	(0.3)	–	(0.3)
Transfers	–	5.5	(5.5)	–
Foreign currency translation differences	0.1	(0.5)	–	(0.4)
At 31 December 2021	**8.1**	**24.7**	**–**	**32.8**
Additions	–	7.5	–	7.5
Disposals	–	(3.6)	–	(3.6)
Transfers	–	–	–	–
Foreign currency translation differences	–	0.1	–	0.1
At 31 December 2022	**8.1**	**28.7**	–	**36.8**
Accumulated amortisation and impairment:				
At 1 January 2021	–	6.6	–	6.6
Charge for the year	–	1.7	–	1.7
Disposals	–	(0.3)	–	(0.3)
Foreign currency translation differences	–	0.1	–	0.1
At 31 December 2021	**–**	**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**
Carrying value:				
At 1 January 2021	8.0	4.7	5.5	18.2
At 31 December 2021	8.1	16.6	–	24.7
At 31 December 2022	**8.1**	**21.2**	–	**29.3**

Assets under construction
The assets under construction that were held at 31 December 2020, related to in-house custom built systems. These systems were completed in 2021, as a result these assets were transferred to Computer Software.

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 3-5% 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 3-5% exceeds the long-term growth rate for the economy, the growth rates are considered appropriate based on the expected future growth rate of the business. If the lower economic growth rate was applied it would not suggest an impairment was required.

8. Intangible assets continued

Goodwill Impairment Review continued

The value of the cash flows is then discounted at a post-tax rate of 8.3% (pre-tax rate of 11.7%), 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, for year four onwards.

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 0%, 10% and 20% in absolute terms. The sensitivity analysis shows no impairment charge would arise under each scenario.

9. Property, plant and equipment

	Leasehold improvements £s millions	Fixtures, fittings and office equipment £s millions	Computer equipment £s millions	Total £s millions
Cost:				
At 1 January 2021	9.7	18.5	11.1	39.3
Additions	0.4	2.6	1.5	4.5
Disposals	(0.9)	(2.8)	(1.5)	(5.2)
Foreign currency translation differences	(0.1)	(0.8)	(0.2)	(1.1)
At 31 December 2021	**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**
Accumulated depreciation and impairment:				
At 1 January 2021	7.8	12.8	9.6	30.2
Charge for the year	0.9	1.9	1.4	4.2
Disposals	(0.9)	(2.6)	(1.4)	(4.9)
Foreign currency translation differences	(0.3)	(0.6)	(0.1)	(1.0)
At 31 December 2021	**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**
Carrying value:				
At 1 January 2021	1.9	5.7	1.5	9.1
At 31 December 2021	1.6	6.0	1.4	9.0
At 31 December 2022	**3.0**	**8.4**	**2.9**	**14.3**

Notes to the Group Accounts continued

For the year ended 31 December 2022

10. Leases

Amounts recognised in the balance sheet

The balance sheet shows the following amounts relating to leases where the Group is a lessee:

Right-of-use assets	Buildings £s millions	Equipment £s millions	Vehicles £s millions	Total £s millions
Cost:				
At 1 January 2021	87.7	0.6	5.3	93.6
Additions	11.0	–	–	11.0
Lease modifications	6.9	–	0.8	7.7
Disposals	(9.0)	–	–	(9.0)
Foreign currency translation differences	(2.4)	(0.3)	(0.4)	(3.1)
At 31 December 2021	**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**
Accumulated depreciation and impairment:				
At 1 January 2021	30.9	0.3	2.9	34.1
Charge for the year	13.8	0.1	1.2	15.1
Impairment	(1.1)	–	–	(1.1)
Disposals	(9.0)	–	–	(9.0)
Foreign currency translation differences	(1.1)	(0.2)	(0.2)	(1.5)
At 31 December 2021	**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**
Carrying value				
At 1 January 2021	56.8	0.3	2.4	59.5
At 31 December 2021	60.7	0.1	1.8	62.6
At 31 December 2022	**68.9**	**-**	**2.7**	**71.6**

An impairment loss was recognised in 2020 which was subsequently reversed in 2021, less any further depreciation for 2021, due to an improvement in operations. The impairment review completed in 2022 results in no impairment to be recognised in 2022.

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 3% and 5% for years two and three. The forecast for revenue and costs as approved by the Board reflect the latest industry forecasts and management's expectations based on past experience.

The value of the cash flows is then discounted at a post-tax rate range of 8.3% and 9.1% (pre-tax rate range of 11.7% and 12.9%), based on the CGU's estimated weighted average cost of capital and risk adjusted depending on the location of the right-of-use asset. 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 0%, 10% and 20% in absolute terms. The sensitivity analysis shows no impairment charge would arise under each scenario.

10. Leases continued

Lease liabilities	2022 £s millions	2021 £s millions
Current	(18.3)	(15.2)
Non-current[1]	(58.1)	(51.2)
At 31 December	**(76.4)**	(66.4)

1. Of the Non-current liability £46.7m relates to liabilities between 2 and 5 years (2021: £40.8m).

Amounts recognised in Consolidated Income Statement

The consolidated income statement includes the following amounts relating to leases:

	2022 £s millions	2021 £s millions
Depreciation charge of Right-of-use assets	14.9	15.1
Interest expense (included in finance cost)	2.5	2.2
Expense relating to short-term leases (included in administrative expenses)	1.5	1.5
Total charges in relation to leases	**18.9**	18.8

The total cash outflow for leases in 2022 was £19.3m (2021: £18.6m).

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.

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 payments to be made under reasonable certain extension options are also included in the measurement of the liability. 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 page 138.

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 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 2022

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
PT. Robert Walters Indonesia[4]	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[4]	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[3]	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
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[2]	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 Technology Consultancy Services Ltd[2]	100%	Recruitment consultancy	United Kingdom
Robert Walters Holdings Limited[1,3]	100%	Holding Company	United Kingdom
Walters Interim Ltd[2]	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. Robert Walters Holdings Limited has branch operations in Luxembourg and South Africa.
2. 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.
3. Direct holdings of Robert Walters plc.
4. The holdings for Agensi Pekerjaan Walters Sdn Bhd and PT. Robert Walters Indonesia are 49%, however they are deemed 100% controlled.

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Notes to the Group Accounts continued

For the year ended 31 December 2022

12. Trade and other receivables

	2022 £s millions	2021 £s millions
Receivables due within one year:		
Trade receivables	**142.9**	116.1
Other receivables	**6.3**	7.9
Prepayments	**8.8**	6.2
Accrued income	**63.4**	60.2
	221.4	190.4

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 2022 is £1,892,000 (31 December 2021: £2,433,000). The movement in the provision during the year is a credit to the income statement of £541,000 (2021: charge of £775,000). Contract assets are expected to convert into contract receivables within three months of recognition.

13. Trade payables and other payables: amounts falling due within one year

	2022 £s millions	2021 £s millions
Trade payables	**8.7**	7.0
Other taxation and social security	**34.7**	23.7
Other payables[1]	**25.4**	27.4
Accruals and deferred income	**110.8**	115.4
	179.6	173.5

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

	2022 £s millions	2021 £s millions
Bank overdrafts and borrowings: current	**26.1**	15.7
	26.1	15.7
The borrowings are repayable as follows:		
Within one year	**26.1**	15.7
	26.1	15.7

In October 2022, the Group renewed its four-year committed financing facility of £60.0m which expires in March 2026. At 31 December 2022, £26.1m (2021: £15.7m) was drawn down under this facility.

In 2021, the Group had a short-term facility of Renminbi 25m (£2.9m) of which Renminbi nil (£nil) was drawn down as at 31 December 2021, the loan expired during the year. The loan was secured against cash deposits in Hong Kong.

The Directors estimate that the fair value of all borrowings is not materially different from the amounts stated in the Consolidated Balance Sheet of £26.1m (2021: £15.7m).

The Group has not entered into any reverse factoring arrangements during the year ended 31 December 2022 (2021: 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 £s millions	Tax losses £s millions	Share-based payment £s millions	Accruals and provisions £s millions	Total £s millions
At 1 January 2021	1.0	3.6	1.7	5.7	12.0
Charge to income	(0.5)	(1.0)	(0.6)	0.8	(1.3)
Credit to equity	–	–	0.6	–	0.6
Foreign currency translation differences	–	–	–	(0.3)	(0.3)
At 31 December 2021	**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**

Certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

Group	2022 £s millions	2021 £s millions
Deferred tax assets	**10.0**	11.2
Deferred tax liabilities	**(0.2)**	(0.2)
	9.8	11.0

At 31 December 2022, no deferred tax liability is recognised on temporary differences of £25.8m (2021: £23.5m) 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 £3.1m (2021: £2.6m) 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 £4.4m (2021: £2.3m) of which £3.0m (2021: £1.3m) have no time restriction over when they can be utilised, and the remaining £1.4m (2021: £1.0m) are time restricted, for which the weighted average period over which they can be utilised is seven years.

16. Provisions

	Total £s millions
At 1 January 2021	3.3
Additional provisions charged to income statement	1.8
Provision released	(0.7)
Utilisation of provisions	(1.0)
Foreign exchange movements	(0.2)
At 31 December 2021	**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**
Analysis of total provision:	
Current	0.8
Non-current	2.1
	2.9

The provisions comprise of dilapidation provisions.

The payment of non-current provision (£2.1m) is expected to occur between two and five years.

Notes to the Group Accounts continued
For the year ended 31 December 2022

17. Financial risk management
The Group's financial instruments comprise cash and liquid resources and various items, such as trade receivables, trade payables, etc. 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	2022 £s millions	2021 £s millions
Euros	**28.4**	47.8
Japanese Yen	**22.1**	26.4
Hong Kong Dollars	**13.6**	10.9
Australian Dollars	**11.3**	16.8
Chinese Renminbi	**7.8**	4.1
South Korean Won	**6.8**	4.6
New Zealand Dollars	**6.6**	3.3
US Dollars	**4.5**	5.8
Singapore Dollars	**4.3**	5.9
Great British Pounds Sterling	**3.8**	4.1
Taiwan Dollar	**3.0**	1.7
Malaysian Ringgit	**2.6**	2.6
Thai Baht	**2.1**	1.9
Other	**6.3**	6.4
	123.2	142.3

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 £97.1m 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 pandemic, the Group reassessed the credit-worthiness of it's 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	More than 30 days past due	More than 60 days past due	More than 90 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**

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
31 December 2021					
Expected loss rate	0.4%	2.3%	2.3%	45.5%	3.1%
Trade receivables (£'millions)	50.5	47.6	17.3	4.4	119.8
Bad debt provision (£'millions)	0.2	1.1	0.4	2.0	3.7

(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 2026. The average effective interest rate for 2022 on the sales financing facility approximates to 2.99% 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.

Notes to the Group Accounts continued
For the year ended 31 December 2022

18. Share capital

	2022 Number	2021 Number	2022 £s millions	2021 £s 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	**78,928,095**	80,689,295	**15.8**	16.1

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 2022 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:

	Share options granted	Price granted (p)	Exercisable From	Exercisable To
Executive Options	25,000	211	March 2016	March 2023
Executive Options	60,000	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	182,000	400	March 2020	March 2027
SAYE	112,701	409	September 2022	March 2023
Executive Options	138,550	552	March 2023	March 2030
SAYE	431,448	326	October 2023	March 2024
Executive Options	70,000	521	March 2024	March 2031
SAYE	39,993	541	October 2024	March 2025
Executive Options	65,500	577	March 2025	March 2032
SAYE	207,794	408	October 2025	March 2026
	1,477,486			

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.

	2022 Options	2022 Weighted average exercise price (£)	2021 Options	2021 Weighted average exercise price (£)
At 1 January	**2,105,241**	**3.93**	3,705,698	3.86
Granted during the year	314,973	4.53	158,380	5.29
Forfeited during the year	(170,827)	4.43	(182,654)	4.00
Lapsed during the year	(171,499)	5.36	(224,999)	6.67
Exercised during the year	(600,402)	3.57	(1,351,184)	3.42
At 31 December	**1,477,486**	**3.98**	2,105,241	3.93

The fair value of share options granted during the year was £115,000 (2021: £128,000).

The weighted average share price at the date of exercise for share options exercised during the period was £3.57 (2021: £3.42). The options outstanding at 31 December 2022 had a weighted average remaining contractual life of three years (2021: four years) and a weighted value of £3.98 (2021: £3.93).

The weighted average exercise price is calculated based on a range of share prices between £2.11 and £5.96.

19. Share options continued

There were 524,000 (2021: 1,018,000) options already exercisable at the end of the year, with a weighted exercise price of £3.63 (2021: £3.55). The inputs into the stochastic model are as follows:

	Executive Options				SAYE options		
	2022	2021	2020	2019	**2022**	2021	2020
Weighted average share price	**£5.77**	£5.52	£5.00	£5.96	**£4.08**	£5.41	£3.26
Weighted average exercise price	**£5.77**	£5.21	£5.52	£5.46	**£4.08**	£5.41	£3.26
Expected volatility	**34.5%**	33.4%	31.3%	29.9%	**34.5%**	33.4%	31.3%
Expected life	**6**	6	6	6	**3.25**	3.25	3.25
Risk free rate	**1.3%**	0.4%	0.2%	1.0%	**1.3%**	0.4%	0.2%
Expected dividend yield	**3.5%**	2.8%	3.0%	2.5%	**3.5%**	2.8%	3.0%

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 2022 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.

	2022			2021		
	Share awards	Co-investment awards	Total	Share awards	Co-investment awards	Total
At 1 January	**3,320,308**	**654,255**	**3,974,563**	3,088,421	675,079	3,763,500
Granted during the year	990,668	300,625	1,291,293	1,239,188	159,534	1,398,722
Vested and exercised during the year	(239,040)	(54,858)	(293,898)	–	–	–
Lapsed during the year	(772,991)	(176,683)	(949,674)	(868,956)	(138,957)	(1,007,913)
Forfeited during the year	(299,860)	(37,124)	(336,984)	(138,345)	(41,401)	(179,746)
At 31 December	**2,999,085**	**686,215**	**3,685,300**	3,320,308	654,255	3,974,563

The fair value of share awards and co-investment awards granted during the year was £4,630,000 (2021: £5,339,000).

The awards outstanding at 31 December 2022 had a weighted average remaining contractual life of 14 months (2021: 14 months). No awards expired during the year (2021: none).

Notes to the Group Accounts continued

For the year ended 31 December 2022

19. Share options continued

The inputs into the stochastic model are as follows:

	2022	2021	2020	2019
Weighted average share price	**£6.65**	£5.52	£5.00	£5.90
Weighted average exercise price	**nil**	nil	nil	nil
Expected volatility	**36.6%**	37.4%	34.5%	34.3%
Expected life	**3**	3	3	3
Risk free rate	**1.4%**	0.1%	0.2%	0.8%
Expected dividend yield	**3.5%**	2.8%	3.0%	2.5%

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) and the earnings per share (EPS) growth over the three-year period from the initial date of grant. In the case of co-investment awards, 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 equal the performance of the FTSE Small Cap Index or the EPS compound annual growth exceed 8%. For all of the PSP shares to vest, the TSR must exceed the FTSE Small Cap Index by a compound 12.5% per annum and the EPS compound annual growth must also exceed 14%.

The Group recognised an expense of £2,478,000 (2021: £2,283,000) during the year in respect of equity-settled share-based payment transactions and £nil (2021: £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 (2021: £83,379,000), offset by a capital reserve of £9,301,000 (2021: £9,301,000), capital redemption reserve of £2,622,000 (2021: £2,216,000) and a capital contribution reserve of £44,000 (2021: £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 £39,500 (2021: £47,400) 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 2022 was 7,130,801 (2021: 5,473,729) and £38,506,000 (2021: £42,147,500). The number and market value of treasury shares held at 31 December 2022 was 4,074,000 (2021: 4,074,000) and £22,000,000 (2021: £31,370,000).

21. Reconciliation of net cash and debt position

	Bank borrowings £s millions	Cash and cash equivalents £s millions	Leases £s millions	Total £s millions
Net cash (debt) as at 1 January 2021	**–**	**155.5**	**(63.8)**	**91.7**
Cash flows	(14.9)	(6.4)	18.6	(2.7)
Non cash flows:				
New leases	–	–	(11.0)	(11.0)
Interest	(0.8)	–	(2.2)	(3.0)
Foreign exchange adjustments	–	(6.8)	(0.3)	(7.1)
Other changes[1]	–	–	(7.7)	(7.7)
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 31 December 2022	**(26.1)**	**123.2**	**(76.4)**	**20.7**

1. The other changes for leases totalling £1.3m in 2022 (2021: 7.7m), 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 92 to 119.

During the year, there were no related party transactions included within administrative expenses (2021: nil).

There were no outstanding balances at the 31 December 2022.

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.

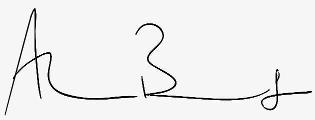
The Group has no other contingent liabilities as at 31 December 2022 (2021: £nil).

Company Balance Sheet
As at 31 December 2022

	Notes	2022 £s millions	2021 £s millions
Non-current assets			
Investments	26	**232.1**	229.8
Current assets			
Trade and other receivables	27	**18.9**	40.4
Cash and cash equivalents		**-**	-
Total assets		**251.0**	270.2
Current liabilities			
Trade and other payables	28	**(122.3)**	(148.8)
Net current liabilities		**(103.4)**	(108.4)
Net assets		**128.7**	121.4
Equity			
Share capital	29	**15.8**	16.1
Share premium		**22.6**	22.6
Capital redemption reserve		**2.6**	2.2
Own shares held	20	**(40.5)**	(29.9)
Treasury shares held	20	**(9.1)**	(9.1)
Retained earnings		**137.3**	119.5
Shareholders' funds		**128.7**	121.4

Robert Walters plc reported a profit for the year of £42.4m (2021: £30.1m).

The accounts of Robert Walters plc, Company Number 03956083, on pages 160 to 163 were approved by the Board of Directors on 9 March 2023 and signed on its behalf by:



Alan Bannatyne
Chief Financial Officer

Company Statement of Changes in Equity
For the year ended 31 December 2022

	Share capital £s millions	Share premium £s millions	Capital redemption reserve £s millions	Own shares held £s millions	Treasury shares held £s millions	Retained earnings £s millions	Total equity £s millions
Balance at 1 January 2021	16.0	22.2	2.2	(18.1)	(9.1)	99.3	112.5
Profit for the year	–	–	–	–	–	30.1	30.1
Foreign currency translation differences	–	–	–	–	–	–	–
Total comprehensive income and expense for the year	–	–	–	–	–	30.1	30.1
Dividends paid	–	–	–	–	–	(11.9)	(11.9)
Credit to equity for equity-settled share-based payments	–	–	–	–	–	2.3	2.3
Transfer to own shares held on exercise of equity incentives	–	–	–	0.3	–	(0.3)	–
New shares issued and own shares purchased	0.1	0.4	–	(12.1)	–	–	(11.6)
Balance at 31 December 2021	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)	–
Share repurchase and 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**

Notes to the Company Accounts
For the year ended 31 December 2022

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 136 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.

£31.2m (2021: £26.5m) 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 £s millions
At 1 January 2022	229.8
Increase in the year due to equity incentive schemes	2.3
At 31 December 2022	**232.1**

There were no indicators to suggest an impairment review was required, as such there was no provision for impairment (2021: £nil).

Please refer to note 11 for a list of the Company's principal investments.

27. Trade and other receivables

	2022 £s millions	2021 £s millions
Amounts due from subsidiaries	**18.9**	40.4
	18.9	40.4

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

	2022 £s millions	2021 £s millions
Amounts due to subsidiaries	**122.3**	148.8
	122.3	148.8

Amounts owed to Group undertakings are unsecured, carry no interest and are repayable on demand.

29. Share capital

	2022 Number	2021 Number	**2022 £s millions**	2021 £s 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	**78,928,095**	80,689,295	**15.8**	16.1

30. Commitments
The Company has no lease commitments (2021: £nil).

There are no capital commitments for the Company (2021: £nil).

31. Related party transactions
There are no disclosable related party transactions in the year to 31 December 2022 (2021: £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 2022 (2021: £nil).

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