ROBERT
WALTERS
GROUP

Annual Report & Accounts 2021

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 3,400 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 and finance, banking, engineering, HR, healthcare, IT, legal, sales, marketing, secretarial and support and supply chain, logistics and 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.

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

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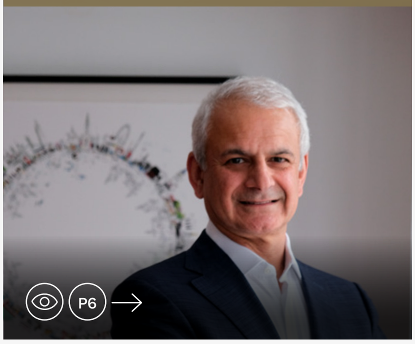

"The Group delivered a record performance in 2021 with operating profit increasing by 265% (285%*) to an all-time high of £54.1m."

Chief Executive's Statement

"The competition for talent is fierce across all geographies and professional disciplines driven by an ever-more acute shortage of qualified professionals."

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

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 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, IT, legal, sales, marketing, secretarial and support and supply chain, logistics and procurement.

Walters People

Specialist Staffing
Walters People is the staffing specialist for tomorrow's working world matching people to permanent and contract finance and business support 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.

2021 Highlights

3% ↑

£970.7m

Revenue
2020: £938.4m

315% ↑

£50.2m

Profit Before Taxation
2020: £12.1m

17% ↑

£353.6m

Net Fee Income (Gross Profit)
2020: £302.4m

482% ↑

46.3p

Basic Earnings Per Share
2020: 8.0p

265% ↑

£54.1m

Operating Profit
2020: £14.8m

Robert Walters Group at a Glance

Market-leading global brand

■ Our locations

Employees
3,484

Countries
31

Net fee income from international businesses
81%

UK

Group NFI

EMEA

Kristen Buckheit

"We're always asking how we can do things better, for our people as well as for our clients. And that's what I love about working at the Robert Walters Group."

Read Kristen's Interview P40 →

Global

Coral Bamgboye

"A great thing about working for the Group is that we are always trying to ensure we adopt best practice and take a leading position."

Read Coral's Interview P45 →

Other International

The Americas, South Africa, Middle East

7%

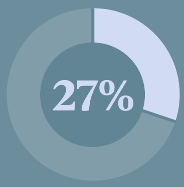
Group NFI

Global
Toby Fowlston

"One of the most important lessons I learned was the importance of how you treat people, whatever you're going through."

Read Toby's Interview P38

Europe



Group NFI

Permanent/Contract net fee income

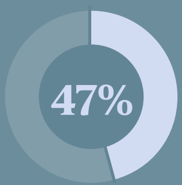
68% Permanent (2020: 62%)
32% Contract (2020: 38%)

Japan
Akimasa Kataoka

"Once I saw the culture, the people, and the progressive spirit of the business, it was a no-brainer for me to join the team."

Read Akimasa's Interview P41

Asia Pacific



Group NFI

Chair's Statement

The Group delivered a record performance in 2021 with operating profit increasing by 265% (285%*) to an all-time high of £54.1m. This has been achieved despite the backdrop of the ongoing global pandemic and a significant number of our businesses around the world experiencing prolonged periods of full or partial lockdowns.

Candidate and client confidence grew steadily as the year progressed as the macroeconomic outlook became increasingly positive underpinned by vaccination programme roll outs and the increasing ability of organisations and talent to adapt to 'new normal' ways of working. Permanent and interim recruitment activity were the strongest drivers of growth as organisations more confidently hired for the long term. Permanent recruitment now represents 68% (2020: 62%) of the Group's net fee income.

Revenue was up 3% (6%*) to £970.7m (2020: £938.4m) and net fee income increased by 17% (21%*) to £353.6m (2020: £302.4m). Operating profit increased by 265% (285%*) to £54.1m (2020: £14.8m) and profit before taxation increased by 315% (339%*) to £50.2m (2020: £12.1m). Earnings per share increased by 482% to 46.3p per share (2020: 8.0p per share). The Group has maintained a very strong balance sheet with net cash of £126.6m as at 31 December 2021 (31 December 2020: £155.5m).

All of the Group's regions delivered substantial operating profit growth, with our business in Asia Pacific delivering a standout performance increasing operating profit by 336% (361%*) to £36.5m (£38.6m*) (2020: £8.4m). 81% (2020: 78%) of the Group's net fee income is now derived from our international operations reflecting the strength of the Group's global brand and geographic footprint.

People and Culture

The Group's purpose is to power people and organisations to fulfil their unique potential and this is the foundation that underpins what we do as a business. In 2021, across our permanent, contract, interim and recruitment process outsourcing businesses, I am proud to say that we helped over 43,500 people and 11,500 organisations fulfil that unique potential through providing new careers and valued team members.

Our purpose is not just about our candidates and clients — it is as important to the development of our own people and culture. During the year, we added net 337 new people to the Group to continue to drive the business forward and maximise the opportunities we can see across the globe. We continued to invest in the ongoing development of both existing and new staff with 288 leadership, coaching and training sessions delivered during the year.

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

> I would like to take this opportunity to thank all of our wonderful people across the globe for their energy, commitment and determination."

Ron Mobed
Chair

Whilst already proud of the comprehensive training programmes we run for our people at all levels, we are not resting on our laurels and have appointed a new Head of Learning & Development to continue to ensure our programmes are leading edge and a differentiator in what is a very competitive space. I am also delighted to report that over 780 staff were promoted during the period, with 55% of these promotions being female, as we continue to strive to improve gender balance particularly in senior leadership positions.

The transparency and regular cadence of communication, both through our global technology platforms and, of course, one-to-one phone or video conversations, has continued to be essential in fostering togetherness and teamwork particularly during the periods of the year when offices have been closed or at reduced capacity. Our senior management teams have continued to keep staff updated, through our global internal communications platform, Workplace from Meta, as well as Microsoft Teams. But communication is only truly effective when two-way and we have recently launched a global employee engagement survey in conjunction with Glint, from LinkedIn, to gain staff feedback on issues such as ways of working, our culture and values.

An Organisational Health Committee, comprising members of the Board, has also been established with a view to making recommendations to maintain, encourage and improve the health of the business from a people perspective.

Equality, Diversity & Inclusion (ED&I)

ED&I is another key area of focus for the Group where strong efforts have been made over the last year. Following a Group-wide ED&I survey carried out in 2020, we worked closely with Vercida Consulting, one of the world's leading ED&I consultancies, to design a comprehensive ED&I training programme that has been successfully rolled out to all managers and above globally.

The Group has also chosen its first Global Head of ED&I, starting in 2022, with a clear remit to ensure the Group continues to evolve and align with best practice. A global ED&I council has been established which provides regular updates to the Board and it's been positive to already see active ED&I discussion groups established to enable staff at all levels to both formally and informally feed into our overall strategy and approach.

Environmental, Social and Governance (ESG) Awards and Committee

As a Group, we continue to be recognised as a leader in the ESG space. We were a finalist in both the ESG Annual Reporting Awards and the global Reuters Responsible Business Awards at which we were highly commended for our ESG activities. We have been a member of the FTSE4Good Index for the last thirteen years and we have been offsetting the equivalent of our carbon emissions since 2015.

We also recognise that we have an ongoing responsibility to drive continued improvement and therefore, during the year, we published new targets, aligned to the United Nations' Sustainable Development Goals to further reduce the Group's environmental impact by 2030.

An ESG Committee has been established comprising members of our operational management team, Board and business support functions and we have recently engaged a leading ESG consultancy to conduct a Group-wide ESG Materiality Assessment, the findings of which will further inform and influence our policies moving forward.

Board

I am delighted to welcome Matt Ashley to the Board as an independent Non-executive Director. Matt was appointed to the Board on 23 December 2021 and will be a member of each of our standing Committees and Chair of the Audit and Risk Committee, following the conclusion of our 2022 Annual General Meeting. Matt brings a wealth of financial and listed business experience from different sectors and I look forward to working closely with him.

Dividend and Share Buy Backs

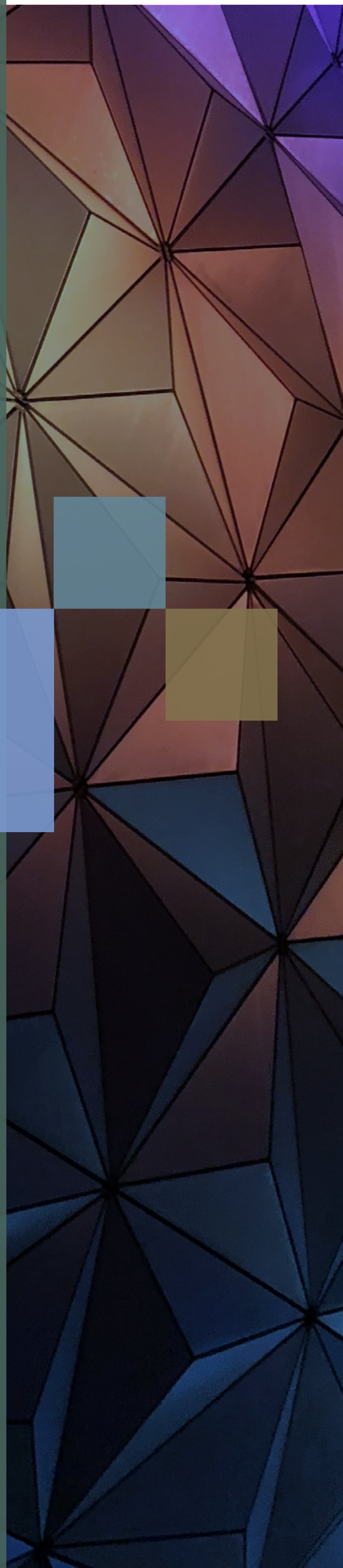
The Board will be recommending a 36% increase in the final dividend to 15.0p per share, which combined with the interim dividend of 5.4p per share would result in a 32% increase in the total dividend to 20.4p per share (2020: 15.5p).

In 2021, the Group purchased 1.6m shares at an average price of £7.47 per share through the Group's Employee Benefit Trust. A further 0.3m shares were purchased after year-end at an average price of £7.50 for £2.7m. 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 28 April 2022.

Last and most certainly not least, I would like to take this opportunity to thank all of our wonderful people across the globe for their energy, commitment and determination to so successfully come through another pandemic-impacted year and deliver such an outstanding result.

Ron Mobed
Chair
7 March 2022

Chief Executive's Statement



The Group's proven track record of profitably weathering international crises and benefiting from operational gearing when market conditions become more favourable enabled the Group to deliver its most profitable year ever.

> The competition for talent is fierce across all geographies and professional disciplines driven by an ever-more acute shortage of qualified professionals."

Robert Walters
Chief Executive

Clients and candidates were relatively cautious during the first few months of the year as a result of the uncertainty surrounding the likelihood of further Covid waves, the efficacy of vaccine programmes and the pace and sustainability of any global economic recovery.

This early caution quickly gave way to confidence resulting in one of the hottest job markets in recent times. The emergence of the Omicron variant during the fourth quarter did mean a return to Work from Home guidance or reduced office capacities in many locations, however, recruitment activity levels were not adversely affected as clients, candidates and our consultants were again able to seamlessly adapt with no material impact on productivity.

The competition for talent is fierce across all geographies and professional disciplines driven by an ever-more acute shortage of qualified professionals. The shortage has been exacerbated by the pandemic's impact on talent mobility which has further served to drive significant wage inflation for those candidates moving jobs. Uplifts of circa 20% are commonplace across the globe for job movers with high-demand and niche skill sets particularly in disciplines such as technology and digital demanding even higher premiums.

The Group's blend of revenue streams covering permanent, interim and contract recruitment and recruitment process outsourcing, coupled with our broad range of specialist disciplines and geographies, has enabled us to benefit from this acceleration in recruitment activity right across the globe and to meet the diverse recruitment needs of our clients and candidates. Whilst the global pandemic has limited our ability to open new offices in new locations, I am delighted that we have continued to grow our capability in high-growth and pandemic-proof disciplines such as technology, supply chain and interim with the establishment of 47 new teams.

We increased our staff numbers by 11% year-on-year with total headcount at year-end standing at 3,484 (2020: 3,147). This is still below our peak headcount of 4,348 which provides us significant headroom and opportunities for further growth right across the globe. It is particularly pleasing to report that, despite adding a large number of new staff during the period, consultant productivity increased by 20% year-on-year.

Chief Executive's Statement continued

Technology and Insights

The Group's long-term investment in technology continued to provide our people with the ability to work remotely when required and ensured no impact on our ability to deliver the highest quality of service to our clients and candidates. Video CV and interviewing platforms again played an important role but it was heartening to see clients and candidates, where possible, beginning to revert to face-to-face meetings especially for the latter stages of recruitment processes.

Our ability to provide comprehensive market insights and analysis to both clients and candidates continued to prove a key differentiator. Harnessing both internal and external data to inform recruitment searches and decision-making has proven hugely advantageous to our clients. Additionally our global thought leadership programme encompassing whitepapers, e-guides, webinars and podcasts engaged over 100,000 clients and candidates during the year.

During the fourth quarter, we successfully rolled out Zenith, the Group's new customer relationship management (CRM) system, in our Middle East business. This was the Group's first live deployment of the new system with the aim to have a significant proportion of the business fully transitioned across by the end of 2022. The global roll out of this first generation system is expected to be completed during the first half of 2023.

Review of Operations

Asia Pacific (47% of Group net fee income)
Revenue was £427.0m (2020: £373.6m), net fee income increased by 32% (39%*) to £164.2m (£172.5m*) (2020: £124.1m) and operating profit increased by 336% (361%*) to £36.5m (£38.6m*) (2020: £8.4m). The region delivered an outstanding performance despite a number of markets experiencing prolonged full or partial lockdowns during the year.

Japan, the Group's most profitable business, had a record year, increasing operating profit by 138%*; further strengthening our leading position in this high-growth and exciting recruitment market. Hong Kong bounced back strongly after a turbulent socio-economic and Covid-impacted period, with a significant increase in both net fee income and operating profit. In Mainland China, our business continues to go from strength to strength delivering record net fee income and operating profit. Across South East Asia, standout performances came from Malaysia and Vietnam with both businesses also producing record levels of both net fee income and operating profit.

Australia, the second largest business in the region, had an excellent year with a 33%* increase in net fee income driving a 423%* increase in operating profit. During the year, we further cemented our dominant market position in New Zealand, increasing net fee income by 56%* and operating profit by 306%*. New Zealand is now the fourth most profitable business in the Asia Pacific region.

Resource Solutions had a record year across the region increasing both net fee income and operating profit year-on-year underpinned by a number of new client wins and extensions, particularly in India and South East Asia.

Europe (27% of Group net fee income)
Revenue was £216.1m (2020: £204.6m), net fee income increased by 11% (15%*) to £95.3m (£98.9m*) (2020: £85.7m) and operating profit increased by 192% (205%*) to £13.7m (£14.3m*) (2020: £4.7m).

Our blend of permanent, contract and interim recruitment solutions continues to provide the Group with a competitive advantage across the region with our teams able to respond to the diverse nature of client and candidate needs. Permanent and interim grew most strongly during the period as markets recovered from an extremely tough 2020.

Six of our eight businesses across the region more than doubled operating profit during the period. France, the largest business in the region, bounced back well increasing net fee income by 9%* and operating profit by 180%* year-on-year. Our mature businesses in the Netherlands and Belgium, which both weathered the 2020 Covid crisis exceptionally well, continued to perform strongly increasing net fee income by 13%* and 14%* respectively year-on-year. Spain, where we now have a footprint covering Madrid, Barcelona and Valencia, delivered record net fee income and operating profit and in Germany, I am delighted that we produced a significant increase in both net fee income and operating profit after a challenging few years.

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

UK (19% of Group net fee income)
Revenue was £297.6m (2020: £329.1m), net fee income increased by 3% to £68.7m (2020: £66.9m) and operating profit increased by 146% to £3.3m (2020: £1.3m).

Growth across the UK was broad-based with recruitment activity levels increasing across both permanent and contract and geographically across both London and the regions. Candidate shortages were most acute at the mid to senior end of the market, with legal, technology and commerce finance the fastest growing disciplines where competition for talent and wage inflation was highest. With hybrid working becoming ever more prevalent, clients became increasingly location agnostic when hiring and we expect this trend to continue through 2022.

Resource Solutions in the UK saw a single-digit decline in net fee income due to the lag effect of clients having to re-hire on-site recruitment teams following the restructures and hiring freezes that were commonplace during 2020. Hiring momentum did increase during the second half of the year and we expect this to continue throughout 2022 as clients gear up hiring plans.

Other International (7% of Group net fee income)
Other International encompasses the Americas, South Africa and the Middle East. Revenue was £30.0m (2020: £31.1m), net fee income decreased by 1% (up 5%*) to £25.4m (£27.0m*) (2020: £25.7m) and operating profit increased by 43% (58%*) to £0.6m (£0.6m*) (2020: £0.4m).

In North America, our US business saw a single-digit decline in net fee income year-on-year largely as a result of a difficult first quarter. As the year progressed, second half results significantly improved and we expect this to continue in 2022. The US jobs market is strong and we plan to further grow our existing businesses and open at least one new office during this year. Our business in Canada delivered a record performance in terms of both net fee income and operating profit.

In South America, our newest businesses in Chile and Mexico continue to grow well, with Chile in particular having an excellent year increasing net fee income by over 70%*. Our Middle East operation continued to perform strongly with net fee income increasing by 42%* year-on-year resulting in a three-fold increase of operating profit.

Outlook

The jobs market is strong, wage inflation is increasing everywhere and candidate and client confidence is high. Together with the Group's strong brand, global international footprint covering both well-established and emerging recruitment markets and blend of permanent, interim, contract and recruitment process outsourcing revenue streams it serves to create clear opportunities across the recruitment market.

We are however mindful of the macro-economic and political uncertainties that do exist. To date, early 2022 trading is in line with Board expectations.

Robert Walters
Chief Executive
7 March 2022

Market Opportunities and Key Trends

We identify and monitor key trends impacting the global recruitment market as well as the wider economic drivers that influence our strategic decisions.

Fierce competition for talent

As the second year of the pandemic draws to a close, the global jobs market has seen a major comeback. Whereas 2020 saw widespread restructuring and redundancies, 2021 saw a surge in demand for talent and a subsequent candidate shortage unlike anything seen in recent times, with businesses around the world struggling to attract and secure top talent across all professional disciplines.

Even prior to the pandemic, various socio-political and economic factors had been fuelling this shortage, but the pandemic afforded many people the opportunity to reflect on their career aspirations, work-life balance and personal goals. Finding themselves unwilling to return to the status quo, this has led to what we have termed 'The Great Reshuffle', as many professionals have sought new roles with employers that better align with their own priorities and values. As a result, and as companies seek to capitalise on the momentum of a recovering global economy, the balance of power has shifted dramatically towards job seekers, who are now in a position to command higher salaries — up to 15-20% depending on demand for their skill set — as well as more flexible working options and better benefits packages.

Key drivers

- Talent shortages across all disciplines
- Permanent recruitment becoming dominant as employers look to make long-term investments in talent
- Significant wage inflation across the jobs market
- 'The Great Reshuffle'

Our position & response

- Provision of end-to-end recruitment solutions to meet the varying needs of clients and candidates across the globe
- Global network of specialist consultants with industry experience and contacts
- Investment in headcount to take advantage of market opportunities
- Investing in advisory services and thought leadership to provide market intelligence and insights to clients and candidates
- Ongoing professional development and wellbeing support for staff working to meet the increased demand

Market Opportunities and Key Trends continued

Adjusting to new ways of working

Throughout 2021, business leaders continued to struggle to reconcile competing priorities on the corporate agenda — in particular, the ongoing cost of maintaining physical workspaces in the wake of the increasing necessity (and demand) for hybrid and remote working options. While some businesses have made their positions and priorities very clear, many others around the world have been more reactionary, flexing their approach to reflect government regulations and local infection rates at the time.

For many businesses, the accelerated pace of change has created a great deal of confusion, especially with no one-size-fits-all solution to be found. Employers, instead, continue working to address the disparity between commercial realities and the needs of their employees — all while trying to maintain a unique and attractive culture that will help them stand out in a fiercely competitive global jobs market. The ones to succeed will be those who are able to find the unique balance that works for their organisations.

Key drivers

- Governments around the world are still maintaining varying degrees of lockdown driving continued remote or hybrid working
- Multinational companies need to implement approaches that work in line with local government responses and infection rates
- New working styles are evolving and being defined by the lived experience of hybrid working, whether or not formal policies are in place to govern this activity

Our position & response

- Client- and candidate-focused thought leadership series, educating audiences around virtual/remote ways of working
- Advisory services for clients to develop their talent attraction approaches to cater to increased demand among candidates for more hybrid/remote working options
- Leveraging our relationship with Microsoft and other technology providers to ensure a seamless service to our clients and candidates, whether in the office or working remotely
- Investing in virtual and in-person cultural activities to keep our staff morale, health and wellbeing high, ensuring that they are in the best place to offer a premium service to candidates and clients

Increased demand for access to more diverse talent pools

The values of today's workforce are changing. According to our recent research, more than 55% of professionals said that they would actually decline a job offer if they felt that the company's values didn't align with their own. This suggests that top talent aren't just looking at their careers in isolation — they want to know that the businesses they work for, or want to work for, are purpose-driven organisations with a clear set of ethical values, particularly in terms of environmental sustainability and corporate responsibility.

Yet, nowhere has this shift been clearer than in the area of ED&I, where employers have been forced to respond in order to survive in candidate-short jobs markets. Companies around the world are addressing their diversity gaps from the top down, while a recent major increase in the hiring of ED&I specialists signals the ever-growing importance of building inclusive cultures that represent a diverse range of viewpoints, backgrounds and experiences.

Key drivers

— Growing social consciousness of issues across the ED&I spectrum

— Elevated priority of ED&I on executive and board agendas

— Increased scrutiny on employers to better champion inclusion in the workplace

Our position & response

— Appointing our first Global Head of Equality, Diversity & Inclusion. Starting in 2022, this role is key to driving the Group's ED&I strategy forward

— Developing a strategic partnership with Vercida Consulting to provide training, advice and external feedback on our strategy

— Establishing a global ED&I council to join up our strategy with day-to-day operations and ensure that employees are aligned with the Group's approach

— Launching our Diverse Hiring Toolkit to educate consultants on ways to promote inclusive hiring processes for our clients as well as connect with untapped diverse talent pools

— Thought leadership for clients and candidates, including a new global ED&I webinar series featuring expert speakers from brands such as PwC, Levi's and PayPal

Market Opportunities and Key Trends continued

Recruitment process outsourcing

Leading market research analysts predict that accelerated business transformation will continue as economic volatility prevails. With future strategy overtaking the immediate response to Covid, agility becomes a critical part of purchasing decisions. Many organisational operating models are becoming permanently hybrid, impacting working patterns, employee location and culture; shaping future employee demand and strategic workforce planning (SWP).

As the talent reshuffle continues, employees are seeking meaningful work, or a values-led employer. Strain on talent acquisition teams, compounded by vaccine mandates impacting mobility, and failures in just-in-time supply chains are causing unpredictable surges in demand for specific skills. Finally, the disproportionate impact on female talent from Covid, coupled with wider race-specific diversity challenges, sees Board-level attention focused on how suppliers can support client ambition.

These factors are driving significant volumes, with RPO expected to grow at 12.6% per annum to 2025 (Nelson Hall). By offering RPO, advisory and contingent hiring services, our Resource Solutions business remains in a strong position to grow market share through 2022 and beyond.

Key drivers

- Hybrid working becoming part of standard operating models, with significant investment in infrastructure
- Skill shortages mean organisations diversify their talent through attraction and up-skilling/re-skilling employees
- Wider deployment of artificial intelligence (AI) aids decision-making, reduces manual processes, and drives high quality/productivity outcomes
- Increased automation means robotic process automation (RPA) and predictive interventions become standard in new iterations of technology
- Convergence of markets and/or services creates new products; trusted distribution infrastructure requires new skills

Our position & response

- Investment in technology to enhance the quality service our people deliver: a connected digital strategy, aligning core services with RPA and AI to drive experiential recruitment
- Up-skilling and re-skilling: development and launch of our Recruiter Academy, which gives people from a non-recruitment background a launchpad into the world of recruitment, our Accelerate Academy, which helps identify sources of undiscovered talent, and Rejoin, which helps experienced talent back into the workforce
- Launch of our workforce consultancy business, partnering to deliver holistic workforce solutions across SWP, Build, Borrow and Buy
- Expansion of our Global Service Centres; expanding Hyderabad and Manila, reinforcing Jacksonville, Johannesburg, and Manchester, opening of Wroclaw
- Data-driven insights and performance analytics to provide critical intelligence on business performance, market trends and workforce movements

Data and insights driving hiring strategy

As organisations faced a rapidly changing business and economic landscape throughout 2021, the role of market and business intelligence in enabling data-driven decision making became increasingly critical. Businesses using market intelligence to drive revenue, maintain their competitive advantage or find the resources and talent needed to operate in and maximise opportunities as we emerge from the pandemic, are in the strongest position.

Advancements in the way data is collected and analysed led to the era of 'Big Data', but businesses are also at risk of having access to too much information without the ability to gain the insight needed to translate to meaningful action. As the recruitment market becomes more competitive, skill shortages more acute, and demand for specialist and hybrid skill sets grows, employers are increasingly deploying a data-led approach to better inform their hiring strategy and process.

Key drivers

— Increasingly competitive and complex recruitment landscape means employers need trusted market intelligence to secure the talent they need ahead of their competitors

— Businesses moving away from transactional recruitment to partnerships with consultancies that can provide the level of market insight needed for strategic decisions

— Businesses of all sizes leveraging business intelligence in their own organisations to improve operations and performance, and seeking business partners with the same data-led mindset and methodology

Our position & response

— Expansion of our business intelligence division, providing bespoke, data-driven market intelligence to help clients across the globe define the best talent pools, pinpoint the right professionals and benchmark against competitors

— Using our proprietary data, together with trusted publicly available and third party insights and the knowledge of our experienced industry specialists to help clients make sound strategic hiring decisions

— Partnering with businesses embarking on company expansion projects, providing relocation analysis, market mapping and competitor insights

— Launching the RSIntelligence platform, an on-demand, cloud-based talent intelligence tool, allowing business leaders to make data-led decisions in sourcing and recruiting top talent

— Global thought leadership programme, encompassing whitepapers, e-guides, webinars and podcasts, engaged over 100,000 clients and candidates in 2021

— Leveraging PowerBI, from Microsoft, to provide our own business with key insights on which to make strategic and operational decisions

Strategy in Action

Strategy in Action

As the world continues to rapidly change around us, our long-standing strategy has kept us on course, underpinned by our purpose of powering people and organisations to fulfil their unique potential.

We know that putting our clients, candidates and colleagues first is the best way to build a sustainable future for our business, building long-term relationships based on trust.

Further, our commitment to organic growth in terms of new markets and disciplines enables us to identify and take advantage of the right opportunities for our business and ensures the all-important DNA and culture of the Group continue to be replicated across the globe.

Organic growth

The Group's strategy for growth is centred on international expansion and discipline diversification, helping us to leverage new opportunities and achieve a balanced footprint, covering both mature and developing markets.

International expansion

Expanding into new geographic locations helps us to maintain a competitive edge, identifying new opportunities amid changing market conditions. The Group's expansion is largely organic, making no acquisitions in the past decade and only four market-entry acquisitions in its 36-year history. When choosing new locations, we plan our timing meticulously — guided by the expertise of home-grown talent, who we consistently deploy to help launch our business in to new markets.

Discipline diversification

We also grow the business by building scale in existing disciplines and launching new disciplines in high-growth areas. We choose new markets and disciplines that represent longer-term growth opportunities. In 2021, increasing global demand drove strong growth across all of our professional disciplines enabling us to invest in headcount to build out both existing and new teams.

People and relationships first

After more than two years since the onset of the pandemic, we understand and appreciate the crucial role that technology has played in helping us stay connected with colleagues, candidates and clients around the world.

Yet, even as we begin to settle into new behaviours, working patterns and lifestyles shaped by the pandemic period, we maintain that cultivating long-term relationships, virtually or face-to-face, comes first. This approach has paid dividends many times — helping candidates grow their careers year after year, and in time, serving them as clients building teams of their own. This focus on relationships, underpinned by high-quality service, enables us to generate referrals, which are the bedrock of our business.

Our investments in technology have played a major part in our ability to maintain these strong relationships, both with our clients and candidates as well as with colleagues. In 2021, ongoing pandemic conditions continued to limit our face-to-face interactions. Yet, having deployed Microsoft Surface Pros globally in 2019, we have been easily able to flex our working patterns according to evolving government restrictions and fluctuating infection rates — thereby ensuring a seamless level of service to our clients and candidates at all times. Meanwhile, we continued to use tools like Workplace from Meta and Microsoft Teams to keep our people engaged and connected, no matter where they worked.

The pandemic has not been able to stop us from providing a rich candidate and client experience. We have continued the use of video CVs and interviewing platforms like Spark Hire and Odro, and having implemented these innovative tools prior to the pandemic, they have proved to be highly effective in showcasing our candidates in a way that allows clients to get a better feel for who they are, without necessarily being in the same location. These tools have also become more critical as offices close or businesses reduce physical office spaces, and as many roles became fully remote in the past year.

Strategy in Action continued

Building on our success in 2020, the Group also continued its schedule of virtual webinar events for clients and candidates in 2021, sharing our industry insights and expertise on a wide range of topics. Across the globe, we offered strategies for recently promoted managers, advice on how to better support LGBTQ+ staff, and our outlook for sectors like finance and technology. These events, many of which were supported by detailed e-guides and wider campaigns, not only helped us to stay connected with our candidates and clients, but offered the valuable thought leadership upon which our candidates and clients rely to make important decisions about their careers and businesses.

As the appetite for face-to-face events returns, our ability to offer both digital and in-person access to our thought leadership and career guidance means that both candidates and clients have the flexibility to engage with us in the way that works best for them.

Celebrating our people to build a pipeline of future talent

As recruitment activity rapidly gained momentum throughout 2021, the Group continued to invest in attracting new staff to join the Group.

To help attract top quality talent, and to differentiate the business within the recruitment industry, the Robert Walters business launched a new employee value proposition (EVP) and employer brand under a simple theme: "I'm Robert Walters."

At its heart, the Robert Walters EVP and employer brand is all about the unique characteristics that unite our people across the globe, covering five key themes:

- Opportunities for accelerated progression and international careers
- The ability to make a personal, positive impact as a recruitment consultant
- Our vibrant, dynamic working culture
- Access to hands-on, expert training and development
- The chance to be part of our high-performance teams

By showcasing real stories from our people, the employer brand has two purposes: first, to attract prospective talent by showing the outstanding career opportunities our people have had, and second, as a talent retention tool, both celebrating our employees' many forms of success across the business and encouraging them to set ambitious goals for what they can achieve in their careers at Robert Walters.

Case study

Robert Walters: Investing in high-growth disciplines

For two years, the pandemic has been responsible for seismic shifts in the global jobs market. Whilst hiring trends have fluctuated across geographies and sectors, the Group has continued to make investments into high-value disciplines that address both the skills shortages in key markets as well as the needs of our clients. During 2021 and early 2022, we invested in creating 47 new recruitment teams across the globe.

Throughout 2021, we saw a sustained demand for specialist technology skill sets, as the pandemic accelerated the need for digital transformation across all sectors. Whilst demand remains high, many candidates can afford to be selective when fielding job offers, meaning that employers need to move quickly during the hiring process. As such, many clients have continued to rely on our strong network of specialist consultants, helping them to reduce time-to-hire and secure top technology talent for their businesses. To further bolster our capability in this area, we've opened 15 new hyper-specialist technology recruitment teams across the globe, in the UK, Spain, Australia, Taiwan, Japan and the US, building on the expertise already in place in those locations in the areas of software development, data, security, consulting, digital apps and media and emerging technology.

> Growth in recruitment in the technology sector is only going to increase, and with highly specialist skills such as software development and cyber security increasingly sought after, employers are struggling to find the talent they need. Professionals with the most in demand skill sets are seeing significant wage increases when moving roles."

Toby Fowlston
CEO
Robert Walters & Walters People

Another area where we continued to see strong growth was in our interim businesses, where pandemic-related pressures and changing attitudes among job seekers have made alternatives to permanent roles an attractive choice for clients and candidates alike. In a scenario where certainty is not assured and where talent is scarce, interim roles are an effective solution for organisations that are undergoing transformations or that need to deliver key projects at pace. Our interim recruitment business in Europe continued to grow in response to this increased demand for highly skilled, experienced executives, with further investment in building new teams covering new specialist disciplines in both Belgium and the Netherlands.

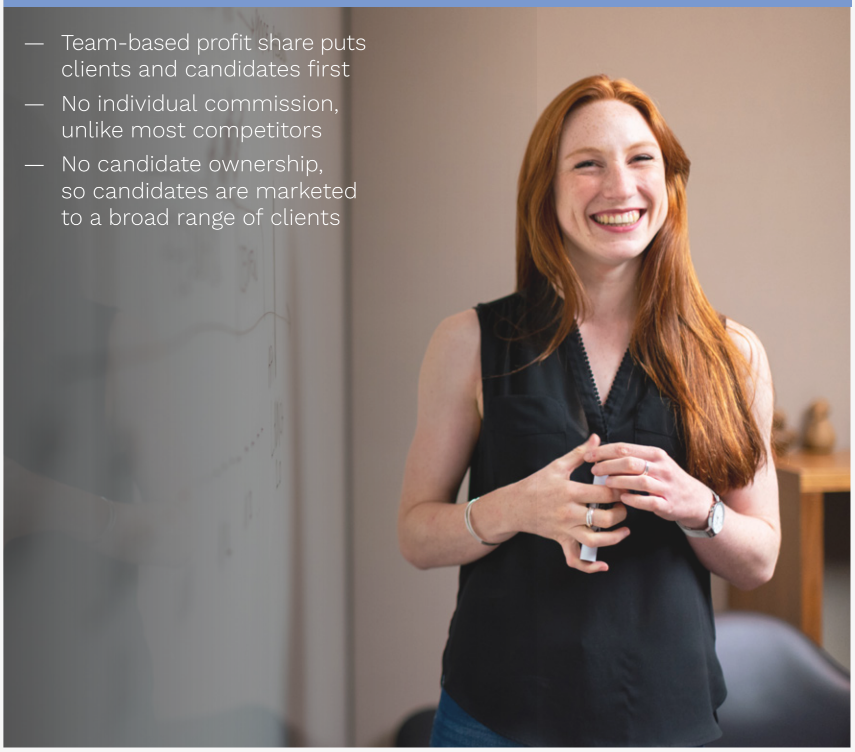
> Interim roles, once considered the last career step for senior professionals, are now increasingly attracting younger managers who are looking to capitalise on their specialist skills and experience."

Karina Sebti
Managing Director — Interim Management
Robert Walters, France

Whilst technology and interim stand out in terms of the pace of change, we successfully opened further teams across all of our core recruitment disciplines from finance through to engineering, healthcare, HR, legal, sales and marketing and supply chain and procurement.

Strategy in Action continued
Our Strategic Foundations

Team-based profit share



- Team-based profit share puts clients and candidates first
- No individual commission, unlike most competitors
- No candidate ownership, so candidates are marketed to a broad range of clients

In 2021, the Group was once again listed as a constituent member of the FTSE4Good index for the thirteenth consecutive year.

Read more P35

Long-term business focus

- Organic growth model
- Maintain presence in tough markets
- Retain clients, candidates and employees

Commitment to quality

- Consultative, long-term relationships with clients and candidates
- Focus on service levels and client and candidate satisfaction. Comprehensive feedback processes
- Relationships built on integrity

"I'm really focused on re-skilling, bringing in people without specific experience, so we can mould and develop them into the Resource Solutions way of managing client service."

Read Norma's Interview P39

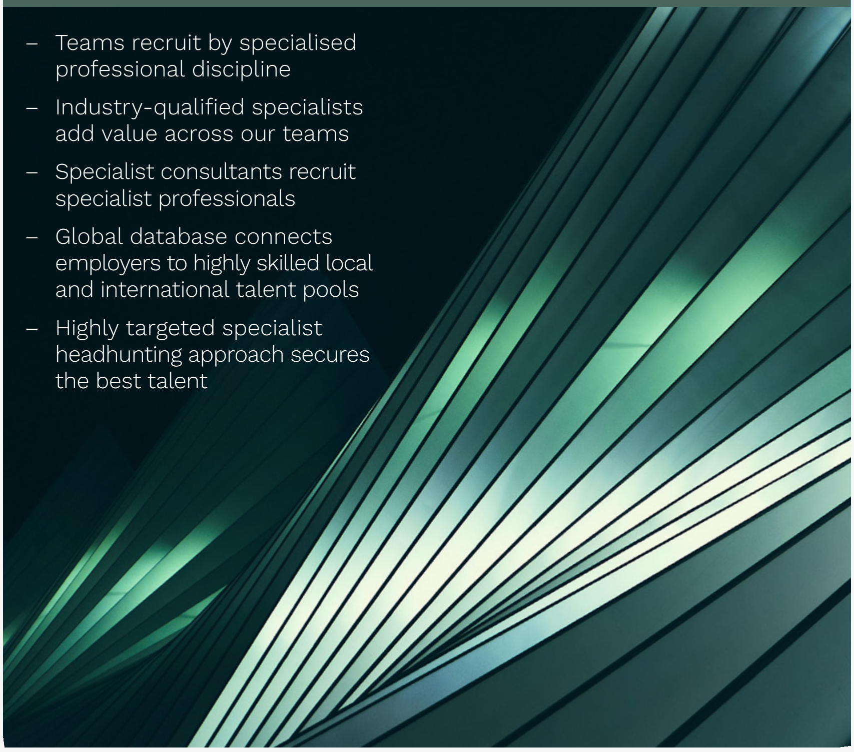
People and culture

- Home-grown senior management team
- International employee mobility programme
- Career progression based on performance
- Diverse, inclusive and meritocratic

In 2021, the Group appointed Vercida Consulting, leading inclusion management experts, as its global ED&I strategic partner, to support us in driving forward our ED&I change agenda. This year we delivered a number of key initiatives.

Read more P44

Specialists



- Teams recruit by specialised professional discipline
- Industry-qualified specialists add value across our teams
- Specialist consultants recruit specialist professionals
- Global database connects employers to highly skilled local and international talent pools
- Highly targeted specialist headhunting approach secures the best talent

“2021 was a successful year as we worked towards completing our ambitious transformation programme.”

Read Kevin’s Interview P28

Innovation culture

— Entrepreneurial, open-minded people
— Industry-first sponsorships
— Bring innovation to clients first
— Agile business model

“It’s an exciting time for ED&I, and I believe there’s a big role for us in helping affect meaningful change — both for our business, as well as for our clients, candidates and society at large."

Read Coral's Interview P45

Strategy in Action continued

Case study

Resource Solutions: Adapting our offering for a new world

Despite the significant challenges of the ongoing pandemic, there was still much to celebrate, as we continued finding ways to distinguish our brand and our service offering within the competitive outsourced recruitment space.

2021 was a challenging year for the Resource Solutions business. Whilst activity levels and demand for our services grew strongly in the Asia Pacific region, our business in the UK was significantly impacted, primarily by the lag effect of clients having to rehire on-site recruitment teams following the restructures and hiring freezes that dominated 2020. Despite these market challenges we took the strategic decision to continue to evolve our product and service offering to meet the changing needs of our clients, and invested in building our team and developing our people.

A particular highlight of 2021 was the launch of our new programme, Rejoin. Championed by CEO Norma Gillespie, the community element of Rejoin is unique in the market, encouraging skilled and experienced talent back into the workplace following a career break (for any reason). A global banking client has already signed on to this programme and we were pleased to finish the year with 16 other clients in the pipeline.

In EMEA and the US, we also launched our consultancy business to better support our clients as they tackle and recover from various pandemic-related challenges. As part of this expanded offering, our new workforce consultancy function will encompass the new Accelerate Academy programme, which is being trialled in the UK before being rolled out in other locations. In partnership with the digital talent solution providers at InfinityGlobal.io, the Accelerate Academy identifies and sources undiscovered talent — applicants that lack industry experience or formal qualifications but possess the aptitude to succeed and ability to upskill in new industries — and matches them to our clients based on organisational need.

As part of our drive to engage with a more diverse pool of talent, we also began building our new Recruiter Academy, which gives people from non-recruitment backgrounds a launchpad into the world of recruitment, with a focus on skills and potential rather than educational background. After launching in EMEA in January 2022, we will be rolling the Academy out in the US later in the year.

By the year-end, our new RSIntelligence platform, which empowers businesses to make data-led decisions in the sourcing and recruiting of top talent, had over a dozen live clients; a library of over 20 market intelligence reports and 40 RSMarketview cities; and the team had provided clients with over 100 bespoke heatmaps to help with their workforce planning and recruitment.

We also delivered insightful thought leadership content, including whitepapers like Managing your Employer Brand in Challenging Times and Diversity: Practice Beyond Theory, and continued our popular series of podcasts and webinars with guest speakers on a range of topics, from resilience in the workplace to minimising bias in the recruitment process.

Evolving our business

In the first full year with Norma Gillespie at the helm of Resource Solutions, the business set ambitious goals to not simply survive the challenges of Covid but to thrive in the post-pandemic world. In 2021, we invested in our leadership team, appointing new management in our North American business, as well as making key senior appointments across operations, technology, market intelligence and our business support functions, ensuring that we had a robust management structure to support the delivery of our strategic objectives.

Awards

Our efforts to provide new services and products were recognised in 2021 with accolades and awards both within our industry and the wider market.

This year, we were proud to win five industry awards around the globe. In EMEA, these included the APSCo Award for Excellence 'Innovation' category, as well as the Global Business Excellence Award for 'Outstanding Innovation' — both of which recognised our Inclusivity Audit. In APAC, we won two HRM Asia Reader's Choice 'Gold Awards' for 'Best Recruitment Outsourcing Solution' and 'Best Recruitment Firm — Client Experience'. We were also named winners of HRO Today's 'Baker's Dozen' Listing for Enterprise RPOs, and winners of a bronze award at the 'HR Vendors of the Year' awards.

Additionally, our work was highly commended in two other prestigious awards, including the Reuters Responsible Business Awards. We were also named as finalists in another ten awards, including in categories for ED&I, recognising our efforts to diversify clients' workforces with our Inclusivity Audit service.

For the second year in a row, Norma Gillespie was recognised in the SIA 'Global Power 150 Women in Staffing' list, and debuted in the 'Staffing 100 Europe' list, as well as in the Phoenix51 '100 Most Influential Talent & HR Professionals 2022' list. Both Norma and Kristin Thomas, our Head of North America, were recognised in the HRO Today's list of '2021 Superstars'.

Beyond awards and accolades, we were honoured to receive glowing feedback from the UK's National Health Service (NHS). By supporting their efforts on the frontline of the Covid pandemic, Resource Solutions has contributed to their work keeping people safe and well during one of the most challenging peacetime crises in living memory.

A people-focused organisation

We know how important our people are to our success. That's why, in 2021, we launched our Global Leadership Development programme, our in-house leadership development programme for managers and leaders. Delivered both remotely and in person, the programme is a blend of current science and theory, with practical learning and application. When complete, more than 200 of our front-office management teams will have gone through the programme. We also launched a similar programme for our global Account Directors, Team Leaders and Account Managers.

In addition to how we train and develop our people, we also invested in how we communicate with them and keep them connected. We provided a new regular schedule of reliable ways to keep our people updated about news across our business, regardless of where they are located and what client systems they are required to use. Our new approach uses a variety of channels, including:

- Quarterly 'Global Huddles', which are video update calls open to all employees.
- Our 'RS Weekly' email provides a snapshot of the latest internal news, linking directly to content on our principal internal platform, Workplace from Meta.
- A new series of in-person events in Q1, Q3 and year-end provide opportunities for business updates, networking and collaboration. As part of these, our internal 'CelebrateRS' recognition awards received hundreds of individual nominations by the end of 2021, with the winners to be announced at a Q1 2022 event.

Looking ahead to 2022

In 2022, our primary goal will be to ensure that Resource Solutions remains well prepared for the post-pandemic future. Key to this will be continuing to invest in our people, with internal development and training, as well as bolstering the infrastructure of our Global Service Centres (GSCs), with improved working environments and technology ecosystems. We will also continue working to consolidate high-potential products and services launched in 2021, including our consultancy offering, with a particular focus on supporting clients with developing and delivering on their ED&I agenda.

Strategy in Action continued

Case study

Marketing: Innovating to drive the business forward

Since the beginning, our brand has always been about people and relationships, but the events of the past two years have only underscored the critical importance of those relationships to our future stability and security as a business.

To maintain our position as a global leader in specialist professional recruiting, we need to continue investing in the relationships we've established and nurtured throughout the years — that means enriching our service offering and enhancing the experience of the clients and candidates we work with.

Investing in our customer experience

What's abundantly clear in today's consumer-centric world is that the real battleground for brands — where winners and losers are decided — is customer experience. There is no longer a differentiation made between what we as customers expect from our personal experiences with consumer brands and what we expect from our experiences with business service brands.

As a Group, it's ever more essential that every touchpoint we have — both digitally and physically — with our clients and candidates is as seamless, effective and productive as possible. This is also true internally, where our processes and technology must be optimally aligned to ensure that our consultants can work in the most efficient way. So time can be spent on that all-important human element of building long-term relationships.

Having spent nearly 20 years running marketing and innovation teams globally, I have seen just how quickly the customer landscape has evolved and continues to evolve, so it's natural that customer experience, at least in concept, sits with me as Chief Marketing Officer.

Having a real operational recruiter lens on customer experience is, in my view, absolutely essential if we are to continue to improve and lead in this space. In January 2022, we appointed Sinead Hourigan to the role of Head of Customer Experience for Robert Walters and Walters People. Sinead successfully ran our Queensland operation for the last 15 years and will bring that essential 'at the coal face' view to everything we do. Reporting to me and working with our regional CEOs, Sinead will be focused on optimising and, most importantly, measuring those key touchpoints within our business where we can continue to build significant long-term value and satisfaction for our clients, candidates and ultimately for us as a business.

Customer experience is fundamentally about behaviours and therefore needs to be owned by each and every one of our people across the globe. We are all engaging with our candidates and clients every day – whether that's physically or digitally through our technology platforms such as our website, CRM platform, contractor portals or our pay and bill systems – and all these connected interactions are what forms our customer's experience."

Stephen Edwards
Chief Marketing Officer

Using automation to enhance our brand experience

In 2021, we made some significant investments in a Group-wide marketing automation programme powered by Marketo, our account based marketing (ABM) platform from Adobe, which will, in the long term, fundamentally transform and enhance the experience of our colleagues, clients and candidates.

In addition to making our global marketing team more efficient — removing repetitive manual tasks and freeing them to focus on more high-value work — our automation programme is focused on:

- Supporting consultant behaviours, allowing more time for building person-to-person relationships
- Improving customer experience and enhancing customer journeys
- Segmenting our data to provide tailored brand experiences — on a global scale

The Group's marketing technology stack has been well established for a number of years now and we are therefore well positioned to deliver further enhancements through 2022 and beyond. For example, we will introduce new mechanisms to streamline our candidate welcome and interview preparation processes, while new lead scoring will help us to better understand the behaviours of clients as they engage with us across all our channels.

> Building scalable automated processes helps us to streamline our marketing efforts and make them more effective, but ultimately, it helps us focus on creating a client and candidate experience that is as unique as our brand.”

Robert Nicholson
Head of Digital

We will also begin integrating Marketo into Zenith, our in-house CRM tool, to help align the data we collect digitally with our internal processes and ensure it drives effective decision-making in the business.

Ultimately, the way we've always distinguished ourselves has been by the quality of service we provide, and our marketing automation programme is a critical part of maintaining that distinction in an increasingly fast-paced market. And, as always, by leveraging technology to enable closer human relationships, we'll continue to create outstanding brand experiences that foster long-term relationships with our candidates and clients.

Developing our capability through business intelligence

As the recruitment market becomes more competitive and more complex, it's become increasingly important to enhance the services we offer to our clients — and in doing so, differentiate ourselves as a key partner with the capability and expertise to advise them on key areas of business strategy. Our market intelligence services help us to do that.

We've employed our data-driven methodology to help clients in four key areas: to define the best talent pools in their location(s), identify the best professionals for their organisation, compare business propositions against their competitors, and benchmark compensation and benefits in the wider jobs market.

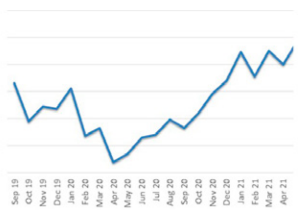
To achieve this, we use our own proprietary data in combination with publicly available insights and those of our seasoned, expert consultants — the result is a highly tailored solution for clients that enables them to make more informed decisions on a wide range of questions, from where to open a new location based on the availability and skill sets of local workforces, to what compensation packages will help them attract and retain top talent for their business.

The added value of our market intelligence services has become clear to our clients, with demand increasing across many of the geographies and disciplines we serve.

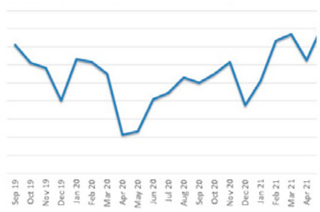
> Our market intelligence services are a great differentiator for us in a competitive recruitment market. Instead of a one-size-fits-all approach, we offer clients tailored solutions to help them make informed decisions for their business.”

Graeme Hickman
Market Intelligence Manager
Robert Walters & Walters People

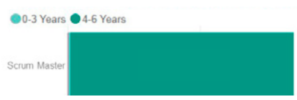
Number of vacancies



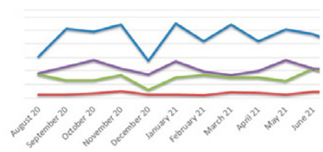
Vacancy trends



Market Analysis



Google trends most searched job terms



Technology and Innovation

Continuing our technology transformation

For the Technology & Transformation team, 2021 was a busy but successful year as we worked towards completing our ambitious transformation programme, while also supporting continued hybrid working. Continuing to leverage our partnership with Microsoft to drive this transformation, we have delivered our 2021 planned programme of activity and will complete our original goals in 2022, on schedule, despite additional actions and priorities throughout the year.

Kevin Bulmer
Chief Technology and Transformation Officer

Zenith – CRM roll out

For the most part, this has been our major initiative, building and delivering Zenith, our own CRM platform, which is the primary tool our consultants use to manage and coordinate their relationships with clients and candidates. It's a project we embarked on 18 months ago to create an efficient simplified experience for our consultants, with a focus on building a custom solution that works for the way we want to do business. During the fourth quarter, we successfully rolled out Zenith to our Middle East business — the Group's first live deployment of the new system. You can learn more about our work on Zenith in the case study column.

Workspace evolution

In 2021, we've continued our investments in building a highly connected, intuitive working environment for all our employees, removing technical frustrations. It makes communications simpler — into, out of, and around the business — with our consultants totally connected to the Group's environment wherever they are. Central to this workstream has been the Unified Communications (UC) programme which went live in eight of our markets. UC reduces call costs and avoids the cost of replacing ageing telephone equipment and its support, and is proving effective too — in ANZ alone, we are already heading towards our three-year savings expectation of £500,000.

Transforming enabling functions

Having last year deployed Microsoft's Dynamics 365 (D365) solutions for finance and talent, along with similar enterprise technologies to improve efficiency, we are now into a continuous improvement phase based on user feedback across the Group. As well as improving controls, D365 has eliminated a lot of our more manual processes for finance and HR, and has added more self-service capabilities for our employees. It's proving to be a significant efficiency gain and allows us to decommission legacy systems.

Simply secure

In this workstream, we focus on reducing the tension between security and simplicity, allowing our people to continue to work effectively, while implementing a systematic approach to further reducing our exposure to cyber risks. We start with security in mind when approaching the mobilisation of any new application, rather than trying to apply a solution retrospectively.

Informed and efficient business

As with our investments in transforming enabling functions, we use technology to reduce the time we spend on low-value tasks across the business, making sure we have the right data to hand to inform the decision-making process. We're creating a data integration platform to make data flow much more smoothly and make it easier to use, allowing us to deploy new technological innovations into our environment more easily.

Service and operations excellence

We continue to improve service efficiency, with our service desk team in Manila performing well and improving employee productivity by avoiding repeated incidents. Another major project in this area was completing the migration of our data centres to the cloud this year. This has allowed us to benefit from built-in security as well as reduced costs — again avoiding the need to replace ageing infrastructure.

Not only has our transformation programme improved efficiency and security while delivering cost reductions — we are also realising a number of sustainability benefits through our projects. For example, our data migration to the cloud has helped lower our carbon footprint, as has our choice to refresh our old devices with Microsoft Surface Pros, one of the most sustainable choices on the market.

Case study

Zenith, a candidate and client tool fit for our purpose

Zenith is our new front-office digital platform which went live to our Middle East business in the fourth quarter, to very positive feedback. This launch of a 'minimum viable product' allows us to work with the team there to prioritise further features we need in place before launching in our larger markets.

We built Zenith using open-source technology and incorporating best-of-breed external functions, such as our search capability. The guiding principle behind our design for Zenith was to create something designed by our business, for our business — a system our people could use effectively and intuitively based on our established practices and behaviours. Off-the-shelf CRM packages, good though they are, aren't built specifically for a business like ours.

We've aimed for the sort of experience we expect in consumer technology these days, and we were mindful to avoid over-engineering — the system simply provides access to the relevant information whenever and wherever it is needed. In that sense, it's fit for its purpose, which is enabling our consultants to build relationships with clients and candidates. The global roll out of this first generation system is expected to be completed during the first half of 2023.

"With Zenith, our whole purpose was to create a custom CRM system designed by our business for our business, as we wanted something our people could use effectively."

Kevin Bulmer
Chief Technology and Transformation Officer

Technology and Innovation continued

Delivering change through innovation

Our strategy in the Innovation team has always been to keep ahead of the latest technology, and test what seems to have the greatest potential for our clients and candidates. Business needs drive the exploration of new products, and when they are proven to enhance our business, we implement or develop them further to meet our specific needs. In 2021, as well as maintaining this approach, a major development was the growth of our advisory service supporting clients' diverse hiring requirements."

Faye Walshe
Group Innovation Director

Faye Walshe
Group Innovation Director

Advising on diverse hiring

As organisations increasingly appreciate that ED&I and diverse hiring have become incredibly important, a diverse workforce is vital to having a successful business now. But many organisations make honourable statements, and then the HR department has to work out how to make them happen. And that's where our diverse hiring advisory service is proving really valuable.

Based on an inclusivity audit of a client's recruitment process, the service helps organisations understand what practical, immediate changes they can make in working towards any publicly stated goals. We see tangible results very quickly.

Importantly, this advisory service has a very senior audience. CEOs in major organisations are taking a direct interest in diversity, and many of our HR contacts are delighted with the top-level interest our work is now attracting.

We're proud to have won a number of awards for the service, recognising how it's genuinely innovative. Examples include Highly Commended in the Reuters Responsible Business Awards, finalists in the Equality, Diversity and Inclusion category of the RAD Awards, and winner of the Innovation Award from APSCo, a leading industry body.

Another reflection of the significance of this service is the way it's enabled us to become spokespeople within our industry, and across others. For example, one of our Innovation team members was part of the Q&A at the D&I Leaders Global Forum in 2021. He sat alongside Charlotte Sweeney OBE and Professor Binna Kandola OBE, both leading specialists in the field, as well as representatives from Stonewall. Seeing this proved that, by using our recruitment knowledge and deep understanding of how to achieve a diverse workforce, we're really making an impact in this area.

Putting technology to work

We are constantly looking for new ways to improve efficiency and productivity, for our clients, candidates and ourselves. 2021 saw several exciting innovations come to fruition, three of which saw significant progress as outlined below.

Broadbean

An established partner of ours, Broadbean developed the technology we use to place our job adverts and receive applications. But in the original version, all the applications came through simply in date and time order, and the recruiter had to sift through them to find the most appropriate ones. Sometimes there are thousands of applications to deal with, which is obviously very time consuming, so we approached Broadbean to work with us to use artificial intelligence to rank the applications, not in date and time order, but according to their suitability for the role.

We rolled this out in the UK last year, and we've now launched it in Australia. Next we'll be introducing it to other markets, as Broadbean develops the language capabilities within the technology. It's a great example of how we work with partners to develop new technology that's industry-leading and truly innovative.

CV technology

Often when a candidate sends us their CV, we work to achieve an optimal format to be read and absorbed swiftly. That takes a lot of time manually. So in 2020, we started looking at how we can use technology to style CVs — and we took this further in 2021, trialling and then purchasing software that lets us create digital CVs that can include a video of the candidate introducing themselves. If a recruiter has four CVs from different agencies, and one of them has a video of the candidate talking to them, it's bound to stand out.

Walters People

We've been working closely with our Walters People teams to digitise a number of processes. For instance, we've introduced automated reference-checking, delivering significant time savings for our consultants. Also, we've implemented video technology to help us connect more effectively with candidates — which has been especially important since the growth of remote working due to the pandemic. Rather than sending an email to a candidate, our consultants record a video to say hello, and talk to them directly about job roles.

Living our Purpose

Team event, South Korea

Team event, Spain

Team event, the Netherlands

A year of living our purpose

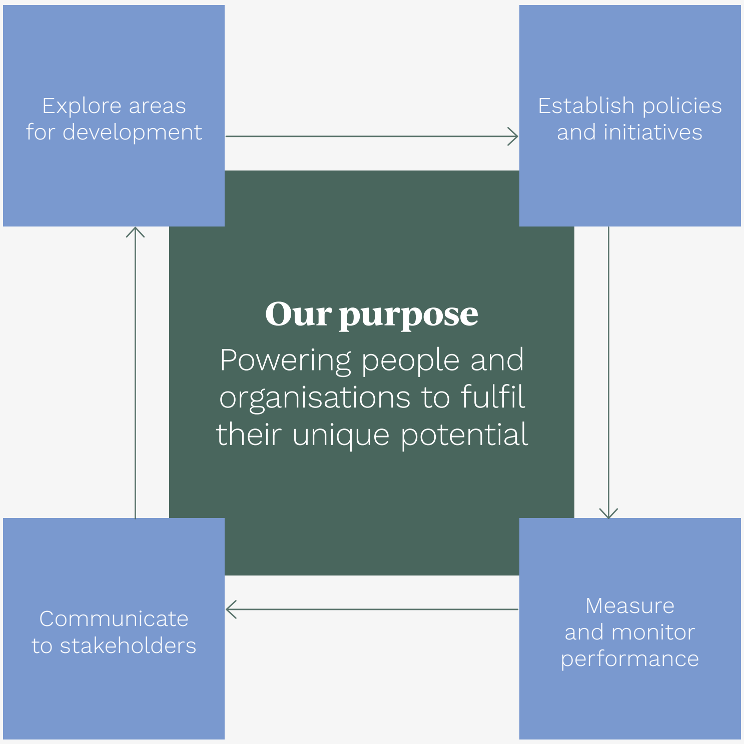
Across the Group, we understand our responsibility to be a change-maker — a force for good in society.

Team Building Day, China

Global Charity Day, Middle East

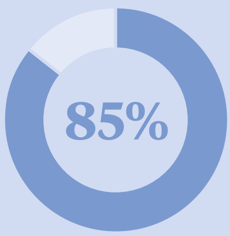
As the world continued to face the challenges brought about by the pandemic, global inequality and climate change, we were driven by our purpose to focus even more intently on making contributions to real change – for our people and culture, in equality, diversity and inclusion, as a responsible business, in powering people potential, and in Protecting the Planet.

How our purpose defines our approach



New environmental targets introduced to reduce the Group's carbon emissions by 30% per head by 2030

Candidates who would recommend our services



2021 at a glance

Enabled over 43,500 people and 11,500 organisations to fulfil their unique potential

Carbon offsets purchased from the World Land Trust (WLT) equivalent to our carbon emissions

New environmental targets introduced to reduce the Group's carbon emissions by 30% per head by 2030

New environment targets added to existing ESG targets in Executive Directors' bonus KPIs

Planted over 15,000 trees through our 'Plant a Tree' initiative with the World Land Trust

Continued inclusion in the FTSE4Good Index for the 13th consecutive year

Appointed Coral Bamgboye as the Group's first Global Head of Equality, Diversity & Inclusion

Embarked on a partnership with Vercida Consulting to advise on the Group's ED&I activity and drive our agenda forward

£116,430 raised for local charities on our 10th annual Global Charity Day

Nationalities represented across the Group

70

Leadership coaching & development sessions delivered

288

Internal promotions in 2021

786

Percentage of promotions awarded to women in 2021

55%

Living our Purpose continued

Our areas of impact and opportunity

The Group engages with external partners and organisations to ensure that our actions are aligned with the latest ESG thinking and best practice, so that we can respond to the most critical areas of concern in an effective, agile way.

In 2021, we enlisted our partners at Williams Nicolson, a strategic communications and change management consultancy, to undertake a review of the Group's ESG communications profile.

As part of the assessment, Williams Nicolson conducted in-depth interviews with members of our executive leadership team and analysed the breadth of our ESG communications across investor, website, traditional media and social media channels.

This data was then compared with that of our industry peers, as well as a range of businesses selected for their 'gold standard' ESG communications profiles.

In terms of the Group's overall ESG impact, we have always worked diligently to align our strategy with external thought leaders and indexes, including FTSE4Good, MSCI and the United Nations' 17 Sustainable Development Goals. However, with an aim to be an ESG leader both within our industry and beyond, we want to go further, which is why we appointed specialist consultancy Sillion as the Group's official ESG partner in February 2022.

As part of our partnership, Sillion will undertake a materiality assessment of the Group, to be completed in the first half of 2022, which will identify and prioritise the ESG issues that are most critical to our business. We will disclose the findings of this assessment in the Group's 2022 Annual Report. With a full understanding of our impact in these areas, Sillion will then work with us to shape our ESG strategy for the future.

In 2021, the Group was once again listed as a constituent member of the FTSE4Good index for the thirteenth consecutive year. This distinction recognises the measures we've taken to reduce the impact of our operations on the environment and society while proactively investing in a sustainable future for people and communities around the world.

The Group aligns our global environmental and humanitarian efforts and investments with the United Nations' Sustainable Development Goals*, demonstrating our commitment to creating a positive impact on the world's most pressing environmental and social issues. Next year we plan to undertake a full materiality assessment, using the outcomes to identify the most impactful areas for the Group to focus our efforts.

The MSCI ESG Ratings model identifies ESG risks (key issues) that are most material to a sub-industry or sector and measures a company's resilience to long-term material ESG risks. In April 2021, the Robert Walters Group received a rating of AA in the MSCI ESG Ratings assessment. While this rating positions the Group as an industry leader, we are working to improve our score to AAA.

The Group currently holds a C rating with the CDP (formerly the Carbon Disclosure Project), indicating that our current approach to combatting climate change demonstrates an awareness of the risks it poses and the need for action. While this rating is in line with the global average, and above average for our sector, we are currently working to improve our rating in this area.

This year, we established a new internal ESG Committee, comprising senior members of our management team, plc Board and business support functions. This group, which meets quarterly, is tasked with ownership and execution of our ESG and corporate responsibility strategy. Within the group, two operational 'champions' (EMEAA and APAC) have been appointed to drive change and influence conversations and behaviours in the business through internal communications and engagement with management teams in our local businesses. Together, the ESG Committee has assessed where we believe we can create the most impact in the areas of environmental stewardship, social responsibility and corporate governance, and the Group is taking the actions outlined in the following chapters — People and Culture, ED&I, Responsible Business, Powering People Potential, and Protecting the Planet — to help make the world a more sustainable, equitable place, and to secure the future stability of our business and create long-term value for our shareholders.

*Icons have been included in this section where our initiatives or activities are aligned with specific SDGs.

Living our Purpose continued
People and Culture

People and Culture

During 2020, the world grappled with the realities of our 'new normal'. A year later, as we hopefully begin to see signs of recovery from the pandemic, the 'new normal' is anything but new. Yet even as we've adapted to our changed circumstances, making adjustments to better support our employees and the way we do business, we're proud that our strong, people-first culture remains.

Team event, Hong Kong

Team event, New Zealand

Global Charity Day, Spain

Team event, South Korea

Engaging and supporting employees, no matter where they are

Even as our people have pivoted from the office to remote working — and back again — since the onset of the pandemic, our technology infrastructure plays a critical role in keeping our people engaged and connected.

While working remotely in 2021, teams continued to use tools like Workplace from Meta and Zoom to stay connected, boosting morale and sustaining our culture through various social activities, personal development sessions and regular leadership updates. Meanwhile, on Microsoft Teams, colleagues joined one another across the business and around the world, successfully collaborating on key projects from sales and finance to marketing and operations.

Nevertheless, even as things gradually improve, the impact of the global pandemic continues to be felt in many ways.

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 support across a range of topics — from financial advice and interpersonal counselling, to guidance on health and emotional wellbeing.

We were, of course, delighted to see the slow return of in-person events, as many of our teams were able to come back to the office at various points throughout the year. No matter how advanced our collaborative technology becomes, we firmly believe that there is no replacement for coming together as a team, face-to-face, and we look forward to doing this more regularly when it is safe to do so.

An award-winning employer of choice

As an employer, we are proud to offer our people long-term careers, and we celebrate the unique contribution that each person makes to our global team.

In 2021, we promoted 786 employees, 55% of which were women, and delivered 288 leadership coaching and training sessions globally. By retaining top talent, we are best placed to maintain and develop our loyal base of clients and candidates, ensuring lasting, sustainable growth.

UK

France

South Korea

South East Asia

Middle East

Japan

Resource Solutions

Living our Purpose continued
People and Culture

Toby Fowlston
CEO
Robert Walters
& Walters People

When I joined Robert Walters back in 1999, having worked as a qualified solicitor, I was attracted by the fast pace of the organisation and the energy and enthusiasm of its people — I loved the emphasis on teamwork.

During my first 12 years I worked in various roles, having the opportunity to progress my career at our offices in London. In that time, we went through a number of economic downturns, which proved to be really valuable experience: it's fine running a business when everything's going well, but you learn much more when things are tough. But one of the most important lessons I learned was the importance of how you treat people, whatever you're going through.

In 2013, I made the decision to accept a role overseas. Having achieved the position of managing director in our London business, I was open to the idea of an exciting new challenge. Over the course of the next eight years, I went from managing our Singapore office to running South East Asia, before ultimately heading up the Asia Pacific region.

I returned to the UK in July 2021, having been appointed as CEO for the Robert Walters and Walters People businesses. My experience in the European and Asia Pacific parts of the business has certainly provided invaluable insights to help me with some of the challenges of this role. When you are doing a global role it's important to get as much experience in as many different markets as you can. The world's a big place, so any opportunity you get, I say take it.

One of the most important things I've realised as I've taken on bigger roles, is that you can't do it on your own. Having great people around you and trusting in them to fulfil their roles and deliver is critical. I'm quite detail-focused by nature so I work hard at focusing on the bigger picture and being forward thinking. However, it's very important to still keep an eye on the detail and ensure things are as they should be.

Trust in our people is critical, and I think that starts with each person when they join us. If we're asking them to work here, there needs to be a commitment and trust on both sides. I don't just assume everything's getting done. There are checks and balances, such as reviews and appraisals. And, of course, we carry out a proper induction programme for all new starters to make sure we're all on the same page of what's expected.

The last couple of years have been a challenge. In 2018 and 2019, we were in a strong market with some great momentum behind us. Then 2020 came along, and completely flipped everything on its head — fortunately, we'd already equipped our people with the technology to work remotely, so we had the flexibility to adapt. And by early 2021, all the pent-up demand was released, bringing significant job volumes.

The pandemic has created many personal, social and economic stresses, however it has also helped to recognise some benefits and areas of improvement and caused us to really think deeply about how we set ourselves up for future growth. We have seen progression in areas such as smart working and affording greater flexibility to our people whilst recognising the importance of also maintaining physical working connections and all the benefits this also brings.

After two decades of working in this industry I am still very proud of having the opportunity to make a positive impact on people's careers both externally and internally. Our size and breadth is a big advantage — with offices in 31 countries, you have the opportunity to learn in your home market or get overseas experience, or you can develop different skills through Resource Solutions, our outsourcing division. But, no matter where you work in our business its important everyone has a clear path to progression and the chance to build a long-term career.

"Ultimately, the best thing about working here is the people and culture. It's a very collaborative and team-based environment, and if you can succeed here, you'll be well rewarded."

Norma Gillespie
CEO
Resource Solutions

We try to build all our training and development around our five values, which are: client focused, dedicated, united, proud and inclusive."

Having joined Resource Solutions as an account manager — and then been promoted to account director within two years, operations director a year later, and several more swift promotions to my current role — I've always known this is a company where, with the right values and attitude, you can truly grow your career.

For a service business like ours, it has to be this way. People are our product, so if we don't invest in our people, we won't be able to offer the right quality of service. Which is why we give everyone clear career-development pathways — from coordinator level to senior management.

We try to build all our training and development around our five values, which are: client focused, dedicated, united, proud and inclusive. We use these as a basis for managing our culture, making sure we're fostering performance and rewarding it in the right ways. It's really a case of 'attract, retain, maintain and manage'.

We attract individuals through what we call our recruiter academies. I'm really focused on re-skilling, bringing in people without specific experience, so we can mould and develop them into the Resource Solutions way of managing client service.

For retention, our career-development pathways ensure everyone knows how they'll get to the next role. And we have numerous other ways to retain people — for example, we're implementing 'Glint', which is an employee engagement tool for obtaining feedback.

We also have a reverse-mentoring programme and female-mentoring programmes, which we carry out across all our regions. And in my management meetings, I bring in account directors to give feedback to the senior management team, and to talk about how we can develop the business further.

To give people opportunities across the Group, we have global internal vacancies, and a very experienced talent acquisition team, who work with the HR and operations teams to spot successors. We also have 'ones to watch meetings', where we identify individuals with the most potential to be future leaders, so we can make sure they're on our leadership programmes. And for people at all levels, we offer different forms of coaching, both internally and through external companies. It's vital to make sure the career-development paths are in place, and to give people the recognition and promotions they deserve.

We're an entrepreneurial company, and we don't have a heavy operational structure, so we recognise individuals for what they can contribute, and provide lots of opportunities to get involved in projects, committees and groups. And we have a challenger culture, where people can offer their view without fearing any consequences. That's a big part of our commitment to improving client service: we want feedback from our people, and we encourage them to help drive the business forward in this way.

Living our Purpose continued
People and Culture

Kristen Buckheit
Managing Director, EMEA
Resource Solutions

My career with the Group started in New York, in 1999, as a recruitment consultant. It wasn't long before I was fortunate enough to have the chance to transfer to London in 2003, where I was given a variety of opportunities — first managing recruitment teams, and, subsequently, becoming an account director. Then, in 2012, I moved internally to Resource Solutions, the Group's recruitment process outsourcing division. Looking back, I really feel like my career has been a testament to the Group's promise of internal mobility and career development.

The move to London was a pivotal point in my career. At a time when international relocation and internal mobility were in their early days, the Group made it a genuinely positive, appealing process. For a recruitment firm, I thought that it was incredibly forward thinking.

Once I'd arrived in London, I received so much support from the business and my colleagues — members of my team then are still friends now. And clearly it worked out, as I'm still here, 19 years later.

Today, I lead the EMEA region for Resource Solutions. I moved into Resource Solutions because I was interested in running a client-led programme — the notion of going on-site with a client, and managing that part of the recruitment process. Of course, I'd already managed teams, and understood how to supply candidates to clients, but I wanted to see what really happened on the ground client-side. I'd been the account manager for a major financial services organisation, and within a few months of being at Resource Solutions, I was asked to go live with one of our first graduate recruitment programmes with the same client.

As a whole, the Robert Walters Group is hugely innovative and entrepreneurial, and really invests in its people, in their talent and mobility. I'm a great case study for this. In particular, the Group's focus on diversity and inclusion has been so beneficial for me — for example, as a female professional who's had two children while at the Group, my choice to have a family hasn't impacted my ability to progress my career.

As part of the Group's outsourcing arm, we're experts at embedding ourselves within client organisations and aligning the Group's strong people-focused culture with the values and culture of our clients. In that way, we're not just a supplier, but an extension of their team — it's a true partnership. Also, the way our teams approach recruitment — I've seen it through Covid, with completely unplanned spikes in demand — they really put themselves in the place of both candidates and the hiring manager. Our clients trust us to help them build their infrastructure, to manage programmes that are vital to their growth and success, and our on-site teams put in the time, energy and extra hours it takes to achieve the objectives of their talent strategy.

One of the most genuine things I see our people take away from our culture is our passion. Whatever role they play, they make that extra effort to do the very best they can. As an organisation, we make a strong effort to invest in our people — from our career development programmes, coaching and mentoring, to maintaining really clear communication, using lots of different channels from top to bottom.

But for all our successes, we never stand still — we're always asking how we can do things better, for our people as well as for our clients. And that's what I love about working at the Robert Walters Group: our desire to keep improving, and to embrace change. After all, that's what's kept me here for a very long time!

"But for all our successes, we never stand still — we're always asking how we can do things better, for our people as well as for our clients."

Akimasa Kataoka
Director, Osaka
Robert Walters
Japan

“I like to keep my finger on the pulse, of course, but while giving them freedom — the freedom to make decisions, to work how they want, and to get the tools and training they need.”

When I was finishing university in 2007, I had a number of career options ahead of me. One was at Robert Walters, working in the contract recruitment team — once I saw the culture, the people, and the progressive spirit of the business, it was a no-brainer for me to join the team.

By 2012, I had worked my way up to managing a team of my own. Over the years, one team became two teams, then four teams. At that point, my then-manager asked me what I saw as my next challenge. When I replied that I wasn’t sure, he told me about an exciting leadership opportunity in Osaka.

Of course, I was thrilled at the prospect — if perhaps a little scared! I’d seen the growth we experienced in Tokyo in the run-up to the 2020 Olympics, and with the 2025 World Expo on the horizon in Osaka, I knew the recruitment market was going to keep growing. The opportunity was there, so I took it — and today, I am the director of our business in Osaka.

Looking back over my experience at Robert Walters, I’ve been fortunate to have had so many opportunities and exciting career challenges. A particular highlight was being a part of the technology recruitment team in Tokyo as we were seeing a major global boom in that sector. We saw a huge increase in demand, especially for English-speaking technology professionals — who, in Japan, are in short supply — so as the leading bilingual recruiter in the nation, this proved a lucrative opportunity, not only for the business, but for me to grow my recruitment skills and develop my career.

In fact, the culture at Robert Walters is all about making the most of these kinds of opportunities to succeed. But, perhaps more importantly, the organisation also gives you the chance to experiment and learn from the positives as well as the inevitable failures in certain circumstances. I’ve had challenging times, and my manager and the leadership team have always helped me get back up. They really fight with you in the trenches — it’s not a top-down environment. If you have a problem, you can approach anyone for help. You’re allowed to make mistakes, and to learn from them.

I always keep this approach in mind when managing my own teams. I like to keep my finger on the pulse, of course, but while giving them freedom — the freedom to make decisions, to work how they want, and to get the tools and training they need. Overall, I’d say one of the best things about working here is the freedom to learn and be yourself.

And, because of our team-based, people-focused culture, you have the chance to learn from everyone you work with. We learn from our candidates and clients, of course, but especially from our colleagues across the business. We’re a learning organisation, always developing, and not afraid of progressing.

Our brand is another major strength, and something we’re very proud of in Japan — a lot of clients and candidates know Robert Walters through word of mouth of their friends and peers. I think that has a lot to do with the quality of service we offer our clients and candidates, but also the way we get involved and give back to the community. We’ve worked hard to build this reputation over many years, and it’s something that makes me very proud to be part of the Group.

Living our Purpose continued
Equality, Diversity & Inclusion

Equality, Diversity & Inclusion

Building a more inclusive culture and leading the way for our clients.

We believe in the strength of a diverse global workforce that champions the right for people to be their true, authentic selves.

Our Equality, Diversity & Inclusion Policy explains our approach in this area and is embedded as part of all new starter inductions. At its core, this policy sets out a fundamental commitment to our people — a working environment that guarantees inclusion, dignity and respect for all — not only for our own employees, but for clients, candidates and all stakeholders we work with.

2021 at a glance

Ratio (%) of employees, Male : Female

39 : 61

Percentage of managers and above who are female

54%

Percentage of promotions awarded to female employees

55%

Nationalities represented Group-wide

70

Languages spoken by our teams

74

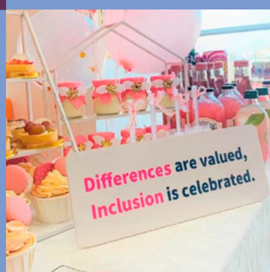
Our vision statement for ED&I at the Robert Walters Group

As a global recruitment business, we at Robert Walters Group understand the power and responsibility we have to create a fair and inclusive workplace for all.

We continually strive to create a workplace based on the principles of inclusion and respect for all; a place where everyone listens and learns from each other to drive innovation; a place where everyone can be their authentic self.

Our ambition is to be a global thought leader, so we seek to leverage our relationships with our clients, candidates and colleagues, and our inclusive recruiting expertise to challenge status quo hiring practices.

We believe this is the role we can play to build a more equitable society for all.



Pink Friday, South Korea

Pink Friday, supporting an inclusive LGBTQ+ workplace, China

Our two-fold approach

As a world-leading recruitment business, we have the unique opportunity to drive diversity both in and outside of our business.

This two-fold approach enables us to build an inclusive working culture for our people, and to champion a more diverse global workforce through our work with clients and candidates. The Group has added 'Inclusion' to our five existing global core principles (Teamwork, Integrity, Passion, Innovation, Quality) — embedding diversity and inclusion into the fabric of our DNA and underscoring the seriousness of our commitment in this area.

Across the Group, we continued celebrating our diversity at in-person and virtual events, from sharing traditional recipes for Diwali and ANZAC festivities, to joining Muslim colleagues in fasting during Ramadan, as well as celebrating countless other annual occasions like International Women's Day, LGBTQ+ Pride and Black History Month. Additionally, our ED&I group on Workplace provides a community for all employees to share and celebrate the diversity of our global team, as well as to ask questions and have discussions in a safe and respectful way.

We also launched a new LGBTQ+ employee resource group (ERG) on Workplace, open to LGBTQ+ staff and allies, as a space for members to make their voices heard, improve workplace culture for LGBTQ+ colleagues, and increase awareness on relevant topics. We look forward to launching new ERGs in 2022 to support different groups across the broad spectrum of diversity in our business.

To help us drive our global ED&I agenda forward, in 2021 we were delighted to appoint Coral Bamgboye as the Group's first-ever Global Head of Equality, Diversity & Inclusion. Having joined the business in 2007, Coral was a natural choice for the role, having played an instrumental part in many of the Group's ED&I initiatives, forums and councils during her tenure. Coral will report directly to the Group CEO Robert Walters and will formally start her new role on her return from maternity leave in 2022. We look forward to Coral's ED&I leadership in helping us make strides with our internal practices, as well as continuing our work to promote diverse hiring in our clients' organisations.

Of course, helping our clients build more diverse teams is one way we achieve our purpose of powering people and organisations to fulfil their unique potential. Across the Group, we offer outstanding thought leadership with a focus on implementing diversity strategies, empowering and supporting employees and building a more inclusive workplace.

For example, in December, we held the first of a series of virtual ED&I webinar events, exploring ways to attract and retain top talent by building an inclusive organisational culture, featuring panelists from PwC, PayPal and Levi's. The event attracted a great deal of interest, with over 1,200 client registrations across our EMEAA and APAC sessions, and we look forward to building on this success with subsequent events in the series in 2022.

Our Resource Solutions business has also continued to keep pace in championing diverse hiring through industry-leading solutions and packages. These services are designed to engage with a broader and more diverse range of candidates, unlocking the potential of untapped talent across the global workforce. For example, the Accelerate training programme promotes diversity and social mobility for 'undiscovered' talent to our clients, while Rejoin connects employers with high-calibre professionals restarting their careers after time away from work — with obvious benefits for attracting senior talent who are returning to the workforce after starting a family. Beyond championing diversity in our clients' organisations, Resource Solutions also launched the Recruiter Academy in late 2021, providing opportunities for people from non-recruitment backgrounds to launch new careers in recruitment, which in turn helps us to build our own pipeline of diverse talent for the future.

Robert Walters Group Walks to Kenya, Japan

Global Charity Day, Belgium

Pink Friday, supporting an inclusive LGBTQ+ workplace, Japan

Living our Purpose continued
Equality, Diversity & Inclusion

Working in partnership to achieve our goals

In 2021, the Group appointed Vercida Consulting, leading inclusion management experts, as its global ED&I strategic partner, to support us in driving forward our ED&I change agenda. This year we delivered a number of key initiatives including:

- Creating a Group-wide ED&I council for employees and management to discuss topical issues and ensure that we are listening to the diverse needs of our people
- Implementing an inclusive leadership training programme for all Directors and above, including our Operating Board
- Rolling out ED&I manager training as part of the Group's manager training programme

A particular focus of our partnership with Vercida Consulting has been on developing internal expertise through training and education, and driving best-in-class service for clients, as we work to better promote diverse hiring practices and deliver advisory services. For example, in October, four workshops were held for our global talent acquisition team, understanding how to be more inclusive when hiring potential talent into our own business, and exploring ways to overcome barriers like unconscious biases. Further, Vercida Consulting also conducted a series of workshops with members of our regional and global ED&I councils in order to better prepare them to confidently have conversations around inclusion with colleagues and clients. Feedback from these sessions was overwhelmingly positive, indicating broad support for our agenda internally as well as an appetite to do more.

During 2022 we will begin the process of identifying the key measurable and aspirational ED&I goals we would like to achieve as a business.

Our accreditations and partnerships

Aside from our global partnership with Vercida Consulting, the Group is a proud partner to a number of organisations promoting diversity and equality. Around the world, we actively look for new opportunities and platforms to support and advocate on behalf of those who are striving to fulfil their unique potential.

In the UK, our Robert Walters business works with Aspiring Solicitors, a leading diversity platform supporting law firms to develop programmes that reach a wider range of candidates and improve diversity in the sector.

Our Robert Walters and Resource Solutions businesses in the UK also remain certified as Disability Confident Committed through the Government's Disability Confident initiative, which recognises our efforts to foster an inclusive workplace that supports disabled people to find and stay in work.

In our Asia Pacific region, Robert Walters Japan has maintained the highest level of the 'L-boshi' certification from the Ministry of Health, Labour and Welfare, recognising our efforts to advance women in the workplace.

The Japanese business also continued its support for The Dream Collective, an international organisation developing and preparing female talent for leadership roles.

Our Australian business has maintained its partnership with She Codes, helping women learn how to code with the goal of increasing gender diversity in the technology industry. This partnership was expanded globally during our International Women's Day campaign in March 2021 (see page 50). We also continued our partnership with Supply Nation, a non-profit organisation connecting Australian businesses with Indigenous-owned businesses, supporting the Aboriginal and Torres Strait Island business sector.

Our Resource Solutions business continued its membership with the Valuable 500, a global community of businesses putting disability and inclusion on their leadership agendas and also retained Clear Assured recognition, which identifies and removes barriers in recruitment for disabled people, ethnic minority groups, LGBTQ+ and other under-represented candidates. Norma Gillespie, CEO of Resource Solutions, was also named in Staffing Industry Analysts' (SIA) 'Global Power 150 — Women in Staffing' list for the second year in a row.

Resource Solutions continues to be listed with Vercida's careers site, connecting job seekers from diverse backgrounds with inclusive employers.

Accreditations and partnerships

Coral Bamgboye
Global Head of ED&I

A great thing about working for the Group is that we are always trying to ensure we adopt best practice and take a leading position, whether that's with the services we offer or the stance we take on particular issues."

Coming from an HR role in the telecommunications industry, I originally joined Resource Solutions in 2007 to manage an on-site client account, which was the start of a varied and exciting career. Over the years, I've worked in various roles for the Group, having started my journey in an on-site role before progressing to managing the operational delivery, strategic and commercial activities for a portfolio of clients as part of our central management team. This included working across various sectors and geographies including some of our global accounts, as well as building our Operational Excellence function, responsible for compliance and audit across all clients. And now — fifteen years, four children and six roles later — I'm looking forward to being responsible for the Group's equality, diversity and inclusion programme.

I've always been passionate about the issues involved in ED&I, and had progressed to chairing Resource Solutions' ED&I council alongside my full-time management role. A great thing about working for the Group is that we are always trying to ensure we adopt best practice and take a leading position, whether that's with the services we offer or the stance we take on particular issues, so I was delighted to be given the opportunity to take on the role as the Group's first-ever Global Head of ED&I.

It's an exciting time for ED&I — it's a hot topic across all sectors and geographies, and I believe there's a big role for us in helping affect meaningful change — both for our business, as well as for our clients, candidates and society at large. For my part, it gives me a role working with people, which has always been what I really enjoy. Engaging with a wide range of people and ideas around the business is so important, as they will all play a part in making our organisation more diverse and inclusive.

Of course, that's always been part of the DNA of the Group, but in recent years we've further developed our approach, developing diversity councils across our global network, setting a strategy for improving internal awareness and education, and achieving a greater understanding of our people by using data and direct feedback. We've set out what we want to achieve by establishing our ED&I vision and further developing an organisational culture where we can continue to learn from one other.

Continue reading

Living our Purpose continued
Equality, Diversity & Inclusion

There's already a high level of engagement across the globe and throughout all levels of the organisation, so I'm delighted to see that ED&I is becoming further embedded in everything we do. We run 'Cultural Conversations', open video calls for employees to join, in which they can learn about and discuss important themes and topics. These sessions have been very successful, having helped us to have open conversations about subjects that once might have seemed awkward or uncomfortable, like menopause, disability or sexuality.

Our clients have their own diversity agendas, and we play a critical part in bringing in talent to support these."

In addition to our Group ED&I council, our local diversity councils provide crucial feedback on any regional nuances we may need to incorporate in our thinking. In addition, our partners like Vercida Consulting help us navigate an ever-changing world, providing expertise on global best practice. We see such partners as a 'critical friend', there to challenge as well as support.

Beyond our business, our ED&I approach helps us better serve clients and candidates as well. Our clients have their own diversity agendas, and we play a critical part in bringing in talent to support these. For example, we employ emerging technologies and innovations to connect our clients with more diverse talent pools — this is a great differentiator for the Group and gives us a competitive advantage. As for candidates, it's about levelling the playing field. We can engage with individuals in under-represented categories and give them access to career opportunities that previously they might not have had. It's important work, and a great example of how we're living our purpose, by powering people and organisations to fulfil their unique potential.

Shibuya neighbourhood clean up, raising money to support LGBTQ+ youth, Japan

Responsible Business

Being good corporate citizens has always been a core part of the way we do business, but we can't be complacent — we are always looking for ways to improve, from implementing ethical business practices across the Group to promoting a diverse and inclusive global workforce, both within our business as well as to the thousands of clients and candidates with whom we work.

A responsible employer for our people

As an employer, the Group is dedicated to offering careers with purpose to our employees, and we recognise the unique contribution and value that each person brings to our team. We strive to offer our people long-term careers, because we know that, by retaining the best talent, we are better able to build a loyal client and candidate base for our business, ensuring lasting, sustainable growth.

The Robert Walters Group operates in a highly competitive sector, and as such, the way we compensate our people — based on talent, merit and performance — has been fundamental to our culture and our success over the years. Central to this approach is our team-based profit share, which ensures that our people work together for the best interest of our clients and candidates. This is integral to our deeply rooted culture of teamwork.

Additionally, ensuring that our people have access to development opportunities is central to the way we retain talent. By investing in their growth, we play a key role in shaping their professional development and can better support their ongoing career progression.

Both globally and locally, we offer a variety of options for employees to further their education and develop their technical or managerial skills throughout their careers with us.

Learn more at robertwaltersgroup.com /responsible-employer

A responsible partner for our clients and candidates

Each day, thousands of clients and candidates around the world trust us with their sensitive data, and it's a responsibility that we don't take lightly. That's why we employ several approaches to safeguard the information we hold. We employ dedicated security teams, working around the clock to monitor our systems and detect potential threats, while we also ensure all our employees receive the necessary training to remain vigilant in the way we handle data as part of our day-to-day business operations.

CYBER ESSENTIALS

We're Cyber Essentials Certified

Backed by the UK Government, Cyber Essentials is a scheme set up to help businesses and organisations ensure they are protected from the most common cyber threats. To achieve certification, the Group has successfully implemented all of the basic controls to reduce the risks posed by common internet-based threats, as set out in the scheme's framework.

Our Cyber Essentials certification also allows us to reassure clients and candidates that we have taken all of the essential precautions to protect their information, in addition to the more advanced security measures we have put in place, as outlined in the link below.

Learn more at robertwaltersgroup.com /responsible-partner

Living our Purpose continued
Powering People Potential

Powering People Potential

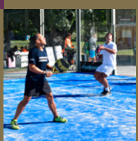
Our global business model is dependent on successful economies with thriving workforces. As such, we continue to support and invest in initiatives and partnerships that help individuals and communities to fulfil their own unique potential through economic empowerment and corporate advocacy, focusing our efforts in the areas below.

Global impact through local action

As purpose-led corporate citizens, we are passionate about powering the potential of the diverse individuals and communities we serve around the world by volunteering our time and expertise, partnering with charities and non-profits, and fundraising for causes close to our employees' hearts.

The centrepiece of our commitment in this area is our annual Global Charity Day, and in 2021, we celebrated its tenth anniversary. Around the world, as the charity and not-for-profit sector continues to suffer from the impacts of the global pandemic, our continued support is vital. As always, staff chose local charities making a difference in their local communities, raising a total of £116,430 for organisations like Save the Children (Australia), Down Syndrome Foundation (Taiwan), Insitut Gustave Roussy (France), Mind (UK) and many more.

While virtual events and fundraisers continued in markets still in lockdowns, we were delighted to see the return of in-person Charity Day activities in 2021. Our teams once again astounded us with their commitment and creativity as they undertook fantastic initiatives to raise money and give back — they volunteered at animal shelters and food pantries; they danced at sponsored silent discos and sold delicious homemade cakes; they staged exciting tennis tournaments; and one team in Japan even scaled an active volcano! We're proud of the enthusiasm our people show in helping us make a difference for our charity partners, especially in these challenging times.


Global Charity Day, Spain


Team event, Belgium


Team event, China

Global Charity Day, Middle East


Pink Ribbon event, Belgium


Team event, Spain


Team event, South Korea


Robert Walters Group Walks to Kenya, China

Case study

Building sustainable futures with Global Angels

Since 2017, we've partnered with the Global Angels Foundation, an international development charity, to deliver critical infrastructure projects for the Itinyi Valley community in Tsavo, Kenya, creating long-term economic security for the community through career training and opportunities.

Whilst we were once again unable to send staff volunteers to Tsavo due to the ongoing pandemic, our 'Robert Walters Group Walks to Kenya' initiative in July saw employees embark on a global 24-hour challenge to walk, run, row, skip and swim the more than 6,000 miles from our London headquarters to Tsavo — including the Group's matched contributions, we raised £38,000 for the Global Angels clean water project.

As a result, in October, Global Angels was able to complete the lining for three large water pans (rainwater catchment dams), holding up to one million litres of water storage — in one day of heavy rain, the water pans can provide enough farming water for a year. As an area subject to extreme weather and droughts, this increased access to water storage is life-changing for Tsavo's farmers and the local businesses who depend on their crops.

Learn more at robertwaltersgroup.com/globalangels

We're really passionate about coming alongside the people here in this community, and helping lift them out of poverty, and to do that, we need to be here long-term and build a really solid project that is a model that can be replicated right across the valley."

Molly Bedingfield
Founder, Global Angels Foundation

Robert Walters Group Walks to Kenya, Singapore

Robert Walters Group Walks to Kenya, UK

Robert Walters Group Walks to Kenya, France

Living our Purpose continued
Powering People Potential

Pathways to employment

As an industry-leading global recruitment Group, we are well placed to advocate and support individuals by providing pathways to employment. Around the world, we share our skills, expertise and knowledge to support social mobility and help secure meaningful employment and careers with purpose.

While we had hoped to resume our RE:START programme in 2021, through which we provide careers advice and CV support to people preparing to leave prison with the aim of reducing the likelihood of their reoffending, government Covid restrictions meant that we were still unable to visit prisons and so the programme remains on hold. We strongly believe in the importance of this programme, however, and look forward to continuing it at the earliest opportunity.

We are also working to support job seekers around the world by partnering with external charities as well as offering new candidate services in the wake of the pandemic. For example, in Sydney, we are proud to work with Dress For Success, an Australian charity working to improve the employability of women in need in New South Wales, by offering CV preparation support and interview practice for disadvantaged women looking to enter or re-enter the workforce. Likewise, our Robert Walters businesses in the UK, Japan and South Korea have all continued their assistance to candidates affected by the global pandemic, offering a holistic suite of services to help keep their careers on track, from CV review and career planning to practical tips to build professional networks and manage interviews successfully.

Case study

Supporting female talent into technology roles

As the demand for specialist technology skill sets increases, it is disappointing that only about a quarter of all jobs in this field globally are held by women — yet with boys studying STEM subjects at a far higher rate than their female classmates, this result is hardly surprising.

As technology continues to radically change the way we live and work, we need to work to close the industry's gender gap to ensure that everyone, men and women, have a voice in shaping our society for the future.

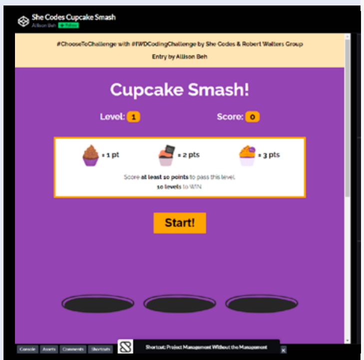
On International Women's Day 2021, the Robert Walters Group partnered with Australian training provider, She Codes, to launch the #IWDCodingChallenge, a fun and free virtual coding challenge designed for women and minorities around the world to get a taste for a technical career.

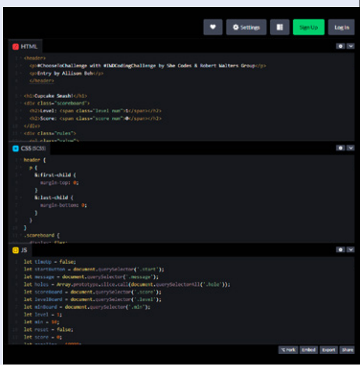
Aimed at novice coders, the initiative guided participants through a tutorial on coding our 'Cupcake Smash' mini-game. Taking approximately one hour, participants were invited to customise their game code and show off their newfound skills on LinkedIn, Twitter or Instagram for a chance to win a tech prize bundle.

Learn more about the initiative at robertwaltersgroup.com/iwd2021

Through our #IWDCodingChallenge initiative with Robert Walters Group, we offered women who had never coded before a chance to try our tutorial. I hope this initiative will help more women to see that coding can be simple, fun, creative and accessible."

Kate Kirwin
Founder, She Codes





Investing in emerging talent

The Robert Walters Group is proud to support and nurture emerging talent both within and outside our organisation. In doing so, we achieve the promise of our purpose: powering people and organisations to fulfil their unique potential.

Part of our investment in talent is through innovative sponsorships at both local and national levels in the markets where we operate, championing excellence in the arts, sport and business.

For example, in the world of sport, our Japanese business has continued its long-running sponsorship of rising athletic stars in Japan, like Wataru Endo — one of the country's top footballers who's represented Japan at the 2018 FIFA World Cup, and as captain of the national team in both the 2016 and 2020 Olympics. In Australia, we're proud sponsors of the Racing Rugby Club of Melbourne which provides coaching for boys and girls between the ages of 5 and 18, with the goal of making access to sport accessible to all.

Around the world, we sponsor a number of business-related organisations and initiatives to encourage and support up-and-coming professionals to build their careers. For example, in 2021, our business in Mainland China was an official jobs partner at the 2021 convention for Ladies Who Tech, an organisation working to help women build careers in STEM industries. And, in New Zealand, we were proud to sponsor the EY Entrepreneur of the Year awards, celebrating the next generation of Kiwi entrepreneurs and business innovators.

Case study

Providing a platform for Britain's emerging artists

Following a pandemic-related hiatus in 2020, we were delighted to bring back the Robert Walters Group UK New Artist of the Year Award for 2021, in collaboration with UK New Artists and London's prestigious Saatchi Gallery.

Previously the 'UK Young Artist of the Year', the new name was adopted to reflect the diverse career paths of our artists and, to be more inclusive, the upper age limit was removed from our eligibility criteria, instead requiring artists to be within their first ten years of professional practice as an artist.

Launched in 2019 to support emerging artists in the UK by giving them exposure and a platform to launch their artistic careers, this year's Award saw ten new artists from across the UK selected as finalists, competing for a grand prize of £10,000, donated by the Group. This year's winner was London-based Dutch artist, Anne von Freyburg, whose intricate textile works impressed the judges, as well as our audience of clients and colleagues.

We were also delighted to name Catriona Robertson as this year's second-prize winner, receiving a prize of £5,000 from the Group, as well as Jarvis Brookfield as the first-ever People's Choice Award winner; Jarvis will have the opportunity to take part in an international exhibition with UK New Artists.

> Collaborating with the Robert Walters Group and Saatchi Gallery on yet another successful awards continues to help us on our mission of reaching new audiences and supporting more new and emerging artists."

Michelle Bowen
Director, UK New Artists

Learn more about the awards and artists at robertwaltersgroup.com/ukna

The winning artwork

Anne von Freyburg, winner of the 2021 Robert Walters Group UK New Artist of the Year Award

Living our Purpose continued
Protecting the Planet

Protecting the Planet

Around the world, we're committed to safeguarding the planet and minimising our impact on the environment. After all, part of powering people and organisations to fulfil their unique potential is ensuring that they have a planet on which to do it.

That's why we're proud of our long-running track record of environmental stewardship — from carbon reduction and energy efficiency measures to investing in reforestation initiatives around the world. But, in order to even attempt to stop global warming beyond 1.5°C, more work is to be done, and as a business, we understand the part we have to play.

Environmental stewardship

We are immensely proud of our long-established efforts to protect our planet and the environment. For example, the Group's operations have been offset through the World Land Trust (WLT) Carbon Balanced Programme since 2015, which means we invest in carbon offset schemes equivalent to our emissions as assessed by WLT carbon specialists.

In 2021, we also continued our 'Plant a Tree' initiative as part of our partnership with the WLT, which sees one tree planted for every permanent candidate placed by our Robert Walters and Walters People businesses, and one tree planted for each employee in our Resource Solutions business. Based on our 2021 figures, we will be planting more than 15,000 native trees in key WLT projects in Borneo, Brazil, Kenya and India through this programme.

Learn more about our support for these reforestation projects at robertwaltersgroup.com/wed

Our work with the World Land Trust supports two of the UN's Sustainable Development Goals:

In addition to our partnership with the WLT, 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 the ISO 14001 certification. Additionally, our data migration to the cloud has helped lower our carbon footprint.

Our best practice environmental management policy is in the process of being rolled out across the rest of the Group on an ongoing basis. The policy provides a framework for achieving the balance between maintaining profitability while setting targets for improving the organisation's environmental performance.

Looking to the future

Whilst we are proud of our long-standing environmental track record, the Group acknowledges the very real threat of climate change and we are committed to further reducing our impact on the environment.

As such, in 2021 we committed to reducing our global carbon emissions (all scopes included) by 30% per head by the end of 2030.* By that time, we have also committed to two further environmental targets to improve our overall energy efficiency and to minimise the use of unnecessary consumables — supporting our overall corporate responsibility strategy as well as aligning with the UN's Sustainable Development Goals (SDGs). Of course, we will monitor the appropriateness of these targets over the coming years and, following the results of our forthcoming ESG materiality assessment, may refine or revise these targets accordingly.

13 CLIMATE ACTION

Reducing our carbon emissions
By the end of 2030, the Group aims to reduce carbon emissions from business travel (cars, trains, flights) by 30% per head and to convert our company cars to electric, wherever possible.

7 AFFORDABLE AND CLEAN ENERGY

Choosing low-carbon energy
By the end of 2030, 75% of all electricity purchased by the Group will be sourced from energy providers who can guarantee that it comes from renewable or low-carbon sources.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Minimising paper consumption
By the end of 2030, the Group will reduce paper consumption by 25% per head, actively promoting increased utilisation of digital alternatives across our global workforce.

Unsurprisingly with the ongoing impact of Covid in 2021, we saw a reduction of 44% in our carbon emissions per head against the 2019 base year; business travel has reduced by 84%, paper consumption has reduced by 100% and 15% (2019: 1%) of our company cars have already been converted to hybrid/electric cars. Although the Group has therefore met its overall business travel and paper consumption reduction targets, we do not feel it appropriate to create new targets at this point given the clear impact that Work from Home guidance and the ongoing pandemic has had on the 2021 figures. The Group will continue to monitor progress against the targets and reassess at the end of 2022 to ensure they remain appropriate and relevant.

In 2021, the Group completed a review of the energy suppliers and tariffs across all its offices and going forward will be mandating a switch to low-carbon electricity in all offices globally where we have control over the choice of energy supplier/tariff, and in leased properties, working with landlords to adopt low-carbon tariffs wherever possible.

*The Group's commitment to achieve a 30% reduction in carbon emissions per head by the end of 2030 will be measured using 2019 emissions as the baseline due to lower-than-average emission levels in 2020 during the global pandemic.

Living our Purpose continued
Task Force on Climate-related Financial Disclosures (TCFD)

This statement contains the Group's first TCFD aligned disclosure in accordance with FCA requirements of Premium Listed UK corporates. 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.

Governance

The Board has primary oversight for the Group's ESG performance and monitors the risks and opportunities, including climate-related ones. 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.

The ESG Committee (formerly 'ESG working group') was established at the beginning of 2021, meets quarterly, and has ownership and responsibility for the execution of the Group's ESG and corporate responsibility strategy. The committee 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 environmental targets. These environmental targets (listed on page 53) have been incorporated into the Executive Directors' KPIs, within the 'CSR, environment and culture' targets — corresponding to a maximum annual bonus of 8% (see page 87).

Climate-related risks are identified, assessed, and managed in line with the Group's risk management process outlined in full on page 62.

Strategy

The Group recognises there is a risk that climate change, and specifically the transition to a low carbon economy, will change the landscape in which the business operates. This may create negative consequences in the areas of reputation, legal, and operations, however with proactive foresight in place, this may also create strong opportunities for the business as well.

Within the annual risk review, the Group identified several climate-related risks, outlined below. These risks are considered to have a low impact on the business and as such are not considered financially material, however these risks have only undergone a preliminary risk assessment and have not yet been sufficiently assessed for broader climate-related impacts.

The Group aims to progress its TCFD disclosures on an annual basis. The Group has engaged an external ESG advisor to carry out a climate-specific risk assessment within the next six months, which will provide a comprehensive assessment of physical and transition risks and opportunities.

Whilst this year's focus was on preliminary risk identification, next year the Group intends to obtain the relevant data and analytical capabilities required to conduct a thorough materiality assessment and provide a full qualitative scenario analysis within its 2022 Annual Report and Accounts. The assessment will identify the impact of material climate-related risks and opportunities on the Group's services, value chain, investments and operations, as well as the associated time horizons. As part of the scenario analysis, the Group will outline the resilience of the business in different scenarios, including a 2°C or lower.

The scenario analysis will explore climate-related risks and opportunities in more depth, to understand the potential impact of climate change to the Group, and inform our strategy and financial planning. The Group therefore intends to disclose a comprehensive set of risks and opportunities in its 2022 Annual Report and Accounts. Our preliminary risk assessment (an extract from the Group's annual risk review) is shown overleaf.

Risk management

Climate-related risks are assessed by considering both the risks related to the physical impacts of climate change and those related to steps to reduce carbon emissions and the switch to a lower-carbon economy, together with climate-related opportunities and the impact on the Group strategy. Climate-related risks are managed and prioritised as part of the Group's overall risk identification and management process (outlined in full on page 62). The materiality of risks is considered as a product of occurrence (the likelihood of the risk happening within the next ten years) and impact (the degree of the impact should the risk happen).

This process identified the climate-related risks disclosed overleaf. At present, these risks are not considered to have a material impact for the Group.

The Group will continue to monitor the significance of climate-related risks (including existing and emerging regulatory requirements), implement mitigating activities, and disclose in line with materiality to the Group. The Group already has in place numerous schemes to ensure it offsets its carbon emissions on an annual basis and since 2020 has committed to a tree planting programme in addition to this. Since 2008, the Group has been a constituent member of the FTSE4Good index, which recognises measures taken to reduce the Group's operational impact on the environment and society, whilst proactively investing in a sustainable future for people and communities around the world.

Metrics and targets

Commitment to the ongoing tracking and monitoring of climate-relevant metrics facilitates the effective management of climate-related risks and opportunities. The Group has set three specific climate-related targets, disclosed in full on page 53. The Group measures and reports Scope 1, 2 and 3 emissions which are summarised in the table on page 56 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. In the coming year, the Group intends to determine the materiality of the TCFD's cross-industry, climate-related metrics, and disclose those metrics that are the most applicable to our organisation in its 2022 Annual Report and Accounts.

Risk	TCFD category	Description of impact	Time horizon	Risk mitigation
Carbon pricing mechanism	Policy and Legal	Additional taxes to all sources of energy (electricity, gas, and petrol).	Medium (3-10 years)	The Group has set a corporate strategy for the reduction in carbon emissions, such as car policy and carbon conscious travel policy. The Group has been offsetting its total carbon emissions per year and has set environmental targets (as seen on page 53) to help reduce its emissions.
Mandates on, and regulations of, decarbonisation	Policy and Legal	International agreement changes are likely to result in a form of mandated carbon reduction programme which could exceed the Group's current activity.	Medium (3-10 years)	The Group has set a corporate strategy for the reduction in carbon emissions, such as car policy and carbon conscious travel policy. The Group has been offsetting its total carbon emissions per year and has set environmental targets (as seen on page 53) to help reduce its emissions.
Job losses in the transition to a low-carbon economy	Market	Climate change could have an impact on job losses and the job market. It is anticipated that carbon-intensive sectors will grow less fast or may even contract, which may cause an overall increase in unemployment, and a reduction in Robert Walters Group's annual revenues, if candidates are not successful in transferring to low-carbon roles and sectors.	Medium (3-10 years)	The ESG Committee considers the impact of climate-related environmental issues on the Group and local markets on an ongoing basis. Following the climate-specific materiality assessment in 2022, the ESG Committee will discuss and approve specific initiatives the Group can take to play an active role in helping new and existing clients undertake a transition to a low-carbon economy. See further mitigation within the principal risk, 'Political factors, economic, environmental and market uncertainty', on page 63.
Risk of non-compliance with ESG and climate-related corporate reporting	Policy and Legal	The Group needs to disclose in alignment with mandatory reporting of greenhouse gas emissions pursuant to the Companies Act 2006 and new disclosure requirements under Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008. Reporting on emissions from Scope 1 and Scope 2 activities is mandatory.	Medium (3-10 years)	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.
Increased severity and frequency of extreme weather events such as cyclones and floods	Physical — acute	US Landfalling Hurricane Probability Project confirmed the number of hurricanes hitting Florida and the East Coast has been unnaturally low in the last 30 years and suggests an increase in major hurricane activity over the next two decades. While hurricanes can hit anywhere along the Gulf Coast and Atlantic seaboard, the location of the Jacksonville office remains high on likelihood.	Long (>10 years)	The Group will maintain Emergency Procedures and Business Continuity Plans, implement agile working arrangements through technology and use Business Disruption insurance.
Increased likelihood and severity of haze pollution	Physical — chronic	Each year, generally around June, the smog and haze caused by slash-and-burn clearances of forests on the islands of Sumatra and Borneo causes a noticeable impact on the operations of the Singapore office. As climate change increases the occurrence of hot and dry years in Singapore, the impact of the haze is felt even more strongly.	Medium (3-10 years)	The Group will maintain Emergency Procedures and Business Continuity Plans, implement agile working arrangements through technology and use Business Disruption insurance.

Living our Purpose continued

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 2021, 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 2021 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 2021 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 has 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.

Greenhouse gas emission source (base year 2019)

			Current revision		Current revision	
	2021 Dec YTD tCO_2e	2021 Dec YTD tCO_2e per head	2020 Dec YTD tCO_2e	2020 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	**529**	**0.2**	553	0.21	716	0.22
Total Scope 1 emissions	**529**	**0.2**	553	0.21	716	0.22
Scope 2						
Purchased electricity and heat	**1,304**	**0.49**	1,415	0.54	1,872	0.59
Total Scope 2 emissions	**1,304**	**0.49**	1,415	0.54	1,872	0.59
Scope 3						
Business travel — air	**164**	**0.06**	274	0.11	1,560	0.49
Business travel — land[1]	**115**	**0.04**	117	0.05	376	0.12
Transmission and distribution	**94**	**0.04**	99	0.04	127	0.04
Paper usage	**5**	**0.00**	10	0.00	22	0.01
Total Scope 3 emissions	**378**	**0.14**	500	0.20	2,085	0.66
Total Group emissions	**2,211**	**0.83**	2,468	0.95	4,673	1.47
Carbon offset	**(2,211)**	**(0.83)**	(2,309)	(0.88)	(4,314)	(1.24)
Total net emissions	**0**	**0.00**	159	0.07	359	0.23
Energy consumption (kWH)						
UK energy consumption (kWh)	**1,057,784**	**N/A**	1,092,191	N/A	1,576,801	N/A
Non-UK energy consumption (kWh)	**4,649,630**	**N/A**	4,875,891	N/A	5,672,980	N/A
Total energy consumption (kWh)	**5,707,413**	**N/A**	5,968,082	N/A	7,249,781	N/A

1. 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.

Governance and social 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 2021 has improved by 4% for senior managers and 2% for other employees.

In 2021, female employees made up 55% of all promotions globally and 55% of all managerial promotions. 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 5 October 2021.

The Robert Walters and Resource Solutions reports can be found on the Group's website.

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

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 both to 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. The Group adhered to local government Covid-related guidelines, with staff working remotely as required.

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.

Political donations

The Group made no political donations during the year (2020: £nil).

	2021 average employees				2020 average employees			
	Male	**Female**	**Total**	**Ratio (%)**	Male	Female	Total	Ratio (%)
Board Directors	**5**	**1**	**6**	**83:17**	4	2	6	67:33
Senior managers[1]	**108**	**80**	**188**	**57:43**	122	84	206	59:41
Other employees	**1,168**	**1,908**	**3,076**	**38:62**	1,325	2,061	3,386	39:61
Total	**1,281**	**1,989**	**3,270**	**39:61**	1,451	2,147	3,598	40:60

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

Financial Review

Financial and operational highlights

Year ended	2021	2020	% change	% change (constant currency*)
Revenue	**£970.7m**	£938.4m	3%	6%
Gross profit (net fee income)	**£353.6m**	£302.4m	17%	21%
Operating profit	**£54.1m**	£14.8m	265%	285%
Profit before taxation	**£50.2m**	£12.1m	315%	339%
Basic earnings per share	**46.3p**	8.0p	482%	

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

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 3% (6%*) to £970.7m (2020: £938.4m). Revenue was £502.5m in the second half of the year compared to £468.2m in the first half (2020: 1H £496.4m, 2H £442.0m).

Revenue from temporary placements represents 74% (2020: 79%) 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 17% (21%*) to £353.6m (2020: £302.4m) with 53% (2020: 48%) of the annual total being generated in the second half of the year. The increase in net fee income was due to the recovery from the pandemic in both the permanent and interim Robert Walters divisions.

Operating profit

Operating profit increased by 265% (285%*) to £54.1m (2020: £14.8m). Administrative expenses were £299.5m (2020: £287.6m). The 4% (8%*) increase in costs was mainly due to an increase in bonus payments during the year in line with the improved performance of the Group, offset by a decrease in employment costs and depreciation costs.

Conversion ratio

Operating profit as a percentage of gross profit was 15.3%, an increase of 10.4% 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 £2.6m (2020: £2.8m), including £2.2m relating to the interest charged on leases (2020: £2.4m), and has a £60.0m financing facility until March 2025. At 31 December 2021, £15.7m (2020: £nil) was drawn down under this facility. More details are provided in note 14 to the accounts.

A foreign exchange loss of £1.3m arose during the year on translation of the Group's intercompany balances and external borrowings (2020: gain of £0.1m).

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

Taxation
The taxation charge in 2021 was £16.7m (2020: £6.4m) which gives an effective rate of 33.3% (2020: 53.3%). The tax rate is higher than the standard UK rate of 19%, primarily as a result of a release of deferred tax asset on overseas losses and higher rates of overseas taxation in Japan, Australia, France and the Netherlands.

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 46.3p (2020: 8.0p).

The weighted average number of shares for the year was 72.3m (2020: 71.6m).

Dividend
A final dividend of 15.0p (2020: 11.0p) per ordinary share is being proposed by the Board. Together with the interim dividend of 5.4p (2020: 4.5p) per ordinary share paid in October 2021, the total dividend per share would amount to 20.4p (2020 15.5p). The final dividend, if approved, which amounts to £10.7m, will be paid on 20 May 2022 to those shareholders on the register as at 22 April 2022.

Balance sheet and equity
The Group had net assets of £174.8m at 31 December 2021 (31 December 2020: £169.3m) including goodwill of £8.1m (2020: £8.0m). The increase in the Group net assets of £5.5m comprises profit after taxation for the year of £33.5m, investment in computer software of £8.7m, credits relating to share schemes of £2.3m, offset primarily by currency movements of £7.4m and dividends paid of £11.9m. The exchange differences arising in respect of the Group's overseas operations in 2021, resulted in a loss of £7.4m (2020: gain of £3.4m). 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 £12.3m of shares in 2021 (2020: £nil) through the Employee Benefit Trust.

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

Cash flow and net cash position
At 31 December 2021, the Group had net cash balances of £126.6m (31 December 2020: £155.5m). Cash inflow from operating activities was £42.7m (2020: £113.6m). Operating cash flows increased due to an increase in profit for the year offset by the movement in working capital.

The significant cash outflows in the year were: £18.6m of lease liability payments; £11.9m of dividends; £12.3m of share purchases; £9.1m of corporation tax payments; £8.7m of intangible asset investments and £4.5m of fixed asset expenditure. The Group received net cash inflows totalling £15.7m of bank borrowings; and £3.7m of global government support in relation to furlough schemes.

The Group had positive cash flows from 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 page 106.

Key Performance Indicators

Net fee income

£353.6m

(2020: £302.4m)

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 17% (21%*) as a result of the global economic bounce back increasing both client and candidate confidence and an increase in productivity.

Debtor days

29

(2020: 26)

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 slightly longer to pay as a result of the ongoing impact from the pandemic within some industries.

Operating profit

£54.1m

(2020: £14.8m)

Definition
Operating profit represents net fee income less administrative expenses.

Analysis
Net fee income growth as a result of returning market confidence, and an increase in productivity per fee earner, led to a 265% (285%*) increase in operating profit.

International mix

(2020: 78%)

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 3% movement in the international mix, primarily due to operations in Asia Pacific and Europe recovering most strongly from the global pandemic.

Productivity

£171.3k

(2020: £142.8k)

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

Analysis
The increase in productivity is a testament to the Group's ability to benefit from operational gearing when market conditions improved.

Candidate engagement

4.1
Glassdoor rating

(2020: 4.0)

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

Analysis
Our Company rating is 4.1 out of 5 which is considered a high score.

Net cash

£126.6m

(2020: £155.5m)

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

Analysis
After £18.6m of lease liability payments, £11.9m of dividend payments, £12.3m of share purchases and £9.1m of tax payments, net cash decreased from £155.5m to £126.6m.

Business mix

Permanent v contract 68% : 32%

(2020: 62% : 38%)

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

Analysis
Permanent 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 set new environmental targets during 2021 to reduce its carbon emissions by 30% per head by the end of 2030.

Analysis
The Group's Scope 1, 2 and 3 mandatory emissions per head are already down by 44% from the 2019 revised base year, resulting in the Group being ahead of the target set during the year. Due to Covid restrictions being a contributing factor to this result, the targets will remain in place for 2022 and a full review will be completed towards the end of the year and the targets may be revised accordingly.

Basic earnings per share

46.3p

(2020: 8.0p)

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 482% increase reflects the increase in profitability of the Group during the year.

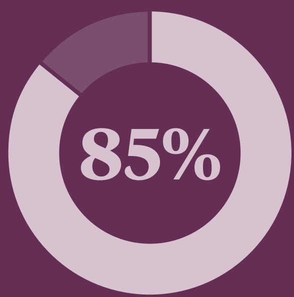
Risk management

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



(2020: 86%)

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 2021.

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 and ESG (Environmental, Social and Governance) related risk, including climate-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. ESG, including climate-related risk is continually evolving, and the potential impact to our organisation in the short and long term and our impact on the environment is considered. Climate-related risk is assessed by considering both the risks related to the physical impacts of climate change and those related to steps to reduce carbon emissions and the switch to lower-carbon, together with climate-related opportunities and the impact on the Group strategy. 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. The Group has made disclosures consistent with the TCFD recommendations and recommended disclosures. Our governance and risk management are disclosed in this report and the Report of the Board, and our metrics, targets and opportunities are disclosed in the Living Our Purpose: Protecting the Planet section of the Strategic Report. The global pandemic remains ongoing, presenting the Group with an unprecedented set of challenges and uncertainties.

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 overleaf.

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 impact of the Covid pandemic as well as unprecedented political turbulence, could have a significant negative impact on the jobs market and result in reduced hiring volumes. Climate change (including increased extreme weather events) 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.
Talent attraction and retention The Group relies heavily on recruiting and retaining talented individuals with the right skill sets and diversity 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. A lack of diversity and inclusion in the workforce could have an adverse impact on talent attraction and retention, strategic thinking, decision-making and overall employee engagement. A global pandemic 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 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 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. Gender pay initiatives are in place, with target setting and committed actions to close gaps to mitigate the impact over time. The Board promotes, monitors and benchmarks equality, diversity and inclusion, with initiatives and actions being a focus across all the Group's regions. The Group has appointed a Global Head of Equality, Diversity & Inclusion. Starting in 2022, this role will continue 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 and diversity and inclusion training for all managers form part of the Group's training programme. The Group has a zero-tolerance policy towards inappropriate behaviour. Our approach to corporate responsibility stems from our purpose and focuses on protecting the environment, powering people potential and responsible business, where we believe we can have the biggest impact in making the world a more sustainable, equitable place. Our ESG strategy is informed by leading external reporting frameworks, including 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.

Principal Risks and Uncertainties continued

Risk	Actions to mitigate risk
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 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.
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. The Group strategy and objectives could either be ineffective or damaging to the Group, by failing to deliver improved performance and achieve the Group's long-term strategy for growth.	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 website so any negative feedback or improper conduct can be acted upon swiftly by the Chief Marketing Officer and local senior management.
	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 pandemic and been able to benefit from operational gearing as market conditions became more favourable.
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.	Candidate satisfaction surveys are carried out on a regular basis, with Directors addressing any negative feedback directly with the candidate.
	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.
	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.

Risk	Actions to mitigate risk
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.	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. ESG-related risk and opportunities disclosures, including guidance from the Task Force on Climate-related Financial Disclosures (TCFD), and compliance with ESG-related corporate reporting in conjunction with other regulatory requirements are reviewed on an ongoing basis and appropriate disclosures are made where considered to have a material impact on the 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. The Group already has in place numerous schemes to ensure it offsets its carbon emissions on an annual basis and since 2020 has committed to an additional tree planting programme to achieve a net carbon capture result.
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.	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.
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.

Principal Risks and Uncertainties continued

Risk	Actions to mitigate risk
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.	The Group continues to review and improve its business continuity and disaster recovery plans to mitigate against any critical infrastructure disruptions. The Group invested in technology and innovation pre-Covid, enabling a seamless transition to remote working and 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.
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 Covid, 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 he or she considers, 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 candidates and clients, our workforce, our community, our environment and our shareholders.

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 Engagement with shareholders and key stakeholders section of the Report of the Board on page 72. 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 the workforce (Living Our Purpose: People and Culture on pages 36 to 41 and Equality, Diversity and Inclusion on pages 42 to 46), relationships with candidates, clients, suppliers and others (Strategy in action on pages 18 to 27 and Technology and Innovation on pages 28 to 31), and the impact of the Company's operations on the community and the environment (Powering People Potential on pages 48 to 51 and Protecting the Planet on pages 52 to 56).

The interests of key stakeholder groups were considered in Board decision-making in the year. Balance of interests of different stakeholder groups were assessed, with outcomes managed through effective engagement and active consideration of any feedback received. The key decisions surrounding pay and bonuses are discussed in the Directors' Remuneration Report on pages 83 and 84.

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 62 to 66, 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 67, incorporates the 2021 Highlights, Robert Walters Group at a Glance, Chair's Statement, Chief Executive's Statement, Market Opportunities and Key Trends, Strategy in Action, Technology and Innovation, Living our Purpose: People and Culture, Equality, Diversity & Inclusion, Powering People Potential and Protecting the Planet, Task Force on Climate-related Financial Disclosures, Financial Review, Key Performance Indicators, Principal Risks and Uncertainties and Section 172 statement.

By order of the Board,

Alan Bannatyne
Chief Financial Officer
7 March 2022

Chair's Introduction to Corporate Governance

"In 2021 there was a particular focus on environmental, social and governance (ESG) matters, including equality, diversity and inclusion."

Ron Mobed
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 2021 there was a particular focus on environmental, social and governance (ESG) matters, including equality, diversity and inclusion. A Global Head of Equality, Diversity and Inclusion was chosen, starting in 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. An ESG Committee was also established in 2021, comprising members of our Board, operational management team and business support functions. As a result, new environmental targets were set during the year and further details of the new targets can be found on page 53. As a business, we understand that more needs to be done and I am pleased to announce a partnership with Sillion, a leading ESG consultancy, to ensure we remain at the forefront of best practice by identifying and prioritising the ESG issues that are most critical to our business and that shape our strategy for the future.

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 62 to 66, the Powering People Potential section on pages 48 to 51 and Protecting the Planet section on pages 52 to 56.

The Board Committees have had an active year. The Nominations Committee led the appointment process with the assistance of an external advisor for our new Board member, Matt Ashley, who was appointed on 23 December 2021. Matt will succeed Brian McArthur-Muscroft as the Audit and Risk Committee Chair when Brian retires at the conclusion of the Annual General Meeting on 28 April 2022, having served for nine years. I would like to thank Brian for his many years of valuable contribution to the Group.

The Audit and Risk Committee continued to see appropriate controls evident in all areas of risk management. The Internal Audit function built upon the areas covered in the previous year, with a continued focus on the Group's risk register. This included the overall risk profile of the Group as well as carrying out a review of the risk profile of the Group during the year. 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.

An Organisational Health Committee, comprising members of the Board, has also been established with a view to making recommendations to maintain, encourage and improve the health of the business from a people perspective.

A key aspect of ensuring your Board's effectiveness is our annual Board and Committee evaluation process. Further details can be found on Page 81.

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

Ron Mobed
Chair
7 March 2022

Report of the Board

Division of responsibilities

Division of responsibilities between Chair and Chief Executive

Ron Mobed
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, Ron Mobed 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

Ron Mobed
Chair

Brian McArthur -Muscroft
Non-executive Director, Senior Independent Director

Tanith Dodge
Non-executive Director

Steven Cooper
Non-executive Director

Matt Ashley
Non-executive Director

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

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

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

- The Non-executive Directors comprising more than half of the Board of Directors;
- The Non-executive Directors comprising Ron Mobed, Brian McArthur-Muscroft, 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

Brian McArthur -Muscroft
Non-executive Director, Senior Independent Director

Brian McArthur-Muscroft is the Senior Independent Director. As such, he 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.

Report of the Board continued

Board of Directors

Ron Mobed
Chair

Appointed
January 2021

Committees
N O

Ron has a broad range of global experience across a number of sectors and regions and most recently held the position of Chief Executive Officer of Elsevier, the largest operating unit of RELX Group plc, the global provider of information and analytics for professional and business customers. Prior to that, Ron spent 24 years at Schlumberger before joining IHS where he held multiple senior management roles including COO and Vice-Chair. Ron is currently a Non-executive Director at AVEVA Group plc and Ordnance Survey as well as a Supervisory Board Member at Fugro N.V. He also serves as a Lay Member of Court at the University of Dundee and is a Trustee of the Campaign for Science and Engineering (CaSE).

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 February 2017 he was appointed as a Non-executive Director of XPS Pensions Group.

Brian McArthur-Muscroft
Non-executive Director, Senior Independent Director

Appointed
May 2013

Committees
A N R O

Brian McArthur-Muscroft is the Chief Financial Officer for Qontigo, a financial intelligence and investment management business. Previously, he was the Group Chief Financial Officer for Micro Focus International plc, a FTSE100 global infrastructure software company. Prior to joining Micro Focus International plc, he was Chief Financial Officer at Paysafe Group plc and led the business to a FTSE 250 listing on the London Stock Exchange Main Market in December 2016. In 2017 Paysafe was then acquired by CVC and Blackstone for $4.8 billion. Prior to joining Paysafe, Brian was Group Finance Director at Telecity Group plc where he led the IPO of the business in 2007.

Brian was chosen as Business Week's Finance Director of the Year in 2017 and 2013 and ICAEW's FTSE 250 Finance Director of the Year in 2012. Also a restructuring specialist, Brian was the Interim Chief Financial Officer on the successful turnaround of MCI Worldcom EMEA. Brian holds a law degree and qualified as a chartered accountant with PricewaterhouseCoopers in London.

Tanith Dodge
Non-executive Director

Appointed
February 2017

Committees
A N R O

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 a Trustee on the Board for Action For Children.

Steven Cooper
Non-executive Director

Appointed
October 2018

Committees
A N R O

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 CEO of Aldermore Group and was formerly CEO 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 CEO 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 O*

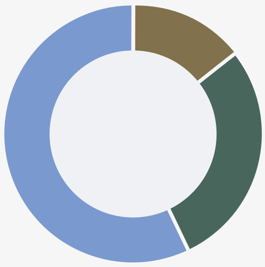
Matt joined the Board of Robert Walters plc on 23 December 2021. He brings a broad range of experience from different sectors and is currently Chief Financial Officer of Micro Focus International plc, one of the world's largest enterprise software providers. Previously, Matt was Chief Financial Officer 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.

*Matt Ashley's appointments to the Committees and as Chair of the Audit and Risk Committee are to take effect following the conclusion of the 2022 Annual General Meeting.

Board Composition

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



- 1 Chair
- 2 Executives
- 4 Non-executives

A Audit and Risk
N Nominations
R Remuneration
O Organisational Health
Chair of Committee

Report of the Board continued

Statement of compliance with the UK Corporate Governance Code

The Company has complied throughout the year ended 31 December 2021 with the Code provisions set out in the 2018 UK Corporate Governance Code (the Code), with the exception of pension levels for incumbent Executive Directors remaining unchanged for 2021, but as noted in the 2019 Directors' Remuneration Report and approved at the 2020 Annual General Meeting, the pension allowances for both Executive Directors have been aligned to the wider workforce and will reduce from 20% to 5% of salary, effective 1 January 2022.

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 82 to 102.

Board leadership and Company purpose

Company's purpose, values and strategy

Our purpose as a business is powering people and organisations to fulfil their unique potential. How our purpose defines our strategy is covered separately in our Strategy in Action section of the Strategic Report on pages 18 to 27, and is aligned with our purpose-driven culture covered separately in our Living our purpose section of the Strategic Report on pages 32 to 57 and our core principles of teamwork, integrity, passion, innovation, quality and inclusion. The Group's objective is a global, truly meritocratic and diverse business with a culture that enables all of our employees to build long-term and rewarding careers. The People and Culture section of this report on pages 34 to 39 highlights this in action through a selection of case studies of the careers forged by a number of employees across the globe.

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 Places 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, passion, innovation, quality and inclusion are evident in our Strategy in Action section and throughout Living our Purpose section on pages 32 to 57. 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 96, 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. How we engage with some of these key stakeholder groups and other interested parties is detailed on the following page.

Key stakeholder groups	How we engage
Candidates and clients	The engagement of the Executive Directors with candidates and clients is driven by the Group's commitment to quality. Candidate and client satisfaction surveys are carried out on a regular basis, with feedback addressed directly with the candidate or client. Through building relationships with integrity, the Group is able to focus on our service and customer satisfaction and to build consultative, long-term relationships. Feedback is taken extremely seriously and where appropriate is brought to the attention of the Chief Executive during the year.
Workforce	The Remuneration Committee Chair has undertaken additional engagement internally in order to have greater visibility of internal behaviours and values and assess and monitor corporate culture. Staff attrition rates and employee engagement surveys are reviewed, together with other engagement activities as detailed in the Report of the Remuneration Committee on page 96. A whistleblowing policy is in place to ensure that employees/workers have a formal system that encourages them to voice their concerns. We have further supplemented these efforts with the establishment of an Organisational Health Committee (see page 74).
Corporate Social Responsibility	Part of the Group's responsibility is to maintain the highest ethical standards in all of our operations. We continue to support and invest in 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 Living our Purpose section on pages 32 to 57.
Shareholders	**Dialogue with institutional shareholders** The Directors seek to build on a mutual understanding of objectives between the Company and its institutional shareholders by: – Making annual and interim presentations to institutional investors; – Meeting shareholders to discuss long-term issues and obtain their views; – Providing direct access to the Chair for regular meetings with shareholders, including an annual invitation to meet with the top ten shareholders; – Communicating regularly throughout the year; and – Regular meetings of the Board being 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. **Constructive use of the Annual General Meeting** The Board seeks to use the Annual General Meeting as an opportunity for all shareholders to question the Board and the Chair of the Board Committees on matters put to the meeting including the Annual Report and Accounts. The Board seeks to encourage shareholder participation by: – Inviting shareholders to submit questions in advance; and – Providing a balanced and understandable assessment of the Group's position and prospects. The results of voting at general meetings are published on the Company's website, robertwaltersgroup.com/investors, as required by the Code. We are happy to be able to report that we regularly receive positive feedback from numerous shareholders.
Suppliers	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.

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;
- 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: Organisational Health Committee; 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.

Organisational Health Committee

The members of the Organisational Health Committee (OHC) are the Non-executive Directors and the Chair. The OHC makes recommendations to maintain, encourage and improve the health of the organisation from a people perspective, including assisting in the Group's efforts to promote diversity and inclusion. Further details are included in the Living our Purpose section in the Strategy Report on pages 32 to 57. The OHC has the responsibility for the review of the Group's whistleblowing procedures and to ensure that appropriate arrangements are in place for employees to be able to raise matters of concern in confidence that relate to health and safety, employment, ED&I or harassment. The OHC met three times during the year.

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 77 to 79.

Nominations Committee

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

- Engaging the assistance of an external advisor and subsequently recommending Matt Ashley as Non-executive Director;
- 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 eight 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 82 to 84, 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. The Executive Directors, by invitation, attended eight Remuneration Committee meetings during the year. Alan Bannatyne also attended three Audit and Risk Committee and seven Nominations Committee meetings during the year.

	Board (12 meetings)	Audit and Risk Committee (3 meetings)	Nominations Committee (7 meetings)	Remuneration Committee (8 meetings)
Ron Mobed	12	n/a	7	n/a
Robert Walters[1]	10	n/a	5	n/a
Alan Bannatyne	12	n/a	n/a	n/a
Brian McArthur-Muscroft	12	3	7	8
Tanith Dodge	12	3	7	8
Steven Cooper	12	3	7	n/a
Matt Ashley[2]	n/a	n/a	n/a	n/a

1. Robert Walters was unable to attend two of the Board meetings and two of the Nominations Committee meetings due to illness.
2. Matt Ashley joined the Board on 23 December 2021.

Report of the Board continued

Governance of climate matters

Climate change has been a key focus for the Group in 2021 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, plc Board and business support functions and has met three 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, which include reducing its overall carbon emissions by 30% per head by the end of 2030. The Group has also committed to two further targets to improve its overall energy efficiency and to minimise the use of unnecessary consumables, in alignment with its wider corporate responsibility strategy and the UN's Sustainable Development Goals (SDGs). Further details on our new environmental targets can be found on page 53.

The new environmental targets have been part of the Executive Directors KPIs for 2021, and together with other ESG targets, bonus payable is up to a maximum of 8% out of the 25% payable under the KPI element.

In February 2022, Sillion was appointed as the Group's official ESG partner. Sillion will in the first instance undertake a materiality assessment of the Group, which will identify and prioritise the ESG issues, including climate related risks, that are most critical to our business. The materiality assessment is due to be completed in the first half of 2022. Sillion will then work with us to shape our ESG strategy for the future. The findings of the materiality assessment and our future strategy will be shared once finalised.

The Group is committed to minimising our impact on the environment. Since 2008, we've been a constituent member of the FTSE4Good Index, which recognises the measures we've taken to reduce the impact of our operations on the environment and society while proactively investing in a sustainable future for people and communities around the world.

Since 2015, our global operations have been certified through the World Land Trust (WLT) Carbon Balanced Programme, ensuring that we have offset the equivalent of our carbon emissions on an annual basis. Furthermore, since 2020, we have gone beyond simply offsetting our emissions with the launch of our 'Plant a Tree' initiative, which sees one tree planted for every permanent candidate placed by our Robert Walters and Walters People businesses, and one tree planted for each employee in our Resource Solutions business. In 2021, we planted more than 15,000 native trees in Borneo, Brazil, Kenya and India. Greater detail can be found on pages 52 to 53.

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 2021 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 77 to 79 and provides details of the role and activities of the Committee and its relationship with the external auditor.

Ron Mobed
Chair
7 March 2022

Report of the Audit and Risk Committee

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."

Brian McArthur-Muscroft
Audit and Risk Committee Chair

Dear Shareholder
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. Matt Ashley who joined the Board in December 2021 will replace me as the Chair of the Audit and Risk Committee after the conclusion of the Annual General Meeting on 28 April 2022 when I retire from the Board. The four-month handover between Matt and I will ensure that there is 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 and it will be fulfilled by Matt Ashley on his appointment as the Chair. 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 81 in the Report of the Nominations Committee.

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-yearly results statements and announcements prior to Board approval and reviewed the external auditor's detailed reports thereon. In particular, the Committee reviewed the opinions of management and the Auditor in relation to the appropriateness of the accounting policies adopted, significant estimates and judgements and whether disclosures were balanced and fair. The main areas of focus in 2021 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 the impact of Covid 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 page 106. For the three-year period ending 31 December 2024, the Group's financing arrangements include:

- Net funds totalling £126.6m (this is net of the facility drawn down to the extent of £15.7m at 31 December 2021);
- A guaranteed four-year borrowing facility of £60.0m; and
- Net current assets of £120.6m.

The Committee considered that a three-year period is appropriate as the timeframe over which any reasonable view can be formed given the nature of the market in which the Group operates (more detail is provided on page 106).

Based on the current financing position and projected cash flows and the ongoing impact of Covid, 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. A few amendments to accounting standards will apply for the financial year 2022 and the Committee will continue to assess the impact on the Group's financial statements as detailed in the Developments in accounting standards/IFRS section of the Statement of Accounting Policies on pages 124 to 125.

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 2021 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 2020, the Committee approved the Internal Audit plan for 2021. During the year the ongoing impact of Covid on the business resulted in the plan being carefully reviewed whilst considering management pressures, resources, data availability, remote auditing potential and the impact on the Group risk profile. The Internal Audit function has still 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 ESG-related risks, was performed during the year as detailed in the Strategic Report: Principal Risks and Uncertainties on pages 62 to 66. 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 2022.

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. 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 both of the Audit and Risk Committee meetings in which the financial statements were considered, providing BDO LLP an opportunity for open dialogue and feedback without management being present. Matters discussed included the preparedness and efficiency of management with respect to the audit, the strengths and any perceived weaknesses of the financial management team, confirmation that no restriction on scope had been placed on them by management and how they had exercised professional judgement. Based on this formal feedback and its own ongoing assessment, the Committee remains satisfied with the efficiency and effectiveness of the audit.

Reappointment of Auditor

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

Independence of our external auditor

The Audit and Risk Committee recognises the importance of ensuring the independence and objectivity of the Group's Auditor and reviews the service provided by the Auditor and the level of their fees. Any non-audit fees greater than £25,000 require the approval of the Audit and Risk Committee each financial year. The Audit and Risk Committee has adopted a policy with respect to the provision of non-audit services provided to the Group by the external auditor that complies with the requirements of the Code. There was a breach of the FRC's Ethical Standard in 2021 as detailed in the External Audit report on page 108. The Audit and Risk Committee have assessed the risk and do 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 to be able to raise matters of possible impropriety in confidence, with suitable follow-up action. Reports on any such matters are given to Board members.

Approved

This report was approved by the Board of Directors on 7 March 2022 and is signed on its behalf by:

Brian McArthur-Muscroft
Audit and Risk Committee Chair
7 March 2022

Report of the Nominations Committee

In December 2021, the Committee recommended the appointment of Matt Ashley as a Non-executive Director."

Ron Mobed
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, Brian McArthur-Muscroft, Robert Walters and myself. During the year, the Nominations Committee met to consider and approve the re-election of the Directors at the May 2021 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 74.

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. The Board remains committed to increasing its diversity through future Board appointments.

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 December 2021, the Committee recommended the appointment of Matt Ashley as a Non-executive Director. 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 has been appointed as our designated Non-executive Director in relation to engagement with the workforce 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 2021, a detailed review was completed by each Director and individual discussions took place between the Chair and each of the Directors; in the case of the Chair's performance and leadership, this was reviewed by the Senior Independent Director. Subsequently, there was a full Board discussion of the matters that were raised and a process to ensure that the decisions taken were appropriately implemented. 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.

The Board intends that the evaluation in 2022 will be externally facilitated, this being 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 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 2021 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.

Ron Mobed
Chair
7 March 2022

Report of the Remuneration Committee

"We are a 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."

Tanith Dodge
Remuneration Committee Chair

Dear Shareholder,
The Report of the Remuneration Committee is divided into two sections.

- The Annual Report on remuneration details payments made to Directors in 2021, shows the link between Group performance and remuneration for the 2021 financial year and describes the intended approach to be applied for the 2022 financial year. The Annual Report on remuneration will be subject to an advisory vote at the 2022 Annual General Meeting.
- A summary of the Directors' remuneration policy which sets out the Group's remuneration policy for Directors. This was approved by shareholders at the 2020 Annual General Meeting and is included for information. The next triennial submission for shareholder approval is required in 2023.

Principles of pay across Robert Walters Group
Robert Walters Group operates in a highly competitive sector. We are a 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. This approach has endured for many years.

Our objective is to ensure that our shareholders receive value for money from our investment in remuneration. The total employee pay cost in 2021 was £225.4m of which the Executive Directors' total remuneration in 2021 was 1.5% of this. The Committee's remit includes approval of the Operating Board's pay and an overall review of the annual changes in workforce remuneration and bonus pay.

Remuneration Report at a glance

Despite the uncertainty that prevailed at the beginning of 2021, trading momentum was strengthened as the year progressed, delivering profits well ahead of expectations. Against this backdrop:

- Having received no salary increase at 1 January 2021 and given record profit before taxation in the first half of 2021, the Executive Directors received a salary increase of 3%, effective from 1 July 2021
- Performance shares granted three years ago in 2019 will partially vest in March 2022 at 23.6% of the maximum award
- Operating profit was up 265% and Executive Directors received 93.5% of the maximum bonus payable for 2021

In addition to my role as Remuneration Committee Chair, I am Chair of the Organisational Health Committee and oversee employee engagement (as more fully detailed on page 96) to ensure that the Non-executive Directors have 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, with 138 senior employees participating in one of the Group's share incentive schemes. Additionally, the Executive Directors have an obligation to hold minimum shareholdings in order to align their interests with those of long-term shareholders.

The performance of the business in 2021

During the year the Group capitalised on the market recovery, despite the backdrop of the ongoing global pandemic and a significant number of our businesses around the world experiencing prolonged periods of full or partial lockdowns. The Group's net fee income increased by 17% to £353.6m as a result.

The business is currently well positioned for future growth opportunities and has already increased headcount in line with the improved economic backdrop. Profit before taxation of £50.2m has increased by 315% from the prior year following an easing of the global pandemic. The balance sheet remains strong and our net cash position was £126.6m at the year-end. 81% of our net fee income now comes from outside the UK and only 11% of recruitment net fee income from the financial services sector. Basic earnings per share was 46.3p, an increase of 482% on the prior year basic earnings per share of 8.0p.

A proposed final dividend payment of 15.0p per ordinary share represents an increase of 36% on the prior-year 11.0p final dividend payment and a 32% increase in the total dividend payment year-on-year.

These results were achieved without UK government aid in any form. In respect of wider stakeholder experience the business is at the forefront in many respects, and the Group was recognised as a leading recruitment and employer brand at both recruitment and wider industry events across the globe. We are pleased to have once again offset the equivalent of our carbon emissions and we set new 2030 carbon reduction targets during the year. Once again our 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 page 87.

Pay decisions and outcomes in 2021

Given the nature of 2020 performance and the ongoing uncertainty in respect of Covid, there was no Group-wide salary review process undertaken at the end of 2020. The Remuneration Committee agreed that in light of this, there would be no increase in the salaries of the Executive Directors in 2021. However, in the first half of 2021, at the same time as the Group was benefiting from increased candidate confidence and delivering a record operating profit, we also found that our employees were increasingly being targeted by both clients and competitors. As a consequence, a Group-wide salary review was undertaken at the half-year. The Remuneration Committee also considered the Executive Directors' remuneration at that time, taking into consideration: the record Group results; the voluntary salary reduction by the Executive Directors and waiver of bonus entitlement in 2020; the fact that it was eighteen months since the last salary increase (nil pay review as of 1 January 2021); and, input from our independent external remuneration expert advisers.

The average increase for employees across the Group, effective 1 July 2021, was 7.2%. In light of the performance of the Group and of the Executive Directors, the Committee decided to increase the Executives Directors salaries with effect from 1 July 2021 by 3%.

The performance goals for the annual bonus of the Executive Directors for 2021 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 £50.2m was above the maximum threshold, and as a result 100% bonus for the financial element was payable. The maximum bonus hurdle of £24.0m set at the start of the year was 98% higher than the profit before taxation reported for 2020, 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. Three key areas of focus in 2021 included delivery of strategic objectives, delivery of high calibre candidate experience and CSR, environment and culture targets. Based on performance objectively assessed against these KPIs it was determined that, for both Robert Walters and Alan Bannatyne, the objectives were 74% achieved. Further details on how bonus had been earned against strategic KPIs are disclosed on page 87.

Consequently, total bonus of 93.5% of the maximum was awarded to Robert Walters and Alan Bannatyne, representing 140.3% of salary (2020: 0% of salary). One third of the earned bonus for 2021 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 they leave the Board.

The earnings per share (EPS) reduction over the three-year period of 8% will result in the lapse of the performance shares granted in 2019 under the EPS performance condition. The Group's total shareholder return (TSR) over the three-year performance period was 44.8% compared to a relative result for the FTSE Small Cap Index constituent performance of 35.0%, resulting in 47.2% vesting under the TSR performance conditions. This means that in aggregate 23.6% of the performance shares granted in 2019 will vest in March 2022 subject to continued service.

As a result of the incentive outcomes noted above, the total remuneration of the Chief Executive is 180% higher than his total remuneration for the previous year.

Report of the Remuneration Committee continued

The Committee is satisfied that overall the pay outcomes are a fair reflection of the individual performances delivered over the year and in line with the performance of the Group. This means that the ratio of the Chief Executive's total realised pay to the median pay in the Group is 29:1 for 2021 (2020: 14:1), representing 62% of the 2018 single total figure which was the highest over the last four years. Further details in respect of the Chief Executive pay ratio are disclosed page 92.

No discretion was exercised during the year except to the extent that the Remuneration Committee decided to increase the basic salaries of the Executive Directors by 3% with effect from 1 July 2021 even though, at the start of the year, given the prevailing business uncertainty, the intention was that salaries would not be increased. The July 2021 increase was the first for eighteen months – see page 83. The Remuneration Committee was mindful of the strong performance of the business in 2021 and of the decision to increase the base salaries of employees in the UK by 7.3% from 1 July 2021 in light of the competitive pressures faced by the business.

Details of 2022 base salary levels

The Remuneration Committee reviewed the base salaries of the Executive Directors and considered the average increase for employees across the Group as a whole; and information from relevant comparator groups including our industry peer group, together with current trading conditions. As a result, the Committee has decided to increase the Executive Directors' salaries by 3.5% with effect from 1 January 2022. The average increase for employees across the Group is 4.7%.

Pension levels for incumbent Executive Directors remain unchanged for 2021, but as noted in the Directors' Remuneration Report last year the pension allowances for both Executive Directors have been aligned to the wider workforce and will reduce from 20% to 5% of salary, effective 1 January 2022.

Details of the 2022 annual bonus

For 2022, 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).

The performance shares to be granted in 2022 will continue to be granted subject to a combination of EPS and TSR performance measures. No other changes are proposed to the implementation of the remuneration policy.

I look forward to your support on all of the resolutions relating to remuneration at the Annual General Meeting on 28 April 2022.

Tanith Dodge
Remuneration Committee Chair
7 March 2022

Annual Report on remuneration

This section of the report provides details of the payments made to Directors in respect of the 2021 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 91, the Group has outperformed the FTSE Small Cap and there has been a strong correlation between performance and pay.

Executive Directors

The total remuneration for 2021 and comparative prior year figures for each Executive Director are set out in the table below. The single total figures for 2021 are higher than those for the previous year due to the prior year voluntary salary reduction of 20% between April and September, mid-year salary increases of 3% in 2021 (the first increase for eighteen months), an annual bonus payment of 93.5% of maximum, and the partial vesting in March 2022 of performance shares awarded in 2019.

The total annual realised remuneration for the Executive Directors is equivalent to 1.0% of the increase in the market capitalisation of the Company created over the last five years.

	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	387	1,300	2,141
A R Bannatyne	397	26	80	503	557	237	794	1,297
	1,048	86	210	1,344	1,470	624	2,094	3,438

	2020							
	Base[5] 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	577	60	128	765	–	–	–	765
A R Bannatyne	352	26	78	456	–	–	–	456
	929	86	206	1,221	–	–	–	1,221

1. Each of 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 86.
3. The performance measures, targets and the performance outcomes for the Performance Share Plan are detailed on page 88.
4. The single total LTIP figures for each Executive Director are based on an estimate of the share price on the date of vesting. There has been no change to the 2020 single total figures due to the lapsing of the awards that were due to vest in 2021.
5. The 2020 base salary reflects the voluntary salary reduction of 20% between April and September.

Chair and Non-executive Directors (audited)

The total remuneration for 2021 and 2020 for the Chair and each Non-executive Director is set out in the table below.

	2021[1] Total fees £'000	2020[1,5] Total fees £'000
R Mobed[2]	127	5
B McArthur-Muscroft	78	74
T Dodge	73	69
S Cooper	62	59
M Ashley[3]	2	-
C Hui[4]	–	120
	342	327

1. No taxable benefits are payable to the Chair and Non-executive Directors.
2. R Mobed joined the Board on 1 December 2020.
3. M Ashley joined the Board on 23 December 2021.
4. C Hui stepped down from the Board on 31 December 2020.
5. The 2020 fees reflect the voluntary fee reduction of 10% between April and September.

Report of the Remuneration Committee continued

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

Base salary

Following the Remuneration Committee's decision to increase the salaries of employees across the Group by 7.2% and by 7.3% in the UK, the Committee reviewed the base salaries of Robert Walters and Alan Bannatyne. Given no salary increase at 1 January 2021 and the strong performance of the Group, the Committee decided that they should also be increased by 3%, effective from 1 July 2021.

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 20% of salary to be paid as cash in lieu of a pension contribution. The Executive Directors take their pension contribution as a cash allowance. These allowances have been aligned (5% of salary) with that payable to employees generally, effective 1 January 2022, and for any new Executive Directors, on appointment.

Annual bonus

For 2021, 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 2021 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 98.0% 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	£22.1m	£24.0m	£26.4m	£50.2m
% of maximum bonus payable	29.5%	37.5%	75.0%	75%
% of salary	39.3%	50.0%	112.5%	112.5%

The outcome of profit before taxation was £50.2m. This was above the maximum threshold and resulted in the payment of 112.5% of salary for each Executive Director (2020 payment: 0% of salary). The targets were set at a time of continuing uncertainty and widespread global lockdowns. They were in the judgement of the Remuneration Committee stretching and represented an increase of c100% over the prior year profit before taxation. The level of overachievement is an indication of superior performance and the performance of the share price over the year provides further evidence of this.

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. 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 2021 covered three key areas of focus that included delivery of strategic objectives, delivery of high-calibre candidate experience and CSR, environment and culture 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:

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 headcount investment and profit targets in respect of certain locations and industries.	4.5% out of a maximum of 9%	– Successful transition and mentoring of the new CEO of Resource Solutions (RS). – RS won a number of new client contracts (13) and extensions (34) during the year. – Headcount growth in strategic locations were not achieved given Covid, although, proportionately, headcount increased at higher rates relative to the rest of the Group in the last quarter. Nevertheless, this KPI element was not achieved. – Specific profit targets were set in respect of certain offices and whilst good progress was made, these were not achieved. The Remuneration Committee concluded that, although several of these objectives were achieved, the headcount and specific profit targets were not however met. **Overall assessment: partially achieved/below target**
Delivery of high-calibre candidate experience, including: Quality of candidate engagement; successful delivery of the new CRM platform; further development of training courses and review of job board spend.	8% of a maximum of 8%	– Training courses were enhanced during the year and delivered to ensure that the standard of candidate experience is core to the quality of the Group service levels. Overall candidate satisfaction rating in internal surveys was recorded as 85% and the target in this respect was achieved. – Glassdoor rating of 4.1 means that the target was achieved. – The new CRM platform was successfully deployed in the Middle East region in the fourth quarter as a fully functional MVP. – Job board spend was reduced by 21%. The Remuneration Committee concluded that especially in light of Covid, the candidate performance metrics were considered to be a strong achievement. **Overall assessment: fully achieved**
CSR, environment and culture targets, including: Continuing improvement in line with new regulatory and sector developments, with delivery against a number of specific diversity initiatives, industry accreditation and environmental targets.	6% 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, however an external consultant initiative was delayed into 2022 due to ongoing Covid related pressures. – New environment targets were set in the year and the Group is tracking ahead of the established targets. – The Group was recognised as a leading recruitment and employer brand at both recruitment and wider industry events across the globe. The Remuneration Committee in its evaluation decided that many of the objectives were met. In other areas, there had been progression but there remained work to do. **Overall assessment: partially achieved/above target**
Overall assessment	18.5% out of 25%	The overall direction and consequential positioning of the business entering 2022 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 18.5% out of 25% maximum is considered an appropriate outcome.

It was therefore determined that 74% of the maximum was payable under this element to Robert Walters and Alan Bannatyne, representing 18.5% of the maximum bonus and 27.8% of salary, with the outcome the same for both Executive Directors as the objectives were considered as team objectives.

Consequently, total bonus of 93.5% of the maximum was awarded to Robert Walters and Alan Bannatyne, representing 140.3% of salary (2020: 0% of salary). One third of the earned bonus for 2021 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 85 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.

Report of the Remuneration Committee continued

	2021 Annual bonus £'000s	2021 Cash payment – two thirds £'000s	2021 Deferred payment – one third £'000s	2020 Annual bonus £'000s	2020 Cash payment – two thirds £'000s	2020 Deferred payment – one third £'000s[1]
R C Walters	**913**	**609**	**304**	0	0	0
A R Bannatyne	**557**	**371**	**186**	0	0	0

1. The remaining 50% of the deferred shares awarded in 2019 have vested at the end of 2021.

Over the last five years, the average total bonus pay-out has been 60.9% 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 85 shows the total vested value of shares granted under the Performance Share Plan (PSP) which are detailed below:

Performance Share Plan (PSP)
The 2021 value represents an estimate of the value of the PSP share awards that were granted in March 2019. PSP awards granted in March 2019 are scheduled to vest in March 2022 subject to the achievement of stretching performance conditions over the three-year period ending on 31 December 2021 and continued employment until vesting. Details of the performance levels achieved over this three-year period are set out below:

Performance measure	Weighting	Performance required for minimum vesting (i.e. 33% of award)	Performance required for maximum vesting (i.e. 100% of award)	Actual performance	% of vesting achieved
Compound annual increase in EPS compared to the increase in RPI over three years.	50%	The Group's annualised EPS growth rate to exceed the UK retail price index by at least an annual compound growth of 8%.	The Group's annualised EPS growth rate to exceed the UK retail price index by at least an annual compound growth of 14%.	The Group's annualised compound EPS growth was negative 2.8% and below the threshold of the performance range.	0.0%
Relative TSR measured against the FTSE Small Cap Index over three years.	50%	Relative TSR of the Group matches the median relative TSR performance of the FTSE Small Cap Index.	Relative TSR of the Group exceeds the median relative TSR performance of the FTSE Small Cap Index by at least an annual compound growth of 12.5%.	TSR over the three-year period ended 31 December 2021 was 44.8% compared to a median TSR of the FTSE Small Cap Index of 35.0%. Therefore, performance was between threshold and maximum.	47.2%
Total to vest in March 2022					**23.6%**

The table below details the awards granted in March 2019, 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 2021.

	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	207,788	542	1,126	858	23.6%	49,038	122	387
A R Bannatyne	126,872	542	688	524	23.6%	29,942	74	237

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 2021 of 790p per share. The value of the award may differ as it is dependent on the share price on the vesting date.

The Remuneration Committee has powers to exercise discretion in relation to the vesting of shares under the PSP. The vesting of share awards is subject to the Remuneration Committee being satisfied that there has been a genuine improvement in the underlying performance of the business. No discretion to enhance or reduce remuneration was exercised in the year. The performance conditions for all outstanding awards under the PSP can be found on the next page.

Long-term incentives awarded in 2021 (audited)

Performance Share Plan (PSP)

On 2 March 2021, 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	217,404	531	1,154	1,200	25%
A R Bannatyne	132,738	531	705	733	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 2021 awards, the first year target was set at 17.8p given the market conditions at the time. Years two and three targets are then based on a fixed rate of growth in earnings per share of UK RPI + 8%. The three-year threshold 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 2021	Options granted during the year	Options exercised during the year	Options lapsed during the year	Options at 31 December 2021[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	-	-	Mar 2017 – Mar 2024
SAYE Options	5,521	-	-	-	5,521	326	-	-	Sep 2023 – Mar 2024
	305,521	**-**	**-**	**-**	**305,521**				
A R Bannatyne									
Executive Options	200,000	-	190,000	-	10,000	211	660	449	Mar 2016 – Mar 2023
Executive Options	200,000	-	-	-	200,000	353	-		Mar 2017 – Mar 2024
SAYE Options	5,521	-	-	-	5,521	326	-		Sep 2023 – Mar 2024
	405,521	**-**	**190,000**	**-**	**215,521**				
	711,042	**-**	**190,000**	**-**	**521,042**				

1. In total there are 510,000 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 2021 was 770p per share (2020: 473p per share) and the range during the year was 460p to 850p per share.

Report of the Remuneration Committee continued

Performance Share Plan (PSP) (audited)

There are currently 138 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 2021	Share price on date of award (p)[1]	Exercise date
R C Walters							
	March 2018	172,055	–	(172,055)	–	636	March 2021
	March 2019	207,798	–	–	207,798	542	March 2022
	March 2020	194,346	–	–	194,346	594	March 2023
	March 2021	217,404	–	–	217,404	531	March 2024
		791,603	**–**	**(172,055)**	**619,548**		
A R Bannatyne							
	March 2018	105,054	–	(105,054)	–	636	March 2021
	March 2019	126,872	–	–	126,872	542	March 2022
	March 2020	118,659	–	–	118,659	594	March 2023
	March 2021	132,738	–	–	132,738	531	March 2024
		483,323	**–**	**(105,054)**	**378,269**		

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 2022 the Company had outstanding options representing 4.9% 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 89 and 90 and in note 19 to the accounts.

Directors' interests in shares (audited)

The Directors who held office at 31 December 2021 had the following interests in the ordinary shares of the Company:

	31 December 2021 Number	31 December 2020 Number
R C Walters	**2,235,963**	2,644,301
A R Bannatyne	**699,283**	689,106
R Mobed	**12,000**	12,000
B McArthur-Muscroft	**7,140**	7,140
S Cooper	**6,000**	6,000
T Dodge	**6,000**	6,000
M Ashley	**–**	–

There has been no change to the interest of the Directors between 31 December 2021 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 shares that are beneficially owned by the Executive Directors and connected persons count towards the share ownership policy. For the avoidance of doubt, Directors are not permitted to take forward options or in any way securitise or hedge their holdings of Robert Walters plc shares. The Executive Directors are also required to retain shares to the value of 200% of salary for two years post-cessation as a Director.

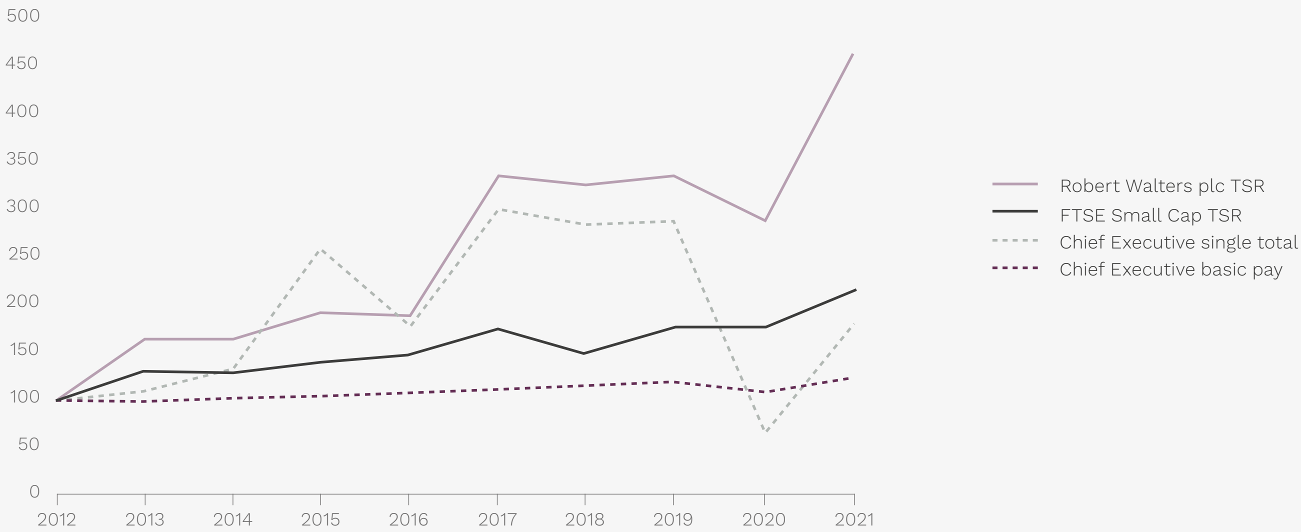
The percentage and value of the shareholdings of the Executive Directors, based on the share price at 31 December 2021 and expressed as a percentage of salary, are as follows:

Shares held	% of issued share capital	% of salary
R C Walters	2.77%	2,645%
A R Bannatyne	0.87%	1,355%

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 2012. 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 ten 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 2012.

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
2021	2,141	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
2012	1,168	0%	71%	2009 – 2012
Total average		**68%**	**58%**	

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 85.
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

Report of the Remuneration Committee continued

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 2021 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 85. The Group employee pay is calculated using the movement of the average remuneration (per head) for all Group employees.

Year-on-year change in pay for Directors compared to all employees

	2021				2020			
	Base salary/ fee (without voluntary salary reduction in 2020)	Base salary/ fee (voluntary salary reductions results in year-on-year increase)	Other benefits including pension	Bonus	Base salary/ fee (without voluntary salary reduction in 2020)	Base salary/ fee (voluntary salary reductions results in year-on-year increase)	Other benefits including pension	Bonus
R C Walters	**1.5%**	**12.8%**	**1.1%**	**100.0%**	2.5%	(7.7%)	1.7%	(100.0%)
A R Bannatyne	**1.5%**	**12.8%**	**1.1%**	**100.0%**	2.5%	(7.7%)	1.9%	(100.0%)
B McArthur-Muscroft	**0.0%**	**5.3%**	**n/a**	**n/a**	2.5%	(2.6%)	n/a	n/a
S Cooper	**0.0%**	**5.3%**	**n/a**	**n/a**	2.5%	(2.6%)	n/a	n/a
T Dodge	**0.0%**	**5.3%**	**n/a**	**n/a**	2.5%	(2.6%)	n/a	n/a
R Mobed[1]	**n/a**	**n/a**	**n/a**	**n/a**	n/a	n/a	n/a	n/a
M Ashley[2]	**n/a**	**n/a**	**n/a**	**n/a**	n/a	n/a	n/a	n/a
C Hui[3]	**n/a**	**n/a**	**n/a**	**n/a**	2.5%	(2.6%)	n/a	n/a
All employees	**7.2%**	**14.6%**	**0.0%**	**100.9%**	4.8%	0.4%	(4.5%)	(31.3%)

1. R Mobed joined the Board on 1 December 2020.
2. M Ashley joined the Board on 23 December 2021.
3. C Hui stepped down from the Board on 31 December 2020.

Chief Executive's pay ratio to the UK workforce

The Group has disclosed the Executive pay ratios, showing the relationship between the Company's Chief Executive's pay, and the pay of the UK-based workforce. Accordingly, the table below shows the ratio of the Chief Executive's single figure total 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
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.

£'000s	Lower quartile	Median	Upper quartile
2021 salary	26.1	35.2	64.1
2021 total pay and benefits	31.4	54.6	81.9

The ratio of the Chief Executive's pay to the median level of pay across the Group has changed largely because of the increase in variable pay for the Chief Executive this year, as a result of the 265% increase in operating profit. 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.

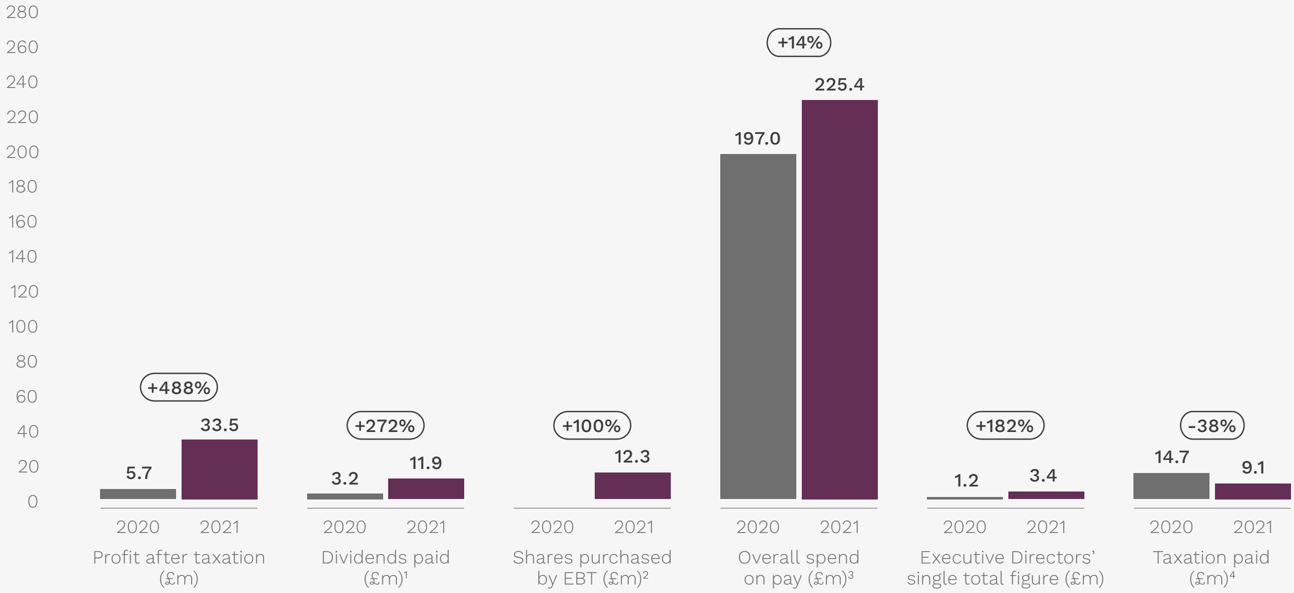
The Group has chosen to calculate the ratios in accordance with Option A methodology laid out in the remuneration regulations as the lower quartile, median and upper quartile employees could be identified based on full-time equivalent pay data as at 31 December 2021 and the Group felt that this was the 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 2020 and 2021. 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



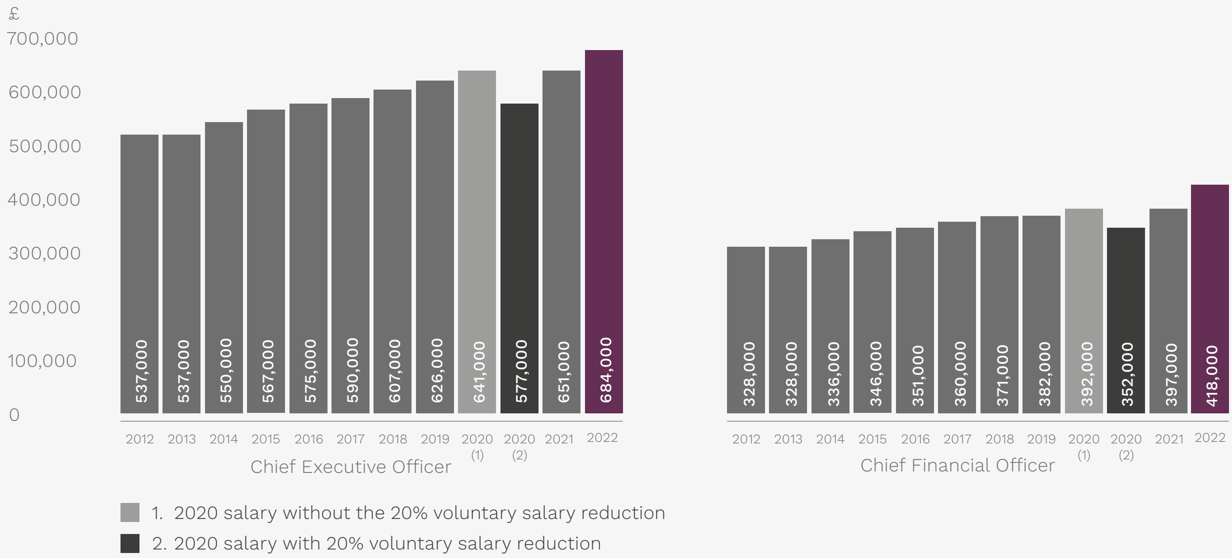
Notes to the illustrative graph:
1. The total dividend paid during the year ended 31 December 2021 was £11.9m based on a final dividend of £8.0m paid on 4 June 2021, and an interim dividend of £3.9m paid on 1 October 2021. Further details on dividends are given in note 6.
2. The shares purchased by the EBT represent the total amount spent by the EBT on shares during the year ended 31 December 2021. No shares were purchased by the EBT in 2020.
3. Overall spend on pay includes wages and salaries, social security costs, pension costs and share-based payments for all employees including Directors. Further details of the total remuneration of the Group are given in note 4.
4. Taxation paid during the year represents the corporation taxation paid for the Group during the year ended 31 December 2021.

Report of the Remuneration Committee continued

The implementation of our Directors' remuneration policy in 2022
The Group's policy on Executive Directors' remuneration and implementation for the year ended 31 December 2022 will be as follows:

(a) Executive Directors
(i) Base salary
For 2022, the average salary increases for employees across the Group other than Executive Directors is expected to be approximately 4.7% 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 3.5%. The graph below sets out the base salaries of the Executive Directors going back to 2012.

Base salaries of the Executive Directors



Other benefits
No changes will be made to benefits in 2022.

(i) Annual bonus
For 2022, 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 include objectives covering a range of key areas such as strategic development, clients, locations, the Group's people, internal systems and Corporate Social Responsibility. 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.

The Remuneration Committee has decided that the disclosure of the profit before taxation performance standards or targets set for 2022 is commercially sensitive and this will be disclosed retrospectively in next year's Report of the Remuneration Committee.

(ii) Performance Share Plan (PSP)
For 2022, it is envisaged that each Executive Director will receive awards under the PSP to the value on grant of 180% of base salary.

The performance period is the three-year period ending 31 December 2024. The performance conditions and weightings for these PSP awards are set out as follows:

Performance condition over a three-year period to 31 December 2024	Weighting	% of award vesting at threshold
Total shareholder return (TSR) relative to the FTSE Small Cap Index	50%	12.5%
Earnings per share (EPS) growth	50%	12.5%
Total	**100%**	**25.0%**

In relation to the PSP performance conditions, 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 2022 the first year target is 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 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 relative TSR performance condition, no vesting will occur unless performance at least matches the performance of the FTSE Small Cap Index and full vesting occurs when TSR exceeds the FTSE Small Cap Index by annual compound growth of 12.5%. The Remuneration Committee believes that this is broadly equivalent to upper quartile performance.

(iii) Pensions

Pension contributions or cash in lieu of pension as a percentage of base salary have been aligned with the wider workforce and reduced from 20% to 5% of salary, effective from 1 January 2022. 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 2022, 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:

	2022	2021
	Total fees[1] £'000	Total fees[1] £'000
R Mobed	131	127
B McArthur-Muscroft	81	78
T Dodge	75	73
S Cooper	65	62
M Ashley	65	2
	417	342

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

The Remuneration Committee

The Remuneration Committee comprises Tanith Dodge (Chair), Brian McArthur-Muscroft and Steven Cooper, 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 £27,500. The fees are charged on a time and expenses basis.

Report of the Remuneration Committee continued

Remuneration for employees below the Board

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

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

Employee engagement

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

- Hosting breakfast sessions with a cross-section of employees (this was not possible in 2021 due to Covid);
- Office visits to improve dialogue with employees (this was not possible in 2021 due to Covid);
- Meeting with a sample of new hires and departing employees at exit interviews (these were done via Zoom in 2021);
- Reviewing internal benchmarking, including staff attrition rates and employee engagement surveys; and
- Chairing the Organisational Health Committee.

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 Equality, Diversity and Inclusion section on pages 42 to 46.

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 12 May 2021, shareholders approved the Directors' Remuneration Report for the year ended 31 December 2020. 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 (May 2021)	63,895,533	99.09	589,011	0.91	1,604

The Committee is grateful for the support of shareholders and that the actions taken following the votes against the 2019 Directors' Remuneration Report (in 2020) met the desire expressed by a number of shareholders for the Group for enhanced disclosure on the operation of the annual bonus plan and how the outcomes are determined. As a reminder, the Remuneration Committee Chair, prior to the 2020 Annual General Meeting and afterwards, has engaged with several shareholders who were focusing on the disclosure of the Key Performance Indicators (KPIs) relating to the annual bonus criteria. It is clear that many wanted greater visibility of the achievement levels against KPIs. The Remuneration Committee will continue to improve the transparency of KPIs, while at the same time, taking into account the Board's concerns about commercial sensitivity. The Remuneration Committee reviewed in detail and approved the KPIs of the Executive Directors in January 2022 and continue to believe that KPIs form an important part of a balanced approach to pay and performance management. The Board will continue discussions on an ongoing basis with shareholders to make sure that their views are fully understood.

Directors' remuneration policy

The second part of this report details the Group's remuneration policy (the policy) for Executive Directors, which was approved by the shareholders in a binding vote during the 2020 Annual General Meeting. The policy took effect from the Annual General Meeting on 13 May 2020. The full policy approved by shareholders can be found in the 2019 Annual Report. There are no proposed changes to the current policy for 2022 and therefore we do not propose to table a resolution seeking approval of the policy at the next Annual General Meeting.

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

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.

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

Directors' remuneration policy

The table below summarises the Directors' remuneration policy which was approved by shareholders at the Annual General Meeting on 13 May 2020. A copy of the full policy can be found in the 2019 Annual Report and can be accessed at www.robertwaltersgroup.com/AR2019

Executive Directors

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	Annual increases will not exceed 7.5% + RPI, 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 or promotion). In these cases, any exceptional increase will not exceed 20% a year.
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.

Report of the Remuneration Committee continued

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 worth up to 20% of base salary. Executive Directors are entitled to take all or part of their pension contributions as a cash allowance.
Maximum potential	20% of salary for current Executive Directors, which will be aligned to that available to the wider workforce at the end of 2021. For any new Executive Director the pension contribution will be aligned with that payable to the wider workforce.
Performance conditions and assessment	n/a

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.
Maximum potential	Maximum benefit costs will not exceed a value of £72,500 a year, indexed to inflation, 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. The Group will apply a clawback (i.e. recovery) provision in respect of any annual bonus deferral into shares in the event of material restatement of previously published financial statements within 18 months of the financial year-end of the year in which the deferred shares were awarded. A malus provision will operate in respect of any act or omission by the participant which, in the opinion of the Remuneration Committee, has amounted to gross misconduct.
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. The intended weighting of these measures is not less than 75% financial and no more than 25% on KPIs. 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. The Committee will not change the mix of measures or targets mid-year but does retain the right to apply its judgement when assessing formulaic outcomes in the case of a material misstatement of financial results or similar situation. The Committee will not exercise discretion to reward failure and will report on any exercise of discretion that changes the amount of remuneration paid in any year.

Report of the Remuneration Committee 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 three-year time horizon of these share awards also aligns leadership with the longer-term returns of the business and shareholder interests.
Operation	PSP awards are normally granted annually and vest after three years, dependent on the achievement of performance conditions over a three-year period. A two-year holding period will apply to the post-tax value of vested shares in respect of awards made from 2019 where Executive Directors have not met the share ownership guideline of two times salary. The Group will apply a clawback (i.e. recovery) provision in the event of material restatement of previously published financial statements within 18 months of the financial year end of the year in which the PSP shares were awarded. A malus provision will operate in respect of any act or omission by the participant which, in the opinion of the Remuneration Committee, has amounted to gross misconduct.
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. There will be no vesting for performance below threshold.
Performance conditions and assessment	Performance will be measured over a three-year period, subject to the following performance conditions: – 50% of the award will vest based on relative total shareholder return (TSR). This is currently measured relative to the FTSE Small Cap Index; and – 50% of the award will vest based on earnings per share (EPS) growth over the three-year period. The TSR and EPS components will operate independently. Vesting levels between threshold and maximum performance will be calculated on a straight-line basis.

Chair and Non-executive Directors

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

Element	Chair and Non-executive Directors
Link to strategic objectives	The Group seeks to pay fees which reflect the level of responsibility, the time commitment and experience of the Chair and Non-executive Directors and which are competitive with peer group fee levels. 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 a letter of appointment and not an employment contract. Their appointment is terminable by either party giving not fewer than three months' written notice at any time. No compensation is payable on early termination. 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 £250,000. The Articles were changed in 2021 and this limit was increased to £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 will not 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

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 a Non-executive Director of XPS Pensions Group plc and his 2021 fees were £75,000. None of the other Executive Directors currently hold Non-executive Director positions.

Contract of service/letter of appointment[1]	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	
B McArthur-Muscroft	1 May 2013
T Dodge	1 February 2017
S Cooper	8 October 2018
R Mobed	1 December 2020
M Ashley	23 December 2021

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 89 and 90 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 85 shows the fees payable to the Non-executive Directors.

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

Approval
This report was approved by the Board of Directors on 7 March 2022 and signed on its behalf by:

Tanith Dodge
Remuneration Committee Chair
7 March 2022

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
As required by the Code, the Directors confirm that they consider that the Annual Report, 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 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 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
7 March 2022

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 2021.

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 analysis for greenhouse gases and energy consumption is shown on page 56. 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 2021 are set out on pages 116 to 143 and the Company's audited financial statements are set out on pages 144 to 147. The Group's profit after taxation for the year ended 31 December 2021 was £33.5m (2020: £5.7m).

The Directors recommend a final dividend of 15.0p per ordinary share (2020: 11.0p) to be paid on 20 May 2022 to shareholders on the register on 22 April 2022, which together with the interim dividend of 5.4p paid on 1 October 2021 makes a total of 20.4p per share for the year (2020: 15.5p).

Post-balance sheet events

The Group purchased 363,723 shares at an average price of £7.50 for £2.7m in January 2022.

Directors

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

R Mobed[1]
R C Walters
A R Bannatyne
B McArthur-Muscroft[1]
S Cooper[1]
T Dodge[1]
M Ashley[1] (appointed to the Board on 23 December 2021)

1. Non-executive Directors.

Details of the Directors' service contracts are shown in the Report of the Remuneration Committee on page 102.

Details of share awards granted to Directors and the interests of the Directors in the ordinary shares of the Company are shown on page 90.

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.

Employees

The Group releases quarterly regional business update videos and financial results to employees via our Workplace from Meta platform. The Directors also hold managers' forums and conferences to discuss and consult on business priorities.

The Group continues to give full and fair consideration to applications for employment by disabled persons, bearing in mind their aptitudes and abilities. In the event of an employee becoming disabled while working for the Group, every effort will be made to ensure their continued employment and to provide retraining and career development where practicable and appropriate.

The Group also appointed a Global Head of Equality, Diversity and Inclusion. Starting in 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.

Climate Reporting

The Group's first TCFD statement can be found on page 54 and the Group's SECR disclosure can be found on page 56.

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 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 7 March 2022 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	12,059,353	15.74
Aberforth Partners	8,684,780	11.34
BlackRock Investment Mgt	7,864,109	10.26
Jupiter Asset Mgt	5,621,798	7.34
Robert Walters plc Employee Benefit Trust[1]	5,473,125	7.14
Aberdeen Standard Investments (Standard Life)	4,533,742	5.92
AEGON Asset Mgt	4,281,282	5.59
Canaccord Genuity Wealth Mgt	4,144,519	5.41
Invesco	2,389,351	3.12
Mr Robert Walters	2,235,963	2.77

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

There is no significant change to substantial shareholdings between 31 December 2021 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 2022 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 12 May 2021, 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.

Directors' Report continued

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 62 to 66.

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 2022 and the three-year period ending 31 December 2024 in addition to the ongoing impact of, and recovery from, the Covid 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 68% of the Group's net fee income, can be measured in weeks, whilst temporary recruitment and recruitment process outsourcing may be less affected.

The forecasts and cash flow projections being used to assess going concern and longer-term viability have been comprehensively stress-tested by using simulation techniques involving sensitivity analysis applying, in particular, projections of reduced net fee income of up to 20% from forecasts each year over a three-year period. In light of the Covid pandemic, 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 62 to 66, or a combination of those risks. The scenarios included but were not limited to significant reductions in revenue, losses of key clients, losses of key internal talent, reputation damage, technology disintermediation, increases in debtor days, 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 has delivered a record performance in 2021 with operating profit increasing 265% year-on-year to an all-time high of £54.1m, despite the backdrop of the ongoing pandemic and a significant number of our businesses around the world experiencing prolonged periods of full or partial lockdowns. The Group's pre-pandemic and ongoing investment in technology and innovation has enabled our people to continue to seamlessly provide a high quality of service to our candidates and clients despite the impact of Covid restrictions. Consultant productivity has increased by 20% year-on-year despite significant investment in headcount and there is no shortage of opportunities for further growth given the current strength of the global jobs market. Candidate shortages 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 most coming to an end in the first half of the year.

It should be noted that the Group has limited forward visibility and similarly to all organisations, it remains hard to predict the long term impact of Covid with the risk of new variants still prevalent. 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 2021 of £126.6m, a £60.0m four-year committed financing facility until March 2025 (£15.7m was drawn down as at 31 December 2021), 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 62 to 66. 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 7 March 2022 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 28 April 2022 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
7 March 2022

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 2021 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 2021, 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 – Notes to the Group accounts – Statement of 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.	– 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 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 three years, covering the years ending 31 December 2019 to 31 December 2021. 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, other than as noted below.

During the year, BDO Netherlands (BDO NL) were engaged to provide a grant claim service to a Dutch subsidiary of Robert Walters plc. This was a permitted service under paragraph 5.40 of the FRC Ethical Standard as the service involved reporting on government grants, which is on the permitted list of services (that are subject to the non-audit services fee cap). This permitted service was pre-approved by the Robert Walters plc Audit and Risk Committee.

It subsequently transpired that BDO NL provided an ancillary service that was related to the permitted service. However, the nature of that service was advice in respect of the Netherlands' equivalent of the government furlough scheme ('NOW scheme'). Whilst this advice was related to the reporting on the government grant, there is no separate provision on the permitted list for PIEs under Ethical Standard 5.40 which would allow the additional service.

The fees charged for the ancillary service were €1,486 with 8 hours in total spent, which is insignificant to the audit fee for the Robert Walters Group.

We have assessed the threats to independence as a result of the provision of these services and, in our opinion, we do not consider that our independence has been compromised as a result of the breach of the FRC's Ethical Standard.

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

Overview

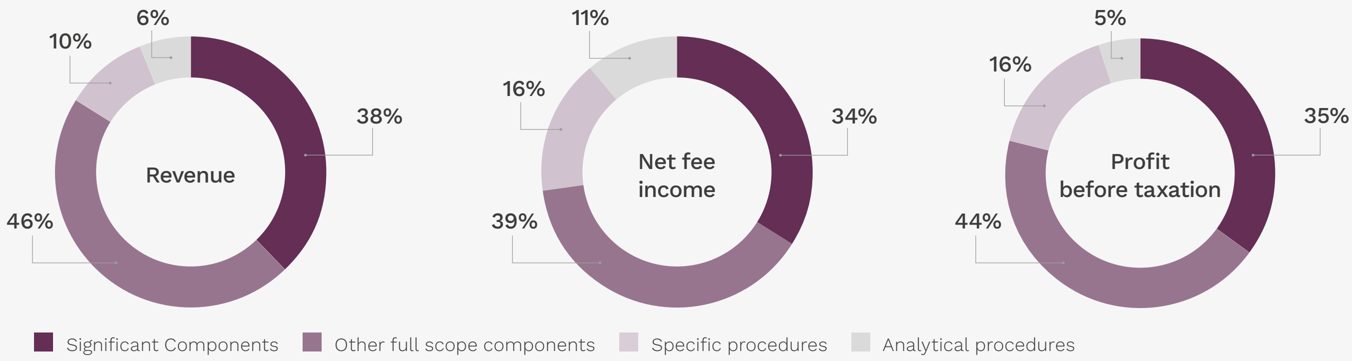
Audit coverage[1]	– 84% (2020: 83%) of Group revenue. – 73% (2020: 62%) of Group net fee income (NFI). – 79% (2020: 46%) of Group profit before taxation.		
Key audit matters	Revenue recognition for permanent and temporary placements	2021 ✓	2020 ✓
Materiality	– Group financial statements as a whole. – £2.40m (2020: £1.80m) based on 5.0% of profit before taxation (2020: 5.0% of three year average profit before taxation).		

1. These are areas which have been subject to a full scope audit by the group engagement team.

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 35% (2020: 26%) of the Group profit before taxation, 34% (2020: 35%) of the Group net fee income, and 38% (2020: 42%) 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 remote meetings with local management and the component auditor (BDO Japan) to challenge conclusions reached. – The audits of the remaining UK significant components were performed by the Group audit team.

Full scope audits	– Fifteen further components were subject to full scope audit procedures in addition to the four identified significant components above (nineteen in total).
	– These components contribute 44% (2020: 20%) of the Group profit before taxation, 39% (2020: 27%) of the Group net fee income, and 46% (2020: 20%) of the Group revenue.
	– Full scope audit procedures were performed on the following components:
	  – Walters People (France)
	  – Walters People Business Support (France)
	  – Robert Walters Holding SAS (France)
	  – Robert Walters Pty Ltd (Australia)
	  – Robert Walters Talent Consulting (Shanghai) Ltd
	  – Robert Walters China WOFE
	  – Resource Solutions (China)
	  – Robert Walters SA (Belgium)
	  – Walters People (Belgium)
	  – Robert Walters New Zealand Ltd
	  – Robert Walters BV (Holland)
	  – RWA Dutch BV
	  – Robert Walters Dubai Limited
	  – Resource Solutions Europe Limited
	  – Robert Walters Holdings Limited.
	– All testing was 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 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 16% (2020: 28%) of the Group profit before taxation, 16% (2020: 27%) of the Group net fee income, and 10% (2020: 20%) of the Group revenue.
	– These components included:
	  – Resource Solutions Inc (Delaware)
	  – Robert Walters Spain
	  – Robert Walters Luxembourg Investment SARL
	  – Robert Walters (Singapore) Pte Ltd
	  – Resource Solutions Consulting (Singapore) Pte Ltd
	  – Robert Walters Resource Solutions Sdn Bhd (Malaysia)
	  – Robert Walters Company Limited (Taiwan)
	  – Resource Solutions India Private Limited
	  – Robert Walters (Hong Kong) Limited
	  – Resource Solutions Consulting (Hong Kong) Limited
	  – Robert Walters Korea Limited
	  – Resource Solutions Korea

Our involvement with component auditors continued

The scope of our audit	
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.

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	Revenue recognition for permanent and temporary placements *(Accounting Policies (f) & Note 1)*
Description	– The significant risk in revenue recognition lies within the existence, accuracy and valuation of accrued and uncollected revenues, due to the high degree of judgement and scope for fraud/error as explained on page 125. There is also a risk that revenue that has not yet been invoiced, or has been invoiced but the cash not yet collected, does not exist. – For permanent placements, as detailed in the summary of significant accounting policies on page 121, revenue is recognised when a start date is confirmed and a candidate has accepted in writing. An Earned But Not Invoiced (EBNI) provision is held for candidates who accept but are expected to reverse their acceptance at a percentage of the accrued income balance based on historical experience. 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.
How the scope of our audit addressed the key audit matter	– The operating effectiveness of key controls in the revenue cycle have been tested in the significant components 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 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 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). – We assessed the recovery of uncollected revenues against post year-end cash collections, as well as assessing whether the expected credit loss (ECL) provisions were in-line with historical 'bad debt' experience, appropriately adjusted for expected default levels.
Key observations communicated to the Audit and Risk Committee	– We did not identify any material indication that revenue, that has not yet been invoiced or has been invoiced but not cash collected, does not exist and/or it 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. – Immaterial judgement differences were identified relating to both ECL and EBNI provisions, which management made certain adjustment for.

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	£2.4m (2020: £1.8m)	£2.2m (2020: £1.6m)
Basis	5.0% of profit before taxation (2020: 5.0% three year average profit before taxation)	2% of net assets (2020: 1.3%)
Rationale	Profit before taxation is considered to be the most appropriate benchmark based on market practice and investor expectations. A three year average was used in the prior year given the distortion to profits caused by the coronavirus pandemic. Such normalisation was not necessary in the current year.	Net assets is considered to be the most appropriate benchmark as the Parent Company does not trade.
Performance materiality	£1.7m (2020: £1.3m) based on 70% (2020: 70%) of materiality. Based on history of adjustments and an assessment of the aggregated error risk.	£1.5m (2020: £1.1m) based on 70% (2020: 70%) of materiality. Based on history of adjustments and an assessment of the aggregated error risk.

Further materiality measures applied in the conduct of the audit include:

	Measure	Application
Component materiality	£0.3m – £2.2m (90% of materiality) (2020: £0.5m – £1.6m)	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	£96,000 (2020: £72,000)	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 and Accounts, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Corporate governance statement

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

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

Going concern and longer-term viability	– The Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified is set out on page 106; 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 106.
Other Code provisions	– Directors' statement on fair, balanced and understandable is set out on page 103; – Board's confirmation that it has carried out a robust assessment of the emerging and principal risks is set out on page 67; – The section of the Annual Report and Accounts that describes the review of effectiveness of risk management and internal control systems is set out on page 62; and – The section describing the work of the Audit and Risk Committee is set out on page 77.

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 the light of the knowledge and understanding of the Group and Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Directors' report.
Report of the Remuneration Committee	In our opinion, the part of the Report of the Remuneration Committee 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 Report of the Remuneration Committee 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 understood how the Group is complying with those legal and regulatory frameworks by making enquiries of management and those responsible for legal and compliance 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 meeetings 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. 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 Company 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 substantive procedures 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. 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.

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

Mark Cardiff (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK
7 March 2022

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 2021

	Note	2021 £s millions	2020 £s millions
Revenue	1	**970.7**	938.4
Cost of sales		**(617.1)**	(636.0)
Gross profit (net fee income)		**353.6**	302.4
Administrative expenses		**(299.5)**	(287.6)
Operating profit		**54.1**	14.8
Finance income		**0.4**	1.0
Finance costs	2	**(3.0)**	(3.8)
(Loss) gain on foreign exchange		**(1.3)**	0.1
Profit before taxation	3	**50.2**	12.1
Taxation	5	**(16.7)**	(6.4)
Profit for the year		**33.5**	5.7
Attributable to:			
Owners of the Company		**33.5**	5.7
Earnings per share (pence):	7		
Basic		**46.3**	8.0
Diluted		**43.7**	7.5

The amounts above relate to continuing operations.

Consolidated Statement of Comprehensive Income

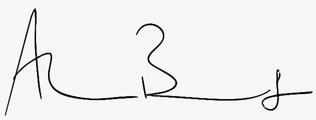
For the year ended 31 December 2021

	2021 £s millions	2020 £s millions
Profit for the year	**33.5**	5.7
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of overseas operations	**(7.4)**	3.4
Total comprehensive income and expense for the year	**26.1**	9.1
Attributable to :		
Owners of the Company	**26.1**	9.1

Consolidated Balance Sheet
As at 31 December 2021

	Note	2021 £s millions	2020 £s millions
Non-current assets			
Intangible assets	8	**24.7**	18.2
Property, plant and equipment	9	**9.0**	9.1
Right-of-use asset	10	**62.6**	59.5
Deferred tax assets	15	**11.2**	12.2
		107.5	99.0
Current assets			
Trade and other receivables	12	**190.4**	153.0
Corporation tax receivables		**6.1**	5.1
Cash and cash equivalents	17	**142.3**	155.5
		338.8	313.6
Total assets		**446.3**	412.6
Current liabilities			
Trade and other payables	13	**(173.5)**	(170.5)
Corporation tax liabilities		**(12.5)**	(5.5)
Bank overdrafts and borrowings	14	**(15.7)**	-
Lease liabilities	10	**(15.2)**	(15.7)
Provisions	16	**(1.3)**	(2.0)
		(218.2)	(193.7)
Net current assets		**120.6**	119.9
Non-current liabilities			
Lease liabilities	10	**(51.2)**	(48.1)
Deferred tax liabilities	15	**(0.2)**	(0.2)
Provisions	16	**(1.9)**	(1.3)
		(53.3)	(49.6)
Total liabilities		**(271.5)**	(243.3)
Net assets		**174.8**	169.3
Equity			
Share capital	18	**16.1**	16.0
Share premium		**22.6**	22.2
Other reserves	20	**(71.8)**	(71.8)
Own shares held	20	**(29.9)**	(18.1)
Treasury shares held	20	**(9.1)**	(9.1)
Foreign exchange reserves		**5.1**	12.5
Retained earnings		**241.8**	217.6
Equity attributable to owners of the Company		**174.8**	169.3

The accounts on pages 116 to 143 were approved and authorised for issue by the Board of Directors on 7 March 2022 and signed on its behalf by:



Alan Bannatyne
Chief Financial Officer

Consolidated Cash Flow Statement

For the year ended 31 December 2021

	Note	2021 £s millions	2020 £s millions
Operating profit		**54.1**	14.8
Adjustments for:			
Depreciation and amortisation charges		**21.0**	23.3
Impairment of intangible asset		**-**	0.6
Impairment of right-of-use asset (reversal)		**(1.1)**	1.3
Loss on disposal of property, plant and equipment and computer software		**0.3**	0.3
Charge in respect of share-based payment transactions		**2.3**	2.2
Unrealised foreign exchange (gain) loss		**(0.3)**	1.2
Operating cash flows before movements in working capital		**76.3**	43.7
(Increase) decrease in receivables		**(42.2)**	64.2
Increase in payables		**8.6**	5.7
Cash generated from operating activities		**42.7**	113.6
Income taxes paid		**(9.1)**	(14.7)
Net cash from operating activities		**33.6**	98.9
Investing activities			
Interest received		**0.4**	1.0
Investment in intangible assets		**(8.7)**	(7.4)
Purchases of property, plant and equipment		**(4.5)**	(2.5)
Net cash used in investing activities		**(12.8)**	(8.9)
Financing activities			
Equity dividends paid		**(11.9)**	(3.2)
Interest paid		**(0.8)**	(1.4)
Interest on lease liabilities	10	**(2.2)**	(2.4)
Principal paid on lease liabilities	10	**(16.4)**	(16.2)
Proceeds from financing facility	14	**41.8**	17.7
Repayment of financing facility		**(26.1)**	(44.3)
Purchase of own shares		**(12.3)**	-
Proceeds from exercise of share options		**0.2**	0.7
Proceeds from issue of equity		**0.5**	-
Net cash used in financing activities		**(27.2)**	(49.1)
Net (decrease) increase in cash and cash equivalents		**(6.4)**	40.9
Cash and cash equivalents at beginning of year		**155.5**	112.4
Effect of foreign exchange rate changes		**(6.8)**	2.2
Cash and cash equivalents at end of year		**142.3**	155.5

Consolidated Statement of Changes in Equity
For the year ended 31 December 2021

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 2020	16.0	22.2	(71.8)	(26.5)	(9.1)	9.1	220.7	160.6
Profit for the year	–	–	–	–	–	–	5.7	5.7
Foreign currency translation differences	–	–	–	–	–	3.4	–	3.4
Total comprehensive income and expense for the year	–	–	–	–	–	3.4	5.7	9.1
Dividends paid	–	–	–	–	–	–	(3.2)	(3.2)
Credit to equity for equity-settled share-based payments	–	–	–	–	–	–	2.2	2.2
Deferred tax on share-based payment transactions	–	–	–	–	–	–	(0.1)	(0.1)
Transfer to own shares held on exercise of equity incentives	–	–	–	7.7	–	–	(7.7)	–
New shares issued and own shares purchased	–	–	–	0.7	–	–	–	0.7
Balance at 31 December 2020	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
Deferred 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**

Statement of Accounting Policies
For the year ended 31 December 2021

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 2021 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 58, and within the Directors' Report on page 106.

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. 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 bad debt 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. The cash value of funds managed during 2021 was £0.9bn (2020: £1.2bn).

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 2021

(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 one-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 Statement of Comprehensive Income. 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 £3.7m (2020: £12.9m). Included in the profit for the year is £4.3m (2020: £8.7m) of global government support relating to the payroll of the Group's employees, and £nil (2020: £4.2m) 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 head count 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 2021

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:

IFRS 3 (amendments)	Definition of a business
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

Amendments to IFRS 3: Definition of a Business

In October 2018, the IASB issued amendments to the definition of a business in IFRS 3 Business Combinations to help entities determine whether an acquired set of activities and assets is a business or not. They clarify the minimum requirements for a business, remove the assessment of whether market participants are capable of replacing any missing elements, add guidance to help entities assess whether an acquired process is substantive, narrow the definitions of a business and of outputs, and introduce an optional fair value concentration test. New illustrative examples were provided along with the amendments. Since the amendments apply prospectively to transactions or other events that occur on or after the date of first application, the Group will not be affected by these amendments on the date of transition.

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 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: 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 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.

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 2021 is £2.4m (2020: £1.7m). 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 2021 is £3.7m (2020: £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 £9.3m (2020: £6.8m) is included as a liability for the year ended 31 December 2021. 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 2022 in relation to 2021 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 2021

1. Segmental information

	2021 £s millions	2020 £s millions
i) Revenue:		
Asia Pacific	**427.0**	373.6
UK	**297.6**	329.1
Europe	**216.1**	204.6
Other International	**30.0**	31.1
	970.7	938.4
ii) Gross profit (net fee income):		
Asia Pacific	**164.2**	124.1
UK	**68.7**	66.9
Europe	**95.3**	85.7
Other International	**25.4**	25.7
	353.6	302.4
iii) Operating profit and profit before taxation:		
Asia Pacific	**36.5**	8.4
UK	**3.3**	1.3
Europe	**13.7**	4.7
Other International	**0.6**	0.4
Operating profit	**54.1**	14.8
Net finance costs	**(3.9)**	(2.7)
Profit before taxation	**50.2**	12.1

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.

	2021 £s millions	2020 £s millions
iv) Revenue by business grouping:		
Robert Walters[1]	**700.0**	627.7
Resource Solutions (recruitment process outsourcing)	**270.7**	310.7
	970.7	938.4

1. Walters People is included within Robert Walters

2. Finance costs

	Note	2021 £s millions	2020 £s millions
Interest on financing facilities		**0.8**	1.4
Lease interest	10	**2.2**	2.4
Total borrowing costs		**3.0**	3.8

3. Profit before taxation

	2021 £s millions	2020 £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 subsidiarieis pursuant to legislation	**0.6**	0.6
Total audit fees	**0.7**	0.7
- Audit related assurance services	**0.1**	-
Total non-audit fees	**0.1**	-
Total fees	**0.8**	0.7
Depreciation and amortisation of assets – owned	**5.9**	6.6
Depreciation of right-of-use assets	**15.1**	16.7
Loss on disposal of property, plant and equipment and computer software	**0.3**	0.3
Impairment of intangible assets	**-**	0.6
Impairment of right-of-use assets (reversal)	**(1.1)**	1.3
Impairment of trade receivables (net)	**-**	1.2
Expense relating to short-term leases	**1.5**	1.1
Foreign exchange loss (gain)	**1.3**	(0.1)

4. Staff costs

	2021 Number	2020 Number
The average monthly number of employees of the Group (including Executive Directors) during the year was:		
Group employees	**3,270**	3,598

The Group's closing headcount at 31 December 2021 was 3,484 (2020: 3,147).

	2021 £s millions	2020 £s millions
Their aggregate remuneration comprised:		
Wages and salaries	**194.7**	168.8
Social security costs	**21.6**	19.0
Other pension costs	**6.8**	7.0
Cost of employee share options and awards	**2.3**	2.2
	225.4	197.0

The gain made on share options by the Directors during the year was £0.9m (2020: £nil). Full details of the Directors' remuneration are given in the Report of the Remuneration Committee on page 82.

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

Included in the profit for the year is £4.3m (2020: £8.7m) 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 2021

5. Taxation

	2021 £s millions	2020 £s millions
Current tax charge		
Corporation tax – UK	0.1	0.7
Corporation tax – Overseas	15.8	6.2
Adjustments in respect of prior years		
Corporation tax – UK	(0.8)	0.2
Corporation tax – Overseas	0.3	(0.2)
	15.4	6.9
Deferred tax		
Deferred tax – UK	0.7	(0.8)
Deferred tax – Overseas	(0.4)	(0.3)
Adjustments in respect of prior years		
Deferred tax – UK	0.4	0.3
Deferred tax – Overseas	0.6	0.3
	1.3	(0.5)
Total tax charge for year	16.7	6.4
Profit before taxation	50.2	12.1
Tax at standard UK corporation tax rate of 19% (2020: 19%)	9.5	2.3
Effects of:		
Unrelieved losses	1.2	1.0
Tax exempt income and other expenses not deductible	0.8	0.2
Other timing difference	(0.3)	0.5
Overseas earnings taxed at different rates	5.1	1.8
Adjustments to tax charges in previous years	0.5	0.6
Impact of tax rate change	(0.1)	-
Total tax charge for year	16.7	6.4

Tax recognised directly in equity		
Tax on share-based payment transactions	(0.6)	0.1

The tax charge is based on the expected annual effective tax rate of 33.3% (2020: 53.3%) 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

	2021 £s millions	2020 £s millions
Amounts recognised as distributions to equity holders in the year:		
Interim dividend paid of 5.4p per share (2020: 4.5p)	**3.9**	3.2
Final dividend for 2020 of 11.0p per share (2019: nil p)	**8.0**	–
	11.9	3.2
Proposed final dividend for 2021 of 15.0p per share (2020: 11.0p)	**10.7**	7.9

The proposed final dividend of £10.7m 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.

	2021 Number of shares	2020 Number of shares
Weighted average number of shares:		
Shares in issue throughout the year	**80,167,760**	80,121,475
Shares issued in the year	**310,858**	18,850
Treasury and own shares held	**(8,152,297)**	(8,507,237)
For basic earnings per share	**72,326,321**	71,633,088
Outstanding share options	**4,266,350**	4,034,123
For diluted earnings per share	**76,592,671**	75,667,211

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

	2021 £s millions	2020 £s millions
Profit for the year attributable to equity holders of the Parent	**33.5**	5.7

Earnings per share (pence):	2021	2020
Basic	**46.3**	8.0
Diluted	**43.7**	7.5

Notes to the Group Accounts continued
For the year ended 31 December 2021

8. Intangible assets

	Goodwill £s millions	Computer software £s millions	Assets under construction £s millions	Total £s millions
Cost:				
At 1 January 2020	8.0	12.3	2.2	22.5
Additions	–	1.9	5.5	7.4
Disposals	–	(5.1)	–	(5.1)
Transfers	–	2.2	(2.2)	–
Foreign currency translation differences	–	–	–	–
At 31 December 2020	**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**
Accumulated amortisation and impairment:				
At 1 January 2020	–	9.1	–	9.1
Charge for the year	–	1.8	–	1.8
Disposals	–	(4.9)	–	(4.9)
Impairment	–	0.6	–	0.6
Foreign currency translation differences	–	–	–	–
At 31 December 2020	**–**	**6.6**	**–**	**6.6**
Charge for the year	–	1.7	–	1.7
Disposals	–	(0.3)	–	(0.3)
Impairment	–	–	–	–
Foreign currency translation differences	–	0.1	–	0.1
At 31 December 2021	**–**	**8.1**	**–**	**8.1**
Carrying value:				
At 1 January 2020	8.0	3.2	2.2	13.4
At 31 December 2020	8.0	4.7	5.5	18.2
At 31 December 2021	**8.1**	**16.6**	**–**	**24.7**

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

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 Covid 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 7.5% (pre-tax rate of 10.7%), 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 4-5% 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.

Computer Software Impairment Review

An impairment test was completed in 2020 on the carrying amount of intangibles where impairment indicators were identified and following the test, an impairment loss of £0.6m was recognised, mainly in respect of an in-house custom built system. There is no movement in the impairment in 2021.

The recoverable amount of the intangible is based on value-in-use. The key assumptions in the value-in-use are those regarding expected changes to cash flow during the period and discount rates. Estimated cash flow forecasts are derived from expected fees generated by the in-house custom built system, any third party operating expenses and internal costs. The value of the cash flows is then discounted at a post-tax rate of 7.1% (pre-tax rate of 10.2%), based on the Group's estimated weighted average cost of capital.

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 2020	9.9	17.9	11.3	39.1
Additions	–	1.3	1.2	2.5
Disposals	(0.2)	(1.2)	(1.5)	(2.9)
Foreign currency translation differences	–	0.5	0.1	0.6
At 31 December 2020	**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**
Accumulated depreciation and impairment:				
At 1 January 2020	7.1	11.5	9.1	27.7
Charge for the year	0.9	2.0	1.9	4.8
Disposals	(0.2)	(1.1)	(1.5)	(2.8)
Foreign currency translation differences	–	0.4	0.1	0.5
At 31 December 2020	**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**
Carrying value:				
At 1 January 2020	2.8	6.4	2.2	11.4
At 31 December 2020	1.9	5.7	1.5	9.1
At 31 December 2021	**1.6**	**6.0**	**1.4**	**9.0**

Notes to the Group Accounts continued
For the year ended 31 December 2021

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 asset	Buildings £s millions	Equipment £s millions	Vehicles £s millions	Total £s millions
Cost:				
At 1 January 2020	84.7	0.2	3.6	88.5
Additions	5.3	–	–	5.3
Lease modifications	(3.2)	–	1.1	(2.1)
Foreign currency translation differences	0.9	0.4	0.6	1.9
At 31 December 2020	**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**
Accumulated depreciation and impairment:				
At 1 January 2020	14.5	–	1.1	15.6
Charge for the year	14.9	0.2	1.6	16.7
Impairment	1.3	–	–	1.3
Foreign currency translation differences	0.2	0.1	0.2	0.5
At 31 December 2020	**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**
Carrying value				
At 1 January 2020	70.2	0.2	2.5	72.9
At 31 December 2020	56.8	0.3	2.4	59.5
At 31 December 2021	**60.7**	**0.1**	**1.8**	**62.6**

Following the review of the recoverable amount of a number of subsidiaries where impairment indicators were identified, the impairment recognised in 2020 less any further depreciation for 2021, was reversed in the year due to an improvement in operations which were adversely impacted by the Covid pandemic in 2020. As a result an impairment reversal of £1.1m (2020: loss of £1.3m) was recognised.

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 managements expectations based on past experience.

The value of the cash flows is then discounted at a post-tax rate range of 7.1% and 7.5% (pre-tax rate range of 10.2% and 10.7%), 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 2-6% 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	2021 £s millions	2020 £s millions
Current	**(15.2)**	(15.7)
Non-current[1]	**(51.2)**	(48.1)
At 31 December	**(66.4)**	(63.8)

1. Of the Non-current liability £40.8m relates to liabilities between 2 and 5 years (2020: £37.5m).

Amounts recognised in Consolidated Income Statement

The statement of profit or loss shows the following amounts relating to leases:

	2021 £s millions	2020 £s millions
Depreciation charge of Right-of-use assets	**15.1**	16.7
Interest expense (included in finance cost)	**2.2**	2.4
Expense relating to short-term leases (included in administrative expenses)	**1.5**	1.1
Total charges in relation to leases	**18.8**	20.2

The total cash outflow for leases in 2021 was £18.6m (2020: £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 ten 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 10% 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 122.

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 2021

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	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 Germany 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 Japan KK	100%	Recruitment consultancy	Japan
Resource Solutions Japan KK	100%	HR outsourcing services	Japan
Robert Walters Luxembourg Investment SARL	100%	Investment	Luxembourg
Robert Walters (Luxembourg) Holdings Limited	100%	Recruitment consultancy	Luxembourg
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 (Pty) Ltd	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[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 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 2021

12. Trade and other receivables

	2021 £s millions	2020 £s millions
Receivables due within one year:		
Trade receivables	**116.1**	93.3
Other receivables	**7.9**	11.1
Prepayments	**6.2**	5.6
Accrued income	**60.2**	43.0
	190.4	153.0

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 2021 is £2,433,000 (31 December 2020: £1,658,000). The movement in the provision during the year is a charge to the income statement of £775,000 (2020: credit of £776,000). Contract assets are expected to convert into contract receivables within three months of recognition.

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

	2021 £s millions	2020 £s millions
Trade payables	**7.0**	7.2
Other taxation and social security	**23.7**	37.6
Other payables[1]	**27.4**	24.2
Accruals and deferred income	**115.4**	101.5
	173.5	170.5

1. Other payables includes amounts owing to employees, contractors 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

	2021 £s millions	2020 £s millions
Bank overdrafts and borrowings: current	**15.7**	–
	15.7	–
The borrowings are repayable as follows:		
Within one year	**15.7**	–
	15.7	–

In May 2021, the Group renewed its four-year committed financing facility of £60.0m which expires in March 2025.

At 31 December 2021, £15.7m (2020: £nil) was drawn down under this facility.

The Group has a short-term facility of Renminbi 25m (£2.9m) of which Renminbi nil (£nil) was drawn down as at 31 December 2021 (2020: £nil). The loan is 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 £15.7m (2020: £nil).

The Group has not entered into any reverse factoring arrangements during the year ended 31 December 2021 (2020: 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 2020	0.7	3.6	1.7	5.6	11.6
Charge to income	0.3	–	0.1	–	0.4
Credit to equity	–	–	(0.1)	–	(0.1)
Foreign currency translation differences	–	–	–	0.1	0.1
At 31 December 2020	**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**

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	**2021 £s millions**	2020 £s millions
Deferred tax assets	**11.2**	12.2
Deferred tax liabilities	**(0.2)**	(0.2)
	11.0	12.0

At 31 December 2021, no deferred tax liability is recognised on temporary differences of £23.5m (2020: £21.8m) relating to the unremitted earnings of overseas subsidiaries as the Group is able to control the timing and reversal of these temporary differences and it is probable that they will not reverse in the foreseeable future.

Where a reversal is foreseeable, deferred tax liabilities are provided for using the relevant tax rate applicable on distributed profits.

Deferred tax assets of £2.6m (2020: £3.6m) 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 £2.3m (2020: £3.3m) of which £1.3m (2020: £2.0m) have no time restriction over when they can be utilised, and the remaining £1.0m (2020: £1.3m) 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 2020	2.6
Additional provisions charged to income statement	1.7
Provision released	(0.6)
Utilisation of provisions	(0.5)
Foreign exchange movements	0.1
At 31 December 2020	**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**
Analysis of total provision:	
Current	1.3
Non-current	1.9
	3.2

The provisions comprise of dilapidation provisions.

The payment of non-current provision (£1.9m) is expected to occur between two and five years.

Notes to the Group Accounts continued

For the year ended 31 December 2021

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	2021 £s millions	2020 £s millions
Euros	**47.8**	46.7
Japanese Yen	**26.4**	20.6
Australian Dollars	**16.8**	13.6
Hong Kong Dollars[1]	**10.9**	13.1
Singapore Dollars	**5.9**	3.9
US Dollars	**5.8**	8.7
South Korean Won	**4.6**	2.7
Chinese Renminbi	**4.1**	2.9
Great British Pounds	**4.1**	23.3
New Zealand Dollars	**3.3**	5.9
Malaysian Ringgit	**2.6**	1.9
Thai Baht	**1.9**	2.2
Taiwan Dollar	**1.7**	1.3
Other	**6.4**	8.7
	142.3	155.5

1. Included in the Hong Kong Dollars cash balance is £nil (2020: £nil) of restricted cash held on deposit as security against the Chinese Renminbi bank loan. Further details of this loan are provided in note 14.

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 £126.6m 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 and trade and other receivables. 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. In light of the Covid pandemic, the Group has reassessed the credit-worthiness of its existing clients to assess any new risks arising from expected credit losses.

The Group's exposure and the credit ratings of its counterparties are regularly monitored. Credit exposure is controlled by counterparty limits that are reviewed and approved by management.

Trade receivables consist of a large number of customers, spread across industry sectors and geographical locations. In a number of territories in which the Group operates, particularly in the contract and interim businesses, invoices are contractually payable on demand. Ongoing credit evaluation is performed on the financial condition of accounts receivable and, if considered appropriate, credit guarantee insurance cover is purchased.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables and contract assets. To measure expected credit losses on a collective basis, trade receivables and contract assets are grouped based on similar credit risk and ageing. The contract assets have similar risk characteristics to the trade receivables for similar types of contracts.

The expected credit losses are estimated using a provision matrix and applying a probability of default. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions and the impact of Covid.

The expected loss rates are based on the Group's historical credit losses experienced over the one-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 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**

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
31 December 2020					
Expected loss rate	1.1%	4.2%	8.1%	30.0%	3.8%
Trade receivables (£'millions)	53.2	28.5	12.3	3.0	97.0
Bad debt provision (£'millions)	0.6	1.2	1.0	0.9	3.7

(vi) Financial liabilities

The Group financed its operations during the year through a mixture of retained earnings and also has a Renminbi loan, which was taken out in 2008, and a four-year committed Pounds Sterling sales financing facility, expiring in March 2025. The average effective interest rate for 2021 on the sales financing facility approximates to 1.70% 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 that 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 2021

18. Share capital

	2021 Number	2020 Number	2021 £s millions	2020 £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	**80,689,295**	80,167,760	**16.1**	16.0

The called-up share capital of the Company was increased on a number of occasions during the year following 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 2021 the following options had been granted and remained outstanding in respect of the Company's ordinary shares of 20p each under the Company's Executive Share Option Scheme and SAYE Option Scheme:

			Exercisable	
	Share options granted	Price granted (p)	From	To
Executive Options	50,000	211	March 2016	March 2023
Executive Options	560,000	353	March 2017	March 2024
Executive Options	54,500	339	February 2018	February 2025
Executive Options	115,000	299	March 2019	March 2026
Executive Options	214,000	400	March 2020	March 2027
SAYE	24,403	596	September 2021	March 2022
Executive Options	166,499	536	March 2022	March 2029
SAYE	132,149	409	September 2022	March 2023
Executive Options	156,550	552	March 2023	March 2030
SAYE	482,422	326	October 2023	March 2024
Executive Options	87,500	521	March 2024	March 2031
SAYE	62,218	541	October 2024	March 2025
	2,105,241			

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.

	2021		2020	
	Options	Weighted average exercise price (£)	Options	Weighted average exercise price (£)
At 1 January	**3,705,698**	**3.86**	**3,647,201**	**3.94**
Granted during the year	158,380	5.29	762,084	5.52
Forfeited during the year	(182,654)	4.00	(495,587)	4.47
Lapsed during the year	(224,999)	6.67	-	-
Exercised during the year	(1,351,184)	3.42	(208,000)	3.67
At 31 December	**2,105,241**	**3.93**	**3,705,698**	**3.86**

The fair value of share options granted during the year was £128,000 (2020: £142,000).

The weighted average share price at the date of exercise for share options exercised during the period was £3.42 (2020: £3.67). The options outstanding at 31 December 2021 had a weighted average remaining contractual life of four years (2020: four years) and a weighted value of £3.93 (2020: £3.86).

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 1,018,000 (2020: 2,389,000) options already exercisable at the end of the year, with a weighted exercise price of £3.55 (2020: £3.46).

The inputs into the stochastic model are as follows:

	Executive Share Options				SAYE options		
	2021	2020	2019	2018	**2021**	2020	2019
Weighted average share price	**£5.52**	£5.00	£5.96	£6.62	**£5.41**	£3.26	£4.09
Weighted average exercise price	**£5.21**	£5.52	£5.46	£6.67	**£5.41**	£3.26	£4.09
Expected volatility	**33.4%**	31.3%	29.9%	26.0%	**33.4%**	31.3%	29.9%
Expected life	**6**	6	6	6	**3.25**	3.25	3.25
Risk free rate	**0.4%**	0.2%	1.0%	1.2%	**0.4%**	0.2%	1.0%
Expected dividend yield	**2.8%**	3.0%	2.5%	1.8%	**2.8%**	3.0%	2.5%

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 2021 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.

	2021			2020		
	Share awards	Co-investment awards	Total	Share awards	Co-investment awards	Total
At 1 January	**3,088,421**	**675,079**	**3,763,500**	**3,724,030**	**717,509**	**4,441,539**
Granted during the year	1,239,188	159,534	1,398,722	1,163,201	277,075	1,440,276
Vested during the year	–	–	–	(1,437,351)	(217,311)	(1,654,662)
Lapsed during the year	(868,956)	(138,957)	(1,007,913)	(32,333)	(4,888)	(37,221)
Forfeited during the year	(138,345)	(41,401)	(179,746)	(329,126)	(97,306)	(426,432)
At 31 December	**3,320,308**	**654,255**	**3,974,563**	**3,088,421**	**675,079**	**3,763,500**

The fair value of share awards and co-investment awards granted during the year was £5,339,000 (2020: £4,742,000).

The awards outstanding at 31 December 2021 had a weighted average remaining contractual life of 14 months (2020: 15 months). No awards expired during the year (2020: none).

Notes to the Group Accounts continued
For the year ended 31 December 2021

19. Share options continued

The inputs into the stochastic model are as follows:

	2021	2020	2019	2018
Weighted average share price	**£5.52**	£5.00	£5.90	£6.62
Weighted average exercise price	**nil**	nil	nil	nil
Expected volatility	**37.4%**	34.5%	34.3%	32.0%
Expected life	**3**	3	3	3
Risk free rate	**0.1%**	0.2%	0.8%	0.8%
Expected dividend yield	**2.8%**	3.0%	2.5%	1.8%

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 £2,283,000 (2020: £2,185,000) during the year in respect of equity-settled share-based payment transactions and £nil (2020: £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 (2020: £83,379,000), offset by a capital reserve of £9,301,000 (2020: £9,301,000), a capital redemption reserve of £2,216,000 (2020: £2,216,000) and a capital contribution reserve of £44,000 (2020: £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 £47,400 (2020: £10,200) 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 2021 was 5,473,729 (2020: 3,888,040) and £42,147,500 (2020: £18,390,500). The number and market value of treasury shares held at 31 December 2021 was 4,074,000 (2020: 4,074,000) and £31,370,000 (2020: £19,270,000).

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 2020	**(26.6)**	**112.4**	**(75.5)**	**10.3**
Cash flows	26.6	40.9	18.6	86.1
Non cash flows:				
New leases	–	–	(5.3)	(5.3)
Interest	–	–	(2.4)	(2.4)
Foreign exchange adjustments	–	2.2	(1.3)	0.9
Other changes[1]	–	–	2.1	2.1
Net cash (debt) as at 1 January 2021	**–**	**155.5**	**(63.8)**	**91.7**
Cash flows	(14.9)	(6.4)	18.6	(3.5)
Non cash flows:				
New leases	–	–	(11.0)	(11.0)
Interest	(0.8)	–	(2.2)	(2.2)
Foreign exchange adjustments	–	(6.8)	(0.3)	(7.1)
Other changes[1]	–	–	(7.7)	(7.7)
Net cash (debt) as at 31 December 2021	**(15.7)**	**142.3**	**(66.4)**	**60.2**

1. The other changes for leases totalling £7.7m in 2021 (2020: £2.1m), 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 82 to 93.

During the year, there were no related party transactions included within administrative expenses (2020: £nil)

There were no outstanding balances at the 31 December 2021.

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.

Other than as disclosed in note 5, the Group has no other contingent liabilities as at 31 December 2021 (2020: £nil).

24. Subsequent events

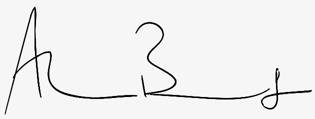
The Group has purchased 363,723 shares at an average price of £7.50 for £2.7m in January 2022 through the Employee Benefit Trust (EBT).

Company Balance Sheet
As at 31 December 2021

	Notes	2021 £s millions	2020 £s millions
Non-current assets			
Investments	27	**229.8**	227.8
Current assets			
Trade and other receivables	28	**40.4**	39.7
Cash and cash equivalents		**-**	-
Total assets		**270.2**	267.5
Current liabilities			
Trade and other payables	29	**(148.8)**	(155.0)
Net current liabilities		**(108.4)**	(115.3)
Net assets		**121.4**	112.5
Equity			
Share capital	30	**16.1**	16.0
Share premium		**22.6**	22.2
Capital redemption reserve		**2.2**	2.2
Own shares held	20	**(29.9)**	(18.1)
Treasury shares held	20	**(9.1)**	(9.1)
Retained earnings		**119.5**	99.3
Shareholders' funds		**121.4**	112.5

Robert Walters plc reported a profit for the year of £30.1m (2020: £nil).

The accounts of Robert Walters plc, Company Number 3956083, on pages 144 to 147 were approved by the Board of Directors on 7 March 2022 and signed on its behalf by:



Alan Bannatyne
Chief Financial Officer

Company Statement of Changes in Equity

For the year ended 31 December 2021

Group	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 2020	16.0	22.2	2.2	(26.5)	(9.1)	108.0	112.8
Profit for the year	–	–	–	–	–	–	–
Foreign currency translation differences	–	–	–	–	–	–	–
Total comprehensive income and expense for the year	–	–	–	–	–	–	–
Dividends paid	–	–	–	–	–	(3.2)	(3.2)
Credit to equity for equity-settled share-based payments	–	–	–	–	–	2.2	2.2
Transfer to own shares held on exercise of equity incentives	–	–	–	7.7	–	(7.7)	–
New shares issued and own shares purchased	–	–	–	0.7	–	–	0.7
Balance at 31 December 2020	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**

Notes to the Company Accounts
For the year ended 31 December 2021

25. 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 120 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.

26. 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.

£26.5m (2020: £20.3m) 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.

27. Fixed asset investments

	Total £s millions
At 1 January 2021	227.8
Increase in the year due to equity incentive schemes	2.0
At 31 December 2021	**229.8**

There were no indicators to suggest an impairment review was required, as such there was no provision for impairment (2020: £nil).

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

28. Trade and other receivables

	2021 £s millions	2020 £s millions
Amounts due from subsidiaries	**40.4**	39.7
	40.4	39.7

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

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

	2021 £s millions	2020 £s millions
Amounts due to subsidiaries	**148.8**	155.0
	148.8	155.0

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

30. Share capital

	2021 Number	2020 Number	**2021 £s millions**	2020 £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	**80,689,295**	80,167,760	**16.1**	16.0

31. Commitments

The Company has no lease commitments (2020: £nil).

There are no capital commitments for the Company (2020: £nil).

32. Related party transactions

There are no disclosable related party transactions in the year to 31 December 2021 (2020: £nil) other than as disclosed in the Report of the Remuneration Committee and notes 28 and 29.

33. Contingent liabilities

The Company has no other contingent liabilities than those disclosed in note 23 as at 31 December 2021 (2020: £nil).

34. Subsequent events

The Group has purchased 363,723 shares at an average price of £7.50 for £2.7m in January 2022 through the Employee Benefit Trust (EBT).

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