



2019/20

UN Global  
Compact  
Communication  
on Progress  
Report



This is our Communication on Progress in implementing the Ten Principles of the United Nations Global Compact and supporting broader UN goals. This is the first year where we are publishing a more comprehensive report on our corporate responsibility strategy and initiatives and our corporate sustainability programme, and we are pleased at the progress we have made during this period. This report covers data and progress from our 2020 fiscal year (FY20) which ran from 1 October 2019 to 30 September 2020 and includes content from our global operations. In November 2020 the Group acquired SDL Plc ("SDL") and where we feel it will aid understanding we will refer to the new enlarged Group. We plan to continue reporting annually.

## Sustainable Development Goals (SDGs)

In this report we have used the SDG icons to indicate which SDGs are relevant to RWS.

# SUSTAINABLE DEVELOPMENT GOALS





# Contents

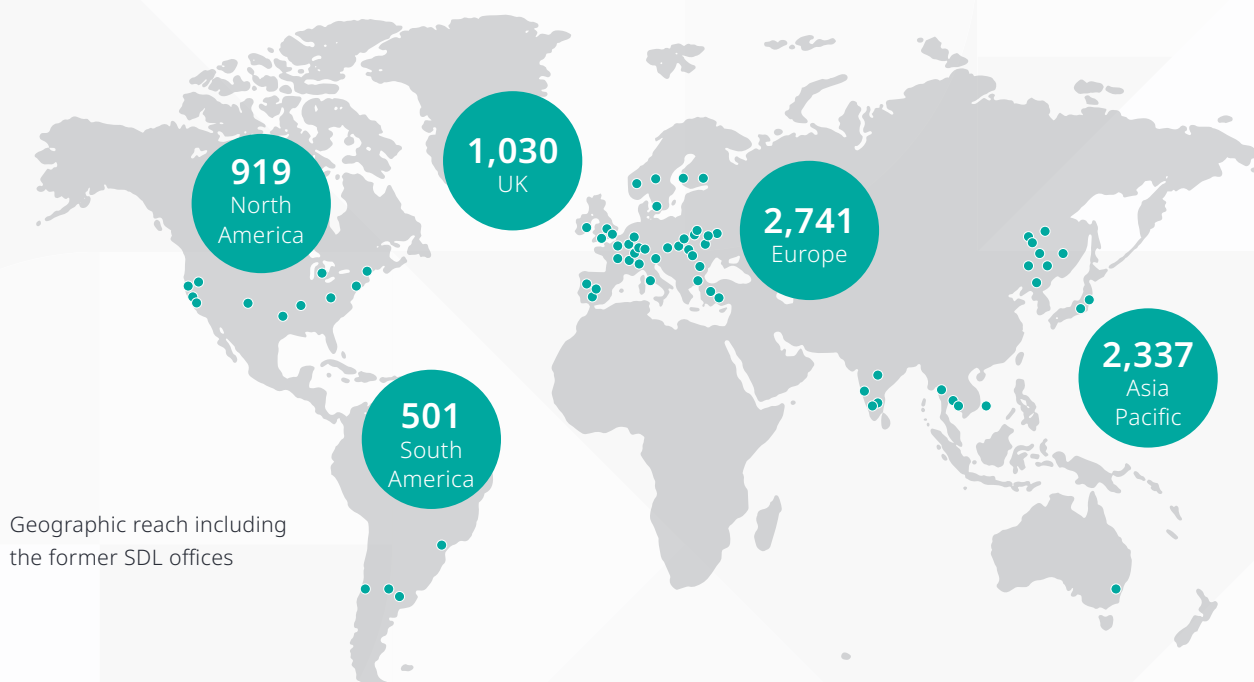
- Introduction .....4
- CEO's Statement of Support for the UNGC.....5
- Covid-19 impact and response .....6
- Our business.....7
- Our approach to corporate responsibility.....8
- Four pillars.....11
  - Environment.....15
  - People .....20
  - Community.....29
  - Governance .....31
    - Clients .....35
    - Suppliers.....38
- Frameworks.....41

## Introduction

RWS is a business services company. We are the world's leading provider of technology-enabled language, content management and intellectual property services. With over 60 years of specialist experience, we help our clients to connect with and bring new ideas to people globally, by communicating business critical content at scale and enabling the protection and realisation of their innovations.

As a responsible organisation we ensure that our operations adhere to multiple highly regarded international standards such as ISO 9001, ISO 13845, ISO 14001, ISO 17100, and ISO 27001.

Our specialist teams combine the latest technology, proven processes and highly skilled employees to deliver complex services at each stage of the product life cycle to meet the diverse needs of a global, blue-chip client base.



RWS is headquartered in the UK and publicly listed on AIM, the London Stock Exchange regulated market (RWS.L).

Following the acquisition of SDL, we now have over 7,500 employees and operate from over 80 business offices spread across 40 different countries, thus ensuring that our services are available across the globe.

Sustainability and managing climate change remain at the heart of our business. We work with 90 of the top 100 global brands, the top 10 pharmaceutical companies and 18 of the top 20 patent filers worldwide. We recognise that any carbon emissions and environmental improvements we make will also indirectly benefit clients, local communities, and society as a whole.

## Statement of Support for the UNGC from Richard Thompson, RWS's CEO

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I am pleased to confirm that RWS reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

In this report, our first Communication on Progress, we describe our actions to improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to sharing this information with our stakeholders using our primary channels of communication.

Yours faithfully

**Richard Thompson**  
Chief Executive Officer  
30 June 2021



## Covid-19 impact and response

Due to the impact of Covid-19, 2020 has been a truly challenging year for many people around the globe.

RWS's number one priority has always been the safety and well-being of its employees. This has been particularly important in 2020 as the entire organisation pivoted to a "work from home" operational environment rapidly and efficiently. All RWS employees are to be congratulated and thanked for the amazing manner in which they achieved this.

Of course, working from home is not for everyone as it can create different stresses which impact upon mental health. As a result, we have increased our efforts to ensure the well-being of our teams, through:



Enhanced communications via virtual coffee mornings, emails, and virtual town hall meetings



An enlarged and enhanced Group intranet with special sections dedicated to supporting employees working from home



Special events, such as "Well-being week", that provide a range of activities for employees ranging from mental health to nutrition and exercise

As a number of national governments around the world are beginning to ease Covid-19 lockdowns, RWS has planned a controlled and phased return to our office workspaces. The health, safety and well-being of RWS's employees is of paramount importance to the company. Our return to office programme will not be rushed; there are many preparatory actions to complete before our workspaces and workforce are ready to return, and we have no predefined timelines to reopen our offices. The circumstances of each of RWS's operational offices will be considered in the context of guidance and regulations of the local government and health authority. Where possible, RWS will introduce flexible working opportunities which can benefit our employees and their families, supporting a better lifestyle and work/life balance.





## Our business (FY20 - excl. SDL)

**Employees:** 3,095

**Countries:** 15

**Continents:** five continents - Asia, North America, South America, Europe, Australia

**Clients:** approximately 3,000

**Market segments:** our teams combine the latest technology and proven processes with their highly skilled technical knowledge and expertise to deliver complex language services to meet the diverse needs of a global, blue-chip client base.

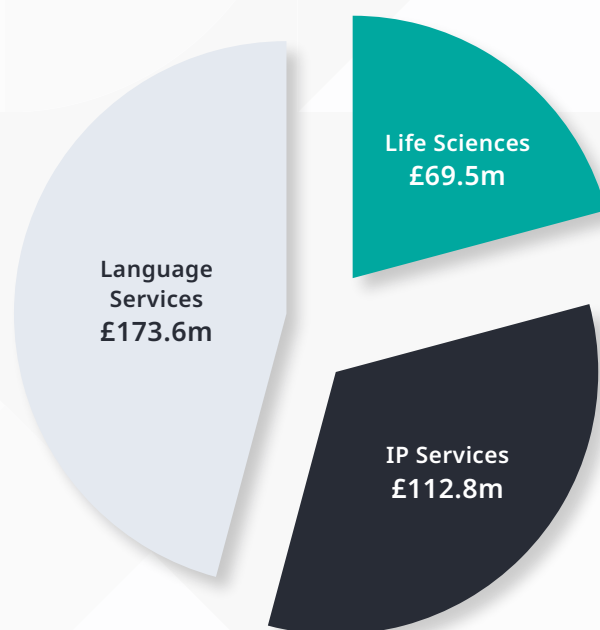
During FY20 RWS operated in the following market segments:

- **IP Services** - deliver high-quality patent translations, seamless patent filing and unmatched IP research capability. Our clients benefit from expert and experienced translators supported by innovative language technology which lowers costs and increases consistency. We offer the most robust intellectual property research services and tools available, including both traditional and crowd-based patent search. There was a 5.2% increase in worldwide patent applications filed under the Patent Cooperation Treaty (PCT) in 2019 (Source: Patent Cooperation Treaty Yearly Review 2020).
- **Life Sciences** - provide a full suite of language services and solutions for the world's leading pharmaceutical, medical device and clinical research organisations. This includes language solutions throughout the entire product life cycle, including translation of clinical content, the linguistic validation of Clinical Outcomes Assessments (COAs), regulatory affairs and labelling, product marketing, manufacturing, product safety and training programmes. Global health care spending is projected to reach US\$10 trillion by 2022, worldwide prescription drug sales to increase at an average of 7.25% year on year from 2021-2024 and the global medical device market to reach US\$425.5 billion by 2025. (Source: Deloitte, 2020 Global Life Sciences Outlook).

- **Language Services** - work primarily with global technology companies providing them with high-quality, localised products worldwide. The ability to maintain quality at scale is a key differentiator for RWS in this marketplace. Our holistic approach to localisation ensures that even the most complex products and content are translated and localised globally at scale. The global language services market is estimated to reach US\$57 billion in 2020 (6.2% CAGR) (Source: The Nimdzi 100, 2020).

**Revenue:** £355.8m

**Adjusted operating profit:** £70.2m



Note: figures are rounded to 0.1 of a million

## Our approach to corporate responsibility and sustainability

### Chairman's statement

We are strongly committed to upholding the principles of good corporate governance and are accountable to all the Group's stakeholders including shareholders, employees, clients, suppliers, and our local communities. We believe that to be a leading company we need to behave responsibly, and that good corporate governance, which includes environmental and social issues, is important for the long-term success of the business.

Our core values, which are explained further below, are championed by the Group's Executive Directors and monitored by the RWS Holdings plc Board ("Board") and are aligned with good corporate governance to allow for the continued international expansion and growth of the business, whilst enhancing the interests of all of the Group's stakeholders. The Board understands that upholding good corporate governance is a significant factor in achieving growth and mitigates future risks of the business.

We believe that success should be pursued without detriment to others or our environment. We are committed to generating prosperity for our shareholders and employees, the clients we serve, the suppliers we engage and the communities in which we operate.

Our thinking on corporate governance is informed by internal and external engagement, including stakeholder consultation, which helps define our objectives, provides insight into risks and opportunities, and identifies best practice.

The stakeholder engagement included discussion on "materiality", to aid understanding of the relative importance of corporate governance risks and which issues we should focus on. This led us to rank and prioritise our corporate governance activities and, in doing so, minimise the risk to our corporate reputation and financial loss. The principal risks and uncertainties which are considered material to the Group, together with appropriate mitigation strategies, can be found in our [2020 Annual Report](#).

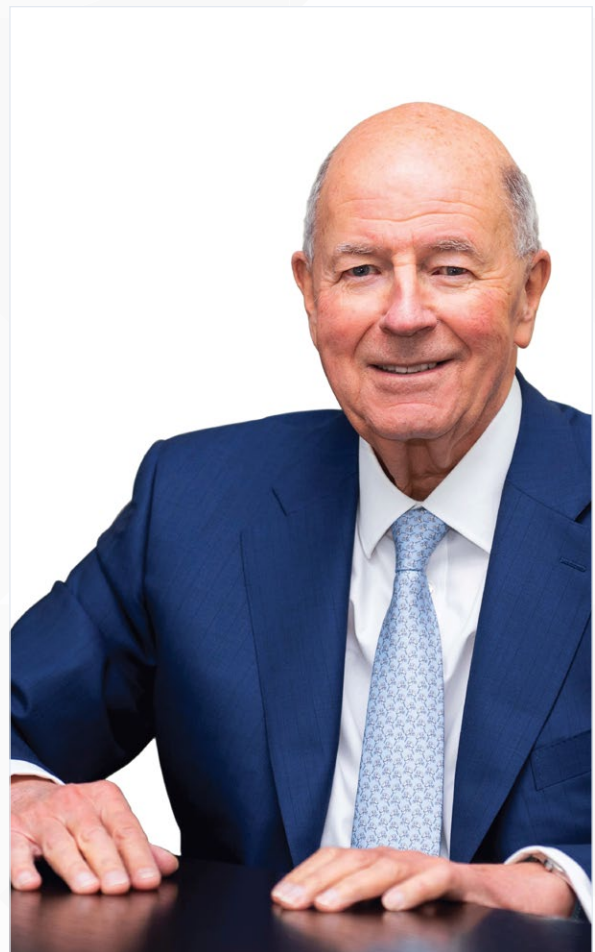
At RWS we concentrate on the following areas of corporate governance: Governance, People, Clients, Community, Supply chain and Environment and are constantly looking for opportunities to improve.

We have made good progress over the year but recognise there is more we need to do.

**Andrew Brode**

Chairman

30 June 2021





## Corporate responsibility

RWS's corporate responsibility policy encompasses the way we do business and interact with our people, our clients, our community and the environment around us. Our commitment to corporate responsibility is underpinned by our five core values and aims to deliver continual improvement in corporate sustainability. RWS is committed to achieving and maintaining high standards of corporate responsibility in its business activities and reviews and presents its corporate responsibility policy and strategy to the Board annually.

Our core values of ingenuity, empathy, authenticity, professionalism, and united through language, lie at the heart of everything we do and underpin our approach to corporate governance and sustainability. We have a long tradition of respecting and reinforcing the core values instilled by our founders in the 1950s and these continue to guide the way we work today and underpin our success in the industry.

### Ingenuity



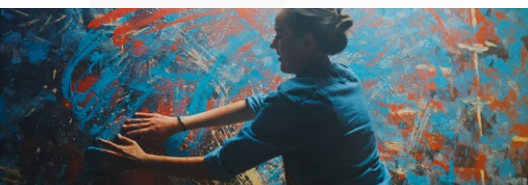
Curious and fearless, we pride ourselves on being early adopters of business, operational and technological innovation to creatively transform communications, content and idea management.

### Empathy



We are empathic with our clients and our people and have a deep appreciation of the complexity of language, culture and the intellectual challenges that are facing organisations throughout the world.

### Authenticity



We say it like it is, using straightforward language. We are honest and stay true to ourselves as we strive to deliver client value. We are passionate and serious about what we do, always adding a human touch.

### Professionalism



We love ideas, information, language and communication, and can be relied upon for our insight, attention to detail and relentless performance improvement. Our professionalism drives a determination never to let our clients down.

### United through language






We are a diverse community that is passionate about the value of people, language and communication. We are united by a common thread – language.

RWS is a signatory of the United Nations Global Compact Initiative (UNGC), which is a call to companies everywhere to align their strategies and operation with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption, and to take action in support of UN goals and issues embodied in the Sustainable Development Goals. This sustainability report is our first Communication on Progress to the UNGC to inform our stakeholders on the progress we have made in implementing the ten principles.

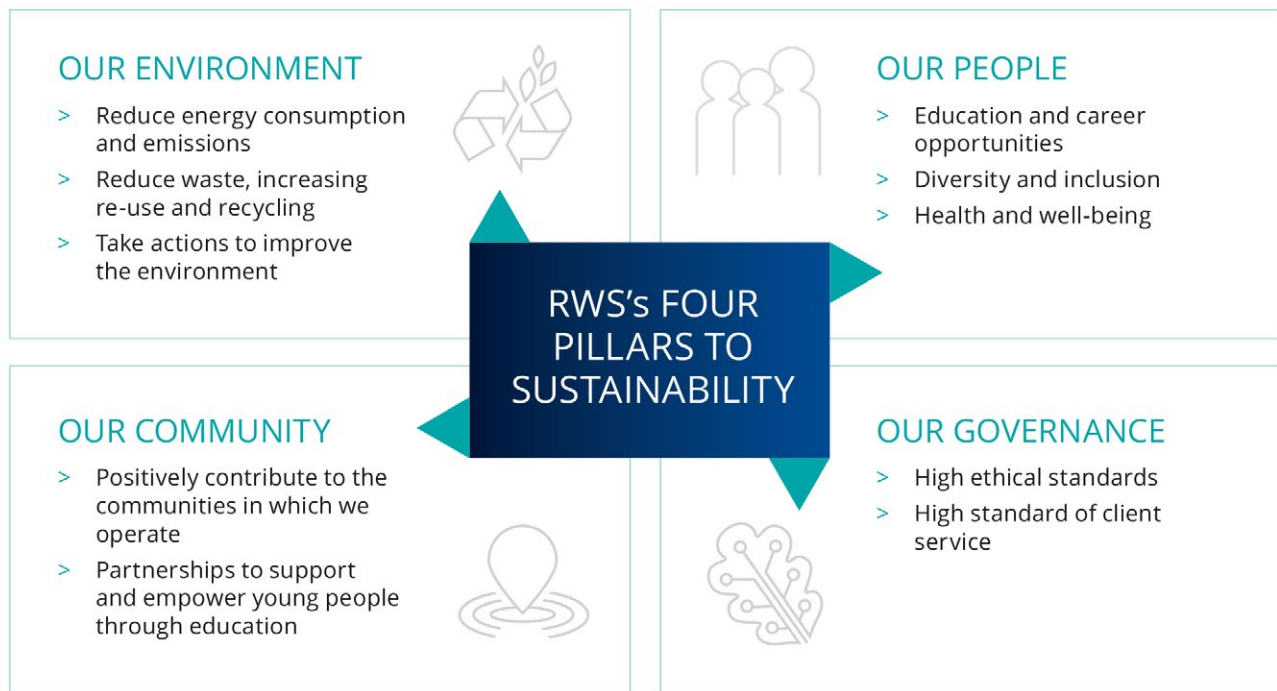


### UNGC Ten Principles

	<b>Human Rights</b>	1	Businesses should support and respect the protection of internationally proclaimed human rights; and
		2	make sure that they are not complicit in human rights abuses.
	<b>Labour</b>	3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
		4	the elimination of all forms of forced and compulsory labour;
		5	the effective abolition of child labour; and
		6	the elimination of discrimination in respect of employment and occupation.
	<b>Environment</b>	7	Businesses should support a precautionary approach to environmental challenges;
		8	undertake initiatives to promote greater environmental responsibility; and
		9	encourage the development and diffusion of environmentally friendly technologies.
	<b>Anti-Corruption</b>	10	Businesses should work against corruption in all its forms, including extortion and bribery.

To identify RWS's sustainability goals and actions we first identified our key stakeholders via a stakeholder framework. This was followed by discussions with those stakeholders to identify their concerns in relation to RWS's sustainability, after which we assessed the materiality of these concerns.

Once completed, a sustainability plan was developed, with targeted goals for each material concern. The activities were separated into four groups or pillars. This process is described in more detail below.



### Stakeholder engagement

Initiating and maintaining dialogue with our stakeholders enables us to align our sustainability initiatives and business model with their concerns. Their feedback is important to us during our decision-making processes and enables us to develop the four pillars of our sustainability strategy.

We recognise three different levels of RWS stakeholders in our framework, our clients, our employees and our investors being the central stakeholders for the Group.





## Stakeholder relationships

STAKEHOLDERS	MECHANISM FOR ENGAGEMENT	TOPICS OF CONCERN	ACTIONS TAKEN
<b>Clients</b>	<ul style="list-style-type: none"> <li>• Client complaints and satisfaction surveys</li> <li>• Corporate website</li> <li>• Social media</li> <li>• Annual report</li> </ul>	<ul style="list-style-type: none"> <li>• Policies of ethics and compliance</li> <li>• Service quality and client satisfaction</li> <li>• Certifications</li> <li>• Brand and reputation</li> <li>• Data privacy and security</li> </ul>	<ul style="list-style-type: none"> <li>• Continued work to improve information security</li> <li>• Progress on ISO 27001 certification</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>• Satisfaction survey for employees</li> <li>• Coffee chats / town hall briefings</li> <li>• Local human resource managers</li> <li>• Annual report</li> <li>• Annual employee performance reviews/ appraisals</li> <li>• Internal newsletters</li> <li>• Training</li> <li>• Policies of ethics and compliance</li> </ul>	<ul style="list-style-type: none"> <li>• Employee health, safety and well-being</li> <li>• Employee salaries</li> <li>• Talent attraction and retention</li> <li>• Diversity and inclusion</li> <li>• Climate risk</li> </ul>	<ul style="list-style-type: none"> <li>• Rolled out group-wide appraisal process</li> <li>• Developed group-wide environmental initiatives</li> <li>• Developed group-wide well-being initiatives</li> <li>• Progress made on further improving employee training</li> <li>• Improved internal communications and upgraded Group intranet</li> </ul>
<b>Investors</b>	<ul style="list-style-type: none"> <li>• Annual General Meeting (AGM)</li> <li>• Annual and half-year institutional investor roadshow</li> <li>• Corporate website</li> <li>• Annual report</li> <li>• Ad hoc meetings and calls</li> </ul>	<ul style="list-style-type: none"> <li>• Economic performance</li> <li>• Risk management</li> <li>• Business model and strategy</li> <li>• Brand and reputation</li> <li>• Innovation</li> <li>• Service quality and client satisfaction</li> <li>• Corporate responsibility</li> <li>• Governance</li> </ul>	<ul style="list-style-type: none"> <li>• Improved the quality and amount of corporate information disclosed on RWS's website</li> <li>• Mapped and published risk matrix</li> <li>• Mapped and published materiality index</li> </ul>
<b>Governments and regulatory bodies</b>	<ul style="list-style-type: none"> <li>• Official channels indicated by the authorities</li> <li>• Official reports</li> <li>• Corporate website</li> <li>• Annual report</li> </ul>	<ul style="list-style-type: none"> <li>• Health and safety</li> <li>• Accreditations/ certifications</li> <li>• Respect for human rights</li> <li>• Diversity and inclusion</li> </ul>	<ul style="list-style-type: none"> <li>• Improved the quality and amount of information disclosed on RWS's website</li> <li>• Ensured compliance with all regulations and legislation</li> </ul>

## Stakeholder relationships (continued)

<b>Financial markets</b>	<ul style="list-style-type: none"> <li>• Stock exchange markets</li> <li>• Economic and market indices</li> <li>• Annual report</li> </ul>	<ul style="list-style-type: none"> <li>• Economic performance</li> <li>• Risk management</li> <li>• Business model and strategy</li> <li>• Investment and growth strategy</li> </ul>	<ul style="list-style-type: none"> <li>• Improved the quality and amount of information disclosed on RWS's website</li> </ul>
<b>Community</b>	<ul style="list-style-type: none"> <li>• Corporate website</li> <li>• Annual report</li> </ul>	<ul style="list-style-type: none"> <li>• Talent attraction and retention</li> <li>• Corporate responsibility</li> <li>• Health and safety</li> <li>• Energy and climate change</li> <li>• Brand and reputation</li> <li>• Respect for human rights</li> <li>• Privacy and data security</li> <li>• Diversity, inclusion</li> </ul>	<ul style="list-style-type: none"> <li>• Improved the quality and amount of information disclosed on RWS's website</li> </ul>
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>• Supplier portals</li> <li>• Prompt Payment Code</li> </ul>	<ul style="list-style-type: none"> <li>• Business model and strategy</li> <li>• Economic performance</li> <li>• Financial transparency</li> <li>• Sustainable supply chain management</li> </ul>	<ul style="list-style-type: none"> <li>• Signed up to the Prompt Payment Code</li> </ul>

## Materiality analysis

RWS discussed and reviewed areas of concern with key stakeholders before ranking and prioritising issues in terms of materiality to the RWS Group. The matrix shows the materiality of issues raised and how we placed the risk into RWS's four pillars of corporate sustainability.

### ENVIRONMENT

- 1 **Biodiversity impacts** Practices to preserve species and ecosystems.
- 2 **Climate change and natural resource management** Commitment and practices for the reduction of energy consumption and GHG emissions.

### PEOPLE

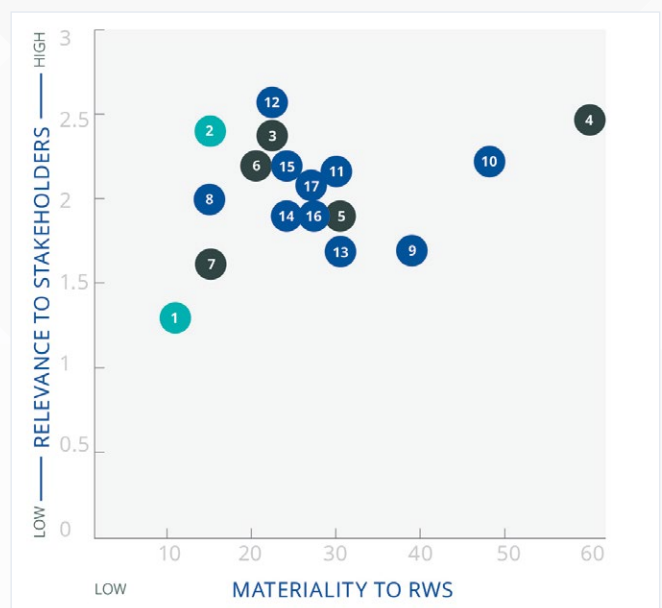
- 3 **Health and Safety** Practices to guarantee our employees' health and safety.
- 4 **Human capital practices** Practices to attract, support and retain skilled employees.
- 5 **Diversity, inclusion and equality** Fair opportunities, recognition, treatment and remuneration for all employees.

### COMMUNITY

- 6 **Human rights** Practices to promote and protect human rights in our operations, including suppliers.
- 7 **Community impacts** Impacts on and relations with local communities in which we operate.

### GOVERNANCE

- 8 **Risk management** Risk assessment and management procedures.
- 9 **Corporate governance** Rules, practices and processes by which our company is run.
- 10 **Innovation** Innovation for developing our services.
- 11 **Client satisfaction** Overall performance of our services and client experience.
- 12 **Economic performance** Strategic objectives linked to growth and margin.
- 13 **Financial transparency** Timely, meaningful and reliable disclosures about RWS's performance.
- 14 **Reputation risk** Strategy regarding our image and credibility.
- 15 **Business ethics** Integrity and responsibility by which we run our operations and make decisions.
- 16 **Bribery and corruption** It is the policy of RWS to conduct its business in accordance with the highest professional and ethical standards.
- 17 **Stakeholder engagement** Dialogue and commitment with our stakeholders.







## Environment

Several stakeholders, particularly RWS employees, indicated that they are concerned about the environment and any possible impact of RWS's operations. RWS is committed to reviewing and improving the environmental aspects and impacts of our operations by preventing pollution, protecting the environment and enhancing positive impacts. These actions improve the environment as well as RWS's attractiveness as a place to work and help reduce employee turnover. Our actions to improve the environment therefore act as a mitigation factor to one of the Group's key risks, namely attracting and retaining good quality employees.

### 2020 objectives

- Become a participant of the United Nations Global Compact Initiative
- Implement and achieve ISO 14001:2015 Environmental Standard at headquarters
- Measure and report on carbon emissions globally

### Environmental risks and opportunities

RWS has a role to play in limiting global warming by improving our energy management and reducing our carbon emissions. Growing awareness of climate change and internal sustainability targets will provide impetus for operational improvements within RWS and we will work with our clients and suppliers to increase efficiencies and reduce energy use and carbon emissions. In our view climate change does not represent a material uncertainty for RWS, however we do consider it is an issue where we need and want to take action.

### Managing our impact

The CEO has overall responsibility for all climate-related issues and the CFO is responsible for managing climate-related risks across the Group. Both the CEO and CFO sit on RWS's Board and climate-related issues are presented and considered by the Board bi-annually.

### Mapping the environmental value chain

We have started work on mapping our value chain. To date we have identified the opportunity of disposing of IT equipment by donating it to local charity partnerships to minimise waste and other environmental impacts while increasing benefits to local communities who are able to re-use the items.

### 2020 environmental performance

We have implemented ISO 14001:2015 Environmental Management Standard at our head office in Chalfont St Peter and have committed to:

- The continual improvement of our environmental management systems globally
- Comply with the spirit as well as the letter of all applicable environmental legislation, approved codes of practice and any other requirements not codified by law to which we subscribe
- Co-operate fully and maintain open relationships with all regulatory authorities
- Comply with the environmental requirements of our clients

## Energy and Greenhouse Gas Report

As part of the Streamlined Energy and Carbon Reporting (SECR) requirement, RWS is required to report its energy and Greenhouse Gas (GHG) emissions within its Directors' Report.

RWS appointed Carbon Footprint Ltd to independently assess the Group's GHG emissions in accordance with the UK Government's SECR guidance.

The GHG emissions have been assessed following the ISO 14064-1:2018 standard and using the 2020 emission conversion factors published by the UK's Department for Environment, Food and Rural Affairs (Defra) and the Department for Business, Energy & Industrial Strategy (BEIS). The operational control approach has been used.

The table below summarises the GHG emissions for the reporting year: 1 October 2019 to 30 September 2020.

Activity	Tonnes CO <sub>2</sub> e
<b>Scope 1</b>	
Site gas	99.08
Company car travel	4.96
Diesel	8.32
<b>Total Scope 1</b>	<b>112.36</b>
<b>Scope 2</b>	
Electricity (generation and transmission & distribution)	1,567.20
Heat and steam	47.76
<b>Total Scope 2</b>	<b>1,614.96</b>
<b>Scope 3</b>	
Employee owned car travel (grey fleet)	11.77
Flights	537.65
Rail travel	12.67
Water	22.37
Waste	68.65
Taxi travel	8.54
Bus travel	0.02
<b>Total Scope 3</b>	<b>661.67</b>
<b>Scope 1 &amp; 2 tonnes of CO<sub>2</sub>e</b>	<b>1,727.32</b>
<b>Total tonnes of CO<sub>2</sub>e</b>	<b>2,388.99</b>
<b>Tonnes of CO<sub>2</sub>e per FTE</b>	<b>0.76</b>
<b>Total Global Energy Consumption (kWh)*</b>	<b>4,493.297</b>
<b>Total UK Energy Consumption (kWh)*</b>	<b>1,296,067</b>
*Total Energy consumption includes Electricity, Natural Gas, Diesel, Heat and Steam and Company Car Fuel Consumption.	

This is the second assessment that RWS has completed of its emissions and we have provided the base year assessment results below for comparison.

Activity	Baseline Year 2018/19	Current Year 2019/20
<b>Total tonnes of CO<sub>2</sub>e</b>	<b>3,770.58</b>	<b>2,388.99</b>

## Targets and standards

We measure and monitor our principal environmental impacts and have set objectives and targets for their reduction.

Our targets have been set as a reduction of 2% year-on-year, for the following:

- Natural resources and consumables
- Carbon footprint
- Electricity kWh/measured by employee and turnover
- Commercial waste
- Landfill waste/measured by employee and turnover
- Waste/measured by employee and turnover

We also strive to have no environmental incidents. Environmental performance is reviewed six-monthly in line with our environmental policy and reviewed against our objectives and targets.

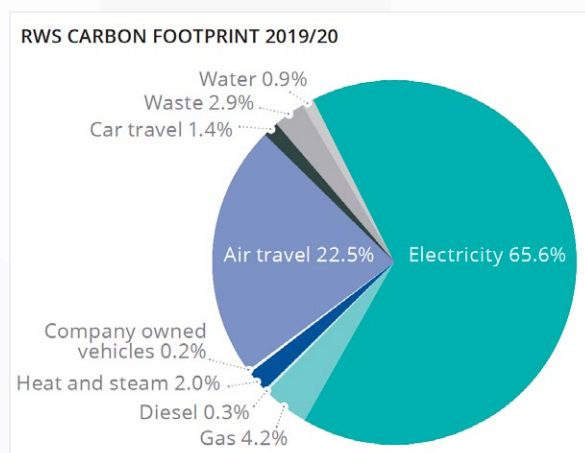
## Climate change

We agree with the overwhelming scientific consensus that human activity is contributing to climate change. We believe the Paris Climate Agreement is our best hope for avoiding dangerous climate change and limiting average temperature change to well below 2 degrees Celsius.

We support global efforts to mitigate climate change through the rapid reduction of greenhouse gas emissions, aiming to achieve net zero emissions before 2050.

We are committed to reducing the climate impact of our activities through proactive measures including:

- Setting challenging carbon reduction targets
- Transparent reporting and disclosure of climate performance
- Advocating ambitious and robust policies on climate change that respond credibly to the scale and urgency of the crisis
- Supporting mitigation activities to reduce climate change, including reducing deforestation and protecting rainforests
- We have four group-wide environmental awareness days we promote each year which are supported by ongoing divisional initiatives, and our Green Agenda intranet, to inform, encourage and motivate change amongst our teams with the aim of reducing carbon emissions and climate-related risks associated with increasing global temperatures.



## Energy

As can be seen in the above charts, energy is a key driver of carbon emissions across the Group and we are committed to reducing our energy consumption across our operations.

RWS's total carbon footprint was 2,388.99 tCO<sub>2</sub>e for FY20. Of these emissions, 72.1% were from energy, 65.6% of which was electricity, 4.2% natural gas, 0.3% diesel and 2.0% from heat and steam; the remaining 27.9% was from business travel, waste and water.

## Managing energy use

As energy accounts for 72.1% of our emissions, we recognise the importance of investing in energy efficient offices and renewable energy.

In 2020 the Group took several measures to reduce energy use and emissions. These included:

- A move to purchasing only renewable electricity across all offices wherever possible
- Replacing existing lighting with energy efficient LED lighting
- Ensuring energy efficient lighting and motion sensors are installed in our larger sites or as we open new offices such as Moravia's head office in Brno
- Implemented various energy efficiency actions such as: a "closed-door" policy to avoid unnecessary energy consumption for heating/cooling; and a "switch off at night" policy
- Updated the Group's head office air-conditioning to ensure effectiveness and energy efficiency
- Launched a Green Agenda intranet to educate

Traditionally, the Group's second biggest cause of emissions is air travel. Clearly the Covid-19 pandemic has reduced the amount of travel in this financial year and carbon emissions have therefore reduced accordingly.

The Group has taken the opportunity to utilise software to hold virtual meetings and these will continue to be promoted as a way to curtail the number of flights in the future.

With many of our initiatives, we recognise that what is good for the environment is also good for business. Energy savings, for example, reduce our emissions output while cutting costs.

Each division within RWS tracks and monitors energy use, in line with our group-wide commitment to reduce emissions and to reach RWS's annual target to reduce energy use across its operations.



### Water

The majority of our offices use water from municipal supply and are in developed countries with a high capability for water adaptation and mitigation. Our water usage remained constant between 2019 and 2020.

Where possible, we are introducing measures to reduce water usage including low-flow plumbing fixtures, identifying and fixing leaks, and communicating with employees.

### Waste



Waste management is not a significant issue for RWS as we are a service-based company where waste is low. However, we do consider waste to be an important issue and have set company targets to reduce general waste and increase recycling across the Group.

In managing waste, we strive to engage employees to take ownership and create more efficient operations and practices.

In 2020 the Group took several measures to reduce waste. These included:

- Liaising with landlords regarding waste measurement and management
- Liaising with suppliers to get more accurate reports detailing waste and recycling
- Launching a Green Agenda intranet to educate, inform and engage employees around waste and recycling

At present, due to several of our offices being in managed buildings, we are unable to completely measure all our waste. This is something we are working on with various landlords to improve moving forward.

### Paper

RWS is not a manufacturing organisation, however because of the nature of its services we use paper extensively in certain divisions.

Recently we have seen a reduction in the amount of paper we use, partly as a result of the pandemic. Going forward, as the RWS offices reopen we will continue to deliver our services online where we can, and continue to ensure that the paper we use is sustainably-sourced from known and responsible sources. As part of the ISO 14001 certification at head office, RWS developed a life cycle of paper. This initiative will be rolled out globally in 2022.

### Carbon offset



As part of its commitment to helping reduce carbon emissions, RWS purchased 2,500 trees for the National Forest; at that time this represented one for each employee of the RWS Group. The UK employees were able to select what species of tree they preferred and then many employees travelled to the Queen Elizabeth Diamond Jubilee Wood in Leicestershire, England to help plant some of the trees.

New research estimates that a worldwide planting programme could remove two-thirds of all the emissions from human activities that remain in the atmosphere today.

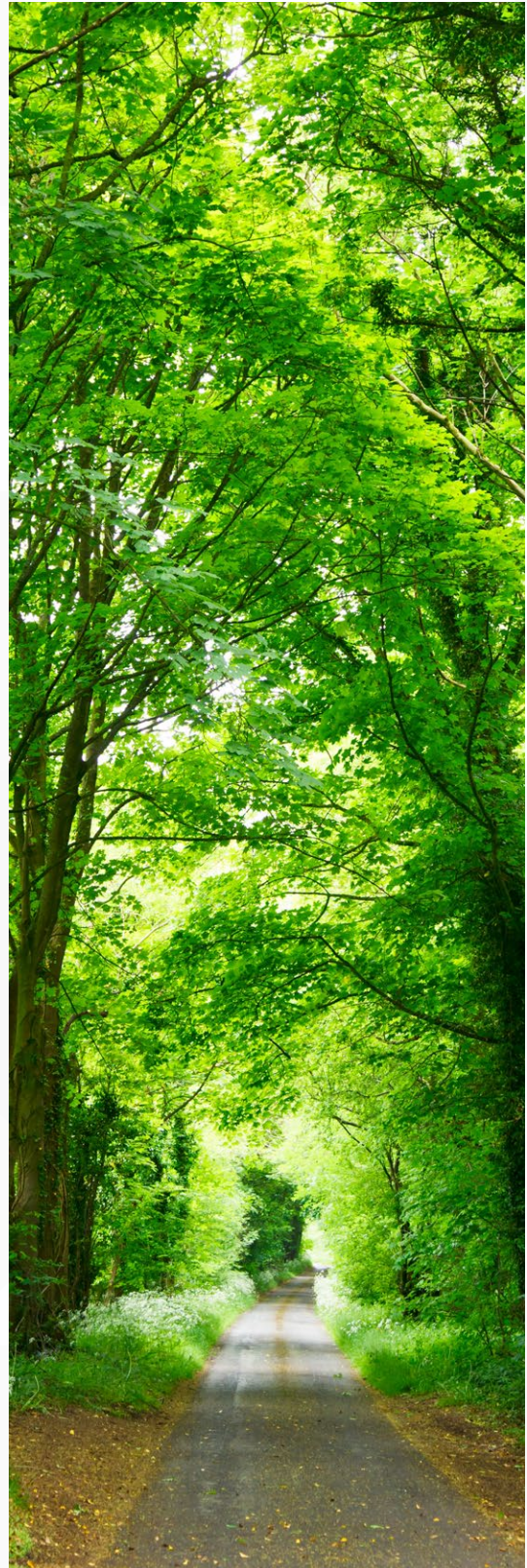
If you wish to see the area where our trees were planted, you can do so by going to [www.what3words.com](http://www.what3words.com) and typing in [value.august.fruit](http://value.august.fruit)

### 2021 objectives

- Set new environmental targets for 2021 to 2025
- Assess, prioritise and mitigate environmental risks in alignment with the Task Force on Climate-related Financial Disclosures (TCFD)
- Develop a network of Environmental Champions to include former SDL employees
- Continue to switch to renewable electricity wherever possible
- Achieve Environmental Management System compliance at 10% of business by headcount
- Purchase paper from sustainably-sourced and known and responsible sources; start to measure paper usage

### 2022 objectives

- Achieve Environmental Management System compliance at 30% of business by headcount
- Adopt a life cycle approach when considering environmental impacts in value chain (and include upstream and downstream impacts)
- Focus on procuring paper sustainably and move towards the use of 100% recycled paper
- Measure the amount of paper used globally
- Roll out multifunction devices for printing, scanning and copying. By removing stand-alone printers, we decrease energy as well as paper use
- Introduction of further measures globally to reduce water usage including low-flow plumbing fixtures, identifying and fixing leaks, and communicating of ideas and initiatives with employees







## People

To compete effectively in our markets, it is critical that RWS is well positioned to attract, recruit and retain the best people. Our activities are highly reliant upon the skills, dedication and passion of all of our employees and freelancers around the world, who we rely upon to meet our clients' demands for excellent quality and timely delivery. We aim to be a destination employer in every one of our key operating territories and markets.

The Covid-19 pandemic presented significant challenges in 2020, but also significant opportunities to test and learn new ways of working. Our principal People focus during the year was ensuring a safe work environment, both physically and psychologically across the Group. In addition, each division evaluated its existing people initiatives, looking for opportunities to share best practice and leverage these to the advantage of the whole RWS Group.

We expect 2021 to be a year of important consolidation of our key People platforms, processes and initiatives as the Group comes together after the acquisition of SDL in November 2020. Our goal is to have firmly established a new HR/People organisation that is highly responsive at a divisional and local level, bolstered by specialist HR teams at the centre (Recruitment, Talent, Reward, etc.), leveraging their expertise consistently across the whole organisation where a group-wide approach is most advantageous to stakeholders.

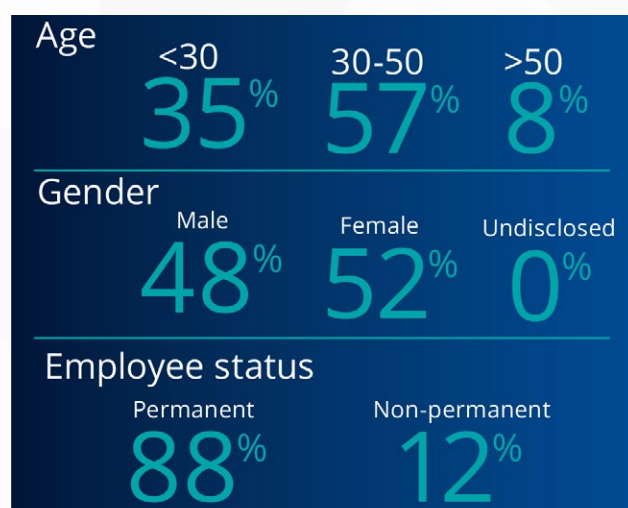
### 2020 objectives

- **Communication** – establish frameworks for communicating and cascading yearly objectives and progress against those objectives
- **Engagement** – increase and improve communication through internal surveys, pulse check, town hall meetings and virtual coffee calls
- **Diversity and inclusion** – develop a fair, equal and inviting work environment; examine and review relative pay in sample job families
- **Talent assessment and management** – run systematic Performance and Development Review (PDR) processes within teams to provide opportunities for employees to set their objectives

Staff turnover <sup>1</sup>	19/20	18/19
IP Services	12.90%	20.70%
Life Sciences	12.40%	21.80%
Moravia <sup>2</sup>	22.30%	29.30%
Group	18.90%	25.90%

<sup>1</sup> staff turnover = number of FTE leavers during the financial year/ average number of FTEs during the year.

<sup>2</sup> includes Managed Services' employees where the fluctuation is much higher as driven by client needs. If Managed Services' 2020 turnover is excluded, the Moravia divisional staff turnover figure falls to 13.4% and the Group figure falls to 13.1%.



### Employee category

	Male	Female	Total
Manager	57%	43%	6%
Non-manager	47%	53%	94%

### Years of service

Number of employees with less than a year's service	Number of employees between 1 and 5 years' service	Number of employees over 5 years' service
16%	55%	29%



### Communication and direction setting

Communication and dialogue is vital within RWS. At heart, we are a people business and therefore we have to talk; it improves business, is good for morale and is good for well-being. Communication within RWS is actively encouraged at all levels and includes every type of communication and consultation between RWS employees on all manner of topics including operational matters, business performance, social issues, environmental concerns, well-being issues and various other areas of common interest.

All of our divisions have established frameworks for communicating and cascading yearly objectives and progress against them. During FY20, our normal communication channels of town hall meetings, newsletters and team briefings continued and, in addition, we increased the frequency of video communication from our CEO and other senior leaders to both help with employees' mental well-being and ensure clear direction was provided for all employees having to work remotely during the pandemic. This ensured they were up-to-date on developments in relation to business operations and other organisational initiatives, as well as equipped with a wide range of useful information as the situation progressed.

Two-way dialogue is encouraged and is promoted through internal surveys and "pulse checks", regular town hall meetings, and Group "virtual coffee calls" with the CEO.

In addition to "live" communication, each division operated its own intranet/portal which is used to host a wide range of important information for our employees around the world, from business updates, news on important initiatives, policies, etc. In FY21, we will set up an interim Integration Group-level intranet site to support the communication of changes associated with the restructuring and integration of the RWS and SDL businesses.

We will also enhance group-wide communications by launching a group-wide newsletter "Inside RWS". It will support the development of a single unified RWS culture by keeping employees within all divisions informed about initiatives taking place across the entire organisation, and invite them to get involved with our various group-wide people initiatives as they are launched.

In addition to this newsletter, we will roll out an enhanced RWS Group intranet, creating a single virtual destination where all employees from the combined organisation can access the essential company information they need to perform their roles effectively. The divisional or location-specific information will remain available on the local intranet sites. The intranet will also contain sections for the group-wide awareness days which are held to promote environmental and social/well-being initiatives and actively encourage employees to get involved.



## Employee engagement

Employee engagement is critical to our sustained success as an organisation. We strongly encourage RWS employees around the world to get involved with a broad range of socially beneficial activities as this builds our brand in a positive and responsible way and improves teamwork, communication and camaraderie whilst helping employees develop important organisational and management skills.

During 2020 our largest division (at the time) Moravia continued developing its very successful “FutureUS” employee engagement programme. FutureUS was initiated as a bottom-up engagement initiative aimed at identifying the natural interest areas of employees around the world and focusing these into a set of clearly defined workstreams the organisation could then plan and manage supporting activity within.

It is our plan to rename this programme “Life at RWS” and roll out this new platform as part of the enhanced RWS Group intranet to all employees in FY21. Being a grass-roots initiative, there will be no limit to the number of streams (interested employees may initiate a programme in any area they feel relevant to the collective good), but initially the key streams will be:

- Diversity and inclusion
- Health and well-being

Once defined, each stream will appoint a steering group typically made up of a senior sponsor and a team of engaged front-line employees. This group will collect employee ideas from around the world and propose a plan of activity for the next period. Resources will then be allocated to the plan as appropriate, and a series of regular calls will be scheduled to initiate, manage and co-ordinate activity from there. Streams will typically break into sub-streams to harness specific user interests and experience, and to distribute workload. For example, Diversity and inclusion is driven through the sub-streams of: Disability, Gender, LGBTQ+, Ethnic diversity, Cultural (National) diversity and these are covered in more detail later in this report.

In terms of measurement, in 2020 we examined engagement within the different divisions through a number of mechanisms. All areas picked up qualitative and anecdotal feedback on an ongoing basis, Moravia ran pulse surveys and IP Services ran an all-employee survey. Feedback was generally positive, for example 74% engagement was achieved in the 2020 IP Services survey.

In 2021 we will be establishing a group-wide baseline through a single global survey for all RWS employees. The data from this survey will supplement our existing efforts with easily comparable quantitative insight to inform, prioritise and evaluate future activity.



### Diversity and inclusion

With its globally diverse operations, RWS knows that tremendous value is to be gained from having a diverse team. We also know that our people are the cornerstone of our success and, because of that, building an inviting culture that recognises and celebrates all people everywhere - enabling everyone to reach their maximum potential and be their best - is fundamental to us as a business, and critical to our success.

It is well researched that companies which are diverse and inclusive outperform their competitors, mainly because employees from diverse backgrounds have many different experiences and insights, and this collective intelligence makes a difference. We know that experiences where co-workers and leaders show people they belong, where they listen to their ideas and perspectives and care about their needs, and where they demonstrate that their uniqueness matters, do better than organisations that do not.

Given the unquestionable impact diversity and inclusion has on people, the business, and society at large, RWS is committed to extending its culture of diversity and inclusion further. In 2020 we placed a sustained focus on diversity and inclusion. Learning from this effort, we will take a holistic approach to inclusion, choosing to develop a fair, equal and inviting work environment for all people, that reflects the environments we operate in. We plan to set up engagement workstreams with dedicated steering committees and networks in the following areas:

- Women's network
- Cultural (National) diversity
- Disability
- LGBTQ+
- Ethnic diversity

The purpose of these networks is to identify strategies for meeting the collective interests reported by each group, thereby driving engagement and increasing the representation, voice and contribution/influence of that group within our workforce over time.

Whilst, given our organisational structures and locations, RWS is not legally required to report its gender pay situation on a group-wide basis, it is something we do measure.

Each of our divisions has examined relative gender pay in a number of sample job families and we are comfortable that individuals in the same job families are paid within a reasonable local range in all our offices around the world, regardless of gender. However, taking all roles into consideration we know that we do have a general pay gap between male and female employees. This is primarily due to having a greater proportion of males in our most senior leadership positions, in our new business / "hunter" sales roles, and in technology roles (with technology roles paying at a relatively high level in comparison with other disciplines we employ, as they do elsewhere in the external labour market).

We remain committed wholeheartedly to addressing this general pay gap over time, principally through recruitment and training initiatives aimed at bringing more women into technology-oriented roles and developing more women into management and leadership roles. We know that these initiatives do make a significant difference: for example, our Moravia division increased the representation of women in managerial positions by 6.8% to 48.4% during 2020.

We know there is more to be done to improve the representation of minority groups across all areas, and 2021 will see us for the first time establishing a clear demographic baseline across the Group along with a comprehensive Group Diversity and Inclusion plan starting with a robust feedback collection exercise. Feedback will be collected through a series of employee focus groups and a subset of specific diversity and inclusion questions in our new global engagement survey. The data we collect from these sources will provide us with critical insights on where we have the most significant gaps in representation across our workforce and why, thereby allowing us to develop our group-wide plan, and implement associated group-wide initiatives to directly address targeted areas over time.



### Talent attraction supporting diversity and inclusion

In 2021 we will establish a central recruitment team with a direct recruitment mandate to specifically establish recruitment channels into new and more diverse labour pools.

This new recruitment sourcing capability, along with improved recruitment branding and a planned consolidation of applicant tracking systems (ATS) across the Group, will allow us to manage and monitor our diverse talent attraction efforts more accurately. Additionally, the professional training this team will provide to recruiting managers will allow us to address many of the common unconscious bias challenges that possibly existed in our organisation.

In terms of measuring all our various new diversity and inclusion efforts, our recommendation is to evaluate the success of the plan relative to these intended 2021 outcomes:

- **Survey data:** at least 80% favourable responses on diversity and inclusion cluster of items included in the annual employee survey
- **Leadership composition data:** a set of agreed initiatives to improve the diversity composition within the Senior Management team and other Senior Management roles
- **Recruitment data:** diverse recruitment sourcing channels providing rich and reliable diverse applicant flow

### Talent management

Maximising the potential of our employees is critical to our growth. We have implemented initiatives globally to help our employees maximise their contribution and sense of achievement, as well as develop their careers.

In 2020 all our divisions ran systematic Performance and Development Review (PDR) processes within their teams. These reviews provide the opportunity for employees to set their objectives for the year, discuss subsequent performance including any particular achievements or challenges, and consider future career opportunities with their line manager.

These will continue in 2021, and rather than seeking a group-wide process at this stage, our preference is to let divisions and teams define the most suitable PDR process for them when it comes to helping people be successful, and then we will simply monitor that high-quality conversations do happen by asking employees for their feedback in our new global employee engagement survey.

In 2021 we will also initiate a comprehensive group-wide Talent Review process intended to develop a pipeline of diverse talent ready to assume critical leadership roles within the business as they materialise. This programme will be deliberately light on process and long on conversation. It considers leadership potential across three neutrally biased dimensions: learning agility, change agility and relationship agility. Next year's scope of the exercise will cover our top three tiers of management, and it will play a key part in our efforts to identify and elevate up and coming diverse talent amongst our management group in the future.





## Learning and development

In 2020 each of our divisions ran its own curriculum of learning programmes covering technical skills, more generic soft skills, and management development. IP Services, for example, started the second year of its “Talent Development programme” covering a third of the workforce each year with a set of critical performance skills: time management; client service; self-development; stress management; and teamwork.

Many of these programmes, historically classroom delivered, were paused as the pandemic moved people out of offices for a period and then either re-oriented towards virtual delivery, or were replaced with new virtually delivered programmes more urgently relevant to a Covid-19 working environment (for example, remote working and mental health support skills).

Moving into 2021 we will roll out a new group-wide learning platform “My LX” which, for the first time, will make available a much wider range of learning content to all employees across the organisation. This includes a comprehensive range of training modules and provides the capacity for us to add learning content into the RWS curriculum including our own proprietary training developed by internal experts, which we intend to leverage across all relevant roles.

We will also make our “Foundations of Leadership” programme available to all divisions and units, initially in a virtual format to maximise participation in a multi-location environment. This high-quality programme, originally developed within SDL, will provide a consistent set of foundational management skills across the Group in support of our aspirations to develop common standards of high-quality management across RWS going forward.

## Recognition and appreciation

Across our divisions we run a range of local employee recognition programmes to highlight excellent work and behaviours. Moravia, in particular, ran its Excellence Awards which was a division-wide programme where the very best work from all offices around the world could be nominated for profile and recognition. These quarterly awards then rolled up into a much-celebrated annual award picking the “best of the best” at the end of the year. This Excellence Award programme became a highly anticipated event, and in 2020 it was enhanced further with a new portal, publicity and profile (using video nominations and acceptance speeches), and participation increased by 20% from an already high base as a consequence.

Going forward, we will be using this Moravia recognition platform as the basis of a new group-wide Recognition Award programme as we see it as an excellent vehicle for both promoting our Group values and supporting our cultural integration efforts as we bring all of our divisions and units closer together within a unified business. The new programme will follow the same quarterly award format - rolling up to an overall winner at year-end - and it will tie in directly with the RWS values of ingenuity, empathy, authenticity, professionalism and united through language.



## Health, safety and well-being

RWS is committed to providing a safe environment for its employees. Whilst we recognise that the nature of our business is low risk relative to many in relation to health and safety, we still focus very hard on it, driving continuous improvement to ensure we meet or exceed local legislative requirements in all units.

All our divisions and cross-divisional functions have formal governance processes in place for health and safety matters within the business operations they are responsible for. Going forward, we will supplement these policies with the introduction of a group-wide policy using United Kingdom health and safety standards (recognised internationally as being very high standards) as our baseline for all offices around the world.

We are proud of our health and safety practices and in 2020 there were only three reported work-based accidents amongst our several thousand employees globally. Naturally, our efforts found a particular focus in two areas during the course of 2020 - safe home working and mental well-being.

With the pandemic enforcing the move to home working, we ensured that employees were set up to enable them to work remotely. In addition, we enlarged the Group intranet with a site dedicated to the physical and mental challenges of working remotely and developed a very comprehensive programme of communication and activities to support mental health and well-being across our entire employee base during 2020. This covered stress management, meditation, virtual yoga, etc., as well as ongoing guidance to managers on how to spot the signs of mental ill-health within their teams, and resources to then support any employees finding themselves in need.

In 2021 we will bring this together within our new "Life at RWS" platform. We will also look to extend our external Employee Assistance Programme (EAP) support to all countries that do not already have this in place.



## Human and labour rights compliance

All of our divisions have their own Code of Conduct or equivalent ensuring that managers and employees are fully aware of their obligations in relation to meeting local minimum wage standards and ensuring compliance with human rights, the elimination of all forms of forced or compulsory labour, the effective abolition of child labour, and anti-slavery measures, and the elimination of discrimination in respect of employment and occupation, all of which RWS supports fully.

In 2021, we will be establishing a Group Code of Conduct Policy which will help drive the following actions in relation to human and labour rights compliance:

- **Education**  
RWS will be implementing training across the group on various matters to ensure compliance with its ethical code.
- **Diversity**  
RWS is committed to maintaining a work environment which is diverse and free from discrimination, harassment and retaliation. RWS will comply with local laws, wherever we operate, and will encourage open dialogue on decisions which impact employees.

- **Monitoring**  
RWS will look to implement technology-enabled tools to monitor closely its commitment to its employees and those people within its supply chain.
- **Child labour**  
All forms of child labour or forced labour are expressly prohibited. RWS actively works with suppliers who adhere to the same standards and we will be focused on ensuring vendors expressly agree to such prohibitions.
- **Human rights**  
RWS is committed to ensuring that all employees have a right to be treated with respect and dignity. RWS operates in a manner for the inclusion of all and any form of discrimination is expressly prohibited.
- **Anti-slavery**  
RWS continues to support anti-slavery measures by ensuring the adoption of the Living Wage and employment at will.
- **Living wage**  
RWS will continue to monitor and ensure compliance with the Living Wage within the regions it operates.





### Summary of 2021 objectives

- **Communication** – launch our new group-wide “Inside RWS” newsletter and establish the RWS Hub as our new intranet for group-wide information.
- **Engagement** – leverage our existing engagement workstreams to include all divisions and units and roll out our group-wide engagement survey.
- **Diversity and inclusion** – broaden the scope of our Diversity and inclusion project to encourage group-wide participation, baseline the current demographic profile of the business, then develop a group-wide RWS Diversity and Inclusion plan to direct change.
- **Talent acquisition** – train-in improved recruitment skills and standards for managers.
- **Talent assessment and management** – measure PDR outcomes across the Group via new engagement survey and enhance leadership diversity and broad progression opportunity through a new Talent Review process.
- **Learning and development** – implement new group-wide “My LX” learning platform, grow curriculum of high-quality training content, and roll out “Foundations of Leadership” programme group-wide.
- **Recognition and appreciation** – implement new group-wide Employee Excellence Awards programme that both recognises and shares great work from around the world, whilst simultaneously promoting RWS’s five core values.
- **Health, safety and well-being** – set up a group-wide health and safety policy as baseline for offices globally; launch the new Group Well-being Portal; and safely manage the transition to hybrid working when allowed at national level.
- **Human and labour rights** – update, promote and, as necessary, train-in the group-wide Code of Conduct Policy to ensure compliance.







## Community

Getting involved in community and charity programmes through mentoring helps our employees feel personally involved in contributing to communities, both locally and globally.

### 2020 objectives

Roll out RWS Group initiatives globally.

### Giving

We provide an active programme of matched funding charitable support to charities proposed by our employees. We also promote foreign language learning through school and university partnership programmes. Three of our initiatives in FY20 were the RWS-Brode Scholarship Programme with the University of Manchester, working with the Outward Bound Trust and a new initiative with Urban Synergy.

### Engagement

#### RWS Scholarship Programme with the University of Manchester

As one of the world's largest language services providers, we see the growing demand for translation services required to support our clients' global business goals whilst at the same time witnessing a decline in the number of students studying languages at university. As a large employer of language graduates, we believe we have a role to play in encouraging the next generation to consider studying for a degree in a foreign language and supporting those who may not have the financial means to complete their studies.

Last year we launched a scholarship programme in collaboration with the University of Manchester to encourage students from lower income families to complete a degree in modern languages. Named after RWS's Chairman, Andrew Brode, the "RWS-Brode Scholarship Programme" supports a total of 50 undergraduate students who joined the university between 2019 and 2021 from a state school.

As part of the scholarship programme, our employees, many of whom are linguists, act as mentors to the students, offering support with their studies and guidance on future career opportunities. When Covid-19 permits, we will be offering students first-hand experience of working in the language services industry through summer internships and work placements, with the potential for full-time graduate roles on completion of their studies.



### Urban Synergy

As part of our endeavours to support education and diversity, RWS is now actively supporting and involved with the Urban Synergy charity.



Founded in 2007 Urban Synergy aims to improve the talents of young people. Working closely with students, schools, local councils and corporate sponsors, Urban Synergy provides a tailored mentoring scheme to raise the confidence and achievement of young people.

RWS employees are able to work with Urban Synergy by volunteering for both e-mentor and e-seminar opportunities. The e-mentor volunteers will help the students with presentation skills, updating and completing their CVs, mock interviews, etc. The e-seminars are presentations to young students with the aim of providing professional role models and insight into the qualities required to succeed.

### Outward Bound Trust

The Outward Bound Trust was established in 1941, and is a leading educational charity that uses the great outdoors to help young people from all walks of life develop. It provides adventurous learning courses for young people to learn the social and emotional skills that will play a pivotal role in how they navigate the challenges of adolescence and beyond. The aim is for young people to return home with a stronger sense of self-belief, empowered with the attitudes, skills and behaviours they need to make positive change in their lives.

RWS's financial support enables a number of young people from less privileged backgrounds to go on a five-day residential course, helping them to develop through outdoor activities. RWS's involvement also includes our employees who act as ambassadors and participate in the activities, acting as mentors to the students.



Before attending the residential courses Employee Ambassadors also visit their selected schools and present an "Introduction to Languages in Business" session.

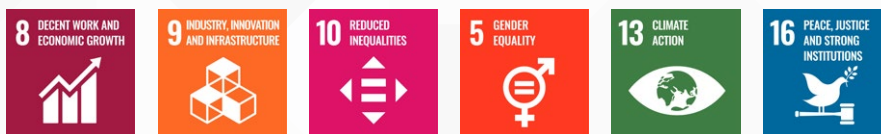
The schools RWS selects to work with are located in lower economic areas and are only selected if they evidence a firm commitment towards teaching languages. Unfortunately, due to the Covid-19 pandemic, schools are not currently allowed to run residential programmes.

### 2021 objectives

- Progress partnerships and increase employee engagement
- Measure and disclose donations and corporate philanthropy GBP amount
- Following the acquisition of SDL, rename the SDL Foundation as the RWS Foundation and promote its activities and purpose, to all RWS employees

### 2022 objectives

- Consolidate all philanthropic initiatives under the new RWS Foundation



## Governance

We are strongly committed to upholding the values of good corporate governance as we believe it is important for the long-term success of the business – our clients can depend on us, we can attract the top talent we need to help us innovate, our suppliers can rely on us, and it helps us secure the support of our investors.

### 2020 objectives

- Continue to improve corporate security incident response preparedness and achieve data security compliance certification
- Ensure there is group-wide training in place to help our people pursue the highest ethical standards

### Governance and reporting

As an AIM listed company, RWS has chosen to implement The Quoted Companies Alliance Corporate Governance Code (the QCA Code). The principles and disclosures laid out by the QCA Code provides a framework to ensure we have the appropriate corporate governance arrangements in place. The Board considers that RWS does not depart from any of the principles of the QCA Code and our 2020 Annual Report includes details of our compliance, which is reviewed annually in line with the requirements of the QCA Code.

### Anti-bribery and corruption

Our Anti-Bribery and Corruption Policy complements the QCA Code as regards observing and upholding the zero tolerance position RWS takes on bribery and corruption, by defining and providing examples of the different types of behaviour likely to be characterised as acts of bribery and corruption and setting out rules applicable to employees with respect to entertainment and gifts. This is backed with regular training across the Group to ensure that employees are aware of their obligations and commitment to our standards.

### Speaking up / Whistle blowing policy

RWS is committed to the highest possible standards of professionalism, accountability and probity. Consistent with this commitment, we acknowledge the importance of having a system in place which will encourage employees and directors to voice any concerns regarding the activities of RWS or offer a forum for suggestions as to how its activities can be improved. Our Speaking Up / Whistle Blowing Policy provides guidance on the Policy and Procedure in the event of any suspected wrongdoing which may arise within the workplace. RWS is focused on improving the Whistle Blowing Policy by ensuring employees have various methods to communicate any unacceptable behaviour.





## Governance structure

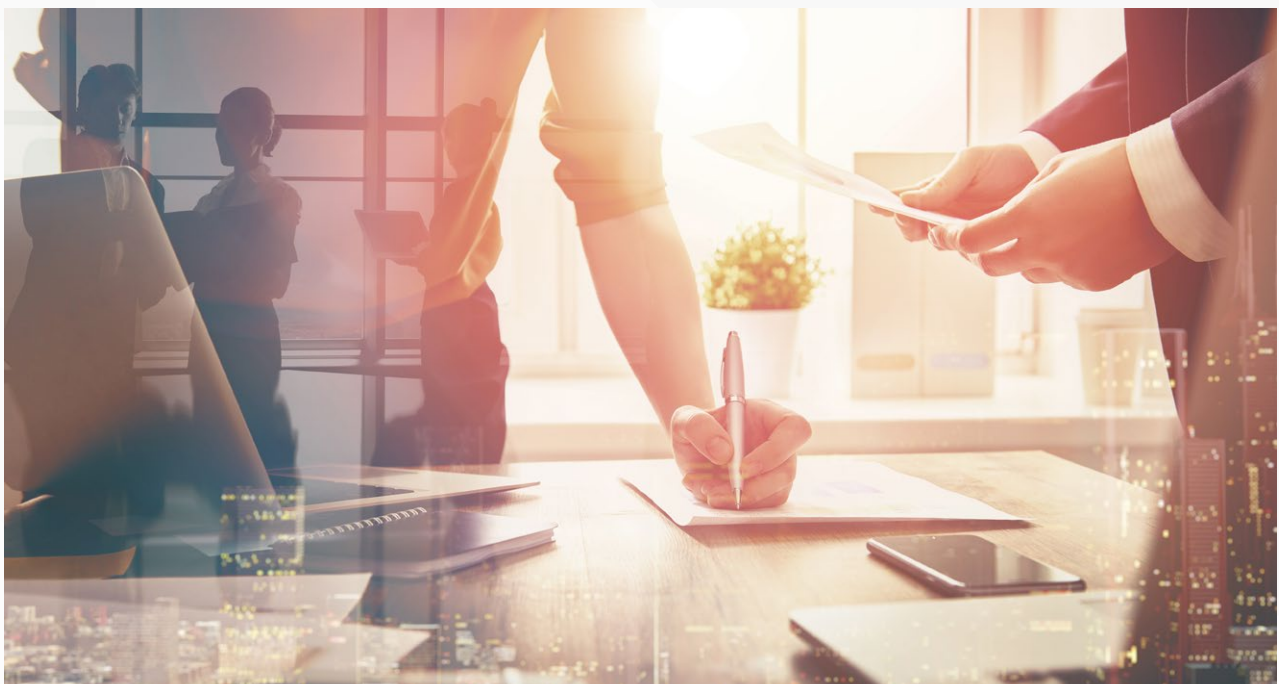
At RWS, the Chairman and CEO roles are separate. The Chairman leads the Board and has overall responsibility for corporate governance and promoting the values of the Group, both internally to employees and externally to the broader stakeholder group. The CEO manages the day-to-day operations of the Group.

As part of our commitment to high standards of governance, the Board recognises the importance of having Non-Executive Directors who are independent in character and judgement, and free from relationships which may affect, or could appear to affect, their judgement. The RWS Board consists of seven members, the Chief Executive Officer and Chief Financial Officer as Executive Directors, the Chairman and four Independent Non-Executive Directors.

RWS has two specialised committees, the Audit Committee and the Remuneration Committee.

The Audit Committee reviews and makes recommendations to the Board on: any change in accounting policies; decisions requiring a major element of financial judgement and risk; compliance with accounting standards and legal and regulatory requirements; disclosures in the annual report and financial statements; reviewing the effectiveness of the Group's financial and internal controls; any significant concerns of the external auditor about the conduct, results or overall outcome of the annual audit of the Group; and any matters that may affect the independence of the external auditor.

The Remuneration Committee primarily determines and agrees the framework or broad policy for the remuneration of the Company's Executive Directors and the Senior Managers of the Group. The remuneration of Non-Executive Directors is a matter for the Board, excluding the Non-Executive Directors. The remuneration of the Chairman is a matter for the Remuneration Committee. No Director or Senior Executive is involved in any discussion or decision about their own remuneration.





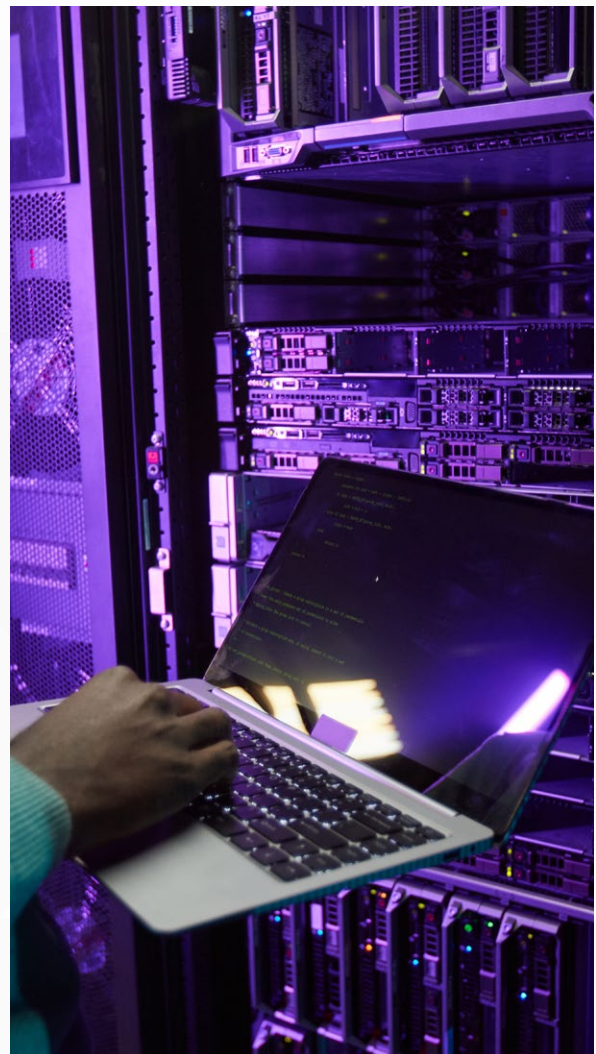
### Information security

RWS takes the security of its information and that of our clients very seriously. We have a comprehensive suite of policies and processes which govern how information security principles are to be implemented by all employees and contractors. All persons with access to our facilities or information are required to undergo pre-employment checks and mandatory security awareness training. All our endpoints benefit from anti-virus protection and automated updates to ensure that any weaknesses identified in systems or applications are patched as soon as possible.

We have a number of tools used to carry out scans of our public-facing and internal networks. Additionally, RWS uses SIEM solutions as well as a third-party detection and response service that provides intrusion detection/prevention capabilities. As an organisation we are improving our information security maturity constantly and this is being demonstrated currently through a project to implement a Virtual Desktop Interface solution which will further improve our ability to assist clients but additionally will mitigate against threats associated with remote working. We are also in the final stages of implementing multi-factor authentication for remote access to information. Our security controls are independently audited by clients and by our ISO 27001 and SOC2 auditors.

The information that we store depends on client requirements and the types of solutions or services we provide to them but we use appropriate controls to store many types of data, ranging from publicly available information to sensitive personal data. Many clients store data in our SaaS solutions where they control the data and specify the controls to be implemented. Our employees do not have access to these environments. Additionally, where we provide localisation services, data may be stored on our systems where it is encrypted at rest and role-based permissions are used to restrict access to those who are directly connected with providing services to those clients. Again, this is dependent on client requirements and the service/solution.

Our ISO 27001 and SOC2 certifications require that there is a process for identifying, assessing, analysing and addressing security risks. Management of security risks is the responsibility of the individual functions and is overseen by the Information Security Steering Committee. Risks are also a fundamental part of our change management programme to minimise any impact on operational activities and clients.



### A responsible taxpayer

RWS Holdings plc and its subsidiaries ("RWS") are committed to being responsible corporate citizens within each jurisdiction in which they operate, and do not use "tax haven" countries or other similar arrangements as part of their tax planning.

RWS is straightforward, transparent and co-operative in all its dealings with tax authorities, ensuring that it is in compliance with all local taxation legislation and meets all applicable filing and payment deadlines.

As an employer of more than 3,000 employees across 15 countries and operating more than 36 offices globally, RWS also makes significant tax payments in respect of payroll taxes, value-added taxes and business/premises taxes.

### 2021 objectives

- Continue corporate security incident response preparedness; implement controls to increase resilience to user-based attacks, such as phishing and ransomware
- Ensure RWS is compliant with new Whistle Blowing EU Directive and implement a standardised tool to enable employees to communicate freely and anonymously through various mediums. This will be backed with an internal campaign to raise visibility across the Group and mandatory training
- Ensure that all contractor agreements are vetted and amended to ensure alignment with changing local taxation requirements and ensure relevant training has been undertaken across various functions to identify and mitigate noncompliance
- Consistent and robust governance backed with a centralised Delegation of Authority Matrix to ensure transparency on critical key legal and regulatory matters aligning with the Group code of ethics

### 2022 objectives

- Improve transparency by showing amount of tax paid globally together with breakdown by key countries and categories, along with our tax risk control framework
- Continue to further develop information security through the implementation of VDI, the expansion of MFA and increasing the scope of ISO 27001 certification
- Consolidate security risk management across the RWS Group to provide a singular view of risk for continuous review





## Clients

RWS strives to satisfy its clients' needs by providing services that meet and/or exceed their expectations. Our clients rely on our expertise, integrity and creativity to help them communicate globally and protect their ideas and novel processes, which in turn drives further creativity to solve world problems. Our employees are aware of the role they play in achieving this which is reflected in improving and optimising existing processes and controls, striving for:

- On-time delivery
- Right first time
- Client satisfaction

### 2020 objectives

- Continue to improve corporate security incident response preparedness and achieve data security compliance certification
- Improve client satisfaction, service delivery and service quality across the Group

### Good client relations

Good client relations are of paramount importance to us and we are proactive in building long-term relationships with our clients and have a proven track record in doing so (average of 15 years for our top 25 clients). We work closely with them to understand their requirements and always put in place a team and process that meets their specific needs.

Most importantly, however, are the open channels of communication we like to maintain with our clients. We remain in regular contact to help us anticipate their needs and pre-empt and/or immediately address possible areas of concern and always remain alert to identifying areas for streamlining our processes and continuous business improvement.

### Efficient and high-quality service

We are highly committed to delivering an efficient and high-quality service to all our clients and take a proactive approach to ensure this is achieved. Internally we measure and report on the number of orders delivered on time and client satisfaction through the logging of positive and negative feedback received either through the response to questionnaires sent with completed projects or gathered during account review meetings or received unsolicited from a client.

As part of the onboarding process for a new client, we define service level agreements (SLAs) and Key Performance Indicators (KPIs) by which our performance will be evaluated. We also define reporting requirements to ensure full visibility within the programme.





The RWS Account Management teams attend regular account review meetings according to a timescale agreed with the client where we discuss our performance and provide updates and service developments with the potential to further enhance the added value delivered by RWS. During such meetings, we present and discuss data relating to service delivery and our performance against the agreed KPIs.

We provide a short online feedback survey with the dispatch of every translation to assess client satisfaction. Responses are monitored and collated for discussion. Any negative comments are addressed immediately through our defined escalation procedure resulting in corrective and/or preventative action if required.

The survey results are checked daily and if quality attention is required, the survey feedback is escalated to the Quality team which performs our Corrective and Preventative Action ("CAPA") process.

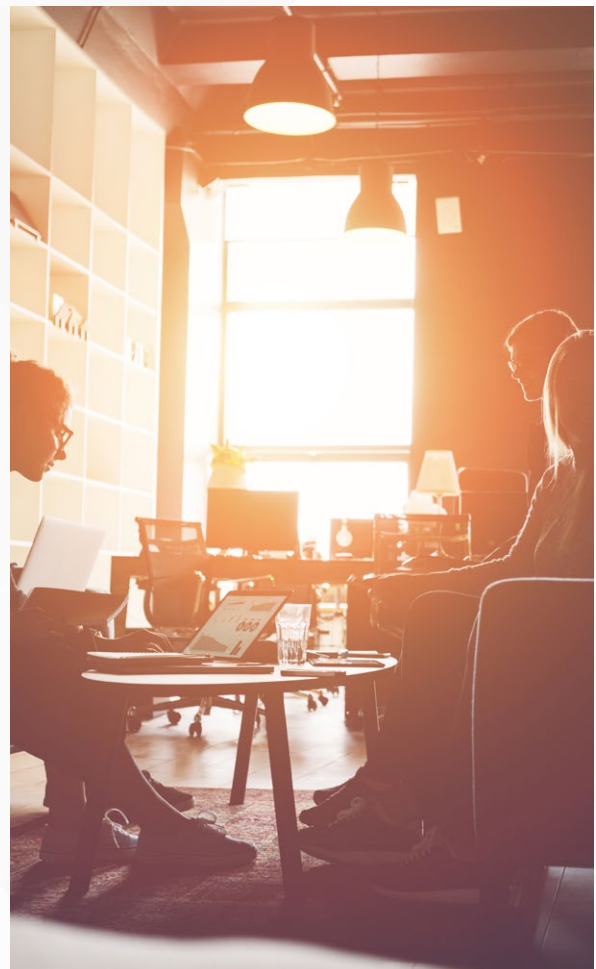
In addition to the short survey we ask for client feedback up to four times per year but no more than once per quarter. The survey is based on the Net Promoter Score model.

All client complaints are logged and linked to each job/project and reviewed to determine if escalation to CAPA is required.

Our Leadership teams receive weekly summaries of Client Satisfaction Survey results. They are also notified of any ongoing CAPA activity and status of improvement activities.

### Improving client outcomes

- Innovation, automation, efficiency, accessibility, security making us more agile – RWS has always adopted technology in its process and its innovative use of technology in our translation process is one of the Group's Unique Selling Points. The recent acquisition of SDL allows the Group to combine the businesses' language technology tools with the Group's industry-leading language business services to further improve our client outcomes
- Responding to client needs – as described above we do this through our in-depth knowledge of the market and constant dialogue with our clients
- Continue to improve products to further empower clients – we operate in a fast-moving market where technology plays an increasingly important role. We constantly strive to deliver new business services designed to streamline and improve efficiency of our clients' services





## Data privacy

RWS has implemented ISO 27001 compliant security standards and robust safeguards to protect the company, client, and personal information it obtains, uses, accesses, or processes in connection with its performance of translation services. We are GDPR-compliant.

- Our Data Safeguards, Privacy and Destruction Policies are outlined at [rws.com/legal/data-safeguards-privacy-destruction](https://rws.com/legal/data-safeguards-privacy-destruction)
- Data Safeguards and Privacy Data security is ensured through an implementation of technological and process-based systems focusing on data identification and prioritisation, access control (physical and virtual), system control, and monitoring and auditing of access
- Data is controlled throughout the complete creation and destruction life cycle. Data safeguarding procedures are documented through controlled policies outlining Network and Computer security, control of Personal Information, Physical Protection of documents, Data Privacy, Network Access, Systems Backup, Physical Security and Encryption of data. All employees are trained on data safeguarding policies
- Any confidential information (electronic, physical, removable media) that we receive is stored in a secure location. Only individuals with a specific need can access confidential information; all other access is restricted
- We have Non-Disclosure Agreements (NDAs) in place covering our employees as well as our suppliers and partners. Partners (linguists, editors, etc.) are required to affirm, in writing, their compliance with all NDAs and network, computer and data protection safeguards

## 2021 objectives

- Continue to improve data security and data security compliance
- Ensure RWS and former SDL clients have smooth transition into the combined company suppliers

## 2022 objectives

Re-set group-wide reporting structures and targets for:

- On-time delivery
- Right first time
- Client satisfaction





## Suppliers

We are strongly committed to upholding the values of good corporate governance as we believe it is important for the long-term success of the business – our clients can depend on us, we can attract the top talent we need to help us innovate, our suppliers can rely on us, and it helps us secure the support of our investors.

### 2020 objectives

- Join the Prompt Payment Code
- Review and reissue RWS's Modern Slavery and Human Trafficking Statement

### Managing and monitoring to ensure an ethical supply chain

RWS has a diverse supply chain with suppliers located in over 160 countries across multiple categories. These include technology (hardware, software, cloud, telecom, etc.), indirect (consulting, marketing, vendors, travel, etc.), and direct (production services, print, paper, stationery, etc.).

RWS's supply chain can be categorised into two main areas:

- **Vendors** – these include:
  - Freelancers – individuals who provide us with localisation services
  - Partners – single language vendors (SLV) and multi-language vendors (MLV)
  - Non-professionals – individuals who are part of our crowdsourcing service
- **Suppliers** – these are both small and large companies who provide us with products and services

RWS prides itself on paying its suppliers promptly and in FY20 signed up to the Prompt Payment Code.

During FY20 RWS continued its consolidation of its offices where possible and new offices were opened in Beijing, China and Tokyo, Japan. Part of the project including reviewing the supply chain and selection of suppliers.



### 2021 objectives

- Develop a group-wide Supplier Code which contains provisions on child labour, involuntary labour, wages, coercion and harassment, non-discrimination, freedom of association, health and safety, environment and anti-corruption. In accordance with the UK's Modern Slavery Act 2015, it would also prohibit participation in any activity related to human trafficking
- Roll out the group-wide Supplier Code to suppliers
- Continue to review the Group's supply chain including location, structure, relationships, and selection of suppliers
- Measure and report on payment terms

### 2022 objectives

- Increase the number of signatories to the Supplier Code to 40% of RWS's revenue spent on procuring products and services
- Develop a Socially Responsible Supplier (SRS) programme to manage and maintain an ethical supply chain and track key suppliers and those located in medium- and high-risk countries
- Set up system to track diversity in supply chain
- Provide training to procurement employees to help them understand the importance of having an ethical supply chain as well as assisting and encouraging them in identifying and procuring diverse suppliers

### 2023 objectives

Increase the number of signatories to the Supplier Code to 70% of RWS's revenue spent on procuring products and services.

### 2024 objectives

Increase the number of signatories to the Supplier Code to 100% of RWS's revenue spent on procuring products and services.

### By 2030

- Reduce the supply chain risks related to human rights, labour, the environment and anti-bribery by ensuring adherence to our Supplier Code through training, auditing and remediation, drive supply chain innovation, quality and efficiencies through a strong, diverse network of suppliers
- Require the same standards of suppliers in their supply chains, including requesting subcontractors to enter into a written commitment to uphold the Supplier Code





## About this report

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Following our undertaking, FY20 is the first year where we are publishing a more comprehensive report on our corporate responsibility strategy and initiatives. We are pleased at the progress we have made to improve our corporate responsibility reporting within this time frame. The materiality assessment described in this report sets the foundation on which we will build our corporate responsibility strategy to meet stakeholder expectations and to address the material issues identified as well as the environmental, social and governance emerging challenges which have been identified.

This report covers data and progress from FY20 and includes content from our ongoing global operations. We plan to continue to report on an annual basis in the future.

We welcome feedback on the contents of this report as well as on our corporate responsibility strategy. Please contact us at [connect@rws.com](mailto:connect@rws.com).

## Data management process

The fiscal year that ended 31 September 2020 was the first year that corporate responsibility data was collected across the entire company, forming the baseline for comparatives and for future reporting.

Every effort is made to ensure that we report accurate data, and our processes are designed to support this.



## Frameworks

### RWS and the United Nations Sustainable Development Goals

Launched in 2015, the 17 SDGs form a shared global agenda for environmental improvement, social empowerment and greater equality. The table here shows how RWS supports 11 of the 17 SDGs.

#### Responsibility for the environment



#### 7 – Affordable and clean energy – page 17

The Group is being encouraged to move to green energy sources where available and commenced roll-out of LED lighting in offices.



#### 11 – Sustainable cities and communities – pages 17, 22, 35-37

- We provide innovative services which are delivered in a manner which does not compromise the environmental impact of our clients' operations in the communities where they operate.
- We have established employee-led environment teams to suggest and action local initiatives to improve the environment.



#### 12 – Responsible consumption and production – pages 15-19

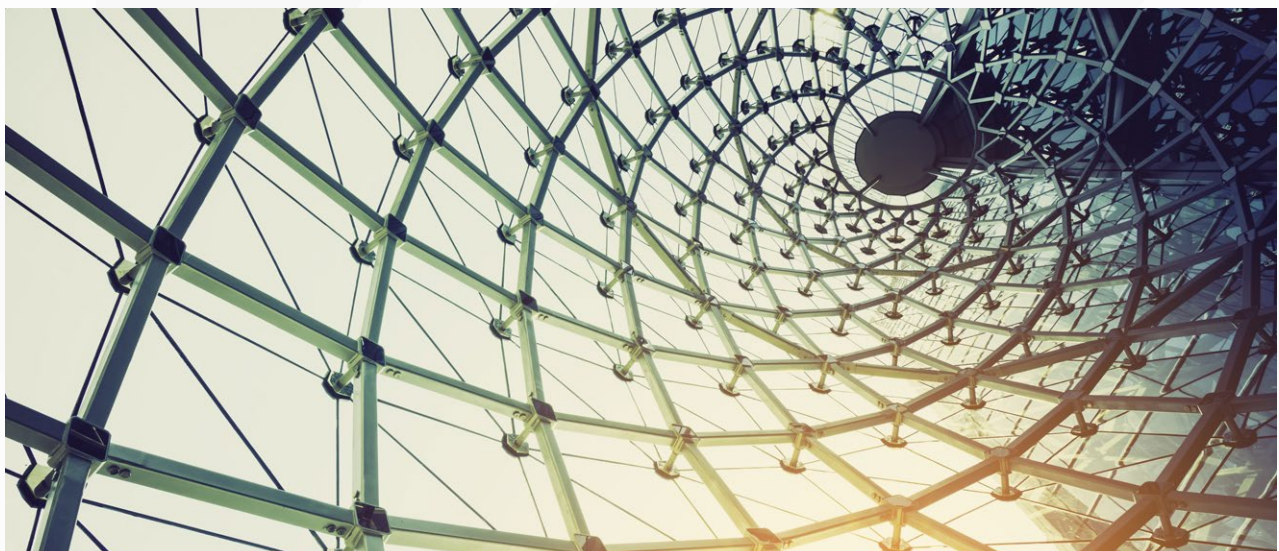
- We conform to a series of environmental rules, implemented at Group level covering all RWS operations globally, focused on waste minimisation, emission reduction and use optimisation of natural and clean energy resources.



#### 13 – Climate action – pages 15-19

By providing policies and management systems based on environmental best practices, we ensure active prevention and limitation of potential impacts on climate change and the environment caused by our operations.

- RWS is an office-based business services operation and has little exposure to harmful and hazardous materials. Nevertheless, we have defined strict controls to manage, handle, store and dispose of harmful and hazardous substances to minimise the environmental release-risks according to local guidelines and regulations.



## Responsibility to our people



### 3 – Good health and well-being - pages 6, 21-24, 26-27, 30, 38

- We foster working conditions which support effective health and safety programmes, non-discrimination principles as well as human and labour rights.
- Health and Safety for our employees is extremely important and our operations are therefore reviewed and monitored regularly; RWS is committed at the highest level to a robust health and safety policy.
- During the Covid-19 pandemic, all employees have worked from home for various periods of time. The senior management team has been in regular communication with employees globally, both through virtual meetings and through an enhanced Group intranet which has provided information and advice on how to cope with working from home to ensure the mental and physical well-being of our teams.



### 4 – Quality education - pages 24-25

- We provide good career and professional-development opportunities enabling employees to fulfil their potential, resulting in the Group retaining and attracting highly talented professionals.
- We train our professionals to improve existing skills and develop new capacities.



### 5 – Gender equality - pages 26-27

We foster diversity among our teams and working conditions which support effective health and safety programmes, non-discrimination principles as well as human and labour rights.



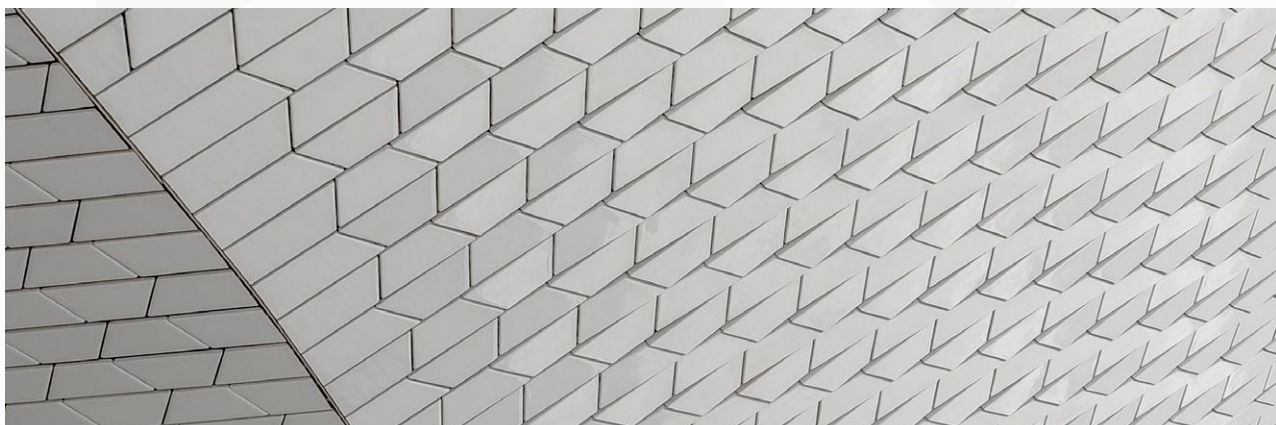
### 8 – Decent work and economic growth - pages 24-25

RWS provides an environment that allows good career and professional-development opportunities and enables all RWS employees to fulfil their potential.



### 10 – Reduced inequalities - pages 25-27

We foster diversity and working conditions which support effective health and safety programmes, non-discrimination principles as well as human and labour rights.





## Responsibility for our community



### 4 – Quality education - pages 29-30

- As a socially responsible company, we are an active and positive participant in local matters in the communities in which we operate.
- A risk to RWS is the future availability of linguists. We have taken steps to encourage young people to study languages and consider a career in the language profession. We have done this through the sponsorship of language students at the University of Manchester and activities at schools that have evidenced a passion for teaching languages. In this way we hope to be able to help in the growth and development of tomorrow's industry-leading translators.
- All of RWS's corporate sponsorship is in line with the Group's Charitable Giving, Sponsorship and Collections policy and is aimed towards promoting the learning of languages by young people from non-privileged backgrounds.



### 8 – Decent work and economic growth - pages 31, 38

RWS has a zero tolerance position against corruption, and therefore we require suppliers and partners to observe professional and honest business practices (aligned to the UK's Bribery Act 2010).



### 10 – Reduced inequalities - pages 23, 27, 38

We are sensitive to changes in laws and trends in this area, and we are committed to transparency in all areas of activity.



### 16 – Peace, justice and strong institutions - pages 27, 31-34

- RWS has established a set of corporate rules, policies and processes that define our current corporate governance model and ensure our long-term vision is seen through the lens of excellent governance.
- We are sensitive to changes in laws and trends in this area, and we are committed to transparency in all areas of activity.
- Our commitment to business ethics is managed by the Board through the CEO and the CFO to ensure ethical behaviour is integrated across all our teams and geographies through our Corporate Governance Code and associated policies, which are all visible on the Group's intranet.
- We ensure disclosure and promote observance of our Corporate Governance Code across all divisions, suppliers and contractors.
- RWS has a zero tolerance position against corruption, and therefore we require suppliers and partners to observe professional and honest business practices (aligned to the UK's Bribery Act 2010).



## Responsibility for strong governance



### **8 – Decent work and economic growth - pages 21-26, 31-33**

- We create a working environment for employees that nurtures innovation and provide the resources to facilitate this.
- We develop our own investor relations strategy that aims to ensure compliance with legal and market practice responsibilities.



### **9 – Industry, innovation and infrastructure - pages 11, 22, 31-33, 35-36, 38**

- We maintain clear communication channels with stakeholders and potential stakeholders to provide quick and effective responses to their requirements.
- We focus our business through a client-oriented strategy based on close communication enabling us to understand and foresee our clients' needs and fulfil their expectations. The acquisition of SDL in November 2020 is an example of this with clients enquiring increasingly about machine translation services.
- We ensure the implementation of procedures to maintain the quality of our services across all geographies and teams while keeping high service standards and high-quality procedures across all of the Group's divisions. Similarly, SDL's leading language technology will enhance RWS's procedures which, combined with ongoing employee training both on the job and via third parties, will ensure that RWS maintains its position as the world's premier translation and localisation business.
- We continuously improve our services and business management (through ethics, innovation, safety and environmentally sympathetic conduct) to maintain our reputation as a trusted business partner.



### United Nations Global Compact Reference Table

In June 2020 RWS became a signatory to the United Nations Global Compact, a set of 10 principles covering human rights, the environment and ethical behaviour. This table shows where you can find the relevant content in this report.

	Principle			Page
	Human Rights	1	Businesses should support and respect the protection of internationally proclaimed human rights; and	12, 27
		2	make sure that they are not complicit in human rights abuses.	12, 27
	Labour	3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	27
		4	the elimination of all forms of forced and compulsory labour;	27
		5	the effective abolition of child labour; and	27
		6	the elimination of discrimination in respect of employment and occupation.	23-24, 27
	Environment	7	Businesses should support a precautionary approach to environmental challenges;	15-19
		8	undertake initiatives to promote greater environmental responsibility; and	17-18
		9	encourage the development and diffusion of environmentally friendly technologies.	36
	Anti-Corruption	10	Businesses should work against corruption in all its forms, including extortion and bribery.	31-34



## Contact details

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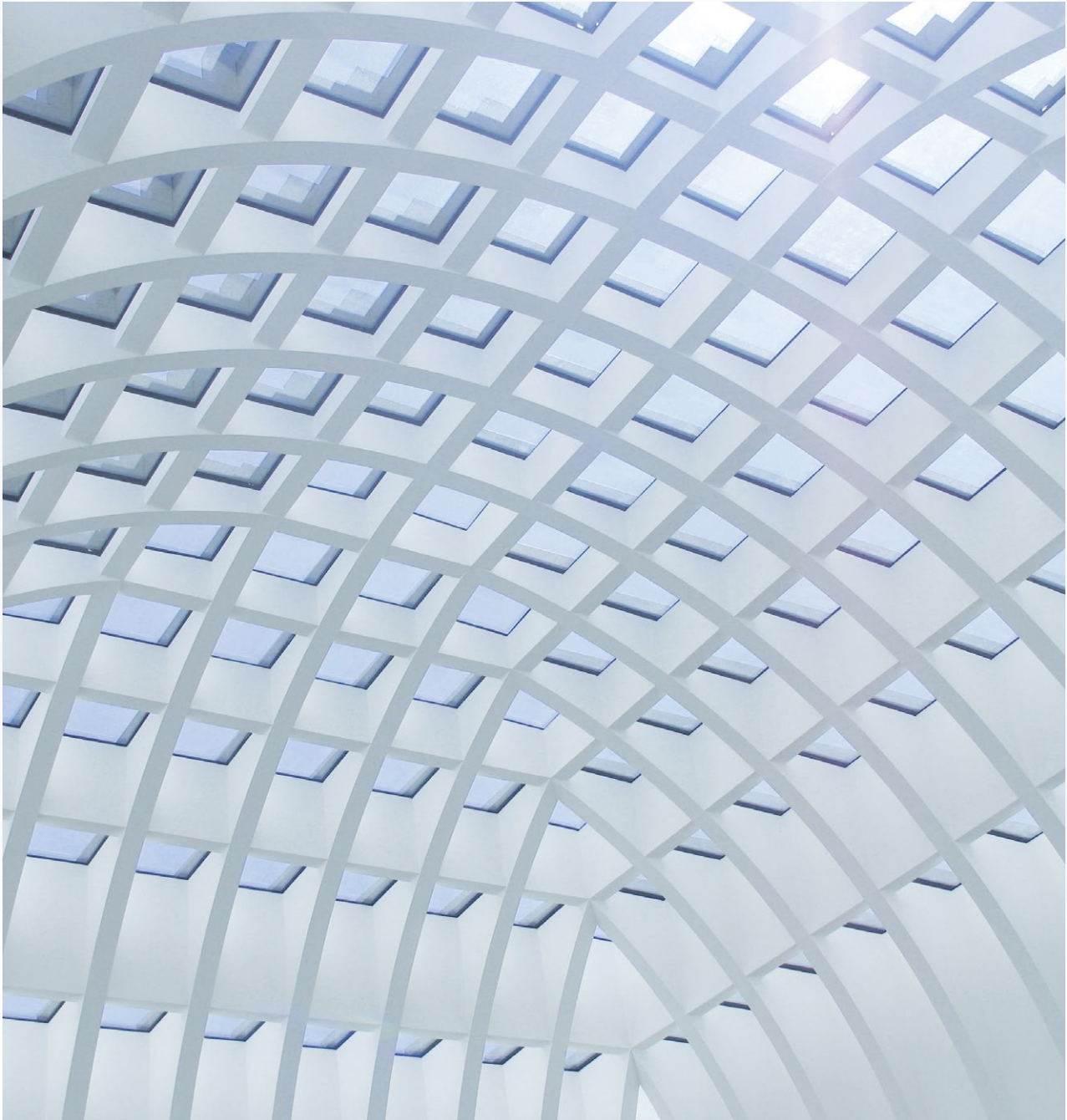
Your views are important to us. Please send your comments to [connect@rws.com](mailto:connect@rws.com) or write to:

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#### About RWS

RWS Holdings plc is the world's leading provider of technology-enabled language, content management and intellectual property services. We help our customers to connect with and bring new ideas to people globally by communicating business critical content at scale and enabling the protection and realization of their innovations.

Our vision is to help organizations interact effectively with people anywhere in the world by solving their language, content and market access challenges through our collective global intelligence, deep expertise and smart technology.

Customers include 90 of the globe's top 100 brands, the top 10 pharmaceutical companies and approximately half of the top 20 patent filers worldwide. Our client base spans Europe, Asia Pacific, and North and South America across the technology, pharmaceutical, medical, legal, chemical, automotive, government and telecommunications sectors, which we serve from offices across five continents.

Founded in 1958, RWS is headquartered in the UK and publicly listed on AIM, the London Stock Exchange regulated market (RWS.L).

For further information, please visit: [www.rws.com](http://www.rws.com)

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