

HAYS PLC
ANNUAL
REPORT &
ACCOUNTS
2023

Registered number: 2150950



HAYS ANNUAL REPORT FY23

Welcome to Hays' Annual Report for FY23, a year in which we made strong operational, cultural and strategic progress.

Despite increasingly challenging macroeconomic conditions, we delivered record net fees, £197.0 million of operating profit and returned £240.1 million to shareholders in core & special dividends and share buybacks.

Andrew Martin
Chair

As a global industry leader in recruitment, our strategy is designed to capitalise on powerful megatrends which drive the world of work. These include long-term skill shortages, changing work habits, new job category creation, continual need for upskilling and demographic changes. We are also market leaders in some of the most attractive, long-term structural growth markets globally. At Hays, we are 'Working for your tomorrow', and via our expertise and unique culture, we benefit many stakeholders across society. It is a privilege to be able to share these stories.

During the year, the Board commenced an orderly and transparent succession process to identify Alistair Cox's successor as CEO. Alistair has been a great leader for 16 successful years, transforming Hays from a UK-focused business to a diverse global leader in recruitment and talent services across many sectors, with over 80% of our operating profits now generated internationally. Throughout Alistair's leadership, Hays has helped many millions of talented individuals develop and thrive in their careers, and the Board would like to express its gratitude to Alistair for an outstanding career at Hays.

The Board was delighted to welcome Dirk Hahn, previously Managing Director of Hays Germany and CEMEA, as our new Chief Executive from 1 September 2023. Together, we look forward to writing many future chapters in 'Our Hays Story', benefiting society by investing in lifelong partnerships which empower people and organisations to succeed. Our services have never been as relevant in helping to find, create, retain and develop diverse talent, powered by our c.13,000 expert colleagues worldwide.

OUR HAYS STORY

We are proud to be industry leaders in recruitment, based on our global scale and deep expertise.

Our balanced and diverse business across 33 countries empowers our customers, enabling clients to find the talent they need to grow and helping people advance their careers.

The digital revolution is accelerating, and we will lead our industry through change. We believe the prize for adding real human value in a digital world is significant.

Our strong foundations in technology underpin our Talent Networks, providing deep and valuable data insights for our consultants and our clients.

Our speed and agility help us create the recruiting and talent services experience of tomorrow... enabling us to become trusted lifelong partners to millions of people and organisations. The best people, allied to the best technology, will deliver the best service.

OUR YEAR HIGHLIGHTS

FINANCIAL OVERVIEW

£1,294.6m

Net fee income
FY22: £1,189.4m

£197.0m

Operating profit
FY22: £210.1m

8.59p

Basic EPS
FY22: 9.22p

5.24p

Core & special dividend per share
FY22: 10.19p

£135.6m

Net cash
FY22: £296.2

OPERATIONAL SUMMARY

8,590

Consultants
FY22: 9,037

c.76,800

Perm jobs filled
FY22: c.83,750

c.245,000

Temp and contracting roles filled
FY22: c.250,000

SUSTAINABLE BUSINESS

44.3%

Women in senior leadership
FY22: 42.4%

17,673

Hays' employee volunteering hours
FY22: 9,433 hours

16,778 CO₂e
tonnes

**Our scope 1, 2 and Business
travel scope 3 GHG emissions**
FY22: 13,780 CO₂e tonnes⁽¹⁾;
Science-based target (SBT) base year
(2020): 23,527 CO₂e tonnes⁽¹⁾

More information on [pages 42 to 47](#)

More information on [pages 16 to 19](#)

More information on [pages 54 to 67](#)

Note | Unless otherwise stated all growth rates discussed in this Strategic Report are LFL (like-for-like), YoY (year-on-year) net fees and profits, representing organic growth at constant currency. (1) This is a restated GHG figure. Please see footnote (1) on our GHG table on [page 66](#) for more details.

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More information online

Our investor website gives you direct access to a wide range of Company information

More information on haysplc.com/investors

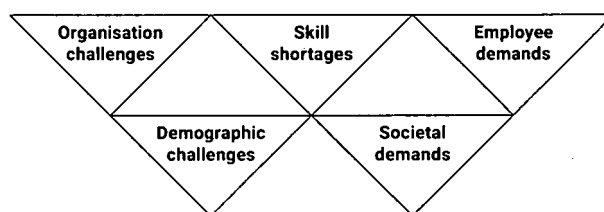
Read our views and advice on the world of work

More information on social.hays.com

HAYS' FUTURE AT THE HEART OF THE WORLD OF WORK

The world of work is rapidly changing, with clients and candidates facing many new challenges and opportunities. Powerful and accelerating megatrends shape the world of work.

► For more information see **page 3**



Hays sits at the heart of this rapidly changing work ecosystem, and we strongly benefit by solving our clients' talent problems

CLIENTS

Skill shortages and job churn

Significant new demand in related talent services

Rapid new job category creation

Enhanced ESG requirements

► More information on **page 16**

CANDIDATES

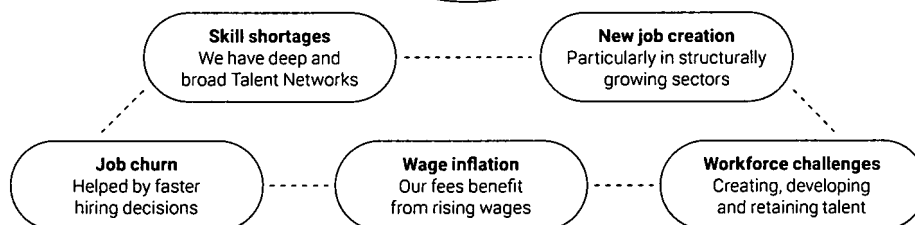
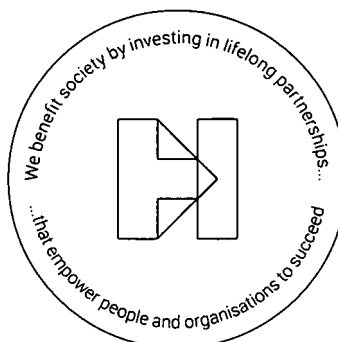
Demands for flexible working and changing work habits

Ageing population and other demographic changes

Significant need for upskilling and reskilling

Material inflation

► More information on **page 16**



FIVE REASONS HAYS IS POSITIONED TO WIN IN THE NEW WORLD OF WORK

Global scale and delivery capability

1

Growing from a position of market leadership

2

Strong enterprise client relationships

3

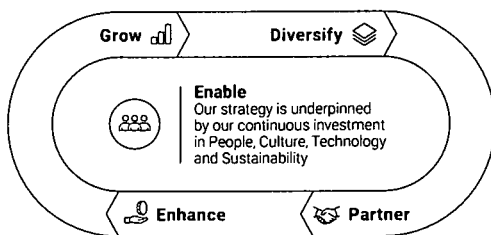
Our diverse SME client base

4

Broad Talent Networks

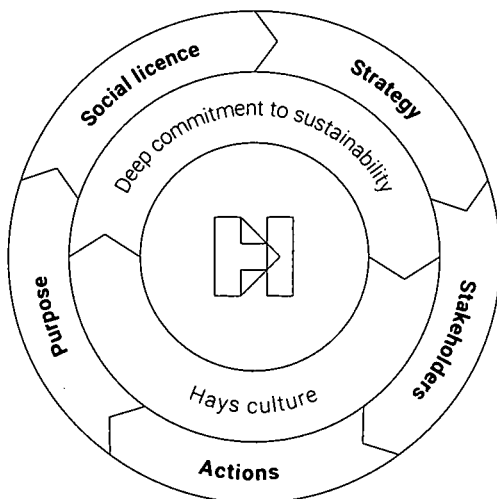
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STRATEGIC PRIORITIES



▲ More information on [page 6](#)

OUR PURPOSE



Our purpose is to empower people and organisations to succeed, through investing in lifelong partnerships with them. Over many years, we have helped millions of talented individuals develop their careers, and are deeply committed to helping many millions more in the future.

Our 'social licence to operate' and reputation are underpinned by this purpose. We are determined that 'Our Hays Story' is a sustainable one, in terms of our role in our communities, our business operations and our ability to grow profits and cash flow in the long term.

Our mission to be the world's leading recruitment and talent services provider is based on forming lifelong partnerships with clients and candidates, providing them with a first-class service

and doing the right thing by our stakeholders. This means putting sustainability at the heart of our business ([more information on page 54](#)).

Our stakeholders are central to how we integrate our strategy with our responsibilities. We are committed to open engagement.

Our FY23 sustainability actions have demonstrated significant, tangible progress. These include the 1.9% increase in senior female leadership to 44.3%, our c.85% increase in volunteering hours, conducting our most comprehensive Greenhouse Gas (GHG) emission data collection in support of our Science-based targets, enhancing our free learning portals and advancing our work in DE&I globally, both internally and with clients via our Vercida Consulting acquisition.

▲ More information on [page 5](#)

INVESTMENT CASE

Driven by our strategic priorities and many structural growth market opportunities, we believe there are three simple and compelling reasons to invest in Hays

1 Growth

We are market leaders in some of the most attractive recruitment markets globally, which offer significant long-term growth potential. Our ability to solve our clients' talent problems globally and at scale is second to none and we have increasing opportunities to grow in related talent services.

2 Scale

We have unrivalled balance, scale and diversity. Our deep relationships with large, medium and small clients are based on partnerships and trust, built over many years. Our expertise, people and culture, brand, infrastructure and financial strength will help us build the leading global recruitment and talent services business.

3 Returns

Our growth is increasingly derived from diverse, partnership-based revenue streams.

We will return significant cash to shareholders in the most appropriate form of core and special dividends, and via share buybacks.

▲ More information on [page 7](#)

STRATEGIC REPORT

We are leading global recruiting experts, focusing on white-collar skilled professionals. Our business has scale, breadth and diversity of exposure. It is designed to capitalise on the megatrends driving structural growth in our industry. Our highly cash-generative model is also built to withstand turbulent economic times.

ACCELERATING MEGATRENDS IN THE NEW WORLD OF WORK

The world of work is being shaped by powerful long-term megatrends. Our strategy is designed to capitalise on these, targeting structural growth opportunities within our cyclical end markets.

Growth in flexible, non-Perm careers

For many years, candidates and clients have been demanding new ways of working. Skilled workers are increasingly seeking interesting, and often highly paid, non-Perm roles as they build 'portfolio' freelance careers. This trend is also strongly supported by remote and hybrid working.

We believe higher skill, higher salary Temp and Contracting represent key structural growth markets, particularly in 'Technical' white-collar specialisms such as Technology, Life Sciences and Engineering. We use our expert consultants, global network, state-of-the-art technology and rich data to build deep and broad Talent Networks.

Jobs are changing and skills are short

Digitalisation is changing the face of almost every industry and many employers are struggling to find the talent they need, particularly in higher skill, higher salary areas. This has driven meaningful wage inflation in recent years, which is a net positive for our fees. Also, our strategy is focused on building the strongest Talent Networks possible, particularly in the most skill-short markets, such as Technology, Engineering, Life Sciences or the Green Economy.

Demographic changes and increased employee demands are driving job churn

Job churn is a key driver of recruitment and talent markets. The rising cost of living globally creates greater incentive for skilled employees to change job and increase their earnings. We live in an era of unprecedented access to training, upskilling and development, meaning that the routes for candidates' career progression are more open than ever. Also, attitudes towards remote and hybrid careers have materially changed, which can act as a further driver of churn.

Societal demands are changing

For all employers, there is an increasing awareness of the importance of pursuing business sustainability by addressing ESG matters in their operations, culture and employee value proposition. Many employees want to work for a purpose-led organisation which matches their own values, and new job categories are being created or expanded.

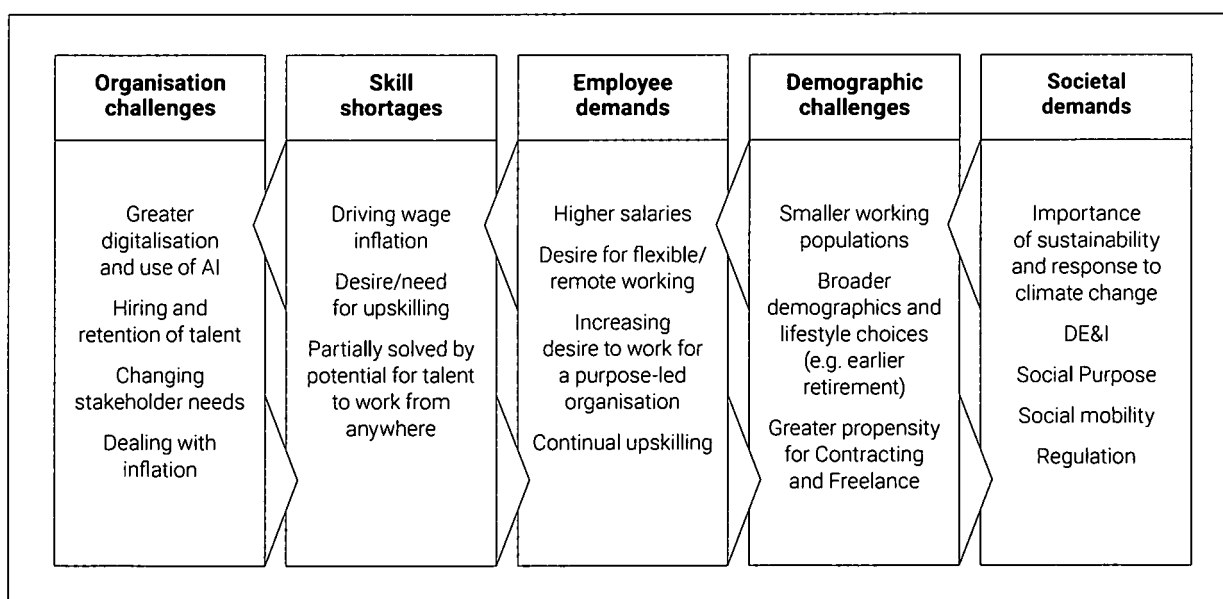
Our ability to create equitable and diverse Talent Networks is increasingly a key competitive advantage, as is the ability to help clients with related talent services such as consultancy, onboarding, upskilling and total talent solutions.

Organisations increasingly need expert help to find the talent they need

To help win the battle for talent, organisations increasingly need partners such as Hays, who can bring a far broader and deeper pool of talent to them, from a far wider geographic area, much faster.

This equally applies to larger outsourcing deals with Enterprise clients and transactional 'spot' recruitment for SMEs. Importantly, all client groups have increased demands for related talent services and we are investing to grow these services. This includes our acquisition of Vercida Consulting, a UK DE&I consultant, during FY23.

THE WORLD OF WORK IS DRIVEN BY POWERFUL, INTER-RELATED MEGATRENDS



A BROAD, DIVERSE AND BALANCED BUSINESS

We have deliberately built a business which is balanced and diverse. Our strategy is purposefully designed to capitalise on the megatrends driving change in our industry, and also to withstand turbulent economic times.

A balanced and diverse model

Across our business, we have market-leading positions in long-term structural growth markets, such as Technology and Engineering globally, plus the relatively immature markets of Europe and Asia. We are also leaders in more mature markets, but which still offer long-term growth potential, such as the UK and Australia. We also have significant market share opportunities with large Enterprise clients globally, which we see as a growth area and one where we have potential to grow in related talent services.

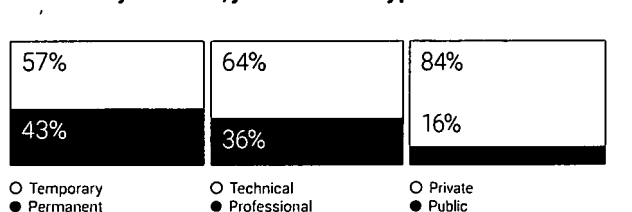
We are leaders in Temporary, Contracting and Permanent recruitment. We have scale and expertise in 21 specialist areas of skilled employment. We are predominantly Private sector-focused, but also serve Public sector clients in some markets. Within our portfolio of services, we work on high volume, high service, multi-year outsourcing contracts with many of the largest organisations in the world, as well as one-off placements for SMEs.

The balance, breadth and scale of our business is unique in the world of specialist recruitment. This helps to make our business relatively more resilient to today's uncertain macroeconomic and political landscapes.

Net fees by specialism



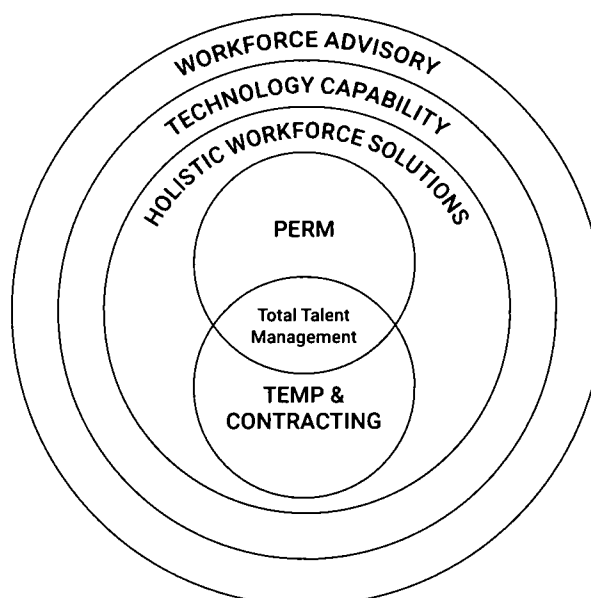
Net fees by contract, job and client type



A global business		33 countries and 21 specialisms	
Rest of World Net fees (% of Group) £458.1m (34%) Operating profit £36.0m Consultants Permanent 3,540 66% Offices Temporary 102 34%		UK & Ireland Net fees (% of Group) £266.1m (21%) Operating profit £28.7m Consultants Permanent 1,935 44% Offices Temporary 85 56%	
Germany Net fees (% of Group) £382.0m (30%) Operating profit £100.2m Consultants Temporary Permanent 2,044 83% 17% Offices 26		ANZ Net fees (% of Group) £188.4m (15%) Operating profit £32.1m Consultants Temporary Permanent 1,071 61% 39% Offices 39	

We provide talent management solutions across Perm, Temp and Contracting

We are leading global recruiting experts, focusing on 'white-collar' skilled or specialist recruitment. Our business has scale, breadth and diversity of exposure.



Our purpose is to benefit society by investing in lifelong partnerships that empower people and organisations to succeed

Our business model

Our strategy is designed to benefit from powerful megatrends driving structural growth in our industry ([more information on page 3](#)), and to take advantage of opportunities to deliver complementary talent services. Our highly cash-generative model is also built to withstand turbulent economic times.

The salary of most candidates we place ranges from c.£30,000 to c.£150,000 per annum. 57% of our FY23 fees came from Temp and Contracting assignments, while 43% came from Perm placements. We operate across 21 specialisms, with 64% of our fees in white-collar 'Technical', project-led areas such as Technology, Life Sciences, Engineering and Construction & Property. We view this as a strength of our business.

We embrace digitalisation; developing technology to help our consultants match candidates with clients' roles much faster than previously possible.

Globally integrated business

By having a single culture, brand and technology platform, we can drive significant synergies across our network. We can also deliver leading service to all clients. We are positioned to help clients and candidates globally, but also understand local needs and challenges. In most of our 33 countries, we still have significant scope to in-fill from our current 21 specialisms.

For example, our average RoW country has exposure to only nine specialisms, while Germany, where we are by some distance the market leader in white-collar recruitment, has only ten specialisms.

We also have significant growth potential to develop exciting new sub-sectors in Technology recruitment in all our markets.

An important driver of our growth remains the first-time outsourcing of recruitment to third parties. This means that these markets are relatively less cyclical, and relatively less driven by the prevailing economic backdrop, or short-term sentiment.

Market-leading positions

Over many years, we have purposely built leading businesses in attractive structural growth markets such as Technology, which now represents over £330 million in annual fees, large Enterprise clients and in Germany. We are market leaders in the UK&I and in ANZ, both of which present long-term growth opportunities, despite their relative maturity. We also have strong and growing positions in many other markets where the outsourced use of agencies is relatively immature, with considerable opportunities to take share from in-house HR teams.

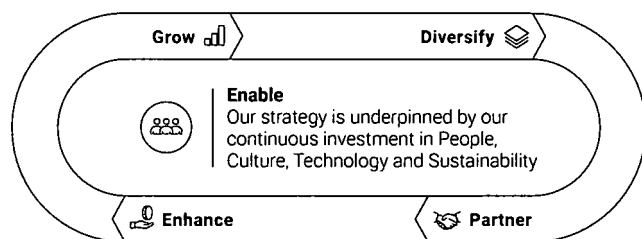
Lifelong partnerships

Millions of relationships are formed and nurtured by Hays consultants, which sit at the heart of our business. By becoming trusted advisers to talented people, helping them navigate their careers and fulfil their potential, we unlock significant new business opportunities.

By providing high quality of service, clients can count on us to provide unrivalled access to top talent, and to provide market insights to help them scale and flex their evolving workforces. We add extra stakeholder value as a business committed to being sustainable and operating responsibly.

OUR STRATEGIC PRIORITIES

Our clear strategic priorities are focused on growth, increasing partnerships and positioning Hays further up the customer value chain.



Grow

Materially increase recruitment fees, particularly in long-term structural growth sectors and with Enterprise clients

Partner

Nurture lifelong client and candidate partnerships and build the deepest and most engaged Talent Networks worldwide

Diversify

Substantially grow new revenue streams and partnership-based areas such as talent services and in Project Services globally

Enhance

Drive productivity to deliver profit and cash, fund reinvestment and enable substantial returns to shareholders

Our strategy is based on industry megatrends which drive long-term growth opportunities in recruitment and related talent services markets.

Our strategic priorities	Focus in FY24	Link to relevant KPIs
	– Increase market share with existing and new clients – Grow non-Perm fees in new/existing markets – Drive structural growth in the most attractive long-term recruitment sectors, including Technology, Engineering and the Green Economy, and with Enterprise clients more widely – Given macroeconomic uncertainties, we will closely monitor our activity levels and KPIs, particularly in Perm, and closely manage our costs accordingly	● LFL net fee growth ● Basic EPS growth ● Headline Technology fees ● Contracted Enterprise client fees ● LFL fees per consultant
	– Grow non-Perm fees globally – Improve and develop our services to support our customers more effectively across a broader array of services, including DE&I via our Vercida Consulting business, training, upskilling and total talent management – Grow our Project Services offering and revenue	● LFL net fee growth ● Headline Technology fees ● Contracted Enterprise client fees
	– Continue to evolve and shape our offering to meet clients' changing needs by providing alternative and innovative delivery models, including Hays Hub – Continue to explore and develop relationships with external organisations, enabling us to better understand, respond to and capitalise on opportunities and/or threats, including AI, and provide in-depth insights to clients and candidates – Enhance and expand Hays' learning and development platform to enable more people to upskill or reskill to progress their careers	● Headline Technology fees ● Contracted Enterprise client fees
	– Leverage our market-leading positions and deep sector expertise to deliver highly personalised and easily accessible services to clients and candidates, utilising the best tools available including AI – Driving consultant productivity, leveraging our internal systems and generating returns on our investments – Continued development of our front and back-office capabilities, including AI, data science and analytics, to improve our service to clients and candidates and increase business efficiency – Our long-term priorities for free cash flow remain unchanged: fund investment and development, maintain a strong balance sheet, and deliver a core dividend which is sustainable, progressive and appropriate – The Board will look to grow core dividend in line with EPS growth (target dividend cover range 2-3x) and, subject to the economic outlook, distribute surplus cash to shareholders in line with our capital return policy (more information on page 46)	● LFL net fee growth ● Basic EPS growth ● LFL fees per consultant ● Conversion rate ● Cash conversion

All of this is supported and underpinned by our continuous investment in our people, culture and sustainability. Nurturing the best talent and cultivating a diverse, equitable and inclusive culture represents our key foundation.

We look to empower our colleagues to reach their full potential, investing in industry-leading training and development and providing them with an exciting and progressive career path. This, combined with how we equip them with technology and tools, is what enables us to deliver the best service to our clients and candidates, nurturing lifelong relationships and driving our business forward.

	– Continue to drive employee engagement and respond to the findings of our 'YourVoice' surveys – Continue to invest in our people with existing and new leadership and management programmes – Continue to drive DE&I across our business, including increasing our percentage of senior female leaders – Continue to invest in our technology and infrastructure to give our people cutting-edge systems, insights and tools – Reduce scope 1, 2 and 3 GHG emissions in line with our SBTs – Further drive environmental initiatives across Hays, including via regional Employee Resource Groups (more information on page 60) – Further build on the success of 'Helping for your tomorrow' giving back to the community (more information on page 58)	● Employee engagement ● Percentage of female senior leaders ● GHG emissions
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OUR INVESTMENT CASE



Driven by our strategic priorities and many structural growth market opportunities, we believe there are three simple and compelling reasons to invest in Hays.

1 Growth

We are market leaders in some of the most attractive recruitment markets globally, which offer significant long-term growth potential. Our ability to solve our clients' talent problems globally and at scale is second to none and we have increasing opportunities to grow in related talent services.

- **Record Group net fees of £1,295 million, up 6%, with record performances in 21 countries**
- **Record fees in our largest market of Germany, up 19% to £382 million**
- **Record fees in Technology globally, up 6% to £333 million**
- **Record direct and indirect fees with Enterprise clients up 10% to £234 million**

2 Scale

We have unrivalled balance, scale and diversity. Our deep relationships with large, medium and small clients are based on partnerships and trust, built over many years. Our expertise, people and culture, brand, infrastructure and financial strength will help us build the leading global recruitment and talent management business.

- **Global network with c.13,000 colleagues worldwide providing expert service and advice across 33 countries and 21 specialisms**
- **Highly scalable and digitally enabled business**
- **Over 76,000 Permanent placements made in FY23 and over 245,000 Temp and Contractors placed**

3 Returns

Our growth is increasingly derived from diverse, partnership-based revenue streams.

We will return significant cash to shareholders in the most appropriate form of core and special dividends, and via share buybacks.

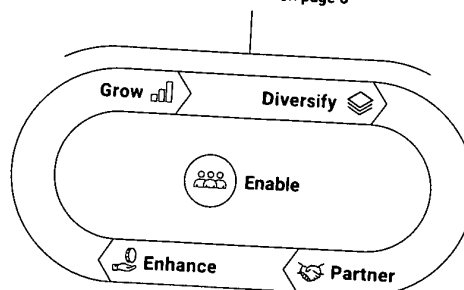
- **Highly cash generative business with high returns on capital**
- **Proposed 5% core dividend increase**
- **£35.6 million special dividend in respect of FY23**
- **c.£950 million in core and special dividends paid between 2017-23**

KEY PERFORMANCE INDICATORS

Our aim is to be the global leader in specialist recruitment and related talent services, and to deliver well-diversified, profitable and cash-generative fee growth. We use a combination of seven financial and three non-financial alternative performance measures to track our performance, in line with our strategic priorities.

Measured against our strategy
We clearly link each of our KPIs to our four strategic priorities.

More information on page 6



1 Like-for-like⁽¹⁾ net fee growth (%)

Measure

How the Group's business is performing over time, measured as net fee growth on a constant-currency basis.

Progress made in FY23

Net fees increased by 6% to record levels, driven by our early management actions to increase fee margins, supported by positive effects of general wage inflation globally, offset by volume declines, particularly in Perm. 21 countries produced fee records.

2 Basic earnings per share⁽²⁾ growth (%)

Measure

The underlying profitability of the Group, measured by the earnings per share⁽²⁾ of the Group's operations.

Progress made in FY23

Basic earnings per share⁽²⁾ down 7% to 8.59 pence. 9% lower PBT and 350 bps higher Group tax rate (FY22 benefited from positive one-offs) was partially offset by reduced finance costs and 3.7% fewer average shares in issue as we bought back 66.2 million shares.

3 Technology fees (£m)

Measure

The absolute scale of the global Technology business in net fee terms.

Progress made in FY23

We delivered record Group Technology fees in the year of £333 million, up 6%. This included Germany up 10%, the UK&I up 5%, ANZ down 2% and RoW up 6%.

4 Contracted Enterprise client fees⁽³⁾ (£m)

Measure

The scale of the global outsourcing business in like-for-like⁽¹⁾ net fee terms.

Progress made in FY23

We continued to win Enterprise market share and broaden our service offering, with fees up 10%. Our medium-term ambition remains to reach £400 million in outsourcing fees. (Note: FY22 fees have been restated and increased by £8 million to reflect historic fees from clients where we won direct outsourcing contracts in FY23.)

5 Like-for-like⁽¹⁾ net fees per consultant (£000s)

Measure

The productivity of the Group's fee earners. Calculated as total Group net fees (on a constant-currency basis) divided by the average number of consultants.

Progress made in FY23

Like-for-like fees per consultant decreased 3.4% YoY to £143.9k, from record levels. Placements per consultant fell significantly as market conditions got tougher through the year, notably in Perm. However, this was largely offset by our actions to increase fee margins, and by placing candidates on higher average salaries.

6 Conversion rate⁽⁴⁾ (%)



Measure

Calculated as operating profit⁽²⁾ divided by net fees. Measures the Group's effectiveness in managing our level of investment for future growth and controlling costs.

Progress made in FY23

Conversion rate⁽⁴⁾ decreased by 250bps to 15.2%, as tougher market conditions in Perm lengthened average time-to-hire. Conversion rate increased in our second half to 15.6%, and our longer-term FY27 aspiration for conversion rate remains 22-25%.

7 Cash conversion⁽⁶⁾ (%)



Measure

The Group's ability to convert profit into cash. Calculated as cash generated by operations⁽⁵⁾ as a percentage of operating profit⁽²⁾.

Progress made in FY23

Given 9% growth in our Temp business, including 18% in our largest and most working capital-intensive market of Germany, with a related increase in Temp book debtors, 101% cash conversion was an excellent result. Working capital management continued to be strong, with debtor days maintained at record low levels of 33 days.

8 Employee engagement⁽⁷⁾ (%)



Measure

We work with Culture Amp to deliver our annual employee engagement survey, delivering actionable insights into our employees' experiences of working at Hays. We run two surveys annually, a shorter 'pulse' engagement in November and a more detailed exercise in May.

Progress made in FY23

84% of all staff completed the survey (FY22: 85%), providing strong representation of employee opinion. Our engagement score decreased slightly to 76% (FY22: 80%), which we view as a solid result given more challenging economic conditions.

9 Percentage of female senior leaders (%)



Measure

We believe in equality in all forms across our business. This KPI was introduced in FY21, with a target of reaching 50% by 2030, and 45% by FY25. We define our senior leadership cohort as the three management levels below our Executive Board, which in FY23 represented the top 680 managers in Hays.

Progress made in FY23

Female senior leaders increased by a significant 1.9% to 44.3%, and we are on track to deliver our ambitious 2030 target.

10 Greenhouse gas emissions (CO₂ tonnes)



Measure

Hays is committed to halving its GHG emissions, in line with the Paris Agreement, and has validated SBTs. Also, in FY23 we conducted our most comprehensive GHG data-gathering exercise, identifying emissions not previously measured. We have therefore restated 2022 and 2020 GHG emissions ([more information on page 66](#)).

Progress made in FY23

Our total emissions directly controlled by Hays ([scope 1, 2 and the selected scope 3 emissions outlined on page 66](#)) increased by 22% to 16,778 CO₂e tonnes, as our headcount increased and economies reopened. Importantly though, GHG emissions are down 29% versus our base year (ended March 2020), and we are on track to deliver our SBTs.

(1) Like-for-like growth represents organic growth at constant currency.

(2) FY20 and FY19 operating profit and basic earnings per share are stated before exceptional charges. There were no exceptional charges in FY21, 22 and 23.

(3) This excludes any fees which originate from preferred supplier arrangements, which represented a further c.30% of Group fees ([more information on page 33](#)).

(4) Conversion rate is the proportion of net fees converted into pre-exceptional operating profit⁽²⁾.

(5) Cash generated by operations is stated after IFRS 16 lease payments, as we view leases (mainly on property) as an operating cost. FY21 cash generated by operations of £130.8 million is also adjusted for £118.3 million of FY20 payroll tax and VAT deferred which was paid in FY21.

(6) Cash conversion represents the conversion of pre-exceptional operating profit⁽²⁾ to cash generated from operations⁽⁵⁾.

(7) The significant disruption of the pandemic meant we postponed the FY20 survey until November 2020, i.e. in FY21. Given employee engagement is so important, we ran two surveys in FY21, with one in May 2021.

THE YEAR IN REVIEW, AND THE YEARS AHEAD

Alistair Cox discusses the Group's performance in FY23 and looks ahead to our areas of focus and development in the future.

Q1 ↴

How did Hays perform in FY23?

A ↴

We delivered record Group fees, up 6% to £1,294.6 million, including 21 individual country records. That's despite a macroeconomic backdrop that became progressively more difficult as the year passed. Our largest business of Temp & Contracting was the main driver of our growth, increasing by 9% and remaining stable at good levels through our second half. Our Perm business was more impacted by the tightening market and while Perm fees increased by 3% overall, they slowed sharply through the year, up 12% in H1 and down 6% in H2.

Reflecting the increasingly challenging market conditions, our quarterly fee growth decelerated from 15% in Q1 to (2)% in Q4. We acted quickly to manage our costs as the markets changed, while being mindful to protect our key strategic investments. We entered FY23 with consultant headcount 26% higher than the prior year and reduced headcount by 5% over the year. However, with the cost increase of our higher average headcount through the year against a toughening backdrop, profits declined by 9% YoY to £197.0 million. Our early cost reduction ensured that Group operating profit and conversion rate improved slightly in H2 versus H1, in line with the guidance we gave at our half-year results.

Our average number of placements per consultant materially declined, particularly in Perm as hiring processes became longer, driven by reduced client and candidate confidence. However, fee margins remained strong, and this combined with our reduction in consultant headcount ensured that overall average fee productivity per consultant remained very close to FY22's record levels. Productivity remains a key management focus in FY24.

Alistair Cox
Chief Executive Hays

Fee growth was broad-based globally, reflected by 21 countries delivering all-time net fee records. Germany, our largest country, was a standout performer, with record fees up 19% and operating profit up 29% to £100.2 million. Performance in our wider EMEA region, part of our RoW division, was also strong, with fees up 12% and operating profit up 18%.

Conditions were less favourable elsewhere. Fees in ANZ declined by 6%, with operating profit down 39%, driven largely by slower Temp markets, especially in Public sector and Banking. The UK&I was also challenging, with fees up 1% and profit down 34%. In both regions we aligned our capacity to market demand, reducing headcount in ANZ and UK&I by 6% and 11% respectively during the year.

RoW fees increased by 5%, although profit declined by 14%, largely due to the effects of the post-pandemic slowdown in Mainland China, where fees decreased by 46%, and difficult conditions in the USA, where fees declined 13%.

Our cash performance was strong and we ended the year with net cash of £135.6 million (FY22: £296.2 million). This was after paying £165.1 million in core and special dividends through the year and purchasing and cancelling £75.0 million worth of Hays shares as part of our share buyback programme. This took our total share buybacks since we launched our programme in April 2022 to £93.2 million, which reduced our weighted average number of shares by 3.7%.

Given our financial strength and confidence in the future, the Board proposes to pay a 5% increased full-year core dividend of 3.00 pence per share in respect of FY23, plus a 2.24 pence per share special dividend, subject to shareholder approval.

We never lose sight though that our financial results are the outcome of everything we do to deliver on our purpose: empowering people and businesses to succeed. The fact I'm most proud of is that during FY23 we helped over 300,000 people with their next career move, and literally millions of others develop their careers through our advice, expertise and training. At a time when the world faces acute skill shortages in key sectors, our services have never been as relevant in helping to create, retain, develop and deploy diverse talent. I see for myself every day the real difference we are making to businesses and to people's lives globally.

Our own business also starts and ends with our people. They are what set us apart from the competition and they are the heart of our culture. We aim to recruit diverse talent from across society, create an inclusive and equitable working environment, provide the best training and development in our industry, and offer the most rewarding and fulfilling career opportunities. We measure our success through our overall employee engagement score, and this remained strong at 76%, despite the tougher economic conditions. I'm delighted that 4,506 colleagues were promoted throughout the year as they developed their own careers, and 112 people moved internationally within the Hays global network.

There is no doubt that the world is facing a number of difficult challenges. With inflation still at high levels and interest rates continuing to climb, business confidence is understandably uncertain. The world also faces longer term challenges, whether they be around decarbonisation or geopolitical changes. What is clear though is that our clients need help to develop and access the talented resources they need to manage through these challenges and thrive. We have entered FY24 with our headcount aligned with our fee growth and are focused on driving consultant productivity and managing our costs accordingly. This best positions us to do our job effectively, ensuring organisations have access to the very best talent, and talented people have access to the very best opportunities for themselves. That is why we exist.

"Against a toughening macroeconomic backdrop, we delivered a resilient overall performance."

Q2 ↴

What were the strategic highlights of the year?

A ↴

We live in a fascinating world, undergoing great change. People and skills sit right at the heart of the global economy, but organisations face a series of complex organisational challenges, chronic skill shortages, technology-driven revolution, increasing demands from employees and demographic and societal changes. The sheer scale of these challenges means that many in-house HR teams struggle to cope, and we see increasing numbers coming to us for help on a broader set of issues. Our strategy is based on responding to megatrends in order to grow the business and our market share, deepen our client and candidate relationships and position Hays further up the value chain as their long-term Leadership Partner. This is a very privileged – and powerful – place to be and we have made excellent progress developing our propositions in the most attractive sectors, broadening our services portfolio and extending our client relationships.

Highlights include our record global fee performance in Technology, up 6% to £333 million ([more information on page 34](#)), and where we are now established as one of the world's largest recruiters of technology talent. This puts us on-track against our five year aspiration to create a £500 million fee business in Technology by FY27. Similarly, our Engineering business grew 21% and is now our third biggest specialism, providing us an excellent foundation to service a world that needs more engineers, particularly as we target the Green Economy.

We grew direct and indirect fees in our Enterprise clients by 10% as we partnered with more large organisations and grew our share of their recruitment spend ([more information on page 8](#)). Again, this puts us on-track to deliver against our FY27 aspirations to build a £400 million business in outsourced solutions. We are also

increasingly working with many organisations on a broader set of talent challenges alongside recruitment. To accelerate this trend, we hired a Global Head of Advisory Services and made good progress in designing and rolling out training, upskilling and re-skilling propositions to our clients as components of our overall Talent Services. As part of this strategy, we acquired a majority stake in Vercida Consulting, a leader in UK DE&I consulting, and we intend to expand that business across our international network.

We also have made excellent progress growing in the most attractive geographies globally. Germany represents our largest single geographic opportunity, and we grew fees to a record £382.0 million, up 19% despite German GDP declining slightly between September and June. This highlights the structural demand for skilled contractors and temps, driven by acute skill shortages in Europe's largest economy. Our largest German sectors, Technology and Engineering, increased by 10% and 22% respectively, delivering on the earlier investments we made in them. Our more recent sectors including A&F, C&P, the Public sector and Legal all did well, and we invested in new sub-sectors including Cyber Security, AI and the Green Economy.

Growing our Contractor & Temp business globally is also a priority and over the last two years we have added over 3,000 workers in Germany alone. That is equivalent to creating a top five business in the German white-collar, non-Perm recruitment market from scratch and illustrates the brand and momentum we have built in what I regard as one of the most exciting recruitment markets in the world. As the far-and-away market leader in Germany, we are ahead of our plan to at least double the profitability of our German business by FY27 and I am very optimistic about the scale of our opportunity and our ability to capitalise on it, just as these results show.

We also made breakthroughs in growing non-Perm fees to a critical scale in several other European countries including France, Spain and the UAE.

“Our fees in Technology exceeded £330 million for the first time ever, having more than doubled in the past eight years.”

Q3 ↴

Were there any lowlights in the year?

A ↴

While I'm pleased that we hit a record fee performance in FY23, I also recognise that our operating profit and conversion rate were negatively impacted by the sharp slowdown in market activity levels. If we recall, our H2 22 Group fees were up 27% and we had invested significantly in consultant headcount, up 26%, to meet high levels of demand and a strong market at the start of the year. The market however started to slow sharply from Q1 23, particularly in Perm, and average placement volumes per consultant decreased. Our average headcount growth in H1 23 was 17%, versus 12% fee growth, and hence we incurred negative profit leverage.

As ever though, we reacted quickly to the changing conditions and reduced capacity and costs. We realised savings in travel, property and via our back-office efficiency projects. Our H2 average consultant headcount growth was only 1% YoY, and on 30 June 2023 our consultant headcount was down 5% YoY, meaning we ended the year with our capacity aligned to our fee growth and current market conditions. This focus also allowed us to maintain our overall fee productivity per consultant at good levels, down 3% on FY22's record levels, and increasing slightly in Q4.

Finally, the one area where we are behind plan on our FY27 aspirations is ANZ where performance was below our expectations, particularly impacted by weaker Banking and Public sector markets. We have taken steps to improve performance, including reducing headcount and restructuring the management team. I expect these actions to deliver results in FY24, remembering that we have the leading business in Australia and its economy and labour market have strong fundamentals. Our long-term ambitions for that business are therefore undiminished.

Q4 ↴

How would you summarise Hays' sustainability and societal progress in the year?

A ↴

Our core value is to 'Do the right thing', and by doing so we have delivered another year of strong sustainability and societal progress.

Core to our business is the over 300,000 people whose lives were positively impacted by us placing them in a new role. We also helped many millions of others with career advice and training or upskilling. This takes time and financial investment, but I believe there is real social value in this. Our 'Helping for your tomorrow' community engagement initiative grew significantly in its second year, with volunteering hours up over 85% to 17,673 globally. This has continued into our new year and Hays UK has recently teamed up with Neighbourly and recorded over 9,000 hours of volunteering in July 2023 alone. Every Hays employee is given one volunteering day, which they can use to work with a charity directly related to our purpose as a business and to helping people advance their careers. You can read more about this on [page 58](#).

Acting responsibly and sustainably sits at the heart of our strategy. In FY23 we conducted our most comprehensive GHG emissions gathering exercise yet, quantifying previously unmeasured emissions. Consistent with our SBTs in support of the Paris Agreement, we have updated our base year to reflect this data, giving us a much better understanding of our impact on the environment. As expected, our underlying GHG emissions under our control increased in the year as our average headcount increased, economies reopened post-pandemic and business travel increased. However, we aspire to lead our industry in environmental performance and our emissions are down 29% versus our 2020 base, and by 34% on a per employee basis. We are on track to meet our SBT of halving emissions under our control by 50% by 2026. We also remain committed to halving scope 3 emissions by 2030, and we actively prioritise working with suppliers who share our vision on Net Zero emissions.

We also made excellent progress in our strategy around Diversity, Equity & Inclusion. The percentage of females in our senior leadership group, comprising our top 680 leaders or around 5% of our workforce, increased by 1.9% to 44.3%, and we are on track to reach our target of 50% by 2030. We appointed our first global head of DE&I, and you can read more about our progress on [pages 22 to 25](#). We now have Employee Resource Groups (ERGs) in all our regions and have employee action groups globally covering initiatives including Pride/LGBTQIA+, Working Parents, Women at Hays and Fitness & Wellbeing.

Looking after our people is key to us and we made further progress in our Wellbeing and Mental Health programmes. Prioritising the mental health of our colleagues is something the Board takes very seriously and is committed to. During the year we launched a scheme to train our managers in mental health awareness and established a network of mental health first aiders across Hays. We also launched an award-winning partnership with Finwell to help colleagues navigate the cost-of-living crisis.

The Board is also considering establishing a Group ESG Committee in FY24.

Q5

How is Hays performing against the ambitions set out at the 2022 Investor Day?

A

The purpose of our Investor Day, held in April 2022, was to highlight how the changes in the world of work benefit Hays, what we are doing to capitalise on these changes and how we will deliver significant value for all our stakeholders, including substantial returns to our shareholders.

Our Investor Day was also designed to set out the 'art of the possible' within our business. With so much economic uncertainty in our world and in an industry that is sensitive to economic confidence, it would be unrealistic to claim to be able to accurately predict a five-year financial plan. However, we believe it is possible to illustrate what a feasible outcome may look like and where it will be derived from, assuming a supportive economy and no significant downturns in any of our major markets, and no material changes in key exchange rates. On this basis, our ambition was to broadly double operating profits from FY22 levels within five years.

We used five key pillars to set out our ambitions, shown in the graphic opposite. These were increasing our Technology fees to £500 million, doubling our operating profit in Germany to €200 million, delivering £350 million in UK&I fees, growing ANZ to AUD \$500 million in fees and doubling fees in Outsourced Solutions to £400 million.

Obviously, the macroeconomic environment will play a major role in our delivery against these aspirations, and that is outside our control. FY23, the first year of our strategy timeframe, saw most of our markets face worsening backdrops, including recessions. Our view was that should any material economic downturns occur, we may well see the achievement of our aspirations pushed out by 1-2 years. Importantly though, the long-term potential in the business remains undiminished and this remains the case today.

In Technology, our fees increased by 6% to a new record of £333 million. This growth level was slightly below the average fee growth delivered since FY10 of 10% per annum. However, it came on the back of 32% Technology fee growth in FY22. The Perm market was markedly harder last year though and resulted in a slowdown in Technology fees to (2)% in Q4 FY23. Fees in our core Contracting and Temp business, representing 85% of fees, were stronger and increased by 11% in FY23, including growth of 3% in Q4. Given the strong start to the five-year ambition that we have made, we believe we are currently on track to deliver £500 million in Technology fees. This would reinforce our position as one of the global leaders in Technology recruitment ([more information on page 34](#)).

Our market-leading business in Germany also delivered record fees, up 19% to £382 million, driven by volume growth and positive pricing/mix effects. This drove operating profit up 29% to £100.2 million, or £130 million excluding Group costs, representing another year of strong progress toward our five-year ambition to double operating profit (ex-Group costs) to €200 million. Fee growth was strong across each of Contracting, Temp and Perm, up 23%, 8% and 22% respectively, and with record fees in both Contracting and Perm. Sector-wise, we delivered fee growth across all our specialisms, with standout performances from Engineering (up 22%), Accountancy & Finance (up 26%) and HR (up 82%). Our largest specialism of Technology increased by 10%.

As noted earlier, we added over 3,000 German Contractors and Temps in the last two years. This is the benefit of many years of building infrastructure, expertise, brand and reputation in Germany, and that's very hard to replicate. We also have a world-class team who are true experts in the industry. That's why I am comfortable to say we are well on-track today with our aspiration to double our profits in Germany.

The third pillar of our five-year ambition was to increase UK&I fees to £350 million. Fees were up 1% in the year to £266 million. However, with an economy facing rising interest rates, increasing inflation and higher energy prices, it is understandable that client and candidate confidence fell, and this led to a sharp slowdown through the year. Illustrating this, we began the year with 11% fee growth in Q1, but ended with fees down (7)% in Q4.

I have great confidence in the strength of our business in the UK though, and I still believe the ambition of increasing fees to £350 million is entirely valid in a market as large as that of the UK and where we remain a leader. Undoubtedly, the economic environment has worsened since we set out our plan, and as we said in April 2022, a downturn would likely delay the achievement of our ambition.

The fourth strategic theme was to increase ANZ fees to AUD \$500 million. We are market leaders in Australia, however, FY23 was undoubtedly a difficult year for us, with growth slowing from 12% in Q4 22 to (15)% in Q4 23. The Public sector in particular was challenging, with Temp volumes under pressure as the newly elected Federal government shifted away from using contingent staffing, and State governments looked to reduce budget spending.

However, like the UK&I, I am confident that AUD \$500 million still reflects a realistic 'art of the possible', albeit one which will be delayed. Once end markets stabilise and we see the benefits of the actions already taken, I fully expect us to return to growth in ANZ.

Finally, our fifth theme was to double Outsourced Solutions fees to £400 million, having broadly doubled fees in this area in the previous six years ([more information on page 8](#)). Last year was another strong year, with direct and indirect fees at Enterprise clients increasing by 10% to £234 million. We continued to win new clients, as well as increase share of overall recruitment with existing clients. As we set out at the Investor Day, a prime area for increased outsourcing is our existing large pool of clients where we already have good relationships as preferred suppliers (PSLs). As set out on [page 33](#), we have c.150 direct outsourced contracts and well over 500 PSLs, so our prospects and pipeline to build bigger relationships, including full outsourcing, is strong. Overall, we are broadly on track to double fees to £400 million by FY27, despite the macroeconomic slowdown.

£333m

Record fees in Technology, up 6%

£234m

Record fees in outsourcing with Enterprise clients, up 10%

Q6 ↴

What are your other key priorities?

A ↴

Despite already having market-leading positions in many areas and being a global leader in our industry, realising the many long-term structural growth opportunities that we face is our top priority. Step one in that journey is delivering on the aspirations we set out at our 2022 Investor Day. That will be achieved by building scale on the foundations we have in key geographies and sectors. It will be reinforced by expanding our service offerings in adjacent talent areas, such as DE&I consulting and Project Services. The new service lines we are considering are related to talent, but clearly not all are purely recruitment-focused. This means standing by our marketing message 'Working for your tomorrow' ([more information on page 28](#)) as we deliver services to solve today's talent challenges.

All of this can only be achieved through the expertise and commitment of our own people globally. A huge amount of my own time is focused on identifying, developing and deploying our leaders to take on bigger businesses and new challenges.

We are very proud of our culture, and we think it sets us apart in our industry. In every one of our 252 offices worldwide, client service, integrity, passion, expertise, cherishing a diverse and inclusive environment and doing the right thing hold true. We continued to invest in culture, launching our 'International Leaders of the Future' programme in FY23, augmenting our existing 'International Leadership and Management' programme. Total classroom and on-the-job training time was maintained at c.20% of each Associate's first year, with managers averaging 12 days of training per year.

I can think of no business where technology is not playing a leading part. For many years we have focused on the benefits of technology and have in place a scalable technology stack. I see numerous opportunities where technology can help us, whether that be in making our services or support more efficient, by enhancing customer service or by opening new revenue streams. Embedding technology solutions alongside our people experts is a core philosophy of Hays, and one that stands us in good stead given advances such as the maturing of generative AI ([more information on page 30](#)). Clearly, with a digitally enabled business comes greater IT security risk. This threat is taken extremely seriously, and we strive to do everything we can to protect our candidate, client and

employee data, and our system's integrity. The high level of engagement and integration across our IT, Legal and Operations teams gives me significant confidence in this area, but we can never be complacent.

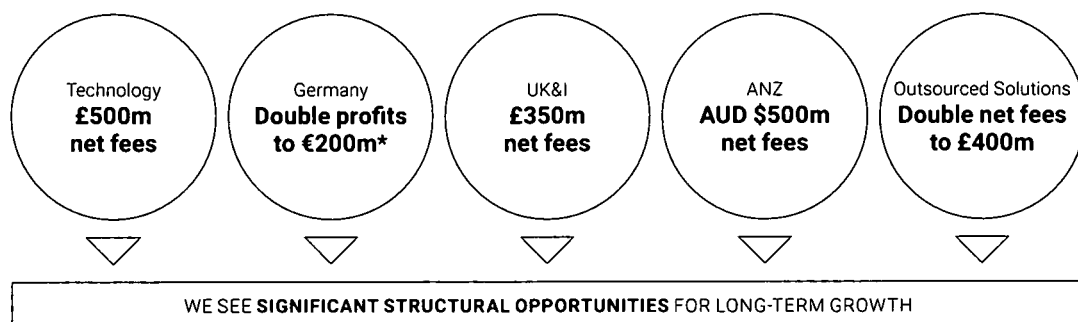
A CEO's job is to align Group strategy and investments with the reality of global economic and geopolitical conditions. We are now living in a world of significant and increasing macroeconomic uncertainties, all of which are outside our control. Accurately predicting the impacts of the many forces at work is impossible. However, we have built a business that is highly adaptable to changing circumstances and we run the business based on real-time data, giving us a competitive advantage in terms of insight and informed decision-making in a fast-moving world. We are constantly alert to a wide range of indicators and our management teams worldwide are expert at responding nimbly as we balance short-term priorities with our longer-term ambitions. Our active management of consultant headcount and productivity in FY23 is clear evidence of this.

Undoubtedly, the world has new challenges to face today, but I am confident our leaders will adjust accordingly as those challenges unfold. In a world characterised by acute skill shortages, our focus is on navigating through this uncertain backdrop while continuing towards our own North Star of reinforcing our position as a world leader in recruitment and wider talent services.

And finally, this is my last Annual Report as CEO, and I would like to say it has been a tremendous privilege to have led this great company for the last 16 years. During that time, we have helped over four million people around the world secure their next career move. That is something I am very proud of as it has touched so many lives for the better.

We have come a long way in the last decade and a half. When I joined Hays in 2007, over 80% of our fees came from the UK & Ireland. Since then, we have taken that local success story and turned it into a global one where over 80% of our fees are now international, and we operate at record scale. We have created a powerful brand and digitally enabled our business, building a global leader in white-collar recruitment. We have also developed thousands of our own people who are building their own exciting careers around the world. My heartfelt thanks go to all my colleagues around the world for their hard work and expertise, as well as their support, loyalty and friendship. It really has been a team effort. We have the foundations in place to write many exciting future chapters of 'Our Hays Stories', and I wish Dirk Hahn, whom I have worked closely with throughout my entire tenure, every success as the next CEO of Hays.

IN APRIL 2022 WE SET OUT OUR GROWTH AMBITIONS FOR THE NEXT FIVE YEARS



For the avoidance of doubt, our total Group FY27 net fee aspiration is not an aggregation of these ambitions as there is significant overlap between our net fees by country and fees in our large Technology and Outsourced Solutions business.

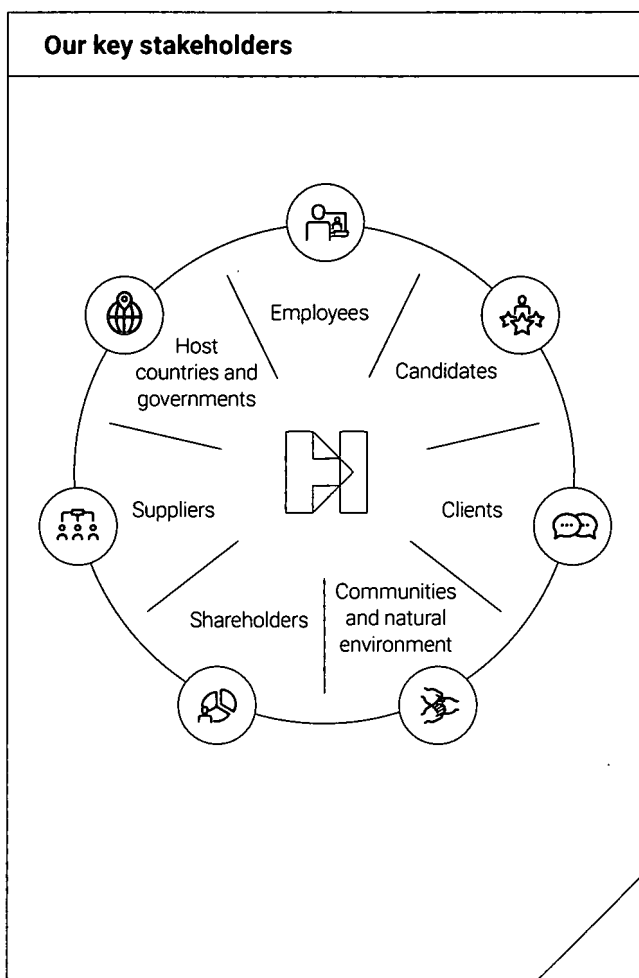
* Pre central cost allocation.

STAKEHOLDER ENGAGEMENT

We have built strong relationships with a wide range of stakeholders over many years. Their trust and support enables us to build a more sustainable, resilient business which operates responsibly and creates a wide range of stakeholder benefits.

More information on [page 19](#)

Core to Board decision-making is maintaining an open and effective dialogue with stakeholders. This helps ensure our strategy is supporting our aim to do the right thing for stakeholders. Our comment on the Section 172 statement and how the Board has made key decisions during the year, can be found on [page 96](#).

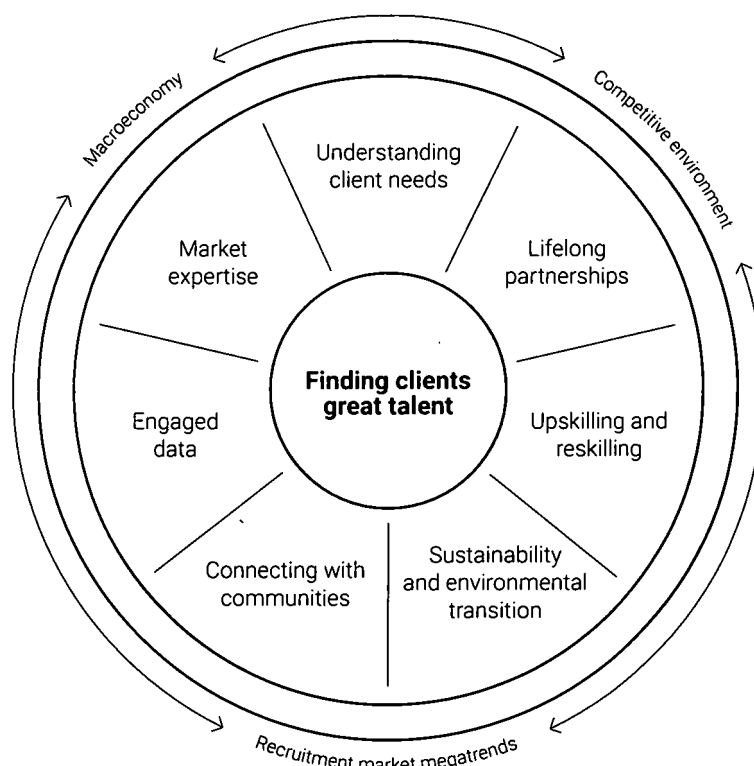


Our key stakeholders	How we engaged
 Employees	We invest substantially in training, development, diversity and culture to ensure Hays is a great place to work. This was supported by regular leadership communication via newsletters, townhalls and regional Employee Resource Groups (ERGs). We also undertake bi-annual global employee engagement surveys. The results are analysed by regions and executive management and presented to the Board.
 Candidates	By building long-term relationships with candidates, we help them fulfil their career ambitions. Our engagement is multichannel, working through our website, social media, flagship publications such as the Hays Salary Guide, and Hays MyLearning, our free-to-use Training & Wellbeing platform.
 Clients	We consult with our clients, helping them find the talent they need to deliver their growth plans. Understanding their needs helps us achieve lasting impact, building deeper and stickier long-term relationships. We provide clients with free access to Hays MyLearning, enabling them to support their employees' learning, development and mental health needs.
 Communities and natural environment	We seek to have a positive impact by engaging with the communities in which we operate, actively providing support, career advice and training. Our 'Helping for your tomorrow' programme expanded significantly in FY23 and is a major part of that strategy. We are committed to becoming a Net Zero company, setting ambitious targets to halve our own GHG emissions by 2026 and reducing our broader environmental impact YoY. Our Net Zero Working Group is developing strategies which will underpin our SBT on reducing carbon emissions.
 Shareholders	We actively engage with the investor community through meetings, roadshows and conferences, and are very grateful for their long-term support. The Board receives regular updates on investor themes and questions and the Chair also hosts meetings with some of our largest institutional investors.
 Suppliers	We are committed to treating our suppliers fairly and with respect, and publish a Supplier Code of Conduct on our website. As part of our Net Zero journey, we have contacted landlords and are progressing discussions with suppliers, to assess their commitment to reducing environmental impact and increasing societal engagement.
 Host countries and governments	Hays contributes to economies and society both directly and indirectly, through the taxes we pay, the jobs we fill, the candidates we help upskill and the local business opportunities, education and community initiatives we support.

What was important in the year	How we responded
– Learning and development – DE&I progress – Mental health and wellbeing of colleagues – Clearer communication of our Employee Value Proposition (EVP) – Enhanced working practices with flexible and hybrid working – Promotions and overseas transfers	– Direct actions based on YourVoice findings (more information on page 26) – Appointment of first global Head of DE&I (more information on page 23) – Enhancements and growth of ERGs – ERG Leaders training programme developed – Appointment of first Head of Wellbeing in UK&I and our Board commitment to employee mental health (more information on page 63)
– Providing career opportunities – Market insights, thought leadership and expert career advice – Provision of training and development via Hays MyLearning (more information on page 32) – Helping people back into the workplace – Identifying and supporting hidden talent – Protecting customers' data	– Investment in customer service and user experience – Career mentoring and volunteering (more information on page 61) – Tailoring learning and development to individual career requirements (more information on page 32) – Skills UK and Talent+ initiatives in the UK&I and Germany (more information on page 39) – Focus on data protection and responsible AI strategy (more information on page 30)
– Delivering a professional service and helping solve skill shortages – Responding to rapidly changing conditions – Providing support needed to thrive in recovering markets – Insight into recruitment trends and market comparisons – Enhanced advisory and talent services – Compliance with regulatory matters	– Focus on customer services and building lifelong partnerships with clients and candidates (more information on page 30) – Investment in client relationship managers – Provision of training and compliance services – Growth in DE&I consulting, including our Vercida acquisition (more information on page 39)
– Ongoing growth of 'Helping for your tomorrow' and our volunteer/ community programmes worldwide – Increased internal awareness of our environmental impact and our GHG abatement strategy – Remaining carbon neutral – Maintaining a trajectory to deliver on our SBTs, as part of our Net Zero journey – Fee growth in the Green Economy	– Each Hays colleague is entitled to one day of volunteering each year – Volunteering increased by over 85% YoY, with our efforts targeted on helping people in the world of work, and the environment (more information on page 58) – Significant local charity fundraising – Post year-end, 'Neighbourly' initiative in the UK delivered over 9,000 hours of volunteering in July 2023, as the UK&I extended its volunteering programme to two days per colleague – Engaged in our most comprehensive ever GHG data gathering exercise, giving greater understanding of our environmental impact (more information on page 65)
– Clear and consistent communications and transparent reporting – Focus on embedding sustainability in our strategy and investment case – Successful Group Finance Director transition to James Hilton – Transparent communication around our CEO succession	– Regular engagement with shareholders and analysts – Enhanced sustainability reporting in the Annual Report (more information on page 54) – Clear communication around capital returns (more information on page 46) – Board case study around CEO succession process
– Clear Supplier Code of Conduct – Partnership in reducing environmental impact, including stating our preference to work with partners that are also on a Net Zero journey	– Communication of our environmental standards and requirements to customers – Working with landlords around our own GHG reduction plan
– Supporting Public sector administrations – Ensuring worker tax and regulation compliance	– Regular and open dialogue with governments and tax authorities – Payment of taxes in a timely tax contributions – Community involvement and initiatives as part of 'Helping for your tomorrow' (more information on page 58) – Continued enhancement of training courses on Hays MyLearning (more information on page 32) – Skills UK and Talent+ initiatives (more information on page 39)

HOW WE CREATE VALUE

Hays helps organisations find and nurture the talent they need to grow, and supports people as they build their careers. As people choose new ways to work, and use new technologies to access job markets, we are also evolving.



Our people, candidates and society

We help hundreds of thousands of people each year in their career journey, and tens of thousands of organisations source the skills they need to grow. We also help talented people gain the skills they need to thrive in the rapidly changing global job market. This all contributes to the wider growth and success of the economies and communities in which we operate, and helps maximise tax revenues.

Partnerships and collaborations

Our philosophy is not just to invest in our own technology solutions, but also to build strong collaborations with leading innovators and influential organisations. This creates mutually beneficial relationships which help us better understand and serve our clients and candidates, and enhances our ability to better respond to fast-moving market developments.

Technology and data

We have built a sector-leading global technology infrastructure which is able to interact with other applications and third-party technologies. This, together with our investment in data analytics and digital marketing, enables our consultants to source real-time, accurate information on their market and ultimately to get the best candidates to clients faster than our competitors.

Brand

Our reputation as a world leader in specialist recruitment is supported and reinforced by our newly refreshed, globally consistent brand 'Working for your tomorrow'. We constantly focus on building wider recognition of Hays as a market leader through partnerships with other organisations and by building a portfolio of high-quality, respected publications that demonstrate the thought leadership of Hays and our people.

VALUE FOR OUR STAKEHOLDERS

Employees

Of our c.13,000 colleagues, 4,506 colleagues were promoted in FY23. We have a target of 50% female leaders in our top 680 managers by 2030. In FY23 our percentage increased by 1.9% to 44.3%. The Group also undertakes regular global employee engagement surveys, and the results are analysed by regional and executive management and presented to the Board. In FY23, 81% of colleagues said they would recommend Hays as a great place to work.

4,506

colleagues were promoted, while
112 moved internationally within Hays

44.3%

senior female leaders, up 1.9% YoY.

Candidates

We helped c.300,000 candidates secure their next role. c.800k online learning courses were consumed on our portals, with over 20 million minutes of training undertaken.

c.300,000

candidates secured their next role with our help

Communities and natural environment

Hays 'Helping for your tomorrow' volunteering hours increased by over 85% YoY to 17,673 hours. We work with charities and initiatives that align with our Purpose.

We are a carbon neutral company and our SBTs for reducing GHG emissions are approved by the SBTi.

Clients

We worked with c.40,000 clients to help them find, retain and upskill the talented people they need to prosper.

c.40,000

clients worked with

Shareholders

Our highly cash-generative business model is focused on creating superior value for shareholders through the cycle.

£240.1 million

cash returned to shareholders in 2023.
Core DPS up 5% and further £35.6 million
special dividend proposed

Host countries and governments

Hays contributes to economies and society both directly and indirectly, through the taxes we pay, the jobs we fill, the candidates we help upskill and the local education and community initiatives we support. During the year, Hays collected c.£1.3 billion of VAT and payroll taxes on behalf of governments globally, in addition to having borne and paid c.£0.4 billion taxes itself ([more information on page 64](#)).

Suppliers

Our Code of Conduct is designed to ensure high ethical standards and foster long-term relationships.

OUR PEOPLE OUR CULTURE

We are deeply proud of our unique culture, which is based on deep sector expertise, training, collaboration, inclusivity and doing the right thing.

▶ To hear Sandra Henke talk about International Women's Day visit <https://bit.ly/45GG7TM>

"Our mission in People & Culture is to ensure that our people are equipped with the mindset, skills and behaviours to build lifelong partnerships that empower people and organisations to succeed. This requires us to be continuously shaping innovative and creative solutions to our customers' talent and career challenges. Enabling that innovation starts with our culture, shaped by a commitment to world-class leadership development with inclusivity at its heart, in an increasingly diverse workforce."

Sandra Henke
Global Head of People & Culture, Hays

Our people are the heart of Hays

Every day, our c.13,000 colleagues nurture lifelong partnerships that empower people and organisations to succeed. This is our Purpose. Attracting and retaining the best talent is fundamental to our ability to deliver for our customers as Leadership Partners, and to grow our business. The unique culture we have nurtured at Hays flows throughout our business, no matter where you are in the world.

A strong employer brand helps to differentiate Hays. Our EVP, known as 'Create Tomorrow Together', provides our people with a high energy culture of belonging, exciting careers, world-class training and development, and opportunities to contribute to the communities in which we operate. It is designed to help us recruit and retain the best talent in our industry. We also enable colleagues to reach their full potential through industry-leading training and development. Most of our new recruits join us from university on our graduate scheme, or from a vocational career.

We train them in the 'art' of recruitment, building expertise and the insights required to find the best person for a role, both in terms of skills and cultural fit. We equip our consultants with the best tools to do the job, embracing new technologies; the 'science' of recruitment.

Talented people want to work with the best: people, brand, tools, technology and infrastructure. They also want career development. Our culture is shaped and created by these features. We believe this is very special, and of great value to our stakeholders.

We often refer to the 'Hays Spirit'. When we ask people to define it, they use terms such as 'high energy', 'growth mindset', 'get great things achieved at pace and together', 'great people' and 'fun'.

EMPLOYER VALUE PROPOSITION

Growth & Ownership

The future is what you make it

- Enabling individuals to take control and shape their future
- Providing many diverse opportunities for progress

Culture & Belonging

Energised by the Hays culture

- Become part of an inclusive, trusting and high energy culture, driven by our core value of 'Do the right thing'

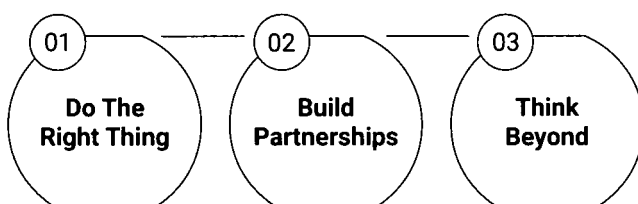
Enablement & Partnership

Deep understanding

- Supported by leaders who help our people to succeed
- Providing access to market-leading personal development, tools and technology to enable our people to be successful

Our values

Underpinning our Purpose is our core value that we must always strive to do the right thing. This protects and enhances our reputation, and builds trust with all our many stakeholders. Our values are:



We also know our people want to do interesting and meaningful work, increasingly in an organisation that is purpose-led.

This is demonstrated in the work we have done through our deep commitment to DE&I, Net Zero and our global volunteering and fundraising programme, 'Helping for your tomorrow' ([more information on page 58](#)).

Promoting growth and development through training

Investing to train and develop all our colleagues is central to our strategy and culture. This has also been adapted to thrive in flexible and hybrid ways of working, including using blended, online learning solutions, while also connecting people in person.

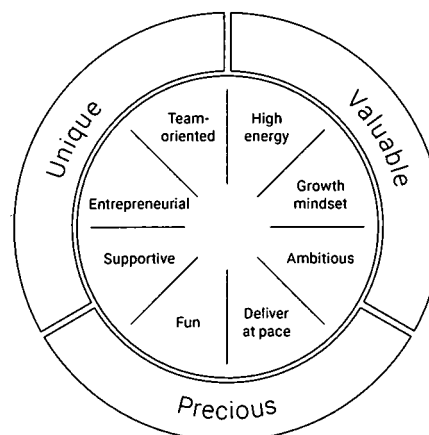
Typically, a first-year joiner will spend on average 46 days in training, helping them to climb the 'productivity curve' while embedding the Hays culture. Demonstrating the ability to progress a career at Hays, 4,506 colleagues were promoted in FY23, and 112 people transferred internationally within Hays.

The quality of our leadership has always been a key strength. As the world of work changes, we recognise our leaders are running more complex businesses. We have therefore made a significant investment in our leadership programmes, designed to build the skills, mindset and behaviours to drive the business.

Our leadership development strategy is based on:

- building better strategic and operational thinking skills and deeper psychological safety and stronger relationships
- expanding our ability to lead inclusively
- developing stronger operational execution capability.

HAYS CULTURE



Intermediate managers

During FY23 we designed a new management development programmes for intermediate managers, focused on key skillsets and behaviours, our International Leaders of the Future (ILF) programme. 20 colleagues attended as the initial cohort.

Managing Directors and Senior Leaders: International Leadership and Management Programme (ILMP)

Our world-class ILMP course has been running for six years, helping leaders face the challenge of leading increasingly complex business and diverse teams.

Through an intense residential course, we help to develop the skills our leaders need to best position Hays to capitalise on rapid change in our markets.

PEOPLE & CULTURE IN FOCUS

ILMP Case Study

As a new Managing Director, the timing and more importantly the impact of ILMP has been significant. Three key aspects stand out for me.

Hays appreciates the importance of people, who are our real assets. We instinctively know the importance of feeling empowered, having a purpose and acknowledging success. And while these are important, ILMP revealed to me that the most impactful thing you can do as a leader is to spend time getting to know each person, often with no agenda, empowering them and their importance to the organisation, and to me as their MD.

Second, as a newly promoted female leader, the programme has given me the confidence to trust myself and my ability to succeed. This is endorsed by a shift I see culturally across Hays towards a more inclusive style of leadership – which is what ILMP clearly emphasises.

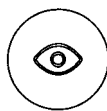
Finally, I was inspired by the international nature of my ILMP cohort, reinforcing the global nature of Hays. Not just because of the talent and insights that each brought individually, but also the demonstration that when you enable people from Hays to work together, we are a powerful force. This is hugely positive for Hays and all its stakeholders. This point was emphasised soon after when our Danish MD, who was in my cohort, contacted me regarding an Irish client seeking to work with us in Denmark. Because of the close relationship we developed, we were able to meet the client's needs in two countries seamlessly.

Maureen Lynch
MD of Hays Ireland

OUR PEOPLE OUR CULTURE CONTINUED

Putting DE&I at the heart of our culture

We are committed to attracting diverse talent and maximising our people's potential, and our commitment to DE&I is fundamental to unlocking that potential. In the prior year, we partnered with an external specialist to help identify any barriers – real or perceived – to getting in and getting on at Hays. In FY23, we have put those insights to work, shaping global and regional DE&I plans. These include hiring DE&I specialists across the business, including a new global head, and we are implementing diverse hiring strategies and inclusive recruitment practices. And by progressing our own DE&I agenda, together with our acquisition of Vercida Consulting ([more information on page 39](#)), we are better equipped to help clients address their DE&I challenges.



Our vision

"By creating tomorrow together – our EVP promise – diversity and inclusion will drive and enable our future."



Our promise

"To do the right thing around people, thinking beyond on diversity, putting inclusion first and building partnerships with clients and candidates to create an inclusive and diverse tomorrow for Hays and the communities we serve."

Do The Right Thing – Build diversity at all levels and geographies – Access diverse talent pools	Build Partnerships – Be an employer of choice and DE&I thought partner – Access new clients and markets through DE&I	Think Beyond – Create a culture of inclusion and allyship – Higher retention and productivity
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DE&I Strategic Pillars	Our Purpose We benefit society by investing in Lifelong Partnerships that empower people and organisations to succeed		
	Our DE&I vision Creating Tomorrow Together – diversity and inclusion will drive and enable our rapidly evolving future		
	Our DE&I promise To do the right thing on diversity, think beyond on inclusion, bringing to life the skill, talent and potential of everyone at Hays, enabling lifelong partnerships with the communities we serve		
	 People	 Workplace	 Markets
	Diversity at all levels, everywhere	Culture of inclusion and allyship	Employer of choice and DE&I thought partner
	– Inclusive hiring (senior appointments process) – Targets, data, tracking – Family friendly policies	– Global ERGs and leadership – Allyship communication and initiatives – Wellbeing	Clients, partners and services
	– Global recruitment methodology – Caring, friendly culture	Allyship in action	Systemic inclusive impact
Our values Do The Right Thing, Think Beyond, Build Partnerships			

How do you see inclusion happening at Hays?

"Inclusion to me is a daily choice we make as leaders and employees within an organisation, and is woven into our values and culture. As someone with dual identities, in being both gay and quite recently diagnosed with ADHD, I belong to two hidden minority groups. My experience at Hays having worked across multiple teams over eight years, is that we are always open to learning and creating space. I have the flexibility that allows me to have boundaries to enable me in being successful in my work, and I have never felt that my neurodiversity or sexuality has ever been a limiting factor in my career."

David Butler-Smith
Flourish Committee member ANZ

The experts' view

Bianca Stringuini joined Hays during FY23 as our first Global Head of Diversity, Equity & Inclusion.

With a leadership background in the areas of DE&I, wellbeing and broader People & Culture roles, Bianca brings to Hays her extensive experience working in global organisations including professional services, banking and insurance.

She also brings her passion for evolving organisational culture, practices and behaviours through practical human-centred action, and about connecting with the external marketplace on DE&I issues.

"I have been highly energised by my first year at Hays. I believe our work to create a pervasive, inclusive culture will help Hays reach its long-term ambitions to double profit, and diversify its business as we leverage diverse talent pools at all levels."

Bianca Stringuini
Global Head of Diversity, Equity & Inclusion

"The focus on inclusion can be clearly seen and felt at Hays. The communication around inclusion is clear, encouraging everyone to be themselves. Previously I never felt comfortable voicing challenges when juggling work and my three children. Now I don't hesitate to share any challenges I may encounter, knowing I am heard, listened to and supported throughout. Hays has truly created an environment that makes us all feel comfortable being who we are."

Tammy Stellini
Managing Director, Hungary and CEMEA DE&I Sponsor

"I have always perceived Hays as an open, tolerant organisation. With the focus and implementation of our DE&I strategy, I feel very strongly that we have been able to move beyond tolerance and openness. Our culture is accepting and embracing diversity, and there are less structural barriers limiting people to bring their full self to work. My best example for this is the Employee Resource Groups, which empower and bring to life different aspects of our diverse Hays population."

Anna Lüttgen
Women Empower & Leadership team member – GSCN

"I see inclusion in action at Hays through the communications, activities and strategies we adopt and promote. I see the great people that we are now lucky to have, in dedicated DE&I roles, helping us become more inclusive. I hear conversations of people comfortably challenging people at all levels to be better and to think more inclusively. I also see the impact of our Employee Resource Groups creating a greater level of awareness and as Co-Chair for the Black Network I know we are creating opportunities for sharing, learning and celebrating cultural diversity."

Jason Dunwell
Co-Chair UKI Black Network

THREE-YEAR DE&I PLAN



Diversity at all levels and geographies



Create a culture of inclusion and allyship



Be an employer of choice and DE&I Thought Partner

- to clients and partners via Vercida
- via our ERGs
- via thought leadership content

▶ Watch Supporting Diversity with Pride on <http://bit.ly/486FSDz>

OUR PEOPLE OUR CULTURE CONTINUED

How does diversity enhance your day-to-day life at Hays?

"Diversity makes my work easier. The more thoughts and perspectives we have, the better we can serve our customers, both candidates and clients.

On a personal level, I've never felt more comfortable at Hays. I've spent 21 years here, of which four I've been fully 'out' and happy to talk about my personal life. The 'show' that I put on before that, was tiring and unnecessary. And that isn't because I ever faced any discrimination here, but simply because I didn't know many other people like me at Hays. Running the Pride network has given me a network of other LGBTQIA+ people to lean on, and frankly, make me feel like I'm not the odd one out."

Louisa Bendicto
Americas DE&I Lead

"When I joined Hays in the late 90s, I had this preconception that to be successful, you needed to be a white straight man and thought that the best thing that I could do was to just hide certain aspects of my personal life outside of work. Hays championing inclusion in the workplace makes me feel as though I'm treated as an individual, and that my identity, my sexuality, or my point of view, is recognised and celebrated.

In my team, I have people from numerous different cultures, different nationalities, different religions etc... and in my eyes this wide range of diversity not only increases innovation and strategic thinking in a work context, but also benefits me in my own personal development, as I learn from people whose backgrounds and experiences are different from my own."

Nick Sakrani
Director, Hays Paris and DE&I sponsor for France and Benelux

"Diversity is imperative to ensure we do not all think in the same way. Diversity in cultures, age, personality etc. ensures we have opinions and viewpoints based on various background. This means we are challenged into not thinking only in one way and thus we have different and creative ways of problem solving and strategic thinking. Our biases and preconceptions are challenged for a better, more wide-angled view on decisions we make both internally and externally."

Neem Lock
Asia DE&I Council Member

"Diversity profoundly enriches my Hays experience. Cultural diversity enhances my understanding and connection with colleagues. Being an ally to equity-deserving groups brings me fulfilment and hopefully fosters a safe environment for their authentic selves. Moreover, understanding neurodivergent individuals equips me to be a more effective facilitator. The diverse tapestry of experiences, thoughts and identities fuels personal growth and drives professional success. At Hays, embracing diversity is not just a commitment but an opportunity to learn, connect and create a thriving community that celebrates individuality."

Jason Motley
Co-Chair Black Excellence Council Americas

Bringing our DE&I mission to clients and candidates

"Bringing neurodiverse candidates into one of our clients. I've learned that 85% of candidates with autism are either unemployed or underemployed. So we've partnered with our client to educate the hiring staff. Let them understand that these are fantastic candidates and should be given true opportunities. So we've just placed our first candidate over the summer. She is thriving. She's doing absolutely wonderfully. And now word's getting around the client, they want to hire even more."

Allison Calderon
Client Director, USA

Life at Hays

"There's a term that society uses nowadays, which is third culture kid. What was really refreshing to see when I first joined Hays was that I wasn't the minority. There were so many other people like me. But it's also about being yourself and being able to share ideas that you truly feel passionate about. I've always felt like there was a sense of safety, to do that in the workplace."

Genzo Yamamoto
Senior Manager L&D and T&A, Japan

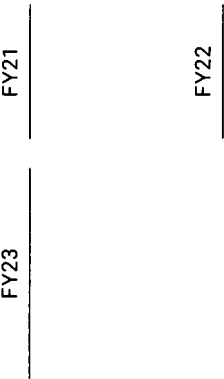
"The person that I was before I joined Hays was a completely different person. I've grown so much with Hays and it's all in the best ways. It's helped me really communicate better, become a lot more articulate, have confidence in the person that I am, and in the skin that I wear, allowing me the space to be myself."

Natasha Ishak
Regional Director, Malaysia

FEMALE REPRESENTATION IN SENIOR LEADERSHIP

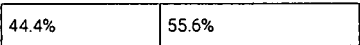
In FY23, 44.3% of our top 680 leaders were women, a significant increase of 1.9% YoY. This represents the Executive Board and the three management levels below this, and we are on track to reach our target of 50% by 2030. Senior female leadership, as defined by the UK Corporate Governance code, was 36.6%.

FEMALE LEADERSHIP WITHIN HAYS TOP 680 LEADERS

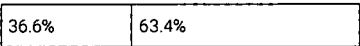


GENDER REPRESENTATION AT HAYS

Directors of the Company



Employees in other senior executive positions⁽¹⁾



Other employees of the Group



Female Male

(1) As defined under the UK Corporate Governance Code.

LIFE AT HAYS

Attracting and retaining the best talent is fundamental to our ability to deliver for our customers as Leadership Partners, and to grow our business. We are proud of the unique culture we have nurtured at Hays, which flows throughout our business, no matter where you are in the world. A strong employer brand helps to differentiate Hays.

▶ Watch Life at Hays on <https://bit.ly/44ORokj>

YourVoice, our employee engagement forum

Our main forum for engaging with colleagues globally is our YourVoice survey.

We conduct two global employee surveys annually, a main survey in May and a pulse survey in November, which can be used to explore key issues raised in the previous main survey. YourVoice is translated into 12 languages, and is completely confidential which allows colleagues to share their honest views with anonymity. Feedback is reviewed closely by the Executive Board and Senior Managers to identify and inform actions.

Where possible, we also measure specific quantitative goals where we can set sensible measurements of success. We also use other communication channels to ensure colleagues are kept informed of key developments, including Town Halls, 'Ask Alistair' and Regional MD email campaigns. These have enabled us to engage with a broader cross-section of our people and provided more opportunities to listen directly to their challenges, opinions and ideas.

"Hays doesn't conflict between my personal life and my career. The trust is there – they allow me to be a mum while also managing my accounts and my team."

Allison Calderon
Client Director, USA

YourVoice favourability score	2023	2022	2021	Commentary
Overall Employee Engagement	76%	80%	78%	Our overall engagement score decreased slightly in FY23, although remains at a very good overall level. We attribute the reduction mainly to slowing economies and job markets
I believe that at Hays we positively impact organisations and people	81%	84%	81%	81% is a strong score in this category, which is closely aligned to our purpose of building lifelong partnerships with people and organisations
I would recommend Hays as a great place to work	81%	86%	80%	Over 4 out of 5 employees recommend Hays as a great place to work, which is highly encouraging
At Hays, I feel a strong sense of belonging	70%	75%	69%	Creating an environment where colleagues are aligned and feel like they belong is a great enabler of culture and growth
People from all backgrounds have an equal opportunity to succeed at work	82%	84%	80%	We are determined to nurture a culture where every person who joins Hays has an equal chance to build a successful career
Hays creates an inclusive workplace, recognising and respecting every employee as an individual	80%	83%	78%	Having a diverse, equitable and inclusive culture where everyone feels valued sits at the heart of our strategy, and a score of 82% represents a strong result
Hays is committed to benefiting the societies in which we operate	76%	72%	Question added in 2022	Initiatives like 'Helping for your tomorrow', our Net Zero journey and greater internal profile have helped to increase this score
I have a positive working relationship with my manager	90%	92%	90%	As the ultimate people business, we are delighted that 90% of our colleagues describe their relationship with their manager as positive

"Everything that happens at Hays is up to you. It's highly rewarding – you feel that you are the owner of your own business, and everything that happens in it."

Carlos Fuente
Team Manager, Spain

"Our culture is about being there for each other, being collaborative, passionate and solution orientated. It's about making sure we are listening and motivated on a day-to-day basis. And it's actually never felt like a job for me personally, because if you love what you do, it's an absolute joy to rock up to work."

Peter Marinis
Senior Manager Technology, Australia

Board involvement and responsibility

The Board has overall responsibility for the welfare and interests of the workforce, and during the year Non-Executive Director MT Rainey continued her work as designated workforce engagement director. MT's role serves as an additional and independent channel for the Board to hear directly from Hays' diverse workforce.

FY23 awards for excellence

For the first time, Hays ranked in the top 1% in the 'Leading Employers' 2023 survey. 85,000 companies were examined, so we were delighted to be highly ranked in this prestigious global award.

In Germany, Hays ranked sixth in the Women's career index and our score has increased by c.50% since 2018. In ANZ, our Learning & Development team was nominated as a finalist by the Australian HR Awards 2022 for Best Learning & Development Program.

Several Hays entities won 'Great Places to Work' awards, including Japan, Belgium and the Netherlands. Spain also won a top 100 places to work award.

Hays Ireland has been awarded Gold Accreditation from the Irish Centre of Diversity, one of only 11 organisations across Ireland to achieve Gold. Hays UK placed 10th in the Job Crowd's top graduate employer award, up from 15th in FY22. We were also the top ranked Business Services company and ranked third overall in "Career Progression". We are also committed to supporting military veterans by providing them with access to the best career opportunities. We achieved the Armed forces gold covenant accreditation, one of only two major recruitment companies to do so.

Also in the UK&I, we were awarded 'Best Financial Wellness Initiative', which celebrates organisations and individuals which showcase leadership, innovation and best practice in focusing on the mental health agenda at work.

Hays Enterprise Solutions won the 'Nétive VMS Best Use of Technology Tiara Award', for its Inspire programme, working with employers and schools to positively engage young people with careers. Enterprise Solutions were also highly commended by Tiara for our ESG submission. Our Net Zero commitment, the launch of 'Helping for your tomorrow', the free training available on our learning portals and enhancing our DE&I policies are just a few ways we are working towards building a business which is not only sustainable and stronger, but which has a positive impact on our clients, candidates, employees, communities and other stakeholders.

CUSTOMER PARTNERSHIPS, **POWERED BY OUR PEOPLE AND TECHNOLOGY**

We are building longer-term relationships with clients and candidates, moving Hays up the value chain.

Working for your tomorrow

'Working for your tomorrow' is our promise to customers, by which we mean both our clients and candidates, that their continued success is at the heart of what we do.

Our purpose is to benefit society by investing in lifelong partnerships that empower people and organisations to succeed. We do this by combining knowledge through scale, meaningful innovation and deep understanding. We have the depth and breadth of a global network, and deep expertise driven by c.8,500 consultants and data points across multiple industries.

Our broad global network, powerful data-driven workplace insights, unrivalled market expertise and tailored people solutions, allow us to be a true Leadership Partner to our customers, helping them to achieve their goals today and tomorrow.

We challenge ourselves to continually provide customers with greater insights on exactly what is going on in the world of work, both now and in the future.

We believe professionals need different forms of support throughout their career. Our commitment to building lifelong partnerships with candidates is a key priority and we continually invest in our community of professionals, helping them to achieve their career ambitions.

Hays is focused on being a truly customer-centric business. By offering our customers an unrivalled service, we can set Hays apart from our competition and create long-term value by delivering the recruiting experience of tomorrow.

Our Values

Do The Right Thing

We always act in the best interests of our candidates, our clients, our colleagues and our communities. We want to find the right solution every time, because every person and situation is different. We stand by our commitments, we keep our promises and we treat everyone with the respect they deserve. This is what earns trust.

Build Partnerships

Partnerships power what we can achieve. We take the time to listen and understand people's needs and aspirations so that we can meet them. Collaboration and inclusivity are at the heart of our approach, creating solutions together, learning from each other and sharing our knowledge and experience. That's what supports strong relationships and enables shared success.

Think Beyond

Our knowledge and ambition drives us forward. We challenge ourselves and our customers as we bring open, inquisitive minds that consider every angle. We aren't held back by 'that's the way we've always done it'. We see the big picture today while we build a long-term perspective of tomorrow, anticipating change and enabling us to be confident and agile with our advice. That's what makes us experts.

Our customers are increasingly looking for Leadership Partners – those who have the scale and capability to provide deep insights and value

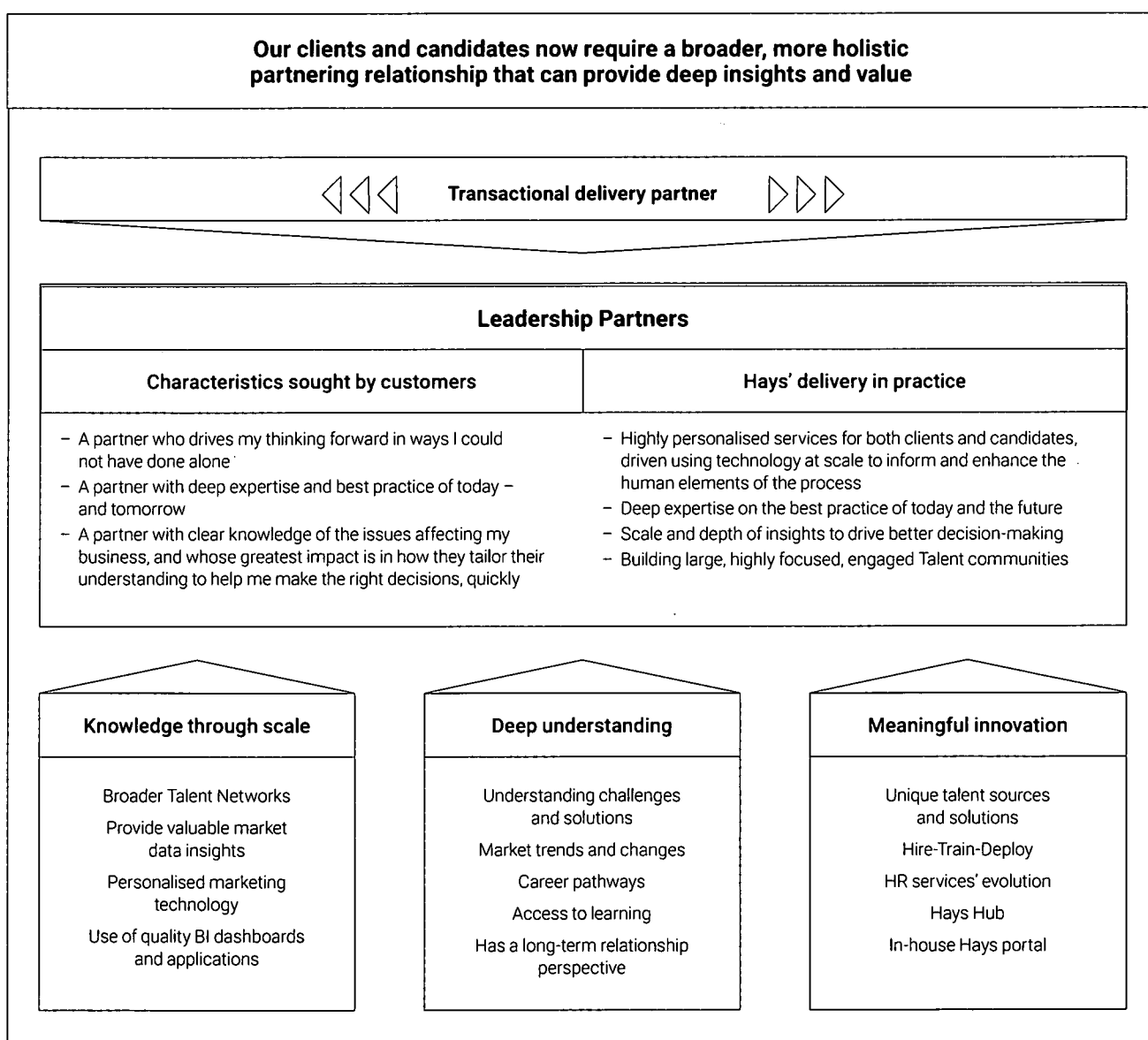
Customer expectations and demands have significantly increased in recent years, moving away from traditional transactional relationships towards much deeper partnerships. Success is increasingly driven by our ability to help solve complex problems and provide valuable insights around clients' talent needs and solutions.

Clients want a partner who drives their thinking forward, and who provides the data and insights they need to make decisions for today and their future. They need a partner who can challenge and augment their strategy and who understands their business in detail, helping them improve and accelerate decision-making.

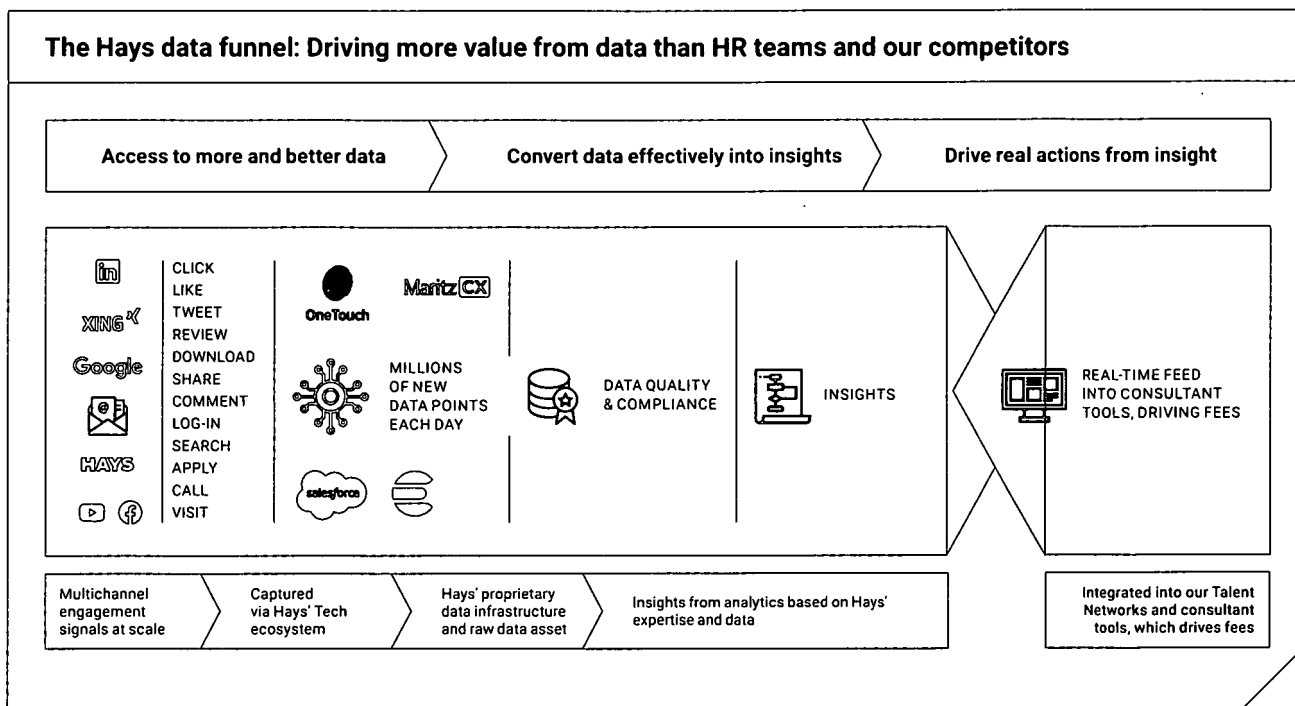
By becoming Leadership Partners we open a wealth of new opportunities to take market share and move up the value chain. This enables us to support our customers more effectively across an increasingly broad array of talent services, such as DE&I consulting, assessment & development, training, and workforce advisory.

Three pillars of Leadership Partner status

We believe there are three pillars which enable us to become Leadership Partners. The process is also dynamic, with new services and criteria likely to be added over time.



CUSTOMER PARTNERSHIPS, **POWERED** BY OUR **PEOPLE** AND **TECHNOLOGY** CONTINUED



Our long-term investment and commitment to technology places data at the heart of our business

We have invested to build cutting-edge data systems for well over a decade. An earlier iteration of our strategy was our 'Find & Engage' recruitment marketing model, which over time evolved into our 'data funnel', which automatically captures millions of data points accurately across many channels each day. Our data ecosystem has been further enhanced. Today, we operate a highly automated solution designed to solve – and anticipate – the rapidly growing list of client needs.

This enables us to process these tens of millions of data points daily, turning them into meaningful signals and actionable insights for our clients and consultants, at a scale and depth previously impossible. These insights in turn drive our Talent Networks, which we believe are a competitive advantage.

Generative AI in recruitment

Our vision is to be recognised as a recruitment market leader in the use and optimisation of Artificial Intelligence (AI). We will do this by delivering a responsible AI strategy globally.

The rapid pace of developments in generative AI brings a wealth of new possibilities for Hays and our customers. In time, it is our ambition to deliver enhanced customer service using AI across all of our processes.

AI also brings significant challenges around data, data protection, legal compliance and ethics. We believe the use of AI tools and resources will present great service and productivity opportunities going forward, and we are building our strategy around driving efficiencies in a highly responsible and compliant way.

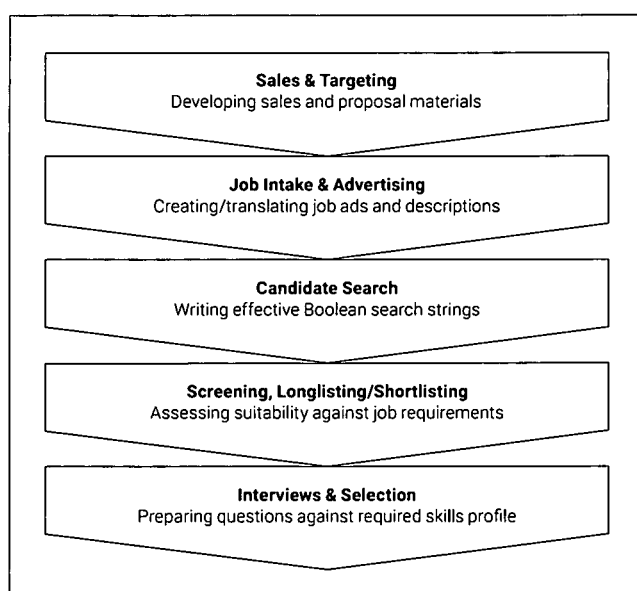
During FY23 we established a senior working group to evaluate all aspects of AI. We have already identified numerous positive use cases, and we are working closely in partnership with key suppliers to evolve business tools and identify opportunities to incorporate generative AI into key workflows across Hays.

We are continuously evaluating our processes and the technology that we use, with the aim of ensuring our colleagues have the best tools available, boosting productivity and helping provide clients and candidates with the best service possible.

AI has significant potential to improve all stages of the recruitment process for clients and candidates, and our consultants, including:

- summarising job requirements
- creating job descriptions and web adverts
- curating Talent Networks
- analysing key market trends and developing appropriate strategies
- identifying skill shortages for candidates and offer training.

More specifically, the graphic below shows some practical use cases which are already in progress:



We have set up strong internal governance structures to validate all business use cases. We believe it is essential that all our development occurs safely and behind Hays' robust security firewalls. We will not expose or release any client or candidate data to an external generative AI model. Our AI strategy is focused on our core value of 'Do the right thing', aiming to delivering strong internal efficiencies while minimising any risk to our business, our people or our customers.

Talent Networks offer clients unique insights and solutions – and help to find candidates faster

The transition from delivery excellence to Leadership Partner relies on us identifying and connecting with the right candidates at the right time, and fully understanding what's right for them and their careers. Talent Networks are the community ecosystems we have built to support our consultants, built on top of our vast 'digital data lake'. They optimise our digital candidate sourcing strategies, largely operating in real time, and reducing our time to shortlist.

We believe the scale of information we bring is a differentiating asset. We add value by presenting customers with real-time information to significantly enhance their decision-making, and their ability to engage the right talent to grow. Consultants can also demonstrate to a customer, in real time, where a particular role sits in terms of supply and demand, salary and local market knowledge.

Supported by our automated marketing technology, we constantly source skills that our customers need, building relationships with candidates from their first digital interactions with Hays.

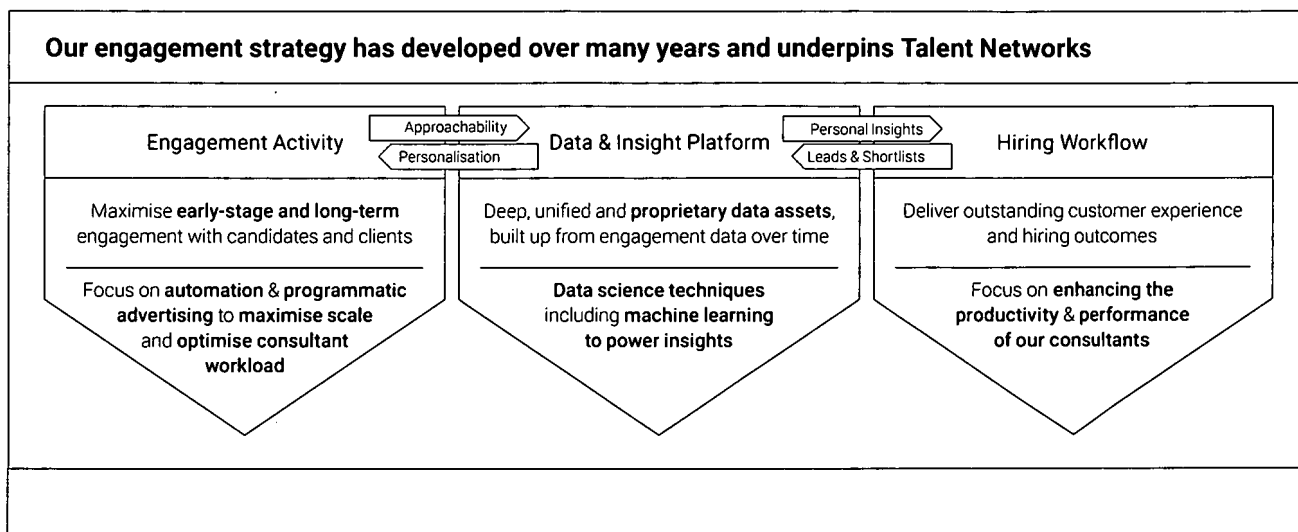
"The greatest advantage of using Talent Networks is the time saved in identifying relevant candidates. It allows me to save and also rework a specific and dynamic search for each job, which is invaluable as it saves time recreating different searches. This can even be done while the client is on the phone providing the brief. Speed is everything in securing talent for our clients – the fact that Talent Networks show new or updated candidates each day is invaluable.

I save Talent Networks for each role so that I can quickly reuse them when I get a similar role. I also use Talent Networks to be very specific about location, I am able to quickly see who is in a certain area. I can search both registered and holding candidates at the same time, and am able to call my clients to advise on new talent, giving them opportunities for proactive hiring and workforce planning."

Caroline Edwards

Client Director, Hays Australia

CUSTOMER PARTNERSHIPS,
POWERED BY OUR **PEOPLE**
AND **TECHNOLOGY** CONTINUED



Upskilling and reskilling via Hays MyLearning

Upskilling and Reskilling via MyLearning
A key part of our strategy has been the creation of a specific portal, MyLearning, to help candidates upskill. This has been made possible due to our deep understanding of specific career journeys made across hundreds of thousands of roles.

It is no longer enough just to offer candidates advice. Leadership Partnership means we need to demonstrate personalised insights on how they can develop the skills to thrive – better equipping themselves for future success.

Our complex ecosystem uses millions of data points amassed over many years, and our complex algorithm enables us to map skills against roles dynamically. We can offer candidates a range of pathways for their careers, based on the successful careers of others with similar skills.

We have made substantial progress in improving our customer experience. However, these ecosystems are organic and dynamic.

We continue to invest in them, framed by feedback from our customers and consultants, combined with market insight from our innovation team, who are constantly monitoring the technology landscape, identifying new trends, opportunities and threats.

HAYS MYLEARNING IN FOCUS

Training, upskilling and reskilling

Via Hays MyLearning, candidates can access training and upskilling resources, consuming it in the format best suited to their needs.

MyLearning enables us to identify the skills each candidate needs to progress in their career. We can then provide them with a bespoke playlist of learning content, curated for them, which helps them gain the necessary skills, whether they be technical skills or softer skills such as problem-solving, to advance.

They can then choose from a large array of content and consume it in their own time as a free value-added service. In FY23 nearly 20 million minutes of content was consumed on MyLearning.

c.20 million
minutes of training
consumed

c.800,000
unique enrolments on
Hays' learning platforms

“The reskilling of the workforces throughout the world is one of the biggest challenges facing every country. We are constantly evolving our ecosystem to be a leader in insight-driven reskilling – only possible because of our deep understanding of how the market is reacting.”

Steve Weston
Chief Customer Officer

Conclusion: differentiating through customer service

Today, our customers rightly demand more than ever. However, these demands create opportunities to win recruitment market share and grow in related talent services, by delivering outstanding service.

We have significantly enhanced our customer offering by creating market leading ecosystems and communities which support deeper, more meaningful partnerships. This allows us to engage with millions of people, build stickier long-term client relationships and ultimately fill more skilled roles. Our Talent Networks also deliver significant benefits for candidates – automation ensures they are able to access every suitable role across Hays' global ecosystem.

Our networks work at speed and scale due to the breadth and depth of millions of data points we capture in real time globally. The investment to build these data points began many years ago – we believe it is simply not possible to short circuit that process, and that we have created a tangible competitive advantage for Hays.

Our mix of technology, automation/AI and expert people means we can tailor service to the individual requirements of each customer. This delivers the knowledge they need through scale, deep understanding and meaningful innovation, and allows Hays to be their Leadership Partner.

TECHNOLOGY IN FOCUS

Building stickier and more meaningful partnerships with our clients

"We invest time, expertise and resources in these partnerships.

We view each partnership as a strategic alliance to reach reciprocal success. We fully commit ourselves to:

- framing and scoping the needs, vision and culture of our clients
- co-designing innovative solutions to meet their demands
- selecting and dedicating the best resources to deliver our services
- keeping track of our performances, and looking for constant improvements
- exchanging critical insights to keep our partnership alive and expand it.

The more we learn about our clients and their needs, the better we can serve them and in turn move up their value chain. It can then become a virtuous circle."

Frédéric Béziers

Regional Director, France

Hays' broad client types and key characteristics

Client type	Spot/one-off transaction	Multiple placements per year	Preferred Supplier List (PSL)	Full outsourced
Key customer needs	Typically SME clients, but also some larger clients, who need to access deeper pools of available talent, faster and more accurately than they can do themselves Some clients may use Hays only once, others may use Hays many times each year		Customers who need a partner to help with broader talent solutions Dozens or even hundreds of placements each year	Requires a deep, trusted relationship to deliver all (or part) of their HR function Hundreds or thousands of placements each year
Proportion of Hays fees	c.20%	c.30%	c.30%	c.20%
Customer's service requirement	Serviced by Hays' global network	Known Hays contact and Hays' global network	Account Management team	Dedicated client engagement managers
Growth opportunities for Hays (note: all categories benefit from the positive impacts of wage inflation, and also in FY23 benefited from rising Temp & Perm fee margins)	New company formation Win new customers Scope to win increased market share with existing clients	Win new customers – many thousands of organisations we do not deal with today Deliver recruitment across more specialisms Scope to convert multiple placements into a PSL arrangement Opportunities to offer selected talent services	Win market share as Preferred Suppliers (PS) (we have c.1,200 PS clients; typical share of their spend is 20-50%) Win more client contracts Convert to full outsourced contract Add new, value-added talent services	Win more outsourced contracts with c.80-90% of client spend. We currently have c.150 fully outsourced contracts with some of the largest employers globally Add new regions to existing contracts Add new, value-added talent services

IN FOCUS **ONE**

HAYS IS IDEALLY POSITIONED TO **ACCELERATE GROWTH IN TECHNOLOGY RECRUITMENT**

Our Technology business has grown net fees at c.10% CAGR since 2012, and is a global leader. Yet our overall market share still remains very low. We have a highly scalable global platform and a clear growth strategy. We are on-track with our Investor Day ambition to drive fees to £500 million and beyond by FY27 in this rapidly growing market.

Our Technology business is a global leader in a market with significant long-term opportunities. The global technology recruitment market size by contract revenue and permanent fees according to SIA data is over US\$100 billion, which equates to Hays having a c.3% market share. This market has grown by more than 60% over the past 20 years.

Importantly, and despite some near-term economic headwinds, tech job categories are being created at a faster rate than candidates become skilled. This is helping create a talent gap in a market with over 60 million workers.

Over the past decade, Hays Technology net fees have increased from £121 million to £333 million in FY23. Our growth has been underpinned by strategic investment in scaling the business and established a clear global growth strategy, supported by a strong leadership team to ensure we have the management infrastructure to deliver – and then exceed – our £500 million FY27 fee ambition.

Hays Technology net fees* (£m)

We believe we are ideally placed to outperform the market. Boosted by our strong brand, global scale, expertise and cutting-edge systems, our clear growth strategy has five pillars:

PILLAR 1	Grow fees in our core Tech sub-specialisms, capturing rapid structural growth trends
PILLAR 2	Expand Hays' Tech capabilities geographically and infill existing areas of global expertise
PILLAR 3	Expand into new, structurally growing technologies
PILLAR 4	Win new clients and deepen our relationships with existing clients by broadening the services we offer beyond recruitment
PILLAR 5	Grow our Technology Project Services business in existing and new markets

Our growth strategy in action

We have a strong track record of growth within the Technology sector. We have a market-leading position in Germany, UK&I and ANZ and have experienced significant growth in countries where Hays has a footprint but has not historically focused on the Technology sector.

We believe we can outperform our competitors because:

- we have Talent Networks delivering high levels of candidate engagement
- we have the breadth of customers in Public and Private sectors from large Enterprises through to ambitious start-ups
- we have market-leading experts in each geography, sector, technology and service line
- we are collaborating with partners who are driving the most exciting growth technologies
- and finally, we have the global leadership team to deliver.

* Net fees and fee growth shown on a constant currency basis. The Veredus acquisition in FY15 added c.£17 million in Technology fees and is excluded from the CAGR, which is shown on an organic basis.

Sub-specialism coverage by geography 2023

	Germany	UK	USA	Australia	France	Switzerland	Spain	Japan	Canada	China	Countries 11-33
Project & Change Mgmt.*											
DevOps & Cloud											
Software Development											
Data & Analytics											
SAP											
Cloud Development											
Cyber											
Salesforce											
ServiceNow											
Workday											
RPA/AI/ML											
Project Services											

* Incorporating Product & Customer Success.

2027

☐ Core ☐ Scaling ☐ Greenfield

	Germany	UK	USA	Australia	France	Switzerland	Spain	Japan	Canada	China	Countries 11-33
Project & Change Mgmt.*											
DevOps & Cloud											
Software Development											
Data & Analytics											
SAP											
Cloud Development											
Cyber											
Salesforce											
ServiceNow											
Workday											
RPA/AI/ML											
Project Services											

THE EXPERTS' VIEW

We made strong progress in aligning our global operations in Technology in FY23. Whilst Perm recruitment has slowed sharply, Technology non-Perm, 85% of our Tech fees, has remained solid. Non-Perm is a key strategic priority, and we continued to scale our Contracting & Temp business, with fees up 11% including Germany up 10%, and EMEA ex-Germany up 25%. Our account managers have developed a focused approach which segments key sub-sectors, targeting the fastest growing areas. We are increasingly aligned to the most in-demand skills, allowing us to scale faster, while sustainably building delivery capability and capacity.

Demand for non-Perm talent continues to be strong in Projects and Change, Cloud Infrastructure and Software Development skills. We also continued to invest in structurally growing areas like Data, Advanced Analytics and Cyber, which grew by c.30% and represented c.13% of our global placements in FY23. We also anticipate an increase in demand for skills in large enterprise platforms such as Oracle, SAP and Dynamics as organisations migrate to cloud-based solutions. Although technologies such as ServiceNow, Salesforce and Workday have seen some hiring slowing, we believe the medium-term fundamentals are strong and we are protecting our investments.

Customer diversification and candidate acquisition continue to be core themes and we are developing an ecosystem approach. Firstly, we actively engage with scaling, digitally native organisations, including our partnership with Empact Ventures and our co-designed 'Superconnect' (www.haystechnology.com/super-connect-for-good) competitions, linking high growth Technology businesses with global candidate audiences.

We have launched a software developer ecosystem focused on early careers, CodeCo. This allows coding school graduates and hobbyists to participate in code challenges and hackathons, to build their technology portfolio and participate in online learning as well as access career advice and jobs. In CodeCo's first nine months, we have built a community with over 1,400 active members and our focus is now to scale the audience, linking our communities with those looking to hire talent.

James Milligan
Global Head of
Technology Recruitment

More information on
www.haystechnology.com/super-connect-for-good

IN FOCUS **TWO**

OUR CULTURE IS PART OF WHAT MAKES HAYS **A GREAT PLACE** TO WORK

Attracting and retaining the best talent in the market is central to delivering for our clients and to growing Hays' business. We work hard at nurturing our unique culture, which underpins this attraction and retention.

We are proud of the culture we have nurtured, and how it frames the success of our business.

Although traditionally our strategy has been to hire mostly at entry-level and we continue to do so, we supplement this strategy by hiring more experienced talent in those parts of our business that require greater specialist and technical expertise. We have also seen a recent increase in the number of people choosing to re-join us.

Asking these three groups of talent why they chose to work for Hays identifies:

- ❶ Our commitment to innovation for their sector
- ❷ The energy and growth mindset of our leaders
- ❸ Our systems and infrastructure which support our world-class delivery for clients

"The beautiful thing is that everybody in the business really supported our ambition – everything we do is about the future of Hays Malaysia. My business went from two people, to five, to nine, to seventeen and the next thing I know, I was running an office then running a country."

Natasha Ishak
Malaysia

THE EXPERTS' VIEW

"The Company's inclusive culture and the people that work here make it a great place to work. Hays is a people business with cheerful, ambitious and dynamic employees. We have a healthy work-life balance and have open and transparent communication from both top-down and bottom-up within the Company.

We also have a culture of appreciation and employees get recognised for their work. As a result we are engaged, motivated and have a strong sense of purpose in our daily work."

Shogo Fujii
Japan

"I definitely feel trusted by Hays. I have a great relationship with my management and my leadership teams. I've proven that I can run a successful account. I have an amazing team behind me that allows me to step away if I need or focus on different areas. And I know that they're there to jump in where needed. So that's completely empowering in my role."

Allison Calderon
USA

"People are entrepreneurial in Hays. We're goal orientated. We want to win. We want to be the best. If you have a goal and a vision and you are willing to put yourself out there and say what it is, Hays will support you 100%."

Orlagh Reynolds
Ireland

"What was really refreshing when I first joined Hays was that I wasn't the minority. There were so many other people like me. But it's also about being yourself and being able to share ideas that you truly feel passionate about. I want to explore, but I've always felt like there was a sense of safety, to do that in our workplace."

Genzo Yamamoto
Japan

"Hays has helped me make my role my own by allowing me to bring my best self to work. I'm encouraged to be creative, and that's who I am. I have direct communication with my Director and Manager. I can have those open conversations, and then drive my career in the direction that I want."

Jasmine Mughal
Canada

"One of the best things with working at Hays, from my perspective, is that you are given a specific market and all the information and insight from that market. You then have the tools and resources to develop it, which is highly rewarding."

Carlos Fuente
Spain

"I like working at Hays mainly because of my Team and my Manager: we develop in an environment of collaboration, commitment, freedom to propose new ideas, closeness and trust. And we have a lot of fun! Hays is a great company, which is constantly updating, proposing new challenges and provides access to excellent clients and projects."

Lucia Sanchez
Spain

IN FOCUS **THREE**

BUILDING MORE PARTNERSHIPS WITH CLIENTS

We are building longer-term and stickier relationships with clients and candidates, moving up the value chain and focusing on structural growth opportunities. Our experts share examples of how they are doing this.

"Hays Enterprise Solutions has continued to positively impact our clients' growth, and their growth ambitions. We do this via our pragmatic approach, assessing the best workforce talent solutions for each client situation, driving the talent acquisition strategy which then delivers high-quality talent when it's needed. Our clients face many tough challenges including skill shortages, the need for more agile working practices, the impact of Generative AI, rising socio-economic pressures, all the while dealing with economic uncertainty and inflation. We can help them in each of these areas, in an increasingly global way.

I am proud to have joined Hays to lead our Enterprise Solutions business on the next phase of its journey. Our vision is to ensure clients see 'One Hays', wherever in the world they need us, with consistency of process, market-leading innovation, ideas and business-focused outcomes.

Whether we are advising on Talent Acquisition Strategy, or running the entire talent acquisition process on an outsourced basis via our Managed Service Provision (MSP) offering in Temp & Contracting or our Recruitment Process Outsourcing service in Perm, our highly experienced and passionate teams help to ensure consistency of approach, quality of engagement and business growth focused outcomes."

Nigel Kirkham
Managing Director of
Hays Enterprise Solutions

THE EXPERTS' VIEW

How are you building stickier and more meaningful partnerships with your clients?

"Clients come to us with a problem statement, which can be large or small, strategic or tactical. It can be related to day-to-day operations, or it can be tangential. The statement may be articulated clearly, or it might be intangible. Often our clients will know something is wrong, but may not be able to distil it down to a single event, or series of intersecting factors which are causing the problem.

As an example, in FY23 we have helped one client simultaneously implement a new vendor management system, adopt new working practices and condense their supply chain. For another, we helped innovate how they recruit, refreshed their EVP message and are now partnering to help make them more efficient through automation and streamlining processes. And for a third client, we built a bespoke, visualised, automatic and real-time reporting suite which they can access directly from inside Hays' technology environment.

All of these problem statements are unique. What was constant is the collaborative and non-judgemental approach that we took to understand our clients' challenges and then iteratively and pragmatically worked in partnership to solve the problems together. No magic wands. Just listening, understanding, designing, developing and then executing on the best answers for the customer – as they, not Hays, require."

Scott Cameron
Global Head of Service Delivery

"In Germany, we launched our 'Talent+' initiative in FY23 to help sustainably manage talent shortages. We focus on the early attraction of young talent, i.e. students and graduates, helping them successfully into professional life via our clients.

By helping someone at the start of their career, Hays can begin a lifelong relationship with talented people. We design targeted marketing campaigns with clients, and in FY23, we increased our talent pool by 50%.

Over 500 candidates began their career with Hays in Talent+ FY23. It is highly scalable, creating value for candidates, clients and Hays. In the future, we aim to grow Talent+ to connect many more clients with the best trained graduates in the market."

Aleksander Amidzic

Managing Director, Technical Solutions

"During FY23, we launched our new UK&I Skills & Learning business, designed to help our clients become Talent Creators by targeting undiscovered talent within our society. Hays Skills also addresses skills shortages in the Technology market. We help identify high-potential, previously undiscovered talent and train them in sought-after technical skills, and support them as they begin their careers.

By 2030, we aim to have developed and supported >6,000 learners to realise their potential, and turned >250 organisations into Talent Creators, eventually supporting c.200,000 people in upskilling. Hays is uniquely placed to use Apprenticeship programmes to deliver some of the training. We have recently become a Flexi-Job Apprenticeship Agency, allowing us to support learners to achieve Academic qualifications via our Academy programmes.

Our first programme, a partnership with the Department of Environment, Food and Rural Affairs (DEFRA), is in Cloud Engineering and Security Analysis. We supported DEFRA to identify learners from a wide range of backgrounds. After training, we have supported them into roles with onsite coaching and support. We attracted 1,337 applications for this initial 17-person Academy.

We are now working with organisations in multiple skill areas, supporting them to create bespoke Academy programmes. We have ambitious growth plans for this, including supporting 160 people on our Academy programmes in FY24."

Harry Gooding

Director, Hays Skills

Expanding our service offering: DE&I consultancy

During FY23, Hays purchased a majority stake in Vercida Consulting, a UK-based DE&I consulting business which provides organisations with advisory services to improve their ability to attract, retain and progress talent from diverse backgrounds. Our initial investment was c.£1 million, with additional amounts payable based on achieving our ambitious growth plans.

Our customers are increasingly facing a range of complex HR and talent issues. We can increasingly help clients in areas beyond our core recruitment expertise, including talent attraction, retention and progression strategies that are innovative and inclusive in design and application and which attract the widest talent pools.

Lead by its founder, Dan Robertson, our shared vision is to create a global DE&I service offering. Hays will immediately seek to leverage our newly acquired DE&I expertise as part of our wider Talent

Advisory Service. Initially, we are focusing on four key target regions:

- 1) United Kingdom; 2) North America;
- 3) Germany and Europe; and 4) Australia and New Zealand.

We will develop our current service offerings to cover:

- **Inclusion at Work programmes:** We will design and deliver innovative programmes that focus on strategic inclusion at work topics, plus design programmes that address the needs of specific stakeholder groups – race, gender, disability and LGBTQIA+ inclusion.
- **Strategy and Consulting:** We will build our strategy and consulting service offering by developing in-region knowledge, skills and capabilities. This will be supported by a global roll-out of knowledge exchange workshops and thought-piece papers; helping build Vercida as Hays' international brand in dynamic DE&I consultancy.

– Leadership Development:

Our programmes will build on the latest research in social psychology and behaviour science. These will support our growing global client based to retain, develop and grow diversity talent.

Our work will be underpinned by a set of innovate assessment tools, such as our inclusive leadership framework.

We are excited by the acquisition of Vercida Consulting and the opportunities it will provide to significantly up-scale Hays' DE&I service offering, and by the value it adds to our Hays brand.

IN FOCUS **FOUR**

EMPOWERING CLIENTS **GLOBALLY**

1 Canada

BASF

We create chemistry

Hays began our relationship with BASF Inc. in late 2021. We signed a two-year Perm recruitment outsourcing contract to assist in building out their Digital Hub in Mississauga, ON. After 12 months, BASF extended the contract for a further two years and to date we have filled 30 Technology positions including AI Solutions, DevOps Engineers, Internet Web Security, Analysts and Digital Solutions. We are currently working with BASF to revamp their recruitment microsite to help them attract talent, particularly as they are growing in Canada.

Our trusted partnership helped BASF navigate the competition for talent, allowing them to leverage market insights, connect on the importance of DE&I initiatives and broaden our alliance and explore new ways of working that will attract the best talent and address their most compelling skill shortages.

"Hays has been BASF Canada's strategic recruitment partner and instrumental in building our Digital Hub talent pool. Hays prioritized understanding our organizational needs and used their expertise of the labour market to source top talent for unique roles while collaborating with us to identify rewards and development plans for our new hires."

Beatriz Gaytán

BASF Digital Hub Toronto
Director of Services and Core Systems

2 UK



Amey is a leading infrastructure services company employing 11,000 people and is the leading provider of full life-cycle engineering, operations and decarbonisation solutions for transport infrastructure and complex facilities in the UK.

Hays has been a contingent labour partner for Amey since 2014 and in 2022 placed c.1,500 new workers, primarily in the Specialist Engineering, Construction & Property and Infrastructure sectors. We have recently taken our partnership to the next level, launching the 'Amey & Hays Social Enterprise Initiative' to support four voluntary, community or social enterprise organisations with financial support and a bespoke mentoring plan to enable them to scale up and support an even greater number of people.

"I am very pleased that the programme has launched and is now funding so many entrepreneurial organisations that look to help train and support people into the workplace."

Michael Burgess

Amey Chief People Officer

4 Germany



With sales of €1.8 billion, Peri is a leading global manufacturer of formwork and scaffolding systems. With around c.9,100 employees and 160 locations in more than 65 countries, the family-owned company is headquartered in Weißenhorn (Germany) and serves customers with innovative system equipment and comprehensive services relating to all aspects of formwork and scaffolding technology.

"With Hays, we have a trusted partner by our side who meets our needs, expands our capacity and enriches our team with new knowledge. The supporting team works extremely professionally and quickly, providing us with skilled candidates. Because of our strong relationship and exceptional performance, Hays has become a value-added partner that helps us meet the dynamic demands in our business."

Patrick Oppel

Head of Business Solutions at PERI

5 EMEA Enterprise clients

"The pace of change and talent shortages means that our strategic clients often need to pivot and explore new solutions to their workforce challenges; with our input they can sustain their access to talent, remain competitive and serve customer needs."

In FY23 our role has included advice in key strategic areas. For example, location of diverse talent geographically, supporting a client to relocate from a traditional automotive skills market to a new technology-focused location. This enables them to manufacture EVs and batteries where skills are more readily available.

We also developed a hiring strategy to enable another client to attract developers for clean air hydrogen technology. For another, we are collaborating on strategy and tech solutions to ensure a very large manufacturing and assembly programme can be sustained for the next two years.

Other clients have relied on us to support significant business changes, including acquisitions and variable hiring patterns post-pandemic.

To deliver all this, our Hays client teams proactively consult on the optimum technology strategies and effective hiring channels. Our consultative approach helps solve complex talent attraction problems."

Tina Millis

Hays EMEA Head of Delivery Services

3 Asia/ANZ



Hays has supported all aspects of Perm and contingent recruitment at Resolution Life Australia (RSLA) since its establishment in February 2020. Our onsite team provides full cycle recruitment support for various business phases, including business separation, acquisition and transformation. Over time, we have expanded our service offering to include supplier management, contract generation and onboarding. Throughout our partnership, we have successfully placed over 1,600 employees

across a wide range of professional service areas, with a particular focus on niche technical skills. RSLA leads the way as a data-driven organisation and we are excited to continue our successful partnership.

"Hays have been a valued partner to Resolution Life ever since our inception. Supporting our talent attraction strategy from senior appointments, to the management of our contingent workforce, Hays' understanding of our business, collaborative approach and flexibility to adapt makes them a critical addition to our internal talent team."

Amy Greenaway

Chief HR Officer & Chief of Staff,
Resolution Life Australasia

6 Japan



"Scoville is a successful startup based in Tokyo, Japan. Our primary business is in Human Capital and we take great care to attract, engage and retain the best talent. Due to rapid business expansion, we have grown our workforce to over 180 staff with further hiring underway. Hays has assisted us throughout this process, and built trust and credibility as a dependable Talent Acquisition Partner."

Our Hays team understand our culture, and are able to source, screen and prepare specialist talent for permanent positions. Using an ever-green retained search seat model, we've been able to continuously place high-quality talent into key roles. The results speak for themselves. Today, we have an engaged and productive workforce, and minimal resourcing headaches despite the challenges of ongoing expansion."

Richard Seldon

Managing Director, Scoville

FINANCE DIRECTOR'S REVIEW

James Hilton
Group Finance Director
Hays plc

James Hilton was appointed as Group Finance Director in October 2022, succeeding Paul Venables who retired at that time. James has held numerous roles during his 15 years with Hays, including European Finance Director and most recently Group Financial Controller. Prior to joining Hays, James qualified as a Chartered Accountant at KPMG and worked in Investment Banking with Dresdner Kleinwort.

"I am deeply honoured to become Group Finance Director and to have succeeded Paul Venables, who worked tirelessly on behalf of shareholders over 16 years. I would like to thank Paul for his immense contribution to Hays and I am excited about the opportunity to help drive our continued success. By executing our strategy, together with the exceptional talent within our organisation, I am confident we will achieve our shared goals as a business.

Growth in Group
net fee income

6%

FY22: 32%

Growth in Group
operating profit

(9)%

FY22: 128%

Conversion rate⁽³⁾

15.2%

FY22: 17.7%

Consultant
headcount

8,590

FY22: 9,037

Year-end
net cash

£135.6m

FY22: £296.2m

Cash conversion⁽⁸⁾

101%

FY22: 87%

I am a firm believer that maintaining a strong balance sheet and consistently applying prudent accounting principles are the bedrock upon which solid financial foundations are laid, and are what enable organisations to thrive and prosper.

Looking ahead, we remain focused on delivering sustainable value for our shareholders. We will do this in a responsible way, taking into account the interests of key stakeholders such as our employees, clients, candidates, plus communities and the natural environment.

We will continue to focus on long-term strategic growth markets, leverage emerging technologies, embrace innovation and pursue strategic partnerships to drive long-term growth and enhance shareholder returns."

Operating performance

Year ended 30 June (£m)	2023	2022	Actual growth	LFL growth
Turnover ⁽¹⁾	7,583.3	6,588.9	15%	12%
Net fees ⁽²⁾	1,294.6	1,189.4	9%	6%
Operating profit	197.0	210.1	(6)%	(9)%
Cash generated by operations ⁽⁴⁾	199.3	182.9	9%	
Profit before tax	192.1	204.3	(6)%	
Basic earnings per share	8.59p	9.22p	(7)%	
Core dividend per share	3.00p	2.85p	5%	
Special dividend per share	2.24p	7.34p		

Note: unless otherwise stated all growth rates discussed in the Finance Director's Review are LFL YoY net fees and profits, representing organic growth of operations at constant currency.

Financial overview

Trading in the year to 30 June 2023 represented a fee record for the Group and included 21 individual country records. Net fees increased by 6% on a LFL basis, and by 9% on a reported basis, to £1,294.6 million. This represented LFL fee growth of £72.5 million versus the prior year. However, fee growth slowed sharply through the year, with H1 up 12% and H2 up 1%, as the economic backdrop deteriorated across our markets. Fee growth in our fourth quarter was (2)%, as was our June net fee exit rate.

Turnover increased by 12% (15% on a reported basis). The higher turnover growth compared to net fee growth was due to stronger growth in Temp fees versus Perm, together with the first full year of a large Temp outsourcing contract in our RoW division, where we manage a supply chain which includes a significant volume of third-party agency supply. Over time, we expect to increase our direct fill proportion, driving fee growth.

Temp fees (57% of Group) grew 9%, including H2 up 6%. Our underlying Temp margin⁽⁶⁾ benefited from a 40 bps increase, plus we saw 8% growth from positive mix effects and wage inflation. We expect to see some continued pricing benefit in our fees in H1 24.

Perm fees (43% of Group) grew 3%, however activity slowed sharply through the year, with fees up 12% in H1 and down 6% in H2. Overall, volumes decreased by 8%, including H2 down 15%, as job inflow decreased and hiring processes extended. This was partially offset by strong growth in our average Perm fee, up 11%.

Our growth in underlying Temp margin⁽⁶⁾ and average Perm fee are the direct results of management actions to increase fee margins in skill-short markets and focus on higher value roles in in-demand markets, reinforced by the positive effects of wage inflation globally.

Operating profit decreased by 9% to £197.0 million, with costs up 9% YoY driven by increased average headcount of 9%, following significant headcount investment in FY22. This drove a 250 bps decrease in the Group's conversion rate⁽³⁾ to 15.2% (FY22: 17.7%).

Our cash performance was strong and we ended the year with net cash of £135.6 million. We converted an excellent 101%⁽⁸⁾ of operating profit into operating cash flow⁽⁴⁾, helped by another strong performance from our credit control teams, with debtor days remaining at last year's record low level of 33 days. Our business model remains highly cash-generative and together with the Group's profitability and financial strength, supports our proposed 5% FY23 core dividend increase to 3.00 pence per share. The Board also proposed a further £35.6 million special dividend, equating to 2.24 pence per share.

(1) Net fees of £1,294.6 million (FY22: £1,189.4 million) are reconciled to statutory turnover of £7,583.3 million (FY22: £6,588.9 million) in note 5 to the Consolidated Financial Statements.

(2) Net fees comprise turnover less remuneration of temporary workers and other recruitment agencies.

(3) Conversion rate is the proportion of net fees converted into pre-exceptional operating profit.

(4) Cash generated by operations is stated after IFRS 16 lease payments, which we view as an operating cost.

(5) FY20 and FY19 operating profit and basic earnings per share are stated before exceptional charges. There were no exceptional charges in FY18, FY21, FY22 and FY23.

(6) The underlying Temp margin is calculated as Temp net fees divided by Temp gross revenue and relates solely to Temp placements in which Hays generates net fees and specifically excludes transactions in which Hays acts as agent on behalf of workers supplied by third-party agencies and arrangements where the Group provides major payrolling services.

(7) FY20 net cash excludes £118.3 million of deferred tax payments.

(8) Operating cash conversion represents the conversion of pre-exceptional operating profit⁽⁵⁾ to cash generated from operations⁽⁴⁾.

Operating profit and conversion rate

FY23 Group operating profit of £197.0 million represented a LFL decrease of 9%. In line with the guidance given at our H1 FY23 results, in H2 both operating profit (£100.0 million) and conversion rate (15.6%) increased versus H1 as we controlled costs and drove consultant productivity. Overall in FY23, Group conversion rate decreased by 250 bps YoY to 15.2%.

LFL costs increased by 9% YoY or £91.2 million (£118.2 million on a reported basis). This comprised a 9% increase in average consultant headcount, with H1 up 17% and H2 up 1% YoY, and our own cost inflation, including base salary increases and our long-term strategic investments. Consultant commissions decreased slightly YoY primarily reflecting the slowdown in Perm markets.

Prior to the start of our financial year, we had invested significantly in consultant headcount to meet current and expected levels of demand and to further strengthen our position in long-term strategic growth markets such as Technology and Enterprise clients. As a result, we entered FY23 with consultant headcount up 26% YoY. However, market conditions became more challenging through the year, particularly in Perm, resulting in a decrease in average placement volumes per consultant and a consequential negative profit leverage. Accordingly, we moved quickly to align capacity to underlying market demand and reduce costs, reducing consultant headcount in several markets, while protecting our investments in key structural areas.

Overall, Group consultant headcount in FY23 decreased by 447, or 5% versus June 2022. Although more challenging market conditions meant that Group average volume productivity per consultant was down significantly versus the prior year, and pre-pandemic peak levels, average fee productivity per consultant remained at good overall levels, driven by our actions to increase fee margins and focus on higher value roles. We remain focused on driving productivity in FY24.

We closely managed our overhead costs, including travel, advertising, entertainment and property, together with savings realised from our back-office efficiency projects.

Net finance charge

The net finance charge for the year was £4.9 million (2022: £5.8 million). Net bank interest payable (including amortisation of arrangement fees) was £1.7 million (2022: £0.5 million). The interest charge on lease liabilities under IFRS 16 was £4.2 million (2022: £3.9 million), and the credit on defined benefit pension scheme obligations was £1.1 million (2022: charge of £1.4 million). The Pension Protection Fund levy was £0.1 million (2022: £0.1 million). We expect the net finance charge for FY24 to be c.£6 million, of which c.£4 million is non-cash.

Taxation

Taxation for the year was £53.8 million (2022: £50.1 million), representing an effective tax rate (ETR) of 28.0% (2022: 24.5%). The increase in the ETR YoY is primarily driven by the non-recurrence of positive one-off settlements with certain tax authorities in FY22, plus the recognition of deferred tax assets driven by the positive movement in the Group's defined benefit surplus in the prior year. We expect the Group's ETR will be c.29% in FY24, with the increase resulting from the rise in UK corporation tax rate which was effective from April 2023.

Earnings per share

The Group's basic earnings per share (EPS) of 8.59p was 7% lower than the prior year. The reduction was primarily driven by 6% lower profit before tax, and as we incurred a higher ETR of 28% in FY23, given the prior year ETR of 24.5% had benefited from positive one-off settlements with certain tax authorities. The impact on EPS was partially offset by a 3.7% reduction in average shares in issue, resulting from our share buyback programme.

Cash flow and balance sheet

Conversion of operating profit into operating cash flow⁽⁴⁾ was an excellent 101% (2022: 87%⁽⁶⁾). Working capital increased by £28.7 million as our Temp debtors increased in line with our Temp fee growth. We continued to see a strong performance by our credit control teams globally, with debtor days of 33 days (2022: 33 days), versus 39 days pre-pandemic.

Net capital expenditure was £29.1 million (2022: £24.4 million), with continued investments in technology infrastructure and cyber security, with an additional £1.0 million investment acquiring the majority stake in Vercida Consulting, a UK-based DE&I advisory business. We expect capital expenditure will be c.£30 million in FY24.

We paid £165.1 million in core and special dividends in the year (2022: £186.4 million) and company pension contributions were £17.7 million (2022: £17.2 million). Net interest paid was £1.7 million (2022: £0.5 million) and corporation tax payments were £65.8 million (2022: £39.0 million).

During the year we purchased and cancelled 66.2 million shares at an average price of 113.3 pence per share and cost of £75 million, which completed our £93.2 million initial share buyback programme. We ended the year with a net cash position of £135.6 million (2022: £296.2 million).

Free cash flow priorities

Our business model remains highly cash generative. The Board's free cash flow priorities are to fund the Group's investment and development, maintain a strong balance sheet, deliver a sustainable, progressive and appropriate core dividend and to return surplus cash to shareholders through an appropriate combination of special dividends and share buybacks.

Our first priority is investment in our business. This will mainly be via organic means – however we also reserve the right to make selective bolt-on acquisitions to broaden our service offerings should we identify appropriate opportunities. As an example, during FY23 we purchased Vercida Consulting, a UK DE&I consultancy. Vercida provides organisations with advisory services to improve their ability to attract, retain and progress talent from diverse backgrounds. Our initial investment was c.£1 million, with further amounts payable based on achieving our ambitious growth plans.

Given the Group's profitability, strong balance sheet and confidence in our long-term strategy, the Board has proposed a final core dividend of 2.05 pence. When added to the interim dividend of 0.95 pence paid in April 2023, the Group's total FY23 core dividend is 3.00 pence per share (2022: 2.85 pence), representing dividend cover of 2.9x when compared to our EPS of 8.59 pence per share, and a 5% increase versus FY22.

The ex-dividend date is 5 October 2023, and the dividend payment date will be 17 November 2023. Our core target dividend cover remains 2 to 3 times EPS.

The Board will continue to retain a cash buffer of £100 million at our financial year-end. Above this level, and subject to the economic outlook, the Board intends to return capital to shareholders via a combination of special dividends and disciplined share buybacks.

The Board is pleased to propose a further £35.6 million return of surplus cash to shareholders, via a special dividend of 2.24 pence per share, which will be paid alongside the final dividend. We have established a track record of paying cash to shareholders, with c.£950 million in core and special dividends paid in respect of FY17 to FY23, plus £93.2 million in share buybacks since April 2022.

The Board expects the combined value of core and special dividends to represent the majority of capital returns in normal years. However, we reserve the right to undertake share buybacks, according to market conditions.

OUR PRIORITIES FOR USES OF FREE CASH FLOW			
Fund Group investment and development		Maintain a strong balance sheet	
– Invest in headcount, training, systems and brand to support organic growth – Assess potential M&A opportunities where appropriate		– Maintain a net cash position of £100 million – Funding of defined benefit pension scheme and long-term consideration of buy-out	
Core dividend policy		Excess cash returns policy	
– Deliver a core dividend which is sustainable, progressive and appropriate – Target core dividend cover of 2 to 3x EPS		– Subject to supportive economic outlook, return cash >£100 million to shareholders via special dividends and disciplined share buybacks as appropriate	

Retirement benefits

The Group's defined benefit pension scheme position under IAS 19 at 30 June 2023 has resulted in a surplus of £25.7 million, compared to a surplus of £102.0 million at 30 June 2022. The decrease in surplus of £76.3 million was driven by a decrease in expected returns from scheme assets, partially offset by the favourable impact of changes in financial assumptions, most notably an increase in the discount rate as interest rates increased, and company contributions. In respect of IFRIC 14, the Schemes' Definitive Deeds and Rules are considered to provide Hays with an unconditional right to a refund of surplus assets and therefore the recognition of a net defined benefit scheme asset is not restricted. Agreements to make funding contributions do not give rise to any additional liabilities in respect of the scheme.

During the year, the Group contributed £17.2 million of cash to the defined benefit scheme (2022: £16.7 million), in line with the agreed deficit recovery plan. The 2021 triennial valuation quantified the actuarial deficit at £23.9 million on a Technical Provisions basis. Our long-term objective continues to be reaching full buy-out of the scheme and therefore our recovery plan remained unchanged and comprised an annual payment of £16.7 million from July 2021, with a fixed 3% uplift per year. The scheme was closed to new entrants in 2001 and to future accrual in June 2012.

Treasury management

The Group's operations are financed by retained earnings and cash reserves. In addition, the Group has in place a £210 million revolving credit facility, which reduces in November 2024 to £170 million and expires in November 2025. This provides considerable headroom versus current and future Group funding requirements.

The covenants within the facility require the Group's interest cover ratio to be at least 4:1 (ratio as at 30 June 2023: 174:1) and its leverage ratio (net debt to EBITDA) to be no greater than 2.5:1 (as at 30 June 2023 the Group held a net cash position). The interest rate of the facility is on a ratchet mechanism with a margin payable over Compounded Reference Rate in the range of 0.70% to 1.50%.

The Group's UK-based Treasury function manages the Group's currency and interest rate risks in accordance with policies and procedures set by the Board and is responsible for day-to-day cash management; the arrangement of external borrowing facilities; and the investment of surplus funds. The Treasury function does not operate as a profit centre or use derivative financial instruments for speculative purposes.

James Hilton
Group Finance Director

23 August 2023

DIVISIONAL OPERATING REVIEW

GERMANY

Record fees and strong underlying profit growth, including H2 conversion rate of 28.2%

Net fees

£382.0m

Operating profit

£100.2m

Consultants

2,044

Offices

26

Share of Group net fees

Operating performance

Year ended 30 June	2023	2022	Actual growth	LFL growth
Net fees	£382.0m	£313.9m	22%	19%
Operating profit	£100.2m	£75.6m	33%	29%
Conversion rate⁽¹⁾	26.2%	24.1%	+210bps	
Period-end consultant headcount⁽²⁾	2,044	2,016	1%	

Note: unless otherwise stated, all growth rates discussed on this page are LFL YoY net fees and profits, representing organic growth of operations at constant currency.

(1) Conversion rate is the proportion of net fees converted into operating profit.

(2) Closing consultant headcount as at 30 June.

Net fees by specialism

Net fees by contract type

Net fees by sector

Our largest market of Germany saw net fees increase by 19% to a record £382.0 million. Operating profit increased by 29% to £100.2 million, despite three fewer working days in H1 FY23 YoY, which reduced fees and profit by £5.0 million. Adjusting for working days, operating profit growth was 36%. Conversion rate was 26.2% (2022: 24.1%), or 27.2% on a working-day adjusted basis, and included an H2 FY23 conversion rate of 28.2%. Currency impacts were positive in the full year, increasing net fees by £8.3 million and operating profit by £2.0 million. Cost increases were driven by 15% higher average headcount YoY, together with the impact of pay increases effective from 1 July 2022.

At the specialism level, our largest area of Technology, comprising 35% of Germany net fees, increased by 10%, with Engineering, our second largest, up an excellent 22%. Accountancy & Finance and Construction & Property increased by 26% and 6% respectively, while HR grew by an excellent 82%. We also produced record fees in our Public sector business (14% of Germany fees), up 30%.

Temp and Contracting, which represented 83% of Germany fees, increased by 18%. Within this, Contracting (58% of Germany) grew by 23%, driven by 14% growth in contractor volumes, to record levels. Margin, mix and increased contractor rates added a further 11%, which was partially offset by three fewer working days and slightly lower average hours worked.

Our Temp business, 25% of Germany fees and where we employ temporary workers as required under German law, increased fees by 8%. Underlying Temp volumes increased by 11%, margin, mix and increased Temp rates added a further 4%, offset by 7% from three fewer working days YoY and modestly lower average hours worked.

Perm, 17% of fees, also delivered a fee record and increased by an excellent 22%. This included a 13% increase in our average Perm fee.

Consultant headcount increased by 1% YoY.

UK & IRELAND

Markets slowed sharply, particularly in Perm, driving negative profit growth

Net fees

£266.1m

Operating profit

£28.7m

Consultants

1,935

Offices

85

Share of Group net fees

In the United Kingdom & Ireland (UK&I), net fees increased by 1% to £266.1 million. Operating profit of £28.7 million represented a decrease of 34% versus the prior year, and a conversion rate of 10.8% (2022: 16.5%). Perm markets slowed materially through the year as client and candidate confidence levels decreased, while Temp markets remained broadly stable. Net fee growth slowed from 7% in H1 to down 5% in H2.

Cost increases were driven by 7% higher average headcount YoY, together with the impact of pay increases effective from 1 July 2022, which led to negative profit growth. Having entered FY23 with significant headcount investment, up 24% YoY, as markets slowed we took action to reduce headcount and importantly ended the year with headcount down 11% YoY, versus fees down 7%.

Temp, 56% of UK&I, increased by 4%. Growth was entirely driven by improved fee margin and positive salary mix, with Temp volumes down 6%. Our Perm business saw fees decrease by 3%, again all driven by higher average Perm fee, with volumes down 13%, including H2 volumes down 23%. The Private sector, 70% of UK&I net fees, declined by 1%, with the Public sector up 7%.

All regions traded broadly in line with the overall UK&I business, except for Northern Ireland, up 9%, and the North West, down 4%. Our largest region of London decreased by 3%, including London City up 1%, while Ireland grew by a strong 13%.

Technology delivered a record fee performance, up 5%, with Accountancy & Finance up 2%. Conditions were tougher in Construction & Property, down 3%, and Office Support, down 10%. We saw strong growth in Enterprise clients, up 15%, and Engineering increased by an excellent 32%, driven by our longer-term investments in the Green Economy.

Consultant headcount in the division decreased by 11% YoY and decreased by 7% in H2.

Operating performance

Year ended 30 June	2023	2022	Actual growth	LFL growth
Net fees	£266.1m	£263.3m	1%	1%
Operating profit	£28.7m	£43.4m	(34)%	(34)%
Conversion rate ⁽¹⁾	10.8%	16.5%	(570)bps	
Period-end consultant headcount ⁽²⁾	1,935	2,175	(11)%	

Note: unless otherwise stated, all growth rates discussed on this page are LFL YoY net fees and profits, representing organic growth of operations at constant currency.

(1) Conversion rate is the proportion of net fees converted into operating profit.

(2) Closing consultant headcount as at 30 June.

Net fees by specialism

Net fees by region

Net fees by contract type

Net fees by sector

AUSTRALIA & NEW ZEALAND

Tough market conditions, particularly in the Public sector and Banking

Net fees

£188.4m

Operating profit

£32.1m

Consultants

1,071

Offices

39

Share of Group net fees

Operating performance

Year ended 30 June	2023	2022	Actual growth	LFL growth
Net fees	£188.4m	£195.7m	(4)%	(6)%
Operating profit	£32.1m	£51.6m	(38)%	(39)%
Conversion rate ⁽¹⁾	17.0%	26.4%	(940)bps	
Period-end consultant headcount ⁽²⁾	1,071	1,136	(6)%	

Note: unless otherwise stated, all growth rates discussed on this page are LFL YoY net fees and profits, representing organic growth of operations at constant currency.

(1) Conversion rate is the proportion of net fees converted into operating profit.

(2) Closing consultant headcount as at 30 June.

Net fees by specialism

Net fees by country/sub-region

In Australia & New Zealand (ANZ), net fees decreased by 6% to £188.4 million, with operating profit down 39% to £32.1 million. This represented a conversion rate of 17.0% (2022: 26.4%). Currency impacts were positive, increasing fees by £4.5 million and operating profit by £1.3 million. Market conditions deteriorated through the year, with fee growth slowing from (1)% in H1 to (11)% in H2.

Cost increases were driven by 5% higher average headcount in the year, together with the impact of pay increases effective from 1 July, leading to negative profit growth. Having entered FY23 with significant headcount investment, up 20% YoY as markets slowed, we took action to reduce headcount and importantly ended the year with headcount down 6% YoY, including a reduction of 8% since October. We also restructured our ANZ leadership team.

Temp (61% of ANZ) decreased by 6%, with volumes down 13%. This was impacted by an overall candidate scarcity in Temp markets, the Federal government's policy to reduce the use of Temps in the Public sector and by reduced activity in Enterprise clients, particularly in Banking. Perm fees decreased by 5%, with volumes down 16%, partially offset by higher average Perm fees. The Private sector, 65% of ANZ net fees, declined by 7%, with Public sector fees down 4%.

Australia, 91% of ANZ, saw net fees decrease by 7%. New South Wales and Victoria decreased by 6% and 12%. Queensland fell by 4%, with ACT down 13%. At the ANZ specialism level, Construction & Property, 21% of fees, increased by 2%, with our second largest, Technology, down 2%. Accountancy & Finance increased by 5%, although conditions in Banking were tough, down 36%.

New Zealand delivered a record performance, with fees up 9%.

ANZ consultant headcount decreased by 6% YoY and decreased by 4% in H2.

Net fees by contract type

Net fees by sector

REST OF WORLD

Strong performance in EMEA. Tougher market conditions in China and the USA

Net fees

£458.1m

Operating profit

£36.0m

Consultants

3,540

Offices

102

Share of Group net fees

Our Rest of World (RoW) division, which comprises 28 countries, delivered record fees, up 5% including 19 individual country records. Fee growth was led by Temp, 34% of RoW, which increased by 9%, with Perm up 3% as markets slowed across RoW, especially in H2.

Operating profit decreased by 14% to £36.0 million and RoW conversion rate was 7.9% (2022: 9.5%). Our business in Mainland China, which was significantly impacted by the COVID-19 pandemic, saw operating profit £6.1 million below prior year. Partially offsetting this, FY22 included the one-off costs of closing our Russia business, which had a positive impact of £3.3 million YoY. Currency impacts were positive in the year, increasing net fees by £19.6 million and operating profit by £2.3 million.

EMEA ex-Germany (60% of RoW) fees increased by 12%, with 11 country records including France, our largest RoW country, up 18%, and Switzerland, Poland and Spain up 16%, 12% and 11% respectively. Belgium increased by 9%, while Portugal, up 28%, and the UAE, up 53%, also produced fee records.

The Americas (24% of RoW) fees decreased by 6%. Conditions were tough in the USA and declined by 13%, including H2 down 26%. Latin America grew by 14% overall, and Canada increased by 1%.

Asia (16% of RoW) was flat YoY, with tough conditions in China, down 21%, including Mainland China down 46%, materially underperforming Hong Kong, which grew by 16%. Japan and Malaysia delivered fee records, both up 21%.

Consultant headcount in the RoW division decreased by 5% YoY. EMEA ex-Germany consultant headcount increased by 4%, the Americas decreased by 22% and Asia was down 4%.

Operating performance

Year ended 30 June	2023	2022	Actual growth	LFL growth
Net fees	£458.1m	£416.5m	10%	5%
Operating profit	£36.0m	£39.5m	(9)%	(14)%
Conversion rate ⁽¹⁾	7.9%	9.5%	(160)bps	
Period-end consultant headcount ⁽²⁾	3,540	3,710	(5)%	

Note: unless otherwise stated, all growth rates discussed on this page are LFL YoY net fees and profits, representing organic growth of operations at constant currency.

(1) Conversion rate is the proportion of net fees converted into operating profit.

(2) Closing consultant headcount as at 30 June.

Net fees by specialism

Net fees by region

Net fees by contract type

Net fees by sector

HISTORICAL COMPARISONS

FY15–23

To assist investors in their analysis of Hays, we present our net fees, operating profit, headcount and conversion rate since FY15.

-
-
-
- (1) There were no exceptional charges in FY23, FY22 or FY21. FY20 operating profit is stated before exceptional charges of £39.9 million. FY19 is stated before exceptional charges of £15.1 million. There were no exceptional charges between FY15 and FY18.
- (2) FY20 and FY19 conversion rates are shown on a pre-exceptional basis.

SUSTAINABILITY IN THE WORLD OF WORK

Hays aspires to be a purpose-led organisation. Our values help define how we do business, and how we interact with our many stakeholders.

Our commitment and Sustainability Framework

Hays aims to be a purpose-led organisation, benefiting society by investing in lifelong partnerships that empower people and organisations to succeed. Our values help define how we do business, and how we interact with our many stakeholders ([more information on pages 16 to 17 on how we engage](#)). Our core company value is 'Do the right thing' and is a central pillar both of our strategy and our 'Working for your tomorrow' brand ([more information on page 28](#)).

We are committed to being a sustainable business in its widest sense, driven by our Social Purpose and business values, and as defined by the United Nations Sustainable Development Goals (UN SDGs). The graphic below sets out our new Sustainability Framework, which is focused on the areas of highest materiality to Hays across Environmental, Social and Governance (ESG) issues.

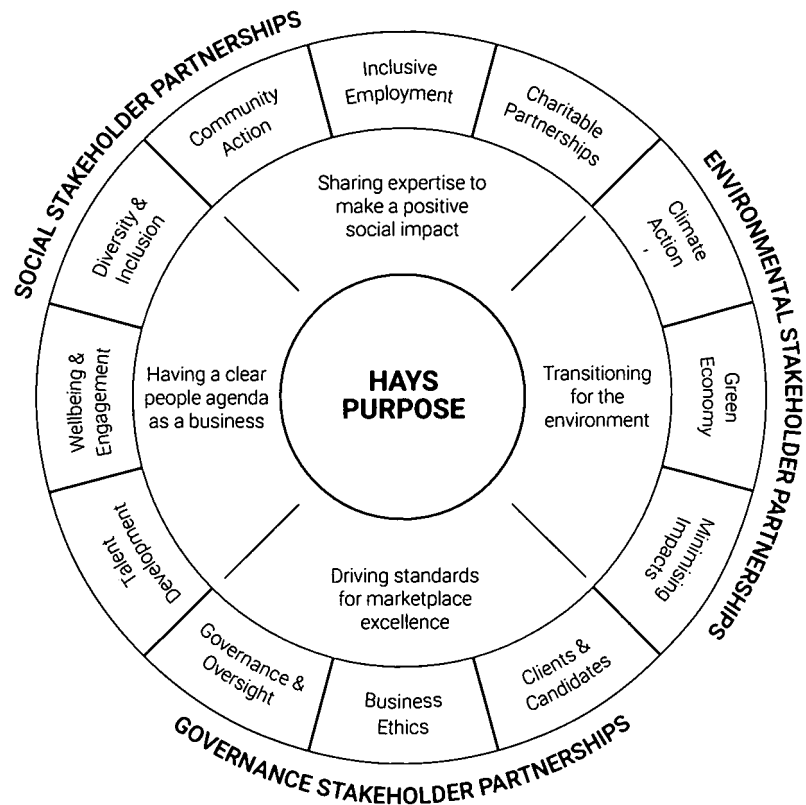
Focusing on social impact

As a company focused on helping people with their careers and skill development, and organisations find the talent they need to thrive, we have deliberately increased the proportion of societal categories within our framework below. We seek to positively contribute and add value to society through employment and the world of work. While we have made strong progress in Environmental and are striving to lead our industry to Net Zero, we believe Hays can have the greatest impact for stakeholders in the societies we operate in via our social initiatives.

Our vision is to provide clients with access to the most diverse, equitable and inclusive talent pools in skilled recruitment globally. Achieving this will require progress in numerous areas, and will take time and continuous investment in People, Culture, Technology and Sustainability. At its foundation is making Hays an entirely inclusive place of work, one which makes positive social impacts everywhere we operate and which then shares our experiences and expertise with the wider world. Sustainability is a key enabler of our strategy, and by definition our long-term profit growth, all while focusing on a just and effective transition for the environment.

Our policies and actions are designed to materially – and permanently – reduce our environmental impact, ensure fair rates of tax are paid, nurture an equitable and fair culture, and ensure discrimination and labour exploitation are not tolerated.

OUR SUSTAINABILITY FRAMEWORK WORKING FOR YOUR TOMORROW



Assessing our business versus the UN SDGs

To enhance our Sustainability Framework, in FY23 we have undertaken a deep and broad appraisal of each of the UN SDGs, in the context of Hays' global operations. Our aim is to focus on those goals where Hays can have the greatest impact, given our role in economies and societies. We have based this appraisal on how we operate in our key specialisms, our strategic priorities and given stakeholder feedback. Our aim is to use the analysis to maximise our positive contributions, and drive our sustainability objectives.

Alignment to the UN SDGs

We recognise the importance of the UN SDGs, having first adopted three in FY21. We also believe they present an opportunity in terms of pursuing a fairer, more equitable and sustainable economic future. In mapping and considering the materiality of each UN SDG we considered all 17 goals, however there are nine which we believe are material in terms of our business activities, and in relation to our stakeholder expectations and value creation. The table below provides an explanation and examples of our contributions to the nine most material UN SDGs for Hays.

UN SDG	Relevance in our business and stakeholder context	Our Contribution in Action (also see pages 60 to 62)
	Climate action focuses on strengthening resilience and adaptive capacity to climate-related hazards and natural disasters, and integrating climate change measures into policies, strategies and planning. It is also about improving education and awareness. Addressing climate change is a significant element of our Sustainability Strategy, and we also present Hays' risks and opportunities in our TCFD report. By delivering on Science-based target, we can establish credibility as a leader in 'Green collar' recruitment. Key sectors include Sustainability, Technology, Construction & Property and Engineering. This SDG is also about how we engage our people and help raise awareness and collaborate with other stakeholders, particularly clients and suppliers.	Conducting our most comprehensive GHG data gathering exercise with Climate Partner (more information on pages 65 to 66) Growth in the Green Economy France limited the use of heating and aircon, reducing energy consumption by 50% TCFD report (more information on page 68 to 73)
	Sustainable cities and communities focuses on safe and equitable access to housing and safe and sustainable transport systems. The goal seeks to safeguard cultural and natural heritage, reduce the negative impacts caused by disasters and promote environmental protections. It is also about access to safe, inclusive and green public spaces. Our c.13,000 colleagues work from 252 offices globally predominantly in city locations. We have a role to play in terms of our contribution, particularly through our community engagement programmes. As the global leader in Construction & Property recruitment, Hays is well placed to help supply much of the talent that will help to make cities more sustainable, including energy efficiency, building retrofit and civil engineering projects to protect communities from flooding and other natural disasters.	Partnership with Trees for Cities led to Hays UK funding and planting c.12,000 trees (more information on page 62) EMEA/Americas planted a tree for every placement in May 2023 Colleagues in France collected 260kg of waste as part of World Cleanup Day initiatives
	Reduced inequalities focuses on levelling up, inclusion and the empowerment and promotion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion, economic or other status. It's about equal opportunity and reducing inequalities of outcome. This is a strategic priority in terms of our DE&I agenda, as well as linked to how we access the widest pool of talent to serve clients. The SDG calls for improved regulation and monitoring of financial markets and greater representation in global politics from the developing countries. It seeks to facilitate the safe and responsible migration and mobility of people. This SDG is linked with our respect of human rights and our approach to mitigate modern slavery and human trafficking risk. It also links to our Finance, HR, Legal and Technology specialisms.	Increasing our percentage of female senior leaders by 1.9% YoY to 44.3% (more information on page 25) Skills UK – helping hidden talent into work (more information on page 39) DE&I at Hays (more information on pages 22 to 23)

UN SDG	Relevance in our business and stakeholder context	Our Contribution in Action (also see pages 60 to 62)
	Industry, innovation and infrastructure focuses on the development of resilient infrastructure to support economic development, human wellbeing, increased efficiencies and environmental sustainability. It is about raising industry's share of employment. The goal has a further focus on improving and further the use of technology, including for information access and communications. This directly links with our core recruitment business in all our specialisms, how we innovate internally and our focus on sustainability in its widest sense.	Client case studies (more information on page 40) How we partner with clients (more information on page 38) Growth in Technology specialism and CodeCo partnership (more information on page 34)
	Decent work and economic growth focuses on driving economic growth by enabling productivity and growth through diversification, technology and innovation. It is about job creation and entrepreneurship, focusing on resource efficiency as part of the environmental agenda. The SDG also focuses on inclusive employment with equal pay for equal work, and seeks to promote labour rights, avoid child and forced labour. As a recruitment business, this SDG is the fundamental reason we operate and is reflected in our growth strategy as we continue to develop the breadth of our client services. It relates to the candidates we place, our own labour practices and how we influence for the respect of human rights in our supply chain. It is linked to our community engagement programme 'Helping for your tomorrow' which is about driving inclusive employment with less advantaged groups.	Our stakeholders and how we create value (more information on pages 16 to 19) Ambition to create the most diverse, equitable and inclusive Talent Networks (more information on page 23) 'Helping for your tomorrow' (more information on page 58)
	Gender equality focuses on female empowerment and ending discrimination, violence and exploitation of women and girls. It is about improving access to healthcare and recognising and valuing unpaid care and domestic work, largely delivered by females. It is about female leadership and giving women equal rights. This is a key part of our DE&I agenda, noting targets for female leadership and our pay gap reporting commitments. It links with our Health & Social Care Specialism and the sourcing of talent for leadership roles.	Increasing our percentage of female senior leaders by 1.9% YoY to 44.3% (more information on page 9 and 23) Providing greater flexibility for parents and care givers
	Quality education focuses on equal access to education from early years through to technical, vocational and higher education. It seeks to increase skills in both youths and adults for decent jobs and entrepreneurship. It is about eliminating gender disparities, improving literacy and numeracy, safe learning environments, scholarships and the provision of teachers. This SDG is relevant to Hays in terms of the development of candidates, service offering to clients, our people and our community engagement focus, plus our Education Specialism.	Smith Family partnership, helping young Australians overcome educational inequality caused by poverty (more information on page 59) Hays' MyLearning, where c.800,000 free training courses were consumed in FY23 (more information on page 32)

UN SDG	Relevance in our business and stakeholder context	Our Contribution in Action (also see pages 60 to 62)
	Good health and wellbeing focuses on improving health outcomes in relation to family planning, communicable and non-communicable diseases. It is also about supporting people with mental health, the avoidance and treatment of substance abuse and road safety. It recognises the need to access healthcare services and affordable medicines. As a people business, good health and wellbeing is an important focus for Hays. It links through to our benefits packages which covers things like parental leave and access to private medical cover. It is relevant to a number of our specialisms including Healthcare, Life Sciences, Social Care and Sustainability. Access to decent work is an important factor in an individual's wellbeing, as well as noting how employment positively impacts their own life and their dependants.	Hays mental health commitment and case study (more information on page 63) German colleagues have access to a health app, supporting fitness, mindfulness and nutrition Financial wellbeing advice for employees (more information on page 63)

In addition to the UN SDGs listed above, we also recognise the importance of UN SDG 17, Partnership for the Goals. This is a holistic goal, capturing much of the ethos of the other 16 UN SDGs. It focuses on the benefits of greater collaboration between organisations to strengthen the foundations of, and mindset for, sustainable development. This SDG resonates with our Purpose, which is to invest in lifelong partnerships. We recognise that when we collaborate with our stakeholders we can have a greater positive impact. This is particularly relevant in terms of our clients, small or large. We have a role to play in terms of sharing insights, thought leadership, open access resources like training and upskilling and how we are developing and deploying technological solutions. This goal is also relevant in terms of our corporate memberships and affiliations, community organisations and the not-for-profits we support and align with.

Our analysis of the UN SDGs reinforces our view that Hays can have the greatest impact through our societal actions. This may be via our internal actions to create an inclusive and engaging workplace for colleagues ([see page 26 for our engagement with colleagues](#)), externally consulting on DE&I issues via Vercida Consulting, providing free training and upskilling via Hays MyLearning, helping people back into the workplace via our volunteering initiatives or working to identify hidden talent within society.

Social

HAYS HELPING FOR YOUR TOMORROW

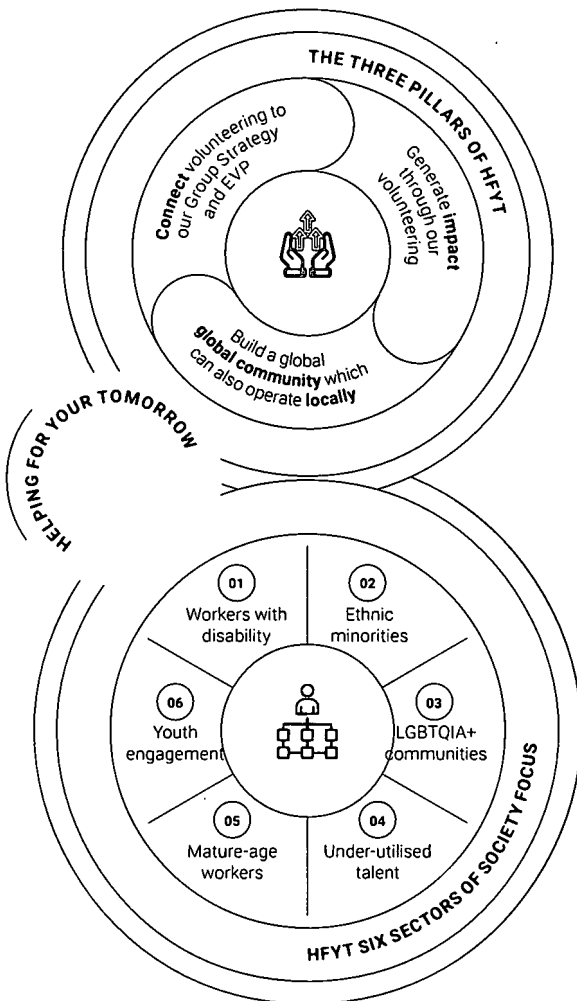
Hays' volunteering programme, 'Helping for your tomorrow', celebrated its second anniversary in May 2023.

Our aim is to provide a direct link between our core skills and expertise, to help improve the employability of people who may not have had the same opportunities as others. We aim to create a better tomorrow for our local communities. We also believe that HFYT helps to nurture Hays' culture and will increasingly become part of our Employer Value Proposition.

HFYT focuses on six sectors of society, as well as the natural environment. The six sectors have been chosen to complement Hays' core skills, and are also linked to the UN SDGs.

In FY23, Hays colleagues volunteered for 17,673 hours, up c.85% YoY, assisting 73 charities. We also raised over £650,000 for our core charities, and in FY23 introduced an initiative to donate all unclaimed Hays dividends to charity. This led to a further £100,000 being donated.

HFYT six sectors of society



Hays colleagues volunteer hours

🕒 17,673
Hours

+85%
Year on year

Our volunteering in FY23 was split as follows

* Other includes working in local food banks, Christmas actions, working with Ukrainian charities and Youth Engagement.

HAYS HELPING FOR YOUR TOMORROW IN ACTION

In Germany, Hays supports JOBLINGE with volunteering, mentoring and job application training for unemployed youths. Hays Germany also supported in mentoring young adults from the LGBTQIA+ community, and volunteered with Haus des Stiftens, offering corporate expertise to non-profit organisations. We also volunteered worked with Socialbee, a project which helps to integrate refugees and migrants into the German labour market and further education.

In Italy, Hays partnered with Sistech, sponsoring refugee and displaced women in the Technology sector.

Hays France partnered with Telemaque, with volunteering, helping to advocate equal opportunities in education. Ten mentors from Hays supported young students, from middle school to college and from less privileged backgrounds, to find opportunities in the workplace. France also worked with MaMaMa to help women in precarious situations such as unemployment and homelessness.

In the UK, we worked with EveryYouth, using Hays MyLearning and our Technology systems, to create a learning Management System for the member charities of EveryYouth. This helps young people to access training, often free of charge, and helps to match them with volunteer Hays job coaches.

 The opening of the Ukraine School in Warsaw, which Hays staff helped furnish

"Taking on the 3 Peaks Challenge last year was something totally out of my comfort zone, but as soon as it was finished, I was already asking around the 2023 challenge! The drive from everyone involved to not only complete the challenge but also to raise substantial funds for EveryYouth was absolutely electric.

It is not often that one can be part of such a combined effort to achieve a common goal and that energy brought about such a sense of camaraderie. I am excited to take on the Hays Reach your Peak challenge this year to again team-up with colleagues across the business to raise funds to support young people facing homelessness to overcome their 'mountain' and chase their dreams."

Anna Winters
L&D Partner, Hays

Also with EveryYouth in the UK, we launched Hays Flourish, an online learning platform developed in tandem with EveryYouth. Flourish aims to give support and access to young homeless people seeking to enter the workplace.

In Poland, colleagues volunteered and fundraised to help furnish the Ukraine School in Warsaw, providing education to 300 refugee students. This continued the work of our Hays Helps Ukraine fund, which supported refugees with volunteering and provided furniture, food and medical supplies for families in temporary accommodation. We have also helped provide careers advice to refugees.

In ANZ, Hays launched a partnership with The Smith Family, helping young Australians overcome educational inequality caused by poverty; and helping them unlock better futures for themselves. We set a fund-raising target of a huge \$25,000, matched by Hays, and we exceeded this target with a total of \$53,684. Volunteering activities with Smith Family have included mentoring through their iTrack online student mentoring, Christmas toy appeal box packing, and more recently content design for the government funded Growing Careers Programme.

Post year-end, Hays colleagues in the UK logged over 9,000 hours of volunteering throughout July 2023 at 350 events with our partner 'Neighbourly', getting involved in community projects all over the country.

>300

We have worked closely with the new Ukraine School in Warsaw, which now has >300 students

c.40

'Big Brother Big Sister' in North America – which led to c.40 clients signing up alongside Hays

Partner

Partnership with EveryYouth in the UK, including the 10 Peak Lake District Challenge

| Trees for Cities
in the UK

| Special Olympics
in LATAM

| JOBLINGE
in Germany

| Happy Way
in Poland

Social

GLOBAL ESG IN ACTION

Environmental

- Electric/hybrid cars are now available to all employees in our largest car fleets
- Hays Spain partnered with major car sharing providers, ensuring Hays consultants can use hybrid/electric vehicles to avoid business commuting in individual cars
- Colleagues in Spain also volunteered to help clean garbage from beaches in the Albufera Natural Park in Valencia
- Phase-out of desktop PCs to more energy-efficient laptops across Hays
- Hays UK funded, and our colleagues helped to plant, c.12,000 trees in conjunction with its environmental partner, Trees for Cities. Projects were based in 11 different UK cities
- All EMEA and Americas countries committed to planting a tree for every placement in May 2023
- Single use plastics have been banned across Hays Americas and CEE countries now only use eco-friendly paper
- Training and webinars for employees to better understand how they can do more to help the environment
- Hays France introduced limits on heating and air conditioning across FY23, saving significant amounts of energy. Colleagues also collected 260kg of waste as part of World Cleanup Day
- In the UK, our switch to responsible procurement supplier 'Commercial' led to over £165,000 of social value being created through their community 'Products with Purpose' basket
- In China, 105 employees participated in 'Walk for your tomorrow'. This involved a combined 223 hours of walking while collecting litter along Beijing waterways
- In Japan, 75 colleagues participated in International Coastal Clean-up. Hays contributed the largest number of volunteers

Colleagues

- We launched Employee Resource Groups globally, including DE&I, Women in Leadership, Pride and Black Excellence
- DE&I Ambassadors nominated across the Group
- ERG leadership development programmes established
- Parents at Hays policies and Groups set up globally during the year, with internal communications channels established
- Initiatives on disability inclusion set up, including a visibility series sharing stories of Hays colleagues with disabilities
- In Asia, we ran a campaign to encourage people to bring their true selves to work. This included conscious inclusion training
- Hays UK launched a partnership with Finwell, helping colleagues to navigate the cost-of-living crisis
- Education of Mental Health First Aiders as support for colleagues facing mental challenges
- Germany/UK appointed their first dedicated Heads of Wellbeing
- In Asia and ANZ, we consulted with employees to understand lived experience and interactions with disability in the workplace. These insights have led to four important recommendations that will support workplace accessibility and help employees with a disability to achieve their full potential
- In ANZ, we have developed a family and domestic violence awareness and prevention strategy, and increased our paid parental leave benefits

Community and charity (more on page 59)

- We began working with Reconciliation Australia on a two-year strategic plan to promote reconciliation, focusing on strengthening relationships with Aboriginal and Torres Strait Islander peoples. Hays colleagues have engaged in the reconciliation journey, and are piloting strategies to empower Aboriginal and Torres Strait Islander peoples
- We worked with Youthline in New Zealand, supporting young people struggling with mental health via counselling, mentorship and community outreach programmes. As part of this Hays employees responded to over 1,500 text messages and provided 67 hours of phone counselling support
- In Canada, we worked with 'Big Brothers Big Sisters', recruiting 36 new mentors for children. We also contributed twenty \$250 bursaries and career coaching sessions to high potential youth
- In Germany, our JOBLINGE programme provided support for unemployed young people to enter the job market. This was done via a combination of volunteer partnerships, mentoring, help with applications and fundraising
- In Germany we also partnered with a leading LGBTQIA+ charity, providing career mentoring for young adults from the LGBTQIA+ community
- In Hungary we supported two summer camps for Ukrainian refugees and ethnic minorities
- Partnership in Italy with Sistech to sponsor uprooted and displaced female refugees in the IT sector
- Ongoing cooperation with non-profit organisation 'Nadání a dovednosti' in Czechia, which delivered workshops and open days for children and students from foster homes
- Hays UK&I raised over £250,000 for our partner charity EveryYouth. As part of our support, 32 colleagues participated in the 3 Peaks mountain challenge and 50 in Hays 'Reach your Peak' challenge
- Also in the UK&I, we launched Hays Flourish, an online learning platform developed in tandem with EveryYouth. This provides training and support to young homeless people seeking to enter the workplace
- UAE ran several events to raise money for Syria and Turkey
- France and Luxembourg partnered with multiple charities to provide mentors to young people from less fortunate backgrounds
- In Mexico, an activity day was held with the participation of 33 Hays employees and 14 Special Olympics athletes. Hays was also awarded a Special Olympics 'Top Supporter' award
- Post year-end, Hays colleagues in the UK logged over 9,000 hours of volunteering at 350 events with our partner 'Neighbourly', in community projects all over the country
- In Japan, we conducted resume sessions as part of the 'Life Skills' programme, aimed at enhancing the job readiness of individuals with disabilities

Clients and candidates

- Hays US collaborated with 'Think Big for Kids' to organise and facilitate 11 career showcases and field trips. This helped to introduce 370 under-represented middle school students to the potential for careers in STEM industries
- In the UK, our Social Enterprise Initiative with client Arney was launched, helping to train and support former homeless people into the workplace
- Globally, we have conducted workshops to promote inclusive recruitment approaches. This includes helping candidates prepare CVs and training them to succeed in job interviews
- Colleagues from Hays Hungary participated in a programme to help equip ethnic minorities with the skills necessary to attend their first job interview
- In Germany, we supported specific groups via partners such as Businettes (for women in start-ups), herCAREER (career fairs for women) and SticksNStones (LGBTQIA+ talents)
- We purchased Vercida Consulting, a UK-based DE&I consulting business. Vercida provides organisations with advisory services to improve their ability to attract, retain and progress talent from diverse backgrounds
- Partnership with 'handicap.fr' in France, an inclusive job board for people living with disability. In FY23, this led to c.7,000 CVs being received by Hays
- Hays sponsored and participated in events with 'Rethink' and the British Chamber of Commerce. These included 'Bridging the Green Skills Gap: Building a Skilled & Sustainable Workforce' and the Hong Kong Sustainability Summit
- We sponsored the ESG China Awards organised by British Chamber Commerce of Shanghai

Social

In focus: Paralympics Ireland

Hays Ireland have been official partners of Paralympics Ireland since 2022, providing recruitment and key hire support to the team while assisting Paralympic athletes as they transition from their sporting career into the workplace.

To date, we have placed nine professionals on the Paralympics Ireland team, while launching a variety of partnership activity to progress a positive inclusivity agenda for those living with disabilities in Ireland.

Further developing the partnership, we are now in the process of rolling out our athlete transition programme where we're running LinkedIn classes and mentoring sessions for athletes who are looking to develop their professional careers for the future.

Our network of clients and candidates positions Hays as a key change maker in progressing the DE&I agenda, and we look forward to further positively impacting the inclusivity agenda in Ireland and abroad with Paralympics Ireland.

 Hays staff partnership with Paralympics Ireland

In focus: UK&I Trees for Cities

Trees for Cities is the only UK charity working at a national and international level to improve lives by planting trees and enhancing green spaces in towns and cities. The charity has planted over 1.5 million trees, engaging over 140,000 volunteers. A key focus is educating the community, raising awareness about sustainability, social mobility, community cohesion, education and health initiatives.

This year, Hays has funded and help plant c.12,000 trees. Projects were based in 11 different UK cities, and 90 colleagues have volunteered, empowering communities to look after green spaces. Hays UK&I has also this year introduced a new tree-planting employee benefit to help colleagues safeguard our natural environment by reducing personal carbon footprint.

 Hays UK&I staff at a Trees for Cities project

Mental health and wellbeing

We recognise the interlinkages between employee engagement, DE&I, reward, development and how these contribute to general wellbeing and mental health. These are also important factors in shaping an organisational culture that enables people to thrive. For more information on our People & Culture, see [page 20](#).

In July 2022, Hays commenced a wellbeing plan which included a central focus on our colleagues' mental health, underpinned by the principles of the 'Mental Health At Work Commitment' standards.

As part of this, in September 2022, during National Inclusion Week, we relaunched our 'UK&I Wellbeing Ambassadors' network to become 'HUMAN' champions. 'HUMAN' represents Healthier, Unique, Mentally Aware and Nurtured, and we believe captures our ambitions to both help normalise talking about mental health, and the work our ambassadors are supporting. Our HUMAN champions conduct open and honest dialogue about stress and mental health in the workplace and share stories of their lived experiences, supporting our culture of positive wellbeing inclusion and aiming to banish any stigma often associated with mental health. We also welcomed external speakers to share their knowledge and expertise, delivering well-attended session to all employees on taking care of your own wellbeing.

Further, in support of World Mental Health Day in October 2022, a series of internal 'Managing Well' webinars were run for all line managers to learn more about their own wellbeing and how their role as managers impacts the wellbeing of the team around them. Over 500 managers attended and given its success, this webinar has grown to become a half day workshop for all new managers, as part of our people leadership programme. We have set targets to further increase participation, including a further 50 managers in the UK.

Recognising that our personal diversity data and life stage impacts our experience of stress and mental health, this year we are proud to have launched several regular drop-in sessions in conjunction with our employee network groups for Menopause, Carers and REACH (recognising and enabling all colleagues and conditions at Hays). The drop-in sessions provide a safe space to explore lived experience, share ideas and resources, and support our commitment to an open and inclusive culture.

As part of this vision, we were also delighted to welcome a panel of senior leaders to our live discussion on stress management to support 'Stress Awareness' month in April 2023. The panel openly discussed their lived experience of stress and their top tips for stress management.

We are also focused on colleagues' financial wellbeing, and we were proud to receive an 'Inside Out' Award for Best Financial Wellness Award in June 2023. The award was based on a pilot we ran with external partner FinWell, who have helped us focus on the financial wellbeing of our employees, recognising how intrinsically linked this is to mental wellbeing. FinWell have worked with us to deliver a series of financial wellbeing literacy webinars and one-to-one financial wellbeing coaching sessions in targeted locations. This project has not only resulted in an improvement in financial wellbeing but also in stress reduction and confidence in how to maintain financial wellbeing moving forward.

We have continued to partner with 'Let's Improve Workplace Wellbeing' (LIWW), a not-for-profit community interest company. LIWW are an employer led membership company facilitating a forum for HR Managers and Wellbeing leads to come together to learn, share and implement best practice. Hays' UK&I Head of Wellbeing, Hannah Pearsall plays an active role in this leadership team, and this has provided a rewarding opportunity to support positive mental health and wellbeing across the workplace more broadly than just within Hays. Hannah is an accredited Wellbeing Coach, Mental Health First Aider and Instructor.

We believe we have made good progress in the first year of our plan and recently invited employees with lived experience of mental ill health to participate in a focus group to help us better understand how we can continue to improve our plan moving forward. In FY24, we will launch our Mental Health First Aid (MHFA) roll-out, which includes specific policies in relation to mental health. Our goal is to make fully qualified MHFAs an integral part of our commitment to provide better access to support, advice and signposting, and also to offer licensed training to empower people to notice the signs of mental ill health and encourage them to break down barriers. We have set a target of successfully training 50 MHFAs by the end of FY24.

"I am deeply passionate about workplace wellbeing and my recent appointment demonstrates how committed Hays are to the ongoing priority of health and wellbeing. Supporting employee wellbeing is critical to achieving, and sustaining, high performance."

I believe that work should be a determinant of positive wellbeing. I am ambitious about our journey to develop and implement an industry-leading wellbeing programme. For me, that starts by acknowledging wellbeing as a shared responsibility, which requires an environment that supports positive choices in relation to all aspects of health and wellbeing."

Hannah Pearsall
Head of Wellbeing, UK

Governance

Governance

Strong governance is our foundation for the delivery of stakeholder value and in our delivery of leading recruitment and talent services. It is about nurturing the right behaviours and having the right policies, processes and training in place. It is fundamental to our reputation and underpinned by our value 'Do the right thing'.

Business ethics

As a people business we respect internationally recognised human rights in line with the principles and guidance of the UN Universal Declaration of Human Rights, the core conventions of the International Labour Organization (ILO) and the UN Guiding Principles on Business and Human Rights. This applies to our relationships with clients, candidates, employees, business partners, suppliers and the communities within which we operate.

We expect our suppliers and potential suppliers to also aim for high ethical standards and to operate in an ethical, legally compliant and professional manner by adhering to our Supplier Code of Conduct. We expect our suppliers to promote similar standards and exert influence within their own supply chain. Our Modern Slavery Statement is available to view on our website.

At Hays we are committed to our own Code of Conduct and our Ethics Policy. All staff within Hays are expected to act with integrity and honesty and behave in a way that is above reproach, and to treat people fairly, with courtesy and respect, be responsible, respect diversity and communicate openly.

We encourage our people to speak up and raise any concerns. We offer employees a confidential reporting line, managed by an independent third party, accessible by telephone or online 24 hours a day, 365 days a year (as allowed under applicable law, employees may submit reports to the confidential line anonymously in over 100 languages).

We have a zero tolerance approach to bribery and corruption. All employees are required to comply with the Hays Anti-Bribery and Corruption Policy and undertake training on it annually. The policy prohibits the giving or receiving of bribes in any form. The offer or acceptance of any form of bribery is prohibited, including facilitation payments. Hospitality, gifts and improper offers or payments that seek to induce or reward improper performance or might appear to place any person under an obligation are prohibited.

As part of our policy on anti-bribery and corruption, we have a zero tolerance approach to tax evasion and the facilitation of tax evasion. We expect all Hays employees to adhere to the highest ethical and legal standards in business dealings throughout the world. Conflicts of interest that interfere with proper performance or independent judgement are prohibited. We expect our staff to communicate transparently and honestly with our clients, candidates, business partners, suppliers, governments and regulatory bodies, within the framework of privacy and confidentiality.

Our approach to tax

Taxation is essential to fund vital public services and when paid fairly ensures a level playing field for businesses, regardless of size. We manage our tax affairs to ensure that the correct amount of tax is paid in the appropriate jurisdiction at the right time. Hays does not pursue any artificial or aggressive tax planning arrangements, defining such measures as transactions not driven by a valid commercial outcome or transactions that lack significant economic substance. Hays strives to remain competitive by seeking to mitigate tax costs by reviewing commercially motivated activities, whilst having full regard for corporate reputation and responsibilities.

We do not condone the criminal evasion of tax nor the facilitation of tax evasion, whether undertaken by an employee or an associated partner. Controls are in place to detect and prevent such activities, whilst guidelines and training are provided to ensure all employees are aware of their responsibilities to report suspicious activities.

Tax risk is managed through internal control policies and procedures, training and compliance programmes, and proactive engagement between the Group Tax team and the broader business.

Hays adopts a transparent, proactive approach with tax authorities. We comply with our tax filing, reporting and payment obligations globally on a timely basis. From time to time a tax authority may have interpreted tax legislation, and therefore tax treatment, in a different manner to Hays. Where this occurs, we aim to work collaboratively with the tax authority to achieve an early resolution.

The total amount of taxes we pay and collect is significantly more than the tax we pay on our profits. We present below our total tax contribution for 2023 across the Group. This includes taxes borne by the Group and taxes collected by the Group in relation to our economic and employment activities.

Taxes collected by Hays are not a cost to the Group but instead are collected by the Group from our customers and employees on behalf of the government and comprise

- indirect taxes: VAT collected represents net VAT. We are charged VAT (Input VAT) on our purchases of goods and services and we charge VAT (Output VAT) in turn on our services and account for this value add or net VAT to the government.
- employee taxes: These include employee income taxes, employee social security contributions and similar payments.

Taxes collected

Taxes borne by Hays are a cost to the Group and comprise:

- employer taxes: Employment-related taxes borne by Hays in respect of its role as an employer and include employer social security contributions and similar payments
- corporate income taxes: Corporate income taxes paid on our Group profits and withholding taxes
- other payments: These are other payments including stamp duty and apprenticeship levy

Taxes borne

Our tax strategy is available at haysplc.com/sustainability. More information on our corporate governance is on [page 83](#).

Environmental

Transitioning for the environment

Ultimately, our vision is for an environmentally sustainable future through greener ways of working, the growth of the Green Economy. In pursuing this vision we seek to reduce our own impacts as well as working for clients in relation to our Sustainability specialism.

We are taking action in our own business through the application of our Environmental and Sustainability Policy and by delivering on our ambitions and public commitments, which include our SBTs, our commitment to renewable sources for electricity supply and carbon neutrality for our scope 1, 2 and elements of scope 3 GHG emissions.

Our FY23 environmental highlights include:

FY23 highlights include:

Appointing our first ever full time Global Head of Sustainability	Linking sustainability to executive remuneration
Conducting our most comprehensive GHG data gathering exercise	Ongoing reporting against our SBT
Updating our TCFD disclosure and scenario analysis	Increasing awareness through communications and Employee Resource Groups

Hays has committed to:

- 50% reduction in absolute scope 1 & 2 emissions by 2026 against a 2020 baseline, as approved by the SBTi in line with a 1.5°C trajectory
- 50% reduction in absolute scope 3 emissions from purchased goods and services and capital goods 2030 against a 2020 baseline, as approved by the SBTi in line with a 1.5°C trajectory
- 40% reduction in absolute scope 3 emissions from business travel by 2026 against a 2020 baseline, as approved by the SBTi in line with a 1.5°C trajectory
- transition to 100% renewable energy where there is a feasible market solution for electricity supply
- carbon neutrality for scope 1 & 2, scope 3 business travel and scope 3 transition and distribution losses.

Our SBTs were approved by the SBTi in FY22, and we are making good progress. As an office-based business with no manufacturing, our environmental impacts are lower than some other business sectors. However, we firmly believe that it will take a collective global effort to limit the worst effects of climate change, in line with the Paris Agreement's 1.5°C trajectory in relation to global warming. As a business with c.13,000 employees and over 40,000 clients in FY23, we believe our actions as an advocate for climate action can have an amplifying impact on the transition to a more sustainable, low carbon economy. We can also play a role in sourcing the talent needed to drive the Green Economy.

Companies with approved SBTs are encouraged by the SBTi to strive to obtain better data around GHGs. Therefore, in FY23 Hays conducted its most comprehensive data collection exercise ever, bringing in a new external expert, Climate Partner, to assess Hays' GHG and wider environmental impact more accurately, so that we can better manage reductions.

This exercise identified GHG emissions that we were previously unaware of, such as emissions from heating and cooling, additional travel previously not captured and a more robust review of renewable energy certificates. This gives us a more complete measure of scope 1, 2 and 3 emissions. In the interest of completeness and transparency to our stakeholders, we consider the data changes significant enough to restate our GHG emissions data for 2020 and 2022. As 2021 was highly impacted by the pandemic, we have not restated our GHG emissions for this year.

The emissions discovered were mainly refrigerant and coolant related gases, plus some additional travel data. Also, we identified some anomalies and outliers in our historic GHG data, which ClimatePartner have helped to recalculate.

Climate action

Our reporting for GHG emissions is 1 April 2022 to 31 March 2023. We gather data from every office globally to calculate our GHG emissions, working with our external experts. Our GHG emissions, methodology and calculations are in alignment with the GHG Protocol corporate reporting standard.

We report as shown in our GHG emissions table across scopes 1, 2 and relevant categories of scope 3 and in accordance with obligations under The Companies (Directors' report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, whereby we follow an operational control approach.

Our scope 1 emissions have slightly increased YoY by 4%. This has been due to our 9% higher average headcount in the year, an increase in business activity as evidenced by our record fees and as our company fleet vehicles increased in line with headcount.

Our scope 2 emissions have decreased by 11%, driven by continued transition to green energy tariffs for electricity supply, which are now in place for 132 of our offices globally, as well as local initiatives to adjust office heating and cooling, such as France limiting winter temperature in our offices to 19 degrees.

Environmental

Our overall scope 3 emissions have increased by 13%, largely reflecting a 3% increase in purchased goods and services given the increased scale of the business. Business travel also increased by 254% YoY as pandemic-related travel restrictions were removed.

With all scope 3 emissions considered, our total Group GHG emissions increased by 10% YoY to 58,857 tCO₂e, and have reduced by 11% versus our base year to March 2020. On a per full time employee basis, total GHG emissions are down 18% versus our base year.

Relative to our 2020 base year, our scope 1 emissions are down 1%, scope 2 down 54% and our business travel scope 3 down 19%.

These are the categories on which Hays is carbon neutral and offsets our GHG output, and in total are down 29% versus our base year, or down 34% on a per full time employee basis. This said, we recognise that we still have work to do, and that GHG reductions will then become a continual part of our operational focus through our global Net Zero Working Group. Our key priorities are reducing travel where possible by using video, the transition of fleet vehicles to electric vehicles and engaging with our suppliers. Where travel is required, we are enabling and encouraging our employees in more sustainable travel options.

Hays Scope 1, 2 and 3 emissions (1 April-31 March reporting year)

Emissions Source	2023			2022 ⁽¹⁾			% Change in total emissions (vs 2022 year)	2020 ⁽¹⁾⁽²⁾			% Change in total emissions (vs 2020 base year)
	UK and offshore	Global (excluding UK and offshore)	Global (including UK and offshore)	UK and offshore	Global (excluding UK and offshore)	Global (including UK and offshore)		UK and offshore	Global (excluding UK and offshore)	Global (including UK and offshore)	
Scope 1	645	4,763	5,408	666	4,527	5,193	4%	807	4,635	5,442	-1%
Operational Fuel	11	779	790	11	807	818	-3%	12	743	755	5%
Vehicle Fuel	634	3,984	4,618	655	3,720	4,375	6%	795	3,892	4,687	-1%
Scope 2	345	3,580	3,925	163	4,248	4,411	-11%	1,815	6,726	8,541	-54%
Purchased Electricity and District Heating	297	3,541	3,838	135	4,214	4,349	-12%	1,815	6,716	8,531	-55%
Electric Vehicles	48	39	87	28	34	62	40%	-	10	10	770%
Scope 3	8,544	40,980	49,524	7,738	36,230	43,968	13%	9,718	42,385	52,103	-5%
Business Travel*	372	4,545	4,917	74	1,316	1,390	254%	757	5,320	6,077	-19%
Fuel and Energy related activities	282	2,246	2,528	338	2,448	2,786	-9%	503	2,964	3,467	-27%
Purchased Goods and Services ⁽⁴⁾	3,455	23,077	26,532	3,365	22,480	25,845	3%	3,045	20,337	23,382	13%
Capital Goods	1,148	3,992	5,140	1,054	3,666	4,720	9%	1,582	5,505	7,087	-27%
Waste ⁽⁵⁾	71	317	388	71	322	393	-1%	78	322	400	-3%
Employee Commuting and Homeworking	3,216	6,803	10,019	2,836	5,998	8,834	13%	3,753	7,937	11,690	-14%
Total tonnes of CO₂e	9,534	49,323	58,857	8,567	45,005	53,572	10%	12,340	53,746	66,086	-11%
Scope 1, 2 and selected Scope 3 which are offset ⁽³⁾	1,644	15,134	16,778	1,241	12,539	13,780 ⁽¹⁾	22%	3,882	19,645	23,527 ⁽¹⁾⁽²⁾	-29%
S1, S2 and selected S3 intensity ratio per FTE	0.54	1.45	1.25	0.45	1.32	1.13	10%	1.23	2.13	1.90	-34%
Total intensity ratio per FTE	3.16	4.72	4.37	3.12	4.75	4.39	0%	3.90	5.82	5.33	-18%
Overall Group Energy Consumption (MWh)⁽⁷⁾	5,846	30,652	36,498	5,930	30,305	36,235	1%	8,763	33,411	42,174	-13%
FTE	3,021	10,455	13,476	2,746	9,468	12,214	10%	3,162	9,236	12,398	

- (1) As explained on page 65, in FY23 we undertook our most comprehensive GHG emissions data gathering exercise yet. In the interest of completeness and transparency, we consider the data changes significant enough to restate our GHG emissions data for 2020 and 2022. The restatement is driven by additional travel data, updated emissions factor assumptions, discovery of emissions associated with heating and cooling and a more conservative assessment of energy consumption previously identified as 100% renewable. This has led to our 2020 base year emissions being restated, with scope 1 decreasing from 5,928 tonnes (-8%), scope 2 increasing from 6,165 tonnes (up 39%) and selected scope 3 increasing from 6,630 (up 44%). FY22 emissions are also restated, with scope 1 increasing from 3,989 tonnes (up 30%), scope 2 increasing from 1,390 tonnes (up 217%) and selected scope 3 increasing from 1,660 (up 152%).
- (2) The restated figures for Base Year 2020 will now be used for measuring Science Based Targets and our other commitments on reducing emissions.
- (3) Selected scope 3 emissions designated for carbon offsets are scope 3 business travel and scope 3 fuel and energy related activities.
- (4) Supplier specific data has been used to calculate emissions for the top 30 suppliers (which represent around 75% of Hays spend). For 11 of these top 30 suppliers no public data was available, so EPA supply chain factors were applied instead. Also for the rest of the suppliers (representing the remaining 25% of Hays spend) EPA factors have been applied. Group PG&S emissions rose slightly in 2022.
- (5) Where primary waste type data was unavailable, municipal, plastic, glass, biowaste and paper waste at each site was assumed using office footprint estimates.
- (6) Homeworking only started to be calculated for 2021. Emissions have been calculated based on ClimatePartner homeworking model as per above. Emissions from 2020 have been restated to include homeworking emissions.
- (7) Total energy consumption includes energy consumed for heating (natural gas, district heating), power (electricity) and transport (company leased vehicles, expensed mileage claims) across scope 1, 2 and 3.

We have continued our participation in the Carbon Disclosure Project (CDP) Climate Change Survey. In 2022 we retained our score at B management level in relation. We await the results of our 2023 submission, which are expected to be released in early 2024.

In 2021 we invested in a carbon offset project for the residual emissions we can't avoid, securing 60,000 tCO₂e. This is for our scope 1, scope 2, scope 3 (business travel) and scope 3 (fuel and energy related activities). Based on this, our offset requirements for this and the past two years totals 38,278 tCO₂e. We are therefore carbon neutral on this basis.

Carbon offsetting

The certified carbon offset credits we have purchased are generated by an afforestation project in eastern Uruguay. This Guanare Afforestation project covers 22,000 hectares of previously degraded farming which is being regenerated into forest. The project seeks to store around seven million tonnes of CO₂ over its lifetime, with annual carbon absorption of nearly 130,000 tonnes. The project has been independently assessed, and supports five UN SDGs, with around 10,000 local people benefiting from the afforestation efforts, in addition to the biodiversity gains.

Further information on our climate action is detailed in our reporting in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) which is detailed on [page 68](#).

Minimising impacts

Throughout our regions steps are taken to reduce and minimise environmental impacts with local initiatives and awareness raising campaigns, to importantly engage our people. We have a growing number of environmental ambassadors who are part of a sustainability employee resource group. We will be working to extend this during FY24.

Our people are being engaged with training, environmental-related volunteering and specific campaigns such as the one run in conjunction with Earth Day 2023. For examples of the local initiatives please refer to [pages 60 to 61](#).

Where possible and in relation to the size of our local business we encourage a structured approach to environmental management such as in the UK where we are certified against the environmental management standard ISO 14001.

Green Economy

Businesses are becoming more environmentally and sustainability focused, and as a global recruiter we have a significant role to play in helping clients to find the right talent. We can focus on finding candidates for organisations that are in the Green Economy, such as any role at a renewable energy company, and we can help find candidates with green skills for organisations in other sector, such as an environmental manager in a financial services firm.

In recent years we have established a Sustainability specialism. The UK and Australia are most advanced, with over 30 expert recruiters placing talent into policy and environmental management roles. We expect this will grow and expand into further geographies in FY24.

Arguably, the largest Green Economy opportunities for Hays exist in Construction & Property, and in Engineering. Legislation and regulation are driving significant building programmes and creating demand for new skills. This is especially the case in the UK and the US, where we estimate that over 10% of our fees are already in this space, and can grow significantly. In Engineering, the transition to renewable energy and the transformation of the transportation and automotive industries globally is driving demand for new skills. Our German business is particularly well positioned here, with strong client relationships in these sectors.

We understand that all organisations and businesses will need to make change. Therefore, we also believe in taking an advocacy role. In doing so, we will seek to share information and insights. At a country level, we do this through thought leadership pieces including interviews, social media videos, blog articles and reports. We have more planned in FY24, using our network and the support of organisations such as Institute for Environmental Management and Assessment.

We also have an opportunity to influence in our supply chain through our Supplier Code of Conduct. Increasingly we are seeking sustainable sourcing options for the goods we purchase and working to engage suppliers in our own environmental ambitions such as with Net Zero.

FTSE4Good Index

FTSE Russell (the trading name of FTSE International Limited and Frank Russell) confirms that Hays plc has been independently assessed according to the FTSE4Good criteria and has satisfied the requirements to become a constituent of the FTSE4Good Index Series. Created by the global index provider FTSE Russell, the FTSE4Good Index Series is designed to measure the performance of companies demonstrating strong ESG practices.

The FTSE4Good indices are used by a wide variety of market participants to create and assess responsible investment funds and other products.

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

This statement contains the Group's TCFD disclosure in accordance with FCA requirements of Premium Listed UK corporates. The Company has provided responses across the four TCFD pillars, and 11 recommended disclosures, achieving consistency with listing rules, and aims to advance the maturity of its climate-related actions and disclosures on an annual basis.

Pillar 1: Governance

Recommendation 1: Oversight

The plc Board is responsible for our overall risk management strategy, which includes climate-related risks and opportunities, and responsibility is delegated to the Executive Board. This group receives bi-annual climate-focused updates and has primary responsibility for addressing climate-related matters. The CEO, who sits on the plc Board and runs the Executive Board, has overall accountability for climate-related matters and risk appetite.

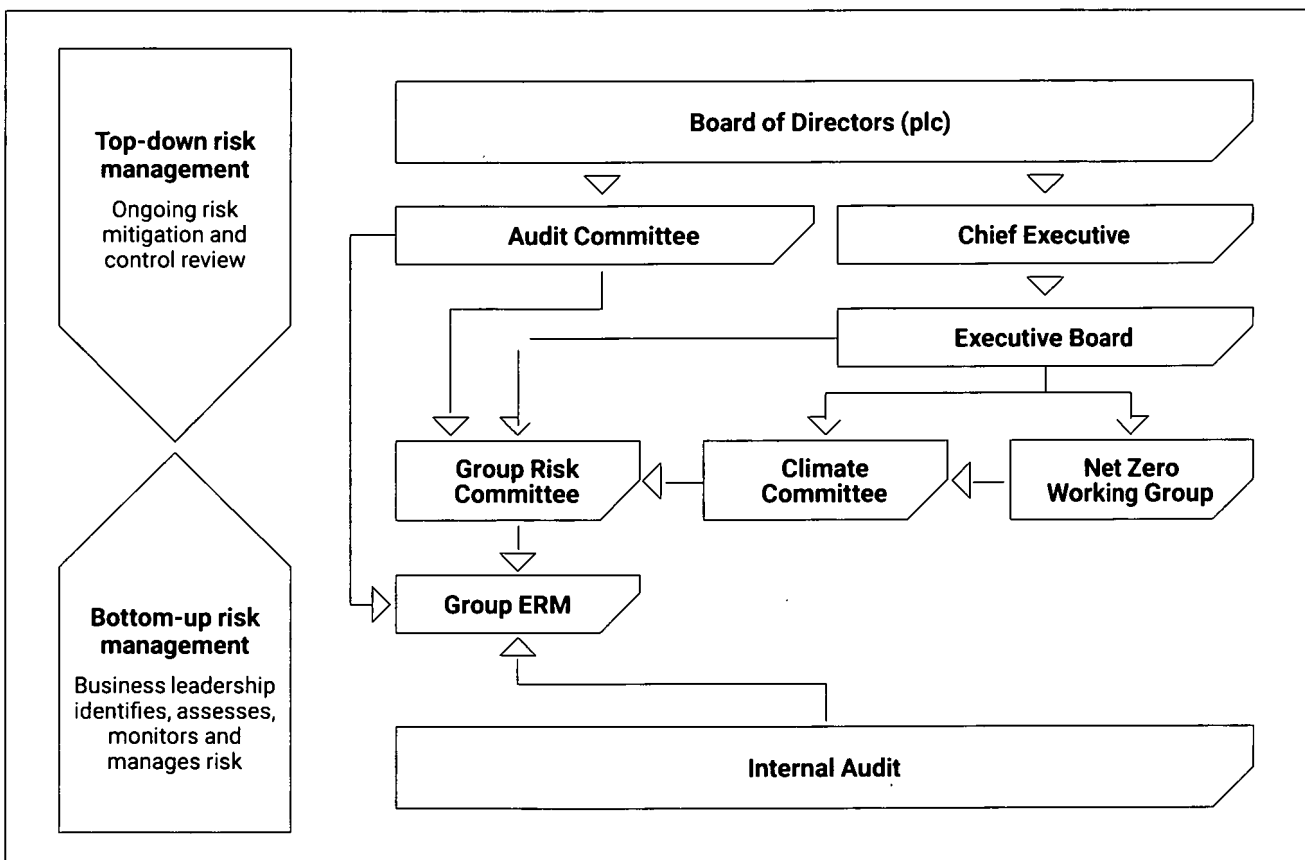
The Audit Committee assists in risk oversight (as described within Risk Management on page 106 of the 2023 Annual Report and Accounts). The Committee reviews the effectiveness of the risk management systems and process, including internal assurance of key controls to mitigate identified climate-related risks.

The Group Risk Committee is responsible for assisting the Executive Board in providing strategic leadership, direction, reporting and oversight of the Group's risk framework. The remit and responsibility of the Committee covers the whole of the Group's business.

Recommendation 2: Assessment and management

The Climate Committee is responsible for identifying, reviewing, and assessing climate-related matters – including the likelihood and potential impact of each risk aligned to the risk appetite. The Committee meets quarterly and comprises the Group Financial Controller and senior managers. It is also responsible for coordinating with third-party support to deliver climate-related scenario analysis and for ensuring integration of climate-related risks and opportunities into strategic and financial planning.

Internal Audit ensures that processes and controls to mitigate specific climate-related risks are monitored and any weaknesses identified and improved. This is supported by the Net Zero Working Group, comprising global senior managers, and department heads. Its principal activity is the day-to-day management of projects to deliver our Net Zero commitment. Projects cover actions to both mitigate climate risk and capture opportunity. Our 'Green Labs' initiative of senior operators identifies recruitment opportunities in the Green Economy – specifically those which arise from climate change and a transition to a low-carbon economy, including our Sustainability specialism, Engineering and Construction & Property.



Pillar 2: Strategy

Recommendation 3: Risks and opportunities

The key climate-related risks and opportunities (R&Os) identified were those considered to be material to the development, financial performance and financial position and/or prospects of Hays.

For short-term risks (0-5 years) we focused on energy supply costs, as this would have the most immediate impact on operations. Future carbon pricing and investment in renewable energy sources could lead to higher utility bills, travel costs and rental prices.

Medium-term risks (5-10 years) include those arising from a transition to a low-carbon economy. Specifically, we looked at risk of unrealised fees from missed opportunities in new and emerging markets, loss of potential candidates and clients (who prefer to work with recruiters focused on the Green Economy and which have strong sustainability credentials), and reductions in market supply for sectors and geographies with high levels of transition risk, including the fossil fuel sector (<1% of Group fees; see scenario comparison).

In the medium term, we also considered physical risks to our key assets. Specifically, those resulting from an increase in frequency and intensity of extreme weather events such as cyclones and floods. We focused on risks to our data centres, as they are a vital asset with significant impact to business continuity.

No long-term risks (10+ years) were considered to be material to our current business strategy and operations. There is significant uncertainty in assessing the risk impacts in this timeframe, though management will continue to monitor country or regional economic disruption brought on by climate events and respond accordingly.

In addition to risks, we identified several key business opportunities. In the short term, we can develop and scale our service offerings in low-carbon markets, including jobs in construction retrofit and infrastructure. Also, we can recruit talent to meet job growth in ESG and sustainability professions. We also identified short-term opportunities to reduce energy-related operating costs by focusing on strategies to reduce office energy use and business travel.

In the short and medium term, we identified an opportunity to attract and retain talent (and to mitigate future carbon pricing) by committing to SBTi GHG reduction targets and a Net Zero pathway.

We stress-tested the resilience of our R&Os strategy under two different climate scenarios, including a '1.5°C scenario with a disorderly transition' and a '3+°C scenario and with a failure to transition'. Our scenario analysis was based on the Network for Greening the Financial System's (NGFS) climate framework.

We used the NGFS Climate Scenarios to stress-test key climate-related risks and opportunities. These are developed to show a range of higher and low risk outcomes, using integrated assessment modelling, given the interrelationships between physical and transition risks.

The major strategic implications for our business can be summarised by reference to the major scenarios described as follows:

Current Policies (3+°C)	Both scenarios	Divergent Net Zero (1.5°C)
HIGHEST PHYSICAL RISKS LOWEST TRANSITION RISKS	GENERAL RISKS AND OPPORTUNITIES	HIGHEST TRANSITION RISKS LOWEST PHYSICAL RISKS
This scenario, Current Policies, assumes only currently implemented policies are preserved, leading to the highest physical risks of all NGFS scenarios. Emissions grow until 2080, leading to about 3°C of warming and severe physical impacts from climate and weather-related events. This includes irreversible changes like sea level rise. - The need to plan for extreme weather events (cyclones and flooding) that disrupt data centres, impacting business operations, including fee generation. - Global or regional economic disruption arising from the impact on sectors with supply chains that are heavily concentrated in locations of high risk.	Risks and opportunities that are independent of climate scenarios. This includes those resulting from energy supply costs, technology innovations and environmental policies. In addition, voluntary business-led climate action (despite weak policies) and ongoing global warming (despite strong policies) can result in both transition and physical climate-related risks. - Increased extraction and production costs for non-renewable energy sources continue to increase, resulting in exposure to increased utility and rental costs. - Increased extraction and production costs for non-renewable energy sources results in less job growth in the fossil fuel sector, resulting in portfolio revenue exposures in these industries. - The need to adapt core services to grow market share in emerging low-carbon and sustainability markets in response to non-climate-related drivers such as technology innovation, environmental regulations, resource scarcity and behavioural changes. - The development and scaling of new and emerging services to support clients. - Ability to attract and retain talent.	Divergent Net Zero reaches Net Zero by 2050 but with high transition risks due to divergent policies introduced across sectors and a quicker phase out of fossil fuels. Emissions are in line with a climate goal giving at least a 50% chance of limiting global warming to below 1.5°C by the end of the century. - Disruption in sectors and geographies with high levels of transition risk (e.g. fossil fuels) leading to higher portfolio revenue exposure and job losses. - Increased competition for market share of new, emerging low-carbon and sustainability markets with implications for client numbers and/or increased costs associated with bidding. - Increased costs associated with carbon pricing for GHG inventory, e.g. costs for purchasing of certified carbon offsets.

We chose a 1.5°C climate scenario (Divergent Net Zero) to stress-test our transition R&Os. Indications are that key drivers such as high carbon pricing and strong policy reaction (towards a low-carbon economy) will most likely result in strong job growth in low-carbon and ESG and sustainability professions.

For physical risks we selected a 3+°C climate scenario (Current Policies). The projected financial impact from increased cyclonic weather events is low (4.5% average for all locations). In addition, the impact on Hays' infrastructure of an increased risk from inland flooding is low.

R&O scenario summary

Risk (Timeframe)		Current Policies (3+°C)	Divergent Net Zero (1.5°C)
Energy supply costs (0-5 years)	Increase in utility costs and rental prices as a result of higher energy prices	MINIMAL IMPACT Carbon pricing remains low and investment costs in renewable sources is minimised, resulting in lower rises in energy costs. Energy costs may still increase due to non-climate-related drivers such as increased energy production costs.	LOW IMPACT £1.0 million annual profit Energy prices increase due to carbon pricing and rapid renewable energy investment but are mitigated to some degree by energy and GHG reduction targets and strategies.
Changes in market supply (5-10 years)	Portfolio revenue exposure and job losses to sectors and geographies with high levels of transition risk (e.g. fossil fuel sector)	MINIMAL IMPACT Policy reaction remains low, resulting in minimal negative impact to jobs associated with fossil fuels or other high-carbon industries. Non-climate-related drivers (resource scarcity, technology advancements, etc.) may still drive change in market supply.	LOW IMPACT <1% of annual net fees High policy reaction results in a shift in market supply away from jobs supporting carbon intensive industries such as those related to fossil fuel extraction and production or other high-carbon industries.
Changes in market demand (5-10 years)	Loss of market share of new, emerging low-carbon and sustainability markets results in a reduction in client numbers and/or increased costs associated with bidding	MINIMAL IMPACT Policy reaction remains low, resulting in minimal shift in market towards a low-carbon economy. Non-climate-related drivers (resource scarcity, technology advancements, etc.) may still drive change in market demand.	MEDIUM IMPACT 1% of annual net fees High policy reaction (carbon pricing and related regulations) results in a shift in market demand towards jobs supporting a transition to a low-carbon economy.
Changes in behaviour (5-10 years)	Loss of market share/earnings and ability to attract and retain employees (talent)	MINIMAL IMPACT Policy ambition remains low, resulting in less influence on customer and workforce preferences for companies with greener credentials.	LOW IMPACT 0.5% of annual net fees Some shift in employee and customer preferences to companies with greener credentials.
Corporate GHG emissions (5-10 years)	Carbon fee for GHG inventory, including costs for additional purchasing of certified carbon offsets	MINIMAL IMPACT Policy reaction remains low, resulting in no carbon pricing or additional regulations with respect to regulating GHG emissions. Some cost savings are still achieved through GHG reduction measures.	LOW IMPACT <£2.5 million annual profit High policy reaction results in rapid increases in carbon pricing and related policy regulations on GHG emissions.
Extreme weather events (5-10 years)	Extreme weather events (cyclones and flooding) disrupt data centres, impacting business operations, including fee generation	LOW IMPACT Increased damage (represented by decrease in national GDP) from cyclonic events and flooding is marginal, 4.5% (average for all locations) for cyclonic events and 26% for flooding (Germany) within the 5-10-year timeframe.	MINIMAL IMPACT Increased damage from cyclonic events and flooding is minimal, 2.7% (average for all locations) for cyclonic events and 16% for flooding (Germany) within the 5-10-year timeframe.

Key

AGREED IMPACT RANGES

MINIMAL: No significant financial impact

LOW: <1% annual net fees (<£10 million) | <£2.5 million annual profit

MED: 1%-4% annual net fees (£10-20 million) | £2.5-10 million annual profit

HIGH: +4% annual net fees (+£40 million) | >£10 million annual profit

Opportunity (Timeframe)		Current Policies (3+°C)	Divergent Net Zero (1.5°C)
Develop and scale services into low-carbon markets (0-5 years)	Secure talent to deliver projects via e.g. new specialisms – Sustainability, expansion into new and emerging sectors e.g. clean-tech	MINIMAL IMPACT Policy ambition remains low. Growth in the clean-tech market is slow, resulting in less growth in low-carbon markets. However, non-climate-related drivers may still drive growth in clean-tech.	HIGH IMPACT >4% of annual net fees High policy reaction and fast clean-tech growth drive new low-carbon markets. Significant potential for expansion in low-carbon markets.
Commitment to GHG reduction targets and Net Zero pathway (5-10 years)	1. Improve competitive position to attract and retain a motivated workforce 2. Reduced risk of energy and carbon pricing and future reporting mandates	MINIMAL IMPACT Policy reaction remains low, resulting in no carbon pricing or additional regulations with respect to regulating GHG emissions. Some benefit still from general increase in energy costs due to non-climate-related drivers (e.g. supply, demand).	MEDIUM IMPACT 1-2% of annual net fees High policy reaction leads to high carbon pricing and related climate regulations, in addition to fast growth in the clean-tech sector. This in turn creates a high demand for recruiters who are committed to the transition towards a low-carbon economy.
Reduce business travel (0-5 years)	Reduce GHG emissions and operating costs associated with Hays' business travel	MINIMAL IMPACT Minimal policy reaction results in no carbon tax on jet fuel. Reducing business travel still results in significant cost savings.	LOW IMPACT <£2.5 million profit High policy reaction results in carbon pricing on jet fuel and higher business travel costs. A 40% reduction in Hays' business travel reduces existing travel costs and protects Hays from cost increases due to carbon pricing.
Reduce energy use in office spaces (0-5 years)	Reduce costs and emissions associated with office energy consumption	MINIMAL IMPACT Minimal policy reaction results in no carbon pricing or increase in energy efficiency standards. Reducing office energy use still results in significant operational cost savings.	LOW IMPACT <£2.5 million profit High policy reaction results in carbon pricing and stricter energy efficiency mandates. Reducing office footprint lowers existing energy costs and minimises any cost increases due to policy changes.

Recommendation 4: Impact of climate-related risks on our business and strategy

In preparing the Consolidated Financial Statements, the Directors have considered the impact of climate change on the Group and have concluded that there is no material impact on financial reporting judgements and estimates (as discussed in note 3 to the Financial Statements). This is consistent with the assertion that risks associated with climate change are not expected to have a material impact on the longer-term viability of the Group. Also, the Directors do not consider there to be a material impact on the carrying value of goodwill, other intangibles or on property, plant and equipment.

Recommendation 5: Resilience of our strategy

In response to the identified transition R&Os, the Group has launched a Sustainability recruitment practice to support talent needed for low-carbon and sustainability job growth.

In addition, we committed to SBTs and carbon reduction measures to reduce our exposure to future carbon pricing and energy cost increases. As part of our reduction planning we have started discussions with our landlords and suppliers to assess their commitment towards a journey to Net Zero emissions.

To help mitigate physical risks to our data centres we are transitioning to cloud-based hosting. This will increase geographical diversity of data storage and backup, reducing our reliance on any one specific data centre location (see R&O response summary).

Pillar 3: Risk management

Recommendation 6: Process for identifying risks

Specific climate R&O (existing and emerging) are identified and assessed by the Climate Committee in an annual review process.

Recommendation 7: Process for managing risks

The Committee draws on the Group-wide enterprise risk management framework and other senior operational leaders drawn from across the business which allows for both a holistic, top-down and bottom-up view on key R&Os facing Hays.

The materiality of the R&O is based on the likelihood (of the R/O occurring) and impact (should the R/O occur) on business strategy and operations. Priority is then given to R&Os with the highest potential financial impact.

Risks		Response strategy and FY23 actions	Link to risks/ opportunities
Energy supply costs	Increase in utility costs and rental prices as a result of higher energy prices	Hays has committed to SBTs, which include new measures in FY23 to reduce energy consumption in office spaces. In addition, data centre refurbishments and cloud-based strategies have potential energy cost savings of c.50%.	1. Commitment to GHG reduction targets and Net Zero pathway 2. Reduce energy use: offices
Changes in market supply	Portfolio revenue exposure and job losses to sectors and geographies with high levels of transition risk (e.g. fossil fuel sector)	Hays is expanding into emerging, low-carbon and sustainability-related industries to ensure that these sectors represent a larger percentage of fees. For example, Germany won outsourcing contracts with four major renewable electricity suppliers.	Develop and scale services into low-carbon markets
Changes in market demand	Loss of market share of new, emerging low-carbon and sustainability markets results in a reduction in client numbers and/or increased costs associated with bidding	Our Sustainability specialism launched in FY22 and delivered over £1.5 million in fees in FY23, with H2 doubling compared to H1. We support organisations to secure the talent they need, including electric transport, renewable energy, engineering and low-carbon construction/ infrastructure sectors. Hays continues to evaluate its approach to bidding for contracts, especially where the ability to demonstrate its green credentials is key. Hays is carbon neutral and committed to Net Zero.	1. Develop and scale services into low-carbon markets 2. Commitment to GHG reduction targets and Net Zero pathway
Changes in behaviour	Loss of market share due to a decrease in ability to attract and retain employees (talent) who prefer to work for companies with greener credentials	Being able to attract and retain key talent is critical. Hays has committed to SBTs to support a pathway to a Net Zero economy and as part of our investment to find solutions to these challenges in line with our Purpose. We have also launched ERGs, and in FY23 conducted our most comprehensive GHG data gathering exercise.	1. Develop and scale services into low-carbon markets 2. Commitment to GHG reduction targets and Net Zero pathway
Corporate GHG emissions	Carbon fee for GHG inventory, including costs for additional purchasing of certified carbon offsets	Hays has committed to SBTs of a 50% reduction in scope 1 and 2 emissions by 2026 and a 50% reduction in selected scope 3 emissions by 2030 (based on 2020 baseline). We purchased offset credits in 2021, and have just over 20,000 tCO ₂ e left to utilise.	Commitment to GHG reduction targets and Net Zero pathway

Recommendation 8: Integrating climate-related risks

Top climate-related R&Os are integrated into regional-level risk registers, which are then reviewed by senior management and consolidated annually to inform the risk management process.

Outputs from the R&O assessment are shared with the Audit Committee on an annual basis. The Executive Board, which is responsible for managing overall Group risks, then determines how the specific R&Os identified should be managed.

This process allows the Group to determine the relative significance of climate-related R&Os within the overall risk management process. Hays' risk governance and management processes are detailed within Principal Risks ([more information on page 74](#)).

Pillar 4: Metrics and targets**Recommendation 9: Metrics to assess risks and opportunities**

Our internal metrics and targets help us measure and manage financial risk associated with potential future carbon-related risks and opportunities (R&Os). Hays scope 1, 2 and 3 emissions are summarised on [page 66](#), giving comparative years.

Recommendation 10: Targets used to manage risks and opportunities

- 50% reduction in scope 1, 2 and selected scope 3 emissions by 2026 (based on 2020 baseline), approved by SBTi.
- 40% reduction in Group flights versus pre-pandemic levels by 2026.
- 100% renewable energy (where we control the electricity supply and there is an available market solution) in all offices.

Recommendation 11: Disclosure of GHG emissions

In 2023, we completed our most comprehensive scope 1, 2 and 3 emissions, following improvements made to our data collection systems ([see page 65](#)). These now include purchased goods and services (PG&S), capital goods, and waste, as well as employee commuting and homeworking. We are committed to work with our suppliers to drive a 50% reduction. This includes a clear preference for working with suppliers that are on their own Net Zero journey.

We also track several external metrics which act as key drivers for climate-related R&Os. These include future possible carbon pricing mechanisms, changes in policy ambition for climate change mitigation, growth in sustainability-related jobs, and changes in the frequency and intensity of regional extreme weather events such as cyclonic storms and flooding.

Risks		Response strategy and FY23 actions	Link to risks/opportunities
Extreme weather events	Extreme weather events (cyclones and flooding) disrupt data centres, impacting business operations, including fee generation	To help mitigate physical risks to our data centres, Hays is transitioning to cloud-based hosting. This will increase geographical diversity of data storage and backup, reducing our reliance on any specific data centre location. We have also transitioned to laptop computers, which use less energy.	Change in behaviour
Develop and scale services into low-carbon markets	Securing talent to deliver projects via e.g. new specialisms – Sustainability, expansion into new and emerging sectors e.g. clean-tech	Our Sustainability specialism, launched in FY22, is designed to support organisations to secure the talent they need, including but not limited to electric transport, renewable energy, engineering and low-carbon construction/infrastructure sectors. As evidence of this, we won contracts with four major renewable energy companies in Germany.	1. Change in market supply 2. Change in market demand 3. Change in behaviour
Commitment to GHG reduction targets and Net Zero pathway	1. Improve competitive position to attract and retain a motivated workforce 2. Reduced risk of energy and carbon pricing and future reporting mandates	Hays has committed to SBTs of a 50% reduction in scope 1 and 2 emissions by 2026 and a 50% reduction in selected scope 3 emissions by 2030 (2020 baseline). We will publish our 2023 progress later this year. We also appointed our first full time Global Head of Sustainability to lead our development in this area.	1. Energy supply costs 2. Corporate GHG emissions
Reduce business travel	Reduce GHG emissions and operating costs associated with Hays' business travel	Hays has committed to reducing business travel by 40% by 2026 (2020 baseline), which will contribute to a reduction in scope 3 emissions.	1. Corporate GHG emissions 2. Change in behaviour
Reduce energy use in office spaces	Reducing costs and emissions associated with office energy consumption	Hays will reduce energy costs and GHG emissions from office use through targeted efficiency programmes including a measure to replace conventional PCs with more energy-efficient laptops (with up to 65% energy savings). Energy cost savings will also be achieved as part of Hays' target of a £10 million per annum cost saving (2020 baseline), through a reduction in office space.	1. Energy supply costs 2. Corporate GHG emissions 3. Change in behaviour

PRINCIPAL RISKS

The Board has overall responsibility for the Group's internal control systems and for reviewing their effectiveness.

Managing risks to achieve our strategic priorities

We focus on key risks which could impact the achievement of our strategic priorities and objectives and, therefore, on the performance of our business.

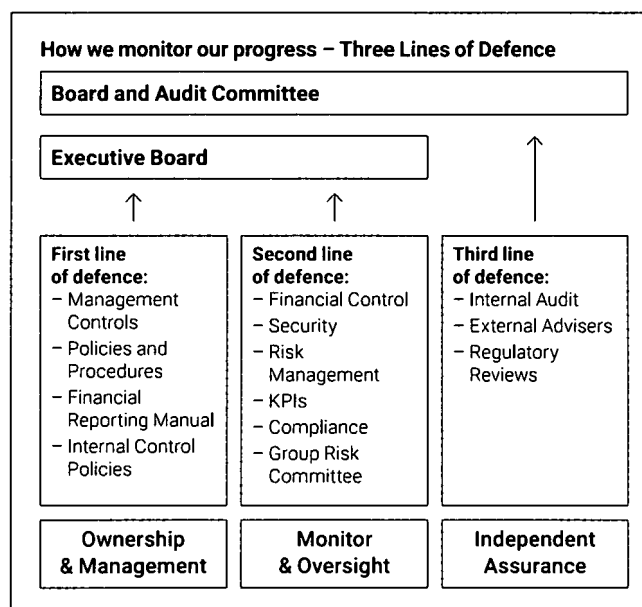
Risk governance – identifying, evaluating and managing risk

The Board has overall responsibility for the Group's internal control systems and for reviewing their effectiveness. This has been designed to assist the Board in making better, more risk-informed, strategic decisions with a view to creating and protecting shareholder value. In practice, the Board delegates the task of implementing its policies on risk and control to management and needs to assure itself on an ongoing basis that management is responding appropriately to these risks and controls.

Ownership and responsibility for operating risk management and controls is vested in management by the Board, and management needs to provide leadership and direction to ensure the Group's overall risk-taking activity is cascaded to and managed appropriately with employees in order that the business is operated within the agreed level of risk appetite. To manage the effectiveness of this, the Board and management need to rely on adequate line functions, including monitoring and assurance functions, within the Group.

As such the organisation operates the 'Three Lines of Defence' model as a way of explaining the relationship between these functions and demonstrating how responsibilities are allocated:

- the first line of defence: responsibility to own and manage risk
- the second line of defence: responsibility to monitor and oversee risk
- the third line of defence: functions that provide independent assurance.



The Group Risk Committee, chaired by the Chief Risk Officer and having been reset during FY23, has changed to being centred around a smaller membership group in order to be more agile and responsive. The GRC continues to assist the Executive Board in providing strategic leadership, direction, reporting and oversight of the Group's risk framework, together with identifying any emerging risks that may become apparent during the course of the year.

The Group Risk Committee also allows the opportunity to review and discuss changes in risk profile, either from an internal or external perspective, including emerging risks. The Board and management continued to consider emerging risks, to ensure appropriate internal processes are defined in order to confirm that emerging risks are reviewed and monitored across the Group.

Risk identification and impact – enterprise risk management

The Executive Board oversees a Group-wide enterprise risk management framework, which allows for both a holistic, top-down and bottom-up view of key risks facing the business, with Hays' risks being analysed on a gross (pre-mitigation) and net (post-mitigation) basis. Risk registers are maintained at a regional, country and function level, which are reviewed and approved by their respective Boards or by senior management and consolidated annually. These risks are reviewed in conjunction with the Group risk register, which is reviewed at least annually by the Executive Board and submitted to the Board thereafter, in order to enable it to carry out its risk oversight responsibilities. This exercise involves a current and forward look at various risks affecting the business and prioritises them according to risk impact and likelihood, which enables the Board to assess both the risks and the effectiveness of the mitigations in managing those risks. Risks covered include strategic, operational, financial and reputational risks, as well as compliance and people-related risks.

Each risk on the risk register is assigned an owner, with current and future risk mitigation procedures detailed, with the continuing monitoring of these risks undertaken on an ongoing basis to ensure that these are being reviewed and maintained appropriately.

The enterprise risk management framework and emerging risk process is updated and presented to the Audit Committee at least annually to allow the Board to assess the effectiveness of the risk management processes and systems.

Risk attributes

When considering risk appetite the Board considers this in terms of the following attributes:

- experience of the management team globally
- strong balance sheet, including the level of operational gearing
- clear and open communication channels.

Our risk appetite

Responsibility for the level of risk that the Group is willing to accept is vested in the Hays plc Board and the principal risks have been mapped through our risk appetite process in order to identify the tolerance levels and target position per risk and to assess both the current and future mitigating actions required, should the net risk be greater than the risk appetite position.

From this exercise the Board is able to determine what an acceptable level of risk is for the Group, cognisant that Hays has an established and proactive approach to measuring performance and considers risk an integral part of the decision-making process.

Due to the nature of the recruitment market, being a cyclical business and sensitive to macroeconomic conditions, Hays operates a measured risk appetite position, due to the lack of forward visibility of fees and, as a consequence, increases the overall risk environment.

Emerging risks

Following the requirements of the UK Corporate Governance Code 2018, the Board again undertook a formal exercise using horizon scanning, to identify and assess emerging risks to Hays. The assessment considered potential risks across a number of areas, being: Strategic/economic, Reputation/regulatory, Technology, and Environmental.

Each identified emerging risk was then plotted by impact and time horizon onto a risk radar.

Emerging risks and the horizon scanning process continues to be embedded into the risk programme going forward, to further ensure that emerging risks are being considered, captured and monitored.

Viability statement

In accordance with the UK Corporate Governance Code 2018, the Directors have assessed the prospects of the Group over a period longer than the 12 months from the date of approval of the Financial Statements. In assessing viability, the Directors have considered a number of key factors, including our business model, our strategy and our principal risks and uncertainties ([more information on pages 76 to 79](#)).

The Directors believe that a three-year period ending 30 June 2026 is the most relevant period over which to provide the viability statement, being supported by the appraisal of the principal risks and mitigating internal controls. This allows the Directors to assess and conclude that the Group will be able to operate within its existing bank covenants and maintain appropriate bank facilities to meet its funding requirements over a three-year period, being backed by the £210 million revolving credit facility in place, that reduces in November 2024 to £170 million and expires in November 2025. The Directors anticipate no problems in renewing the facility and fully intend to do so.

This three-year period also reflects our three-year planning cycle, which covers the same period, and considers the fast-moving nature of the industry. As such, collectively these factors allow the Directors a reasonable expectation, predicated on the basis that there are no unforeseen events outside of the Group's control that inhibit the Group's ability to continue trading, and that using a three-year period it is possible to form a reasonable expectation as to the Group's longer-term viability.

Process to assess the Group's prospects

As in prior years, the Board undertook a strategic business review in the current year which took into account the Group's current financial position and the potential impact of the principal risks set out on [pages 76 to 79](#).

In addition, and in making this statement, the Board carried out a robust assessment of the principal risks facing the Group, including those that would threaten the Group's business model, future performance and liquidity. While the review has considered all the principal risks identified by the Group, the resilience of the Group to the occurrence of these risks in severe yet plausible scenarios has been evaluated.

Financial position

At 30 June 2023, the Group had net cash of £135.6 million compared to cash of £296.2 million at 30 June 2022. In addition, the Group currently has an unsecured revolving credit facility of £210 million that reduces in November 2024 to £170 million, and expires in November 2025.

At 30 June 2023, £200 million of the facility was undrawn. The Group had a strong working capital performance, with significant management focus on cash collection, average trade debtor days remained consistent in the year at 33 days (2022: 33 days).

Stress testing

The Board approves an annual budget and reviews monthly management reports and quarterly forecasts. The output of the planning and budgeting processes has been used to perform a sensitivity analysis of the Group's cash flow to model the potential effects should principal risks actually occur either individually or in unison.

The sensitivity analysis modelled scenarios in which the Group incurred a sustained loss of business arising from a prolonged global downturn, with a range of recovery scenarios considered. The Group's 'Stress Case' scenario assumes that the Group experiences another severe downturn similar in scale to the one caused by the COVID-19 pandemic in the year ended 30 June 2020, followed by a period of gradual recovery, as opposed to the significant recovery the Group experienced through the years ended 30 June 2021 and 30 June 2022.

The Stress Case scenario assumes a trough level of operating profit of £57 million in the year ended 30 June 2024 before gradually recovering to £103 million operating profit in the year to June 2026, which models the impact of a long-lasting global economic downturn. In this scenario the Group is forecast to maintain a strong net cash position in excess of £60 million throughout the forecast period, with significant headroom against its banking covenants.

Set against these downside trading scenarios, the Board considered key mitigating factors including the geographic and sectoral diversity of the Group, its balanced business model across Temporary, Permanent and Contract recruitment services, and the significant working capital inflows which arise in periods of severe downturn, particularly in the Temporary recruitment business, thus protecting liquidity as was the case during the Global Financial Crisis of 2008/09 and which we again experienced in the year ended 30 June 2020.

The Group's history of strong cash generation, tight cost control and flexible workforce management provides further protection, and in addition the Group has a revolving credit facility of £210 million that reduces in November 2024 to £170 million, and expires in November 2025.

Confirmation of longer-term viability

Based on the above assessment, the Directors confirm that they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the three-year period to 30 June 2026.

Going Concern

The Group's business activities, together with the factors likely to affect its future development, performance and position, are set out in the Strategic Report. The financial position of the Group, its cash flows and liquidity position are described in the Finance Director's Review, with details of the Group's treasury activities, long-term funding arrangements and exposure to financial risk included in notes 18 to 20 to the Consolidated Financial Statements.

The Group has sufficient financial resources which, together with internally generated cash flows, will continue to provide sufficient sources of liquidity to fund its current operations, including its contractual and commercial commitments and any proposed dividends. The Group is therefore well-placed to manage its business risks. After making enquiries, the Directors have formed the judgement at the time of approving the Financial Statements, that there is a reasonable expectation that the Group has adequate resources to continue in operational existence throughout the Going Concern period, being at least 12 months from the date of approval of the Consolidated Financial Statements. For this reason, they continue to adopt the Going Concern basis of accounting in preparing the Consolidated Financial Statements.

Risk description	Risk trend and type	Risk mitigation
1 Macroeconomic/cyclical business exposure/inflation Following a strong economic recovery after the COVID-19 pandemic, the global economic outlook has deteriorated over the last 12-18 months with significant concerns on the impact of high levels of inflation and interest rates. This has led to increased concerns about a global recession in the next few years, which have been exacerbated by the continuing invasion of Ukraine by Russia. As a result the levels of business confidence could be negatively impacted, as businesses consider Permanent and Temporary hiring decisions. Candidate confidence may also reduce, and their propensity to change jobs may also be reduced. After c.20 years of low levels of inflation, the material increase in inflation over the last 12-18 months, together with the expectation that it will remain at higher than normal levels in FY24 and FY25, could lead to significant cost pressures on our business. While we expect to at least offset this by increases in our Perm fees and Temp margins and have been successful in achieving such increases in both FY22 and FY23, we will need to continue with this strategy in FY24/FY25 to ensure that we protect our overall profitability. In addition, the conflict between Ukraine and Russia and the resulting impact on energy supplies in Europe, the current geopolitical environment, with tensions between the west and Russia and the US and Greater China, together with supply chain issues impacting energy and food prices, could all individually and collectively further damage business confidence and the wider global economy.	 Financial	Hays has continued to diversify its operations to include a balance of both Temporary and Permanent recruitment services to Private and Public sector clients and operates across 33 countries and 21 sector specialisms. Progress is being made to further diversify the business to reduce the Group's reliance on Germany, the UK&I and ANZ, which currently represent 64% of the Group's net fees. Hays' cost base is highly variable and carefully managed to align with business activity and can be flexed and scaled accordingly to react to the individual markets. Temporary recruitment tends to be more resilient in times of economic uncertainty or downturn. Review of standard Terms of Business pricing for Perm and Temp business across the Group, and at either annual review or renewal, a review of contracted pricing/margins for Enterprise business continues to be undertaken. Focus on cost management initiatives and efficiency projects in order to increase automation and reduce costs. Hays is highly cash-generative, requiring low levels of asset investment cash collection is a priority, and the Group has made appropriate investment in its credit control and working capital management processes over the years, resulting in maintaining the elimination of Group net debt and a continued year-end net cash positive position for the eighth consecutive year. Relevant strategic priority  
 Grow – Materially increase core recruitment fees, particularly in Technology recruitment and with Enterprise clients		 Diversify – Substantially grow new revenue streams and partnership-based areas such as HR services and Project Services globally
 Partner – Nurture lifelong client and candidate partnerships and build the deepest and most engaged Talent Networks worldwide		 Enhance – Drive productivity to deliver significant profits and cash flows, funding reinvestment and enabling substantial returns to shareholders
 Enable – Our strategy is underpinned by our continuous investment in People, Culture, Technology and Sustainability		

Risk trends

The ongoing review of the Group's principal risks includes how these risks evolve. Changes in the trend/direction of our principal risks are noted against each risk.

Risk description	Risk trend and type	Risk mitigation
2 Business model The Group faces growing competition, especially in mature markets where recruitment methodologies and systems are more evolved and competitive, from the increasing use of digital technologies for recruitment services and an increasing trend towards insourced, outsourced and offshore recruitment models. In addition, generalist recruiters are entering specialist markets, resulting in associated margin pressures, which together may materially impact the business should Hays not continue to take appropriate actions and respond effectively. Social media and internet-enabled digital dynamics and recruitment value chain disintermediation, together with the rate of development in the use of AI and machine learning, have continued to increase the risk to the business model over the course of recent years. Whilst there has been reduced investment in this area, there has been additional focus on legislative changes, such as statement of works and a greater move to automation.	 Operational Financial Strategic	Hays monitors industry trends and opportunities, including social media, AI and insourcing, and continues to invest in our online presence to provide a high-quality customer experience. Our key relationships (such as with LinkedIn and Xing) increase our exposure to online professional networking and recruitment portals and enhance our value proposition to both clients and candidates and improve consultant productivity. Our expert and specialist consultants are trained in utilising and taking advantage of social media and other digital technologies to enhance their day-to-day activities in providing the best quality candidates to our clients. We continue to leverage our broad geographical and sectoral footprint to win and maintain a significant number of multispecialism contracts with large corporate organisations, which will strengthen our relationships with these clients and increase our share of their recruitment spend. Significant investment made in recent years has enhanced Hays' data science capabilities and has significantly improved our approach to find and engage with candidates. Relevant strategic priority   
3 Talent The Group is reliant on its ability to attract, train, develop, engage and retain sufficient high-quality talent in line with our long-term strategic growth plans and protect the business it has today and fulfil our growth plans of tomorrow. Over the past 24 months we have seen a war for talent and have seen our business directors, managers and fee earners under unprecedented headhunting attacks from inhouse recruiters and competitors. Following the COVID-19 pandemic, whereby headcount investment stalled, there was increased competition for talent in the market. Hays' strategy continues to grow and nurture talent internally into senior roles wherever possible, supported by external appointments of experienced professionals where appropriate.	 People Financial	Hays provides a defined and sustainable career development path for new hires, starting with a structured induction programme and ongoing training as they advance their careers, supported by formalised performance and career tracking. Development Centres focus on the progress of high-potential individuals, providing further development opportunities and helping to identify any talent gaps and training needs. Hays continues to roll out the International Leadership & Management Programme, which focuses on senior leadership and development and is aligned with the Group's business strategy. 'Our Hays Story' has a clearly articulated Purpose and Values, with a demonstrable commitment to DE&I green credentials, employee wellbeing, flexibility and corporate social responsibility, and has set clear global and regional DE&I objectives and action plans. Overall, our remuneration packages are competitive, including an employee benefit programme, together with a long-term incentive scheme that is offered to broadly 350 senior managers, which encourages a performance-led culture and aids retention. Succession plans identify future potential leaders of the business and produce individual development plans in which to harness and cultivate talent, aligned to the Hays Leadership and Management DNA framework. The Group's standard employment contracts include notice periods and non-solicitation provisions in the event of an employee leaving. Relevant strategic priority 

Risk description	Risk trend and type	Risk mitigation
4 Regulatory/compliance The Group operates in 33 countries, with each operating its own legislative, regulative, compliance and tax rules, especially for temporary workers, with any non-compliance increasing the Group's exposure to potential legal, financial and reputational risk.	↑ Legal Financial Reputational	Compliance and monitoring processes are tailored to specific specialisms, ensuring additional focus is given to higher-risk specialisms such as Education and Healthcare in the UK, Construction & Property in Australia and specialised corporate contracts for Enterprise clients. Employees receive training in respect of the operating standards applicable to their role, with additional support provided by compliance functions, regional legal teams and, where necessary, external advisers. All staff receive regular training to ensure that legal and compliance updates are understood and applied. In territories where legislation sets out additional compliance requirements, specialists are also employed. Dedicated compliance auditors conduct sample checks to ensure that the appropriate candidate vetting checks and due diligence obligations are carried out in line with legal and contractual requirements. The Group holds all standard business insurance cover, including employers' liability, public liability and professional indemnity insurance. Relevant strategic priority 
5 Reliance on technology/ cyber security Our dependence on technology in our day-to-day business, which includes delivery of system and infrastructure change programmes, means that systems failure due to technical issues or malicious cyber-attack may have a significant impact on our operations and ability to deliver our services if it continued for a number of days and, as such, could negatively impact our financial performance and reputation. Over the course of the year the threat of a cyber-attack continues to increase (in both sophistication and volume) and globally we have seen an increase in phishing attacks, social engineering and malicious code being reportedly added into software products, which could prove to be an entry point for an attack. In addition, as the reliance on third parties increases, notably as the business utilises cloud services and support providers, our exposure in this area also increases.	↑ Operational Financial Reputational	The Group's technology strategy is continually reviewed to ensure that the systems across the Group support its strategic direction. Ongoing asset life-cycle management programmes mitigate risks of hardware and software obsolescence. Technology systems are housed in various data centres across the Group and have capacity to cope with a data centre's loss through the establishment of disaster recovery sites. These are physically based in separate locations to the ongoing operations and intrinsically linked to the business continuity plans. Robust due diligence on IT partners and products is undertaken. Across the regions we have established dedicated security teams in order to ensure that the systems are robustly protected from unauthorised access, both externally and internally, ensuring monitoring systems and antivirus software are in place and up-to-date, with regular testing of these environments by external providers. In addition, we use external advisers to perform regular external and internal penetration tests, on both a physical and logical basis, on key sites, systems and operations, implementing required improvements resulting from such tests as part of a continuous improvement process. Relevant strategic priority 
 Grow – Materially increase core recruitment fees, particularly in Technology recruitment and with Enterprise clients  Partner – Nurture lifelong client and candidate partnerships and build the deepest and most engaged Talent Networks worldwide  Enable – Our strategy is underpinned by our continuous investment in People, Culture, Technology and Sustainability		 Diversify – Substantially grow new revenue streams and partnership-based areas such as HR services and Project Services globally  Enhance – Drive productivity to deliver significant profits and cash flows, funding reinvestment and enabling substantial returns to shareholders

Risk trends

The ongoing review of the Group's principal risks includes how these risks evolve. Changes in the trend/direction of our principal risks are noted against each risk.

Risk description	Risk trend and type	Risk mitigation
6 Data protection/privacy The business works with confidential and personal data in all 33 countries on a daily basis under a variety of laws and regulations and technologies, including within the supply chain. Failure to process, store and transmit this data on a compliant basis could result in a material data breach and could expose the Group to potential legal, financial and reputational risks in the form of penalties and loss of business. Since the introduction of the General Data Protection Regulation (GDPR), other non-EU countries have continued to introduce similar legislation, which has increased the risk in this area.	↑ Legal Financial Reputational	Robust policies and procedures for processing, storing and transmitting confidential and personal data are in place across the Group, both on a physical and logical basis. Comprehensive data protection and information security policies and procedures are in place across the Group and, where data protection and privacy legislation allow, protective email monitoring programmes are undertaken to address potential areas of concern, to best protect our confidential information and candidates' personal data. With the increased threat of cyber-attacks globally, further attention has been focused in this area and security vulnerability is assessed as part of the ongoing IT strategy across the Group. External advisers are engaged to perform regular external and internal penetration tests, on both a physical and logical basis on key sites, systems and operations, and implementing required improvements resulting from such tests as part of a continuous improvement process. Annual training programmes are also reviewed and updated to ensure the programmes reflect new regulations, where relevant. Relevant strategic priority
7 Contracts The Group enters into contractual arrangements with clients, some of which can be complex and with onerous terms and/or impacted by local regulatory requirements, especially in relation to Temp/Contracting markets, which can increase the Group's risk exposure especially in more litigious environments.	↑ Operational Financial Reputational	During contract negotiations management seeks to minimise risk and ensure that the nature of risks and their potential impact is understood. Our global legal team has the depth of knowledge and experience to enable them to advise management on the level of risk presented in increasingly onerous contracts, with clear guidelines in operation. The Group Finance Director reviews all commercial contracts with onerous non-standard terms in accordance with the Group's risk appetite. In addition, the Group's Insurance Manager reviews onerous contracts and, where necessary, engages with insurance providers to ensure, where possible, that risks are suitably covered and that policies will respond appropriately. Operational reviews are performed by regional compliance teams on a risk basis across key contracts to confirm compliance and adherence to agreed terms and agree improvements to the way in which services are delivered to clients. Assurance work is undertaken in key markets by Internal Audit to ensure contractual obligations are appropriately managed. Relevant strategic priority
8 Pandemic Whilst the global levels of deaths and infections from the COVID-19 pandemic have significantly reduced following the successful roll-out of vaccination programmes in most developed countries, there remains a residual risk that new and more harmful variants could occur. A significantly transmissible variant could reduce economic confidence and activity, especially if businesses are subject to government policies in terms of lockdowns, quarantine and social distancing restrictions in order to control the transmission of the virus, which has an impact on both the local and global economy.	↓ Operational Financial Strategic	Following the new reality that the pandemic has brought about, our priority continues to be to look after the safety and wellbeing of our people and to support our business as it adjusted to new working practices. During this time the Executive Board closely monitors and reviews events, with Board oversight, to determine and assess the response strategies, coupled with being supported by experienced operational and finance teams, allowing early trends to be identified and adjustments to be implemented as we continue to identify and focus investment on key growth markets, sectors and specialisms in light of new and continually changing market conditions. Hays has established and tested IT Disaster Recovery capability, together with documented Business Continuity Planning processes in place to mitigate the risk of lockdown and the inability to access offices within the network, with working from home capacity and processes having been built and implemented across the Group. Hays has robust credit control procedures and a continuous monitoring of the aged debt position at both a Group and local level with robust cash and cost controls in place to protect both cash flow and profitability. Relevant strategic priority

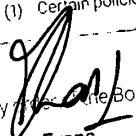
NON-FINANCIAL AND SUSTAINABILITY INFORMATION STATEMENT

Compliance Statement

Hays Plc has complied with the requirements of sections 414CA and 414CB of the Companies Act 2006 (as amended by The Companies (Strategic Report) (Climate-related Financial Disclosures) Regulations 2022) with the table disclosed below and other disclosures throughout the Strategic Report. The climate-related financial disclosures of the Company are contained within the Task Force on Climate-related Financial Disclosures (TCFD) section, on pages 68 to 73 of this Annual Report. The table provided below is to help our stakeholders understand our position on key non-financial matters.

Reporting requirements	Policies or standards with which we govern our approach ⁽¹⁾	Due diligence, outcomes and additional information	Page
Environmental matters	Group Environmental and Sustainability Policy	Our approach to corporate responsibility and sustainability	54
		Our Net Zero Journey	65
Climate change related disclosures	Task Force on Climate-related Financial Disclosures	Scenarios Summary Business response	68
	Our Purpose and Values	Retention of key talent	26
Employees	Health and Safety policy	Creating a supportive workplace environment	60
	Internal HR policies	Equity, Diversity & Inclusion at Hays Employee survey results	22
	Directors' Remuneration Policy	Remuneration Report	110
Human rights	Modern Slavery Statement	Human rights	64
	Supplier Code of Conduct	Our Suppliers	64
		Our Clients	64
Social matters	Helping for your tomorrow, our volunteering initiative	Contributing to society and local communities	58
		Our clients and candidates	61
Anti-bribery and anti-corruption	Code of Conduct	Anti-bribery and corruption	64
	Anti-bribery and Corruption policy	Whistleblowing	64
	Group Tax Strategy	Our approach to tax	64
Additional Information			
Description of business model			4
Non-financial key performance indicators			9
Description and management of principal risks and impact of business activity			74

(1) Certain policies, standards and guidelines are published on [haysplc.com](https://www.haysplc.com).

By  Doug Evans
Company Secretary
[23] August 2023

GOVERNANCE

How the Hays
Board sets strategic
direction and provides
oversight and control

82	Chair's statement
84	Board of Directors
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94	Key activities
96	Stakeholder engagement
98	Workforce engagement
100	Board Evaluation
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106	Audit Committee Report
110	Remuneration Report

CHAIR OF THE BOARD'S INTRODUCTION TO GOVERNANCE

Andrew Martin
Chair
Hays plc

Dear Shareholder

I am pleased to introduce the Corporate Governance section of this year's Annual Report. The report sets out our governance framework, how we make decisions and engage with our stakeholders and how we have complied with the UK Corporate Governance Code 2018.

The Board in 2023

Succession planning and the evolution of the composition of the Board has been the primary focus of the Board this year. We are committed to maintaining a strong Board from a diverse range of backgrounds and are pleased to report we have exceeded the targets the Board set for itself in its Board Diversity Policy for gender and ethnic minority representation on the Board this year.

On 23 February 2023 we announced that following discussions with Alistair Cox, it was an appropriate time to commence a process to identify his successor. On behalf of the Board, I would like to express our thanks for the great leadership he has shown in his 16 years in role. The Board, led by the Nomination Committee, spent a considerable amount of time identifying Alistair's successor to ensure a rigorous and transparent process. The Board is delighted to be able to announce that Dirk Hahn will succeed Alistair as Chief Executive Officer on 1 September 2023. Dirk is a long-standing member of the Hays Executive Board and is currently MD of Hays Germany and CEMEA (Continental Europe, Middle East and Africa), where he oversees around 5,500 employees. The Board has confidence that Dirk's knowledge and experience makes him the ideal person to lead the Company in its next stage of growth.

We were delighted to welcome Zarin Patel to the Board in January this year. Zarin has extensive experience in managing transformation within complex digital-centric businesses and wide-ranging financial and commercial expertise.

Our annual Board effectiveness evaluation concluded that the Board continues to operate effectively and you can read more about the process and outcomes on [page 100](#).

Corporate Governance

The Board recognises the role it has in ensuring Hays operates in a manner that is consistent with highest standards of Corporate Governance – aligned to one of our values to 'Do the right thing'. We have continued to strengthen Board governance this year, which has included reviewing and updating internal governance processes such as our Matters Reserved for the Board. The Board is committed to enhancing governance controls and welcomes the proposed changes to the Corporate Governance Code to strengthen reporting on risk management and internal controls – you can read about Hays' preparations for this on [page 109](#).

Stakeholder engagement

Alongside strong operational performance this year, we are pleased to deliver value to all our stakeholders in a sustainable way. The Board has remained focused on ensuring that Hays is a company that benefits society by building lifelong partnerships that empower people and organisations to success. You can read on [pages 96 to 99](#) the various ways we have ensured we consider the views of our stakeholders in our Board decision-making process.

The Board values the insight it gains from stakeholder engagement and I have been delighted to have been able to meet with a range of stakeholders this year, including shareholders at our AGM, institutional investors and employees on site visits.

Looking ahead

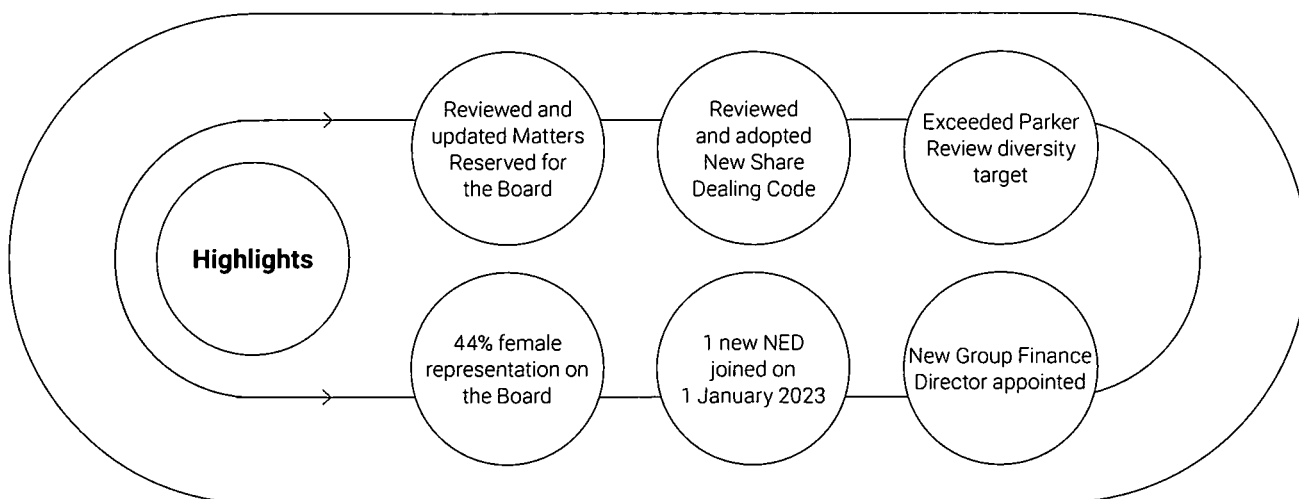
The Board is confident that, despite the challenging macroeconomic conditions, Hays is well positioned under the new leadership of Dirk Hahn to emerge even stronger, underpinned by a diverse business and a committed team.

I would like to take this opportunity to extend my thanks to all the members of the Board and to our incredible workforce for their continued dedication to Hays this year. To our shareholders, clients and candidates, I thank you for your continued support. I am incredibly proud of all that has been achieved this year and look forward to building on this in FY24.

Andrew Martin
Chair

23 August 2023

GOVERNANCE AT A GLANCE



Code compliance

Hays plc is subject to the UK Corporate Governance Code 2018 (the Code) issued by the Financial Reporting Council (available at frc.org.uk). As a listed company, Hays is required to report on how it has applied the principles of the Code and this is set out in the following pages. During the year ended 30 June 2023, Hays complied with all of the provisions of the Code, except for the fact that Provision 38 was met part way through the year by the alignment of the Executive Directors' pension with the wider workforce. More information is on [page 128](#).

The table below shows where shareholders can find further information on how the Company has applied the principles of the Code.

Board leadership and Company Purpose	Page
A – An effective Board	84 to 87
B – Purpose, values and culture	1, 20 to 27
C – Governance framework and Board resources	88
D – Stakeholder engagement	96 to 99
E – Workforce policies and practices	98 to 99

Division of responsibilities	Page
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G – Division of responsibilities	89
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I – Key activities of the Board in 2023	93 to 95

Composition, succession and evaluation

Page

J – Appointments to the Board	103
K – Board skills, experience and knowledge	84 to 87, 92
L – Annual Board Evaluation	100

Audit, risk and internal controls

Page

M – Financial Reporting, External Auditor and Internal Audit	107 to 109
N – Review of 2023 Annual Report and Accounts	108
O – Risk Management	74 to 79

Remuneration

Page

P – Linking remuneration with purpose and strategy	114 to 115
Q – Remuneration Policy	116 to 126
R – Performance outcomes in 2023	130

OUR BOARD OF DIRECTORS

Chair of the Board

Executive Directors

Andrew Martin
Chair



Appointed
12 July 2017

Skills and experience

Andrew has extensive experience in business, finance and corporate governance having held a number of non-executive and senior executive positions across several sectors.

Past roles

Until 2015, Andrew was Chief Operating Officer for Compass Group plc, having previously been their Group Finance Director from 2004 to 2012. Before joining Compass Group, Andrew was Group Finance Director at First Choice Holidays plc (now TUI Group plc) and prior to that held a number of Senior Finance roles at Granada Group plc. Andrew was, until August 2020, a Non-Executive Director of easyJet plc, and until May 2023, a Non-Executive Director of the John Lewis Partnership Board. Early in his career, Andrew trained as a Chartered Accountant at KPMG before moving to Arthur Andersen where he became a partner.

External appointments

Non-Executive Chairman of Intertek Group plc.

Alistair Cox
Chief Executive

Appointed
1 September 2007

Skills and experience

With over 15 years' service with the Group, Alistair has a deep understanding of the recruitment market and a sharp focus on strategy execution and operations.

Past roles

Alistair's early career was in various field engineering, management and research science roles with British Aerospace and then Schlumberger. Alistair worked for McKinsey & Company before joining Blue Circle Industries, where he was the Group Strategy Director and then the Regional Director for Asia. Prior to joining Hays, Alistair was Chief Executive of Xansa plc. Alistair has previously served as a non-executive director of 3i Group plc and Just Eat plc. Alistair is a Chartered Engineer with an MBA from Stanford University.

External appointments

Non-Executive Director of Relx plc.

James Hilton
Group Finance Director

Appointed
1 October 2022

Skills and experience

James has extensive experience in finance, audit and risk management and, having worked at Hays for more than 15 years, understands the Group's operations at all levels.

Past roles

James is an Economics graduate from Cambridge University, and qualified as a Chartered Accountant with KPMG. James joined Hays in 2008 from the Investment Banking division of Dresdner Kleinwort, where he specialised in Corporate Broking and M&A Advisory. Prior to his appointment to the Hays Board, James held a number of senior finance roles at Hays including Head of Investor Relations, UK Financial Controller, European Finance Director and Group Financial Controller.

Independent Non-Executive Directors

Committee key

- A** Audit Committee
- R** Remuneration Committee
- N** Nomination Committee
- W** Designated NED for Workforce Engagement
- Committee Chair

Joe Hurd

Independent Non-Executive Director



Appointed

1 December 2021

Skills and experience

Joe has significant global experience in consumer-facing technology businesses. He also brings expertise as an independent public board director, advising on strategic growth, ESG, workforce engagement, innovation, governance, compensation, board recruitment and diversity.

Past roles

Joe began his career in corporate and securities law with Linklaters, before establishing himself as an entrepreneur with successful start-ups Friendster and VideoEgg. Previously he served as a Non-Executive Director of GoCo Group plc (now Future plc) and as an Independent Director of SilverBox Engaged Merger Corp I. From 2009 until 2012, Joe served in the Obama Administration as a political appointee at the Department of Commerce, serving on the White House Business Council.

External appointments

Chief Executive Officer and Managing Partner of Katama Group LLC. A Non-Executive Director of Trustpilot Group plc since June 2021. A nominated member of Lloyd's Council.

Cheryl Millington

Independent Non-Executive Director



Appointed

17 June 2019

Skills and experience

A strategic technology leader, Cheryl also brings extensive general management, data and people experience to the Board.

Past roles

Cheryl was Chief Digital Officer of Travis Perkins plc from 2016 to 2018, Executive Director, IT, for Waitrose from 2012 to 2016 and Chief Information and Data Officer for Asda Stores Ltd from 2009 to 2012. Prior to those positions Cheryl held senior management roles at HBOS plc, Innogy plc and National Power plc, and began her career as a management consultant with Price Waterhouse. Cheryl has previously served as a Non-Executive Director of National Savings and Investments, Intu Properties plc and Equiniti Group plc.

External appointments

Non-Executive Director of Atom Bank plc and AXA Insurance UK plc.

OUR BOARD OF **DIRECTORS** CONTINUED

Non-Executive Directors

Susan Murray

Independent Non-Executive Director



Appointed

12 July 2017

Skills and experience

Susan brings extensive experience in international consumer goods and services businesses. She has specialist knowledge and experience in strategy, marketing, remuneration and general management.

Past roles

Susan is a former Chairman of Farrow & Ball and a former Non-Executive Director of Mitchells & Butlers plc, Compass Group plc, Pernod Ricard S.A., Imperial Tobacco plc, Enterprise Inns plc, Aberdeen Asset Management plc, SSL International plc, 2 Sisters Food Group and Wm Morrison Supermarkets plc. She is also a former Chief Executive of Littlewoods Stores Limited and former Worldwide President and Chief Executive of The Pierre Smirnoff Company, part of Diageo plc.

External appointments

Non-Executive Director and Chair of Remuneration Committee at Grafton Group plc. Senior Independent Director of William Grant & Sons Limited.

Zarin Patel

Independent Non-Executive Director



Appointed

1 January 2023

Skills and experience

Zarin brings expertise in managing transformation within complex digital-centric businesses. She also has wide-ranging experience across finance, investment and customer in both executive and non-executive roles.

Past roles

Zarin spent 15 years at each of KPMG and the BBC, where she was Chief Financial Officer for 9 years. From 2014 to 2016 she was the Chief Operating Officer of The Grass Roots Group plc. Previously, Zarin was a Non-Executive Director of Post Office Limited and an independent member of the Audit and Risk Committee of John Lewis Partnership plc. Zarin is a member of the Institute of Chartered Accountants in England and Wales and has recent and relevant financial experience.

External appointments

Non-Executive Director and Chair of the Audit and Risk Committee of Anglian Water Services Limited. Senior Independent Director and Chair of the Audit and Risk Committee of Pets at Home Group plc. A Non-Executive Director at HM Treasury and Chair of the Audit and Risk Committee. A trustee of National Trust and Chair of its Audit Committee.

MT Rainey

Independent Non-Executive Director



Appointed

14 December 2015

Skills and experience

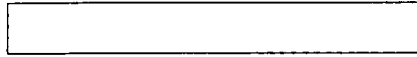
An experienced media and advertising professional, MT Rainey has worked extensively in the UK and US. She brings a wealth of corporate, commercial and enterprise experience to the Board as well as a passion for diversity, sustainability and corporate ethics.

Past roles

MT founded the advertising agency Rainey Kelly Campbell Roalfe, which she grew to a top 20 agency before it was sold to Y&R, a subsidiary of WPP plc, and where MT was CEO then Chair until 2005. In addition she was Chair of the leading digital strategy agency Th_nk Ltd from 2008-2015. Previous non-executive directorships held by MT include WH Smith plc, STV Group plc and Pinewood Group plc. MT has a Masters degree from Glasgow University.

External appointments

Non-Executive Director of Clear Channel Outdoor Holdings Inc., Chair of Lighthouse Centre for the Arts, Chair of Charlotte Street Partners.



Board tenure

Gender diversity
Peter Williams

Senior Independent Director

**Appointed**

24 February 2015

Skills and experience

Peter has extensive experience of the media sector and expertise in financial, audit and risk management.

Past roles

Peter was Group Finance Director of Daily Mail & General Trust plc, a role he performed for 19 years until 2011. From 2011 to 2018 Peter was a Non-Executive Director of Perform Group. Peter has recent and relevant financial experience and has a Law degree from Cambridge University and is a member of the Institute of Chartered Accountants in England and Wales.

External appointments

A member of the Industrial Advisory Board of GVQ Investment Management.

Doug Evans

Company Secretary & General Counsel

Appointed

4 February 2013

Skills and experience

A law graduate from Rhodes University who began his career with Webber Wentzel in South Africa, specialising in corporate and commercial law before moving in-house. Doug has previously held the posts of Company Secretary & Corporate Legal Director at Exel plc and Group General Counsel at Royal Mail Limited. Prior to joining Hays, Doug was an Executive Director, Company Secretary & General Counsel at Mitchells & Butlers plc.

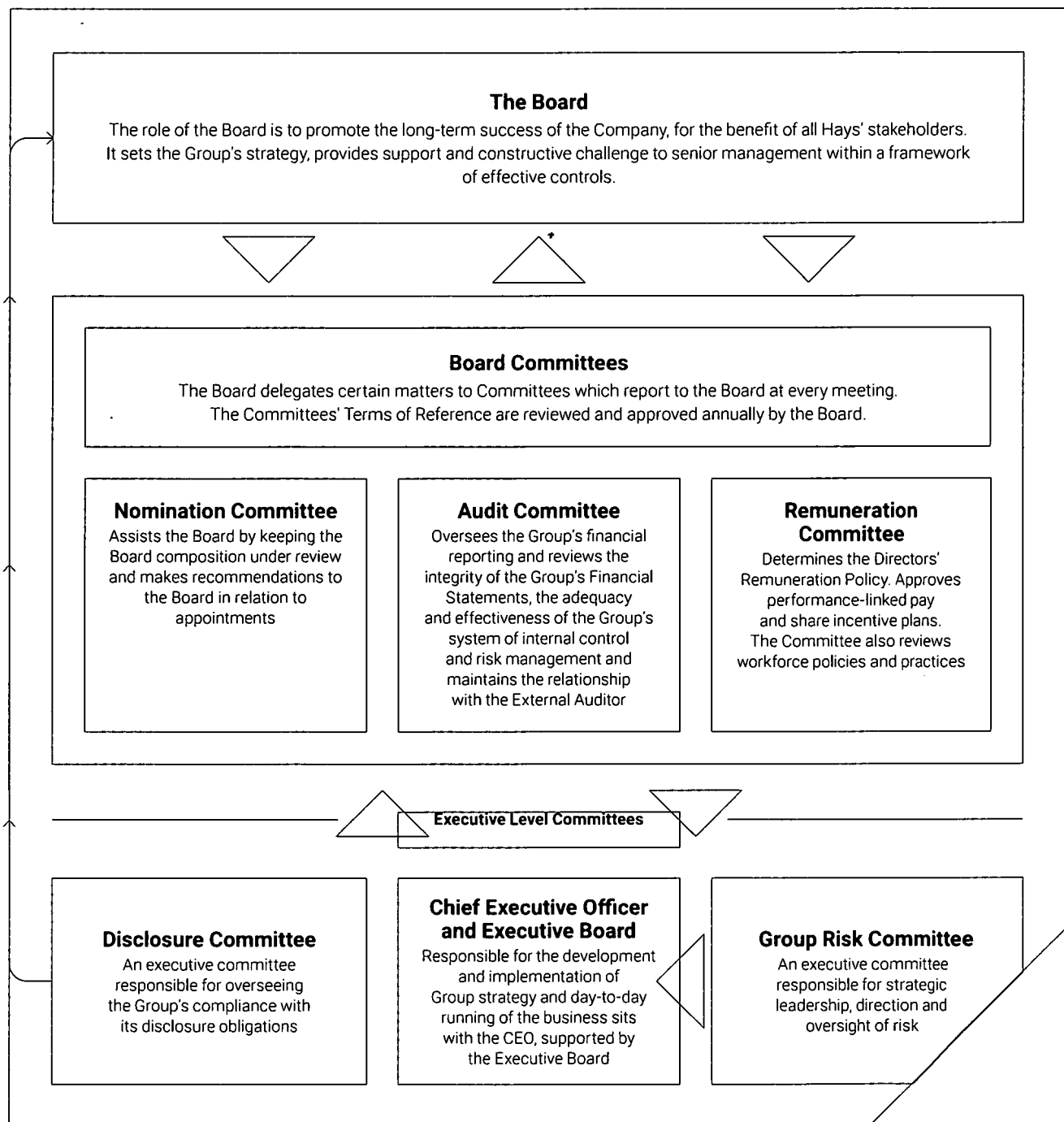
Board composition
Directors who served throughout the year**Paul Venables**

Group Finance Director

Paul Venables stepped down from his position as Group Finance Director on 30 September 2022 after 16 years with the Group.

OUR GOVERNANCE FRAMEWORK

The Hays Board is committed to ensuring there is a strong and effective system of corporate governance in place to support the execution of the Company's strategy.



DIVISION OF RESPONSIBILITIES

Whilst our Directors take collective responsibility for the activities of the Board, some of our roles are described in greater detail below.

Non-Executive Directors

Non-Executive Chair

- Leadership and effective operation of the Board
- Chairing the Board and the Nomination Committee and setting Board agendas
- Encouraging constructive challenge and facilitating effective communication between Board members
- Ensuring effective two-way communication with shareholders and stakeholders
- Ensuring that all Directors receive clear and accurate information on a timely basis
- Ensuring the views of all stakeholders are understood and considered appropriately in Board discussion and decision-making
- Ensuring the effectiveness of the Board and enabling the annual review of effectiveness
- Responsible for the composition and evolution of the Board, together with the Nomination Committee and SID

Senior Independent Non-Executive Director

- Acting as a sounding board for the Chair
- Serving as an alternative contact and intermediary for other Directors and shareholders
- Leading the Chair's annual performance appraisal and ultimate succession

Independent Non-Executive Directors

- Provide strong, independent and external perspectives to Board discussions and enhance robust and constructive debate and optimal decision-making
- Bring independent judgement and oversight on issues of strategy, performance and, through the Board's committees, on matters such as remuneration, risk management systems, financial controls, financial reporting and the appointment of new Directors
- Scrutinise the executive management in meeting agreed objectives and monitoring the reporting of performance

Executive Directors

Chief Executive Officer

- Day-to-day management of the Group's business
- Formulating strategic business objectives for Board approval and implementing approved strategic objectives and policies
- Managing and optimising the operational and financial performance of the business in conjunction with the Group Finance Director
- Fostering a good working relationship with the Chair
- Chairing the Executive Board and developing senior talent within the business for succession planning

Group Finance Director

- Manages the Group's financial affairs
- Supports the CEO in the implementation and achievement of the Group's strategic objectives
- Oversees Hays' relationships with the investment community
- Represents Hays externally to all stakeholders, including the government and regulators, customers, Pension Trustees for the Company's defined benefit pension schemes, lenders, suppliers and the communities we serve

Company Secretary

Company Secretary and General Counsel

- Secretary to the Board, its Committees and the Executive Board
- All Directors have access to the advice of the General Counsel and Company Secretary
- Responsible for advising the Board on all governance matters and ensuring that Board procedures are followed

- Support to the Chair in ensuring that the Directors receive accurate, timely and clear information
- Advises and keeps the Board updated on any changes to the Listing and Transparency Rules requirements and best practice corporate governance developments

HOW THE BOARD WORKS

The Board promotes the long-term sustainable success of the Company for the benefit of all stakeholders, whilst generating value for shareholders and wider society. The Board is responsible for approval and delivery of the business strategy and ensuring it is aligned with the Company's Purpose and Values.

The requirements of the Board are set out in the Hays plc Articles of Association and the Board has a formal schedule of matters reserved for its decision and approval. Both these documents are available on the Hays plc website. To meet its stated objectives, it focuses on the following key areas:

Strategy and Performance

The Board is responsible to all stakeholders for assessing the appropriateness of the strategy against the Company's Purpose and Values. It provides leadership of the Group and direction for management, ensuring that the necessary resources are in place for the Company to meet its objectives and its delivery of a sustainable and profitable business, ensuring it continues to operate within the appropriate risk-reward culture.

The Board evaluates and monitors current performance against agreed financial and non-financial targets. It has a forward-looking agenda that considers economic, social, environmental and regulatory issues and any other relevant external matters that may influence the Company's achievement of its objectives.

➤ More information on **pages 3 to 53**

Risk Management and Internal Control

The Board assesses the Company's principal and emerging risks, and sets the Company's risk appetite for each of the principal risks.

The Board delegates the task of monitoring its policy on risk and control the Audit Committee. The Executive Board oversees an enterprise risk management system which allows for a holistic, top-down, and bottom-up view of key risks facing the business.

➤ More information on **pages 74 to 79 and 106 to 109**

People and Culture

The Board assesses and monitors culture, ensuring that policy, practices and behaviours in the business are aligned with the Company's Purpose, Values and Strategy.

The Board receives and considers detailed analysis of employee engagement surveys, covering company culture including wellbeing, learning and development, diversity and inclusion, noting performance, progress made and future next steps. The Board reviews the whistleblowing procedures in place.

The Board is responsible for succession planning for Directors and other senior executives of the Company and continually looks at the skills, experience and diversity required at the Board level to ensure it can discharge its duties and properly reflect stakeholder interests.

➤ More information on **pages 20 to 27**

Stakeholders

In its discussions and decision-making, the Board considers and balances the interests of all stakeholders. The Board reports to shareholders in the form of the Annual Report and Accounts, Half-year financial reports and quarterly trading updates.

➤ More information on **pages 16 to 19 and 96 to 99**

Our Directors

The majority of the Board are Independent Non-Executive Directors. There is clear division of responsibilities between the Executive and Non-Executive Directors. [More information on page 89.](#)

Independence of Directors and time commitment

During the year, the Board considered the independence of each of the Non-Executive Directors, and concluded that there are no business or other circumstances that are likely to affect the independence of any Non-Executive Director and that all Non-Executive Directors continue to demonstrate independence.

In accordance with the 2018 Code, all Directors are subject to annual re-election by shareholders. Each of the Non-Executive Directors seeking appointment or reappointment at this year's AGM are considered to be independent in judgement and character.

Having received advice from the Nomination Committee, the Board is satisfied that each Director standing for election or re-election is qualified for election/re-election by virtue of their skills, experience and commitment to the Board.

Non-Executive Director appointments are initially for a period of three years and may be renewed for two further terms of three years subject to recommendation from the Nomination Committee, taking into account both individual contribution, length of service of the Board overall and its future needs.

Details of the Executive Directors' service contracts and the Chairman's and the Non-Executive Directors' letters of appointment are set out in the Directors' Remuneration Report on [page 122](#).

These documents are available for inspection at the registered office of the Company during normal business hours and at the AGM.

Board and Committee attendance

The Board met a total of seven times during the year. In addition, the Board attended an annual Strategy Review meeting with the Executive Board. Board and Committee attendance for meetings during the year is shown below.

	Board	Audit Committee	Nomination Committee	Remuneration Committee
Alistair Cox	7 of 7	–	–	–
James Hilton⁽¹⁾	5 of 5	–	–	–
Paul Venables⁽²⁾	2 of 2	–	–	–
Andrew Martin	7 of 7	–	8 of 8	–
Joe Hurd	7 of 7	4 of 4	8 of 8	5 of 5
Cheryl Millington	7 of 7	4 of 4	8 of 8	5 of 5
Susan Murray	7 of 7	4 of 4	8 of 8	5 of 5
Zarin Patel⁽³⁾	3 of 3	2 of 2	4 of 4	2 of 2
MT Rainey	7 of 7	4 of 4	8 of 8	5 of 5
Peter Williams⁽⁴⁾	6 of 7	4 of 4	8 of 8	5 of 5

(1) Joined the Board on 1 October 2022. Attendance shown is of those meetings which took place during tenure.

(2) Stepped down from the Board on 30 September 2022. Attendance shown is of those meetings which took place during tenure.

(3) Joined the Board on 1 January 2023. Attendance shown is of those meetings which took place during tenure.

(4) Did not attend one Board meeting due to a prior commitment.

HOW THE BOARD WORKS CONTINUED

Conflicts of interest

Directors have a duty to avoid a situation where they have, or could have, a direct or indirect interest that conflicts, or may conflict with the interests of the Company. Any conflicts or potential conflicts identified are considered and, as appropriate, authorised by the Board in accordance with the Company's Articles of Association. A register of authorised conflicts is also reviewed periodically. Only Directors without an interest in the matter being considered will be involved in any decision involving a potential conflict and each Director must act in a way they consider, in good faith, will promote the success of the Group.

The Board has established a policy permitting its Executive Directors to hold only one external non-executive directorship, subject to any possible conflict of interest. This ensures that Executive Directors retain sufficient time for and focus on the Company's business, whilst allowing them to gain external Board exposure as part of their leadership development. Executive Directors are permitted to retain any fees paid for such services.

While the Company does not have a similar policy for Non-Executive Directors, their key external commitments are reviewed each year to ensure that additional commitments do not adversely impact their time commitment to Hays and that they remain compliant with shareholder advisory groups' guidance on 'overboarding'. Before committing to an additional appointment, Directors confirm the existence of any potential or actual conflicts; and provide the necessary assurance that the appointment will not adversely impact their ability to continue to fulfil their role at Hays. Directors are required to obtain formal approval from the Board ahead of undertaking any new external appointments.

Board composition

As at the date of this report, the Board comprised six Independent Non-Executive Directors, the Chair and two Executive Directors. The aim is to ensure the balance of the Board reflects the needs of the Company, is diverse and able to consider matters from a broad range of perspectives. Each Board member brings a wide range of skills and experience from different business backgrounds. The skills matrix below details some of the skills and experience considered to be particularly important to the execution of our strategy. The skills matrix is reviewed at least annually.

Directors' key skills and experience

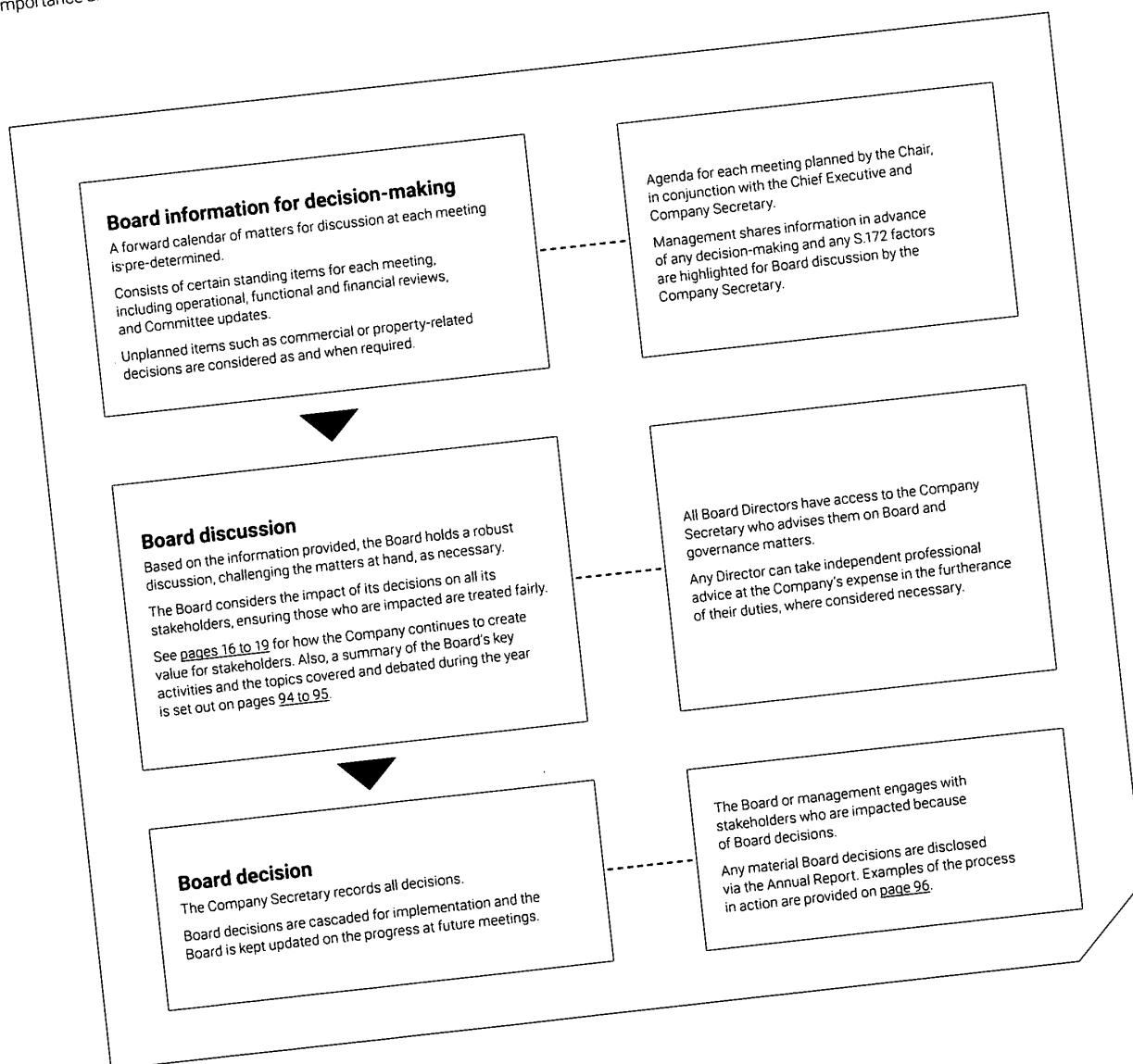
	Alistair Cox	James Hilton	Andrew Martin	Joe Hurd	Zarin Patel	Cheryl Millington	Susan Murray	MT Rainey	Peter Williams
Strategy and M&A	✓	✓	✓	✓	✓	✓	✓	✓	✓
Finance	✓	✓	✓		✓	✓	✓		✓
Audit and Risk	✓	✓	✓	✓	✓	✓	✓		✓
Market transformation	✓	✓	✓	✓		✓	✓	✓	
Technology and innovation	✓	✓		✓	✓	✓		✓	
AI	✓					✓			
International experience	✓	✓	✓		✓	✓	✓	✓	✓
ESG	✓	✓	✓	✓	✓	✓	✓	✓	✓
Strategic People development and organisational culture	✓		✓			✓	✓	✓	
Recruitment industry, sales	✓	✓	✓			✓			
Customer	✓		✓		✓	✓	✓	✓	

Board decision-making

The Board met during the year for seven scheduled Board meetings and one Strategy day. The Chair, in conjunction with CEO and Company Secretary, plans an annual programme of business prior to the start of the year, taking into account outputs from the annual Board Evaluation. A typical Board meeting will comprise the following elements: CEO and Group Finance Director reports; trading performance reports; risk reports; reports from the Chairs of our Board Committees; deep dive reports into areas of strategic importance and legal and governance updates.

The Company Secretary ensures that the Directors receive clear, timely information on all relevant matters. Board papers are circulated electronically via a secure Board portal in advance of meetings. The portal is also used to distribute reference documents such as Company policies and other useful resources like articles and discussion papers.

Time is set aside at the end of every Board meeting for the Chair to discuss matters with the Independent Non-Executive Directors without Executives present.



KEY ACTIVITIES OF THE BOARD

The following table sets out the key areas of focus considered by the Board during the year.

Stakeholders

 Clients	 Employees
 Shareholders	 Communities
 Suppliers	 Candidates
 Host countries & governments	

Principal Risks

1 Macroeconomic/cyclical business exposure/inflation	5 Regulatory/compliance
2 COVID-19 pandemic	6 Reliance on technology /cyber security
3 Business model	7 Data protection/privacy
4 Talent	8 Contracts

Strategic Priorities



Grow



Diversify



Partner



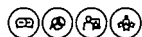
Enhance



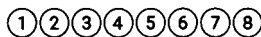
Enable

Strategy and Operations

Stakeholders



Principal Risks



Strategic Priorities



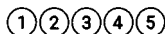
- Attended a Group strategy session with members of the Executive Board and other senior executives, to consider key strategic priorities and challenges faced across the business
- Approved the Group strategy and reviewed associated performance
- Deep-dive sessions on regional businesses, receiving presentations from senior management on business performance, the state of the market, strategy, succession planning and opportunities
- Received updates on Strategic Growth Initiatives
- Reviewed strategy plans and received reports on the trading performance and operations for the Group's regions
- Reviewed and monitored progress of the CEO succession plan
- Approved starting business operations in Saudi Arabia
- Approved acquisition of Vercida Consulting
- Received reports on technology and innovation and related industry developments

People & Culture

Stakeholders



Principal Risks



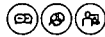
Strategic Priorities



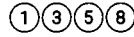
- Received feedback from Designated workforce engagement Non-Executive Director on matters pertaining to workforce engagement
- Considered and approved invitations under the Company's all-employee share plans
- Considered and reviewed the leadership and development strategy
- Reviewed the Group's succession plans and assessed risks and options
- Discussed progress on the Group's Global DE&I strategy

Finance

Stakeholders



Principal Risks



Strategic Priorities



- Received and considered regular reports on the Group's financial performance
- Approved financial announcements for publication
- Approved the annual budget
- Considered dividend policy in respect of FY23
- Considered and approved share buyback programme
- Met with the Company's financial adviser and corporate brokers
- Received regular updates on pension schemes

Internal Controls and Risk Management

Stakeholders



Principal Risks



Strategic Priorities



- Performed the annual review of the effectiveness of internal control, risk identification and mitigation
- Reviewed regular reports on legal and compliance matters from the Company Secretary, including the Company's whistleblowing arrangements
- Received updates on cybercrime
- Received updates on proposed changes to parts of legacy Enterprise Risk Management Systems

ESG

Stakeholders



Principal Risks



Strategic Priorities



- Received updates on our Net Zero journey
- Received updates on 'Helping for your tomorrow'
- Received updates on customer experience
- Received regular updates on views and feedback from investors
- Considered the Company's investor relations strategy
- Review and approval of Modern Slavery Statement
- TCFD Disclosures

Governance

Stakeholders



Principal Risks



Strategic Priorities



- On the recommendation of the Nomination Committee, the Board oversaw the arrangements for Board succession planning and approved the appointments of Zarin Patel and James Hilton
- Reviewed regular reports on legal and compliance matters from the Company Secretary, including from the Company's whistleblowing arrangements
- Approval of updated Board Diversity Policy
- Approval of new Share Dealing Code
- Conducted internal Board and Committee evaluation and set action plan for FY24
- Reviewed and updated the Matters Reserved for the Board
- Reviewed the terms of reference of the Board Committees
- Reviewed the Directors' Conflicts of Interest procedures
- Reviewed the Company's compliance with the Code (2018)

BOARD AND STAKEHOLDER ENGAGEMENT

The Board is focused on driving long-term, sustainable performance for the benefit of our key stakeholders.

Section 172 statement

In accordance with section 172 of the Companies Act 2006 and the UK Corporate Governance Code 2018, the Board considers the potential impact on the Company's key stakeholders and takes their views and interests into account when making decisions. Some of the key decisions taken by the Board during the year and how it took the needs of our different stakeholders, as well as the long-term consequences of any decision, into account are set out below.

A description of the Company's key stakeholders, what matters to them and how the Group engages with them is set out in [pages 16 to 19](#) of the Strategic Report. More detail of the activities undertaken by the Board can be found on [pages 94 to 95](#).

1

Acquisition of Vercida

Key Stakeholders:
Employees, Clients, Shareholders, Communities

On 18 May 2023, the Board announced the acquisition of Vercida Consulting, a DE&I business that provides organisations with advice and training to improve their ability to attract, retain and progress talent from diverse backgrounds.

Interests of clients

DE&I was identified as an area in which our clients needed the support of a partner. The acquisition of Vercida will increase our ability to consult on DE&I services and support our clients to attract and retain talent from diverse backgrounds for the benefit of wider society.

Long-term consequences of decision

When considering this acquisition, the Board received detailed updates from management about the strategic rationale, anticipated commercial synergies, due diligence findings, valuation and returns analysis, stakeholder considerations, structuring considerations and post-acquisition plans. Throughout the decision-making process, the Board considered how the acquisition could strengthen the Company's strategy and how the expertise acquired would benefit Hays stakeholders, all while ensuring that the acquisition was financially viable.

Interests of employees

The Board were mindful that the acquisition could cause uncertainty amongst the Vercida workforce and, as far as permissible, they were kept updated throughout. Following completion, Vercida employees were invited to the Hays London office and there has been a comprehensive plan to integrate them into the team as quickly as possible. [More information on page 39](#).

2

Share buyback programme

Key Stakeholders:
Shareholders

In FY23 the Board executed a £75 million share buyback programme.

Long-term consequences of decision

Our strategy for long-term sustainable growth is underpinned by the effective management and utilisation of cash. The share buyback programme balances the opportunity to return excess capital to shareholders with the existing and planned investment back into the business and the need to ensure we meet our short and long-term profit targets.

Acting fairly between members

The ability of the business to manage its cash position in an effective way is clearly in the interests of all stakeholders. The Board considered that the share buyback would benefit shareholders specifically through the opportunity for increased future dividends per share on the remaining shares and will also result in an increase in earnings per share.

3

Leadership changes

Key Stakeholders:
Employees, Shareholders

During the past year, Hays appointed a new Group Finance Director and announced the decision to begin a process to identify a new Chief Executive Officer.

Interests of employees

The Board recognises that Board and senior leadership changes bring uncertainty for employees in ways of working, culture and strategic direction. The Board appreciates the impact leadership changes have on employees, particularly the amount of change within a short timeframe and ensured that the impact on employees and culture was considered in the initial decision on those appointments, but most importantly that the Board monitors the resulting impact going forward as new leadership embeds into the business. At times of leadership change, workforce engagement and the monitoring of culture are more important than ever and will continue to be a focus for the Board in the year ahead.

Interests of shareholders

Changes at Board level also bring uncertainty for shareholders. The Chairman held regular meetings with the top shareholders to explain that the rationale for the changes were well founded, and based on the long-term growth and success of the business. The investors' feedback was regularly communicated to the Board and was considered by the Nomination Committee in their search process for a new Chief Executive Officer. You can read more about this search process and succession planning on [page 105](#).

Shareholders

The Board maintains strong lines of communication with investors and the Chair and Executive Directors proactively engaged with them to understand their views on strategy, the performance of the Company and other specific matters, such as the CEO succession this year.

Major shareholders

As at 30 June 2023, the following shareholders held an interest of 3% or more of the Company's issued share capital:

	% of total voting rights attached to shares ⁽¹⁾
Silchester International	17.05%
Ameriprise Financial, Inc.	8.84%
Blackrock, Inc.	7.38%
GLG Partners LP	3.74%
Evenlode Investment	3.62%
Vanguard Group	3.61%
Heronbridge Investment Management	3.38%
Marathon Asset Management	3.30%
Janus Henderson Investors	3.04%

(1) Since the financial year-end until the date of this report, there have been no changes to the major shareholders' interests.

Institutional investors

There is a programme of meetings with major institutional shareholders and the Director of Investor Relations engages directly with investors throughout the year. The Board receives regular reports from the Investor Relations team. Feedback from meetings held between executive management, or the Investor Relations team, and institutional shareholders is also reported to the Board. The Directors discuss any feedback, which influences decisions to actively meet with shareholders on specific matters.

The Group reports its financial performance to shareholders six times a year: half-year and full-year announcements and Q1, Q2, Q3 and Q4 trading updates. Meetings are scheduled with investors and analysts to discuss the Group's half-year and full-year results.

During the year, the Executive Directors and senior management along with the Investor Relations team participated in meetings, conferences, roadshows and events across the world with the investor community, including debt providers, principally the Company's banks. They held over 64 meetings with 75 institutions.

The Chair also held 11 meetings with top 20 shareholders during the year including 3 meetings to discuss matters on CEO succession.

Geographical breakdown of investors met

During the year, the Chair of the Remuneration Committee engaged with the Company's top institutional shareholders about the renewal of the Directors' Remuneration Policy. Having carefully considered feedback, the Remuneration Committee's final decision is not to make any significant changes to the Policy at this time. Shareholders are being asked to approve a Policy which includes only minor amendments and reflects the Policy approved in 2020. The Policy previously received a favourable vote of 91.47%. More information is on [pages 116 to 126](#).

Annual General Meeting

The Company's AGM is an opportunity for the Board to engage with our retail shareholders and we were pleased to be able to do so in person at the 2022 AGM. The CEO presented an update on performance and outlook and then shareholders were invited to ask questions during the meeting, some of which were followed up by one-to-one informal discussions afterwards.

The Company's 2023 AGM will be held at 12 noon on 15 November 2023 at the offices of UBS, 5 Broadgate, London EC2M 2QS.

Number of shareholder meetings in 2022

WORKFORCE ENGAGEMENT

The Hays Board believes that the workforce voice needs to be heard and understood. MT Rainey continued in her role as Designated Workforce Engagement Director this year. Her role as a direct conduit between employees and the Board serves to ensure a deeper, more authentic insight into the workforce and amplifies the understanding provided by the YourVoice and other employee surveys. This perspective is then factored into a wide range of Board discussions in a more strategic way than specific research-based discussions would typically allow. As the role has developed over the past few years it has clearly enabled the Board to hear from and about a greater diversity of viewpoints, which have added an important perspective to a wide range of strategic discussions at Board meetings. Listening to the workforce at Board level creates an obligation to understand and respond, and MT's activities this year have continued to provide valuable insights that help shape actions and impacts.

The three primary areas of activity were:

Employee Focus Groups

One example of MT's direct engagement with the workforce this year was the Employee Focus groups held around the October Board Meetings in Mannheim and Paris. MT Rainey designed and led a number of groups, supported by Joe Hurd and Cheryl Millington, to hear directly from employees across a wide range of roles, functions, and levels about their experience of working at Hays. The groups operated on a confidential basis, and while discussion was intended to be informal a detailed discussion guide was created and followed using a series of guided questions to open-up the topics.

One of the primary issues that was explored was how well employees knew and understood the Hays Company strategy, current direction, primary purpose and core values and how those related to their own jobs and experience of working at Hays. This led to discussion of the nature and effectiveness of Hays' employee communication and the relationship of the centre to the regions and the local offices. Another issue was how employees felt working environments had changed post-pandemic and the pros and cons of the new, more flexible working style. This led to a discussion of wellbeing and employee care at Hays and Hays efforts around DE&I.

Overall, the impression of the discussions was that colleagues feel supported by their managers and are proud to work for an industry leading brand. There was a consensus that Hays' policies on flexible working had made a positive impact on wellbeing and the experience of working at Hays, and the groups expressed enthusiasm and appreciation for Hays' increased efforts and focus on DE&I issues.

Some of the conversations suggested a need to improve ease of operation and communication across geographies and to remove functional silos; perhaps a need for improvement in 'socialising' the understanding of corporate strategy in particular in the light of the new brand strapline which had been recently launched. There was a consistent feeling that Hays could be a stronger public (candidate) brand in this tough skills-led market.

In the coming year Focus Group discussion may focus on how well the Company is managing its employee base through the cost-of-living crisis and how well it is managing change.

As Workforce Engagement Director, MT also attends and participates in a considerable number of other global and regional Employee Forums at Hays that encourage people to connect with each other on a range of issues across geographies, functions and interests from employee volunteering to parenting. More information is on [pages 58 to 63](#).

YourVoice survey

YourVoice is one of the principal tools the Board uses to gauge employee sentiment and engagement. MT was given unique free and open access to the platform which allowed her to look at the data and free text responses among sub-populations, cross-referencing different questions and issues. This insight has been extremely valuable to her role, lending weight, colour and nuance to Board discussions and shaping the Board's view of employee wellbeing, diversity and inclusion as well as to operational issues like pay, fairness and progression.

MT spent a considerable amount of time exploring answers to open ended questions which helped her to get a strong sense of understanding around issues being expressed. As YourVoice results are used by senior managers to inform action over the coming year, it is helpful for MT to have oversight of the themes to ensure that management are acting on issues raised.

The Global DE&I Council

The Global DE&I Council's purpose and objective is to drive Hays' internal and external DE&I policies. Council meetings are about sharing and amplifying best practice of many of the grass roots groups around the Company and to ensure that this becomes standardised and Group policy. MT has been able to attend these meetings and her feedback has helped the Board to better understand the issues and challenges to achieving greater diversity in senior leadership which is more reflective of the diversity across the employee base overall.

More information is on [pages 22 to 25](#)

HOW THE BOARD MONITORS CULTURE

The Board recognises that our employees are one of our most important assets and are integral to our business. The Board is committed to strengthening employee voice and encouraging employees to reach their full potential.

Set out below are some of the ways in which the Board monitors the culture, listens to colleagues and acts on what they say.

Site visits

In October 2022, the Board visited Mannheim, Germany and Paris, France to meet local employees and senior management. The Board received updates from the local senior management who highlighted strategy, opportunities and challenges. These visits deepened the Board's understanding of how the Company's Purpose, Strategy and Values are embedded in particular sites and countries. The benefits are mutual as it also gives our people a chance to better understand the Board and provide direct feedback on matters important to them.

In addition, MT Rainey (in her capacity of Designated Workforce Engagement Director), Joe Hurd and Cheryl Millington also attended two employee focus groups at these locations. You can read more about it on [page 98](#).

YourVoice surveys

One of the principal tools Hays uses to gauge employee sentiment and engagement is the YourVoice survey, covering a wide range of areas including reward, leadership, culture and development. Once a year all employees are invited to complete the survey to provide feedback on what works well and what could be improved. The survey results support the Board's understanding of colleague sentiment across the Group and provide direct feedback on areas which can be improved.

Town halls and newsletters

Throughout the year, the Chief Executive Officer, Group Finance Director and the executive management team held town hall meetings, which Hays employees were invited to attend. These discussions took place at significant points in the year, such as following key financial results announcements. The employees also receive a monthly newsletter from the Chief Executive Officer, giving a month's overview of the business, aspirations for the trading period and general news across the Group.

Regular reports on compliance, including anti-bribery and corruption and whistleblowing reports

Key areas of compliance focus are highlighted at Board meetings, which allows the Board to understand potential issues and target effort in the right places. Annual review of policies gives the Board visibility of the compliance culture at Hays.

Progressing diversity and inclusion

DE&I at Hays remains a key area of commitment for the Board and they continue to receive regular updates on key metrics.

➤ More information on [pages 22 to 25](#)

BOARD EVALUATION

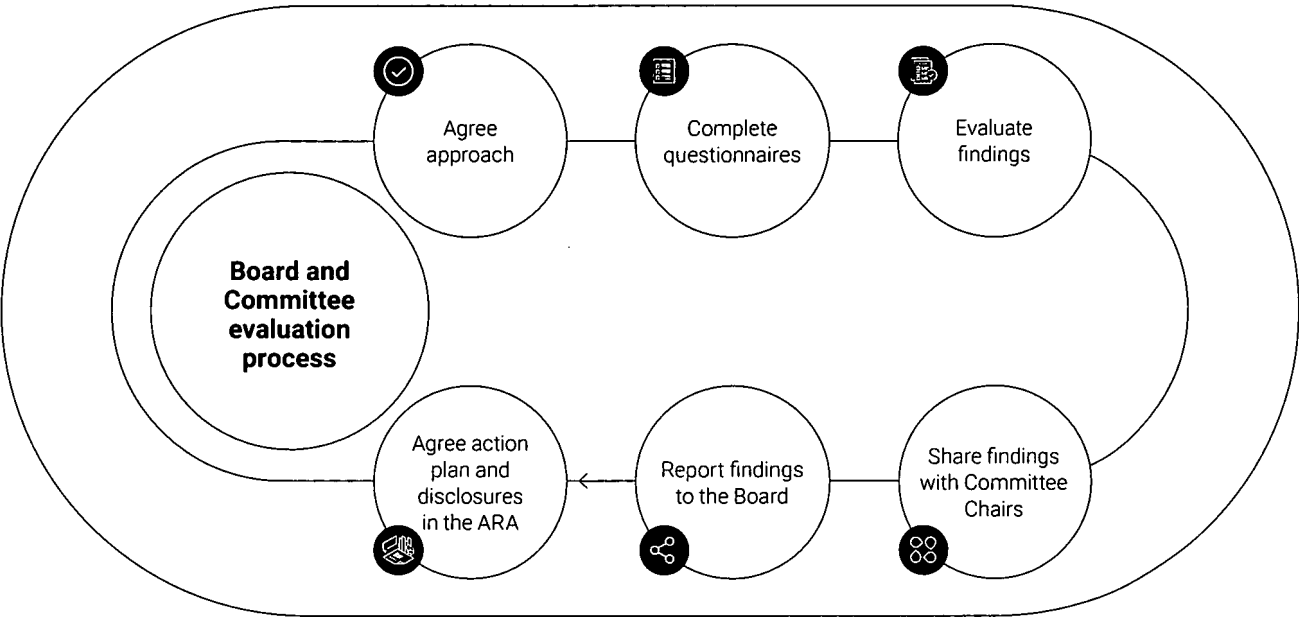
Board and Committee evaluation and effectiveness

The Board operates a three-year cycle of evaluations. Year one of the cycle comprises an externally facilitated evaluation. In FY22 the Board evaluation was conducted by EquityCulture Ltd, which has no connection with the Company or individual directors. Years two and three are internally facilitated reviews using a questionnaire format. In all years the evaluation assesses the effectiveness of the Board and its Committees. The Senior Independent Director also undertakes a review of the effectiveness of the Chair of the Board.

FY22 external evaluation

The progress made to address the findings of the FY22 evaluation are set out in the table below.

Key recommendations	Progress made in FY23
Succession planning at Board level: – Consideration should be given to the appointment of additional Non-Executive Directors, with particular focus on the merits of additional female representation and greater non-UK experience. – Further consideration should be given to the skills and attributes Hays will need from future Board appointments.	One of the key activities of the Board during FY23 was Board succession planning. An independent search firm was appointed to support the search for an additional Non-Executive Director, which resulted in the recommendation to appoint Zarin Patel, who was invited to join the Board and its Committees with effect from 1 January 2023. A skills matrix has been established on page 92 to support Board succession planning.
Enhance Board oversight of ESG, including consideration of the establishment of an ESG Committee.	A number of recommendations around reporting of additional non-financial KPIs are now reflected in Board reports. The establishment of an ESG Committee remains a consideration for the Board but a decision was taken to delay this until FY24 due to the prioritisation succession planning in FY23.
Consider how the Board could work closer with the business to enhance data-driven decision-making, particularly around diversity-related data and consideration should be given to appointing a professional leader in the diversity arena.	The Board received presentations and dedicated increased meeting time to discussing diversity and inclusion, with presentations from the newly appointed Global Head of DE&I. More information on page 23 .



FY23 internal evaluation

This year the Board agreed to carry out a more rigorous internal evaluation, using Independent Audit's (a third party with no connection to the Company or individual Directors) platform to assist with the provision of a questionnaire and analysis of the results. The benefit of using a third-party platform was that it enabled the data to be broken down between Executive Directors, Non-Executive Directors and executive management so that alignment across the groups could be assessed. It also enabled the direct input of each Board member to be kept confidential, as with the prior year's external evaluation, allowing for honest and in-depth feedback.

The results of the evaluation process were presented for discussion at the Board meeting in July 2023. A key theme of the report was the way in which the Board has been aligned on the strategic opportunities for the business and has come together to form a consensus on key decisions. The report highlighted a key strength has been that discussions in Board and Committee meetings are open and inclusive with balanced input from all members. Overall, it was the collective view of the Directors that the Board and its Committees are effective, operating in a culture that allows challenge and debate.

During the year a review of the Chair of the Board's performance was undertaken by the Senior Independent Director, in consultation with the other Independent Non-Executive Directors. The review concluded that the performance of the Chair was effective.

The review of the Executive Director's performance, which helps to determine their pay outcomes each year, is contained in the Directors' Remuneration Report on [page 130](#).

A summary of the FY23 evaluation themes and proposed actions for FY24 are set out in the table below.

Key themes	FY24 proposed actions
Board administration, agendas, meetings – to facilitate greater debate	The Chair and Company Secretary will develop the forward agenda planner in setting the FY24 Board objectives to enable more focus around the strategic opportunities, challenges and drivers. The Company Secretary will review the guidance and training provision for paper preparers and presenters to enable more time and focus at Board meetings for input and debate.
Non-Executive Director engagement outside of meetings with Executives and the business	More opportunities will be created for the Non-Executives to engage with senior leaders in the business, both formally and informally. Executives will be encouraged to approach the Non-Executives for assistance with strategic issues and to draw on their skills and experience. Company Secretary and CEO to review the programme of Directors' training to enhance depth of Board operational and commercial knowledge through deep-dive sessions outside of Board meetings.
Succession planning at Board level	The Nomination Committee will continue to actively review the Board composition and skills to set up a diverse pipeline of potential Non-Executive Directors.
Succession planning at Executive level	The new CEO will be tasked to ensure there are well considered executive succession and development plans in place.
Building wider stakeholder understanding	Chair and Company Secretary continue to identify opportunities for the Board to receive insights from the Company's broader stakeholder groups. Ensure that each paper where a decision is required includes a section specifically addressing the impact on stakeholders of that decision.

NOMINATION COMMITTEE REPORT

Andrew Martin
Chair of the
Nomination Committee
Hays plc

Dear Shareholder

As Chair of the Nomination Committee, I am pleased to present the Committee's 2023 report, which details the important work the Committee has undertaken this year.

During FY23 the Committee continued to review the leadership of the Company. In February 2023 we announced the decision to commence a process to appoint a successor to Alistair Cox. Assisted by Egon Zehnder, the Nomination Committee has undertaken a formal, rigorous and transparent recruitment process and we are very pleased to announce the appointment of Dirk Hahn. More information on this process is on [page 105](#).

We aim for our Board to have a wide range of backgrounds, skills and experiences. We also value a diversity of outlook, approach and style in our Board members. In order to ensure that our Board remains diverse, we analyse the skills and experiences we require against the skills and experiences on our Board using the matrix on [page 92](#). During the year the Committee continued to recognise the importance of diversity on the Board, and we were also looking to appoint someone with the financial background necessary to take over from Peter Williams as he approaches the end of his nine-year

tenure. We were therefore delighted to announce the appointment of Zarin Patel, who joined the Board on 1 January 2023 as an additional Independent Non-Executive Director. She has brought a wealth of relevant experience to the Board and will succeed Peter as Chair of the Audit Committee in due course.

During the year the Board with the assistance of the Nomination Committee has also monitored changes to the wider organisational structure and approved changes to key leadership roles below Board level. The Board also continued to monitor succession plans for executives below Board level, and this included extensive discussion of the level of diversity in the executive pipeline.

The Committee also considered the Board Diversity Policy and outlined its commitment to the Parker Review and FTSE Women Leaders Review targets on ethnic and gender diversity. We are pleased to report that the Board is exceeding the targets it set for itself on gender and ethnic diversity, as detailed on [page 104](#).

Our annual Board Evaluation was an internal assessment this year. In a change from previous internal evaluations, we used Independent Audit's platform to assist with the provision of a questionnaire and analysis of the results. More information on the Board Evaluation process and outcomes is on [pages 100 to 101](#). I am pleased to report that the review concluded that the Committee and Board are operating effectively.

I would like to thank the members of the Committee for their dedication and support throughout the year.

Andrew Martin
Chair of the Nomination Committee

23 August 2023

Role of the Nomination Committee

The role of the Committee is summarised below and detailed in full in its Terms of Reference, a copy of which is available on the Company's website.

The main responsibilities of the Committee are to:

- review the structure, size and composition (including skills, knowledge, experience, diversity and balance of Executive and Non-Executive Directors) of the Board and its Committees and make recommendations to the Board with regard to any changes
- consider succession planning for Directors and other senior executives
- identify and nominate for the approval of the Board, candidates to fill Board vacancies
- keep under review the time commitment expected from the Chair and the Non-Executive Directors.

Membership and meetings

The Committee is appointed by the Board. It is chaired by the Chair of the Board and comprises the Non-Executive Directors, all of whom are independent, save for the Chair who was independent on appointment. The names and qualifications of the Committee's current members are set out in the Directors' biographies on [pages 84 to 87](#).

The Committee meets as required and did so on eight occasions during the year, and attendance by members can be seen on [page 91](#). Other regular attendees at Committee meetings include the Company Secretary and, on invitation, the Chief Executive and Group Finance Director.

Main Committee activities during the financial year:

- considered Board and senior management succession plans
- reviewed the composition of the Board and its Committees
- considered and recommended to the Board the appointment of a new CEO and a new Non-Executive Director
- reviewed the Committee's Terms of Reference
- considered and approved the appointment of an independent leadership services and executive search consultancy.

Board and Committee composition

The Committee reviewed the composition of the Board to consider the balance of skills, experience and diversity of the Directors, both as required for succession planning and for potential new appointments.

The Committee identified the need for a Non-Executive Director with recent and relevant finance experience. Zarin, having the experience of managing transformation within complex digital-centric businesses and broad experience across finance, investment, procurement and audit as well as corporate finance, was appointed following a rigorous interview process. Spencer Stuart was used in respect of Zarin Patel's appointment which occurred in the year under review. Spencer Stuart is an independent executive search consultancy and it has no other connection with the Company.

In the year ahead, the Committee will continue to assess the balance of skills, diversity and experience of the Non-Executive Directors and their succession plans. The Committee analyses the skills and experience required against the skills and experiences of our Board using the matrix on [page 92](#). We will review this matrix regularly to ensure it is refreshed to meet the changing needs of the Company.

Board diversity

The Board believes that a diverse Board, with Board members contributing a range of views, insights, perspectives and opinions, will improve the Board's decision-making and effectiveness.

The Board is also committed to increasing diversity across all operations of the Group. The newly appointed Head of DE&I presented to the Board on a range of initiatives to support the development of talented individuals, regardless of factors such as gender, ethnicity or disability. More information is on [pages 22 to 25](#).

During the year, there has been a significant focus on diversity at Board level. Following the updated guidance and targets issued by the FTSE Women Leaders Review and the UK Listing Authority, the Board approved an updated Board Diversity, Equity and Inclusion Policy (the Policy). The Policy is available on the Company's website. The Board outlined its ongoing commitment to the Parker Review and FTSE Women Leaders Review and is pleased to report it is exceeding the targets it set itself for gender and ethnic minority representation on the Board. See the table on [page 104](#) for more detail.

The FTSE Women Leaders Review also published revised gender representation targets, specifically the expectation that a woman holds at least one of the senior Board positions of Chair, CEO, SID or Group Finance Director. The Committee considers succession for these key roles on an ongoing basis and this target is at the forefront of the Committee's mind when considering candidates for appointment to these roles in the future.

NOMINATION

COMMITTEE REPORT

CONTINUED

FCA Board and Executive Diversity Disclosure

In accordance with Listing Rule 9.8.6(9) of the FCA's Listing Rules, these tables set out details of the diversity of the individuals on the Board and Executive Committee at 30 June 2023.

There are 9 Executive Board members (including two Executive Directors) and 9 Directors of the Board. The Company Secretary is included in the calculation of executive management.

The data was obtained on a voluntary self-reported basis.

Participants were invited to complete a survey through a secure electronic portal, wherein they were asked to confirm their sex and gender identity, and ethnic background. The descriptive categories of sex, gender and ethnic background set out in the survey, were taken verbatim from Listing Rule 9.8.6(9), and therefore correspond precisely with the tables.

The Company's compliance with the FCA's new diversity disclosure requirements is set out below.

Sex and gender identity

	Number of Board members	% of the Board	Number of senior positions on the Board (Chair, CEO, Group Finance Director, SID)	Number in Executive Management	% of Executive Management
Men	5	55.56%	4	8	88.89%
Women	4	44.44%	0	1	11.11%
Other categories	0	0	0	0	0
Not specified/prefer not to say	0	0	0	0	0

Ethnic background

	Number of Board members	% of the Board	Number of senior positions on the Board (Chair, CEO, Group Finance Director, SID)	Number in Executive Management	% of Executive Management
White British or other White (including minority-white groups)	7	77.78%	4	9	100%
Mixed/Multiple ethnic groups	0	0	0	0	0
Asian/Asian British	1	11.11%	0	0	0
Black/African/Caribbean/Black British	1	11.11%	0	0	0
Other ethnic group, including Arab	0	0	0	0	0

Succession planning

A key task of the Committee is to keep under review the Company's succession plans for members of the Board and Executive Board. In order to ensure there are effective succession plans in place, the Committee has visibility over a wide range of employees who have been identified as potential succession candidates in the short, medium and long term. All Board succession discussions take place in consideration of the Board Diversity Policy.

Succession planning for the Chief Executive Officer has been the primary focus of the Committee over the past year and you can read more about this on [page 105](#).

Tenure of Non-Executive Directors

Appointments to the Board are made for initial terms not exceeding three years and are ordinarily limited to three such terms in office.

Each Director stands for re-election annually.

Director performance

Having reviewed the independence and contribution of Directors, the Committee confirms that the performance of each of the Directors standing for election or re-election at the 2023 AGM continues to be effective and demonstrates commitment to their roles, including independence of judgement, commitment of time for Board and Committee meetings and any other duties.

Board induction and development

On appointment, each Director takes part in a tailored and comprehensive induction programme which is designed to give him or her a deep understanding of the Group's business, governance and stakeholders.

On appointment as Group Finance Director, as James Hilton already had a comprehensive understanding of the Group, his induction focused on briefings from external counsel on Directors' duties and corporate governance.

Zarin Patel was given a Board induction pack containing Company and Board information to assist with building an understanding of the nature of the Group, its business, markets and people, and to provide an understanding of the Group's main relationships. The pack included information to help facilitate a thorough understanding of the role of a Director and the framework within which the Board operates. In addition, Zarin had meetings with key colleagues across the business to better understand the areas of the business.

The Chair, in conjunction with the Company Secretary, ensures that Directors are provided with updates on changes in the legal and regulatory environment in which the Group operates. These are incorporated into the annual agenda of the Board's activities along with wider business and industry updates; the Chair also keeps under review the individual training needs of Board members.

The Group's principal external advisers provide updates to the Board, at least annually, on the latest developments in their respective fields, and relevant update sessions are included in the Board's strategy meetings. The Company Secretary presents corporate governance reports to the Board as appropriate, together with any relevant technical directives issued by the Group's Auditor. In this way, each Director keeps their skills and knowledge current so they remain competent in fulfilling their role both on the Board and on any Committee of which they are a member.

The Board portal is used as a repository of reference materials and papers on a range of relevant topics. The Company Secretary arranges for external speakers to provide training on specific topics as appropriate.

Board Evaluation

During FY23, in accordance with Code Provision 21, the effectiveness of the Board and its Committees was assessed through a Board Evaluation process, conducted internally. The detailed process and outcomes are set out on [pages 100 to 101](#).



CEO succession process

On 23 February 2023, it was announced that Alistair Cox would be stepping down as Chief Executive Officer, after 16 years of service in the role. The Nomination Committee led the search on behalf of the Board to identify and recruit a new Chief Executive Officer.

A small working group was formed at the outset consisting of the Chairman, Susan Murray, Cheryl Millington and Zarin Patel. The working group was responsible for the day-to-day oversight of the recruitment process to ensure progress was being made against the agreed plan. The Committee, with the assistance of Egon Zehnder, who are independent of the Company and all the Directors, led the search for a new Chief Executive Officer. With reference to the Board Diversity Policy, the Committee agreed a role profile setting out the preferred attributes, relevant skills, experience and expertise necessary for the next CEO. Egon Zehnder conducted an internal and external market scanning exercise to produce a diverse longlist of candidates.

The Chair and other members of the Committee considered the candidates and produced a list of shortlisted internal and external candidates. This was followed by an extensive interview process, which included interviews with the Chair and members of the working group and finally presentations to the whole Board. Following interviews, the Nomination Committee met to discuss feedback and a final meeting was held on 22 August 2023 to agree a recommendation to the Board.

Following approval by the Board, on 24 August 2023 it was announced that Dirk Hahn would be appointed as the Company's new Chief Executive Officer from 1 September 2023. More information about Dirk Hahn, his experience and previous roles can be found on [page 82](#) and Alistair will work closely on a thorough handover process ahead of Dirk's formal appointment.

AUDIT COMMITTEE REPORT

Peter Williams
Chair of the
Audit Committee
Hays plc

Dear Shareholder

I am pleased to present the Audit Committee Report for the year ended 30 June 2023 on behalf of the Board, prepared in accordance with the 2018 Code.

The Report provides an oversight of the Committee's deliberations and activities over the year. During the year, the Committee's core duties remained unchanged and the usual cadence of activities relating to risk, assurance and internal controls remained in place. We have reviewed the Committee's Terms of Reference and minor amendments were made to ensure they track the Code.

Current macroeconomic climate and risks

While many immediate challenges arising from COVID-19 and Brexit had dominated prior years, the backdrop of this financial year under review continued to be characterised by change and uncertainty. Navigating the risks associated with macroeconomic factors were key components of discussion in every area of the business, including the Russian invasion of Ukraine, rising interest rates and inflation. Detail on our risk mitigating activities can be found on [pages 74 to 79](#).

Preparing for planned financial governance changes

A significant area of focus during FY23 was on governance development, namely the government's consultation Department for Business, Energy, and Industrial Strategy (BEIS) consultation on audit and corporate governance reform. The consultation proposed a number of reforms and new processes designed to improve communications and engagement between Boards, their Audit Committees and shareholders. The Committee welcomes these reforms and more detail on the Company's plans and preparations is set out on [page 109](#).

We will continue to ensure that all applicable laws and regulations are complied with, and we remain confident that the business continues to operate in a controlled and well-managed way.

The increasing focus of stakeholders on the impact of climate change and other environmental issues has become evident in the Committee's workload. The Committee continued to receive updates from the management on compliance with the Task Force on Climate-related Financial Disclosures (TCFD) reporting requirements and had an overview of the steps taken to fulfil our reporting obligations.

Committee changes

The Committee was pleased to welcome Zarin Patel in January this year. She brings a wealth of knowledge and relevant experience from a variety of financial and risk-related leadership roles.

I would like to thank the members of the Committee, the management team, Internal Audit, External Audit partners for their continued commitment, for the open discussions that take place at our meetings, and for the contribution they all provide in support of our work.

Peter Williams
Chair of the Audit Committee

23 August 2023

Role of the Audit Committee

The Committee's Terms of Reference are available on the Company's website.

The key responsibilities of the Committee are to:

- monitor the integrity of the Financial Statements of the Company, including annual and half-year reports, interim management statements, and other formal announcements relating to its financial performance, and reviewing and reporting to the Board on significant financial reporting issues and judgements
- where requested by the Board, review the content of the Annual Report and advise the Board whether, taken as a whole, it is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy
- recommend to the Board for approval by shareholders, the appointment, reappointment or removal of the external Auditor
- monitor the relationship with the Company's external Auditor, including consideration of fees, audit scope and terms of engagement
- review the effectiveness and objectivity of the external audit and the Auditor's independence
- on engagement of the External Auditor, review the policy for the provision of non-audit services and monitor compliance
- monitor and review the Company's internal control and risk management systems
- monitor and review the effectiveness of the Company's Internal Audit function
- ensure compliance with laws, regulations, ethical and other issues.

Membership and meetings

The Committee is appointed by the Board from its Independent Non-Executive Directors. Biographies of the Committee's current members are set out on [pages 84 to 87](#).

The Chair of the Committee, Peter Williams, is a Chartered Accountant and has recent and relevant financial experience. All Committee members are financially literate.

The Committee discharges its responsibilities through a series of scheduled meetings during the year, the agenda of which is linked to events in the financial calendar of the Company. The Committee met four times during the financial year and attendance by members at Committee meetings can be seen on [page 91](#).

The Committee commissions reports, either from external advisers, the Head of Internal Audit or Group management, as required, to enable it to discharge its duties. The Group Finance Director attends its meetings, as do the External Auditor and the Head of Internal Audit, both of whom have the opportunity to meet privately with the Committee Chair, in the absence of Group management. The Chair of the Board and the Chief Executive are also invited to, and regularly attend, Committee meetings. The Deputy Company Secretary acted as Committee Secretary.

Main Committee activities during the financial year:

- approved the annual Committee programme
- reviewed financial results for publication
- considered the external audit plan and reviewed the results of the audit
- approved the internal audit plan and reviewed its findings
- reviewed the non-audit services provided by the External Auditor
- reviewed the risk management and controls framework and its effectiveness, together with the Group's principal risks
- considered all aspects of IT operations and risks
- considered the continuing threat of cyber-related attacks and the related controls in place across the business
- reviewed the performance and effectiveness of the External Auditor
- considered all aspects of fraud and ethics matters
- reviewed the performance and effectiveness of the Internal Audit function
- reviewed the material litigation report
- considered and reviewed the steps undertaken for compliance with TCFD
- carried out a review of the Committee's effectiveness and reviewed progress on matters arising from previous assessments
- considered the Code requirements concerning fair, balanced and understandable reporting
- considered the Company's going concern and long-term viability
- recommended the Audit Committee Report for approval by the Board
- held discussions with the External Auditor and the Head of Internal Audit without management being present.

AUDIT COMMITTEE REPORT CONTINUED

Fair, balanced and understandable

The Committee has reviewed the financial and narrative disclosures in this year's Annual Report and has advised the Board that, in its view, taken as a whole, the Annual Report is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's performance, business model and strategy.

In making its recommendation to the Board, the Committee's robust governance approach included:

- senior individuals within the Company are allocated responsibility for sections of the ARA (each a 'Section Owner')
- guidance is issued to the primary contributors and section owners in respect of the requirement for the Annual Report to be FBU.
- senior management, including the Group Finance Director and General Counsel and Company Secretary, review the ARA on several occasions to ensure that it promotes consistency and balance between the narrative in the front half and accounts sections.
- Section Owners are required to provide written confirmations to the Group Finance Director and General Counsel and Company Secretary that each statement of fact contained in the relevant section has been appropriately verified.
- Deloitte LLP were appointed to assist with the preparation and review of the Directors' Remuneration Report.
- the Audit Committee Chair reviews and considers the draft annual report and accounts in advance of the final sign-off by the Board in the context of the Code provision. In addition, the Chairs of each of the Committees review their respective reports and provide comments.
- final sign-off is provided by the Board, on the recommendation of the Committee.

Significant issues considered during the year

In reviewing both the half- and full-year Financial Statements, the following issues of significance were considered by the Committee and addressed as described. These matters are described in more detail in notes 1 to 3 to the Consolidated Financial Statements.

Debtor recoverability

The recoverability of trade debtors and the level of provisions for bad debts are considered to be areas of significant judgement due to the pervasive nature of these balances to the Financial Statements and the importance of cash collection in the working capital management of the business. The Committee considered the level and ageing of debtors, together with the appropriateness of the provisioning matrix and the consistency of judgements used to measure the expected credit losses. Having discussed the level of provisions both with management and with the External Auditor, the Committee satisfied itself that the provision levels were appropriate.

Provisions

While there are no individually material balances within provisions, and management does not consider it to be reasonably possible that any of the provisions will materially change in the next 12 months, the calculation of each provision requires the use of assumptions and, in certain cases, advice from third-party experts. The Committee considered the level of provisions, the assumptions used in the calculations and, where relevant, the advice received from third-party experts. Having discussed the value of the provisions with management and the External Auditor, the Committee are satisfied that the value of provisions are appropriate.

External Auditor

Both the Committee and the Board keep the External Auditor's independence and objectivity under close scrutiny, particularly with regard to its reporting to shareholders. PwC was appointed External Auditor of the Group at the 2016 AGM and professional rules require that the Company's audit partner be rotated every five years; in FY22 Andrew Paynter was succeeded by Jon Sturges.

As previously reported, following a detailed tender process, PricewaterhouseCoopers LLP was first appointed as the Company's External Auditor in 2016. While the Company has no current retendering plans, in accordance with The Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014 (CMA Order), the Company will be required to put the external audit contract out to tender by 2026. Accordingly, the Company confirms that it has complied with the provisions of the CMA Order for the 2023 financial year.

Auditor independence and non-audit services policy

The Committee believes that the issue of non-audit services to Hays is closely related to External Auditor independence and objectivity. The Committee recognises that the independence of the External Auditor may reasonably be expected to be compromised if they also act as the Company's consultants and advisers. Having said that, the Committee accepts that certain work of a non-audit nature is best undertaken by the External Auditor. To keep a check on this, the Committee has adopted a policy to ensure that the provision of any non-audit services by its External Auditor does not impair its independence or objectivity.

The key features of the non-audit services policy are as follows:

- the provision of non-audit services provided by the Company's External Auditor be limited to a value of 70% of the average audit fees over a three-year period
- any non-audit project work which could impair the objectivity or independence of the External Auditor may not be awarded to the External Auditor
- delegated authority by the Committee for the approval of non-audit services by the External Auditor is as follows:

Authoriser	Value of services per non-audit project
Group Financial Controller	Up to £25,000
Group Finance Director	Up to £100,000
Audit Committee	Above £100,000

The three-year average audit fee was £1.9 million. Accordingly, the maximum value of non-audit services that PwC could have been engaged by Hays to provide during the financial year 2023 was £1.3 million. The total fee for non-audit services provided by PwC during the 2023 financial year was £0.2 million (2022: £0.2 million), largely reflecting the FY23 half-year review fee of £0.1 million (2022: £0.1 million). A small number of other assurance services were provided as permitted under the 2019 FRC Ethical Standard for which total costs were £102k (2022: £76k). The Company did not pay any non-audit fees to PwC on a contingent basis. A summary of the fees paid to the External Auditor is set out in note 6 to the Consolidated Financial Statements.

Having reviewed Hays' non-audit services policy this year, including the Authority level of the Group Finance Director, the Committee is satisfied that adequate procedures are in place to safeguard the External Auditor's objectivity and independence.

Effectiveness and quality of the External Auditor

The annual effectiveness review in respect of financial year 2022 was conducted during the year under the guidance of the Committee Chair, on behalf of the Committee, and covered amongst other things a review of the audit partners, audit resource, planning and execution, Committee support and communications, and PwC's independence and objectivity. Overall feedback was positive with an improved overall rating versus prior year; noting minor improvement areas were suggested in relation to feedback from specific countries, which were discussed and implemented, with actions having been taken into account for the FY23 PwC audit. Based on these reviews, the Committee was satisfied with the performance of PwC in the fulfilment of its obligations as External Auditor and of the effectiveness of the audit process in FY22. Consequently, the Committee recommended to the Board that PwC be reappointed as External Auditor at the AGM.

Risk management and internal control

The Board is responsible for the adequacy and effectiveness of the Group's internal control system and risk management framework, which in order to fulfil its responsibilities the Board has delegated authority to the Committee.

To establish an assessment from both a financial and operational control perspective, the Committee looks to the work of the Internal Audit function, specifically to consider whether significant process and control weaknesses have been identified, then subsequently improved and monitored and that risks have been identified, evaluated and managed. The Committee reviews the Group's internal control systems and receives updates on the findings of Internal Audit's investigations at every meeting, prior to reporting any significant matters to the Board.

The Committee considered the Group's risk assessment process, which included coverage across the regions, countries and functions within the Group, reviewing the effectiveness of the risk methodology employed, the risk mitigation measures implemented and future risk management and monitoring. The assessment considers each risk on a gross basis (pre-mitigations), the effectiveness of the mitigations in place and the resulting net risk (post-mitigations) to the business. Each net risk is then reviewed against the Group's risk appetite position and, where necessary, if the net risk is greater than the risk appetite additional mitigation plans will be put in place.

Further to the reports received by the Committee, which set out the Group's processes, systems and assurance processes, the Committee has concluded that it has complied with its obligations under the Code 2018 in relation to the assessment of risk together with the monitoring and review of the effectiveness of internal controls and risk management. The Committee is pleased to confirm that it was able to provide the Board with assurance that the Group's internal control systems and risk management procedures are effective and operating as required.

The Committee is committed to ensuring the Group's internal control and governance arrangements reflect best practice and welcomes the consultation on changes to the Code 2018 in response to the white paper on 'Restoring trust in audit and corporate governance'. In preparation for this, the Committee is overseeing a detailed review of the Group's control framework, policies, procedures and internal assurance structure, with a view to modernising and strengthening our internal control structure. An Internal Control and Assurance Working Group, which includes the Group Finance Director, General Counsel and Company Secretary, and Head of Internal Audit, has been established to oversee the review of the new disclosure requirements in relation to the Group's control framework, Audit and Assurance Policy, Resilience Statement, Dividend Policy and Fraud Risk Assessment. The Committee recognises the Group's internal control environment and enterprise risk management framework will continue to evolve and this will remain a focus of the Committee in FY24.

Internal Audit

The Committee oversees and monitors the work of the Internal Audit function, which reviews key controls and processes throughout the Group on a rolling basis, including resources, scope and effectiveness of the function. The Internal Audit function consists of the Head of Internal Audit and a team of Internal Auditors, supported by KPMG as the co-source provider, specifically supporting IT audits and language support across the Group.

The Group Head of Internal Audit has direct access to the Committee and meets regularly with both the Committee and its Chair, without the presence of management, to consider the work of Internal Audit. The Committee approved the programme of work for the Internal Audit function in respect of the 2023 financial year, which continues to focus on addressing both financial and overall risk management objectives across the Group.

During the year, 32 Internal Audit reviews were undertaken, with the findings reported to both the Executive Board and the Committee, with recommendations tracked and progress reported back to the Committee.

No material weaknesses were identified as a result of risk management and internal control reviews undertaken by Internal Audit during the reporting period.

Anti-bribery and corruption

Hays has a zero-tolerance approach to bribery and corruption. The Group Anti-Bribery and Corruption Policy (with specific reference to the UK Bribery Act 2010) is issued to all employees. Overall responsibility for, and oversight of, the Policy lies with the Board. Training is provided to all employees annually in local languages and ongoing support is provided when and where necessary. In addition, risk assessments are carried out on an ad hoc basis, for example when new countries are under consideration (whether they are considered to be low or high risk) or prior to entry into new public sector markets. The Committee reviewed the effectiveness of the Policy during the year and concluded that it was sufficient for managing the anti-bribery and corruption risks faced by the Group.

Audit Committee effectiveness

The Committee's effectiveness in discharging its duties during the year was assessed as part of the Board internal evaluation in accordance with the Code. The performance of the Committee and its work during the year were considered to be effective when measured against its terms of reference and general audit committee best practice.

REMUNERATION REPORT

– CHAIR’S ANNUAL STATEMENT AND SUMMARY

Susan Murray
Chair of the
Remuneration Committee
Hays plc

Dear Shareholder

FY23 was the third and last year under the operation of the Remuneration Policy (the Policy) as approved by shareholders at the 2020 AGM with a favourable vote of 91.47%. Last year’s Remuneration Report received a favourable advisory vote of 97.90% at the 2022 AGM.

Backdrop to FY23 targets and FY23 business review

Although Hays faces many structural growth opportunities, our markets are highly cyclical. Hays has built a diversified portfolio designed to try and best mitigate these challenges. However, the inherent cyclical nature means that the incentive arrangements and target ranges often need to adapt in response to an evolving external environment.

The backdrop to the setting of FY23 targets was the strong financial performance in FY22, in the post-pandemic recovery period, in which the Group delivered record fees and material profit growth. In addition, having invested significantly in FY22 across a number of our Strategic Growth Initiatives, the focus in FY23 was to deliver towards the objectives set out at our April 2022 Investor Day.

The Committee carefully considered the targets it should apply to the annual bonus and Performance Share Plan (PSP) award for FY23. As in FY22, the Committee decided to widen the range around profit targets for the FY23 annual bonus to reflect the greater than normal level of uncertainty on FY23 earnings and to ensure that any maximum bonus target would require a level of profit achievement well above external consensus forecasts from the time when the targets were originally set.

We delivered a solid trading performance in FY23, against a macroeconomic and market backdrop that deteriorated significantly through the year and which especially impacted our Perm business in the majority of markets in which we operate. Despite this backdrop, we achieved a record net fee performance and our early actions taken to manage consultant capacity and cost base ensured we delivered an improved operating profit and conversion rate performance in the second half of our financial year versus the first. This ultimately delivered an operating profit result of £197.0 million in line with external market expectations. We maintained a strong balance sheet through the year and our cash performance was excellent with 101% conversion of operating profit to operating cash flow, with Group DSOs maintained at record low levels. All of these factors led to our decision to increase our core dividend by 5% and distribute £35.6 million surplus cash to our shareholders.

FY23 Annual Bonus

The FY23 Annual Bonus was based on EPS, Cash Conversion and individual strategic objectives.

As noted above, a wider than normal range was put around the on-target EPS levels to ensure that there was additional stretch to achieve the maximum target, which was appropriate given the increased level of macroeconomic uncertainty.

The FY23 targets for EPS were set following the delivery of strong growth in FY22, and an expectation for continued strong profit growth in FY23. The Group's trading environment proved more difficult than expected in FY23, most notably in our Perm recruitment business which became more challenging across the majority of our markets. Ultimately the Group's profit performance was below the stretching ambitions set at the start of the year and therefore the EPS element of the bonus paid out at 26.93% of maximum. The early action taken to manage consultant capacity and manage costs were key factors in the Group's improved profit performance in our second half and the delivery of an EPS result that met the target range entry threshold.

As noted in the previous section, the Group's cash performance was excellent in the year. The Group's DSOs, its key measure of debtor ageing and recoverability, was maintained at 33 days in line with FY22, and well below the pre-pandemic level of 39 days. This drove a Group Cash Conversion of 101%, which delivered a maximum pay-out result against this element of the FY23 Annual Bonus.

Further detail regarding the Annual Bonus targets have been retrospectively disclosed on [pages 129 to 130](#).

The 2020 (FY21) Performance Share Plan (PSP) vesting

Although the award level under the Policy allowed for a 200% of salary grant, it was determined that, due to the economic conditions at the time, the award would be reduced to 150% of salary.

Following the assessment of performance, the 2020 (FY21) PSP vested at 80% reflecting the three-year Performance Period that ended on 30 June 2023.

As a result of the COVID-19 pandemic, there was considerable market uncertainty at the time that the conditions were set, and this made long-term target setting particularly challenging for this award. Although actual trading conditions over the performance period have arguably been more favourable than forecast in later 2020, the geopolitical and macroeconomic backdrop has arguably become more complex. In practice there has been very significant outperformance of the EPS targets that were originally set. However, the EPS performance achieved also far exceeds any reasonable forecast from the time when the targets were originally set.

The Group's cash conversion performance over the last three years has been excellent, with the cumulative three-year performance of 102% awarding a full award for this segment. This has been delivered despite the significant working capital investment as the Group pursued growth opportunities.

The Committee undertook a careful review of the PSP outcome. Taking into account the swift response to the pandemic, the continued investment in strategic growth initiatives, the sharp recovery in profitability over the period, the delivery of record net fee performance in the current year and dividends to shareholders over the period, the Committee is satisfied that the overall PSP outcome fairly reflects, and is aligned with, the performance achieved.

Shares that vest under the 2020 PSP will now be held for a further two years before release in 2025, extending alignment with the shareholder experience. During this Holding Period they will be subject to Clawback conditions.

Full details of the Executive Directors' remuneration for FY23 can be found in the Single Figure on [page 127](#) and the full Annual Report on Remuneration on [pages 127 to 145](#).

Remuneration Policy renewal

At the AGM in November 2023, the Committee will be seeking shareholder approval for our Remuneration Policy (the 'Policy'), under the normal three-year renewal cycle.

The Committee has conducted a review of the Policy for senior executives with a view to ensuring it continues to support our strategy, the continuing cyclical nature of our business, as well as evolving market and best practice.

The current Policy comprises a FTSE conventional bonus plus performance-based LTIP. The Committee is not proposing any substantial changes to this approach in 2023. Our current Policy, approved in 2020 with a strong favourable vote of 91.47%, has aligned the Executive Directors' pension with that of the wider workforce (their pension contribution is currently 4% of base salary) and includes post-employment shareholding requirements, as well as malus and clawback provisions.

Our current Remuneration Policy continues to support the Company's strategic programme. Under the incentive structure, outcomes are based on the key measures of success. There is a short-term focus on profit via the annual bonus and a long-term focus on cash generation through the Performance Share Plan ('PSP'). With reference to our business and investment strategy, cash generation will take on an even greater importance to fund our expansion to ensure the business outperforms the market, and so that the business maintains an attractive and appropriate returns policy. It is expected that appropriate ESG targets will be included in personal and strategic objectives.

As a result of the Committee's review, we have not proposed any changes to the Policy.

The Committee engaged with major shareholders on the Policy renewal and has welcomed the feedback it has received which was predominantly supportive, as it was in 2020. The Committee wishes to thank those shareholders and proxy agencies that responded and appreciates the feedback and engagement.

While the Committee is not proposing any material changes at this time, it has noted the current consultation regarding changes to the UK Corporate Governance Code. We are also mindful that the external trading environment continues to evolve. In this context, the Committee will continue to monitor the effectiveness of the current approach to pay following the 2023 AGM. To the extent that more material changes to our approach to pay are considered, we would suitably engage with shareholders about our proposals and seek approval for a new Policy where necessary.

Remuneration for FY24

FY24 Salary review

The Committee has been very cognisant of the rising Cost of Living issues affecting the wider workforce. Across the business it was determined that there would be no pay increase for the Executive Committee and some senior employees. Instead, the pay review budget was distributed to eligible employees whose salaries were below this level. A flat increase was given to eligible employees, resulting in a higher actual percentage being given to those who were lower paid. In line with this approach, no pay increases were given to the Executive Directors for FY24. There was also no adjustment to the Chair's fee or any of the fees in relation to Non-Executive Directors for FY24.

Pension

In line with the Policy approved at the November 2020 AGM, the pension contribution for the CEO remained at 20% of salary, (reduced from 30% at the start of FY21) until 31 December 2022 when it reduced to that of the majority of employees in the UK (currently 4% of salary). The pension contribution for Paul Venables remained at 20% (reduced from 30% at the start of FY21) until his departure on 30 September 2022. In line with the Policy for new Executive Directors, James Hilton's pension is 4% of salary from 1 October 2022.

Annual Bonus for FY24

Annual Bonus potential is 150% of salary. Annual Bonus targets will be retrospectively disclosed in the FY24 report.

2023 (FY24) PSP grant

The 2023 PSP grant will be made under the Policy to be approved at the November 2023 AGM. The intention is to grant 200% of salary to the Executive Directors.

The current combination of Cash Conversion, EPS and relative TSR metrics will be maintained for this award. The Committee is currently in the process of finalising the detailed targets for the financial metrics. Once finalised, we intend to disclose these on our website in advance of the 2023 AGM. Any shares that vest under the 2023 (FY24) grant would be subject to a further two-year Holding Period. The PSP is subject to both Malus and Clawback conditions.

Departure terms for GFD – Paul Venables

As stated in last year's report, the Committee had agreed the terms for the departure of Paul Venables who left the Company on 30 September 2022. The terms fully comply with the Remuneration Policy and are summarised in section 2.6. As disclosed last year, Good Leaver status was awarded in recognition of his significant contribution over his 16 years with the business. All outstanding performance-based awards will be pro-rated for time and will only vest based on performance at the end of the relevant Performance Period.

Incoming GFD – James Hilton

The Committee also approved the remuneration for James Hilton, who joined the Board on 1 October 2022. His remuneration is in line with the Remuneration Policy for new Executive Directors and was outlined in last year's report. His salary is lower than the previous GFD and will be kept under review as he builds experience in the role. His pension aligns with that of the majority of the UK workforce in line with the Policy.

Other Committee activities in FY23

The Committee also published the results for the Gender Pay Gap in April 2023 and has continued to monitor actions being taken within the Company to close the gap.

The Board is delighted to welcome Dirk Hahn, previously Managing Director of Hays Germany and CEMEA, as our new Chief Executive from 1 September 2023. Remuneration terms for the new CEO will be in accordance with the Policy, including pension contribution level. Departure terms for Alistair Cox will also align to his contractual notice terms and the Policy for departing executives.

Clear reporting and transparency

We aim to make the Directors' Remuneration Report clear, concise and easy to follow and in this year's report we have included a more concise At A Glance page. Our proposed 2023 Remuneration Policy can be found on [pages 116 to 126](#).

We trust that this report demonstrates how we balance performance, reward and underlying associated behaviours and that we place great importance on our duty not only to shareholders but to our wider workforce and other stakeholders, and that we are aware of the greater societal issues and market sentiment. We are especially vigilant as the market, economic and political situations and their impact continue to be felt in the varying economies.

Susan Murray

Chair of the Remuneration Committee

23 August 2023

See the Committee's Terms of Reference online at haysplc.com

Membership and meetings

Five formal meetings were held during FY23 – one in each of July, August, September 2022 then one in each of January and May 2023. Attendance is shown on [page 91](#). In addition, members participated in other discussions as required.

This report is structured as follows:

Section

What it includes

Letter from the Remuneration Committee Chair [Page 110](#)

Remuneration At A Glance [Page 114](#)

Remuneration Policy [Page 116](#)

Annual Report on Remuneration [Page 127](#)

This report is divided into sections:

1. Single Figure of Remuneration – [page 127](#)

2. Long-term value creation – [page 133](#)

3. Remuneration in the broader context – [page 138](#)

4. Statement of implementation of the Remuneration Policy in the following financial year – [page 142](#)

5. Governance – [page 144](#)

Our full current Remuneration Policy

Our full current 2020 Remuneration Policy as applicable to FY23 can be found on our website at haysplc.com

REMUNERATION AT A GLANCE

Business context: How did we perform?

- Record net fees of £1,294.6 million, representing 6% LFL net fee growth and includes 21 individual country records.
- Operating profit of £197.0 million delivered EPS of 8.59 pence per share. Whilst operating profit decreased 9% versus prior year, early management action was taken to align capacity to underlying market demand and reduce costs.
- Excellent cash performance, with year-end net cash of £135.6 million and cash conversion of 101%, driven by DSOs being maintained at historic low levels of 33 days.
- Supported by a strong balance sheet, the core dividend of 3.00 pence per share represents growth of 5% on prior year, with a proposed special dividend of 2.24 pence per share returning £35.6 million of surplus cash to shareholders.

Incentive arrangements: Supporting our key strategic priorities

Incentive arrangements continue to have a short-term focus on profit and a long-term focus on cash generation.

Bonus

- Financial metrics (80%) place emphasis on profit and maintain focus on cash returns and business efficiency.
- Personal objectives (20%) provide building blocks to longer-term strategic goals.

PSP

- The cash element (50%) focuses on the long-term business efficiency and return to shareholders through dividend payments.
- The EPS element (30%) is a key performance measure aligned with shareholder interests.
- The TSR element (20%) directly measures shareholder returns relative to industry peers.

Remuneration for FY23: What did Executive Directors earn during the year?

CEO
52.14% of maximum

GFD
53.14% of maximum

Paul Venables
(previous GFD)
was not eligible for
a FY23 bonus

CEO 80% of max

James Hilton did not
participate in this
scheme. Awards to Paul
Venables vested subject
to time pro-rating and
performance.

In recognition of the exceptional economic backdrop and the impact of COVID-19, the CEO's 2020 PSP award was granted at 150% of salary, which was below the shareholder approved policy limit of 200% of salary. Stretching targets were set in the context of performance expectations at the time of grant. Further detail is set out on [page 131](#).

The current CEO has a significant shareholding in the Company. The GFD was appointed in October 2022 and therefore is expected to build his shareholding over the course of his tenure.

CEO 305%
Beneficially owned

GFD 15%
Beneficially owned

Post-employment shareholding requirement: 100% of guideline for Year 1, 50% of guideline for Year 2

Overview of Remuneration Policy: How will Executive Directors be paid in FY24?

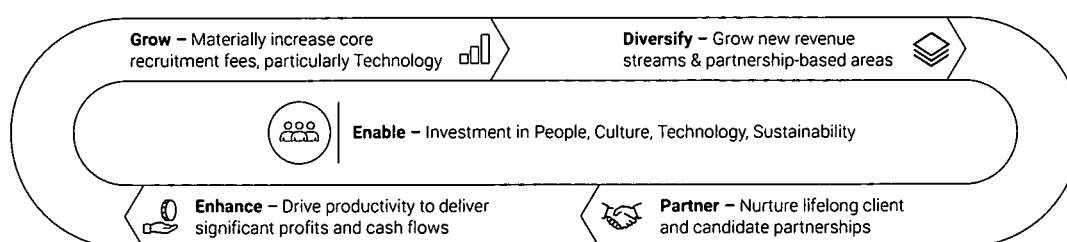
Rollover of the Directors' Remuneration Policy

We will be submitting a new Directors' Remuneration Policy for shareholder approval at the forthcoming AGM. No major changes are being proposed to the overall structure of the remuneration framework.

Fixed pay Base salary, pension and benefits	– No salary increases for FY24. – Salaries for FY24 will be: CEO (Alistair Cox) – £822k; GFD (James Hilton) – £420k. – Benefits package remains unchanged – includes health insurance and car-related benefits. – Pension contribution of 4% in line with the wider workforce.	
Bonus Short-term variable remuneration	50% Cash	50% deferred into shares for three years
	– To align reward to key annual objectives relating to the Group's financial and operational strength. – Maximum opportunity unchanged from 2020 Policy at 150% of salary for all Executive Directors. – Performance measures for FY24 will be EPS (60%), Cash Conversion (20%), Personal/strategic (20%).	
PSP Long-term variable remuneration	3-year performance period	2-year holding period
	– To incentivise the delivery of sustained long-term performance and align with share price and dividend growth over the long term. – Maximum opportunity unchanged from 2020 Policy at 200% of salary for all Executive Directors. – Performance measures for the 2023 (FY24) PSP will be Cash Conversion (50%), EPS (30%), TSR (20%).	
Shareholding guidelines	– To ensure that Executive Directors' interests are aligned with those of shareholders over the longer-term. – No change to in-employment and post-employment shareholding requirements from 2020 Policy.	

Performance measures for FY24: How does our reward framework align with our strategy?

Our strategic priorities



Measure	Focus	Strategic priority
FY24 bonus – short-term agility		
60% EPS	Short-term focus on profit	Grow, Enhance
20% Cash Conversion	Cash returns and business efficiency	Enhance
20% Personal/Strategic	Aligned to long-term business goals	Diversify, Partner, Enable
2023 PSP – long-term sustainability and focus		
50% Cash Conversion	Long-term business efficiency	Enhance, Diversify, Partner, Enable
30% EPS	Strategic direction of the business	Grow, Enhance, Diversify, Partner, Enable
20% Relative TSR	Directly measures shareholder returns	Grow

BACKGROUND TO OUR REMUNERATION POLICY (THE POLICY) RENEWAL

The Remuneration Policy

Introduction

The Committee has conducted a review of the Policy for senior executives with a view to ensuring it continues to support our strategy, the continuing cyclical nature of our business, as well as evolving market and best practice.

The current Policy comprises a FTSE conventional bonus plus performance-based long-term incentive. The Committee is not proposing any substantial changes to this approach in 2023. Our current Policy, approved in 2020 with a strong favourable vote of 91.47%, has aligned the Executive Directors' ('ED's) pension with that of the wider workforce (their pension contribution is currently 4% of base salary) and includes post-employment shareholding requirements, as well as malus and clawback provisions.

Although Hays faces many structural growth opportunities, our markets are highly cyclical. Hays has built a diversified portfolio designed to try and best mitigate this by:

- Balancing the business between permanent and temporary/contractor candidate placements;
- Having a wide range of business specialisms covering 21 professional and technical sectors; and
- Having a global geographic footprint in 33 countries.

Nevertheless, the Group is subject to the volatility and vagaries of the economic markets which can create sudden changes within the recruitment market and industry. In this environment, where it is extremely difficult to give an accurate, robust, long-term prediction of the economy, the Committee believes it is important that the executives' reward is consistent with the need to be agile in managing the business.

Under the current incentive structure, outcomes are based on the key measures of success. There is a short-term focus on profit via the annual bonus and a long-term focus on cash generation through the Performance Share Plan ('PSP'). With reference to our business and investment strategy, cash generation will take on an even greater importance to fund our expansion to ensure the business outperforms the market, and so that the business maintains an attractive and appropriate returns policy.

Subject to shareholder approval, the Directors' Remuneration Policy (the Policy) as set out below will become formally effective at the Annual General Meeting on 15 November 2023. While the Policy is expected to apply for the period of three years from the date of approval, the Committee will continue to monitor our approach to pay following the 2023 AGM. The Committee would consult with shareholders about any future changes to the Policy that might be required and seek shareholder approval for a new Policy as necessary.

There are no major changes proposed to the Policy approved at the 2020 AGM. However, as part of the renewal process the opportunity has been taken to simplify, clarify and refine detailed terms to reflect market and best practice. The Committee held workshops during 2022 and 2023 to review the evolving business environment, the Group's strategic priorities as outlined to shareholders on the Investor Day in April 2022, market practice and investor guidance. Although the management team were asked to provide views on proposals, safeguards were put in place to ensure conflicts of

interests were suitably mitigated. External perspective was provided by our independent advisers. Further detail on how the Committee assessed the Policy against the principles of clarity, simplicity, risk management, predictability, proportionality and alignment to culture is set out on [page 126](#).

Engagement with shareholders and shareholder feedback

The Committee takes the views of shareholders seriously and these views are taken into account in shaping and reviewing remuneration policy and practice. Shareholder views are considered when evaluating and setting remuneration strategy and the Committee commits to consulting with key shareholders prior to any significant changes to its Remuneration Policy.

We value open and transparent dialogue with our shareholders and, during the consultation process, we have engaged with major investors and the main shareholder advisory bodies regarding both the operation of the 2020 Policy and the renewal in 2023. We were very pleased that many shareholders and advisory bodies responded to us and we very much appreciate the interaction we had, either through direct dialogue or email conversations. During the engagement most respondents were comfortable with maintaining the current structure.

Policy summary

The Committee determines the Policy for the Chairman, Executive Directors and other senior executives for current and future years and this is reviewed on an annual basis. The Policy is designed to support the strategic objectives of the Company and to allow the business to attract, retain and motivate the quality of individuals needed to shape and execute the strategy and deliver shareholder value.

The Policy is designed around the following key principles:

- Ensure a strong link between reward and individual and Company performance to align the interests of senior executives with those of shareholders;
- Provide a balanced package with a focus on variable pay;
- Take into account the associated risks of each aspect of remuneration;
- Encourage a material, personal stake in the business and a long-term focus on sustained growth through long-term shareholding;
- Maintain a competitive package against businesses of a comparable size in the FTSE and comparable peer group businesses in the recruitment sector with reference to the breadth of the role and experience the role holder brings to the Company;
- Encourage the right culture, behaviours and values and "doing the right thing"; and
- Operate a consistent performance, reward and recognition philosophy throughout the business.

The Committee considers that a successful Policy needs to be sufficiently flexible to take account of future changes in the Company's business environment and in remuneration practice.

Remuneration structure (policy table)

Elements of Executive Director remuneration package

Element	Base salary
Objective and Link to the Strategy	Base salary recognises individual contribution, changes in responsibilities and competitive market rates. Provides a base level of remuneration to support recruitment and retention of Directors with the necessary experience and expertise to deliver the Group's strategy. Key element of core fixed remuneration.
Operation	Base salary is normally set annually on 1 July. When determining the base salary of the Executive Directors the Committee takes into consideration: – The levels of base salary for similar positions with comparable status, responsibility and skills in organisations of broadly similar size and complexity; – The comparator groups currently include the FTSE 250, sector peers and UK companies of a similar size and complexity. The Committee keeps the comparator groups under review and may add or remove companies from the group as it considers appropriate. – The performance of the individual Executive Director; – The individual Executive Director's experience and responsibilities; and – Pay and conditions throughout the Company. The Committee has access to pay and conditions of other employees within the Group when determining remuneration for the Executive Directors and also considers the relationship between general changes to pay and conditions within the Group as a whole.
Maximum Potential Value	Whilst there is no prescribed maximum level of salary, increases will normally be set with reference to the market and the average base pay increase for other employees in the UK. Higher levels of increases may be made where there is a significant change to the individual's responsibilities or where there is significant difference to the market, for example in the case of individuals who are recruited, or promoted to the Board who may, on occasion, have their salaries set below the targeted policy level until they become established in their role. In such cases subsequent increases in salary may be higher than the average until the target positioning is achieved. Details of current salary levels are set out in the Annual Remuneration Report.
Performance Conditions and Assessment	N/A

BACKGROUND TO OUR REMUNERATION POLICY (THE POLICY) RENEWAL CONTINUED

Elements of Executive Director remuneration package continued

Element	Annual Bonus
Objective and Link to the Strategy	To align reward to key annual objectives relating to the Group's financial performance and operational strength. The three-year deferral into shares aligns the interests of Executive Directors with those of shareholders and also assists with their retention.
Operation	Normally, 50% of bonus earned will be paid in cash and 50% deferred into shares for three years under the Deferred Annual Bonus plan (the 'DAB'). Malus and Clawback provisions may be applied in case of: – Material misstatement resulting in an adjustment to the audited accounts; – Incorrect assessment of any performance conditions or award calculations due to an error or misleading information; – Fraud; – Gross misconduct; – Severe reputational damage; and – Corporate failure. Malus provisions allow the Committee to reduce or eliminate share awards granted under the DAB. Discretion may also be exercised in cases where the Committee believes that the bonus outcome is not a fair and accurate reflection of business or individual performance, or is inconsistent with the original intentions of the plan. The Committee has discretion to reduce the number of shares vesting if the underlying financial performance of the Company is not satisfactory over the three-year deferral period. Dividends or equivalents may be provided on deferred shares.
Maximum Potential Value	Maximum of 150% of base salary. There is scaled pay-out for performance between threshold and maximum which may vary depending on the nature of the target set. Normally the pay-out for on-target performance would be 50% of maximum. Zero payment for below threshold performance.
Performance Conditions and Assessment	Performance is assessed over the year based on a combination of financial (usually profit and cash) and personal/strategic objectives. The Company operates in a rapidly changing sector and therefore the Committee may change the balance of the measures, or use different measures for subsequent financial years, as appropriate. The majority of the award will normally be assessed against financial measures. Performance targets for the Annual Bonus are not pre-disclosed on an annual basis as they are considered to be commercially sensitive. However, we expect to disclose actual targets, performance achieved and awards made at the end of the performance periods so shareholders can fully assess the basis for any pay-outs under the Annual Bonus. The Company will disclose the nature of the targets and their weightings at the end of each year in the relevant Annual Report on Remuneration. The performance conditions, targets, weightings and their level of satisfaction for the year being reported on, are contained in the Annual Report on Remuneration on pages 129 and 130. The Committee retains discretion to change the performance measures and targets and their respective weightings part way through a performance year if there is a significant and material event which causes the Committee to believe the original measures, weightings and targets are no longer appropriate.

Performance Share Plan ('PSP') award	
Element	
Objective and Link to the Strategy	To incentivise the delivery of sustained long-term performance and align with share price and dividend growth over the long term.
Operation	In accordance with plan rules, PSP awards are granted annually and vesting is dependent on the achievement of performance conditions. Awards are subject to a two-year Holding Period. Malus provisions may be applied during the Performance Period and Clawback provisions may be applied during the Holding Period in case of: – Material misstatement resulting in an adjustment to the audited accounts; – Incorrect assessment of any performance conditions or award calculations due to an error or misleading information; – Fraud; – Gross misconduct; – Severe reputational damage; and – Corporate failure. Reviewed annually to ensure that grant levels, performance criteria and other features remain appropriate to the Company's current circumstances, and to ensure that there are no features of the plan that could inadvertently motivate irresponsible behaviour. Dividends or equivalents may be provided on released shares. Discretion may be exercised in cases where the Committee believes that the vesting outcome is not a fair and accurate reflection of business or individual performance, or is inconsistent with the original intentions of the plan.
Maximum Potential Value	Maximum awards will be 200% of base salary for Executive Directors. Maximum and threshold vesting levels for performance conditions are 100% and 25% respectively.
Performance Conditions and Assessment	Performance period of three financial years. For the 2023 (FY24) award, the performance conditions are based on: – cumulative Earnings Per Share – 30%; – Cash Conversion – 50%; and – Total Shareholder Return relative to a comparator group – 20%. The Company operates in a rapidly changing sector and therefore the Committee may change the balance of the measures, or use different measures for subsequent awards, as appropriate. The Committee will seek to suitably engage with shareholders regarding any material changes to the performance conditions. Details of the performance conditions for grants made in the year will normally be set out in the Annual Report on Remuneration.

Pension allowance	
Element	
Objective and Link to the Strategy	To provide a competitive retirement benefit.
Operation	Company pension contribution or salary supplement in lieu of pension contributions.
Maximum Potential Value	Pension is currently set at the level of the majority of the UK workforce. As outlined in the recruitment section, new Directors will also receive the same percentage of salary as the majority of relevant employees at that time or reflect employee practices in the jurisdiction in which an Executive Director is based. The pension contribution for UK based Executive Directors is currently 4% of salary but may change in the future.
Performance Conditions and Assessment	N/A

BACKGROUND TO OUR REMUNERATION POLICY (THE POLICY) RENEWAL CONTINUED

Elements of Executive Director remuneration package continued

Element	Other benefits
Objective and Link to the Strategy	To provide competitive employment benefits.
Operation	Benefits will generally include: – Car benefit or equivalent; – Private medical insurance; and – Life Assurance. The level and types of benefits provided is reviewed every year to ensure it remains market competitive. Other role-appropriate benefits may be provided if considered reasonable and appropriate (e.g. in relation to relocation).
Maximum Potential Value	The cost of benefits may vary from year to year. There is no maximum benefit value but the Committee aims to ensure that the total value of benefits remains appropriate.
Performance Conditions and Assessment	N/A
Element	Shareholding policy
Objective and Link to the Strategy	To ensure that Executive Directors' interests are aligned with those of shareholders over a longer time horizon.
Operation	The Committee expects the Executive Directors to build and maintain a material shareholding in the Company of at least two-times base salary over the course of their tenure. Only shares which are beneficially owned by the executives or subject to a Holding Period count towards this requirement. The Committee has discretion to increase the shareholding requirement.
Maximum Potential Value	N/A
Performance Conditions and Assessment	N/A
Element	Post-employment Shareholding Guideline
Objective and Link to the Strategy	To ensure Executive Directors' actions and interests continue to be aligned with shareholders over a long time horizon, and after they step down from the Board.
Operation	Shares to the equivalent of 200% of base salary for the first year and 100% of base salary for the second year or actual relevant holding if lower. This guidance applies to shares granted to the Executive Directors under the PSP and DAB in relation to the 2020 Policy and beyond.
Maximum Potential Value	N/A
Performance Conditions and Assessment	N/A

Element	All-employee Schemes
Objective and Link to the Strategy	To encourage wide employee share ownership and thereby align employees' interests with shareholders.
Operation	The Company operates Sharesave Schemes in which the Executive Directors are eligible to participate (which in the UK is HMRC approved and is open to all eligible staff in the UK). The Company retains the discretion to introduce additional all-employee plans, and to make Directors eligible for these as appropriate.
Maximum Potential Value	UK scheme in line with HMRC limits as amended from time to time. Overseas schemes broadly in line with UK values, or subject to limits based on local legislation.
Performance Conditions and Assessment	There are no performance conditions, in line with HMRC requirements, other than the inherent share price growth required to receive a benefit.
Element	Non-Executive Director fees
Objective and Link to the Strategy	Competitive fees for Chairman and Non-Executive Directors with the necessary skills and experience to advise and assist with establishing and monitoring the Group's strategic objectives.
Operation	The remuneration of the Non-Executive Directors is determined annually. The responsibility of the role and international nature of the Group are fully considered when setting the fee levels, along with external benchmarking market data on the chairing of, and participation in, Board committees. The comparator groups used are normally consistent with those used for the Executive Directors. The Non-Executive Directors' fees are non-pensionable and Non-Executive Directors are not eligible to participate in any incentive plans.
Maximum Potential Value	The fees will be within the Articles of Association limits. Additional fees are paid for additional responsibilities or time commitment such as chairing a committee and the Senior Independent Director role. Role appropriate benefits may be provided in certain circumstances. The Chair and non-executive directors will be reimbursed by the Company for all reasonable expenses incurred in performing their duties. This may include costs associated with travel where required and any tax liabilities payable.
Performance Conditions and Assessment	N/A

Notes to the policy table:

The Committee believes that incentive metrics should be simple and aligned with the delivery of the annual business plan and with long-term sustainable growth. In prior years, the three main measures used have been EPS, Cash Conversion and Relative TSR, with a clear focus on annual profit growth in the Annual Bonus Plan and main emphasis on long-term cash generation in the PSP.

- (1) EPS is a key performance measure aligned with shareholder interests.
- (2) Cash focus promotes sustained free cash flow and is a key indicator of ongoing operational cash efficiency.
- (3) The Annual Bonus includes an element of Personal Objectives linked to the delivery of key projects designed to enhance the Group's operational strength and competitiveness in line with future strategy. Appropriate ESG targets may be included.
- (4) Relative TSR is a measure favoured by a number of shareholders and provides for reward for outperformance of a number of sector comparators. The peer group has been chosen to reflect most closely the mix of the Company's business.

The Committee may adjust or amend any share based awards only in accordance with the relevant plan rules. In particular, awards under any of the Company's share plans referred to in this report may:

- (a) Be granted as conditional share awards or nil-cost options or in such other form that the Committee determines has the same economic effect;
- (b) Have any performance condition applicable to them amended by the Committee if the Committee determines that it has ceased to be a fair measure of performance provided that the amended condition is not, in the Committee's reasonable opinion, materially less difficult to satisfy;
- (c) Incorporate the right to receive an amount (in cash or additional shares) equal to the value of dividends which would have been paid on the shares under an award that vests until the award is satisfied. This amount may be calculated assuming that the dividends have been reinvested in the Company's shares on a cumulative basis;
- (d) Be settled in cash at the Committee's discretion; and
- (e) Be adjusted in the event of any variation of the Company's share capital or any demerger, capital distribution or other event that may materially impact the Company's share price.
- (f) **Malus and Clawback**: Severe reputational damage is where a participant is found to have contributed to circumstances which give rise to a sufficiently negative impact on the reputation of the Company (or would have if such circumstances had been made public), and for the avoidance of doubt, circumstances need not relate to a financial year in which the relevant individual was a participant in the Plan.
Corporate failure is defined as when the Company enters an involuntary administration or insolvency process or the Grantor or an administrator (as applicable) determines that there has been a 'corporate failure' in respect of the Company (which for these purposes shall include a significant reduction or cessation of the Company's ability to continue normal operations).

BACKGROUND TO OUR REMUNERATION POLICY (THE POLICY) RENEWAL CONTINUED

Service contracts

The Committee's policy for setting notice periods is that a maximum 12-month period will apply for Executive Directors. The Committee may, in exceptional circumstances arising on recruitment, allow a longer period, which would in any event reduce to 12 months following the first year of employment.

In the event of early termination of a Director's service contract, the Company would be required to pay compensation reflecting the salary, pension allowance and benefits to which the Director would have become entitled under the contract during the notice period. Alternatively, the Company may, at its discretion, pay a predetermined sum in lieu of notice. In the event of early termination, the Committee will give careful consideration to what compensation should be paid, taking into account the circumstances and the responsibility of the individual to mitigate loss.

The contract of Alistair Cox was agreed prior to 27 June 2012 and includes, in his sum in lieu of notice, an amount equal to his on-target bonus pro-rated for time. All future contracts will contain a 'PILON' clause based purely on salary, pension allowance and benefits with payments staged over the notice period and an obligation to mitigate loss.

	Current contract start date	Unexpired term	Notice period from Company	Notice period from executive
Alistair Cox	September 2007	Indefinite	One year	One year
Paul Venables	May 2006	Retired 30 September 2022	One year	Six months
James Hilton	October 2022	Indefinite	One year	One year

The Non-Executive Directors do not have service contracts with the Company, but are appointed to the Board under letters of appointment for an initial three-year period. They have agreed to annual retirement and reappointment by shareholders at the Company's Annual General Meeting and, with the exception of the Chairman, appointments can be terminated immediately by the Company. Contracts are available for inspection at the Registered Office.

Non-Executive Director	Date appointed to the Board	Date of current letter of appointment	Notice period
Andrew Martin	12 July 2017	28 August 2018	Three months
Peter Williams	24 February 2015	24 February 2015	None
Susan Murray	12 July 2017	12 July 2017	None
MT Rainey	14 December 2015	14 December 2015	None
Cheryl Millington	17 June 2019	17 June 2019	None
Zarin Patel	1 January 2023	29 September 2022	None

Payments to departing directors

The Committee will honour Executive Directors' contractual entitlements. Service contracts do not contain liquidated damages clauses. If a contract is to be terminated, the Committee will determine such mitigation as it considers fair and reasonable in each case. There are no contractual arrangements that would guarantee a pension with limited or no abatement on severance or early retirement. There is no agreement between the Company and its Directors providing for compensation for loss of office or employment that occurs because of a takeover bid. The Committee reserves the right to make any other payments in connection with a Director's cessation of office or employment where such payments are made in good faith in discharge of an existing legal obligation (or by way of damages for breach of such an obligation); or by way of settlement or compromise of any claim arising in connection with the termination of an Executive Director's office or employment or for any fees or outplacement assistance and/or the Director's legal and/or professional advice fees in connection with his cessation of office or employment.

When determining any payment for a departing individual the Committee will always seek to minimise cost to the Company while seeking to address the circumstances at the time.

The table below shows the approach the Committee will apply in respect of base salary, benefits and pension in respect of departing directors.

Component	Approach	Application of Remuneration Committee Discretion
Base salary, benefits and pension	In the event of termination by the Company, there will be no compensation for departure due to misconduct. In other circumstances, Executive Directors may be entitled to receive payment in lieu of notice. Payment in lieu of notice will be equivalent to the salary payments, benefit value and pension contributions that they would have received if still employed by the Company for a maximum of 12 months.	N/A
Other contractual obligations	There are no other contractual provisions other than those set out above agreed prior to 27 June 2012.	N/A

The rules of the Performance Share Plan ('PSP') and the Deferred Annual Bonus ('DAB') set out the treatment of specific categories of leavers as set out in the table below. In other cases where an executive leaves employment during the DAB period or during the PSP Performance Period, the Committee will consider the specific details of each case before determining whether to award Good Leaver status or allow awards to lapse. The Committee will provide a full explanation to shareholders when it is determined that an Executive Director is a Good Leaver. The Committee is unequivocally against rewards for failure.

Category	Cash Annual Bonus	DAB (Deferred Bonus Shares)	PSP
Good Leaver/Injury/Ill-health/Disability	Bonus paid at normal time, subject to performance with pro-rating for time. The Committee will determine whether share deferral applies in the year of departure.	Awards vest in full at normal vesting date.	To the extent that performance conditions are met, awards are pro-rated for service during the Performance Period and normally released at the end of the Holding Period.
Death, or sale of employing entity out of the Group	Bonus paid immediately based on estimated performance with pro-rating for time.	Awards vest in full on cessation of employment.	To the extent that performance conditions are met, awards are pro-rated for service during the performance period but released early.
Change of control	Bonus payment subject to pro-rating for time and performance.	Immediate vesting of awards in full in accordance with plan rules.	In accordance with the plan rules, where no replacement award, there will be early vesting of awards pro-rated for service during the performance period and performance.

Notes:

- (1) It should be noted that shares vesting under the DAB rules are shares related to previously earned bonus and therefore the performance conditions for the relevant Annual Bonus had to be met before the shares were awarded.
- (2) Under the DAB rules the Committee has the discretion to allow the award to vest early in 'exceptional circumstances' following cessation of employment as a Good Leaver. It is anticipated that this would only apply in the case of death in service.
- (3) The Committee has discretion under the rules of the PSP to bring forward the date of vesting for a Good Leaver to the date of the cessation of employment subject to the award being pro-rated for time during the Performance Period and to the extent that performance is met. It is not the current intention of the Committee to use this discretion.
- (4) Any shares in the two-year PSP Holding Period remain in place and would be released at the normal time (other than in the case of Gross Misconduct) and would be subject to any Clawback provisions prior to release. Clawback provisions would continue to apply after release until the end of the normal Holding Period time frame.
- (5) In the event that the Committee determines Good Leaver status to be applicable, it may impose certain conditions for an executive receiving shares under DAB or PSP on cessation of employment.
- (6) Executives would be treated in accordance with the scheme rules in respect of the HMRC approved Hays Sharesave.

The Chairman and Non-Executive Directors do not have service contracts but instead have letters of appointment. On termination, they are only entitled to accrued fees to the date of termination.

BACKGROUND TO OUR REMUNERATION POLICY (THE POLICY) RENEWAL CONTINUED

Setting payments for new appointments

The Company's principle is that the remuneration of any new recruit will be assessed in line with the same principles for the Executive Directors, as set out in the Remuneration Policy table above. The Committee's approach to recruitment remuneration is to pay no more than is necessary to attract candidates of the appropriate calibre and experience needed for the role from the international market in which the Company competes.

The table below summarises the Company's key policies with respect to recruitment remuneration for Executive Directors:

Component	Policy
Base salary and benefits	The salary level will be set taking into account a number of factors including market practice, the individual's experience and responsibilities and other pay structures within the Company and will be consistent with the salary policy for Executive Directors. The Executive Director shall be eligible to receive benefits in line with the Company's benefits policy as set out in the Remuneration Policy table.
Pension	A pension allowance equivalent to that of the majority of UK employees at the time (or employees in another relevant jurisdiction based on the nature of the role). Currently this is 4% of base salary in the UK. The Company may choose to give part or all as a cash allowance rather than pay into a Group pension fund. Normal payroll deductions (for example income tax and National Insurance/social security) will be deducted from the gross cash allowance.
Annual Bonus (and Deferred Bonus)	An executive director will be eligible to participate in the Annual Bonus arrangements as set out in the Remuneration Policy table. For the first year only, the Committee retains the discretion to set performance conditions in the context of the business priorities on joining and the time frame available to year-end. Awards may be granted up to the maximum opportunity allowable in the Remuneration Policy table at the Committee's discretion.
Performance Share Plan (PSP)	An Executive Director will be eligible to participate in the PSP as set out in the Remuneration Policy table. Awards may be granted up to the maximum opportunity allowable under plan rules at the Committee's discretion.
Share buy-outs/ replacement awards	The Committee's policy is not to provide buy-outs as a matter of course. However, should the Committee determine that the individual circumstances of recruitment justified the provision of a buy-out, the value of any remuneration terms that will be forfeited on joining the Company will be calculated taking into account the following: – The timeline of any award; – The performance conditions attached to the vesting of these incentives and the likelihood of them being satisfied; and – Any other terms and conditions having a material effect on their value (lapsed value). The Committee may then grant up to the equivalent value as the lapsed value, where possible, under the Company's incentive plans. To the extent that it was not possible or practical to provide the buy-out within the terms of the Company's existing incentive plans, a bespoke arrangement would be used.
Relocation policies	In instances where the new Executive Director is expected to relocate, the Company may provide one-off/ongoing payment(s) as part of the relocation benefits compensation. The level of relocation package will be assessed on a case by case basis but will take into consideration any differences in the cost of living/housing/schooling.

Where an existing employee is promoted to the Board, the policy set out above would apply from the date of promotion but there would be no retrospective application of the policy in relation to subsisting incentive awards or remuneration arrangements. Accordingly, prevailing elements of the remuneration package for an existing employee would be honoured and form part of the ongoing remuneration of the person concerned. These would be disclosed to shareholders in the Annual Report on Remuneration for the relevant financial year.

The annual fees payable to newly appointed Non-Executive Directors will be in line with the fees payable to existing Non-Executive Directors.

Remuneration scenario graph for executive directors

The graphs below illustrate the remuneration that would be paid to each of the Executive Directors, based on salaries at the start of financial year 2024 under four different performance scenarios: (i) Minimum; (ii) Mid (on-target); (iii) Maximum; and (iv) Maximum + share price growth. The elements of remuneration have been categorised into three components: (i) Fixed; (ii) Annual Bonus; and (iii) PSP.

Each element of remuneration is defined in the table below:

Description

Total amount of salary and pension in respect of the FY24 financial year and annualised benefits as disclosed under the FY23 Single Figure.

Bonus of up to 150% of salary.

PSP of up to 200% of salary.

As PSP awards are granted as shares, the value of the award can vary significantly, depending on the extent to which the performance criteria are achieved and the movement of the share price over the relevant Performance Period and Holding Period. The above chart shows the effect on the maximum value if the share price increased by 50%. This would make a difference of £822k for Alistair Cox and £420k for James Hilton. Conversely, if the share price dropped by 50%, their maximum remuneration would reduce by these amounts.

Assumptions used in determining the level of pay-out under given scenarios are as follows:

- Minimum performance scenario assumes fixed pay only and no variable payments under the Annual Bonus and PSP;
- Mid (on-target) performance scenario assumes payment of Annual Bonus and PSP at 50% of the maximum;
- Maximum performance scenario assumes outstanding level of performance, resulting in 200% base salary pay-out in respect of the PSP and 150% base salary pay-out in respect of the Annual Bonus.

Statement of conditions elsewhere in the Group

Each year, prior to reviewing the remuneration of the Executive Directors and the members of the Executive Board, the Committee considers a report prepared by the Group Head of Reward detailing remuneration practice across the Group. The report provides a regional overview of how employee pay compares to the market, any material changes during the year and includes detailed analysis of basic pay and variable pay changes within the UK where all of the Executive Directors and most of the Executive Board are based. While the Company does not directly consult with employees as part of the process of reviewing executive pay and formulating the remuneration policy set out in this report, the Company does receive an update and feedback from the broader employee population on an annual basis using an engagement survey which includes a number of questions relating to remuneration.

BACKGROUND TO OUR REMUNERATION POLICY (THE POLICY) RENEWAL CONTINUED

Our Policy aligns with Provision 40 of the UK Corporate Governance Code 2018

Clarity	Simplicity	Alignment to culture
In formulating the Policy, we actively engaged with all our shareholders who held 1% of our shares or above. This represented approximately 70% of total shareholdings. In addition, we sought views and shared proposals with the major voting agencies. Our Global Principles of Remuneration that explain how executive remuneration aligns to that of the wider workforce is available on our intranet for all employees.	We aim to clearly and transparently disclose our remuneration structure within the Remuneration Policy and Remuneration Report and clearly explain how it aligns to our strategic goals. Our incentive plans are based on our key performance metrics which in turn fully align to our strategy.	Our Global Principles of Remuneration demonstrate how our remuneration links to our Purpose and Values and are available to all employees. We operate a high-performance model, with a high proportion of remuneration based on variable pay. The key metrics used within the Annual Bonus and Performance Share Plan align to our strategy.
Predictability	Proportionality	Risk
The scenario graphs demonstrate the range of potential outcomes under the Policy. They show how differing performance impacts the level of reward, including the effect of a change in the Company's share price.	As stated above, a high proportion of remuneration is based on variable incentives. Our PSP has a five-year life-span with a two-year Holding Period following a three-year Performance Period. Our Executive Directors are required to hold shares equivalent to 200% of salary while in office and have a post-employment shareholding requirement in order that they continue to align with shareholders.	The Committee retains discretion to adjust the outcome of the formulaic results if they feel these do not adequately reflect the underlying performance of the Company. Malus and Clawback apply to both the Annual Bonus and PSP.

Discretion

The Committee has discretion in several areas of policy as set out in this Report. The Committee may also exercise operational and administrative discretions under relevant plan rules. In addition, the Committee has the discretion to amend the Policy with regard to minor or administrative matters (for example, regulatory, exchange control, tax or to reflect changes in legislation) where it would be, in the opinion of the Committee, disproportionate to seek or await shareholder approval.

Prior commitments

The Committee reserves the right to make any remuneration payments and/or payments for loss of office (including the exercise of any discretions available to it in connection with such payments) notwithstanding that they are not in line with the Policy where the terms of the payment were (i) agreed before 12 November 2014 (when the Company's first shareholder-approved Directors' Remuneration Policy came into effect); (ii) before the Policy came into effect, provided that the terms of the payment were consistent with the shareholder-approved Directors' Remuneration Policy in force at the time they were agreed; and (iii) at a time when the individual to whom the payment is made was not a Director of the Company and, in the opinion of the Committee, the payment was not in consideration for the individual becoming a Director of the Company. For these purposes, 'payments' include the Committee satisfying awards of variable remuneration and, in relation to an award over shares, the terms of the payment are agreed at the time the award is granted.

Differences in policy from the wider employee population

The Group aims to provide a remuneration package for all employees that is market competitive and consistent. Employees receive base salary and benefits and may receive bonus, pension and share awards with levels varying depending on the individual's location, seniority and responsibilities. Salary increases for Executive Directors are generally in line with those for UK-based employees.

ANNUAL REPORT ON REMUNERATION

Section 1 – Total reward for FY23

In this section:

1.1 FY23 Single Figure for Executive Directors

1.1.1 Salary

1.1.2 Benefits

1.1.3 Pension

1.1.4 Other benefits

1.1.5 Annual Bonus

1.1.6 PSP

1.2 FY23 fees for Non-Executive Directors ('NED's')

Section 1 – Total Reward for FY23

1.1 FY23 Single Figure for Executive Directors

The Single Figure of Remuneration and the subsequent details of the figures reflect the facts that:

- Paul Venables retired from the business on 30 September 2022. His remuneration therefore is from 1 July 2022 to 30 September 2022; and
- James Hilton was appointed as Group Finance Director (GFD) from 1 October 2022. His remuneration therefore is from 1 October 2022 to 30 June 2023.

Single Figure of Remuneration (audited)

The following table shows the total Single Figure of Remuneration for each Executive Director in respect of qualifying services for FY23.

Comparative figures for FY22 have also been provided. Details of NED fees are set out in Section 1.2 on page 132.

£000s Executive Director	Salary Note 1	Benefits Note 2	Pension Note 3	Other Note 4	Total Fixed Pay	Annual Bonus Note 5	PSP Note 6 and (a)	Total Variable Pay ^(b)	Total Remuneration
FY23									
Alistair Cox Chief Executive	822	44	99	0	965	643	877	1,520	2,485
Paul Venables Group Finance Director up to 30 September 2022	141	11	28	0	180	0	474	474	654
James Hilton Group Finance Director from 1 October 2022	315	11	13	0	339	251	0	251	590
FY22									
Alistair Cox	783	41	157	0	981	1,040	527	1,567	2,548
Paul Venables	565	40	113	0	718	759	380	1,139	1,857

(a) The value of the 2020 (FY21) PSP (vesting in November 2023) is based on a share price of £1.0991 which was calculated using an average for the final quarter of the financial year in accordance with the Regulations as the vesting will occur after the date of this Report. The share price on award was £1.345 being the closing price on the day preceding the grant date. The value will be restated in the FY24 report when vesting share price is known. The award vested at 80% of the maximum. More information is shown on page 131.

The PSP figures for the award that was granted in 2019 (FY20) and vested in 2022 now reflect the actual vesting price on 12 September 2022 of £1.2330. No shares were released but moved into their Holding Period.

(b) For the CEO, FY22 benefits have been restated from £34k to £41k to provide consistency with FY23 reporting and provision of car benefit.

Paul Venables PSP has been pro-rated in line with service during the Performance Period.

Components of the Single Figure and how the calculations are worked out

The following tables and commentary explain how the Single Figure has been derived.

1.1.1 Salary – note 1 (audited)

What has happened

As disclosed in last year's Report, the salary for Alistair Cox was increased by 5.0% with effect from 1 July 2022 for FY23. The increase was the same as the wider budget set for relevant UK employees. There was no increase for Paul Venables who retired from the business on 30 September 2022. James Hilton was appointed as GFD on 1 October 2022. His base salary on appointment was £420,000 pa.

Executive Director	Annual Salary for FY23	Increase over FY22	Annual Salary for FY22
Alistair Cox	£822,274	5.0%	£783,118
Paul Venables	£564,627	0.0%	£564,627
James Hilton	£420,000	n/a	n/a

The salary levels for Paul Venables and James Hilton shown in the Single Figure of Remuneration table in 1.1 above are the pro-rated amounts for their service in FY23.

ANNUAL REPORT ON REMUNERATION CONTINUED

1.1.2 Benefits – note 2 (audited)

What has happened

There were no changes in FY23.

£000s Executive Director	Private Medical Insurance (PMI) ⁽¹⁾	Life Assurance ⁽¹⁾	Income Protection ⁽¹⁾	Car/ Car Allowance ⁽²⁾	Other	Total
FY23						
Alistair Cox	3	18	15	8	0	44
Paul Venables	1	1	4	5	0	11
James Hilton	3	1	0	7	0	11
FY22						
Alistair Cox	3	14	16	8	0	41
Paul Venables	2	5	15	18	0	40

(1) PMI, Life Assurance and Income Protection figures represent the annual premiums. James Hilton does not receive Income Protection. Paul Venables' benefits have been pro-rated in line with service.

(2) Alistair Cox and James Hilton have an electric car and receive a cash allowance to cover the residual value of their benefit. The figures shown are the benefit-in-kind value of the car plus the annual residual car allowance. Paul Venables did not have a car but had a car allowance which is pro-rated for the period 1 July 2022 to 30 September 2022.

1.1.3 Pension – note 3 (audited)

What has happened

The Remuneration Committee reviewed the approach on retirement benefits as part of the Policy renewal approved at the November 2020 AGM. As a result, pension reduced from 30% of base salary in FY20 to 20% of base salary for FY21 and FY22. It moved to the level of the majority of Hays' UK employees which is 4% on 1 January 2023. James Hilton's pension was 4% of salary from the date he became Group Finance Director on 1 October 2022.

£000s Executive Director	Pension
FY23	
Alistair Cox	99
Paul Venables	28
James Hilton	13
FY22	
Alistair Cox	157
Paul Venables	113

1.1.4 Other benefits – note 4 (audited)

£000s Executive Director	Other
FY23	
Alistair Cox	0
Paul Venables	0
James Hilton	0
FY22	
Alistair Cox	0
Paul Venables	0

Notes:

Paul and James participated in the 2019 Sharesave plan which matured in May 2022. At that time the share price was below the option price. They had six months until end of October 2022 to exercise. The options lapsed. There was therefore no gain. Other Sharesave plans have not yet reached maturity and therefore there are no gains.

1.1.5 Annual Bonus – note 5 (audited)

What has happened

The figure shown is the total bonus awarded in relation to the performance in the year, including the portion that is deferred.

The maximum opportunity under the Policy is 150% of salary.

For bonus awarded in relation to FY23 performance, 50% of the figure shown is deferred into shares for three years.

There are no further performance conditions but leaver terms apply.

The cash element of the bonus award is subject to Clawback for three years from award. The deferred element is subject to Malus for the three-year Holding Period.

Paul Venables was not entitled to a bonus for FY23.

The bonus amount shown for James Hilton is pro-rated for the period 1 October 2022 to 30 June 2023.

Calculation of actual results (audited)

Annual Bonus FY23 outcome				Alistair Cox		James Hilton	
Performance condition	Weighting	Threshold performance required (0% of element vests)	Maximum performance required (100% of element vests)	Actual performance	Achievement % of maximum	Bonus value £000s	Bonus value £000s
EPS*	60%	7.66p	10.89p	8.53p	26.93%	199	76
Cash	20%	63.5%	101.0%	101.2%	100.00%	247	95
Conversion							
Personal CEO	20%	–	100%	80%	80.00%	197	–
Personal GFD	20%	–	100%	85%	–	–	85.00%
Total FY23	100%			These totals are in the FY23	52.14%	643	53.14%
				Single Figure			
* Both the target and actual performance were based on budget exchange rates. Therefore actual performance varies from reported performance due to movements in exchange rates during the year.				Of which cash – 50%	321	Of which cash – 50%	125
				Of which deferred – 50%	322	Of which deferred – 50%	126

Use of discretion

The Committee has carefully reviewed the actual results and considered the underlying performance of the Company, as well as the effect of market and economic circumstances. The Committee has also considered any impact on the Company's key stakeholders and the input of the executives in achieving the final outcomes. After careful reflection, the Committee feels that the formulaic outcome of the FY23 bonus is fair and justified and has exercised no discretion.

ANNUAL REPORT ON REMUNERATION CONTINUED

Personal objectives

Personal objectives are weighted at 20% of the Executive Directors' Annual Bonus potential (a maximum of 30% of base salary). They comprise specific issues that should be achieved during the financial year to safeguard the business and contribute to, or form, the essential building blocks of our future long-term strategic priorities. As a result, some details of the executives' objectives cannot be fully disclosed due to their commercial sensitivity. However, the key major themes of the objectives and the executives' broad achievements are summarised below.

CEO – Alistair Cox

Broad themes	Summary of progress	Score
Improve diversity across the regions, especially within the 'Top 680' senior employees.	There has been encouraging progress across the organisation to drive actions that will help gender diversity. Our female leadership within the Top 680 roles has increased from 42.4% in FY22 to 44.3% in FY23 and we are on track to meet our target of 50% by 2030.	4.0 / 5.0
To focus on succession planning especially at executive board level and ensure a comprehensive plan to identify development needs and a clear view of potential internal successors.	Succession planning sessions were held and plans developed for key roles. In particular, the evaluation of internal potential CEO successors continued throughout the year with action plans agreed as appropriate. This ultimately fed into the actual CEO succession process which started in February 2023.	4.0 / 5.0
Continue to deliver on the Strategic Growth Initiative programme including the growth of the Technology business, ensuring the effective implementation of the Enterprise Solutions business aimed at delivering fee growth in the large client segment, and implementing the appropriate governance framework, including Board reporting.	Progress has been made in all areas. Record Technology fees of £333 million have been achieved, up 6% from FY22. We grew direct and indirect fees in Enterprise clients by 10% as we partnered with more large organisations and grew our share of their recruitment spend. This has put us on track to deliver against FY27 aspirations to build a £400 million business in Outsourced Solutions.	4.0 / 5.0
Build on more granular financial and non-financial reporting metrics including strategic initiatives, diversity data and the environmental impact of the business.	Monthly management reporting to the Board has been enhanced to include a greater focus on non-financial reporting and granular business performance.	4.0 / 5.0
Total		16 / 20 = 80%

GFD – James Hilton

Broad themes	Summary of progress	Score
Embed a new senior finance team structure and ensure development plans and succession planning.	Five senior finance appointments successfully transitioned into new roles, with succession plans in place across all finance teams and senior roles.	4.5 / 5.0
Delivery of back-office efficiency projects on budget to realise cost saving targets. Review of finance and HR system landscape and target operating model.	Back office efficiency project delivery of £4.5 million pa annualised cost savings. Feasibility assessment completed on HR and finance systems project.	4.0 / 5.0
Embed TCFD and climate change reporting processes. Review of internal control and governance procedures in respect of the BEIS consultation and implement framework for Group Audit and Assurance Policy.	TCFD and new climate reporting framework established and embedded, with substantial progress made towards the financial, operational and compliance control framework required by BEIS.	4.0 / 5.0
Ongoing strong Group-wide management of productivity, headcount and operating cost control. Continued strong cash and debt management.	Significant focus on consultant productivity and overhead costs. From October 2022 onwards drove improved productivity and conversion rate in second half and reduction in Group cost base. Excellent 101% cash conversion and maintained record low DSOs at 33 days.	4.5 / 5.0
Total		17 / 20 = 85%

1.1.6 PSP – note 6

PSP 2020 (granted in FY21) vesting in 2023 (audited)

The 2020 PSP targets were set at the height of the COVID-19 pandemic, which made long-term target setting particularly challenging. At the time that the targets were set, there was considerable uncertainty and volatility in the market. There was also limited visibility regarding long-term prospects, or the pace and trajectory for any economic recovery.

In this context, the Committee set performance targets for the award which were considered to be challenging, taking into account both internal and external forecasts from the time when targets were set. The Committee opted to maintain the cash conversion and TSR targets from prior years, however the EPS targets were materially lower than targets set in prior years, reflecting forecasts at the time. In addition, although the Policy approved in 2020 allowed for a PSP grant of up to 200% of salary, it was agreed that the 2020 grant would be capped at 150% of salary to reflect the business and economic conditions and impact on key stakeholders arising from the COVID-19 pandemic.

When considering the final vesting outcome, the Committee noted the following:

- Although actual trading conditions over the three-year performance period have arguably been more favourable than forecast in late 2020, the geopolitical and macroeconomic backdrop has arguably become more complex.
- While there has been very significant outperformance of the EPS range, the outcomes far exceed any reasonable forecast from late 2020. Even if the maximum hurdle had been set at a much more aggressive level in 2020 (e.g. 2x the actual max set), the vesting outcome for this element would still have been 100%.
- For the cash conversion element, the outcome is particularly strong given the material working capital outflow which was required as the market moved from contraction to growth.
- Although the TSR element lapsed based on the methodology for the award, performance was only very marginally below threshold. Hays delivered TSR performance of 34% versus a median of 35% for peer companies. Hays was actually positioned 5th out of 9 companies, which was the middle of the sector group.
- Strong investment and progress in Strategic Growth Initiatives over the performance period.
- The Group has delivered dividend distributions to shareholders of £419.7 million over the three-year Performance Period of the PSP. Including shares purchased and cancelled under the Group's share buyback programme of £93.2 million, the total distribution to shareholders increased to £512.9 million. This includes a full return of the capital that was raised as part of the rights issue in April 2020.

As the award was capped at 150% of the salary, the actual vesting of 80% is equivalent to 60% of the policy maximum.

Taking into account all of the above, the Committee concluded that the outcome represents a fair reflection of performance over the period.

Awards will be subject to a two-year holding period which will ensure that participants remain aligned with longer-term shareholder experience. The award is also subject to malus and clawback provisions.

The share price used to calculate the award was £1.345, being the closing price on the day preceding the grant date.

Performance period	1 July 2020 to 30 June 2023
Grant date	20 November 2020
Vest date	20 November 2023 followed by two-year Holding Period

Performance condition	Weighting	Threshold performance required (25% of element vests)	Maximum performance required (100% of element vests)	Actual performance	PSP value achieved as % of maximum
Relative TSR ⁽¹⁾	20%	Median of the comparator group	Upper quartile of the comparator group	Below Median	0%
EPS ⁽²⁾	30%	4.54p	7.34p	21.48p	100%
Cash Conversion	50%	71%	101%	102.15%	100%
Total	100%				80%

- (1) TSR is measured against a bespoke comparator group, with vesting subject to satisfactory financial performance as determined by the Committee. The comparator group for the FY21 award is: Adecco SA, Kelly Services Inc, Manpower Inc, Page Group, Randstad Holdings nv, Robert Half International Inc, Robert Walters plc and SThree plc.
- (2) The Committee took the following into account when setting the EPS targets:
 - EBIT Budget (the setting of which is a robust and transparent process):
 - Company EBIT Budget for FY21 and the expectations of EBIT performance for years two and three;
 - Threshold and maximum growth expectations for years one, two and three have been set around a fixed range each year.
 - In addition, due to the volatility of the composition of Group profitability by Geography across the Group, a fixed tax rate has been applied each year when converting from EBIT to EPS.
 - Strategic direction of the business over the period covered by the PSP award;
 - Market conditions and visibility of future trading; and
 - Analysts' forecasts.

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Executive Director	% of FY21 salary awarded	Face value at award £000s	Share price at award £	Maximum number of shares excluding dividends	Maximum number of shares including dividend equivalent shares	Number of shares that vested including dividend equivalent shares	Vest date	Release date	Value (figure shown in Single Figure of Remuneration) £000s ⁽¹⁾	2019 (FY20) award that vested in 2022 as stated in the FY22 Single Figure £000s	2019 (FY20) award value restated using share price at vest date £000s ⁽²⁾
Alistair Cox	150	1,152	1.345	856,241	996,875	797,499	20 November 2023	20 November 2025	877	509	527
Paul Venables ⁽³⁾	150	830	1.345	452,358	539,547	431,637	20 November 2023	20 November 2025	474	367	380

(1) The value of the 2020 (FY21) PSP is based on a share price of £1.0991 which was calculated using an average for the final quarter of the 2023 financial year in accordance with the Regulations as the vesting will occur after the date of this report.

(2) The value of the 2019 (FY20) PSP disclosed in the 2022 Single Figure was based on a share price of £1.1909 which was calculated using an average for the final quarter of the 2022 financial year in accordance with the Regulations as the vesting occurred after the date of the Report. The share price on award was £1.518. The actual share price on the date of vesting was £1.2330. The date of vesting was 12 September 2022. This price has been used to restate the value of the 2019 (FY20) PSP awards in the Single Figure for 2022 in the table above and the Single Figure table on [page 127](#). Please note that no shares were released on this date. The shares that vested were placed into their two-year Holding Period.

(3) The number of shares for Paul Venables has been pro-rated in line with his service during the Performance Period.

James Hilton did not participate in this PSP award.

Performance conditions

The Committee believes that the performance conditions for all incentives:

- Are suitably demanding;
- Have regard to business strategy;
- Incorporate an understanding of business risk;
- Consider shareholder expectations; and
- Take into account, to the extent possible, the cyclicity of the recruitment markets in which the Group operates.

To the extent that any performance condition is not met, the relevant part of the award will lapse. There is no re-testing of performance.

1.2 Non-Executive Directors' FY23 fees (audited)

The table below shows the current fee structure and actual fees paid in FY23.

£000s Non-Executive Director	Andrew Martin Chair	Peter Williams SID, R, N, A	Susan Murray R, N, A	MT Rainey R, N, A, WE	Cheryl Millington R, N, A	Joe Hurd ⁽¹⁾ R, N, A	Zarin Patel ⁽²⁾ R, N, A
Total fee FY23	240	86	75	75	62	62	31
Taxable expenses FY23	–	–	–	–	–	2	–
Total FY23	240	86	75	75	62	64	31
Total fee FY22	229	83	72	72	59	31	–
Taxable expenses FY22	–	–	–	–	–	2	–
Total FY22	229	83	72	72	59	33	–

(1) Joe Hurd – The total amount includes expenses incurred in execution of duties which are taxable for reporting purposes.

(2) Zarin Patel joined the Board on 1 January 2023. Her fee represents the period 1 January 2023 to 30 June 2023.

Key – positions held during FY23

R Remuneration Committee member

A Audit Committee member

N Nomination Committee member

SID Senior Independent Director

R N A Chair of relevant Committee

WE Chair of Workforce Engagement

Section 2 – Long-term value creation

In this section:

2.1 Outstanding Deferred Annual Bonus

2.2 Share Options

2.3 Outstanding PSP awards

2.4 Statement of Directors' shareholdings and share interests

2.5 TSR chart and table

2.6 Payments to past Directors/payment for loss of office during FY23

2.1 Outstanding Deferred Annual Bonus awards ('DAB') (audited)

The table below shows the shares held under the DAB and those that were awarded or vested during FY23. The shares that vested related to deferred Annual Bonus from previous years. Dividend equivalent shares which accrue under the DAB have been included in the table below.

There are no further performance conditions.

Executive Director	Awards outstanding at 1 July 2022 ⁽¹⁾	Dividend equivalents accrued to date	Awards granted in FY23	Grant price (market price at date of award)	Face value of award granted in FY23 (at grant price)	Dividend equivalents accrued to date	Awards vesting in FY23	Awards outstanding as at 30 June 2023
Alistair Cox	530,992	80,126	456,680	£1.139	£520,159	39,321	213,633	893,486
James Hilton	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Paul Venables	382,845	57,768	332,984	£1.139	£379,269	28,671	154,029	648,239

(1) The opening balance shows number of shares at award and not any accrued cumulative dividend equivalents.

Note: As per the Policy, 50% of any bonus award is deferred into shares. The shares granted in FY23 relate to the deferred annual bonus for FY22.

2.2 Share options (audited)

The executive directors participated in the UK Sharesave Scheme (approved by HMRC) on the same terms as other eligible employees.

The following table shows outstanding options over Ordinary shares held by the Executive Directors during the year ended 30 June 2023.

Executive Director	Scheme date of grant	Balance 1 July 2022	Granted during 2023	Exercised	Lapsed/ Cancelled	Balance 30 June 2023	Option price £	Exercise date	Market price on date of exercise £	Gain £000s	Date from which exercisable	Expiry date
Alistair Cox	1 April 2021	6,293	–	–	–	6,293	1.43	–	–	–	1 May 2024	31 October 2024
James Hilton	28 March 2019 ⁽¹⁾	6,666	–	–	6,666	0	1.35	–	–	–	1 May 2022	31 October 2022
James Hilton	31 March 2022	7,692	–	–	–	7,692	1.17	–	–	–	1 May 2025	31 October 2025
Paul Venables	28 March 2019 ⁽¹⁾	2,666	–	–	2,666	0	1.35	–	–	–	1 May 2022	31 October 2022
Paul Venables	1 April 2021	3,776	–	–	–	3,776	1.43	–	–	–	1 May 2024	31 October 2024

(1) Neither Paul Venables nor James Hilton exercised their options when they became available in May 2022 as the share price was below the option price. They had until end October 2022 to exercise. The options subsequently lapsed.

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2.3 Outstanding PSP awards (audited)

The tables below show the outstanding PSP awards where vesting will be determined according to the achievement of performance conditions that will be tested in future reporting periods. All awards are subject to Malus and Clawback.

2021 PSP (granted in FY22) vesting in 2024, followed by a two-year Holding Period

The Remuneration Committee was keen to spend appropriate time calibrating and reviewing the targets for the FY22 PSP awards to ensure that they were sufficiently robust and stretching. The Committee published details of the targets for the FY22 PSP on the Company website, in advance of the November 2021 AGM.

Performance Period	1 July 2021 to 30 June 2024
Grant date	5 October 2021
Vest date	5 October 2024 followed by a two-year Holding Period

Performance condition	Weighting	Threshold performance required (25% of element vests)	Maximum performance required (100% of element vests)
Relative TSR ⁽¹⁾	20%	Median of the comparator group	Upper quartile of the comparator group
Cumulative EPS ⁽²⁾	30%	18.91p	25.60p
Cash Conversion ⁽³⁾	50%	80%	110%
Total	100%		

(1) TSR is measured against a bespoke comparator group, with vesting subject to satisfactory financial performance as determined by the Committee. The comparator group for the FY22 award is: Adecco SA, Kelly Services Inc, Manpower Inc, Page Group, Randstad Holdings nv, Robert Half International Inc, Robert Walters plc and SThree plc.

(2) The Committee took the following into account when setting the EPS targets:

- EPS Budget (the setting of which is a robust and transparent process);
- The expectations of performance for years two and three;
- The strategic direction of the business over the period covered by the PSP award;
- Market conditions and visibility of future trading, and
- Analysts' forecasts.

While there remains a degree of uncertainty regarding the long-term market and economic environment, the Committee is satisfied that the target range is highly challenging, with full vesting requiring very significant growth when compared to results for both FY20 and FY21.

(3) The target range for Cash Conversion has been increased in comparison to that applicable to prior awards (previously 71% to 101%). An award of 45% of salary is payable for Cash Conversion of 85%, with straight-line vesting for interim levels of performance.

Notes:

There will be a two-year Holding Period post-vesting for any shares that vest as a result of performance conditions being met.

The award is subject to Malus for the three-year Performance Period and Clawback during the two-year Holding Period.

Executive Director	% of FY22 salary awarded	Face Value at award £000s	Share Price at award £	Maximum number of shares	Threshold number of shares (25%)
Alistair Cox	200%	1,566	1.533	1,021,680	255,420
Paul Venables ⁽¹⁾	200%	1,129	1.533	736,630	184,157

(1) The award to Paul Venables will be pro-rated in line with his service during the Performance Period.

2022 PSP (granted in FY23) vesting in 2025, followed by a two-year Holding Period (audited)

As stated on page 122 of the Directors' Remuneration report for FY22, the Remuneration Committee wanted to spend appropriate time calibrating and reviewing the targets for the FY23 PSP to ensure that they were sufficiently robust and stretching taking into account the economic circumstances at the time. The Committee published details of the targets for the FY23 PSP on the Company website in advance of the AGM, with a view to allowing sufficient time for investors to see them prior to the November 2022 AGM.

Performance period	1 July 2022 to 30 June 2025		
Grant Date	21 September 2022		
Vest date	21 September 2025 followed by a two-year Holding Period		
Performance condition	Weighting	Threshold performance required (25% of the element vests)	Maximum performance required (100% of the element vests)
Relative TSR ⁽¹⁾	20%	Median of the comparator group	Upper quartile of the comparator group
Cumulative EPS ⁽²⁾	30%	25p	35p
Cash Conversion ⁽³⁾	50%	80%	110%
Total	100%		

- (1) Relative TSR – measured against a bespoke comparator group, with vesting subject to satisfactory financial performance as determined by the Committee. The comparator group for the FY23 award is: Adecco SA, Kelly Services Inc, Manpower Inc, Page Group, Randstad Holdings nv, Robert Half International Inc, Robert Walters plc and SThree.
- (2) EPS – the targets ranges have been set taking into account a range of internal and external reference points. The range has been increased from the FY22 grant. While there remains a degree of uncertainty regarding the long-term market and economic environment, the Committee is satisfied that the target range is highly challenging, with full vesting requiring very significant growth when compared to results for FY22.
- (3) Cash Conversion – the target range for Cash Conversion was increased for the FY22 grant and remains the same for the FY23 grant. An award of 45% of salary is payable for cash conversion of 85%, with straight-line vesting for interim levels of performance.

Notes:

There will be a two-year Holding Period post-vesting for any shares that vest as a result of performance conditions being met. The award is subject to Malus for the three-year Performance Period and Clawback during the two-year Holding Period. Paul Venables was not granted any PSP in FY23 as he retired from the Company on 30 September 2022.

Executive Director	% of FY23 salary awarded	Face value at award £000s	Share Price at award £	Maximum number of shares	Threshold number of shares (25%)
Alistair Cox	200%	1,645	1.166	1,410,418	352,604
James Hilton ⁽¹⁾	200%	840	1.166	720,411	180,102

- (1) The award was granted in relation to his appointment as GFD.

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

What has happened

The number of shares of the Company in which current directors had a beneficial interest and details of long-term incentive interests as at 30 June 2023 are set out in the table below.

Executive Director	Shareholding requirement % of salary	Number of shares owned outright/ vested shares	Share price as at 30 June 2023	Base salary as at 1 July 2022	Actual share ownership as % of base salary	Guidelines met
Alistair Cox	200%	2,456,293	£1.022	£822,274	305%	Yes
James Hilton – joined Board on 1 October 2022 and building up shareholding	200%	62,143	£1.022	£420,000	15%	No
Paul Venables – current shareholding	200%	2,115,132	£1.022	£564,627	383%	Yes

Shares used for the above calculation exclude those with performance conditions, i.e. those awarded under the PSP which are still within their Performance Period, any unexercised options, those shares subject to a period of deferral and any shares held in a private Trust where the Executive Director is not a Trustee. They include vested shares where the Executive Directors have beneficial ownership, shares independently acquired in the market and those held by a spouse or civil partner or dependant child under the age of 18 years.

The Executive Directors' total shareholdings, including shares subject to deferral and including accrued dividend equivalents to 30 June 2023, but excluding Sharesave options, are shown below. For reference, their Sharesave options are shown in the table under 2.2 on [page 133](#).

Executive Director	Number of owned outright/ vested shares	Value of owned outright/ vested shares ⁽²⁾ £	Number of shares subject to deferral/ Holding Period ⁽¹⁾	Value of shares subject to deferral/ Holding Period ⁽²⁾ £	Number of total vested and unvested shares (excludes any shares with performance conditions)	Value of total vested and unvested shares (excludes any shares with performance conditions) ⁽²⁾ £	Share ownership as % of base salary using vested and unvested shares ⁽³⁾	PSP share interests including dividends subject to performance conditions
Alistair Cox	2,456,293	£2,510,331	1,712,619	£1,750,297	4,168,912	£4,260,628	518%	3,647,142
James Hilton ⁽⁴⁾	62,143	£63,510	255,105	£260,717	317,248	£324,227	77%	782,441
Paul Venables	2,115,132	£2,161,665	648,239	£662,500	2,763,371	£2,824,165	500%	875,778

(1) Unvested shares will be subject to payroll deductions for tax and social security on vesting. Number includes dividend equivalent shares to date. Shares currently in their Holding Period relating the 2018 (FY19) PSP are due to be released in September 2023.

(2) Share price as at 30 June 2023 and used in the above table was £1.022.

(3) The table above shows shareholding pre-tax. Shareholdings on an estimated post-tax basis for the current Executive Directors are: Alistair Cox: 418% and James Hilton 48%

(4) James Hilton's PSP interests shown in their Holding Period relate to grants made prior to his appointment as GFD.

There have been no changes to the above holdings as at the date of this Report.

The table below shows the NEDs' shareholdings as at 30 June 2023 – this table has been audited.

Non-Executive Director	Shares held at 30 June 2023	Shares held at 30 June 2022
Andrew Martin	190,088	190,088
Peter Williams	63,806	63,806
Susan Murray	4,000	4,000
MT Rainey	48,845	48,845
Cheryl Millington	–	–
Joe Hurd	7,625	7,557
Zarin Patel	–	n/a

There have been no changes to the above holdings for current NEDs as at the date of this Report.

2.5 Total Shareholder Return (TSR)

The graph shows the value of £100 invested in the Company's shares compared to the FTSE 350 Index. The graph shows the total shareholder return generated by both the movement in share value and the reinvestment over the same period of dividend income. The Committee considers that the FTSE 350 is the appropriate index because the Company has been a member of this index throughout the period.

This graph has been calculated in accordance with the Regulations.

Chief Executive historical remuneration

The table below sets out the total remuneration delivered to the Chief Executive over the last ten years, valued using the methodology applied to the total Single Figure of Remuneration.

The 2022 figure has been restated to take into consideration the actual share price on date of PSP vesting.

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Chief Executive										
Total Single Figure (£000s)	2,826	3,996	2,796	2,993	3,009	2,666	1,468	2,590	2,548	2,485
Annual Bonus payment level achieved (% of maximum opportunity)	98%	98%	66%	93%	97%	49%	0%	97%	89%	52%
PSP vesting level achieved (% of maximum opportunity)	50%	100%	86%	60%	55%	70%	50%	50%	50%	80%

2.6 Payments to past Directors/payment for loss of office during FY23 (Audited)

Paul Venables retired from the Company on 30 September 2022. In light of Paul's significant contribution over his 16 years with the business, Paul has been considered a 'Good Leaver' by the Committee for incentive purposes. Outstanding deferred bonus awards in respect of bonuses earned for FY21 and FY22 will vest at the end of the normal three-year deferral period. Unvested PSP awards granted in 2020 and 2021 will vest subject to time pro-rating and performance. Fully performance-tested PSP awards granted under the 2017 Policy were released on departure in line with the 2017 Policy. Fully performance-tested PSP awards granted under the 2020 Policy will be released following the end of the relevant Holding Period. Malus and Clawback provisions are in place for both the DAB and PSP.

There was no payment in lieu of notice or termination payment payable on departure. Paul did not participate in the bonus plan for FY23, and he was not granted a PSP award in respect of the year.

Paul will comply with the terms of the post-employment shareholding guidelines as set out in the 2020 Policy.

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Section 3 – Remuneration in the broader context

In this section:

3.1	Remuneration for employees below Board	3.3	CEO vs Employee Pay Ratio
3.2	Change in Board remuneration compared to other employees	3.4	External appointments
		3.5	Relative importance of spend on pay

3.1 Remuneration for employees below Board

Our remuneration philosophy is cascaded throughout the organisation. Members of the Executive Board are deemed 'specified individuals' under the Remuneration Committee's Terms of Reference and therefore have their remuneration set by the Committee. Our Executive Board has an Annual Bonus scheme that is measured against Group and Regional financial targets and personal and strategic objectives. Of any award, 50% is usually deferred into shares for three years and subject to Malus provisions. The cash element is usually subject to Clawback provisions for three years. Members of the Executive Board also usually participate in the Performance Share Plan (PSP) with the same performance conditions as the Executive Directors.

Employees below the Executive Board receive salary and benefits which are benchmarked to the local markets and countries in which they work. These are reviewed annually. There is a strong tie of reward to performance which is recognised through annual bonuses, commission or other non-financial recognition. Employees who hold key strategic positions or are deemed critical to the business through their performance are also offered the opportunity to participate in the PSP with performance conditions normally based on Group EPS results measured over one year. Any shares that crystallise at the end of the Performance Period have a further two-year Holding Period prior to vesting. During this time there is also a personal performance underpin. In addition, nine countries offer a Sharesave plan to employees. A Resolution was passed at the 2016 AGM to enable the introduction of a US Stock Purchase Plan for employees in the USA and this was launched in FY19.

As stated in our Remuneration Policy, each year, prior to reviewing the remuneration of the Executive Directors and the members of the Executive Board, the Committee considers a report prepared by the Group Head of Reward detailing remuneration practice across the Group. The report provides a regional overview of how employee pay compares to the market, any material changes during the year and includes detailed analysis of basic pay and variable pay changes within the UK where all of the Executive Directors and most of the Executive Board are based.

While the Company does not currently directly consult with employees as part of the process of reviewing executive pay and formulating the Remuneration Policy, the Company takes account of feedback from the broader employee population on an annual basis using the engagement survey which includes a number of questions relating to remuneration.

MT Rainey is the Non-Executive Director appointed for workforce engagement and she attends various employee events and projects to learn first hand about issues or concerns.

The table below summarises the above.

Principles	Components		
Operate a consistent reward and performance philosophy throughout the business. Provide a balanced package with a strong link between reward and individual and Group performance. Encourage a material, personal stake in the business to give a long-term focus on sustained growth.	Base salary Based on skill and experience and benchmarked to local market.	Annual Bonus Employees who hold positions that influence the business strategy and direction, or hold key roles that have a direct effect on business results, have annual bonuses based on a combination of Group, Regional and/or local business targets and personal or strategic objectives. For members of the Executive Board, 50% of any bonus earned is usually deferred into shares for three years and is subject to Malus.	Performance Share Plan (PSP) and Sharesave Members of the Executive Board usually participate in the same PSP Plan as Executive Directors subject to Remuneration Committee approval. The PSP is subject to Malus and Clawback provisions. Executive Board members are encouraged to retain shares. Below the Executive Board, broadly 350 key employees each year participate in a PSP which has a one-year Performance Period and two-year Holding Period. Financial targets are normally based on Group EPS results. Nominations are reviewed and approved by the Remuneration Committee. Employees in nine countries can participate in a Sharesave scheme with the option to purchase shares after three years. A US Stock Purchase Plan for employees in the USA was launched in FY19.
	Benefits Benchmarked to local market and can include pension, life assurance, health cover and discounted voluntary benefits. In the UK the Executive Directors participate in the same plans as other UK employees. Every employee globally is given at least eight hours of paid volunteering per year to allow them to give back to the communities in which they live and work.	Commission Client-facing employees have annual bonuses based on personal objectives and/or commission directly related to personal business performance.	YourVoice Survey An annual global employee engagement survey is conducted across all Hays' employees in all countries to ascertain overall engagement. This includes a number of questions relating to remuneration.
Timeline Fixed  Variable  Long-term/Ongoing 			

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3.2 Change in Board's remuneration compared to other employees

The following table sets out the change in the remuneration paid to Board Directors from FY20 to FY23 compared with the average percentage change for Hays plc employees. Hays plc only employs the CEO and GFD and has contracts for services for the Chairman and Non-Executive Directors.

The Executive Directors' remuneration disclosed in the table below has been calculated to take into account base salary, taxable benefits (excluding allowance in lieu of pension), and Annual Bonus (including any amount deferred).

The reasons for the changes between FY22 and FY23 are due to:

- General salary and base fees rose by 5% in line with the general workforce pay review.
- Paul Venables' FY23 pay and benefits represent the three months he worked within FY23 and therefore show a drop from FY22. Paul was not eligible for an FY23 bonus.
- Benefit increase for Alistair Cox is due to the increase in life assurance premium.
- FY23 annual bonus outturns are lower than FY22.
- Non-Executive Directors do not receive bonus or benefits.

	% change in salary/ fee FY23 vs FY22	% change in taxable benefits FY23 vs FY22	% change in Annual Bonus FY23 vs FY22	% change in salary/ fee FY22 vs FY21	% change in taxable benefits FY22 vs FY21	% change in Annual Bonus FY22 vs FY21	% change in salary/ fee FY21 vs FY20	% change in taxable benefits FY21 vs FY20	% change in Annual Bonus FY21 vs FY20	% change in salary/ fee FY20 vs FY19	% change in taxable benefits FY20 vs FY19	% change in Annual Bonus FY20 vs FY19
Chief Executive – Alistair Cox	5.0%	7.3%	-38.2%	2.0%	-2.4%	-6.8%	2.5%	-16%	n/a	-1.0%	0%	-100%
Group Finance Director – retired – Paul Venables	-75.0%	-72.5%	-100%	2.0%	2.5%	-5.7%	2.6%	2.6%	n/a	-1.0%	-7.0%	-100%
Group Finance Director – James Hilton	n/a	n/a	n/a	–	–	–	–	–	–	–	–	–
Chair – Andrew Martin	5.0%	n/a	n/a	2.0%	n/a	n/a	2.3%	n/a	n/a	7.0%	n/a	n/a
SID and Chair of Audit Committee – Peter Williams	3.6%	n/a	n/a	1.2%	n/a	n/a	2.5%	n/a	n/a	18.0%	n/a	n/a
Chair of Remuneration Committee – Susan Murray	4.2%	n/a	n/a	1.4%	n/a	n/a	2.9%	n/a	n/a	-1.0%	n/a	n/a
Chair of Workforce Engagement – MT Rainey	4.2%	n/a	n/a	1.4%	n/a	n/a	2.9%	n/a	n/a	13.0%	n/a	n/a
NED – Cheryl Millington	5.0%	n/a	n/a	1.7%	n/a	n/a	1.8%	n/a	n/a	0%	n/a	n/a
NED – Torsten Kreindl	n/a	n/a	n/a	-5.2%	100%	n/a	1.8%	n/a	n/a	0%	n/a	n/a
NED – Joe Hurd	9.4%	n/a	n/a	n/a	n/a	n/a	–	–	–	–	–	–
NED – Zarin Patel ⁽¹⁾	n/a	n/a	n/a	–	–	–	–	–	–	–	–	–
Employees of Hays plc ⁽²⁾	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

(1) Zarin Pael joined the Board on 1 January 2023.

(2) Hays plc only employs the CEO and GFD and has contracts for services for the Chairman and Non-Executive Directors. There are no other employees in Hays plc.

3.3 CEO vs Employee Pay Ratio

This is the third year that we have been required to disclose the ratio of CEO remuneration to that of our employees at the median, 25th and 75th percentiles. The table below provides further details:

Year	Method	25 th percentile pay ratio	Median pay ratio	75 th percentile pay ratio
FY23	A	83:1	56:1	33:1
FY22	A	84:1	54:1	32:1
FY21	A	92:1	65:1	40:1
FY20	A	53:1	36:1	22:1

The following table provides salary and total remuneration information in respect of the employees at each quartile.

Year	Element of pay	25 th percentile	Median	75 th percentile
FY23	Salary	£23,625	£26,880	£32,235
	Total remuneration	£30,085	£44,354	£75,230

We are committed to providing a total reward package for our employees that is competitive. The structure of remuneration for employees is shown on [pages 138 and 139](#). We anticipate that the ratio may vary significantly year to year as it will be influenced by the level of variable pay earned such as commission and Annual Bonus and, in the case of PSP awards, by the level of vesting and share price fluctuation. This variation in remuneration will apply to both employees and the CEO. A greater proportion of the package is variable at senior levels. The median pay ratio therefore reflects the pay, reward and progression policies. The difference in ratio between FY23 and FY22 is therefore felt to be caused most likely by changes in variable pay.

In calculating the ratio, we have used methodology A, the same method used for the CEO Single Figure of Remuneration, as this is felt to be the most accurate calculation and allows for a like-for-like comparison.

The UK employees included in the calculation are those who have been employed for the full FY23 and part-time employees have been pro-rated to full-time equivalents to enable a realistic comparison as required under the legislation. We have excluded leavers and joiners during the year as it is felt these would not allow an accurate reflection of the figures.

3.4 External appointments

The Company considers that certain external appointments can help to broaden the experience and contribution to the Board of the Executive Directors. Any such appointments are subject to prior agreement by the Company and must not be with competing companies. Subject to the Company's agreement, any fees may be retained by the individual.

For the 12 months ended 30 June 2023, the fees earned and retained by the Executive Directors were as follows:

- Alistair Cox: Alistair joined the Board of Rexl in April 2023. His fee for the period to end June 2023 was £22k.
- Paul Venables: Paul joined the Board of Manchester Airport Group as a NED and Audit Chair (designate) on 1 February 2022 and his fee from 1 July 2022 to 30 September 2022 was £16k.

3.5 Relative importance of spend on pay

The table below sets out the relative importance of the spend on pay in FY23 and FY22 compared with other disbursements. All figures are taken from the relevant Hays Annual Report.

	Disbursements from profit in FY23 £m	Disbursements from profit in FY22 £m	% change
Profit distributed by way of dividend	83.4	168.5	-50.5%
Overall spend on pay including Directors	868.8	766.5	13.3%

ANNUAL REPORT ON REMUNERATION CONTINUED

Section 4 – Statement of implementation of Remuneration Policy in the following financial year

In this section:

- 4.1** Executive Directors **4.3** Voting outcome
4.2 Non-Executive Directors

Below are the Remuneration Policy decisions for FY24. These are subject of the Policy being approved by shareholders at the November 2023 AGM.

4.1 Executive directors Summary

Position	Name	Base salary from 1 July 2023	Maximum bonus potential as % of salary	Maximum PSP award as % of salary	Benefits and pension
CEO	Alistair Cox	£822,274 – no change	150%	No award	Pension is 4% of salary in line with the pension level of the majority of UK employees.
GFD	James Hilton	£420,000 – no change	150%	200%	Pension is 4% of salary in line with the pension level of the majority of UK employees.
There were no salary increases for the Executive Directors for FY24					

Bonus performance conditions

The weightings of the performance conditions remain as follows for FY24:

Performance condition	Weighting	
Financial (profit and cash)	80%	It should be noted that the Committee views the disclosure of the actual performance targets as commercially sensitive. The Committee will aim to provide retrospective disclosure of the performance targets to allow shareholders to judge the bonus earned in the context of the performance delivered. In some instances, the detail of certain personal objectives may continue to be commercially sensitive for an extended period.
Personal	20%	
Total	100%	

Of any award, 50% will be deferred into shares and held for three years from the date of award and will be subject to Malus conditions for the three-year Holding Period.

Any cash award is subject to Clawback conditions for three years from the date of award.

2023 PSP (to be granted in FY24) vesting in 2026, followed by a two-year Holding Period

For the FY24 award, the performance metrics and weightings will remain consistent with the approach taken last year. The Committee is currently in the process of finalising the detailed targets for the financial metrics. Once finalised, we intend to disclose these on our website in advance of the 2023 AGM.

Performance period	1 July 2023 to 30 June 2026		
Vest date	Three years from grant date followed by a two-year Holding Period		
Performance condition	Weighting	Threshold performance required	Maximum performance required
Relative TSR ⁽¹⁾	20%	Median of the comparator group	Upper quartile of the comparator group
Cumulative EPS ⁽²⁾	30%	*	*
Cash Conversion	50%	*	*
Total	100%		

- (1) TSR is measured against a bespoke comparator group, with vesting subject to satisfactory financial performance as determined by the Committee. The comparator group for the FY24 award is: Adecco SA, Kelly Services Inc, Manpower Inc, Page Group, Randstad Holdings nv, Robert Half International Inc, Robert Walters plc and SThree plc.
- (2) In setting EPS targets, the Committee will take into account the following factors:
- Budget (the setting of which is a robust and transparent process);
 - Company budget for FY24 and the expectations for performance;
 - Strategic direction of the business over the period covered by the PSP award; and
 - Market conditions and visibility of future trading;
 - Analysts' forecasts; and
 - Threshold and maximum ongoing growth expectations for years two and three.

Notes:

There will be a two-year Holding Period post-vesting for any shares that vest as a result of performance conditions being met. The award is subject to Malus for the three-year Performance Period and Clawback during the two-year Holding Period.

4.2 Non-Executive Directors

The Committee reviewed the Group Chair's fee for FY24 and determined that there should be no increase for FY24. Base fees for the other NEDs will also remain unchanged. There are no changes to the SID fee or Committee Chair fees. There is no fee for being the Chair of the Nomination Committee. Fees for FY24 are shown below.

Position	Fee for FY24 £000s	Fee for FY23 £000s
Chair	240	240
Base fee	62	62
Committee Chair (including fee for NED responsible for workforce engagement)	13	13
SID	11	11

4.3 Voting outcome for the 2020 Remuneration Policy at the 2020 AGM and Annual Report on Remuneration FY22 at the 2022 AGM

Votes	Votes 2020 Policy	%	Votes FY22 Remuneration Report	%
Votes for	1,330,376,148	91.47%	1,359,585,839	97.90%
Votes against	124,075,795	8.53%	29,178,638	2.10%
Votes withheld	2,006,052	—	20,681,090	—

ANNUAL REPORT ON REMUNERATION CONTINUED

Section 5 – Governance

In this section:	5.4	Advisers to the Remuneration Committee
5.1 Remuneration Committee members and attendees	5.5	Engagement with shareholders
5.2 Terms of Reference	5.6	Considering risk
5.3 Meetings in FY23	5.7	General governance

5.1 Remuneration Committee members and attendees

The table below shows the members and attendees of the Remuneration Committee during FY23.

Remuneration Committee members	Position	Comments
Susan Murray	Member from 12 July 2017	Independent
Peter Williams	Member from 24 February 2015	Independent
MT Rainey	Member from 14 December 2015	Independent
Cheryl Millington	Member from 17 June 2019	Independent
Joe Hurd	Member from 1 December 2021	Independent
Zarin Patel	Member from 1 January 2023	Independent

Remuneration Committee attendees	Position	Comments
Andrew Martin	Group Chairman and attended by invitation	Independent upon appointment on 23 July 2018 (member from appointment to Board on 12 July 2017 to date became Chairman).
Alistair Cox	Chief Executive	Attend by invitation but do not participate in any discussion about their own reward.
James Hilton	Group Finance Director	
Paul Venables	Group Finance Director – retired	
Other executives	The Group Head of Reward	Attends by invitation as the executive responsible for advising on the Remuneration Policy.
	The Company Secretary	Acts as Secretary to the Committee.
Deloitte	Committee's independent advisers during FY23	Attended by invitation.

No person is present during any discussion relating to his or her own remuneration.

5.2 Terms of Reference

The Board has delegated to the Committee, under agreed Terms of Reference, responsibility for the Remuneration Policy and for determining specific packages for the Executive Directors, the Chairman and other senior executives. The Company consults with key shareholders in respect of the Remuneration Policy and the introduction of new incentive arrangements. The Terms of Reference for the Committee are available on the Company's website, haysplc.com, and from the Company Secretary at the registered office.

5.3 Meetings in FY23

The Committee normally meets at least four times per year. During FY23, it formally met five times as well as having ongoing dialogue via email or telephone discussion. The meetings principally discussed the following key issues and activities:

- A review of the basic pay, bonus, PSP awards, and the personal objectives of the Executive Directors and other senior executives. In particular the Committee focused on setting incentive targets given the ongoing uncertain market and economic circumstances;
 - A review of the Remuneration Policy in preparation for renewal;
 - Consideration of the relationship between executive reward and the reward structures in place for other Group employees;
 - The ongoing requirements of the revised UK Corporate Governance Code (July 2018);
 - A review of the Committee's Terms of Reference; and
 - The review of the Gender Pay Gap reporting.
- The Committee also discussed and agreed the departure terms for the outgoing GFD, Paul Venables, the remuneration package for the incoming GFD, James Hilton, and the package for the new CEO.

5.4 Advisers to the Remuneration Committee

Deloitte was appointed by the Committee as the independent adviser to the Committee with effect from November 2016 following a competitive tender process. During FY23 Deloitte has advised the Committee on all aspects of the Remuneration Policy for Executive Directors and members of the Executive Board.

The Committee is satisfied that the advice received was objective and independent. Deloitte is a member of the Remuneration Consultants' Group and the voluntary code of conduct of that body is designed to ensure objective and independent advice is given to Remuneration Committees.

Deloitte's total fee for FY23 in relation to Committee work was £109,450 excluding VAT. While fee estimates are generally required for each piece of work and set fees have been agreed for certain regular work, fees are generally calculated based on time, with hourly rates in line with the level of expertise and seniority of the adviser concerned.

5.5 Engagement with shareholders

The Committee seeks to maintain an active and productive dialogue with investors on developments in the remuneration aspects of corporate governance generally and any changes to the Company's executive pay arrangements in particular. Following consultation in 2020, the Committee was pleased to have received strong shareholder support for its 2020 Remuneration Policy proposals, the Resolution for which received a 91.47% vote in favour at the November 2020 AGM.

The Committee engaged with major shareholders on the Policy renewal and welcomed the feedback it received which was predominantly supportive, as it was in 2020. The Committee would like to thank those shareholders and proxy agencies who responded and appreciated the feedback.

5.6 Considering risk

Each year, the Committee considers the executive remuneration structure in the light of its key areas of risk. The Committee takes into consideration whether the achievement of objectives and any payment from plans have taken into account the overall risk profile of the Company when it evaluates the executives' performance.

5.7 General governance

The Directors' Report on Remuneration has been prepared in accordance with Schedule 8 to The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended), the revised provisions of the Code and the Listing Rules.

By order of the Board

Susan Murray
Chair of the Remuneration Committee

23 August 2023

DIRECTORS' REPORT

Hays is incorporated in the UK and registered as a public limited company in England and Wales. Its headquarters are in London and it is listed on the main market of the London Stock Exchange.

Strategic Report

A description of the Company's business model and strategy is set out in the Strategic Report along with the factors likely to affect the Group's future development, performance and position. An overview of the principal risks and uncertainties faced by the Group are also provided in the Strategic Report. The Company's Section 172 statement can be on page 96.

The Statement of Compliance with the Code for the reporting period is contained in the Governance Report

Information relating to matters addressed by the Audit, Remuneration and Nomination Committees, which operate within clearly defined terms of reference, are set out within the Audit, Remuneration and Nomination Committee Reports. Information relating to Majority Shareholders can be found on page 97 under Board and stakeholder engagement.

In accordance with Section 414CB of the Companies Act 2006, all of the matters above are incorporated by reference into this Directors' Report.

The purpose of this Report is to provide information to the members of the Company, as a body. The Company, its directors, employees, agents or advisers do not accept or assume responsibility to any other person to whom this document is shown or into whose hands it may come and any such responsibility or liability is expressly disclaimed. This Report contains certain forward-looking statements with respect to the operations, performance and financial condition of the Group. By their nature, these statements involve uncertainty since future events and circumstances can cause results and developments to differ from those anticipated. The forward-looking statements reflect knowledge and information available at the date of preparation of this Report. Nothing in this Report should be construed as a profit forecast.

Related party transactions

Details of the related party transactions undertaken during the reporting period are contained in note 27 to the Consolidated Financial Statements.

Post-balance sheet events

There have been no significant events to report since the date of the balance sheet.

Dividends

An interim dividend of 0.95 pence (2022: 0.95 pence) per Ordinary share was paid to shareholders on 11 April 2023. The Board recommends the payment of a final dividend of 2.05 pence (2022: 1.90 pence) per Ordinary share. In addition, the Board is also recommending the payment of a special dividend of 2.24 pence (2022: 1.34 pence) per Ordinary share. These three dividend payments will represent a total dividend of 5.24 pence (2022: 4.19 pence) per Ordinary share for the financial year ended 30 June 2023. Subject to the shareholders of the Company approving this recommendation at the 2023 AGM, the final and special dividends

will be paid, in aggregate, on 17 November 2023 to those shareholders appearing on the register of members as at 6 October 2023. The ex-dividend date is 5 October 2023.

Financial instruments

Details of the financial instruments used by the Group are set out in notes 18 to 20 to the Consolidated Financial Statements. A general outline of Hays' use of financial instruments is set out in the treasury management section on page 47 of the Finance Director's Review.

Directors

Biographies of the serving directors of Hays are provided on pages 84 to 87 of this Report. During the year, James Hilton and Zarin Patel were appointed as directors on 1 October 2022 and 1 January 2023, respectively. Paul Venables retired from the Board on 30 September 2022. All the other directors served on the Board throughout FY23. Peter Williams is the Senior Independent Director and MT Rainey is the Designated NFD for Workforce Engagement.

General powers of the directors

The powers of the directors are contained in the Company's Articles of Association (Articles). These powers may be exercised by any meeting of the Board at which a quorum of three directors is present. The power of the Board to manage the business is subject to any limitations imposed by the Companies Act 2006, the Articles or any directions given by special resolution of the shareholders applicable at a relevant time.

The Articles contain an express authority for the appointment of executive directors and provide the directors with the authority to delegate or confer upon such directors any of the powers exercisable by them upon such terms and conditions and with such restrictions as they see fit. The Articles contain additional authorities to delegate powers and discretions to committees and subcommittees.

Directors' powers to allot and buy back shares

The directors have the power to authorise the issue and buyback of the Company's shares by the Company, subject to authority being given to the directors by the shareholders in general meeting, applicable legislation and the Articles.

Appointment and replacement of directors

Shareholders may appoint any person who is willing to act as a director by ordinary resolution and may remove any director by ordinary resolution. The Board may appoint any person to fill any vacancy or as an additional director, provided that they are submitted for election by the shareholders at the AGM following their appointment. Specific conditions apply to the vacation of office, including cases where a director becomes prohibited by law or regulation from holding office, or is persistently absent from directors' meetings, or if all of the other appointed directors request his or her resignation or in the case of mental incapacity or bankruptcy.

Directors' indemnities

The Company continues to maintain third-party directors' and officers' liability insurance for the benefit of its directors. This provides insurance cover for any claim brought against directors or officers for wrongful acts in connection with their positions. The directors have also been granted qualifying third-party indemnities, as permitted under the Companies Act 2006, which remain in force. Neither the insurance nor the indemnities extend to claims arising from fraud or dishonesty and do not provide cover for civil or criminal fines or penalties provided by law.

Directors' interests

Details of the interests of Hays' directors and their connected persons in the Ordinary shares of the Company are outlined in the Remuneration Report.

Share capital

Hays has one class of Ordinary shares which carry no right to fixed income or control over the Company. These shares may be held in certificated or uncertificated form. On 30 June 2023, the Company had 1,600,433,092 fully paid Ordinary shares in issue, of which 11,294,429 Ordinary shares were held in treasury by the Company. During the year ended 30 June 2023, Hays purchased 66,240,335 Ordinary shares of 1 pence, representing 4.14% of shares in issue, for a total consideration of £74,871,470, excluding costs, which were cancelled.

The rights and obligations attaching to the Company's Ordinary shares are contained in the Articles. In brief, the Ordinary shares allow holders to receive dividends and to exercise one vote on a poll per Ordinary share for every holder present in person or by proxy at general meetings of the Company. They also have the right to a return of capital on the winding-up of the Company.

There are no restrictions on the size of holding or the transfer of shares, which are both governed by the general provisions of the Company's Articles and legislation. Under the Articles, the directors have the power to suspend voting rights and the right to receive dividends in respect of Ordinary shares and to refuse to register a transfer of Ordinary shares in circumstances where the holder of those shares fails to comply with a notice issued under Section 793 of the Companies Act 2006. The directors also have the power to refuse to register any transfer of certificated shares that does not satisfy the conditions set out in the Articles.

The Company is not aware of any agreements between shareholders that might result in the restriction of transfer of voting rights in relation to the shares held by such shareholders.

Treasury shares

As Hays has only one class of share in issue, it may hold a maximum of 10% of its issued share capital in treasury. As at 30 June 2023, 0.71% of the Company's shares were held in treasury. Legislation restricts the exercise of rights on Ordinary shares held in treasury. The Company is not allowed to exercise voting rights conferred by the shares while they are held in treasury. It is prohibited from paying any dividend or making any distribution of assets on treasury shares. Once in treasury, shares can only be sold for cash, transferred to an employee share scheme or cancelled. The shares are held in treasury and will be utilised to satisfy employee share-based award obligations. During FY23, Hays transferred 5,063,661 shares out of treasury to satisfy the award of shares under the Company's employee share schemes.

Shares held by the Employee Benefit Trust

The Hays plc Employee Share Trust (the Trust) is an employee benefit trust which is permitted to hold Ordinary shares in the Company for employee share schemes purposes. 179 shares were held by the Trust as at the year-end. Shares held in the Trust may be transferred to participants of the various Group share schemes. No voting rights are exercisable in relation to shares unallocated to individual beneficiaries.

Dilution limits in respect of share schemes

The current Investment Association (IA) guidance on dilution limits (formerly the responsibility of the Association of British Insurers) provide that the overall dilution under all share plans operated by a company should not exceed 10% over a ten-year period in relation to the Company's share capital, with a further limitation of 5% in any ten-year period on executive plans. The Company's share plans operate within IA recommended guidelines on dilution limits.

Political donations

The Company made no political donations during the financial year ended 30 June 2023 and the Board intends to maintain its policy of not making such payments.

Going Concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report. The financial position of the Group, its cash flows and liquidity position are described in the Finance Director's Review, with details of the Group's treasury activities, long-term funding arrangements and exposure to financial risk included in notes 18 and 19 to the Consolidated Financial Statements.

The Group has sufficient financial resources which, together with cash flows, will continue to provide sufficient sources of liquidity to fund its current operations, including its contractual and commercial commitments and any proposed dividends. The Group is therefore well-placed to manage its business risks. After making enquiries, the Directors have formed the judgment at the time of approving the Financial Statements, that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the Going Concern period, being at least 12 months from the date of approval of the Consolidated Financial Statements. For this reason, they continue to adopt the Going Concern basis of accounting in preparing the Consolidated Financial Statements.

Disclosure of information to the Auditor

So far as the directors who held office at the date of approval of this Report are aware, there is no relevant audit information of which the external Auditor is unaware and each director has taken all steps that he or she ought to have taken as a director to make himself or herself aware of any relevant audit information and to establish that the external Auditor is aware of that information.

This confirmation should be interpreted in accordance with Section 418 of the Companies Act 2006.

2023 Annual Report & Financial Statements

On the recommendation of the Audit Committee and having considered all matters brought to the attention of the Board during the financial year, the Board is satisfied that the Annual Report & Financial Statements, taken as a whole, is fair, balanced and understandable. The Board believes that the disclosures set out in the Annual Report provide the information necessary for shareholders to assess the Company's performance, business model and strategy.

Annual General Meeting

The Company's AGM will be held at 12 noon on 15 November 2023 at the offices of UBS, 5 Broadgate, London EC2M 2QS. The Notice of Meeting sets out the resolutions to be proposed at the AGM and gives details of the voting record date and proxy appointment deadline for that Meeting. The Notice of Meeting is contained in a separate circular to shareholders which is being mailed or otherwise provided to shareholders at the same time as this Report.

By order of the Board



Doug Evans
Company Secretary

23 August 2023

DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulation.

Statement of Directors' responsibilities in respect of the Financial Statements

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare Financial Statements for each financial year. Under that law the Directors have prepared the Group Financial Statements in accordance with UK-adopted international accounting standards and the Company Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 'Reduced Disclosure Framework', and applicable law).

Under company law, Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period. In preparing the Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-adopted international accounting standards have been followed for the Group Financial Statements and United Kingdom Accounting Standards, comprising FRS 101, have been followed for the Company Financial Statements, subject to any material departures disclosed and explained in the Financial Statements;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the Financial Statements on the Going Concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The Directors are responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the Financial Statements and the Directors' Remuneration Report comply with the Companies Act 2006.

The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

Directors' confirmations

Each of the Directors, whose names and functions are listed in the Governance report confirm that, to the best of their knowledge:

- the Group Financial Statements, which have been prepared in accordance with UK-adopted international accounting standards, give a true and fair view of the assets, liabilities, financial position and profit of the Group;
- the Company Financial Statements, which have been prepared in accordance with United Kingdom Accounting Standards, give a true and fair view of the assets, liabilities and financial position of the Company;
- the Strategic Report includes a fair review of the development and performance of the business and the position of the Group and Company, together with a description of the principal risks and uncertainties that they face;
- the Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the company's position, performance, business model and strategy.

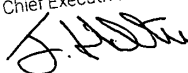
In the case of each Director in office at the date the Directors' Report is approved:

- so far as the Director is aware, there is no relevant audit information of which the Group's and Company's Auditors are unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Group's and Company's Auditors are aware of that information.

By order of the Board



Alistair Cox
Chief Executive



James Hilton
Group Finance Director

23 August 2023

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HAYS PLC

Report on the audit of the Financial Statements

Opinion

In our opinion:

- Hays plc's Group Financial Statements and Company Financial Statements (the "Financial Statements") give a true and fair view of the state of the Group's and of the Company's affairs as at 30 June 2023 and of the Group's profit and the Group's cash flows for the year then ended;
- the Group Financial Statements have been properly prepared in accordance with UK-adopted international accounting standards as applied in accordance with the provisions of the Companies Act 2006;
- the Company Financial Statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", and applicable law); and
- the Financial Statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the Financial Statements, included within the Annual Report & Financial Statements (the "Annual Report"), which comprise: the Consolidated and Company Balance Sheets as at 30 June 2023; the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Cash Flow

Statement, and the Consolidated and Company Statements of Changes in Equity for the year then ended; and the notes to the Financial Statements, which include a description of the significant accounting policies.

Our opinion is consistent with our reporting to the Audit Committee.

Basis for opinion

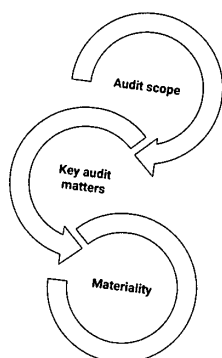
We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the Financial Statements section of our report. We believe that the audit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

Independence

We remained independent of the Group in accordance with the ethical requirements that are relevant to our audit of the Financial Statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided. Other than those disclosed in Note 6, we have provided no non-audit services to the Company or its controlled undertakings in the period under audit.

Our audit approach

Overview



Audit scope

- 85% of Group net fees and 79% of Group profit before tax subject to full scope audit procedures. In addition, we performed specified procedures over a further two trading countries that were not the subject of full scope audit procedures, representing 7% of Group net fees and 3% of Group profit before tax.

- Australia, UK and Germany were considered to be financially significant due to their relative contributions to the Group's net fees and profit before tax.

- As the Group and UK audit team, we maintained regular contact with financially significant component teams in Germany and Australia. This included visiting Germany during the year end audit process and maintaining regular dialogue with Australia to help direct and supervise audit procedures performed by those teams. The audit partner visited Australia in the previous year.

Key audit matters

- Recoverability of trade receivables (Group)
- Valuation of provisions (Group)
- Carrying value of investments (Parent)

Materiality

- Overall Group materiality: £9.5 million (2022: £10.2 million) based on 5% of profit before tax.
- Overall Company materiality: £7.0 million (2022: £8.7 million) based on 1% of total assets, restricted by the amount of materiality available for allocation.
- Performance materiality: £7.1 million (2022: £7.7 million) (Group) and £5.3 million (2022: £6.5 million) (Company).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the Financial Statements.

Key audit matters

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

This is not a complete list of all risks identified by our audit.

Valuation of provisions is a new key audit matter this year. Otherwise, the key audit matters below are consistent with last year.

Key audit matter	How our audit addressed the key audit matter
Recoverability of trade receivables (Group) Refer to the Audit Committee Report, Note 2, Note 3 and Note 17 to the Financial Statements for the Directors' disclosures of the related accounting policies, judgements and estimates. At 30 June 2023, total trade receivables balances included in Note 17 were £727.0 million (2022: £663.2 million), net of provisions of £19.2 million (2022: £17.6 million). The recoverability of trade receivables and the level of provisions for expected credit losses are considered to be a key risk due to the significance of these balances to the Financial Statements and the judgements required in making appropriate provisions.	In order to test the recoverability of trade receivables, we performed the following procedures: i) We evaluated the Group's credit control procedures and assessed and validated the ageing profile of trade receivables; ii) We assessed recoverability on a sample basis by reference to cash received subsequent to year-end, agreement to the terms of the contract in place and issue of credit notes post year-end, as necessary; iii) We considered the appropriateness of estimates regarding the level of expected credit loss for trade receivables and assessed whether the associated provisions were calculated in accordance with the Group's provisioning policies and/or whether there was evidence of management bias in provisioning, obtaining supporting evidence as necessary; iv) Considering the current global energy crisis, inflationary conditions and recent levels of insolvencies and its potential impact on the customer debt book, we challenged management as to whether the expected credit loss provisions appropriately reflected the level of risk in the total receivables balance with consideration given to individual counterparty credit risk and the general economic conditions in each jurisdiction; and v) We also challenged management as to whether the methodology applied in determining the appropriate expected credit loss provisions appropriately reflected the level of risk in the total receivables balance, with consideration given to individual counterparty credit risk and the general economic conditions in each jurisdiction. We did not encounter any material issues through these audit procedures that indicated that provisioning in respect of trade receivables was inappropriate.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HAYS PLC CONTINUED

Key audit matter	How our audit addressed the key audit matter
Valuation of provisions (Group) Refer to Note 2 and Note 23 of the Financial Statements, and the Audit Committee Report. As at 30 June 2023, the Group held provisions of £23.6 million in respect of legal, tax and other disputes (2022: £19.9 million). While the provisions included within the legal, tax and other disputes provision category were each individually immaterial, and management does not consider it to be reasonably possible that any of these provisions will materially change in the next 12 months, the work involved in aggregate over the provisions balance represented a significant area of focus for our audit, given the different assumptions applied to the valuation of each provision.	In order to test the valuation of a sample of provisions which we target tested, we performed the following procedures: i) We made inquiries of Group Legal Counsel, management and Hays' external legal advisors; ii) We obtained and read correspondence with external legal advisors, tax authorities or management's experts as applicable to each provision tested; iii) We examined management's models used to calculate each provision, including validating model data and integrity and assessing the appropriateness of the key assumptions adopted; iv) Where the valuation of the provisions involved the use of management's experts, we assessed the competence and objectivity of those experts and discussed the matters directly with those individuals; v) For certain tax-related exposures, we were supported by our internal tax experts, specifically in relation to assumptions used by management; and vi) We undertook sensitivity analysis to assess the impact of changes in underlying key assumptions to these estimates. Based on the procedures we performed, we were satisfied with the valuation of these provisions at 30 June 2023.
Carrying value of investments (Parent) Refer to Note 1 and Note 4 of the Company Financial Statements. The Company holds investments in its subsidiaries of £744 million (2022: £744 million). We focused on this area due to the size of the investment balances. Management has performed an assessment of the recoverable amount of the investments and compared this to the carrying value using the same cash flow methodology applied in the impairment test for goodwill. The results showed that no impairment was required against these investments.	We obtained management's assessment of the carrying value of the investments and we challenged: i) The key assumptions for short and long term growth rates in the forecast cash flows for those businesses underpinning the investees' recoverable amounts, comparing them with historical results; ii) The discount rate used in the calculations by assessing the cost of capital for the Group and comparable organisations; iii) The recoverability of investment in subsidiaries by comparing the net asset values of these subsidiaries against the carrying value of the investment; and iv) We also considered the market value of the Group compared to the carrying value of the investments. There were no indications of impairment identified. We performed sensitivity analysis on the key assumptions within the cash flow forecasts. This included sensitising the discount rate applied to the future cash flows, and the short and longer term growth rates and operating profit forecast. Following the conclusion of our procedures above, we are satisfied that no impairment is required.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the Financial Statements as a whole, taking into account the structure of the Group and the Company, the accounting processes and controls, and the industry in which they operate.

The Group's 33 trading countries are structured across four reporting segments, Australia & New Zealand ('ANZ'), Germany, UK & Ireland ('UK&I') and Rest of World ('ROW'). Of the 33 trading countries, certain companies in the UK, Germany and Australia together represent 63% of the Group's net fees and 52% of the Group's profit before tax excluding intercompany operating income and expenses and calculated on an absolute basis. Within these three countries we considered certain companies to be financially significant to the Group and were therefore subject to full scope audit procedures by local component audit teams.

A further 18 other reporting units, including 16 trading countries, were also subject to full scope audits by PwC teams in each of these countries, representing 22% of Group net fees and 28% of Group's profit before tax excluding intercompany operating income and expenses and calculated on an absolute basis. In total, our full scope audit procedures covered 85% of the Group's net fees and 79% of the Group's profit before tax excluding intercompany operating income and expenses and calculated on an absolute basis.

In addition to this, the Group audit team performed specified audit procedures in two other countries, representing 7% of Group net fees and 1% of Group profit before tax excluding intercompany operating income and expenses and calculated on an absolute basis.

Two holding company reporting units were subject to a limited scope audit of tax balances.

Central review procedures were performed by the Group audit team on the remaining 12 countries that were not subject to full scope or specified audit procedures. These countries represented the remaining 8% of net fees and 20% of Group profit before tax excluding intercompany operating income and expenses and calculated on an absolute basis. We ensured that we maintained appropriate oversight of our component teams through visiting our significant component team in Germany as well as France (the latter being a location we visit on a rotational basis) during the year end audit process. We also maintained regular contact with our team in Australia this year, having visited the local operations during the last financial year, in addition to the remote communications with all components teams. This included regular video conferences and remote working paper reviews to direct and supervise the work of these teams, in particular those in Australia and Germany, to satisfy ourselves as to the appropriateness of the audit work performed.

The Group audit team also joined the audit clearance meetings for each of the 19 countries that were subject to full scope audit procedures.

The impact of climate risk on our audit

As part of the audit, we made enquiries of management to understand and evaluate the Group's risk assessment process in relation to climate change. We reviewed management's paper which sets out its assessment of climate change risk to the Group and the impact on the Financial Statements, and also considered this assessment in light of the disclosures on TCFD in this second year of its application. In evaluating the completeness of the risks identified, we reviewed management's assessment and challenged management on how it considered the potential financial impacts of the Group's commitment to halving its GHG emissions by 2026 and becoming a Net Zero company. Management concluded there are no significant financial reporting risks arising. Based on our evaluation of this assessment, we concluded this was appropriate. We also read the disclosures in relation to climate change made in the Strategic Report section of the Annual Report to ascertain whether the disclosures are materially consistent with the Financial Statements and our knowledge from our audit. Our responsibility over other information is further described in the "Reporting on other information" section of this report.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual Financial Statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the Financial Statements as a whole.

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

	Financial statements – Group	Financial statements – Company
Overall materiality	£9.5 million (2022: £10.2 million).	£7.0 million (2022: £8.7 million).
How we determined it	5% of profit before tax.	1% of total assets, restricted by the amount of materiality available for allocation.
Rationale for benchmark applied	We believe that profit before tax is the primary measure used by management and the shareholders in assessing the performance of the Group, and is a generally accepted auditing benchmark.	We believe that total assets is the most appropriate measure to assess a holding company, and is a generally accepted auditing benchmark.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HAYS PLC CONTINUED

For each component in the scope of our Group audit, we allocated a materiality that is less than our overall Group materiality. The range of materiality allocated across components was between £0.6 million and £9.0 million. Certain components were audited to a local statutory audit materiality that was also less than our overall Group materiality.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2022: 75%) of overall materiality, amounting to £7.1 million (2022: £7.7 million) for the Group Financial Statements and £5.3 million (2022: £6.5 million) for the Company Financial Statements.

In determining the performance materiality, we considered a number of factors – the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls – and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £500,000 (Group audit) (2022: £500,000) and £350,000 (Company audit) (2022: £435,000) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

Our evaluation of the Directors' assessment of the Group's and the Company's ability to continue to adopt the going concern basis of accounting included:

- Obtaining the Directors' cash flow forecasts for the going concern period and validating the underlying cash flow projections by challenging the basis of the judgements applied and verifying that it is consistent with our existing knowledge and understanding of the business;
- Reviewing the sensitivity analysis carried out by the Directors to assess the impact of the key assumptions underlying the forecast such as reduction in net fees, increase in working capital and expected level of operating expenses;
- Assessing the impact of the Directors' severe but plausible downside scenarios on the headroom available on liquidity;
- Reviewing the Directors' identified available mitigating factors where required and included within the cash flow forecast;
- Testing the mathematical accuracy of the Directors' cash flow forecast and validating the opening cash position; and
- Assessing the adequacy of the disclosure provided in note 2 of the Consolidated and Company Financial Statements.

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

In auditing the Financial Statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the Financial Statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Group's and the Company's ability to continue as a going concern.

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

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the Financial Statements and our auditors' report thereon. The Directors are responsible for the other information, which includes reporting based on the Task Force on Climate-related Financial Disclosures (TCFD) recommendations. Our opinion on the Financial Statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the Financial Statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 30 June 2023 is consistent with the Financial Statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Group and Company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

Directors' Remuneration

In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Corporate governance statement

The Listing Rules require us to review the Directors' statements in relation to going concern, longer-term viability and that part of the corporate governance statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review. Our additional responsibilities with respect to the corporate governance statement as other information are described in the Reporting on other information section of this report.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the Financial Statements and our knowledge obtained during the audit, and we have nothing material to add or draw attention to in relation to:

- The Directors' confirmation that they have carried out a robust assessment of the emerging and principal risks;
- The disclosures in the Annual Report that describe those principal risks, what procedures are in place to identify emerging risks and an explanation of how these are being managed or mitigated;
- The Directors' statement in the Financial Statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the Group's and Company's ability to continue to do so over a period of at least twelve months from the date of approval of the Financial Statements;
- The Directors' explanation as to their assessment of the Group's and Company's prospects, the period this assessment covers and why the period is appropriate; and
- The Directors' statement as to whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of its assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Our review of the Directors' statement regarding the longer-term viability of the Group and Company was substantially less in scope than an audit and only consisted of making inquiries and considering the Directors' process supporting their statement; checking that the statement is in alignment with the relevant provisions of the UK Corporate Governance Code; and considering whether the statement is consistent with the Financial Statements and our knowledge and understanding of the Group and Company and their environment obtained in the course of the audit.

In addition, based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the Financial Statements and our knowledge obtained during the audit:

- The Directors' statement that they consider the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for the members to assess the Group's and Company's position, performance, business model and strategy;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems; and
- The section of the Annual Report describing the work of the Audit Committee.

We have nothing to report in respect of our responsibility to report when the Directors' statement relating to the Company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified under the Listing Rules for review by the auditors.

Responsibilities for the Financial Statements and the audit

Responsibilities of the Directors for the Financial Statements

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

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

Auditors' responsibilities for the audit of the Financial Statements

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

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

Based on our understanding of the Group and industry, we identified that the principal risks of non-compliance with laws and regulations related to the UK Listing Rules, employment legislation and data protection regulations, and we considered the extent to which non-compliance might have a material effect on the Financial Statements. We also considered those laws and regulations that have a direct impact on the Financial Statements such as the Companies Act 2006 and tax regulations. We evaluated management's incentives and opportunities for fraudulent manipulation of the Financial Statements (including the risk of override of controls), and determined that the principal risks were related to the posting of unusual journals to increase revenue and/or decrease costs and therefore increase profits and management bias in determining accounting estimates. The Group engagement team shared this risk assessment with the component auditors so that they could include appropriate audit procedures in response to such risks in their work. Audit procedures performed by the Group engagement team and/or component auditors included:

- Discussions with senior management, Group legal counsel, Internal Audit, and the Audit Committee, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Challenging assumptions and judgements made by management in its significant accounting estimates;
- Reviewing the Financial Statement disclosures and agreeing to underlying supporting documentation;
- Reviewing Executive management's incentives and bonus schemes to understand and review drivers that could lead to higher fraud risks;

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HAYS PLC CONTINUED

- Performing unpredictable procedures; and
- Identifying and testing journal entries, in particular, journal entries which had unexpected account combinations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the Financial Statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the Financial Statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- the Company Financial Statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Appointment

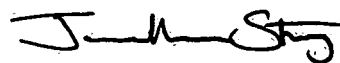
Following the recommendation of the Audit Committee, we were appointed by the Directors on 9 November 2016 to audit the Financial Statements for the year ended 30 June 2017 and subsequent financial periods. The period of total uninterrupted engagement is 7 years, covering the years ended 30 June 2017 to 30 June 2023.

Other matter

In due course, as required by the Financial Conduct Authority Disclosure Guidance and Transparency Rule 4.1.14R, these Financial Statements will form part of the ESEF-prepared annual financial report filed on the National Storage Mechanism of the Financial Conduct Authority in accordance with the ESEF Regulatory Technical Standard ('ESEF RTS'). This auditors' report provides no assurance over whether the annual financial report will be prepared using the single electronic format specified in the ESEF RTS.

Jonathan Sturges

(Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London



23 August 2023

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2023

(In £s million)	Note	2023	2022
Turnover	<u>4</u> , <u>5</u>	7,583.3	6,588.9
Net fees⁽¹⁾	<u>4</u> , <u>5</u>	1,294.6	1,189.4
Administrative expenses ⁽²⁾	<u>5</u>	(1,097.6)	(979.3)
Operating profit	<u>4</u>	197.0	210.1
Net finance charge	<u>8</u>	(4.9)	(5.8)
Profit before tax		192.1	204.3
Tax	<u>9</u>	(53.8)	(50.1)
Profit after tax		138.3	154.2
Profit attributable to equity holders of the parent company		138.3	154.2
Earnings per share (pence)			
– Basic	<u>11</u>	8.59p	9.22p
– Diluted	<u>11</u>	8.52p	9.11p

(1) Net fees comprise turnover less remuneration of temporary workers and other recruitment agencies.

(2) Administrative expenses include impairment loss on trade receivables of £3.0 million (2022: £2.4 million).

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2023

(In £s million)	2023	2022
Profit for the year	138.3	154.2
Items that will not be reclassified subsequently to profit or loss:		
Actuarial remeasurement of defined benefit pension schemes	(95.1)	39.6
Tax relating to components of other comprehensive income	19.5	(8.6)
	(75.6)	31.0
Items that may be reclassified subsequently to profit or loss:		
Currency translation adjustments	(15.6)	10.5
Other comprehensive income for the year net of tax	(91.2)	41.5
Total comprehensive income for the year	47.1	195.7
Attributable to equity shareholders of the parent company	47.1	195.7

FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET

AT 30 JUNE 2023

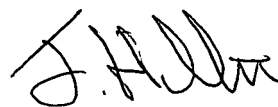
(In £s million)	Note	2023	2022
Non-current assets			
Goodwill	12	200.3	202.3
Other intangible assets	13	53.7	47.1
Property, plant and equipment	14	29.7	29.3
Right-of-use assets	15	176.1	171.7
Deferred tax assets	16	21.4	18.5
Retirement benefit surplus	22	25.7	102.0
		506.9	570.9
Current assets			
Trade and other receivables	17	1,244.6	1,205.1
Corporation tax debtor		6.8	5.2
Cash and cash equivalents	18	145.6	296.2
Derivative financial instruments	19	0.1	-
		1,397.1	1,506.5
Total assets		1,904.0	2,077.4
Current liabilities			
Trade and other payables	21	(991.3)	(1,029.8)
Lease liabilities	15	(41.3)	(39.8)
Corporation tax liabilities		(16.2)	(34.5)
Derivative financial instruments	19	-	(0.1)
Provisions	23	(10.8)	(12.7)
		(1,059.6)	(1,116.9)
Non-current liabilities			
Bank loans	20	(10.0)	-
Deferred tax liabilities	16	(2.8)	(10.0)
Lease liabilities	15	(148.5)	(145.3)
Provisions	23	(12.8)	(9.0)
		(174.1)	(164.3)
Total liabilities		(1,233.7)	(1,281.2)
Net assets		670.3	796.2
Equity			
Called up share capital	24	16.0	16.7
Share premium		369.6	369.6
Merger reserve	25	43.8	43.8
Capital redemption reserve		3.4	2.7
Retained earnings		155.4	268.2
Cumulative translation reserve		58.0	73.6
Equity reserve		24.1	21.6
Total equity		670.3	796.2

The Consolidated Financial Statements of Hays plc, registered number 2150950, as set out on pages x to x were approved by the Board of Directors and authorised for issue on 23 August 2023.

Signed on behalf of the Board of Directors



A R COX



J HILTON

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2023

(In £s million)	Called up share capital	Share premium	Merger reserve ⁽¹⁾	Capital redemption reserve	Retained earnings	Cumulative translation reserve	Equity reserve ⁽²⁾	Total equity
At 1 July 2022	16.7	369.6	43.8	2.7	268.2	73.6	21.6	796.2
Currency translation adjustments	-	-	-	-	-	(15.6)	-	(15.6)
Remeasurement of defined benefit pension schemes	-	-	-	-	(95.1)	-	-	(95.1)
Tax relating to components of other comprehensive income	-	-	-	-	19.5	-	-	19.5
Net expense recognised in other comprehensive income	-	-	-	-	(75.6)	(15.6)	-	(91.2)
Profit for the year	-	-	-	-	138.3	-	-	138.3
Total comprehensive income for the year	-	-	-	-	62.7	(15.6)	-	47.1
Dividends paid	-	-	-	-	(165.1)	-	-	(165.1)
Purchase of own shares	(0.7)	-	-	0.7	(19.0)	-	-	(19.0)
Share-based payments charged to the income statement ⁽³⁾	-	-	-	-	-	-	11.1	11.1
Share-based payments settled on vesting ⁽³⁾	-	-	-	-	-	-	(8.6)	-
At 30 June 2023	16.0	369.6	43.8	3.4	155.4	58.0	24.1	670.3

FOR THE YEAR ENDED 30 JUNE 2022

(In £s million)	Called up share capital	Share premium	Merger reserve ⁽¹⁾	Capital redemption reserve	Retained earnings	Cumulative translation reserve	Equity reserve ⁽²⁾	Total equity
At 1 July 2021	16.8	369.6	193.8	2.7	207.8	63.1	18.0	871.8
Currency translation adjustments	-	-	-	-	-	10.5	-	10.5
Remeasurement of defined benefit pension schemes	-	-	-	-	39.6	-	-	39.6
Tax relating to components of other comprehensive income	-	-	-	-	(8.6)	-	-	(8.6)
Net income recognised in other comprehensive income	-	-	-	-	31.0	10.5	-	41.5
Profit for the year	-	-	-	-	154.2	-	-	154.2
Total comprehensive income for the year	-	-	-	-	185.2	10.5	-	195.7
Dividends paid	-	-	(150.0)	-	(36.4)	-	-	(186.4)
Purchase of own shares	(0.1)	-	-	-	(94.7)	-	-	(94.8)
Share-based payments charged to the income statement ⁽³⁾	-	-	-	-	-	-	9.9	9.9
Share-based payments settled on vesting ⁽³⁾	-	-	-	-	6.3	-	(6.3)	-
At 30 June 2022	16.7	369.6	43.8	2.7	268.2	73.6	21.6	796.2

(1) The Merger reserve was generated under Section 612 of the Companies Act 2006, as a result of the cash box structure used in the equity placing of new shares issued during the year ended 30 June 2020.

(2) The Equity reserve is generated as a result of IFRS 2 'Share-based payments'.

(3) The Share-based payments charged to the Consolidated Income Statement and Share-based payments settled on vesting were previously presented net as 'Share-based payments'. The presentation in the prior year has been updated to enhance the consistency and understandability of the disclosures. There has been no change in the underlying activity.

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2023

(In £s million)	2023	2022 ⁽²⁾
Operating profit	197.0	210.1
Adjustments for:		
Depreciation of property, plant and equipment	10.9	10.0
Depreciation of right-of-use assets	46.0	44.0
Amortisation of intangible assets	10.0	10.1
Loss on disposal of business assets	0.1	1.5
Loss on closure of Russian business	–	4.2
Net movements in provisions	1.9	2.1
Share-based payments	12.0	10.9
	80.9	82.8
Operating cash flow before movement in working capital	277.9	292.9
Movement in working capital:		
Increase in receivables	(53.2)	(259.4)
Increase in payables ⁽¹⁾	24.5	194.4
Movement in working capital	(28.7)	(65.0)
Cash generated by operations	249.2	227.9
Pension scheme deficit funding	(17.7)	(17.2)
Income taxes paid	(65.8)	(39.0)
Net cash inflow from operating activities	165.7	171.7
Investing activities		
Purchase of property, plant and equipment	(12.3)	(12.1)
Purchase of intangible assets	(16.8)	(12.3)
Acquisition of subsidiaries	(1.0)	–
Interest received	2.0	0.8
Net cash used in investing activities	(28.1)	(23.6)
Financing activities		
Interest paid	(3.7)	(1.3)
Lease liability principal repayment	(49.9)	(45.0)
Purchase of own shares ⁽²⁾	(75.7)	(38.0)
Equity dividends paid	(165.1)	(186.4)
Increase in bank loans and overdrafts	10.0	–
Net cash used in financing activities	(284.4)	(270.7)
Net decrease in cash and cash equivalents	(146.8)	(122.6)
Cash and cash equivalents at beginning of year	296.2	410.6
Effect of foreign exchange rate movements	(3.8)	8.2
Cash and cash equivalents at end of year	145.6	296.2

(1) Included within trade and other payables at 30 June 2022 was an amount of £56.8 million in relation to the outstanding liability on the Group's initial £75.0 million share buyback programme, as announced on 28 April 2022. The programme was completed during the current year and therefore no liability has been recognised at 30 June 2023. The resulting movement in trade and other payables is not included within increase in trade payables in the Consolidated Cash Flow Statement; cash flows under the share buyback programme have been recognised as purchase of own shares.

(2) The comparative for the Consolidated Cash Flow Statement includes a restatement of £38.0m in respect of the Group's purchases of its own shares. These were previously presented within Investing activities, and are now correctly shown in Financing activities. There has been no impact on the Group's Cash generated by operations, cash inflow from operating activities, or on cash conversion.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. General information

Hays plc is a Company limited by shares, incorporated and domiciled in the United Kingdom and registered in England and Wales and its registered office and principal place of business is 4th Floor, 20 Triton Street, London NW1 3BF.

The Consolidated Financial Statements have been prepared in accordance with UK-adopted International Accounting Standards. The Consolidated Financial Statements are presented in sterling, the functional currency of Hays plc.

New standards and interpretations

The Consolidated Financial Statements have been prepared on the basis of the accounting policies and methods of computation applicable for the year ended 30 June 2023. These accounting policies are consistent with those applied in the preparation of the Consolidated Financial Statements for the year ended 30 June 2022; the Group has applied the IAS 12 amendment which provides an exception from recognising and disclosing information related to Pillar Two top-up taxes (see note 9). There have been no other new standards or amendments to existing standards that are mandatory for the first time in the Group's accounting period beginning on 1 July 2022 and no new standards have been early adopted.

The Group has not yet adopted certain new standards, amendments and interpretations to existing standards, which have been published but which are only effective for the Group accounting periods beginning on or after 1 July 2023. These new pronouncements are listed as follows:

- IFRS 17 - 'Insurance contracts' (effective 1 January 2023);
- IAS 1 (amendments) - 'Presentation of Financial Statements', on classification of liabilities (effective 1 January 2023);
- IAS 12 (amendments) - 'Deferred Tax Related to Asset and Liabilities Arising from a Single Transaction' (effective 1 January 2023); and
- IAS 12 (amendments) - 'International Tax Reform - Pillar Two Model Rules' (effective 1 January 2023).

The Directors are currently evaluating the impact of the adoption of the standards, amendments and interpretations but do not expect them to have a material impact on the Group's operations or results.

The Group's principal accounting policies adopted in the presentation of these Consolidated Financial Statements are set out below and have been consistently applied to all the periods presented.

2. Significant accounting policies

a. Basis of preparation

The Consolidated Financial Statements have been prepared on the historical cost basis with the exception of financial instruments, pension assets and share-based payments. Financial instruments have been recorded initially on a fair value basis and then at amortised cost. Pension assets and share-based payments have been measured at fair value.

b. Going Concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report. The financial position of the Group, its cash flows and liquidity position are described in the Finance Director's Review, with details of the Group's treasury activities, long-term funding arrangements and exposure to financial risk included in notes 18 to 20 to the Consolidated Financial Statements.

As in prior years, the Board undertook a strategic business review in the current year which took into account the Group's current financial position and the potential impact of the principal risks set out in the Annual Report.

In addition, and in making this statement, the Board carried out a robust assessment of the principal risks facing the Group, including those that would threaten the Group's business model, future performance and liquidity. While the review has considered all the principal risks identified by the Group, the resilience of the Group to the occurrence of these risks in severe yet plausible scenarios has been evaluated.

Financial position

At 30 June 2023, the Group had net cash of £135.6 million compared to cash of £296.2 million at 30 June 2022. In addition, the Group currently has an unsecured revolving credit facility (RCF) of £210 million that reduces in November 2024 to £170 million, and expires in November 2025. As at 30 June 2023, £200 million of the facility was undrawn. The net cash position is stated after deducting the currently drawn amount on the RCF. The Group had a strong working capital performance, with significant management focus on cash collection, average trade debtor days remained consistent in the year at 33 days (2022: 33 days).

Stress testing

The Board approves an annual budget and reviews monthly management reports and quarterly forecasts. The output of the planning and budgeting processes has been used to perform a sensitivity analysis of the Group's cash flow to model the potential effects should principal risks actually occur either individually or in unison.

The sensitivity analysis modelled scenarios in which the Group incurred a sustained loss of business arising from a prolonged global downturn, with a range of recovery scenarios considered. The Group's 'Stress Case' scenario assumes that the Group experiences another severe downturn similar in scale to the one caused by the COVID-19 pandemic in the year ended 30 June 2020, followed by a period of gradual recovery, as opposed to the significant recovery the Group experienced through the years ended 30 June 2021 and 30 June 2022. The Stress Case scenario assumes a trough level of operating profit of £57 million in the year ended 30 June 2024 before gradually recovering to £103 million operating profit in the year to June 2026, which models the impact of a long-lasting global economic downturn. In this scenario the Group is forecast to maintain a strong net cash position in excess of £60 million throughout the Going Concern period, with significant headroom against its banking covenants.

Set against these downside trading scenarios, the Board considered key mitigating factors including the geographic and sectoral diversity of the Group, its balanced business model across Temporary, Permanent and Contract recruitment services, and the significant working capital inflows which arise in periods of severe downturn, particularly in the Temporary recruitment business, thus protecting liquidity as was the case during the Global Financial Crisis of 2008/09 and which we again experienced in the year ended 30 June 2020.

The Group's history of strong cash generation, tight cost control and flexible workforce management provides further protection, and in addition the Group has a revolving credit facility of £210 million that reduces in November 2024 to £170 million, and expires in November 2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

2. Significant accounting policies continued

b. Going Concern continued

The Group has sufficient financial resources which, together with internally generated cash flows, will continue to provide sufficient sources of liquidity to fund its current operations, including its contractual and commercial commitments and any proposed dividends. The Group is therefore well-placed to manage its business risks. After making enquiries, the Directors have formed the judgement at the time of approving the Consolidated Financial Statements, that there is a reasonable expectation that the Group has adequate resources to continue in operational existence throughout the Going Concern period, being at least 12 months from the date of approval of the Consolidated Financial Statements. For this reason, they continue to adopt the going concern basis of accounting in preparing the Consolidated Financial Statements.

c. Basis of consolidation

Subsidiaries are fully consolidated from the date on which power to control is transferred to the Group. They are deconsolidated from the date on which control ceases.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group whereby the identifiable assets, liabilities and contingent liabilities are measured at their fair values at the date of acquisition. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. The Consolidated Financial Statements consolidate the accounts of Hays plc and all of its subsidiaries. The results of subsidiaries acquired or disposed during the year are included from the effective date of acquisition or up to the effective date of disposal, as appropriate.

All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

d. Turnover

Turnover is measured at the fair value of the consideration received or receivable at the point in time and represents amounts receivable for services provided in the normal course of business, net of discounts, VAT and other sales-related taxes.

Turnover arising from the placement of permanent candidates, including turnover arising from Recruitment Process Outsourcing (RPO) services, is recognised at the point in time the candidate commences full-time employment. Where a permanent candidate starts employment but does not work for the specified contractual period, an adjustment is made based on experience in respect of the expected required refund or credit note due to the client. The revenue recognised from a permanent placement is typically based on a percentage of the candidate's remuneration package.

Turnover arising from temporary placements, including turnover arising from Managed Service Programme (MSP) services, is recognised starting at the point in time that temporary workers are provided and continues through the duration of the placement. In nearly all contract arrangements the Group acts as principal. Where the Group is acting as a principal, turnover represents the amounts billed for the services of the temporary workers, including the remuneration costs of the temporary workers. The commission included within the revenue recognised arising from temporary placements is typically based on a percentage of the placement's hourly rate.

Where Hays acts as principal in arrangements that invoice on the costs incurred with other recruitment agencies as part of the MSP service provided, and in which Hays manages the recruitment supply chain, turnover represents amounts invoiced on from other recruitment agencies, including arrangements where no commission is directly receivable by the Group.

In some limited instances where the Group is acting as an agent in arrangements that invoice on behalf of other recruitment agencies as part of the MSP service provided, turnover represents commission receivable relating to the supply of temporary workers and does not include the remuneration costs of the other agency temporary workers.

Revenue recognition

Revenue is recognised for permanent placements on the day a candidate starts work. Revenue is recognised for temporary placements at the point in time that temporary workers are provided and continues through the duration of the placement.

The factors considered by management on a contract by contract basis when concluding the Company is acting as principal (gross basis) rather than agent (net basis) are as follows:

- The client has a direct relationship with Hays;
- Hays has the primary responsibility for providing the services to the client, and engages and contracts directly with the temporary worker and other recruitment companies;
- Hays has latitude in establishing the rates directly or indirectly with all parties; and
- Hays bears the credit risk on the receivable due from the client.

e. Net fees

Net fees represent turnover less the remuneration costs of temporary workers for temporary assignments and remuneration of other recruitment agencies. For the placement of permanent candidates, net fees are equal to turnover.

f. Foreign currencies

On consolidation, the tangible and intangible assets and liabilities of subsidiaries denominated in foreign currencies are translated into sterling at the rates ruling at the balance sheet date. Income and expense items are translated into sterling at average rates of exchange for the period. Any exchange differences which have arisen from an entity's investment in a foreign subsidiary, including long-term loans, are recognised as a separate component of equity and are included in the Group's cumulative translation reserve.

On disposal of a subsidiary, any amounts transferred to the translation reserve are included in the calculation of profit and loss on disposal. All other translation differences are dealt with in the Consolidated Income Statement.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

g. Retirement benefit costs

The expense of defined benefit pension schemes and other post-retirement employee benefits is determined using the projected-unit credit method and charged to the Consolidated Income Statement as an expense, based on actuarial assumptions reflecting market conditions at the beginning of the financial year. All remeasurement gains and losses are recognised immediately in reserves and reported in the Consolidated Statement of Comprehensive Income in the period in which they occur. Past service costs, curtailments and settlements are recognised immediately in the Consolidated Income Statement.

The Group chose under IFRS 1 to recognise in retained earnings all cumulative remeasurement gains and losses as at 1 July 2004, the date of transition to IFRS. The Group has chosen to recognise all remeasurement gains and losses arising subsequent to 1 July 2004 in reserves and reported in the Consolidated Statement of Comprehensive Income.

The retirement benefit surplus recognised in the Consolidated Balance Sheet represents the fair value of scheme assets less the present value of the defined benefit obligation.

The Hays Pension Scheme Definitive Deed and Rules is considered to provide Hays with an unconditional right to a refund of surplus assets and therefore the recognition of a net defined benefit scheme asset is not restricted and agreements to make funding contributions do not give rise to any additional liabilities in respect of the Scheme.

Payments to defined contribution schemes are charged as an expense in the Consolidated Income Statement as they fall due.

h. Share-based payments

The fair value of all share-based remuneration that is assessed upon market-based performance criteria is determined at the date of grant and recognised as an expense in the Consolidated Income Statement on a straight-line basis over the vesting period, taking account of the estimated number of shares that will vest.

The fair value of all share-based remuneration that is assessed upon non-market-based performance criteria is determined at the date of the grant and recognised as an expense in the Consolidated Income Statement over the vesting period, based on the number of shares that are expected to vest. The number of shares that are expected to vest is adjusted accordingly, based on the satisfaction of the performance criteria at each year-end.

The fair values are determined by use of the relevant valuation models. All share-based remuneration is equity-settled.

i. Borrowing costs

Interest costs are recognised as an expense in the Consolidated Income Statement in the period in which they are incurred. Arrangement fees incurred in respect of borrowings are amortised over the term of the agreement.

j. Taxation

The tax expense is recognised in the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income or directly to retained earnings, according to the accounting treatment of the related transaction giving rise to the tax. The tax expense comprises both current and deferred tax.

Current tax is the tax payable based on taxable profit for the year. Taxable profit differs from profit as reported in the Consolidated Income Statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. Current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Consolidated Financial Statements.

Deferred tax liabilities are generally recognised on all temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the temporary differences can be utilised.

Deferred tax is not recognised for temporary differences arising from the initial recognition of goodwill or initial recognition of other assets or liabilities in a transaction (other than a business combination) that affects neither accounting profit nor taxable profit. Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates except where the Group is able to control the reversal of the temporary differences and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amounts of deferred tax assets are reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax assets to be recovered. Unrecognised deferred tax assets are also reassessed each balance sheet date and recognised where it has become probable that future taxable profits are available against which the asset can be recovered.

Deferred tax is provided using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set-off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Uncertain tax positions

The Group operates in many countries and is therefore subject to tax laws in a number of different tax jurisdictions. The amount of tax payable or receivable on profits or losses for any period is subject to the agreement of the tax authority in each respective jurisdiction and the tax liability or asset position is open to review for several years after the relevant accounting period ends. In determining the provisions for income taxes, management is required to make judgements and estimates based on interpretations of tax statute and case law, which it does after taking account of professional advice and prior experience.

Uncertainties in respect of enquiries and additional tax assessments raised by tax authorities are measured in accordance with IFRIC 23 using the method that in management's view, best predicts the resolution of the uncertainty. The amounts ultimately payable or receivable may differ from the amounts of any provisions recognised in the Consolidated Financial Statements as a result of the estimates and assumptions used.

k. Goodwill

Goodwill arising on consolidation represents the excess of purchase consideration less the fair value of the identifiable tangible and intangible assets and liabilities acquired.

Goodwill is recognised as an asset and reviewed for impairment at least annually. For the purpose of impairment testing, assets are grouped at the lowest level for which there are separately identifiable cash flows, known as cash-generating units (CGUs). Any impairment is recognised immediately in the Consolidated Income Statement and is not subsequently reversed.

On disposal of a business the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Goodwill arising on acquisitions before the date of transition to IFRS (1 July 2004) has been retained at the previous UK GAAP amounts, subject to being tested for impairment at that date. Goodwill arising on acquisitions prior to 1 July 1998 was written off direct to reserves under UK GAAP. This goodwill has not been reinstated and is not included in determining any subsequent profit or loss on disposal.

l. Intangible assets

Intangible assets acquired as part of a business combination are stated in the Consolidated Balance Sheet at their fair value as at the date of acquisition less accumulated amortisation and any provision for impairment. The Directors review intangible assets for indications of impairment annually. There are no significant intangible assets other than computer software.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

2. Significant accounting policies continued

l. Intangible assets continued

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software controlled by the Group are recognised as intangible assets. Directly attributable costs that are capitalised as part of the software include employee costs and appropriate overheads. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

Internally generated intangible assets are stated in the Consolidated Balance Sheet at the directly attributable cost of creation of the asset, less accumulated amortisation. Intangible assets are amortised on a straight-line basis over their estimated useful lives up to a maximum of 10 years. Software incorporated into major Enterprise Resource Planning (ERP) implementations that support the recruitment process and financial reporting process is amortised over a life of up to seven years. Other software is amortised between three and five years.

m. Property, plant and equipment

Property, plant and equipment is recorded at cost, net of depreciation and any provision for impairment. Depreciation is provided on a straight-line basis over the anticipated useful working lives of the assets, after they have been brought into use, at the following rates:

Leasehold improvements	– The cost is written off over the unexpired term of the lease
Plant and machinery	– At rates varying between 5% and 33%
Fixtures and fittings	– At rates varying between 10% and 25%

n. Trade and other receivables

Trade and other receivables are initially measured at the transaction price and then at amortised cost after appropriate allowances for estimated irrecoverable amounts have been recognised in the Consolidated Income Statement. An allowance for impairment is made to both trade receivables and accrued income based on historical credit loss experience adjusted for forward-looking factors specific to the debtors and economic environment, as evidence of a likely reduction in the recoverability of the cash flows.

o. Cash and cash equivalents

Cash and cash equivalents comprise cash-in-hand and current balances with banks and similar institutions, which are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

p. Trade payables

Trade payables are measured initially at transaction price and then at amortised cost.

q. Bank borrowings

Interest-bearing bank loans and overdrafts are recorded initially at fair value and subsequently measured at amortised cost.

Finance charges, including premiums payable on settlement or redemption and direct-issue costs, are accounted for on an accrual basis in the Consolidated Income Statement using the effective interest rate method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

r. Derivative financial instruments

The Group may use certain derivative financial instruments to reduce its exposure to foreign exchange movements. The Group held six foreign exchange contracts at the end of the current year (2022: five forward contracts) to facilitate cash management within the Group. The Group does not hold or use derivative financial instruments for speculative purposes.

The fair values of foreign exchange swaps are measured using inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly. It is the Group's policy not to seek to designate these derivatives as hedges. All derivative financial instruments not in a hedge relationship are classified as derivatives at fair value in the Consolidated Income Statement.

Fair value measurements

The information below sets out how the Group determines fair value of various financial assets and financial liabilities.

The following provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

s. Leases

Set out below are the accounting policies of the Group upon adoption of IFRS 16, which have been applied from the date of initial application:

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease and they are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its leases of property, motor vehicles and equipment where leases have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

t. Provisions

A provision is recognised when the Group has a present legal or constructive obligation as a result of a past event for which it is probable that an outflow of resources will be required to settle the obligation and when the amount can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessment of the time value of money and the risks specific to the liability.

u. Government grants

A government grant is recognised only when there is reasonable assurance that the Group will comply with any conditions attached to the grant and that the grant will be received. The grant is recognised net against the related costs for the period in which they are intended to compensate.

3. Critical accounting judgements and key sources of estimation uncertainty

The preparation of the Consolidated Financial Statements requires judgement, estimations and assumptions to be made that affect the reported value of assets, liabilities, revenues and expenses. Judgements, estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised and in any future years affected.

In preparing the Consolidated Financial Statements, the Directors have considered the impact of Climate Change on the Group and have concluded that there is no material impact on financial reporting judgements and estimates (further information is provided in the Strategic Report on [page 68](#)). This is consistent with the assertion that risks associated with Climate Change are not expected to have a material impact on the longer term viability of the Group. Furthermore, there is not considered to be a material impact on the carrying value of goodwill, other intangibles or on property, plant and equipment.

Whilst the Directors have concluded that there is no material impact of Climate Change on the financial reporting judgements and estimates, they are mindful of the changing nature of the risks of Climate Change. The Directors will therefore continue to monitor these risks and their potential impact on the judgements and estimates used in the Consolidated Financial Statements.

In applying the Group's accounting policies, the Directors have identified that the following areas are the critical accounting judgements and key sources of estimation uncertainty:

Critical accounting judgements

Management does not consider there to be any critical accounting judgements in either the current or prior years.

Estimation uncertainty

Goodwill impairment

Goodwill is tested for impairment at least annually. In performing these tests assumptions are made in respect of future growth rates and the discount rate to be applied to the future cash flows of cash-generating units (CGUs). These assumptions are set out in note 12 to the Consolidated Financial Statements.

Management has determined that there is no impairment required to any of the CGUs in the year ended 30 June 2023.

Pension accounting

Under IAS 19 'Employee Benefits', the Group has recognised a pension surplus of £25.7 million (2022: £102.0 million). A number of assumptions have been made in determining the pension position and these are described in note 22 to the Consolidated Financial Statements.

Provisions in respect of recoverability of trade receivables

As described in note 17 to the Consolidated Financial Statements, provisions for impairment of trade receivables and accrued income have been made. In reviewing the appropriateness of these provisions, consideration has been given to the ageing of the debt and the potential likelihood of default, taking into account current and future economic conditions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

4. Segmental information

IFRS 8 'Operating Segments'

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision-maker to allocate resources to the segment and to assess their performance.

As a result, the Group segments the business into four regions, Germany, United Kingdom & Ireland, Australia & New Zealand and Rest of World. There is no material difference between the segmentation of the Group's turnover by geographic origin and destination.

The Group's operations comprise one class of business, that of qualified, professional and skilled recruitment.

Turnover, net fees and operating profit

The Group's Executive Board, which is regarded as the chief operating decision-maker, uses net fees by segment as its measure of revenue in internal reports, rather than turnover. This is because net fees exclude the remuneration of temporary workers, and payments to other recruitment agencies where the Group acts as principal, which are not considered relevant in allocating resources to segments. The Group's Executive Board considers net fees for the purpose of making decisions about allocating resources. The Group does not report items below operating profit by segment in its internal management reporting. The full detail of these items can be seen in the Group Consolidated Income Statement on [page 157](#). The reconciliation of turnover to net fees can be found in note 5 to the Consolidated Financial Statements.

(In £s million)	Note	2023	2022
Turnover			
Germany		1,956.3	1,621.9
United Kingdom & Ireland		1,714.6	1,657.2
Australia & New Zealand		1,583.3	1,638.8
Rest of World		2,329.1	1,671.0
Group	<u>5</u>	7,583.3	6,588.9

(In £s million)	Note	2023	2022
Net fees			
Germany		382.0	313.9
United Kingdom & Ireland		266.1	263.3
Australia & New Zealand		188.4	195.7
Rest of World		458.1	416.5
Group	<u>5</u>	1,294.6	1,189.4

(In £s million)	2023	2022
Operating profit		
Germany	100.2	75.6
United Kingdom & Ireland	28.7	43.4
Australia & New Zealand	32.1	51.6
Rest of World	36.0	39.5
Group	197.0	210.1

Net trade receivables

For the purpose of monitoring performance and allocating resources from a balance sheet perspective, the Group's Executive Board monitors trade receivables net of provisions for impairment only on a segmental basis. These are monitored on a constant currency basis for comparability through the year. These are shown below and reconciled to the totals as shown in note 17 to the Consolidated Financial Statements.

(In £s million)	As reported internally	Exchange adjustments	2023	As reported internally	Exchange adjustments	2022
Germany	234.3	(0.3)	234.0	204.3	0.6	204.9
United Kingdom & Ireland	174.2	(0.1)	174.1	149.8	0.1	149.9
Australia & New Zealand	109.4	(8.3)	101.1	75.5	4.9	80.4
Rest of World	221.1	(3.3)	217.8	214.3	13.7	228.0
Group	739.0	(12.0)	727.0	643.9	19.3	663.2

Major customers

In the current year and prior year there was no customer that exceeded 10% of the Group's turnover.

5. Operating profit

The following costs are deducted from turnover to determine net fees:

	2023	2022
(In £s million)		
Turnover	7,583.3	6,588.9
Remuneration of temporary workers	(5,212.9)	(4,784.1)
Remuneration of other recruitment agencies	(1,075.8)	(615.4)
Net fees	1,294.6	1,189.4

The increase in remuneration of other agencies during the year is primarily due to first full-year of large Temp outsourcing contract in our RoW division, where we manage a complex supply chain which includes a significant volume of third-party agency supply. Over time we expect to increase our direct-fill proportion of these contingent workers. Excluding this contract, other agency supply increased by c.£33 million.

Operating profit is stated after charging the following items to net fees of £1,294.6 million (2022: £1,189.4 million):

	2023	2022
(In £s million)		
Staff costs (note 7)	868.8	766.5
Amortisation of intangible assets (note 13)	10.0	10.1
Depreciation of property, plant and equipment (note 14)	10.9	10.0
Depreciation of right-of-use assets (note 15)	46.0	44.0
Loss on closure of Russian business	-	4.2
Short-term leases and leases of low-value assets	3.8	3.1
Impairment loss on trade receivables (note 17)	3.0	2.4
Auditor's remuneration (note 6):		
- for statutory audit services	2.1	1.8
- for other services	0.2	0.2
Other external charges	152.8	137.0
Administrative expenses	1,097.6	979.3

In the year ended 30 June 2022, due to the conflict in Ukraine, the Group announced that it had taken the decision to close its offices in Moscow and St Petersburg, cease trading with immediate effect and exit Russia. Russia generated £7.8 million of net fees and £1.2 million of operating profit in the year ended 30 June 2022. The total one-off cost of closing the Russian business was £4.2 million and, due to the amount being immaterial to the Group, was incurred as an expense within operating profit and not reported as a discontinued operation.

6. Auditor's remuneration

	2023	2022
(In £s million)		
Fees payable to the Company's Auditors for the audit of the Company's annual Financial Statements	0.6	0.5
Fees payable to the Company's Auditors and their associates for other services to the Group:		
The audit of the Company's subsidiaries pursuant to legislation	1.5	1.3
Total audit fees	2.1	1.8
Audit-related assurance services	0.2	0.2
Total non-audit fees	0.2	0.2

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7. Staff costs

The aggregate staff remuneration (including Executive Directors) was as follows:

(In £s million)	2023	2022
Wages and salaries	737.6	654.1
Social security costs	95.9	81.5
Other pension costs	23.3	20.0
Share-based payments	12.0	10.9
Staff costs	868.8	766.5

Average number of persons employed during the year (including Executive Directors) was as follows:

(Number)	2023	2022
Germany	2,994	2,568
United Kingdom & Ireland	3,767	3,430
Australia & New Zealand	1,634	1,563
Rest of World	4,961	4,552
Group	13,356	12,113

Closing number of persons employed at the end of the year (including Executive Directors) was as follows:

(Number)	2023	2022
Germany	3,023	2,885
United Kingdom & Ireland	3,656	3,764
Australia & New Zealand	1,581	1,672
Rest of World	4,789	4,913
Group	13,049	13,234

8. Net finance charge

(In £s million)	2023	2022
Interest received on bank deposits	2.0	0.8
Interest payable on bank loans and overdrafts	(3.7)	(1.2)
Interest on lease liabilities (note 15)	(4.2)	(3.9)
Pension Protection Fund levy	(0.1)	(0.1)
Net interest credit/(expense) on defined benefit pension schemes (note 22)	1.1	(1.4)
Net finance charge	(4.9)	(5.8)

9. Tax

The tax expense for the year is comprised of the following:

(In £s million)	2023	2022
Current tax		
Current tax expense in respect of the current year	(57.2)	(54.8)
Adjustments recognised in the current year in relation to the current tax of prior years	6.8	4.0
	(50.4)	(50.8)
Deferred tax		
Deferred tax (charge)/credit in respect of the current year	(5.4)	0.2
Adjustments to deferred tax in relation to prior years	2.0	0.5
	(3.4)	0.7
Total income tax expense recognised in the current year	(53.8)	(50.1)

Current tax expense for the year is comprised of the following:

(In £s million)	2023	2022
United Kingdom	(5.7)	(3.8)
Overseas	(51.5)	(51.0)
Group	(57.2)	(54.8)

The income tax expense for the year can be reconciled to the accounting profit as follows:

(In £s million)	2023	2022
Profit before tax	192.1	204.3
Income tax expense calculated at 20.5% (2022: 19.0%)	(39.4)	(38.8)
Net effect of items that are non-deductible in determining taxable profit	(3.7)	(5.6)
Effect of unused tax losses not recognised for deferred tax assets	(6.6)	(1.1)
Effect of tax losses not recognised for deferred tax utilised in the year	0.3	0.8
Effect of tax losses now recognised for deferred tax	1.2	3.1
Effect of other timing differences not recognised for deferred tax assets	(1.6)	2.4
Effect of other timing differences previously unrecognised for deferred tax assets	0.8	0.9
Effect of different tax rates of subsidiaries operating in other jurisdictions	(13.3)	(15.7)
Effect of share-based payment charges and share options	(0.3)	(0.6)
Income tax recognised in the current year	(62.6)	(54.6)
Adjustments recognised in the current year in relation to the current tax of prior years	6.8	4.0
Adjustments to deferred tax in relation to prior years	2.0	0.5
Income tax expense recognised in the Consolidated Income Statement	(53.8)	(50.1)
Effective tax rate for the year	28.0%	24.5%

The tax rate used for the reconciliation above for the year ended 30 June 2023 is the corporation tax rate of 20.5% (2022: 19.0%), being a blend of the tax rate of 19% up to 31 March 2023 and 25% from 1 April 2023, payable by corporate entities in the United Kingdom on taxable profits under tax law in that jurisdiction. The Group operates in jurisdictions which have tax rates higher than the UK statutory tax rate, the most significant being Germany and Australia with statutory rates of 31.5% and 30% respectively, the impact of which is shown in the above reconciliation under effect of different tax rates of subsidiaries operating in other jurisdictions.

In the Spring Budget 2021, the UK government announced an increase in the UK corporation tax rate from 19% to 25% with effect from 1 April 2023. This was substantially enacted in May 2021. Furthermore, on 20 June 2023, Finance (No.2) Act 2023 was substantively enacted in the UK, introducing a global minimum effective tax rate of 15%. The legislation implements a domestic top-up tax and a multinational top-up tax, effective for accounting periods starting on or after 31 December 2023. The Group has applied the exception under the IAS 12 amendment to recognising and disclosing information about deferred tax assets and liabilities related to top-up income taxes.

Income tax recognised in other comprehensive income

(In £s million)	2023	2022
Current tax		
Contributions in respect of defined benefit pension scheme	3.9	–
Tax on foreign exchange movements	1.1	(1.8)
Effect of tax losses previously recognised, utilised in the year	–	1.8
Deferred tax		
Actuarial loss/(gain) in respect of defined benefit pension scheme	23.7	(9.9)
Contributions in respect of defined benefit pension scheme	(4.7)	–
Effect of tax losses previously recognised, utilised in the year	–	(1.8)
Effect of tax losses recognised for deferred tax	(4.5)	3.1
Total income tax credit/(charge) recognised in other comprehensive income	19.5	(8.6)

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10. Dividends

The following dividends were paid by the Group and have been recognised as distributions to equity shareholders in the year:

	2023 (pence per share)	2023 (£s million)	2022 (pence per share)	2022 (£s million)
Prior year final dividend	1.90	30.8	1.22	20.5
Prior year special dividend	7.34	119.1	8.93	150.0
Current year interim dividend	0.95	15.2	0.95	15.9
Total	10.19	165.1	11.10	186.4

The following dividends have been proposed by the Group in respect of the accounting year presented:

	2023 (pence per share)	2023 (£s million)	2022 (pence per share)	2022 (£s million)
Interim dividend (paid)	0.95	15.2	0.95	15.9
Final dividend (proposed)	2.05	32.6	1.90	31.4
Special dividend (proposed)	2.24	35.6	7.34	121.2
Total	5.24	83.4	10.19	168.5

The final dividend for 2023 of 2.05 pence per share (£32.6 million) along with a special dividend of 2.24 pence per share (£35.6 million) will be proposed at the Annual General Meeting on 15 November 2023. Neither the final dividend nor the special dividend have been included as a liability. If approved, the final and special dividends will be paid on 17 November 2023 to shareholders on the register at the close of business on 6 October 2023.

11. Earnings per share

For the year ended 30 June 2023	Earnings (£s million)	Weighted average number of shares (million)	Per share amount (pence)
Basic earnings per share	138.3	1,610.0	8.59
Dilution effect of share options	–	13.9	(0.07)
Diluted earnings per share	138.3	1,623.9	8.52

For the year ended 30 June 2022	Earnings (£s million)	Weighted average number of shares (million)	Per share amount (pence)
Basic earnings per share	154.2	1,671.7	9.22
Dilution effect of share options	–	20.7	(0.11)
Diluted earnings per share	154.2	1,692.4	9.11

The weighted average number of shares in issue for the current and prior years exclude shares held in treasury.

12. Goodwill

(In £s million)	2023	2022
At 1 July	202.3	199.9
Exchange adjustments	(3.0)	2.4
Additions during the year	1.0	–
At 30 June	200.3	202.3

Goodwill arising on business combinations is reviewed and tested on an annual basis or more frequently if there is an indication that goodwill might be impaired. Goodwill has been tested for impairment by comparing the carrying amount of each cash-generating unit (CGU), including goodwill, with the recoverable amount. The recoverable amounts of the CGUs are determined from value-in-use calculations.

The additions during the year of £1.0 million relate to the acquisition of Vercida Consulting, a DE&I advisory business based in the UK, with further amounts payable based on achieving our ambitious growth plans. These amounts will be charged to the Consolidated Income Statement and are not expected to be material.

The key assumptions for the value-in-use calculations are as follows:

Assumption	How determined
Operating profit	The operating profit is based on the latest one-year forecasts for the CGUs approved by the Group's Executive Board, and medium-term forecasts over a two to five year period which are compiled using expectations of fee growth, consultant productivity and operating costs, from past experience. The Group prepares cash flow forecasts derived from the most recent one-year financial forecasts approved by the Group's Executive Board, and extrapolates cash flows in perpetuity based on the long-term growth rates and expected cash conversion rates. Cash flow projections used to measure value-in-use do not include any cash inflows or outflows expected from any future restructurings or asset enhancements.
Discount rates	The pre-tax rates used to discount the forecast cash flows range between 12.2% and 14.2% (2022: 12.7% and 16.0%) reflecting current market assessments of the time value of money and the country risks specific to the relevant CGUs. The discount rate applied to the cash flows of each of the Group's operations is based on the weighted average cost of capital (WACC), taking into account adjustments to the risk-free rate for 20-year bonds issued by the government in the respective market. Where government bond rates contain a material component of credit risk, high-quality local corporate bond rates may be used. These rates are adjusted for a risk premium to reflect the increased risk of investing in equities and, where appropriate, the systematic risk of the specific Group operating company. In making this adjustment, inputs required are the equity market risk premium (that is the increased return required over and above a risk-free rate by an investor who is investing in the market as a whole) and the risk adjustment beta, applied to reflect the risk of the specific Group operating company relative to the market as a whole.
Growth rates	The medium-term growth rates are based on management's current forecasts for a period of two to five years. These are consistent with a minimum average estimated growth rate for Group of 12.0% (2022: 9.0%). The growth estimates reflect a combination of both past experience and the macroeconomic environment, including GDP expectations driving fee growth. The long-term growth rates are based on management forecasts, which are consistent with external sources of an average estimated growth rate of 2.0% (2022: 2.0%), reflecting a combination of GDP expectations and long-term wage inflation driving fee growth. GDP growth is a key driver of our business, and is therefore a key consideration in developing long-term forecasts. Wage inflation is also an important driver of net fees, as net fees are derived directly from the salary level of candidates placed into employment. Based on past experience a combination of these two factors is considered to be an appropriate basis for assessing long-term growth rates.

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12. Goodwill continued

Goodwill is allocated to CGUs for the purpose of impairment testing. The allocation is made to those CGUs or groups of CGUs that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments. The carrying amount of goodwill has been allocated as follows:

(In £s million)	2023	2022
Germany	49.8	49.9
United Kingdom & Ireland	94.1	93.1
Rest of World	56.4	59.3
Group	200.3	202.3

Information about the performance of the individual CGUs is provided in the Divisional Operating Reviews, within the Strategic Report on pages 48 to 52.

Impairment reviews were performed at the year-end by comparing the carrying value of goodwill with the recoverable amounts of the CGUs to which goodwill has been allocated. In the current year, management has determined that there has been no requirement to impair to any of the CGUs and in respect of these a sensitivity analysis has been performed in assessing recoverable amounts of goodwill. This has been based on changes in key assumptions considered to be reasonably possible by management. This included a change in the pre-tax discount rate of up to 3% and changes in the medium and long-term growth rates of between 0% and 2% in absolute terms. The sensitivity analysis shows that no impairment would arise in isolation under each scenario for any of the CGUs. The average headroom across all the CGUs was 465% and the lowest level of headroom on an individual CGU was 40%.

The USA business, which is part of the Rest of World segment, had a challenging year with an industry wide slowdown in Permanent recruitment market, particularly in the Technology sector. As a result, the headroom has decreased from the prior year to £12.3 million on goodwill of £22.2 million. A key assumption in determining the value-in-use calculation is an average annual fee growth of 7% for the period of two to five years, this is in line with Group's overall strategy to build a strong presence in the USA, and maximise the long-term growth opportunities available in the market. The sensitivity analysis shows that a reduction in average fee growth rate assumption from 7% to 4% will eliminate headroom to nil. The pre-tax rate used to discount the forecast cash flow is 13.6%, a 1% increase to this rate will reduce headroom by c.£3 million.

13. Other intangible assets

(In £s million)	2023	2022
Cost		
At 1 July	179.2	164.9
Exchange adjustments	(1.5)	2.7
Additions	16.8	12.3
Disposals	(0.5)	(0.7)
At 30 June	194.0	179.2
Accumulated amortisation		
At 1 July	132.1	120.1
Exchange adjustments	(1.3)	2.0
Charge for the year	10.0	10.1
Disposals	(0.5)	(0.1)
At 30 June	140.3	132.1
Net book value		
At 30 June	53.7	47.1
At 1 July	47.1	44.8

All other intangible assets relate mainly to computer software, and of the additions in the current year, £7.3 million relate to internally generated assets (2022: £5.4 million).

The estimated average useful life of the computer software related intangible assets is seven years (2022: seven years). Software incorporated into major Enterprise Resource Planning (ERP) implementations is amortised on a straight-line basis over a life of up to seven years. Other software is amortised on a straight-line basis between three and five years.

Capital commitments were £1.7 million (2022: £nil).

14. Property, plant and equipment

	Leasehold improvements	Plant and machinery	Fixtures and fittings	Total
(In £s million)				
Cost				
At 1 July 2022	28.1	54.8	31.4	114.3
Exchange adjustments	(1.5)	(1.2)	(0.3)	(3.0)
Additions	2.9	5.4	4.0	12.3
Disposals	(1.5)	(1.7)	(1.1)	(4.3)
At 30 June 2023	28.0	57.3	34.0	119.3
Accumulated depreciation				
At 1 July 2022	20.7	39.7	24.6	85.0
Exchange adjustments	(1.0)	(0.9)	(0.2)	(2.1)
Charge for the year	2.3	6.7	1.9	10.9
Disposals	(1.5)	(1.7)	(1.0)	(4.2)
At 30 June 2023	20.5	43.8	25.3	89.6
Net book value				
At 30 June 2023	7.5	13.5	8.7	29.7
At 1 July 2022	7.4	15.1	6.8	29.3
(In £s million)				
Cost				
At 1 July 2021	26.8	51.4	30.4	108.6
Exchange adjustments	1.2	0.9	0.5	2.6
Additions	1.5	9.2	1.4	12.1
Disposals	(1.4)	(6.7)	(0.9)	(9.0)
At 30 June 2022	28.1	54.8	31.4	114.3
Accumulated depreciation				
At 1 July 2021	18.9	39.2	23.1	81.2
Exchange adjustments	0.8	0.7	0.4	1.9
Charge for the year	2.3	5.8	1.9	10.0
Disposals	(1.3)	(6.0)	(0.8)	(8.1)
At 30 June 2022	20.7	39.7	24.6	85.0
Net book value				
At 30 June 2022	7.4	15.1	6.8	29.3
At 1 July 2021	7.9	12.2	7.3	27.4

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15. Lease accounting

(In £s million)	Right-of-use assets				Lease liabilities
	Property	Motor vehicles	Other assets	Total lease assets	
At 1 July 2022	162.4	9.2	0.1	171.7	(185.1)
Exchange adjustments	(2.2)	–	–	(2.2)	2.2
Lease additions	53.6	8.5	0.1	62.2	(62.2)
Lease disposals	(9.5)	(0.1)	–	(9.6)	9.6
Depreciation of right-of-use assets	(39.8)	(6.1)	(0.1)	(46.0)	–
Lease liability principal repayments	–	–	–	–	49.9
Interest on lease liabilities	–	–	–	–	(4.2)
At 30 June 2023	164.5	11.5	0.1	176.1	(189.8)

(In £s million)	Right-of-use assets				Lease liabilities
	Property	Motor vehicles	Other assets	Total lease assets	
At 1 July 2021	181.8	8.3	0.2	190.3	(201.1)
Exchange adjustments	2.5	0.2	–	2.7	(2.4)
Lease additions	32.0	6.6	–	38.6	(38.6)
Lease disposals	(15.7)	(0.2)	–	(15.9)	15.9
Depreciation of right-of-use assets	(38.2)	(5.7)	(0.1)	(44.0)	–
Lease liability principal repayments	–	–	–	–	45.0
Interest on lease liabilities	–	–	–	–	(3.9)
At 30 June 2022	162.4	9.2	0.1	171.7	(185.1)

Maturity analysis

(In £s million)	2023	2022
Less than one year	(41.3)	(39.8)
One to two years	(36.5)	(37.1)
Two to three years	(26.9)	(29.9)
Three to four years	(19.6)	(20.7)
Four to five years	(15.4)	(14.4)
More than five years	(50.1)	(43.2)
Total lease liabilities	(189.8)	(185.1)

(In £s million)	2023	2022
Current	(41.3)	(39.8)
Non-current	(148.5)	(145.3)
Total lease liabilities	(189.8)	(185.1)

16. Deferred tax

Deferred tax assets and liabilities in relation to:

(In £s million)	1 July 2022	(Charge)/ credit to Consolidated Income Statement	(Charge)/ credit to other comprehensive income	Exchange adjustments	30 June 2023
Accelerated tax depreciation	(3.8)	(1.0)	–	–	(4.8)
Retirement benefit surplus	(25.5)	–	19.0	–	(6.5)
Share-based payments	1.7	0.6	–	–	2.3
Provisions	8.5	(0.9)	–	(0.2)	7.4
Tax losses	17.2	(3.1)	(4.5)	(0.2)	9.4
Other short-term timing differences	10.4	1.0	–	(0.6)	10.8
Net deferred tax	8.5	(3.4)	14.5	(1.0)	18.6

(In £s million)	1 July 2021	(Charge)/ credit to Consolidated Income Statement	(Charge)/ credit to other comprehensive income	Exchange adjustments	30 June 2022
Accelerated tax depreciation	(3.4)	(0.3)	–	(0.1)	(3.8)
Retirement benefit surplus	(11.6)	(4.0)	(9.9)	–	(25.5)
Share-based payments	1.6	0.1	–	–	1.7
Provisions	8.4	–	–	0.1	8.5
Tax losses	12.2	3.4	1.3	0.3	17.2
Other short-term timing differences	8.5	1.5	–	0.4	10.4
Net deferred tax	15.7	0.7	(8.6)	0.7	8.5

Deferred tax assets and liabilities are offset where the Group has a legal enforceable right to do so. The analysis of the deferred tax balances (after offset) for financial reporting purposes are as follows:

(In £s million)	2023	2022
Deferred tax assets	21.4	18.5
Deferred tax liabilities	(2.8)	(10.0)
Net deferred tax	18.6	8.5

The deferred tax asset of £21.4 million (2022: £18.5 million) as at 30 June 2023 primarily arises from our Australian and UK businesses and the deferred tax liability of £2.8 million (2022: £10.0 million) as at 30 June 2023 mainly arises from our German business.

The increase in the overall deferred tax balance is primarily explained by the reduction in the deferred tax liability driven by a reduction in the retirement benefit surplus, partially offset by the derecognition of deferred tax asset in relation to previously unrecognised tax losses. This is on the basis that the asset can be recovered against the deferred tax liability relating to the retirement benefit surplus when the latter unwinds in the future.

Deferred tax assets can, inter alia, be recognised where the potential asset can offset the future unwind of a deferred tax liability. Therefore, when considering the recognition of certain deferred tax assets, management must consider the level of the deferred tax liability recognised in relation to the retirement benefit surplus and the manner in which that deferred tax liability will unwind.

Management considers a buy-out of the defined benefit pension scheme to be the most probable manner of recovery of the retirement benefit surplus, based on the progress of the Group's stated long-term objective of achieving a buy-out of the scheme within the next six years. On this basis, the retirement benefit surplus would unwind as a one-off event, rather than over time, and hence the associated deferred tax liability would unwind simultaneously at that point in time.

As such, the extent to which a deferred tax asset can be recognised against this deferred tax liability is capped to the amount of that potential asset that can be utilised in the one period in which the pension related deferred tax liability unwinds.

If management were to judge that the retirement benefit surplus would unwind over a number of years, rather than as a one-off event, the deferred tax asset recognised at 30 June 2023 would be £2.4 million higher.

The basis for measurement will be assessed at each reporting period based on the latest position in relation to the defined benefit pension scheme as a change in the basis of recovery would result in a different measurement basis and impact the quantum of the deferred tax balance recognised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the periods in which they reverse – being the rates enacted or substantively enacted for those relevant periods applicable for each jurisdiction. Following the legislated increase in the main UK corporation tax rate from 19% to 25% which has effect from 1 April 2023, the UK deferred tax balances were remeasured as at 30 June 2021 and continues to be measured at the tax rates that would apply in the period they are expected to reverse.

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16. Deferred tax continued

Unrecognised deductible temporary differences, unused tax losses and unused tax credits

Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following:

(In £s million)	Gross 2023	Tax 2023	Gross 2022	Tax 2022
Tax losses (revenue in nature)	138.1	34.6	97.8	26.5
Tax losses (capital in nature)	22.1	5.5	22.1	5.5
Total tax losses	160.2	40.1	119.9	32.0

(In £s million)	Gross 2023	Tax 2023	Gross 2022	Tax 2022
Unrecognised deductible temporary differences	49.6	11.9	41.9	10.2

In tax losses (revenue in nature) £0.7 million is due to expire in five years. The remaining tax losses have no fixed expiry date. The capital losses can also be carried forward indefinitely but can only be offset against capital gains.

Unrecognised taxable temporary differences associated with investments and interests

Taxable temporary differences in relation to investments in subsidiaries, for which deferred tax liabilities have not been recognised are attributable to the following:

(In £s million)	2023	2022
Foreign subsidiaries	34.9	28.3
Tax thereon	2.2	1.8

17. Trade and other receivables

(In £s million)	2023	2022
Net trade receivables	727.0	663.2
Net accrued income	476.8	495.9
Prepayments and other receivables	40.8	46.0
Trade and other receivables	1,244.6	1,205.1

Due to their short-term nature, the Directors consider that the carrying amount of trade receivables approximates to their fair value. The average credit period taken is 33 days (2022: 33 days).

Accrued income primarily arises where temporary workers have provided their services but the amount incurred and margin earned thereon has yet to be invoiced on to the client due to timing.

The Group's exposure to foreign currency translation is primarily in respect of the euro and the Australian dollar. The sensitivity of a 1 cent change in the year-end closing exchange rates in respect of the euro and Australian dollar would result in a £2.8 million and £0.5 million movement in trade receivables respectively.

Credit risk

The Group's credit risk is primarily attributable to its trade receivables and the risk of customer default, although the Group is also subject to credit risk on its accrued income. The amounts presented in the Consolidated Balance Sheet for both trade receivables and accrued income are net of allowances for doubtful receivables. An impairment analysis is performed centrally using a provision matrix to measure the expected credit losses, in which the allowance for impairment increases as balances age. Expected credit losses are measured using historical losses for the past five years, adjusted for forward-looking factors impacting the economic environment, such as the GDP growth outlook (based on the IMF's World Economic Outlook data), and commercial factors deemed to have a significant impact on expected credit loss rates. The provision matrix used to measure the expected credit losses is:

As at 30 June 2023

(In £s million)	Gross	Expected Credit Loss	Provision	Net
Not yet due	633.2	0.3%	(1.7)	631.5
Up to one month past due	81.9	5.7%	(4.7)	77.2
One to three months past due	20.1	17.4%	(3.5)	16.6
Greater than three months past due	11.0	84.6%	(9.3)	1.7
Trade receivables	746.2	2.6%	(19.2)	727.0
Accrued income	478.5	0.4%	(1.7)	476.8

As at 30 June 2022

	Gross	Expected Credit Loss	Provision	Net
(In £s million)	570.0	0.4%	(2.0)	568.0
Not yet due	78.5	2.8%	(2.2)	76.3
Up to one month past due	22.2	19.4%	(4.3)	17.9
One to three months past due	10.1	90.1%	(9.1)	1.0
Greater than three months past due	680.8	2.6%	(17.6)	663.2
Trade receivables	499.0	0.6%	(3.1)	495.9
Accrued income				

The Group reduces risk through its credit control process and by contractual arrangements with other recruitment agencies in situations where the Group invoices on their behalf. The Group's exposure is spread over a large number of customers.

The movement on the provision for impairment of trade receivables is as follows:

	2023	2022
(In £s million)	17.6	16.6
At 1 July	(0.2)	0.2
Exchange movement	3.0	2.4
Charge for the year	(1.2)	(1.6)
Uncollectable amounts written off	19.2	17.6
At 30 June		

Sensitivity

The key sensitivity for credit risk is the movement in recoverability of trade receivables, measured by Days Sales Outstanding ('DSO'). Sensitivity analysis is performed for both an increase and decrease of one DSO, based on actual DSO of 33 days at 30 June 2023 (30 June 2022: 33 days). The sensitivity analysis show that an increase of one DSO will result in an additional £1.1 million impairment allowance, whereas a decrease of one DSO will result in a £1.1 million decrease in impairment allowance. The impact of forward-looking factors on the required provision is immaterial at 30 June 2023, including the impact on the required provision on accrued income. The results of the sensitivity analysis of DSO is shown below:

One additional DSO

	Adjusted Gross	Expected Credit Loss	Required Provision
(In £s million)	670.6	0.3%	(1.8)
Not yet due	87.2	5.7%	(5.0)
Up to one month past due	21.2	17.4%	(3.7)
One to three months past due	11.6	84.6%	(9.8)
Greater than three months past due	790.6	2.6%	(20.3)
Trade receivables			

One fewer DSO

	Adjusted Gross	Expected Credit Loss	Required Provision
(In £s million)	600.0	0.3%	(1.6)
Not yet due	78.0	5.7%	(4.5)
Up to one month past due	19.0	17.4%	(3.3)
One to three months past due	10.4	84.6%	(8.8)
Greater than three months past due	707.4	2.6%	(18.2)
Trade receivables			

The risk disclosures contained on [pages 74 to 79](#) within the Strategic Report form part of these Consolidated Financial Statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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18. Cash and cash equivalents

(In £s million)	2023	2022
Cash and cash equivalents	145.6	296.2

The effective interest rate on short-term deposits was 3.4% (2022: 0.1%). The average maturity of short-term deposits was 7 days (2022: 19 days).

Capital management

The Group's business model remains highly cash generative. The Board's free cash flow priorities are to fund the Group's investment and development, maintain a strong balance sheet, deliver a sustainable and appropriate core dividend and to return surplus capital to shareholders via special dividends and share buybacks.

The Group's target core full-year dividend cover range remains 2.0 to 3.0x earnings. The Group's policy for returning surplus cash to shareholders is based on returning capital above the Group's cash buffer at each financial year-end (30 June) of £100 million, subject to the economic outlook.

The capital structure of the Group consists of net cash/(debt), which is represented by cash and cash equivalents, bank loans and overdrafts (note 20) and equity attributable to equity holders of the parent, comprising issued share capital, reserves and retained earnings.

The Group is not restricted to any externally imposed capital requirements.

Risk management

A description of the Group's treasury policy and controls is included in the Finance Director's Review on [page 47](#).

Cash management and foreign exchange risk

The Group's cash management policy is to minimise interest payments by closely managing Group cash balances and external borrowings. Euro-denominated cash positions are managed centrally using a cash concentration arrangement which provides visibility over participating country bank balances on a daily basis. Any Group surplus balance is used to repay any maturing loans under the Group's revolving credit facility or invested in money market funds. As the Group holds a sterling-denominated debt facility and generates significant foreign currency cash flows, the Board considers it appropriate in certain cases to use derivative financial instruments as part of its day-to-day cash management to reduce the Group's exposure to foreign exchange risk.

The Group's operating profit exposure to foreign currency translation is primarily in respect of the euro and the Australian dollar. The sensitivity of a 1 cent change in the average exchange rates for the year in respect of the euro and Australian dollar would result in a £1.2 million and £0.2 million change in operating profit respectively.

The Group does not use derivatives to hedge balance sheet and income statement translation exposure.

Interest rate risk

The Group is exposed to interest rate risk on floating rate bank loans and overdrafts. It is the Group's policy to limit its exposure to fluctuating interest rates by selectively hedging interest rate risk using derivative financial instruments, however there were no interest rate swaps held by the Group during the current or prior year. Cash and cash equivalents carry interest at floating rates based on local money market rates.

Counterparty credit risk

Counterparty credit risk arises primarily from the investment of surplus funds. Risks are closely monitored using credit ratings assigned to financial institutions by international credit rating agencies. The Group restricts transactions to banks and money market funds that have an acceptable credit profile and limits its exposure to each institution accordingly.

19. Derivative financial instruments

(In £s million)	2023	2022
Net derivative asset/(liability)	0.1	(0.1)

As set out in note 18 to the Consolidated Financial Statements and in the treasury management section of the Finance Director's Review on [page 47](#), in certain cases the Group uses derivative financial instruments to manage its foreign exchange exposures as part of its day-to-day cash management.

As at 30 June 2023, the Group had entered into six forward exchange contract arrangements with a counterparty bank (2022: five forward contracts). The fair market value of the contracts as at 30 June 2023 gave rise to a gain resulting in the presentation of a net derivative asset of £0.1 million (2022: liability £0.1 million) in the Consolidated Balance Sheet.

In the current year, some of the derivative assets and liabilities met the offsetting criteria of IAS 32 paragraph 42. Consequently, the qualifying gross derivative assets were set off against the qualifying gross derivative liabilities.

The Group does not use derivatives for speculative purposes and all transactions are undertaken to manage the risks arising from underlying business activities. These instruments are classified as Level 2 in the IFRS 7 fair value hierarchy.

Categories of financial assets and liabilities held by the Group are as follows:

(In £s million)	2023	2022
Financial assets		
Net trade receivables	727.0	663.2
Net accrued income	476.8	495.9
Cash and cash equivalents	145.6	296.2
Derivative financial instruments	0.1	–
Total financial assets	1,349.5	1,455.3

(In £s million)	2023	2022
Financial liabilities		
Trade payables	278.6	279.5
Other payables	87.6	84.2
Other financial liabilities	–	56.8
Accruals	537.7	518.9
Derivative financial instruments	–	0.1
Bank loans and overdrafts	10.0	–
Total financial liabilities	913.9	939.5

20. Bank loans and overdrafts

(In £s million)	2023	2022
Bank loans	10.0	–

Risk management

A description of the Group's treasury policy and controls is included in the Finance Director's Review on [page 47](#).

Committed facilities

On 19 October 2020, the Group extended the maturity of its £210 million unsecured revolving credit facility by one year to November 2025 at the lower value of £170 million in its final year due to reduced lender commitments received. The financial covenants within the facility remain unchanged and require the Group's interest cover ratio to be at least 4:1 and its leverage ratio (net debt to EBITDA) to be no greater than 2.5:1. The interest rate of the facility is based on a ratchet mechanism with a margin payable over SONIA in the range of 0.70% to 1.50%.

At 30 June 2023, £200 million of the committed facility was undrawn (2022: £210 million undrawn).

Interest rates

The weighted average interest rates paid were as follows:

	2023	2022
Bank borrowings	4.6%	1.7%

For every 25 basis points fall or rise in the average SONIA rate in the year, there would be a reduction or increase in profit before tax by approximately £0.1 million.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

21. Trade and other payables

(In £s million)	2023	2022
Trade payables	278.6	279.5
Other tax and social security	87.4	90.4
Other payables	87.6	84.2
Other financial liabilities	–	56.8
Accruals	537.7	518.9
Trade and other payables	991.3	1,029.8

The Directors consider that the carrying amount of trade payables approximates to their fair value. The average credit period taken for trade purchases is 31 days (2022: 28 days).

In the year ended 30 June 2022, the Group commenced a £75.0 million share buyback programme, to be completed over a 12-month period. By 30 June 2022 the Group had purchased and cancelled £18.2 million (15.4 million shares) under this programme. Due to the nature of the cancellation terms in the agreement being not substantive, the outstanding balance under the programme of £56.8 million was recognised as other financial liabilities as at 30 June 2022. This was fully settled in the current financial year.

Accruals primarily relate to the remuneration costs for temporary workers and other agencies that have provided their services but remuneration has yet to be made due to timing.

22. Retirement benefit surplus

The Group operates a number of retirement benefit schemes in the UK and in other countries. The Group's principal schemes are within the UK where the Group operates one defined contribution scheme and two defined benefit schemes. The majority of overseas arrangements are either defined contribution or government-sponsored schemes and these arrangements are not material in the context of the Group results. The total cost charged to the Consolidated Income Statement in relation to these overseas arrangements was £17.5 million (2022: £15.1 million).

UK Defined Contribution Scheme

The Group's principal defined contribution benefit scheme is the Hays Group Personal Pension Plan which is operated for all qualifying employees and is funded via an employee salary sacrifice arrangement, and for qualifying employees additional employer contributions. Employer contributions are in the range of 3% to 12% of pensionable salary depending on the level of employee contribution and seniority.

The total cost charged to the Consolidated Income Statement of £5.8 million (2022: £4.9 million) represents employer's contributions payable to the money purchase arrangements. There were no contributions outstanding at the end of the current or prior year. The assets of the money purchase arrangements are held separately from those of the Group.

UK Defined Benefit Schemes

The Group's principal defined benefit schemes are the Hays Pension Scheme and the Hays Supplementary Scheme both in the UK. The Hays Pension Scheme is a funded final salary defined benefit scheme providing pensions and death benefits to members. The Hays Supplementary Scheme is an unfunded unapproved retirement benefit scheme for employees who were subject to HMRC's earnings cap on pensionable salary. The Schemes were closed to future accrual from 30 June 2012 with pensions calculated up until the point of closure. The Schemes are governed by a Trustee Board, which is independent of the Group and are subject to full actuarial valuation on a triennial basis.

The last formal actuarial valuation of the Hays Pension Scheme was performed at 30 June 2021 and quantified the deficit at £23.9 million. A revised deficit funding schedule, in line with the Group's strategy to achieve an eventual buy-out of the Scheme, was agreed with effect from 1 July 2021 which maintained the annual contribution at its previous level, subject to a 3% per annum fixed uplift over a period of five and a half years. During the year ended 30 June 2023, the Group made a contribution of £17.2 million to the Hays Pension Scheme (2022: £16.7 million) in accordance with the agreed deficit funding schedule. The cash contributions made during the year mainly related to deficit funding payments.

In respect of IFRIC 14, The Hays Pension Scheme Definitive Deed and Rules is considered to provide Hays with an unconditional right to a refund of surplus assets and therefore the recognition of a net defined benefit scheme asset is not restricted and agreements to make funding contributions do not give rise to any additional liabilities in respect of the Scheme.

The defined benefit schemes expose the Group to actuarial risks, such as longevity risk, inflation risk, interest rate risk and market (investment) risk. The Group is not exposed to any unusual, entity-specific or scheme-specific risks.

The net amount included in the Consolidated Balance Sheet arising from the Group's obligations in respect of its defined benefit pension schemes is as follows:

(In £s million)	2023	2022
Present value of defined benefit obligations	(475.8)	(573.5)
Less fair value of defined benefit scheme assets:		
Bonds and gilts	166.7	218.4
Absolute return funds	–	31.2
LDI funds	162.6	139.7
Real estate	–	65.9
Buy-in policy and other insurance policies	159.7	191.6
Cash	12.5	28.7
Total fair value of defined benefit scheme assets	501.5	675.5
Net asset arising from defined benefit obligations	25.7	102.0

(In £s million)	Quoted	Unquoted	2023
Asset category			
Bonds and gilts	–	166.7	166.7
LDI funds	281.7	(119.1)	162.6
Buy-in policy and other insurance policies	–	159.7	159.7
Cash	12.1	0.4	12.5
Total scheme assets	293.8	207.7	501.5

The Trustee Board is responsible for determining the Hays Pension Scheme's investment strategy, after taking advice from the Schemes' investment advisor Mercer Limited. The investment objective for the Trustee of the Scheme is to maintain a portfolio of suitable assets of appropriate liquidity which will generate investment returns to meet, together with future contributions, the benefits of the defined benefit scheme as they fall due. The current strategy is to hold investments that share characteristics with the long-term liabilities of the Scheme. The majority of assets are invested in a Liability Driven Investments (LDI) portfolio and corporate bonds and gilts. The Scheme also holds a bulk purchasing annuity policy (buy-in) contract with Canada Life Limited in respect of ensuring all future payments to existing pensioners of the Hays defined benefit Scheme as at 31 December 2017. The Scheme assets do not include any directly held shares issued by the Company or property occupied by the Company.

The fair value of financial instruments has been determined using the fair value hierarchy. Where such quoted prices are unavailable, the price of a recent transaction for an identical asset, adjusted if necessary, is used. Where quoted prices are not available and recent transactions of an identical asset on their own are either unavailable or not a good estimate of fair value, valuation techniques are employed using both observable market data and non-observable data.

In relation to the LDI funds the valuations have been determined as follows:

- Repurchase agreements (where the Scheme has sold assets with the agreement to repurchase at a fixed date and price) are included in the Consolidated Financial Statements at the fair value of the repurchase price as a liability. The assets sold are reported at their fair value reflecting that the Scheme retains the risks and rewards of ownership of those assets;
- The fair value of the forward currency contracts is based on market forward exchange rates at the year-end and determined as the gain or loss that would arise if the outstanding contract was matched at the year-end with an equal and opposite contract; and
- Swaps represent current value of future cash flows arising from the swap determined using discounted cash flow models and market data at the reporting date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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22. Retirement benefit surplus continued

The analysis of the LDI funds included within the pension scheme assets is as follows:

(In £s million)	Quoted	Unquoted	2023
LDI funds summary valuation			
Government bonds	(35.0)	–	(35.0)
Government index-linked	301.7	–	301.7
Interest rate swaps	–	(26.6)	(26.6)
Fixed incomes futures	42.0	–	42.0
Liquidity	15.0	–	15.0
Gross funds	323.7	(26.6)	297.1
Repurchase agreements	–	(94.5)	(94.5)
RPI swaps	–	2.0	2.0
Futures	(42.0)	–	(42.0)
Gross liabilities	(42.0)	(92.5)	(134.5)
Total LDI funds	281.7	(119.1)	162.6

The LDI portfolio is managed by Insight (a Bank of New York Mellon company) under an active mandate and uses government bonds and derivative instruments (such as interest rate swaps, inflation swaps and gilt repurchase transactions) to hedge the impact of interest rate and inflation movements in relation to the long-term liabilities.

Under the Schemes' LDI strategy, if interest rates fall, the value of LDI investments will rise to help match the increase in actuarial liabilities arising from the fall in discount rate. Similarly if interest rates rise, the LDI investments will fall in value, as will the liabilities because of the increase in the discount rate. The extent to which the liability interest rate and inflation risk is not fully matched by the LDI funds, represents the residual interest rate and inflation risk the Scheme remains exposed to.

In addition to the above risk, the LDI portfolio forms part of a diversified investment portfolio for the Scheme, with this diversification seeking to reduce investment risk.

The Scheme is subject to direct credit risk because it invests in segregated mandates with the LDI portfolio. Credit risk arising on bonds held directly within the LDI portfolio is mitigated by investing mostly in government bonds where the credit risk is minimal.

Credit risk arising on the derivatives held in the LDI mandate depends on whether the derivative is exchange traded or over the counter (OTC). OTC derivative contracts are not guaranteed by any regulated exchange and therefore the Scheme is subject to risk of failure of the counterparty. The credit risk for OTC swaps held in the LDI portfolio is reduced by collateral arrangements.

The change in the present value of defined benefit obligations is as follows:

(In £s million)	2023	2022
Opening defined benefit obligation at 1 July	(573.5)	(855.8)
Administration costs	(3.2)	(2.5)
Interest on defined benefit scheme liabilities	(21.9)	(16.3)
Net remeasurement losses – change in experience assumptions	(26.5)	(12.3)
Net remeasurement gains – change in demographic assumptions	16.8	17.6
Net remeasurement gains – change in financial assumptions	106.6	256.8
Benefits and expenses paid	25.9	39.0
Closing defined benefit obligation at 30 June	(475.8)	(573.5)

The analysis of the defined benefit obligations is as follows:

(In £s million)	2023	2022
Plans that are wholly or partly funded	(470.2)	(565.9)
Plans that are wholly unfunded	(5.6)	(7.6)
Total	(475.8)	(573.5)

The defined benefit schemes' liability comprises 55% (2022: 57%) in respect of deferred benefit scheme participants and 45% (2022: 43%) in respect of retirees.

The weighted average duration of the UK defined benefit scheme liabilities at the end of the reporting year is 15 years (2022: 17 years).

The change in the fair value of defined benefit scheme assets is as follows:

(In £s million)	2023	2022
Fair value of plan assets at 1 July	675.5	902.4
Interest income on defined benefit scheme assets	26.2	17.4
Return on scheme assets	(192.0)	(222.5)
Employer contributions (towards funded and unfunded schemes)	17.7	17.2
Benefits and expenses paid	(25.9)	(39.0)
Fair value of plan assets at 30 June	501.5	675.5

During the year the Company made deficit funding contributions of £17.2 million (2022: £16.7 million) into the funded Hays Pension Scheme, and made pension payments amounting to £0.5 million (2022: £0.5 million) in respect of the unfunded Hays Supplementary Scheme. The amount of deficit funding contributions expected to be paid into the funded Hays Pension Scheme in the year to 30 June 2024 is £17.7 million. Following the closure of the schemes in 2012 future service contributions are no longer payable.

The net interest credit/(expense) recognised in the Consolidated Income Statement comprised:

(In £s million)	2023	2022
Net interest income	4.3	1.1
Administration costs	(3.2)	(2.5)
Net interest credit/(expense) recognised in the Consolidated Income Statement	1.1	(1.4)

The net interest income and administration costs in the current year and prior year were recognised within finance costs.

The amounts recognised in the Consolidated Statement of Comprehensive Income are as follows:

(In £s million)	2023	2022
Return on plan assets (excluding amounts included in net interest expense)	(192.0)	(222.5)
Actuarial remeasurement:		
Net remeasurement losses – change in experience assumptions	(26.5)	(12.3)
Net remeasurement gains – change in demographic assumptions	16.8	17.6
Net remeasurement gains – change in financial assumptions	106.6	256.8
Remeasurement of the net defined benefit surplus	(95.1)	39.6

A roll-forward of the actuarial valuation of the Hays Pension Scheme to 30 June 2023 and the valuation of the Hays Supplementary Pension Scheme has been performed by an independent actuary, who is an employee of ISIO Group Limited.

The key assumptions used at 30 June are as follows:

	2023	2022
Discount rate	5.20%	3.90%
RPI inflation	3.25%	3.15%
CPI inflation	2.55%	2.45%
Rate of increase of pensions in payment	2.90%	3.05%
Rate of increase of pensions in deferment	2.55%	2.45%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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22. Retirement benefit surplus continued

The discount rate has been constructed to reference the AA corporate bond curve (which fits a curve to iBoxx sterling AA corporate data). The corporate bond yield curve has been used to discount the Scheme cash flows using the rates available at each future duration and this had been converted into a single flat rate assumption to give equivalent liabilities to the Scheme's cash flows. The duration of the Scheme's liabilities using this approach is 15 years.

The RPI inflation assumption has been set as gilt market implied RPI appropriate to the duration of the liabilities (15 years) less a 0.2% per annum inflation risk premium. The CPI inflation assumption has been determined as 0.7% per annum below the RPI assumption (2022: 0.7%).

The life expectancy assumptions have been updated and calculated using bespoke 2021 Club Vita base tables along with CMI 2022 projections (smoothing factor of 7 and assuming improvements have peaked) and a long-term improvement rate of 1.25% per annum. On this basis a 65-year-old current pensioner has a life expectancy of 21.8 years for males (2022: 22.3 years) and 23.4 years for females (2022: 23.8 years). Also on the same basis, the life expectancy from age 65 years of a current 45-year-old deferred member is 22.6 years for males (2022: 23.2 years) and 25.4 years for females (2022: 25.8 years).

A sensitivity analysis on the principal assumptions used to measure the Scheme's liabilities at the year-end is:

	Change in assumption	Impact on Scheme's liabilities
Discount rate	+/- 0.5%	-£31m/+£34m
Inflation and pension increases (allowing for caps and collars)	+/- 0.5%	+£18m/-£16m
Assumed life expectancy at age 65	+/- 1 year	+£14m/-£14m

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation; it is unlikely that the change in assumptions would occur in isolation to one another as some of the assumptions may be correlated.

In presenting the above sensitivity analysis the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the Consolidated Balance Sheet.

23. Provisions

(In £s million)	Restructuring	Legal, tax and other matters	Total
At 1 July 2022	1.8	19.9	21.7
Charged to income statement	–	7.6	7.6
Credited to income statement	(0.6)	(3.9)	(4.5)
Utilised	(1.2)	–	(1.2)
At 30 June 2023	–	23.6	23.6

(In £s million)	2023	2022
Current	10.8	12.7
Non-current	12.8	9.0
Total provisions	23.6	21.7

As a global specialist in recruitment and workforce solutions and in common with other similar organisations, in the ordinary course of our business the Group is exposed to the risk of legal, tax and other disputes. Where costs are likely to arise in defending and concluding such disputes, and these costs can be measured reliably, they are provided for in the Consolidated Financial Statements. These items affect various Group subsidiaries in different geographic regions and the amounts provided for are based on management's assessment of the specific circumstances in each case. The timing of settlement depends on the circumstances in each case and is uncertain.

There are no individually material balances within Legal, tax and other matters, and management does not consider it reasonably possible that any of these balances will materially change in the next 12 months.

24. Called up share capital

Called up, allotted and fully paid Ordinary shares of 1 pence each

	Share capital number (thousand)	Share capital (£s million)
At 1 July 2022	1,666,673	16.7
Cancelled in the year	(66,240)	(0.7)
At 30 June 2023	1,600,433	16.0

In accordance with the Companies Act 2006, the Company no longer has an authorised share capital. The Company is allowed to hold 10% of issued share capital in treasury.

As at 30 June 2023, the Group has completed the initial £93.2 million share buyback programme, purchasing and cancelling 66.2 million shares under this programme in the year ended 30 June 2023 (2022: 15.4 million).

As at 30 June 2023, the Company held 11.3 million (2022: 16.4 million) Hays plc shares in treasury. The shares held in treasury are used to satisfy the exercises in relation to equity-settled share-based payment awards.

25. Merger reserve

(In £s million)	Total
At 1 July 2022	43.8
At 30 June 2023	43.8

In accordance with Section 612 of the Companies Act 2006, the Merger reserve was generated as a result of the cash box structure used in the equity placing of new shares issued during the year ended 30 June 2020.

26. Share-based payments

During the year, £12.0 million (2022: £10.9 million) was charged to the Consolidated Income Statement in relation to equity-settled share-based payments.

Share options

At 30 June 2023 the following options had been granted and remained outstanding in respect of the Company's Ordinary shares of 1 pence each under the Company's share option schemes:

	Number of shares	Nominal value of shares (£)	Subscription price (pence/share)	Date normally exercisable
Hays UK Sharesave Scheme				
	–	–	–	2023
	493,774	4,938	143	2024
	1,696,188	16,962	117	2025
	1,728,324	17,283	108	2026
	3,918,286	39,183		
Hays International Sharesave Scheme				
	–	–	–	2023
	517,466	5,175	143	2024
	681,809	6,818	117	2025
	548,143	5,481	108	2026
	1,747,418	17,474		
Total Sharesave options outstanding	5,665,704	56,657		

The Hays International Sharesave Scheme is available to employees in Germany, the Republic of Ireland, Australia, New Zealand, Canada, Hong Kong SAR, Singapore and the United Arab Emirates.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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26. Share-based payments continued

Details of the share options outstanding during the year are as follows:

	2023 Number of share options (thousand)	2023 Weighted average exercise price (pence)	2022 Number of share options (thousand)	2022 Weighted average exercise price (pence)
Sharesave				
Outstanding at the beginning of the year	6,125	127	4,679	145
Granted during the year	2,328	108	3,622	117
Forfeited during the year	(2,104)	126	(1,716)	144
Exercised during the year	–	–	(3)	159
Expired during the year	(684)	136	(457)	171
Outstanding at the end of the year	5,665	118	6,125	127
Exercisable at the end of the year	–	135	1,124	135

There were no options exercised during the year (2022: weighted average share price for all options exercised of 171 pence).

The options outstanding as at 30 June 2023 had a weighted average remaining contractual life of 2 years.

Performance Share Plan (PSP) and Deferred Annual Bonus (DAB)

The PSP is designed to link reward to the key long-term value drivers of the business and to align the interests of the Executive Directors and approximately 360 of the global senior management population with the long-term interests of shareholders. PSP awards are discretionary and vesting is dependent upon the achievement of performance conditions measured over either a three-year period with a two-year holding period or a one-year period with a two-year holding period. The fair value of both the PSP and DAB awards are calculated using the share price as at the date the shares are granted.

Only the Executive Directors and other members of the Executive Board participate in the DAB which promotes a stronger link between short-term and long-term performance through the deferral of annual bonuses into shares for a three-year period.

Further details of the schemes for the Executive Directors can be found in the Remuneration Report on [pages 110 to 145](#).

Details of the share awards outstanding during the year are as follows:

	2023 Number of share options (thousand)	2023 Weighted average fair value at grant (pence)	2022 Number of share options (thousand)	2022 Weighted average fair value at grant (pence)
Performance Share Plan				
Outstanding at the beginning of the year	24,024	137	19,404	145
Granted during the year	10,245	117	8,285	147
Exercised during the year	(3,442)	169	(2,210)	206
Lapsed during the year	(3,369)	144	(1,455)	191
Outstanding at the end of the year	27,458	127	24,024	137

The weighted average share price on the date of exercise was 115 pence (2022: 167 pence).

The options outstanding as at 30 June 2023 had a weighted average remaining contractual life of 2 years.

	2023 Number of share options (thousand)	2023 Weighted average fair value at grant (pence)	2022 Number of share options (thousand)	2022 Weighted average fair value at grant (pence)
Deferred Annual Bonus				
Outstanding at the beginning of the year	2,028	157	1,703	180
Granted during the year	1,765	114	1,274	164
Exercised during the year	(753)	147	(949)	206
Outstanding at the end of the year	3,040	135	2,028	157

The weighted average share price on the date of exercise was 117 pence (2022: 167 pence).

The options outstanding as at 30 June 2023 had a weighted average remaining contractual life of 1.8 years.

27. Related parties

Remuneration of key management personnel

The remuneration of the Executive Board and Non-Executive Directors, who are key management personnel of the Group, is set out below in aggregate for each of the categories specified in IAS 24 'Related Party Disclosures' and represents the total compensation costs incurred by the Group in respect of remuneration, not the benefit to the individuals. Further information about the remuneration of Executive and Non-Executive Directors is provided in the Directors' Remuneration Report on [pages 110 to 145](#).

(In £s million)	2023	2022
Short-term employee benefits	8.9	11.4
Share-based payments	5.1	5.0
Remuneration of key management personnel	14.0	16.4

28. Disaggregation of net fees

IFRS 15 requires entities to disaggregate revenue recognised from contracts with customers into relevant categories that depict how the nature, amount and cash flows are affected by economic factors. As a result, we consider the following information relating to net fees to be relevant:

For the year ended 30 June 2023

	Germany	United Kingdom & Ireland	Australia & New Zealand	Rest of World	Group
Temporary placements	83%	56%	61%	34%	57%
Permanent placements	17%	44%	39%	66%	43%
Total	100%	100%	100%	100%	100%
Private sector	86%	70%	65%	98%	84%
Public sector	14%	30%	35%	2%	16%
Total	100%	100%	100%	100%	100%
Technology	35%	18%	16%	27%	26%
Accountancy & Finance	17%	19%	11%	11%	15%
Engineering	26%	2%	0%	6%	10%
Construction & Property	4%	16%	21%	9%	10%
Office Support	0%	10%	11%	5%	5%
Other	18%	35%	41%	42%	34%
Total	100%	100%	100%	100%	100%

For the year ended 30 June 2022

	Germany	United Kingdom & Ireland	Australia & New Zealand	Rest of World	Group
Temporary placements	83%	55%	62%	32%	55%
Permanent placements	17%	45%	38%	68%	45%
Total	100%	100%	100%	100%	100%
Private sector	87%	72%	66%	99%	85%
Public sector	13%	28%	34%	1%	15%
Total	100%	100%	100%	100%	100%
Technology	38%	17%	15%	26%	26%
Accountancy & Finance	16%	19%	10%	12%	14%
Engineering	25%	1%	0%	6%	9%
Construction & Property	4%	16%	19%	9%	11%
Office Support	0%	11%	11%	5%	6%
Other	17%	36%	45%	42%	34%
Total	100%	100%	100%	100%	100%

29. Subsequent events

The final dividend for 2023 of 2.05 pence per share (£32.6 million) along with a special dividend of 2.24 pence per share (£35.6 million) will be proposed at the Annual General Meeting on 15 November 2023. Neither the final dividend nor the special dividend have been included as a liability. If approved, the final and special dividends will be paid on 17 November 2023 to shareholders on the register at the close of business on 6 October 2023.

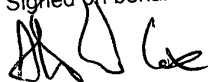
FINANCIAL STATEMENTS
HAYS PLC COMPANY BALANCE SHEET
 AT 30 JUNE 2023

	Note	Company 2023	Company 2022
(In £s million)			
Non-current assets		3.0	1.9
Other Intangible assets		0.8	0.7
Property, plant and equipment	4	743.9	743.9
Investment in subsidiaries	5	67.9	138.4
Trade and other receivables	6	1.3	2.3
Deferred tax assets	9	25.7	102.0
Retirement benefit surplus		842.6	989.2
Current assets	7	19.6	13.6
Trade and other receivables		0.3	4.0
Cash and cash equivalents		19.9	17.6
Total assets		862.5	1,006.8
Current liabilities	8	(118.2)	(99.6)
Trade and other payables	10	(1.9)	(2.2)
Provisions		(120.1)	(101.8)
		(100.2)	(84.2)
Net current liabilities		742.4	905.0
Total assets less current liabilities			
Non-current liabilities	6	(2.6)	(12.1)
Deferred tax liabilities	10	(5.4)	(9.0)
Provisions		(8.0)	(21.1)
		(128.1)	(122.9)
Total liabilities		734.4	883.9
Net assets			
Equity	11	16.0	16.7
Called up share capital		369.6	369.6
Share premium	12	43.8	43.8
Merger reserve		3.4	2.7
Capital redemption reserve		277.5	429.5
Retained earnings		24.1	21.6
Equity reserve		734.4	883.9
Total equity			

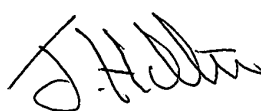
The profit for the financial year in the Hays plc Company Financial Statements is £100.3 million (2022: profit of £157.3 million).

The Financial Statements of Hays plc, registered number 2150950, set out on pages[x] to [x] were approved by the Board of Directors and authorised for issue on 23 August 2023.

Signed on behalf of the Board of Directors



A R COX



J HILTON

HAYS PLC COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2023

(In £s million)	Called up share capital	Share premium	Merger reserve ⁽¹⁾	Capital redemption reserve	Retained earnings	Equity reserve ⁽²⁾	Total equity
At 1 July 2022	16.7	369.6	43.8	2.7	429.5	21.6	883.9
Remeasurement of defined benefit pension schemes	-	-	-	-	(95.1)	-	(95.1)
Tax relating to components of other comprehensive income	-	-	-	-	18.3	-	18.3
Net expense recognised in other comprehensive income	-	-	-	-	(76.8)	-	(76.8)
Profit for the year	-	-	-	-	100.3	-	100.3
Total comprehensive income for the year	-	-	-	-	23.5	-	23.5
Dividends paid	-	-	-	-	(165.1)	-	(165.1)
Share-based payments charged to the income statement ⁽³⁾	-	-	-	-	-	11.1	11.1
Share-based payments settled on vesting ⁽³⁾	-	-	-	-	8.6	(8.6)	-
Purchase of own shares	(0.7)	-	-	0.7	(19.0)	-	(19.0)
At 30 June 2023	16.0	369.6	43.8	3.4	277.5	24.1	734.4

FOR THE YEAR ENDED 30 JUNE 2022

(In £s million)	Called up share capital	Share premium	Merger reserve ⁽¹⁾	Capital redemption reserve	Retained earnings	Equity reserve ⁽²⁾	Total equity
At 1 July 2021	16.8	369.6	193.8	2.7	364.2	17.9	965.0
Remeasurement of defined benefit pension schemes	-	-	-	-	39.6	-	39.6
Tax relating to components of other comprehensive income	-	-	-	-	(6.8)	-	(6.8)
Net income recognised in other comprehensive income	-	-	-	-	32.8	-	32.8
Profit for the year	-	-	-	-	157.3	-	157.3
Total comprehensive income for the year	-	-	-	-	190.1	-	190.1
Dividends paid	-	-	(150.0)	-	(36.4)	-	(186.4)
Share-based payments charged to the income statement ⁽³⁾	-	-	-	-	-	10.0	10.0
Share-based payments settled on vesting ⁽³⁾	-	-	-	-	6.3	(6.3)	-
Purchase of own shares	(0.1)	-	-	-	(94.7)	-	(94.8)
At 30 June 2022	16.7	369.6	43.8	2.7	429.5	21.6	883.9

- (1) The Merger reserve was generated under Section 612 of the Companies Act 2006, as a result of the cash box structure used in the equity placing of new shares issued during the year ended 30 June 2020.
- (2) The Equity reserve is generated as a result of IFRS 2 'Share-based payments'.
- (3) The Share-based payments charged to the Company Income Statement and Share-based payments settled on vesting were previously presented net as 'Share-based payments'. The presentation in the prior year has been updated to enhance the consistency and understandability of the disclosures. There has been no change in the underlying activity.

NOTES TO THE HAYS PLC COMPANY FINANCIAL STATEMENTS

1. Accounting policies**Basis of accounting**

The Company Financial Statements have been prepared under the historical cost convention, in accordance with Financial Reporting Standard 101 (FRS 101) 'Reduced Disclosure Framework' as issued by the Financial Reporting Council.

As permitted by Section 408 of the Companies Act 2006, the Company's Income Statement has not been presented. The Company, as permitted by FRS 101, has taken advantage of the disclosure exemptions available under that standard in relation to share-based payments, financial instruments, certain disclosures regarding the Company's capital, capital management, presentation of comparative information in respect of certain assets, presentation of a cash flow statement, certain related party transactions and the effect of future accounting standards not yet adopted. Where required, equivalent disclosures are provided in the Consolidated Financial Statements of Hays plc.

New and amended accounting standards effective during the year

There have been no new or amended accounting standards or interpretations adopted during the year that have had a significant impact on the Company Financial Statements.

The significant accounting policies and significant judgements and key estimates relevant to the Company are the same as those set out in note 2 and note 3 to the Consolidated Financial Statements with the addition of the following accounting policies set out below.

Investment in subsidiary undertakings

Investments in subsidiary undertakings are held at cost less any provision for impairment. The subsidiary undertakings which the Company held at 30 June 2023 are described in note 4 to the Company Financial Statements.

Financial guarantee arrangements

Where the Company enters into financial guarantee arrangements to guarantee the indebtedness of other companies within its Group, the Company considers these to be insurance arrangements and accounts for them as such. In this respect, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

Intercompany and other receivables

Intercompany and other receivables are initially measured at fair value. Subsequent to initial recognition these assets are measured at amortised cost less any provision for impairment losses. The Company measures impairment losses using the expected credit loss model in accordance with IFRS 9.

2. Employee information

There are no staff employed by the Company (2022: none), therefore no remuneration has been disclosed. Details of Directors' emoluments and interests are included in the Remuneration Report on [pages 110 to 145](#) of the Annual Report.

3. Profit for the year

Hays plc has not presented its own Income Statement and related notes as permitted by Section 408 of the Companies Act 2006. The profit for the financial year in the Hays plc Company Financial Statements is £100.3 million (2022: profit of £157.3 million).

4. Investment in subsidiaries

(In £s million)	2023	2022
Cost		
At 1 July	743.9	743.9
Provision for impairment		
Charge during the year	-	-
Total		
At 30 June	743.9	743.9

Investments in subsidiaries are stated at cost less any impairment in recoverable value.

The subsidiary undertakings of the Company are listed in note 13 to the Company Financial Statements.

5. Trade and other receivables: non-current assets

(In £s million)	2023	2022
Prepayments	1.6	1.3
Amounts owed by subsidiary undertakings	66.3	137.1
Trade and other receivables: amounts falling due after more than one year	67.9	138.4

The Company charges interest on amounts owed by subsidiary undertakings at a rate of three-month SONIA plus 1%. The amounts owed by subsidiary undertakings are unsecured.

6. Deferred tax

(In £s million)	2023	2022
Deferred tax assets	1.3	2.3
Deferred tax liabilities	(2.6)	(12.1)
Net deferred tax	(1.3)	(9.8)

The reduction in the overall deferred tax balance is primarily explained by the decrease in the deferred tax liability driven by a decrease in the retirement benefit surplus, partially offset by the derecognition of deferred tax asset in relation to tax losses, together with a reduction in the deferred tax asset following a provision release.

7. Trade and other receivables: current assets

(In £s million)	2023	2022
Corporation tax debtor	1.2	–
Amounts owed by subsidiary undertakings	13.5	9.5
Prepayments	4.9	4.1
Trade and other receivables: amounts falling due within one year	19.6	13.6

The amounts owed by subsidiary undertakings relate to a corporation tax debtor which is expected to be settled via group relief from UK subsidiary undertakings.

8. Trade and other payables

(In £s million)	2023	2022
Accruals	24.2	32.2
Other financial liabilities	–	56.8
Amounts owed to subsidiary undertakings	94.0	10.6
Trade and other payables	118.2	99.6

In the year ended 30 June 2022, the Group commenced a £75.0m share buyback programme, to be completed over a 12-month period. By 30 June 2022 the Group had purchased and cancelled £18.2 million (15.4 million shares) under this programme. Due to the nature of the cancellation terms in the agreement being not substantive, the outstanding balance under the programme of £56.8 million was recognised as other financial liabilities as at 30 June 2022. This was fully settled in the current financial year.

Amounts owed to subsidiary undertakings are repayable on demand. The Company is charged interest on amounts owed to subsidiary undertakings at a rate of three-month SONIA less 1%.

9. Retirement benefit surplus

(In £s million)	2023	2022
Net asset arising from defined benefit obligations	25.7	102.0

The details of these UK schemes, for which Hays plc is the sponsoring employer, are set out in note 22 to the Consolidated Financial Statements.

NOTES TO THE HAYS PLC COMPANY FINANCIAL STATEMENTS

CONTINUED

10. Provisions

(In £s million)	Total
At 1 July 2022	11.2
Credited to the income statement	(3.8)
Utilised during the year	(0.1)
At 30 June 2023	7.3

(In £s million)	2023	2022
Current	1.9	2.2
Non-current	5.4	9.0
Total provisions	7.3	11.2

Provisions comprise of potential exposures arising as a result of business operations. The timing of settlement depends on the circumstances in each case and is uncertain.

11. Called up share capital

Called up, allotted and fully paid Ordinary shares of 1 pence each

	Share capital number (thousand)	Share capital (£s million)
At 1 July 2022	1,666,673	16.7
Cancelled in the year	(66,240)	(0.7)
At 30 June 2023	1,600,433	16.0

In accordance with the Companies Act 2006, the Company no longer has an authorised share capital. The Company is allowed to hold 10% of issued share capital in treasury.

As at 30 June 2023, the Group has completed the initial £93.2 million share buyback programme, purchasing and cancelling 66.2 million shares under this programme in the year ended 30 June 2023 (2022: 15.4 million).

As at 30 June 2023, the Company held 11.3 million (2022: 16.4 million) Hays plc shares in treasury. The shares held in treasury are used to satisfy the exercises in relation to equity-settled share-based payment awards.

12. Merger reserve

(In £s million)	Total
At 1 July 2022	43.8
At 30 June 2023	43.8

In accordance with Section 612 of the Companies Act 2006, the Merger reserve was generated as a result of the cash box structure used in equity placing of new shares issued during the year ended 30 June 2020.

13. Subsidiaries

	Registered Address and Country of Incorporation
Emposo Pty Limited	Level 13, The Chifley Tower, 2 Chifley Square, Sydney, NSW 2000, Australia
Hays Specialist Recruitment (Australia) Pty Limited	Level 13, The Chifley Tower, 2 Chifley Square, Sydney, NSW 2000, Australia
Hays Österreich GmbH	Europaplatz 3/5, 1150 Wien, Austria
Hays Professional Solutions Österreich GmbH	Europaplatz 3/5, 1150 Wien, Austria
Hays NV	Brugsesteenweg 255, 8500 Kortrijk, Belgium
Hays Services NV	Brugsesteenweg 255, 8500 Kortrijk, Belgium
Hays Alocação Profissional Ltda	Avenida das Nações Unidas, nº 14.401 Torre Jequitibá, 17º andar, São Paulo, Brazil – CEP 04794-000
Hays Recruitment and Selection Ltda	Avenida das Nações Unidas, nº 14.401 Torre Jequitibá, 17º andar, São Paulo, Brazil – CEP 04794-000
Hays Trabalho Temporário Ltda	Avenida das Nações Unidas, nº 14.401 Torre Jequitibá, 17º andar, São Paulo, Brazil – CEP 04794-000
Hays Specialist Recruitment (Canada) Inc.	1500 Don Mills Road, Suite 402, North York, Ontario, M3B 3K4, Canada
Hays Especialistas En Reclutamiento Limitada	Cerro El Plomo 5630, Of. 1701, Las Condes, P.O. 7560742, Santiago, Chile
Hays Specialist Recruitment (Shanghai) Co. Limited* (90% owned)	Unit 0304, 19/F Shui On Plaza, 333 Huaihai Road, Lot No.7 Luwan District, Shanghai 200020, CN, O, China
Hays Colombia SAS	AK 45 No. 108-27 Torre 2 Oficina 1105, Bogotá, Colombia
Hays Czech Republic s.r.o	Olivova 4/2096, 110 00 Praha 1, Czech Republic
Hays Information Technology s.r.o	Olivova 4/2096, 110 00 Praha 1, Czech Republic
Hays Specialist Recruitment (Denmark) A/S	Kongens Nytorv 8, 1050 København K, Denmark
H101 Limited	4th Floor, 20 Triton Street, London, NW1 3BF, UK
Hays Commercial Services Limited (In Liquidation)	55 Baker Street, London, W1U 7EU, UK
Emposo Limited	4th Floor, 20 Triton Street, London, NW1 3BF, UK
Hays Group Holdings Limited †	4th Floor, 20 Triton Street, London, NW1 3BF, UK
Hays Healthcare Limited	4th Floor, 20 Triton Street, London, NW1 3BF, UK
Hays Holdings Ltd †	4th Floor, 20 Triton Street, London, NW1 3BF, UK
Hays International Holdings Limited †	4th Floor, 20 Triton Street, London, NW1 3BF, UK
Hays Life Sciences Limited	4th Floor, 20 Triton Street, London, NW1 3BF, UK
Hays Nominees Limited	4th Floor, 20 Triton Street, London, NW1 3BF, UK
Hays Overseas Holdings Limited †	4th Floor, 20 Triton Street, London, NW1 3BF, UK
Hays Pension Trustee Limited †	4th Floor, 20 Triton Street, London, NW1 3BF, UK
Hays Recruitment Services Limited	4th Floor, 20 Triton Street, London, NW1 3BF, UK
Hays Social Care Limited	4th Floor, 20 Triton Street, London, NW1 3BF, UK
Hays Specialist Recruitment (Holdings) Limited †	4th Floor, 20 Triton Street, London, NW1 3BF, UK
Hays Specialist Recruitment Limited	4th Floor, 20 Triton Street, London, NW1 3BF, UK
Hays Stakeholder Life Assurance Trustee Limited †	4th Floor, 20 Triton Street, London, NW1 3BF, UK
James Harvard Limited	4th Floor, 20 Triton Street, London, NW1 3BF, UK

NOTES TO THE HAYS PLC COMPANY FINANCIAL STATEMENTS

CONTINUED

13. Subsidiaries continued

	Registered Address and Country of Incorporation
Krooter Limited	4th Floor, 20 Triton Street, London, NW1 3BF, UK
Oval (1620) Limited	4th Floor, 20 Triton Street, London, NW1 3BF, UK
Paperstream Limited	4th Floor, 20 Triton Street, London, NW1 3BF, UK
Vercida Consulting.com Limited * (65% owned)	4th Floor, 20 Triton Street, London, NW1 3BF, UK
Recruitment Solutions Group Limited (IOM)	First Names House, Victoria Road, Douglas, IM2 4DF, Isle of Man
Emposo SASU	149 boulevard Haussmann, 75008 Paris, France
Hays Consulting SASU	147 boulevard Haussmann, 75008 Paris, France
Hays Corporate SASU	147 boulevard Haussmann, 75008 Paris, France
Hays Executive SASU	147 boulevard Haussmann, 75008 Paris, France
Hays France SASU	147 boulevard Haussmann, 75008 Paris, France
Hays Life Sciences Consulting SASU	147 boulevard Haussmann, 75008 Paris, France
Hays Media SASU	147 boulevard Haussmann, 75008 Paris, France
Hays Pharma SASU	147 boulevard Haussmann, 75008 Paris, France
Hays Portage	149 boulevard Haussmann, 75008 Paris, France
Hays SASU	147 boulevard Haussmann, 75008 Paris, France
Hays Services SASU	147 boulevard Haussmann, 75008 Paris, France
Hays Talent Solutions SASU	149 boulevard Haussmann, 75008 Paris, France
Emposo GmbH	Willy-Brandt-Platz 1-3, 68161 Mannheim, Germany
Hays AG	Willy-Brandt-Platz 1-3, 68161 Mannheim, Germany
Hays Beteiligungs GmbH & Co. KG	Willy-Brandt-Platz 1-3, 68161 Mannheim, Germany
Hays Holding GmbH	Willy-Brandt-Platz 1-3, 68161 Mannheim, Germany
Hays Professional Solutions GmbH	Völklinger Straße 4, 40219 Düsseldorf, Germany
Hays Talent Solutions GmbH	Völklinger Straße 4, 40219 Düsseldorf, Germany
Hays Verwaltungs GmbH	Willy-Brandt-Platz 1-3, 68161 Mannheim, Germany
Hays Vorrat 01 GmbH	Willy-Brandt-Platz 1-3, 68161 Mannheim, Germany
Hays Hong Kong Limited	Unit 6604-06, 66/F, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong
Hays Specialist Recruitment Hong Kong Limited	Unit 6604-06, 66/F, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong
Hays Hungary Kft.	1054 Budapest, Szabadság tér 7, Bank Center, Hungary
Hays Professional Services Kft	1054 Budapest, Szabadság tér 7, Bank Center, Hungary
Hays Business Solutions Private Limited (Gurgaon)	Buildings 9B, 11th Floor, DLF Cyber City, Gurgaon, Haryana-HR, 122002, India
Hays Specialist Recruitment Private Limited	Office No. 2102, Space Inspire Hub, Adani Western Height, J.P. Road, Four Bungalows, Andheri West, Mumbai, Maharashtra, 400053, India
Emposo (Ireland) Limited	26/27a Grafton St. Dublin 2, Ireland
Hays Business Services Ireland Limited	26/27a Grafton St, Dublin 2, Ireland
Hays Specialist Recruitment (Ireland) Limited	26/27a Grafton St, Dublin 2, Ireland
Hays Professional Services S.r.l	Corso Italia 13, CAP 20122, Milano, Italy

	Registered Address and Country of Incorporation
Hays Solutions S.r.l	Corso Italia 13, CAP 20122, Milano, Italy
Hays S.r.l	Corso Italia 13, CAP 20122, Milano, Italy
Hays Resource Management Japan K.K.	Izumi Garden Tower 28F 1-6-1 Roppongi, Minato-ku, Tokyo 106-6028, Japan
Hays Specialist Recruitment Japan K.K.	Izumi Garden Tower 28F 1-6-1 Roppongi, Minato-ku, Tokyo 106-6028, Japan
Hays Finance (Jersey) Limited	44 Esplanade, St Helier, Jersey JE4 9WG
Hays S.a.r.l	65 Avenue de la Gare – L 1611, Luxembourg
Hays Travail Temporaire Luxembourg	65 Avenue de la Gare – L 1611, Luxembourg
Agensi Pekerjaan Hays (Malaysia) Sdn. Bhd.* (49% owned)	B4-3A-6, Solaris Dutamas, No 1, Jalan Dutamas 1, 50480 Kuala Lumpur, Malaysia
Hays Solutions Sdn. Bhd.	B4-3A-6, Solaris Dutamas, No 1, Jalan Dutamas 1, 50480 Kuala Lumpur, Malaysia
Hays Specialist Recruitment Holdings Sdn. Bhd.	B4-3A-6, Solaris Dutamas, No 1, Jalan Dutamas 1, 50480 Kuala Lumpur, Malaysia
Hays Flex. S.A. de C.V.	Avenida Paseo de las Palmas No. 405, 1003, Colonia Lomas de Chapultepec VII Seccion, C.P. 11000, México,CD.MX.
Hays Servicios S.A. de C.V.	Avenida Paseo de las Palmas No. 405, 1003, Colonia Lomas de Chapultepec VII Seccion, C.P. 11000, México,CD.MX.
Hays, S.A. de C.V.	Avenida Paseo de las Palmas No. 405, 1003, Colonia Lomas de Chapultepec VII Seccion, C.P. 11000, México,CD.MX.
Hays Maroc	Casablanca 20180, Anfa Place, Tour Ouest, Niveau 1, Boulevard de la corniche – Ain Diab (Maroc), Morocco
Hays B.V.	Ellen Pankhurststraat 1G, NL-5032 MD, Tilburg, Netherlands
Hays Holdings B.V.	Ellen Pankhurststraat 1G, NL-5032 MD, Tilburg, Netherlands
Hays Services B.V.	Ellen Pankhurststraat 1G, NL-5032 MD, Tilburg, Netherlands
Hays Temp B.V.	Ellen Pankhurststraat 1G, NL-5032 MD, Tilburg, Netherlands
Hays Specialist Recruitment (NZ) Limited	Level 12, PwC Tower, 188 Quay Street, Auckland, 1010, New Zealand
Hays Document Management (Private) Limited (in liquidation)	6th Floor, AWT Plaza, I.I Chundrigar Road, Karachi, Pakistan
Hays Outsourcing Sp. z o.o.	ul. Marszałkowska 126/134, 00-008 Warszawa, Poland
Hays Poland Sp. z o.o.	ul. Marszałkowska 126/134, 00-008 Warszawa, Poland
Hays Poland Centre of Excellence sp. z o.o.	ul. Marszałkowska 126/134, 00-008 Warszawa, Poland
Hays Business Services Portugal	Avenida da Republica, no 90 – 1º andar, fração 4, 1600-206 – Lisbon, Portugal
HaysP Recrutamento Seleccao e Empresa de Trabalho Temporario Unipessoal LDA	Avenida da Republica, no 90 – 1º andar, fração 4, 1600-206 – Lisbon, Portugal
Hays Specialist Recruitment Romania SRL	Premium Plaza 63-69 Dr. Iacob Felix Street, 7th floor Bucharest 011033 Romania
Hays Professional Services SRL	Premium Plaza 63-69 Dr. Iacob Felix Street, 7th floor Bucharest 011033 Romania
Emposo Romania S.R.L.	Premium Plaza 63-69 Dr. Iacob Felix Street, 7th floor Bucharest 011033 Romania
Hays Specialist Recruitment P.T.E Limited	80 Raffles Place, #27-20 UOB Plaza 2, Singapore

NOTES TO THE HAYS PLC COMPANY FINANCIAL STATEMENTS

CONTINUED

13. Subsidiaries continued

	Registered Address and Country of Incorporation
Hays Solutions Pte Ltd	80 Raffles Place, #27-20 UOB Plaza 2, Singapore
Hays Business Services Unipessoal, LDA	Paseo de la Castellana 81, 28046 Madrid, Spain
Hays Personnel Espana Empresa de Trabajo Temporal SA	Paseo de la Castellana 81, 28046 Madrid, Spain
Hays Personnel Services Espana SA	Paseo de la Castellana 81, 28046 Madrid, Spain
Hays Talent Solutions Espana SL	Madrid, C / Zurbano nº 23, 1º Dcha (C.P. 28010)
Hays AB	Bryggargatan 4, 11121 Stockholm, Sweden
Hays (Schweiz) AG	Beethovenstrasse 19 8002 Zürich, Switzerland
Hays Talent Solutions (Schweiz) GmbH	Beethovenstrasse 19 8002 Zürich, Switzerland
Hays Holdings (Thailand) Ltd * (49% owned)	#25-110 T-One Building, 8 Soi Sukhumvit 40, Klong toey, Phrakong, Bangkok 10110
Hays Recruitment (Thailand) Ltd * (74% owned)	No. 8 T-One Building, 22nd Floor, Unit 2202, Soi Sukhumvit 40, Sukhumvit Road, Phra Khanong Sub-district, Klong Toei District, Bangkok.
Hays FZ-LLC	Al Thuraya Tower 1, Office 2003, Dubai Media City Dubai 500340, United Arab Emirates
3 Story Software LLC	c/o C T Corporation System, 67 Burnside Avenue, East Hartford, CT 06108, USA
Hays Holding Corporation	c/o National Registered Agents, Inc. 1209 Orange Street, Wilmington, DE 19801, USA
Hays Specialist Recruitment LLC	c/o National Registered Agents, Inc. 1209 Orange Street, Wilmington, DE 19801, USA
Hays Talent Solutions LLC	c/o National Registered Agents, Inc. 1209 Orange Street, Wilmington, DE 19801, USA
Hays U.S. Corporation	c/o NRAI Services, Inc. 1200 South Pine Island Road, Plantation FL 33324 USA
Hays Holdings U.S. Inc.	c/o NRAI Services, Inc. 1200 South Pine Island Road, Plantation FL 33324 USA

As at 30 June 2023, Hays plc and/or a subsidiary or subsidiaries in aggregate owned 100% of each class of the issued shares of each of these companies with the exception of companies marked with an asterisk (*) in which case each class of issued shares held was as stated.

Shares in companies marked with a (†) were owned directly by Hays plc. All other companies were owned by a subsidiary or subsidiaries of Hays plc.

14. Other related party transactions

Hays plc has taken advantage of the exemption granted under paragraph 8(k) of FRS 101 not to disclose transactions with fellow wholly owned subsidiaries. Transactions entered into and trading balances outstanding that were owed to Hays plc at 30 June 2023 with other related parties were £4.1 million (2022: £3.8 million).

SHAREHOLDER INFORMATION

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SHAREHOLDER INFORMATION

Registrar

The Company's registrar is:
Equiniti Limited
Aspect House, Spencer Road, Lancing,
West Sussex BN99 6DA
www.shareview.co.uk
Telephone: 0371 384 2843⁽¹⁾
International: +44 (0) 121 415 7047
Textphone: 0371 384 2255

ID fraud and unsolicited mail

Share-related fraud and identity theft affects shareholders of many companies and we urge you to be vigilant. If you receive any unsolicited mail offering advice, you should inform EQ (Equiniti), the Company's registrar, immediately.

As the Company's share register is, by law, open to public inspection, shareholders may receive unsolicited mail from organisations that use it as a mailing list. To reduce the amount of unsolicited mail you receive, contact the Mailing Preference Service, FREEPOST 29 LON20771, London W1E 0ZT. Telephone: 0345 0700 705
Website: www.mpsonline.org.uk

ShareGift

ShareGift is a charity share donation scheme for shareholders and is administered by the Orr Mackintosh Foundation. It is especially useful for those shareholders who wish to dispose of a small number of shares whose value makes it uneconomical to sell on a normal commission basis. Further information can be obtained from www.sharegift.org or from EQ.

Website

The Company has a corporate website at haysplc.com, which holds, amongst other information, a copy of our latest Annual Report & Financial Statements and copies of all announcements made over the last 12 months.

Registered office

4th Floor
20 Triton Street
London
NW1 3BF
Registered in England & Wales no. 2150950
Telephone: +44 (0)203 978 2520

Company Secretary

Doug Evans
Email: cosec@hays.com

Investor Relations contact

David Phillips, Head of Investor Relations
Email: ir@hays.com

EQ provides a range of services for shareholders:

Service	What it offers	How to participate
Shareholder service	You can access details of your shareholding and a range of other shareholder services.	You can register at www.shareview.co.uk
Enquiries relating to your shareholding	You can inform EQ of lost share certificates, dividend warrants or tax vouchers, change of address or if you would like to transfer shares to another person.	Please contact EQ.
Dividend payments	Dividends may be paid directly into your bank or building society account. Tax vouchers will continue to be sent to the shareholder's registered address.	Complete a dividend bank mandate instruction form which can be downloaded from www.shareview.co.uk or by telephoning EQ.
Dividend payment direct to bank account for overseas shareholders	Equiniti can convert your dividend in over 83 currencies to over 90 countries worldwide and send it directly to your bank account.	For more details please visit www.shareview.co.uk or contact EQ.
Dividend Reinvestment Plan (DRIP)	The Company has a DRIP to allow shareholders to reinvest the cash dividend that they receive in Hays plc shares on competitive dealing terms.	Further information is available from the Share Dividend helpline on 0371 384 2268 or visit www.shareview.co.uk
Amalgamation of accounts	If you receive more than one copy of the Annual Report & Financial Statements, it could be because you have more than one record on the register. EQ can amalgamate your accounts into one record.	Please contact EQ.
Share dealing service⁽²⁾	EQ offers Shareview Dealing, a service which allows you to sell your Hays plc shares or add to your holding if you are a UK resident. If you wish to deal, you will need your account/shareholder reference number which appears on your share certificate. Alternatively, if you hold a share certificate, you can also use any bank, building society or stockbroker offering share dealing facilities to buy or sell shares. ⁽²⁾	You can deal in your shares on the internet or by phone. For more information about this service and for details of the rates, log on to www.shareview.co.uk/dealing or telephone EQ on 0345 603 7037 between 8.00am and 4.30pm, Monday to Friday.
Individual Savings Accounts (ISAs)⁽²⁾	Investors in Hays plc Ordinary shares may take advantage of a low-cost individual savings account (ISA) and/or an investment account where they can hold their Hays plc shares electronically. The ISA and investment account are operated by Equiniti Financial Services Limited and are subject to standard dealing commission rates.	For further information or to apply for an ISA or investment account, visit EQ's website at www.shareview.co.uk/dealing or telephone them on 0345 0700 720.

(1) Lines open 8.30am to 5.30pm (UK time), Monday to Friday (excluding public holidays in England and Wales).

(2) The provision of share dealing services is not intended to be an invitation or inducement to engage in an investment activity. Advice on share dealing should be obtained from a professional independent financial adviser.

FINANCIAL CALENDAR

2023

12 October	Trading update for the quarter ending 30 September 2023
15 November	Annual General Meeting

2024

12 January	Trading update for the quarter ending 31 December 2023
22 February	Half-year results for the six months ending 31 December 2023

HAYS ONLINE

Our award-winning investor site gives you fast, direct access to a wide range of Company information.

➤ Visit haysplc.com/investors

Our investor site includes

- Investment case
- Results centre
- Investor video
- Downloadable historical financial data
- Events calendar
- Corporate governance
- Investor Day materials
- Regulatory news
- Share price information
- Shareholder services
- Analysts' consensus
- Annual Reports archive

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-  youtube.com/user/HaysTV

GLOSSARY

Term	Definition
Carbon neutral company	A business which has measured its annual Greenhouse Gas Emissions and purchased certified carbon credits to offset this level of emissions. Hays became a carbon neutral company in FY21 having calculated and offset all aspects of its scope 1 and 2 and selected aspects of its Scope 3 Greenhouse Gas Emissions
Contractor	Freelance worker who is paid to work on a specific project or task. Typically works on a project basis for a fixed period of time, usually around 6-12 months
Conversion rate	Proportion of our net fees which is converted into operating profit
Enterprise client	Clients whom we bill a significant amount each year, typically >£100K in fees. Within this, direct outsourcing fees in Enterprise clients (formerly Hays Talent Solutions) include our MSP and RPO contracts
'Find & Engage'	Our proprietary recruitment model, which combines the best practices and skills of traditional hiring, and then incorporates new technology and data science to locate candidates at scale
Flex/Flexible worker	Encompasses both Temp and Contractor workers
Free cash flow	Cash generated by operations less tax paid and net interest paid
HR services	Broader suite of people-related capabilities which support clients' and candidates' wider needs beyond recruitment. For example, consultancy, onboarding, upskilling and reskilling
International	Relating to our non-UK&I business
Job churn	Confidence among businesses to hire skilled people, aligned to candidate confidence to move jobs
Leadership Partner	Leadership Partner – the relationship our customers are looking for with us, delivering strategic insights and tailored services, that take us beyond being a trusted recruitment delivery partner. This includes providing valuable insights, new workforce strategies and expertise on best practice to support better decision-making by clients and candidates
Like-for-like	Year-on-year organic growth of net fees or profits of Hays' continuing operations, at constant currency
Managed Service Programmes (MSP)	The transfer of all or part of the management of a client's Temp staffing hiring activities on an ongoing basis to a recruitment company
Megatrend	Powerful macro industry theme which we regard as shaping recruitment markets and driving net fee growth
Net fees	As defined in note 2 (e) to the Consolidated Financial Statements
Perm	Candidate placed with a client in a permanent role
Perm gross margin	Our percentage placement fee, usually based on the Perm candidate's base salary
Profit drop-through	The additional like-for-like profit which flows to our bottom line from incremental like-for-like net fees in a particular period. Expressed as a percentage
Project Services	The process by which a specific task, or set of tasks, is initiated, planned, controlled and executed for a client, including recruiting and managing the personnel to complete the project, which meets specific success criteria
Recruitment Process Outsourcing (RPO) contracts	The transfer of all or part of a client's Perm recruitment processes on an ongoing basis to a recruitment company
Reporting period	Our internal Group reporting cycle comprises some countries which report using 12 calendar months, and some which report using 13 four-week periods. The Group's annual cost base equates to c.12.5x our cost base per period. This is consistent with prior years
Specialism	21 broad areas, usually grouped by industry, in which we are experts, e.g. Technology, Construction & Property, Accountancy & Finance, and Life Sciences
Strategic Growth Initiative (SGI) programme	Our largest ever investment programme, designed to accelerate our structural growth in the most attractive future markets. Headcount and systems investment is directed at sectors such as Technology, Life Sciences, Engineering, Enterprise clients and the Green Economy
Talent pools	Collective term for active candidate databases
Temp	Worker engaged on a short-term basis to fill a skills gap for a pre-agreed period of time
Turnover	As defined in note 2d to the Consolidated Financial Statements
Underlying Temp gross margin	Temp net fees divided by Temp gross revenue. Relates solely to Temp placements where we generate net fees, and specifically excludes: transactions where we act as agent for workers supplied by third-party agencies; and arrangements relating to major payrolling services. Usually expressed as a percentage

33 COUNTRIES

Australia	Italy	Canada
New Zealand	Luxembourg	Chile
Germany	Netherlands	Colombia
UK	Poland	Mexico
Ireland	Portugal	USA
Austria	Romania	China
Belgium	Spain	India
Czech Republic	Sweden	Japan
Denmark	Switzerland	Malaysia
France	UAE	Singapore
Hungary	Brazil	Thailand

21 SPECIALISMS

Accountancy & Finance	Legal
Banking & Capital Markets	Life Sciences
Construction & Property	Office Support
Contact Centres	Procurement
Education	Resources & Mining
Energy, Oil & Gas	Retail
Engineering & Manufacturing	Sales & Marketing
Executive	Sustainability
Financial Services	Technology
Health & Social Care	Telecoms
Human Resources	



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