

PageGroup

# ANNUAL REPORT & ACCOUNTS 2021

**These are the consolidated accounts of PageGroup plc (company number 03310225). They are the parent company accounts of Michael Page International Southern Europe Limited (company number 04125211). The notes are on pages 145 to 149.**



SATURDAY



\*ABBQP98I\*

A5

03/09/2022

#113

COMPANIES HOUSE

# Contents

## STRATEGIC REPORT

Chairman's Introduction .....	1
Overview .....	3
Business Model .....	5
Strategic Review .....	13
KPIs .....	21
Q&A with Steve Ingham, CEO .....	25
Culture & Engagement Framework .....	27
Regional Perspectives .....	49
Risk Management .....	51
Principal Risks and Uncertainties .....	53
Stakeholder Engagement .....	61
Review of the Year .....	66

## CORPORATE GOVERNANCE

Chairman's Introduction to Corporate Governance .....	71
Our Board of Directors .....	73
The Executive Board .....	77
Corporate Governance Report .....	79
Nomination Committee Report .....	85
Audit Committee Report .....	88
Directors' Remuneration Report – Annual Statement .....	93
Directors' Remuneration Report .....	95
Directors' Report .....	117
Directors' Statements of Responsibility .....	120

## FINANCIAL STATEMENTS

Independent Auditor's Report .....	121
Consolidated Income Statement .....	127
Consolidated Statement of Comprehensive Income .....	127
Consolidated and Parent Company Balance Sheets .....	128
Consolidated Statement of Changes in Equity .....	129
Statement of Changes in Equity – Parent Company .....	130
Consolidated and Parent Company Cash Flow Statements .....	131
Notes to the Financial Statements .....	131

## ADDITIONAL INFORMATION

Shareholder information and advisers .....	160
--	-----

We are one of the world's most respected specialist recruitment consultancies. We deliver recruitment services to clients through a network of **138 offices across 37 countries**. Our Vision is to increase the scale and diversification of PageGroup by organically growing existing and new teams, offices, disciplines and markets.

<b>Highlights</b>	
<b>Gross Profit</b> <b>£877.7m</b> <b>+49.1%*</b> 2020: £610.2m	<b>Operating Profit</b> <b>£168.5m</b> <b>&gt;100.0%*</b> 2020: £17.0m
<b>Basic Earnings Per Share</b> <b>37.2p</b> <b>&gt;100.0%*</b> 2020: -1.8p	<b>Conversion rate**</b> <b>19.2%</b> 2020: 2.8%
<b>Ordinary and Special Dividend</b> <b>41.71p</b> 2020: -	<b>% Non-UK Gross Profit</b> <b>85.4%</b> 2020: 86.7%

\*in constant currency at prior year rates \*\*Operating Profit as a percentage of Gross Profit

## Our geographic markets

### Large, High Potential

Typically under-developed markets, but where we have a successful track record and confidence in our ability to scale our operations substantially.

Countries: Germany, Greater China, Latin America, South East Asia, the US

### Large, Proven

These are large markets where we are already proven with a strong track record and a significant presence.

Countries: UK, France, Australia, the Netherlands, Italy, Spain

### Small and Medium, High Margin

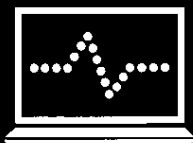
Markets which are, or could be, significant profit contributors with attractive conversion margins, but each are unlikely (or not yet proven) to be able to grow to more than 300 fee earners.

Countries: Japan, India, Middle East, Africa, Canada, Turkey, other European countries

## Our capabilities



People are at the heart of what we do and our culture puts our employees first. We have a strong reputation as an inclusive employer as well as an ethical and professional recruiter. We have a firm commitment to our diversity and inclusion initiatives and have made significant progress in this area over the past few years.



### Data

We understand how data empowers our people to make better and faster decisions. This in turn enables us to respond to market demands effectively and efficiently. PageInsights provides our teams with a deeper understanding of client and candidate needs, at the right time. We have also coupled our data from Customer Connect with external datasets to drive market insights.



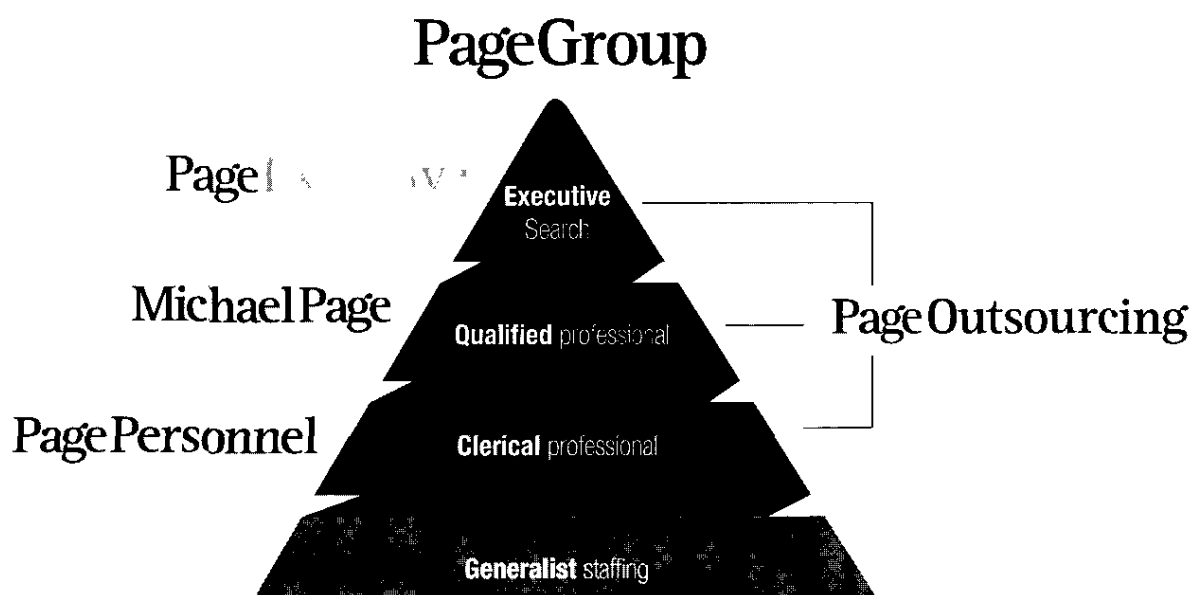
Over the past few years, we have invested significantly in technology and cloud-based solutions. This includes the roll out of our global operating platform, Customer Connect. We have a strong culture of continuous improvement, and are driven to implement market leading technology solutions in our business.

**37** Countries across the world

Headcount  
**7,838**

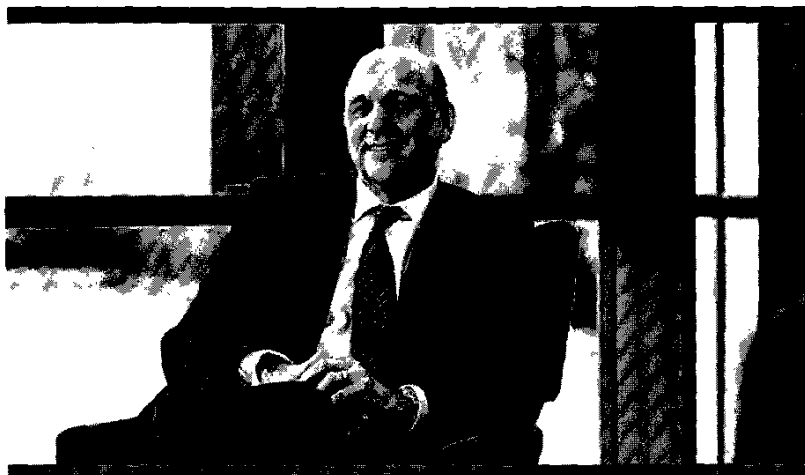
Offices  
**138**

## Our brands





# Chairman's Introduction



## 2021 Performance

We entered 2021 with a high degree of global macro-economic uncertainty due to the COVID-19 pandemic. The roll out of vaccine programmes across many countries globally has helped the recovery, though new variants and the impact of lockdowns and other restrictions vary significantly by region. The safety of our employees, candidates and clients remains our key priority. The business has adapted well to remote and hybrid working, leveraging the investments in new technologies made by the Group over the past few years.

Despite the challenging conditions, I am pleased to report that the Group delivered a record performance in the year ended 31 December 2021. The Group has recovered well following the impact of COVID-19 on 2020, with gross profit growing 49.1% and operating profit growing more than 100% versus the prior year. Against a 2019 comparative, Group gross profit was up 7.0% in constant currencies to £877.7m, with operating profit up 18.9% to £168.5m. Throughout the Annual Report, we will primarily provide comparisons in constant currencies against 2019, our previous record year, to ensure the most appropriate representation of the Group's performance.

Our highly experienced Executive leadership team reacted quickly to the emergence of the pandemic in 2020 and our strategic priority was to protect our platform. This helped us to recover faster than our competitors in 2021. We repaid £3.4m of furlough income received from the UK government in Q1 of this year, and reinstated our dividend policy due to the strength of our trading results and our

strong liquidity position.

We have continued to invest in our Large, High Potential markets, as well as our new High Potential disciplines of Technology, and Healthcare & Life Sciences, which have proved the most resilient during the pandemic. Our Page Outsourcing brand has been another key focus for investment and gives the Group access to a new area of the market. We have also added more than 1,000 experienced fee earners to the Group since Q2 2020, and this has enabled us to capitalise on the significant opportunities for the recruitment sector coming out of the pandemic. We continue to invest in technology, with our Customer Connect operating system now live in all markets except France and Latin America, which are scheduled for completion by the end of Q2 2022.

All regions recovered well in 2021, with 3 of our 4 regions delivering a record year. Gross profit in EMEA, our largest region, was up 6% against 2019. Growth was particularly strong in Germany, up 31%, driven primarily by the performance of our Technology-focused Interim business. Asia Pacific grew 15% on 2019, with both Mainland China and South-East Asia delivering a record year. The Americas was badly impacted by the pandemic but was our fastest-growing region in 2021, with North America growing 13% and Latin America growing 18%. The UK declined 5% versus 2019, with Michael Page returning to growth in Q3 as restrictions eased. Page Personnel has been slower to recover, though encouragingly returned to growth in Q4. Our Large, High Potential markets represented 38% of the Group for the year, and grew 21% against 2019. These markets represented more than 40% in Q3, achieving our Vision target. We

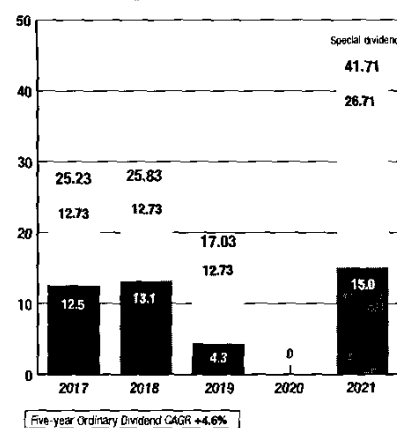
will continue to invest in these areas of strategic priority in 2022, alongside those businesses where we see potential for strong growth.

## Dividends

Given the challenging conditions and trading results experienced in 2020, we made the decision to suspend our dividend policy. With the strong return to growth in 2021, and high levels of surplus cash, we paid an interim dividend of £15.0m and a special dividend of £85.2m in October of this year.

We generated cash from operations of £149.2m in 2021 and ended the year with cash balances of £154.0m. Given this cash position, the level of distributable reserves and our results for the year, we propose a final dividend of 10.3p. When combined with the interim dividend of 4.7p paid in October, this is a total ordinary dividend of 15.0p, an increase of 9.6% on the 2019 proposed dividend. This ordinary dividend of 15.0p is covered 2.5 times by earnings, with a yield of 2.4%. If the special dividend is included, using the year end share price of 633.5p, this yield increases to 6.6%.

Dividend Per Share (p)



## Board

We are committed to ensuring the Board has the necessary skills and expertise to work alongside the Executive team in delivering the Group's strategy. One of my key objectives as Chairman is to oversee a Board with a diverse range of experience and perspectives. I have therefore been highly focused on Board composition since I became Chairman of the Board in December 2015.

As a Group, we support the Hampton-Alexander review and the requirement to disclose the gender balance of senior

management, with 38% female at the end of 2021. We have already succeeded the target for FTSE 350 Boards to have 33% female representation by 2020. On our Executive Board, female representation stands at 10% as at 1 January 2022 and at the Director level, female representation is 38%. We have also signed up to the UN Global Compact Network with a target of achieving gender equality in senior management roles by 2030.

We continue to invest in our various programmes to accelerate the promotion of women to leadership positions, including our Women@Page initiative. In 2022 we are launching our Global Female Career Sponsorship Programme, to further support our commitment to accelerating the progression of females into senior management.

On 1 September 2021, Simon Boddie retired as a Non-Executive Director and Chair of the Audit Committee. I would like to thank Simon for his significant contributions over his 9 years in this role. On 1 January 2021, Ben Stevens joined the Board as a Non-Executive Director, bringing extensive experience across different roles and sectors to the Group. Ben Stevens joined the Audit, Nomination and Remuneration Committees and from 1 September, succeeded Simon Boddie as Chair of the Audit Committee. Full details of the work undertaken by the Board are set out in the Corporate Governance Report.

As recently announced, I will be stepping down from my role as the Group's Non-Executive Chairman on 30 April. The Board has appointed Angela Seymour-Jackson as the new Chair. Angela has served on the Board since 2017 and brings a wealth of experience from both her senior Executive roles and from her experience at PageGroup as a Non-Executive Director and Committee Chair. It has been a privilege to serve on the Board for the past 10 years, and I am immensely proud of PageGroup's achievements during this time. I leave fully confident in the future success of the Group.

### Culture, purpose and stakeholder engagement

PageGroup's purpose is to change lives for people through creating opportunity to reach potential. We are committed to ensuring professional success for our clients, candidates and employees and this is underpinned by our Company values of passion, determination, working as a team, enjoying what we do and making a difference.

In accordance with the requirements of the UK Corporate Governance Code, all members of the Board are effectively engaging with employees. This is done in several forums, including attendance at employee meetings, virtual events and regular employee surveys. These channels focus on areas linked to our culture and engagement framework, including retention and promotion, diversity and inclusion metrics and employee wellbeing.

Our 2021 Global Employee Engagement Survey shows the positive progress we have made in this area. 89% of our people felt proud to work at PageGroup and 86% valued the Group's commitment to diversity and inclusion. We introduced our Continuous Listening Strategy in 2020 and the results of our employee pulse surveys and other assessments are discussed by the Board during our bi-annual culture and engagement review. Here, the Board identifies future actions to ensure our culture is aligned globally and continuous improvement is made in this area.

Earlier this year we established the Group's Shadow Executive Board. The Shadow Board works directly with the Executive Board to scrutinise their agenda and offer a different viewpoint from a more diverse group of people, with the aim of influencing the strategic direction of the business. The Shadow Board covers different regions, ethnicities, ages, gender, LGBTQ+ and tenure within PageGroup and will rotate every 12 months.

Building strong customer relationships is vital to ensure our long-term success. Our suite of technology innovations developed over the past few years meant we were well placed to handle the challenges of remote working through the pandemic and to continue providing excellent customer service.

The move to having one global operating platform in Customer Connect, puts us in a strong position to adopt future innovative solutions and to address ever-evolving client and candidate needs.

### Sustainability

PageGroup has made significant progress on its sustainability objectives in 2021. We joined the UN Global Compact and released our inaugural Sustainability Report, focusing on all three elements of ESG (Environment, Social and Governance). We reflected on our achievements to date in this area, as well as developing a ten-year sustainability vision with ambitious targets.

The Group offset its carbon impact again in 2021, and going forward we have the ambition of becoming carbon positive by 2026. We plan to achieve this by continuing to transition from traditional electricity to renewable sources and reducing business travel. The Group also aims to establish a meaningful sustainability recruitment business by 2026. We are targeting to positively impact over 1 million lives in the ten years to 2030, both via placement in employment opportunities and through access to our social impact programmes.

Further details of our progress on sustainability, greenhouse gas reporting and climate-related financial disclosures (TCFD) are included in the Sustainability section.

### Looking ahead

As we enter 2022, there is increased optimism in the post-pandemic recovery across the globe. However, the emergence of new variants provide a degree of uncertainty, against the backdrop of significant progress made with vaccination programmes through 2021. We are benefitting from improved trading conditions, candidate shortages driving wage inflation, and video interviewing reducing the time to hire. Alongside the strategic decisions made by the Group during the pandemic, we are well positioned to capitalise on future opportunities.

We are committed to investing in our Large, High Potential markets and disciplines, together with other areas where we see the greatest potential for growth. We continue to work towards our Vision of £1bn of gross profit, £200-£250m of operating profit and a customer rating of 90%+.

We have engaged and experienced employees and we will continue to provide them with a flexible working environment, whilst focusing on supporting them to reach their potential. The Group has made strong progress to date with technology and our use of data, and we will further develop innovative, industry leading technology and tools to continue to provide the best possible service to our customers.

Our success in delivering a record year in 2021 is reliant upon the contributions of our employees. On behalf of the Board, I would like to thank all of our people for their significant achievements and their continued dedication this year.

**David Lowden**

**Chairman**

# Overview

## PAGE 5 BUSINESS MODEL

FINANCIAL	STRATEGIC	PEOPLE	OPERATIONAL
Highly profitable Maintain a strong balance sheet Highly cash generative	Sustainable organic growth Diversification to mitigate cyclical by geography, brand and discipline Focus on operational efficiency	Team-based service delivery Talent and skills development/retention	Strong brands Effective use of technology

## PAGE 13 STRATEGY

FINANCIAL	STRATEGIC	PEOPLE	OPERATIONAL
Long-term investment into core geographic markets <ul style="list-style-type: none"> <li>Large, High Potential</li> <li>Large, Proven</li> <li>Small and Medium, High Margin</li> </ul> High Potential Disciplines: <ul style="list-style-type: none"> <li>Technology</li> <li>HLS</li> </ul>	To be the leading specialist recruiter in each of the markets in which we operate	Career development structure Training Global mobility	Assurance of a quality service Effective recruitment process

## PAGE 51 RISKS

FINANCIAL	STRATEGIC	PEOPLE	OPERATIONAL
Macro-economic exposure Foreign exchange translation risk	Shift in business model Delivery of operational efficiencies	People development Attraction and retention	Technology; systems transformation and change; data security; brand reputation; financial management and control; fiscal and legal compliance

## PAGE 21 KPIs

FINANCIAL	STRATEGIC	PEOPLE	OPERATIONAL
Gross profit growth Gross profit diversification Perm:Temp ratio Cash Earnings per share	Gross profit per fee earner Fee earner headcount growth Fee earner:operational support staff ratio Conversion rate	Employee satisfaction survey Management experience	Measurement performed at a granular level D&I review ratings

## PAGE 93 REMUNERATION

FINANCIAL	STRATEGIC	PEOPLE	OPERATIONAL
EPS growth: three year cumulative PBT performance Comparator gross profit growth	Strategic targets Systems and innovation	Leadership and people development Retention/succession	Cost and financial management Risk management and internal controls IT strategic development

## PAGE 18 DIVIDEND POLICY

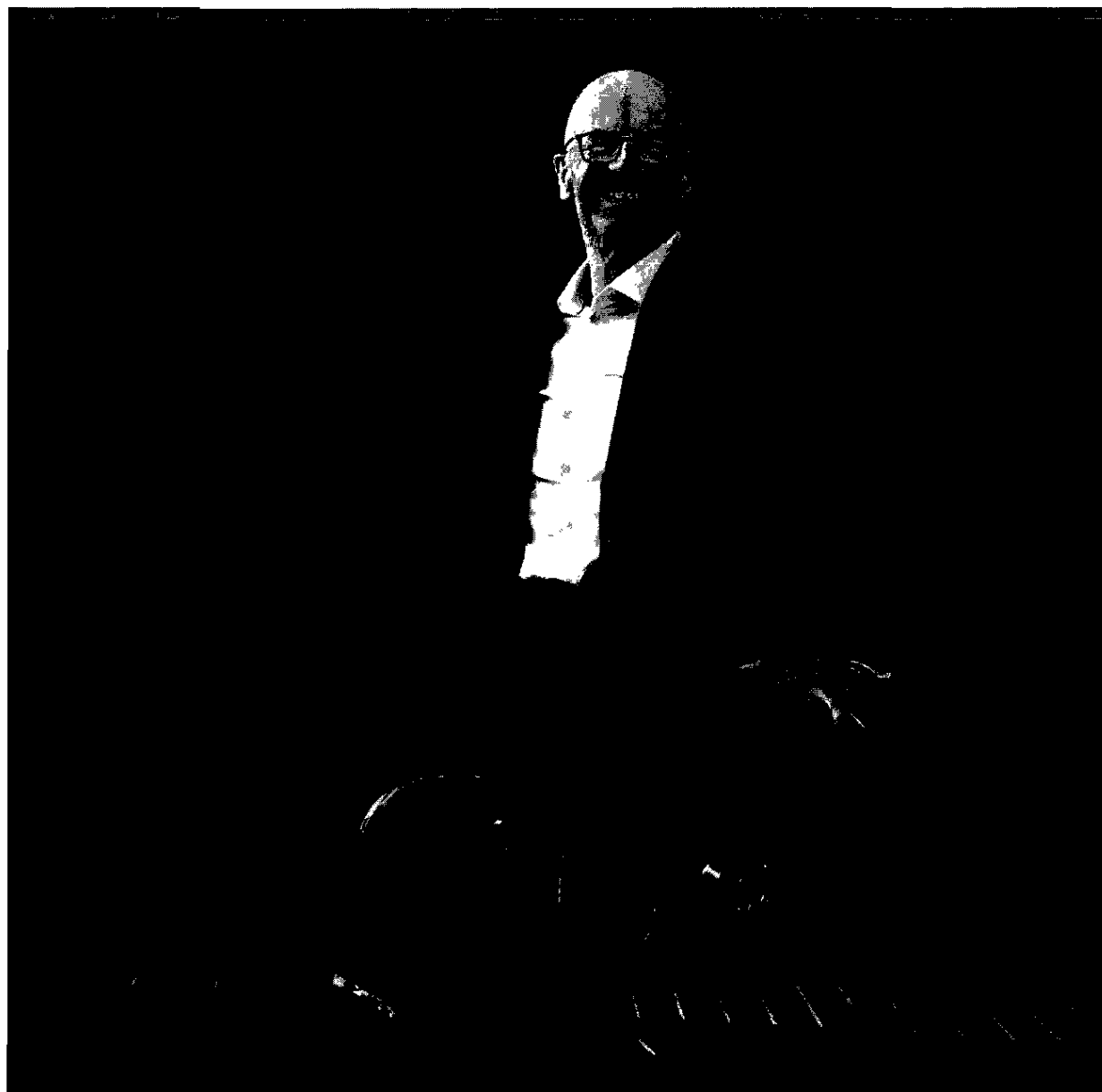
FINANCIAL	STRATEGIC	PEOPLE	OPERATIONAL
Maintain a strong balance sheet Maintain core ordinary dividend	Return surplus cash to shareholders by special dividends and/or share buybacks	Ensure dividends are paid at sustainable levels such that investment in the business and its people is maintained	First use of cash is to satisfy operational and investment needs, as well as to hedge liabilities under the Group's share plans

## A message from Steve

Welcome to our 2021 Strategic Report, where I will outline our Business Model and Strategic Framework. I will then cover our Strategic Review, which highlights some of the key strategic initiatives and investments that have supported our success this year, as presented at our Investor Afternoon in December 2021. Following this, I will outline our updated Vision and then move on to how we see current market dynamics, together with our capital allocation policy.

We continue to measure our performance through both our financial and non-financial KPIs, with associated risks. These risks are directly linked to the four key elements (financial, strategic, people and operational) of the performance criteria in our current executive share plans.

**Steve Ingham**  
CEO PageGroup



# Business Model

## OUR MODEL AT WORK



### OUR PEOPLE

An experienced senior management team and high-quality consultants. Expertise in premium candidate sourcing and advocating for client and candidate.



### OUR CULTURE

Diverse and inclusive culture with ingrained values of how to do business ethically. We have created an environment where developing our people and achieving results for the customer is paramount.



### OUR RELATIONSHIPS

We work closely with our clients and candidates. Our customer-centric ethos upholds our reputation, maintains our competitive edge and enables our business to thrive.



### OUR BRAND AND SCALE

Global reach, with deep local knowledge. Specialist industry and market knowledge. High levels of operational efficiency.



### TECHNOLOGY AND INNOVATION

Focused on how best to acquire, engage and nurture customers to build long-term relationships. The use of technology allows us to leverage growth and improve our conversion rate.



### FINANCIAL CAPABILITY

Our business is supported by a strong balance sheet and significant cash flow generation.

## PAGEGROUP CHANGES LIVES

Our Value  
Proposition Model



### CLIENTS

- Sector expertise
- Appropriate candidate shortlist
- Professional high-quality service

### CONSULTANTS

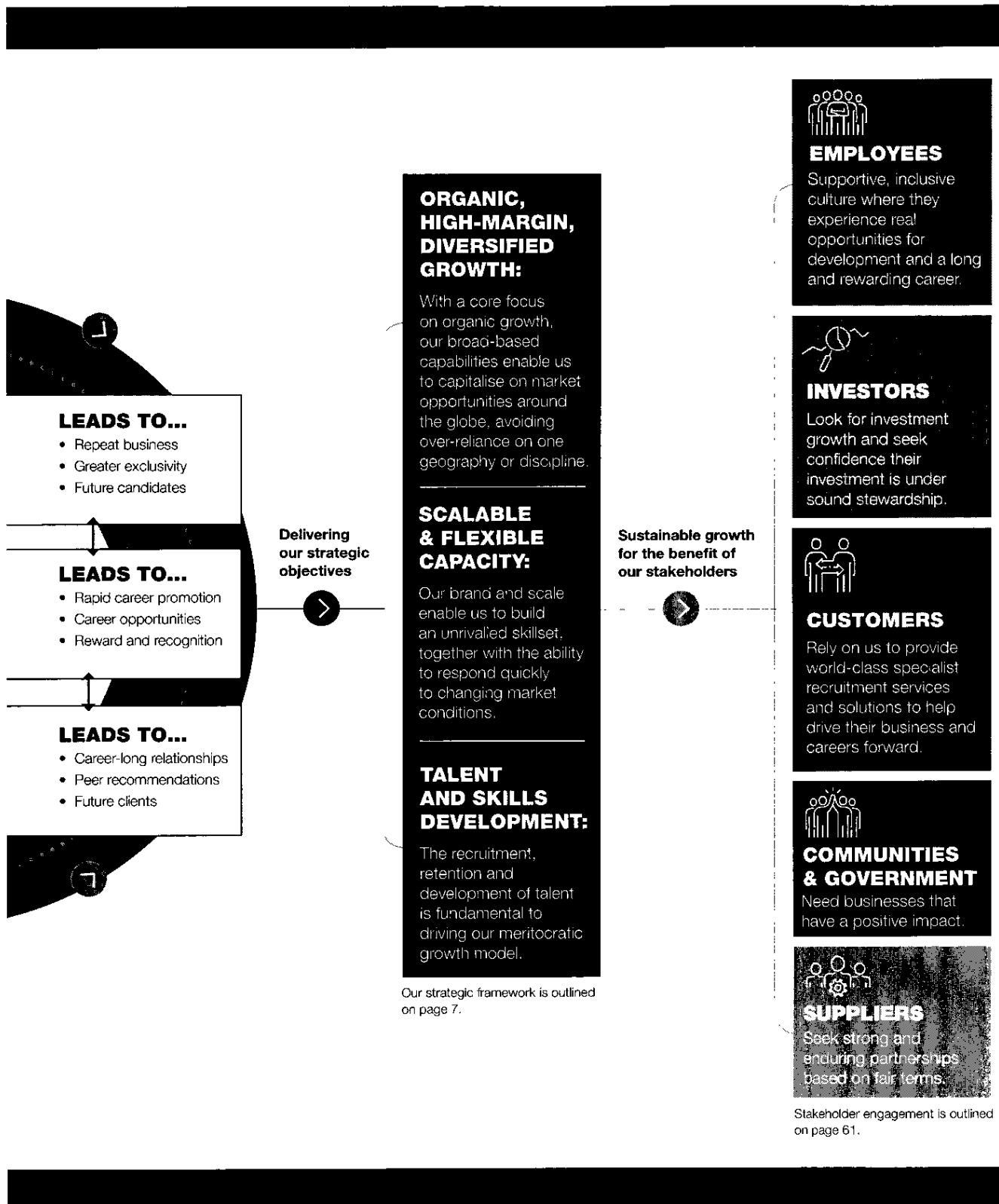
- Team-based structure and compensation
- Access to jobs across entire Group
- Consistent process

### CANDIDATES

- Professional high-quality service
- Market understanding and client profiling
- Career advice

## UNDERPINNED BY OUR VALUES

WE MAKE A DIFFERENCE   WE ENJOY WHAT WE DO   WE WORK AS A TEAM



WE VALUE DETERMINATION

WE ARE PASSIONATE

# Business Model

## STRATEGIC FRAMEWORK

PageGroup is focused on delivering against three key objectives to achieve its Strategic Vision and deliver sustainable financial returns. These are to:

### 1

#### LOOK FOR ORGANIC, HIGH MARGIN AND DIVERSIFIED GROWTH

Our business model is centred on delivering organic and diverse growth. As recruitment is a cyclical business and impacted by the strength of economies, diversification is an important component of our strategy, reducing our reliance on any individual market or business and thereby increasing the strength of the Group.

Our strategy therefore is to expand and diversify the business by industry sectors, professional disciplines, geography and brands, with the objective of being the leading specialist recruitment consultancy in each of our chosen markets.

In 2007, prior to the global financial crisis, our Non-UK business represented 61% of the Group and it now represents 85%. We have invested heavily in our Large, High Potential markets, which in 2007 had under 700 fee earners and represented 17% of Group gross profit. We now have over 2,400 fee earners in these markets, which today represent 38% of Group gross profit. We have also successfully diversified away from Finance and Accounting, with this discipline making up 54% of total Group gross profit in 2007, compared with 32% in 2021. These two changes highlight the success of our diversification strategy.

Our business model has proved resilient during the COVID-19 pandemic. With less reliance on any one individual country, brand or discipline, the business has been better positioned to face the adverse market conditions. Our global presence and strategic investments made over the past two years have enabled us to capitalise on opportunities coming out of the pandemic in 2021.

PageGroup's historical success across major global economies has helped us to identify those markets likely to produce long-term gross profit growth at attractive conversion rates. This enables us to offer a premium service that is valued by our clients and also attracts the highest calibre of candidates. Our service offering includes a broad set of disciplines, within the professional and clerical recruitment sector, including two designated as high potential in Technology and Healthcare & Life Sciences. Our Page Outsourcing offering provides opportunities in a new area of the market and has significant growth potential.

### 2

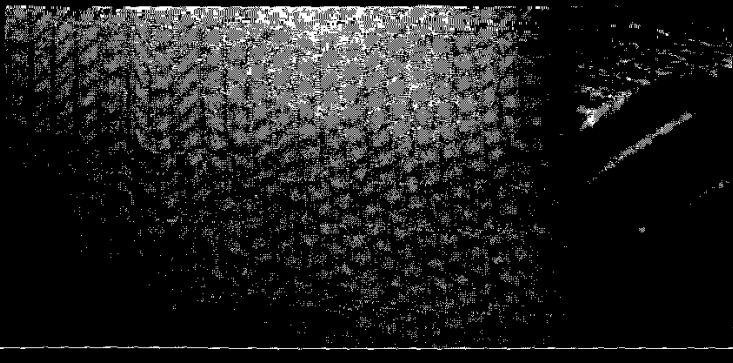
#### POSITION THE BUSINESS TO BE SCALABLE EFFICIENTLY AND HIGHLY FLEXIBLE TO REACT TO MARKET CONDITIONS

Demonstrating the ability to respond quickly to changes in market conditions is critical to managing the business efficiently through economic cycles. Our team-based structure and profit share business model has proven highly scalable on a global basis.

The small size of our specialist teams enables us to grow gross profit quickly with incremental fee-earner headcount. When market conditions tighten, this headcount is reduced mostly via natural attrition, to ensure a lower cost base in a slowdown. We have managed this well through the pandemic and chose to maintain our platform during 2020; this decision has enabled us to accelerate more quickly than our competitors coming out of the pandemic to deliver the record results achieved in 2021.

We have retained experienced staff and continue to focus on the training and development of all our employees. We selectively added over 1,100 experienced hires from the competition from Q2 2020 through to the end of 2021. These decisions have helped to drive the productivity gains achieved during the year and put us in a strong position for 2022 and beyond.

Our global footprint requires high levels of operational efficiency in order to achieve this strategic objective. Our focus on shared service centres has delivered greater economies of scale and efficiencies. It has driven consistency, increased flexibility and improved the quality of the service provided to our operational business. Collectively, our shared service centres allow us to be more agile, reduce our fixed costs and remove constraints on how fast we can react to market conditions.





## 3

## NURTURE AND DEVELOP OUR PEOPLE, DRIVING OUR MERITOCRATIC GROWTH MODEL

We recognise that our employees are key to our long-term success. The recruitment, retention and development of talent is a key priority for the Group. We recruit from a diverse set of backgrounds and value our consultants' experiences greatly.

We have clearly defined career pathways for consultants through to senior management and Board level. This helps to ensure we retain the best talent and develop our people for leadership positions. We have a proven track record of internal promotion and international career moves and the newly evolving hybrid working model will open up greater opportunities in this area.

Our highly experienced management team have the longest tenure in the industry and are passionate in developing the next generation of Page leaders. Many of our management team have international experience and this has helped with global knowledge sharing and best practice. It additionally allows us to capitalise on opportunities and react to market conditions effectively. Increasingly, we are promoting within regions and many of the leaders in our Large, High Potential markets have had long-standing careers in those markets, combined with valuable local expertise.

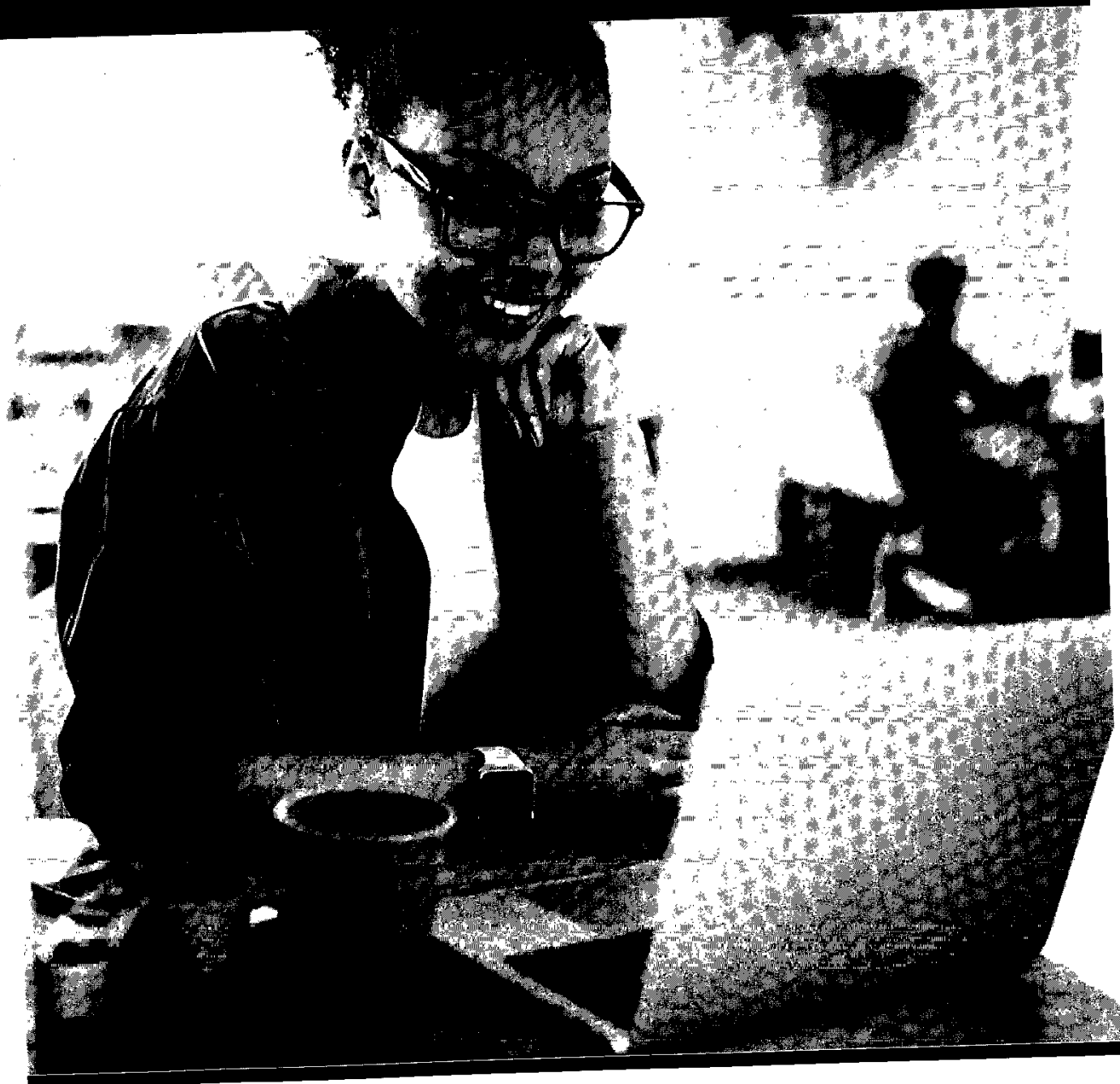
We introduced our continuous listening strategy in 2020 and the insights from these initiatives have allowed us to build understanding and drive change and improvement. We are committed to diversity and inclusion and have made significant progress in this area in recent years. Underpinned by our global diversity and inclusion framework, we have a number of internal communities to ensure our employees have networks to connect, share and learn.



# Business Model

## OUR STRATEGY

The Group's strategy aims to expand and diversify the business organically by professional disciplines, brands and geographies, with the objective of being the leading specialist recruitment consultancy in each of our chosen markets.



## A FOCUS ON ORGANIC GROWTH

PageGroup's business model has proved itself both through economic cycles and as the business has expanded into a global enterprise. At its core is a focus on organic growth.

### Team profit-led compensation

A focus on team-based performance rather than the individual promotes positive corporate behaviour and consistent quality of service for both clients and candidates.

### Global management mobility

We regularly **move experienced managers and directors** into markets where they can **add the most value** and guide the business through the challenges of a market cycle, while allowing us to retain and motivate key senior talent.

### Career development structure

PageGroup offers its consultants a **well-defined and varied career** in recruitment. This includes a clear development structure with significant opportunities for the most talented.

### Agile and responsive

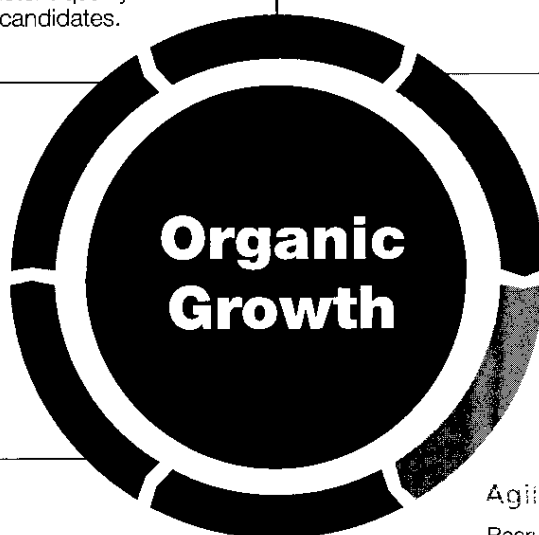
Recruitment is a **fast-paced and dynamic** business. Our agility gives us the confidence to respond quickly to opportunities and challenges as they appear.

### Experienced management pool

**Experience through economic cycles** and across geographies and disciplines reduces our learning curve, **maximises scalability** and is crucial for placing resources where they will add the most value.

### Productivity-led expansion

Our operational metrics **focus on productivity**, by team, discipline and geography. This bottom-up approach aligns expansion criteria throughout the Group, focusing and optimising investment on key priorities.



# Business Model

## OUR VISION

GROSS PROFIT

**£1bn**

OPERATING PROFIT

**£250m**

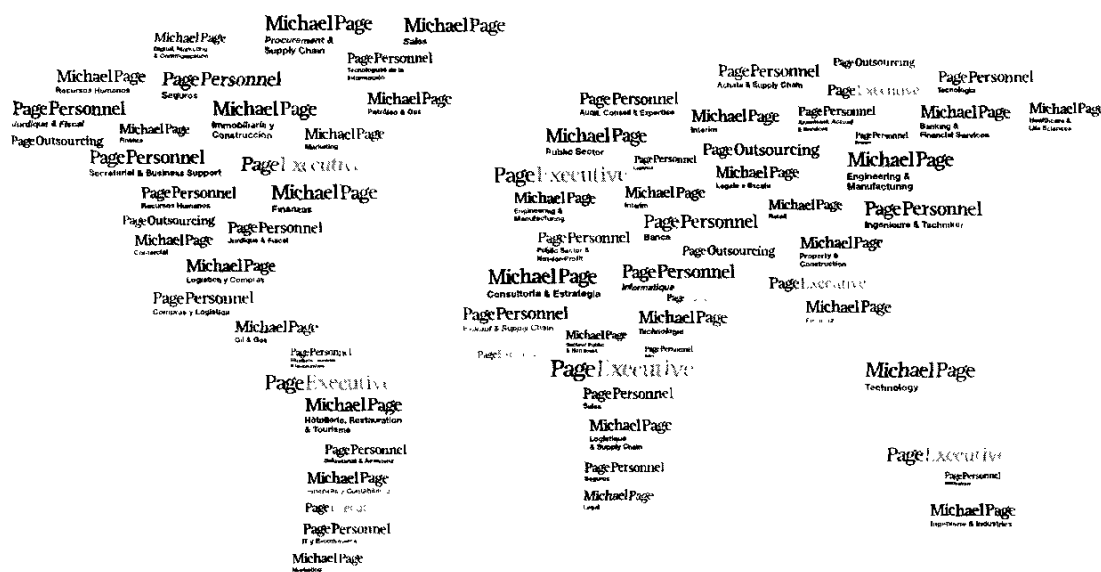
CUSTOMER RATING

**90% +**

Our Vision remains consistent, to increase the scale and diversification of PageGroup by organically growing existing and new teams, offices, disciplines and markets. We are focused on delivering Group gross profit of £1bn and operating profit of £250m. When we last updated this Vision in 2018, this required total Group headcount of 10,000 at 2018 productivity levels. Our focus on operational support has meant we have improved our fee earner to support staff ratio, from 77:23 to 78:22 at the end of 2021. The productivity increase in 2021 of 17% over 2019 was attributable to our increase in operational efficiency, roll out of our technology initiatives and the recent move to video-interviewing reducing time to hire, as well as improvements in market conditions. As such, we have removed our Vision target relating to needing 10,000 people to deliver the financial targets, and replaced this with the goal of achieving an average customer rating of 90% +.

## WHAT WE DO

PageGroup is a worldwide leader in specialised recruitment. We have over 40 years recruitment experience and deliver recruitment services to clients across 37 countries through our network of 139 offices.



### DISCIPLINE EXPERTISE

We've developed PageGroup's reputation as a global recruitment leader through our focus on specialist areas of the market, replicated across our international network. Within our four broad discipline categories, we operate across 14 specialist discipline teams. We then specialise further within these (e.g. digital marketing within marketing) to ensure we provide expert recruitment services to our clients.



### PERM AND TEMP MIX

PageGroup is the international market leader for permanent recruitment in the majority of the countries in which we operate. We also have a substantial and growing temporary recruitment business in markets where temporary placements for professionally qualified candidates are culturally accepted.



### GEOGRAPHIC REACH

Our substantial and well-balanced business reaches across all regions, including Latin America and Asia. Our global model allows us to source candidates from domestic and international markets and provide a comprehensive service to both local and multinational clients.

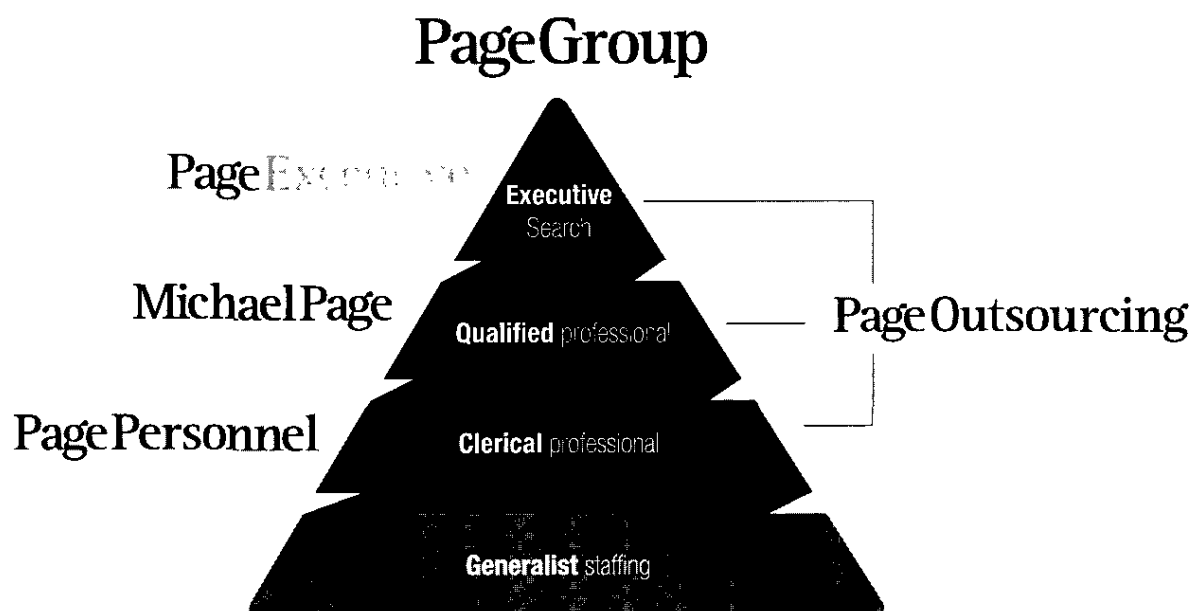
## OUR BRANDS

### PAGE EXECUTIVE

With typical margins above those of Michael Page and Page Personnel, our executive search division of PageGroup provides a range of search, selection and talent management solutions for organisations on a permanent and interim basis. Recognised for our powerful in-house research function, speed and flexibility of response, and assignment completion rates, organisations worldwide use Page Executive to secure their senior talent. The roles on which we focus typically sit at the sub-board and Board levels.

### MICHAEL PAGE

The original PageGroup brand is normally established as the first business in each new country that we enter. Michael Page is comprised of 25 specialisms, each providing a service to a specialist area of the market, recruiting permanent, temporary, contract and interim opportunities, typically at qualified professional and management level. The businesses we work with range from SMEs to global blue-chip organisations.



### PAGE PERSONNEL

Page Personnel offers specialist recruitment services to clients requiring permanent employees, temporary or contract staff. Mirroring the geographical and sector coverage of Michael Page, it provides specialist services to organisations requiring talent at professional clerical and support levels.

### PAGE OUTSOURCING

Our newest brand, Page Outsourcing, harnesses the power of the other PageGroup brands. Our flexible recruitment outsourcing solution allows our clients to focus on their core business. The Page Outsourcing offering includes both Recruitment Process Outsourcing (RPO) and Managed Service Provision (MSP), together with a number of Outsourcing Consultancy solutions. Page Outsourcing represents an opportunity for the Group to accelerate growth across all segments of the market.

# Strategic Review

## OUR COMPETITIVE ADVANTAGE

**Our true competitive advantage is the combination of these four factors and the balance we have achieved in the business for over 45 years. We generate funds through fees earned for placing candidates in permanent, temporary and contract roles.**

## SCALE

Our scale enables PageGroup to commit to markets through economic cycles, which, combined with our strong financial standing, has given clients the confidence to build lasting relationships with us. Temporary staff also derive comfort from our financial strength that their services will be paid for.

The breadth of our client base globally, even in our new markets, gives us the ability to offer diverse expertise across a wide range of complementary specialisms and geographies, enhancing our offering to the market and the candidate pools we can access.

Our scale has led to us having an unrivalled skillset with high levels of experience, which is available to clients of any size and across all sectors in which we operate.

## BRAND

We deliver specialised sector experience operated via four key brands:

Page Executive, Michael Page, Page Personnel and Page Outsourcing, supported by supplementary brands throughout our international locations.

The first class reputation of our brands gives high-quality candidates assurance to place key decisions on their future in our hands. Our superior level of expertise and the knowledge of our consultants inspires trust and assurance of service quality, for both clients and candidates, enabling our brands to outperform other recruitment businesses.





## CULTURE

PageGroup's culture is unique and sets us apart from the competition. Our global culture delivers a consistent approach, both internally and externally, whilst remaining accepting of each of our market's local characteristics.

A diverse team brings different perspectives and insight to our business, and our promotion of diversity and inclusion ensures we add value to the markets we recruit into on behalf of our clients. We work closely with our clients to source and recruit from a diverse talent pool to provide them with the best candidate.

We have ingrained values of how we do business ethically and make long-term decisions. Our purpose and values that are the key to our success are set out on page 27.



## INNOVATION

The digital revolution has transformed the recruitment market. The impact of technology on behaviours and expectations of both clients and candidates continues to grow at pace. Our innovation approach is focused on how best to acquire, engage and nurture customers to build long-term relationships. We have a dedicated innovation team that ensures we have a good understanding of the different recruitment trends and forms partnerships with the most advanced technology providers who can help us create an innovative experience for our customers.

Our internal Business Technology function focuses on designing, implementing and exploiting scalable global systems. By improving our processes and tools, we empower consultants to be more productive. In our operational business we are utilising technologies such as Salesforce and Thunderhead to engage with customers throughout their journey.

The use of technology allows us to leverage growth in the business and improve our conversion rate.

# Strategic Review

## HOW WE CATEGORISE OUR MARKETS

### Investment Approach

Investment has been focused on developing the long-term sustainability of the business and is supported by significant balance sheet strength and cash flow generation. This market categorisation provides an investment framework for the Group. Investment comes in a range of forms including headcount, new offices and infrastructure, marketing spend and minimum levels of market presence through the economic cycle.

	CATEGORISATION	COUNTRIES
<b>Large, High Potential</b>  <b>38%</b> of the Group	<b>Substantial, high-potential markets for recruitment.</b>  Typically under-developed, but where PageGroup has a successful track record and confidence in its ability to scale operations successfully. Each satisfied key criteria including: <ul style="list-style-type: none"> <li>• Positive PageGroup track record;</li> <li>• Ability to adapt PageGroup culture to local culture;</li> <li>• Ability to hire and retain local consultants;</li> <li>• Ability to roll-out disciplines and open offices;</li> <li>• Attractive conversion rate potential; and</li> <li>• Large-scale economies.</li> </ul>	<b>Germany</b>  <b>Greater China</b>  <b>Latin America</b>  <b>South East Asia</b>  <b>The US</b>
<b>Large, Proven</b>  <b>46%</b> of the Group	<b>LARGE MARKETS</b> in which PageGroup is already proven with a strong track record and a significant presence.	<b>UK</b>  <b>France</b>  <b>Australia</b>  <b>The Netherlands</b>  <b>Italy</b>  <b>Spain</b>
<b>Small and Medium, High Margin</b>  <b>16%</b> of the Group	Have been, or could be, <b>SIGNIFICANT PROFIT CONTRIBUTORS</b> for PageGroup, but each not likely to be in excess of 300 fee earners.	<b>Japan</b>  <b>India</b>  <b>Middle East</b>  <b>Africa</b>  <b>Canada</b>  <b>Turkey</b>  <b>Other European countries</b>

## HIGH POTENTIAL DISCIPLINES

In addition to the below, during 2021 we also have classified three disciplines as large, high potential disciplines. We categorise markets or disciplines as large, high potential when they are large-scale economies, there is a positive track record and there is attractive conversion rate potential.

As such, during 2021 we classified Healthcare & Lifesciences and Technology as large, high potential disciplines. These will be strategic areas of focus for the Group going forward.

INVESTMENT APPROACH	STRATEGIC VISION	2021 RESULTS	2022 STRATEGY
Sustained investment through cycle – adding headcount/offices/disciplines.	Create a market-leading network of offices, management and headcount. c. 40% of Group gross profit/fee earners; 20% conversion rates.	Gross profit increased 21% for the year vs. 2019, with all regions delivering growth. Germany delivered the standout result, up 31%, driven by its Interim business which was up 62%. Elsewhere, Greater China was up 14%, South East Asia +32%, the US +15% and Latin America +18%. This category represents 38% of Group gross profit (2019: 35%) though in Q3 it crossed the 40% barrier, in line with our Vision.	Continue investment, whilst improving conversion rates and productivity.
Aim for high conversion rates. Headcount investment reflects gross profit growth and market conditions.	Collectively return to 2007 peak levels of operating profit and conversion rates; equivalent to c. 45% of Group gross profit/fee earners.	Gross profit decreased 3% for the year compared to 2019, though was up 41% vs. 2020. Compared to 2019, trading conditions remained tougher in the UK (-5%), France (-9%), Australia (-7%) and the Netherlands (-5%), all of which have sizeable Page Personnel businesses which were more heavily impacted by the pandemic. Italy and Spain delivered strong growth, up 8% and 16% respectively versus 2019.	Continue to drive future growth through existing capacity, as well as improving productivity and therefore our conversion rates.
Respond to market conditions, focus on high margin opportunities.	Investment responsive to market conditions. Expected to represent c.15% of Group gross profit/fee earners; 30% conversion rates.	Gross profit increase of 12% for the year compared to 2019. India and Japan delivered the standout results in this category, up 61% and 25% respectively vs. 2019. Elsewhere, we saw strong recoveries in most markets, with the UAE up 8% and Poland +44%.	Continued focus on growth and ensuring we deliver high conversion rates.



# Strategic Review

## MARKET DYNAMICS

The professional recruitment sector has always been highly sensitive to fluctuating economic conditions and is strongly influenced by client and candidate confidence. Market liquidity can change rapidly, whether in terms of candidate confidence or availability of jobs.

It can also be localised, by geography or discipline, and differ between temporary and permanent placements in the same market.

In a number of geographic regions, such as Greater China or Latin America, our potential markets are very large, yet relatively immature. This provides not only significant market share opportunities, but also challenges in areas such as business development. New markets can take time to reach maturity, but the advantages of being an early mover and being able to build scale can be considerable.

As well as the influence of the general macro-economic environment on business activity, there are a number of market-based drivers that can materially impact financial performance. These are split into elements which affect market liquidity and those which influence consultant productivity and therefore gross profit. It is the nature of the professional recruitment market that strong market conditions will see drivers align in both elements and this can have a dramatic impact on our overall performance.

### MARKET LIQUIDITY

#### IMPACT

##### Candidate availability

Often highly discipline/geography-specific, especially at midpoints in the cycle as client confidence grows. This is a key driver of most other elements, as the quality of a recruiter is most clearly demonstrated through their ability to source difficult-to-find candidates.

##### Candidate confidence

A major influence on market liquidity where the macro-environment is sufficiently stable, candidates will look to progress their careers, which helps to drive job liquidity.

#### FINANCIAL IMPACT

Mainly visible through improvement in gross profit, a buoyant market helps to drive consultant productivity.

### GROSS PROFIT AND PRODUCTIVITY

#### IMPACT

##### Fees/rates

Group average typically moves within a 10% range over the cycle (19.5%-22%).

##### Wage inflation

Reflects level of candidate shortage and liquidity within a particular discipline or geography, plus macro-economic conditions.

##### Time to hire

As candidates become scarcer, companies shorten the decision making process in order not to lose preferred candidates. This is particularly noticeable in 2021, with video interviewing reducing time to hire.

#### FINANCIAL IMPACT

Notable influence on both gross profit and also conversion rate. Productivity, especially in permanent recruitment, is significantly enhanced as these market drivers align positively.



## CAPITAL ALLOCATION POLICY

The Group's strategy is to operate a policy of financing the activities and development of the Group from our retained earnings and to maintain a strong balance sheet position. We first use our cash to satisfy our operational and investment requirements and to hedge our liabilities under the Group's share plans.

We then review our liquidity over and above this requirement to make returns to shareholders, firstly by way of ordinary dividends. Our policy is to grow the ordinary dividend over the course of the economic cycle, in line with our long-term growth rate. We believe this will enable us to sustain the level of ordinary dividend payments during a downturn, as well as increasing it during more prosperous times.

Cash generated in excess of these first two priorities will be returned to shareholders through supplementary returns, using special dividends or share buybacks.



## Page Outsourcing

### Page Outsourcing

We have invested strategically in our Page Outsourcing brand over the past year. We believe that Recruitment Process Outsourcing (RPO) and Managed Service Provision (MSP) services will become increasingly important channels to meet the needs of large clients in both mature and developing markets. Our flexible recruitment outsourcing solution includes a range of recruitment activities, including those focused on high volume as well as more specialist solutions. Our offering is comprised of 3 components: Outsourcing Solutions, which include RPO, MSP and Total Talent Management (TTM), Project on Demand, which includes RPO Lite, and Outsourcing Consultancy solutions.

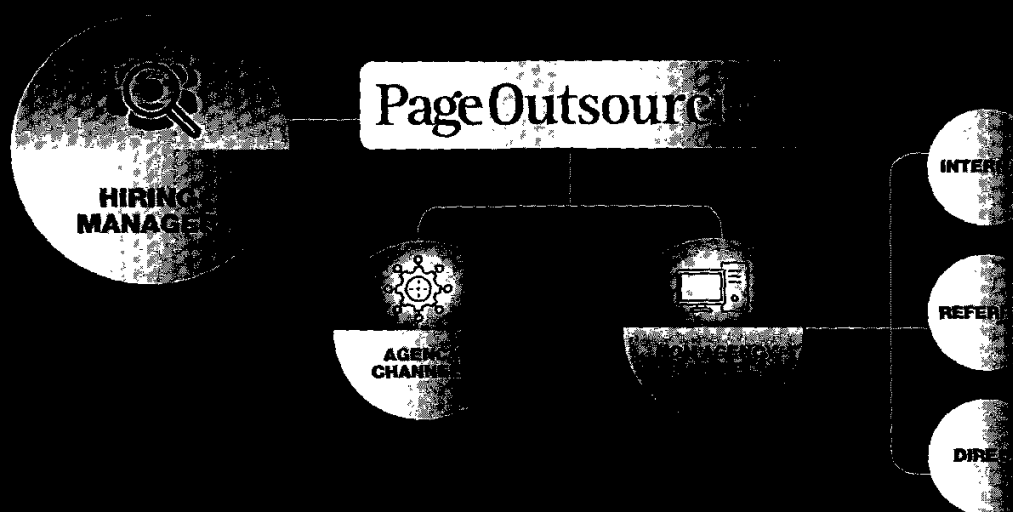
Following any economic event, demand for outsourcing services increases as businesses look for agility and cost efficiencies. The latest statistics indicate the global recruitment outsourcing industry is worth over £20bn and is expected to grow c. 19% annually until 2027. We therefore believe that now is the perfect time to invest further in Page Outsourcing. Oily Harris joined the Group in Q3 2020 as our new Page Outsourcing Managing Director, bringing over 20 years of experience in the recruitment industry, with the last 10 specifically managing the recruitment outsourcing arm of the Robert Walters Group. Oily's vision for the brand is to build a market leading outsourcing business, underpinned by the wider PageGroup infrastructure.

The Group's global footprint, combined with strong permanent and temporary capability across a breadth of sectors, positions us well to build this outsourcing arm of the business. Additionally, the Group's recent investment in back office infrastructure and technology enables us to offer large-scale global outsourcing solutions for our clients.

Whereas our three recruiting brands work directly with end clients, outsourcing primarily works onsite, owning several, or all, of the client's recruitment needs. As well as managing the traditional agency channels on behalf of the client, many roles are filled via non-agency channels, for example, internal moves, referrals or direct recruitment via a client's website or LinkedIn. We work alongside our clients to agree the recruitment strategy and the appropriate sourcing channels, and then deliver accordingly. Mature buyers of this service may fill around 90% of their hiring through these non-agency channels. Therein Page Outsourcing brings incremental fees into the Group and is strongly supported by our other three global brands to provide access to permanent, temporary and interim candidates across different disciplines and levels.

With the pandemic recovery and ongoing candidate shortages, we see significant growth opportunity in 2022 and beyond. Recruitment outsourcing provides our clients with agility, cost effectiveness and scale to meet recruitment needs. It provides key benefits in terms of governance and process, including shorter time to hire, full visibility of the hiring process and an end-to-end recruitment solution. Going forward, Page Outsourcing will continue to be a key area of investment and strategic focus for the Group, as we expand into new geographies and disciplines.

#### OUTSOURCING MODEL



# Data and Technology

At PageGroup, we recognise the importance of data and technology in our business, be it via automation of processes or as a source of differentiation. Our consultants need to feel empowered to make better and faster decisions, and this in turn ensures we provide the best customer service to both our clients and candidates.

We are on a continuous journey with our data and technology capabilities and have made significant progress in this area in 2021. Our integrated suite of tools use AI, data and a positive user experience to do more of the heavy lifting on behalf of our consultants, making us an attractive employer and leaving them to focus on what they do best: building human relationships. Customer Connect, our core operating system, is now used by over 85% of our fee earners, with the remaining markets of France and Latin America scheduled to go live by the end of Q2 2022. We believe that having all our consultants operating on a high-performing system with a single customer view, will contribute towards our goal of increasing productivity.



PageInsights is our unique business intelligence tool that combines our internal data with relevant external data to provide meaningful insights to our teams. For example, it identifies sectors and clients where our consultants should focus their efforts and highlights the latest market pressures around key roles. The insights provided enable our teams to have relevant conversations and build appropriate action plans, thereby supporting our clients to plan their talent needs.

The ongoing standardisation of our data and technology tools is critical to allow us to scale future opportunities faster. It drives effective and efficient deployment of new functionality as standard for all markets. It also allows for easier development and launch of innovation. For example, the launch of data labs to examine how data can drive activity, the use of automation to reduce mundane tasks, or the delivery of relevant insights and analytics to the recruiter. We are excited about the future of our data and technology initiatives and this will continue to be a strong focus area for the Group. These initiatives enable us to put the customer at the centre of what we do and allows us to address ever-evolving client and candidate demand.

## PageInsights

 **Customer Insights**

 **Finance Insights**

 **Global Insights**

 **Leadership Insights**

 **Market Insights**

 **Marketing Insights**

 **Operational Insights**

 **Temp Insights**

# Key Performance Indicators

We measure our progress against our strategic objectives using the following key performance indicators:

## FINANCIAL

### Gross profit growth (%)\*

	2021	49.1
-28.1	2020	
	2019	5.0
	2018	15.9
	2017	9.8

\* Increase in gross profit in constant currency over the prior year

#### How measured:

Gross profit growth represents revenue less cost of sales expressed as the percentage change over the prior year. It consists principally of placement fees for permanent candidates and the margin earned on the placement of temporary candidates.

#### Why it's important:

This metric indicates the degree of income growth in the business. It can be impacted significantly by foreign exchange movements in our international markets. Consequently, we look at both reported and constant currency metrics.

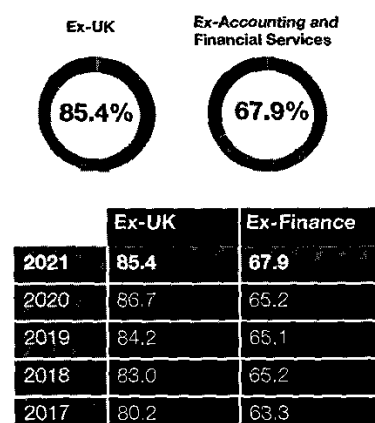
#### How we performed in 2021:

Gross profit increased +49.1% in constant currencies and +43.8% in reported rates (against 2019: +7.0% in constant currencies and +2.6% reported rates). This was due to the improvement in trading conditions coming out of the COVID-19 pandemic.

#### Relevant strategic objective:

Organic growth.

### Gross profit diversification (%)



#### How measured:

Total gross profit from: a) geographic regions outside the UK; and b) disciplines outside of Accounting & Financial Services, each expressed as a percentage of total gross profit.

#### Why it's important:

These percentages give an indication of how the business has diversified its revenue streams away from its historic concentrations in the UK and from the Accounting & Financial Services disciplines.

#### How we performed in 2021:

**Geographies:** The percentage decreased slightly to 85.4% from 86.7% in 2020, largely as a result of the UK being impacted more severely by the COVID-19 pandemic in 2020.

**Disciplines:** The percentage increased to 67.9% from 65.2% in 2020, as the Group saw significant growth in disciplines such as Technology during 2021.

#### Relevant strategic objective:

Diversification.

### Basic earnings per share (p)

	2021	37.2
-1.8	2020	
	2019	32.2
	2018	32.5
	2017	26.5

#### How measured:

Profit for the year attributable to the Group's equity shareholders, divided by the weighted average number of shares in issue during the year.

#### Why it's important:

This measures the underlying profitability of the Group and the progress made against the prior year.

#### How we performed in 2021:

The Group saw a more than 100% increase in Basic EPS to 37.2p, due to the strong performance during the year.

#### Relevant strategic objective:

Sustainable growth.

**Cash (£m)**

2021	154.0
2020	166.0
2019	97.8
2018	97.7
2017	95.6

**How measured:**

Cash and short-term deposits.

**Why it's important:**

The level of cash reflects our cash generation and conversion capabilities and our success in managing our working capital. It determines our ability to reinvest in the business, to return cash to shareholders and to ensure we remain financially robust through cycles.

**How we performed in 2021:**

Cash decreased to £154.0m (2020: £166.0m). The Group generated strong cash in 2021 and this balance is net of interim and special dividends paid, totalling £100.2m.

**Relevant strategic objective:**

Sustainable growth.

**Ratio of permanent vs temporary placements**

Gross profit	Permanent	Temporary
2021	77	23
2020	72	28
2019	75	25
2018	76	24
2017	75	25

**How measured:**

Gross profit from each type of placement expressed as a percentage of total gross profit.

**Why it's important:**

This ratio reflects both the current stage of the economic cycle and our geographic spread, as a number of countries culturally have minimal temporary placements. It gives a guide as to the operational gearing potential in the business, which is significantly greater for permanent recruitment.

**How we performed in 2021:**

The ratio increased to 77:23 (2020: 72:28). This is driven by the post-pandemic recovery being more weighted towards permanent recruitment, with temporary, particularly at lower salary levels, taking longer to recover.

**Relevant strategic objective:**

Diversification.

**STRATEGIC****Fee earner headcount growth (%)**

	2021	18.2
-14.6	2020	
-1.5	2019	
	2018	11.3
	2017	16.7

**How measured:**

Number of fee earners and directors involved in revenue-generating activities at the year end, expressed as the percentage change compared to the prior year.

**Why it's important:**

Growth in fee earners is a guide to our confidence in the business and macro-economic outlook, as it reflects our expectations as to the level of future demand for our services above the existing capacity within the business.

**How we performed in 2021:**

Net fee earner headcount increased by 937, or +18.2% in the year, resulting in 6,082 fee earners at the end of the year. We have continued to invest, particularly in certain areas of the Group such as Technology, Contracting, Healthcare and Life Sciences, and Digital, adding over 700 experienced fee earners to the Group in the year.

**Relevant strategic objective:**

Sustainable growth.

# Key Performance Indicators

## STRATEGIC

### Gross profit per fee earner (£'000)

2021	157.2
2020	113.3
2019	140.4
2018	138.3
2017	139.9

#### How measured:

Gross profit divided by the average number of fee-generating staff, calculated on a rolling monthly average basis.

#### Why it's important:

This is our indicator of productivity, which is affected by levels of activity in the market, capacity within the business and the number of recently hired fee earners who are not yet at full productivity. Currency movements can also impact this figure.

#### How we performed in 2021:

Productivity increased +43.7% to £157.2k (2020: £113.3k). This productivity increase is a result of our strategic initiatives and investments made in recent years and our strategy of maintaining our operating platform through the pandemic, combined with the improved trading conditions in 2021.

#### Relevant strategic objective:

Organic growth.

### Fee earner:operational support staff ratio

	Fee earner	Support
2021	78	22
2020	77	23
2019	78	22
2018	79	21
2017	78	22

#### How measured:

The percentage of fee earners compared to operational support staff at the year end, expressed as a ratio.

#### Why it's important:

This reflects the operational efficiency in the business in terms of our ability to grow the revenue-generating platform at a faster rate than the staff needed to support this growth.

#### How we performed in 2021:

The ratio increased to 78:22 from 77:23 in 2020. This was driven by +18.2% fee earner headcount growth, as well as benefiting from our operational support initiatives. Fee earner joiners included the addition of over 700 experienced hires during the year. Operational support headcount increased by 207.

#### Relevant strategic objective:

Sustainable growth.

### Conversion rate (%)

2021	19.2
2020	2.8
2019	17.1
2018	17.5
2017	16.6

#### How measured:

Operating profit (FRIT) expressed as a percentage of gross profit.

#### Why it's important:

This reflects the level of fee-earner productivity and the Group's effectiveness at controlling costs in the business, together with the degree of investment being made for future growth.

#### How we performed in 2021:

The Group's conversion rate increased to 19.2% (2020: 2.8%), driven by the significant increase in gross profit as a result of the trading performance. The conversion rate improved significantly as the year progressed, with a H2 conversion of 22.0% compared with a H1 conversion rate of 15.9%.

#### Relevant strategic objective:

Sustainable growth.

## PEOPLE

### Employee index

Positive engagement score



#### How measured:

A key output of the employee surveys undertaken periodically within the business.

#### Why it's important:

A positive working environment and motivated team helps productivity and encourages retention of key talent within the business.

#### How we performed in 2021:

We recorded an 82% positive score for employee engagement in the latest Employee Engagement Survey in 2021. This compares with 83% in the last equivalent survey performed in 2019. The 2021 survey was a combination of questions, including: how valued our people felt; how proud they were to work for PageGroup; and how they can see their work relates to PageGroup's purpose of changing lives for people through creating opportunity to reach potential.

#### Relevant strategic objective:

Sustainable growth.

### Management experience

2021	13.0 years
2020	12.3 years
2019	12.5 years
2018	12.0 years
2017	11.9 years

#### How measured:

Average tenure of front-office management measured as years of service for directors and above.

#### Why it's important:

Experience through the economic cycle and across both geographies and disciplines is critical for an organic cyclical business operating across the globe. Our organic business model relies on an experienced management pool to enable flexibility in resourcing and senior management succession planning.

#### How we performed in 2021:

The average tenure of the Group's management increased to 13.0 years (2020: 12.3 years).

#### Relevant strategic objective:

Talent and skills development.

## GHG EMISSIONS

### To become carbon net zero by 2026

Energy derived emissions – CO<sub>2</sub>e tonnes per 1,000 employees



#### How measured:

Direct and Indirect GHG emissions calculated in line with the GHG Protocol.

#### Why it's important:

The emissions calculations look at the CO<sub>2</sub>e impact of our operations in absolute terms.

#### How we performed in 2021:

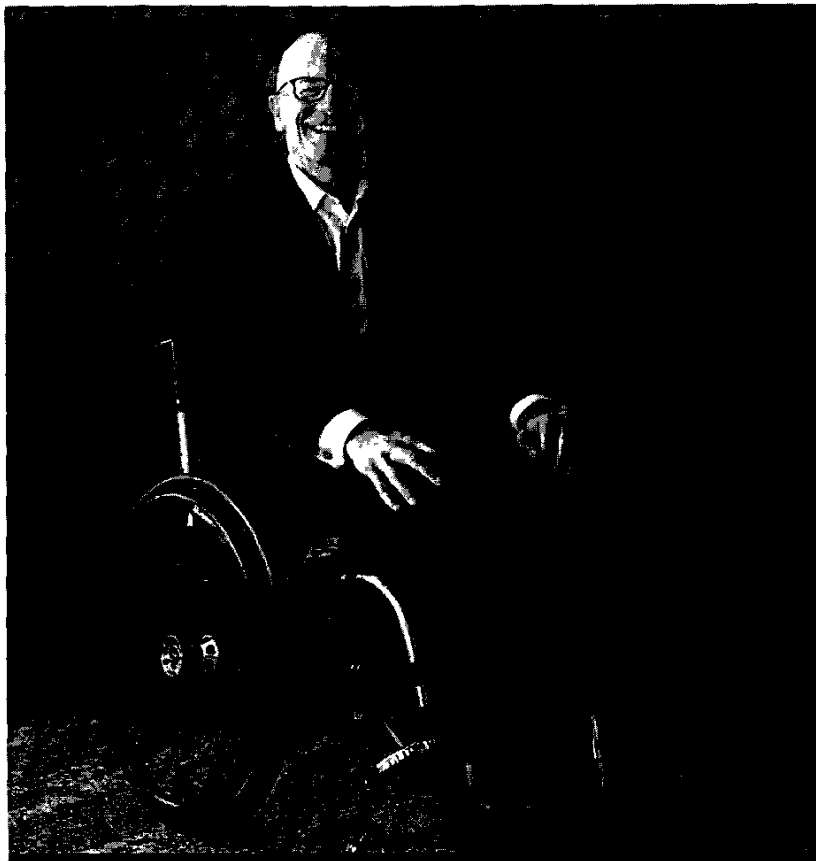
Total GHG emissions (scope 1, 2 and 3) reduced by 17% to 8,396 tonnes CO<sub>2</sub>e and combined scope 1 & 2 emissions reduced by 22% to 3,403 tonnes CO<sub>2</sub>e. Reductions have been driven primarily by the transition of our offices to renewable energy and a continued reduction in business travel.

#### Relevant strategic objective:

Sustainable growth.



## Q&A with Steve Ingham, CEO



### Introduction

Steve Ingham has led PageGroup since 2006 and his tenure makes him one of the most experienced CEOs in the FTSE 250. Steve's career with PageGroup spans over three decades. When he joined, the Company had just 240 staff in three countries.

Driven to create opportunity for people, regardless of background, he has played an integral role in building a truly global business with a headcount of just under 8,000 employees across 37 countries. Under Steve, the business has expanded and diversified while maintaining its ethos of rewarding collaborative teamwork and inclusivity.

Following a near-fatal skiing accident in March 2019, Steve is a wheelchair user and understands first-hand the importance of employers' commitment to workplace diversity and the need for opportunities to be presented to the disabled workforce and the barriers that they face.

### How did you recover so quickly from 2020?

When the pandemic started to impact our businesses globally, we performed a rapid COVID impact assessment, from which we reacted swiftly by protecting and investing in the platform. We have continued to invest strategically in the business over the past 18 months, and

this positioned us for the great results in 2021, and as we enter 2022 and beyond. Clearly, some of the results we have delivered have benefitted from an element of pent-up demand, which we believe we have maximised, but, nonetheless, the recovery is continuing at pace.

There is no doubt that the current recovery is different to that experienced previously coming out of the global financial crisis. However, we have also invested significantly over the last 10 years to change the structure and footprint of the Group. In 2012, when we first announced our vision to focus on our 5 Large, High Potential geographical markets of Greater China, Germany, Latin America, South East Asia and the US, they represented just 12% of the Group. Today, they represent around 40%, and of course the Group is much bigger.

More recently, strategic initiatives such as our new High Potential Discipline categories of Technology and Healthcare & Life Sciences, as well as our experienced hire programme and Page Outsourcing, all mean we are better aligned to the current market needs. Alongside this, the transformation of both our technology platforms and optimised operational support structures, place us in an excellent position to maximise current market conditions. This investment in technology provides us a great advantage in finding additional candidates in a candidate-short market. We continue to assess, evaluate and adopt new innovation, including areas such as AI and automation via Bots.

Our move into the RPO and MSP market through our Page Outsourcing brand allows us to tap into a new area of the market, using the power of the Page brand and broad geographic and discipline coverage. In addition, further leveraging the back-office investments we have made in recent years should ensure delivery will, in time, have a conversion rate in line with the wider Group. We also strategically invested in experienced hires, which have brought great benefits to the Group.

### What is your outlook for 2022?

We believe strongly that the decisions and actions we took during the pandemic have positioned the Group to recover more quickly and take market share. The markets we are focused on have strong fee rates and

EE

**We have continued to invest strategically in the business over the past 18 months, and this positioned us for the great results in 2021.**

EE

huge potential for growth. This highly profitable growth continues to drive our strong cash generative business model, which should enable us to make further supplementary cash returns to shareholders in the future.

There continues to be a high degree of global macro-economic uncertainty as COVID-19 remains a significant issue and restrictions remain in a number of the Group's markets. However, we are maintaining our focus on driving progress towards our long-term strategic goals.

### What progress have you made in the area of ESG?

We have made significant steps forward in the area of ESG this year. We have built a new sustainability function which delivered our first sustainability report for the Group, allowing us to showcase all of our ESG work. We are also seeing the emergence of ESG as a recruitment market, and by being at the forefront of this industry, we are helping the best candidates get the best roles. This in turn helps our clients and allows them to combat climate change.

We have linked our global strategy to the UN sustainable development goals and have signed up to the UN global compact. We are carbon neutral and are committed to be carbon net-zero, with the ambition to be carbon positive, by 2026. We are making great progress in this area and 77 of our offices are now either supplied by renewable energy or green certified, representing around 53% of our global office footprint.

We continue to help the market break down barriers to employment through LinkedIn workshops and CV writing workshops with charities and schools. Through all of this work on ESG, we have set ourselves an ambitious goal to change over 1 million lives globally, within 10 years.

### What have you been doing in the area of D&I?

Inclusion is at the heart of Page and our culture puts our people first. We are hugely proud of our reputation as an inclusive employer, as well as a professional and ethical recruiter. Caring about society and the environment and giving back to the communities where we live and work has always been part of our PageGroup DNA.

As a recruiter we are in a position of influence. We are actively committed to diversity and inclusion and we are privileged to also be able to support and promote diversity, inclusion and awareness of ethical processes and behaviours for our customers and society as a whole. We have a dedicated D&I function with representation from across the Group.

We are actively committed to D&I with a proportion of all senior management bonuses link to gender balance. We have regular pulse surveys to understand the views of our people, and have accelerated career programmes and promotion targets related to gender. We have reverse mentoring and training programmes in place throughout the Group, helping senior management understand the different views of our people.



One example this year, is our new Executive Shadow Board. The aim of the Shadow Board is to bring together people who can offer a different perspective on key business issues. The purpose is to discuss solutions and make recommendations on topics that are key to the future success of the business. Shadow Board members are actively involved in idea generation and follow through – there are no constraints and no fixed agendas. It creates a regular platform to share their views, be heard, have a seat at the table, be the voice of diverse employees and the unique opportunity to offer different perspectives and increase diversity of thought.

The members are truly diverse with representation across race, age, gender, LGBTQ+, social background, disability, geography and length of service. It gives a true global and regional view of the Group. They

are empowered to lead, they have ownership and accountability to use the Board to steer and guide – not to direct.

### Why did you choose to invest in experienced hires, and what is your plan for this area going forward?

Based on the feedback we were receiving at the end of Q2 last year, it was clear that many of our competitors were making short-term, knee-jerk decisions that were negatively affecting the engagement and morale of their workforce. This presented us with a unique opportunity to bring in talent which would position us well as the market recovered.

This programme allowed us to add over 1,100 experienced hires to the Group, who have added c. £77m to gross profit in 2021. These experienced hires have brought numerous benefits to the Group. Firstly, on average they reach full productivity faster than someone who joins us from outside our industry.

They also bring numerous softer benefits to the Group, which have contributed to our strong results in 2021. These are individuals who are already experienced in their recruitment career and have therefore already decided that recruitment is for them. As such, attrition is substantially lower. There is also a much lower need for training and this creates a significant time saving.

Bringing in consultants who have worked for two or three other recruitment companies highlights to existing employees that the tools, culture and careers available at Page are better than they could expect elsewhere. Many joined us from smaller boutique agencies, and these individuals have brought new customer relationships to us, which we have been able to take to the next level due to our breadth of offering.

In the future our strategy is, where possible, to recruit experienced hires, supplemented by both graduates and recruits from outside of our industry. This will further support our plans for the disciplines and markets where we see the most potential for growth during 2022 and beyond.

# Our Culture & Engagement Framework

## Culture & Engagement Framework

### OUR **PURPOSE**

WHY WE DO WHAT WE DO

### OUR **VALUES**

THE WAY WE DO WHAT WE DO

Reflected in everything we do,  
setting us apart from our competition

**PAGEGROUP  
CHANGES LIVES**

WE **MAKE A DIFFERENCE**

WE **ENJOY WHAT WE DO**

WE **VALUE DETERMINATION**

WE **ARE PASSIONATE**

WE **WORK AS A TEAM**

## OUR **MEASURES**

Keeping us on track,  
focused on continuous  
improvement

### OUR **PEOPLE**

- ✓ Employee voice
- ✓ Retention
- ✓ Career progression & mobility
- ✓ Talent Development
- ✓ Diversity & Inclusion
- ✓ Changing lives, giving back to others
- ✓ Rewards & Recognition
- ✓ Sustainability
- ✓ Health & Wellbeing

## OUR PEOPLE

AN INCLUSIVE WORKPLACE  
WHERE EVERYONE CAN THRIVE

### PageGroup is all about people

Creating opportunities to engage with people through key life moments; having valuable conversations – more frequently and with more relevant dialogue.

#### CAREER PROGRESSION

Transparent and meritocratic career paths

#### TALENT DEVELOPMENT

Industry-leading training

#### DIVERSITY & INCLUSION

A culture of inclusion

#### REWARDS & RECOGNITION

Celebrating success; fostering a high-trust, high-performance culture

#### HEALTH & WELLBEING

Ensuring our people are supported and feel cared for

#### GIVING BACK TO OTHERS

Changing lives in the communities where we live and work

## OUR CUSTOMERS

STAYING AHEAD –  
LEADING OUR INDUSTRY

### Customers at the centre of our business

Aiming to be the most customer-centric recruiter, setting us apart from the competition by delivering an excellent experience for our customers. Staying ahead – leading our industry to best support our customers.

Improving processes and tools to support consultant productivity through:

#### LEVERAGING TECHNOLOGY

Improving our customer experience

#### INNOVATIVE APPROACHES

Providing a more effective service

#### BUILDING RELATIONSHIPS

Going further to build lasting relationships with our clients, candidates and consultants

Through a personal, professional service, creating the opportunity for candidates and clients to reach their potential

## OUR CUSTOMERS

- ✓ Engaging our customers –  
NPS, customer satisfaction
- ✓ Retaining our customers  
– repeat business, Preferred  
Supplier Agreements
- ✓ Innovation

## EXTERNAL RECOGNITION

- ✓ Public commitments
- ✓ Awards

## Our Culture

*Our culture puts people – all our people – and teamwork first, and we are hugely proud of our reputation as an inclusive employer as well as a professional and ethical recruiter.*

Our purpose is to change lives for people through creating opportunity to reach potential and we do that every day – for our own people, for our candidates and clients, and for society as a whole.

The way we do things – our values – are reflected in everything we do, all over the world. They're an integral part of our business and help set us apart from our competitors.

As a recruiter we are in a position of influence. We are actively committed to diversity and inclusion and we are privileged to also be able to support and promote diversity, inclusion and awareness of ethical processes and behaviours for our customers and society as a whole.

### OUR PURPOSE

WHY WE DO WHAT WE DO

Our Purpose is why we do what we do. It's the reason we are in business and it is embedded in the minds and the everyday language of our people across the world.



**Steve Ingham**  
CEO

[[ We formally introduced our PageGroup Purpose at the end of 2017 and it resonates so strongly with our people that since then it's become part of the everyday language at Page.

We will keep investing in our people and our customers as we pursue our purpose to change lives for people through creating opportunity to reach potential. ]]

### OUR VALUES

THE WAY WE DO WHAT WE DO

The way we do what we do – our values – have always been an integral part of PageGroup culture, and they always will be.

A lot has changed since we started business in 1976, but our values have always underpinned the way we work. They're embedded in our career progression and talent development processes and demonstrated through the way we reward and recognise great performance. That has a direct, positive impact on our customer service and in our latest 'Have Your Say' survey, nearly 80% of our people agreed that our values match the culture of PageGroup.



**Isabelle Bastide**  
Executive Board  
Director

## OUR PEOPLE

AN INCLUSIVE WORKPLACE WHERE EVERYONE CAN THRIVE

Inclusion is at the heart of Page – we want to lead our industry as a diverse and inclusive community where everyone can thrive.

We're proud of our commitment to diversity, equity and inclusion and our relentless focus on supporting and promoting a culture and working environment where all our employees feel valued and heard, and feel that they belong.

**Sarah Kirk**  
Global DE&I  
Director



We have worked hard over the years to create an inclusive culture of trust and compassion and a working environment where all our people feel valued, have a voice, are heard, belong, feel comfortable being themselves and can reach their potential.

## SHADOW BOARD

This year we introduced our Shadow Executive Board, in addition to the Shadow Boards we have launched in seven countries. This initiative helps the Board to hear a different viewpoint from a diverse group of people and ensures different voices are represented on key business issues and in the strategic decision making of the business.



**Nupur Mehta**  
Director, India

“ The Shadow Executive Board is like a dream come true. To be able to work with twelve so different yet so similar colleagues from across the globe, all with the one agenda of driving change, has been a phenomenal learning. We’re all actively involved in idea generation and feedback on strategic topics that are key to the future success of Page.



# Our Culture

## OUR PEOPLE

### Women@Page

Gender equality is a key focus for us and we have signed up to the UN Global Compact Network with a gender target of 50/50 in senior leadership roles by 2030. We are also proud to have been invited to join Target Gender Equality – a gender equality accelerator programme aimed at setting and reaching ambitious corporate targets for women's representation and leadership.

Our Global Female Mentoring Programme, launched in 2013 to engage, enable and empower our female leaders, currently has over 330 successful partnerships. The programme has directly impacted retention with several mentees telling us it is the reason they have stayed at Page and mentors sharing that they have changed their leadership style having looked at the world from a different perspective.

This year will see the launch of our Global Female Career Sponsorship programme, supporting our commitment to accelerating the progression of women into senior leadership roles, and we will continue to highlight and celebrate women across PageGroup to continue raising awareness and engagement.

“It is fantastic to have someone who can guide you with different perspectives about work and life beyond the daily operational focus. It definitely helps me a lot to develop and evolve further in the right direction. I think everyone should have a mentor!”



**Emma Wu**  
Associate Director,  
Greater China

### Unity@Page

Our Unity@Page strategy includes our Reverse Mentoring Programme. This successful initiative involves our culturally diverse employees mentoring our senior leaders. In the UK our mentees are members of the senior management team and UK based Executive Board members.

“The Reverse Mentoring programme is excellent. Such a powerful tool to shape mindsets and behaviours of our senior leadership team. In my case, my mentee is a member of the Executive Board. It's great to be able to discuss real action around how to escalate having better racial diversity in leadership roles.”



**Marcus Johnson**  
Senior Operating Director, UK

We have signed the Race at Work Charter and have put in place Unity Steering Committees. Across PageGroup our initiatives have seen the UK participating in the #10000 Black Interns programme and supporting Black History Month including a live webinar 'Proud to be – Black & British'. In May 2021 the USA and UK hosted an event celebrating World Culture Day with performances from some of our incredibly talented employees.

## Pride@Page

Our focus on creating an environment where every individual can thrive includes supporting and promoting the message of acceptance without exception. Every year we celebrate Pride Month in support of the LGBTQ+ community across the world. We focus our activities on raising awareness, sharing personal stories and experiences, as well as signposting access to advice and support. In February 2021 we ran a Global Live Event which included very personal and moving contributions from our senior LGBTQ+ role models and allies.

“Living a culture where everyone can be themselves is part of PageGroup. That’s why I’m motivated, engaged and proud of the environment we’ve created, allowing this company not only to change our employee’s lives, but also candidates’ and clients’ lives with the same spirit.”



**Juan Ignacio Silva**  
HR Director, Mexico and Panama

## Families@Page

We strive to foster a work environment that is supportive of family life. We recently reviewed all our maternity and paternity policies globally, and our support includes free emergency child and elder care, pre and post maternity workshops and new parent seminars to help all parents at PageGroup understand the practical and emotional support that is available to them.

“Page’s supportive culture has definitely made everything easier, especially through our flexible working arrangements. This has given me the opportunity to adjust my working hours and location to best suit my needs (or I should say my daughter’s) and my team’s needs – having an understanding manager and a group of supportive peers is invaluable.”



**Yang Chen**  
GTS Manager, Singapore

## Ability@Page

Our Ability@Page network is aimed at raising awareness of the barriers in the workplace faced by individuals with disabilities – both visible and invisible – focusing on ability rather than disability.

We have signed the Valuable 500 Pledge to raise awareness of disability inclusion, have started an internship programme with Ambitious About Autism, and were proud to win the Getting Started category in the RIDI (Recruitment Industry Disability Initiative) Awards. PageGroup is Gold Clear Assured, and this year we received accreditation as a Disability Confident Leader – the highest level of the government Disability Confident Scheme.

Our CEO, who is a wheelchair user, is active in lobbying for greater workplace inclusivity for all.

Each year we support World Mental Health Day with a global awareness campaign, and we have a network of Mental Health Champions and Mental Health First Aiders. In December, all regions participated in raising awareness of the International Day of Persons with Disabilities.

“It’s great that Page takes wellbeing seriously and is committed to supporting the mental health and wellbeing of our employees by investing in training such as Mental Health First Aid.”









**Jasmine Timpano**  
HR Manager,  
Australia



# Our Culture

## OUR PEOPLE

### GENDER DIVERSITY

Board Directors			Senior Management			Other Employees		
								
2021	5 (62.5%)	3 (37.5%)	2021	448 (62%)	271 (38%)	2021	3,212 (42%)	4,441 (58%)
2020	5 (62.5%)	3 (37.5%)	2020	349 (72%)	139 (28%)	2020	2,867 (44%)	3,705 (56%)

Throughout 2021 we have continued to monitor our progress in gender diversity. We are pleased to report that key metrics are improving. For example, 30.3% of our most senior population as defined by the Corporate Governance Code are female (28.3%, 2020). Our Associate Directors and above, who represent our senior global employee population is 38% female. Demonstrating our commitment to gender diversity the Group has set the goal of having 50:50 gender split in senior management grades by 2030.

For further details on actions we are taking to improve female representation across the business please see pages 86 to 87.

### TALENT DEVELOPMENT AND CAREER PROGRESSION

Career progression and talent development are an integral part of our culture. A clear and transparent career journey sits alongside the development and support needed to help our people reach their potential.

Our blended learning experience, supported by a digital learning platform, means our people can use a wide range of assets designed to help them learn in a way that suits them. We are constantly creating new content to provide the best and most relevant support possible as needs change for our people, our business and society as a whole.

Our annual talent review process underpins the development of each individual, supporting their career goals and strengthening our leadership succession planning. Through a combination of readily available internal resources and relationships with specialist third-party providers, our development and recognition programme for high potential employees and future leaders provides an integrated coaching programme that helps embed our culture of inclusion.

“Our Purpose states that ‘PageGroup changes lives for people through creating opportunity to reach potential’. That’s true for our own people as much as it is for our candidates and clients. That’s why we have a clear and transparent career path with international opportunities, supported by structured training and development. We’re proud of our organic growth and that we promote from within – most of our senior leaders started their life with Page as consultants.”



Stephen Tan  
Group Chief Executive Officer  
APAC

### REWARDS & RECOGNITION

At PageGroup, reward is broader than financial outcomes. We understand the importance of recognising people for their talent, their contribution and their success. Our reward structure is designed to support people, allowing them to grow and develop in their roles, with a healthy and positive work life balance.

As with all things related to our people, we listen. In our all employee Have Your Say survey in 2021, they told us:

I am fairly rewarded for my contribution to PageGroup				The benefits provided by PageGroup are competitive			
	Favourable	Neutral	Unfavourable		Favourable	Neutral	Unfavourable
2021	58%	24%	18%	2021	58%	23%	19%

During 2020, our people made sacrifices to help keep our business ready to take advantage of the post pandemic upturn. This year that was at the centre of our decision making as we reviewed pay investment across our markets, and a return to paying bonuses.

Being at the forefront of the recruitment industry, we are well aware of the importance of retaining talent, so we have been sure to ask our own people their thoughts on what works for them and what benefits, career paths, services and support we can provide that will really make a difference.

As a result we have continued our programmes recognising achievement, and added to them with virtual events and award schemes to reinforce a culture and sense of belonging as we continue our hybrid working model within the ongoing restrictions of COVID-19.

HEALTH & WELLBEING

Our flexible approach to working life, supported by innovative technology, facilitates work-life balance and fosters self-development and career growth.

Flexible benefits can be tailored by each individual to suit their lifestyle, and our celebration of success through rewards and incentives helps promote a culture of teamwork and achievement.

Across all regions, support for our people includes comprehensive Employee Assistance Programmes, mental health champions, support networks and global awareness campaigns.

Nothing is more important than the health and wellbeing of our people. That focus was a particular strength for us with the emergence of the global COVID-19 crisis and has remained at the forefront of our engagement activities and planning.

Our very visible and approachable leadership team make use of all our communication channels to stay in touch and, crucially, we listen. Through our continuous listening strategy we ask our employees relevant questions at the relevant time to capture their feelings and feedback at the moments that really matter. Those insights from our people drive genuine understanding, change and improvement.

Our 2021 all-employee ‘Have Your Say’ survey showed an 11% increase compared to the 2019 survey in response to ‘PageGroup supports balancing work and personal life’.

In October 2021, we recognised and supported World Mental Health Day with a global campaign and, at the same time, ran a related global pulse survey on health and wellbeing.

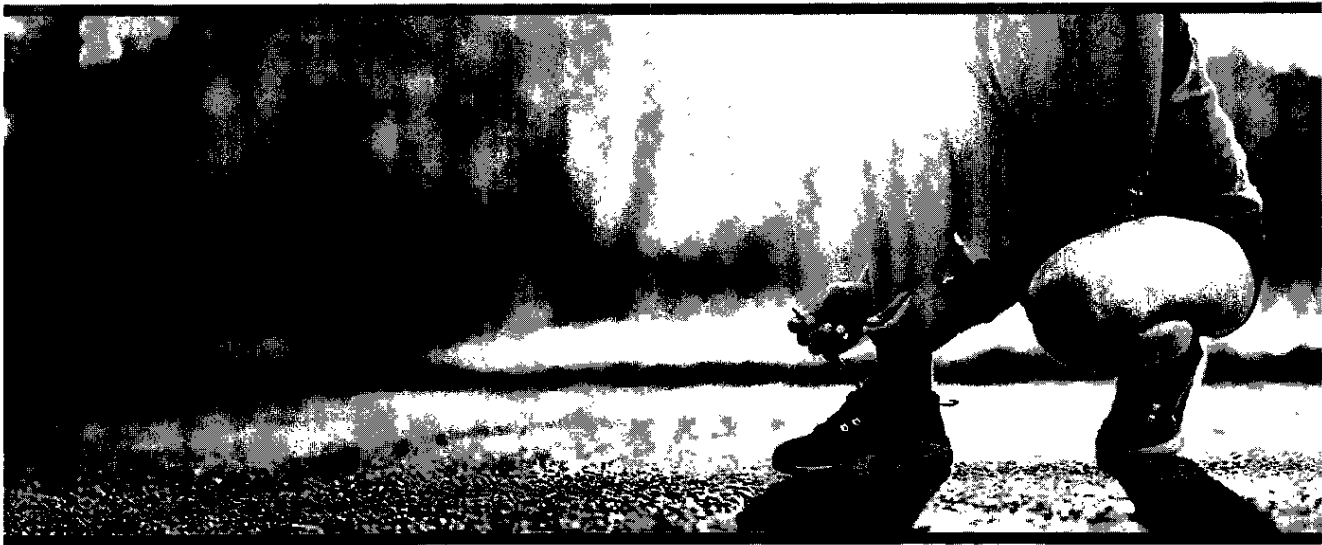
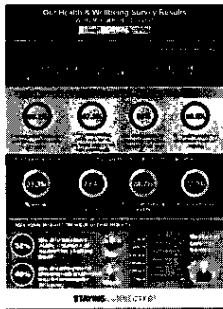
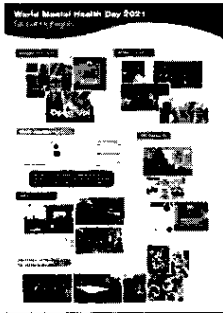
Results from the survey included:

76% Response rate

88% "I would describe PageGroup as an organisation that cares for its people"

84% "I feel I can approach my line manager to talk about my health and wellbeing"

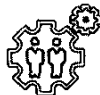
84% "My line manager genuinely cares about my health and wellbeing"



# Our Culture

## AT A GLANCE

Launched **Shadow Boards** to hear different viewpoints from a diverse group of people across PageGroup



**Unity@Page** Reverse **Mentoring Programme** within our Unity@Page network



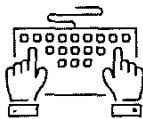
Over **+330** partnerships within our **Female Global Mentoring Programme**



Engagement scored **82%** in our all-employee Have Your Say Survey



Our **investment in technology** allows all our people worldwide to work remotely



With our **Continuous Listening Programme** we regularly ask our employees how they're feeling so we can provide the best possible support



**91%** of our people feel we have implemented effective systems for **keeping connected** with our customers while working remotely



Our **#stayingconnected** programme helps us stay in contact with each other and our customers while working remotely

**STAYING CONNECTED**

Awarded **Best Places to Work for LGBTQ+ equality** in North America



Awarded **Top Employers Europe 2021** for 8 countries



Awarded **Best Places to Work** in Greater China 2020



**LGBTQ+ Inclusion Award 2020 - GOLD Employer** in Australia



Recognised for disability equality with **Clear Assured GOLD**



and as a **Disability Confident Leader**



Signed up to the **Race at Work Charter**



and **#10000 Black Interns Programme**



**Social Mobility Pledge** with Kelvin Stagg, CFO as senior sponsor for **Social Value**

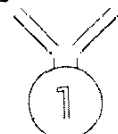


**Rewards and Incentives Programmes** which promote a culture of teamwork and achievement



A **Times Top 50 Employer** for Women 2020

Financial Times **Top 100 Leader in Diversity**



Our **PageGroup Purpose** resonates so strongly with our people that it's become part of the **everyday language at Page.**

## PAGEGROUP CHANGES LIVES

**84%**

of our employees believe we are doing what is necessary to **support our customers** during COVID-19



**89%**

of our people **feel proud** to work for PageGroup



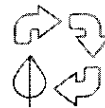
**79%**

of our employees believe **our Values** represent the culture of PageGroup

**WE MAKE A DIFFERENCE**  
**WE VALUE DETERMINATION**  
**WE ARE PASSIONATE**  
**WE ENJOY WHAT WE DO**  
**WE WORK AS A TEAM**

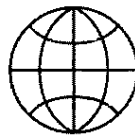


Our CEO Steve Ingham is championing **workplace disability equality**



Sustainability programme including **cycle to work schemes** and **Be Green committees**

Global DE&I campaigns including **International Women's Day, Pride Month, and World Mental Health Day**



Mandatory **Global DE&I training** for our senior leadership team  
**the clear company**

**Global maternity return rate**

of **88%**



**Global Wellbeing Toolkit** to support our employees wherever they're working



**49%** of managers and

**41%** of Directors globally **are female**



A **cutting-edge blended learning programme** supported by our digital learning platform



**Global Workplace Flexibility** programme gives our people more choice, agility and balance



**Families@Page**

programme including parenting seminars, maternity workshops, free emergency childcare

**Giving Back to Others** programmes have included 220kg of clothing donations, beach clean-ups, charity cycle tours and Movember



**Mental Health Champion Networks** providing support, mental health resources, workshops and seminars



**Flexible Benefits Programme** can be tailored by our people to suit their lifestyle



**CSR programme** including using our recruitment skills to give CV, career and interviewing advice to those in need



**COVID-19 resource centre** to help support our people during the global pandemic



**Global Networks** giving a forum where we can listen to our people and act on their feedback

**Age@Page**

**Families@Page**

**Unity@Page**

**Ability@Page**

**Pride@Page**

**Women@Page**

# Our Culture

## CULTURE AND THE BOARD

The Board is responsible collectively for the Group's culture. At least twice a year the Board holds deep-dive sessions reviewing and monitoring the status of the Group's overall culture and enabling the Board to identify any relevant trends based on movement of key measures tracked over time.

These sessions focus on areas that are linked to our Purpose and Values and the Chief People Officer and Global Diversity, Equity & Inclusion Director share data and their insights and views on the Group's culture and engagement framework. Core features of the review include retention and promotion data, DE&I metrics, training and wellbeing programmes, annual and pulse survey results including employee satisfaction ratings.

The regularity of the sessions enables Board members to keep pace with, and challenge if necessary, the progress being made on the programme of cultural and engagement initiatives running across the Group, and to shape and decide future actions.

## EMPLOYEE & CUSTOMER VOICE

The Board ensures the employee voice is heard in the Boardroom through a wide range of activities and involvement. Each and every member of the Board is responsible for engaging with the workforce. Instead of adopting one of the three specified workforce engagement methods set out in the Corporate Governance Code (the "Code"), the Board "works as a team", in line with one of our core values, and engages through the various methods and activities described below. The Board considers this is the most effective engagement approach in the Company's case as the rich mix of engagement activities provide more meaningful dialogue with multiple points of contact with different members of the Board, ensuring that the Board is genuinely close to the issues that matter most to our people.

Employee voice is strongly embedded into the work of all our main Board Directors. The Board has a standing agenda item for Board members to share the employee voice activity that each has undertaken since the previous meeting. For 2021, Board members report that there has been strong and effective engagement with the workforce throughout the year.

The Board has continued to adapt its ways of interacting with employees using virtual tools, pioneered during the pandemic, to enable wide engagement, having previously relied heavily on physical meetings and office visits.

The Group has continued running regular Global Live Events inviting the entire workforce to join these regular business updates involving presentations from Executive and Non-Executive Directors who then answer questions which can be asked 'live' by all attendees.

Non-Executive Directors also attend a variety of 'virtual' team meetings across all our regions, giving them the opportunity, first-hand, to see our culture at work.

The establishment of the Group's shadow Executive Committee (or Shadow Executive Board as it is known within the Group) has given a new, fresh medium for the Board to hear views and ideas from a diverse group of people drawn from across the business.

A number of our Non-Executive Directors have spoken and held informal interactive sessions at our internal network programmes such as the Senior Female Leaders Network and our Global Live Events.

All these methods of engagement are supported by the reporting measures of our culture framework, including annual and pulse survey data. Board members are also on Yammer, our widely adopted internal social networking tool, which means they can keep pace with events across the organisation as they happen.

*Our approach to customers is also a cornerstone of our culture; it is important that the Board understand and anticipate the services needed by our customers, now and in the future.*

The reporting produced via our internal data insight tools gives the Board a far more comprehensive view than it has ever had about our customers' recruitment needs across all markets. This includes details of roles, sectors and disciplines in high demand, along with the ability to tailor those needs to clients and candidates. The measures from these tools are combined with more traditional metrics such as net promoter scores and Google reviews. The Board, Executive Board and Chief Customer Officer review all customer measures to ensure the Group's strategy and investment decisions match our customer needs and expectations.

For further details of the Board's understanding of the Company's stakeholders, including employees and customers and their engagement with them, please see pages 61 to 65.

## OUR CUSTOMERS

STAYING AHEAD – LEADING  
OUR INDUSTRY

**Eamon Collins**  
Chief Customer  
Officer



We can all remember that moment of excitement when we're told 'You got the job'. The moment that means we're changing lives: for our candidates and for our clients. It fuels us to strive towards the best in customer experience, building long-term relationships as careers grow and teams thrive.

Nurturing long-term relationships with our customers – both clients and candidates – is at the heart of our long-term success. We start building valuable relationships with our customers from the moment we engage with them. That could be as a client or a candidate and over the lifetime of our connection with them they can be both.

We work with some of the world's most recognisable brands, but we also have a huge number of clients who are start-ups or small and medium sized enterprises. Whatever the size or sector, we offer them expertise to help build their teams and grow their business. Increasingly, our clients are also looking for our help in attracting a more diverse candidate pool to help them achieve their goals.

Using a range of innovative technology gives our customers and our consultants the information they need at the right time and in the right place, meaning we can concentrate on the people we're helping – creating the right opportunity to help them reach their potential.

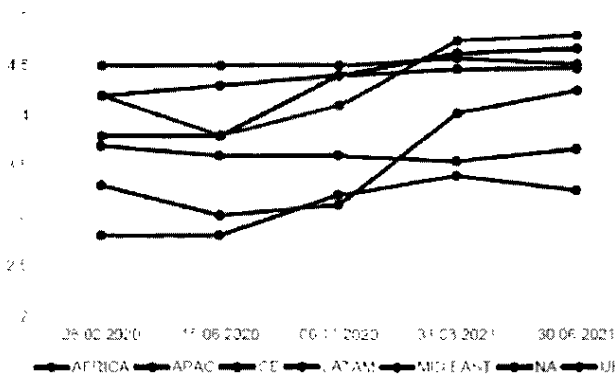
We are constantly looking at ways to improve our service, so we ask for and measure feedback on how we're delivering. We assess customer excellence through a matrix of performance indicators including repeat business, specialism engagement, referrals, and candidate and client satisfaction scores. That gives us an aggregated customer score which is regularly reported and our senior leaders are targeted on continuously improving. Globally, we have seen all those measures increase this year.

**87%** Candidate  
Satisfaction Score

**88%** Client  
Satisfaction Score

## GOOGLE REVIEWS

### Google Reviews Star Ratings



**Craig Smith**  
Client  
Positive

Had the pleasure of dealing with James Stewart. James provided an excellent service to help us prepare for the interview and information on the company. I was applying for a position that I had not been interviewed for. I was then offered a position that I had not been interviewed for. I was then offered a position that I had not been interviewed for. I was then offered a position that I had not been interviewed for.

**Michael Todd**  
Client  
Positive

I was contacted by Adam Todd for a new role. He provided the details and what made me consider for the role. I was then offered a position that I had not been interviewed for. I was then offered a position that I had not been interviewed for. I was then offered a position that I had not been interviewed for.

**Laura Allcock**  
Client  
Positive

Recently managed to secure a job through James and it was a great pleasure working with her. The entire end-to-end process was quick and she was always very responsive and ready to address my concerns and questions around the process. I was then offered a position that I had not been interviewed for. I was then offered a position that I had not been interviewed for. I was then offered a position that I had not been interviewed for.

**Angie Doherty**  
Client  
Positive

I was contacted by James and it was a great pleasure working with her. The entire end-to-end process was quick and she was always very responsive and ready to address my concerns and questions around the process. I was then offered a position that I had not been interviewed for. I was then offered a position that I had not been interviewed for. I was then offered a position that I had not been interviewed for.

# Sustainability



**Joanna Bonnett**

Head of Sustainability and Group Treasury

The topic of sustainability has evolved rapidly during 2021. The year has presented us with many opportunities and challenges which we embraced. We hit the ground running by signing the UN Global Compact and publishing our inaugural sustainability report. As an organisation we set out a bold ten-year sustainability vision, including ambitious targets. We recognise the global workforce must adapt to combat global climate change, and to assist with this transition we have enhanced our offering to include recruitment and placement of sustainability professionals. This represents a new business opportunity for us, and we are excited to be at the forefront of this industry as it becomes established.

**Environmental** – we have committed to become carbon net zero with the ambition of becoming carbon positive by 2026, and during 2021 we made significant inroads to achieving this target. During 2022, we will investigate science-based targets to ensure that our strategy to reduce emissions is in line with the Paris Agreement goals. In 2021, we increased our consumption of renewable energy and environmentally friendly buildings by 46%, or in other words 53% of our office footprint. With many other carbon reduction projects also in progress – from transitioning to green car fleets to reducing business travel – we are progressing at pace. We took time to evaluate and enhance our systems. Importantly, these significantly increase our reporting capability and transparency. We are delighted to partner with Ecometrica, a SaaS system, to now report on our scope one, two and three emissions.

**Social** – we have committed to change positively one million lives and to be gender 50/50 in Senior Management, both by 2030. Social sustainability or social impact is at the core of what we do as a business, and we are delighted to continue to positively change peoples lives by creating opportunities locally within the communities in which we operate.

**Governance** – over the coming pages you will find a comprehensive summary of our greenhouse gas reporting and task force on climate-related financial disclosures (TCFD), as well as a few highlights from our social impact programmes on giving back. During 2021, PageGroup continued to engage externally on ESG related topics. For example, for the first time, we engaged with CDP and are delighted to be assigned a C rating and continue to honour our commitment to the ten important principles of the Global Compact and the United Nation's Sustainable Development Goals (SDGs). We look forward to strengthening our engagement with CDP, ISS, MSCI and other sustainability rating agencies in 2022 and beyond.

In the very near future, I look forward to sharing with you our 2021 Sustainability Report.

## ACCREDITATIONS



### FRANCE



### GERMANY



### SWITZERLAND



\* At the date of publishing PageGroup was awaiting the release of the EcoVadis 2021 results



## WE SUPPORT



## ENVIRONMENT

### Task Force on Climate related Financial Disclosures (TCFD)

PageGroup is committed to meeting the requirements for reporting in compliance with the Task Force for Climate related Financial Disclosure (TCFD). TCFD consistent disclosures are designed to allow stakeholders to assess the possible impact of climate change on the business as well as understand the steps we are taking to manage these risks. Disclosures consistent with each of the TCFD recommendations and recommendation disclosures can be found on the following pages.

## GOVERNANCE

### A description of PageGroup's governance, oversight and management of climate-related risks and opportunities.

The plc Board provide ultimate oversight and governance over PageGroup, including the Sustainability programme. The Board ensures the business balances risks and opportunities across the entire spectrum of sustainability, focusing on where we can make a material contribution to society. During 2021, sustainability was discussed at the Board twice. This included presentations and in-depth Q&A sessions with the Head of Sustainability. In addition, the Non-Executive Directors participated in one-to-one discussions with the Head of Sustainability to ensure their broader expertise and insights were included in the overall Sustainability function here at PageGroup. Furthermore, the Audit Committee balance the risk of climate change and of the broader definition of sustainability against the wider risks posed to the Group as set out on pages 53 to 58. And finally, for 2022 and beyond, the Remuneration Committee added sustainability metrics to the CEO and CFO ESIP remuneration as set out in the annual Sustainability Report and on page 96. This ensures Executive Director attention is focused on making meaningful progress against the Group's sustainability targets.

The Executive Board as defined on pages 77 and 78, have day-to-day management of PageGroup, including the Sustainability programme. The Executive Board ensures day-to-day focus on sustainability at a local and regional level. During 2021, sustainability was discussed at the Executive Board twice. This included presentations and in-depth Q&A sessions with the Head of Sustainability. This work is strengthened by the Head of Sustainability working alongside the Regional Managing Directors to ensure local teams are supported, globally. This allows local and regional teams to transition to Net Zero within their line of responsibility as well as drive significant progress in our social impact programmes.

PageGroup's principal body for identifying, managing and addressing climate-related issues is the Sustainability Committee. In 2020, PageGroup established a Sustainability Committee responsible for the Sustainability@Page programme. The Committee is chaired by Kelvin Stagg, Chief Financial Officer and Executive Director of PageGroup plc. Other members are Joanna Bonnett (Head of Sustainability), Eamon Collins (Chief Customer Officer), Patrick Hollard (Regional Managing Director LATAM), Gary James (Chief People Officer), and Olly Watson (Chief Operating Officer). In January 2022, May Way Chan (Director, Malaysia) and Samira Touam (Head of Internal Communications) will join the Sustainability Committee to represent the voice of the employee. The Sustainability Committee reports to the plc Board and the Executive Board on a bi-annual basis.

## CLIMATE STRATEGY

### A description of climate-related risks and opportunities which PageGroup has identified and their potential impact over the short, medium and long term.

We identify climate-related risks and opportunities within the following timelines:

#### Short-Term Risk (<1 year)

Immediate operational and strategic risks which require analysis and identification of mitigation in the current or next financial reporting period. For instance, continued compliance with UK legislation for disclosure of carbon emissions data and reporting in line with TCFD. Some physical climate risks have already contributed to a reduction in revenue. For example, the bushfires in Australia at the beginning of 2020 meant some of our employees along with wider members of society within the region were unable to carry on business as usual for a period of a few days.



# Sustainability

## CLIMATE STRATEGY

### Medium-Term Risk (1- 5 years)

Medium-term risks are those where mitigation actions are not required immediately or where there is a requirement for a longer-term process to integrate the risk or opportunity management into the business. Over the medium term, we foresee renewable energy becoming more accessible for our offices in emerging markets. This means we will continue to transition office electricity and our car fleet across to renewable energy and electric respectively. This implies there will be a small marginal cost attached to transition. As has been the case in geographies such as Europe, as the accessibility of technologies such as renewable electricity for offices becomes mainstream, we would predict the pricing to stabilise in a similar fashion. We will continue to closely monitor the costs associated with climate change as the topic evolves.

### Long-Term Risk (> 5 years)

Longer-term risks are by their nature harder to define. However, we see specific areas of risk and opportunity impacting the Group over a longer timescale. Beyond 2025 it is likely that both the frequency and severity of climate change-related events will continue to grow and require additional planning for our operational teams, for instance in applying appropriate due diligence to new office leases. We also see opportunity within the changing nature of our markets, as governments and business respond to climate change and have begun work to integrate sustainability recruitment into existing business streams.

See page 44 for further details on existing climate risks.

## RISK MANAGEMENT

### How are processes for identifying, assessing and managing climate-related risks integrated into PageGroup's overall risk management approach.

PageGroup has a Global management process which is operated by its senior management team under the guidance and governance of the Audit Committee on behalf of the Board. Management has defined the principal risks and risk appetite for PageGroup which has been agreed by the Board and has put in place mitigating activities to manage our risks to an acceptable level. As well as ongoing review, a bi-annual process considers the status of these risks, any new or emerging risks and reports on these to the Audit Committee.

Currently the impact of climate change is viewed as an emerging risk. The effects of climate change current and potential future exposure are dealt with within the current principal risks of Customer and brands, People, and Global event.

Risk surrounding climate and the environment sits with the Group Head of Sustainability. The process to identify and assess climate and environmental risk includes but is not limited to speaking with management of our local businesses and considering external factors for relevance. The bi-annual process, as defined above, includes that of climate change and the environment and is reviewed for appropriateness by the Chair of the Sustainability Committee. We will continue to monitor the appropriateness of this approach.

Within PageGroup's risk management process climate risks are captured principally across three Risk categories.

### STRATEGIC/ EMERGING

A strategic or emerging risk may require a shift in business model or transformation or change within PageGroup. This risk is one that we do not currently foresee, but acknowledge that it could occur over longer time horizons.

### OPERATIONAL/ INHERENT RISKS

Inherent risks are those broadly identified and mitigated within the existing "business as usual" planning. For instance, a disaster recovery plan for an office location affected by an extreme weather event.

### GLOBAL EVENT (NEW PRINCIPAL RISK)

In 2020 we identified a new risk category, that of global events, where an external event occurs that significantly disrupts business and world economies, requiring a response in excess of 'normal' contingency planning. Many of the actions identified to mitigate against a global event risk would also apply in the event of an increased likelihood of physical climate risks. These may be location specific in nature but are increasingly seen across multiple locales simultaneously. For instance, systems capability that means we are not tied to facilities either for our people or the services that we deliver.

## CLIMATE RISK

During 2020, we began the work of identifying specific climate risks as an emerging risk (see 2020 Annual Report and Accounts on page 43). During 2021, we have expanded on this analysis to look at physical climate risk across our global property portfolio with our partners Ecometrica. For further details on this work see the physical climate risk analysis on page 44. We have more to do, specifically around transition risk, i.e. those risks associated with the transition from our current business model to one which is compatible with a low carbon economy. Our expectation is that the need to review and report on these risks will continue to escalate.

For further details refer to the principal climate risks and opportunities identified on pages 53 to 58.

**The impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.**

PageGroup continues to integrate our sustainability initiatives into the wider business with commitment to reduce our carbon emissions to Net Zero by 2026 and to build a meaningful sustainability business within our operations by 2026. This work continues and has accelerated through 2021, with the aim of rolling out globally as market conditions allow. Our Net Zero strategy is to:

- Work with landlords to transition all electricity from traditional to renewable sources. To date, we have transitioned 53% of our offices to green, at little to no incremental cost. The residual 47% of offices these can be categorised into categories where landlords are in control of the electricity supply and are not currently prepared to transition our power supply to renewable or in jurisdictions, such as emerging markets, where renewable energy is not readily available. For the former, we will continue to work with these landlords or, when the lease expires, move to a more suitable office in line with other business considerations. And for the latter, we will continue to engage with local energy suppliers, eagerly awaiting a more suitable renewable offering. We expect the cost for such electricity transition to be immaterial.
- To transition our entire car fleet to electric. In late 2021, our UK business set up a pilot project on electric cars including costing and adoptability by our employees. The findings are yet to be published. Similar projects are scheduled for 2022 across our other geographies.
- To reduce our business travel. The disruption of COVID has required our business to adopt quicker ways of working. For example, conducting candidate and client interviews by Microsoft Teams. This means, as a business, we will travel less, resulting in a decrease in travel-related costs.

However, as a global organisation it is still important for us to connect with each other. Meaning, once COVID travel disruption eases, we will continue to travel to enhance productivity. It is likely such travel will be less frequent than before COVID, again resulting in a reduction in cost. This should balance out any increase the travel industry passes on to customers as a result of climate change.

- Increase our revenue by building a meaningful global sustainability business. As this is an emerging and rapidly changing profession, it is too early for us to quantify, with any great certainty, the increase to revenue.

Any revenue associated with this is an opportunity for PageGroup over the longer-term as a net increase.

We continue to expand our analysis and understanding of the impact on the business, including physical risks, which will filter into our planning process for office facilities and lease arrangements.

**Resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including 1.5°C Paris Aligned Scenario and business as usual emissions pathways.**

During 2021, we have undertaken an initial assessment of physical climate risks (see page 44). To a large degree, the risk to our physical locations is mitigated by the nature of the office leased arrangements, existing home and remote working, and our disaster recovery plans which are directly linked to our strategic objective of sustainable growth. Furthermore, our proactive investment in establishing a meaningful sustainability business is linked to our strategic objective of diversification and sustainable growth.

Further analysis is required to fully map transition risk for the business over comparable timeframes which we plan to begin in 2022.

The Group started offsetting 100% of reported carbon emissions from 2020 onwards. We are confident that the target of Net Zero emissions by 2026 for our own operations is achievable.

# Sustainability

## METRICS AND TARGETS

### Metrics used by PageGroup to assess climate-related risks and opportunities in line with its strategy and risk management process.

PageGroup reports carbon emissions and energy consumption data in line with the Streamlined Energy and Carbon Reporting (SECR) regulation requirements on page 46, including intensity metrics.

The results of our physical climate risk analysis are summarised on page 44.

We continue to improve both the breadth and quality of disclosure of climate-related metrics, for instance we aim to undertake analysis of transition risk in our 2022 Annual Report.

Disclosure encompasses a number of formats, including our Annual Report and Accounts, our ongoing disclosure to the CDP Climate programme and sustainability reporting.

### Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.

To become carbon net zero, with the ambition of becoming carbon positive by 2026. For many years, PageGroup has reported scope 1 and scope 2 emissions, and since 2020 reported emissions have been offset. In addition, from 2021 PageGroup has increased its reporting to include scope 3 emissions, which will also be offset.

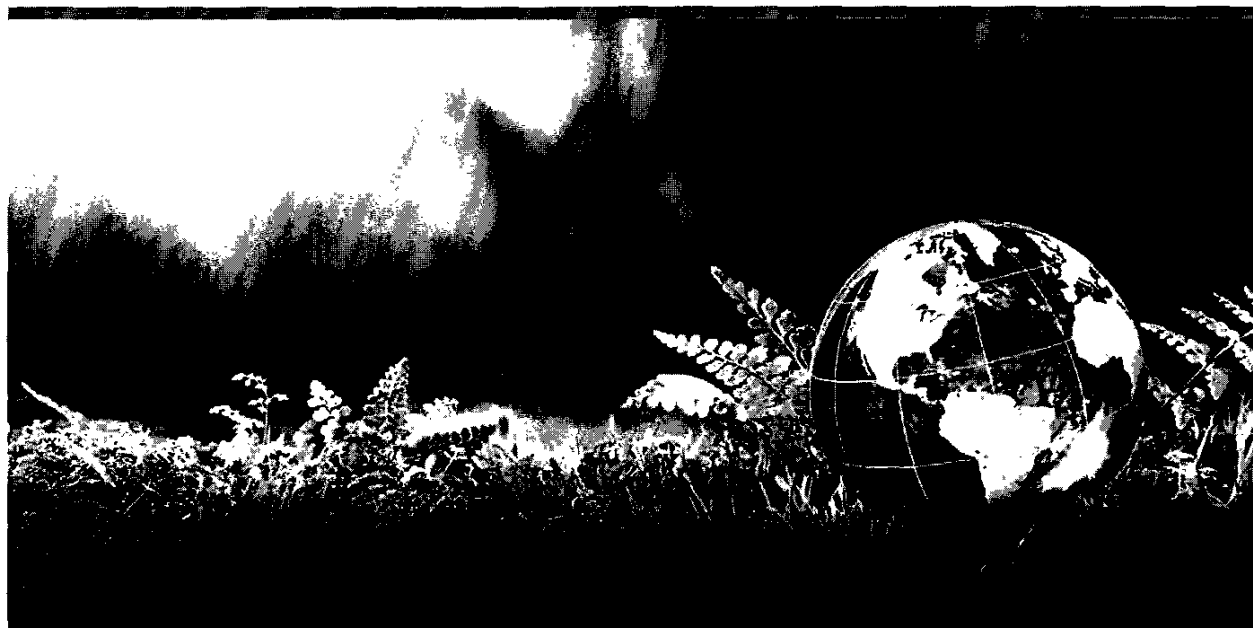
As outlined above, the transition to renewable energy is a significant proportion of our Net Zero target. And, PageGroup has committed to 100% renewable purchases where we are responsible for electricity. For the 2020 annual assessment, the proportion of green offices was 8% which has increased to 53% by the end of our 2021 assessment period. The Board will monitor and oversee progress against these targets through reporting from the Sustainability Committee as well as regular updates from the Head of Sustainability.

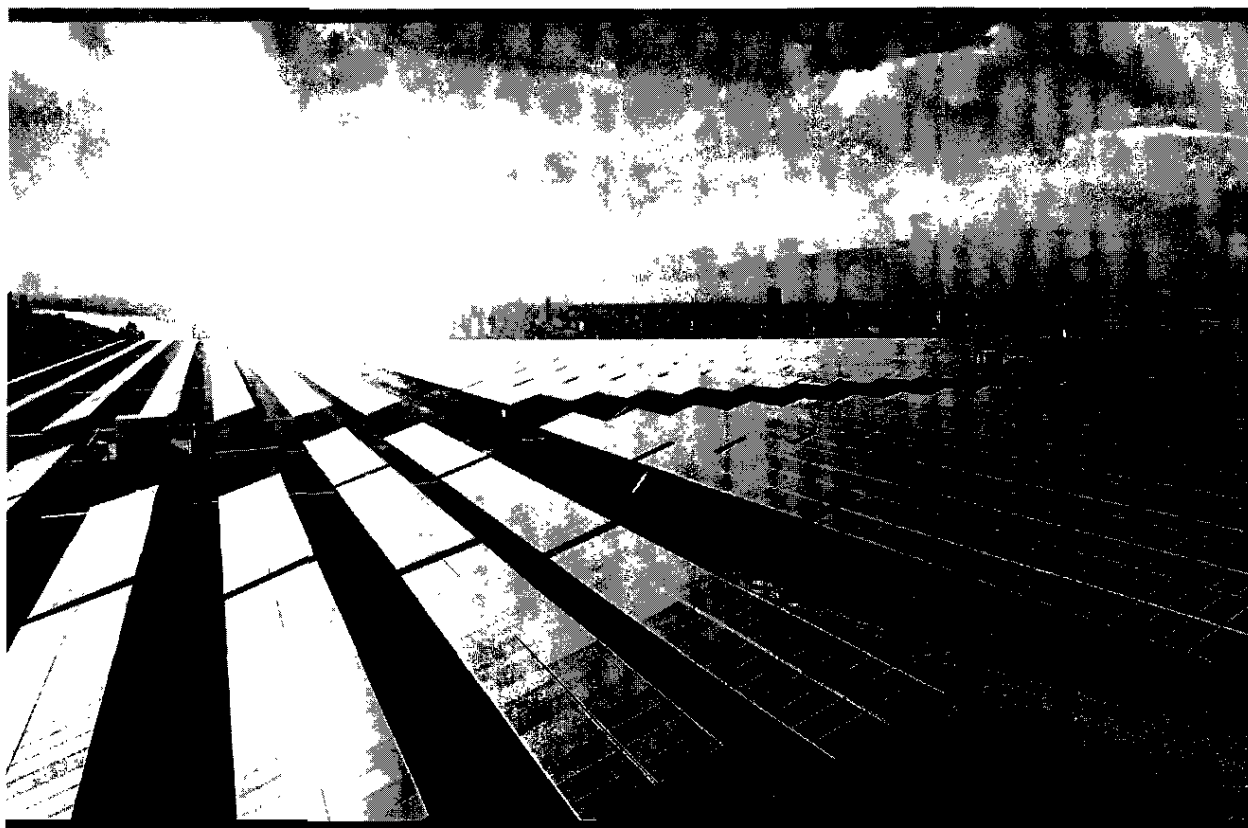
As set out in our 2020 Annual Report and Accounts, PageGroup is committed to establishing a meaningful global sustainability business by 2026 (based on the percentage of net fees generated from sustainability roles).

From 2022, as set out in the remuneration section on page 96, a proportion of the CEO and CFO strategic KPIs are linked to achieving our sustainability targets.

For more information, including a comprehensive breakdown of the sustainability targets and our pathway to Net Zero, please see our 2021 Sustainability Report.

PageGroup has undertaken an initial review of climate risks with details opposite. This information will inform the Climate Risk narrative for the Annual Report and Accounts.





## PHYSICAL CLIMATE RISK

During 2021 PageGroup undertook an initial analysis of 140 office locations to assess physical climate risk. The results of this analysis are summarised below.

Our analysis looked at nine risk indicators, covering changes in frequency and/or duration of floods, drought, heatwaves, and exposure to risk from sea level rises. PageGroup's offices were also assessed for contextual country-based vulnerability to climate change in terms of six key themes (food, water, health, ecosystem service, human habitat, and infrastructure) and readiness to improve resilience. This took into consideration economic, governance and social readiness, using the Notre Dame Global Adaptation Initiative (ND-GAIN) indicator.

The assessment was undertaken across a range of scenarios covering a baseline data set (1981 - 2010), 1.5°C and 2°C Paris Aligned Scenarios and a 'worst case' scenario using 8.5°C.

The majority of PageGroup's offices are located in countries where, generally, vulnerability to climate change is relatively low and readiness to improve resilience in the context of climate change is relatively high.

The climate risk analysis identified certain themes, for instance: significant increases in duration and frequency of heatwaves across all offices. Changes in risks related to drought and flooding are generally on a smaller scale and likely to impact over longer timescales.

Of the 140 offices assessed, 18 offices are located in areas below the level of projected sea level rise and are classed as being at "Severe" risk for all scenarios/years, several of which are country main offices including Sydney and Hong Kong. Across the timescales analysed, the relative risk of sea level rise at different scenarios did not vary significantly, with more dramatic differences not apparent until the end of this century implying at this stage, no change is required to the PageGroup business-wide strategy. PageGroup will continue to monitor this risk as outlined above on page 41.

Further detailed analysis is required to identify risks at these offices and to review plans for mitigation. We look forward to undertaking this work and increase our transparency on climate change in 2022 and beyond.

# Sustainability



## GHG emissions

In accordance with the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, PageGroup reports on all direct greenhouse gas (GHG) emissions (relating to the combustion of fuel and the operation of any facility); and indirect GHG emissions (through the purchase of electricity, heat, steam or cooling).

As an office-based company, PageGroup has a smaller carbon footprint compared to companies in other industries. However, as a global listed company, we recognise our responsibility to reduce our greenhouse gas emissions and take urgent action against climate change. Data for our sustainability reporting covers the period 1 October 2020 - 30 September 2021. For this assessment year, PageGroup has partnered with Ecometrica, an external SaaS provider, to calculate and report its greenhouse gas emissions. Whilst the COVID-19 pandemic had an impact on our emissions, and to a lesser extent on the quality of some data, where data was incomplete, we have extrapolated missing emissions rather than underestimate, to ensure all our emissions were adequately covered.

All emissions have been calculated in compliance with the GHG Protocol Corporate Reporting Standard using the newly implemented Sustainability Platform from Ecometrica, which automatically selects the most geographically and temporally appropriate emission factors and non-standard conversions (e.g. fuel efficiency, heat content) for each emission source. Each of the emission factors and non-standard conversions are associated with a level of uncertainty, assigned by the platform based on its associated level of scientific certainty. All factors and assumptions come from recognised and reliable sources including, but not limited to, the UN, BEIS, EPA, and IPCC.

Whilst we continue to gather some data in the same manner as previous years, improvements in our data gathering have led to improvements in data quality. The reduction of scope 2 market-based emissions by 22% is also testament to PageGroup's efforts to transition facilities to renewable energy. With the support of our new partner Ecometrica, PageGroup have expanded our reporting scope to include business travel, landfilled waste, water supply and treatment, homeworking, and transmission & distribution (T&D) losses compared to previous years. It should therefore be noted that there will be a transitional period whilst PageGroup continues to improve its data collection processes as well as expanding our definition of scope 3 categories in future years.

The COVID-19 pandemic also led to a noticeable reduction in emissions relating to business travel for the 2021 reporting year; to enhance transparency on this, we have looked retrospectively. As 2019 was the peak year of business travel emissions we have set 2019 as our baseline year. Therefore, our emissions in 2021 represent a reduction of 73% compared to 2020 and 92% compared to 2019 baseline year. This marked reduction in travel-related emissions is primarily the result of the impacts of COVID-19 as well as our commitment to reduce business travel.

	2019	2020	2021
Business Travel (tCO <sub>2</sub> e)	3,315	1,045	280

For the first time we have reported emissions associated with landfilled waste. These figures have been estimated by using a typical office intensity metric for waste and the number of FTE who were working in the office during the assessment period. Additionally, water consumption and associated carbon emissions have also been estimated by using a typical office intensity metric for water and the number of FTE. Given we are an office-based business, water treatment was assumed to be equal to water supply, allowing us to calculate the emissions associated with water treatment as well.

Also, for the first time, homeworkers' emissions have been included as this represents good practice for environmental reporting standards and reflects PageGroup's ambitions to report in accordance with full scope 3 reporting. Ecometrica uses an in-house developed homeworker model to estimate homeworker emissions that are geographically and temporally specific.

In accordance with SECR standards, we are publishing a comparison only between the present year and the previous one (2020).

PageGroup's total emissions from scope 1, 2 and 3 are summarised in the table below. The figures reflect a 17% reduction in total emissions, a decrease from 10,131 (tCO<sub>2</sub>e) in 2020 to 8,396 (tCO<sub>2</sub>e).

### Absolute scope 1, 2 and 3 GHG emissions

Emissions Source (tCO <sub>2</sub> e)	2020			2021			% change in total emissions (vs previous 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)	
Scope 1 <sup>1</sup>							
Natural gas <sup>2</sup>	56	-	56	52	-	52	-8%
Company owned vehicles <sup>3</sup>	94	649	743	50	546	596	-20%
Scope 2							
Purchased electricity (market based) <sup>2</sup>	799	2,756	3,555	379	2,377	2,756	-22%
Scope 3							
Business travel <sup>4</sup>	109	936	1,045	20	260	280	-73%
Homeworking <sup>5</sup>	309	1,434	1,743	487	1,671	2,158	24%
T&D losses and upstream emissions	160	723	883	192	1,027	1,219	38%
Waste/water <sup>6</sup>	298	1,807	2,105	78	1,258	1,336	-37%
Total tonnes of CO <sub>2</sub> e	1,826	8,305	10,131	1,258	7,138	8,396	-17%

### GHG emissions intensity

GHG emissions intensity reduced by 25% to 1.12 Tonnes of CO<sub>2</sub>e per employee, as we have reduced our absolute emissions while also increasing headcount.

<b>Number of employees<sup>7,8</sup></b>	1,182	5,601	6,783	1,268	6,210	7,478	10%
<b>Tonnes of CO<sub>2</sub>e per employee</b>	<b>1.54</b>	<b>1.48</b>	<b>1.49</b>	<b>0.99</b>	<b>1.15</b>	<b>1.12<sup>9</sup></b>	<b>-25%</b>

### Energy consumption

Energy consumption from office electricity (scope 2) was 12,111 MWh, an increase of 31%, and driven by the return to our offices globally. Despite increasing our energy consumption, our scope 2 emissions reduced by 22% due to the transition of offices to renewable energy. We will continue to focus on transitioning our offices to renewable energy, as well as reducing our actual energy consumption. Energy consumption from scope 1 and scope 3 relates to energy from fuel for cars and taxis. Both have decreased due to a reduction in business travel.

<b>Energy consumption (MWh) from scope 1<sup>10</sup></b>	655	2,377	3,032	456	2,022	2,478	-18%
<b>Energy consumption (MWh) from scope 2<sup>11</sup></b>	2,465	6,794	9,259	2,375	9,736	12,111	31%
<b>Energy consumption (MWh) from scope 3<sup>12</sup></b>	61	631	692	7	122	129	-81%
<b>Total energy consumption (MWh)</b>	<b>3,181</b>	<b>9,802</b>	<b>12,983</b>	<b>2,838</b>	<b>11,880</b>	<b>14,718</b>	<b>13%</b>

<sup>1</sup> 2020 figures for scope 1 & 2 are restated (following improvements made to our data collection systems and a revision to fuel consumption of Company owned vehicles).

<sup>2</sup> Emissions derived from property energy consumption directly under the Company's control have been calculated by using the majority of our offices globally (including the entire UK business).

<sup>3</sup> Emissions from fuel consumed by Company owned vehicles in 2021 have been calculated using the fuel consumed or, alternatively, the distance in km travelled by the Company car fleets for the following countries: UK, Germany, Italy, France, Netherlands, Poland, Brazil, Spain, Mexico, Turkey and Switzerland.

<sup>4</sup> PageGroup reported global emissions associated with business travel by air travel, rail, taxi, and bus.

<sup>5</sup> Homeworkers' emissions have been calculated based on Ecometrica homeworking model as per above.

<sup>6</sup> Emissions associated with landfilled waste and water have been estimated as per above.

<sup>7</sup> 2020 headcount figure of 6,783 includes those furloughed.

<sup>8</sup> 2020 FTE is the total headcount for PageGroup as per September 2020. 2021 FTE is the total headcount for PageGroup as per September 2021.

<sup>9</sup> Global (including UK and offshore) is a weighted average between UK and Global (excluding UK) based on FTE.

<sup>10</sup> Energy consumption from scope 1 relates to energy from fuel for Company vehicles.

<sup>11</sup> Energy consumption from scope 2 related to electricity use in offices.

<sup>12</sup> Energy consumption from scope 3 relates to energy from fuel for cars and taxis.



# Sustainability

## SOCIAL IMPACT AND GIVING BACK

Social impact work ranges from giving our skills back as a recruiter, all the way through to fundraising and nurturing our charity partnerships. Such work continues to be central to our culture and is within our DNA. Similar to last year, during 2021, ongoing COVID restrictions affected our ability to host in-person activities. Where appropriate, we returned to in-person social impact work and fundraising initiatives. Where this was not possible, we continued to host events virtually. This allowed us to continue giving back to society and the communities in which we operate.

At PageGroup, we have made it our mission to support underprivileged groups into secure career paths, as we channel both knowledge and resources into our charity partnerships. Aware that disadvantage is intergenerational, we have made a targeted effort to support children and young people, as reflected by our work with the Kasipolis charity where we supported their 'Life Skills' programme, successfully supporting a cohort into secure employment.

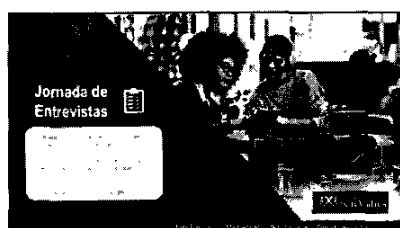
We are also mindful that peoples' needs can often be more immediate, and we want to help in these times of hardship. In North America, our Houston office donated 4,500 meals to underprivileged children via their local foodbank, whilst our team in Hong Kong fundraised HK\$10,000 for Feeding Hong Kong, amongst other considerable donations made by our teams in Dubai and Malaysia. We have also done our best to assist our charity partners and fundraise to support their causes. In the UK, our teams cycled over 20,000km to fundraise over £38k to support the charity, Back Up, and also separately volunteered to support the charity's candidates as they venture into new career paths.

Throughout 2021, we have made a concerted effort to give back to our local communities and support charity partnerships where we can drive change and create a difference, a snapshot of which is featured below. For further information including a detailed report on our social impact work, please refer to our 2021 Sustainability Report.



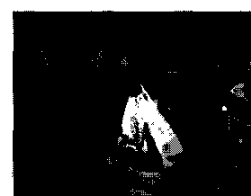
### France

170kg of clothes donated  
September 2021



### Argentina

Interview practice for university students.  
October 2021



### Dubai

Donating food during the Holy Month of Ramadan  
April 2021



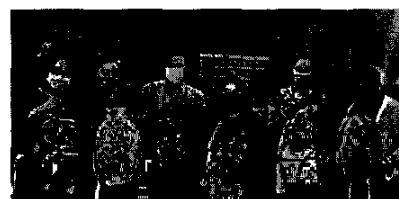
### Hong Kong

Feeding Hong Kong raised HK\$10k  
May 2021



### UK

Riding 20,000km to raise over £38k  
March 2021



### North America

Donated 67 filled backpacks  
August 2021



### Australia

CV writing workshop for refugees and migrants.  
September 2021



### North America

Donated 4,500 meals for underprivileged children.  
November 2021



## CASE STUDY

### Social Impact in South Africa

Partnered with the Kasipolis charity  
May 2021



### The Life Skills Programme

Our Michael Page team in Johannesburg partnered with the Kasipolis charity to support their 'Life Skills, Work Readiness and Coding Training' programme, volunteering both their time and donating financially in their efforts to support young people into employment.

“Thank you for being part of our Life Skills, Work Readiness and Coding training programme. The financial and time contribution was priceless. Such contributions allow us to find, train and source employment for young people who otherwise would have been overlooked. We were able to train five young people, in preparation for employment or entrepreneurship and have employed two of them in our organisation as entry level customer care consultants. Thank you again for your involvement and contribution. It is highly appreciated and valued.”

**Nomzamo Ramutla, Founding Director**



# Regional Perspectives

## EMEA

### What are your priorities for 2022?

In EMEA, we are focused on our key growth areas of Technology and Contracting, whilst maintaining the focus on productivity across the region.

We are planning for continued growth in the German Interim business, following the success of 2021. Additionally, we plan to leverage the investments made in experienced hires and technologies during 2020 and 2021.

### How did you deliver against your 2021 priorities?

EMEA recovered well from Q2 onwards and overall gross profit increased by 5.7% from £418.3m in 2019 to £432.0m in 2021. France declined 9% overall, with the Michael Page brand recovering well, up 6% against 2019, whilst the Page Personnel business has been slower to recover from the pandemic and declined 16%. Southern Europe delivered a record year and grew 14%.

Germany delivered a record year with growth of 31%, largely driven by the Technology focused Interim business, which grew 52%.

Benelux declined 1% and the Middle East and Africa, which represents 2% of the region, was flat on 2019.

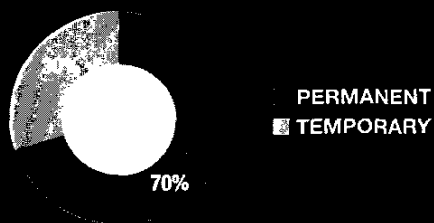
Headcount for the region increased by 469 (15.7%) in the year, as we continued to invest as trading improved.

Operating profit increased 5.7% in constant currencies, from £90.3m in 2019 to £93.4m. This was driven by the gross profit growth and increased productivity versus 2019. This represents a conversion rate of 21.6% (2019: 21.6%).

#### Gross profit £m

2021	£432.0m
2020	£319.4m
2019	£418.3m

#### Permanent to temporary ratio



#### Headcount

2021	3,447
2020	2,979
2019	3,317

## ASIA PACIFIC

### What are your priorities for 2022?

In 2022, our key focus areas include Contracting in China, following the completion of the nationwide roll out in 2021, together with our High Potential disciplines of Technology, and Healthcare & Life Sciences.

We will continue to focus on our High Potential disciplines as well as investing in our other high growth areas, including India and South-East Asia, both of which delivered a record year in 2021.

### How did you deliver against your 2021 priorities?

The region delivered a record year, with gross profit growth of 14.7% against 2019. Mainland China grew 31% though Hong Kong, which has been slower to recover than other countries in the region, declined 11%.

Our Large, High Potential market of South East Asia grew by 32%, delivering a record year, with Singapore up 11%.

India grew significantly at 61%, with growth across all disciplines, aided by the opening of the Bangalore office in Q4 2019. In Japan, gross profit grew 25%, with our domestic Nikkei business delivering growth of 16%.

Australia, where uncertainty around lockdowns remains and varies by state, declined 7% against 2019, but made a strong recovery versus 2020, up 43%.

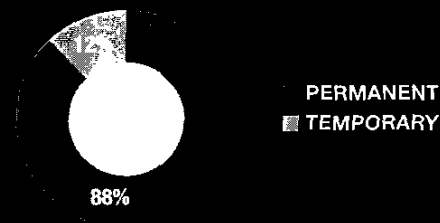
Headcount across the region was up 324 (23.4%), with the biggest increases in Australia, Greater China and India.

Operating profit grew more than 100% to £39.0m (2019: £19.8m), at a conversion rate of 21.8% (2019: 12.1%).

#### Gross profit £m

2021	£179.3m
2020	£121.1m
2019	£163.3m

#### Permanent to temporary ratio



#### Headcount

2021	1,709
2020	1,385
2019	1,679

## AMERICAS

### What are your priorities for 2022?

In North America, we are focused on growing the Technology discipline, our fastest growing discipline in 2021. We will also be increasing our focus on Page Executive and Page Outsourcing.

In Latin America, the outlook for 2022 is positive following a challenging 2021, with political tensions and a slow vaccine roll out. In 2022, our focus will be on the continued development of our temporary business and investment in key growth areas including Page Outsourcing.

### How did you deliver against your 2021 priorities?

In the Americas, gross profit increased by 14.9% against 2019, resulting in a record year for both North America and Latin America.

In the US, one of our Large, High Potential markets, gross profit was up 15% as trading conditions improved and we delivered strong growth in newer disciplines, including Technology. This followed a tough year in 2020, due to the closure of construction sites for much of the year during the pandemic.

Latin America, another of our Large, High Potential markets, grew 18%. Brazil was up 26%, Mexico was up 6% and the other five countries grew 26% collectively.

Headcount across the region increased by 226 (19.6%), with the main increases in the US, Brazil and Mexico.

Operating profit was up 8.4% to £19.2m (2019: £19.3m) in constant currencies, a conversion rate of 13.8% (2019: 13.9%).

## UK

### What are your priorities for 2022?

In the UK, significant progress was made with the vaccine roll out in 2021, though the emergence of new variants and changing levels of restrictions created some uncertainty.

We will continue to focus on our strategic areas of Healthcare & Life Sciences and Technology, where we have added around 50 experienced fee earners in 2021. We will also focus on returning to growth in the Temporary recruitment business, and improving productivity levels across our brands.

### How did you deliver against your 2021 priorities?

UK gross profit decreased by 5.3% against 2019, to £127.9m, with the business performance steadily improving through the year. The region returned to growth in the second half of the year, with Q3 and Q4 up 1.3% and 14.1% respectively.

The recovery was stronger in Michael Page which declined 1%, whilst Page Personnel was down 18% against 2019.

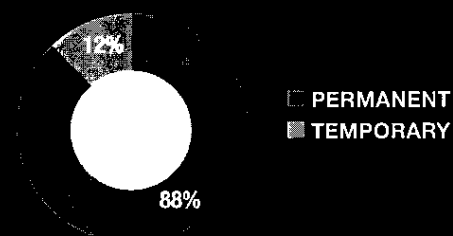
The headcount increased by a net 126 (10.7%), but remains slightly down on 2019. This increase includes a significant number of experienced hires, who have helped deliver record productivity in the region in 2021.

Operating profit declined 2.0% to £16.9m (2019: £17.3m), with a conversion rate of 13.2% (2019: 12.8%).

### Gross profit £m

2021	£138.5m
2020	£88.8m
2019	£138.8m

### Permanent to temporary ratio



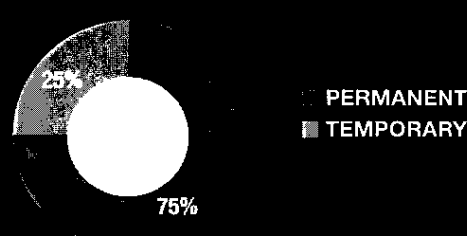
### Headcount

2021	1,381
2020	1,155
2019	1,376

### Gross profit £m

2021	£127.9m
2020	£80.9m
2019	£135.1m

### Permanent to temporary ratio



### Headcount

2020	1,301
2019	1,175
2018	1,326

# Risk Management

## Process

The Group recognises that the effective management of risk is key to achieving our objectives. Risk management is therefore considered to be an integral part of our process of business management forming part of our strategy review, our business plans and the delivery of our daily activity.

To support our management in this process, we have a Group-wide risk review process which identifies the principal risks that could impact our business and determines the mitigating actions required to ensure that these risks are controlled to an acceptable level.

Within this process we assess all risks that could have a significant impact on the ability of the business to deliver its short-term plans and medium and long-term strategy. This includes reviewing for any emerging risks.

Our agreed level of risk appetite, approved by the Board, guides the level of acceptable risk.

The process is supported by risk registers that are maintained locally at country and process level and consolidated twice a year. We combine these with a top-down review of risks conducted with senior management that is summarised and formally reviewed by the Executive Board and the Audit Committee on behalf of the Board.

In the intervening periods, the risks associated with changes in either the external environment or internal operations are discussed as part of our ongoing business reviews and are responded to accordingly.

In key risk areas we also have established compliance teams whose role it is to ensure we comply with processes on an ongoing basis. These are in IT security, data regulation compliance, revenue recognition, project management and regional legal teams.

Our risk management process categorises our principal risks into Strategic, Financial, People and Operational.

The Board focuses on Strategic, People and Financial risks. For these, we disclose KPIs which we use to monitor the risk impact, and the rewards and incentives we apply to ensure effective management.

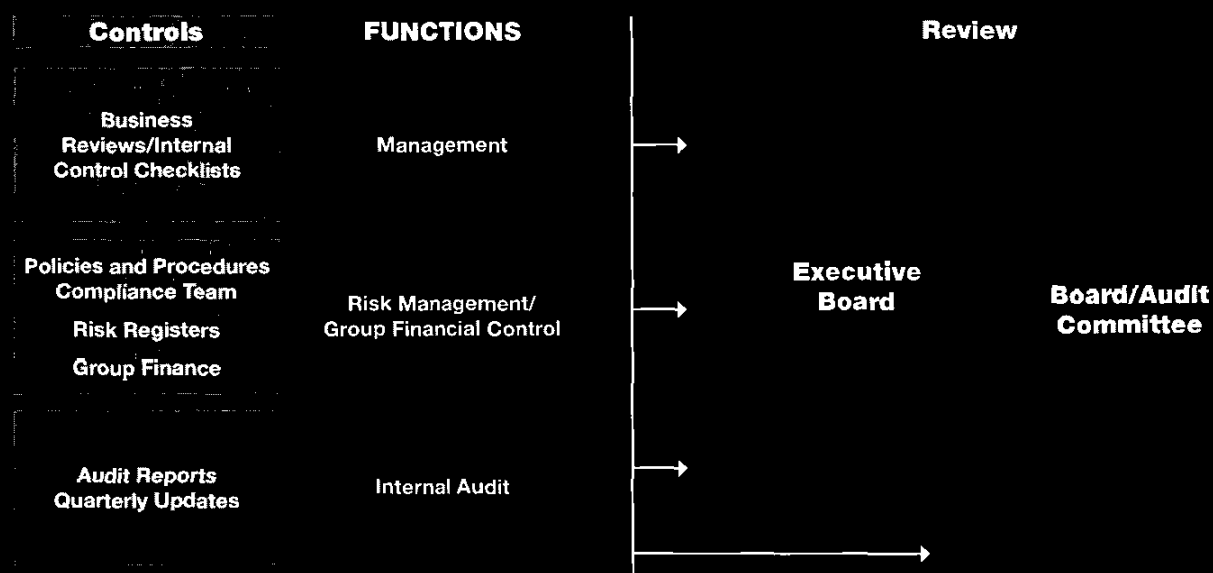
See strategic framework on page 7.

Our Operational risks are those that the Board have agreed can be managed by management on a day-to-day basis. These are included within our risk registers and are reviewed by the Board on an exceptions basis.

The risks around cyber security and compliance with data protection legislation are such exceptions which are currently reviewed at Board level on an ongoing basis.

Our Internal Audit programme is aligned to provide assurance on the controls that mitigate the principal risks identified from this process.

## OUR RISK AND CONTROL FRAMEWORK



## Our risk appetite and net risk levels

Recruitment is inherently sensitive to the economic environment and thus financially dependent on the economic cycle.

PageGroup operates in this environment with a low risk appetite, seeking to mitigate its strategic risks, maintain a strong financial position and only taking the operational risks it has the experience and capability to manage.

Our growth model is organic, rolling out

the proven disciplines for our brands to a wide geographic spread. We drive this by ensuring consistency of model and business culture across the Group.

We continue to focus on the services we provide to our customers, clients and candidates, ensuring quality engagements in a manner that meets both their needs and expectations as well as our targets for process efficiency.




We maintain a strong sales-driven, meritocratic culture with a commitment to operating in an ethical, legal and sustainable manner.

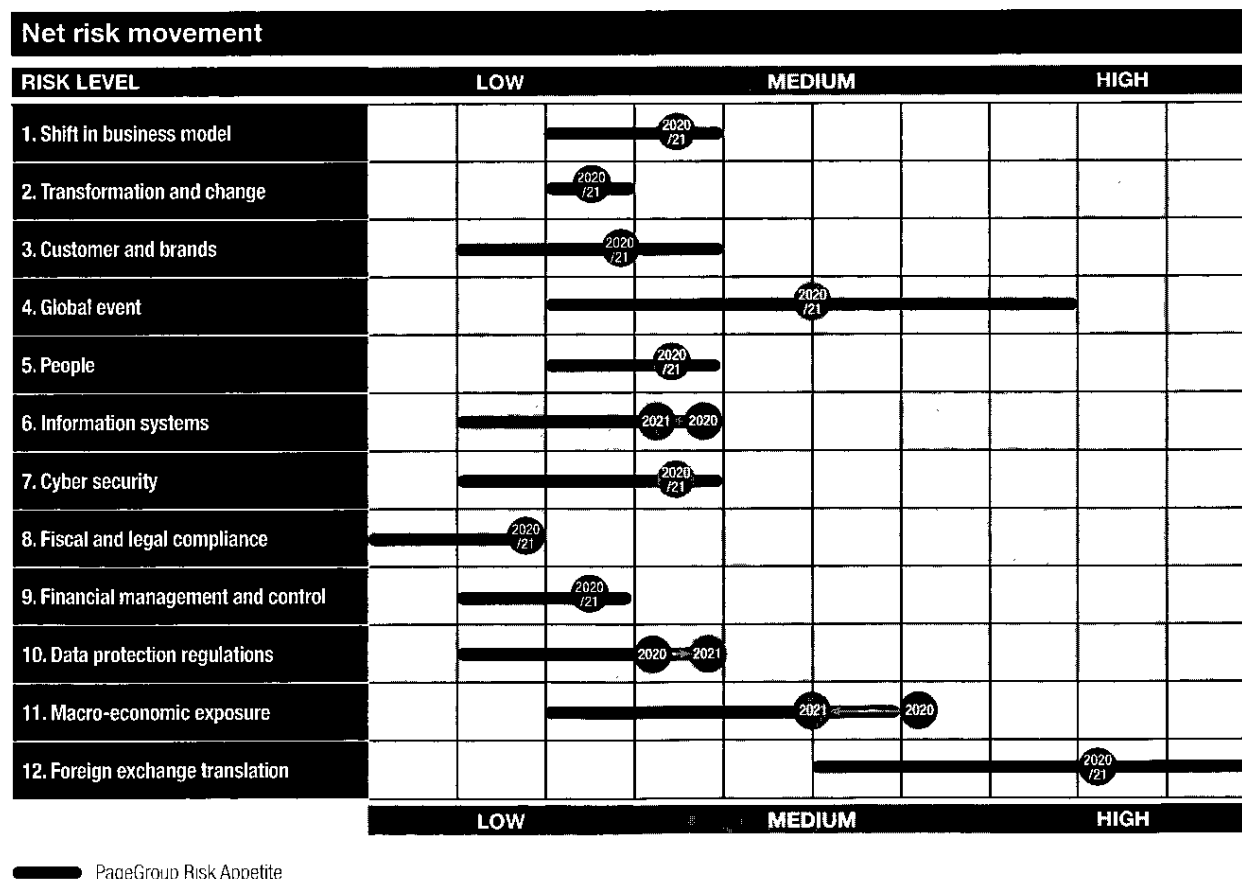
We will always operate a conservative financial position with a strong balance sheet, reflecting the degree of operational gearing inherent in the business.

We monitor our net risk position against our risk appetite and ensure where possible management action is focused on risks which we can appropriately further mitigate.

This measured approach to taking risk ensures we are best placed for success globally.




## Risk categories

 STRATEGIC	 PEOPLE	 OPERATIONAL	 FINANCIAL
Shift in business model	People attraction, development and retention	Information systems	Macro-economic exposure
Transformation and change		Cyber security	Foreign exchange – translation risk
Customer and brands		Fiscal and legal compliance	
Global event		Financial management and control	
		Data protection regulations	



# Principal Risks and Uncertainties

## The Board's view of direction of travel of gross risk:

 Similar to prior year
  Lower than prior year
  Increased since prior year

The COVID-19 pandemic continued to impact Global economies in 2021 but the recruitment market was strong during the period and continued to be resilient even with the emergence of the Omicron variant. Client demand has been strong, particularly in technology and healthcare & life sciences and our focus has been to find appropriately skilled candidates.

The evolving impact of COVID is reflected in each of our principal risks.

## Emerging risks

In addition to our principal risks we also identify any emerging risks which could have a significant impact on the Group's activities. In our 2021 review we continue to recognise climate change as such a risk. Having reassessed the potential impact we continue to incorporate specific elements of the risks of climate change within our current principal risks. We will continue to monitor this position and to determine current appropriate mitigating actions. Climate change is currently reflected in economic, people, legal compliance, Customer and brand, and Global event risks.

## Principal Risks

### STRATEGIC


#### 1. Shift in business model

NATURE OF RISK	MITIGATING ACTIONS
<ul style="list-style-type: none"> <li>We fail to take advantage of technology opportunities to support our drive on productivity, and customer and candidate experience.</li> <li>The emergence of new technology platforms and providers offering HR solutions and consulting may lead to increased competition and pressure on margin which may adversely affect the Group's results if we are unable to respond effectively.</li> </ul>	<ul style="list-style-type: none"> <li>We actively monitor developments in new technologies and their use in the recruitment sector.</li> <li>We have established an innovation infrastructure with executive governance and regional innovation groups. Opportunities are evaluated, those that meet our criteria are developed and piloted through an innovations lab. The focus is on driving productivity and the provision of new services.</li> <li>Building on our Salesforce platform to accelerate innovation and change opportunity.</li> <li>We partner with large media providers such as LinkedIn and Facebook to ensure that we use media effectively to enhance our value to clients. All consultants are trained in utilising the benefits of social media in their day-to-day activity.</li> <li>Through our focused Competitive Edge programme, we train our consultants in the use of the new technologies to enable them to resource candidates for our clients at an overall cost that they cannot match.</li> <li>Our Global IT capability is based around standard applications and processes, and an outsourced service model with leading edge providers that has enabled us to respond effectively to the changes resulting from COVID and will continue to enable us to do so.</li> <li>Investment in automation products and data driven AI solutions to drive productivity by reducing labour intensive activities.</li> </ul>
SIGNIFICANT INFLUENCING FACTORS	
<ul style="list-style-type: none"> <li>COVID has accelerated the use of digital technology in recruitment, changing the way clients and candidates engage.</li> <li>Further acceleration of digital, automation and artificial intelligence will create opportunities to use technology in new ways to improve our productivity and address our customers needs.</li> </ul>	
<b>Net risk level stable</b>	


#### 2. Transformation and change

NATURE OF RISK	MITIGATING ACTIONS
<ul style="list-style-type: none"> <li>Evolving capabilities and business environment mean that we need to continuously improve the services we deliver and how we deliver them. In some cases, this requires a step change in capability.</li> <li>Poor management of our Global programmes to achieve this could lead to excessive costs or poor delivery impacting service levels and anticipated benefits.</li> </ul>	<p><b>Customer Connect</b></p> <ul style="list-style-type: none"> <li>Our Customer Connect implementation is due to be completed by mid 2022.</li> <li>We have supported our teams with transition plans and ongoing support processes protecting our delivery capability.</li> <li>We have maintained a robust testing programme including regression testing, impact on current users and we continue to monitor the benefits derived from the implementation.</li> </ul> <p><b>For all new Global programmes</b></p> <ul style="list-style-type: none"> <li>We have in place a governance process which includes a dedicated steering team which reports to Executive management.</li> <li>We have dedicated programme personnel drafted from our business technology, local manage and support teams.</li> <li>We have a well-established programme management process which is periodically audited by our internal audit team.</li> <li>Regular updates are provided to the executive on the status of programme activity.</li> </ul>
SIGNIFICANT INFLUENCING FACTORS	
<ul style="list-style-type: none"> <li>Customer Connect has now been rolled out to over 90% of our consultants. Significantly reducing the implementation risk. The remaining rollout to LATAM could however significantly disrupt the rest of the business.</li> <li>The business has commenced global programmes to implement an infrastructure to support our Page Outsourcing business, to more effectively manage the processes for temp placements and more efficiently and effectively manage our front-end admin activities through use of our share service centre model.</li> </ul>	
<b>Net risk level stable</b>	

### 3. Customer and brands

NATURE OF RISK	MITIGATING ACTIONS
<ul style="list-style-type: none"> <li>As the way clients and candidates source information changes, the awareness of the PageGroup brands and services could deteriorate.</li> <li>The relevance of the client and candidate engagement we offer could impact our success in acquiring, engaging and nurturing new clients and candidates.</li> <li>The quality of the services we provide to both clients and candidates could have a significant impact on how our brand is viewed.</li> <li>We continue to see the reputational impact one-off events can quickly have with the adoption of social media. Any event that could cause reputational damage is a risk to the Group, such as a failure to comply with regulations, or loss or theft of confidential data anywhere in our operating environment.</li> </ul>	<ul style="list-style-type: none"> <li>We have created an Executive role of Chief Customer Officer to both underline the importance which PageGroup sees in addressing customer needs and facilitates the development and delivery of capabilities required to continue to meet their needs as they evolve.</li> <li>Our vision has been enhanced with the addition of a customer metric with a target to achieve, and the addition of 5 'ambitions', one of which relates to customer, one to inclusion and one to sustainability, which will drive our focus on brands and customers.</li> <li>We have in place a Global Completely Customer framework. Within this all MDs have objectives to drive performance with defined Key Performance Measures. We have supported this with an internal programme of activities to drive customer fluency.</li> <li>With the completely customer programme we have a Global standard measure on client and candidate satisfaction and net promoter scores for each region supported with the development of action plans to drive improvements where required. Additionally we continue to focus on Google review and Glassdoor on how our visible reputation scores.</li> <li>We continue working with our Global strategic partnerships (LinkedIn, Seek, WeChat) to engage with potential significant new entrants (e.g. Google for jobs); and monitor developments in technology in other business segments.</li> <li>Diversification of media programmes using data for targeting on 'traditional' digital channels (Google, Facebook, Yahoo, Bing, Baidu) in conjunction with establishing a team to review our approach to data management. We have signed with a Global media agency Merkle and use a single global ad tech platform which supports both effectiveness and efficiency, and enables innovation in seeking out candidates.</li> <li>The use of Salesforce marketing suite and tools such as Thunderhead to enable segmentation and personalised activity programmes which are fully integrated to Salesforce based Customer Connect programme as it is rolled out across the Group.</li> <li>An innovations pipeline process that enables ongoing development of our proposition from idea generation, piloting to industrialisation which has become more effective at filtering innovations earlier allowing focus on higher quality ideas.</li> <li>Policies and training on the most appropriate use of social media both in the recruitment processes and in general use to meet regulatory requirements and to adhere to good common practices.</li> <li>Tried and tested crisis management response processes at Group and Regional level. These include experienced senior personnel from all functions who can respond quickly.</li> </ul>
<b>SIGNIFICANT INFLUENCING FACTORS</b>	
<ul style="list-style-type: none"> <li>The COVID pandemic has accelerated a shift in our recruitment process to an online digital format.</li> <li>Activity levels across disciplines and industry sectors has shifted.</li> <li>Expectations of business in relation to Environmental, Social and Governance has accelerated, in all three areas.</li> <li>The upturn of economic activity in the second half of FY21 has led to a shortage of suitably qualified candidates across the majority of our markets.</li> </ul>	
<b>Net risk level stable</b> 	

### 4. Global event

NATURE OF RISK	MITIGATING ACTIONS
<ul style="list-style-type: none"> <li>An external event occurs that significantly disrupts business and world economies requiring a response in excess of 'normal' contingency planning.</li> </ul>	<ul style="list-style-type: none"> <li>We have a Group-led Crisis Management policy and process which covers the Group in the event of unpredictable events. This lays out the processes to be followed in developing appropriate responses. The Crisis Management process has been cascaded to all Group and Regional business leaders. Our Crisis Management processes have been further reinforced by learning from the COVID-19 response.</li> <li>We maintain a strong ethical culture which ensures that whatever situation the business faces, the focus is to protect our employees, clients and candidates as well as ensuring that we fulfil our broader social responsibilities.</li> <li>A conservative financial strategy which maintains a strong balance sheet and healthy cash balances and facilities.</li> <li>Experienced and agile management team and structure regionally based and in a good position to liaise with Group and local management.</li> <li>A systems capability that means we are not tied to facilities either for our people or the services that we deliver.</li> <li>A flexible workforce that can be deployed to focus on any areas of opportunity and be appropriately scaled.</li> <li>Critical suppliers are chosen for their resilience capabilities and regular checks are conducted to ensure these are being maintained.</li> <li>Within any event there are opportunities. Our people are trained to identify these and to develop offerings in support of business. In doing so we ensure that we behave in an ethical manner.</li> </ul>
<b>SIGNIFICANT INFLUENCING FACTOR</b>	
<ul style="list-style-type: none"> <li>Over the past two decades we have experienced the global financial crisis and the COVID-19 global pandemic, both major unpredictable incidents that have had immediate and severe long-lasting impacts.</li> <li>The geopolitical environment continues to be sensitive to tensions between the west and Russia, US, Japan and China and the activities of North Korea.</li> </ul>	
<b>Net risk level stable</b> 	

# Principal Risks and Uncertainties



## PEOPLE

### 5. People

NATURE OF RISK	MITIGATING ACTIONS
<p><b>Attraction</b></p> <ul style="list-style-type: none"> <li>Operations – unable to recruit people with the right potential.</li> <li>A lack of inclusion limits our recruitment pool.</li> <li>Limited numbers of people to recruit with the right levels of experience.</li> <li>Ability to offer the flexibility or working practices new employees demand.</li> </ul> <p><b>Retention</b></p> <ul style="list-style-type: none"> <li>Ability to retain our high performers due to pressures on remuneration.</li> <li>We do not provide an environment, working practices and processes that suit our people.</li> <li>A lack of diversity impacts on our ability to retain talent.</li> <li>A lack of opportunity impacts our ability to retain talent.</li> </ul> <p><b>Development</b></p> <ul style="list-style-type: none"> <li>Operations – we do not maximise the potential of our people.</li> <li>Operational Support – we fail to provide development opportunities.</li> </ul> <p><b>Attrition</b></p> <ul style="list-style-type: none"> <li>We do not manage leavers efficiently.</li> <li>Leavers have a detrimental impact on our reputation.</li> </ul>	<p><b>Actions in response to the COVID pandemic</b></p> <ul style="list-style-type: none"> <li>We continue to monitor and manage the impact of COVID-19 on our people globally, with Group Policy and regional and local management following external guidance.</li> <li>We have developed and applied a principles based approach to flexible working, supporting management in the implementation at a local level.</li> <li>We use Yammer for ongoing communication and provide training via our digital learning platform to support this new way of working. This will ensure we continue to effectively manage our people, provide them with the support they need and retain our PageGroup culture.</li> <li>We continue to strengthen our teams with the appointment of individuals with previous recruitment experience to support us in those areas of growth opportunity.</li> <li>We have further enhanced development of our diversity and inclusion programmes globally: Openpage, Unity@page ensure we can recruit and retain from all groups of society as our workplace is attractive and inclusive to all. We have continued to develop our focus on ESG through our work on culture and engagement. Shadow Boards have been set up at Executive Director and country levels to gain support for how the business develops from as wide a range of backgrounds as possible</li> <li>We have reviewed our benefits offering to ensure they are competitive and in line with markets. A salary review has been commissioned with external experts in the light of wage inflation market by market. We have also updated our maternity leave policy on a regional basis. The review was in response to feedback from our 'Have Your Say' survey.</li> <li>We continue to promote the Group Purpose around 'changing lives' which we also cascade through our Page employee value proposition.</li> <li>Our performance management process via Talent Toolbox drives clarity and focus on objectives and behaviours.</li> <li>We take a global Talent, Succession and Development approach to ensure a strong talent pipeline and address any gaps at MD and above. We continue to invest in leadership development programmes: Page leadership excellence, Global Director Academy and Executive leadership development.</li> <li>We are expanding our capabilities via our new Page Learning digital platform. New blended learning programmes came onstream last year to target amongst other things improving on-boarding and speed to success and will be further enhanced to support all employees through each stage of their development life cycle.</li> <li>We conducted the 'Have Your Say' survey this year and continue to gain feedback from our people in structured programmes both for our new starts and also for leavers. Actions are in place to improve areas on which we could do better.</li> <li>We have developed a PageGroup alumni programme and website to stay in touch with our past employees.</li> </ul>
<p><b>SIGNIFICANT INFLUENCING FACTORS</b></p> <ul style="list-style-type: none"> <li>The COVID pandemic has and continues to change the way people work, expectations of their work environment and how leadership needs to engage and manage activity.</li> <li>The upswing in economic activity has increased the demand for good people and could put pressure on remuneration.</li> </ul>	
<p><b>Net risk level stable</b></p>	



## OPERATIONAL

### 6. Information systems

NATURE OF RISK	MITIGATING ACTIONS
<p><b>Change</b></p> <ul style="list-style-type: none"> <li>The business does not appropriately control programme and project delivery.</li> <li>Strategic Business Technology led programmes do not deliver business objective stated.</li> <li>Poorly controlled changes are made or changes are poorly executed which impacts on service levels.</li> </ul> <p><b>Services</b></p> <ul style="list-style-type: none"> <li>A disruption of service due to a failure of our internal processes or procedures or due to a failure of or at our third party service providers.</li> <li>Business Continuity and Disaster Recovery is not sufficient to allow business Operations to continue.</li> </ul> <p><b>Data</b></p> <ul style="list-style-type: none"> <li>Systems are implemented without the necessary data protection controls.</li> </ul>	<p><b>Change</b></p> <ul style="list-style-type: none"> <li>New requests for programmes and projects are approved and prioritised through a global demand process before commencement.</li> <li>Strategic programmes' objectives are agreed with and reported on to the Executive Board.</li> <li>A Global PMO process sets out controls for the delivery of programmes and projects.</li> <li>Technical changes to critical systems managed in line with defined processes to protect the integrity and stability of these systems.</li> </ul> <p><b>Services</b></p> <ul style="list-style-type: none"> <li>Single Points of Failure for critical systems are reviewed on a regular basis and mitigating actions put in place.</li> <li>Appropriate support agreements and service levels are in place with vendors.</li> <li>For issues that occur, incident management will follow a defined process to minimise disruption to business users.</li> <li>We have defined our third party management policies and processes with dedicated service managers, supported by the Senior Leadership Team and a dedicated IT procurement function.</li> <li>Recovery time and recovery point objectives for critical systems are agreed with the business and tested.</li> <li>We have provided our business users across the Group with a full remote access capability to systems, which supports flexible working and has enabled us to continue to operate effectively throughout the COVID pandemic.</li> </ul> <p><b>Data</b></p> <ul style="list-style-type: none"> <li>Business Technology processes are compliant with data regulation requirements.</li> <li>New systems are designed in compliance with data regulation legislation.</li> </ul>
<p><b>SIGNIFICANT INFLUENCING FACTOR</b></p> <ul style="list-style-type: none"> <li>PageGroup has established global standard processes, with a move to an outsourced services model utilising world class systems and suppliers.</li> <li>COVID has permanently changed the way business users operate requiring a capability to support complete flexibility of location.</li> </ul>	
<p><b>Net risk level decreased</b></p>	

### 7. Cyber security

NATURE OF RISK	MITIGATING ACTIONS
<p><b>Loss of data or systems due to the actions of:</b></p> <ul style="list-style-type: none"> <li>Malicious Outsiders – targeted attack of PageGroup systems.</li> <li>Malicious Insiders – assisted or generated attack by a disgruntled employee or contractor.</li> <li>Accidental Outsiders – errors caused by our suppliers.</li> <li>Accidental Insiders – successful Phishing, Social Engineering, Business Email Compromise.</li> </ul>	<p><b>Our dedicated Information Security team continues to mature and identify areas for continued improvement.</b></p> <p>Our 2020 Security Improvement Plan has remained on track. We have launched several additional defences that continue to reduce the opportunity of a cyber-attack. They include:</p> <ul style="list-style-type: none"> <li>Cyber insurance in our Policy.</li> <li>Warning Banners on all emails to identify potential phishing attacks, plus 1000 higher risk users (HR, Finance, Execs, PAs) have an advanced anti-phishing email defence with an ability to auto-report malicious activity.</li> <li>An 'anti-impersonation' tool that prevents email compromise attacks has been implemented.</li> <li>Active Web Monitoring identifies malicious website registrations attempting to use the PageGroup brand or where a website is actively mimicking ourselves to falsely attract clients and candidates away from our business. The process now in place allows us have them taken down.</li> <li>We have updated and enhanced our Multi Factor Authentication methodologies to continue to ensure secure access to our systems.</li> <li>Password Quality Enhancements, ensuring users select very secure passwords.</li> <li>Implementation of a new security and privacy management tool to identify and manage risks more cohesively across our global business.</li> <li>Better governed vulnerability and patch management process including new reporting dashboards.</li> <li>Fine-tuning of our SOC Alerts in recognition of our current changes in working practices</li> <li>Ongoing audit and remediation of any gaps identified are in place.</li> <li>Implementation of ISO 27001 Certification – a globally recognised and externally assessed InfoSec Framework.</li> </ul>
<p><b>SIGNIFICANT INFLUENCING FACTORS</b></p> <ul style="list-style-type: none"> <li>The move to using public Cloud services for business-critical activities, our significant email use, and extensive use of social media have increased the Group's exposure to external threats.</li> <li>Cyber-attacks continue to increase globally. These could impact not just ourselves but also our key suppliers.</li> <li>The most common route into an organisations' network is via phishing emails (over 90%). As Page relies heavily on the use of email, and it is normal to receive emails from unknown senders, our exposure to phishing remains high.</li> <li>Business Email Compromise (BEC), whereby an executive's email is compromised and used to authorise payments or extract confidential information has also increased since the pandemic.</li> <li>Patching of our global systems to ensure we are securing our systems from ever-changing attacks remains a challenge.</li> </ul>	
<p><b>Net risk level stable</b></p>	



# Principal Risks and Uncertainties

## 8. Fiscal and legal compliance

NATURE OF RISK	MITIGATING ACTIONS
<ul style="list-style-type: none"> <li>The Group operates in a large number of jurisdictions that have varying legal, tax and compliance requirements.</li> <li>Any non-compliance with client contract requirements and legislation or regulatory requirements could have an adverse effect on the Group's brands or financial results.</li> </ul>	<ul style="list-style-type: none"> <li>On material legal or fiscal changes there is a Group led approach to regulatory and legislation policies, supported by regional internal legal and tax resources utilising external advisors as appropriate.</li> <li>Group Treasury have supported regional management in addressing banking, funding and the requirements of sanctions.</li> <li>We have set up a central review of our ESG activity to ensure we maintain appropriate reporting and support our activities in delivering on ESG compliance requirements.</li> <li>Our Group Tax team co-ordinate with regional management and tax advisors on the Group's tax matters.</li> </ul>
SIGNIFICANT INFLUENCING FACTORS	
<ul style="list-style-type: none"> <li>Commercial drive in temp and contracting business and Group progress into Page Outsourcing present both new and country specific legal requirements.</li> <li>New and evolving legislation will continue to impact how we operate specifically in areas such as ESG, fiscal requirements and changes in working practices as a result of COVID.</li> </ul>	<p>See financial management risk for financial compliance activities, and Data risk for compliance with data regulations.</p>
<b>Net risk level stable</b>	

## 9. Financial management control


NATURE OF RISK	MITIGATING ACTIONS
<ul style="list-style-type: none"> <li>Failure to maintain adequate financial and management processes and controls could lead to poor quality management decisions, resulting in the Group not achieving its financial targets or in errors in the Group's financial reporting.</li> <li>Failure to standardise systems and processes could lead to excessive costs within the finance function.</li> </ul>	<ul style="list-style-type: none"> <li>We maintain strong financial policies and procedures with Group, Regional and local finance teams to ensure these policies as well as local statutory requirements are adhered to. The Group Finance function reviews monthly management account submissions.</li> <li>Shared Service Centres, under a global reporting structure, have increased resilience and introduced greater levels of process standardisation and improved controls. Global process owners oversee the maintenance of our finance processes.</li> <li>We have an established global finance system enabling standardisation on best practice and global visibility of finance transactions.</li> <li>There are compliance teams located in each region that support local, Regional and Group management in ensuring revenues are appropriately recognised as well as a Global transactional process risk and controls team who support management to ensure appropriate controls are in place. As UK SOX requirements become clearer this team would take on any requirements for validation of the effectiveness of controls.</li> <li>The SSCs have improved opportunities for career paths for finance professionals allowing hiring and retention of higher calibre personnel.</li> <li>We have Risk and Controls Registers which are owned and embedded within the businesses. Risk reporting is aggregated globally and reviewed every 6 months by the Executive and the Audit Committee.</li> </ul>
SIGNIFICANT INFLUENCING FACTORS	
<ul style="list-style-type: none"> <li>UK SOX implementation is due within the next two years. Whilst the specifics of whether this will be a legal requirement or guidance has not yet been finalised there will be an impact on the processes that manage risk and controls.</li> </ul>	
<b>Net risk level stable</b>	

## 10. Data protection regulations


NATURE OF RISK	MITIGATING ACTIONS
<ul style="list-style-type: none"> <li>Personal data breaches are committed by our employees and/or third party vendors.</li> <li>Data requests cannot be fulfilled within deadlines imposed by regulators.</li> <li>Our interpretation of data protection laws may prove to be incorrect following clarification by the courts and/or data protection regulators.</li> <li>Customers may take issue with our business processes because their interpretation of data protection law differs from ours.</li> <li>Regulator guidance on regulatory action against companies including imposition of fines for data protection breaches is evolving and may result in more severe penalties.</li> </ul>	<ul style="list-style-type: none"> <li>We maintain a regional approach to ensuring legal requirements are effectively met with specialist resources used to support internal management.</li> <li>We have an ongoing staff data protection training programme, (including ePrivacy) delivered via our global training platform. Data management training is compulsory.</li> <li>We have regional teams, including legal support, in place where required who respond to data requests and data related queries including from regulators.</li> <li>Our contracts with third parties ensure that responsibilities around data management are clear and understood and our third party management processes have been appropriately aligned.</li> <li>We also have a Crisis Management policy to address external data breaches, including informing authorities and customers.</li> </ul>
SIGNIFICANT INFLUENCING FACTORS	
<ul style="list-style-type: none"> <li>Data protection regulations in the UK and Europe are now well established. European data protection regulators (including the UK regulator) are actively following up on complaints of breaches of the GDPR.</li> <li>Stricter data protection regulations are being introduced in other regions including Latin America, US states and China.</li> <li>As more of our systems support has been outsourced our reliance on third parties to have processes in place to effectively process our data has increased.</li> </ul>	<p>See Cyber Security risk for mitigating activities regarding data protection loss due to system attacks.</p>
<b>Net risk level Increased</b>	

## FINANCIAL

### 11. Macro-economic exposure

NATURE OF RISK	MITIGATING ACTIONS
<ul style="list-style-type: none"> <li>Our recruitment activity is driven largely by economic performance and levels of business confidence. Businesses are less likely to need new hires and employees are less likely to move jobs when they do not have confidence in the economy, leading to reduced recruitment activity.</li> <li>A substantial proportion of the Group's profit arises from fees that are contingent upon the successful placement of a candidate or in the case of Temp completion of activity. In these cases, if the client cancels the assignment at any stage in the process, the Group receives no remuneration.</li> <li>During period of rapid economic increasing demand for candidates put pressure on processes and resource levels.</li> </ul>	<ul style="list-style-type: none"> <li>We use our geographical spread to invest in countries and regions where growth is highest and manage resource levels in areas that are not growing.</li> <li>Continue to develop our brands of Page Executive, Michael Page, Page Personnel and Page Outsourcing targeted to the needs of geographies.</li> <li>Further develop our disciplines to take opportunities in growing sectors and those that recover the quickest.</li> <li>In those markets built on international business we continue our drive to shift our client base to more domestic.</li> <li>We have maintained and continue to increase the proportion of our cost structure that is variable so that we can respond quickly, both during periods of contraction and rapid growth, for example supporting our consultants with technology, our moves to shared service centres and IT to a global service based model.</li> <li>We continue to balance permanent and temporary/contracting recruitment mix in line with business levels in each market. The temporary business tends to be more resilient in times of economic downturn.</li> <li>We protect key resources in the short term so that we can capitalise when the economies recover.</li> </ul>
SIGNIFICANT INFLUENCING FACTOR	
<ul style="list-style-type: none"> <li>COVID-19 continues to have an impact on the economic outlook with the ongoing battle between variants and vaccines. Forecasts have been changing frequently, both in terms of the scale of the downturn and period to recovery.</li> <li>We have however, seen significant upturn in performance during 2021.</li> <li>Brexit continues to bring uncertainty on economic growth particularly for the UK, but also for Europe.</li> <li>Relations between the US and Greater China, however, remain fragile and made worse by the COVID-19 pandemic. Whilst in Europe tensions with Russia over Ukraine continue.</li> <li>Supply chain issues persist, significantly impacting energy prices which are having a knock on effect on inflation.</li> <li>The recovery has created pressure on labour supply, both quantity and skills.</li> <li>There are some industry sectors that have benefited from the impact of the COVID-19 pandemic. Examples are online retailers, cloud service providers, food retailers, healthcare, and the tech sector.</li> </ul>	
<b>Net risk level decreased</b> 	

### 12. Foreign exchange

NATURE OF RISK	MITIGATING ACTIONS
<ul style="list-style-type: none"> <li>Material changes in the strength of Sterling against the Group's main functional currencies significantly affects the Group's reported Sterling profits in the financial statements.</li> <li>The main functional currencies in addition to Sterling are the Euro, US and Australian Dollars.</li> </ul>	<ul style="list-style-type: none"> <li>Our Group Treasury function reviews our cash position on a regular basis.</li> <li>Repatriation of funds and conversion back to Sterling protects against any significant Sterling recovery.</li> <li>We do not hedge the translation of our profits.</li> <li>Our communications focus on ensuring the market correctly adjusts for any impact.</li> <li>We have little cross-border trading activity, so the impact on transactions is limited to intercompany items.</li> </ul>
SIGNIFICANT INFLUENCING FACTORS	
<ul style="list-style-type: none"> <li>COVID-19 continues to bring uncertainty to the Global environment whilst the longer-term impact of Brexit on the UK relative to Europe and consequent exchange rate movement is still unclear.</li> <li>As we continue to expand successfully our overseas operations, our translation exposure to Sterling increases.</li> </ul>	
<b>Net risk level stable</b> 	

# Principal Risks and Uncertainties

## Going concern

The Board has undertaken a review of the Group's forecasts and associated risks and sensitivities, considering the expected impact of COVID-19 on trading in the period from the date of approval of the financial statements to March 2023.

The Group had £154.0m of cash as at 31 December 2021, with no debt except for IFRS 16 lease liabilities of £102.0m. Debt facilities relevant to the review period comprise a committed £30m BBVA RCF (May 2023 maturity), an uncommitted UK trade debtor discounting facility (up to £50m depending on debtor levels) and an uncommitted £20m UK bank overdraft facility.

Throughout 2021, activity levels picked up in most of the Group's markets and the cost control and cash preservation methods used in 2020 were not repeated. However, due to the pandemic reductions in travel and entertaining expenses remain. There continues to be a high degree of global macro-economic uncertainty, as

COVID-19 remains a significant issue and restrictions remain in a number of countries across the Group.

However, given the analysis performed, there are no plausible downside scenarios that we believe would cause an issue. As a result, given the strength of performance in the year, the level of cash in the business and Group's borrowing facilities, the geographical and discipline diversification, limited concentration risk, as well as the ability to manage the cost base, the Board has concluded that the Group has adequate resources to continue in operational existence for the period through to March 2023.

## VIABILITY STATEMENT

### Assessing the prospects of the Company

Our strategy and the key risks we face are described on pages 13

to 18 and 53 to 60. A full business forecasting process is performed on a quarterly basis, with a full budget for the following year created during October and November, being presented to the Board in December. The Board reviews the Group's strategy and approves an annual Group budget. Performance is then monitored by the Board through the review of monthly reports showing comparisons of results against budget, quarterly forecasts and the prior year, with explanations provided for significant variances. Discussion around strategy is undertaken by the Board in its normal course of business, as well as at an annual dedicated strategy day.

We also prepare longer-term projections which drive our strategic plan. These are typically three years. Our strategic plan provides a clear vision for the Group, aligns the Group to one clear culture, provides clarity on investment priorities, branding, belief in achievable goals, and clarity on the goals for our financial vision.



### The period over which we confirm longer-term viability

Within the context of the above, in accordance with provision 31 of the UK Corporate Governance Code, the Board has assessed the viability of the Group.

Given the inherent uncertainty involved, the period over which the Directors consider it possible to form a reasonable expectation as to the Group's longer-term viability is the three-year period to 31 December 2024. This period has been selected as it is short enough to present the Board and, therefore, users of the Annual Report with a reasonable degree of confidence, whilst still providing an appropriate longer-term outlook. Whilst the Board has no reason to believe the Group will not be viable over a longer period, the Board has taken into account the short-term visibility inherent in a recruitment business with a permanent recruitment bias.

### Stress testing

The forecasting and budgeting process is also supported by scenarios that encompass a broad range of potential outcomes. These scenarios are designed to explore the resilience of the Group to the potential impact of the significant risks as set out on pages 53 to 60, or a combination of those risks. A range of scenarios were considered, including cyber incidents, disintermediation by way of innovation, changes in technology, movements in foreign exchange rates, and a global downturn. For each individual scenario, we modelled a 15% decline in gross profit, recovering to be flat in Year 3. We also modelled a worst-case scenario, where the combination of factors led to a decline in gross profit in line with the COVID-19 pandemic for the first two years, and then flat in year 3, compounded by further additional factors as well as a 10% strengthening of Sterling. We have assumed that, as in the past, as downside risks materialise our headcount will flex through natural attrition in line with the drop in gross profit, such that the impact on operating profit is partially mitigated.

As seen in the global financial crisis in 2009, as well as during the pandemic, working capital from both permanent and temporary recruitment unwinds,

providing the Group with a sizeable cash buffer.

The scenarios were designed to be severe, but plausible and were modelled individually and in combination. In each case, the Group remained viable throughout. However, it is considered extremely unlikely that this combination of events would ever occur. Controls are also in place, where possible, to mitigate the impact of these scenarios and these are described on pages 53 to 60.

Various events may also alert the Main and Executive Boards to a potential threat to viability, for example, macro-events drive the recruitment industry, a drop in GDP in a particular country may lead to a reduction in gross profit growth rates.

We consider that this stress-testing based assessment of the Group's prospects is reasonable in the circumstances given the inherent uncertainty involved.

### Confirmation of longer-term viability

The Directors confirm that their assessment of the principal risks and uncertainties facing the Group was robust. Based upon the robust

assessment of the principal risks and uncertainties facing the Company and the stress-testing based assessment of the Company's prospects, all of which are described above, the Directors 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 to 31 December 2024. However, we operate in an environment of limited visibility, dependent upon confidence in the global marketplace. Further weakness in the macro-economic outlook may cause us to adapt our strategy during the three-year period in response, leading to a re-evaluation of additional risks involved which might impact the business model.

### Compliance with Section 414 of the Companies Act 2006

We have complied with the requirements under the provisions of the Companies Act 2006 contained in Sections 414CA and 414CB of the Companies Act 2006. The relevant references can be found below.

Description	Page
Business Model	5
Non-financial Key Performance Indicators	22 to 24
Description and management of principal risk and impact of business activity	51 to 58
Employees	27 to 38
Social and community	27 to 38 and 47 to 48
Respect for human rights	27 to 38 and 47 to 48
Anti-corruption and anti-bribery	83 and 92
Environmental matters	27 and 40 to 46

# Stakeholder Engagement

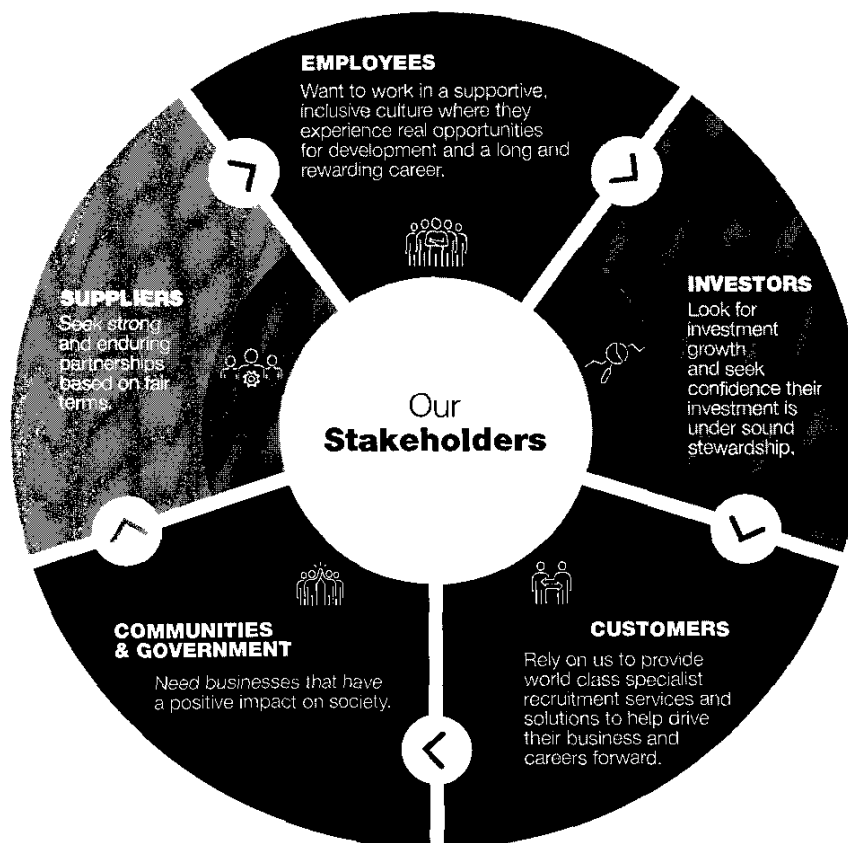
The following describes how the Directors have had regard to the matters set out in section 172(1) of the Companies Act 2006. This section of the Strategic Report and the pages to which it refers, comprises the Company's section 172(1) statement together with the statements set out earlier in this report as to how the Directors have engaged with employees and had regard to their interests and how the Directors have had regard to the Company's business relationships with customers, suppliers and other external stakeholders.

The Board understands that providing global recruitment services touches many lives and that it is important to have a framework in place to capture stakeholder feedback. The Board use this feedback to help shape its decision making and future strategy. The various considerations surrounding our key stakeholders including engagement methods, decision making, their importance to our operating model together with the Board's oversight, are summarised in this section of the Strategic Report.

The Board consider the risks that are, or may be in the future, associated with each of the stakeholder groups as part of the overall principal risk assessment which is set out on pages 53 to 58.

## WHO ARE OUR STAKEHOLDERS?

In 2021 there were no changes in respect of whom the Board considers to be our key stakeholders. Our stakeholders are the same across our businesses, brands, and geographies.



## WHY ARE OUR STAKEHOLDERS IMPORTANT TO OUR BUSINESS MODEL?



### EMPLOYEES

As a recruitment company, our biggest asset is our people; put simply, they are our business. It is their skills that we strive to retain and develop and that we rely on for our success. Without developing and retaining our talent we could not hope to drive long-term value for all stakeholders associated with the Group.



### INVESTORS

Attracting long-term investment and new investors is the foundation of a successful company's long-term sustainability. Our investors are unlikely to stay with us if our approach to other stakeholder groups is not well thought through and ethically sound.



### CUSTOMERS

Our business can only thrive if we solve complex recruitment challenges for clients and offer tailored specialist recruitment services and advice to work seekers. We aim to be world class in our sector, so that demand for our services is maintained and grows.



### COMMUNITIES & GOVERNMENT

Maintaining a reputation as a responsible business is of the upmost importance to the Board and this means adding value to the communities we operate within and acting as government's expect and require. Anything less detracts from our business and is contrary to our culture and values.



### SUPPLIERS

We are a recruitment specialist, but to be the best we need to partner with businesses with similar standards and ambitions in areas outside our core expertise. The Board not only seeks partnerships to instil confidence in those areas outside of recruitment but in our view, partnering with reputable suppliers, gives us a competitive edge.



## EMPLOYEES

Engagement	Performance information provided to Directors	Who engages?
<p>Global live events/townhalls inc. Q&amp;A sessions for global workforce</p> <p>Directors attend management meetings around the regions either in person or virtually</p> <p>Attendance at Page internal network events</p> <p>Yammer</p>	<p>Surveys – in 2021 Group-wide “Have Your Say Survey”, pulse surveys and results of senior female leadership survey</p> <p>Biannual Culture &amp; Engagement sessions including KPI measures and the D&amp;I review</p> <p>Information on Executive Shadow Board activities</p> <p>Speak up helpline review</p> <p>Gender pay gap reporting</p>	<p>The engagement activities are undertaken by all Directors, whether they are Executive or Non-Executive</p> <p>The performance information outlined is provided to all Directors</p> <p>The Global live townhalls involve an update on key business issues and often involve an interactive session with a Non-Executive Director</p> <p>In 2021 several Non-Executive Directors presented at our female senior leadership sessions</p>

## Engagement and outcome

### Feedback

Directors were clear from engagement throughout the year that employees were feeling the strain of the restraint that was shown in 2020 on pay and reward. Inflation data was provided for all markets.



### Decision

The Board determined it was appropriate to return to paying annual bonuses and global cost of living increases were awarded across the business to address the inflationary squeeze on employees take home pay.



### Link to Strategy

Retaining and rewarding our employees is vital if we are to offer world class services. Retention risk is an increasing risk for both ourselves, and our clients.

### Feedback

Working flexibly is important to our people and it was clear on the global townhall events that a recurring theme was our need to roll-out more laptops to facilitate this.



### Decision

Directors supported the investment in increased use of laptops and kept employees up to date via global live townhalls and Yammer on the progress of a roll-out particularly in light of supply pressures.



### Link to Strategy

Maximising productivity means we must ensure our employees have the tools to work smartly and flexibly.

### Feedback

Through our continuous listening programme, we heard that our employees felt we ought to review our family friendly policies to ensure these were not only legally compliant but more competitive.



### Decision

Family friendly policies have been reviewed and improved in markets where we felt that we needed to increase our offering.



### Link to Strategy

Supporting working parents is key to being an employer of choice in our sector.

# Stakeholder Engagement



## INVESTORS

Engagement	Performance information provided to Directors	Who engages?
Investor Roadshows	Investor Relations Reports including roadshow feedback	A shared responsibility for all Directors. However, our experience is that investors more commonly request one to one sessions with our executive management, Chair and Chairs of our Committees.
Investor Conferences	Proxy ratings and reports (ISS, Glass Lewis, IIRC and PIRC)	
Individual investor meetings		
Capital markets event 2021		
Engagement call with proxy agencies		
AGM		

## Engagement and outcome

### Feedback

Our investors were understanding of the need to suspend dividend payments in 2020. However, through engagement across our shareholder base in 2021 it was apparent that there was an expectation that we return to sustainable capital returns as soon as possible.

### Decision

The Board considered the appropriate level of dividends to declare and declared an interim dividend of 4.70 pence per share and special dividend of 26.71 pence per share, together totalling £100m, at the 2021 half year.

### Link to Strategy

Producing meaningful returns on investment for shareholders makes the Group attractive for continued investment of existing shareholders and attracts new investors, making the Group overall a sustainable, viable business.

### Feedback

Through engagement with the investment community in 2021 it became apparent that our investors were interested in us confirming our strategy for the business post-pandemic.

### Decision

The Board decided to hold a capital markets event in December 2021 detailing the key strategic themes such as the focus on high potential disciplines, our Completely Customer programme and our investment in Page Outsourcing.

### Link to Strategy

The event was designed to give an as up to date picture as possible on our current strategic thinking to enable investors to base their future decisions.

## CASE STUDY

In 2020, like many of its peers the Group announced the temporary suspension of its dividend policy. This was against a backdrop of unprecedented global economic disruption and significant near term uncertainty caused by the pandemic. The intention being to preserve liquidity and profitability. By mid-year in 2021 the Board were aware that liquidity was strong, all our people had returned to full pay and the business had repaid furlough in the UK. It was therefore imperative to consider reinstating capital returns to ensure shareholders were not unfairly prejudiced. Board Directors considered this and were provided with information on market expectations including consensus for dividend per share and our competitors' return rates, together with details of the Group's cash position, other capital allocation options and trading. The Group declared a dividend of 4.70 pence per share and a special dividend of 26.71 pence per share, together totalling £100m, at the 2021 half year, and is proposing a final dividend of 10.30 pence per share for 2021.



## CUSTOMERS

Engagement	Performance information provided to Directors	Who engages?
Client relationship meetings	Net Promoter Scores	Engagement on frontline customer experience is carried out by Executive Directors and senior management.
Market deep dive sessions	Google review surveys – clients and candidates  Quarterly Board reports on Information Security and Data Protection.	Non-Executive Directors review the customer data outlined and invite the Chief Customer Officer to the Board to discuss customer views, trends, and needs. Additionally, throughout the year all Directors attend deep-dive sessions on markets, where customers are a key component of the discussion.  Keeping systems and data safe is a key responsibility of the Group and therefore a shared Board matter. Information security and data protection, including key metrics regarding performance, are discussed quarterly at Board meetings.

### Engagement and outcome

#### Feedback

Customer experience is taken from a variety of sources; to ensure consistency it became clear we should apply a global standard across our business, markets and divisions.

#### Decision

Introduced in 2021, across all senior management; a single performance indicator customer rating composed of weighted scores of key measures such as repeat business, specialism engagement, referrals, and candidate and client satisfaction scores.

#### Link to strategy

A consistent, well recognised score measured across our operational business supports our drive for customer excellence, and avoids our business becoming too transactional in nature.

#### Feedback

Recruitment services should go beyond simply identifying job opportunities and matching candidates to clients. Customers want advice on recruitment models, market trends, compensation and benefits, most suitable locations for roles, interviewing optimisation processes, vetting etc.

#### Decision

Directors understand the need to evolve our services and this has led to the investment in our key technologies such as Page Insights, Customer Connect and investment in other business models such as Page Outsourcing.

#### Link to strategy

Our sector is highly competitive. It is vital that our services remain relevant and address client and customer needs.

Engaging to

change lives, create opportunity

and **reach potential**



# Stakeholder Engagement



## COMMUNITIES & GOVERNMENT

Engagement	Performance information provided to Directors	Who engages?
<p>Involvement in ESG activities such as voluntary and charitable work</p> <p>Attendance at COP 26</p> <p>Engagement with regulators, government departments and tax authorities</p>	<p>Sustainability report and metrics</p> <p>Annual consideration of tax strategy</p> <p>Directors are advised of all material litigation and/or significant regulatory engagement via reporting from the General Counsel &amp; Company Secretary</p>	<p>Engagement, on the whole, is delegated to Executive Directors and senior management.</p> <p>The Board having oversight responsibilities discharged via reporting provided on the engagement activities.</p>

### Engagement and outcome

#### Feedback

It became clear to us that we were not doing enough to articulate our sustainability/ ESG strategy and needed to do more to demonstrate our commitment.

#### Decision

We have assessed our risk to the environment and our business model. For further details please see pages 51 to 60. We also dedicated more Board time to ESG matters, have established a Sustainability Committee and published our inaugural Sustainability Report in 2021 (accessed at [www.page.com](http://www.page.com)).

From 2022 we have committed to 5% of the variable pay awards available to Executive Directors being attributable to performance in respect of our following key sustainability goals:

**GENDER EQUALITY | DECENT WORK AND ECONOMIC GROWTH  
REDUCED INEQUALITIES | CLIMATE ACTION**

#### Link to Strategy

Demonstrating real action on sustainability and ESG strategy is a virtuous circle: realising our goals will impact positively all stakeholders and in turn this will drive the business forward in years to come.



## SUPPLIERS

Engagement	Performance information provided to Directors	Who engages?
<p>Supplier on-boarding process</p> <p>Relationship meetings with key suppliers</p> <p>Infrastructure suppliers' event</p>	<p>UK payment practices reporting made available</p> <p>Provision of modern slavery KPIs to Board on annual basis</p>	<p>Group Procurement and Business Technology teams take the lead on direct engagement.</p> <p>Board review engagement output, especially around information security supplier matters and modern slavery risks, and determine any actions required.</p>

### Engagement and outcome

#### Feedback

We are increasingly being asked about our strategy to address modern slavery risks and suppliers need to understand our expectations.

#### Decision

Directors sought more assurance outside of the UK business surrounding mitigation actions and requested more engagement in smaller markets, resulting in a modern slavery playbook being issued across the world and an annual certification of compliance from local businesses.

#### Link to Strategy

Supporting decent work is central to our culture and value and is a cornerstone of our sustainability strategy.

# Review of the Year

Financial summary	2021	2020	Change	Change CC*
Revenue	£1,643.7m	£1,304.8m	+26.0%	+30.2%
Gross profit	£877.7m	£610.2m	+43.8%	+49.1%
Operating profit	£168.5m	£17.0m	>100%	>100%
Profit before tax	£166.6m	£15.5m	>100%	
Basic earnings per share	37.2p	-1.8p	>100%	
Diluted earnings per share	37.0p	-1.8p	>100%	
Total dividend per share (excl. special dividend)	15.00p	-		
Total dividend per share (incl. special dividend)	41.71p	-		

\*At constant currency – all growth rates in constant currency at prior year rates unless otherwise stated

At constant exchange rates, Group revenue increased 30.2% to £1,643.7m (2020: £1,304.8m) and gross profit increased 49.1% to £877.7m (2020: £610.2m) for the year ended 31 December 2021. Gross profit per fee earner increased 43.7% to £157.2k (2020: £113.3k).

The Group's revenue mix between permanent and temporary placements was 42:58 (2020: 34:66) and for gross profit was 77:23 (2020: 72:28), as the recovery in 2021 was driven by permanent recruitment. Revenue from temporary placements comprises the salaries of those placed, together with the margin charged. This margin on temporary placements increased to 21.0% in 2021 (2020: 20.1%) and

we saw an improvement in our perm margin as well. Overall, pricing has improved, as a result of candidate shortages in the majority of our markets.

In our Large, High Potential markets category, which now represent 38% of the Group, gross profit increased 60% in constant currencies to £332.5m, outperforming the rest of the Group.

Total Group headcount increased by 1,144 in the year to 7,838. This comprised a net increase of 937 fee earners (+18.2%) and an increase of 207 operational support staff (+13.4%). This increase in our fee earner headcount was driven by continued investment as trading conditions improved. We added c. 700

experienced fee earners to the Group during the year, in addition to the c. 400 experienced fee earners that joined in 2020. This additional headcount was primarily into our strategic areas of investment, as well as those areas which have been more resilient during the COVID-19 pandemic. As a result of this increase in net fee earner headcount, our fee earner to operational support staff ratio improved to 78:22 (2020: 77:23).

In total, administrative expenses increased 19.6% to £709.2m (2020: £593.2m). The Group's operating profit from trading activities totalled £168.5m (2020: £17.0m), an increase of over 100%.

## Regional reviews

Gross profit		Reported			CC
Year-on-year	% of Group	2021 (£m)	2020 (£m)	%	%
EMEA	49%	432.0	319.4	+35.3%	+40.3%
Asia Pacific	20%	179.3	121.1	+48.0%	+53.1%
Americas	16%	138.5	88.8	+56.0%	+66.9%
UK	15%	127.9	80.9	+58.0%	+58.0%
<b>Total</b>	<b>100%</b>	<b>677.7</b>	<b>610.2</b>	<b>+43.8%</b>	<b>+49.1%</b>
Permanent	77%	676.1	436.7	+54.8%	+60.7%
Temporary	23%	201.6	173.5	+16.2%	+19.8%

# Review of the Year

## Europe, Middle East and Africa (EMEA)

EMEA	(£m)		Growth rates	
(49% of Group in 2021)	2021	2020	Reported	CC
Gross profit	432.0	319.4	+35.3%	+40.3%
Operating profit	93.4	30.6	>100%	>100%
Conversion rate (%)	21.6%	9.6%		

### Market presence

EMEA is the Group's largest region, contributing 49% of the Group's gross profit in the year. With operations in 17 countries, PageGroup has a strong presence in the majority of EMEA markets and is the clear leader in specialist permanent recruitment in the two largest, France and Germany, and many of the others. Across the region, permanent placements accounted for 70% and temporary placements 30% of gross profit.

The region includes four of our Large, Proven markets, France, Spain, Italy and the Netherlands, across which there is a broad range of competition. EMEA also includes Germany, one of the Group's Large, High Potential markets, which has low penetration rates (markets where less than 30% of recruitment is outsourced)

and significant growth potential, particularly in temporary recruitment. In addition, there are markets such as Poland, Turkey and Africa, which are less developed, with limited competition, but are increasingly looking for professional recruitment services.

### Performance

In constant currencies, revenue grew 25.5% to £869.6m (2020: £717.3m) and gross profit grew 40.3% to £432.0m (2020: £319.4m).

Trading conditions improved significantly during the year as vaccines were successfully rolled out across the region and lockdown restrictions eased. France, the Group's second largest market, grew 27%. Conditions were tougher in Page Personnel, which represents around 60% of France. Germany, our third largest

market, grew 48% for the year, with strong growth and record performances across all brands. In our other European markets, Benelux grew 32% and Southern Europe, which was severely impacted by the pandemic in 2020, was up 60%, with Italy and Spain increasing 52% and 64%, respectively. The Middle East and Africa, which represented 3% of the region, grew 46%.

2021 operating profit increased over 100% to £93.4m (2020: £30.6m), returning to the 2019 conversion rate of 21.6%. The region was the most resilient to the COVID-19 pandemic, with conditions improving significantly through 2021. Headcount across the region increased by 468 (+15.7%) during the year, to 3,447 at the end of 2021 (2020: 2,979, 2019: 3,317), taking it above the pre-pandemic levels.

## Asia Pacific

Asia Pacific	(£m)		Growth rates	
(20% of Group in 2021)	2021	2020	Reported	CC
Gross profit	179.3	121.1	+48.0%	+53.1%
Operating profit	39.0	3.8	>100%	>100%
Conversion rate (%)	21.8%	3.1%		

### Market presence

Asia Pacific represented 20% of the Group's gross profit in 2021, with 80% of the region being Asia and 20% Australia. Other than in the financial centres of Hong Kong, Singapore and Tokyo, the Asian market is generally highly under-developed and offers attractive opportunities in both international and domestic markets at good conversion rates. Two of our Large, High Potential markets, Greater China and South East Asia, are in this region. With a highly experienced management team, approaching 1,500 staff and limited competition, the size of the opportunity in Asia is significant. Across Asia, driven by cultural attitudes towards white collar temporary recruitment, permanent placements accounted for 88% and temporary placements only 12% of gross profit, well below the Group average of 23%.

Australia, one of our Large, Proven markets, is a mature, well-developed and highly competitive recruitment market. PageGroup has a meaningful presence in permanent recruitment in the majority of the professional disciplines and major cities in Australia. Page Personnel has a growing presence and significant potential to expand and grow market share.

### Performance

In Asia Pacific, in constant currencies, revenue grew 34.3% to £282.0m (2020: £216.0m) and gross profit grew 53.1% to £179.3m (2020: £121.1m).

In Asia, representing 16% of the Group, gross profit increased 57% on 2020. Greater China increased 57% with Mainland China up 58% and Hong Kong up 65%. South East Asia was up 70%, with Singapore up 55%. India delivered a record year, up 87%, aided by the opening

of our Bangalore office in Q4 2019. Japan was up 37% and delivered a record year. Australia grew 43%, despite having seen continued uncertainty around lockdowns, which varied significantly by state.

Operating profit increased more than 100% in constant currency to £39.0m (2020: £3.8m), with the conversion rate increasing significantly to 21.8% (2020: 3.1%). This was driven by the significant improvement in productivity, up 45% in the year, together with the improvement in trading conditions. Overall, the region had the highest conversion rate in the Group in 2021. Headcount across the region increased 324 (23.4%) in the year, ending the year at 1,709 (2020: 1,385, 2019: 1,679).

## The Americas

Americas	(£m)		Growth rates	
(16% of Group in 2021)	2021	2020	Reported	CC
Gross profit	138.5	88.8	+56.0%	+66.9%
Operating profit	19.2	-7.0	>100%	>100%
Conversion rate (%)	13.8%	-7.9%		

### Market presence

The Americas represented 16% of the Group's gross profit in 2021, with North America representing 62% of the region and Latin America, 38%. The US and Latin America are two of the Large, High Potential markets in our growth strategy. The US, where we have eight offices, has a well-developed recruitment industry, but in many disciplines, especially technical, there is limited national competition of any scale. PageGroup's breadth of professional specialisms and geographic reach is uncommon and provides a competitive advantage.

Latin America is a highly under-developed region, where PageGroup enjoys the market leading position with around 800 employees in seven

countries. There are few international competitors and none with regional scale. Across the Americas, permanent placements accounted for 88% of gross profit and temporary placements 12%.

### Performance

In constant currencies revenue increased by 53.9% to £220.7m (2020: £154.3m) while gross profit increased 66.9% to £138.5m (2020: £88.8m).

In North America, gross profit increased by 62%. The US grew 64% as trading conditions improved and we delivered growth in newer disciplines, including Technology. We also saw good growth in Construction, following the re-opening of construction sites during the year.

Latin America recovered well from the pandemic after a particularly challenging 2020, and delivered a record year. Gross profit was up 77%, with Brazil up 73%, Mexico up 81% and the other five countries increasing 76% collectively.

As a result of this improvement in trading conditions, operating profit increased to £19.2m (2020: -£7.0m), with a conversion rate of 13.8% (2020: -7.9%), despite significant investment in the 2 Large, High Potential geographic markets in the region. Headcount across the region increased by 226 (+19.6%) in 2021 to 1,381 (2020: 1,155, 2019: 1,376).

## United Kingdom

UK	(£m)		Growth rate
(15% of Group in 2020)	2021	2020	
Gross profit	127.9	80.9	+58.0%
Operating profit	16.9	-10.3	>100%
Conversion rate (%)	13.2%	-12.8%	

### Market presence

The UK represented 15% of the Group's gross profit in 2021, operating from 26 offices covering all major cities. It is a mature, highly competitive and sophisticated market with the majority of vacant positions being outsourced to recruitment firms. PageGroup has a market leading presence in permanent recruitment across the UK and a growing presence in temporary recruitment. In the UK, permanent placements accounted for 75% and temporary placements 25% of gross profit.

The UK business operates under all four of our brands, with representation in 13 specialist disciplines via the Michael Page brand. There remain opportunities to launch new discipline businesses under the lower salary-level Page

Personnel brand, which represented 22% of UK gross profit.

### Performance

In the UK, revenue increased 24.9% from £217.3m in 2020 to £271.5m, whilst gross profit increased 58.0% from £80.9m in 2020 to £127.9m.

COVID-19 continued to impact trading during the first half of 2021, with restrictions in place through most of Q1 and Q2. Trading conditions then began improving steadily, with the region returning to growth in Q3 compared to 2019. Overall, the UK grew 58% with Michael Page up 63% and Page Personnel up 46%. Trading conditions were tougher in Page Personnel, which operates at lower salary levels, but encouragingly they returned to growth in Q4 compared to 2019.

Operating profit for the year increased to £16.9m (2020: -£10.3m), with the conversion rate improving to 13.2% (2020: -12.8%). The 2021 conversion rate was negatively impacted by the repayment of furlough to HMRC during the year, excluding this item, the 2021 conversion rate would have been 15.8%.

Headcount increased 126 (+10.7%) in the year to 1,301 at the end of December 2021 (2020: 1,175, 2019: 1,326), marginally behind the pre-pandemic level.

# Review of the Year

## Operating profit and conversion rates

The Group's organic growth model and profit-based team bonus ensures cost control remains tight. Approximately three-quarters of costs were employee related, including wages, bonuses, share-based long-term incentives, and training & relocation costs. Depreciation and amortisation for the year totalled £53.7m (2020: £61.8m).

The Group's conversion rate for the year increased from 2.8% in 2020 to 19.2%. The conversion rate improved significantly as the year progressed, with a H2 conversion rate of 22.0% compared with a H1 conversion rate of 15.9%. This was due to the sharp increase in productivity and gross profit.

Conversion rates improved in all of the Group's regions. Asia Pacific was the Group's most profitable region, with a conversion rate of 21.8%, which represents a considerable increase on 2020. EMEA also remained highly profitable, with conditions improving towards the end of the year and the conversion rate of 21.6% was consistent with the pre-pandemic level in 2019. The UK and the Americas were most impacted by the COVID-19 pandemic, though their conversion rates recovered well in 2021 to 13.2% and 13.8% respectively, above their pre-pandemic levels in 2019.

A net interest charge of £1.9m (2020: £1.5m) was primarily due to an IFRS 16 interest charge of £1.3m. Excluding IFRS 16, the net interest charge of £0.6m reflected the continued low interest rate environment and borrowing facility charges.

## Earnings per share and dividends

In 2021, basic and diluted earnings per share increased to 37.2p and 37.0p respectively (2020: -1.8p), as a result of the increase in profit due to the improved economic conditions.

The Group's strategy is to operate a policy of financing the activities and development of the Group from our retained earnings and to maintain a strong balance sheet position. The first use of our cash is to satisfy our operational and investment requirements and to hedge our liabilities under the Group's share plans. We then review our liquidity over and above these requirements to make

returns to shareholders, firstly by way of an ordinary dividend.

Our policy is to grow this ordinary dividend over the course of the economic cycle, in line with our long-term growth rate. We believe this will enable us to sustain the level of ordinary dividend payments during a downturn as well as to increase it during more prosperous times.

Cash generated in excess of these first two priorities will be returned to shareholders through supplementary returns, using special dividends or share buybacks.

Having suspended our dividend policy in 2020 during the pandemic, in 2021 we announced the resumption of our dividend policy. In October 2021, we paid an interim dividend of 4.70 pence per share, an increase of 9.3%, being 4.5% for 2020 and 4.5% for 2021, over the 2019 interim dividend. In addition, in line with our policy of returning surplus capital to shareholders, we also paid a special dividend of 26.71 pence per share. Taking both dividends together, this amounted to a cash return to shareholders of £100.2m.

In line with the continued improvement in trading conditions, a final dividend of 10.30p (2019: 0.00p) per ordinary share is proposed. When taken together with the interim dividend of 4.70p (2019: 4.30p) per ordinary share, this is an increase in the total dividend for the year of 9.6% over the proposed 2019 ordinary dividends to 15.00p per ordinary share. The proposed final dividend, which amounts to £32.9m, will be paid on 17 June 2022 to shareholders on the register as at 20 May 2022, subject to shareholder approval at the Annual General Meeting on 31 May 2022.

We will continue to monitor our cash position in 2022 and will make returns to shareholders in line with the above policy.

## Cash flow and balance sheet

Cash flow in the year was strong, with £186.3m (2020: £169.0m) generated from operations. The closing cash balance was £154.0m at 31 December 2021 (2020: £166.0m). The slight decrease on 2020 despite the stronger trading conditions is due primarily to the payment of interim and special dividends in the year, totalling £100.2m. Given the recovery in the Group's trading and strong cash position, the Board decided to repay the UK Government furlough income of £3.4m in April 2021.

PageGroup maintains a Confidential Invoice Facility with HSBC whereby the Group has the option to discount receivables in order to advance cash. The Group also has a Revolving Credit Facility with BBVA, expiring in May 2023, with a total drawable amount of £30m. We have agreed a covenant waiver to the end of the agreement on this facility to ensure we retain access to these funds should they be required. Neither of these facilities were in use as at 31 December. These facilities are used on an ad hoc basis to fund any major Group GBP cash outflows.

Income tax paid in the year was £37.0m (2020: £31.7m) and net capital expenditure was £25.7m (2020: £21.7m). The expenditure increased due to increased spend on Customer Connect, our new operating system, as well as investment into laptops and new IT equipment to support the fee earner headcount additions made during the year.

An interim and special dividend of £100.2m was paid in 2021 (2020: £0.0m). The significantly higher share price in 2021 meant that there was an increase in cash receipts from share option exercises, with £16.4m in 2021, compared to £0.4m in 2020. In 2021, £10.4m (2020: £14.4m) was also spent on the purchase of shares by the Employee Benefit Trust to satisfy future committed obligations under our employee share plans.

The most significant item in our balance sheet was trade receivables, which amounted to £254.6m at 31 December 2021 (2020: £186.1m), comprising permanent fees invoiced and salaries and fees invoiced in the temporary placement business, but not yet paid. Day's sales in debtors marginally increased due to the increase in the debtor book as a result of the improvement in trading conditions, particularly within permanent recruitment which tends to have a longer collection period.

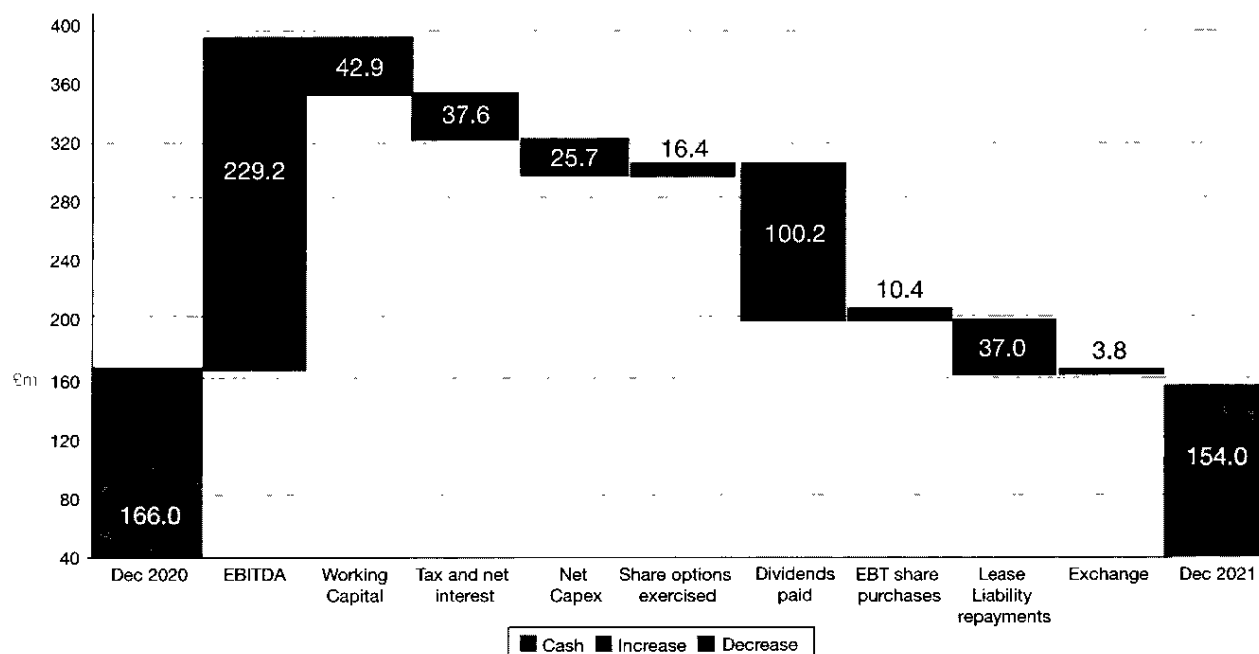
## Foreign exchange

Foreign exchange impacted the Group's results for the year negatively, decreasing revenue by c. £55m, gross profit by c. £32m and operating profit by c. £8m.

## Taxation

The tax charge for the year was £48.3m (2020: £21.3m). This represented an effective tax rate of 29.0% (2020: 136.9%). The rate is higher than the

## Cash flow waterfall 2021



effective UK rate for the calendar year of 19% (2020: 19%) principally due to the impact of higher tax rates in overseas countries and to a lesser extent, disallowable expenditure. There are some countries in which the tax rate is lower than the UK, but the impact is small either because the countries are not significant contributors to Group profit, or the tax rate difference is not significant. The decrease in the effective tax rate from the prior year is a result of the significant one-off derecognition of deferred tax assets in 2020.

In 2021, the tax rate was impacted primarily by higher tax in overseas countries (+7.8%), derecognition of losses and other tax attributes of (+3.3%), prior year adjustments of (-2.9%), tax on share-based payments (-0.1%) and other permanent differences (+1.5%), principally employee related expenditure and entertainment expenses.

The tax charge for the year reflects the Group's tax strategy, which is aligned to business goals. It is PageGroup's policy to pay its fair share of taxes in the countries in which it operates and deal with its tax affairs in a straightforward, open and honest manner. The Group's tax strategy is set out in detail on our website in the Investor section under "Responsibilities".

### Share options and share repurchases

At the beginning of 2021 the Group had 11.4m share options outstanding, of which 5.3m had vested, but had not been exercised. During the year, options were granted over 2.0m shares under the Group's share option plans. Options were exercised over 3.6m shares, generating £16.4m in cash, and options lapsed over 2.0m shares. At the end of 2021, options remained

outstanding over 7.9m shares, of which 3.8m had vested, but had not been exercised. During 2021, 2.2m shares were purchased for the Group's Employee Benefit Trust, and no shares were cancelled (2020: 3.8m shares were purchased and no shares were cancelled).

Approved by the Board on 2 March 2021 and signed on its behalf by:

**Kelvin Stagg**

Chief Financial Officer

# Chairman's Introduction to Corporate Governance



**David Lowden,  
Chairman**

Dear Shareholder,

On behalf of the Board, I am pleased to present the Company's Corporate Governance Report for the financial year ended 31 December 2021.

Like many businesses, last year presented challenging conditions and circumstances for the Company. However, I am delighted to be able to report that through a combination of the hard work of colleagues, strong partnerships with our customers and more favourable trading conditions, the Group has returned strong trading results for 2021. This return to growth has enabled dividends to be reinstated to shareholders and generally provided a more stable environment for all our other stakeholders. The business has proven itself to be resilient over the last 12 months, supported by a number of strategic decisions on where to invest and on which disciplines to focus.

## Corporate governance

This Corporate Governance Report sets out how the Company has complied with the UK Corporate Governance Code 2018 (the "Code"). It also aims to explain the work and activities of the Board, and the work of its Committees and details the annual evaluation process for the year under review.

The Group's Main Board and Committee

structure is outlined below. This framework underpins the Board's ability to set the overall strategic direction of the Group. It also supports its core values, policies and procedures, which in turn, creates a culture in which our business and employees can act effectively and with integrity.

The newest addition to the governance framework, is the establishment of the Sustainability Committee. This reflects the increased focus of the Board on ESG issues. The Committee meets quarterly to discuss sustainability strategy and reports to the Board on its work. It is chaired by Kelvin Stagg, the Group's Chief Financial Officer and Executive Director and includes a number of our most senior leaders including the Group's Chief People Officer, Chief Operating Officer and Chief Customer Officer. The highlights of its work are contained in the Group's Sustainability Report which can be accessed in full at [www.page.com](http://www.page.com)

## Board composition and activities

This will be the last occasion I address shareholders as I have served on the Board for over nine years. In line with the Code, I will formally step down on 30 April 2022. In 2021, a comprehensive search for my successor was undertaken and I am delighted that Angela Seymour-Jackson was chosen to succeed me. Angela understands the business, is passionate about it and comes to the role with a wealth of executive and non-executive experience. She will take over as Chair with effect from 1 May 2022. Other changes to the Board included Simon Boddie stepping down from the Board having served on the Board for nine years. I would like to thank Simon for his stewardship of the Audit Committee over the past nine years. He was truly a trusted

advisor to the Board and the business. The Board considers itself fortunate to have secured such a strong successor to Chair the Audit Committee, Ben Stevens who was appointed to the Board in early 2021. Ben took over the responsibilities as Audit Committee Chair in September 2021. He has proven to be a valuable member of the Board, helping navigate the business through its recovery.

The Board met frequently in 2021 and considered a wide range of matters. Key activities undertaken included close review of the Group's financial results as these returned to and exceeded pre-pandemic levels and continued oversight of the culture framework and measures. The Board considered the Group's ESG commitments and oversaw the Company's D&I initiatives. More broadly the Board was keen to ensure that colleagues felt connected to each other given the continuation of remote working in many of our markets and that the same degree of flexibility, as shown throughout the pandemic, to working arrangements were retained as restrictions were lifted. The benefits of Page Insights and Customer Connect, (our new operating system for consultants) were demonstrated to the Board enabling it to understand and input to the evolution of the business' services to its customers.

I hope you find our Corporate Governance Report informative. The Board will be available at the Annual General Meeting to respond to any questions you may have on this Report.

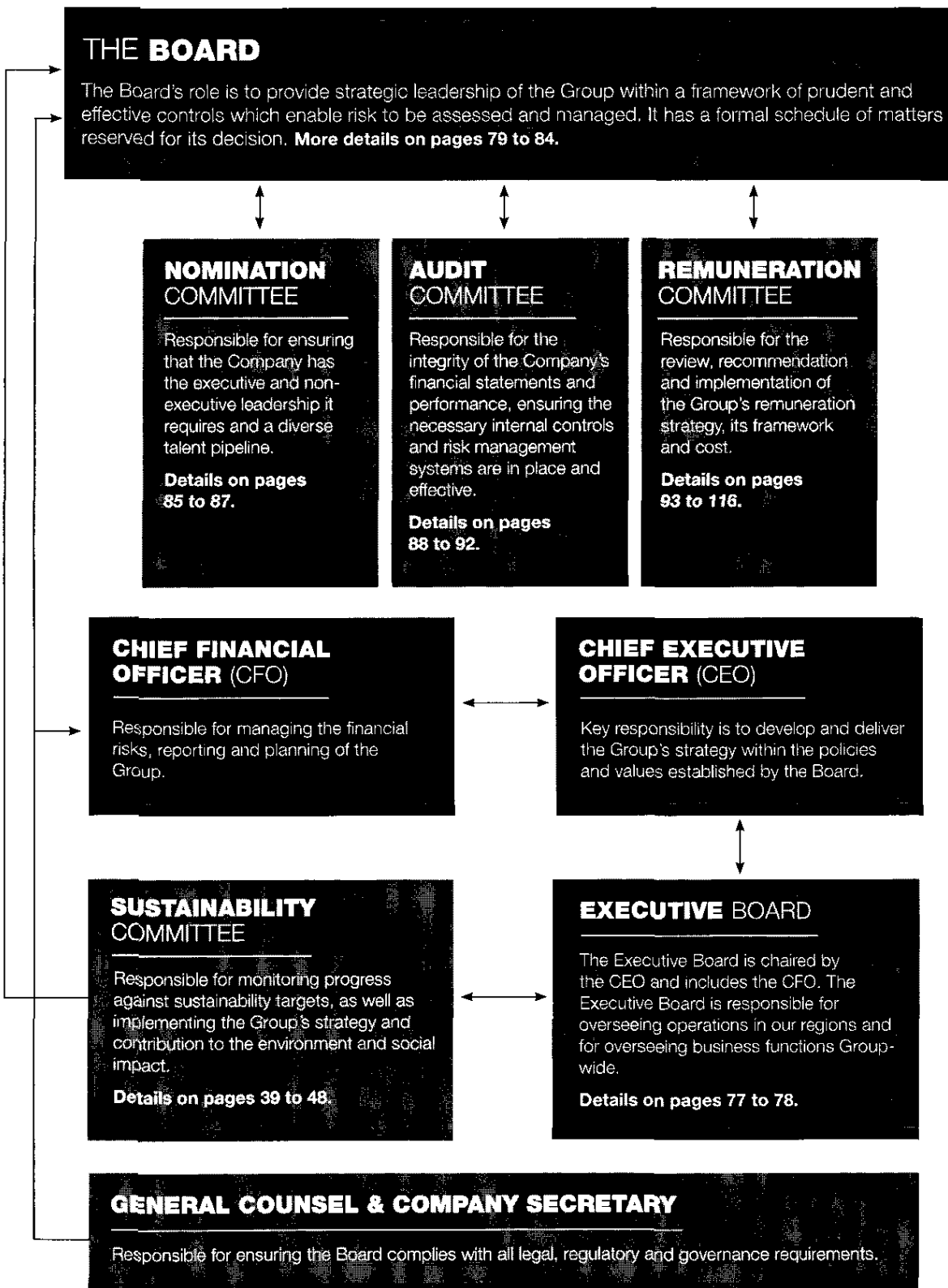
**David Lowden**

Chairman

2 March 2022



# Our Corporate Governance Framework





# Our Board of Directors



**DAVID LOWDEN**

## Chairman

**Date of Appointment:** Director, August 2012, Chairman, December 2015

### Past Roles:

David was a member of the Board of Taylor Nielson Sofres plc, the marketing services business, from 1999 to 2009, becoming Chief Executive Officer in 2006. Before joining Taylor Nielson Sofres plc, David held senior financial positions in Asprey plc, A.C. Nielsen Corporation and Federal Express Corporation. David's prior roles include Non-Executive Director and Chairman of the Audit Committee for Cable & Wireless Worldwide plc, Senior Independent Director and Chairman of the Remuneration Committee of Berendsen plc, Non-Executive Director and Chairman of the Audit and Risk Committee of William Hill plc. From January 2019, he was a Non-Executive Director of Huntsworth plc and was Chairman of the Board of Huntsworth plc and its Nomination Committee from March 2019 until Huntsworth plc was sold to Clayton Dubilier & Rice LLP in May 2020.

### Other Current Appointments:

Senior Independent Director of Morgan Sindall Group plc, Non-Executive Director, and Senior Independent Director of Capita plc and Non-Executive Director of Diploma plc. David became Chair of Diploma plc with effect from 19 January 2022.

### Board Committees: Nomination (Chairman)

### Skills and Experience:

- Extensive experience in both general management and financial management
- Many years of operating within international businesses with cultural diversity
- Strong strategic understanding
- Proven ability for delivering shareholder value
- Strong financial, marketing and commercial skills
- Experienced non-executive in several sectors

### Contribution:

The Company's long-term sustainability is safeguarded by having an effective chair of the Board and David Lowden successfully fulfils this role. His experience is significant having held senior non-executive and chair positions across a range of listed companies. The Board draws upon his experience and guidance regularly and his deep understanding of the business enables him to ensure the needs of the business are met across the range of strategic and governance matters affecting the Company.

In accordance with the Corporate Governance Code, David will stand down as Chairman on 30 April 2022, having served over nine years on the Board.



**STEVE INGHAM**

## Chief Executive Officer, Executive Director

**Date of Appointment:** Plc Board, February 2001 Chief Executive Officer, April 2006

### Past Roles:

Steve joined Michael Page in March 1987 as a consultant in the newly created Michael Page Marketing business. He was then responsible for the launch of the London marketing team and was promoted to Operating Director in 1990. He was promoted again in 1994 to Managing Director of both the Marketing and the newly launched Sales businesses. Steve then started and took responsibility for several other discipline businesses and was promoted to the Board as Page became a public company in February 2001. In 2005 he took full responsibility for all UK businesses and then in March 2006, Steve was appointed Chief Executive. Prior to joining PageGroup Steve spent four years at Johnson Matthey as a qualified metallurgist. From January 2013 to April 2019 he held the position of Non-Executive Director, Debenhams plc. Steve was also a member of the Corporate Partnership Board, Great Ormond Street Hospital from April 2008 to December 2020.

### Other Current Appointments:

Chair of the Corporate Partnership Board, Back Up – a charity focussed on providing support to people with spinal injuries.

### Board Committees: None

### Skills and Experience:

- 35 years' service with the Group and recruitment industry
- 15 years as a CEO of a FTSE 250 public company, with strong IR skills, delivering shareholder value
- Strong entrepreneurial and strategic skills having initiated and grown many new global businesses
- Extensive experience in business development and account management
- Significant international experience including the emerging markets of SE Asia, China, Latin America and India
- Leadership of a global people business having seen PageGroup grow from 240 to over 7,500 employees across 37 countries
- Taken the Group through a global restructure to ensure all operational support staff are centralised, where possible, in shared service centres, and consistent everywhere
- Experience in other sectors and industries having worked on the Boards of a major charity and retailer
- Ensured the Group has a clear vision, purpose and values as well as a clear priority to improve Page's diversity and sustainability
- Awarded the Institute of Recruitment Professionals Lifetime Achievement Award in 2017

### Contribution:

Steve Ingham's contribution is necessary to enable the Company to deliver its strategy to shareholders and its wider stakeholders. In this people business he has a strong relationship and understanding of all the key people, as well as an unparalleled knowledge of the sector. This has enabled him to establish a strong purpose, clear values and ambitious vision for the Company. He has a 35 year track record of delivering industry leading results in a high-performance business while investing and expanding the Group's international footprint from 19 to 37 geographies during his tenure as CEO. He has ensured the Group is clear on its branding, creating four clear brands globally, under which the business operates. He has launched multiple specialisms broadening the source of the Group's revenues away from purely Finance and Banking, which now represents less than 40% of the Group. A wheelchair user since March 2019, following a near fatal skiing accident, Steve has led the business in promoting workplace diversity, in particular the opportunities available to disabled candidates.



## KELVIN STAGG

### Chief Financial Officer, Executive Director

#### Date of Appointment:

June 2014

#### Past Roles:

Kelvin joined PageGroup plc in July 2006 as Group Financial Controller and Company Secretary. He was appointed Acting Chief Financial Officer in October 2013. He held the title of Company Secretary until December 2013. In June 2014, Kelvin was appointed Chief Financial Officer. Prior to joining the Group, Kelvin spent six years at Allied Domecq and four years at Unilever in a variety of finance functions. He has significant international experience and has high levels of compliance, change management, large teams and systems experience, across almost every finance discipline. He is a Chartered Management Accountant.

#### Other Current Appointments:

None

#### Board Committees:

Sustainability (Chair)

#### Skills and Experience:

- More than 15 years in the Group with a detailed knowledge of the Group's operations
- Extensive experience in finance, audit and risk management
- Significant international experience including roles in the UK, Continental Europe and Asia
- High levels of compliance, change management, large teams and systems experience, across almost every finance discipline
- Strong network of finance professionals

#### Contribution:

Kelvin Stagg is integral to the Company's long-term success as he manages the financial risks, reporting and planning of the business, contributes to the Company's strategy and oversees global delivery of all support services to the business including implementation of all large-scale projects. He has extensive experience of managing multi-discipline areas and having been employed for over 15 years at the Company, he understands the operation of the business at all levels.



## SYLVIA METAYER

### Independent Non-Executive Director

#### Date of Appointment:

September 2017

#### Past Roles:

Sylvia has previously held a variety of finance and general management roles in companies operating in a number of sectors, including Mattel Inc., Vivendi SA, and Houghton Mifflin Harcourt & Co.

#### Other Current Appointments:

Chief Growth Officer of Sodexo SA leading strategy, digital, marketing and sales and member of the Sodexo Group Executive Committee. Member of the Supervisory Board of Keolis, International Advisory Board of HEC Business School, Paris and of the "French Tech" Advisory Board to the French government.

#### Board Committees:

Audit, Nomination, Remuneration

#### Skills and Experience:

- Extensive experience and understanding of international markets, including the USA, Europe, China, India, and South East Asia
- Extensive experience in general and financial management
- Extensive experience in designing and delivering ESG programmes
- Leading and delivering change
- Developing high-performance teams
- Finance, HR, IT and Supply Chain management
- Proven ability for delivering shareholder value
- Strong strategic understanding

#### Contribution:

Sylvia Metayer has significant experience working for international organisations in finance and general management leadership positions. Her guidance and observations on the demands and challenges in the various international markets in which the Company operates strongly supports the Company's expansion and its ongoing success. Further, her financial acumen adds additional strength and depth to the Company's strategic decision-making.

# Our Board of Directors



## PATRICK DE SMEDT

### Senior Independent Director

#### Date of Appointment:

August 2015

#### Past Roles:

Patrick spent 23 years at Microsoft during which time he founded the Benelux subsidiaries, led the development of its Western European business and served as Chairman of Microsoft for Europe, Middle East and Africa. Since leaving Microsoft in 2006, Patrick has served on the boards of a number of European public and private companies. His previous appointments include: Non-Executive Director and Chairman of the Remuneration Committee of Victrex plc, Senior Independent Director and Chairman of the Remuneration Committee of Morgan Sindall plc and Anite plc, Chairman (Interim) KCOM Group plc and Non-Executive Director of Kodak Alaris Holdings Ltd. He has deep knowledge of international markets and information technology, and experience as a non-executive in diverse industry sectors.

#### Other Current Appointments:

Chairman of the Board and the Nomination Committee of EMIS Group plc Chairman, Non-Executive Chairman of Nasstar Managed Services Group Limited and Chairman of the Board and the Nomination Committee of Bytes Technology Group plc.

#### Board Committees:

Audit, Nomination, Remuneration

#### Skills and Experience:

- Extensive experience of technology and customer services
- Experienced non-executive in several sectors
- Extensive experience in general management
- Many years of operating within international businesses with cultural diversity
- Proven ability for delivering shareholder value
- Leading and delivering change

#### Contribution:

Patrick De Smedt brings extensive understanding of technology to the Board, a key consideration for any company's long-term success. His experience at Microsoft and involvement with a range of technological industries in international markets is invaluable in the Board's decision making. He understands large-scale transformation projects and can assist the Board in determining the benefits and threats posed by technologies in the sector.



## ANGELA SEYMOUR-JACKSON

### Independent Non-Executive Director

#### Date of Appointment:

October 2017

#### Past Roles:

Angela has previously held Executive Director roles with Aegon UK, RAC Motoring Services Limited and Aviva UK Limited, and was Senior Advisor to Lloyds Banking Group (insurance). Prior to that Angela held senior marketing roles with Bluecycle.com Limited, CGU Insurance plc, General Accident plc and the Norwich Union Insurance Group. Angela has also served as a Non-Executive Director of esure plc and Rentokil Initial plc. She was Deputy Chairman, Senior Independent Director and Chair of the Remuneration Committee of GoCompare.com Group until February 2021 when GoCompare.com Group was acquired by Future plc.

#### Other Current Appointments:

Non-Executive Director of Future plc and Janus Henderson Group plc. Non-Executive Director and Senior Independent Director of Trustpilot Group plc. Angela is also the Deputy Chair of Pikl, a start-up insurance business.

#### Board Committees:

Audit, Nomination, Remuneration (Chair)

#### Skills and Experience:

- Wealth of experience in service focused organisations
- Experienced executive and non-executive in several sectors
- Strong marketing and commercial skills
- Strong strategic understanding
- Extensive experience of the complexities of businesses with a large geographical footprint

#### Contribution:

Angela Seymour-Jackson has held numerous senior executive marketing roles and non-executive director appointments in highly regulated environments. She therefore provides key skills to the Board in respect of marketing and customer services which are significant areas of focus for the Company. Her experience in the highly regulated industries means that Angela makes a valuable contribution as Chair of the Remuneration Committee.

Angela is the Company's Chair designate. She will be appointed as Chair on 1 May 2022.



## BEN STEVENS

### Independent Non-Executive Director

**Date of Appointment:** January 2021

#### Past Roles:

Ben was previously the Group Finance Director and member of the Board of British American Tobacco ("BAT") plc, having spent 29 years with the company in a variety of finance and operational roles in the UK and overseas. Prior to that, he held commercial and finance roles at both Thorn EMI plc and BET plc. He has also held non-executive director roles with Trifast plc in the UK and with ITC Ltd in India. He holds a Bachelor's degree in Economics from University of Manchester and MBA from Manchester Business School, University of Manchester.

#### Other Current Appointments:

Non-executive director and Chair of the Audit Committee and Transaction Committee of ISS A/S.

#### Board Committees:

Audit (Chair), Nomination, Remuneration

#### Skills and Experience:

- CFO of a FTSE 100 public company for over ten years
- Extensive line management experience having been Director, Europe for BAT and Managing Director of BAT's operations in Pakistan and in Russia.
- Extensive experience in financial, audit and risk management
- Significant international experience through roles in the UK and overseas

#### Contribution:

Ben Stevens brings a range of skills to the Board and the Audit Committee. He has extensive international executive leadership experience, having led the finance function of a FTSE 100 business for a number of years. He has also worked internationally and managed international businesses throughout his career. This experience makes him well placed to understand a wide range of business issues. He has a deep understanding and proven track record regarding the role and responsibilities of the Audit Committee in a large listed Group, given his current non-executive position as Audit Committee Chair at ISS A/S.



## MICHELLE HEALY

### Independent Non-Executive Director

**Date of Appointment:** October 2016

#### Past Roles:

Before joining Kerry Group plc, Michelle was Group People & Culture Officer for ISS World Services A/S. Prior to this she has held a number of senior executive roles including Director, Group Integrated Change Programme at SABMiller plc and General Manager UK & Ireland for British American Tobacco plc, having previously undertaken a number of senior HR roles within the Group. Michelle's executive career spans four global listed companies and she has lived and worked in nine countries across Europe and Asia.

#### Other Current Appointments:

Chief Human Resources Officer, Kerry Group plc

#### Board Committees:

Audit, Nomination, Remuneration

#### Skills and Experience:

- Extensive experience in global human resources leadership
- Extensive experience in leading and delivering organisational change and transformation
- Breadth and depth of leadership experience in global listed businesses in service, consumer and business to business
- Strong strategic understanding
- Extensive experience in general management

#### Contribution:

The Company's long-term success is highly influenced by ensuring it has a well thought through human capital strategy. It recognises its people are at the heart of everything it does, particularly as an organically grown business. Michelle Healy offers the Board deep insight into its approach in this respect. She has held a number of senior HR leadership roles while also having run businesses at an operational level.



## KAYE MAGUIRE

### General Counsel & Company Secretary

**Date of Appointment:** October 2018

#### Past Roles:

Prior to joining PageGroup plc, Kaye spent over 9 years at Legal & General where she held a variety of senior positions including Head of Legal at Legal & General Group plc and Chief Resourcing & Legal Officer at Legal & General Investment Management Limited.

Prior to this she worked as a solicitor specialising in employment law for a number of top tier law firms including Hogan Lovells and Allen & Overy.

#### Skills and Experience:

- Over 19 years' experience in legal and company secretarial matters for public companies
- Extensive listed company, compliance, litigation and corporate governance experience
- Experience of building, developing and leading legal functions in international businesses
- Senior legal counsel and company secretary experience in FTSE businesses across different sectors

#### Contribution:

Kaye Maguire has significant experience in leading legal, HR and governance teams and advising boards on a range of contentious and non-contentious legal issues including governance and regulatory matters, cross-border and multi-jurisdiction contracts and transactions and litigation.

She attends all Board and Board Committee meetings. Her experience serves the Board well in terms of ensuring legal and governance matters are anticipated, considered and addressed.

# The Executive Board



## STEVE INGHAM

**Chief Executive Officer,  
Executive Director**

See biography on page 73.



## KELVIN STAGG

**Chief Financial Officer,  
Executive Director**

See biography on page 74.



## GARY JAMES

**Chief People Officer**

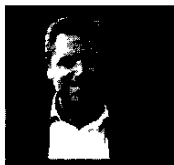
Gary joined Michael Page Finance in London in 1984. He has held numerous senior roles in the Sales and Marketing business. In 2002 he was appointed Managing Director in North America and as Regional Managing Director of the Asia Pacific region in August 2006. Since 2019 Gary has been responsible for the Group's global HR functions. He has been instrumental in driving forward the Group's culture and engagement framework, talent development programmes and diversity initiatives. Gary is a member of the Sustainability Committee.



## PATRICK HOLLARD

**Regional Managing Director – Latin America, Middle East and Africa**

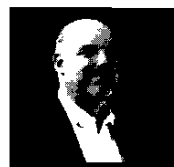
Patrick joined Michael Page in France in 1996, having worked previously for KPMG Peat Marwick. Prior to that he had been Vice-President of AISEC International, the student-led organisation, from 1991 to 1992. Appointed director in 1999, he moved to Sao Paulo to launch Michael Page Brazil, and then launched offices in Mexico in 2006, Argentina in 2008, Chile in 2010 and Colombia in 2011. Appointed Regional Managing Director in 2007, he is now responsible for PageGroup's operations in Latin America, Middle East and Africa. Patrick is a member of the Sustainability Committee.



## ANTHONY THOMPSON

**Regional Managing Director – Asia Pacific**

Originally from South Australia, Anthony commenced his Michael Page career in Hong Kong in 2001. He established and managed several disciplines and brands in Hong Kong and Mainland China and was appointed Managing Director in 2006. In 2012, he was appointed Regional Managing Director for Greater China with multiple offices across Mainland China, Hong Kong and Taiwan. In 2015, Anthony moved to Singapore with additional responsibility for our 6 countries in South-East Asia and subsequently India, Japan and Australia. He was appointed to the Executive Board in 2018.



## OLIVER WATSON

**Chief Operating Officer**

Oliver joined Michael Page in 1995. He was appointed Director of Michael Page UK Sales in 1997 and then Managing Director in 2002. In 2006, he was appointed Regional Managing Director for Michael Page UK Sales, Marketing and Retail. In 2007 he launched Michael Page Middle East and in 2009, he became Regional Managing Director for Michael Page UK Finance, Marketing and Sales, Middle East, Scotland and Ireland. In recent years he led and grew PageGroup's operations in the USA and Canada. In 2018 Oliver was appointed COO with responsibility for increasing productivity through innovation, technology and people. He is responsible for the Group's technology functions, shared service centres and ensuring the adoption of new initiatives. He has been key in ensuring the successful roll-out of the Group's new operating system, Customer Connect. Oliver is a member of the Sustainability Committee.



## **EAMON COLLINS**

### **Chief Customer Officer**

Eamon joined the Group in 2007 as UK Marketing Director and previous to this he held senior marketing and communication roles at Samsung and Hitachi. Eamon became the Group Marketing Director in 2012 and was responsible for the Group's global brand, communications and digital channels. During his time in this role, he oversaw significant changes both to the platforms that PageGroup uses in reaching customers and to the marketing teams worldwide that work on them. In January 2021, Eamon was appointed as the Chief Customer Officer to PageGroup and became responsible for ensuring the voice of the customer is heard and enhancing understanding of our customer base to drive consistent customer experiences and relationships. He has retained responsibility for marketing as this forms a critical part of building customer-focused programmes. Eamon is a member of the Sustainability Committee.



## **NICOLAS BÉCHU**

### **Regional Managing Director – Northern & Central Europe, Italy and Turkey**

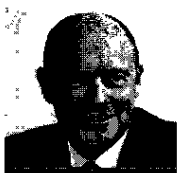
Nicolas joined Michael Page in France (Paris) as a Consultant in the Finance practice in 1995 and was promoted to Director in 2000. In 2002, he launched the newly established business in Belgium and was promoted to Managing Director in 2003. In 2007, he moved to Milan to manage the PageGroup operations in Italy. In 2010, he transferred to the Netherlands (Amsterdam) and became responsible for Northern Europe. In 2014 he also became responsible for Germany. In 2021, his remit was extended and he is now responsible for Austria, Italy, Poland, Switzerland and Turkey.



## **ISABELLE BASTIDE**

### **Regional Managing Director – France, Spain and Portugal**

Isabelle started her career in the banking sector, then quickly moved to a recruitment agency where she managed a portfolio of large national accounts. She joined Page Personnel France in 1999 as a consultant in Finance and was quickly promoted to Director. In the 2000s she grew a number of disciplines resulting in a very strong market position for our French business. She was made Managing Director of Page Personnel France in 2007 and in 2014, she launched Page Outsourcing in France. Since 2015, Isabelle has been responsible for all of the Page Executive, Michael Page and Page Personnel brands in France. Appointed to the Executive Board in January 2021, Isabelle is now responsible for the Group's operations in France, Spain and Portugal. Isabelle is also the executive sponsor for diversity and inclusion for Europe.



## **NICHOLAS KIRK**

### **Regional Managing Director – UK & North America**

Nick joined the business in 1995 as a Michael Page Sales consultant based in Leeds. As the office network expanded, he relocated to London, the Home Counties and then Birmingham working in start-up businesses. Nick became a Director in 2002 and then the Managing Director of Michael Page Sales in 2007. In 2009, he transferred across to Page Personnel with a brief to transform the operating model. He spent the next 4 years expanding into new disciplines and rapidly growing the Page Personnel business. Nick was promoted to Regional Managing Director in 2013 and took on the additional responsibility of Michael Page Finance in the UK. In early 2018, he restructured the UK business and in doing so launched a more customer-centric operating model. Later that year, he was promoted to UK Managing Director which included responsibility for non-operational functions. At the beginning of 2021 he extended his remit and now runs operations in the UK, Canada and the USA.

# Corporate Governance Report

## The Board and its operation

The Board of PageGroup plc is the body responsible for the overall management and conduct of the Group's business, and approving and overseeing implementation of its strategy. It has the powers and duties set out in relevant laws of England and Wales and in its Articles of Association.

The Board's role is to provide strategic leadership to the Group within a framework of prudent and effective controls which enables risk to be anticipated, assessed and managed. The Board is responsible collectively to the Company's shareholders for the long-term success of the Company and for ensuring the Company contributes to all its stakeholders and to wider society as a whole.

## Composition of the Board

As at 31 December 2021 the Board comprised the Chair, the Chief Executive Officer, the Chief Financial Officer and five independent Non-Executive Directors.

David Lowden will step down from the Board as Chair and as a Non-Executive Director on 30 April 2022. As previously announced, Angela Seymour-Jackson has been appointed as Chair designate and her appointment as Chair is effective from 1 May 2022. Angela will relinquish her Remuneration Committee Chair role on becoming Chair and stand down from the Audit Committee. On appointment as Chair of the Group she will also assume the role of Nomination Committee Chair. A search is underway to identify a new Non-Executive Director and to appoint a successor to the role of Remuneration Committee Chair. Ben Stevens was appointed as a Non-Executive Director and Audit Chair Designate on 1 January 2021. He became Audit Chair with effect from 1 September 2021.

Further details regarding Board succession including search processes can be found in the Nomination Committee report, pages 85 to 86. The biographies of each of the Directors and the contribution each Director makes to the Board can be found on pages 73 to 76.

The composition of the Board is kept under regular review to ensure it has the necessary skills and experience to lead the Group. The Board also monitors the independence of the Directors. It considers all current Non-Executive Directors to be independent. David Lowden was independent on his appointment as Chair and Angela

Seymour-Jackson will be independent at the time of her appointment as Chair.

There is a clear division of responsibilities between the role of the Chair and that of the Chief Executive Officer. While the Board is responsible collectively for the success of the Company, the Chair manages the Board to ensure that the Company has appropriate objectives and an effective strategy. The Chair ensures that there is a Chief Executive Officer with a team to implement the approved strategy and that there are procedures in place to inform the Board of performance against objectives. The Chair also ensures that the Company operates in accordance with the principles of good corporate governance. The Chair's other significant commitments are noted on page 73. The Board considers that these are not a constraint on the Chair's agreed time commitment to the Company.

Patrick De Smedt, as Senior Independent Director, acts as an alternative channel of communication for shareholders. He also acts as a sounding board for the Chair and serves as an intermediary for other Directors.

Steve Ingham, the Chief Executive Officer, has overall responsibility for the day-to-day management of the Group's operations. He develops the vision and strategy for the Board's review, implements the Board's strategy and chairs the Executive Committee (known within the Group as the "Executive Board") which executes the delivery of the annual operating plans. He also leads the programme of communication with shareholders.

Executive and Non-Executive Directors are equal members of the Board and have collective responsibility for Board decisions. The Non-Executive Directors bring a wealth of skills and experience to the Board and its Committees.

The Board has a formal schedule of matters reserved which include:

- Group strategy and corporate objectives;
- determining the nature and extent of the significant risks the Board is willing to take in achieving the strategic objectives of the Company;
- determining major changes to the nature, scope or scale of the business of the Group;
- corporate governance matters;
- approval of Nomination Committee recommendations on the appointment and removal of Directors and

succession planning;

- changes to the Group's capital structure and approval of any business plan prior to a new entity being established in a new territory;
- financial reporting, audit and tax matters;
- material contracts and transactions not in the ordinary course of business;
- material capital expenditure projects;
- approval of the annual budget;
- obtaining major finance; and
- communications with stakeholders and complying with regulatory requirements.

The schedule of matters is reviewed annually by the Board.

## Induction, training and information

Relevant training, advice and information is provided to Directors to enable the Board to function effectively and efficiently. This is achieved through a variety of means such as internal and external presentations from senior executives within the business, advisors and tailored guidance briefings circulated to Board members. As and when new Directors join the Board, the Chairman assisted by the General Counsel & Company Secretary are responsible for their induction. On appointment to the Board, each Director discusses with the Chair and the General Counsel & Company Secretary the extent of the training required. The programme would consist typically of individual meetings with senior executives, office visits, attending senior management meetings and shadowing consultants to understand the day-to-day activities of the business. Following the appointment of Ben Stevens as a Non-Executive Director in January 2021, a number of his induction activities were undertaken virtually. However, as COVID-19 restrictions have lifted, Ben Stevens was able to supplement this with office visits and meeting a range of senior members of the Company's finance and operations teams. He has also met, and has close engagement with, the new EY external audit partner.

Ben's induction covered the Company's services, Group structure, Board arrangements, the culture and engagement framework, financial, and environmental, social and governance information, detailed market presentations, and significant and emerging risks.

Directors update and refresh their knowledge and familiarity with the Group through participation at meetings with, and receiving presentations from, senior management. Angela Seymour-Jackson understands the business well having served on the Board since October 2017 and will undertake an appropriate Chair induction programme in 2022.

The Group trialled the use of global live virtual townhalls in 2020 and used video conferencing heavily to ensure Directors remained connected to the business. This was very successful and throughout 2021 this practice has continued. Board Directors have also continued to participate in a range of virtual management meetings and live virtual events in all our regions, which has enabled them to keep pace with the challenges and opportunities arising within the business in 2021.

All Directors have access to the advice and services of the General Counsel & Company Secretary. The General Counsel & Company Secretary is present at all Board meetings and is responsible to the Board for ensuring that Board procedures are complied with as well as advising the Board on new legislation and corporate governance matters. Board Committees and Directors are also able to access independent professional advice at the Group's expense if the Directors deem it necessary in order for them to carry out their responsibilities.

The Board operates an annual cycle of matters for its consideration, supplemented with strategic topics and governance matters. The frequency of meetings and the Board agendas are also kept under regular review to ensure any matter that requires discussion at, or escalation to, the Board can be accommodated. For each Board and Committee meeting Directors receive a pack of relevant papers and information on the matters to be discussed. The Board uses a third party board portal to distribute information quickly and securely. At Board meetings, the Chief Executive Officer presents a comprehensive update on the business issues across the Group and the Chief Financial Officer presents a detailed analysis of the financial performance. The Board also receives at each Board Meeting an Investor Relations Report, including any feedback from investors and

## Board activities

During the year, the Board has held nine meetings, together with a separate dedicated strategy day. The Board's principal areas of focus for the year have centred around navigating the Group's recovery as it has emerged from the difficult trading conditions presented by the pandemic. The Board therefore stayed close to monitoring the financial performance of the Group. The Board's strategy sessions were also of paramount importance. It was a clear priority of the Board to oversee and direct investment in areas that would make the most difference to our clients and customers in a fast-paced recruitment market. Although not an exhaustive list, a summary of key activities considered, reviewed and monitored are below.



### Financial Performance

- Group's financial results throughout the year
- Key metrics such as cash position, headcount, productivity and overall costs
- Group's annual budget and quarterly reforecasts
- Capital allocation policy and reinstated dividends



### Strategy

- Progress of technology, healthcare & life sciences as high potential disciplines
- Deep-dive sessions in key markets and business divisions, e.g. North America, Page Outsourcing
- Completely Customer including NPS and client and customer feedback
- Sustainability strategy and ESG commitments



### Compliance and Regulation

- Corporate Governance update
- Schedule of matters reserved and delegation of authorities
- Board and Committee evaluation
- Modern slavery
- Information Security and Data Protection reporting



### Culture and Engagement

- Culture Framework measures
- Shadow Executive Board reporting
- Diversity & Inclusion initiatives update



### Change and Innovation

- Customer Connect including programme costs and benefits
- Page Insights tools

EMPLOYEES INVESTORS CUSTOMERS  
COMMUNITIES & GOVERNMENT SUPPLIERS

Pages 61-65 provide full details of how the Board has taken into account stakeholder interests in accordance with section 172 of the Companies Act. The key above provides an additional snapshot of where stakeholder groups have been considered as part of the Board's work and decision-making.



# Corporate Governance Report

Investor Roadshows. Regional Managing Directors and other senior managers may also attend relevant parts of Board meetings and the Board Strategy Day in order to make presentations on their areas of responsibility. All of the above gives a comprehensive view on the issues facing the business and enables robust review of the current and future performance of the Group.

## Committees

The key Board Committees are the Audit Committee, Nomination Committee and Remuneration Committee. The recently established Sustainability Committee has been tasked by the Board to drive forward the Company's ESG strategy.

The Audit and Remuneration Committees are comprised solely of independent Non-Executive Directors. The Nomination Committee is comprised of all Non-Executive Directors and is chaired by the Chair of the Board who was independent on appointment. Details of the composition and activities of the Committees can be found in the Audit Committee Report on pages 88 to 92; the Nomination Committee Report on pages 85 to 87; and the Directors' Remuneration Report on pages 93 to 116. Their terms of reference are reviewed annually, copies of which can be found on the Company's website [www.page.com](http://www.page.com).

Each Committee also reviews its effectiveness and makes recommendations to the Board of any appropriate changes as and when required. It is intended that the Chair of the Board and the Chairs of each of its Committees will be available to answer shareholders' questions at the forthcoming Annual General Meeting on 31 May 2022.

The General Counsel & Company Secretary acts as secretary to each of these Committees and minutes of meetings are circulated to all Committee members and to all members of the Board unless it would be inappropriate to do so.

The newest addition to the Company's governance framework is the Sustainability Committee reflecting the increased focus of the Board on Sustainability issues. The Committee meets quarterly to discuss sustainability strategy and is accountable for reporting to the Board on the progress of the Group's sustainability agenda. Further details of the membership of the Committee and the work undertaken can be found on page 40.

The Group also has an Executive Committee, known as the Executive

Board, which is chaired by the Chief Executive Officer. Biographies for Executive Board members can be found on pages 77 to 78.

The Executive Board meets regularly and is responsible for assisting the Chief Executive Officer in the performance of his duties. These include the development and implementation of strategy, operational plans, policies, procedures and budgets. These activities are performed at a regional level by regional management teams for each of the UK, North America, Continental Europe, Asia Pacific, Latin America, Middle East and Africa. Each regional board, known as "Regional Boards" usually meet at least four times a year.

## Compliance with the UK Corporate Governance Code

During the year ended 31 December 2021 and to the date of this document, the Company has applied the principles and complied with all of the provisions of the Code. The Code is publicly available on the FRC website ([www.frc.org.uk](http://www.frc.org.uk)). Please see below for details regarding the application of the principles of the Code.

Principles
<b>Board leadership and Company Purpose (A-E)</b> Pages 27 to 65 (Risk, Culture and Engagement and Stakeholder Engagement)
<b>Division of responsibilities (F-I)</b> Pages 71 to 72 and 79 to 84 (Corporate Governance Report)
<b>Composition, succession and evaluation (J-L)</b> Pages 73 to 77 and 85 to 87 (Nomination Committee Report and Directors Biographies)
<b>Audit, risk and internal control (M-O)</b> Pages 51 to 60 and 79 to 92 (Corporate Governance Report, Audit Committee Report, Principal Risks, Going Concern and Viability Statement)
<b>Remuneration (P-R)</b> Pages 93 to 116 (Directors' Remuneration Report)

## Board and Committee attendance

The table below sets out the number of meetings of the Board held during the year and individual attendance by the Directors at these meetings, demonstrating commitment to their role as Directors of the Company. Attendance by the relevant members of each

Committee can be found on page 88 (Audit Committee), page 86 (Nomination Committee) and page 98 (Remuneration Committee). The Board met nine times during the year. During the year under review the Non-Executive Directors met on several occasions without the Executive Directors being present. The Non-Executive Directors also met without the presence of the Chairman.

A number of meetings took place virtually this year due to the ongoing pandemic. Led by the Chairman, meetings continued to adapt well to this format and continued to be a forum for debate and constructive challenge.

Director	No. of meetings attended
David Lowden	9 out of 9
Simon Boddie	6 <sup>1</sup> out of 6
Patrick De Smedt	9 out of 9
Michelle Healy	9 out of 9
Steve Ingham	9 out of 9
Sylvia Metayer	8 <sup>2</sup> out of 9
Angela Seymour-Jackson	8 <sup>2</sup> out of 9
Kelvin Stagg	9 out of 9
Ben Stevens	9 out of 9

1. Simon Boddie attended all meetings that he was eligible to attend before his retirement as a Non-Executive Director.

2. This was due to there being an unscheduled meeting to expedite release of trading results to the market. Angela Seymour-Jackson and Sylvia Metayer were unable to attend the meeting due to the short notice provided.

## Succession planning

Executive development and succession planning discussions are held annually. These discussions focus on the development and succession of the Executive Directors, Executive Board members and other senior managers in the Group over the short, medium and longer term. The aim of these sessions is to ensure that senior executives are being developed and that there is a diverse pipeline of talented senior individuals within the business. Development and succession planning is a critical part of the Chief Executive Officer's performance objectives for annual bonus and long-term remuneration. The Group operates an extensive Talent, Succession & Development programme across the business which assesses development needs and nurtures high-potential employees throughout the various stages of their careers. Diversity considerations

are a fundamental element of the programme.

In addition, the Nomination Committee also considers the breadth and depth of experience of the Non-Executive Directors and considers on a regular basis succession planning for the Board as a whole. Further details on which and the Board's policy on diversity, both at Board level and the Group, can be found in the Nomination Committee Report on page 87 and the Strategic Report on pages 29 to 37.

### Performance evaluation

In accordance with the Code, an evaluation of the Board, its Committees, individual Directors and the Chair is carried out annually. The last externally facilitated Board evaluation was undertaken in 2019 and was carried out by Lintstock, a third party Board effectiveness advisor with no connection to the Company or individual Directors. In accordance with the Code an externally facilitated evaluation will be undertaken in 2022.

The Board has worked throughout

2021 to address the key items that were identified in the 2020 evaluation. Last year we reported that maximising and improving productivity, review of new areas of investment and Board succession matters were key priorities emerging from the evaluation. Below sets out details of the Board's work in each of these areas.

**Productivity:** Improvements in productivity were achieved through a range of actions and investments. For example, the experienced hire programme and the continued roll-out of Customer Connect and Page Insights systems materially assisted the Group in optimising its productivity. The Board has played a pivotal role in overseeing these programmes and monitoring productivity metrics at each Board meeting. The Board was pleased to see gross profit per fee earner increased 16.8% to £157.2k (2019: £140.4k).

**New areas of investment:** Throughout the year, the Board has dedicated significant time to reviewing KPIs, progress and strategy with executive management regarding the progress

of high potential disciplines such as technology, healthcare and life sciences and has held strategy sessions with the Page Outsourcing senior team.

**Succession:** Board composition and succession continues to be a keen area of focus for the Board. In 2021, the Nomination Committee undertook a thorough internal and external search for the Group's new Chair and ensured a strong Chair successor was appointed. Ben Stevens was also appointed in 2021 as a Non-Executive Director and Audit Committee Chair and his extensive experience adds value to the work of the Board and Audit Committee.

In 2021 the Board and Committee evaluation was conducted by the Chairman, assisted by the General Counsel & Company Secretary and the Senior Independent Director. The objective and scope of the annual evaluation was to assess all aspects of the Board's effectiveness. The review took the format of a detailed questionnaire completed by all Board members hosted on a secure third party portal. Feedback was provided on an anonymous basis and the areas evaluated included:

- the Board's performance over the last year;
- stakeholder understanding and oversight;
- Board succession planning;
- the effectiveness of Board support;
- understanding and implementation of strategy including strategic priorities; and
- the Board's focus and relationships.

A comprehensive report on the evaluation was prepared for, and discussed at, the Board. The outcome of the review was that the Board and the Chairman are performing well with relationships considered to be cohesive and high levels of engagement and commitment being reported. Items that emerged for consideration and action during 2022 included ensuring a smooth and effective handover to a new Chair of the Board, encouraging further progress on the Group's diversity initiatives and monitoring the progress of the new strategic areas and high potential markets.

The Chair has followed up the results from the questionnaires directly with each Director on a one-to-one basis, where the outcomes were discussed, together with the performance of the Directors. Additionally, a separate questionnaire was completed in respect of the Chair's performance and the Senior Independent Director conducted a review of the Chairman.



# Corporate Governance Report

## Re-election of Directors

The Code requires all Directors to retire and stand for re-election at each Annual General Meeting. All Directors will submit themselves for re-election at the forthcoming Annual General Meeting on 31 May 2022. However, David Lowden will not stand for re-election as he will have retired prior to the Annual General Meeting.

## Internal control and risk management

The Board retains responsibility for the Group's overall risk appetite and for the effectiveness of its risk management and internal control systems. The procedures established by the Board have been designed to meet the requirements of the Group and the risks to which it is exposed and these are reviewed on a regular basis.

These procedures also provide an ongoing process for identifying, evaluating and managing principal and emerging risks. The system of internal control includes financial, compliance and operational controls, which are designed to meet the Group's needs. These controls aim to safeguard Group assets, ensure that proper accounting records are maintained, that the financial information used within the business and for publication is reliable and supports the successful delivery of the Group's strategy. Any system of internal control can only provide reasonable, but not absolute, assurance against material misstatement or loss. In practice the Board delegates the implementation of the Board's policy on risks and control to executive management and this is monitored by an Internal Audit function which reports back to the Board through the Audit Committee.

The key elements of our system of internal control are as follows:

- **Group Organisation** – The Board of Directors meets at least eight times a year and holds extra meetings where this is considered necessary. In 2021, Board meetings have been held outside the agreed schedule to ensure the expedited release of trading results to the market. The Board meetings focus both on strategic issues and operational and financial performance. There is also a defined policy on matters reserved strictly for the Board which is reviewed on an annual basis. The Regional Managing Director, supported by a Regional Finance

Director, of each of our regions is accountable for establishing and monitoring internal controls within our respective regions.

- **Annual Business Plan** – The Board reviews the Group's strategy and business plan. Performance is then monitored by the Board through the review of monthly reports showing comparisons of results against budget or modelling, and the prior year, with explanations provided for significant variances.
- **Policies and Procedures** – Policies and procedures are documented over both financial controls and non-quantifiable areas such as the Group's whistleblowing policy and its policy relating to anti-bribery and corruption and gifts and hospitality.
- **Risk Management** – The Board has established a framework for identifying current and emerging risks and processes and controls for managing risk, both at a strategic and operational level. As a minimum, this is reviewed on an annual basis. In 2021 this was conducted at the half year and full year.
- **Internal Audit** – The Group's Internal Audit function examines business process controls throughout the Group on a risk basis and reports the findings to the Executive Board and Audit Committee. Agreed actions are monitored and reported to the Audit Committee, who in turn report to the Board. Due to travel restrictions, Internal Audit undertook much of their work remotely in 2021 and reported *no reduction in the quality of the audits undertaken*.
- **Confirmations from Executive Management** – The Managing Director and Finance Director of our operations in each country formally certify twice a year whether the business has adhered to the system of internal control during the period, including compliance with Group policies. The statement also requires the reporting of any significant control issues that have emerged, including suspected or reported frauds, so that areas of Group concern can be identified and investigated as required. These confirmations and supporting controls self-assessment questionnaires are reviewed by the Internal Audit function and a summary of findings is provided to the Audit Committee for review.

In accordance with the requirements of the Code and the recommendations of the FRC's Guidance on Risk Management and Related Financial and Business Reporting, the Board has reviewed and agreed its approach to risk and its risk appetite when considering its strategy and the management of its risks. It has also considered its longer-term viability. Details on the Board's risk appetite and its assessment of its longer-term viability can be found in the Strategic Report on pages 59 to 60. Further, the Board, with the assistance of the Audit Committee, has carried out a review of the effectiveness of the Group's risk management and internal control systems, including a review of the Internal Audit activities and the financial, operational and compliance controls for the period from 1 January



2021 to the date of this Annual Report. No significant failings or weaknesses were identified. A confirmation of any necessary actions is, therefore, not provided. However, had there been any such failings or weaknesses the Board confirms that necessary actions would have been taken to remedy them.

### Whistleblowing

The Board takes its oversight duties of the Company's whistleblowing arrangements very seriously. PageGroup operates an external global confidential 'Speak-Up' helpline supported by a Speak-Up policy available on each country's website and translated into all PageGroup languages. The Board reviews all reports to the helpline including the Company's response. In 2021 four instances to the Speak-Up helpline were recorded. One report requested an internal system was available in the Spanish language, this was implemented. The other reports related to local HR matters. All instances raised via the Speak Up helpline were discussed at the Board and it was satisfied with the Company's approach to each report.

### Directors' confirmation

The Directors are responsible for preparing the Annual Report in accordance with applicable law and regulations. Having taken advice from the Audit Committee, the Board considers the Annual Report and Accounts, taken as a whole, as fair, balanced and understandable and that it provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

Neither the Company nor the Directors accept any liability to any person in relation to the Annual Report except to the extent that such liability could arise under English law.

### Relations with shareholders

Understanding the views of shareholders and active engagement with our shareholders is always considered a key priority for the Board.

The Chief Executive Officer and the Chief Financial Officer supported by the Investor Relations team make themselves available, wherever possible, to meet with shareholders and analysts at their request. In 2021, four investor roadshows and five investor relations conferences were held. There were also c. 11 individual meetings, telephone or video calls. The meetings were held either in person or virtually during the lockdowns in the UK. This regular



engagement was supplemented with presentations to analysts after our quarterly and full year results.

In December 2021, the Company held a virtual Capital Markets Event that provided an update on the strategic investments that have been made during the pandemic. The senior management team presented topics that included our new market category of high-potential disciplines, our experienced hire programme and the benefits these programmes have for the business, together with an update on the investment that has been made in our Page Outsourcing business. Additionally, an update was provided on the Customer Connect programme and the investments and progress that have been made in ESG and Diversity and Inclusion.

The Group's Chair and the Chairs of the Committees also make themselves available for individual investor and proxy agency engagement. For example, the Chair and General Counsel & Company Secretary met with PIRC earlier in the year. This engagement was helpful and reinforced the need for the Group to articulate more clearly its sustainability strategy. This can be found in the Group's Sustainability Report which is available on [www.page.com](http://www.page.com).

The Annual Report and Accounts are available to all shareholders either in hard copy or via the Company's website [www.page.com](http://www.page.com). The website contains up-to-date information on the Group's activities, published financial results and the presentations used for briefings and investor meetings held during the year. These are available to download.

The Annual General Meeting is an additional opportunity for Board members to meet with shareholders and investors and give them the opportunity to ask questions. Final

voting results are published through a Regulatory Information Service and on the Company's website following the meeting. The Board looks forward to the Annual General Meeting in 2022 and engaging with shareholders.

### Conflict of interest

The Company has implemented robust procedures in line with the Companies Act 2006, requiring Directors to seek appropriate authorisation from the Board prior to entering into any outside business interests which have, or could have, a direct or indirect interest that conflicts, or may conflict, with the Group's interests. These procedures have operated effectively throughout the year under review. The Nomination Committee is responsible for reviewing possible conflicts of interest. It makes recommendations to the Board as to whether a conflict should be authorised and the terms and conditions on which any such authorisation should be given by the Board. Please see page 85 of the Nomination Committee report which provides further details about how the Board considered conflicts in respect of Directors' additional appointments.

Only Directors without an interest in the matter being considered will be involved in the decision and each Director must act in a way they consider, in good faith, will promote the success of the Group. All Directors are aware of their continuing obligation to report any new interests, or changes in existing interests, that might amount to a possible conflict of interest in order that these may be considered by the Board and appropriate authorisation given.

### David Lowden

Chairman

2 March 2022

# Nomination Committee Report



**David Lowden,  
Committee Chair**

Dear Shareholder,

The summary below sets out the Nomination Committee report for the year ended 31 December 2021. The Committee is in the privileged position of helping shape the future leadership of the business. It is incredibly important that the Company's leaders now and in the future, represent our customers and society as a whole. Given this is a key priority for the Group, the work of the Committee throughout the year has been to focus on succession planning for our Board and senior leadership team, while monitoring the progress and output of development programmes to encourage as diverse a talent pipeline as possible. As I reached nine years' service on the Board in 2021, the Committee also spent considerable time ensuring a comprehensive search process was undertaken which led to the appointment of Angela Seymour-Jackson as my successor. Further details of the search process can be found on page 86.

The Board represents a wide range of nationalities and backgrounds. During the year, due to his length of tenure, Simon Boddie stepped down from the Board and Nomination Committee, and Ben Stevens joined the Board and Committee. Ben's biography is on page 76. His extensive experience across a variety of markets has made him a valuable member of the Committee, contributing a wide perspective on the work the Committee undertakes.

The Committee keeps its membership under review and it was satisfied that the Board and its Committees included the appropriate mix of skills, experience and knowledge. However, the Committee is acutely aware that the Board does not have a member with an ethnic minority background, and is committed to changing this in line with Parker Review timelines.

In 2021, the Committee recommended to the Board that the appointment of Patrick

De Smedt be extended for a further three-year term. Patrick has extensive technology sector experience, a skill set which is relied upon as the Group drives forward its innovation and data insight strategy. Patrick has proven himself to be a highly effective Senior Independent Director, a key role contributing to the Board's future success.

## Purpose

The Committee is an important component of the Company's governance framework and the Group's organic growth strategy. The Nomination Committee is responsible for ensuring that the Company has the executive and non-executive Board leadership it requires, both now and for the future. It reviews, and challenges where it identifies gaps, succession plans for all key senior roles to ensure the organisation's long-term stability. It also seeks to ensure that talented individuals are provided with opportunities to develop.

## Membership

During the year under review the members of the Committee were myself, as Chair of the Committee, Simon Boddie, Patrick De Smedt, Michelle Healy, Sylvia Metayer, Angela Seymour-Jackson and Ben Stevens. Board and Committee appointments are for three-year periods. Only members of the Committee attend meetings. As mentioned above, Patrick De Smedt's appointment was extended for a further three-year period (see page 109 for further details) and Simon Boddie retired. On my retirement, Angela Seymour-Jackson will become the Committee Chair. No Director is entitled to vote in respect of their own continuing appointment.

The Chief Executive Officer is regularly invited to attend meetings and other individuals such as the Chief People Officer and external advisers may attend meetings by invitation only, when this is considered appropriate and valuable. Members view this arrangement as fostering appropriate challenge, questioning and debate regarding the recommendations made by the Committee to the Board.

## Additional commitments

Details of my and all Committee members' other significant commitments can be found on pages 73 to 76. The Committee considers and approves any additional appointments held by Directors. In 2021, I was appointed as the Senior Independent Director to Capita plc and Chair of

Diploma plc. Both appointments were considered by the Committee, when I was not present. The Committee determined that neither appointment would interfere with my duties for the Group. It was agreed should any conflict situation arise, I would not be present at any such discussions. The additional Chair position at Diploma plc was considered acceptable for the short overlap period until I step down from the Board in April 2022.

In February 2021, following the acquisition of GoGo Group plc, Angela Seymour-Jackson was appointed as a Non-Executive Director of Future plc. This appointment was considered by the Committee and it was satisfied that the appointment does not interfere with Angela Seymour-Jackson's duties and time commitment to the Company both now and in the future.

Myself and Angela Seymour-Jackson were considered as independent in line with the Code at the time of appointment to the Chair and Chair designate position.

## Responsibilities

The key responsibilities of the Committee are to:

- assess and nominate members to the Board in accordance with the process and diversity considerations;
- maintain the right mix of character, skills and experience on the Board and its Committees;
- make recommendations to the Board on development and succession plans for members of the Board and senior management;
- approve job descriptions and written terms of appointment for Directors;
- review the independence of Non-Executive Directors, taking into account their other directorships; and
- consider diversity and inclusion objectives in terms of the Group's talent pipeline and new senior appointments.

## Succession planning and processes

The Committee monitors length of tenure for the Board and Committee members to ensure ongoing independence and considers succession plans both in the short and long term, especially for key roles on the Board and those that require specific skills or experience, such as the Chairs of the Audit and Remuneration Committees. In addition, executive development and succession planning discussions are held annually.

When the Committee considers an appointment it follows a formal and transparent procedure. It is assisted in its search for new Non-Executive Directors by an independent executive search company. With each new search the Committee selects the executive search company which it considers the most appropriate and relevant for the assignment. These executive search companies have no connection with the Company or individual Directors other than the provision of the search services. With each assignment a detailed candidate profile is compiled and discussed by the Committee, taking into consideration the balance of skills and experience of existing Board members and the requirements of the Company and its future strategy.

If approved, a search and selection process based on the agreed profile is undertaken. The recruitment process places importance on diversity considerations. Candidates are identified and selected against objective criteria including their skills and experience while having due regard to the benefits of diversity on the Board. Shortlisted candidates are assessed and interviewed by members of the Committee and the Board. Thereafter a recommendation of appointment is made to the Board.

In respect of the Chair succession, the above process was followed. The search process was led by Patrick De Smedt, the Group's Senior Independent Director, who chaired the Committee in connection with the Chair succession process. The Committee appointed Russell Reynolds Associates to advise in the search. Russell Reynolds Associates were chosen due to their industry leading experience and previous knowledge of the Group. Russell Reynolds Associates has no connection to the Group or its Directors. Following consideration of internal and external candidates and independent assessment by Russell Reynolds Associates, the Committee recommended to the Board the appointment of Angela Seymour-Jackson. She was appointed due to her exceptional non-executive and executive experience and deep understanding of the sector and PageGroup's business and culture. In light of Angela's appointment as Chair designate, a recruitment process has been commenced to identify a new Non-Executive Director and Remuneration Committee Chair.

### Attendance during the year

During 2021 the Committee met on eight occasions. Details of the

members' attendance at meetings of the Committee are set out in the table below.

To provide further context for the attendance record below, the reasons for absence included a meeting being held on short notice and Angela Seymour-Jackson not being able to attend the meeting discussing her appointment as Chair. The meeting held on short notice was to formalise the continued retention of YSC Consulting ("YSC"), as an adviser to the Committee. YSC is an independent global talent leadership consultancy, with no connection to the Group. All Directors had attended the prior meetings where tender proposals were discussed and the support of each of the absent Directors had been confirmed in advance of the meeting.

Director	No. of meetings attended
David Lowden	8 out of 8
Simon Boddie	5 out of 5
Patrick De Smedt	8 out of 8
Michelle Healy	7 out of 8
Sylvia Metayer	7 out of 8
Angela Seymour-Jackson	6 out of 8
Ben Stevens	7 out of 8

### Committee's focus during 2021

The Committee continues to focus on its oversight and monitoring of Talent, Succession and Development ("T, S & D") programmes across the business to ensure that these are fit for purpose and achieve their aims. There are a range of programmes in place depending on career stage. Together with the in-house talent team, we use external advisers to support the suite of development programmes. As mentioned above, YSC were retained as the partner to support the development of our most senior people. These programmes generally include components such as 360 degree feedback and coaching. Development of a coaching culture across the business is considered important for the Group's ongoing success and therefore is a key feature of programmes offered. The talent programmes and promotions are monitored and reported upon to ensure gender and other diversity characteristics are represented.

In 2021 the Group's Executive Board was expanded and the Committee has sought to play its part in ensuring this new senior management structure is successfully embedded into the

business. Each new member of the Executive Board has participated in one to one sessions with Committee members in order to ensure strong working relationships and facilitate the Committee's understanding of the mix of skills and capabilities within the senior team. This knowledge assists the Committee in its reviews of the succession pipeline, and talent matrix for senior leaders, enabling it to ensure that there are no critical gaps and talent is being nurtured.

In 2021 the Committee specifically reviewed the work being done to accelerate the progression of female talent. This included reviewing the actions and interventions implemented to expedite female talent progressing through the organisation and monitoring the existing female talent pipeline. The Committee is pleased to report that the business committed in 2021 to having 50:50 gender split across senior management grades by 2030. Further details are set out in the Company's Sustainability Report available at [www.page.com](http://www.page.com).

### Committee evaluation

The activities of the Committee were reviewed as part of the annual evaluation process which, in 2021, was undertaken internally by the Chairman supported by the Senior Independent Director and the General Counsel & Company Secretary. The evaluation process combined anonymous survey questions designed to draw out views on the operation of the Committee and its performance and was supplemented with individual interviews with Directors. The results showed that the Committee is functioning well. There was consensus on areas of progress such as improvement in diversity considerations and succession matters. However, Committee members stated that the impetus behind all of this work must continue and evolve. The evaluation revealed that Committee members are particularly aware of the lack of ethnic diversity on the Board. The roadmap to compliance with the Parker Review will be considered by the Committee in connection with its succession planning and in particular in the context of vacancies on the Board that arise before the end of 2024. The Board intends to have appointed a person of colour to the Board by the end of 2024.

In 2022 the evaluation process will be facilitated externally in line with the requirements of the Corporate Governance Code.

## Diversity

As a recruitment company we are passionately committed to promoting diversity, inclusion and equality in the workplace both internally and externally. Our Company Purpose is to change lives for people by creating opportunities to reach potential and diversity and inclusion is therefore inextricably linked to our strategy.

The Committee views diversity and inclusion in its broadest sense. It is fully committed across the organisation to a diversity policy which seeks diversity of ethnicity, experience, capability, geographic experience, gender and all other qualities which makes each of us unique. Angela Seymour-Jackson's appointment as the Company's next Chair is demonstrative of the Group's commitment to diversity.

The Board's diversity and inclusion policy is reviewed annually and is available on the Company's website at [www.page.com](http://www.page.com). The Nomination Committee implements the policy and a summary of its key objectives are below:

- to ensure different perspectives and insight are brought to all areas of the business, including the Board, generating creativity, problem-solving capability and sustainability that would not otherwise be possible;
- maintain Board and Committee membership to be at least one-third female and include ethnic minority representation; and
- ensure candidate lists for Board positions should include individuals drawn from a wide range of experiences and backgrounds.

### Objective

Maintain Board and Committee membership to be at least one-third female.

### Status

**Met:** Board and each Board Committee currently has over one-third female representation.

### Objective

Company aspires to meet the Parker Review objective of one Director from a minority ethnic background by 2024.

### Status

**Ongoing:** The Board is committed to meeting this objective and intends to do so in line with the Parker Review timescales.

### Objective

Female representation of at least 25% within senior management and their direct reports as defined by the Corporate Governance Code (the "Code").

### Status

**Met:** As at 31 December 2021, 30.3% of senior management as defined by the Code and their direct reports were female.

### Objective

50:50 gender split for management grades across the global organisation.

### Status

**Ongoing:** As at 31 December 2021 there were 62% men:38% women holding positions of Associate Director (and equivalent) and above.

The Board has a mix of complementary skills and a range of nationalities are represented. However, the Board knows that it lacks ethnic diversity and this must change. It is committed to appointing a person of colour in line with the Parker Review and the roadmap to achieve compliance is outlined earlier in this report.

In terms of other actions being taken to improve ethnic minority representation across the business, we have a successful reverse mentoring programme in place where senior executives are mentored by colleagues from a different ethnic background to their own. This aims to foster relationships and provide a greater understanding in senior management of the challenges faced by minorities within the workplace. In 2021 the Shadow Executive Board was introduced which provides increased exposure for high-potential diverse talent and a channel to ensure more diverse views are heard at the highest levels of the organisation. Regular reports and updates are provided from the Shadow Executive Board to the Executive Board.

The Committee will continue to commit to exceeding the recommendations of the Hampton-Alexander Review with over 33% of the Board being female. However, we continue to recognise that there is currently a lower proportion of women holding senior roles below Board level positions. A summary of the actions designed to change this are below.

- A mentoring programme is in place for senior women and a new career sponsorship programme will launch in 2022 to improve monitoring and tracking of high potential women throughout the organisation.

- There is ongoing and continued support for the women@page global network aimed at engagement, enablement and empowerment of women across the organisation.
- In 2021 a global female leadership survey was undertaken to help understand women's progress and to assist in driving strategy to accelerate female development.
- Where internal promotion is not viable for a position, the Group is fully committed to diverse shortlists with female representation.
- Managing Directors and above have diversity objectives relating directly to their remuneration.

## Board Directors as at 31 December 2021

Men	Women
5 (62.5%)	3 (37.5%)

## Executive Board & Direct Reports as at 31 December 2021<sup>1</sup>

Men	Women
53 (69.7%)	23 (30.3%)

1. As determined in accordance with the definition contained in the Code

## Plan for 2022

In 2022, Angela Seymour-Jackson will take over as Chair of the Committee. Ensuring a smooth Chair transition process is a clear priority for the Committee alongside driving continuous improvement in the Talent, Development & Succession programmes operating across the Group.

I look forward to working with Angela to handover the Chair responsibilities. I am confident that this will be both a thorough and straightforward process.

**David Lowden,**  
Nomination Committee Chair

2 March 2022

# Audit Committee Report



**Ben Stevens,**  
**Committee Chair**

Dear Shareholder,

I am delighted to present my first Audit Committee report having taken up the position of Chair of the Committee in September 2021. I would like to take this opportunity to extend the thanks of the Committee to our outgoing Chair, Simon Boddie, for his dedication and commitment to the role, and the work of the Committee. I have personally appreciated Simon's help in ensuring a comprehensive transition of the Chair's responsibilities and duties. We have also seen a change in our external audit lead partner, and I am pleased to report that this transition has proven to be equally straightforward and successful. This year the Committee has been particularly involved in ensuring that the Company's financial reporting has kept pace accurately with the evolving economic landscape as the recovery from the effects of the pandemic took shape and reviewing key areas of risk and controls.

## Purpose

The Audit Committee is a fundamental part of the Group's governance framework as the guardian of the integrity of the Company's financial statements and external reporting of performance. It also must ensure that the necessary internal controls and risk management systems are in place and effective.

## Membership

I took over the role of Chair of the Committee in September 2021. I, Patrick De Smedt, Michelle Healy, Sylvia Metayer and Angela Seymour-Jackson all served as Committee members throughout the year. Simon Boddie served as a Committee member and Chair until his retirement on 1 September 2021.

Angela Seymour-Jackson is the Group's Chair designate and takes over the Chair role on 1 May 2022. Accordingly, she will step down as a member of the Committee at this time, although she will continue to be invited to meetings as an attendee. A search is underway to recruit her successor.

Each member of the Committee has a wealth of business experience across a range of sectors making them well placed to perform the work of the Committee. The Committee's training takes place on an ongoing basis through updates provided by the Company's External Auditor, or internal finance team, on developments in corporate reporting, legislation and regulatory guidance.

Only members of the Committee are entitled to attend meetings. Other individuals, such as the Chairman of the Board, the Chief Executive Officer, the Chief Financial Officer, the General Counsel & Company Secretary, the Director of Internal Audit and the External Audit Partner are regularly invited to attend meetings as necessary. The Committee can invite others to attend as appropriate.

The Board assesses the competence of those sitting on the Committee annually. In 2021, it was satisfied that myself and Simon Boddie had recent and relevant financial experience as required by the Code. Sylvia Metayer also has relevant financial and accounting experience and other members of the Committee have a sufficiently wide range of business experience and expertise such that the Committee has competence relevant to the sector in which the Company operates. The relevant qualifications and experience of the Committee members are shown in their biographies on pages 74 to 76. The Committee met with the Director of Internal Audit and External Auditor during the year without the presence of management in order to provide an opportunity for confidential discussion. The Director of Internal Audit and the External Auditor also met with, and had direct access on an ongoing basis to, the Chair of the Committee. Additionally, the Committee had the opportunity for private sessions with the Chief Financial Officer and the General Counsel & Company Secretary.

## Principal areas of focus

The Committee is committed to maintaining and monitoring the quality and integrity of financial reporting, as well as assessing the Company's risk management systems and internal control environment. Set out in the table on page 89 is a summary of the main activities of the Committee during 2021.

The priorities for the Committee in 2021 included understanding forecasting, and ensuring financial reporting was accurate and timely, given the pace of the recovery across the majority of the Group's

markets. As 2021 saw both a change in Chair of the Committee and in the lead External Audit partner, it was important to the Committee to satisfy itself that a full and smooth transition had taken place. This was successfully achieved through a series of meetings between myself, the Committee members and the new External Audit partner, and with key members of the global finance leadership team.

The Committee has responsibility for overseeing risk and controls. To this end, it carried out a review of appropriateness of the Group's internal control environment and risk strategy. Further, deep-dive reviews of global tax processes and information security robustness in respect of ransomware were undertaken.

The Committee also reviews key financial policies. As in prior years, the tax strategy was reviewed by the Committee and recommended for approval by the Board. This strategy can be found on [www.page.com](http://www.page.com). Other key policies reviewed by the Committee included the Group's treasury policy, and the non-audit fee policy to ensure these are up to date and reflect current best practice. The Committee also spent time understanding the impact on the Group of the proposals set out in the Government consultation on Corporate and Audit reform published in March 2021.

The Committee met on eight occasions. Key issues covered by the Committee are reported through regular reports to the Board.

Committee meetings are set to coincide with key dates of the financial reporting calendar and the audit cycle. The Committee can confirm that it is provided with sufficient resources to undertake its duties.

Details of the members' attendance at the meetings of the Committee are as follows:

Director	No. of meetings attended
<b>Sylvia Metayer</b>	6 out of 8
<b>Angela Seymour-Jackson</b>	7 out of 8
<b>Patrick De Smedt</b>	8 out of 8
<b>Michelle Healy</b>	8 out of 8
<b>Ben Stevens</b>	7 out of 8
<b>Simon Boddie</b>	5 out of 5

Further details regarding the background to the attendance details are as follows. Simon Boddie attended



# Audit Committee Report

all meetings he was eligible to attend before his retirement as Chair of the Committee. The meetings that were unattended by other Committee members were due to the meetings being held out of scheduled cycle to ensure expedited release of trading results to the market, the responsibility to release such information outweighing attendance considerations.

## Financial reporting

In its financial reporting to shareholders and other stakeholders, the Board through the work of the Committee seeks to ensure that it presents a fair, balanced and understandable assessment of the Group's position and long-term

sustainability, providing necessary information for shareholders to assess the Company's business model, strategy and performance. The Company has an established process for reviewing the Annual Report and Accounts to ensure it is fair, balanced and understandable. This process was followed this year. It included ensuring compliance with the regulatory requirements for the Annual Report and Accounts; a thorough review of going concern analysis; a process to determine the accuracy, consistency and clarity of the data and language; and a detailed review by all appropriate parties including external advisers. A checklist of all the elements of the process was

completed to document the process and cascaded sign-off implemented through the Group's management structure to provide assurance to the Committee that the appropriate procedures had been undertaken by all Group companies.

The Committee has reviewed the Company's 2021 Annual Report and Accounts. Comments were provided and incorporated into the Annual Report and Accounts and the Committee advised the Board that, in its opinion, the Annual Report and Accounts taken as a whole is fair, balanced and understandable and provides the information necessary to assess the Company's performance, business model and strategy.

## Main activities of the Audit Committee during 2021

The Committee has an agreed, rolling programme of agenda items which the Committee Chair and General Counsel & Company Secretary keep under regular review to ensure that all key financial reporting and risk matters are properly considered. The list below summarises the key items considered by the Committee during the year.

### JANUARY

#### Review of Financial Statements

- Quarter 4 trading update

### MARCH

#### Review of Financial Statements

- Draft preliminary announcement and 2020 Annual Report and Accounts
- External Auditor's year-end report
- Going concern analysis
- Viability statement
- Fair, balanced and understandable review
- Judgemental and accounting issues
- Management letter of representation
- Confirmation of External Auditor's independence

#### Risk and Internal Control

- Internal audit update

#### Compliance

- Review of litigation register
- Meeting with External Auditor without Executive Directors
- Meeting with Head of Internal Audit without Executive Directors

#### External Auditor

- External Auditor effectiveness and rigour survey

### APRIL

#### Review of Financial Statements

- Quarter 1 trading update

### JULY

#### Review of Financial Statements

- Quarter 2 trading update

### AUGUST

#### Review of Financial Statements

- Draft interim report
- Judgemental and accounting issues
- Going concern analysis

#### Risk and Internal Control

- Internal audit update
- Risk review and confirmation of principal and emerging risks
- Review of Group insurance renewal

#### External Auditor

- External Auditor's interim review
- Scope of the full year audit
- Interim review of management letter of representation
- Non-audit fees review

#### Compliance

- Meeting with Head of Internal Audit and External Auditors without Executive Directors
- Review of litigation register

### OCTOBER

#### Review of Financial Statements

- Quarter 3 trading update

#### Compliance

- Government consultation on audit reform
- Non-Audit Fee Policy review

### DECEMBER

#### Review of Financial Statements

- Review of 2021 Annual Report and Accounts process

#### Risk and Internal Control

- Internal audit update
- Approval of internal audit plan for 2022
- Risk review and confirmation of principal and emerging risks
- Annual review of anti-bribery compliance

#### External Auditor

- Audit progress update report

#### Compliance

- Year-end legislative and procedural matters
- Terms of reference review
- Annual Committee evaluation

#### Tax and Treasury

- Review of tax strategy
- Review of Treasury policy

#### Compliance

- UK Corporate Governance Code compliance

## Significant accounting issues and areas of judgement

The Committee focuses in particular on key accounting policies and practices adopted by the Group and any significant areas of judgement that may materially impact reported results as well as the clarity of disclosures, compliance with financial reporting standards and the relevant requirements around financial and governance reporting. Details on accounting policies can be found on pages 131 to 137.

The significant issues and areas of judgement considered by the Committee during the year and how these were addressed were as follows:

Significant issue	How the Committee addressed the issue
<b>Revenue Recognition</b>	<p><b>Context:</b> Revenue recognition for permanent and temporary placements, with particular focus on period end cut off and appropriate accounting treatment in accordance with IFRS and Group accounting policies.</p> <p>Revenue from permanent placements is derived from both retained assignments (income recognised on completion of defined stages of work) and non-retained assignments (income recognised at the date an offer is accepted by a candidate and where a start date has been determined). There is a risk that a candidate reverses their decision to take up a placement before the start date and as such the revenue recognised would be reversed. A provision is made by management, based on past historical experience, for the proportion of those placements where this is expected to occur. Revenue from temporary placements, which represents amounts billed for the services of temporary staff, including the salary cost of these staff, is recognised when the service has been provided.</p> <p><b>Actions taken:</b> As in previous years, the Committee assesses the Group's revenue recognition policies relative to IFRS and the sector to ensure they are appropriate, and challenges management on the internal control and compliance processes over revenue recognition, taking into account the views of Internal Audit and the External Auditor. The External Auditor explained to the Committee the procedures they performed to address revenue recognition, including the procedures performed around period-end cut-off and assessment of the provision recognised in respect of expected revenue reversals. On the basis of their audit work, the External Auditor concluded that the revenue recognised in 2021 is materially in accordance with the Group's revenue recognition policy and IFRS, and the provision for expected revenue reversals is materially appropriate.</p> <p><b>Conclusions and rationale:</b> The Committee concluded that the approach to revenue recognition was consistent with the policies and the judgements made were appropriate.</p>

## External Auditor's independence and effectiveness

The Committee monitors the objectivity, independence and effectiveness of the External Auditor. The Company is mindful of the provisions of the Code, best practice, the Competition and Market Authority Audit Order 2014 and audit legislation in particular as regards audit firm rotation and the provision of non-audit services.

Ernst & Young LLP ("EY"), the Company's current External Auditor, was first appointed in 2011. In accordance with audit regulation, EY operates a policy of rotating the Audit Partner every five years. Joe Yglesia is the new lead Audit Partner responsible for the Full Year 2021 Audit. Joe Yglesia took over lead Audit Partner responsibilities following the completion of the 2020 Audit.

The Committee operates a policy for the tender of external audit services. This policy provides that in accordance with applicable law and regulation, the Company will re-tender the external audit at least every ten years and will change the External Auditor at least every 20 years. The Committee held a competitive tender of external audit services last year. Following a rigorous

process described in detail in last year's Annual Report and Accounts, EY was successful in the tender process. The Company confirms that it has complied with the provisions of the CMA's Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014 for the financial year under review.

In accordance with the FRC's revised Ethical Standard 2019, the Committee reviewed all non-audit services to ensure the non-audit services are closely linked to the audit itself or required by law or regulation. The total non-audit fees in respect of non-audit services for the year under review amounted to c. £7k. These non-audit fees related to certifying revenue in the Netherlands for local filing requirements and factual reporting on revenue and payroll expenses required for the French business and were services typically undertaken by the statutory auditor. EY also performed interim review procedures in respect of the half-year results which amounted to £52k. EY's audit fee for the year was £1.2m.

The Committee reviews regularly the objectivity and independence of the External Auditor and has concluded this is safeguarded by:

- Obtaining assurances from the External Auditor that adequate policies and procedures exist within its firm to ensure that the firm and staff are independent of the Group by reason of family, finance, employment, investment and business relationship (other than in the normal course of business);
- Enforcing a policy of reviewing all cases where it is proposed that a former employee of the External Auditor be employed by the Group in a senior management position or at Board level;
- Monitoring the External Auditor's compliance with applicable UK ethical guidance on the rotation of audit partners; and
- Approving non-audit services prior to being undertaken by the External Auditor.

The quality, performance and effectiveness of the External Auditor is reviewed annually by the Committee. This covers the quality of robust challenge provided by the audit team in the centre and of key components of the audit and the level of expertise and resources applied to the audit. It also provides assurance that there are no issues which could adversely affect the auditor's independence and objectivity.

# Audit Committee Report

The Committee reviews the:

- Robustness of the External Auditor's plan and its identification of key risks;
- Approach to and execution of the agreed plan;
- Robustness (including the audit team's ability to challenge management) and perceptiveness of the External Auditor in handling key accounting and audit judgements including demonstrating professional scepticism and independence;
- Quality and content of reports provided to the Committee by the External Auditor including reporting on internal control;
- Feedback from management which is ascertained from staff surveys completed by staff involved in the audit process; and
- Communications in and outside of meetings, between the External Auditor and the Committee.

The Committee considers the planned scope of assurance provided across the Group on an annual basis to consider whether changes are required to continue to obtain the necessary level of assurance. For example, the Committee reviewed the planned scope of assurance received in relation to the Group's Latin American operations across internal, external and other sources of assurances. Accordingly, refinements were made to the scope.

## Internal control and risk management

The Board's responsibilities for, and their report on, risk management and the systems of internal control and their effectiveness are set out in the Corporate Governance Report on page 83.

On behalf of the Board, the Audit Committee undertakes a robust assessment of principal and emerging risks. This involves reviewing the Group's risk assessment procedures and risk registers and its longer-term viability. The risk assessment takes account of all top down and aggregate risk and presents the effectiveness of the controls to mitigate the principal risks of the business, including environmental, social and governance matters, inherent in the strategy of the business and its plan. The risk assessments consider the level of gross risk to the business, the effectiveness of controls in mitigating those risks and the resulting net risk level. If the net risk level is above the Group's risk appetite, management develop further remedial action plans.

There are processes across the Group to consider emerging risks. Within our Group operational risk assessment and reporting process cycle, twice per annum management are formally required to consider and disclose any emerging risks. These are reviewed at a Group level together with a top down perspective gained from discussion with senior management. In addition, our internal audit programme reviews the basis of risk submissions with local management for principal risks, including any emerging risks. The principal risk reports are independently reviewed with the External Auditor to identify the potential risks that the Group should be considering and anticipating. In 2021, given the continued travel restrictions for much of the year, the Internal Audit team have continued to utilise technology to carry out their audits remotely. The internal independent assessment report showed no diminution in quality of Internal Audit services and assurance.

The 2021 risk review identified that global economic risk has reduced given the improvement in economic growth forecasts and financial results of the Group in many of the markets that the business operates within. Ensuring the retention of our people was identified as an increasing risk given the tight recruitment market during the year although our overall risk remains stable due to our work around wellbeing for our people. In terms of emerging risks, climate change remains an emerging risk and a sustainability report and framework has been established to help monitor this risk more effectively. Full and further details of the Group's principal and emerging risks and the areas of mitigation can be found on pages 51 to 58.

The Company's risk review procedures include regular reports to the Committee from the Director of Internal Audit on the performance of the system of internal controls and on its effectiveness in managing material and emerging risks and identifying any control failings or weaknesses.

The Committee reviews the Group's risk management process annually, with the outcome being reported to the Board. This, together with regular updates to the Board on material risks, allows the Board to make the assessment on the system of internal controls and the residual risks for the purpose of making its public statement. The risk process, together with the key risks and their indicators, have been identified and mitigating actions

are described in the Strategic Report on pages 57 to 58. Key performance indicators are highlighted for the main financial, strategic and people risks in the Strategic Report on pages 21 to 24.

Where weaknesses have been identified in the system of internal controls for the mitigation of risks to an acceptable level, plans to strengthen the control system are put in place. Action plans in this respect are regularly monitored until complete. During the period under review there were no control failings or weaknesses that resulted in material losses.

## Internal audit activities

The Group's Internal Audit function comprises a Director of Internal Audit and a team of internal auditors and we have a co-source agreement in place with a third party internal audit provider. The Director of Internal Audit reports to the Audit Committee and works with the CFO and CEO to determine priorities. He also has direct access to the Committee and the Board. This ensures there is opportunity for frank and open dialogue. The Director of Internal Audit's remuneration is determined by the Chair of the Committee in consultation with the Group Chief Financial Officer to ensure independence.

The scope of work for the Internal Audit function is agreed with the Committee annually with the findings from internal audits being reported to the Executive Board and the Audit Committee. Businesses are audited on a rotational risk-based approach to assess the effectiveness of controls to mitigate risks to an acceptable level. All major risks are addressed in this process, including Group functions and change programmes as are those around governance, environmental and social related matters. Actions to maintain and improve the effectiveness of the control environment are agreed with the Executive Board and are monitored and reported to the Committee. Risks are also regularly reviewed and required changes are made to the risk profile and, where necessary, to the activity of Internal Audit. All changes to the Internal Audit plan are agreed with the Chair of the Committee and reported to the Executive Board and the Committee.

## Committee evaluation

The activities of the Committee were reviewed as part of the Board and Committee evaluation process. The 2021 evaluation was carried out via a combination of targeted survey questions

with the facility for anonymous responses. This was supported with individual discussions with Directors. The Committee's performance was assessed across the range of work it oversees including effectiveness in reviewing and assessing the work of the internal and External Auditors, risk identification and management and the Group's system of internal controls. The review also examined the Committee's oversight of financial reporting. The responses show that the Committee is considered to have operated effectively throughout the year. Priorities for the upcoming year include the continued close monitoring of risk and emerging risks, and ensuring readiness for the requirements of new audit and governance reform. Further details of the outcome of the Board and Committee evaluation process can be found in the Corporate Governance Report on page 82.

This year's evaluation process was undertaken internally, and was facilitated externally in 2019. Accordingly, in line with the requirements of the Corporate Governance Code, the review will be facilitated externally in 2022.

## Fraud

The Committee reviews the procedures for the prevention and detection of fraud in the Group. Suspected cases of fraud must be reported to the Chief Financial Officer and the Director of Internal Audit and investigated by operational management and Internal Audit. The outcome of any investigation is reported to the Committee. A register of all suspected fraudulent activity and the outcome of any investigation is kept and is circulated to the Committee on a regular basis. During the year in question, no frauds of a significant or material nature were reported.

## Anti-bribery and corruption and business ethics

The Company has a Code of Conduct which can be found on its website [www.page.com](http://www.page.com). This sets out the standards of behaviour by which all employees of the Group are bound and is based on the Company's commitment to acting professionally, fairly and with integrity.

The Group maintains a zero tolerance approach against corruption. It has an established anti-bribery and

corruption policy, which includes guidance on the giving and receiving of gifts and hospitality. This policy applies throughout the Group and is complemented by anti-bribery and corruption training. In order to capture any concerns that employees or external parties may have in relation to bribery and corruption, the policy highlights internal contacts who can assist in any queries surrounding gifts and hospitality or concerns around bribery and corruption. The gifts and entertainment register is reviewed by the Committee to ensure transparency. A review of compliance with the policy is undertaken annually and reported to the Committee. The review undertaken in 2021 showed there was a good understanding of the issues and no breaches were reported. Additionally, the Company operates a global "Speak Up" helpline and actively promotes its use for any ethical matters.

### Ben Stevens

Audit Committee Chair

2 March 2022



# Directors' Remuneration Report



**Angela Seymour-Jackson**  
Committee Chair

## SECTION 1

Dear Shareholder

I am pleased to introduce the Directors' Remuneration Report for 2021 to shareholders. After the significant impact of COVID-19 during 2020 on employees and business performance, this past year has seen a healthy rebound and recovery in most of our markets. This has been reflected in strong growth and an excellent headline level of profitability for the business. It is clear that the strategic actions taken during 2020 have placed the business in an excellent position to respond to resurgent demand.

### Ensuring a sense of belonging for employees

The recovery has been pleasing for all within the business. The post-pandemic environment has often led to new ways of operating for employees and periods of adjustment rather than a return to old ways of working. As a Committee we spent time understanding the wider employee experience and how employees viewed the way the business was responding to COVID and a "different normal". We focussed on actions taken by the business to recognise the contribution of people who may not be physically present within our working locations. This included the steps taken to keep in touch with people and form connections. We were reassured through employee feedback that people working in the business have a sense of belonging and are able to fully contribute to business performance.

Many employees joined us during the midst of the pandemic, when we deliberately hired experienced talent into the business to prepare for a potential rebound. This decision has proven to be a good one, enabling us to respond to customer and candidate demand

effectively. Additionally it enabled us to learn from external experience and skills gained in other organisations.

2021 has delivered a record level of profit for the business, and we monitored the way that this success has been shared through the organisation and how outcomes from variable reward structures cascaded through the business.

Last year I gave my thanks to all employees in the business for their contribution and resilience as we went through the early stages of COVID-19 and to Executive Directors, when determining the incentive outcomes. Again, I wish to extend my thanks to all employees for the way they have served customers through 2021, enabling the business to respond so successfully to the increase in demand for recruitment services.

### Performance delivered in 2021

Full details of performance achieved against targets is described within the report and I have summarised this below. Group level financial performance was a significant enhancement on 2020 levels. The recovery from the pandemic gained momentum which was carried through to the end of the year. Overall PBT was a record £166.6m, compared to £15.5m in 2020. The longer-term trend showed growth compared to before the pandemic – growth between 2019 and 2021 was 15.5% and between 2018 and 2021 was 17.1%.

Alongside the delivery of very strong financial performance in 2021 was delivery against strategic objectives set by the Board for each Executive Director. These were chosen as key activities or initiatives aligned to our agreed strategy, and both Executives have delivered excellent performance against these metrics. Full details of the targets and associated outcomes are contained within the detailed disclosures in this report.

The majority of the ESIP performance is assessed against longer-term (three-year) performance, considering both the absolute performance of PageGroup and also the relative performance against other comparator companies within the sector.

The Board was delighted with the success of the strategy implemented in 2020 to prepare for a rebound. This was reflected in the outcome under the relative Gross Profit measure, where PageGroup's performance placed it in the upper quartile and well above comparator companies in the recruitment sector.

2020 was nonetheless a significant headwind for earnings and so despite robust earnings delivery in 2019 and record performance in 2021, the business fell short of the cumulative EPS threshold target for the three-year period of 2019-21 (109.7p).

Despite the promising performance relative to peers, the Committee recognises the overall absolute shareholder experience over the 3 year performance period and therefore no award has been made under the EPS element of the ESIP.

### What performance achieved means for reward outcomes

We were happy as a Committee that the formulaic outcome of the ESIP generated reward outcomes that were reflective of the overall business performance over the period and therefore did not apply any discretion to the outcomes. Overall, the ESIP award for the CEO was 74.4% of maximum, and for the CFO the outturn was 74.3% of maximum. In line with the delivery of the ESIP, 40% of awards are payable in cash in March following the end of the performance period. The remainder is delivered in PageGroup shares that vest equally on the second and third anniversaries of the award. Shares are subject to an additional



two-year holding period if the minimum shareholding requirement is not in place at the point of vesting (after allowing for a number of shares to be sold to settle any tax liability).

We have disclosed our CEO Pay Ratio for a number of years, and this value has changed in line with business performance, moving from 27:1 in 2020 to 57:1 in 2021. Our strong performance meant that we made bonus awards to many individuals across the business, and many individuals will have seen material increases in reward as will be evident from the detailed disclosure. The change in ratio is a reflection of the high relative weighting towards variable pay for our Executive Directors and other senior leaders in the business, further details of which are contained later.

### Looking forward to 2022

The ESIP is a robust incentive structure for the business. It has delivered appropriate levels of reward to Executives whilst recognising the volatile nature of the sector, and driven alignment of Executives to the shareholder experience through shareholding since it was introduced.

We will not be making any material changes to the overall structure of the ESIP for 2022, with a continued

balance between annual and longer-term measures, with the vast majority of assessment linked to financial performance. We will continue to review the effectiveness of the plan, particularly as part of the review of the Directors' Remuneration Policy that we will conduct in 2022 ahead of a vote at the 2023 AGM.

### Recognising ESG within Reward

In 2020 we published our first Sustainability Report and highlighted the four targets we identified where we believe we can make a material contribution, aligned to the UN Sustainable Development Goals classification.

The importance of Environmental, Social and Governance (ESG) topics have been clear to the PageGroup business for many years. We have focused heavily on the wider contribution we can make and the broader societal role we can play as a business, acting as a responsible employer, led by our values.

We have made the decision to align a specific part of the future ESIP assessment from 2022 onwards specifically to ESG (representing 5% of the total opportunity). This is being done as a next step from the publication of

our Sustainability Report. We want to make it explicit to all stakeholders that ESG continues to be a high priority for the business and to demonstrate progress against the long-term targets we have stated and committed to through reward. Further detail of the way we will do this is provided within this disclosure.

### Conclusion

I hope this report gives you insight into the activity of the Committee over the past year and the way that we have focused on ensuring alignment between business performance and reward outcomes through a very volatile period for the sector and wider economy due to the impact of COVID. We have always looked to ensure an effective dialogue with shareholders on reward matters and I look forward to this continuing in the future.

This is the last opportunity for me to address shareholders as the Remuneration Committee Chair as I will take over as Chair of the Company in May 2022. I am delighted to have the opportunity to serve the Board and the Group in my upcoming new capacity.

**Angela Seymour-Jackson**  
Remuneration Committee Chair  
2 March 2022



# Directors' Remuneration Report

## SECTION 2: AT A GLANCE

### What executives were paid in 2021 – Single Figure

#### BASE SALARY & BENEFITS

- Salaries were effective from 1 January 2021
- Benefits include a pension allowance (fixed in value from 2019 to end 2022) originally based on 25% of base salary for CEO and 20% for CFO

#### STEVE INGHAM

#### CEO

Salary	Benefits
£639,250	£182,071

#### KELVIN STAGG

#### CFO

Salary	Benefits
£371,800	£98,342

#### ESIP

- Final award 74.4% of maximum for CEO and 74.3% of maximum for CFO
- 40% payable in cash, remainder delivered in deferred shares vesting on 2nd and 3rd anniversary of award.

ESIP	Maximum
£1,784,267	£2,397,000

ESIP	Maximum
£897,200	£1,208,350

Indicates Maximum Potential

#### TOTAL

Total
£2,605,588

ESIP
£1,784,267

Base pay and benefits
£821,321

Total
£1,367,342

ESIP
£897,200

Base pay and benefits
£470,142

#### 2021 SINGLE FIGURE

£2,605,588
------------

£1,367,342
------------

#### 2020 SINGLE FIGURE

£1,171,194
------------

£643,449
----------

#### CHANGE (2020 TO 2021)

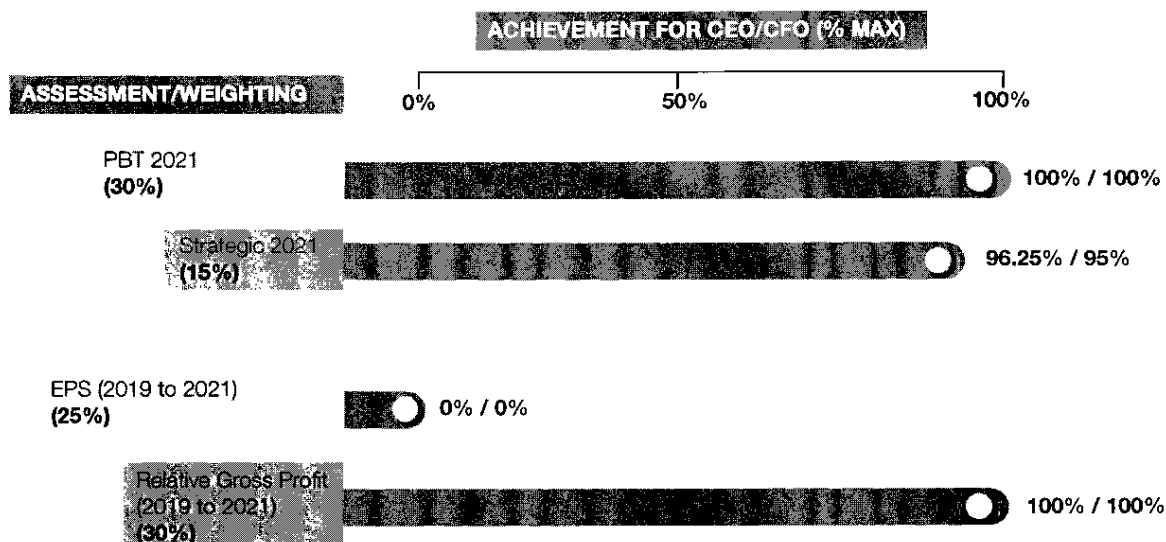
+122%
-------

+113%
-------

## ESIP – 2021 and 2022

### ESIP 2021 OUTTURN

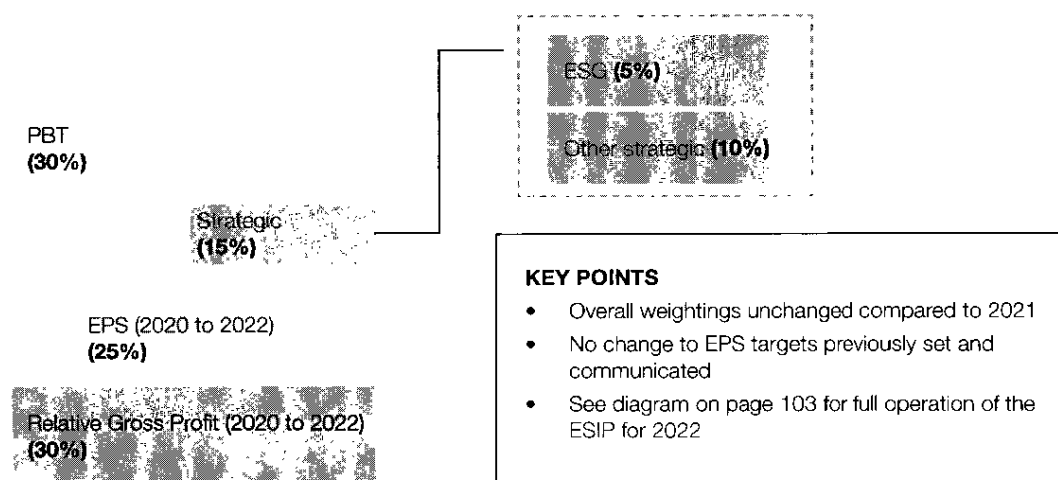
- Overall award 74.4% of maximum for CEO and 74.3% of maximum for CFO



- Opportunity level of 375% of salary and 325% of salary for CEO and CFO respectively results in award of £1,784,267 and £897,200 respectively.
- 40% of award delivered in cash, remainder in deferred shares released on 2nd and 3rd anniversary of award.

### ESIP 2022 STRUCTURE

- Overall opportunity unchanged, CEO 375%, CFO 325%
- More granular linkage to identified targets disclosed within Sustainability Report





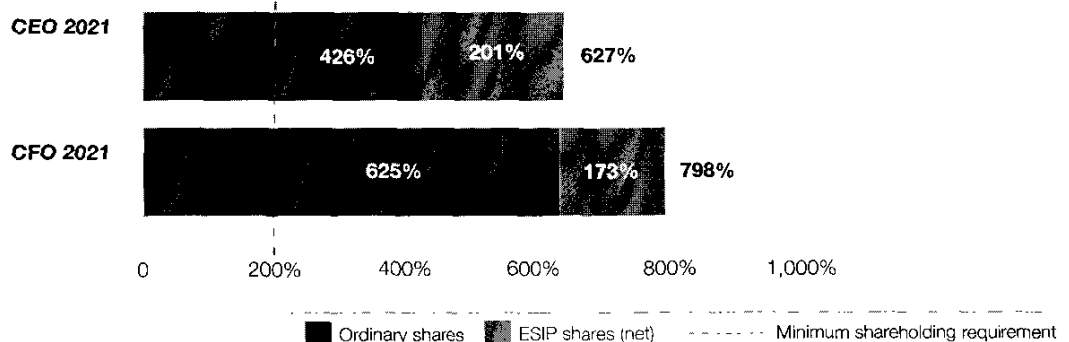
# Directors' Remuneration Report

## Key Metrics

### SHAREHOLDING BY EXECUTIVES

- Actual holding of 627% of salary for CEO and 798% for CFO against requirement of 200% of salary

#### Shareholding as percentage of salary – Executive Directors



### GENDER PAY

Our latest disclosures on Gender Pay can be accessed through the Company's website [www.page.com](http://www.page.com).

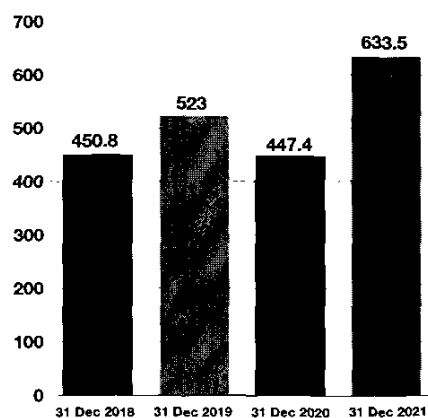
	Gender Pay Gap	
	Median	Mean
As at 5 April 2020	19%	19%
As at 5 April 2019	14%	19%
As at 5 April 2018	16%	21%

### CEO PAY RATIO

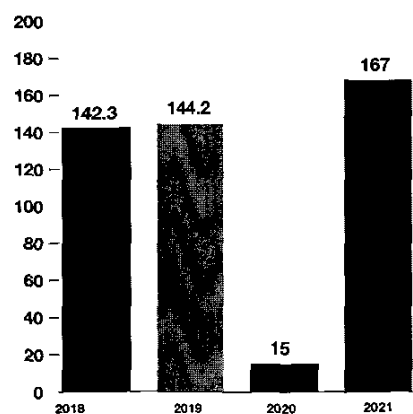
See page 112 to 113 for more details

	CEO Pay Ratio		
	25th percentile	Median	75th percentile
2021	88:1	57:1	37:1
2020	43:1	27:1	17:1
2019	160:1	105:1	64:1

### SHARE PRICE PERFORMANCE (p)



### PROFIT DELIVERY (PBT £m)



## SECTION 3: ANNUAL REPORT ON REMUNERATION

This part of the report has been prepared in accordance with Part 3 of the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013. The information on pages 95 to 116 has been audited where required under the Regulations. The elements of the Directors' Annual Remuneration Report subject to audit are the:

- (a) Single total figure for remuneration and the accompanying notes;
- (b) Details of the performance against metrics for variable awards included in the single total figure table;
- (c) Details of the ESIP award made in 2021;
- (d) Section on outstanding share awards;
- (e) Payments to past Directors; and
- (f) Payment for loss of office

During the year under review the members of the Committee were Angela Seymour-Jackson, who was Chair of the Committee, Simon Boddie, Patrick De Smedt, Michelle Healy, Sylvia Metayer and Ben Stevens. Details of the members' attendance at meetings of the Committee were as follows:

Director	No. of meetings attended
Angela Seymour-Jackson	6 out of 6
Simon Boddie <sup>1</sup>	4 out of 4
Patrick De Smedt	6 out of 6
Michelle Healy	6 out of 6
Sylvia Metayer	6 out of 6
Ben Stevens <sup>2</sup>	6 out of 6

1. Simon Boddie stepped down as Non-Executive Director on 1 September 2021

2. Ben Stevens was appointed as Non-Executive Director on 1 January 2021

Only members of the Committee are entitled to attend meetings. Other individuals, such as the Chairman of the Board, the Chief Executive Officer, the Chief Financial Officer, the Chief People Officer and external advisers, may attend meetings by invitation when appropriate.

No Director takes part in discussions relating to their own remuneration. The Committee last conducted a review of its Remuneration Advisers in 2018 and following a comprehensive tender process appointed PricewaterhouseCoopers ("PwC") as the advisers to the Committee. PwC is one of the founding members of the Remuneration Consultants Group and as such adheres to the code of conduct in relation to executive remuneration consulting in the UK. PwC's appointment commenced in November 2018 and the Committee is satisfied the advice received is objective and independent.

The fees paid to PwC in 2021 totalled £80,000. PwC provide unrelated tax advice and mobility services during the year through separate teams. The Committee is satisfied that these activities do not compromise the independence or objectivity of the advice it has received from PwC. PwC's core services are provided on a fixed fee arrangement, with additional items provided on a time and materials basis.

During 2021 the Committee met 6 times and considered the following topics:

Wider Workforce Consideration	Executive Remuneration	Governance
<ul style="list-style-type: none"> <li>Gender pay gap disclosure in the UK and activities taken globally to look at fairness of pay</li> <li>Approach to reward and engagement across the business, including managing the impact of COVID-19</li> </ul>	<ul style="list-style-type: none"> <li>Outcomes of reward for ESIP 2020 and use of discretion by the Committee</li> <li>Target setting for operation of ESIP 2021 including determination of annual targets (strategic and financial)</li> <li>Consideration of changes to structure of ESIP for 2021</li> <li>Forward-looking target-setting for EPS (for period 2021 to 2023)</li> </ul>	<ul style="list-style-type: none"> <li>Drafting of remuneration report for 2021 Annual Report</li> <li>Feedback from shareholders and shareholder bodies from 2021 AGM</li> <li>Update on market trends from Committee advisor</li> <li>Committee effectiveness evaluation</li> <li>Terms of Reference review</li> </ul>

The Committee presented a new Remuneration Policy to shareholders in 2020 which was approved at the Company's Annual General Meeting held on 4 June 2020. Full details of the shareholder voting in this respect can be found on page 110.

# Directors' Remuneration Report

## Committee evaluation

The activities of the Committee were reviewed as part of the annual evaluation process which, in 2021, was undertaken internally. The evaluation was facilitated through a combination of anonymous questionnaires and sessions with Directors conducted by the Chairman and the process was supported by the General Counsel & Company Secretary. The review included assessing overall Committee performance (including Committee Chair performance), the effectiveness of the Committee in considering wider workforce remuneration and alignment of rewards and incentives with Company culture when setting the Executive Remuneration Policy. The quality of the Committee's advisers, Committee papers and agendas were also reviewed.

The Committee was considered to be performing strongly and was effective in discharging its responsibilities. For more details about the Board and Committee evaluation process, see page 82. In line with the requirements of the Corporate Governance Code, the review of the Committee will be facilitated externally in 2022.

## Directors' remuneration as a single figure (audited)

The tables below report a single figure for total remuneration for each Executive Director for the years ended 31 December 2021 and 31 December 2020.

		Salary £'000	Benefits £'000	Pensions £'000	Subtotal for Fixed Pay £'000	ESIP - Cash £'000	ESIP - Deferred Shares £'000	Subtotal for variable pay £'000	Total £'000
		Note 1	Note 2	Note 3		Note 4	Note 4		
Steve Ingham	2021	639	25	158	822	713	1,071	1,784	2,606
	2020	600	24	158	782	0	389	309	1,171
Kelvin Stagg	2021	372	25	73	470	359	538	897	1,367
	2020	349	25	73	447	0	196	196	643

### Notes:

- Salary and fees represent the salary and fees paid in cash in respect of the financial year. Values for 2020 include the voluntary reduction in base salary of 20% taken by each of the Executive Directors within Q2, consistent with approximately 400 leaders across the business.
- Benefits represent the taxable value of the benefits provided in the year and comprise a Company car or cash equivalent; fuel; permanent health insurance; medical insurance and life insurance.
- Pension includes the cash value of Company contributions to defined contribution pension plans and cash payments in lieu of pension contributions. In line with our Remuneration Policy, these have been fixed at the level paid in 2019 and will move to align with the rates for the wider workforce from the end of 2022.
- The ESIP payment is determined using a balanced scorecard of short and long-term performance measures. Under the Policy 40% of the ESIP award is expected to be delivered in cash and is shown in the "ESIP - Cash" column. The remaining 60% of the ESIP is delivered in deferred shares which vest in future tranches, as shown in the "ESIP - Deferred Shares" column. In 2020 Executives requested that awards due in cash from ESIP 2020 were instead delivered in deferred shares which was supported by the Committee.
- Figures rounded up or down to the nearest £1k.

## Non-Executive Directors' remuneration as a single figure

The tables below report a single figure for total remuneration for each Non-Executive Director for the years ended 31 December 2021 and 31 December 2020. Figures for 2020 reflect the temporary reduction in fees agreed during Q2 2020 of 20%.

	Year	Fees £'000s
David Lowden	2021	217
	2020	203.1
Simon Boddie	2021	47.1
	2020	66.0
Patrick De Smedt	2021	66.3
	2020	61.3
Michelle Haaty	2021	56.3
	2020	52.7
Sylvia Metayer	2021	50.3
	2020	52.7
Angela Seymour-Jackson	2021	70.3
	2020	66.0
Ben Stevens	2021	61.0
	2020	n/a

There were no payments to past Directors or any payments for loss of office during 2021.

## Linkage of Company performance into ESIP outcomes

**PBT:** The Group's PBT for 2021 was £166.6m against £15.5m in 2020 and £144.2m in 2019. As a result of the pandemic, the business saw an abrupt downturn in market conditions from early 2020, followed by a strong recovery during 2021.

**Strategic Performance:** Full details of the strategic objectives set for each Executive Director and the associated performance against them is shown on pages 101 to 102. Performance has been assessed against the objectives that were set for the Executives and the formulaic outcome of this process is disclosed within this report.

**EPS:** Between 2019 and 2021 PageGroup delivered cumulative EPS of 67.6p. Annual EPS achieved over this period was highly volatile, linked to market conditions experienced as a result of the pandemic. EPS in 2019 was 32.2p, was negative in 2020 and grew again (from 2019 levels) to a value of 37.2p in 2021. The 2021 outturn represents an equivalent annual growth of 4.9% over the period from 2019 to 2021 (using the EPS achieved in 2018 of 32.5p as a baseline).

**Relative Gross Profit:** The Committee determined awards under this metric using all publicly available data as at 14 February 2022 (the date of the respective Remuneration Committee meeting). The peer group contains organisations with different year-ends with different timings of scheduled public announcements. This was the approach adopted by the Committee when the ESIP structure (and use of this metric) was decided in 2017 and has been applied consistently since the ESIP has been in operation. This meant that full data was publicly available for all of the peer group other than two companies (where data through to Q3 was used).

PageGroup delivered upper quartile relative gross profit performance against the peer group resulting in an award of 100% of maximum for this metric. In two of the three years of the performance period the business had the strongest relative gross profit growth of the peer group.

### Formulaic breakdown of 2021 ESIP (audited)

Performance Metrics	Weighting	Target and Outcome	Achievement (% of max)	
			CEO	CFO
Annual Performance Metrics – 2021				
Profit Before Tax	30%	Threshold (25% award) =£50m Stretch (100% award) = £107.5m  Actual PBT was £166.6m	Award Level 100%	
Strategic Metrics	15%	See breakdown in table overleaf	96.25%	95%
3-year Performance Metrics (Jan 2019 to Dec 2021)				
Cumulative EPS	25%	Threshold EPS = 109.7p (25% vesting) through to Stretch EPS = 132.2p (100% vesting) Actual EPS = 67.6p	Award Level = 0%	
Relative Gross Profit Growth	30%	Based on average growth over the 3-year period compared to peer group. Median = 25% vesting through to Upper quartile = Full vesting PageGroup Actual = 8.7% growth. Median was 1.7%, Upper Quartile 4.4%	Award Level = 100%	
Overall (% maximum)			74.4%	74.3%

# Directors' Remuneration Report

## Discretion applied by Committee

The full impact of the pandemic has been seen through the performance period covered by the ESIP, with robust performance in 2019, a very challenging business environment in 2020 and a very strong recovery during 2021. The actions taken by the business in 2020 have been shown to have enabled the business to support a strong recovery in 2021.

Overall, the Committee was comfortable that the overall formulaic outcome under the ESIP against targets set represented an award level consistent with Company performance achieved over the full performance period. It did not exercise any discretion (either up or down) to this formulaic outcome.

## Final Award Calculation and Delivery (audited)

Calculation	CEO	CFO
Maximum Opportunity (% salary)	375%	325%
Final Award (% of maximum)	74.4%	74.3%
Final Award (% of salary)	279%	241%
Salary used for ESIP calculation	£639,200	£371,800
<b>Final Award Value</b>	<b>£1,784,267</b>	<b>£897,200</b>
Delivery	CEO	CFO
Cash Award (March 2022) (40% of the total award)	£713,707	£358,880
Share Award in March 2022 of shares to value shown in table (representing 60% of the award). Vesting to occur in March 2024 and March 2025 and subject to further holding period in event shareholding guidelines are not met	£1,070,560	£538,320

## Strategic targets and outcomes within 2021 ESIP (audited)

### CEO – Steve Ingham

Theme	Weighting	Measure	Key Achievements	Achievement (% of max)
<b>Total</b>				<b>96.25%</b>
Strategic Market Development	25%	Measured by increased business in: <ul style="list-style-type: none"> <li>Large, High Potential markets</li> <li>Technology discipline</li> <li>Page Outsourcing</li> <li>Interim and contracting</li> <li>Healthcare and Life Sciences</li> </ul>	<ul style="list-style-type: none"> <li>Large, High Potential markets in excess of 40% of the Group in Q3</li> <li>Technology now our 2nd largest discipline, representing 12% of the Group, up 52% vs. 2019</li> <li>New client wins for Outsourcing, including first wins in targeted markets (e.g., US)</li> <li>Significant growth in key markets: Page Outsourcing, Healthcare and Life Sciences growth of 84% (all vs 2019)</li> </ul>	100%
Productivity	25%	Measured by: <ul style="list-style-type: none"> <li>Continued successful roll out of Customer Connect</li> <li>Delivery of productivity improvements</li> </ul>	<ul style="list-style-type: none"> <li>Customer Connect now live in c. 95% of the Group (end of February 2022)</li> <li>Large productivity increases compared to 2019 (+17%)</li> <li>Development and roll out of PageInsights data and insights programme</li> </ul>	95%
Talent Development and Inclusion	50%	Measured by: <ul style="list-style-type: none"> <li>Development of senior team succession and implementation of any required needs plan</li> <li>Increase in diversity within the senior leadership team</li> </ul>	<ul style="list-style-type: none"> <li>Three new Executive Board appointments during year</li> <li>Improvements in global female ratios across all levels of senior management</li> </ul>	95%

\* Constant currency growth rates

## CFO – Kelvin Stagg

Theme	Weighting	Measure	Key Achievements	Achievement (% of max)
<b>Total</b>				<b>85%</b>
Strategic Market Development	25%	Measured by increased business in: <ul style="list-style-type: none"> <li>Large, High Potential markets</li> <li>Technology discipline</li> <li>Page Outsourcing</li> <li>Interim and contracting</li> <li>Healthcare and Life Sciences</li> </ul>	<ul style="list-style-type: none"> <li>Large, High Potential markets in excess of 40% of the Group in Q3</li> <li>Technology now our 2nd largest discipline, representing 12% of the Group, up 52% vs. 2019</li> <li>New client wins for Outsourcing, including first wins in targeted markets (e.g., US)</li> <li>Significant growth in key markets: Page Outsourcing, Healthcare and Life Sciences growth of 84% (all vs 2019)</li> </ul>	100%
Productivity	25%	Measured by: <ul style="list-style-type: none"> <li>Continued successful roll out of Customer Connect</li> <li>Delivery of productivity improvements</li> </ul>	<ul style="list-style-type: none"> <li>Customer Connect now live in c. 95% of the Group (end of February 2022)</li> <li>Large productivity increases compared to 2019 (+17%)</li> <li>Development and roll out of PageInsights data and insights programme</li> </ul>	95%
Talent Development and Inclusion	25%	Measured by: <ul style="list-style-type: none"> <li>Strengthening of the Finance team</li> <li>Increase in diversity within the Finance team</li> </ul>	<ul style="list-style-type: none"> <li>Strengthening of finance team during the year</li> <li>Increased gender diversity with 2 female promotions to MD level</li> <li>4 external hires and 2 promotions of females to Director level</li> <li>Multiple hires to strengthen global tax and legal teams</li> </ul>	90%
Cost Control	25%	Measured by: <ul style="list-style-type: none"> <li>Demonstrated long-term cost efficiencies</li> <li>Positive returns on investments in operations and support functions</li> </ul>	<ul style="list-style-type: none"> <li>Strong management of costs during year</li> <li>New shared service centre in Manila</li> <li>Global P2P headcount down 1, transactions processed up 64%</li> <li>Automation now running over multiple R2R processes</li> </ul>	95%

\* Constant currency growth rates

## Change in Board's remuneration compared to other employees

The following table shows the percentage change in the annual remuneration of Directors from 2019 onwards as well as a comparator number showing the average percentage change for employees (excluding Directors) of the listed parent company on a full-time equivalent (FTE) basis.

	Change in Salary / Fees		Change in Benefits <sup>2</sup>		Change in Annual Cash Incentive	
	2021 vs 2020 <sup>1</sup>	2020 vs 2019	2021 vs 2020	2020 vs 2019	2021 vs 2020	2020 vs 2019
Steve Ingham	6%	(5%)	(1%)	(90)%	not calculable	(100%)
Kelvin Stagg	6%	(5%)	0%	0%	not calculable	(100%)
Patrick De Smedt	8%	(5%)	n/a	n/a	n/a	n/a
Michelle Healy	7%	(5%)	n/a	n/a	n/a	n/a
David Lowden	7%	(5%)	n/a	n/a	n/a	n/a
Sylvia Metayer	7%	(5%)	n/a	n/a	n/a	n/a
Angela Seymour-Jackson	7%	(5%)	n/a	n/a	n/a	n/a
Ben Stevens	n/a	n/a	n/a	n/a	n/a	n/a
Wider PageGroup employees <sup>3</sup>	6%	(5%)	0%	0%	not calculable	(100%)

1. Wider PageGroup employees represents average UK increase. The increases for the Executive Directors between 2020 and 2021 reflect the voluntary waiver of 20% of salary during Q2 2020. The increase in contractual salary levels from 2020 to 2021 was 1.5% for each Executive.

2. Excludes pensions. As outlined in previous remuneration disclosures, the value of pension contributions payable to each Executive has been set at a fixed level (based on that received in 2019) before moving to a level equivalent to the wider workforce from the end of 2022.

3. This shows the contrast of changes of reward elements between 2019 and 2021. The wider PageGroup employees reflects all employees of Michael Page International Recruitment Limited as at 31 December 2021. Calculations have been derived on a full-time equivalent (FTE) basis to enable effective comparison.

# Directors' Remuneration Report

## What the Executive Directors can earn in 2022

The structure of remuneration for 2022 will consist of the following elements:

**Salary** – Base salaries were reviewed with reference to the level of salary increases agreed for the wider UK population which was 3%. Annual salary levels for the CEO will increase to £658,400 and the CFO to £383,000 effective 1 January 2022.

**Benefits** – No changes to benefits provided compared to 2021.

**Pensions** – As outlined in our Remuneration Policy agreed in June 2020, pensions were fixed at the absolute level paid to executives in 2019 and paid monthly alongside salaries. For the CEO this equates to an annual value of £157,450 and for the CFO £73,260. This approach applied in 2021 and 2022 with allowances aligned

to our UK workforce from 1 January 2023.

**ESIP** – The core operation of the ESIP will be unchanged for 2022. We are making some changes to the way we set and assess strategic metrics to strengthen the alignment to ESG metrics and targets disclosed on our Sustainability Report. Further detail is shown below and discussed in more detail within this disclosure.

## ESIP 2022 OPERATION

### ESIP 2022 - SINGLE PLAN

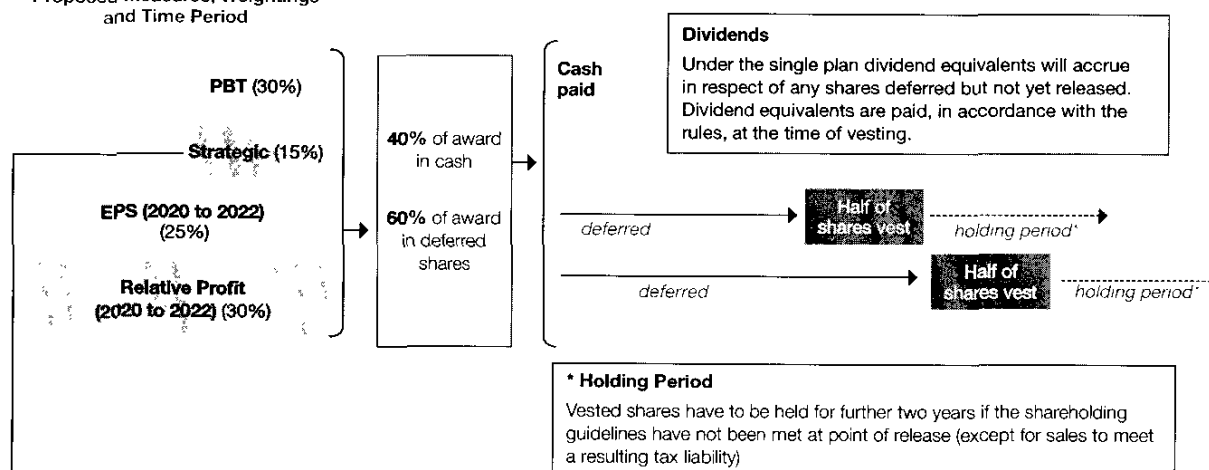
← Assessment →

2020 2022

Proposed Measures, Weightings and Time Period

← Delivery → OPPORTUNITY CEO = 375%, CFO = 325%

2023 2024 2025 2026 2027



Breakdown of Strategic Element	Weighting
Against assessment of our four stated targets within our Sustainability Report linked to UN Sustainable Development Goals	5%
Assessed against other key strategic goals identified by the Board and linked to business strategy. These may differ by Executive Director. Targets will be disclosed retrospectively alongside the associated performance achieved	10%

## Relative Gross Profit growth

**Assessed against comparator group:** Current list of companies: SThree, Robert Half, Randstad, Robert Walters, Adecco, Hays, Manpower

**Performance range:** Below median = no award. Median = 25% of award through to 100% of award for upper quartile performance.

In the event of material change of one of the companies within the comparator group (e.g., due to M&A activity) the Committee retains flexibility to adjust the peer group with a stated desire to capture organic growth only.

Measurement in constant currency.

## Reflecting ESG within reward

We have discussed the increasing prominence of ESG and growing expectation of us being able to describe our actions against this specific terminology to our stakeholders (including employees). In considering any changes to the way this is reflected within reward we made the following observations:

How is ESG seen within PageGroup now?	What are we looking to reinforce through reward
<ul style="list-style-type: none"> <li>ESG themes have been reflected in the way the business has operated for many years and aligned to our Company values</li> <li>We have the ability to make a broad societal contribution and to make a difference through what we do</li> <li>These areas are not new but include areas where PageGroup has an established track record – especially linked to diversity and inclusion</li> </ul>	<ul style="list-style-type: none"> <li>That the targets identified and communicated through our Sustainability Report represent a balanced set of priorities for the business</li> <li>That we want a simple route to monitor overall progress towards these targets, and encourage faster progress where it is feasible to achieve this</li> <li>That these areas are key to our stakeholders and expected of us, including from our candidates and employees</li> </ul>

Therefore, in finalising our approach we made the following decisions:

	Decision	Rationale/Explanation
1	To ringfence part of the ESIP assessment to align to specific ESG targets (5% of the current 15% aligned to strategic metrics).	<ul style="list-style-type: none"> <li>This is designed to align reward outcomes with the journey and priorities described within our Sustainability Report. The four metrics link back to specific UN Sustainable Development Goals and are key areas where PageGroup can make a positive contribution.</li> </ul>
2	To use existing targets identified and communicated within our Sustainability Report.	<ul style="list-style-type: none"> <li>These are externally disclosed, with granular reporting each year, evidenced by business actions or outputs.</li> <li>This represents a balanced portfolio of things important to the business, but additionally areas where the business feels it can make a material societal contribution. As an example, while recognising the importance of carbon reduction, we are a relatively low emission organisation and believe we can make a proportionately larger contribution in some other areas such as the role we can make in helping potential future candidates prepare for employment in the future, such as through CV and interview workshops.</li> </ul>
3	To assess at the end of each year by the Committee, forming an overall assessment of progress against the four targets in determining the award (out of 5%).	<ul style="list-style-type: none"> <li>We want Executives (and all employees) focused on collective actions against targets identified.</li> <li>We believe progress should be demonstrated by clear disclosures against the long-term targets set, but do not believe this should be broken down into a series of annual measures.</li> <li>Maximum awards would indicate very robust progress during the year, and that the overall likelihood of target attainment at the end of the year was higher than at the start (i.e. activities and progress achieved during the year mean greater probability of target success). Similar levels of likelihood (i.e. demonstrable progress) would expect to lead to awards around the 3% level.</li> </ul>
4	To continue to retain flexibility to have other "ESG" type metrics within the remaining 10% aligned to strategic metrics.	<ul style="list-style-type: none"> <li>To enable us to use strategic metrics to drive key activities or initiatives within the business in pursuit of business strategy. These could include other goals that sit naturally under an ESG categorisation, but would not represent a duplication of the four targets used within the Sustainability Report.</li> </ul>



# Directors' Remuneration Report

## EPS targets – approach and application

We look to set EPS targets at the start of the respective 3-year performance period. Outlined below are all the EPS targets that have been set by the Committee for the ongoing operation of the ESIP.

ESIP Scheme	EPS Period	Agreed Cumulative EPS Range (p)	Equivalent Annual Growth %	Notes
ESIP 2020	January 2018 - December 2020	88.3p - 106.1p	5.4% to 15.1%	As included within previous remuneration disclosures
ESIP 2021	January 2019 - December 2021	109.7p - 132.2p	6.0% to 16.0%	
ESIP 2022	January 2020 - December 2022	106.6p - 128.6p	5.0% to 15.0%	
ESIP 2023	January 2021 - December 2023	48p - 72p	Not applicable due to negative EPS in 2020	

As disclosed in last year's Directors' Remuneration Report, for the operation of the ESIP for 2022 and beyond (assessment of EPS beginning on 1 January 2020) the EPS calculation will be determined on a constant currency basis.

## EPS target for Jan 2022 – Dec 2024

We have now set targets for EPS for the period 2022-2024 which will operate with a performance range representing annual growth of 5% at threshold to 15% at stretch. We will measure performance on a "point to point" basis for the period 2022 to 2024 and beyond, moving away from the cumulative performance adopted in prior years. Therefore, the calculation will compare the EPS achieved in 2024 against that delivered in 2021 to derive the equivalent annual growth achieved over the period.

The performance range was determined based on assumptions around future trading performance and having considered the range of expectations that exist and the planned trajectory over the medium term. Having reviewed the impact of 2020 EPS performance against a series of cumulative EPS targets in place, we believe this change in the basis of calculation will drive strong alignment between shareholder returns and providing incentives for Executives to grow the business through the performance period.

As will be evident from the table above, the forward-looking performance range that has been set on EPS by the Committee has shown significant volatility over the previous three years. At each point when we have needed to set a target, we have done so considering the same range of factors and insight, with a desire to set stretching performance ranges with maximum awards for superior performance over the forward looking 3-year period. We believe the range set for the period 2022-2024 is stretching and appropriately incentivises Executives to drive the business forward. We do not plan to make any adjustments to range levels (either up or down) or disclosed method of calculation in respect of ranges previously set and communicated by the Committee.

## Fee levels for the Chairman and Non-Executive Directors for 2022

The average salary increase that will be applied for UK based staff from 1 January 2022 is 3%. It was agreed to increase the basic fee for Non-Executives by this level effective 1 January 2022. The Senior Independent Director fee was increased by £1k from 1 January 2021.

	Year ending 31 December 2021	Effective from 1 January 2022
<b>Chairman</b>	£217,000	£217,000 <sup>1</sup>
<b>Non-Executive basic fee</b>	£56,300	£58,000
<b>Senior Independent Director</b>	£10,000	£10,000
<b>Chair of the Audit Committee</b>	£14,000	£14,000
<b>Chair of the Remuneration Committee</b>	£14,000	£14,000

1. As previously announced, Angela Seymour-Jackson has been appointed as Chair designate and will take over the role of Chair on 1 May 2022. From 1 May 2022 the Chair fee will be £225k per annum.

## Shares awarded in 2021 (audited)

Conditional awards of deferred shares were made in March 2021 in relation to awards made in respect of the operation of the 2020 ESIP.

	Number of shares awarded	Face value at date of award	Vesting
<b>Steve Ingham</b>	80,971	£388,744	Shares vest in two tranches equally on the second and third anniversary of award, subject to continued employment
<b>Kelvin Stagg</b>	40,815	£195,952	

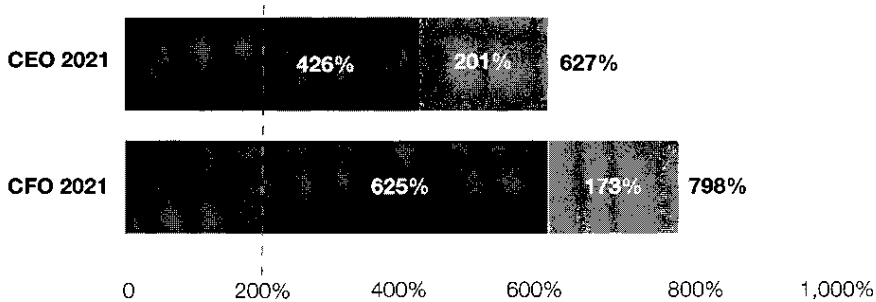
Awards were made on 15 March 2021. The share price used to make awards was £4.801 being the closing share price on 12 March 2021. The Committee was comfortable that the price used to make awards was appropriate, calculated in line with the ESIP structure and Plan rules, and represents awards against delivery of performance already achieved by the Executives.

The share price at the start of the year was £4.53 and was £6.34 on 31 December 2021. The low and high share prices during the year were £4.41 and £6.81 respectively.

## Executive shareholding and alignment to the organisation

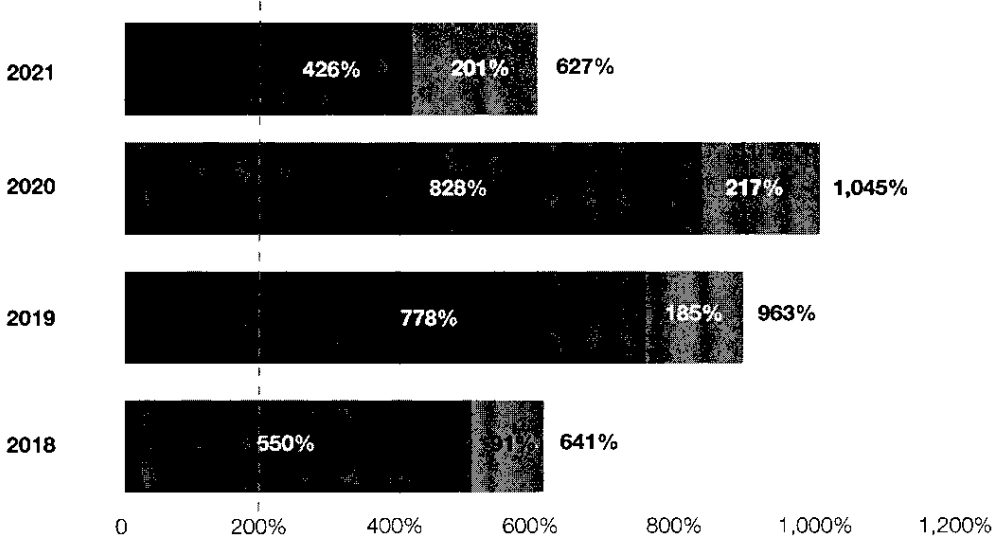
Details of all outstanding share awards are provided later in the report. Both Executive Directors own shares well in excess of the 200% shareholding requirement as illustrated in the table below. This includes shares awarded but not yet vested under the ESIP.

### Shareholding as percentage of salary – Executive Directors

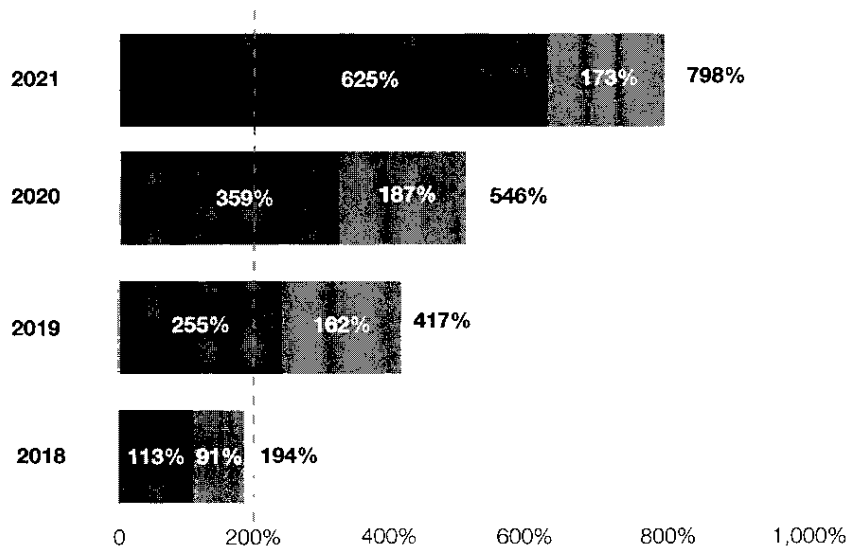


Each Executive has built up shareholding over the previous years as illustrated in the table below.

### Shareholding as percentage of salary CEO: Steve Ingham



### Shareholding as percentage of salary CFO: Kelvin Stagg



■ Ordinary shares ■ ESIP shares (net) - - - - Minimum shareholding requirement

Shareholding Requirement = 200% of salary

# Directors' Remuneration Report

Given high levels of share ownership, share price movement leads to a significant variation in the value of share ownership and the associated percentage of salary that this represents.

		Calculated shareholding level (as % of salary) if share price were to decrease by 10%	Shareholding as a percentage of salary at 31 December 2021 (based on share price of £6.34)	Calculated Shareholding level (as % of salary) if share price were to increase by 10%
<b>Steve Ingham</b>	Shareholding (As % of salary)	565%	627% (£4.01m)	690%
	Change in Indicative Value	Decrease of £401k	-	Increase of £401k
<b>Kelvin Stagg</b>	Shareholding (As % of salary)	718%	798% (£2.96m)	878%
	Change in Indicative Value	Decrease of £296k	-	Increase of £296k

## Outstanding share awards

This section sets out the share interests of the Executive Directors as at 31 December 2021 under the Executive Single Incentive Plan, the 2009 Share Option Scheme and the legacy Long-Term Incentive Plan.

### Steve Ingham

#### ESIP

Grant Date	Number of shares at 1 January 2021	Granted during the year	Vested during the year	Lapsed during the year	Number of shares at 31 December 2021	Vesting
15 March 2018	77,636	-	(77,636) <sup>1</sup>	-	-	15 March 2021
12 March 2019	88,370	-	(88,370) <sup>2</sup>	-	-	12 March 2021
12 March 2019	88,370	-	-	-	88,370	14 March 2022
13 March 2020	106,983	-	(106,983) <sup>3</sup>	-	-	15 March 2021
13 March 2020	106,984	-	-	-	106,984	14 March 2022
13 March 2020	106,984	-	-	-	106,984	13 March 2023
15 March 2021	-	40,485	-	-	40,485	15 March 2023
15 March 2021	-	40,486	-	-	40,486	15 March 2024
<b>Total</b>	<b>575,327</b>	<b>80,791</b>	<b>(272,989)</b>		<b>383,309</b>	

1. A sufficient number of shares were sold to cover applicable taxes with the balance of 41,055 shares held  
 2. A sufficient number of shares were sold to cover applicable taxes with the balance of 46,732 shares held  
 3. A sufficient number of shares were sold to cover applicable taxes with the balance of 56,574 shares held

### Kelvin Stagg

#### ESIP

Grant Date	Number of shares at 1 January 2021	Granted during the year	Vested during the year	Lapsed during the year	Number of shares at 31 December 2021	Vesting
15 March 2018	40,598	-	(40,598) <sup>1</sup>	-	-	15 March 2021
12 March 2019	44,088	-	(44,088) <sup>2</sup>	-	-	12 March 2021
12 March 2019	44,088	-	-	-	44,088	14 March 2022
13 March 2020	53,139	-	(53,139) <sup>3</sup>	-	-	15 March 2021
13 March 2020	53,140	-	-	-	53,140	14 March 2022
13 March 2020	53,140	-	-	-	53,140	13 March 2023
15 March 2021	-	20,407	-	-	20,407	15 March 2023
15 March 2021	-	20,408	-	-	20,408	15 March 2024
<b>TOTAL</b>	<b>288,193</b>	<b>40,815</b>	<b>(137,825)</b>		<b>191,183</b>	

1. A sufficient number of shares were sold to cover applicable taxes with the balance of 21,469 shares held  
 2. A sufficient number of shares were sold to cover applicable taxes with the balance of 23,314 shares held  
 3. A sufficient number of shares were sold to cover applicable taxes with the balance of 28,101 shares held

## Share options

No options granted under The Michael Page 2009 Share Option Scheme remain outstanding at 31 December 2021. Details of options either exercised or lapsed during the year for Kelvin Stagg are shown in the table below. Steve Ingham does not hold any options under The Michael Page 2009 Share Option Scheme.

### The Michael Page 2009 Share Option Scheme

Executive	Grant date	Number of options at 1 January 2021	Exercised during the year	Lapsed during the year	Number of options at 31 December 2021	Exercise price (p)	Exercise period
<b>Kelvin Stagg</b>	11 March 2011	30,000	-	(30,000)	- <sup>1</sup>	491.0	2014-2021
<b>Kelvin Stagg</b>	12 March 2012	30,000	(30,000) <sup>2</sup>	-	-	477.0	2015-2022
<b>Total</b>		<b>60,000</b>	<b>(30,000)</b>	<b>(30,000)</b>	<b>0</b>		

1. Of the 30,000 Options granted on March 2011, 17,948 lapsed as a result of not meeting the required performance condition. The remaining 12,052 Options were exercisable but with an Option price above the PageGroup share price in the period between 1 January 2021 and 10 March 2021 when they then lapsed, on the 10th anniversary of the grant.

2. On 14 October 2021 Kelvin Stagg exercised these Options at a price of £6.782 per option.

## Statement of Directors' shareholdings (audited)

It is the Company's policy that Executive Directors are required to build and hold a direct beneficial holding in the Company's Ordinary shares of an amount equal to two times their base salary. The beneficial interests of the Directors who served during 2021, and their connected persons, in the Ordinary shares of the Company are shown in the table below. The table does not include interests in shares which are subject to ongoing company performance conditions but does include shares awarded but not yet vested under the ESIP.

	Ordinary shares held as at 31 December 2021	Unvested Share Award (ESIP) as at 31 December 2021	% of salary held <sup>1</sup>	Shareholding guideline	Ordinary shares held as at 31 December 2020
<b>Executives</b>					
<b>Steve Ingham</b>	429,907 <sup>2,3</sup>	383,309	627%	200%	1,165,546
<b>Kelvin Stagg</b>	366,912	191,183	798%	200%	294,028
<b>Non-Executives</b>					
<b>Patrick De Smedt</b>	-	n/a	n/a	n/a	-
<b>Michelle Healy</b>	-	n/a	n/a	n/a	-
<b>David Lowden</b>	10,000	n/a	n/a	n/a	10,000
<b>Sylvia Metayer</b>	-	n/a	n/a	n/a	-
<b>Angela Seymour-Jackson</b>	915	n/a	n/a	n/a	915
<b>Ben Stevens</b>	-	n/a	n/a	n/a	-

#### Notes:

1. This uses the closing share price on 31 December 2021 of £6.34 per share and includes unvested shares awarded under the ESIP calculated on a post-tax basis. The highest and lowest share prices during the year were £6.81 and £4.41 respectively

2. Steve Ingham sold 400,000 Ordinary shares on 20 May 2021 at a price of £5.00 per share.

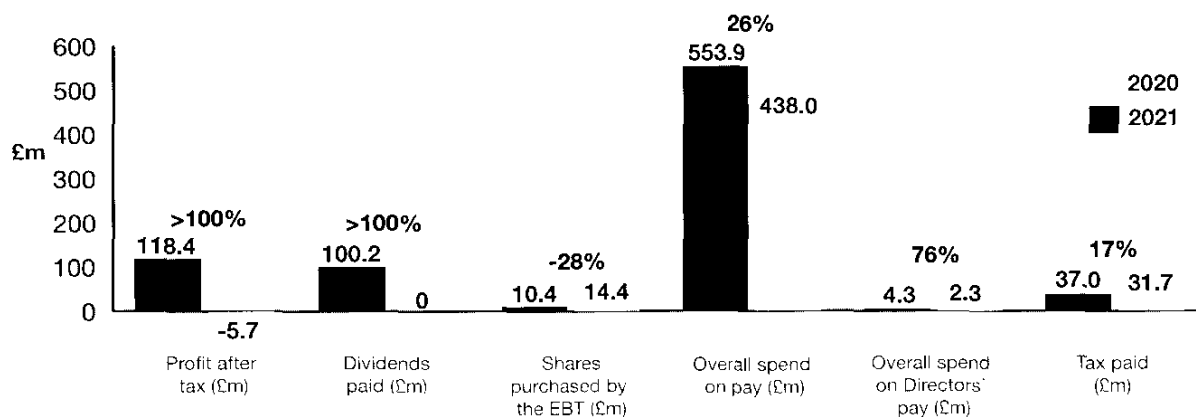
3. Steve Ingham sold 16,109 shares on 22 December 2021 at a price of £6.30 per share and 463,891 shares on 23 December 2021 at a price of £6.31 per share.

There were no changes in the Directors' interests between 31 December 2021 and the date of this report.

# Directors' Remuneration Report

## Relative importance of spend on pay

The graph below shows details of the Company's retained profit after tax, distributions by way of dividend, shares purchased by the Michael Page Employee Benefit Trust, overall spend on pay to all employees (see Note 4) in the financial statements on page 139, overall spend on Directors' pay as included in the single figure table on page 99 and the tax paid in the financial year. The percentage change to the prior year is also shown.



## Service contracts and letters of appointment

All Executive Directors' service contracts contain a twelve-month notice period. The service contracts also contain restrictive covenants preventing the Executive Directors from competing with the Group for six months following the termination of their employment and preventing the Executive Directors from soliciting key employees, clients and candidates of the employing company and Group companies for twelve months following termination of employment. The Remuneration Committee has the right to exercise mitigation in the event of termination.

Non-Executive Directors, including the Chairman of the Board, are engaged under letters of appointment and do not have service contracts with the Company. They are appointed for a fixed term of three years, during which period the appointment may be terminated by either party upon giving one month's written notice or in accordance with the provisions of the Articles of Association of the Company. There are no provisions on payment for early termination in the letters of appointment. After the initial three-year term, Directors may be reappointed for a further term of three years, subject to annual re-election at each year's Annual General Meeting.

Where any Director's letter of appointment was renewed during the year they were not entitled to vote on their own appointment. Copies of the service contracts and letters of appointment are available for inspection during normal business hours at the Company's registered office.

Executive Director	Service Contract Date	Unexpired Term	Notice Period
Steve Ingham	31 December 2010	No specific term	12 months
Kelvin Stagg	27 July 2014	No specific term	12 months

Non-Executive Directors	Letter of Appointment/ Reappointment Date	Unexpired Term at 31 December 2021
Patrick De Smedt	13 July 2021	31 months
Michelle Healy	2 October 2019	9 months
David Lowden	18 July 2018	4 months <sup>1</sup>
Sylvia Metayer	5 August 2020	20 months
Angela Seymour-Jackson	5 August 2020	21 months <sup>2</sup>
Ben Stevens	23 December 2020	24 months

1. As previously announced, David Lowden will retire from the Board on 30 April 2022.

2. As previously announced Angela Seymour-Jackson will become Chair of the Company on 1 May 2022. A new appointment letter will apply from this date. This appointment letter has a 36-month term.

## Statement of voting at the Annual General Meeting

At the Company's Annual General Meeting held on 4 June 2020, shareholders approved the existing Remuneration Policy. The table below shows the results of the binding voting on the Remuneration Policy and the advisory vote on the Directors' Remuneration Report put to shareholders at the 2021 Annual General Meeting. Each resolution required a simple majority of the votes cast to be in favour in order for each of the resolutions to be passed.

Resolutions	AGM	Votes For	%	Votes Against	%	Votes Withheld
Remuneration Policy	4 June 2020	250,926,751	90.71	25,689,170	9.29	15,928,893
Directors' Remuneration Report	3 June 2021	289,372,372	99.29	2,058,152	0.71	4,480

## Total Shareholder Return

The performance graph below shows the movement in the value of £100 invested in the shares of the Company compared to an investment in the FTSE 250 index and the FTSE Support Services index over the period 31 December 2011 to 31 December 2021. The graph shows the Total Shareholder Return generated by the movement in the share price and the reinvestment of dividends.

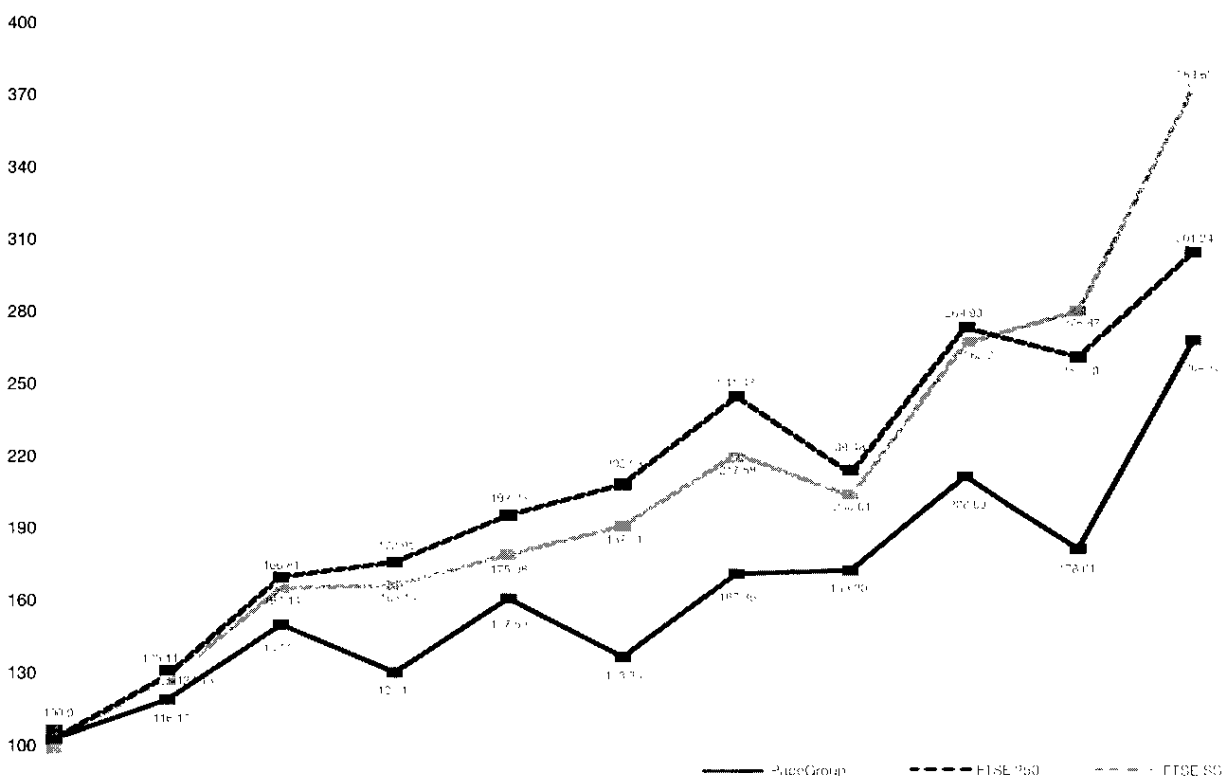
The FTSE 250 index and the FTSE Support Services index have been selected as the Company was a member of each index throughout the period. The table below shows the total remuneration of the Chief Executive Officer over the same ten-year period.

CEO	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Single remuneration total	£2,723k	£1,318k	£1,494k	£2,074k	£2,089k	£3,660k	£4,340k	£3,769k	£1,171k	£2,606k
Short-term incentives (% of maximum) (note 1)	n/a	58%	71%	68%	60%	n/a	n/a	n/a	n/a	n/a
Long-term incentives (% of maximum)	n/a	n/a	n/a	n/a	60%	55.35%	96.1%	96%	n/a	n/a
Executive Single Incentive Plan (% of maximum)	n/a	n/a	n/a	n/a	n/a	91%	87.7%	75.4%	16.5%	74.4%

### Notes:

1. Prior to 2012 the Company operated uncapped incentives which, by definition, did not have the concept of "maximum". As a result, it is not possible to provide this information historically. However, following the changes in 2012 it is possible to provide this information for the years 2013, 2014, 2015 and 2016.

31 Dec 2011 31 Dec 2012 31 Dec 2013 31 Dec 2014 31 Dec 2015 31 Dec 2016 31 Dec 2017 31 Dec 2018 31 Dec 2019 31 Dec 2020 31 Dec 2021



## External directorships

No Executive Directors earned any fees from external directorships during the year ending 31 December 2021.

# Directors' Remuneration Report

## SECTION 4: REMUNERATION FOR EMPLOYEES BELOW THE BOARD

Our remuneration philosophy is cascaded through the organisation and we focus on rewarding collective achievement and team-based success. At senior levels we use a combination of shares and cash to achieve this and drive alignment with the business. At more junior levels variable reward is delivered through cash only.

Overall reward is benchmarked on a regular basis to the respective local market and is linked to skill and experience in role. We offer a wider range of benefits that evolves over time. This includes Company provided benefits, but also extends to a range of policies to support work-life balance and wellbeing.

The Company does not formally consult with employees on remuneration matters to consider executive pay or Remuneration Policy design, but does review information on employee satisfaction with reward throughout the organisation, including results to reward questions from the "Have Your Say" employee engagement questionnaire which is now run on an annual basis.

### Reward across the PageGroup business

We operate within a broad reward framework across the organisation, designed to enable effective progression of talent and grow our own pipeline of talent for the future. We focus on how we drive team-based behaviours to create better customer relationships to support our strategy of organic growth.

Employees typically receive salary and a range of benefits driven by local market norms and practice. Most of our employees also have access to variable pay schemes linked to the success they help create.

Our regular activities to engage with our staff (see page 33) give us valuable insight of our reward offer and areas of reward that are working and opportunities for change. We discuss our overall approach as a Board and the way that reward may be expected to change as someone progresses through the organisation.

<b>Base Salary</b>	Salaries are set with reference to the skills and experience of the individual and reflect the local market ranges. The career journey of the fee earning population enables regular pay reviews on achievement of performance-based targets which will contribute to the success of the team. For others, salaries are usually reviewed annually and adjusted in consideration of business affordability, individual performance and local market rates of pay.
<b>Benefits</b>	We operate across a range of countries where we see very different practices in terms of benefit provision. Our benefits typically include items such as pension provision, life insurance and medical cover. The levels of contribution or investment in benefits will be driven by local market factors rather than a single global approach.
<b>Variable Pay</b>	<p>The variable pay of the consultant population is primarily driven by team-based incentives designed to drive people to work collectively. These deliver cash awards which reflect both the performance of the team and the respective performance of the individual consultant. A small number of consultants work on an individual commission basis linked to the specific nature of the role they perform.</p> <p>At a leadership level we also offer deferred cash incentives to drive retention of talent, in addition to the bonus structures available. At senior leadership levels we provide access to share-based incentives, designed to enable individuals to build up a holding in Company shares and fully align them to the shareholder experience.</p>

## Committee insight and focus

The Committee received an overview of the reward structure in place across the organisation during 2020 and a further update on any changes during 2021. This is an annual agenda item for the Committee. Subsequent discussion included the following themes and responses:

Theme	Findings
Linkage of reward with performance assessment	<ul style="list-style-type: none"> <li>All colleagues participate in performance management processes which give clarity over both what someone is expected to accomplish and how this should be achieved</li> <li>It is achieved through the combination of:               <ul style="list-style-type: none"> <li><b>Goals:</b> expected outputs over the review period</li> <li><b>KPIs:</b> actions and metrics expected in pursuit of the goals</li> <li><b>Behaviours:</b> that should be demonstrated in pursuit of the above</li> </ul> </li> <li>Specific behaviours are based around defined criteria linked to seniority of role</li> <li>Overall attainment is directly linked to awards under variable plans and any future salary adjustments</li> </ul>
Provision of benefits across a global organisation	<ul style="list-style-type: none"> <li>Regular assessments are made of market competitiveness of benefits within our key markets, using external benchmark data</li> <li>Benefits do vary between countries reflecting different market norms</li> <li>Any proposed changes to benefits offered is done through engagement with the regional HR and finance leaders, with proposals reviewed centrally depending on the level of cost investment</li> </ul>
Way that awards under variable pay plans are governed through the business	<ul style="list-style-type: none"> <li>Funding of bonus pools is managed with finance teams with central oversight</li> <li>Country leaders make proposals on allocation of bonuses which are reviewed by their respective managers</li> <li>All proposals are collated centrally to review levels of spend and affordability</li> </ul>
Alignment to culture and linkage to diversity and inclusion	<ul style="list-style-type: none"> <li>There is a demonstrable cascade of key objectives through the organisation. As an example, all Managing Directors have designated targets within variable plans requiring progress on key diversity and inclusion metrics</li> </ul>
Ways that the organisation gains insight into employee satisfaction with reward	<ul style="list-style-type: none"> <li>Questions are included within the "Have Your Say" engagement survey (which is now run annually) linked to pay and benefits and trends tracked over time</li> <li>Discussion of reward occurs within many of the existing forums within the business (e.g., Female leadership programme and Unity network)</li> <li>Pulse surveys and use of internal technology (e.g., Yammer) monitors responses to key questions and tracks changes</li> <li>Engagement sessions with staff members, including those attended by Non-Executive Directors</li> <li>Feedback from employees who choose to leave us (gained through exit surveys)</li> </ul>

## CEO Pay Ratio

This is the third year that we have disclosed the ratio of CEO remuneration to that of our employees in the UK.

	CEO Pay Ratio			
	Calculation Method	25th Percentile	Median	75th Percentile
2021	Option A	88:1	57:1	37:1
2020	Option A	43:1	27:1	17:1
2019	Option A	160:1	105:1	64:1

We believe that the median ratio is consistent with the Company's wider policies on employee reward, pay and progression. The increase in the single figure and CEO pay ratio from 2020 to 2021 reflects the higher weighting towards variable reward for Executive Directors compared to other employees across the organisation and is broken down in more detail on the following page.

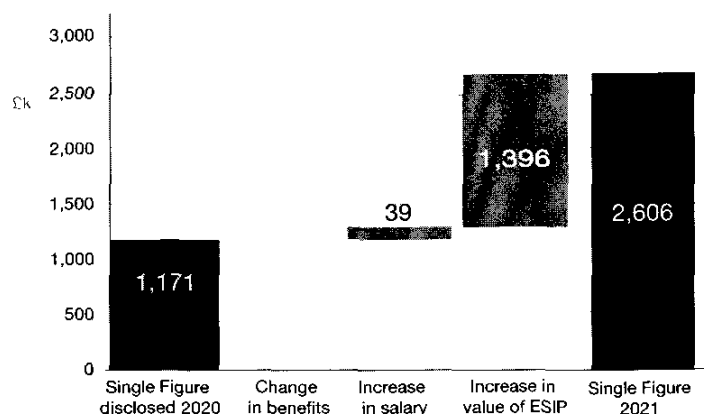


# Directors' Remuneration Report

## Commentary on the ratio

The volatility in the CEO pay ratio over the previous 3 years reflects the volatility of market conditions and derived business performance, and the greater leverage of reward towards variable pay for more senior people within the organisation, including Executive Directors. The changes are broken out in more detail below:

### Change in CEO Single Figure 2020 to 2021 (£k)



Change in CEO reward	
Reward Change	Commentary
<b>Change in salary</b>	This represents the change in the CEO salary from 1 January 2021 (+1.5%) which was consistent with the wider workforce. The value for 2020 included a voluntary waiver of 20% of salary during Q2 of 2020 at the start of the pandemic
<b>Change in benefits</b>	There were no changes in the range of benefits provided between 2020 and 2021
<b>Change in ESIP value</b>	The ESIP award was 20.1% of maximum in 2020 and followed the application of discretion downwards by the Committee to exclude the formulaic outcome under the strategic objectives. The corresponding award under the ESIP for 2021 was 74.4% of maximum

## Approach and calculation

We have elected to use Option A to calculate the ratio as we believe this gives the most accurate insight into employee pay and benefits and closest comparison to the CEO single figure value. The reward structure for our CEO is weighted far more towards variable reward than most of our employees within the UK. Therefore, we expect future changes to this ratio to be linked to changes in variable award levels under the ESIP and future share price movement.

We also recognise that the earnings profile across our UK employees and that both the mean and median can be useful measures. We have provided two supplementary ratios for illustration as follows:

Scenario	Resulting CEO Single Figure	Resulting CEO Pay to Median Ratio
CEO "On-Target" Remuneration compared to 2021 UK Median FTE Reward	£2,260k	49.1
CEO single figure compared to UK mean FTE earnings	£2,606k (as disclosed)	43.1

The employee figures for our UK workforce to calculate the ratios are as follows:

	25th Percentile	Median	75th Percentile
Total pay and benefits – 2021	£29,700	£45,720	£71,030
Change on 2020	0.3%	5.7%	3.4%
Total salary 2021	£26,850	£36,000	£54,450
Change on 2020	3.3%	2.9%	8.9%

These values are calculated on a full-time equivalent basis as required under the regulations, based on our UK workforce as at 31 December 2021.

## SECTION 5: OUR REMUNERATION POLICY

Our Remuneration Policy was approved by shareholders at the 2020 AGM held on 4 June 2020. The Policy is designed to enable us to attract, retain and fairly reward high calibre Executive Directors and drive meaningful and lasting alignment between achieved performance and reward outcomes.

Our full Remuneration Policy can be found on our website [www.page.com](http://www.page.com). Central to the Policy is the use of the Executive Single Incentive Plan (ESIP) as an incentive structure. The ESIP provides a structure that:

- firmly aligns pay with performance;
- recognises the cyclical nature of the industry;
- reduces undue volatility to drive performance and retention of executives throughout all stages of the economic cycle; and
- ensures that executives build up meaningful shareholdings to align with shareholders.

PageGroup Strategic Priorities	Current ESIP Performance Measures*
Organic, high margin and diversified growth	Annual PBT Performance
Efficiently scalable and highly flexible to react to market conditions	3-year EPS growth Gross Profit growth relative to defined peer group
Nurture and develop people	Strategic Measures
Innovation	Strategic Measures

\*as used for operation of ESIP 2021

The ESIP structure rewards executives for the appropriate delivery of our strategy and value to shareholders. The Committee believes this model is an appropriate fit for the PageGroup business – ultimately our key responsibility in considering reward. The ESIP recognises the cyclical nature of the recruitment sector, and as a way of motivating leaders, drives superior business outcomes and acts as a retention mechanism through the economic cycle.

Changes made to the operation of the ESIP when the Policy was approved in 2020 included:

- prospective disclosure of all long-term targets;
- extension of vesting period;
- increase minimum portion of assessment linked to long-term metrics; and
- simplification and consolidation of performance measures.

The ESIP is motivational, trusted by our executives and has subsequently been cascaded to lower levels of leaders within the business to drive alignment and consistency in the way we operate reward.

It allows us to implement a pay for performance philosophy without undue volatility, drives higher levels of shareholding in the business and ensures alignment of executives with the experience of shareholders. The phased nature of share vesting further supports alignment and management of reward volatility.

Our Remuneration Policy aligns with Provision 40 of the UK Corporate Governance Code 2018 as explained below:		
<b>Clarity</b> We actively engage with shareholders and demonstrate how their views and perspectives are considered in the development of our Policy.	<b>Simplicity</b> We look to describe the structure of reward clearly to both participants and shareholders through effective disclosures. Target documents are issued to executives each year to ensure clear understanding of the way reward will be delivered and assessed.	<b>Alignment to culture</b> The Policy aligns to our business model and reflects alignment to our strategy. Measures used to determine awards link to our strategic priorities.
<b>Predictability</b> Examples of the range of outcomes under the Policy are shown within the scenario graphs. This demonstrates the way that different performance levels change reward outcomes for individuals and the associated impact of changes in the Company's share price.	<b>Proportionality</b> A significant proportion of the total reward opportunity is performance driven, with clear linkage between business metrics and variable reward outcomes. Metrics for variable awards are key KPI measures for the business and align to delivery of strategy and performance against goals set. A significant proportion of variable awards are delivered in shares and Executives are required to develop and maintain a material shareholding in the business to fully align to the shareholder experience.	<b>Risk</b> The Committee retains ultimate discretion to vary outcomes from formulaic results if they do not judge this to accurately reflect underlying business performance. Malus and Clawback provisions apply to all awards and we operate post-cessation shareholding requirements to further align executives to long-term business performance.

A summary of our Policy is provided on the following pages.

# Directors' Remuneration Report

## Executive Directors' Policy

	Base Salary	Benefits	Pension	Incentives	Shareholding
<b>Purpose</b>	Attract, retain and reward high calibre Executive Directors.	Attract, retain and reward high calibre Executive Directors. Provision of opportunities for connecting with clients, investors and staff to facilitate growth strategy.	Attract, retain and fairly reward high calibre Executive Directors.	Rewards both short and long-term performance. Aligns interests of Executive Directors with shareholders.	To align Executives to Company performance through meaningful levels of mandatory shareholding. Post-cessation Policy to align executives beyond termination of employment.
<b>Operation</b>	<p>Salary levels (and subsequent increases) are set after reviewing various factors including individual and Company performance, role and responsibility, internal relativities such as the increases awarded to other employees and prevailing market levels for Executive Directors at companies of comparable status and market value, considering the total remuneration package. Salaries are normally reviewed annually.</p> <p>Salary is paid monthly, and increases are generally effective from 1 January.</p>	<p>Competitive benefits including car allowance or Company car (including running costs), private medical insurance for the individual and family, permanent health insurance and four times salary life assurance.</p> <p>Provision of relocation assistance and any associated costs or benefits (including but not limited to housing benefits, personal tax advice and school fees) upon appointment if/when applicable. The Company may also provide tax equalisation arrangements.</p>	Executive Directors may receive a defined contribution pension benefit or cash supplement.	<p>Awards are paid in cash (40%) and deferred shares (60%) vesting at defined future dates subject to continued employment.</p> <p>The plan consists of metrics linked to annual performance only, and other metrics that consider performance over a 3-year period. At least 50% of any award will depend on assessment against longer-term metrics.</p> <p>Performance will be measured against a balanced scorecard, to support the Company's strategy. Performance targets will be a mix of financial and strategic targets which may comprise, but are not limited to, the following: PBT; key strategic projects; people development; cost management; relative Gross Profit vs a comparator group; and EPS. A maximum of 25% vesting will apply for threshold performance.</p> <p>A post-vesting holding period applies. Directors who have not reached the shareholding requirement of 200% of base salary will be required to hold vested shares from each tranche of the ESIP for a further two years post-vesting, except for sales for the purposes of meeting tax liabilities on vesting and exercise.</p> <p>A minimum of 80% of the possible award will normally be linked to financial metrics.</p> <p>Dividend equivalents accrue during the vesting period but are only released to the extent awards vest. Malus and clawback provisions will apply to the total award, including cash and deferred portions, for misstatement of performance, substantial failure of risk control, and gross misconduct.</p>	<p>Shareholding requirements are operated to align Executive Directors' interests with those of shareholders.</p> <p>The current requirement is 200% of base salary.</p> <p>A new post-cessation shareholding policy will require leavers to hold 2x salary for the first 12 months post cessation and 1x salary for the subsequent 12 months.</p>

**Executive Directors' Policy Table (continued)**

	Base Salary	Benefits	Pension	Incentives
Maximum	Salaries will not normally increase by more than RPI +5% except increases in excess of this may be awarded in the case of new Executive Directors where it is appropriate to offer a below market salary initially on appointment and a series of staged increases, subject to performance and experience in role, to bring to a market competitive salary. Aim for market competitive salaries.	Competitive benefits in line with market practice.	New appointments at the Executive Director level will receive a cash allowance in line with the wider UK workforce.  Pension contribution levels for incumbent Executive Directors were frozen at the level received in 2019 through to the end of 2022 and then aligned to the prevailing rate of the wider UK workforce from 1 January 2023.	Maximum award for CEO = 375% of salary.  Maximum award for CFO = 325% of salary.

**Non-Executive Directors' Policy**

The Board Chairman and Non-Executive Directors receive a fee for their services and do not receive any other benefits from the Group, nor do they participate in any of the bonus or share schemes. The fees recognise the responsibility of the role and the time commitments required and are not performance related or pensionable. They are paid monthly in cash and there are no other benefits.

Non-Executive Directors, including the Chairman of the Board, are engaged under letters of appointment and do not have service contracts with the Company. They are appointed for a fixed term of three years, during which period the appointment may be terminated by either party upon one month's written notice or in accordance with the Articles of Association of the Company. There are no provisions on payment for early termination in the letters of appointment. After the initial three-year term, they may be reappointed for a further term of three years, subject to annual re-election at Annual General Meetings.

Element	Purpose and Link to Strategy	Operation	Maximum Opportunity
Fees	Attract, retain and fairly reward high calibre individuals.	Reviewed by the Board after recommendation by the Chairman and Chief Executive Officer (and by the Committee in the case of the Chairman) considering individual responsibilities, such as Committee Chairmanship, time commitment, general employee pay increases, and prevailing market levels at companies of comparable status and market value. Fee increases are normally reviewed annually and are generally effective from 1 January.  Non-Executive Directors also receive reimbursement of reasonable expenses incurred in connection with Company business and the Company may settle any tax incurred in relation to these.	The maximum aggregate fees for Directors allowed by the Company's Articles of Association is £1m. Current fee levels are set out in the Directors' Annual Remuneration Report.

The Directors' Remuneration Report has been approved and signed on behalf of the Board of Directors.

**Angela Seymour-Jackson**  
Remuneration Committee Chair  
2 March 2022

# Directors' Report



**Kaye Maguire,**  
General Counsel & Company Secretary

Likely future developments .....	2
Policy on disability .....	118
Employee engagement and stakeholder consideration .....	27-38 and 61-65
Greenhouse gas emissions and energy consumption .....	45-46
Directors' interests .....	107-108
Share capital and acquisition of own shares.....	117
Directors' disclosure of information to the auditor in respect of the audit.....	120
Directors' Responsibility Statement.....	120
Going concern .....	59
Viability Statement.....	59-60
Appointment and replacement of Directors .....	83
Powers of Directors.....	119
Share capital and shareholder rights	
– Restriction on transfer of shares .....	119
– Rights attaching to shares.....	119
– Restrictions on voting .....	119
– Details of employee share schemes .....	152-154
Subsidiary and associated undertakings and branches .....	144-149

The Directors present their Report together with the consolidated financial statements for the year ended 31 December 2021.

Certain information that fulfils the requirements of the Directors' Report can be found elsewhere in this document as noted in the table opposite. This information is incorporated into this Directors' Report by reference. Pages 79 to 92, 117 to 120 and 160 also comprise the Directors' Report for the year ended 31 December 2021.

## Directors

The Directors who served throughout the year were David Lowden, Patrick De Smedt, Steve Ingham, Michelle Healy, Kelvin Stagg, Sylvia Metayer, Angela Seymour-Jackson and Ben Stevens. Simon Boddie retired from the Board on 1 September 2021 having served nine years.

## Results and dividends

The results for the year are set out in the Consolidated Income Statement on page 127. An analysis of revenue, profit and net assets by region is shown in Note 2 on pages 137 to 138.

As a result of the global pandemic, the Board suspended the Company's dividend policy in 2020. Improvements in trading conditions enabled the Board to reinstate dividends and an interim dividend for 2021 of 4.70 pence per Ordinary share was paid on 13 October 2021 and a special dividend of 26.71 pence per Ordinary share was also paid on 13 October 2021.

The Directors recommend the payment of a final dividend for the year ended 31 December 2021 of 10.30p per Ordinary share on 17 June 2022 to shareholders on the register of members on 20 May 2022. If approved by shareholders at the Annual General Meeting, this will result in a total ordinary dividend for the year of 15.0p per Ordinary share (2020: Nil). This, together with the payment of the special dividend gives a total dividend for the year of 41.71 pence (2020: Nil).

## Share capital

As at 31 December 2021 the Company's issued capital comprised a single class of 328,618,744 Ordinary shares of 1p each, totalling £3,286,187.44. At the Annual General Meeting held on 3 June 2021 the shareholders authorised the Company to purchase up to a maximum of 10% of the issued share capital in the market. No shares were repurchased during the year. Shareholders also authorised the Directors to allot shares up to an aggregate nominal value of £1,095,395.91. Further resolutions in respect of these matters will be put to shareholders at the forthcoming Annual General Meeting.

## Stakeholders and employment policy and employee involvement

Pages 61 to 66 of the Strategic Report and the pages to which it refers, comprises the Company's section 172(1) statement together with the statements as to how the Directors have engaged with employees and had regard to their interests and how the Directors have had regard to the Company's business relationships with customers, suppliers and other external stakeholders.

The Group continues to give full and fair consideration to applications for employment made by disabled persons, having regard to their respective aptitudes and abilities. The Group's employment policy includes the continued employment of those who may become disabled during their employment, and the provision of training and career development and promotion.

The Directors have also engaged with employees and taken their interests into account in respect of decision making. The Group is committed to employee involvement throughout the business. Employees are kept well informed of the performance and strategy of the Group through personal video briefings, regular online interactive briefings, Yammer (the Group's internal social collaboration site), emails and other communications

from the Chief Executive Officer and members of the Executive Board. Further details of employment policies and employee involvement can be found in the Strategic Report on pages 27 to 38.

## Directors' indemnities

The Company purchased and maintained Directors' and Officers' Liability Insurance throughout the period under review, which gives appropriate cover for legal actions brought against the Directors. The Company granted separate indemnities to the Directors to cover liabilities arising from third parties. The extent of the indemnities provided is as permitted under law.

## Financial instruments and financial risk management

Details of the Group's use of financial instruments, including financial risk management objectives and policies of the Group, and exposure of the Group to certain financial risks can be found in Note 22 on pages 154 to 158.

## Significant agreements containing change of control provisions

The Company has an invoice discounting facility that terminates on a change of control, with prepaid amounts being repayable.

Directors' and employees' contracts

do not normally provide for payment for loss of office or employment as a result of a change of control. However, the Company operates several share and share option schemes for the benefit of its Executive Directors and employees, the rules of which contain provisions which may cause options and share awards granted to vest on a change of control.

## Political contributions

No political contributions were made during the year. The Company has a policy of not making political donations to political organisations or independent election candidates anywhere in the world as defined by the Political Parties, Election and Referendums Act 2000.

## Post balance sheet events

There have been no significant post balance sheet events since 31 December 2021.

## Listing Rule 9.8.4

There is no information required to be disclosed under Listing Rule 9.8.4.

## Annual General Meeting

The Annual General Meeting of the Company will be held on 31 May 2022. The notice of meeting will be made available on the Company's website [www.page.com](http://www.page.com) and posted separately to shareholders that have requested this.

## Substantial shareholders

At 31 December 2021 the Company had been notified, in accordance with the FCA Disclosure Guidance and Transparency Rules, of the undermentioned noted interests in its Ordinary share capital. The percentage of voting rights shown below are as at the date of notification.

Shareholder	No. of Ordinary shares	% of voting rights
Liontrust Investment Partners LLP	36,137,014	11.00%
Cedar Rock Capital Limited	16,369,717	4.98%
Heronbridge Investment Management LLP	16,303,888	4.96%
Franklin Templeton Institutional LLC	16,104,930	4.93%
The Capital Group Companies, Inc	14,647,804	4.46%
Sanne Fiduciary Services Ltd as Trustee of the Michael Page Employees' Benefit Trust	13,005,376	3.96%

Since the date of disclosure, the above shareholdings may have changed.

# Directors' Report

## Articles of Association summary

The following summarises certain provisions of the Company's Articles of Association (as adopted on 3 June 2021) and applicable English Law (including the Companies Act 2006 (the "Act"), as amended) as required by applicable law and regulation.

### Share capital and rights attaching to shares

The Company has one class of share in issue being 328,618,774 Ordinary shares with a nominal value of one pence each. No shares are held in treasury and there are no persons holding shares that carry special rights with regard to the control of the Company.

The Articles of Association provide that subject to any rights or restrictions attached to any shares, on a show of hands every member and every duly appointed proxy present shall have one vote. Every corporate representative present who has been duly authorised by a corporation has the same voting rights as the corporation would be entitled to. On a poll every member present in person or by a duly appointed proxy or corporate representative shall have one vote for every share of which he is a holder or in respect of which his appointment as proxy or corporate representative has been made. No member shall be entitled to vote in respect of any share held by him if any call or other sum payable by him to the Company remains unpaid.

Any form of proxy sent by the shareholders to the Company in relation to any general meeting must be delivered to the Company (via its registrars), whether in written or electronic form, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the appointment proposes to vote.

Holders of the Company's Ordinary shares may by ordinary resolution declare dividends but no such dividend shall exceed the amount recommended by the Directors. If, in the opinion of the Directors, the profits of the Company available for distribution justify such payments, the Directors may, from time to time, pay interim dividends on the shares of such amounts and on such dates and in respect of such periods as they think fit. The profits of the Company available for distribution and resolved to be distributed shall be apportioned and paid proportionately to the amounts paid up on the shares during any portion of the period in respect of which the dividend is

paid. The shareholders may, at a general meeting of the Company declaring a dividend upon the recommendation of the Directors, direct that it shall be satisfied wholly or partly by the distribution of specific assets.

If the Company is wound up, the liquidator can, with the sanction of a special resolution passed by the shareholders and any other sanction required by law, divide among the shareholders all or any part of the assets of the Company and he/she can value assets and determine how the division shall be carried out as between the shareholders or different classes of shareholders. The liquidator can also, with the same sanction, transfer the whole or any part of the assets to trustees upon such trusts for the benefit of the shareholders. No shareholder will be compelled to accept assets which are subject to a liability.

### Limitations on the transfer of shares

Any member may transfer all or any of his shares in certificated form by instrument of transfer in the usual common form or in any other form which the Directors may approve.

Where any class of shares is for the time being a participating security, title to shares of that class which are recorded as being held in uncertificated form, may be transferred (to not more than four transferees) by the relevant system concerned.

The Directors may in their absolute discretion refuse to register any transfer of shares (being shares which are not fully paid or on which the Company has a lien), provided that if the share is listed on the Official List of the Financial Conduct Authority such refusal does not prevent dealings in the shares from taking place on an open and proper basis.

The Directors may also refuse to register a transfer of shares (whether fully paid or not) unless the transfer instrument:

- (a) is lodged at the registered office, or such other place as the Directors may appoint, accompanied by the relevant share certificate(s);
- (b) is in respect of only one class of share; and
- (c) is in favour of not more than four transferees.

The Directors of the Company may refuse to register the transfer of a share in uncertificated form to a person who

is to hold it thereafter in certificated form in any case where the Company is entitled to refuse (or is excepted from the requirements) under the Uncertificated Securities Regulations 2001 to register the transfer.

English law treats those persons who hold the shares and are neither UK residents nor nationals in the same way as UK residents or nationals. They are free to own, vote on and transfer any shares they hold.

### Powers of the Directors

Directors may exercise all the powers of the Company, subject to the provisions of the Articles of Association, statutory restrictions and any authorisation or directions given by resolution, including powers relating to the issue and/or buying back of shares by the Company.

### Director's appointment, retirement and removal

Subject to the provisions of the Articles of Association, a Director may be appointed by ordinary resolution.

In addition, the Directors may appoint a person who is willing to act as a Director, and is permitted by law to do so, to be a Director, either to fill a vacancy or as an additional Director. A Director so appointed shall retire at the next Annual General Meeting notice of which is first given after his appointment and shall then be eligible for reappointment.

At each Annual General Meeting all Directors at the time the notice of that Annual General Meeting is given shall retire from office and be subject to re-election by the shareholders.

In addition to any power of removal under the Act, the Company may, by special resolution, remove a Director before the expiration of his period of office.

A Director shall cease to hold office in certain circumstances specified in the Company's Articles of Association.

### Amendments to the Articles of Association

Subject to the Act, the Articles of Association of the Company can be altered by special resolution of the members.

By order of the Board

**Kaye Maguire**

General Counsel & Company Secretary  
2 March 2022

## Directors' Statements of Responsibility

The Directors are responsible for preparing the Annual Report and the Group financial statements in accordance with applicable law and regulations. Detailed below are statements made by the Directors in relation to their responsibilities, disclosure of information to the Company's auditor and going concern.

### 1. Financial Statements and accounting records

Company law of England and Wales requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Group and parent company financial statements in accordance with UK-adopted international accounting standards ('IFRSs'). Under company law the Directors must not approve the Group financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group and the Company for that period.

In preparing these financial statements the Directors are required to:

- select suitable accounting policies in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group's financial position and financial performance;
- in respect of the Group financial statements, state whether UK-adopted international accounting standards, have been followed, subject to any material departures

disclosed and explained in the financial statements;

- in respect of the parent company financial statements, state whether UK-adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is appropriate to presume that the Company and/or the Group will not continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's and Group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and enable them to ensure that the Company and the Group financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and parent company and Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Report that comply with that law and those regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

### 2. Directors' Responsibility Statement

The Directors confirm, to the best of their knowledge:

- that the consolidated financial statements, 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 parent company and undertakings included in the consolidation taken as a whole; and

- that the Annual Report, including the Strategic Report, includes a fair review of the development and performance of the business and the position of the Company and undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face

### 3. Disclosure of information to the Auditor

Having made the requisite enquiries, so far as the Directors are aware as at the date of this Statement, there is no relevant audit information (as defined by section 418(3) of the Companies Act 2006) of which the Company's auditor is unaware and the Directors have taken all the steps they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

**Kelvin Stagg**

Chief Financial Officer

2 March 2022



## Independent Auditor's Report to the Members of PageGroup plc

### Opinion

In our opinion:

- PageGroup plc's group financial statements and parent company financial statements (the "financial statements") give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2021 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with UK adopted international accounting standards as applied in accordance with section 408 of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of PageGroup plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2021 which comprise:

Group	Parent company
Consolidated balance sheet as at 31 December 2021	Balance sheet as at 31 December 2021
Consolidated income statement for the year then ended	Statement of changes in equity for the year then ended
Consolidated statement of comprehensive income for the year then ended	Statement of cash flows for the year then ended
Consolidated statement of changes in equity for the year then ended	Related notes 1 to 25 to the financial statements including a summary of significant accounting policies
Consolidated statement of cash flows for the year then ended	
Related notes 1 to 25 to the financial statements, including a summary of significant accounting policies	

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards and as regards the parent company financial statements, as applied in accordance with section 408 of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We are independent of the group and parent in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the group or the parent company and we remain independent

of the group and the parent company in conducting the audit.

### Conclusions relating to going concern

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. Our evaluation of the directors' assessment of the group and parent company's ability to continue to adopt the going concern basis of accounting included:

- Confirming our understanding of the director's going concern assessment process, performed our own related risk assessment, and engaged with management early to ensure all key factors were considered in their assessment.
- Assessing the appropriateness of the duration of the going concern assessment period to 31 March 2023 and considering the existence of any significant events or conditions beyond this period based on our knowledge arising from other areas of the audit.
- Reviewing borrowing facilities to confirm both their availability to the Group, alongside the consideration of the key covenants on such facilities.
- Testing the assessment for clerical accuracy.
- Assessing whether assumptions made were reasonable, including testing key assumptions in the forecasts by reference to historical trends, independent sector forecasts and other information where available. Key assumptions include those over revenue, gross profit and cash.
- Considering the appropriateness of management's base case and downside scenarios, to understand how severe conditions would have to be to breach liquidity and whether the reduction in profitability required has no more than a remote possibility of occurring. Management considered a downside scenario to be a reduction in gross profit of 25% which mirrors the results of 2020.
- Performing independent sensitivity analysis on management's assumptions including applying incremental adverse cashflow sensitivities. These sensitivities included the impact of certain severe but plausible scenarios, evaluated as part of management's work on the Group's long term viability, materialising within the going concern period; and
- Reviewing the appropriateness of the Group's going concern disclosures included in the Annual Report.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent company's ability to continue as a going concern for a period to 31 March 2023.

In relation to the group and parent company's 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. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's ability to continue as a going concern.

## Overview of our audit approach

<b>Audit scope</b>	<ul style="list-style-type: none"> <li>We performed an audit of the complete financial information of 7 components, audit procedures on specific balances for a further 9 components and other procedures on the remaining 31 components.</li> <li>The components where we performed full or specific audit procedures accounted for 96% of Profit before tax, 90% of Revenue and 83% of Total assets.</li> </ul>
<b>Key audit matters</b>	<ul style="list-style-type: none"> <li>Revenue recognition for permanent and temporary placements.</li> </ul>
<b>Materiality</b>	<ul style="list-style-type: none"> <li>Overall group materiality of £8.3m which represents 5% of Profit before tax.</li> </ul>

## An overview of the scope of the parent company and group audits

### Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for each company within the Group. Taken together, this enables us to form an opinion on the consolidated financial statements. We take into account size, risk profile, the organisation of the group and effectiveness of group-wide controls, changes in the business environment and other factors such as recent internal audit results when assessing the level of work to be performed at each component.

In assessing the risk of material misstatement to the Group financial statements, and to ensure we had adequate quantitative coverage of significant accounts in the financial statements, of the 47 reporting components of the Group, we selected

16 components covering entities within the United Kingdom, France, Germany, the United States, China, Hong Kong, Spain, Italy, Holland, Australia, Belgium, Brazil, Mexico, Switzerland and Japan which represent the principal business units within the Group.

Full scope components - Of the 16 components selected, we performed an audit of the complete financial information of 7 components ("full scope components") which were selected based on their size or risk characteristics.

Specific scope components - For the remaining 9 components ("specific scope components"), we performed audit procedures on specific accounts within that component that we considered had the potential for the greatest impact on the significant accounts in the financial statements either because of the size of these accounts or their risk profile, in order to ensure that, at the overall Group level, we reduced and appropriately covered the residual risk of error. Depending on

the component or type of procedures, these procedures were undertaken by the Primary audit team or separate component audit team. The audit scope of these components may not have included testing of all significant accounts of the component but will have contributed to the coverage of significant accounts tested for the Group.

The remaining 31 components where we did not perform full audit procedures together represent 4% of the Group profit before tax, none are individually greater than 2% of the Group's profit before tax.

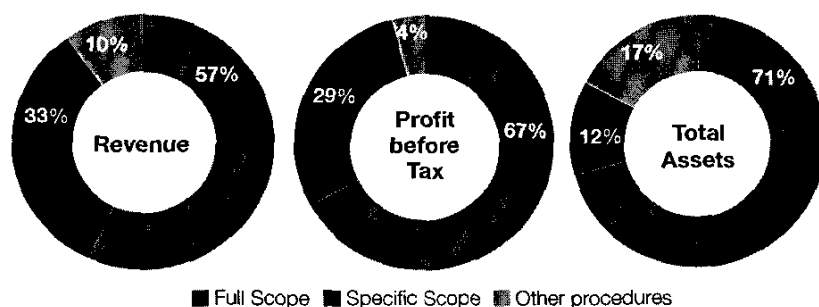
For these components, we performed other procedures, including analytical review procedures on a country-by-country basis, obtaining an understanding of the Group wide entity level controls over all components and assessing the results of the Internal Audit reviews to identify any potential risks of material misstatement to the Group financial statements.

		2021	2020
Revenue	Full scope components <sup>1</sup>	57%	58%
	Specific scope components <sup>1</sup>	33%	24%
	<b>Total</b>	<b>90%</b>	<b>82%</b>
Profit before tax	Full scope components	67%	99%
	Specific scope components	29%	(14%)
	<b>Total</b>	<b>96%</b>	<b>85%</b>
Total assets	Full scope components <sup>2</sup>	71%	59%
	Specific scope components	12%	17%
	<b>Total</b>	<b>83%</b>	<b>76%</b>

1. The Group audit risk in relation to revenue recognition was subject to audit procedures at each of the full and specific scope locations with significant revenue streams (being 7 full scope components 9 specific scope components).

2. We tested the right-of-use asset in respect of IFRS 16 and included this within the total assets coverage in the current year.

The charts below illustrate the coverage obtained from the work performed by our audit teams.



### Changes from the prior year

We considered the growth in emerging markets including Brazil, Mexico, Japan and Switzerland and included these markets as specific scope for FY21, which increased our coverage.

### Involvement with component teams

In establishing our overall approach to the Group audit, we determined the type of work that needed to be undertaken at each of the components by us, as the primary audit engagement team, or by component auditors from other EY global network firms operating under our instruction. Of the 7 full scope components and 9 specific scope components, audit procedures were performed on 1 and 4 of these respectively, directly by the primary audit team. For 6 full scope components and 5 specific scope components where the work was performed by component auditors, we determined the appropriate level of involvement to enable us to determine that sufficient audit evidence had been obtained as a basis for our opinion on the Group financial statements as a whole.

Auditing standards require us to be sufficiently involved in the work of the component teams throughout the group audit. In "normal" circumstances, one of the primary methods by which we execute our involvement is through site visits where we focus primarily on the components significant by size and/or where issues have been identified or where there have been important changes since the prior year. Our visits incorporated a combination of site visits, review of the component team's audit work and meeting with business unit management.

Since March 2020, the fast-changing environment has created multiple challenges for the group audit team and our involvement with our component teams, given the widespread effects of COVID-19, the threat of new variants in

many parts of the world, and the sustained uncertainty over travel restrictions/other government measures being imposed.

Consequently, the planned site visits which were due to take place during the course of the FY21 audit had to be adjusted and the Group audit team pursued a programme of component team involvement which did not rely on physical site visits, consistent with prior year. Instead, the Group audit team performed virtual site visits through the use of video or teleconferencing facilities, which included a combination of the following:

- Attending video conferences for key component team meetings, including key discussions with local management
- Setting regular touch point calls with component teams on a timely basis
- Holding discussions with the component team while remotely reviewing the component team's workpapers in key areas. Our review of audit workpapers was facilitated by the EY electronic audit file platform, screen sharing or the provision of copies of workpapers direct to the Group audit team, depending on what is permitted by the laws and regulations in each jurisdiction.

The virtual meetings involved discussing the audit approach with the component teams and any issues arising from their work, reviewing key audit working papers on risk areas. The Senior Statutory Auditor in addition to other members of the Primary audit team led video conference calls with all the component teams to discuss key audit procedures over significant risks and key judgements. The independent partner had calls with all full scope component audit partners. The Group audit team led 3 regional audit closing meetings held via video conference with regional management and the Group CFO, at which key areas of local judgement and audit findings were discussed.

For all components, the year-end review of

relevant audit work papers was facilitated by the EY electronic audit file platform.

The primary team interacted regularly with the component teams where appropriate during various stages of the audit, reviewed relevant working papers and were responsible for the scope and direction of the audit process. This, together with the additional procedures performed at Group level, gave us appropriate evidence for our opinion on the Group financial statements.

### Climate change

There has been increasing interest from stakeholders as to how climate change will impact PageGroup plc. Given the nature of the business in a non-carbon intensive industry, where remote working has become typical, management do not consider there to be a material impact from climate change. The Group has determined that the most significant future impacts from climate change on its operations will be from severe weather events impacting office-based locations, however, with a predominantly leased property footprint the Group considers there to be little risk of significant business disruption or significant financial impacts from climate change. Furthermore, the transition risks are not considered by management to be material. These conclusions are explained on pages 40 to 42 in the required Task Force for Climate related Financial Disclosures and on pages 53 to 60 in the principal risks and uncertainties, which form part of the "Other information," rather than the audited financial statements. Our procedures on these disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated.

As explained in the Significant accounting policies, governmental and societal responses to climate change risks are still developing, and are interdependent upon each other, and consequently financial statements cannot capture all possible future outcomes as these are not yet known. The degree of certainty of these changes may also mean that they cannot be taken into account when determining asset and liability valuations and the timing of future cash flows under the requirements of UK adopted international accounting standards.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included 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 were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
<p>Revenue recognition for permanent and temporary placements - Refer to the Audit Committee Report (Page 90); Accounting policies (page 131); and Note 2 of the Consolidated Financial Statements (page 127).</p> <p>The Group has reported permanent placement revenue of £682.2 million (2020: £441.5 million) and temporary placement revenue of £961.5 million (2020: £863.3 million).</p> <p>For permanent placements there is a risk around the timing of revenue recognition as revenue is recognised when customer and candidate agreement is achieved, which may be several months in advance of the start of employment. Consequently, there is a risk that:</p> <ul style="list-style-type: none"> <li>recognition occurs before revenue recognition criteria have been met;</li> <li>period end cut-off is performed incorrectly; or</li> <li>management judgement is incorrectly applied in estimating the level of provision required for potential revenue reversals when placements are not taken up as agreed.</li> </ul> <p>Temporary placement revenue is recognised when the customer has approved the timesheet. Consequently, there is a risk that:</p> <ul style="list-style-type: none"> <li>revenue is recognised before an approved timesheet has been submitted; or</li> <li>that period end cut-off is performed incorrectly.</li> </ul> <p>For both permanent and temporary placements we have identified the risk of manipulation of revenue through management initiated or top-side journals.</p>	<p>We performed the following full and specific scope audit procedures over this risk area at 15 components, which covered 90% of the revenue balance:</p> <ul style="list-style-type: none"> <li>For permanent and temporary revenue streams, we identified and assessed the process and design of key controls to validate that revenue recognition was appropriate and applied in accordance with the Group's accounting policies.</li> <li>For all 15 components, we used data analytics covering all revenue transactions in the year to test the correlation between revenue, accounts receivable and cash.</li> <li>Performed period-end cut off testing for a sample of revenue transactions to assess whether all revenue recognition criteria for the permanent and temporary placements had been met and that revenue had been recognised in the correct period.</li> <li>Compared the level of permanent placement revenue reversals over the last 12 months, which occur as a result of non-completion of contractual placements, to the provision recorded against accrued income and trade receivables to determine if the assumptions used to calculate the provision were appropriate. We also re-performed the provision calculation to confirm its accuracy.</li> <li>Performed testing of cash collections made post year-end for a sample of balances to validate the existence of accrued revenue and trade receivable balances. For those transactions not collected in cash we verified documents to check all revenue recognition criteria had been met.</li> <li>To address the risk of management override, we performed journal entry testing over revenue, focusing on management-initiated entries and top-side adjustments specifically around year end.</li> </ul> <p>For all other components which represent 10% of the revenue balance:</p> <ul style="list-style-type: none"> <li>We performed audit procedures centrally on a country-by-country basis to address the risk of an undetected material error occurring in all other components representing 10% of the Group's revenue. These comprised analytical review of revenue and gross profit, and ratio analysis of key performance indicators including revenue and gross profit per fee earner.</li> </ul>	<p>We concluded that revenue recognised for permanent and temporary placements is correctly recorded in accordance with the Group's revenue recognition criteria and UK adopted international accounting standards.</p>

## Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

### Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Group

to be £8.3 million (2020: £5.0 million), which is 5% of Group profit before tax (2020: 5% of normalised profit before tax). This approach is a change from the prior year whereby normalised profit before tax was used due to the volatility in results as a result of the COVID-19 pandemic. Results have stabilised for 2021 and reflect a more typical level of performance of the Group consistent with years prior to 2020.

We determined materiality for the Parent Company to be £5.7 million (2020: £6.7 million), which is 0.5% of total assets (2020: 0.5% of total assets). We believe that total assets is an appropriate basis to determine materiality given the nature of the Parent company as the holding

company of the Group. The materiality was capped at the Group allocated materiality of £0.9 million (2020: £0.8million).

During the course of our audit, we reassessed initial materiality and final materiality used actual results in the determination of our final materiality.

### Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments,

together with our assessment of the Group's overall control environment, our judgement was that performance materiality was 75% (2020: 75%) of our planning materiality, namely £6.2 million (2020: £3.8 million). We have set performance materiality at this percentage due to lower likelihood of misstatements based on prior periods' experience.

Audit work at component locations for the purpose of obtaining audit coverage over significant financial statement accounts is undertaken based on a percentage of total performance materiality. The performance materiality set for each component is based on the relative scale and risk of the component to the Group as a whole and our assessment of the risk of misstatement at that component. In the current year, the range of performance materiality allocated to components was £0.9 million to £2.1 million (2020: £0.8 million to £2.3 million).

### Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of £0.4 million (2020: £0.25 million), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

### Other information

The other information comprises the information included in the annual report set out on pages 1 to 120, including the reports included within the Strategic review and Corporate Governance, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such

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

We have nothing to report in this regard.

### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

### Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

### Corporate Governance Statement

We have reviewed the directors'

statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the group and company's compliance with the provisions of the UK Corporate Governance Code specified for our review by the Listing Rules.

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

- Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 60;
- Directors' explanation as to its assessment of the company's prospects, the period this assessment covers and why the period is appropriate set out on page 60;
- Director's statement on whether it has a reasonable expectation that the group will be able to continue in operation and meets its liabilities set out on page 60;
- Directors' statement on fair, balanced and understandable set out on page 84;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 91;
- The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 91; and;
- The section describing the work of the audit committee set out on page 88.

### Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 120, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

## Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. 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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the company and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and determined that the most significant are those that relate to the reporting framework (UK adopted international accounting standards, the Companies Act 2006 and UK Corporate Governance Code) and the relevant tax compliance regulations in the jurisdictions in which the Group operates and the EU General Data Protection Regulation (GDPR). There are no significant, industry specific laws or regulations that we considered in determining our approach.

- We understood how the Group is complying with those frameworks by making enquiries of management, internal audit, those responsible for legal and compliance procedures and the company secretary. We corroborated our enquiries through our review of board minutes and papers provided to the Audit Committee, correspondence received from regulatory bodies and attendance at all meetings of the Audit Committee, as well as consideration of the results of our audit procedures across the Group. Our assessment included: incorporating data analytics across our audit approach, journal entry testing with a focus on manual consolidation journals and journals meeting our defined risk criteria based on our understanding of the business; enquiries of the legal counsel, Group management, internal audit and all full and specific scope management; review of Board and Audit Committee reporting; and focused testing as referred to in the key audit matters section above.
- We assessed the susceptibility of the group's financial statements to material misstatement, including how fraud might occur by meeting with management from various parts of the business including management and finance teams of the local markets where appropriate, Head Office, the Audit Committee, the internal audit function, the Group legal function and individuals in the fraud and compliance department to understand where it considered there was susceptibility to fraud; and assessing whistleblowing incidences for those with a potential financial reporting impact. We also considered performance targets and their propensity to influence management to manage earnings.
- We considered the programmes and controls that the Group has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes and controls. Where risk was considered as higher, we performed audit procedures to address each identified fraud risk. Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations that could give rise to a material misstatement

in the financial statements, including instructions to full and specific scope component teams. Our procedures included enquiries of Group management, legal counsel and Internal Audit; journal entry testing, with a focus on management initiated or top-side adjustments identified based on characteristics of journal posting date and times, account pairings, specific key words and phrases derived from forensic investigations experience; and consideration of any specific bribery, corruption or other regulatory risk.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

## Other matters we are required to address

- Following the recommendation from the audit committee, we were appointed by the company in June 2021 to audit the financial statements for the year ending 31 December 2021 and subsequent financial periods.
- The period of total uninterrupted engagement including previous renewals and reappointments is 11 years, covering the years ending 31 December 2011 to 2021.
- The audit opinion is consistent with the additional report to the audit committee.

## Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Joe Yglesia (Senior statutory auditor)  
for and on behalf of Ernst & Young LLP,  
Statutory Auditor*

London

3 March 2022

## CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2021

	Note	2021 £'000	2020 £'000
<b>Revenue</b>	2	<b>1,643,740</b>	1,304,791
Cost of sales		<b>(766,020)</b>	(694,542)
<b>Gross profit</b>	2	<b>877,720</b>	610,249
Administrative expenses		<b>(709,210)</b>	(593,221)
<b>Operating profit</b>	2	<b>168,510</b>	17,028
Financial income	5	<b>290</b>	588
Financial expenses	5	<b>(2,156)</b>	(2,072)
<b>Profit before tax</b>	2	<b>166,645</b>	15,544
Income tax expense	6	<b>(48,289)</b>	(21,286)
<b>Profit/(loss) for the year</b>	3	<b>118,356</b>	(5,742)
<b>Attributable to:</b>			
Owners of the parent		<b>118,356</b>	(5,742)
<b>Earnings per share</b>			
Basic earnings per share (pence)	9	<b>37.2</b>	(1.8)
Diluted earnings per share (pence)	9	<b>37.0</b>	(1.8)

The above results relate to continuing operations.

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2021

	2021 £'000	2020 £'000
Profit/(loss) for the year	<b>118,356</b>	(5,742)
<b>Other comprehensive income/(loss) for the year</b>		
Items that may subsequently be reclassified to profit and loss:		
Currency translation differences	<b>(8,423)</b>	5,945
<b>Total comprehensive income for the year</b>	<b>109,933</b>	203
<b>Attributed to:</b>		
Owners of the parent	<b>109,933</b>	203

# CONSOLIDATED AND PARENT COMPANY BALANCE SHEETS

As at 31 December 2021

	Note	Group Re-presented		Company	
		2021 £'000	2020 £'000	2021 £'000	2020 £'000
<b>Non-current assets</b>					
Property, plant and equipment	10	24,836	26,401	–	–
Right-of-use assets	11	94,956	95,414	–	–
Intangible assets	12	2,065	2,097	–	–
- Goodwill and other intangibles					
- Computer software (including assets held under construction)	12	47,100	39,708	–	–
Investments	13	–	–	541,848	534,795
Deferred tax assets	18	19,659	17,688	–	–
Other receivables	14	12,849	13,169	–	–
		201,465	194,477	541,848	534,795
<b>Current assets</b>					
Trade and other receivables	14	355,797	252,476	970,375	808,610
Current tax receivable	7	13,214	16,889	–	–
Cash and cash equivalents	21	153,983	165,987	–	–
		522,994	435,352	970,375	808,610
<b>Total assets</b>	2	724,459	629,829	1,512,223	1,343,405
<b>Current liabilities</b>					
Trade and other payables	15	(230,382)	(175,337)	(1,221,423)	(1,026,656)
Provisions	16	(6,755)	(5,425)	–	–
Lease liabilities	11	(30,125)	(32,711)	–	–
Current tax payable	7	(22,241)	(12,365)	–	–
		(289,503)	(225,838)	(1,221,423)	(1,026,656)
<b>Net current assets/(liabilities)</b>		233,491	209,514	(251,048)	(218,046)
<b>Non-current liabilities</b>					
Other payables	15	(18,332)	(12,483)	–	–
Lease liabilities	11	(72,215)	(70,758)	–	–
Deferred tax liabilities	18	(354)	(1,589)	–	–
Provisions	16	(3,950)	(3,260)	–	–
		(94,851)	(88,090)	–	–
<b>Total liabilities</b>	2	(384,354)	(313,928)	(1,221,423)	(1,026,656)
<b>Net assets</b>		340,105	315,901	290,800	316,749
<b>Capital and reserves</b>					
Called-up share capital	19	3,286	3,286	3,286	3,286
Share premium	20	99,564	99,564	99,564	99,564
Capital redemption reserve	20	932	932	932	932
Reserve for shares held in the employee benefit trust	20	(47,338)	(55,498)	–	–
Currency translation reserve	20	16,897	25,320	–	–
Retained earnings		266,764	242,297	187,018	212,967
<b>Total equity</b>		340,105	315,901	290,800	316,749

The financial statements of PageGroup plc (Company Number 3310225) set out on pages 127 to 159 were approved by the Board of Directors and authorised for issue on 2 March 2022. The Company's profit for the financial year amounted to £67.2m (2020: £137.1m). The Balance Sheet has been re-presented to provide separate disclosure for provisions within current and non-current liabilities which were previously disclosed within accruals. Further information is disclosed in Note 1 and Note 16 to the Financial Statements.

Signed on behalf of the Board of Directors

**Steve Ingham,**  
Chief Executive Officer

**Kelvin Stagg,**  
Chief Financial Officer



# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2021

2020	Note	Called-up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Reserve for shares held in the employee benefit trust £'000	Currency translation reserve £'000	Retained earnings £'000	Total equity £'000
<b>Balance at 1 January 2020</b>		<b>3,286</b>	<b>99,507</b>	<b>932</b>	<b>(47,662)</b>	<b>19,375</b>	<b>248,949</b>	<b>324,387</b>
Currency translation differences		-	-	-	-	5,945	-	5,945
Net income recognised directly in equity		-	-	-	-	5,945	-	5,945
Loss for the year		-	-	-	-	-	(5,742)	(5,742)
<b>Total comprehensive income/(expense) for the year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,945</b>	<b>(5,742)</b>	<b>203</b>
Purchase of shares held in the employee benefit trust		-	-	-	(14,369)	-	-	(14,369)
Exercise of share plans		-	57	-	-	-	330	387
Transfer from reserve for shares held in the employee benefit trust		-	-	-	6,533	-	(6,533)	-
Credit in respect of share schemes		-	-	-	-	-	5,275	5,275
Credit in respect of tax on share schemes		-	-	-	-	-	18	18
		-	57	-	(7,836)	-	(910)	(8,689)
<b>Balance at 31 December 2020 and 1 January 2021</b>		<b>3,286</b>	<b>99,564</b>	<b>932</b>	<b>(55,498)</b>	<b>25,320</b>	<b>242,297</b>	<b>315,901</b>
<b>2021</b>								
Currency translation differences		-	-	-	-	(8,423)	-	(8,423)
Net expense recognised directly in equity		-	-	-	-	(8,423)	-	(8,423)
Profit for the year		-	-	-	-	-	118,356	118,356
<b>Total comprehensive (expense)/income for the year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(8,423)</b>	<b>118,356</b>	<b>109,933</b>
Purchase of shares held in the employee benefit trust		-	-	-	(10,369)	-	-	(10,369)
Exercise of share plans		-	-	-	-	-	16,431	16,431
Transfer from reserve for shares held in the employee benefit trust		-	-	-	18,529	-	(18,529)	-
Credit in respect of share schemes		-	-	-	-	-	7,052	7,052
Credit in respect of tax on share schemes		-	-	-	-	-	1,387	1,387
Dividends	8	-	-	-	-	-	(100,230)	(100,230)
		-	-	-	8,160	-	(93,889)	(85,729)
<b>Balance at 31 December 2021</b>		<b>3,286</b>	<b>99,564</b>	<b>932</b>	<b>(47,338)</b>	<b>16,897</b>	<b>266,764</b>	<b>340,105</b>

## STATEMENT OF CHANGES IN EQUITY – PARENT COMPANY

For the year ended 31 December 2021

Company	Note	Called-up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Retained earnings £'000	Total equity £'000
<b>Balance at 1 January 2020</b>		<b>3,286</b>	<b>99,507</b>	<b>932</b>	<b>70,591</b>	<b>174,316</b>
Profit for the year		–	–	–	137,101	137,101
<b>Total comprehensive income for the year</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>137,101</b>	<b>137,101</b>
Exercise of share plans		–	57	–	–	57
Credit in respect of share schemes		–	–	–	5,275	5,275
		–	57	–	5,275	5,332
<b>Balance at 31 December 2020 and 1 January 2021</b>		<b>3,286</b>	<b>99,564</b>	<b>932</b>	<b>212,967</b>	<b>316,749</b>
<b>2021</b>						
Profit for the year		–	–	–	67,229	67,229
<b>Total comprehensive income for the year</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>67,229</b>	<b>67,229</b>
Credit in respect of share schemes		–	–	–	7,052	7,052
Dividends	8	–	–	–	(100,230)	(100,230)
		–	–	–	(93,178)	(93,178)
<b>Balance at 31 December 2021</b>		<b>3,286</b>	<b>99,564</b>	<b>932</b>	<b>187,018</b>	<b>290,800</b>

## CONSOLIDATED AND PARENT COMPANY CASH FLOW STATEMENTS

For the year ended 31 December 2021

	Note	Group		Company	
		2021 £'000	2020 £'000	2021 £'000	2020 £'000
<b>Profit before tax</b>	2	<b>166,645</b>	15,544	<b>67,229</b>	137,101
Depreciation and amortisation charges	10/11/12	<b>53,728</b>	61,782	-	-
(Profit)/Loss on sale of property, plant and equipment, and computer software		<b>(59)</b>	262	-	-
Share scheme charges		<b>7,052</b>	5,275	-	-
Net finance cost		<b>1,864</b>	1,484	-	-
<b>Operating cash flow before changes in working capital</b>		<b>229,230</b>	84,347	<b>67,229</b>	137,101
(Increase)/Decrease in receivables		<b>(115,318)</b>	124,370	<b>(161,767)</b>	(201,452)
Increase/(Decrease) in payables		<b>72,372</b>	(39,760)	<b>194,768</b>	64,294
<b>Cash generated from operations</b>		<b>186,284</b>	168,957	<b>100,230</b>	(57)
Income tax paid		<b>(37,046)</b>	(31,747)	-	-
<b>Net cash from operating activities</b>		<b>149,238</b>	137,210	<b>100,230</b>	(57)
<b>Cash flows from investing activities</b>					
Purchases of property, plant and equipment	10	<b>(10,233)</b>	(4,892)	-	-
Purchases of intangibles	12	<b>(18,130)</b>	(17,770)	-	-
Proceeds from the sale of property, plant and equipment, and computer software		<b>2,629</b>	918	-	-
Interest received		<b>290</b>	588	-	-
<b>Net cash used in investing activities</b>		<b>(25,444)</b>	(21,156)	-	-
<b>Cash flows from financing activities</b>					
Dividends paid		<b>(100,230)</b>	-	<b>(100,230)</b>	-
Interest paid		<b>(841)</b>	(413)	-	-
Lease liability principal repayment		<b>(37,026)</b>	(39,234)	-	-
Issue of own shares for the exercise of options		<b>16,431</b>	387	-	57
Purchase of shares held in the employee benefit trust		<b>(10,369)</b>	(14,369)	-	-
<b>Net cash used in financing activities</b>		<b>(132,035)</b>	(53,629)	<b>(100,230)</b>	57
<b>Net increase in cash and cash equivalents</b>		<b>(8,241)</b>	62,425	-	-
<b>Cash and cash equivalents at the beginning of the year</b>		<b>165,987</b>	97,832	-	-
Exchange (loss)/gain on cash and cash equivalents		<b>(3,763)</b>	5,730	-	-
<b>Cash and cash equivalents at the end of the year</b>	21	<b>153,983</b>	165,987	-	-

## Notes to the Financial Statements

For the year ended 31 December 2021

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### Statement of compliance

PageGroup plc is a company incorporated in the United Kingdom under the Companies Act.

Under that law the Directors have elected to prepare the Group and parent company

financial statements in accordance with UK-adopted international accounting standards ("IFRSs").

#### Basis of preparation

The financial statements of PageGroup plc consolidate the results of the Company and all its subsidiary undertakings. As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the Company has not been included as part of these financial

statements. The Company's profit for the financial year amounted to £67.2m (2020: £137.1m). The decrease in the Company's profit this year is as a result of decreased dividend income.

It is the Directors' view that provisions are sufficiently material to be separately disclosed within the balance sheet, where in previous years these were disclosed within accruals. Accordingly, comparatives have been represented on a consistent basis. No third balance sheet is presented

because the representation at the beginning of the comparative period is not considered material. There is no impact on the income statement, cashflow or net assets in the balance sheet as a result of this representation.

As a result, the balance sheet for 2020 includes current and non-current provisions of £10.7m and an associated reduction in accruals.

Refer to Note 16 for disclosures in accordance with IAS 37.

## Basis of consolidation

### (i) Subsidiaries

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 December 2021. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

### (ii) Transactions eliminated on consolidation

Intragroup balances and any unrealised gains and losses or income and expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

### (iii) Employee Benefit Trust

Shares in PageGroup plc held by the trust are shown as a reduction in shareholders' funds.

### (iv) Changes in accounting policy – new accounting standards, interpretations and amendments

The accounting policies adopted are consistent with those of the previous financial years except for the following amendments to IFRS effective as of 1 January 2021:

- IBOR Reform and its Effects on Financial Reporting – Phase 2

The adoption of these accounting standards or interpretations did not have any impact on the accounting policies, financial position or performance of the Group.

### Standards issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

- Reference to the Conceptual Framework – Amendments to IFRS 3; effective date 1 January 2022
- Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16; effective date 1 January 2022
- Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37; effective date 1 January 2022
- IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter; effective date 1 January 2022
- IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities; effective date 1 January 2022
- Amendments to IAS 1: Classification of Liabilities as Current or Non-current; effective date 1 January 2023
- Deferred Tax related to Assets and Liabilities arising from a single transaction - Amendments to IAS12; effective for annual periods beginning on or after 1 January 2023

The amendments are not expected to have a material impact on the Group.

### Going concern

The Board has undertaken a review of the Group's forecasts and associated risks and sensitivities, considering the expected impact of COVID-19 on trading in the period from the date of approval of the financial statements to March 2023.

The Group had £154.0m of cash as at 31 December 2021, with no debt except for IFRS 16 lease liabilities of £102.0m. Debt facilities relevant to the review period comprise a committed £30m BBVA RCF (May 2023 maturity), an uncommitted UK trade debtor discounting facility (up to £50m depending on debtor levels) and an uncommitted £20m UK bank overdraft facility.

Throughout 2021, activity levels picked up in most of the Group's markets and the cost control and cash preservation methods used in 2020 were not repeated. However, due to the pandemic reductions in travel and entertaining expenses remain. There continues to be a high degree of global macro-economic uncertainty, as COVID-19 remains a significant issue and restrictions remain in a number of countries across the Group.

However, given the analysis performed,

there are no plausible downside scenarios that we believe would cause an issue. As a result, given the strength of performance in the year, the level of cash in the business and Group's borrowing facilities, the geographical and discipline diversification, limited concentration risk, as well as the ability to manage the cost base, the Board has concluded that the Group has adequate resources to continue in operational existence for the period through to March 2023.

### a) Revenue and income recognition

Revenue, which excludes value added tax (VAT), constitutes the value of services undertaken by the Group from its principal activities, which are recruitment consultancy and other ancillary services. These consist of:

- revenue from temporary placements, which represents amounts billed for the services of temporary staff, including the salary cost of these staff. This is recognised when the service has been provided;
- revenue from permanent placements is typically based on a percentage of the candidate's remuneration package and is derived from both retained assignments (income recognised on completion of defined stages of work) and non-retained assignments (income recognised at the date an offer is accepted by a candidate and where a start date has been determined). The latter includes revenue anticipated, but not invoiced, at the balance sheet date, which is correspondingly accrued on the balance sheet within accrued income. A provision is made against accrued income for possible cancellations of placements prior to, or shortly after, the commencement of employment; and
- revenue from amounts billed to clients for expenses incurred on their behalf (principally advertisements) is recognised when the expense is incurred.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

### b) Cost of sales

Cost of sales consists of the salary cost of temporary staff and costs incurred on behalf of clients, principally advertising costs.

**c) Gross profit**

Gross profit represents revenue less cost of sales and consists of the total placement fees of permanent candidates, the margin earned on the placement of temporary candidates and the margin on advertising income.

**d) Foreign currency translation***(i) Functional and presentation currency*

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Sterling, which is the Company's functional and presentation currency.

*(ii) Transactions and balances*

Foreign currency transactions are translated into the respective functional currency using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

*(iii) Group companies*

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each income statement are translated at average exchange rates; and
- all resulting exchange differences are recognised in other comprehensive income.

**e) Intangible assets***(i) Goodwill*

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on the acquisition of subsidiaries is included in intangible assets. Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units and is not amortised, but is tested

at least annually for impairment (see accounting policy h). Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

*(ii) Computer software*

Computer software acquired separately is measured on initial recognition at cost. Computer software developed by the Group is measured at the cost incurred in relation to the development of software and related applications. Costs are capitalised when they fulfil the criteria in IAS 38 regarding internally developed intangible assets. The Group applies judgement, which is not considered as significant, in capitalising the development cost by assessing if it will generate probable future economic benefits. Costs which are incurred after the release of software or costs which are incurred in order to enhance existing products are expensed in the period in which they are incurred.

*(iii) Software under construction*

Software under construction relates to cost capitalised in relation to the development of a new operating system and related applications. Costs are capitalised when they fulfil the criteria in IAS 38 regarding internally developed intangible assets. While still under construction, assets are tested for impairment annually. Assets are moved from software under construction to computer software when they become available for use.

*(iv) Trademark*

Acquired trademarks are stated at cost and are written down over five years on a straight-line basis, which represents the estimated useful life of the intangible.

*(v) Amortisation*

Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Goodwill has an indefinite useful life. Computer software is amortised at 20% per annum unless it is considered to have a shorter life, in which case the period of amortisation is reduced. The cumulative amount of goodwill written off directly to retained earnings in respect of acquisitions prior to 31 December 1997 is £311.7m (2020: £311.7m).

**f) Property, plant and equipment**

Property, plant and equipment are stated at original cost less accumulated depreciation. Depreciation is calculated to write off the cost less estimated residual value of each asset evenly over its expected useful life at the following

rates:

Leasehold improvements 10% per annum or period of lease if shorter

Furniture, fixtures and equipment 10-20% per annum

Motor vehicles 25% per annum

**g) Investments**

Fixed asset investments are stated at cost less provision for impairment.

**h) Impairment of assets**

## Non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

## Financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

## i) Taxation

Income tax expense represents the sum of the current tax and deferred tax charges. The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the 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. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised.

Deferred tax is charged or credited to the income statement, except when it relates to items charged or credited directly to OCI or equity, in which case the deferred tax is also dealt with in OCI or equity.

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.

## j) Pension costs

The Group operates defined contribution pension schemes. The assets of the schemes are held separately from those of the Group in independently administered funds. The pension costs charged to the income statement represent the contributions payable by the Group to the funds during each period.

## k) Leases

### i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. 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.

### ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term.

The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. 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 expense in the period on 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.

### iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e. those leases that 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 (i.e. below \$5,000). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

### iv) Judgement in determining the lease term of contracts with renewal options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has the option, under some of its leases to lease the assets for additional terms of three to ten years. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g. a change in business strategy).

## l) Segment reporting

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 Board to allocate resources to the segments and to assess their performance. Information provided to the Board is focused on regions and as a result, reportable segments are on a regional basis. Transactions between segments are recorded and allocated on an arms-length basis.

#### m) Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by (for final dividends) or paid to (for interim dividends) the Company's shareholders.

#### n) Share-based compensation

The Group operates a number of equity-settled, share-based compensation plans. The accounting treatments for the Group and parent company are described below:

##### (i) Share option schemes

The fair value of the employee services received in exchange for the grant of the options is recognised as an expense in the income statement of the Group with a corresponding adjustment to equity. In the parent company, it is capitalised as an investment, with a corresponding adjustment to equity. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, earnings per share). Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable.

At each balance sheet date, the estimate of the number of options that are expected to become exercisable is revised. The Group recognises the impact of the revision of original estimates, if any, in the income statement, and the corresponding adjustment to equity over the remaining vesting period.

##### (ii) Management Incentive Plan

Where deferred awards are made to Directors and senior executives under the Management Incentive Plan, to reflect that the awards are for services over a longer period, the value of the expected award is charged to the income statement of the Group on a straight-line basis over the vesting period to which the award relates. In the Parent Company, it is capitalised as an investment in the subsidiary that is receiving the employee service, with a corresponding adjustment to equity.

##### (iii) Employee Single Incentive Plan (ESIP)

Awards under the ESIP are paid in cash (40%) and Shares (60%), which vest in 3 tranches over a 3 year period. The value of expected award is charged to the income statement of the Group relative to these vesting periods.

##### iv) Tax on share schemes

Where options or shares are net settled in respect of withholding tax obligations, these are accounted for as equity settled transactions. Payments to local tax authorities are accounted for as a deduction from equity for the shares withheld.

#### o) Deferred cash bonus

The Group operates a bonus scheme for some members of staff whereby bonuses are deferred for three years from date of award. The bonuses are paid in full if the employee remains employed for the entire three-year period.

#### p) Repurchase of share capital

When share capital recognised as equity is repurchased, the amount of the consideration paid, including any directly attributable costs, is recognised as a change in equity.

#### q) Provisions

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the balance sheet date, and are discounted to present value where the effect is material.

Due to the increase in size of provisions, the Group is now presenting these separately on the balance sheet.

#### r) Financial assets and liabilities

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial assets' contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15.

The Group's financial assets at amortised cost includes trade and other receivables. In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Cash and cash equivalents includes cash-in-hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows. Prepayments and Accrued Income are held at amortised cost.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables and derivative financial instruments.

Financial liabilities are classified, at initial recognition, as financial liabilities through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group has derivative contracts at the balance sheet date that have been valued at fair value through the income statement.

#### s) Areas of accounting estimation

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates and judgements. It also requires management to exercise judgement in the process of applying the Company's accounting policies.

Estimates and judgements are continually evaluated and are based on historical experience and other factors,

including expectations of future events that are believed to be reasonable under the circumstances.

In preparing the Consolidated Financial Statements management has considered the impact of climate change, particularly in the context of the disclosures included in the Strategic Report this year and the stated net zero targets. These considerations did not have a material impact on the financial reporting judgements and estimates, consistent with the assessment that climate change is not expected to have a significant impact on the Group's going concern assessment to September 2022 nor the viability of the Group over the next three years as the Group's Balance sheet is primarily made up of short-term assets and liabilities.

The following are areas where appropriate accounting necessarily involves management judgement and estimation. However, none of the estimates described are considered to have a significant risk of resulting in a material adjustment to the carrying amount of the related assets and liabilities within the next financial year. Accordingly, they are not considered to be major sources of estimation uncertainty.

#### **Note 13 – Trade and other receivables**

There is uncertainty regarding customers who may not be able to pay as their invoices fall due as at 31 December 2021. In total the Group holds £265.7m of Gross Trade Receivables. A provision for £11.1m has been recognised based on the expected credit losses, revenue reversals or balances which are in litigation.

In reviewing the appropriateness of the provisions in respect of recoverability of trade receivables, consideration has been given to the economic climate in the respective markets, the ageing of the debt and the potential likelihood of default. If the economic climate were to deteriorate across a number of countries the portfolio could be impaired by an amount greater than materiality. This scenario is however considered sufficiently remote such that no reasonably possible changes in assumptions are likely to cause material further impairment next year. Please see note 21 for an analysis of expected credit losses and revenue reversals.

#### **Deferred Tax**

At 31 December 2021, PageGroup's deferred tax assets are £19.7m (2020: £17.7m). The ultimate realisation of

deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible or in which tax losses can be utilised. The tax effect of deductible temporary differences and unused tax losses are recognised as a deferred tax asset when it becomes probable that the tax losses and deductible temporary differences will be utilised. In making assessments regarding deferred tax assets, management considers the scheduled reversal of deferred tax liabilities, projected future taxable income, the availability to carry back losses and tax planning strategies.

At 31 December 2021, based upon the projections for future taxable income over the periods in which deferred tax assets are deductible, management believes that it is more likely than not that PageGroup will realise the benefits of these deductible differences. The amount of deferred tax assets considered realisable could however be reduced in subsequent years if estimates of future taxable income during their carry forward periods are reduced, or rulings by the tax authorities are unfavourable. Estimates are therefore subject to change due to both market-related and government-related uncertainties, as well as PageGroup's own future decisions.

#### **Uncertain tax positions**

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustments to tax payable in respect of previous years.

Uncertain tax positions are assessed and measured on an issue by issue basis within the jurisdictions that we operate using management's estimate of the most likely outcome. Where management determines that a greater than 50% probability exists that the tax authorities would accept the position taken in the tax return, amounts are recognised in the consolidated financial statements on that basis. Where the amount of tax payable or recoverable is uncertain, the Group recognises a liability or asset based on either: management's judgement of the most likely outcome; or, when there is a wide range of possible outcomes, a probability weighted average approach. The Group recognises interest on late paid taxes as part of financing costs. The Group recognises penalties, if applicable, as part of administrative and other expenses.

These estimates include significant

management judgements about the probable outcome of uncertain tax positions. Management base their judgements on the latest information available about the positions expected to be taken by each tax authority. Actual outcomes and settlements may differ significantly from the estimates recorded in these consolidated financial statements. This may affect income tax expense reported in future years' consolidated income statements. The uncertain tax position provision recognised as at 31 December 2021 is £3.4m.

#### **Intangible Assets**

There is judgement over the appropriate costs which can be capitalised in accordance with IAS 38. Management have performed a review of the costs capitalised to ensure appropriate classification under IAS 38 and consider there to be no trigger for impairment. We considered the IFRIC agenda decision in March 2021 in respect of cloud computing and specifically the treatment of configuration and customisation costs. We have analysed these in respect of Customer Connect (CRM platform) and not identified any material costs which would not be appropriate for capitalisation under the IFRIC guidance and IAS 38.

#### **t) Employee Benefit Trust**

The Employee Benefit Trust is considered a separate legal entity and not an extension of the parent company. It is included in the consolidated results of the Group as it is deemed to have control of the entity.

#### **u) Government grants**

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.



## 2. SEGMENT REPORTING

All revenues disclosed are derived from external customers.

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 1. Segment operating profit represents the profit earned by each segment including allocation of central administration costs. This is the measure reported to the Group's Board, the chief operating decision maker, for the purpose of resource allocation and assessment of segment performance. Segments are aggregated in accordance with management ownership, determined by the possession of similar characteristics such as geography, market maturity and economic environment. No judgements were applied to identify the reportable segments.

### (a) Revenue, gross profit and operating profit by reportable segment

	Revenue 2021 £'000	Gross profit 2021 £'000	Operating profit 2021 £'000
<b>2021</b>			
EMEA	869,574	431,960	93,435
Asia Pacific	282,008	179,296	39,004
Americas	220,671	136,520	19,163
United Kingdom	271,487	127,944	16,908
Operating profit	-	-	168,510
Financial expense	-	-	(1,865)
<b>Revenue/gross profit/profit before tax</b>	<b>1,643,740</b>	<b>877,720</b>	<b>166,645</b>
	Revenue 2020 £'000	Gross profit 2020 £'000	Operating profit 2020 £'000
<b>2020</b>			
EMEA	717,294	319,360	30,605
Asia Pacific	215,959	121,113	3,789
Americas	154,257	88,791	(7,021)
United Kingdom	217,281	80,985	(10,345)
Operating profit	-	-	17,028
Financial expense	-	-	(1,484)
<b>Revenue/gross profit/profit before tax</b>	<b>1,304,791</b>	<b>610,249</b>	<b>15,544</b>

The above analysis by destination is not materially different to the analysis by origin.

The analysis below is of the carrying amount of reportable segment assets, liabilities and non-current assets. Segment assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

The individual reportable segments exclude income tax assets and liabilities. Non-current assets include property, plant and equipment, computer software, goodwill and other intangibles.

### (b) Segment assets, liabilities, non-current assets and capital expenditure by reportable segment

	Total assets		Total liabilities	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
EMEA	285,573	230,350	201,748	163,961
Asia Pacific	132,995	111,090	64,405	54,899
Americas	94,581	80,662	43,789	41,071
United Kingdom	198,096	190,838	52,171	41,632
<b>Segment assets/liabilities</b>	<b>711,245</b>	<b>612,940</b>	<b>362,113</b>	<b>301,563</b>
Income tax	13,214	16,889	22,241	12,365
	<b>724,459</b>	<b>629,829</b>	<b>384,354</b>	<b>313,928</b>

The analyses in notes (d) revenue and gross profit by discipline (being the professions of candidates placed) and (e) revenue and gross profit by strategic market have been included as additional disclosure over and above the requirements of IFRS 8 "Operating Segments". Strategic markets are defined in the Strategic Review on pages 15 and 16.

	Property, plant and equipment		Intangible assets	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
EMEA	<b>10,571</b>	10,810	<b>2,247</b>	2,666
Asia Pacific	<b>4,318</b>	4,451	<b>279</b>	371
Americas	<b>5,325</b>	6,052	–	120
United Kingdom	<b>4,622</b>	5,088	<b>46,639</b>	38,648
	<b>24,836</b>	26,401	<b>49,165</b>	41,805

	Right-of-use assets		Lease liabilities	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
EMEA	<b>54,413</b>	47,941	<b>57,143</b>	51,070
Asia Pacific	<b>16,132</b>	13,924	<b>17,154</b>	14,532
Americas	<b>10,692</b>	14,862	<b>13,432</b>	17,590
United Kingdom	<b>13,719</b>	18,687	<b>14,611</b>	20,277
	<b>94,956</b>	95,414	<b>102,340</b>	103,469

	Property, plant and equipment		Intangible assets	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Capital expenditure				
EMEA	<b>4,265</b>	1,341	<b>27</b>	40
Asia Pacific	<b>2,368</b>	1,558	<b>73</b>	36
Americas	<b>1,243</b>	1,107	–	206
United Kingdom	<b>2,358</b>	886	<b>17,919</b>	17,488
	<b>10,234</b>	4,892	<b>18,019</b>	17,770

The below analysis in note (c) relates to the requirement of IFRS 15 to disclose disaggregated revenue streams.

**(c) Revenue and gross profit generated from permanent and temporary placements**

	Revenue		Gross profit	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Permanent	<b>682,233</b>	441,467	<b>676,099</b>	436,689
Temporary	<b>961,507</b>	863,324	<b>201,621</b>	173,560
	<b>1,643,740</b>	1,304,791	<b>877,720</b>	610,249

**(d) Revenue and gross profit by discipline**

	Revenue		Gross profit	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Accounting and Financial Services	<b>609,012</b>	528,202	<b>281,549</b>	212,243
Legal, Technology, HR, Secretarial and other	<b>511,466</b>	374,406	<b>260,819</b>	166,249
Engineering, Property & Construction, Procurement & Supply Chain	<b>349,770</b>	273,771	<b>207,200</b>	141,829
Marketing, Sales and Retail	<b>173,492</b>	128,412	<b>128,152</b>	89,928
	<b>1,643,740</b>	1,304,791	<b>877,720</b>	610,249

**(e) Revenue and gross profit by strategic market**

	Revenue		Gross profit	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Large, Proven markets	<b>867,634</b>	728,736	<b>406,618</b>	289,202
Large, High Potential markets	<b>551,547</b>	397,166	<b>332,539</b>	218,196
Medium and Small, High Margin markets	<b>224,559</b>	178,889	<b>138,563</b>	102,851
	<b>1,643,740</b>	1,304,791	<b>877,720</b>	610,249

### 3. PROFIT FOR THE YEAR

	2021 £'000	2020 £'000
<b>Profit for the year is stated after charging:</b>		
Employment costs (Note 4)	<b>554,753</b>	438,111
Net exchange losses	<b>6,891</b>	4,937
Depreciation of property, plant and equipment – owned (Note 10)	<b>8,213</b>	9,864
Amortisation of intangibles (Note 12)	<b>10,217</b>	14,653
Expected credit losses and provision for revenue reversals (Note 22)	<b>17,920</b>	27,773
(Profit)/Loss on sale of property, plant and equipment and computer software	<b>(59)</b>	262
Depreciation of right-of-use assets (Note 11)	<b>35,298</b>	37,265
<b>Fees payable to the Company's auditor:</b>		
Fees payable to the Company's auditor for the audit of the Company's annual accounts	<b>433</b>	463
Fees payable to the Company's auditor and associates for other services:		
– The audit of the Company's subsidiaries pursuant to legislation	<b>755</b>	755
<b>Total audit fees</b>	<b>1,188</b>	1,218
– Audit related assurance services	<b>52</b>	52
– Other non-audit services	<b>7</b>	32
<b>Total non-audit fees</b>	<b>59</b>	84
<b>Total fees</b>	<b>1,247</b>	1,302

### 4. EMPLOYEE INFORMATION

The average number of employees (including Executive Directors) during the year and total number of employees (including Executive Directors) at 31 December 2021 were as follows:

	2021 Average No.	2020 Average No.	At 31 Dec 2021 No.	At 31 Dec 2020 No.
Management	<b>356</b>	341	<b>376</b>	339
Client services	<b>5,220</b>	5,030	<b>5,705</b>	4,806
Administration	<b>1,643</b>	1,559	<b>1,757</b>	1,549
	<b>7,219</b>	6,930	<b>7,838</b>	6,694

Employment costs (including Directors' emoluments) comprised:

	2021 £'000	2020 £'000
Wages and salaries	<b>471,918</b>	364,686
Social security costs	<b>51,523</b>	48,816
Pension costs – defined contribution plans	<b>18,736</b>	16,731
Share-based payments and deferred cash plan	<b>12,576</b>	7,878
	<b>554,753</b>	438,111

During 2020, the Group utilised various Government support schemes around the world in response to the COVID-19 pandemic. In accordance with IAS 20 – Government Grants and Disclosure of Government Assistance, the income received from these grants is presented net against the payroll expenses within wages and salaries in the Consolidated Income Statement. The total income recognised in 2020 was £11.2m.

No staff are employed by the parent company (2020: none) hence no remuneration has been disclosed for the Company. Remuneration for Directors for their services on behalf of the parent company are included in the Directors' Remuneration Report on pages 95 to 116.

## 5. FINANCIAL INCOME/(EXPENSES)

	2021 £'000	2020 £'000
<b>Financial income</b>		
Interest receivable	290	588
	<b>290</b>	<b>588</b>
<b>Financial expenses</b>		
Interest payable	(841)	(413)
Interest on lease liabilities	(1,314)	(1,659)
	<b>(2,155)</b>	<b>(2,072)</b>

## 6. INCOME TAX EXPENSE

The charge for taxation is based on the effective annual tax rate of 29.0% on profit before tax (2020: 136.9%).

	2021 £'000	2020 £'000
<b>Analysis of charge in the year</b>		
UK income tax at 19.00% (2020: 19.00%) for year	11,776	(3,897)
Overseas income tax	42,303	25,290
Adjustments in respect of prior years	(3,214)	(164)
	<b>50,865</b>	<b>21,229</b>
<b>Deferred tax</b>		
Adjustment in respect of prior years	(1,673)	2,823
Origination and reversal of temporary differences	(6,684)	(6,908)
Derecognition of losses and other tax attributes	5,481	3,480
Impact of tax rate changes	300	662
<b>Deferred tax income</b>	<b>(2,576)</b>	<b>57</b>
<b>Total tax expense in the income statement</b>	<b>48,289</b>	<b>21,286</b>

	2021 £'000	%	2020 £'000	%
Reconciliation of effective tax rate				
Profit before taxation	166,645		15,544	
Profit before tax multiplied by the standard rate of corporation tax in the UK	31,663	19.0	2,952	19.0
<b>Effects of:</b>				
Disallowable items and other permanent differences	2,395	1.4	1,947	12.5
Unrelieved overseas losses	1,855	1.1	1,954	12.5
Derecognition/(recognition) of overseas losses and other tax attributes	3,626	2.2	1,525	9.8
Other tax movements	392	0.2	694	4.5
Higher tax rates on overseas earnings	6,139	3.7	2,038	13.1
Other tax overseas	6,805	4.1	6,855	44.1
Movement of rate difference	301	0.2	662	4.3
Adjustment to tax charge in respect of prior periods	(4,887)	(2.9)	2,659	17.1
Tax expense and effective rate for the year	48,289	29.0	21,286	136.9

	2021 £'000	2020 £'000
<b>Tax recognised directly in equity</b>		
Relating to settled transactions	1,387	18

We have generated profits in overseas countries which have higher tax rates and are subject to additional taxes on profits which have contributed 7.8% to the tax rate in 2021. Disallowable and other permanent differences are broadly in line with prior years and net derecognition of overseas losses and other tax attributes that we could not recognise due to the requirement to have profits against which to offset in the foreseeable future increase the rate by 4.7%. Adjustments in respect of prior periods are one-off in nature and reduce the rate by 2.9%. These factors add to the basic UK rate of 19% to give the total effective tax rate of 29.0%.

The Finance Act 2016 included legislation to reduce the main rate of UK corporation tax from 20% to 19% from 1 April 2017 and to 17% from 1 April 2020. The rate reduction to 17% was subsequently reversed by the Finance Act 2020, such that the main rate of UK corporation tax from 1 April 2021 remains at 19%. The Finance Act 2021 confirmed an increase of UK corporation tax rate from 19% to 25% with effect from 1 April 2023 and this was substantively enacted by the statement of financial position date and therefore included in these financial statements. Temporary differences have been remeasured using the enacted tax rates that are expected to apply when the liability is settled or the asset realised.

## 7. CURRENT TAX ASSETS AND LIABILITIES

The current tax asset of £13.2m (2020: £16.9m), and current tax liability of £22.2m (2020: £12.4m) for the Group, and current tax asset and liability of £nil (2020: £nil) for the parent company, represent the amount of income taxes recoverable and payable in respect of current and prior periods. The Group maintains a provision in relation to disputes and uncertain tax positions, including transfer pricing, which is included in the current tax liability.

## 8. DIVIDENDS

	2021 £'000	2020 £'000
<b>Amounts recognised as distributions to equity holders in the year:</b>		
Final dividend for the year ended 31 December 2020 of 0.00p per Ordinary share (2019: 0.00p)	–	–
Interim dividend for the year ended 31 December 2021 of 4.70p per Ordinary share (2020: 0.00p)	<b>14,998</b>	–
Special dividend for the year ended 31 December 2021 of 26.71p per Ordinary share (2020: 0.00p)	<b>85,232</b>	–
	<b>100,230</b>	
<b>Amounts proposed as distributions to equity holders in the year:</b>		
Proposed final dividend for the year ended 31 December 2021 of 10.30p per Ordinary share (2020: 0.00p)	<b>32,912</b>	–

The proposed final dividend for 2019 of 9.40p per ordinary share, or £30.2m, which was due for payment in June 2020, was cancelled as a result of the ongoing uncertainty as a result of the COVID-19 pandemic.

The proposed final dividend had not been approved by the Board at 31 December and therefore has not been included as a liability.

The proposed final dividend of 10.30p (2020: nil) per ordinary share will be paid on 17 June 2022 to shareholders on the register at close of business on 20 May 2022.

## 9. EARNINGS PER ORDINARY SHARE

The calculation of the basic and diluted earnings per share is based on the following data:

	2021 £'000	2020 £'000
<b>Earnings</b>		
Earnings for basic and diluted earnings per share (£'000)	<b>118,356</b>	(5,742)
<b>Number of shares</b>		
	number	number
Weighted average number of shares used for basic earnings per share ('000)	<b>318,237</b>	319,664
Dilutive effect of share plans ('000)	<b>1,232</b>	925
Diluted weighted average number of shares used for diluted earnings per share ('000)	<b>319,469</b>	320,589
	pence	pence
Basic earnings per share	<b>37.2</b>	(1.8)
Diluted earnings per share	<b>37.0</b>	(1.8)

The above results relate to continuing operations.

### Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of Ordinary shares in issue during the year, excluding unallocated Ordinary shares purchased by the Employee Benefit Trust and held in the reserve.

### Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of Ordinary shares outstanding to assume conversion of all dilutive potential Ordinary shares. This calculation determines the number of shares that could have been acquired at fair value (determined as the average market price of the Company's shares) based on the monetary value of the subscription rights attached to the outstanding share options. The number of shares calculated in the basic earnings per share is then adjusted to reflect the number of shares deemed to be issued for nil consideration as a result of the potential exercise of existing share options.

The remaining share options that are currently not dilutive and hence excluded from the dilutive earnings per share calculation remain potentially dilutive until they are either exercised or they lapse.

## 10. PROPERTY, PLANT AND EQUIPMENT

Group	2021			
	Leasehold improve- ments £'000	Furniture, fixtures and equipment £'000	Motor vehicles £'000	Total £'000
<b>Cost</b>				
At 1 January	48,125	41,050	1,639	90,814
Additions	2,696	6,778	759	10,233
Disposals	(2,379)	(1,965)	(284)	(4,628)
Effect of movements in foreign exchange	(1,640)	(1,802)	(65)	(3,507)
At 31 December	46,802	44,061	2,049	92,912
<b>Depreciation</b>				
At 1 January	33,055	30,389	969	64,413
Charge for the year	4,097	3,759	357	8,213
Disposals	(1,916)	(273)	(246)	(2,435)
Effect of movements in foreign exchange	(743)	(1,318)	(54)	(2,115)
At 31 December	34,493	32,557	1,026	68,076
<b>Net book value</b>				
At 31 December	12,309	11,504	1,023	24,836

Group	2020			
	Leasehold improve- ments £'000	Furniture, fixtures and equipment £'000	Motor vehicles £'000	Total £'000
<b>Cost</b>				
At 1 January	46,953	48,191	1,428	96,572
Additions	2,579	1,568	745	4,892
Disposals	(1,721)	(9,523)	(489)	(11,733)
Effect of movements in foreign exchange	314	814	(45)	1,083
At 31 December	48,125	41,050	1,639	90,814
<b>Depreciation</b>				
At 1 January	28,932	34,642	1,073	64,647
Charge for the year	5,153	4,333	378	9,864
Disposals	(1,306)	(9,206)	(423)	(10,935)
Effect of movements in foreign exchange	276	620	(59)	837
At 31 December	33,055	30,389	969	64,413
<b>Net book value</b>				
At 31 December	15,070	10,661	670	26,401

## 11. LEASES

Group	Property £'000	Motor Vehicles £'000	Other assets £'000	Total £'000
<b>Right-of-use assets</b>				
<b>At 1 January 2020</b>	<b>105,768</b>	<b>13,681</b>	<b>797</b>	<b>120,246</b>
Additions	13,377	3,412	919	17,708
Disposals	(3,947)	(3,281)	-	(7,228)
Depreciation expense	(28,969)	(7,678)	(618)	(37,265)
Effect of movements in foreign exchange	1,370	583	-	1,953
<b>At 31 December 2020 and 1 January 2021</b>	<b>87,599</b>	<b>6,717</b>	<b>1,098</b>	<b>95,414</b>
Additions	35,548	8,542	513	44,603
Disposals	(5,861)	(336)	-	(6,197)
Depreciation expense	(27,785)	(6,906)	(607)	(35,298)
Effect of movements in foreign exchange	(3,245)	(321)	-	(3,566)
<b>At 31 December 2021</b>	<b>86,256</b>	<b>7,696</b>	<b>1,004</b>	<b>94,956</b>
<b>Lease liabilities</b>				
			2021 £'000	2020 £'000
As at 1 January			(103,469)	(128,612)
Additions			(45,155)	(17,794)
Disposals			6,387	7,467
Interest expense			(1,314)	(1,659)
Payments			37,294	39,234
Effect of movements in foreign exchange			3,917	(2,105)
As at 31 December			(102,340)	(103,469)

## 12. INTANGIBLE ASSETS

2021							
Group	Computer software £'000	Computer software, assets under construction £'000	Subtotal £'000	Goodwill £'000	Trademark £'000	Subtotal £'000	Total £'000
<b>Cost</b>							
At 1 January	59,133	2,787	61,920	1,539	1,460	2,999	64,919
Additions	15,479	2,500	17,979	-	151	151	18,130
Disposals	(1,330)	-	(1,330)	-	-	-	(1,330)
Effect of movements in foreign exchange	(513)	(1)	(514)	-	-	-	(514)
At 31 December	72,769	5,286	78,055	1,539	1,611	3,150	81,205
<b>Amortisation</b>							
At 1 January	22,212	-	22,212	-	902	902	23,114
Charge for the year	10,034	-	10,034	-	183	183	10,217
Disposals	(953)	-	(953)	-	-	-	(953)
Effect of movements in foreign exchange	(338)	-	(338)	-	-	-	(338)
At 31 December	30,955	-	30,955	-	1,085	1,085	32,040
<b>Net book value</b>							
At 31 December	41,814	5,286	47,100	1,539	526	2,065	49,165

The Group has one individually material intangible asset (Customer Connect) which is the Group's CRM platform. The net book value at 31 December 2021 is £35.1m. The useful economic life is seven years in line with the expected life of the asset.

2020

Group	Computer software £'000	Computer software, assets under construction £'000	Subtotal £'000	Goodwill £'000	Trademark £'000	Subtotal £'000	Total £000
<b>Cost</b>							
At 1 January	106,029	498	106,527	1,539	1,313	2,852	109,379
Additions	15,163	2,460	17,623	–	147	147	17,770
Disposals	(62,210)	(131)	(62,341)	–	–	–	(62,341)
Effect of movements in foreign exchange	151	(40)	111	–	–	–	111
At 31 December	59,133	2,787	61,920	1,539	1,460	2,999	64,919
<b>Amortisation</b>							
At 1 January	69,560	–	69,560	–	765	765	70,325
Charge for the year	14,516	–	14,516	–	137	137	14,653
Disposals	(61,959)	–	(61,959)	–	–	–	(61,959)
Effect of movements in foreign exchange	95	–	95	–	–	–	95
At 31 December	22,212	–	22,212	–	902	902	23,114
<b>Net book value</b>							
At 31 December	36,921	2,787	39,708	1,539	558	2,097	41,805

### IMPAIRMENT TESTS FOR GOODWILL

Goodwill is allocated to the Group's cash-generating units (CGUs) identified according to the country of operation. A summary of the goodwill allocation is presented below:

	2021 £'000	2020 £'000
UK	1,274	1,274
USA	214	214
Singapore	51	51
	<b>1,539</b>	1,539

In assessing value in use, the estimated future cash flows are calculated by preparing cash flow forecasts derived from the most recent financial budget, management projections for five years, followed by an assumed growth rate of 0%, which does not exceed the long-term average growth rate of the relevant markets and reflects long-term wage inflation fee growth. Management applied a discount rate of 8%, representing the weighted average cost of capital for the Group, to the estimated future cash flows to calculate the terminal value of those cash flows. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense. Management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value of goodwill allocated to any CGU to materially exceed its recoverable amount.

The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired. It is the opinion of the Directors that at 31 December 2021 there was no impairment of goodwill.

## 13. INVESTMENTS

Company	Subsidiary undertakings £'000
Cost at 1 January 2021	534,795
Transactions relating to share plans for subsidiaries' employees	7,053
Cost at 31 December 2021	541,848



The Company's subsidiary undertakings at 31 December 2021, their principal activities and countries of incorporation are set out below:

<b>Name of undertaking</b>	<b>Country of incorporation</b>	<b>Principal activity</b>	<b>Registered office</b>
Michael Page International Argentina SA	Argentina	Recruitment Consultancy	Cordoba 883, Piso 9, Ciudad de Buenos Aires, C1054AAH, Argentina
Page Personnel Argentina Servicios Eventuales SA	Argentina	Recruitment Consultancy	Cordoba 883, Piso 9, Ciudad de Buenos Aires, C1054AAH, Argentina
Michael Page International (Australia) Pty Limited	Australia	Recruitment Consultancy	Level 21, 9 Castlereagh Street, Sydney, NSW 2000, Australia
Michael Page International Austria GmbH	Austria	Recruitment Consultancy	QBC4, Karl Popper-Straße 4/1.0G Top 3, Wien, 1100 Austria
Michael Page International (Belgium) NV/SA	Belgium	Recruitment Consultancy	Place du Champ de Mars 5, 1050 Brussels, Belgium
Page Interim (Belgium) NV/SA	Belgium	Recruitment Consultancy	Place du Champ de Mars 5, 1050 Brussels, Belgium
Michael Page International Do Brasil - Recrutamento Especializado Ltda	Brazil	Recruitment Consultancy	Rua Olimpiadas nº 205, sala: 111, 112, 113 e 114 - 11º andar, Vila Olimpia, Sao Paulo, 04551-000 - SP, Brasil
Page Interim Do Brasil - Recrutamento Especializado Ltda	Brazil	Recruitment Consultancy	Rua Olimpiadas nº 205, sala: 111, 112, 113 e 114 - 11º andar, Vila Olimpia, Sao Paulo, 04551-000 - SP, Brasil
Page Personnel do Brasil - Recrutamento Especializado e servicos corporativos Ltda	Brazil	Recruitment Consultancy	Rua Olimpiadas nº 205, sala: 111, 112, 113 e 114 - 11º andar, Vila Olimpia, Sao Paulo, 04551-000 - SP, Brasil
Michael Page International Canada Limited	Canada	Recruitment Consultancy	130 Adelaide Street West, 21st Floor, Toronto, Ontario, M5H 1J8, Canada
Michael Page International Chile Ltda	Chile	Recruitment Consultancy	Magdalena 181, Piso 1, Depto. 1801, Las Condes, Santiago 7550055, Chile
Page Personnel International Chile Ltda	Chile	Recruitment Consultancy	Magdalena 181, Piso 1, Depto 101, Las Condes, Santiago 7550055, Chile
Page Consulting Chile Ltda	Chile	Recruitment Consultancy	Av. El Bosque Norte 0177, Office 602, Santiago, 755-0100, Chile
Empresa de Servicios Transitorios Page Interim Chile Limitada	Chile	Recruitment Consultancy	Magdalena 181, Piso 1, Depto 101, Las Condes, Santiago 7550055, Chile
Michael Page (Beijing) Recruitment Co., Ltd	China	Recruitment Consultancy	Room 1009 1012, 10/F, West Tower, World Financial Centre, No.1 East 3rd Ring Middle Road, Chaoyang District, Beijing, China 100020
Michael Page (Shanghai) Recruitment Co., Ltd	China	Recruitment Consultancy	Level 18, HKRI Taikoo Hui Tower2, 288 Shimen Yi Road, JingAn District, Shanghai 200041, China
Michael Page International (Shanghai) Consulting Limited	China	Non-Trading	Suite 1010, Shanghai Kerry Centre, 1515 Nanjing West Road, Shanghai, China
Page Contracting (Shanghai) Co. Ltd	China	Recruitment Consultancy	Room 1812 1801-1811, /18, HKRI Taikoo Hui, No.288 Shimen Yi Road, Jing'An, Shanghai, 200041, China
Michael Page International Colombia SAS	Colombia	Recruitment Consultancy	Calle 81 # 11 - 08 Piso 11, Bogotá, D.C., Colombia
Page Interim Colombia SAS	Colombia	Non-Trading	Calle 81 # 11 - 08 Piso 11, Bogotá, D.C., Colombia

Name of undertaking	Country of incorporation	Principal activity	Registered office
Michael Page Czech Republic s.r.o	Czech Republic	Recruitment Consultancy	Pobřežní 249/46, Karlín, Praha 8, 186 00, Czech Republic
Michael Page Partnership Limited	England and Wales	Non-Trading	200 Dashwood Lang Road, Bourne Business Park, Addlestone, Surrey KT15 2NX, UK
Michael Page Employment Services Limited	England and Wales	Recruitment Consultancy	200 Dashwood Lang Road, Bourne Business Park, Addlestone, Surrey KT15 2NX, UK
LPM (Professional Recruitment) Limited	England and Wales	Holding company	200 Dashwood Lang Road, Bourne Business Park, Addlestone, Surrey KT15 2NX, UK
Accountancy Additions Limited	England and Wales	Non-trading	200 Dashwood Lang Road, Bourne Business Park, Addlestone, Surrey KT15 2NX, UK
Slamway Limited	England and Wales	Non-trading	200 Dashwood Lang Road, Bourne Business Park, Addlestone, Surrey KT15 2NX, UK
(The) Assessment Centre Limited	England and Wales	Non-trading	200 Dashwood Lang Road, Bourne Business Park, Addlestone, Surrey KT15 2NX, UK
LPM (Group Services) Limited	England and Wales	Non-trading	200 Dashwood Lang Road, Bourne Business Park, Addlestone, Surrey KT15 2NX, UK
(The) Page Partnership Limited	England and Wales	Non-trading	200 Dashwood Lang Road, Bourne Business Park, Addlestone, Surrey KT15 2NX, UK
Sales Recruitment Specialists Limited	England and Wales	Non-trading	200 Dashwood Lang Road, Bourne Business Park, Addlestone, Surrey KT15 2NX, UK
Michael Page International Limited	England and Wales	Non-trading	200 Dashwood Lang Road, Bourne Business Park, Addlestone, Surrey KT15 2NX, UK
Michael Page International 1982 Limited	England and Wales	Non-trading	200 Dashwood Lang Road, Bourne Business Park, Addlestone, Surrey KT15 2NX, UK
Michael Page International Investment Limited	England and Wales	Non-trading	200 Dashwood Lang Road, Bourne Business Park, Addlestone, Surrey KT15 2NX, UK
Michael Page International Finance Limited	England and Wales	Non-trading	200 Dashwood Lang Road, Bourne Business Park, Addlestone, Surrey KT15 2NX, UK
Page Personnel (UK) Limited	England and Wales	Non-trading	200 Dashwood Lang Road, Bourne Business Park, Addlestone, Surrey KT15 2NX, UK
Michael Page Holdings Limited	England and Wales	Support services	200 Dashwood Lang Road, Bourne Business Park, Addlestone, Surrey KT15 2NX, UK
Michael Page International Holdings Limited	England and Wales	Holding company	200 Dashwood Lang Road, Bourne Business Park, Addlestone, Surrey KT15 2NX, UK
Michael Page International Recruitment Limited*	England and Wales	Recruitment Consultancy	200 Dashwood Lang Road, Bourne Business Park, Addlestone, Surrey KT15 2NX, UK
Michael Page Limited	England and Wales	Non-trading	200 Dashwood Lang Road, Bourne Business Park, Addlestone, Surrey KT15 2NX, UK
Michael Page International Southern Europe Limited*	England and Wales	Holding company	200 Dashwood Lang Road, Bourne Business Park, Addlestone, Surrey KT15 2NX, UK
Michael Page UK Limited	England and Wales	Non-trading	200 Dashwood Lang Road, Bourne Business Park, Addlestone, Surrey KT15 2NX, UK

Name of undertaking	Country of incorporation	Principal activity	Registered office
Michael Page Recruitment Group Limited	England and Wales	Holding company	200 Dashwood Lang Road, Bourne Business Park, Addlestone, Surrey KT15 2NX, UK
Page Outsourcing UK Limited	England and Wales	Recruitment Consultancy	2nd Floor 61 Aldwych, London, United Kingdom, WC2B 4AE, UK
Michael Page International France SAS	France	Recruitment Consultancy	164 Avenue Achille Peretti, 92522 Neuilly-sur-Seine, Paris, France
MP Financial Services France SAS	France	Support services	164 Avenue Achille Peretti, 92522 Neuilly-sur-Seine, Paris, France
Page Personnel SAS	France	Recruitment Consultancy	164 Avenue Achille Peretti, 92522 Neuilly-sur-Seine, Paris, France
Michael Page Business Services SARL	France	Recruitment Consultancy	164 Avenue Achille Peretti, 92522 Neuilly-sur-Seine, Paris, France
Michael Page Ingénieurs et Informatique SARL	France	Recruitment Consultancy	164 Avenue Achille Peretti, 92522 Neuilly-sur-Seine, Paris, France
Michael Page Tertiaire SARL	France	Recruitment Consultancy	164 Avenue Achille Peretti, 92522 Neuilly-sur-Seine, Paris, France
Michael Page Nord SARL	France	Recruitment Consultancy	1, Rue Esquemoise, 59800 Lille, France
Michael Page Sud SARL	France	Recruitment Consultancy	48, Rue de la République, 69002 Lyon, France
MP Advertising SAS	France	Support Services	164 Avenue Achille Peretti, 92522 Neuilly-sur-Seine, Paris, France
Page Consulting SARL	France	Recruitment Consultancy	164 Avenue Achille Peretti, 92522 Neuilly-sur-Seine, Paris, France
MP EDP SARL	France	Support Services	164 Avenue Achille Peretti, 92522 Neuilly-sur-Seine, Paris, France
Michael Page International Monaco SARL	France	Recruitment Consultancy	7 Rue de l'Industrie, 98000 Monaco
Michael Page International (Deutschland) GmbH	Germany	Recruitment Consultancy	Carl-Theodor-Str. 1, Düsseldorf, 40213, Germany
Page Personnel Services GmbH	Germany	Recruitment Consultancy	Carl-Theodor-Str. 1, Düsseldorf, 40213, Germany
Page Personnel (Deutschland) GmbH	Germany	Recruitment Consultancy	Carl-Theodor-Str. 1, Düsseldorf, 40213, Germany
Michael Page Interim GmbH	Germany	Recruitment Consultancy	Carl-Theodor-Str. 1, Düsseldorf, 40213, Germany
Michael Page International (Hong Kong) Limited	Hong Kong	Recruitment Consultancy	Suite 1701, 17F Central Tower, 28 Queen's Road Central, Central Hong Kong
Michael Page International Recruitment Pvt Ltd	India	Recruitment Consultancy	5th Floor, 2 North Avenue, Maker Maxity, Bandra-Kurla Complex, Bandra (E), Mumbai 400051, India
PT Michael Page Internasional Indonesia	Indonesia	Recruitment Consultancy	One Pacific Place, Suites B-F, Level 12, Sudirman Central Business District, Jl. Jend. Sudirman Kav 52-53, Jakarta 12190, Indonesia
Michael Page International (Ireland) Limited	Ireland	Recruitment Consultancy	6th Floor, Southbank House, Barrow Street, Dublin 4, Ireland
Michael Page International Italia Srl	Italy	Recruitment Consultancy	Galleria Passarella, 2, Milan, 20122, Italy

Name of undertaking	Country of incorporation	Principal activity	Registered office
Page Personnel Italia SpA	Italy	Recruitment Consultancy	Galleria Passarella, 2, Milan, 20122, Italy
Michael Page International (Japan) K.K.	Japan	Recruitment Consultancy	6F Huli Kamiyacho Building, 4-3-13 Toranomon, Minato-ku, Tokyo 105-0001, Japan
Agensi Pekerjaan Michael Page International (Malaysia) SDN BHD	Malaysia	Recruitment Consultancy	10th Floor, Wisma Hamjah-Kwong Hing, No.1 Leboh Ampang, 50100 Kuala Lumpur
Page Contracting (Malaysia) Sdn Bhd	Malaysia	Contracting/Temporary placements	Level 19-1 Menara Millennium, Jalan Damansara, Pusat Bandar Damansara, 50490 Kuala Lumpur W.P. Kuala Lumpur, Malaysia
Michael Page (Mauritius) Limited	Mauritius	Recruitment Consultancy	5th Floor Atchia Building, Cnr of Suffren and Eugene Laurent Streets, Port Louis, Republic of Mauritius
Michael Page International (Mauritius) Limited	Mauritius	Recruitment Consultancy	5th Floor Atchia Building, Cnr of Suffren and Eugene Laurent Streets, Port Louis, Republic of Mauritius
Michael Page International Mexico Reclutamiento Especializado, S.A. de C.V.	Mexico	Recruitment Consultancy	Newton 293, Piso 3, Col. Polanco, Vseccion, Del. Miguel Hidalgo, Z.C., CDMX, 11570, Mexico
Michael Page International Mexico Servicios Corporativos SA de CV	Mexico	Recruitment Consultancy	Newton 293, Piso 3, Col. Polanco, Vseccion, Del. Miguel Hidalgo, Z.C., CDMX, 11570, Mexico
Page Interim Mexico Servicios SA de CV	Mexico	Recruitment Consultancy	Newton 293, Piso 3, Col. Polanco, Vseccion, Del. Miguel Hidalgo, Z.C., CDMX, 11570, Mexico
Page México Operaciones PG S.A. DE C.V.	Mexico	Recruitment Consultancy	Newton 293, Piso 3, Col. Polanco, Vseccion, Del. Miguel Hidalgo, Z.C., CDMX, 11570, Mexico
Page Consulting México S.A. DE C.V.	Mexico	Recruitment Consultancy	Newton 293, Piso 3, Col. Polanco, Vseccion, Del. Miguel Hidalgo, Z.C., CDMX, 11570, Mexico
Page Resourcing Process S.A. DE C.V.	Mexico	Recruitment Consultancy	Newton 293, Piso 3, Col. Polanco, Vseccion, Del. Miguel Hidalgo, Z.C., CDMX, 11570, Mexico
Page Internacional ADM S.A. DE C.V.	Mexico	Recruitment Consultancy	Newton 293, Piso 3, Col. Polanco, Vseccion, Del. Miguel Hidalgo, Z.C., CDMX, 11570, Mexico
Michael Page International (Maroc) SARL AU	Morocco	Recruitment Consultancy	Angle rue Mahassine Arrouyani et Ali Abderrazak, 4e étage, Quartier Racine 20100 Casablanca, Morocco
Michael Page International (Nederland) B.V.	Netherlands	Recruitment Consultancy	Strawinskylaan 421, 107XX, Amsterdam, Netherlands
Page Interim B.V.	Netherlands	Recruitment Consultancy	Strawinskylaan 421, 107XX, Amsterdam, Netherlands
Michael Page International Panama S.A.	Panama	Recruitment Consultancy	Punta Pacifica, Blvd Pacifica Oceania Business Plaza, Torre 2000, Piso 43, Panama
Michael Page International Peru S.R.L	Peru	Recruitment Consultancy	Calle Las Orquídeas 675 esq. Andrés Reyes - Piso 5, Oficina 501, San Isidro 15046, Peru
Page Personnel Servicios Temporales Peru S.R.L	Peru	Recruitment Consultancy	Calle Las Orquídeas 675 esq. Andrés Reyes - Piso 5, Oficina 501, San Isidro 15046, Peru
Michael Page International Recruitment (Philippines) Inc.	Philippines	Recruitment Consultancy	15th Floor, Citibank Center Building, 8741 Paseo de Roxas, Bel-Air, City of Makati, NCR, Fourth District, Philippines
Page Group Corporate Services (Philippines) Inc.	Philippines	Support services	24th Floor, Philam Life Tower, 8767 Paseo De Roxas Avenue, Bel-Air, Makati City 1226, Philippines
Michael Page International (Poland) Sp.z.o.o	Poland	Recruitment Consultancy	Zlota 59, 00-120 Warsaw, Poland
Michael Page International Portugal - Empresa de Trabalho Temporário e Serviços de Consultadoria Lda	Portugal	Recruitment Consultancy	Av. Liberdade nº 180 A, 3º andar, Lisboa, 1250-146, Portugal
MICPAGE Services Lda	Portugal	Recruitment Consultancy	Av. Liberdade nº 180 A, 3º andar, Lisboa, 1250-146, Portugal

Name of undertaking	Country of incorporation	Principal activity	Registered office
Michael Page International (UAE) Limited – QFC Branch	UAE	Recruitment Consultancy	Qatar Financial Centre, Office 2, Ground Floor, Tornado Tower, West Bay, PO Box 23153, Doha, Qatar
Michael Page International Pte Limited*	Singapore	Recruitment Consultancy	One Raffles Place, #09-61 Office Tower Two, Singapore 048616
Page Personnel Recruitment Pte Ltd	Singapore	Recruitment Consultancy	One Raffles Place, #09-61 Office Tower Two, Singapore 048616
Michael Page International (SA) (Pty) Limited	South Africa	Recruitment Consultancy	2 Maude Street, The Forum, 5th Floor, Sandton City, Johannesburg, 2196, South Africa
Michael Page Holding (España) SL	Spain	Holding company	Paseo De La Castellana 130, 8º Planta, Madrid, 28046, Spain
PageGroup Technology Services SL	Spain	IT consultancy services	Paseo De La Castellana 130, 8º Planta, Madrid, 28046, Spain
Page Group Europe SL	Spain	Support Services	Plaza Europa 21-23 P. 5, 08908 L'Hospitalet de Llobregat, 08908, Spain
Page Group Spain Recursos Humanos ETT SA	Spain	Recruitment Consultancy	Paseo De La Castellana 130, 8º Planta, Madrid, 28046, Spain
Michael Page International (Sweden) AB	Sweden	Recruitment Consultancy	Mäster Samuelsgatan 42, Stockholm 111 57, Sweden
Michael Page International Switzerland SA	Switzerland	Recruitment Consultancy	12, Quai de la Poste, Geneva, 1204, Switzerland
Taiwan Michael Page International Co Ltd	Taiwan	Recruitment Consultancy	8F-1 Shin Kong Xin Yi Financial Building, 36-1 Songren Road Xin-Yi District, Taipei City, Taiwan 110
Michael Page Limited	Thailand	Holding company	689 Bhiraji Tower at EmQuartier, 41st Floor, Unit 4108-4109, Sukhumvit Road, North Klongtong, Vadhana, Bangkok, 10110, Thailand
Michael Page International Recruitment (Thailand) Limited	Thailand	Recruitment Consultancy	689 Bhiraji Tower at EmQuartier, 41st Floor, Unit 4108-4109, Sukhumvit Road, North Klongtong, Vadhana, Bangkok, 10110, Thailand
Michael Page International Nem İstihdam Turkey Danışmanlığı Limited Şirketi	Turkey	Recruitment Consultancy	Büyükdere Cad. Kanyon Ofis Binası No: 185 K: 21 Levent, İstanbul, 34394, Turkey
MPI Yönetim Servisleri ve Dan. Ltd. Şti.	Turkey	Recruitment Consultancy	Büyükdere Cad. Kanyon Ofis Binası No: 185 K: 21 Levent, İstanbul, 34394, Turkey
Michael Page International (Vietnam) Co. Limited	Vietnam	Recruitment Consultancy	Level 9, Saigon Centre, Tower 2, 67 Le Loi Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam
Michael Page International (UAE) Limited	United Arab Emirates	Recruitment Consultancy	202 & 204, Level 2, Currency House - Building 1, Dubai International Financial Centre, Dubai, 506702, United Arab Emirates
Michael Page International Inc.*	United States	Recruitment Consultancy	622 Third Avenue, 29th Floor, New York, NY10017, USA
Page Outsourcing Inc.	United States	Recruitment Consultancy	251 Little Falls Drive, Wilmington, New Castle County, Delaware 19801, USA

\*The equity of these subsidiary undertakings is held directly by PageGroup plc. All companies have been included in the consolidation and operate principally in their country of incorporation.

The percentage of the issued share capital held is equivalent to the percentage of voting rights held. The Group holds 100% of all classes of issued share capital. The share capital of all the subsidiary undertakings comprise Ordinary shares.

The following subsidiaries are exempt from the requirements of the Companies Act 2006 relating to the audit of accounts under section 479A of the Act:

- Michael Page International Southern Europe Limited
- Michael Page International Holdings Limited
- LPM (Professional Recruitment) Limited
- Michael Page Partnership Limited
- Michael Page Employment Services Limited

## 14. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
<b>Current</b>				
Trade receivables	265,727	197,195	–	–
Less allowance for expected credit losses and revenue reversals	(11,086)	(11,061)	–	–
Net trade receivables	254,641	186,134	–	–
Amounts due from Group companies	–	–	970,375	808,610
Other receivables	7,018	4,393	–	–
Accrued Income (net of revenue reversals)	81,186	51,282	–	–
Prepayments	12,952	10,667	–	–
	355,797	252,476	970,375	808,610
<b>Non-current</b>				
Other receivables	12,849	13,169	–	–

The fair values of trade and other receivables are not materially different to those disclosed above.

The Group's exposure to credit and currency risks and impairment losses related to trade and other receivables is disclosed in Note 22.

All amounts due from Group undertakings are unsecured, interest-free and repayable on demand.

## 15. TRADE AND OTHER PAYABLES

	Group		Company	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
<b>Current</b>				
Trade payables	5,908	3,993	–	–
Amounts owed to Group companies	–	–	1,221,283	1,026,516
Other tax and social security	46,946	44,890	–	–
Other payables	34,698	35,664	–	–
Accruals	142,830	90,790	140	140
	230,382	175,337	1,221,423	1,026,656
<b>Non-current</b>				
Accruals	16,310	11,836	–	–
Other tax and social security	2,022	647	–	–
	18,332	12,483	–	–

The fair values of trade and other payables are not materially different to those disclosed above.

All amounts due to Group undertakings are unsecured, interest-free and repayable on demand. The Group's exposure to currency and liquidity risk related to trade and other payables is disclosed in Note 22.

## 16. PROVISION

2021	Dilapidations	NI on Share Schemes	Other	Total
<b>Opening</b>	6,355	1,362	968	8,685
Foreign exchange	(162)	–	(24)	(186)
Provided	1,051	2,253	2,005	5,309
Utilised	(18)	(1,272)	(423)	(1,713)
Released	(259)	–	(1,131)	(1,390)
<b>Closing</b>	6,967	2,343	1,395	10,705
2020	Dilapidations	NI on Share Schemes	Other	Total
<b>Opening</b>	5,164	2,002	243	7,409
Foreign exchange	209	–	429	638
Provided	1,468	114	776	2,358
Utilised	(289)	(754)	(213)	(1,256)
Released	(197)	–	(267)	(464)
<b>Closing</b>	6,355	1,362	968	8,685
	2021 (£'000)		2020 (£'000)	
Current	6,755		5,425	
Non-current	3,950		3,260	
<b>Total provisions</b>	10,705		8,685	

## Dilapidation

A provision has been recognised for dilapidation costs associated with our office portfolio. The Group is committed to make good on the property sites on lease termination.

## Social security contributions on share options

The provision for social security contributions on share options is calculated based on the number of options outstanding at the reporting date that are expected to be exercised. The provision is based on market price of the shares at the reporting date which is the best estimate of the market price at the date of exercise. It is expected that the costs will be incurred during the exercise period of 1 January 2022 to 31 December 2023.

## 17. BANK OVERDRAFTS

No bank overdrafts were utilised in respect of the year ended 31 December 2021 (2020: £Nil).

At 31 December 2021, the Group had available £20m (2020: £20m) of undrawn uncommitted overdraft facility with HSBC, £1m elsewhere in the Group and £30m of committed RCF facility with BBVA. There is also £7.27m of undrawn borrowing facilities under the Invoice Discounting arrangement with HSBC. Under the terms of the Invoice Discount Facility we are able to borrow up to £50m depending on the level of UK trade receivables held at any one time. Based on the carrying amount of trade receivables at the year-end we were able to borrow £7.27m of the £50m. No actual amount was drawn down on the facility at the year end. The Group utilised the facilities during the year on an ad-hoc basis.

All other bank overdrafts and facilities are repayable on demand. The Group's exposure to interest rate, foreign currency and liquidity risk for financial assets and liabilities is disclosed in Note 22.

## 18. DEFERRED TAX

The following are the major deferred tax (assets)/liabilities recognised by the Group, and the movements thereon, during the current and prior reporting periods.

	Share-based payments £'000	Tax losses £'000	Provisions £'000	Related party transactions £'000	Other £'000	Total £'000
<b>At 1 January 2021</b>	<b>490</b>	<b>2,188</b>	<b>4,702</b>	<b>2,746</b>	<b>5,973</b>	<b>16,099</b>
Recognised in equity for the year	1,241	-	-	-	-	1,241
Transfers	-	268	485	514	(1,267)	-
Recognised in profit or loss for the year	346	(1,132)	(511)	4,193	(321)	2,575
Exchange differences	-	(71)	(218)	67	(388)	(610)
<b>At 31 December 2021</b>	<b>2,077</b>	<b>1,253</b>	<b>4,458</b>	<b>7,520</b>	<b>3,997</b>	<b>19,305</b>
<b>At 1 January 2020</b>	<b>1,150</b>	<b>1,940</b>	<b>5,345</b>	<b>4,730</b>	<b>3,712</b>	<b>16,877</b>
Recognised in equity for the year	67	-	-	-	-	67
Recognised in profit or loss for the year	(728)	495	(664)	(2,024)	2,864	(57)
Exchange differences	1	(247)	21	40	(603)	(788)
<b>At 31 December 2020</b>	<b>490</b>	<b>2,188</b>	<b>4,702</b>	<b>2,746</b>	<b>5,973</b>	<b>16,099</b>

Certain deferred tax assets and liabilities have been offset in accordance with the Group's accounting policy. The following is the analysis of the deferred tax balances (after offset) for balance sheet purposes:

	2021 £'000	2020 £'000
Deferred tax assets	<b>19,659</b>	17,688
Deferred tax liabilities	<b>(354)</b>	(1,589)
	<b>19,305</b>	16,099

The Group's overseas subsidiaries have net unremitted earnings of £177.3m (2020: £149.7m), resulting in temporary differences of £33.7m (2020: £24.2m). No deferred tax has been provided in respect of these differences since the timing of the reversals can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future. The timing differences shown under "Other" of £4.0m (2020: £6m) predominantly includes such differences in relation to fixed assets £1.7m (2020: £0.8m), differences between the Group GAAP, IFRS, and the local GAAP of each country in which PageGroup operates and differences between recognition of income and expense for accounting and tax purposes and other items of £1.9m (2020: £5.0m) and IFRS 16 of £0.4m (2020: £0.2m). The realisation of the deferred tax asset in respect of losses is dependent upon generating future taxable profits in the territories in which the deferred tax assets have arisen. At 31 December 2021, £35m (2020: £27.4m) of deductible temporary differences, unused tax losses and tax credits have not been recognised due to uncertainty over the taxable profits available to support the realisation of these attributes. The tax effected balances are £10.5m (2020: £8.1m). The Group has unrecognised tax losses which expire of £4.3m of which £3.2m will expire at various dates between 2024 and 2026 and £1.1m will expire by 2031.

The net deferred tax asset of £19.3m (2020: £16.1m) includes £2.6m of deferred tax assets in relation to entities that have incurred an accounting loss in either 2021 and 2020. In line with the most recent budgets which forecast profits for these entities, management expects these losses to be substantially recovered in two to three years.

## 19. CALLED-UP SHARE CAPITAL

	2021		2020	
	£'000	Number of shares	£'000	Number of shares
<b>Allotted, called-up and fully paid Ordinary shares of 1p each</b>				
At 1 January	3,286	328,618,774	3,286	328,603,774
Shares issued	–	–	–	15,000
At 31 December	3,286	328,618,774	3,286	328,618,774

Shares issued in the year related to the Executive Share Option Scheme.

### Share option plans

The Group has share option awards currently outstanding under a Share Option Scheme (SOS). These plans are described below.

At 31 December 2021 the following options had been granted and remained outstanding in respect of the Company's Ordinary shares of 1p under the Michael Page Share Option Scheme. The Group has no legal or constructive obligation to repurchase or settle the options in cash.

Year of grant	Balance at 1 January 2021	Granted in year	Exercised in year	Lapsed in year	No. of options outstanding at 31 December 2021	Base EPS/ OP range <sup>†</sup>	Exercise price per share	Exercise period
2011 (Note 1)	1,430,790	–	(22,264)	(1,408,526)	–	OP range	491.0p–492.9p	March 2014 – March 2021
2012 (Note 1)*	501,853	–	(415,271)	(15,000)	71,582	OP range	477.0p	March 2015 – March 2022
2013 (Note 1)*	545,649	–	(338,854)	(10,000)	196,795	OP range	442.0p	March 2016 – March 2023
2014 (Note 1)*	888,333	–	(475,000)	(10,000)	403,333	OP range	484.0p	March 2017 – March 2024
2015 (Note 1)*	905,000	–	(580,000)	(30,000)	295,000	OP range	526.0p–534.0p	March 2018 – March 2025
2016 (Note 1)*	627,915	–	(482,915)	–	145,000	OP range	406.0p–427.0p	March 2019 – March 2026
2017 (Note 1)*	1,413,205	–	(1,205,000)	(20,000)	188,205	OP range	435.44p	March 2020 – March 2027
2018 (Note 1)*	1,519,865	–	–	(150,000)	1,369,865	OP range	529.0p	March 2021 – March 2028
2019 (Note 1)	1,760,000	–	–	(122,222)	1,637,778	OP range	458.2–473.80p	March 2022 – March 2029
2020 (Note 1)	1,840,000	–	–	(128,889)	1,711,111	OP range	332.0–387.47p	March 2023 – March 2030
2021 (Note 1)	–	1,958,748	–	(90,556)	1,868,192	OP range	480.1p	March 2024 – March 2031
<b>Total 2021</b>	<b>11,432,610</b>	<b>1,958,748</b>	<b>(3,519,304)</b>	<b>(1,985,193)</b>	<b>7,886,861</b>			
Weighted average exercise price 2021 (£)	4.55	4.80	4.60	4.81	4.52			
<b>Total 2020</b>	<b>10,309,789</b>	<b>1,850,000</b>	<b>(75,000)</b>	<b>(652,179)</b>	<b>11,432,610</b>			
Weighted average exercise price 2020 (£)	4.77	3.37	4.13	4.81	4.55			

\* These options have fully vested

<sup>†</sup> The Operating Profit ranges for each award are fully disclosed in Note 2 of this Note. 3,783,469 options were exercisable at the end of 2021 at a weighted average exercise price of £4.88 (2020: £4.65). The weighted average share price at the date of exercise was £4.60.



**Note 1****Share Option Scheme**

Executive Directors of the Company are not eligible to participate in this plan. Any exercises of awards made under this plan are settled by shares held in the Employee Benefit Trust.

This share option scheme was created in 2009 to provide an effective plan under which to grant awards from 2009 onwards. It was the Board's view that grants made under the existing ESOS, which would have required an increase over the 2008 base earnings per share of at least 3% per annum above the growth in the UK Retail Price Index by 2011, would not be achievable due to the impact of the global downturn on the Group's EPS and thus would not provide the required retention incentive. Further grants under the SOS have been made in each year from 2011. The performance conditions for these grants are also directly linked to the Group's Operating Profit.

For grants between 2012 and 2015, if Operating Profit is in excess of £50m, a proportion of the award equivalent to the amount of Operating Profit achieved will vest up to a maximum of 100% if the Operating Profit is £100m or more. As Operating Profit of £118.3m was achieved in 2017, the performance criteria have been fully achieved and these awards have fully vested.

For the 2016 grant, if Operating Profit is in excess of £75m, 2% of the award will vest for every additional £1m of Operating Profit achieved, up to a maximum of 100% at Operating Profit of £125m or more. As Operating Profit of £142.5m was achieved in 2018, the performance criteria have been fully achieved and these awards have fully vested.

For the 2017 grant, if Operating Profit is in excess of £50m, 25% of the award will vest, 1% of the award will vest for every additional £1m of Operating Profit achieved, up to a maximum of 100% at Operating Profit of £125m or more. As Operating Profit of £146.7m was achieved in 2019, the performance criteria have been fully achieved and these awards have fully vested.

For the 2018 grant, if Operating Profit is in excess of £75m, 25% of the award will vest, 1% of the award will vest for every additional £1m of Operating Profit achieved, up to a maximum of 100% at Operating Profit of £150m or more. As Operating Profit of £168.5m was achieved in 2021, the performance criteria have been fully achieved and these awards have fully vested.

For the 2019 grant, if Operating Profit is in excess of £100m, 1% of the award will vest for every additional £1m of Operating Profit achieved, up to a maximum of 100% at Operating Profit of £200m or more. As Operating Profit of £168.5m was achieved in 2021, 68% of the performance criteria have been achieved and these awards have partially vested.

For the 2020 grant, if Operating Profit is in excess of £100m, 1% of the award will vest for every additional £1m of Operating Profit achieved, up to a maximum of 100% at Operating Profit of £200m or more.

For the 2021 grant, if Operating Profit is in excess of £75m, 25% of the award will vest, 1% of the award will vest for every additional £1m of Operating Profit achieved, up to a maximum of 100% at Operating Profit of £150m or more.

**Other share-based payment plans**

The Company also operates a Management Incentive Plan for the Executive Directors and senior employees and a Long-Term Incentive Plan for the Chief Executive Officer, Chief Financial Officer and other senior employees. Details of these plans are disclosed in the Directors' Remuneration Report and are settled by the physical delivery of shares, currently satisfied by shares held in the Employee Benefit Trust, to the extent that service and performance conditions are met. Movements on these plans are shown below:

	LTIP/ESIP	MIP
<b>As at 1 January 2021</b>	863,520	2,240,047
Granted	121,786	803,886
Lapsed	–	(475,064)
Exercised	(410,814)	(380,938)
<b>As at 31 December 2021</b>	<b>574,492</b>	<b>2,187,931</b>

**Share option valuation and measurement**

In 2021, options were granted on 15 March with the estimated fair value of the options granted on that day of £0.84. In 2020, options were granted on 13 March with the estimated fair value of the options granted on that day of £0.91 to £1.07. Share options are granted under service and non-market performance conditions. These conditions are not taken into account in the fair value measurement at grant date. There are no market conditions associated with the share option grants. The options outstanding at 31 December 2021 have an exercise price in the range of 332.0p to 534.0p and a weighted average contractual life of 5.4 years. The fair values of options and other share awards granted during the year were calculated using the Black-Scholes option pricing model. The inputs into the model were as follows:

	Share Option Plans		Management Incentive Plan	
	2021	2020	2021	2020
Share price (£)	4.80	3.32	4.80	3.49
Average exercise price (£)	4.80	3.32	Nil	Nil
Weighted average fair value (£)	0.84	0.91	4.11	3.36
Expected volatility	34.87%	35.84%	34.87%	35.84%
Expected life	5 years	5 years	3 years	3 years
Risk free rate	0.47%	0.26%	0.47%	0.26%
Expected dividend yield	5.15%	1.30%	5.15%	1.30%

Expected volatility was determined by reference to historical volatility of the Company's share price in the last 12 months. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. Expectations of early exercise are incorporated into the Black-Scholes option pricing model.

The Group recognised total expenses of £7.8m, including social security, (2020: £4.3m) related to share-based payment transactions during the year.

## 20. RESERVES

### Share premium

The share premium account has been established to represent the excess of proceeds over the nominal value for all share issues, including the excess of the exercise share price over the nominal value of the shares on the exercise of share options.

### Capital redemption reserve

The capital redemption reserve relates to the cancellation of the Company's own shares.

### Reserve for shares held in the Employee Benefit Trust

At 31 December 2021, the reserve for shares held in the employee benefit trust consisted of 10,563,022 Ordinary shares (2020: 12,795,658 Ordinary shares) held for the purpose of satisfying awards made under the Management Incentive Share Plan, the ESIP and the SOS, representing 3.2% of the called-up share capital with a market value of £66.9m (2020: £57.2m).

There are 9,084,233 (2020: 11,249,646) of these shares held in the trust on which dividends are waived.

### Currency translation reserve

Since first-time adoption of the International Financial Reporting Standards, the currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations that are integral to the operations of the Company.

## 21. CASH AND CASH EQUIVALENTS

	Group		Company	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Cash at bank and in hand	<b>153,983</b>	108,849	–	–
Short-term deposits	–	57,138	–	–
Cash and cash equivalents	<b>153,983</b>	165,987	–	–
Cash and cash equivalents in the statement of cash flows	<b>153,983</b>	165,987	–	–
Net funds	<b>153,983</b>	165,987	–	–

The Group operates multi-currency cash concentration and notional cash pools, and an interest enhancement facility. The Eurozone subsidiaries and the UK-based Group Treasury subsidiary participate in the cash concentration arrangement, the Group Treasury subsidiary retains the notional cash pool and the Asia Pacific subsidiaries operate the interest enhancement facility. The structures facilitate interest compensation of cash whilst supporting working capital requirements.

## 22. FINANCIAL RISK MANAGEMENT

The Group has exposure to the following risks from its use of financial instruments:

### (i) credit risk

### (ii) liquidity risk

### (iii) market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

**(i) Credit risk**

Credit risk is the risk of financial loss to the Group if a client or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from clients. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

At the balance sheet date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

**Trade and other receivables**

Total trade receivables (net of allowances) held by the Group at 31 December 2021 amounted to £254.6m (2020: £186.1m).

An initial credit period is made available on invoices. No interest is charged on trade receivables from the date of the invoice during this credit period. An impairment analysis is performed at each reporting date using a provision matrix to measure the expected credit losses. The Group has established a provision matrix that is based on its historical credit loss experience adjusted for forward-looking factors specific to the debtors and the economic environment. If there has been a significant increase in credit risk in a customer or group of customers the loss is recognised immediately based on the future credit losses over the life of the contract.

Included in the Group's trade receivables balance are debtors with a carrying amount of £96.0m (2020: £66.7m) that are past due at the reporting date for which the Group has not provided as the amounts are still considered recoverable. The Group does not hold any collateral over these balances. The days' sales of these receivables at the year end is 41 days in excess of the initial credit period (2020: 38 days).

In the table below, the provision includes expected credit losses and provision for revenue reversals.

The ageing of trade receivables at the reporting date was:

	Gross trade receivables 2021 £'000	Provision 2021 £'000	Net trade receivables 2021 £'000	Gross trade receivables 2020 £'000	Provision 2020 £'000	Net trade receivables 2020 £'000
Not past due	159,682	(1,015)	158,667	120,214	(764)	119,450
Past due 0-30 days	57,473	(366)	57,107	40,663	(259)	40,404
Past due 31-150 days	36,641	(233)	36,408	22,955	(146)	22,809
More than 150 days	11,931	(9,472)	2,459	13,363	(9,892)	3,471
	265,727	(11,086)	254,641	197,195	(11,061)	186,134

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each client. The demographics of the Group's client base, including the country in which clients operate, also has an influence on credit risk. The geographic diversification of the Group's revenue also reduces the concentration of credit risk.

The majority of the Group's clients have been transacting with the Group for several years, with losses rarely occurring. In monitoring client credit risk, clients are grouped according to their credit characteristics, including geographic location, industry, ageing profile, maturity and existence of previous financial difficulties.

**Movement in the allowance for expected credit losses and revenue reversals:**

	2021 £'000	2020 £'000
Balance at beginning of the year	11,061	10,081
Expected credit losses and provision for revenue reversals recognised on receivables	17,920	27,773
Amounts written off as uncollectable	(2,033)	(285)
Amounts recovered/reversed during the year	(15,862)	(26,508)
Balance at end of the year	11,086	11,061

The allowance for expected credit losses represents a provision for debts which the Group estimate may be irrecoverable, including £6.3m (2020: £6.3m) of debts in litigation.

The impairment recognised represents the difference between the carrying amount of these trade receivables and the present value of the expected liquidation proceeds. The Group does not hold any collateral over these balances.

**Exposure to credit risk**

The maximum exposure to credit risk for net trade receivables at the reporting date by geographic region was:

	Carrying amount	
	2021 £'000	2020 £'000
EMEA	<b>153,919</b>	118,327
United Kingdom	<b>36,745</b>	21,805
Asia Pacific	<b>31,005</b>	23,159
Americas	<b>32,972</b>	22,843
	<b>254,641</b>	186,134

The maximum exposure to credit risk for net accrued income at the reporting date by geographic region was:

	Carrying amount	
	2021 £'000	2020 £'000
EMEA	<b>27,047</b>	19,591
United Kingdom	<b>17,254</b>	7,173
Asia Pacific	<b>22,683</b>	14,746
Americas	<b>14,202</b>	9,772
	<b>81,186</b>	51,282

The entire accrued income balance is not past due. The fair values of trade and other receivables are not materially different to those disclosed above and in note 14. There is no material effect on pre-tax profit if the instruments are accounted for at fair value or amortised cost.

**(ii) Liquidity risk management**

Ultimate responsibility for liquidity risk management rests with the Board, which has built an appropriate liquidity risk management framework that aims to ensure that the Group has sufficient cash or credit facilities at all times to meet all current and forecast liabilities as they fall due. It is the Directors' intention to continue to finance the activities and development of the Group from retained earnings.

Cash surpluses were invested in short-term deposits, with any working capital requirements being provided from Group cash resources, Group facilities, or by local overdraft facilities. The Group also operates a multi-currency notional cash pool to facilitate interest and balance compensation of cash and bank overdrafts.

The following are the contractual maturities of financial liabilities:

	Less than 1 month £'000	1-3 months £'000	3-12 months £'000	More than 12 months £'000
<b>2021</b>				
Lease liabilities*	<b>2,639</b>	<b>5,355</b>	<b>22,131</b>	<b>72,215</b>
Trade payables	<b>5,829</b>	<b>63</b>	<b>16</b>	<b>-</b>
Accruals and other payables	<b>123,431</b>	<b>21,957</b>	<b>52,000</b>	<b>5,340</b>
	Less than 1 month £'000	1-3 months £'000	3-12 months £'000	More than 12 months £'000
<b>2020</b>				
Lease liabilities*	2,298	5,990	24,423	70,758
Trade payables	3,738	111	144	-
Accruals and other payables	87,597	15,591	31,046	905

\*The above lease liabilities are the contractual undiscounted cashflows before discounting at the incremental borrowing rate.

Capital is equity attributable to the equity holders of the parent. The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios to support its business and maximise shareholder value. The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders through share repurchases with subsequent cancellation, or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2021 and 31 December 2020.

### (iii) Market risk and sensitivity analysis

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates, but these risks are not deemed to be material. However, a sensitivity analysis showing hypothetical fluctuations in Pounds Sterling against the Group's main exposure currencies is shown on the next page. There has been no material change in the Group's exposure to market risks or the manner in which it manages and measures the risk.

#### Interest rate risk management

Borrowings are arranged at floating rates, thus exposing the Group to cash flow interest rate risk. The Group does not consider this risk as significant. The benchmark rates for determining floating rate liabilities are based on relevant national LIBOR equivalents.

#### Currency rate risk

The Group publishes its results in Pounds Sterling and conducts its business in many foreign currencies. As a result, the Group is subject to foreign currency exchange risk due to exchange rate movements. The Group is exposed to foreign currency exchange risk as a result of transactions in currencies other than the functional currencies of some of its subsidiaries and the translation of the results and underlying net assets of foreign subsidiaries.

The main functional currencies of the Group are Sterling, Euro, Chinese Renminbi, Swiss Franc, Singapore Dollar, Hong Kong Dollar, Australian Dollar and US Dollar. The Group does not have material transactional currency exposures. The Group is exposed to foreign currency translation differences in accounting for its overseas operations. The Group policy is not to hedge translation exposure.

In certain cases, where the Company gives or receives short-term loans to and from other Group companies with different reporting currencies, it may use foreign exchange rate derivatives to manage the currency exposure that arises on these loans. It is the Group's policy not to seek to designate these derivatives as hedges.

All derivative financial instruments are classified as derivatives at fair value through the income statement. The Group does not use derivatives for speculative purposes. All transactions in derivative financial instruments are undertaken to manage the risks arising from underlying business activities.

Information on the fair value of derivative financial instruments held at the balance sheet date is shown in the table below.

Fair values are not adjusted for credit risk, as required by IFRS 13, because credit impact is not material given the low fair value levels. All derivative instruments are classified as level 2 instruments.

#### Derivative financial instruments

	Derivatives at fair value	
	2021 £m	2020 £m
Derivative assets	<b>1.2</b>	0.3
Derivative liabilities	<b>(1.8)</b>	(2.0)
Net derivative (liabilities)	<b>(0.6)</b>	(1.7)

#### Sensitivity analysis – currency risk

A 10% strengthening of Sterling against the following currencies at 31 December 2021 would have increased/(decreased) equity and profit or loss by the amounts shown over the page. This is reflective of the exchange rates movements experienced by the Group over the last 3 years. This analysis is applied currency by currency in isolation, i.e. ignoring the impact of currency correlation, and assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2020. The amounts generated from the sensitivity analysis are forward-looking estimates of market risk assuming certain adverse market conditions occur. Actual results in the future may differ materially from those projected, due to developments in the global financial markets which may cause fluctuations in interest and exchange rates to vary from the hypothetical amounts disclosed in the table over the page, which therefore should not be considered a projection of likely future events and losses.

	2021 equity £'000	2021 PBT £'000
Euro	(9,902)	(136)
Australian Dollar	(1,448)	(254)
Swiss Franc	(460)	(113)
Chinese Renminbi	(1,128)	(326)
Hong Kong Dollar	(862)	(17)
Singapore Dollar	(1,562)	(67)
United States Dollar	(594)	93
Other	(2,529)	(711)
	2020 equity £'000	2020 PBT £'000
Euro	(12,877)	(470)
Australian Dollar	(1,238)	199
Swiss Franc	(350)	67
Chinese Renminbi	(658)	55
Hong Kong Dollar	(851)	27
Singapore Dollar	(1,488)	(23)
United States Dollar	(1,065)	(143)
Other	(1,663)	535

A 10% weakening of Sterling against the above currencies at 31 December would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

## 23. COMMITMENTS AND CONTINGENT LIABILITIES

### Capital Commitments

The Group had nil contractual capital commitments as at 31 December 2021 relating to property, plant and equipment (2020:nil). The Group had contractual capital commitments of nil as at 31 December 2021 relating to computer software (2020:nil).

### Guarantees

The Company has provided guarantees to other Group undertakings amounting to £3.8m (2020: £4.0m) in the ordinary course of business. It is not anticipated that any material liabilities will arise from the contingent liabilities.

### VAT Group registration

As a result of Group registration for VAT purposes, the Company is contingently liable for VAT liabilities arising in other companies within the VAT group which at 31 December 2021 amounted to £6.3m (2020: £6.8m).

## 24. EVENTS AFTER THE BALANCE SHEET DATE

There were 49k shares options exercised from 31 December 2021 to 3 March 2022.

## 25. RELATED PARTY TRANSACTIONS

### Identity of related parties

The Company has a related party relationship with its Directors and members of the Executive Committee, and subsidiaries (Note 13).

### Transactions with key management personnel

Key management personnel are deemed to be the Directors and members of the Executive Committee as detailed in the biographies on pages 72 to 78. The remuneration of Directors and members of the Executive Committee is determined by the Remuneration Committee having regard to the performance of individuals and market trends. The transactions for the year were:

**Related party transactions**

	2021 £'000	2020 £'000
Wages and salaries	<b>8,578</b>	3,270
Social security costs	<b>884</b>	232
Short-term benefits	<b>613</b>	432
Pension costs – defined contribution plans	<b>288</b>	231
Share-based payments	<b>3,926</b>	2,464
	<b>14,289</b>	6,629

**Company**

Transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation. Details of transactions between the parent company and subsidiary undertakings are shown below.

	Dividends received		Amounts owed by related parties		Amounts owed to related parties	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Transactions	<b>67,178</b>	144,312	<b>970,375</b>	808,610	<b>1,221,283</b>	1,026,516

**FIVE-YEAR SUMMARY**

	2017 £'000	2018 £'000	2019 £'000	2020 £'000	2021 £'000
Revenue	1,371,534	1,549,941	1,653,948	1,304,791	<b>1,643,740</b>
Gross profit	711,568	814,902	855,450	610,249	<b>877,720</b>
Operating profit	118,322	142,463	146,669	17,028	<b>168,510</b>
Profit before tax	118,162	142,275	144,245	15,544	<b>166,645</b>
Profit attributable to equity holders	83,080	103,703	103,445	(5,742)	<b>118,356</b>
Conversion†	16.6%	17.5%	17.1%	2.8%	<b>19.2%</b>
Basic earnings per share (pence)	26.5	32.5	32.2	(1.8)	<b>37.2</b>

† Operating profit before exceptional items as a percentage of gross profit.

## Shareholder Information and Advisers

### Annual General Meeting

To be held on 31 May 2022 at 9.30am at 200 Dashwood Lang Road, Bourne Business Park, Addlestone, Surrey KT15 2NX.

### Final dividend for the year ended 31 December 2021

To be paid (if approved) on 17 June 2022 to shareholders on the register of members on 20 May 2022.

### General Counsel & Company Secretary

Kaye Maguire

### Company number

3310225

### Registered office, domicile and legal form

The Company is a limited liability company incorporated and domiciled within the United Kingdom.

### The address of its registered office is:

200 Dashwood Lang Road,  
Bourne Business Park,  
Addlestone,  
Surrey, KT15 2NX

### Auditor

Ernst & Young LLP  
1 More London Place  
London SE1 2AF

### Solicitors

Herbert Smith Freehills LLP  
Exchange House  
Primrose Street  
London EC2A 2EG

### Bankers

HSBC Bank plc  
60 Queen Victoria Street  
London EC4N 4TR

### Joint corporate brokers

Citigroup  
33 Canada Square  
Canary Wharf  
London E14 5LB

HSBC Bank plc  
8 Canada Square  
Canary Wharf  
London E14 5HQ

### Registrars

Link Group  
10th Floor  
Central Square  
29 Wellington Street  
Leeds LS1 4DL

### Financial PR

FTI Consultancy  
200 Aldersgate  
Aldersgate Street  
London EC1A 4HD



1. FPI FIRM REPORT

2. COMPANY'S FINANCE

3. FUND'S INVESTMENTS

**Additional Information**

PageExecutive

Michael Page

PagePersonnel

PageOutsourcing

Part of PageGroup