



Policy Statement

Modern Slavery and Human Trafficking Statement

1.0 PURPOSE

This statement is made pursuant to Section 54 of the Modern Slavery Act 2015 and the Human Trafficking and Exploitation (Scotland) Act 2015 and sets out the steps that Ross-Shire Engineering (RSE) has taken during the financial year ending 31 March 2026 to prevent modern slavery, human trafficking, and child labour within its business operations and supply chains.

RSE is committed to operating responsibly and ethically and recognises its obligation to implement and maintain effective systems and controls to prevent exploitation. This statement forms part of the organisation's wider governance and risk management framework and is subject to annual review by senior leadership.

2.0 SCOPE

This statement applies to all RSE and RSE Group companies, operations, suppliers, and sub-contractors, regardless of their location or the services they provide.

3.0 OUR ORGANISATION, STRUCTURE AND SUPPLY CHAINS

RSE is a UK-based engineering company operating across the utility, industrial, and general engineering sectors. The company delivers engineering, maintenance, and project services primarily within the United Kingdom and the European Economic Area (EEA).

The organisation's supply chain consists of engineering subcontractors, equipment and materials suppliers, and specialist service providers. While the majority of Tier 1 suppliers are UK or EEA-based and often operate within established client frameworks, RSE recognises that modern slavery risks may arise at lower tiers of the supply chain, within subcontracted labour models, or in specific higher-risk sectors and services.

4.0 POLICIES AND GOVERNANCE

RSE maintains a Modern Slavery statement supported by related policies including whistleblowing, recruitment and supplier management procedures. These policies establish clear expectations regarding ethical conduct and are communicated across the organisation's and made available via the Company intranet, as well as being published on the RSE external website with a prominent link accessible from the homepage.

Responsibility for implementation sits with operational management, procurement functions and human resources, with oversight provided by senior leadership and the Board of Directors. The Board retains ultimate accountability for ensuring that appropriate controls are in place and operating effectively.

5.0 DUE DILIGENCE AND SUPPLY CHAIN CONTROLS

RSE operates a structured due diligence process for both new and existing suppliers. All prospective suppliers and subcontractors are subject to a pre-qualification process which includes formal declarations regarding compliance with modern slavery legislation. This process is designed to assess suitability prior to engagement and forms part of the organisation's wider supplier approval procedures.

Existing suppliers are required to provide periodic confirmation of compliance, typically on an annual basis, aligned with other governance requirements such as insurance verification. Contractual terms and conditions include specific provisions addressing modern slavery, enabling RSE to take appropriate action, including termination, in the event of non-compliance.

Where risks are identified or suspected, RSE will undertake targeted reviews or audits. In addition, purchasing practices are managed to avoid creating undue commercial pressure on suppliers that could increase the risk of exploitative labour practices.

Internal due diligence is also applied to recruitment and onboarding processes. Controls are in place to verify employee identity and ensure that payroll arrangements are consistent with individual employee details, reducing the risk of labour exploitation.

To support these processes, RSE has implemented a series of defined control measures designed to prevent modern slavery and human trafficking within its operations and supply chain. Key control measures include:

- Use of due diligence when engaging suppliers and subcontractors operating in higher-risk sectors or environments where modern slavery or labour exploitation may be more prevalent.
- Application of enhanced due diligence for suppliers operating in higher-risk geographic or sector-specific areas.
- Requirement for all new suppliers and subcontractors to complete a pre-qualification questionnaire, including declarations confirming compliance with modern slavery legislation.
- Ongoing review of existing suppliers, including annual compliance declarations aligned with other governance activities such as insurance verification.
- Communication of the organisation's Modern Slavery Statement to employees and making it publicly available via the company website - [About RSE - www.rsewater.com](http://www.rsewater.com)
- Implementation of responsible purchasing practices to avoid creating undue commercial pressure that could increase the risk of exploitative labour practices.
- Inclusion of contractual provisions addressing modern slavery compliance and defining actions in the event of non-compliance.
- Targeted audits of suppliers or subcontractors where there is suspicion or increased risk of modern slavery or human trafficking.
- Provision of employee training and refresher training on identifying and reporting risks of modern slavery.
- Implementation of internal controls during recruitment and onboarding, including verification of employee identity and payroll details.

6.0 RISK ASSESSMENT AND RISK MANAGEMENT

RSE adopts a risk-based approach to identifying and managing modern slavery risks. Risk considerations include geographic location, sector-specific exposure, the nature of labour used, and the complexity of the supply chain.

While the organisation's primary supplier base is located within the UK, and EEA, RSE does not assume that risk is negligible. Particular attention is given to higher-risk sectors, the use of subcontracted or temporary labour, and supply chain tiers beyond direct contractual relationships.

Risk assessments are undertaken where suppliers or activities are identified as higher risk, and appropriate mitigation measures are implemented. These include enhanced due diligence, closer monitoring and, where necessary, escalation through management processes.

7.0 EFFECTIVENESS, PERFORMANCE MONITORING AND CONTINUOUS IMPROVEMENT

RSE monitors the effectiveness of its approach to preventing modern slavery through defined performance indicators, internal controls and ongoing review processes. These include the completion of supplier due diligence processes, the collection of supplier compliance declarations, the delivery of training to relevant personnel, and the undertaking of risk assessments for suppliers identified as higher risk. RSE aims to achieve 100% completion of modern slavery awareness training for relevant employees and full compliance with supplier due diligence requirements.

The organisation also monitors any issues identified through supplier engagement or internal reporting, together with the actions taken in response. This includes oversight of supplier performance, escalation of concerns, and implementation of corrective measures where required.

Performance data and control effectiveness are reviewed periodically by management to identify trends, assess the adequacy of existing controls, and drive continuous improvement. Where opportunities for improvement are identified, RSE will enhance its processes, controls and training to strengthen its approach to managing modern slavery risks within its operations and supply chain.

8.0 TRAINING AND AWARENESS

RSE provides training to ensure that employees understand modern slavery risks and their responsibilities in identifying and reporting concerns. Training is targeted at relevant roles, including management and procurement personnel, and is supported by periodic refresher sessions to maintain awareness.

The organisation has set a target of achieving full completion of modern slavery awareness training for relevant employees and monitors compliance against this objective.

9.0 REPORTING, ESCALATION AND REMEDIATION

RSE maintains clear procedures to enable employees and stakeholders to report concerns relating to modern slavery, human trafficking or child labour. All employees are expected to remain vigilant and report any suspicions or concerns promptly.

Concerns should, in the first instance, be raised through internal channels, including line management or the Human Resources function. Reports may also be made in accordance with the RSE Whistleblowing Policy, which provides a confidential mechanism for raising concerns.

Where there is an immediate risk of harm or danger, individuals should contact the emergency services by calling 999. Where there is no immediate danger, concerns may be reported to the police via 101 or to the UK Modern Slavery Helpline on 08000 121 700. These external reporting routes provide additional support and ensure that concerns can be escalated appropriately.

All reported concerns are taken seriously and will be subject to appropriate investigation. Where instances of modern slavery or human trafficking are identified or suspected within the supply chain, RSE will take proportionate and appropriate action. This may include engagement with the supplier to implement corrective measures, suspension or termination of the business relationship, and referral to relevant authorities where necessary.

RSE is committed to ensuring that no individual suffers detriment as a result of reporting a genuine concern and will support employees who raise issues in good faith.

10.0 ACTIONS TAKEN DURING THE FINANCIAL YEAR

During the financial year ending 31 March 2026, RSE has maintained its supplier due diligence processes, continued to obtain annual compliance declarations from suppliers, and delivered modern slavery awareness training to relevant employees. The organisation has also undertaken risk-based assessments of higher-risk suppliers and reviewed its policies and procedures to ensure continued alignment with legislative requirements and best practice.

11.0 APPROVAL

This statement is valid from the 1st April 2026 to 31st March 2027. The board of directors have reviewed the performance of RSE for compliance with this statement, during the previous financial year.

It will be reviewed annually at the end of the financial year and when necessary, periodically by the Senior HR Manager and updated as required based on:

Modern Slavery Statement



- Regulatory changes
- Organisational changes
- Audit findings

Stephen Slessor
Chief Executive Officer (CEO)
Ross-shire Engineering Ltd
01st April 2026