



ESG Report 2023-24

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Our ESG objectives capture all the non-financial risks and opportunities inherent to RSE's day-to-day activities.

At RSE, the ESG framework is being developed to enhance our overall performance in these areas, also ensuring that RSE presents relevant data to support our claims.

Our ESG strategy is a holistic approach to sustainability and our annual report provides a transparent account of our key ESG achievements throughout the latest financial period.

April 2023 – March 2024 FY



A message from our CEO

Stephen Slessor

As we reflect on the past year, RSE's commitment to environmental, social, and governance excellence is evident through our success. It has been an extraordinary year of growth which is testament to our collaborative and innovative approach, as well as our dedicated and ambitious employees.

Our industry-leading disruptive technologies challenge industry norms and will play a crucial role in mitigating climate-related water challenges across the UK and beyond. Our modular offsite approach supports all three ESG Pillars, encompassing carbon reduction, local employment, improved quality, greater health and safety, and a local supply chain.

Our highly skilled workforce remain core to our operations, with our investment in people key to our success. RSE is passionate about developing the next generation through our dedicated graduate and apprenticeship programmes and by developing employees across their careers with us.

RSE's engagement with the community is driven by our company values, and strengthening our communities is central to our vision. Whether this is supporting charities, developing young people, providing employment opportunities or purchasing through a local supply chain, leaving a positive legacy in the areas in which we operate is hugely important to us.

As we continue to grow as a business, our ESG commitments will evolve with us. RSE is committed to being at the forefront of change and will drive efforts towards achieving the water industry's global sustainability goals.



>1800
Employees

22 Locations
across the UK

£269M turnover
23/24 FY

380,000 ft²
manufacturing
capability



Your Water Quality Technology Partners

RSE is a trusted clean water technology company, developing market-leading products and solutions for purifying drinking water, recycling wastewater and cleaning water in industrial processes.

We are disrupting the water sector; delivering water treatment products, technologies, and services to clients across the UK. RSE provides offsite modular build solutions using a low-carbon approach compared to traditional construction methods and our unique offering to the market focuses on innovation, efficiency, and excellence.

ONE RSE

One RSE

At RSE, our Vision, Mission and Values serve as the guiding principles that underpin our brand identity. As such, it's imperative that our entire team, whether communicating internally or externally, keeps these fundamental principles in mind.

1. Investing in Our People

Through the diversity of our business we provide career development opportunities at all levels, ensuring the continual development of our people.

2. Be the Partner of Choice

Maintaining trusting relationships by delivering on our promises and continually improving our customer experience.

3. Industry Leading Innovative Solutions

Leading transformation in the industry by developing the right products, services, and processes for our clients through digitisation, net technologies and product development.

4. Being a Sustainable Business

Working to achieve a zero carbon emissions future as an industry leader, our ambition is to be fully Net Zero by 2035.

5. Investing in Our Communities

Leaving a positive legacy by investing in our local communities, creating high quality employment opportunities and supporting the local supply chain.

Mission, Vision, and Values



One RSE

Our ESG Strategy

Our Environmental, Social and Governance (ESG) strategy is a holistic approach to sustainability and is anchored in the following key themes:

Environment

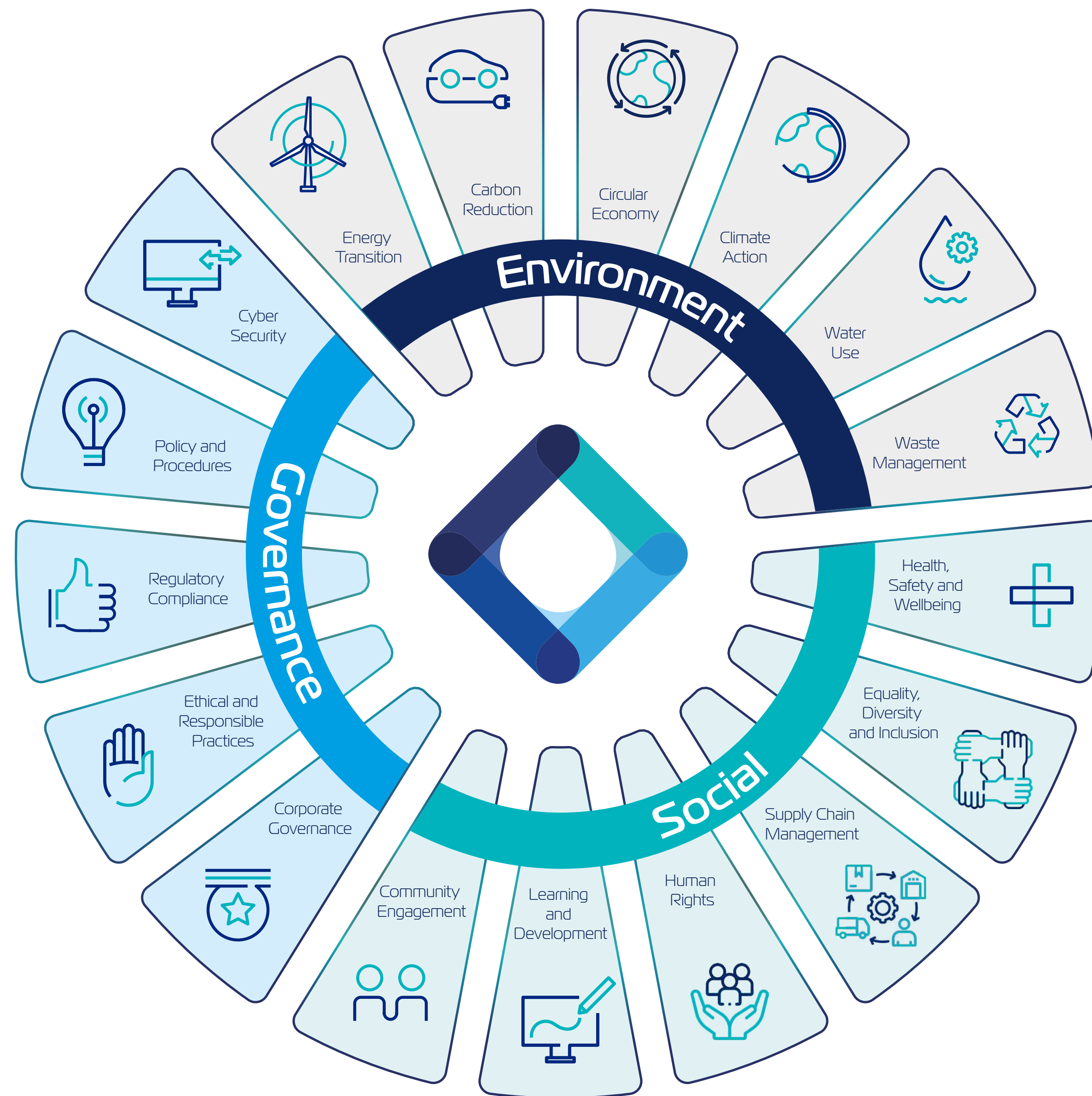
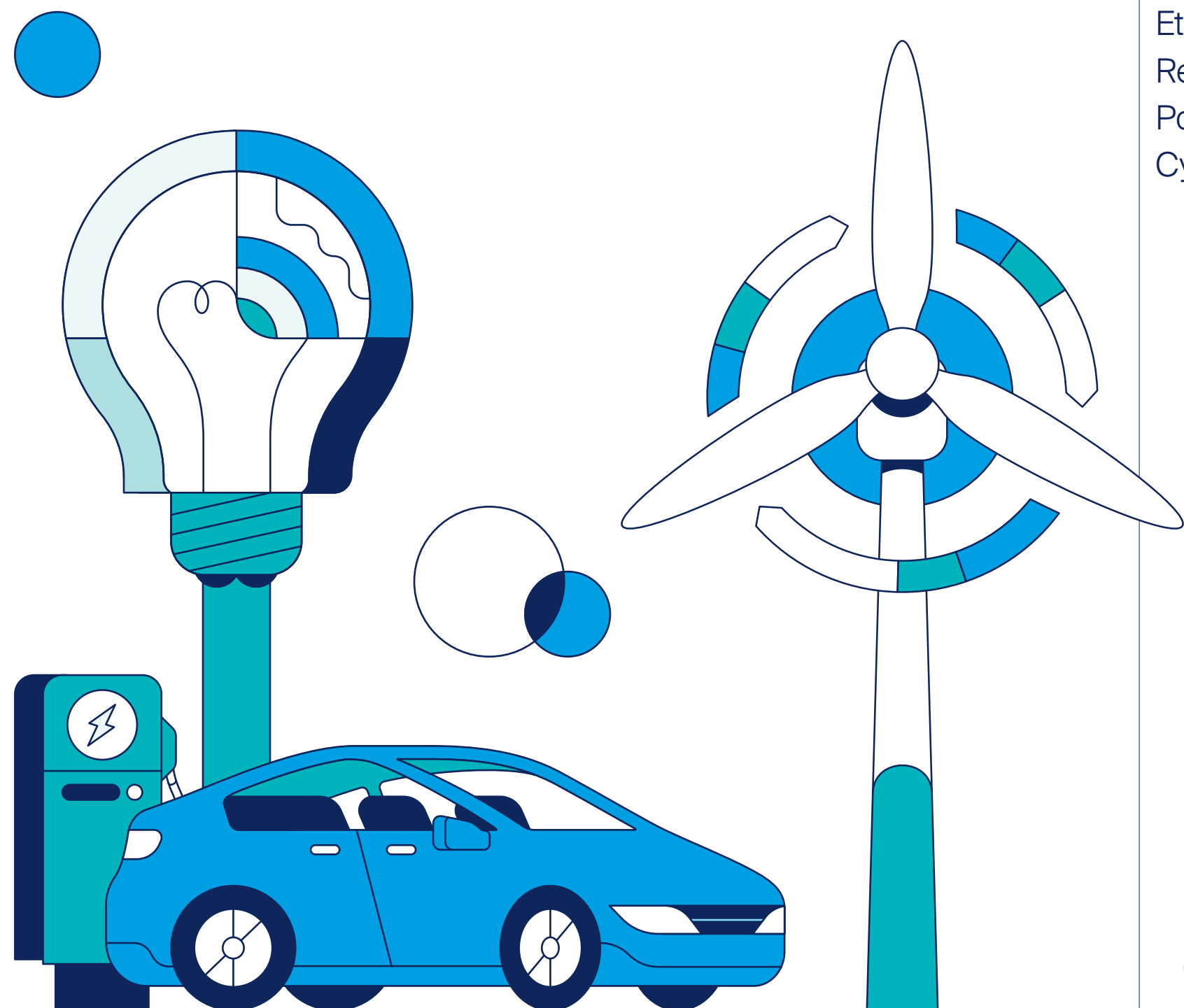
Energy Transition
Carbon Reduction
Circular Economy
Climate Action
Water Use
Waste Management

Social

Health, Safety and Wellbeing
Equality, Diversity and Inclusion
Supply Chain Management
Human Rights
Learning and Development
Community Engagement

Governance

Corporate Governance
Ethical and Responsible Practices
Regulatory Compliance
Policy and Procedures
Cyber Security



One RSE
Our ESG Highlights



2023

Winner of VIBES Energy Transition Award 2023

10%

of profits invested in innovation

130

Graduates and apprentices recruited

2024

Winner of CEED Skills Development Scotland Award 2024

667

health & safety inspections carried out

11%

of electricity generated from solar panels

7%

of staff participated in the EV/hybrid car lease scheme

95%

of waste was recycled

244

tonnes of CO2e saved through the use of HVO

-10%

Scope 1 and 2 emissions decreased by 10% *per £M turnover

2023/24

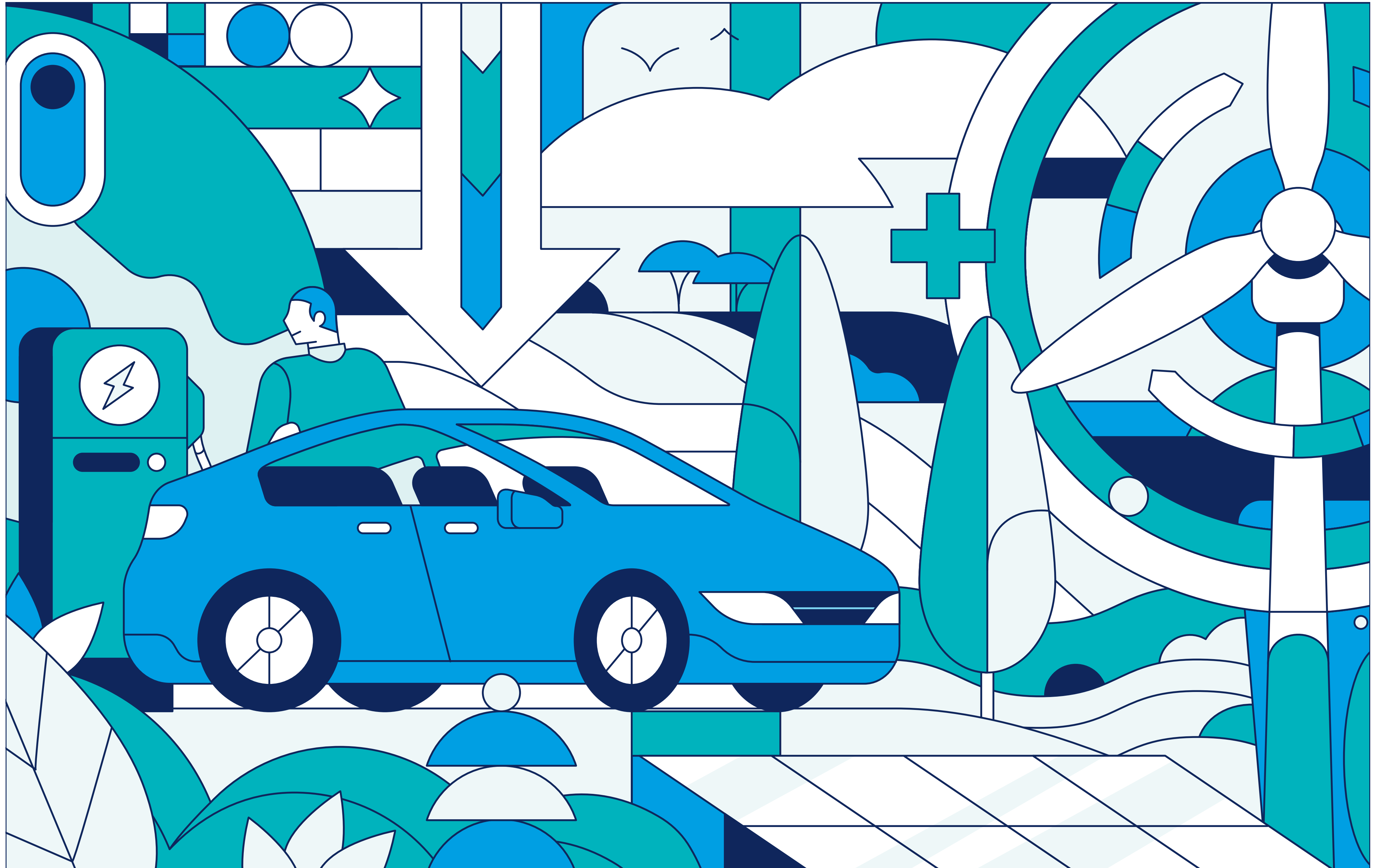
Operationally Carbon Neutral

30%

of RSE employees achieved a promotion within their role

Sustainability at our Core

Our purpose at RSE is to deliver sustainable solutions, safely, and to the highest standards, ensuring that today's communities and future generations have access to clean water.



01

Sustainability at our Core

Climate change is a threat to our most precious resource

Climate-related challenges like water scarcity, flooding, and deteriorating water quality are intensifying due to rising temperatures, which are disrupting weather patterns and altering the water cycle. Higher water temperatures and more frequent floods and droughts exacerbate many forms of water pollution, including sediments, pathogens and pesticides. In addition, a growing global population exerts increasing pressure on water systems, driven not only by the rising demand for clean water but also by the escalating production of wastewater and pollution.

Water quality in the UK has become a growing source of concern. In 2023, untreated sewage was released into rivers and coastal areas more than 460,000 times - more than a double increase from 2022¹.

Only 16% of surface waters in England are in good or high ecological status, and only 14% of rivers and lakes are in good ecological status².

In 2023, the total pollution incidents from sewerage and water supply assets increased to 2,174 - the second consecutive annual increase and highest number recorded since 2019³.

1. <https://www.statista.com/statistics/1180118/water-company-sewage-spills-england-rivers/>

2. <https://www.gov.uk/government/publications/state-of-the-water-environment-indicator-b3-supporting-evidence/state-of-the-water-environment-indicator-b3-supporting-evidence>

3. <https://deframedia.blog.gov.uk/2024/07/24/the-environment-agency-has-today-published-its-annual-environmental-performance-assessment-epa-report/>



Sustainability at our Core

RSE has the Solution

We have a deep understanding of the climate-related challenges the water industry will face in the coming years and, as a business, are committed to supporting future generations to access clean water, whilst doing everything we can to minimise our own environmental impact.

RSE's unique modular approach delivers the innovative solutions required to overcome the environmental, technical and commercial challenges of sustainable water purification. Our flexible and scalable modular solutions meet client needs in both clean and wastewater sectors, helping them to restore water quality, increase water availability, and promote sustainability.

Collective action is required to solve the climate crisis, which is why many of our initiatives have focused on collaboration, local supplier engagement, and knowledge sharing.



Sustainability at our Core

1.1 United Nations Sustainable Development Goals

The United Nations Sustainable Development Goals (UN SDGs) are the global framework for driving progress towards a sustainable future for everyone.

RSE fully supports all 17 SDGs and is proud to emphasise our contributions to the following goals that most closely align with our core operations:



Goal 6:

Clean Water and Sanitation

The water sector will face significant climate-induced challenges such as water scarcity and flooding. This heightens RSE's responsibility to deliver innovative solutions to mitigate against climate induced risks.

Our innovative technologies provide industry-leading water treatment solutions, including the UK's largest modular ceramic membrane water treatment plant, which will treat 210 million litres of high-quality water every day to provide a fresh water supply to 700,000 customers. The ceramic membrane treatment process reduces water abstraction by 8%, minimising the threat of water scarcity and improving resource management in the local area.



8 DECENT WORK AND ECONOMIC GROWTH



Goal 8:

Decent Work and Economic Growth

RSE employs over 1800 people, providing local employment within a rapidly growing business. With locations across the UK, we contribute to the broader UK economy as well as supporting smaller local economies such as in the Scottish Highlands.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



Goal 12:

Responsible Consumption and Production

The circular economy is championed through our flexible, scalable, and modular design. The standardisation of products using modular offsite construction allows them to be re-used and refurbished at the end of their life. The choice of materials make our modular solutions fully recyclable, avoiding waste going to landfill.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



Goal 9:

Industry, Innovation, and Infrastructure

RSE provides offsite modular build solutions using a low-carbon approach compared to traditional construction methods and our unique offering to the market focuses on innovation, efficiency, and excellence.

13 CLIMATE ACTION



Goal 13:

Climate Action

RSE is committed to achieving our operational Net Zero target by 2030. To achieve this, RSE has invested heavily in renewable alternatives such as solar panels, renewable diesel, EV charge points, biomass boiler, and green electricity tariffs.

Sustainability at our Core

1.2 Our Awards

RSE is proud to be recognised for our sustainability efforts across a range of industry awards, having been shortlisted as finalists and award winners within various categories throughout the year.



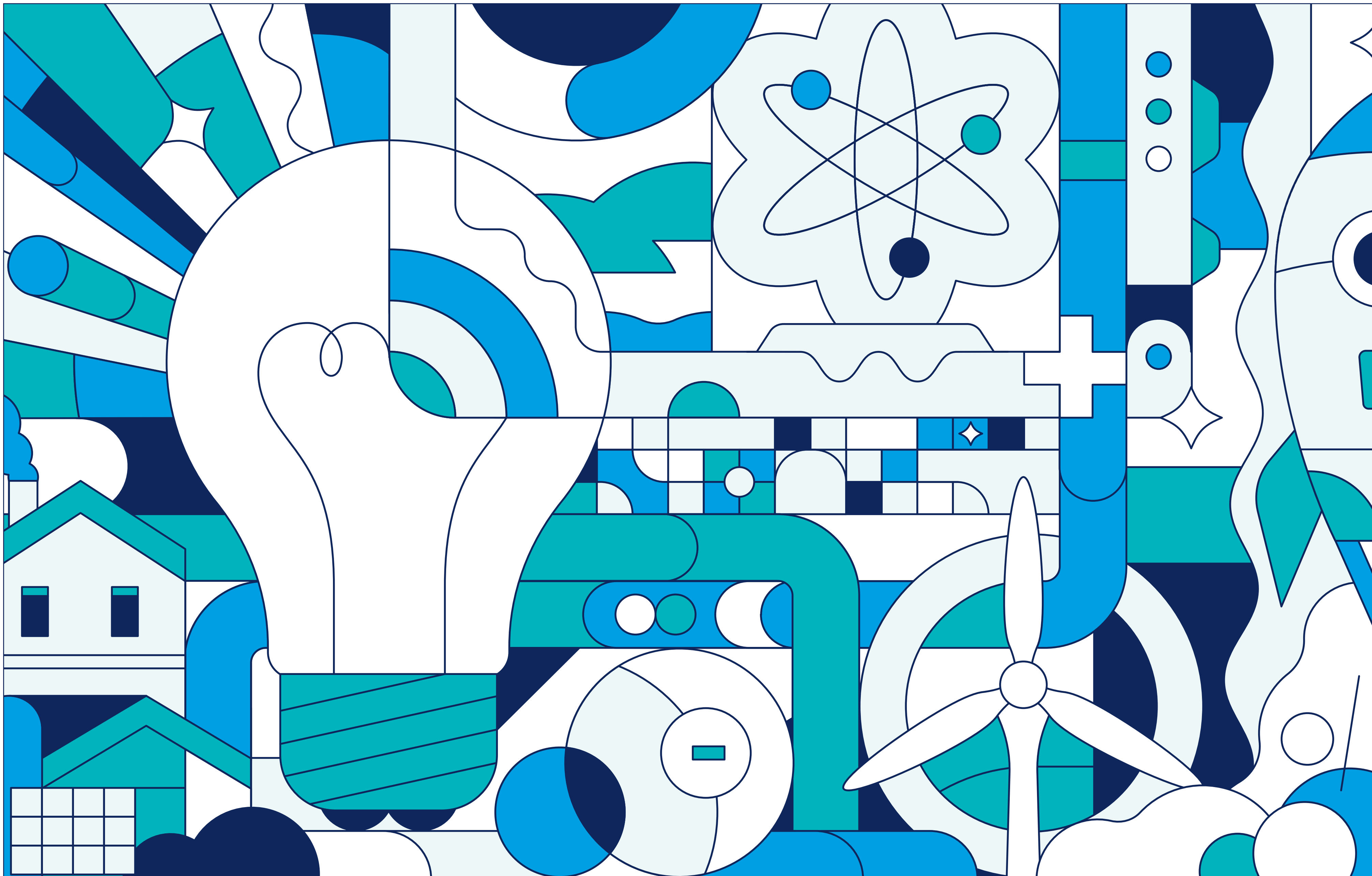
Technology and Innovation

2.1 The Modular Approach

Innovative technologies are key to reducing both our own and our clients' environmental impact.

Our modular solutions challenge industry norms using pioneering materials and processes, supporting the Net Zero transition as well as a circular economy.

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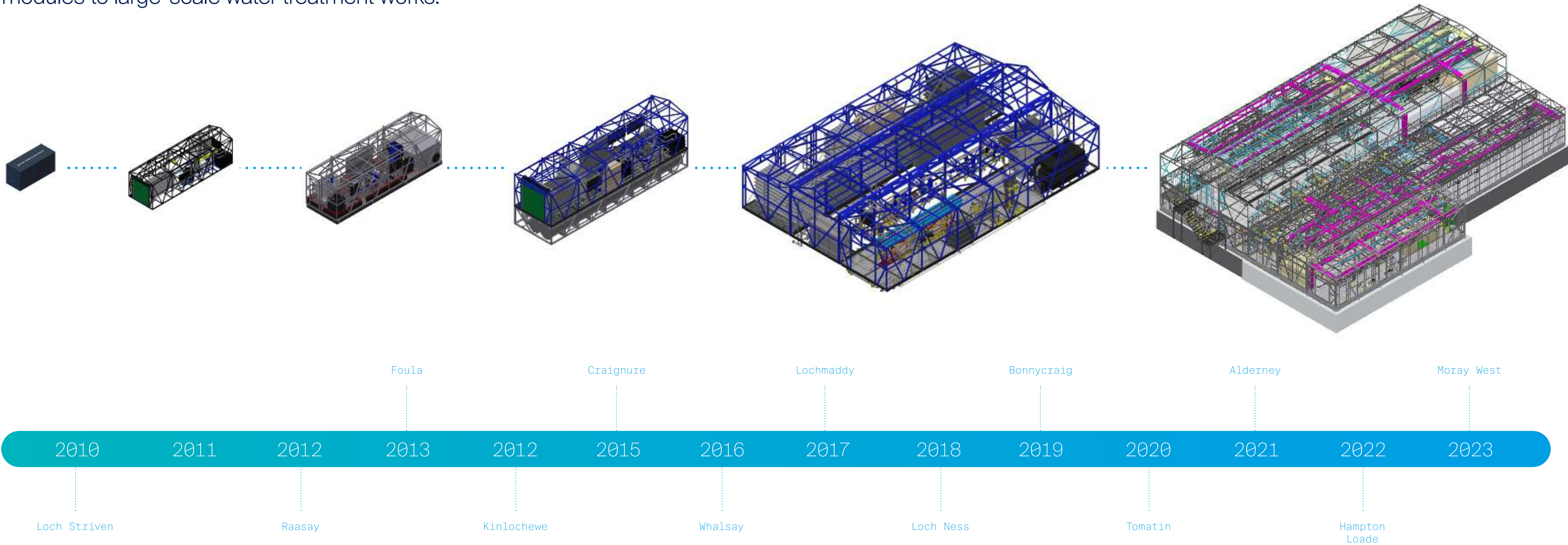


Sustainability at our Core

2.1 The Modular Approach

Over the last 10 years, RSE has developed a business model on the modular offsite construction of water treatment technologies.

Our design of Transportable Treatment Units (TTUs) has evolved over time from delivering single modules to large-scale water treatment works.



We have three key modular solutions: Transportable Treatment Units (TTUs), Light Modular Builds (LMBs), and Timber Modular Builds (TMBs). All products are fabricated, assembled, fitted-out and partially commissioned in state-of-the-art workshops before being transported and installed on site.

RSE's concept of modular offsite construction have environmental and social benefits that surpass initial expectations:

10% reduced embodied carbon

9% reduction in material wastage

95% reduction in site traffic

Improved health, safety and quality

Improved employee wellbeing

Circular design principles

Fully recyclable at the end of life

Supporting local economic growth

Our solutions offer clients flexibility and scalability. Whether it's the world's largest ceramic membrane plant or a small pumping station, RSE can meet specific client demands.



Technology and Innovation

2.2 Innovation

RSE is recognised as an innovative leader in the water sector.

By embracing cutting-edge technologies and sustainable practices, RSE is redefining industry benchmarks and delivering cleaner water while minimising environmental impacts. As a market leader, we prioritise reliability, affordability and continuous improvement, earning trust in the water sector. With each modular unit, we propel the industry forward, addressing global water challenges one module at a time.

Driven by a need to deliver low carbon, circular, low-cost and high performance solutions for our clients, our Innovations team is working on numerous new and existing technologies, including:

- Ion exchange solutions to address the effects of climate change
- Forward and Reverse Osmosis solutions to support water reuse and hydrogen economy
- Algae Bio Reactor to address significant nutrient issues using circular principles
- Multiple nature-based approaches to help address storm water issues

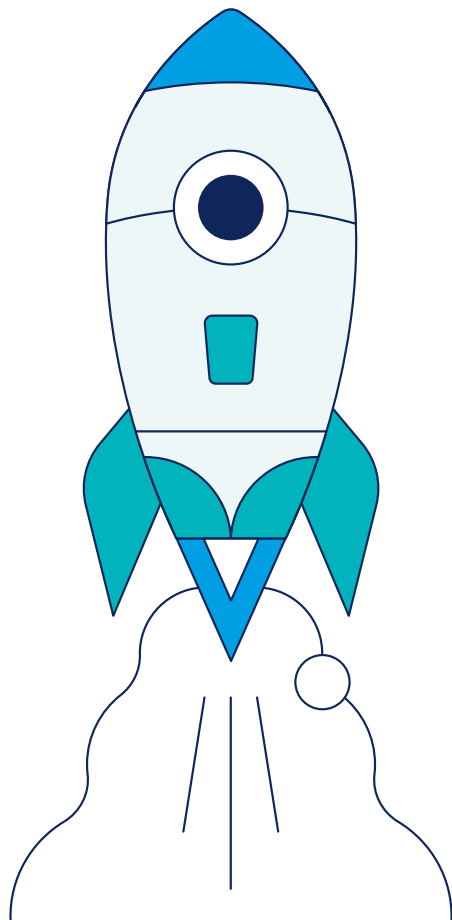
Case Study 1

Light Modular Build (RSE-LMB)

The RSE-LMB marked our first step away from traditional welded structures and has since evolved to offer numerous benefits to clients. Most notably, embodied carbon composition is reduced by up to 75% compared to traditional counterparts. Furthermore, it offers a rapid assembly time, saving clients time and cost as well as supporting them to take meaningful steps towards their own Net Zero goals.

The RSE-LMB was first developed to replace a hugely carbon intensive material, Glass Reinforced Plastic (GRP). The LMB is fully recyclable at the end of life, and removes the requirement to paint, blast, or weld structures.

- By removing GRP from the RSE-LMB, we have reduced embodied carbon emissions by 75%.

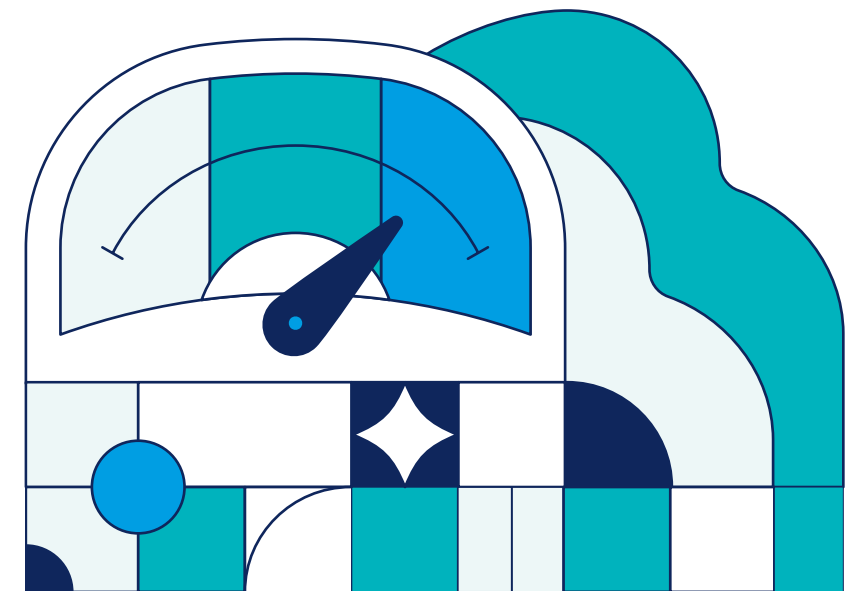


Technology and Innovation

2.3 Promoting a Circular Economy

Circular product design is crucial to futureproofing our industry as we advance towards a low carbon economy. It reduces the need for new raw materials, which helps to slow down the depletion of natural resources and limit biodiversity loss. It also reduces greenhouse gas emissions and the environmental impact of obtaining raw materials.

RSE's modular build solutions exemplify the circular economy through the remanufacture, repurpose, and reuse of entire TTUs. Our TTUs can be returned to our workshops to be retrofitted to suit future projects and reused on client sites.



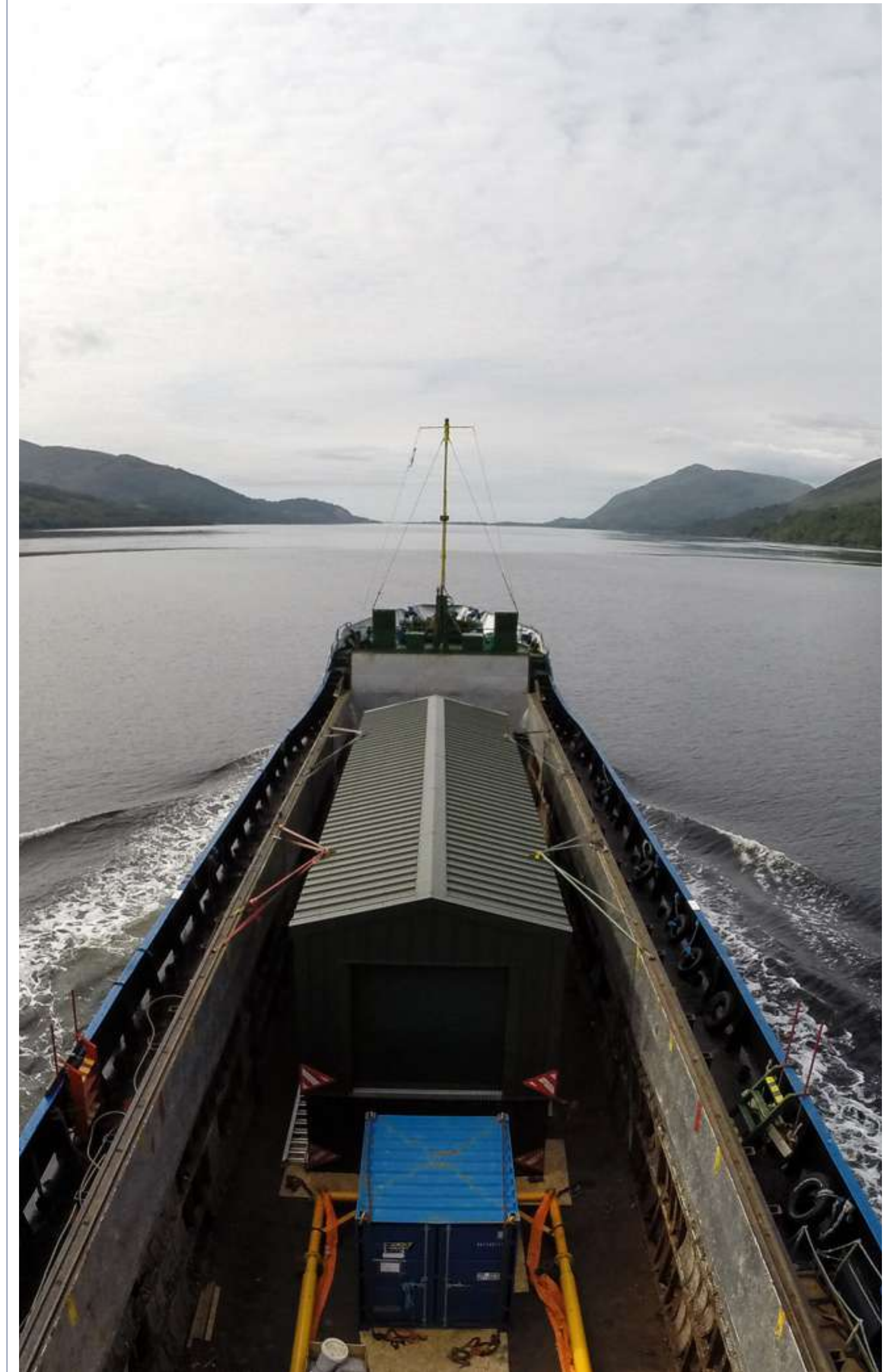
Case Study 1:

Dalwhinnie WTW Circularity

In 2014, RSE was engaged to provide a TTU to a Water Treatment Works (WTW) on the Isle of Mull. The TTU was designed, manufactured and pre-commissioned at our production headquarters in Muir of Ord and transported to the client site. However, in 2019, this TTU was decommissioned due to an upgrade to the WTW.

Rather than disposing of the decommissioned TTU, the client, with support from our engineers, opted to repurpose it for use in another WTW in the Highlands. The TTU was transported back to RSE's headquarters in Muir of Ord and upgraded to suit the scope of the new project before being established in its new location.

This completely recycled solution has doubled the life of the TTU, avoiding the need to manufacture a brand-new unit. In addition, it has reduced embodied carbon emissions by 19 tCO₂e and provided multiple efficiencies for the project team.



Environment

3.1 Our Journey to Net Zero

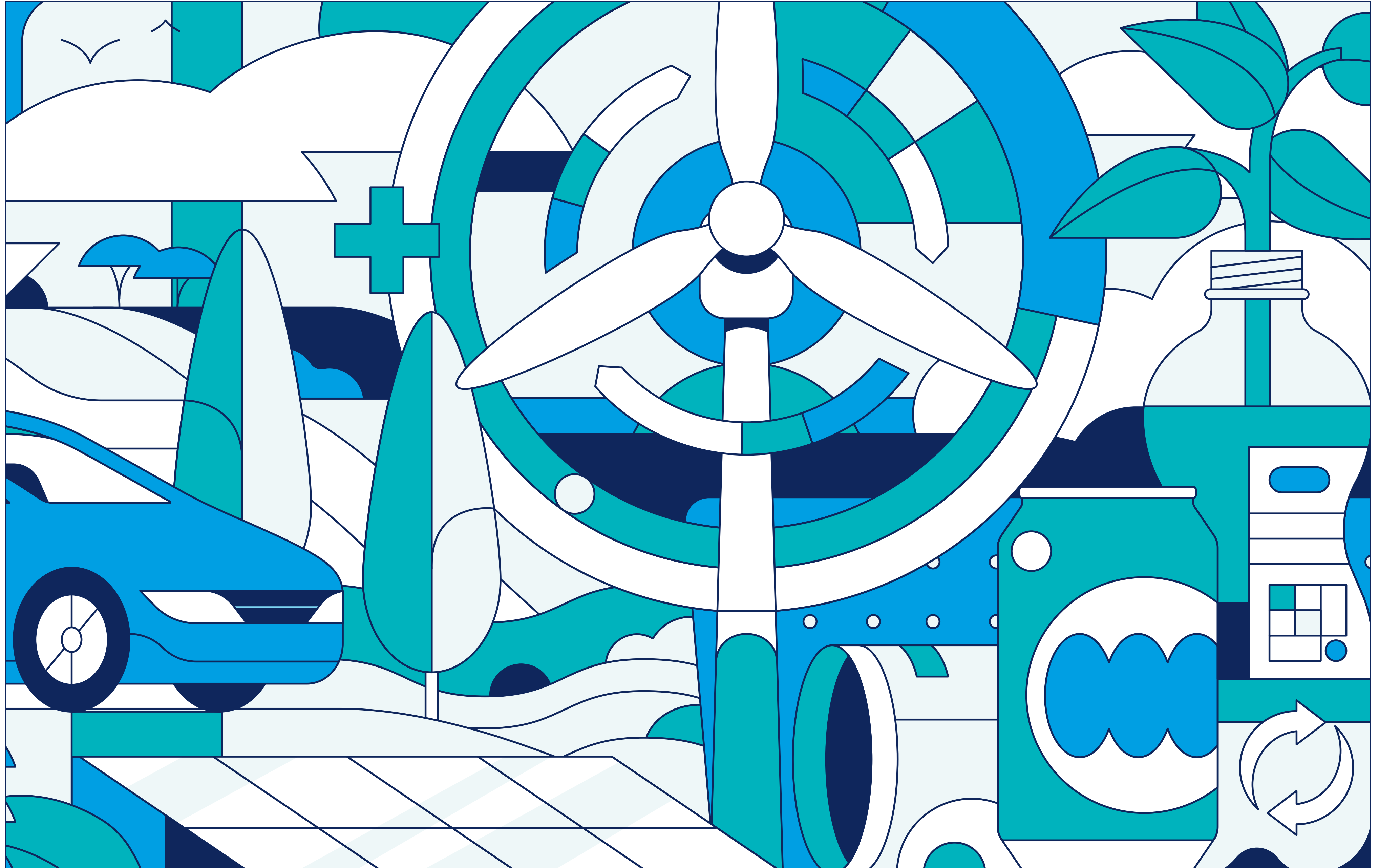
RSE is part of the global movement to achieve Net Zero emissions and have two ambitious targets:

Operationally Net Zero by 2030

To reach our 2030 target, RSE will omit operational emissions through embracing renewable technologies, reducing consumption and integrating efficiencies.

Net Zero by 2035

To reach our 2035 target, RSE will minimise Scope 3 emissions through supply chain engagement, sustainable procurement, and promoting the circular economy.



03

Environment

3.2 Net Zero Progress

RSE experienced enormous growth over the last financial year, with a significant increase in revenue. Despite this, our Scope 1 and 2 emissions across all reportable intensity metrics have decreased for the second year running:



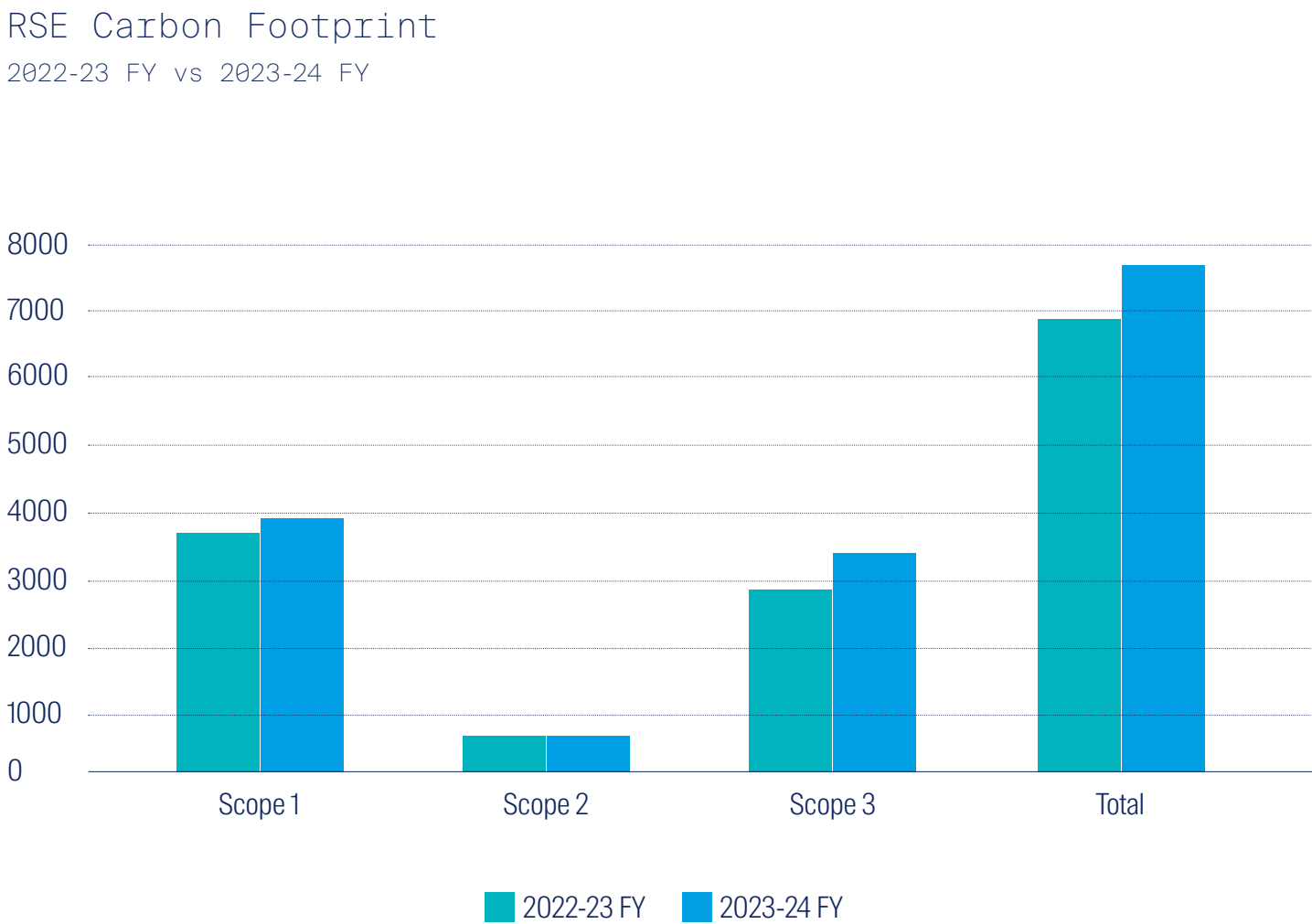
RSE Absolute Emissions

Our absolute Scope 1 and 2 emissions have both increased by 9%. Our Scope 3 emissions have increased by 20%, due an increase in reporting.

This year's Scope 3 data accounts for 5 out of 15 categories of Scope 3 emissions. By March 2025, RSE will have measured all relevant Scope 3 emission categories.

Whilst this is a very respectable change given the growth margins of the company, our absolute emissions must decrease over time if we are to achieve our Net Zero targets.

As the business is projected to continue its rapid growth, RSE must embrace technology and innovation to further drive emission reductions across the organisation.



Environment

3.3 Carbon Neutrality

As we work towards Net Zero status, there remains a proportion of emissions that are currently unavoidable. To address these, we have partnered with Carbon Neutral Britain to achieve Carbon Neutrality.

Projects are verified against the highest international standards and not only help to remove harmful CO2 emissions from entering the atmosphere, but also support the broader UN SDG framework through employment opportunities, education and skills development, and boosting local economies within developing and developed countries.

Continue onto the next page to learn more about the projects RSE have supported:

All projects are verified against globally recognised standards.



Case Study 1:
Improved Biodiversity and Mixed Reforestation

A reforestation project in Costa Rica combines carbon sequestration with multiple ecological and socio-economic benefits for local communities within the region. An area of 2,115 hectares of pastureland, previously used for extensive cattle ranching, has been successively reforested. More than one million trees have been planted comprising 17 different tree species and encouraging 70 new species of amphibians and reptiles to resettle in the area.



>1m
Trees planted



Case Study 2
Blue Carbon Mangrove Restoration

This project is the first verified blue carbon project in the world, spanning over 350,000 hectares in the Indus River Delta Region of Sindh, southeastern Pakistan. The project is expected to remove approximately 142 million tonnes of CO₂e from the atmosphere, and will also serve as a sanctuary for 11 globally threatened marine and bird species.



142m_{tCO₂e}
will be removed from
the atmosphere

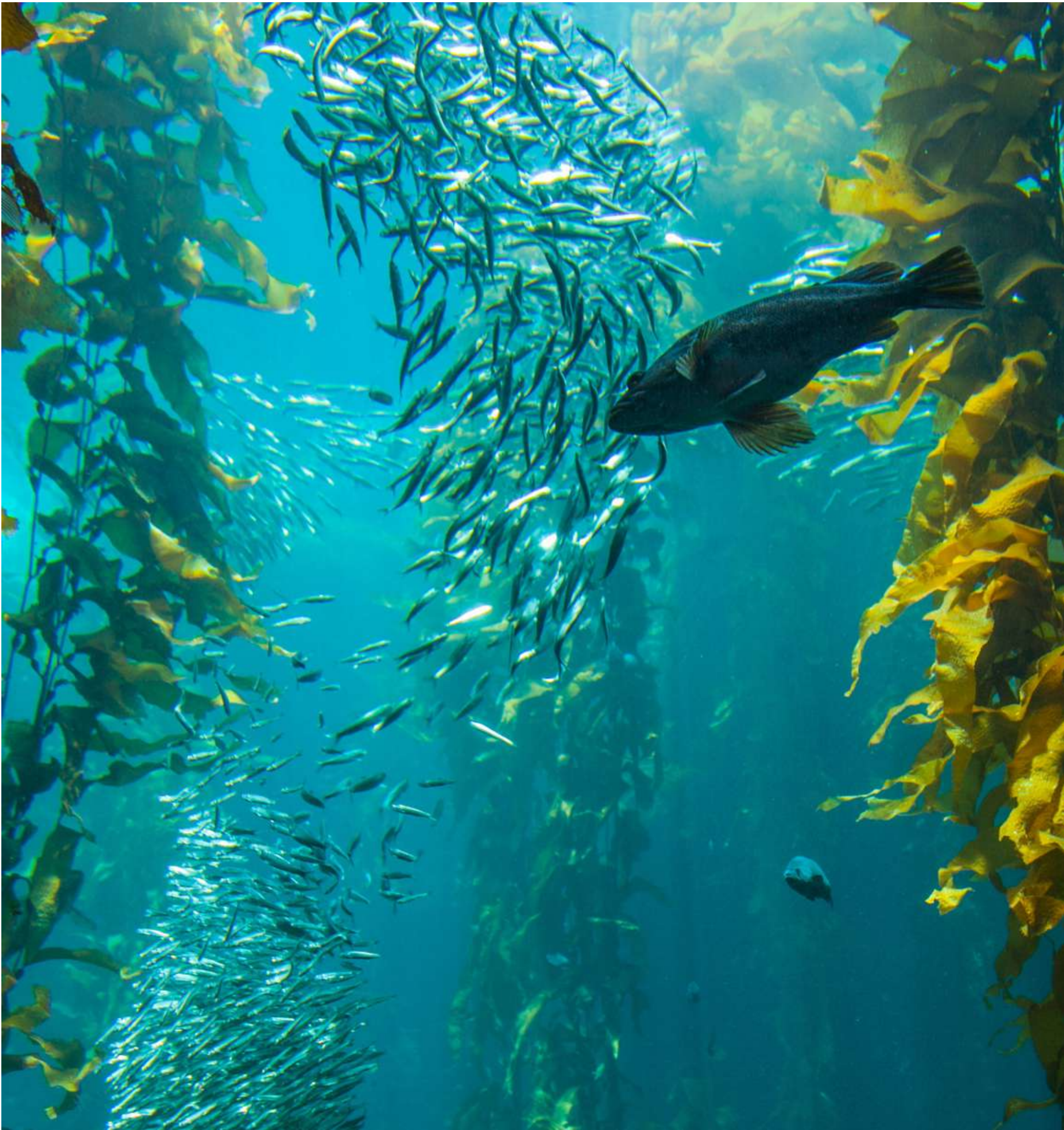


Case Study 3
Sea Kelp Recovery and Management in Sussex

An ambitious collective of conservation and government organisations, scientists and communities are together undertaking pioneering research to monitor the return of kelp along 40km of Sussex coastline, and the benefits it provides for people, nature and climate. Although not an independently-verified carbon offsetting project, this project supports local climate action.



40km
of Sussex coastline



Environment

3.4 Investment in Renewables

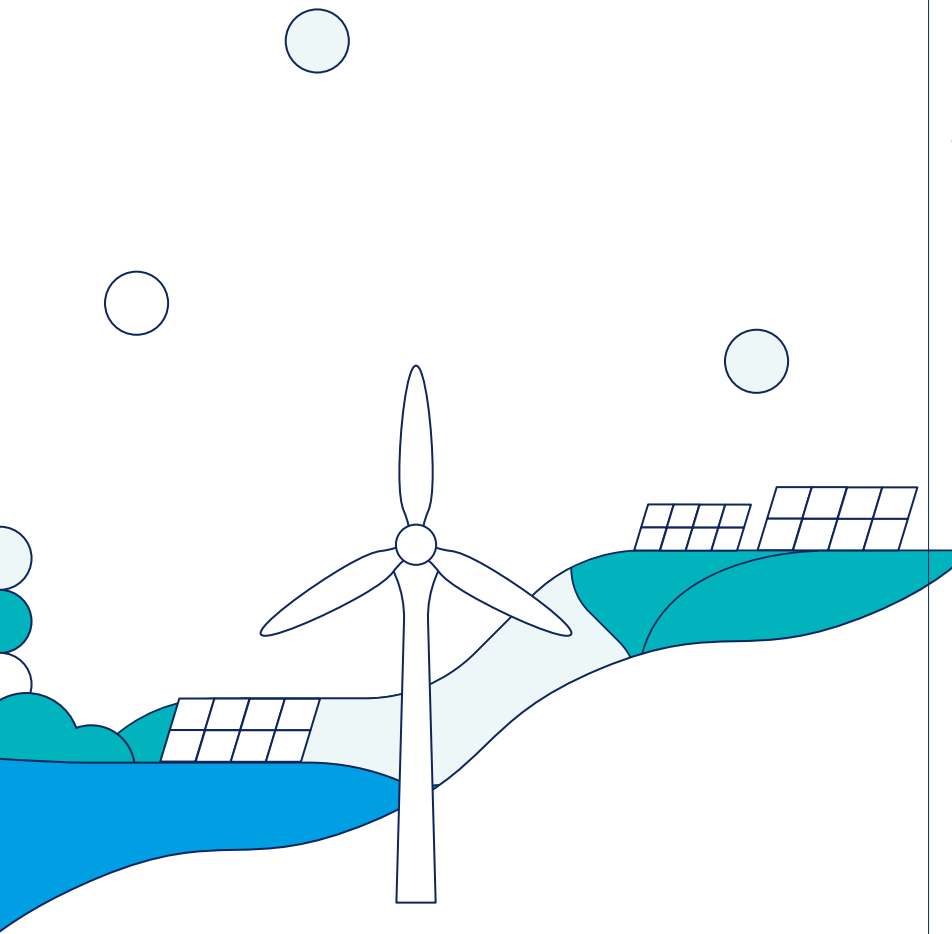
A key part of RSE’s Net Zero roadmap is to divest from fossil fuels and invest in renewable energy technologies.

Solar Panel Case Study

In 2023, RSE increased its solar panel capacity by 70% to 360kW across 8 locations. Solar electricity generation now accounts for 11% of total electricity use across the business, compared with 8% in 2022. This has helped to reduce our Scope 2 emissions by 12%.

RSE worked with local supplier, RiCruden, to install all solar panels projects, promoting the local economy and green jobs.

RSE increased its solar panel capacity by 70% to 360kW across 8 locations



45% of company cars are EV/Hybrid cars

Energy Efficiency

Energy efficiency measures have been implemented across the business including LED lighting and rainwater harvesting.

Low Emission Transport

In April 2023, RSE launched an electric and hybrid car lease scheme, which saw a 7% employee uptake in its first year. To further promote this initiative and support the shift to greener transport, we installed electric vehicle charging points at five of our office locations. This effort has significantly contributed to RSE’s transition to low-emission company cars, with 45% of our company cars now comprising electric or hybrid vehicles.

We have also introduced a Cycle to Work scheme and to date, 3.4% of employees have signed up. This promotes active travel and reduces our employee commuting emissions.

HVO Case Study

In 2023, almost all RSE sites in Scotland operated on HVO as a direct diesel replacement. This reduced site emissions by 52%, saving 270 tCO₂e. Looking ahead, we have plans to introduce HVO into our fleet vehicles as a replacement for diesel which will significantly reduce our Scope 1 emissions.

Biomass Boiler

In 2016, RSE installed a biomass boiler to provide underfloor heating to our largest workshop. The boiler uses sustainably sourced wood pellets as an alternative to natural gas or oil, saving 18 tCO₂e per year.



Social

4.1 Entrepreneurial Culture Underpinned by Servant Leadership

RSE fosters a supportive, collaborative, and high-performing workplace, which is the reason for our success and continued growth as a business. By embracing a servant leadership approach, we empower employees with the freedom, responsibility, and trust to thrive.

Key values of servant leadership:

Community
Support
Awareness
Growth



04

In 2023, 30% of employees achieved a promotion within their role – evidencing the success of our approach across the business to drive innovation, creativity, and continuous employee personal development.



Social

4.2 Investing in Talent

Through direct employment, RSE is able to identify, develop and retain talented staff who are at the heart of our business.

We have made a commitment to our employees to invest in their ongoing development throughout their careers with us. With an established and skilled in-house multi-discipline Civil, MEICA and Process Design department, we are able to build and sustain highly efficient teams across all aspects of the human capital value chain, through the entire project design lifecycle.



RSE Graduate Programme

Our highly successful 2-year graduate programme is currently operating with 53 individuals across all locations. Throughout the programme, graduates are immersed in a multi-disciplinary engineering environment and given the tools and support to achieve their full potential. Graduates are able to work towards qualifications within their chosen profession, including Engineering Technician (EngTech), Incorporated Engineer (IEng) or Chartered Engineer (CEng).

In addition to developing technical engineers, RSE supports other functions through their early careers, including Quantity Surveying, Human Resources, Quality Assurance, Sustainability, and Marketing.

RSE Apprenticeship Programme

We offer a robust apprenticeship programme across our mechanical and electrical engineering disciplines, and in 2023 supported 34 mechanical and 43 electrical apprentices. Through hands-on training working on a range of RSE projects, coupled with formal college education and mentorship, apprentices gain invaluable skills and experience and upon completion earn recognised qualifications such as SQG, NVQ, or BTEC in their chosen field.

“At RSE, all jobs that I’ve undertaken during my apprenticeship were facilitated in a way that would directly enhance my understanding and further my development. RSE has given me the room to get ‘out there’ and try new things wherever possible.”

130 colleagues in live Graduate and Apprenticeship Schemes



Digitising our Learning Spaces

We are excited to be launching the following digitisation projects which will promote accessibility to our learning modules for the entire workforce:

Learning Management System

Our sophisticated Learning Management System (LMS) builds and holds digital content, captures employee certifications and competences, tracks compliance and expiry dates, books courses, runs reports, and informs employees about their mandated training pathways and further education requirements.

Knowledge Share Hub

The Knowledge Share Hub is a centralised database of useful learning content for staff to develop their knowledge and understanding across a diverse range of business functions.

Lessons Learned

Developed entirely in-house, RSE is able to capture lessons learned and discover opportunities for improvement across various projects.

Social

4.3 Healthy Body, Healthy Mind

All employees have access to our in-house Occupational Health Nurses and receive annual health checks to ensure they are fit to work and can access the necessary health and wellbeing support they need.

We have introduced a Cycle to Work scheme and offer a discounted gym membership perk to encourage a healthy and active lifestyle.

RSE is an advocate for Mental Health. Our mission is to erase the stigma associated with discussing mental health and to let everyone know that there is always hope, safety, and support available. RSE’s 35 Mental Health First Aiders provide confidential in-house support to employees across all of our UK locations and we are an official company support of the Lighthouse Construction Charity.

Hybrid Working

RSE operates a hybrid working policy with many employees working at least one day a week from home. This supports productivity, flexibility, and job satisfaction, as well as providing an improved work-life balance.

RSE also value the importance of an in-person working environment, which has its own benefits such as increased collaboration and motivation, as well as providing a separation between work and home life, which can be important to many individuals.

35
Mental Health
First Aiders



Social

4.4 Health and Safety

Providing a safe working environment is a fundamental value for RSE. We have successfully maintained our ISO 45001 accreditation, or similar, for 11 years running, verifying our legal compliance and our commitment to the highest standards of – and continuous improvement in – health and safety practices.



QHSE Digitisation

We are making great strides with regards to digitising QHSE processes.

One of our first digitisation initiatives was the virtual inspections, which allows the QHSE team, senior leaders and other key personnel to visit sites remotely. The innovation enhanced inspection coverage while also significantly reducing carbon emissions. We are now actively sharing this initiative with stakeholders including clients, contractors and competitors.

The notable success of the virtual inspections emphasised the importance of continuing our digitisation journey.

Case Study

QHSE Reporting App – Fully Operational

Our QHSE Reporting App is now fully operational and was designed for effective online reporting of inspections, leadership conversations and safety observations, which is vital as engagement with our employees allows us to ensure health, safety and environment concerns are dealt with appropriately as well as us giving employees the opportunity to share suggestions and best practice.

These inspections provide site operatives the opportunity to learn and engage with the HSE team through asking questions and understanding the most important health, safety and environmental concerns. It also gives employees the chance to share best practice and lessons learned.

Benefits of the QHSE Reporting App include:

- Reduced paper usage
- Instant report delivery
- Real time tracking of actions
- Instant Power Bi dashboard to monitor trends and targets
- Efficient incident tracking
- Improved hazard identification
- Effective communication

Vehicle Inspection QR Code – Fully Operational

RSE have replaced the hardcopy form for completing vehicles inspections with a QR code which is now present on the vehicle. This new process is a much simpler process and saves time both completing the form as well as reducing the need to print and file hardcopy versions.

The digital form has handy features such as 'how to' guides on checking your vehicle as well as automated notification to the correct vehicle co-ordinator for certain issues.

HAVS App – In Trial

RSE has recently developed a Hand-Arm Vibration Syndrome (HAVS) App which is currently being trialled. The App is designed to be a visual aid for Trades employees, Supervisors, Managers, QHSE Department and Occupational Health Team to ensure exposure to hand-arm vibration is minimised.

Although still in trial phase, the insights gained from the App have proven invaluable and have lead to the purchase of new equipment, significantly reducing HAVS as detailed below:

60% reduction in vibration magnitude (from 8m/s² to 5m/s²) and the 400% increase in safe exposure time (from 2 hours to 8 hours).

37>109

QHSE inspections increased from 37 per month in 2023 to 109 per month in 2024.

08>38

Safety observations increased from 8 per month in 2023 to 38 per month in 2024.

22>38

Leadership conversations increased from 22 per month in 2023 to 38 per month in 2024.



Social

4.5 Community Engagement

Since 1982, we have been actively supporting our local communities directly through financial contributions through our supply chain partnerships.

From local charities, sports causes, community allotments, foodbanks and blood donations, RSE engages with a diverse range of community groups.

Schools

Community

Sports Club

Charities

Case Study 1

WaterAid Charity Support

RSE is honoured to be a part of the water industry’s support of WaterAid, a not-for-profit organisation that works to improve access to clean water, sanitation, and hygiene for people around the world. From August to October 2023, RSE participated in a swim marathon challenge to raise funds to bring clean water to people across the world. RSE attended the WaterAid Ball in March 2024 as Gold sponsors. RSE has also recently supported the WaterAid Munro Challenge, held by Scottish Water, alongside the WaterAid Walk for Water challenge during the month of March.

£90k

Raised for charity



Case Study 2

Highland Hospice Maggie’s Run the Runway 2023

On Saturday 26th August 2023, an RSE team participated in Run the Runway to raise money to support Maggie’s Highlands, a charity that provides free practical, emotional and social support for people living with cancer and their families across the Highlands. Entrants were invited to run, jog, walk or wheelchair down the length of the Inverness Airport’s runway and back at midnight, a course of just over 5 kilometres.

We are very proud of our team and would like to congratulate them for their commitment to this remarkable cause.

£17.5k

Raised by Team RSE



Case Study 3

Supporting Young People in Sports

RSE is proud to sponsor a diverse group of young athletes across various sports, from golf and shinty, to netball and canoeing. We believe in the transformative power of sports to shape and develop young people and with our support, these talented individuals are that much more empowered to pursue their dreams



RSE Sponsorship of Golfer, Hannah McCook

Hailing from Nethy Bridge in the Scottish Highlands, Hannah transitioned to professional golf in 2019 following a successful amateur career. Hannah exemplifies the values of perseverance and determination that we value at RSE and we are excited to support her journey and inspire future generations of golfers, especially young females, into the sport.

Canoe Sponsorship

RSE is pleased to announce the sponsorship of two junior Scottish paddlers: Findlay and Tally McLean - two junior Scottish paddlers. The sibling athletes both paddle for the Scottish National team, competing in canoe slalom and wild water racing events. RSE’s sponsorship will help to fund Findlay and Tally’s training and equipment costs, allowing them to compete on both a national and international level. The pair train and race on rivers, lochs, and watercourses in areas in which RSE operates and have a deep appreciation for natural water sources – a shared passion with our team at RSE.



Cyclist Sponsorship

Adam Murray is a highly talented young cyclist – his remarkable journey came to our attention through his father, Raymond Murray, a valued Chargehand at RSE’s Dalgety Bay facility. Through this sponsorship, RSE aims to provide Adam with the necessary resources to reach his full potential, showcasing the power of backing those in our community in unlocking individual excellence.

Shinty Sponsorship

Strathglass Shinty Club is a rural community club based in the small Highland village of Cannich. RSE’s sponsorship funding hopes to provide a massive boost to a small community sports team and our workshop team has also fabricated a new set of shinty goals for the club’s use. As part of the sponsorship, we will additionally provide transport support by offering an RSE minibus for the club’s travel to away games.



Case Study 4

Moors of the Future

Founded in 2003, the Moors for the Future Partnership delivers a large-scale blanket bog restoration programme across the Peak District and South Pennine moors. With over £50 million invested, the initiative enhances water quality, supports native wildlife, reduces flood risk, and combats climate change by storing carbon.

RSE is funding a trial on a site called Close Moss, which will investigate how best to control Purple Moor Grass (*Molinia Caerulea*), a British native grass that grows on the moors. *Molinia* is a locally dominant species and is currently out competing all other species in the area.

A healthy moorland should have a wide variety of bog species. Currently, there are only three indicator species present on the site, all of which are present in less than 1% cover.

The project aims to boost biodiversity, reduce fire risk, and once flourishing, will have the added benefit of removing harmful Greenhouse Gases (GHG) from the atmosphere. Additionally, Moors of the Future promote social value through their local partnerships with schools and universities.

RSE is proud to support the impactful work of the Moors for the Future, which perfectly aligns with our commitment to environmental sustainability.



Social

4.6 STEM

RSE supports the STEM Ambassadors network and encourages employees to become STEM ambassadors to share their engineering experience with the STEM community. Here are some stories of how we engage with the STEM network:

Case Study 1 STEM Ambassadors

In support of COP28, RSE employees attended the Mock COP28 STEM event, organised by the Open University, Highland One World Global Learning Centre, and Developing the Young Workforce Inverness & Central Highlands (DYWICH).

The event mimicked the negotiations that take place at COP, with students acting as global leaders – representing a wide range of countries, businesses, and NGOs – conducting debates and discussing climate action.

Case Study 2 STEM Ambassadors – SmartSTEM

In July 2023, RSE attended two workshop sessions delivered by SmartSTEM, a charity dedicated to inspiring the next generation to study STEM subjects. The task challenged the students' ability to communicate successfully as a team and was an interactive experience that portrayed collaborative working in a STEM environment.



Social

4.7 Supply Chain Management

RSE's diverse portfolio results in a complex and technical supply chain. We enhance ESG engagement through long-standing relationships with our innovative and agile end-to-end supply chain. This supports us to deliver a competitive advantage, adding value to our customers, and contributing to a net zero value chain.

Collaboration and integration with our supply chain is critical to develop relationships that will encourage responsible supply chain practices and green economic growth. Applying a sustainability framework with partners will support RSE to engage a localised supply chain, reducing both risk and Scope 3 emissions.

RSE has introduced a Group Supply Chain Director who is responsible for all supply chain management across the business. This role will focus on strategic sourcing, consolidation of key suppliers, and ensuring that ESG principles are at the front end of decision-making.



John Valentine
Group Supply Chain
Director

“As the new Director of Supply Chain at RSE, my commitment to Environmental, Social, and Governance (ESG) principles within our procurement function is paramount. Integrating ESG into every decision we make not only aligns with our corporate values but also strengthens our competitive edge. By prioritising sustainable sourcing, ethical partnerships, and transparent practices, we can mitigate risks, drive innovation, and create lasting value for our stakeholders. Together, we will build a supply chain that not only meets the demands of today but also sets the standard for a responsible and resilient future.”

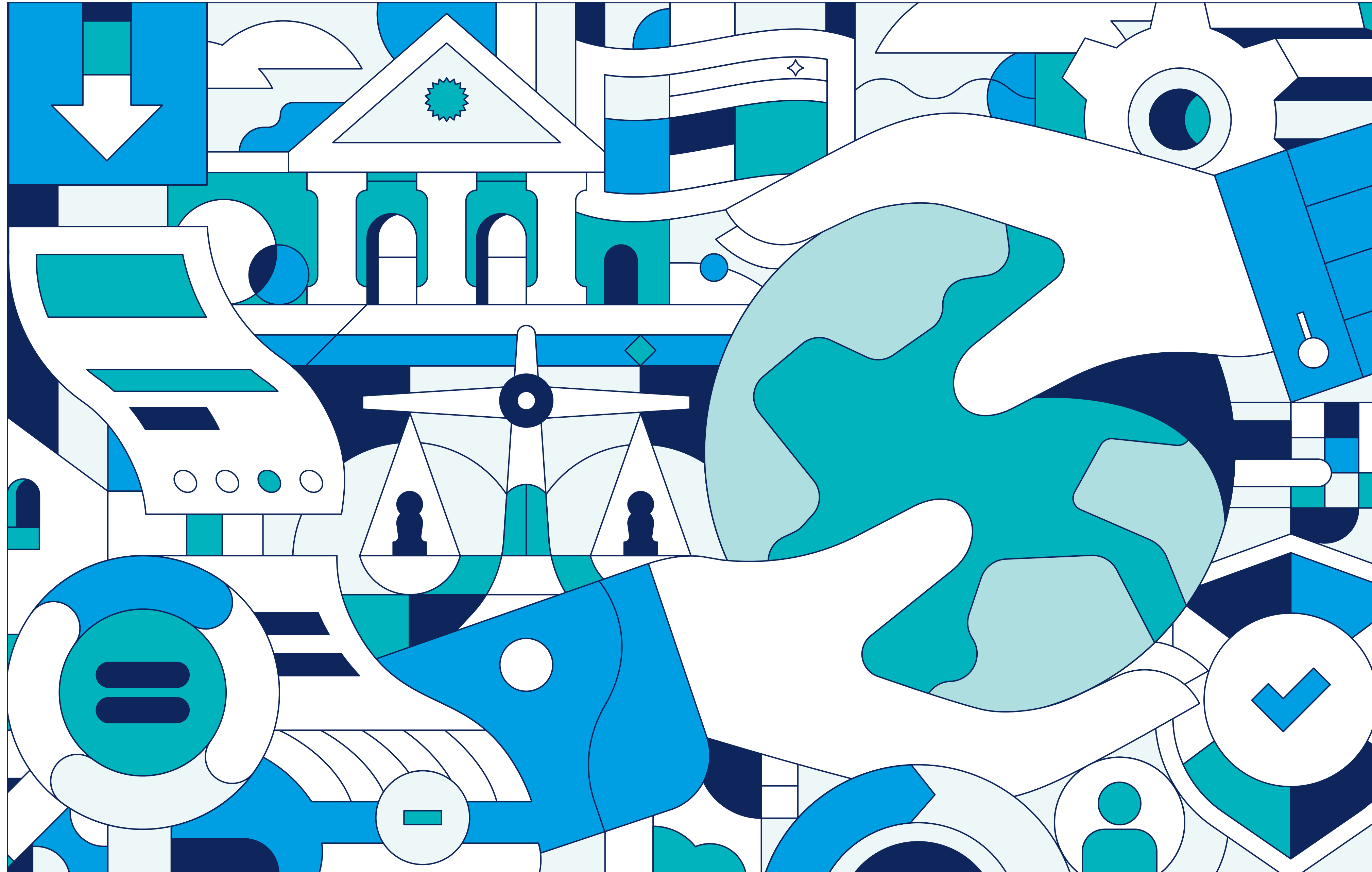
Governance

5.1 Business Ethics

RSE is committed to conducting business in accordance with the highest ethical and legal standards.

The integrity of our staff, and those with whom we do business, is critical to our success. RSE's Code of Conduct, which all employees sign upon joining the organisation, outlines expectations and ensures everyone adheres to RSE's high standards.

We take a zero-tolerance approach to bribery and corruption and are committed to acting professionally, fairly, and with integrity in all our business dealings and relationships.



05

Governance

5.2 Policies

Our suite of policies guide our approach to sustainability at RSE. We operate an Integrated Management System (IMS) accredited to ISO9001, 14001 and 45001, ensuring that the highest standards of Quality, Health and Safety, and Environmental management are embedded throughout our processes and procedures. In addition, we have various governance policies in place to ensure that we foster a fair and equal workplace.

Governance

5.3 Our Certification and Memberships

RSE's array of certificates and memberships showcase our commitment to product quality, safety compliance, and environmental excellence.



Key Accreditations and Certifications



Memberships



Looking Ahead

As the ESG landscape rapidly evolves, RSE will continue to seek out and deliver sustainable solutions that support our clients' requirements, whether through carbon reduction in our products and energy efficient processes, or supporting local communities and developing our people. RSE is leading the way in the water sector, enabling communities across the UK to access clean water, whilst supporting sustainable development.

06





A message from our COO

Martin Mathers

RSE has made significant strides in our sustainability journey over the last year, which is incredibly positive and necessary given the significant growth that has been achieved across the business. It is important that as we grow, our ESG initiatives grow with us, enabling us to mitigate risk, improve stakeholder relationships and unlock new opportunities.

Key highlights of 2022-23 included achieving operational Carbon Neutrality, our successful graduate and apprentice programmes, and our continued contribution to our communities, which are at the heart of everything we do.

Our ambitions to lead the way in offering sustainable solutions to clients are evident: Our innovative and technology-led approach improves operational efficiency, reduces embodied carbon, and promotes the circular economy across the UK and beyond.

RSE's servant-leadership culture empowers our employees to make sustainable decisions. Individuals have the confidence, motivation and opportunities to create an environment where the business and our people can thrive over the long term.

There are challenges ahead, with our Net Zero targets edging ever closer. We will continue to drive down our emissions through investment in renewable technologies, with social value and strong corporate governance at the centre.

Looking ahead, RSE's Materiality Assessment will inform the business of our most material ESG topics. It will underpin our ESG strategy, which is currently in development, further solidifying our foundation. This will improve transparency and accountability, building trust with our stakeholders.

Our progress this year signifies our commitment to this ESG journey. There are ambitious targets ahead and we look forward to overcoming challenges whilst achieving our goals.



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