



ESG Report

2024-25

rsewater.com



A message from our CEO

Stephen Slessor

As an influential and trusted business operating at multiple intersecting points within the water sector, Environmental, Social, and Governance (ESG) principles are at the heart of RSE's work.

The UK has just experienced one of the driest years in recent decades, illustrating how climate change-related challenges, such as water scarcity and increased flood risk, are making their marks on society right now. As these challenges become more critical in the years ahead, so too will our work of ensuring the continuous and plentiful supply of clean water to people across the UK and further afield.

This report reflects our continued efforts to drive positive change – for the environment, as well as for our business, our people, and our communities.

As part of that, we have developed our first ESG Strategy, aligned with our long-term ESG Vision, and anchored by UN Sustainable Development Goal 6 (Clean Water and Sanitation). Focus areas of this strategy range from our contributions toward Net Zero and a circular economy, to community engagement, health and safety, and employee wellbeing, to name a few.

We've also embedded sustainability into our procurement decisions to strengthen the sustainability of our supply chain, and we've achieved a significant reduction in our Scope 1 and 2 emissions intensities, demonstrating our commitment to reducing our carbon footprint alongside company growth.

Finally, we will continue to be a key supporter of Heather's Heroes, which is an organisation that holds deep personal meaning for us at RSE. Through the charity's work, in partnership with other UK-based charities, we will continue to support people and families facing challenging illnesses – through community support, match funding, and public charity events.

It is important that we take time to acknowledge and celebrate these achievements. Equally, while we are mindful that there will be challenges ahead, we are confident in the foundation we've built to help us continue to deliver solutions and ensure that the ESG principles we've laid out remain at RSE's core.

Stephen Slessor
Chief Executive Officer



One RSE

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

>2000
employees

27
locations across the UK

£329m
turnover 24/25 FY

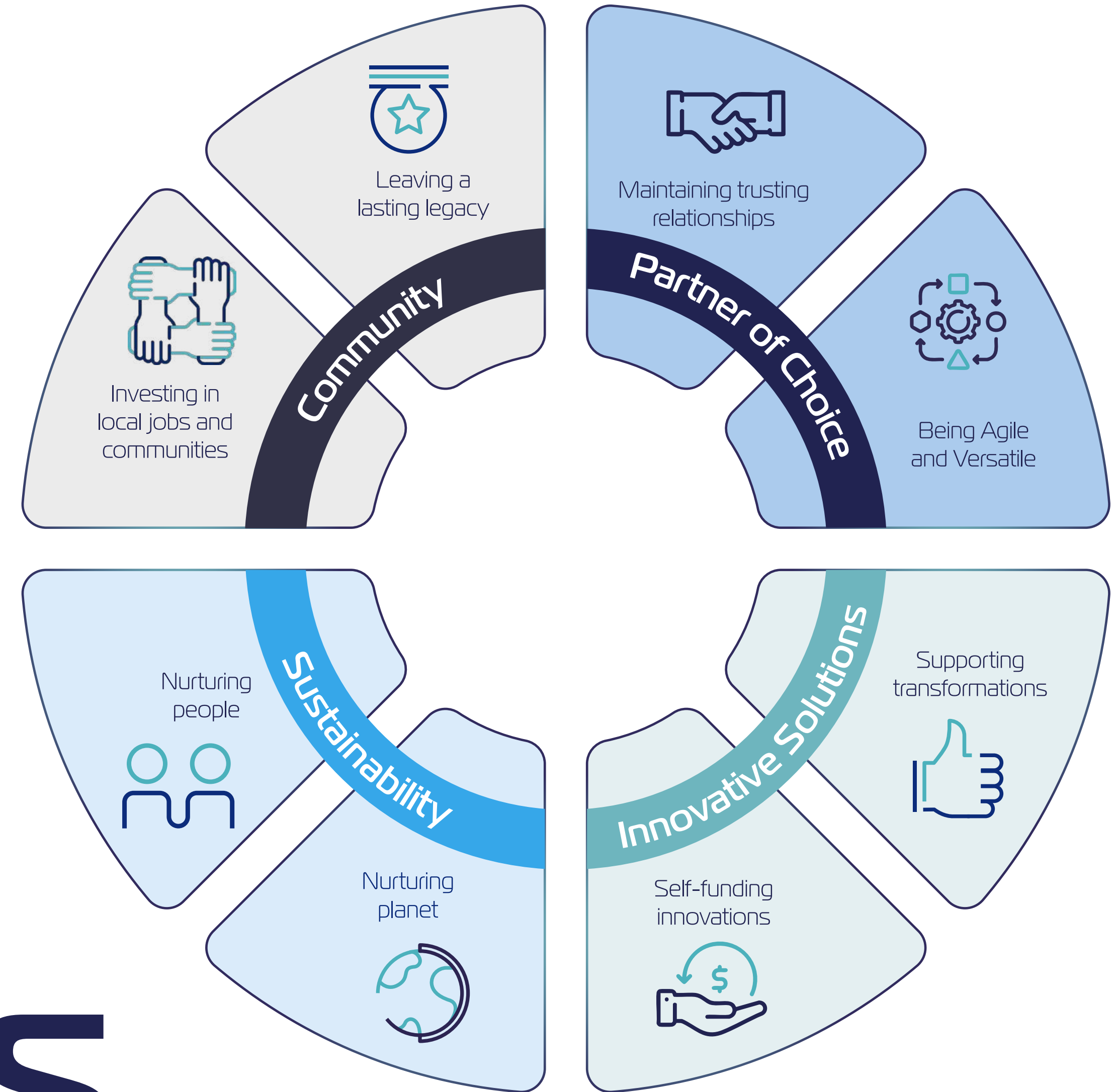
380,000
manufacturing capability ft²

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.

Mission, Vision, and Values



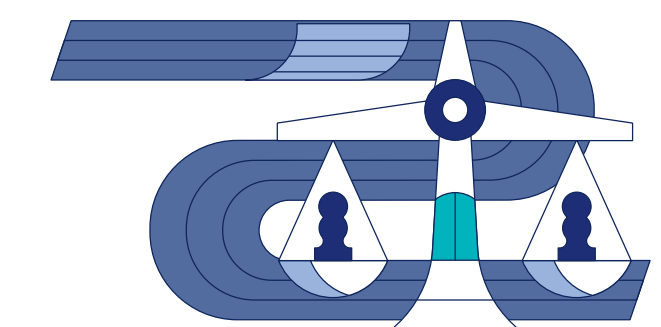
One RSE

Awards and Recognition

RSE is proud to be recognised for our sustainability efforts across a variety of industry awards, including the King's Award for Enterprise in Innovation, Water Industry Awards Contractor of the Year, and BE-ST Gamechanger Award, to name a few.

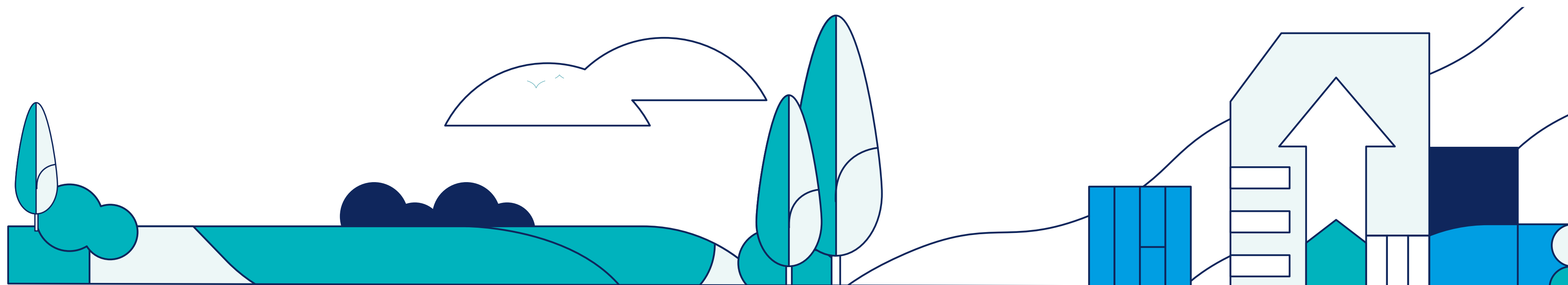


Celebrating Impact and Excellence



One RSE

Our ESG Highlights



38

charities and
community groups
supported by RSE

17%

reduction in Scope 1
and 2 emissions per
£M turnover

183

graduates and
apprentices employed
across the business

28%

of employees
achieved a promotion
in their role

12 QBR's

held with strategic
& critical suppliers

11%

of electricity
generated
from solar panels

50%

of electricity
sourced from REGO
backed sources

583tCO₂e

saved using HVO

1700

QHSE tours
completed

£30,000

raised at RSE
Family Fun Day 2024
for Heather's Heroes

10%

reduction in
Scope 3 emissions
per £M turnover

Carbon Neutral

for Scope 1 and
2 emissions

*market-based Scope 2 emissions

One RSE

Our ESG Strategy**Purpose and Scope**

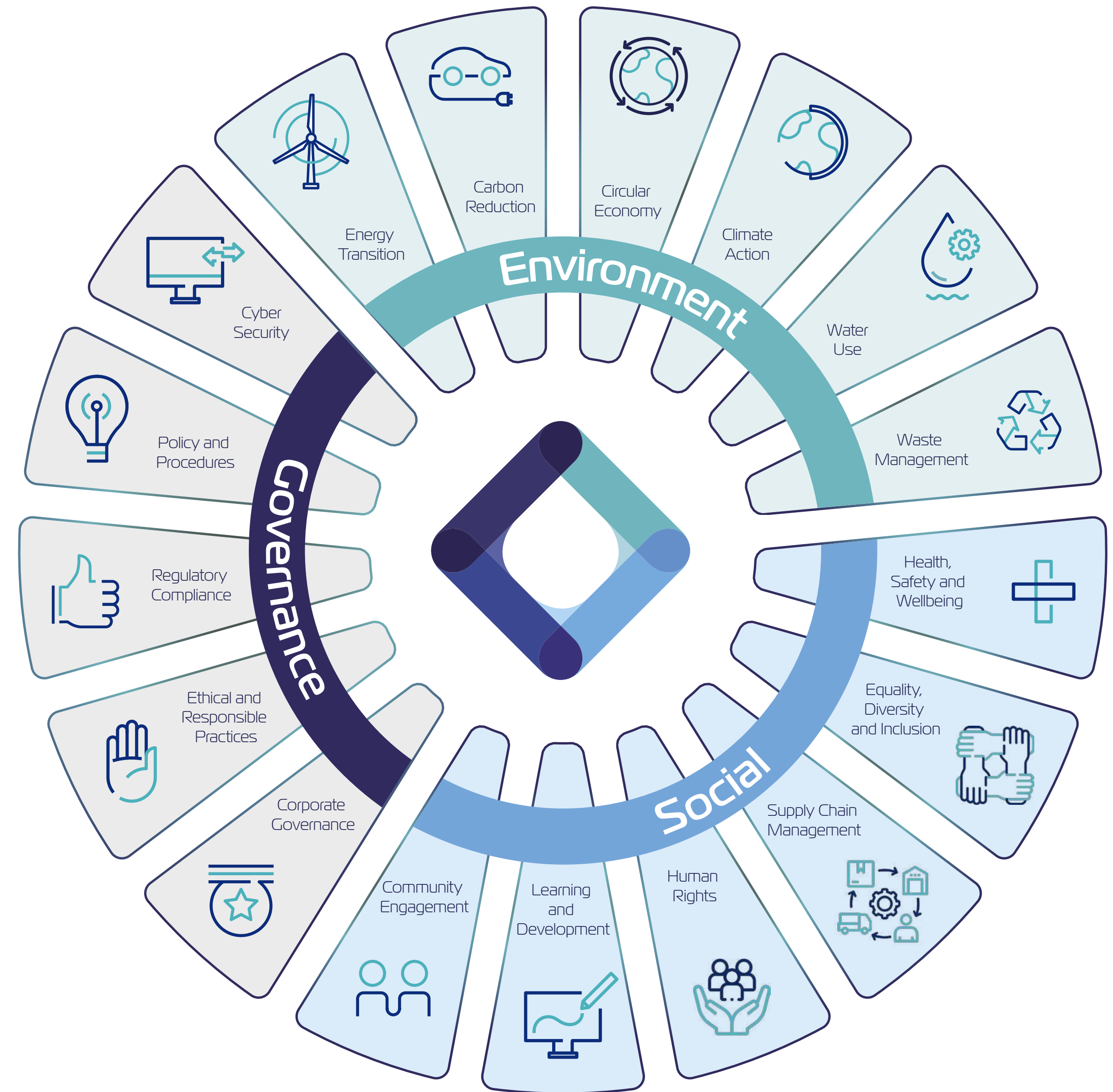
Our ESG strategy takes a holistic approach to sustainability and accounts for a diverse and comprehensive set of ESG topics. These topics are central to our business operations and deliver long term value to our clients, communities and people.

RSE's ESG Vision

To be a leading ESG-focused organisation within the global water industry, ensuring that today's communities and future generations have access to clean water.

RSE's ESG Mission

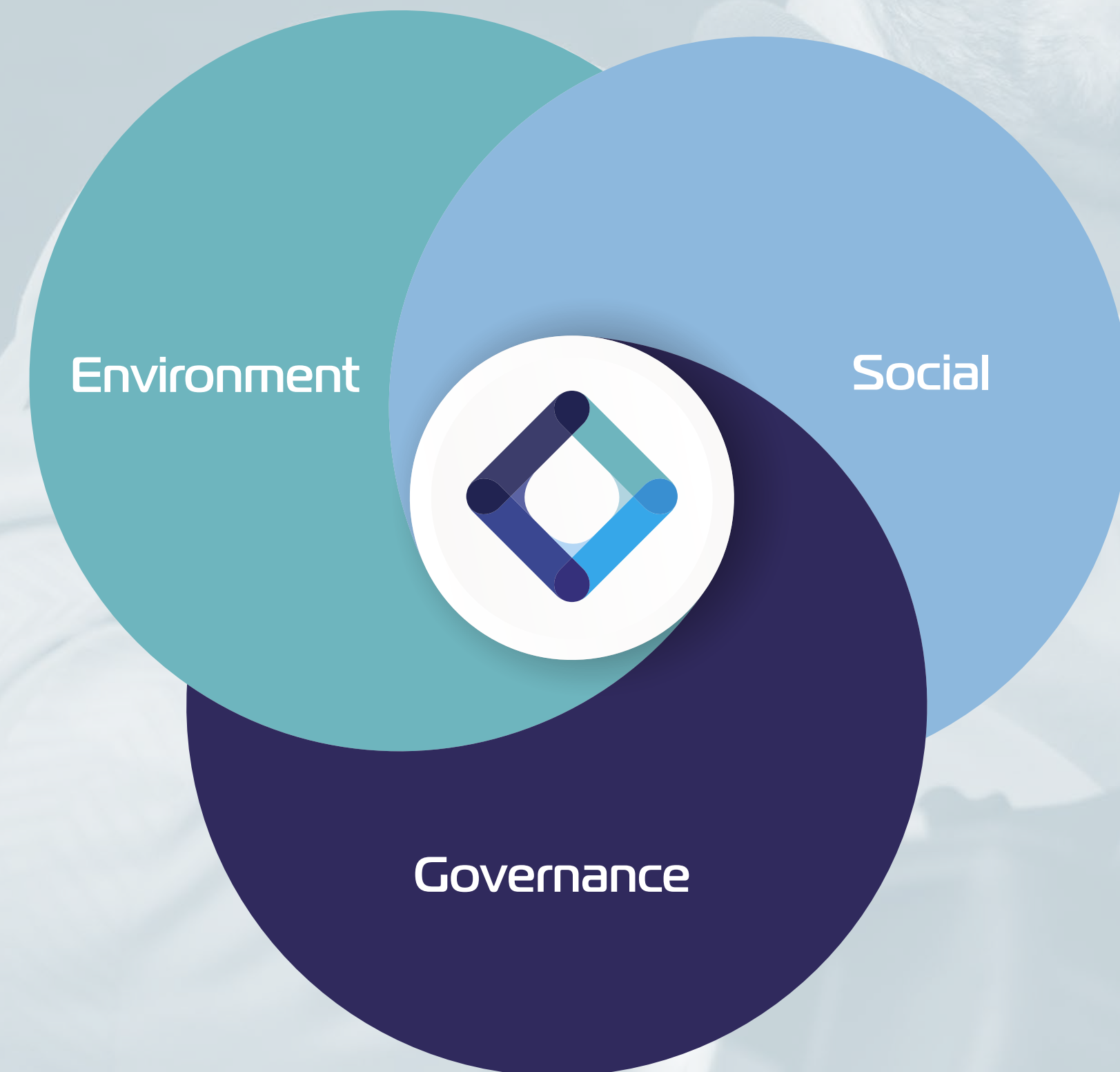
To deliver sustainable solutions, safely, and to the highest standards, using innovation and technology-led solutions



One RSE

Our ESG Goals

Our ESG Goals were created to provide clear direction for the business, they challenge us to do business differently and deliver long-lasting value to our people, our planet, and our business.



Environment

Reduce our climate impact to achieve our **Net Zero** targets

Embrace **circularity**

Drive **sustainable innovation** by delivering low carbon and nature positive solutions

Social

Make a **positive** difference in our communities

Monitor and promote **Equality, Diversity and Inclusion** (EDI)

Create a **safe** and **supportive environment** for our employees and partners

Build a **culture** of **continuous learning**

Governance

Foster a culture of **integrity** and **accountability** and improve corporate governance

Drive ESG innovation through **digital transformation**

Strengthen **compliance** and **knowledge sharing**

Achieve and maintain the **highest standards** of **quality**

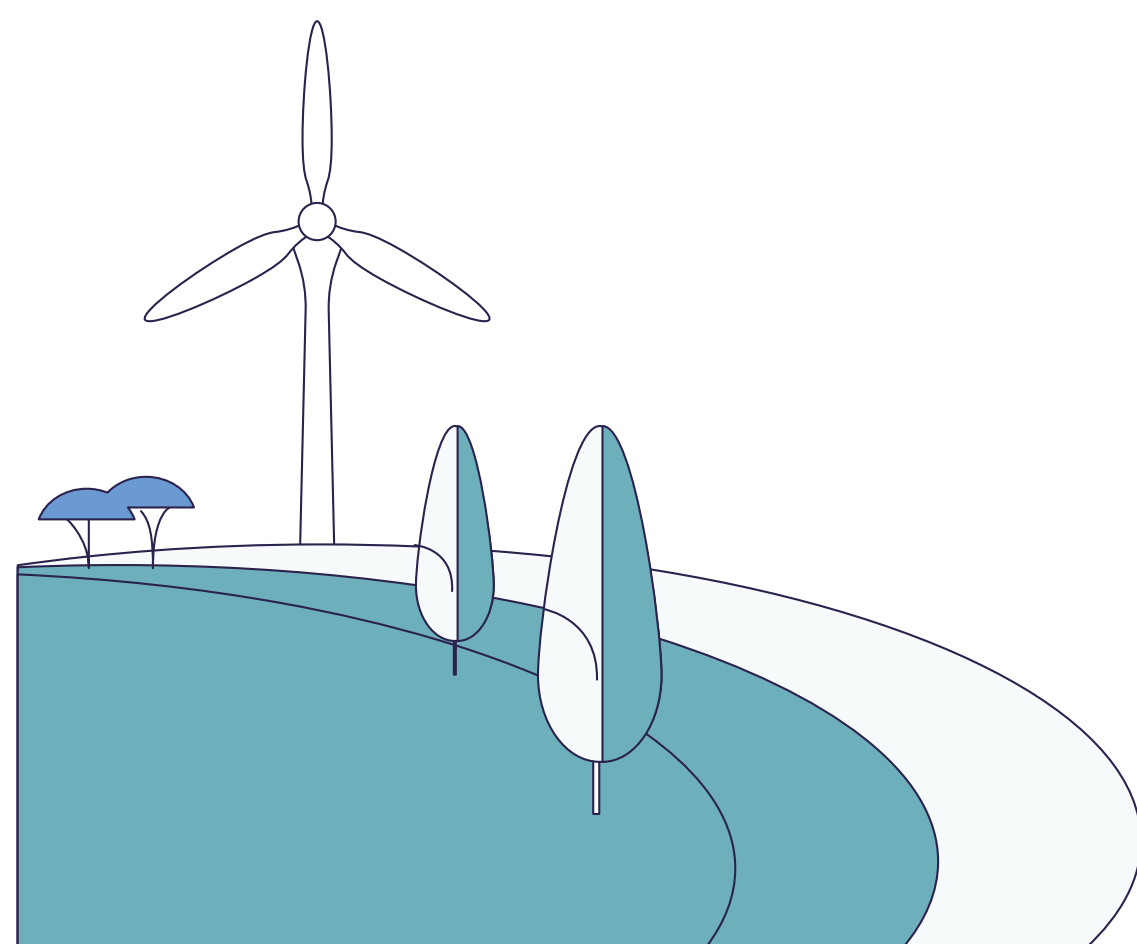
Improve **information security**

One RSE

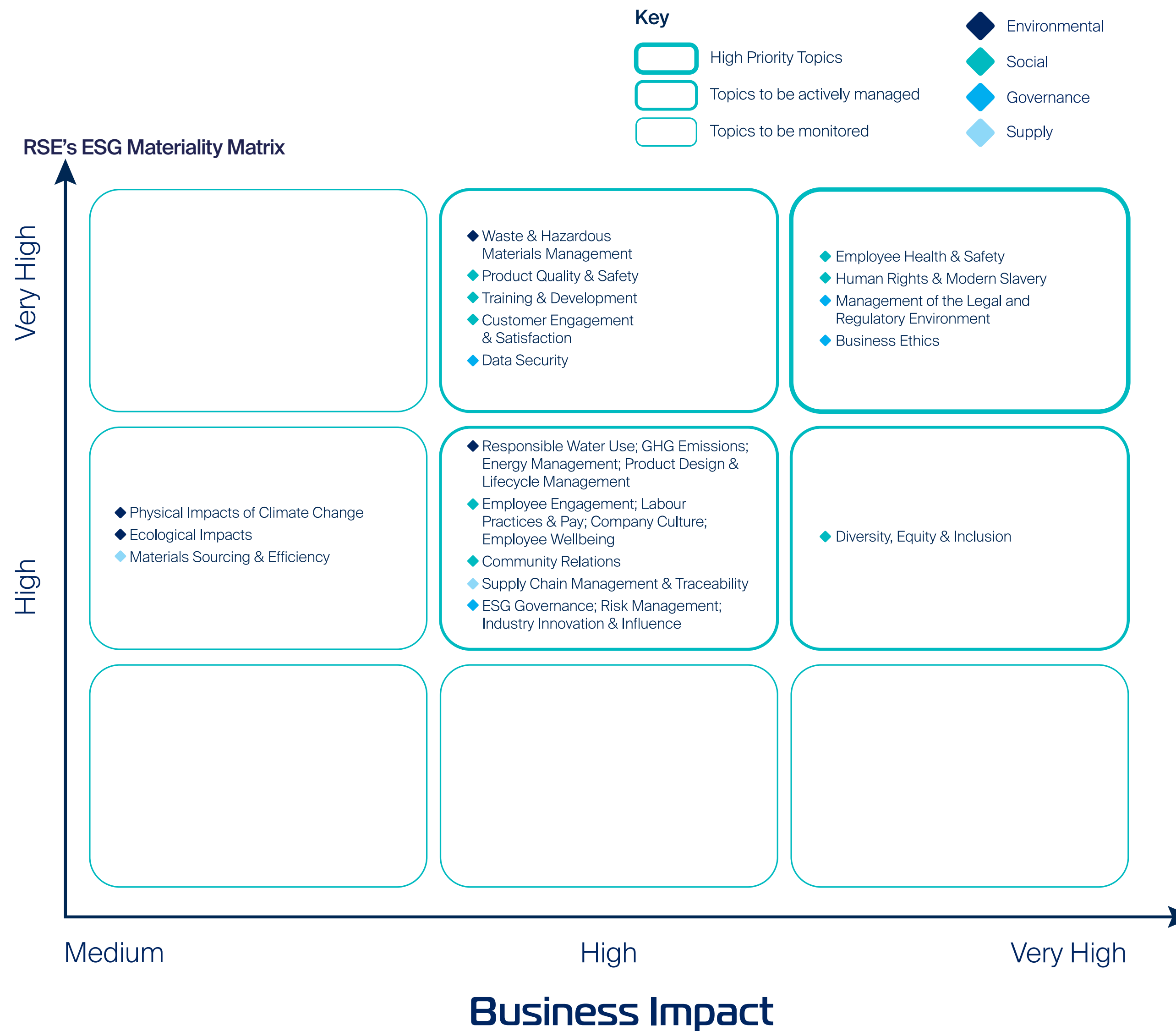
ESG Materiality Assessment

This year we conducted our first ESG Materiality Assessment, providing a foundational tool to develop our strategy. It assessed the impact of ESG factors on the business, mitigating risk and enhancing decision-making.

Our assessment involved input from a broad range of stakeholders, including clients, investors, senior leadership, employees, and suppliers. All identified topics were of medium to high importance, highlighting the need for shared focus and integration within our overall strategy.

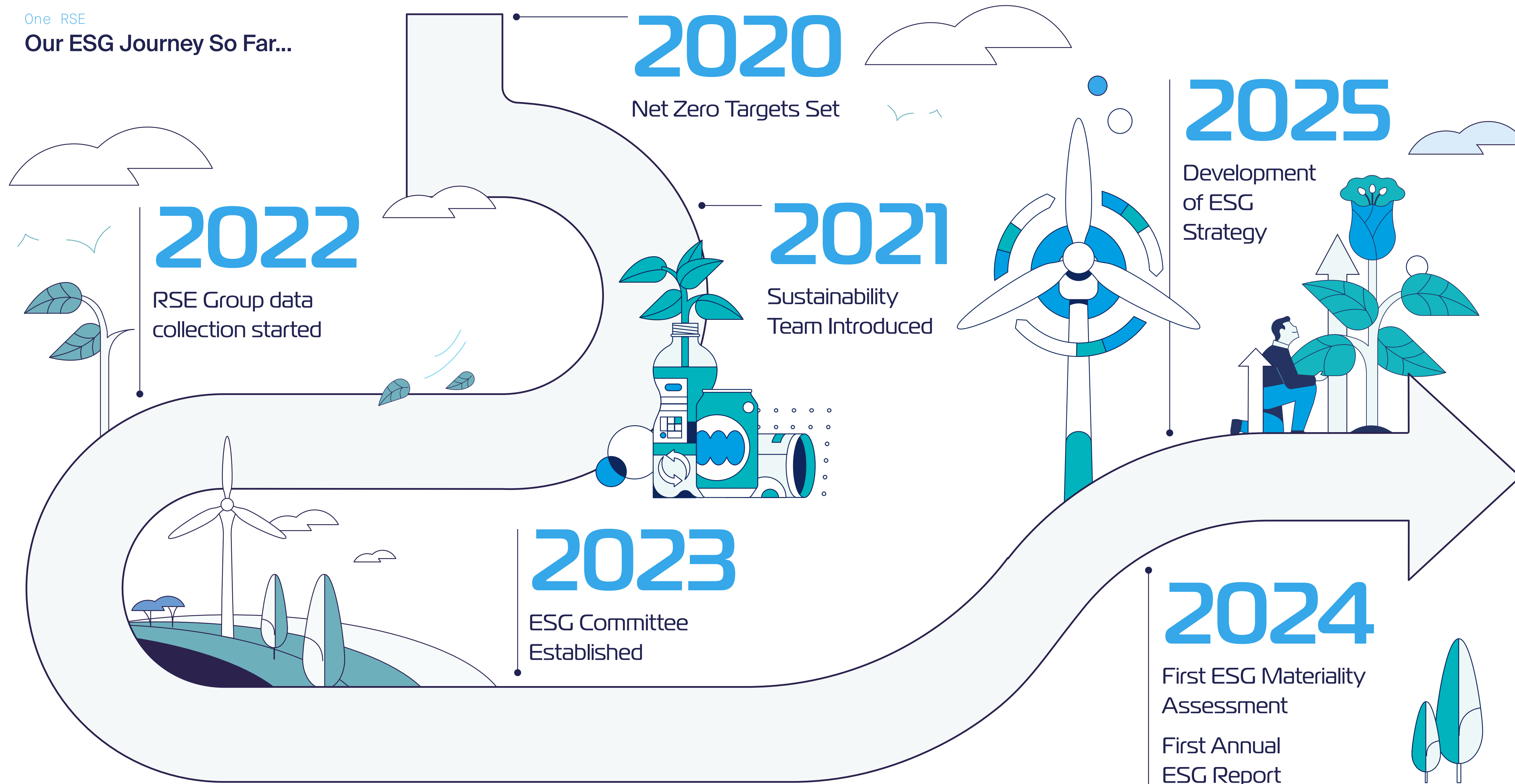


Stakeholder Importance



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Our ESG Journey So Far...



One RSE

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 Sustainable Development Goals (SDGs) and is proud to emphasise our contributions to five in particular that closely align with our core operations. Our strategic ESG goals have been developed to align with these UN SDGs.

6 CLEAN WATER AND SANITATION



Goal 6:

Clean Water and Sanitation

The water sector is set to face significant climate-induced challenges such as water scarcity and flooding.

This highlights RSE's responsibility to deliver innovative solutions to mitigate the impact of these climate-related water issues and underpins RSE's strong support of the Sustainable Development Goal (SDG) 6 – Clean Water and Sanitation.

Our innovative technologies provide industry-leading water treatment solutions to the UK's largest water authorities, helping our clients mitigate their water challenges, improving water quality for the network, and minimising harm to the natural environment.

8 DECENT WORK AND ECONOMIC GROWTH



SDG 8:

Decent Work and Economic Growth

RSE employs more than 2000 people across the UK, supporting local economic growth.

RSE's growth trajectory provides opportunity for employment within a widely successful and growing business.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



SDG 12:

Responsible Consumption and Production

RSE's approach to supply chain management ensures our supply chain are operating in an ethical and responsible manner.

Our material sourcing approach considers sustainability first-hand through either embodied emissions or the circularity of the product.

Effective waste management procedures ensure RSE follows the waste hierarchy and promotes the reuse of materials over recycling, and to avoid waste to landfill.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



SDG 9:

Industry, Innovation and Infrastructure

RSE is using modern methods of construction with 100% of RSE products manufactured offsite, reducing operational emissions, improving health, safety, and quality, and reducing cost for our customers.

RSE's annual investment in innovation demonstrates our commitment to developing innovative solutions with low-carbon materials.

13 CLIMATE ACTION



SDG 13:

Climate Action

RSE's commitment to operational Net Zero by 2030 and Net Zero by 2035 demonstrates our ambitious approach to reducing our climate impact.

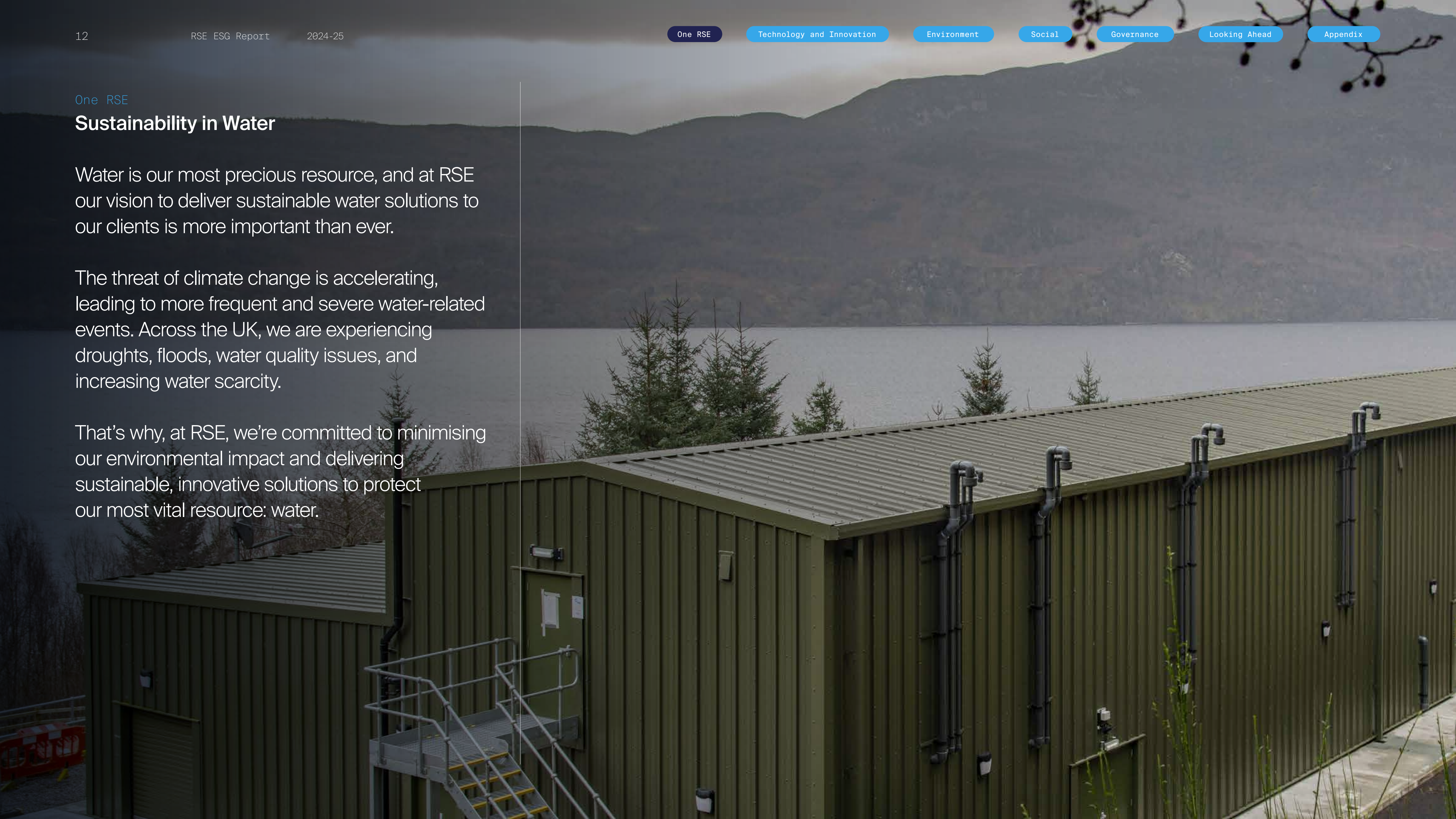
One RSE

Sustainability in Water

Water is our most precious resource, and at RSE our vision to deliver sustainable water solutions to our clients is more important than ever.

The threat of climate change is accelerating, leading to more frequent and severe water-related events. Across the UK, we are experiencing droughts, floods, water quality issues, and increasing water scarcity.

That's why, at RSE, we're committed to minimising our environmental impact and delivering sustainable, innovative solutions to protect our most vital resource: water.



Technology and Innovation

At RSE, we believe that innovation is the driving force behind progress across all of the industries we serve.



Technology and Innovation

RSE Innovations and Products

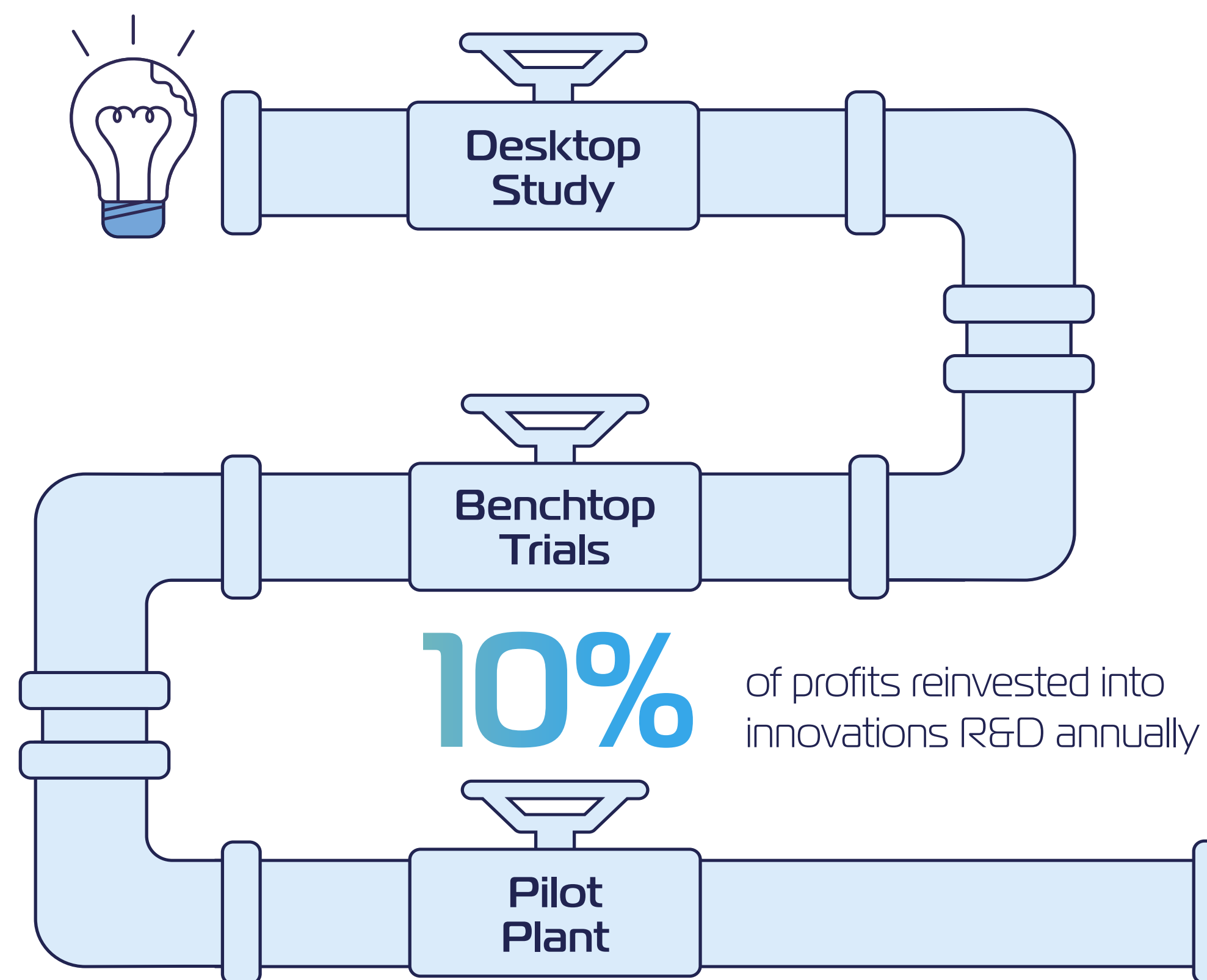
RSE's Innovation and Products team turns visionary ideas into reality.

With 10% of profits reinvested into research and development (R&D) of our innovations annually, we continue to deliver industry-leading water technologies to our clients.

Our team develops products through UK and international market research, benchtop trials, and pilot plants, before

finalising product design for final product development.

The innovation doesn't stop once the final design is created. Our products undergo continuous review, incorporating lessons learned and new research to ensure ongoing improvement.



Product Design

Modular Products

Floating Island

m-CTU®

m-MBBR®

Technology and Innovation

Modularity in Water Treatment

Design for Manufacture and Assembly (DfMA) is more cost and time-efficient, safer, and more reliable than traditional methods, while also offering significant sustainability and ESG benefits.

RSE's plug-and-play approach can support rural areas in deploying complex water treatment solutions with half the environmental and social impact. Using an RSE case study comparing onsite and offsite construction, we found a reduction of up to 48% in operational carbon, thanks to shorter onsite durations and increased use of renewable energy in offsite facilities. Significantly less waste is also generated offsite. When waste is produced offsite, it is often reused on other projects - promoting circularity - or properly segregated to improve end-of-life treatment.

The social benefits also positively impact our people and communities by reducing health and safety risks, improving quality through ISO 9001-certified facilities, cutting site traffic by 95%, and boosting local economies through employment.



Case Study

Alderney WTW Major Upgrade

RSE was contracted to deliver the new 84ML/day ceramic membrane treatment plant at Alderney WTW, deploying a range of RSE standard product offsite modular solutions.

The completed plant will deliver high quality water, whilst enhance the overall efficiency and resilience of the site and provide a barrier to cryptosporidium.

RSE recognised that a modular construction approach would offer the best path to meet both the technical and environmental goals of the project. Using the modular offsite approach, RSE delivered a significant 12-month reduction in project delivery timeline. In total, 70+ modular units were safely transported to site and reassembled in just eight weeks.

This project stands as a benchmark for modular delivery in the water industry. It demonstrates how innovative thinking and modern construction methods can deliver rapid and sustainable solutions to tackle the water related challenges we face today.

up to

48%

reduction of operational
carbon on the project

Case Study

RSE Timber Modular Build

The Timber Modular Build (TMB®) is an innovative modular build system that delivers a low carbon alternative to traditional construction materials and methods, advancing the Net Zero targets of RSE and our clients.

The TMB® was designed to avoid the use of the carbon-intensive material, glass-reinforced plastic (GRP), in our projects. GRP typically accounts for between 65% and 95% of the total embodied carbon.

RSE formed a close partnership with BE-ST (formerly Construction Scotland Innovation Centre) and Ecosystems Technologies. Alongside Scottish Water (SW) to address end-user concerns and ensure the design met users’ needs. All of the above partnerships have been critical to the TMB®’s success.

RSE delivered its first Beyond Net Zero TMB® to Howden Wells WTW in the Scottish Borders this year. The timber was grown and harvested from the clients own

offsetting forestry, allowing for the carbon sequestered in the wood to be accounted for in our calculations. This solution highlights RSE’s transition towards a more sustainable water industry.



Case Study

RSE Light Modular Build (LMB)

RSE’s LMB is a direct replacement for industry standard enclosures, providing a significant reduction in carbon and lead times. The LMB is a modular structure created using cold-rolled steel and avoids the requirement for blasting and painting of steel, overall reducing highly intensive energy use.

The sustainability of these solutions are miles ahead of industry standard

alternatives, with the materials being fully recyclable at the end of life, contributing to a more circular economy, compared to waste to landfill alternatives.

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Technology and Innovation

Nature Based Solutions with Biomatrix

RSE's collaboration with Biomatrix champions our shared vision of bringing water to life.

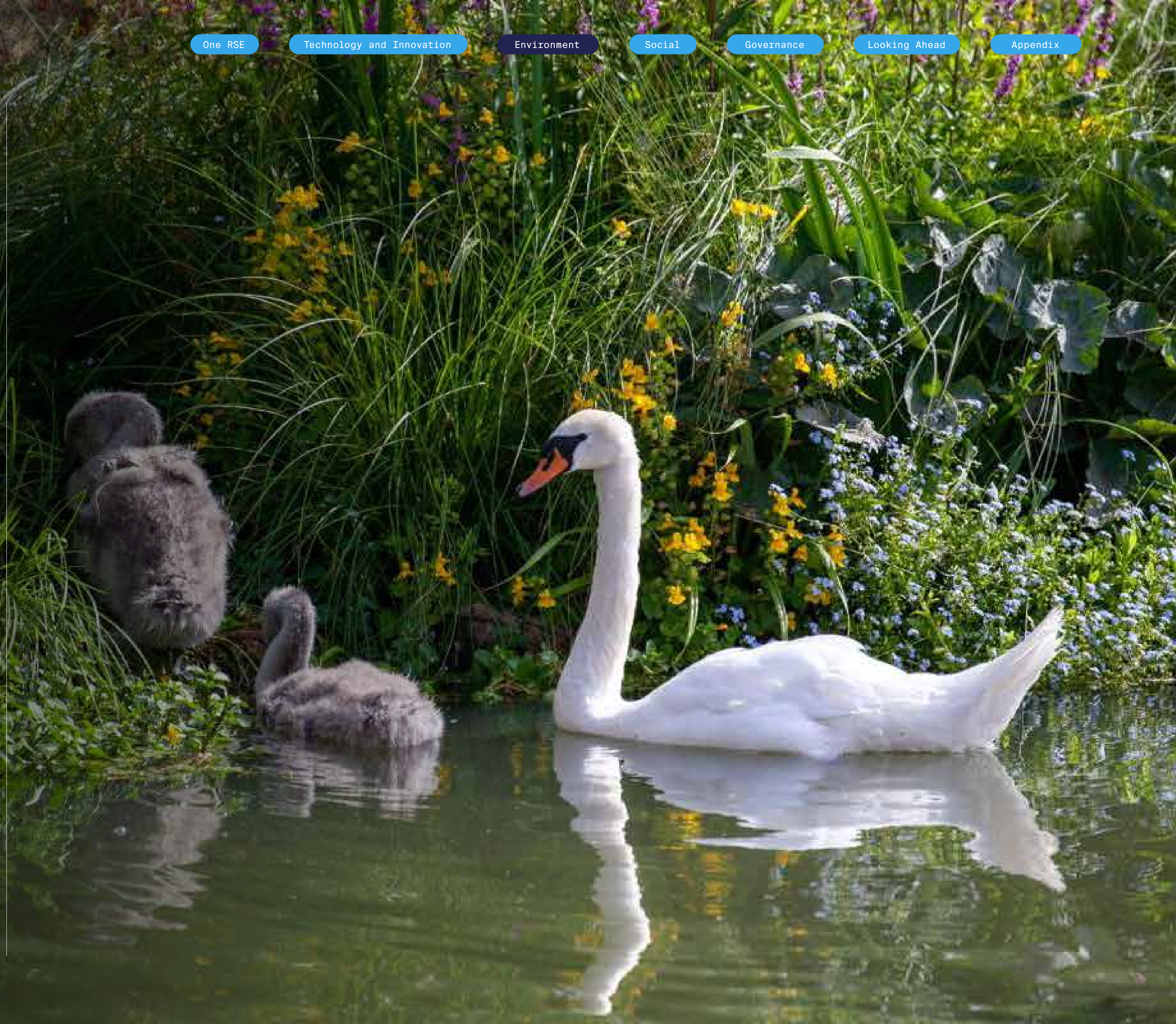
Biomatrix combines ecology and engineering to create habitats and enhance biodiversity.

They design beautiful living waterscapes and natural solutions for water quality and wastewater treatment, with applications including water restoration, floating ecosystems, and living marinas and docks.

Their products offer clear environmental benefits, including improved water quality, increased aquatic life, support for pollinators, and nesting habitats for birds, with their products made from recycled and biodegradable materials.

In 2025, Biomatrix became a certified B Corporation, a recognition of their strong ESG standards and commitment to creating positive impact for people and the planet. This achievement also reflects our broader RSE group commitment to doing things differently, for the greater good.

Certified



Environment

RSE is committed to driving down emissions in both our operations and our products, as well as protecting the environments we operate within, through minimising pollution and promoting biodiversity.



Environment

Net Zero Targets and Progress

RSE is part of the global movement to achieve Net Zero emissions before 2050. Our targets:

Operationally Net Zero by

2030

RSE will reduce operational emissions by embracing renewable technologies, reducing consumption, and integrating efficiencies.

Net Zero by

2035

RSE will minimise Scope 3 emissions through supply chain engagement, sustainable procurement, and promoting the circular economy.

tCO₂e per £M turnover
decreased by 17%

tCO₂e per employee
decreased by 30%

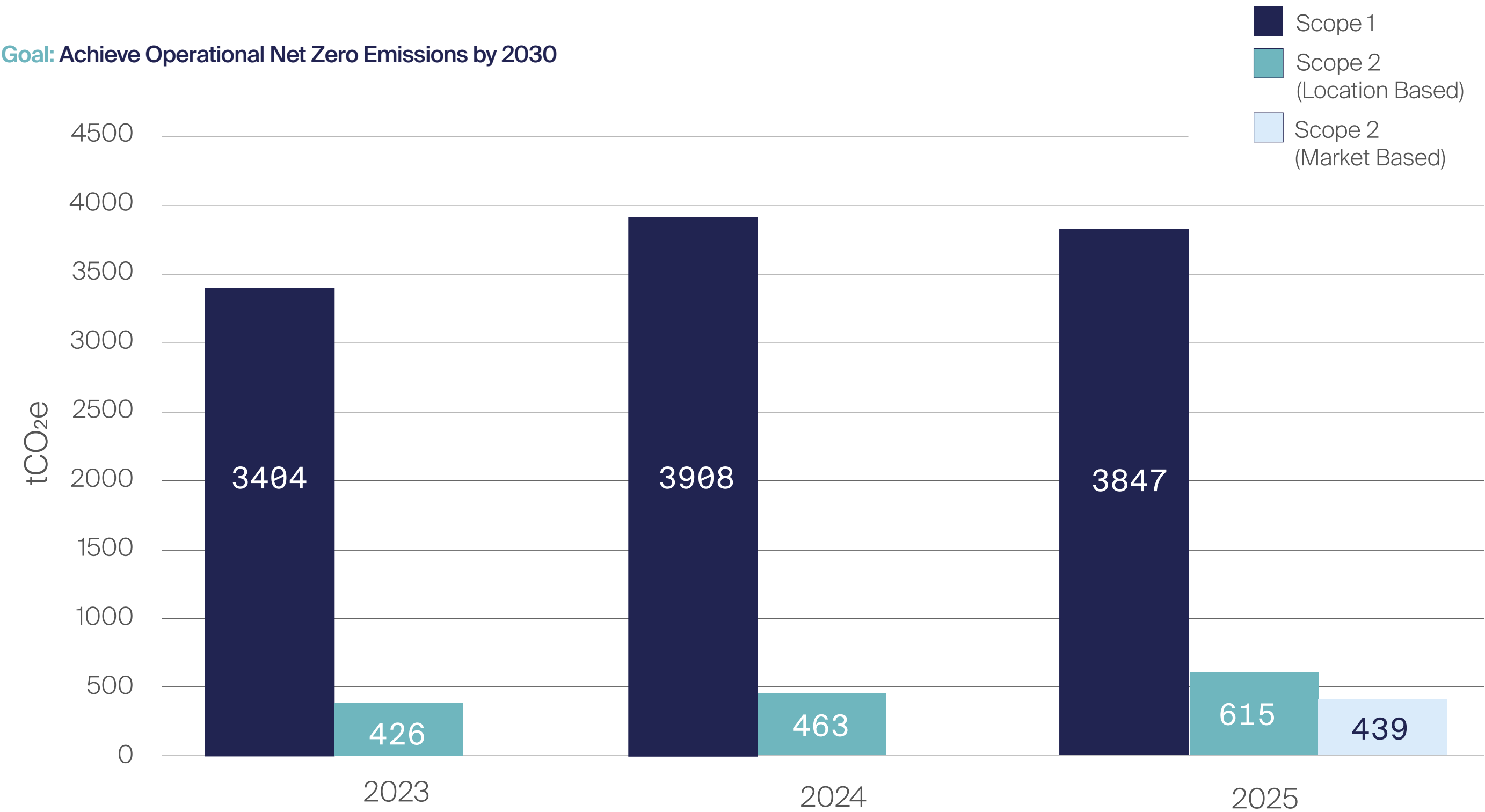
Intensity Metrics

RSE is continuing to grow as a business through both organic growth and mergers and acquisitions, with an additional two subsidiary companies introduced to the RSE Group during the year. To account for this growth, we use intensity metrics such as tCO₂e per £Million Turnover and tCO₂e per employee, to measure our progress.

Environment

Scope 1 & 2 Emissions

Goal: Achieve Operational Net Zero Emissions by 2030



Scope 1 Emissions

This is the first year that RSE has witnessed a decrease in our Scope 1 emissions. Although a small decrease of 1.5%, this highlights the continued commitment towards our Net Zero targets. This is driven by our investment in the use of hydrotreated vegetable oil (HVO) for our fleet and site activities, and our fuel reduction activities across our workshop locations.

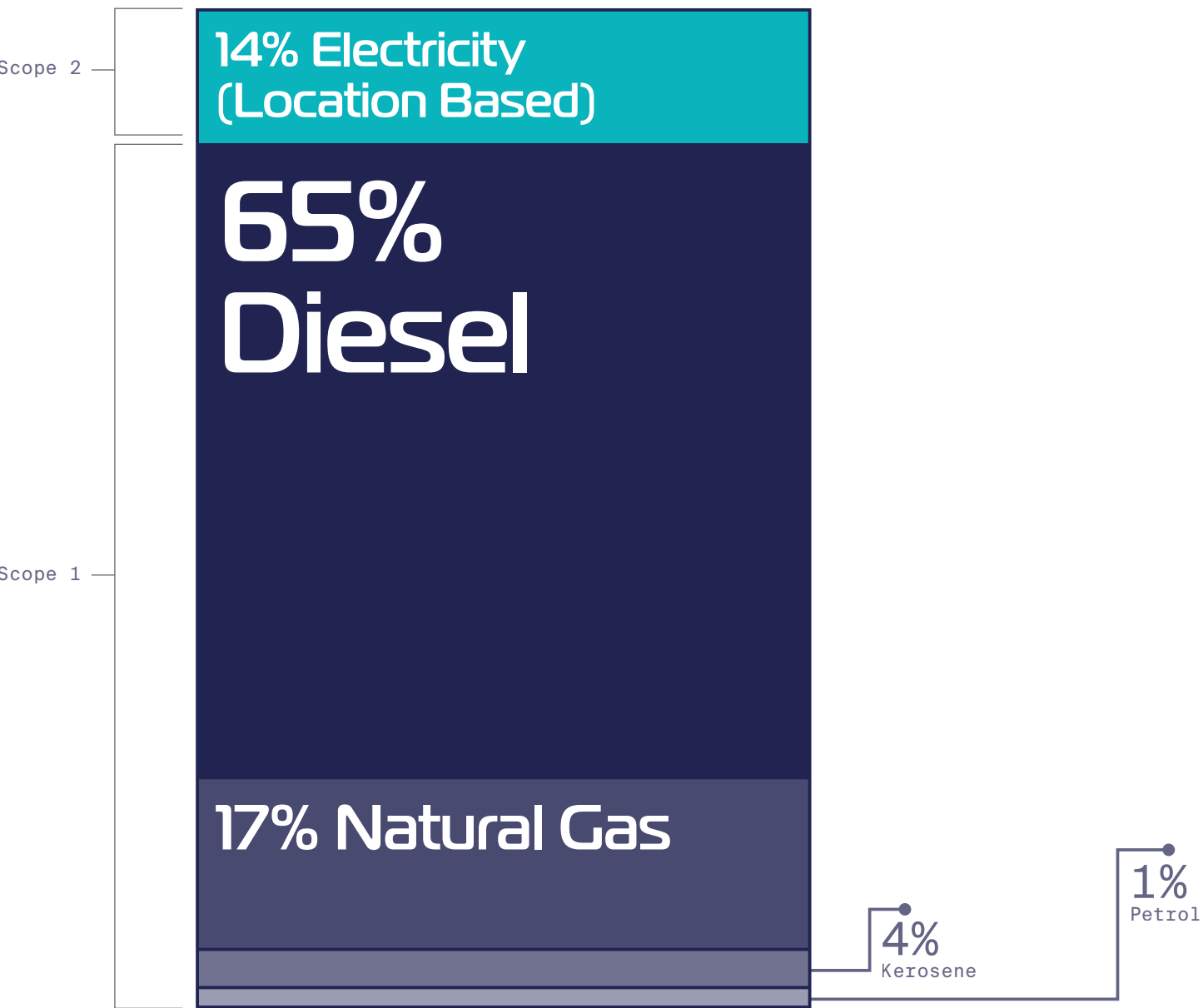
Scope 2 Emissions

RSE report both location and market-based Scope 2 emissions. Our location-based emissions increased by 33%. This was due to an increase in government conversion factors, additional subsidiary businesses, and facilities growth.

Our market-based Scope 2 emissions decreased by 29%. This was due to an increase in the number of REGO generated electricity purchased.

Please see Appendix 1 on page 45 for more data.

Where do our 2025 operational emissions come from?



Emissions Sources

The chart above illustrates our Scope 1 and 2 emissions by source. Our largest contributor is diesel, primarily used in fleet vehicles and site generators. We are actively replacing this with HVO, a low-emission alternative to traditional white diesel. The second largest source is natural gas, which heats our offices and workshop locations.

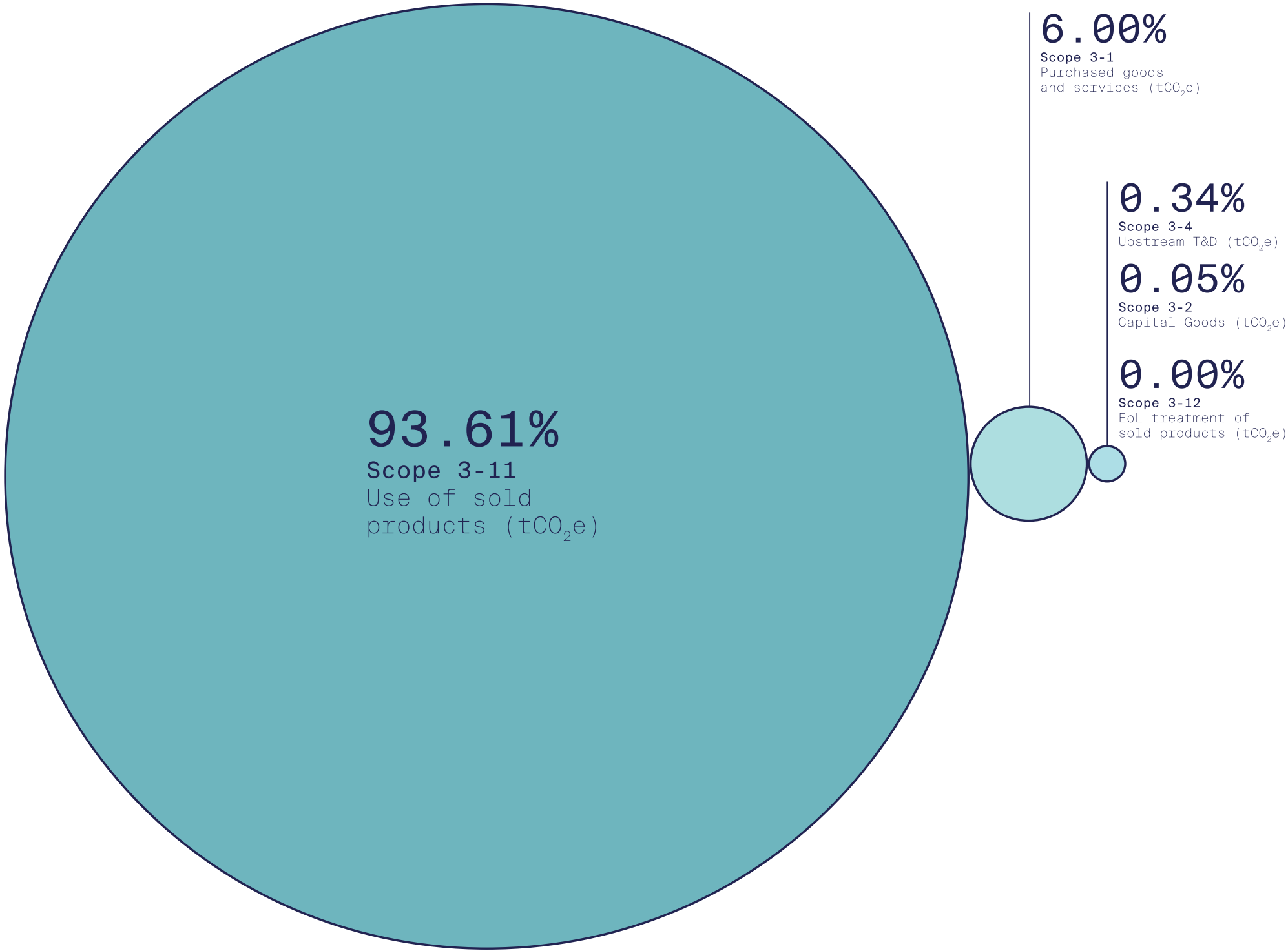
We continue to explore opportunities to reduce gas consumption and transition to low-carbon heating solutions. Electricity use across all buildings ranks third. We are progressing toward 100% renewable electricity, with approximately 49% of our sites already operating on renewable tariffs and 11% of electricity generated from Solar Panels. The smallest contributors are kerosene and petrol, which are used only sparingly across the business.

Environment

Scope 3 Emissions

Last year, RSE measured our complete Scope 3 carbon footprint for the first time across all relevant categories, following the GHG protocol. The categories relevant to RSE are:

Category 1
Purchased goods and services
Category 2
Capital goods
Category 3
Fuel and energy-related activities
Category 4
Upstream transportation and distribution
Category 5
Waste generated in operations
Category 6
Business travel
Category 7
Employee commuting
Category 8
Upstream leased assets
Category 11
Use of sold products
Category 12
End-of-life treatment of sold products
RSE have omitted the following categories as not relevant to our business:
Category 9
Downstream transportation and distribution
Category 10
Processing of sold products
Category 13
Downstream leased assets
Category 14
Franchising
Category 15
Investments



This year, we made significant progress in refining our reporting methodology. This involved using a hybrid approach, prioritising activity-based data, and when not available using a spend based approach.

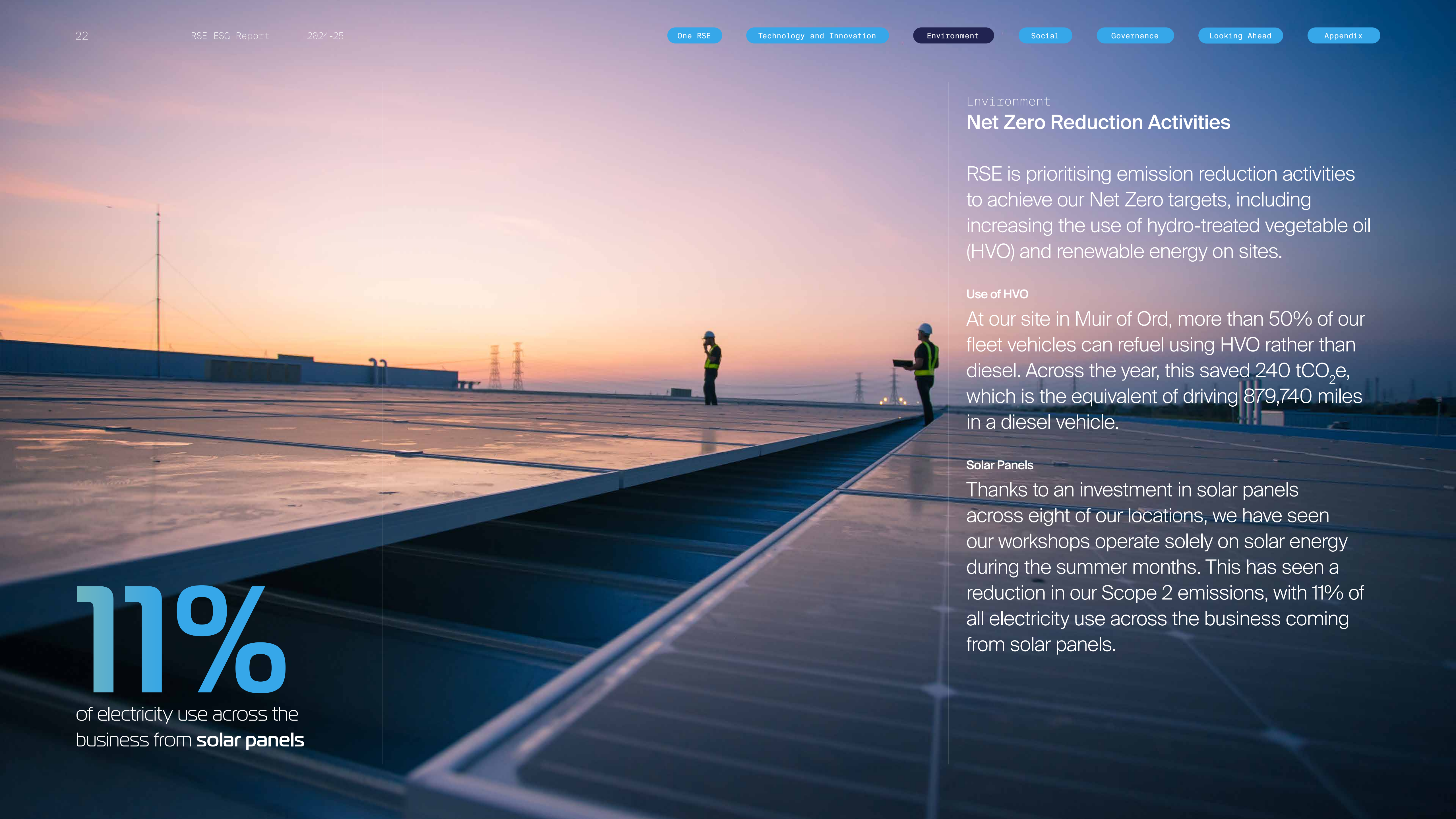
Our scope 3 emissions have decreased by 12%. This is largely due to increase in data availability and knowledge of reporting categories.

Our largest category is Use of Sold Products (93%), followed by Purchased Goods and Services (6%). The remaining categories account for <1% of ourtotal Scope 3 emissions.

RSE's Use of Sold Products is large due to the extended design life of many of our products. On average, these products remain in use for approximately 25 years, naturally increasing the total emissions reported within this category.

To combat this, RSE reports an intensity metric of 24,307 tCO₂e per year. The long design life of our products has a positive environmental impact, reducing waste and improving circularity.

While data quality has improved, we remained constrained by the capabilities and data available from both our suppliers and internal processes. Improving the accuracy and data quality of our scope 3 emissions is a long-term priority. This will enable us to create strategic reduction targets to achieve our Net Zero target by 2035.



11%

of electricity use across the
business from **solar panels**

Environment

Net Zero Reduction Activities

RSE is prioritising emission reduction activities to achieve our Net Zero targets, including increasing the use of hydro-treated vegetable oil (HVO) and renewable energy on sites.

Use of HVO

At our site in Muir of Ord, more than 50% of our fleet vehicles can refuel using HVO rather than diesel. Across the year, this saved 240 tCO₂e, which is the equivalent of driving 879,740 miles in a diesel vehicle.

Solar Panels

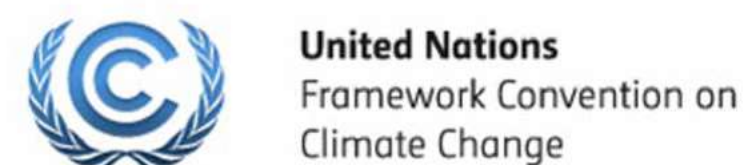
Thanks to an investment in solar panels across eight of our locations, we have seen our workshops operate solely on solar energy during the summer months. This has seen a reduction in our Scope 2 emissions, with 11% of all electricity use across the business coming from solar panels.

Environment

Carbon Neutral

RSE is proud to be Scope 1 and 2 Carbon Neutral for the FY25. As we work towards our Net Zero targets, there remains unavoidable emissions which we have chosen to offset.

RSE engaged Carbon Neutral Britain to support us in achieving Carbon Neutral status. All projects are verified against the highest international standards and align to the UN SDG's.



Case Study 1: Blue Carbon Mangrove Restoration

Blue Carbon Mangrove Restoration is the first verified blue carbon project in the world, representing a holistic approach to environmental stewardship. Spanning over 350,000 hectares in the Indus River Delta Region of Sindh, southeastern Pakistan, this project is expected to remove approximately 142 million tonnes of CO₂e from the atmosphere, marking a significant contribution to global climate mitigation efforts.

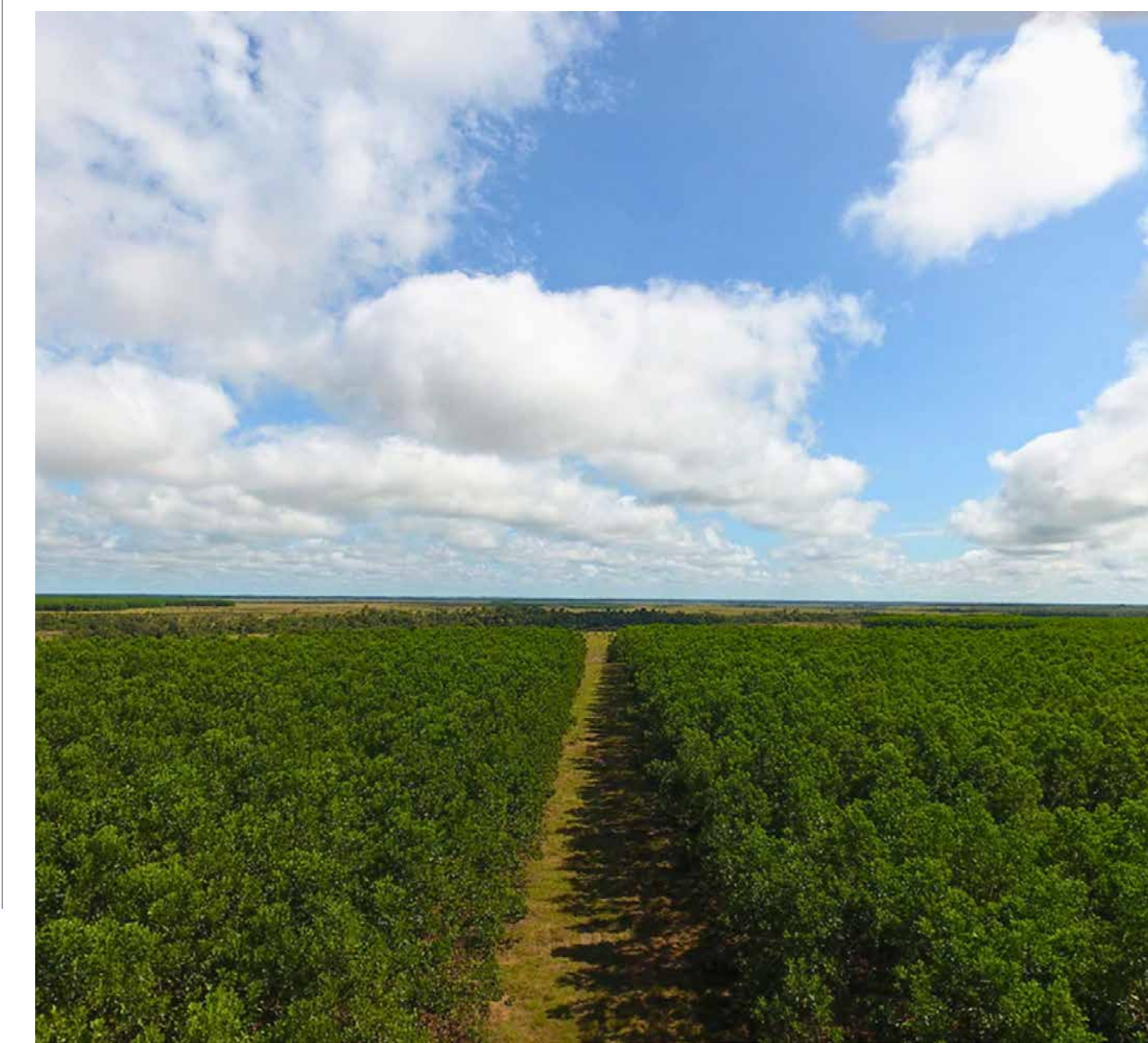


Case Study 2 Marston Vale Forest Creation

This project represents an inspiring tree planting venture to rejuvenate and transform the Marston Vale area, spanning 61 square miles between Bedford and Milton Keynes. The project is focused on leveraging the power of trees and woodlands to enhance the quality of life for both people and wildlife within the region, whilst also providing carbon sequestration for many years to come.

Case Study 3 Orinoco River Basin Conservation

The Orinoco River Basin Conservation and Reforestation project is one of the first of its kind within the region, planting over 20,000 hectares of trees, with an audited 214,925 tCO₂e expected to be sequestered each year. Focusing on degraded grassland across the Orinoco river basin, reforestation within the area is expected to assist with conservation and protection of 56 'observed' or 'monitored threatened' species, including the jaguar, puma & tapir.



Case Study

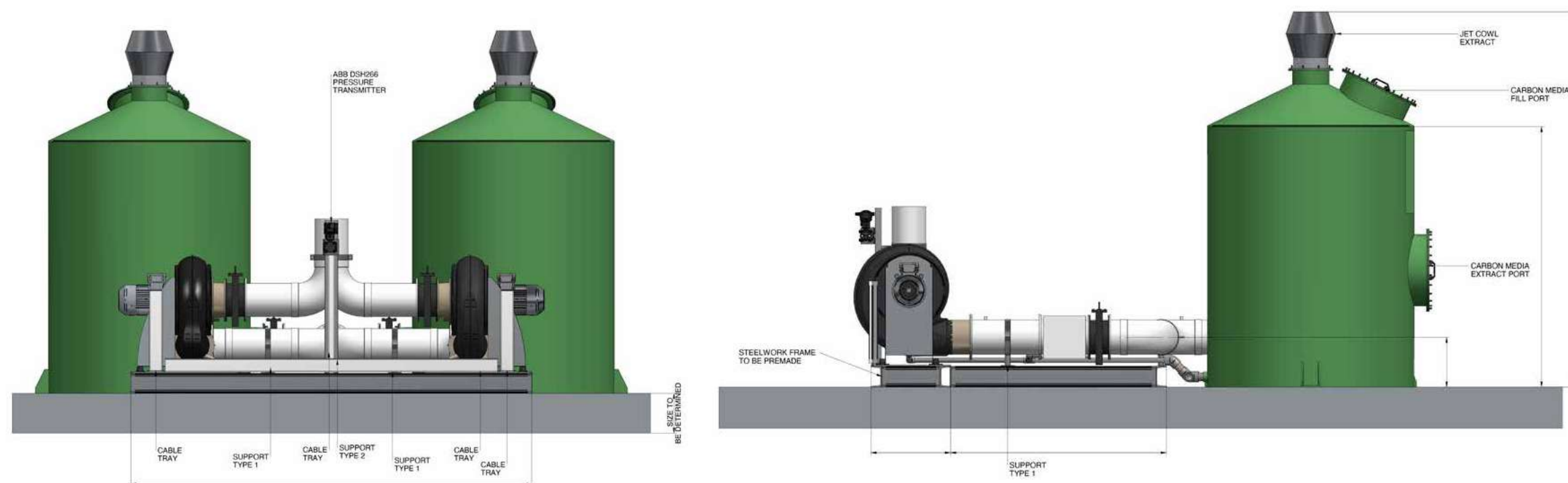
Greenacre Environmental Systems Reducing Emissions to Atmosphere from Wastewater Treatment Processes

Wastewater treatment can release harmful and odorous gases like hydrogen sulfide (H₂S), methane, mercaptans, and volatile organic compounds (VOCs). These emissions not only affect air quality but also contribute to greenhouse gas levels.

Under the Industrial Emissions Directive, stricter environmental regulations are being introduced. Greenacre Environmental Systems has taken a proactive approach to help meet these requirements. They have developed sustainable solutions for reducing air pollution from wastewater treatment processes, whilst also carrying out studies focused on reducing methane emissions from both pre- and post-digestion stages of treatment, ensuring we stay ahead of industry demands for the next AMP cycle.

Key Impact Outcomes:

- Reduced emissions from wastewater treatment (including H₂S, methane, and VOCs).
- Faster and safer installation using offsite modular construction.
- More sustainable solutions that are safe, efficient, and industry ready.
- A strong sustainability culture adopted across Greenacre staff and customers.



Environment

Circular Economy

RSE is actively using circular economy principles throughout our operations, designs, and supply chain. We do this through various avenues including:

Designing for Circularity

The evolution of our modular Transportable Treatment Units (TTUs) has seen two significant changes to improve the end-of-life treatment of our products – the use of galvanised steel rather than painted, and using bolted modules rather than fully welded.

Extending Asset Life Through Repair and Refurbishment

Our operations and maintenance team is dedicated to extending asset life through the repair and refurbishment of client assets. All our Operations & Maintenance projects have the potential to support the circular economy through ensuring that we are resource efficient and make use of existing assets as much as possible.

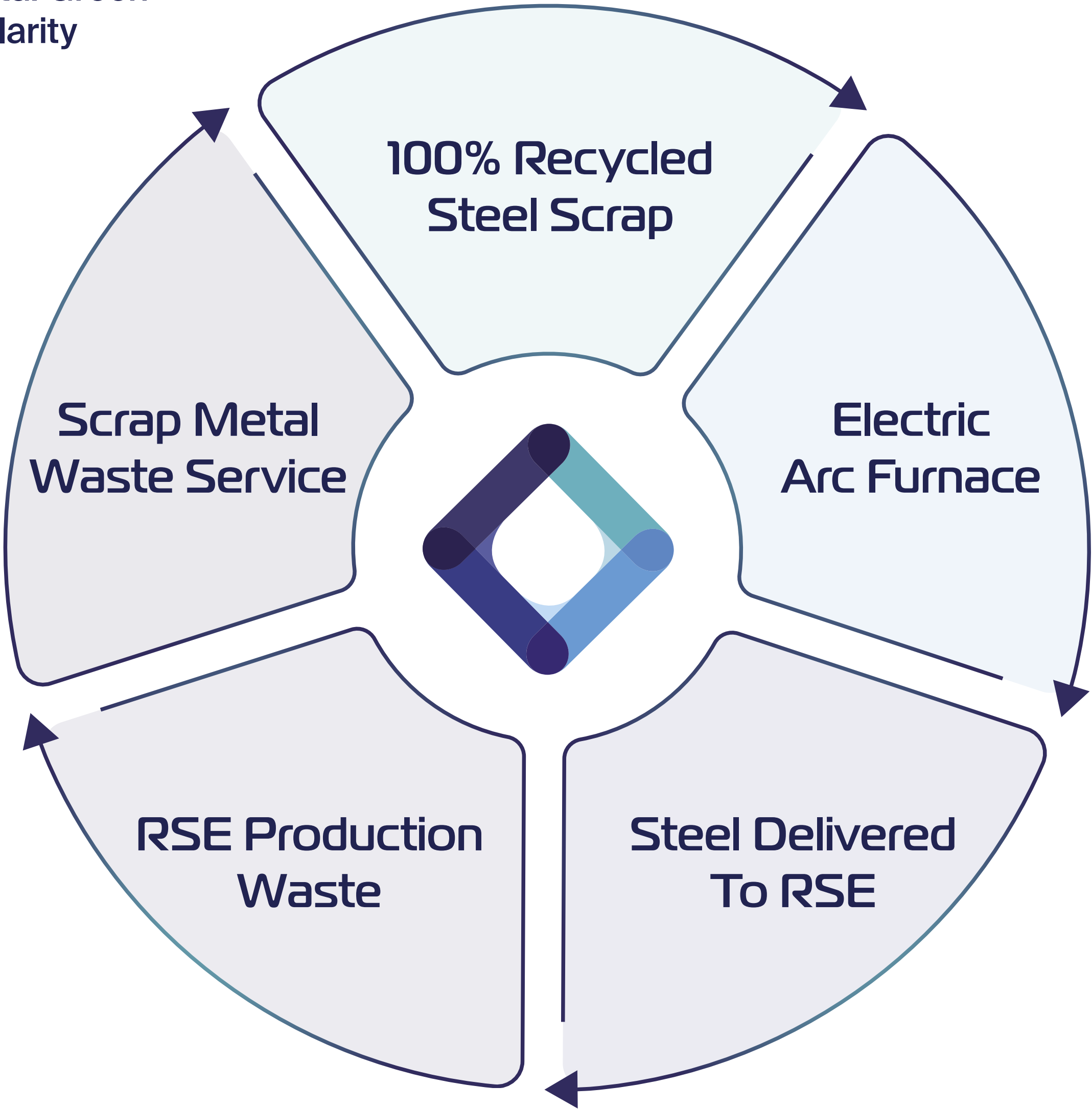
Engaging our Waste Supply Chain

RSE engaged with our waste suppliers to ensure that we are avoiding waste to landfill and promoting recycling and reuse of materials. We do this through use of green steel from Arcelor and working with selected waste carriers in Scotland.

Arcelor Mittal Green Steel

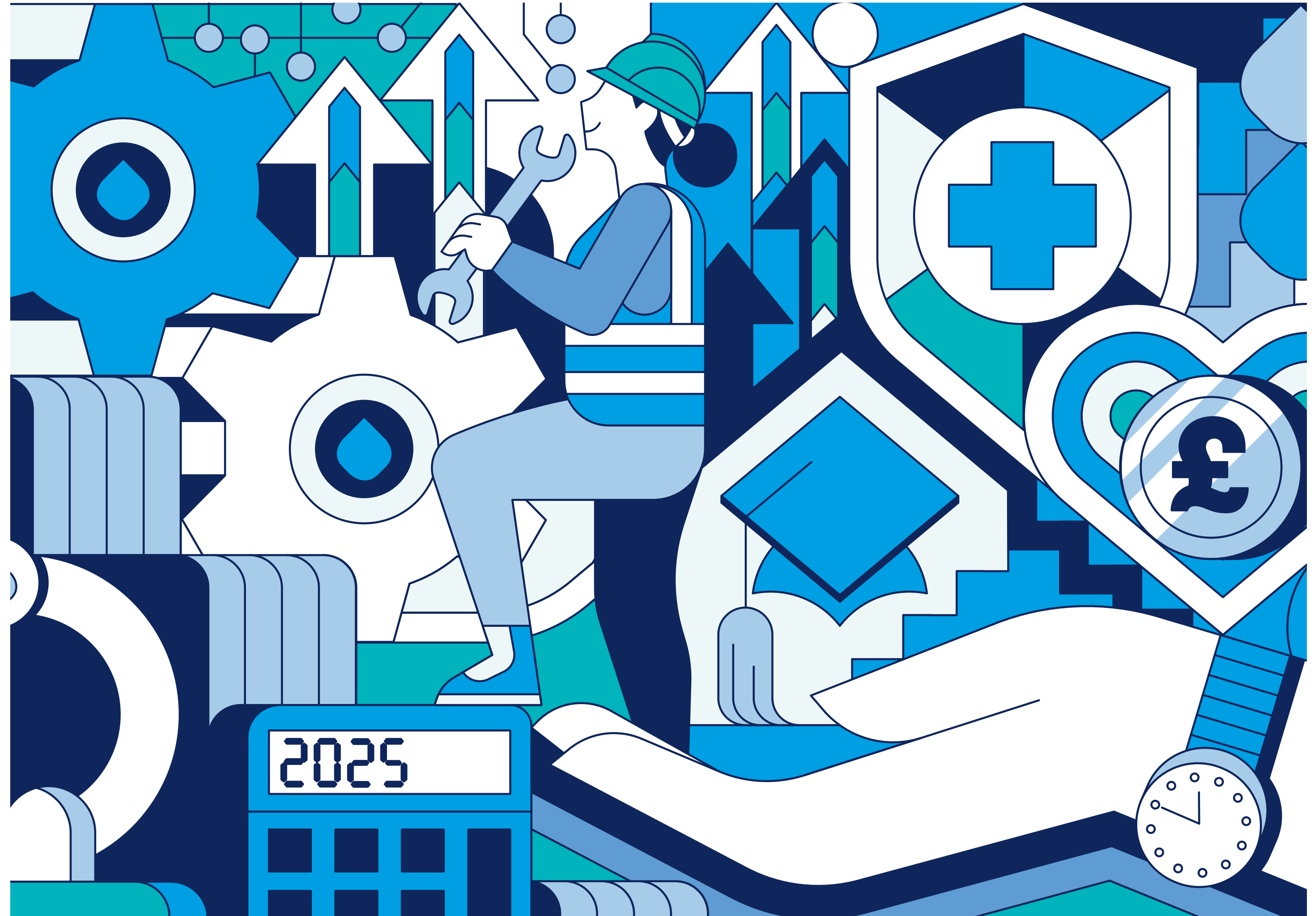
RSE supports a circular economy by using green steel from ArcelorMittal, which recycles RSE’s scrap metal at a local facility and remanufactures it within 10 days, creating a closed-loop, cradle-to-cradle process.

Arcelor Mittal Green Steel Circularity



Social

RSE is committed to creating an empowering, inspiring, and supportive workplace, placing people at the heart of our sustainability strategy.



Social

Culture and Servant Leadership

RSE fosters a supportive, collaborative, and high-performing workplace, which is the reason for continued success and growth as a business.

Our servant leadership approach empowers employees with the freedom, responsibility, and trust to do their jobs to the best of their ability.

Since joining RSE in 2024, I've been inspired by the strength of our culture and purpose across the business. The approach to innovation, problem solving and delivering solutions is what differentiates us as a company within the water sector.

Our organisation is built upon the principles of servant leadership, empowering people across all levels of the organisations to make decisions. Our Employee Development Programme provides leaders across the business with the skills required to deliver these principles. I've seen this first hand across the business where colleagues have been given the space to grow, enabling them to excel in their roles and deliver exceptional business results.

We don't stop at the leaders of the business – our dedicated graduate and apprenticeship programme focuses on future talent entering the business. Since establishment in

2021, the programme has gone from strength to strength, providing those in the early stages of their careers with the skills and experience to perform. Their energy, curiosity and fresh thinking is what drives our business forward.

Engaging with communities and charities forms part of our core values here at RSE. This year we have introduced Heather's Heroes, RSE's flagship charity, with deep personal meaning to the organisation. Additionally, our project teams continuously give back to the communities they work in, leaving a long-lasting legacy across the UK.

Our supply chain forms a critical part of our value proposition, and we are committed to forming strong, ethical and innovative partnerships with our suppliers. This year we have strengthened our strategic procurement approach enhancing our process and driving performance through our supply chain partnerships.

Above all else, health and safety is fundamentally important to RSE. This year, we welcomed leaders across the organisation to a dedicated two-day health and safety event. The event inspired leaders and strengthened our safety-first culture, empowering people to take proactive ownership of safety across their areas of the business.

As we continue this extraordinary growth journey, people will remain at the forefront of our ESG strategy. This section of the report outlines our key activities and achievements across the year.

Sonya Hotson
Chief Financial & People Officer



Social

Community Engagement

Since 1982, RSE has been actively supporting our local communities both through direct financial contributions and through meaningful partnerships, volunteer initiatives, and in-kind support.

From local charities, sports causes, community allotments, food banks, and blood donations, RSE engages with a diverse range of community groups providing support to those who need it most.



Social

Social Sustainability and Urban Regeneration

Biomatrix, an RSE business, centre their ethos around the community. They involve the community throughout the project lifecycle, from conception through to installation and even maintenance. Different community groups are engaged at the installation phase, increasing their sense of ownership of the local projects.



Case Study

First Floating Ecosystem for the City of York

In October 2024, Biomatrix took part in the York Cares Big Community Challenge, working with St. Nicks, York Cares, and Aviva to bring the first Floating Ecosystem to the City of York.

Situated on the River Ouse, the Floating Ecosystem brings habitat back to the river and amenity for the local residents. Made from recycled, non-toxic materials, the ecosystem’s islands create multiple layers to support a greater range of biodiversity – above the water,

a range of native plant species, habitats, and nesting areas and below the water, a micro-wilderness of plant roots all of which increase underwater habitat and, over time, naturally cleanse the water. The ecosystem, which is 16m long by 2.4m wide, is anchored to the riverbed and will rise and fall in line with water levels. Once established, with regular maintenance, it will last for more than 20 years and sections can be repaired and replaced when required, supporting the circular economy.



Social

Charity Support to WaterAid

Giving back is at the heart of RSE. Each year, we dedicate part of our giving fund to selected charities across the UK that reflect our values, like WaterAid, mental health support, and environmental stewardship.

Case Study

RSE WaterAid Support

One highlight was the 2024 Thames Water Raft Race, where 14 RSE team members joined supply chain partners at Reading Rowing Club. Celebrating its 25th year with an Olympic-themed “Rafting for Gold,” the event raised over £120,000 for WaterAid.



Case Study

RSE Three Peaks Challenge for Highland Hospice

RSE’s North, South, and Central teams took on the gruelling Three Peaks Challenge – climbing Ben Nevis, Scafell Pike, and Snowdon within 24 hours. Covering 26 miles and nearly 10,000 feet of ascent, the team pushed themselves to the limit in support of Highland Hospice, raising £8,630 for their vital work.



This year, RSE has participated in various WaterAid events donating a total of

£50,000

Social

Charity Support to Heather's Heroes

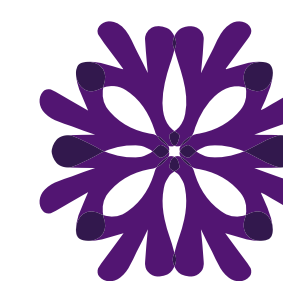
Founded in memory of Heather Dallas, Heather's Heroes was set up to honour her kind and generous spirit by supporting individuals and families facing adversity across the UK.

The charity's work is strengthened by a personal partnership with RSE Group, with our team championing the cause through numerous fundraising events, including family fun days and sporting challenges. RSE looks forward to continuing our support of Heather's Heroes, with our Board committing to donating £100k per annum to strengthen the meaningful difference they make in local communities.



£30,000

raised by RSE for Heather's Heroes



Heather's Heroes

Social STEM

Science Technology Engineering and Mathematics (STEM) plays a crucial role in advancing solutions within the water sector and wider engineering industry. Investment in the next generation is critical to secure the future of our industry.

RSE engages with schools and universities to inspire young people to pursue STEM careers, with a strong focus on equality, diversity, and inclusion, supporting initiatives such as Women in Engineering.

The STEM Ambassador network highlights how RSE employees connect with the STEM community, for example ambassadors supported COP29 by attending a mock COP event at the Highland Council, where students debated climate action in a simulated global summit.

Case Study

iChemE Partnership and Heriot Watt University Engagement

As an Employee Partner of the Institute of Chemical Engineers (iChemE), RSE collaborates to attract future talent and is progressing towards ACTS accreditation for its graduate programme. RSE also attends Heriot Watt University's annual Chemical Engineering Society conference, sharing insight on sustainability challenges and opportunities within the industry.



Social

Health and Safety (H&S)

At RSE, ensuring a safe, healthy work environment is a core value. We have upheld ISO 45001 (or equivalent) accreditation for 12 consecutive years, demonstrating our legal compliance and commitment to high H&S standards.

Leadership in H&S

Leadership plays a key role in driving a strong safety culture. This year, 75 senior leaders completed the IOSH Safety for Executives course, equipping them with the strategic insight to embed safety into business decisions, while 91 leaders from RSE and its subsidiaries took part in a two-day leadership event to focus on critical risks and upcoming safety initiatives.

We've introduced several initiatives across RSE to further strengthen H&S, including a new asset management system, an updated operational procedure for electrical safety, and an increased focus on occupational health through new technologies and initiatives to better understand and manage workplace risks.

QHSE Digitisation Journey

The QHSE team is committed to continually enhancing the digitisation of key projects. Developments include upgrades to the QHSE reporting app, which streamlines inspection and safety observation reporting. The app makes reporting easier for employees, which encourages better behaviours and improves efficiency and data accuracy. Additional solutions have also been introduced, including our new digital training feedback forms which allow for quicker and more effective employee input. These initiatives reflect the department's ongoing focus on leveraging technology to support a safer, more sustainable, and responsive workplace.



216%

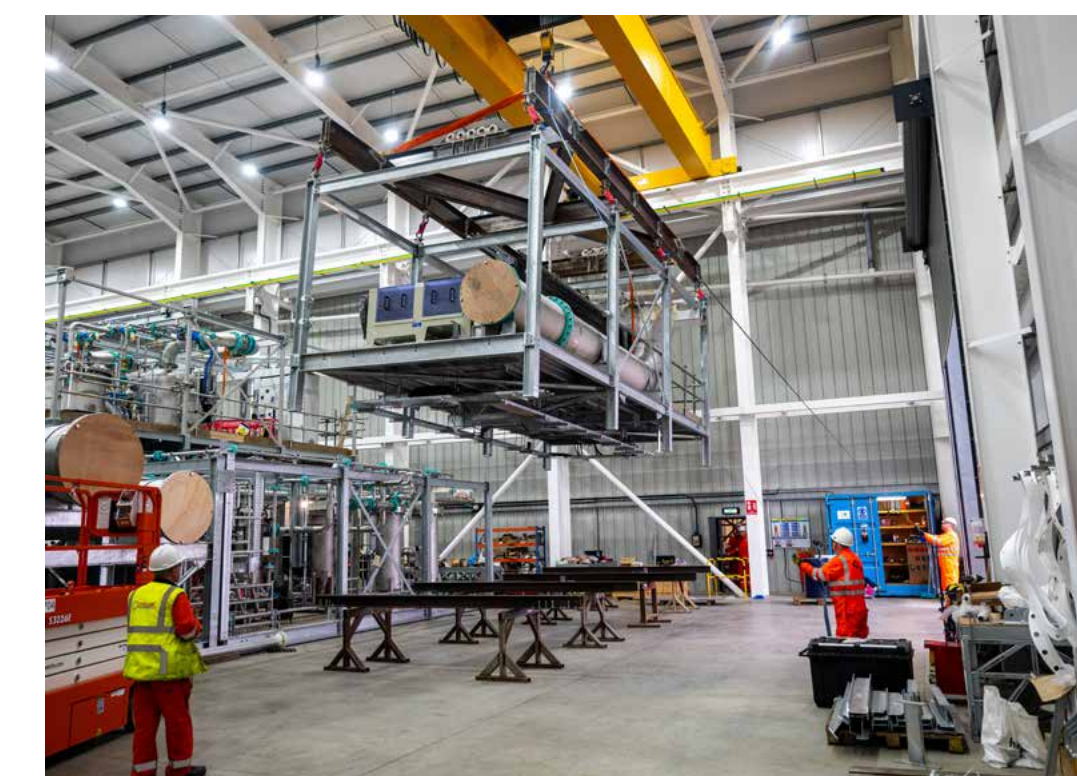
increase in QHSE inspections conducted

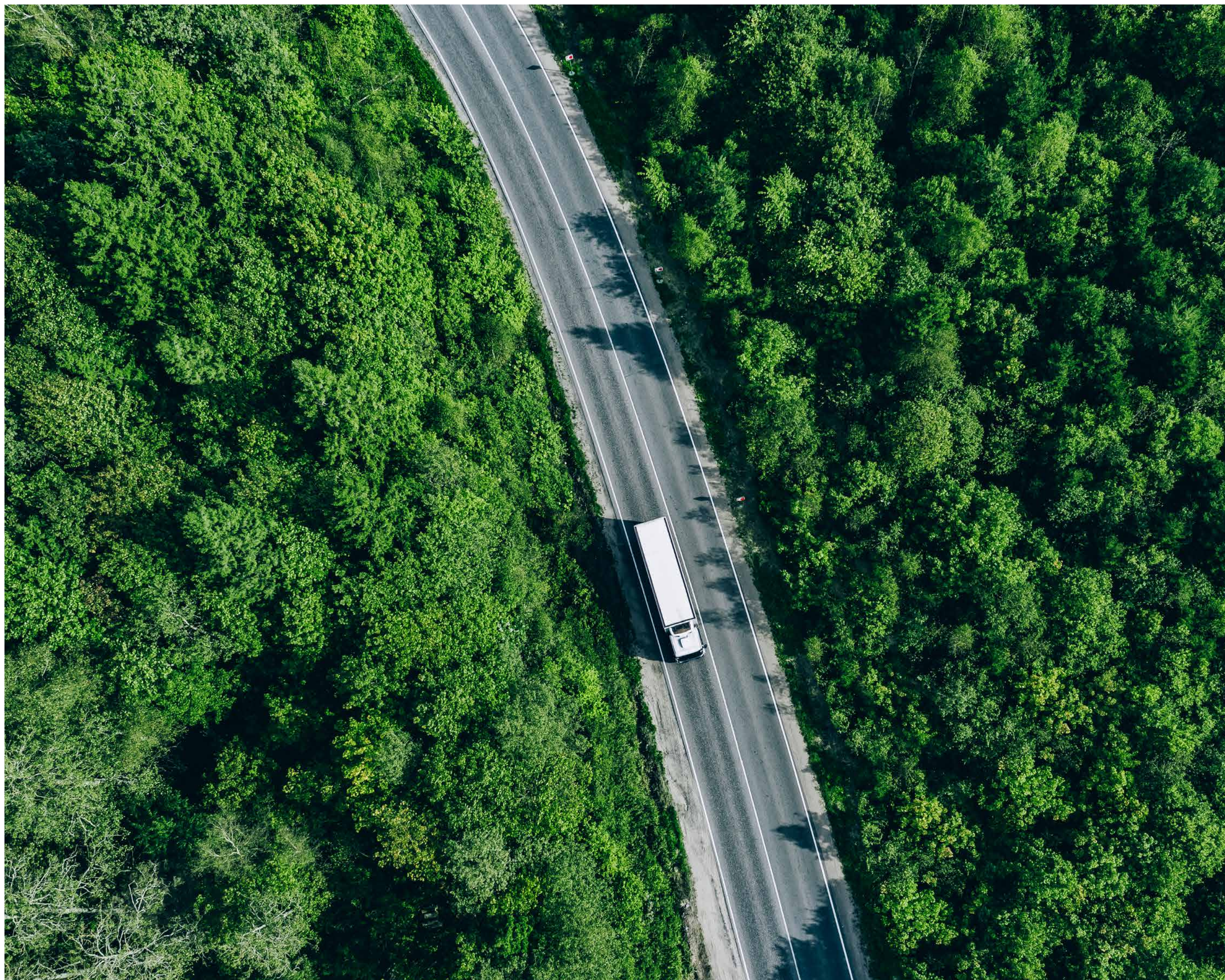
568%

increase in safety observations

478%

increase in H&S conversations





Social

Supply Chain Sustainability

RSE's complex, technical supply chain is built on long-term partnerships with agile, innovative suppliers – creating value for customers and contributing to a Net Zero value chain that benefits all stakeholders.

This year, we tiered and categorised suppliers using the Kraljic matrix to focus resources on those deemed Critical or Strategic. These suppliers now undergo enhanced due diligence during onboarding and relationship management.

We also launched Quarterly Business Reviews (QBRs) with Critical and Strategic suppliers. In March 2025, we hosted our first QBRs with 12 suppliers at our main facilities, sharing innovations, best practices, and lessons learned.



we conducted
our first QBR's with

12 Suppliers



Social

Supply Chain Sustainability

Case Study

Strategic Relationships to Reduce Scope 3 Emissions

As part of RSE’s strategic approach to promote sustainable growth, we are driving down carbon emissions in our products and supply chain through an investment in green steel. This 100% recycled steel uses Electric Arc Furnaces (EAFs), is powered by certified renewable electricity and provides an 85% CO₂e reduction against industry average steel.

In the 2024/25 FY, RSE saved a total of 808 tCO₂e through the purchase of low carbon steel, the equivalent of flying from London to Paris 15,000 times.

Looking ahead to FY26, we have invested in a Supplier Relationship Management (SRM) technology solution to allow greater control of our supply chain, a transformative step to provide ESG performance oversight of our suppliers.

808 tCO₂e

saved through the purchase of low carbon steel

Social

Investing in Talent

Investing in people is a strategic priority at RSE, essential to our long-term success and ability to deliver innovative solutions. We continue to grow our structured development pathways for all career stages, building a skilled, engaged, and future-ready workforce.

Graduate Programme

Early talent development is a cornerstone of our approach to building the best team in the water industry. This year, we welcomed a record 43 graduates across the RSE Group, bringing our total to 76 graduates working across our business.

Our two-year programme provides cross-functional experience, building both technical and personal skills. Graduates leave with a multidisciplinary skill set and broad exposure across the business, opening doors for future leadership and growth.

RSE has a total of

76

Graduates

Apprenticeship Programme

RSE’s apprenticeship programme blends hands-on training, mentoring, and formal education to develop skilled talent. This year, our apprentice numbers rose to 107, primarily in mechanical and electrical disciplines.

We also offer degree apprenticeships, with 20 participants combining university study and practical experience. This accelerates learning, pairing academic development with real-world application.

RSE Modern Apprentice: “At RSE, all jobs that I’ve undertaken during my apprenticeship were facilitated in way that would directly enhance by understanding and further my development. RSE has given me the room to “get out there” and try new things wherever possible, such as an HNC in engineering which was not directly related to my trade”.





Employee Development

RSE’s commitment to development goes well beyond the early stages of a career. In FY25, seven senior leaders began a leadership apprenticeship with Cranfield University. Others are completing our Business Essentials course to equip future leaders across the business.

We also foster growth through mentoring, cross-functional collaboration, and internal mobility. In FY24/25, 28% of our workforce received a promotion, reflecting our inclusive approach to career progression and commitment to social mobility, especially for early-career talent.

Learning and Development

Our learning strategy aligns with emerging trends like digitalisation, sustainable engineering, and green technologies. Partnering with academic institutions and industry bodies, we ensure our programmes remain relevant and future focused.

We’re building a robust digital learning ecosystem through our Learning Management System (LMS), offering role-specific pathways, on-demand content, and compliance training. Despite being in early stages, the LMS already hosts 52 live courses, with over 500 hours of digital learning completed this year.

28%

of our workforce achieved a promotion within their role in FY24/25

500+

hours of digital learning completed over the year



Governance

RSE is committed to delivering transparent and accountable reporting of our business operations, guided by our strong principles and values to ensure we uphold the highest ethical standards.

Governance

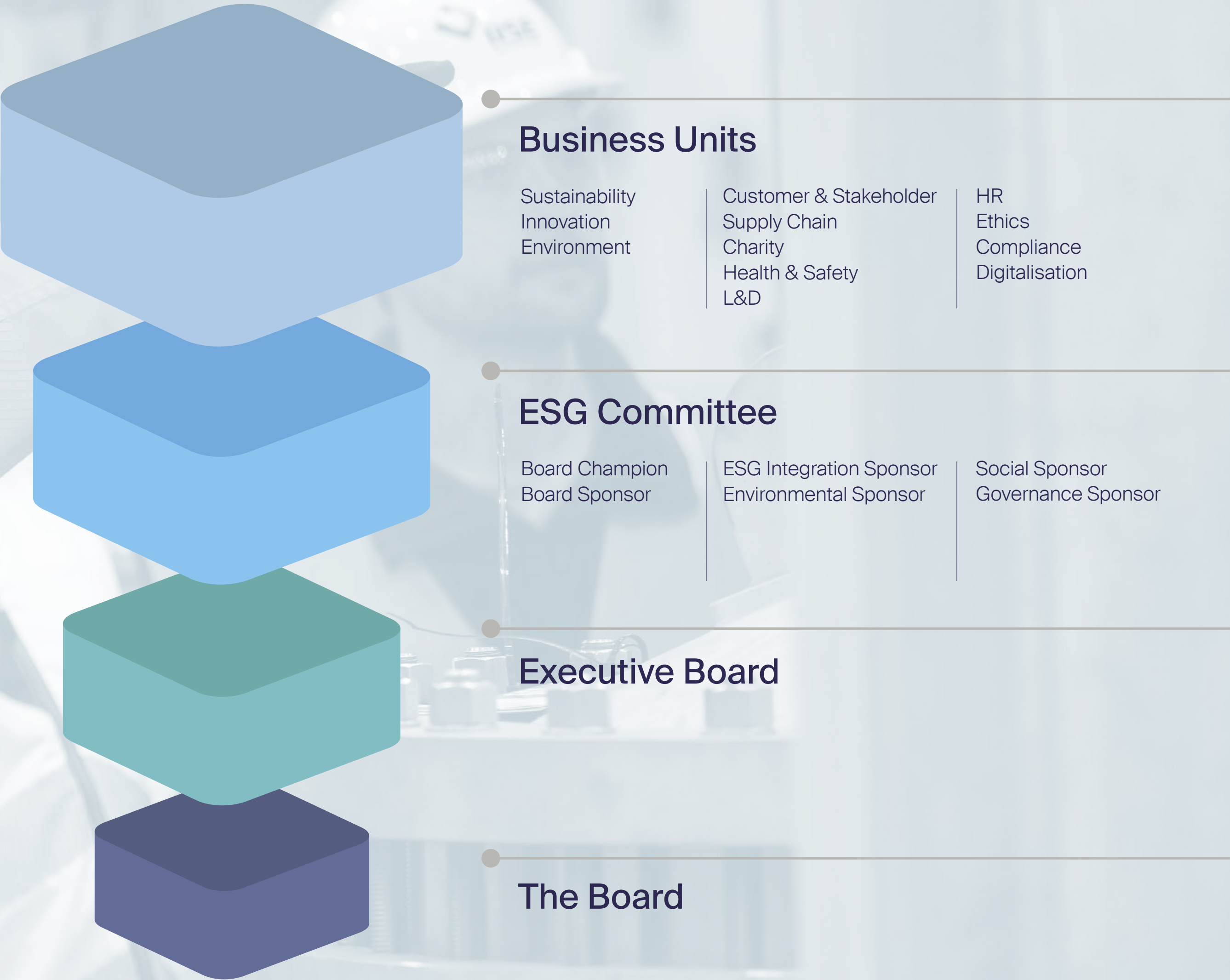
ESG Governance

RSE’s ESG governance structure ensures that transparency and accountability are maintained throughout the business.

Our ESG Committee reviews our performance, assess risks and opportunities, and continuously looks to improve our strategy.

The committee is chaired by our Chief Operating Officer (COO) and is composed of members across various teams of the business to ensure we achieve an integrated perspective.

RSE communicates regularly with employees across the business through focus groups, monthly meetings, and lunch and learns. This ensures that we are continuing to capture perspectives from across the business.



Governance

Business Ethics

Our approach to business ethics is rooted in integrity, transparency, and responsible governance, guiding our interactions with employees, partners, clients, and communities. Ethical behaviour is not just a legal or reputational imperative; it is a core value that shapes decision-making at all levels of the organisation.

Our operations are governed by a comprehensive Code of Conduct that outlines the high ethical standards expected of all employees, contractors, and supply chain partners.

To foster a culture of openness, RSE operates a confidential whistleblowing procedure to give all employees a trusted mechanism of reporting without fear of reprisal. All reported concerns are investigated thoroughly, with clear follow-up procedures to ensure resolution and organisational learning.

Our ethical responsibilities extend beyond our own operations to the wider value chain. All suppliers and subcontractors must comply with RSE's Supplier Code of Conduct, and we have implemented enhanced supplier due diligence and onboarding procedures

to safeguard against unethical practices and ensure alignment with our ESG commitments.

Our ethical governance is annually reviewed by our ESG Committee. The committee also monitors emerging ethical risks, advises on updates to compliance frameworks, and ensures that ethical considerations are integrated into strategic planning and corporate governance.

Through this multi-layered approach, RSE is committed to fostering a business environment that upholds the highest ethical standards, promotes trust among stakeholders, and contributes positively to a fair and transparent society.

Our QHSE policies are embedded within an Integrated Management System (IMS) accredited to:

ISO9001
ISO14001
ISO45001

Governance

Policies

At RSE, we recognise that our people are the foundation of our business and the driving force behind our innovation and growth. Our policies are shaped by our commitment to fostering a safe, inclusive, and supportive working environment.

Our QHSE policies are embedded within an Integrated Management System (IMS) accredited to ISO9001, 14001 and 45001.

Over the past year, we have introduced a series of updates to key HR policies to strengthen our support for employee wellbeing, equality, and sustainable workforce development. These include the launch of a new Diversity, Equality, & Inclusion (DE&I) Policy, along with an updated Anti-harassment and Bullying Policy.

In our continued effort to ensure fairness in compensation, we have conducted comprehensive pay equality audits and implemented changes where disparities were identified. We have also extended pension eligibility to all professional roles, enhancing financial security for employees across the business.

To better support work-life balance and modern working preferences, RSE introduced a new formal Flexible Working Policy, enabling greater adaptability in how, when, and where work is performed. In addition, our Maternity Policy has been enhanced to provide improved company maternity pay.

We remain fully compliant with all relevant labour laws and uphold policies related to anti-discrimination, equal opportunity, and ethical treatment. Our onboarding processes, performance appraisals, and grievance procedures are also regularly reviewed.

Through this combination of updated policy infrastructure, ongoing training, and leadership accountability, RSE continues to foster a workplace culture that attracts, retains, and nurtures talent for the long term.

Governance

Certifications & Membership

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



Full Member



Governance

Cybersecurity

With the digital landscape becoming increasingly complex, it is important that we adhere to cybersecurity standards to eliminate threats against our digital systems.

For the last seven years, RSE has retained our Cyber Essentials certification. This certificate assures our clients that we are taking proactive steps to protect and maintain strong cybersecurity.

We have begun our journey towards implementing an ISO27001 Information Security Management System (ISMS). The ISMS will help to manage, control, and reduce information security risks. We recently completed our stage 1 and 2 audits, achieving ISO27001 certification for our Inverness location.

ISO27001 has helped us to develop a cybersecurity strategy, including increased defence mechanisms, improved training for employees, and regular internal. Our ISO27001 certification will be the governing body behind RSE's Digitisation Strategy, ensuring that all digital activities are operated responsibly and ethically, with the appropriate levels of security to protect our employees, our clients and our communities.

Looking Ahead

A Message from our COO

Our commitment to sustainability through our ESG practices remains strong and aligned with our overall business strategy. This has been evident throughout the year, as we highlighted the success stories within this report. At RSE, we recognise that it is no longer a ‘tick box’ exercise, but a long-term growth strategy, that underpins a resilient, sustainable and successful business.

We remain focused on driving impact across our key focus areas. As Net Zero becomes increasingly pressing, our target of Scope 1 and 2 Net Zero by 2030 requires action, particularly as climate-related challenges continue to stress our water resources.

Positively, we’re seeing an absolute reduction in our operational emissions, along with a further significant decrease in our Scope 1 and 2 emissions per £M turnover. We continue to minimise our impact through our Carbon Neutral certification, while Scope 3 emissions are being addressed through ongoing innovation across our supply chain.

Social sustainability remains a core value to our business. The launch of our new charity partner Heather’s Heroes is the beginning of an important journey – one where we can extend our support to those who need it most. As we embrace digitisation, we are aware of the increasing cybersecurity threats. Strengthening our cybersecurity through ISO27001 will be essential, as we become more digitally connected.

Technology is both a powerful enabler and ongoing challenge on our ESG journey. At RSE, we actively invest in new technologies but remain reliant on wider infrastructure progress to keep moving forward.

Despite these challenges, our ambitions to lead the way in offering sustainable solutions to clients remain. As we continue to innovate and challenge industry norms, we will deliver benefits beyond operational efficiency, extending into sustainability and circularity.

Looking ahead, we will continue to strengthen our ESG governance and embed this across our organisation – at every level. The journey involves all of us. Sustainability touches every part of our business. We look forward to meeting the challenges ahead with innovation, purpose, and people at the centre of everything we do.

Martin Mathers
Chief Operating Officer



Appendix 1

Net Zero Emissions

RSE Absolute Emissions (Page 20)

Scope Emission	Scope 2 Reporting method	tCO ₂ e Location-Based			tCO ₂ e Market-Based		
	Year	2022/23	2023/24	2024/25	2022/23	2023/24	2024/25
Scope 1		3404.31	3907.85	3847.17	3403.31	3907.85	3847.17
Scope 2		426.15	462.86	615.16	-	-	438.56
Total		3830.46	4370.71	4462.33	-	-	4285.73

RSE Emissions Sources (Page 20)

Scope 1 & 2 Emissions by Source	tCO ₂ e Location-Based		% Change
	2023/24	2024/25	
Diesel	3060.50	2886.34	-6%
Kerosene	167.28	161.25	-4%
Natural Gas	588.37	738.92	26%
Petrol	63.01	49.85	-21%
Biomass Wood Pellets	1.45	2.09	44%
Propane	Not Reported	0.47	-
HVO	3.86	8.26	114%
Electricity - Location-Based	462.86	615.16	33%
Electricity - Market-Based	Not Reported	438.56	-





rsewater.com/sustainability-esg