1. STRATEGIC REPORT

Image: Offshore wind farm in the North Sea
CHAIRMAN’S STATEMENT

Our journey
When I reflect on my five years as Chairman of RPS Group, I can say with confidence that we have made some great strides. Through significant investment in brand, people, and connectivity we have transformed from a disparate conglomerate of small consulting businesses to a unified group with clear purpose – solving problems that matter to a complex, urbanising and resource-scarce world. The Group has a strong defined market position, recognised by clients worldwide and is an organisation that is able to attract and retain the best people.

We have emerged with a robust business model underpinned by strong financial management with a clear focus on efficient resource allocation. The foundations are firmly in place to grow the business in markets with significant opportunities for growth, playing well to our product and service offerings and our thematics of urbanisation, natural resources and sustainability. We are also managing through the continuing impact of COVID-19 and with sustainability and climate change high on the agenda of all boards of directors, RPS recognises the integral role and influence RPS can have in this space.

A global outlook
Our Group Leadership Team (GLT) provides a forum for determining the direction of the Group, sharing of ideas for growth and investment and the management of the Group’s resources. We have a joined-up global perspective with clarity of products and services that can add value to our clients’ businesses – most notably in renewable energy, project management, sustainability and development of infrastructure. There is an increasing focus on the development of technology-enabled service offerings relevant in each of the markets in which we operate but our collective thinking means that we can develop greater reach in parts of the business where our clients are truly global.

Creating shared value
The focus of purposeful business is to generate profit and create value from solving problems that matter. During 2021, we saw significant progress towards greater value creation. Our clients now have a consistent, repeatable and recurring experience across the Group’s worldwide locations. They know who we are, what we do and how we can help them.
After a challenging 2020, impacted by COVID-19, we have progressed steadily, achieving the financial market expectations established at the start of the year. As we highlighted at our Capital Markets event in November, we continue to deliver strong cashflow performance and have manageable levels of debt. This virtual event, where we articulated our purpose and cohesive strategy, provided a timely measure of how far the Group has developed over the past five years.

**Pace of progress**
The share price of the Group has moved up strongly from the very low levels of 2020 and has established a level of stability. Re-establishing the dividend is also a sign of our growing confidence that we are moving from a period of transition into a period of growth.

There is no doubt that we are coming back stronger but the Board recognises that there remains some way to go to achieve our target operating model of five per cent top line growth and ten per cent operating margins overall.

As we continue to demonstrate the qualities and capabilities of the Group and the increasing consistency of performance, we are hopeful that the share price will react accordingly as potential investors recognise and support the investment case.

**Looking ahead**
For all businesses, irrespective of sector or size, there are continuing challenges. The impact of inflationary pressures and the possible monetary policy responses, for instance, may slow the global economy. Meanwhile, the presence of COVID-19, the unpredictability of government actions and the subsequent geopolitical stresses, each pose threats to the markets in which we operate.

The key is to manage those aspects of the business that can be controlled and to respond effectively and responsibly to the external challenges that may threaten our progress. We have demonstrated the capability to do this since the pandemic broke in March 2020.

Having established a firmer and more cohesive platform for growth, supported by greater financial stability, we are able to look to the future with greater confidence. Acquisitions are back on the agenda backed by a strong balance sheet to help drive fee revenue growth. They will provide greater depth in our areas of focus. The increasingly dynamic and changing world in which we live is offering many attractive opportunities in the markets in which we operate.

ESG and sustainability are at the heart of what we do at RPS and we are continuing to build on our own credentials and offer help to clients to solve problems that matter in these areas. The appointment of a Global Director of ESG and Sustainability this year and publication of our ambitious path to Net Zero by 2030 are strong signals of our intent.

**Our People**
We are a people business. Our strength is built on attracting and retaining quality people and to do so we continue to strive to make RPS a great place to do great work. Our employee engagement surveys demonstrate that we are making good progress and we continue to focus on building a culture of diversity, inclusion, innovation and creativity.

Understandably, the past couple of years has been a challenging period for our colleagues. But is a challenge they have risen to. It has been a pleasure to see the resilience and tenacity and their creativity and adaptability to deal with the unprecedented circumstances. Over the past year, we have adapted to the hybrid working environment to provide an appropriate balance between home and office working, whilst ensuring our clients continue to receive the excellent level of service they require – and expect.

The Board and I recognise the commitment shown by our employees and thank everyone in the business for their dedication during 2021. I personally also recognise the huge contribution made by the members of the Board and the Group Leadership Team. We look forward with confidence to 2022 to continue to build on the foundation for growth that has been established.
A time of change
This was my fourth year as RPS’ CEO. Each year has produced different opportunities and different challenges:

- In 2018, we were dealing with succession at every level. A change in CEO after 30 years was a shock to the organisation. At the same time, we saw significant renewal in the Board. We flattened the organisation and populated the leadership teams with a mix of promotions and selected external hires.
- In 2019, we made significant investments in our people, in our clients, in our brand, and in technology that connected our business.
- In 2020, RPS, like the rest of the world, had to manage our way through the pandemic. Our people worked with us to preserve jobs, to retain capability, to do great work for our clients, to maintain the order book and to protect the value of the company. We showed resilience and strong financial discipline. We benefited enormously from the investments that we had made — but it was a very tough period, and I can’t thank our people enough.
- 2021 was the year we began to grow back from the pandemic. We were delighted that we had retained jobs and capability because there is strong demand for the services that we provide. It was good to grow again. We were pleased that we were again able to show our very strong financial discipline. We wanted to come through the pandemic with a strong balance sheet and have done so emphatically.

It has been a rewarding period. RPS has changed a great deal since late 2017.

Everything we do is informed by our purpose: RPS exists to create shared value by solving problems that matter to a complex urbanising and resource-scarce world.
Shared value
We are committed to creating value and ensuring that value is shared with our people, clients, the communities in which we operate and, of course, our investors. Growth is an essential part of that value creation and I was very pleased that in 2021 we started growing again.

We have invested heavily in good people practices. We ensure employees receive good development feedback so that we can make RPS a great place to do great work. We pay competitively and we pay for performance.

We are seeing signs of increased salary inflation in many markets that we operate in. We will need to match these market pressures to retain our quality people and to recruit more great talent. We believe that markets are such that we will be able to recover salary pressures in improved pricing.

The company has a long history of strong dividend payments and for a period, we did over distribute profits and under invest in the business. In 2020, we halted dividends to conserve cash and protect the value of the company. At our Capital Markets Day in November, Judith Cottrell, our Group Finance Director, talked to our capital allocations policy and announced that we were recommencing dividends.

While the initial dividend is modest, we believe that paying dividends is a good financial discipline. We are delighted that we can do so again.

Solving problems that matter
We solve problems that matter to our clients and to the communities that we operate in. We do this because our people want to make a difference. And we do this because we believe that we can create more value and better margins by focusing our expertise on parts of the whole project life cycle that are a small part of the overall project cost but that can have a big impact on project outcomes.

We want to work on those parts of the project life cycle where we can have the biggest impact. This means that our strategic focus is to create defensible niches; we strive always to be a natural inclusion in any request for proposal in the markets we compete in.
Our clients – urbanisation, natural resources, and sustainability
In a volatile world, we work hard to create the right mix of cohesion and diversification. Everything we do is based around our thematics of urbanisation, natural resources, and sustainability. In this annual report, we give some examples of the work that we do. We always strive to make complex easy for our clients. We work hard to produce actionable outcomes, to communicate clearly, and to make it easy for clients to deal with RPS.

We regularly review our service offerings to find opportunities for organic growth. I have always been clear that we must grow organically, and that acquisition is a supplement to organic growth, not a replacement for it.

Having said this, we continue to acquire selectively:
• where an acquisition fits with our Purpose and where potential new employees will find our company Behaviours compelling
• where the acquisition adds density not further diversification
• when the business case is financially attractive
• where the acquired business brings new capability and technology.

I am pleased to say that Corview (Australia) and Reservoir Imaging Limited (Energy) both acquired before COVID-19 hit, have continued to perform well. Both businesses are fully integrated into RPS. Executives from both businesses have taken leadership positions in the broader business.

We also look to see if any of our business might be better owned by others. In late 2020, we completed the divestment our Specialist Geology business.

Our business model means that we have a clear target of 10% margins and 5% organic growth. We are not there yet but we are closing the gap. We are transparent in our investor communications and talk clearly about progress against this model.

A new way of working
In 2021, as the world recovered from the pandemic, RPS committed to hybrid working. We asked our people to talk with their manager and agree a plan of working that suits the needs of our clients, of the team, of the manager and of the employee. Many employees are working two to three days a week in the office, but this will vary greatly depending on the role. We are well down the path of resizing offices to accommodate this new reality. This will have some positive benefit on our fixed overheads.
ESG credentials we are proud of
We have a long history of ESG excellence: RPS originally stood for Rural Planning Services, and rural and urban planning is part of our DNA. As planning moved from being an economic discipline to an environmental discipline and then to a social discipline, we led the way.

The combined challenge of energy security and decarbonisation is a problem that matters. RPS is proud to be part of the energy transition and is particularly proud of the way that we have taken skills and relationships built in the gas and oil industry into offshore wind.

We continue to invest in and grow our renewables business aggressively. As well as wind, we support clients in:

• Solar and geothermal;
• Green and blue hydrogen;
• Carbon capture, utilisation, and storage; and
• Hydrocarbons – particularly light hydrocarbons.

We are asked about the logic of a company with strong ESG credentials working in hydrocarbons. We engage regularly with energy forecasters and we believe that hydrocarbons – particularly light hydrocarbons – will be part of the world’s energy mix for a long period. We see value in helping ensure that those hydrocarbons are extracted in the most environmentally and economically efficient manner.

A safe, engaged, diverse, and inclusive workforce
As a people business, it is important to us that we have a safe engaged, diverse, and inclusive workforce.

Our safety statistics are good and show continuous improvement. Our safety focus is recognised by very demanding clients like Shell. We recently ran a global employee survey and the feedback on our safety approach was extremely positive.

The employee survey had an 85% participation rate: well above the participation rate in 2018 and well above global benchmarks. At 70%, employee engagement was higher than 2018 but not yet best practice and not where we want it. Encouragingly, employees noted very significant improvement in senior and line manager effectiveness, in clarity of direction and objectives, in change management, and in company direction. This all reflects the management changes that took place in 2018 and the investment that followed. We also received helpful feedback on what employees want more of going forward - with creativity and innovation and action on recruitment and retention being key points.

See our People report p.24-28

RPS is an industry leader in gender diversity. We have always had strong female technical representation and have seen women over-represented in functional roles. We are one of a very limited number of companies with a majority female Board. We have worked hard to build a cadre of women in senior P&L roles. I was delighted that we were able to promote Meegan Sullivan as CEO of Australia, Asia Pacific.

In North America, where capturing data on the racial makeup of the workforce is the norm, we know that our racial diversity comfortably exceeds the industry average. Importantly, employees everywhere told us that we have an inclusive culture where people are treated fairly; the positive feedback was comfortably above global benchmarks.

Ongoing improvement
While we are proud of our ESG performance to date, we can always improve. We announced this year the appointment of Matt Farnsworth as our Global Director for ESG and Sustainability. We conducted a vigorous external search and ultimately decided that one of our own client-facing professionals was our best choice. One of Matt’s first tasks was to work with our Group Leadership Team to agree RPS’ own science-based targets and our path to Net Zero.

See our ESG and Sustainability Report p.70-80

A bright future
2021 was a good year for RPS. We returned to growth, resumed dividends, ended the year with a very strong balance sheet, and made further gains with ESG.

We will continue to grow and to become a bigger, better, and brighter version of the RPS you see today.

Thank you to our clients for their trust, to our people for their efforts, and to our investors for their support.
Judith Cottrell
Group Finance Director

During 2021, the business has delivered a strong financial performance, with excellent growth and a robust balance sheet. Contracted Order Book is up 14% on December 2020 and available headcount has increased by 5%. The Fee Revenue trajectory has continued to improve as our markets emerged from the global pandemic and margins are recovering. Fee Revenue grew 5% at constant currency and Adjusted Operating Profit by 40%. Disciplined billings and collections have maintained lock-up at best-in-class levels and ensured leverage remains below the bottom end of our target range. During 2021, new financing was secured in the form of seven-year term loans and a two-year extension of the Revolving Credit Facility to July 2024. A new capital allocation policy was announced, and dividends reinstated. At the end of 2021, RPS is well-positioned to continue to capitalise on the growth opportunities available in our markets.
Financial Performance Summary
The Group’s key financial performance metrics for the year are summarised in the table below:

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
<th>2020 (constant currency)</th>
<th>% change</th>
<th>% change constant currency</th>
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<tbody>
<tr>
<td>Alternative performance measures (1)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fee Revenue (£m)</td>
<td>476.1</td>
<td>457.3</td>
<td>454.3</td>
<td>4</td>
<td>5</td>
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<tr>
<td>Adjusted operating profit (£m)</td>
<td>28.3</td>
<td>20.5</td>
<td>20.2</td>
<td>38</td>
<td>40</td>
</tr>
<tr>
<td>Adjusted operating profit margin</td>
<td>5.9%</td>
<td>4.5%</td>
<td>4.4%</td>
<td></td>
<td></td>
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<tr>
<td>Adjusted profit before tax (£m)</td>
<td>21.5</td>
<td>13.4</td>
<td>13.2</td>
<td>60</td>
<td>63</td>
</tr>
<tr>
<td>Adjusted earnings per share (diluted) (p)</td>
<td>5.61</td>
<td>4.29</td>
<td>4.13</td>
<td>31</td>
<td>36</td>
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<tr>
<td>Cash and debt measures</td>
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<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Conversion of profit into cash (1)</td>
<td>73%</td>
<td>239%</td>
<td>239%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net bank borrowings (£m) (1)</td>
<td>13.5</td>
<td>10.8</td>
<td>11.9</td>
<td></td>
<td></td>
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<tr>
<td>Leverage (1)</td>
<td>0.6x</td>
<td>0.7x</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Statutory measures</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue (£m)</td>
<td>560.4</td>
<td>542.1</td>
<td>537.8</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Gross profit (£m)</td>
<td>220.1</td>
<td>203.8</td>
<td>202.2</td>
<td>8</td>
<td>9</td>
</tr>
<tr>
<td>Operating profit /loss (£m)</td>
<td>19.2</td>
<td>(24.2)</td>
<td>(23.3)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Statutory profit/loss before tax (£m)</td>
<td>12.4</td>
<td>(31.3)</td>
<td>(30.3)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Statutory earnings/loss per share (diluted) (p)</td>
<td>2.14</td>
<td>(12.83)</td>
<td>(12.55)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dividend per share (p)</td>
<td>0.70p</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1. Alternative Performance Measures are used consistently throughout the Financial review: these include Adjusted Profit Before Tax, Fee Revenue, items prefaced “adjusted” such as adjusted EPS, segment profit, Adjusted Operating Profit, amounts labelled “at constant currency”, EBITDAS, conversion of profit into cash, net bank borrowings, leverage, and contracted order book. For further details of their purpose, definition and reconciliation to the equivalent statutory measures see note 3 to the consolidated financial statements.

Trading Performance
Revenue for 2021 grew by 4% at constant currency to £560.4m (2020: £542.1m, £537.8m at constant currency). Our key performance measure of Fee Revenue for 2021 was £476.1m (2020: £457.3m, £454.3m at constant currency). The growth in Revenue is being driven by the Fee revenue growth as discussed below. The Group made a statutory operating profit of £19.2m (2020: loss £24.2m) and a statutory profit before tax of £12.4m (2020: loss £31.3m, £30.3m at constant currency) as business performance improved and exceptional items reduced on 2020. The profit performance of the business is measured using Adjusted Operating Profit. During 2021, the growth in Fee Revenue and recovering margins meant Adjusted Operating Profit grew by 40% at constant currency to £28.3m (2020: £20.5m, £20.2m at constant currency). The trading performance of the Group by segment is summarised in the tables below.

Image left: Flood Risk Management team project, located in Kinderdijk (The UNESCO World Heritage Site), the Netherlands
Contracted order book up 14% on 2020, well-positioned for growth

Good momentum in the business as the year progressed was supported by the structural tailwinds and the retention of the workforce through COVID-19. Total contracted order book (COB) was up 14% on December 2020 at constant currency with good growth in three out of our six segments. Of the remaining three segments, both Energy and North America secured some key wins in December 2021, which are being converted into COB as contracts are signed in early Q1 2022. As a result, in Energy, COB at the end of January 2022 was up 20% on December 2020 and in North America, the COB plus won not yet in contract at end of December 2021 was broadly flat on December 2020. In Services UK & Netherlands, COB is growing with the exception of Water Operations where the business contracts through long-term contracts and hence COB reduces, as these contracts are worked, and experiences large increases when new contracts are awarded. The COB growth coupled with the 5% increase in available headcount compared to December 2020, ensures we are well-positioned to deliver future fee revenue growth.

### Fee Revenue recovering as markets emerge from the global pandemic, Fee Revenue up 5% on 2020

<table>
<thead>
<tr>
<th></th>
<th>£m</th>
<th>2021</th>
<th>2020</th>
<th>2020 at constant currency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy</td>
<td>71.5</td>
<td>75.7</td>
<td>74.5</td>
<td></td>
</tr>
<tr>
<td>Consulting – UK and Ireland</td>
<td>115.1</td>
<td>108.0</td>
<td>107.0</td>
<td></td>
</tr>
<tr>
<td>Services – UK and Netherlands</td>
<td>87.3</td>
<td>85.7</td>
<td>84.5</td>
<td></td>
</tr>
<tr>
<td>Norway</td>
<td>61.9</td>
<td>56.0</td>
<td>57.5</td>
<td></td>
</tr>
<tr>
<td>North America</td>
<td>35.6</td>
<td>39.0</td>
<td>36.6</td>
<td></td>
</tr>
<tr>
<td>Australia Asia Pacific</td>
<td>104.7</td>
<td>92.9</td>
<td>94.2</td>
<td></td>
</tr>
<tr>
<td>Fee revenue</td>
<td>476.1</td>
<td>457.3</td>
<td>454.3</td>
<td></td>
</tr>
</tbody>
</table>
Performance for the period under review was in line with the Board’s expectations, with Fee Revenue growth and adjusted operating profit margins improving. The positive trends in our markets and improved business momentum that we signalled in the H1-2021 results continued into H2-2021.

Full-year Fee Revenue of £476.1m was up 5% (at constant currency) on the prior year. Whilst the impact of COVID-19 diminished in 2021 compared to 2020, some markets in which we operate continue to be impacted by lockdown restrictions. RPS generates circa 55% of Fee Revenue from government or quasi-government organisations, which provided some resilience to the ongoing impact of COVID-19 in our segments.

Urbanisation trends continue to drive strong demand for our services. Increased UK private sector confidence, buoyant property markets and government spending on urbanisation and transport infrastructure projects is driving demand for our services and good Fee Revenue growth in Consulting UK & Ireland and Australia Asia Pacific. Growth in these segments is also being supported by increased market demand for our environmental and ESG offerings.

With an increase in government and private sector funded projects in urbanisation, transport infrastructure and sustainability, we are delivering good growth in Fee Revenue in project management in Norway and Australia Asia Pacific.

Demand for natural resources is supporting growth in parts of our Energy and Services UK & Netherlands segments. In Energy, Fee Revenue from renewables grew by 24% while activity in gas and oil remains subdued despite oil price increases. However, demand for conventional energy is expected to continue and we expect activity levels in this area to pick up.
FINANCIAL REVIEW CONTINUED

The UK AMP cycle has continued to ramp up during 2021 and underpinned Fee Revenue growth in the UK part of our Services UK & Netherlands business. Whilst demand remains strong for our service offerings in Netherlands, increased COVID-19 restrictions at various times during 2021 impacted our property and laboratory businesses.

Strong market drivers of sustainability and ESG, alongside ongoing Private Equity transactions, have driven organic Fee Revenue growth in our North American Environmental Risk business and Consulting UK & Ireland. Overall, Fee Revenue in our North America segment is down due to the closure of less profitable business streams in 2020 and some delay in the year of the activation of government projects awarded to our Infrastructure division.

Adjusted Operating Profit up 38% on 2020, adjusted operating profit margin improving

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
<th>2020 at constant currency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy</td>
<td>4.8</td>
<td>4.5</td>
<td>4.3</td>
</tr>
<tr>
<td>Consulting – UK and Ireland</td>
<td>9.0</td>
<td>6.3</td>
<td>6.2</td>
</tr>
<tr>
<td>Services – UK and Netherlands</td>
<td>6.9</td>
<td>5.4</td>
<td>5.4</td>
</tr>
<tr>
<td>Norway</td>
<td>5.1</td>
<td>4.5</td>
<td>4.7</td>
</tr>
<tr>
<td>North America</td>
<td>3.5</td>
<td>2.9</td>
<td>2.7</td>
</tr>
<tr>
<td>Australia Asia Pacific</td>
<td>10.8</td>
<td>8.2</td>
<td>8.2</td>
</tr>
<tr>
<td>Total segment profit</td>
<td>40.1</td>
<td>31.8</td>
<td>31.5</td>
</tr>
<tr>
<td>Unallocated costs</td>
<td>(11.8)</td>
<td>(11.3)</td>
<td>(11.3)</td>
</tr>
<tr>
<td>Adjusted operating profit</td>
<td>28.3</td>
<td>20.5</td>
<td>20.2</td>
</tr>
</tbody>
</table>

Improving Fee Revenue, recovering gross margins and benefits from the restructuring we undertook in 2020 are delivering improving margins across all segments. In Energy, our flexible associate cost base enables us to manage costs and mitigate the impact of lower revenue. At constant currency, Segment profit increased by £8.6m at constant currency to £40.1m (2020: £31.8m, £31.5m at constant currency) and profit margin improved from 7.0% in 2020 to 8.4%.

Unallocated costs were higher in 2021 due to continued investment in functions and the relaxing of COVID-19 cost reduction measures initiated in 2020 but remain at 2.5% of Fee Revenue.

**Robust balance sheet, net bank borrowings at 31 December 2021 of £13.5m and low leverage at 0.6 times EBITDAS**

During the 12-month period, as the business emerged out of COVID-19, investment recommenced in capital projects and in growing revenues. This investment, alongside the payment of £9.4m of sales and payroll taxes deferred in 2020 under government COVID-19 schemes, resulted in net bank borrowings rising by £2.7m to £13.5m at 31 December 2021 (31 December 2020: £10.8m).

Net cash from operating activities was £24.7m (2020: £84.0m). Our conversion of operating profit into operating cash was lower than historic norms at 73% (2020: 239%). Despite the significant focus on billing and collections, working capital increased as revenue grew 3% and we also paid £9.4m of sales and payroll taxes that had been deferred under government COVID-19 schemes. Lock-up days at the end of December 2021 remained low at best-in-class levels of 49 days compared to 48 days at the end of 2020 and 69 days at the end of 2019. Our continued focus on billing and collections is demonstrated by average lock-up days for the year of 57 days for 2021 compared to 65 days for 2020.
Net cash used in investing activities was £13.2m (2020: £9.7m), with the increase due to higher capital expenditure of £10.4m (2020: £7.8m) and the proceeds on the divestment of Specialist Geology received in 2020. The capital expenditure figure includes £0.9m (2020: £2.5m) invested in our new ERP system.

Deferred consideration outstanding at the year end reduced to £2.6m (31 December 2020: £5.8m).

The amount paid in respect of dividends was £0.7m (2020: £nil) reflecting the reinstatement of dividends with the 2021 interim dividend. In 2020, included within financing activities were the £19.4m net proceeds of the September 2020 share placing.

Our leverage (being net bank borrowings plus deferred consideration expressed as a percentage of adjusted EBITDAS) at the year end was 0.6x (31 December 2020: 0.7x) compared to our target operating range of 1.0x to 2.0x. We expect this will increase during 2022 to within our target operating range of 1.0x to 2.0x as we invest in growing the business. The bank covenant limit that applies to all our facilities is 3.0x.

Specific adjusting items

Exceptional items

Exceptional items of £5.3m have been recognised in 2021 (2020: £39.2m), of which £2.8m are non-cash. The exceptional items are detailed in note 7 to the financial statements and include:

<table>
<thead>
<tr>
<th>£m</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Restructuring costs</td>
<td>2.8</td>
<td>6.0</td>
</tr>
<tr>
<td>ERP costs</td>
<td>1.7</td>
<td>2.2</td>
</tr>
<tr>
<td>Legal fees</td>
<td>0.8</td>
<td>1.8</td>
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<tr>
<td>Loss on divestment</td>
<td>-</td>
<td>0.4</td>
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<tr>
<td>Impairment of goodwill</td>
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<td>25.9</td>
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<tr>
<td>Impairment of ERP</td>
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<td>2.9</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>5.3</strong></td>
<td><strong>39.2</strong></td>
</tr>
</tbody>
</table>

We anticipate that exceptional costs will be incurred in 2022 associated with the continued roll-out of the ERP system and ongoing legal fees in respect of the US government contracts investigation.

Amortisation of intangible assets and transaction-related costs

Amortisation of intangible assets and transaction-related costs totalled £3.8m (2020: £5.5m). Included in this total is amortisation of acquired intangibles £3.8m (2020: £5.5m), and acquisition related third-party transaction costs of £nil (2020: £nil).

Net finance costs

Net finance costs were £6.8m (2020: £7.1m), which includes £1.7m in respect of IFRS 16 (2020: £1.9m). The reduction in net financing costs reflects the lower levels of net bank borrowings over the year and
a reduction in the margins on our recently secured long-term debt. Excluding lease obligations, the average total bank net borrowings in 2021 were £33.5m (2020: £63.6m). Interest expense includes imputed interest on deferred consideration of £0.1m in 2021 (2020: £0.2m).

**Tax**
The effective tax rate for the year on adjusted profit before tax (PBT) is 27.9% (2020: 22.4%). In 2020, the tax rate was distorted by the impacts of COVID-19, including carry back of losses and a change in mix of profit by tax jurisdiction with different jurisdictions facing differing COVID-19 impacts. The tax rate is now returning to more normal levels. The increase in effective tax rate is mainly due to the impact of carrying back US losses in 2020 under the US CARES Act and an increase in tax provisions for potential overseas tax exposures. The increase was partly offset by updating the rate used for UK deferred balances to the rate that is effective from April 2023. Our underlying tax rate prior to these adjustments reduced in the year due to a reduction in the proportion of taxable profit from higher rate tax jurisdictions, mainly Australia.

The statutory tax charge for the year was £6.5m (2020 credit: £0.2m) on a profit before tax of £12.4m (2020 loss before tax: £31.3m). The effect of tax on the impairment of goodwill incurred in 2020 of £25.9m was £nil.

Deferred tax assets of £13.0m (2020: £11.2m) include tax losses in the US and UK, deferred tax on employee benefits, and deferred tax on provisions and accruals. The Directors have considered the recoverability of these assets and remain satisfied that it is probable that sufficient taxable profits will be generated in the foreseeable future, against which the recognised assets can be utilised.

**Earnings per share (EPS)**
Adjusted diluted EPS was 5.61p (2020: 4.29p, 4.13p at constant currency), an increase of 36% over last year at constant currency. The Board considers that adjusted EPS, which is statutory EPS excluding exceptional items and amortisation of intangible assets and transaction-related costs and the tax thereon, provides a useful indication of performance and trends over time. Statutory diluted EPS was 2.14p (2020: loss per share 12.83p, 12.55p at constant currency).

**Dividends**
In response to COVID-19, the Group suspended dividend payments in 2020 and cancelled the 2019 final dividend. With the improving market conditions and growth in the business, the Group reinstated dividends in 2021 with a modest interim dividend of 0.26p per share (£0.7m) paid on 8 October 2021.

The Board has declared a final dividend of 0.44p per share (£1.2m) (2020: nil) which will be paid on 20 May 2022 to holders of ordinary shares on the Company’s
register of members at the close of business on 22 April 2022, subject to approval at the Annual General Meeting on 26 April 2022. This aligns with the Group’s recently announced capital allocation policy and reflects the Board’s desire to return to paying dividends to shareholders balanced with the need to retain capital in the business to capitalise on organic and acquisitive growth opportunities. In the medium term, the Board intends to return to a sustainable dividend payout of circa 30% of earnings pre-amortisation.

**Organic growth**
There were no acquisitions in 2020 or 2021. The divestment of Specialist Geology was completed on 31 December 2020. This business generated £2.1m of Fee Revenue in 2020. Hence, after excluding acquisitions and divestments, organic Fee Revenue growth is 5.3% at constant currency.

**Intangible assets**
The net book value of intangible assets at the year end was £340.8m (31 December 2020: £350.5m) which largely comprised goodwill. The decrease during the year is attributable to amortisation, partly offset by investment in the new ERP, and the effect of foreign exchange movements. The goodwill has been reviewed for impairment, see note 14 to the consolidated financial statements. There are no concerns over the recoverability of the Group’s goodwill balances.

**Substantial liquidity**
Total borrowings net of cash of £50.4m at 31 December 2021 (31 December 2020: £59.7m) comprised cash and cash equivalents of £40.1m (2020: £43.2m), borrowings and overdrafts, net of capitalised debt issuance costs of £53.6m (2020: £54.0m), and IFRS 16 lease liabilities of £36.9m (2020: £48.9m).

In September 2021, the Group secured new 7-year term loans of £25.0m from Aviva Investors and £30.0m from Legal and General Investment Management. These loans represent the Group’s core debt with £42.5m at fixed interest rates between 3.56% and 3.57% and the remainder at 2.75% above SONIA.

The Group’s main banking facility is a committed multi-currency revolving credit facility (RCF) with Lloyds, HSBC, and NatWest totalling £100m which expires in July 2024. This attracts interest at variable rates, depending on the Group’s leverage.

The amount drawn under the facility at the year end was Enil resulting in headroom of £100m.

**Capital structure**
As at 31 December 2021, the Group had shareholders’ funds of £348.6m (31 December 2020: £349.0m). The company had shareholders’ funds of £299.0m (2020: £275.7m) and 277.5m fully paid ordinary shares in issue at 31 December 2021 (31 December 2020: 276.9m).

**Foreign exchange**
Over 60% of segment adjusted operating profit was derived from operations other than in the UK, mainly in Australia, US, Norway, Netherlands, Ireland, and Canada. The Group’s consolidated results are therefore significantly exposed to the effect of exchange rates when translating the results of non-UK operations into sterling.

Profit in 2021 saw a marginal impact from exchange movements on the conversion of overseas results in comparison to 2020. Adjusted profit before tax (PBT) in 2021 would have been £0.3m higher than reported had 2020 exchange rates been repeated in 2021. The Adjusted PBT in 2020 would have been £0.2m lower than reported if 2021 exchange rates had prevailed in 2020. The statutory loss before tax in 2020 would have been £1.0m lower than reported if 2021 exchange rates had prevailed in 2020.

**Basis of preparation and new accounting standards**
The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) adopted by the UK and International Financial Reporting Standards Interpretations Committee (IFRS IFRIC) interpretations issued and effective at the time of preparing the financial statements. The Group’s significant accounting policies are detailed in note 1 to consolidated financial statements.
Performance for the year was in line with the Board’s expectations, with Fee revenue growth and adjusted operating profit margins improving. The positive trends in our markets and improved business momentum that we signalled in the H1-2021 results continued into H2-2021.

### Energy

<table>
<thead>
<tr>
<th>£m</th>
<th>FY2021</th>
<th>FY 2020</th>
<th>FY 2020 cc¹</th>
<th>cc growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fee revenue¹</td>
<td>71.5</td>
<td>75.7</td>
<td>74.5</td>
<td>(4%)</td>
</tr>
<tr>
<td>Segment profit¹</td>
<td>4.8</td>
<td>4.5</td>
<td>4.3</td>
<td>12%</td>
</tr>
<tr>
<td>Operating profit margin¹</td>
<td>6.7%</td>
<td>5.9%</td>
<td>5.8%</td>
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</tr>
</tbody>
</table>

**FY 2021**
- Renewable fee revenues accounted for 19% of the Energy segment’s total fees and grew 24% YoY from 2021
- MST had an active bidding year in offshore wind but saw weakness in large conventional metocean programs.
- Several awards at year end provide reliable expectations of improved performance in 2022
- The Operations business benefited from its diversity of service offering and realised improved profitability despite the subdued demand for seismic exploration services

**Outlook**
- The segment has maintained its capability through 2020/2021 and remains well-placed to continue to exploit the opportunities from the Energy transition that is now well-established
- Renewable energy opportunities now form a consistent share of the Segment’s fees and there is an expectation of increased activity in traditional energy exploration projects through 2022

### Consulting UK & Ireland

<table>
<thead>
<tr>
<th>£m</th>
<th>FY2021</th>
<th>FY 2020</th>
<th>FY 2020 cc¹</th>
<th>cc growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fee revenue¹</td>
<td>115.1</td>
<td>108.0</td>
<td>107.0</td>
<td>8%</td>
</tr>
<tr>
<td>Segment profit¹</td>
<td>9.0</td>
<td>6.3</td>
<td>6.2</td>
<td>45%</td>
</tr>
<tr>
<td>Operating profit margin¹</td>
<td>7.8%</td>
<td>5.8%</td>
<td>5.8%</td>
<td></td>
</tr>
</tbody>
</table>

**FY 2021**
- Strong public sector demand has continued in 2021 across UK and Ireland
- Private sector projects returning significantly in H2
- Planning approvals back to 2019 levels, with significant growth in logistics, data centres, and health
- Pricing has kept pace with construction inflation to enable improvement of margins

**Outlook**
- Expect market demand to continue across all sectors, with strong growth in residential
- Biggest challenge in 2022 will be recruitment and retention and continuing to manage inflation impacts
- Talent attraction strategy building on a strong Employee Value Proposition is doubling application rates

### Services UK & Netherlands

<table>
<thead>
<tr>
<th>£m</th>
<th>FY2021</th>
<th>FY 2020</th>
<th>FY 2020 cc¹</th>
<th>cc growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fee revenue¹</td>
<td>87.3</td>
<td>85.7</td>
<td>84.5</td>
<td>3%</td>
</tr>
<tr>
<td>Segment profit¹</td>
<td>6.9</td>
<td>5.4</td>
<td>5.4</td>
<td>28%</td>
</tr>
<tr>
<td>Operating profit margin¹</td>
<td>7.9%</td>
<td>6.3%</td>
<td>6.4%</td>
<td></td>
</tr>
</tbody>
</table>

**FY 2021**
- Ramp up of AMP7 water cycle and increased activity in UK Health and Labs businesses delivered 6% Fee Revenue growth in Services UK
- Performance in the Netherlands more muted due to tighter COVID-19 restrictions
- Demand for higher margin consultancy and digital services led to increase in gross profit margins

**Outlook**
- Continued growth expected across UK markets and the Netherlands business expected to recover as lockdown restrictions ease
- Well-positioned to exploit growing interest in flooding, pollution and drainage
- Recruitment the biggest challenge with increasing demand for our services
### Norway

<table>
<thead>
<tr>
<th>£m</th>
<th>FY2021</th>
<th>FY 2020</th>
<th>FY 2020 cc¹</th>
<th>cc growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fee revenue</td>
<td>61.9</td>
<td>56.0</td>
<td>57.5</td>
<td>8%</td>
</tr>
<tr>
<td>Segment profit¹</td>
<td>5.1</td>
<td>4.5</td>
<td>4.7</td>
<td>9%</td>
</tr>
<tr>
<td>Operating profit margin¹</td>
<td>8.2%</td>
<td>8.0%</td>
<td>8.2%</td>
<td></td>
</tr>
</tbody>
</table>

**FY 2021**
- Retained the market position as #1 within Project and Program Management in Norway
- Solid performance in the public sector and continued to increase our share in the private sector
- While still a strong focus on cost control, some COVID-19 cost-saving measures relaxed in 2021

**Outlook**
- Norway still impacted by COVID-19 at the beginning of 2022 so managing inflation and employee retention is key
- Activity and investment levels stable in the public sector. Focus remains on growth in the private sector
- New opportunities within renewables and green technology
- Growth within digitalisation and large capital project investment

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### North America

<table>
<thead>
<tr>
<th>£m</th>
<th>FY2021</th>
<th>FY 2020</th>
<th>FY 2020 cc¹</th>
<th>cc growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fee revenue¹</td>
<td>35.6</td>
<td>39.0</td>
<td>36.6</td>
<td>(3%)</td>
</tr>
<tr>
<td>Segment profit¹</td>
<td>3.5</td>
<td>2.9</td>
<td>2.7</td>
<td>30%</td>
</tr>
<tr>
<td>Operating profit margin¹</td>
<td>9.8%</td>
<td>7.4%</td>
<td>7.4%</td>
<td></td>
</tr>
</tbody>
</table>

**FY 2021**
- Environmental Risk continued to benefit from a robust private equity market and growing demand for ESG and compliance services
- Infrastructure activity slowed by reduced public sector spending in H1; began to recover in Q4 with new client fiscal year
- Ocean Science fees impacted by subdued gas and oil activity, partially mitigated by renewables growth

**Outlook**
- The US economy has returned to pre-pandemic output with continued growth forecast in 2022; a favourable environment for private sector investment
- Public sector spending expected to grow as clients benefit from Infrastructure Investment and Jobs Act funding.
- Wage inflation and tight labour market will result in continued recruitment/retention challenges which must be carefully managed

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### Australia Asia Pacific

<table>
<thead>
<tr>
<th>£m</th>
<th>FY2021</th>
<th>FY 2020</th>
<th>FY 2020 cc¹</th>
<th>cc growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fee revenue¹</td>
<td>104.7</td>
<td>92.9</td>
<td>94.2</td>
<td>11%</td>
</tr>
<tr>
<td>Segment profit¹</td>
<td>10.8</td>
<td>8.2</td>
<td>8.2</td>
<td>32%</td>
</tr>
<tr>
<td>Operating profit margin¹</td>
<td>10.3%</td>
<td>8.8%</td>
<td>8.7%</td>
<td></td>
</tr>
</tbody>
</table>

**FY 2021**
- Continued strong government spending in defence and transport infrastructure underpinned growth across the segment
- Growing demand for end-to-end advisory and project management services in major government programs and projects
- Private sector confidence in renewable energy investments delivered growth in regulatory approvals fees
- Strong overall performance, well-positioned for further growth

**Outlook**
- Strong order book for 2022, consistent government project pipeline across key market sectors
- Challenges from a constrained and very competitive labour market
- Some market uncertainty from government elections in three jurisdictions

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1. Fee revenue and segment profit are alternative performance measures and are reconciled to statutory measures in note 4 to the consolidated financial statements. Operating profit margin is calculated as segment profit over fee revenue. Constant currency (cc) is defined in note 3 to the consolidated financial statements.
The Group Leadership Team (GLT) exists to deliver on our purpose to create shared value by solving problems that matter to a complex, urbanising and resource-scarce world. They do this by leading the delivery of RPS strategy. Working together to align strategies, set priorities and deliver commercially astute outcomes.

Each a technical leader in their field, the GLT lead their people from the front – creating a culture where our behaviours thrive, and an environment that drives innovation and excellence.

#wesolveproblemsthatmatter #weareconfidentlypragmatic #wemakeiteasytoconnect
#wearestrongertogether #absolutedelivery

**John Douglas**  
Chief Executive  
- Listed company experience  
- 15 years with Australian industrial, Boral Ltd and consulting roles with Boston Consulting Group and engineering companies  
- Civil Engineering degree and management qualifications

**John Tompson**  
CEO – Energy  
- Leads diverse global team of energy professionals  
- At the forefront of our efforts to drive future-proof, smart, safe, and sustainable energy solutions for our clients – onshore and offshore

**Paul Aitken**  
CEO – Services UK & Netherlands  
- A chartered engineer with 30 years’ experience in the utilities and environment sector in the UK and overseas  
- Influential leader with a strong track record in business development, strategy, growth and delivery

**Judith Cottrell**  
Group Finance Director  
- A former KPMG accountant, held senior finance and operational roles before being appointed to the Board in 2020  
- Commercial leadership at RPS as CEO – Consulting UK & Ireland and former Group Strategy Director  
- Experience of all aspects of acquisitions and divestments, and corporate finance activities

**John Chubb**  
CEO – Consulting UK & Ireland  
- Chartered Engineer with broad range of engineering leadership positions with Grontmij UK and Sweco Denmark  
- Former Royal Naval Commander with further senior leadership experience in nuclear, ICT, waste and energy

**Halvard Kilde**  
CEO – Norway  
- Leads the only full-service project management and solution provider in Norway  
- Focused on RPS’ maintaining unrivalled reputation for exemplary complementary project management in Norway and overseas
Doug Matthys  
CEO – North America  
- Educated as an Environmental Scientist  
- Consulting, management, and executive leadership roles with professional service firms

Diane Christensen  
Group People Director  
- Passion for leadership culture and career development  
- Leads global HR community focused on culture with purpose to attract and retain the best talent  
- Ensures RPS continues to be a great place to do great work. For everyone

Alastair Rutter  
Chief Information Officer  
- Drives the development and alignment of technology, data and digital solutions for our people and our clients  
- Strong track record of creating transformational solutions that add value and enhance competitive advantage

Meegan Sullivan  
CEO – Australia Asia Pacific  
- Significant consulting experience across transport, water, government and infrastructure projects in government agencies, privately owned and publicly listed companies  
- A corporate strategist with a strong track record in corporate acquisitions and integration

Chantalle Meijer  
Group Marketing Director  
- Using data and insights to connect marketing and technical professionals  
- Leading digital, campaign and marketing technology initiatives to deliver high-value client experiences  
- Generating demand and influencing profitable, organic revenue growth
In 2018, we laid the foundations for a people strategy to make RPS a great place to do great work – and to attract and retain the best people. It was underpinned by six defining principles embracing inspiration, support, culture, leadership, opportunity, and flexibility. Today, we have an established people-focused culture with a clear purpose, embodied in inclusive and resilient behaviours; it has enabled us to build leadership from within and successfully manage our way through COVID-19. Our focus in 2020 on retaining capacity and capability, and preserving value, meant we were well-positioned as markets recovered through 2021, particularly in the UK.

**Positioning ourselves for success in a post-pandemic world**
While the safety and wellbeing of our people remained a priority, we also placed emphasis on positioning the company and our people for success in a post-pandemic world. During the second half of the year, our focus turned to creating a hybrid working environment, giving people the flexibility and opportunity to divide their time between the office and home, backed up by modern online employee resources and technology support.

**The competition for talent**
Having high-calibre talent with deep expertise that our clients expect has remained, and continues to be, a dominant theme. Ultimately, this means winning the competition for talent. This phenomenon of an increasingly competitive landscape for recruiting and retaining talented employees is not just confined to our sector but it is, nevertheless, a challenge we are addressing.

**Internal talent, leadership bench strength and succession**
We have had a strong emphasis on our internal talent and succession. We continue to promote internally as we seek to strengthen not only our leadership capabilities but also technical and specialist capabilities across the organisation. We have implemented a new succession and talent framework for our leadership teams. This is enabled by Progress on Demand (POD), our global people technology platform that tracks the end-to-end employee journey from recruitment and onboarding, through to performance and career development.

**Key appointments**
Key appointments during the year included two members of the Group Leadership Team. In October, Meegan Sullivan was appointed as the new CEO of our Australia Asia Pacific segment, having played an integral, strategic role in the development of our businesses in the region, both commercially and operationally over the past 10 years. And Diane Christensen was appointed as the new Group People Director. Diane has been with RPS since early 2019 bringing broad sector experience and has played a key role in Australia Asia Pacific’s recent successes. Diane will be UK-based from 4 January 2022. Meanwhile, Matt Farnsworth, a seasoned sustainability advocate with over 20 years’ industry experience (seven with RPS), was promoted to the new role of Global Director of ESG and Sustainability. He is leading RPS’ global sustainability strategy, progressing our environmental, social and governance performance.
Key appointments

Meegan Sullivan    Diane Christensen    Matt Farnsworth

Tech-enabled recruitment and development potential attracting candidates

- We have run successful graduate recruitment campaigns incorporating virtual assessments and interviews
- One of only three companies selected by LinkedIn as finalists in the 5,000-10,000 employees’ category for Best Talent Acquisition Team (UK)
- Introduced market leading Applicant Tracking System technology across the global business
- Specialist learning and development competence strengthened through new hires to the People function.
  
  We are now also an ILM Accredited Centre in the UK, offering our employees professional qualifications in leadership and management and executive coaching and mentoring up to Level 7 (master’s degree level).

Expert hires building strong niches in Natural Resources

Ruth De Silva who has extensive offshore renewables consenting experience has joined the team in Scotland.

Dong-Joo Kim joined to help us deliver large-scale floating and fixed offshore wind farm projects across Korea and Asia.

Smooth transition to hybrid working

Our people have the access to the tools and information they need to do their job anywhere, anytime – it also allows them to easily connect, meet, chat, share and work on projects together, and with clients, giving us much-needed business continuity during the most stringent restrictions and supporting a smooth transition to hybrid working in 2021 as our people divide their time between working in the office, on site and at home.
PEOPLE REPORT CONTINUED

Greater engagement
A purposeful dialogue with our people
We are creating an increasingly engaged organisation — one where we actively seek views and feedback from our people, particularly through our global engagement survey — Your Voice. Some 85% of our people have shared their views and ideas with us — we have detailed information on what they are thinking and feeling, enabling us to continually enhance our people’s and clients’ experiences.

<table>
<thead>
<tr>
<th>Employee Participation</th>
<th>Employee Engagement</th>
<th>I work in a safe environment</th>
</tr>
</thead>
<tbody>
<tr>
<td>85% (2021)</td>
<td>70% (2021)</td>
<td>88% (2021)</td>
</tr>
<tr>
<td>(2018: 80%)</td>
<td>(2018: 67%)</td>
<td>(2018: 83%)</td>
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</table>

Confidence in the future of RPS
78% (2021) (2018: 74%)

RPS is genuinely committed to satisfying its clients
89% (2021) (2018: 86%)

Employees in the driving seat of their careers
Our people now have joint ownership of their careers and development. PROGRESS@RPS — our global performance and development framework — puts employees in the driving seat of their growth and progression at RPS, based on the principle of more frequent and meaningful conversations. Since its launch in 2019, we have seen a dramatic increase from 50% to 96% in the number of employees having a meaningful cycle of ongoing conversations that drive their performance and development throughout the year.

Image above: Consulting UK & Ireland graduates Ella, Thomas, Gemma, Daniel and Andie at their induction day.
Intolerant of intolerance
RPS is a business that creates shared value by solving problems that matter. Our Behaviours support our purpose. At RPS, we are resolutely intolerant of intolerance. In May 2021, we published our updated Diversity and Inclusion policy. It ensures RPS continues to forge an environment where all employees can thrive and build meaningful careers.

In North America, we focused on delivering our commitment to align with a White House initiative to advance educational equity and economic opportunity through historical black colleges and universities (HBCUs) by increasing the number of HBCUs we recruit from. The business also partnered with the National Action Council for Minorities in Engineering (NACME) to support the organisation in providing STEM career and scholarship opportunities through three corporate scholarships and three intern opportunities in 2021.

In Australia, we announced our Reconciliation Action Plan (RAP) for 2021–22, a plan that is organised around four pillars: relationships, respect, opportunities, and governance. The RAP provides a framework for growing our existing relationships with several First Nations organisations, including Yalari, a not-for-profit foundation which provides scholarships for Aboriginal and Torres Strait Islander children from regional, rural, and remote communities, and Career Trackers, a national not-for-profit organisation which is working with RPS to create pathways to employment for First Nations university students.

Further diversity information is available on p79

Above: Artwork for the Reconciliation Action plan is called Ngapa Jukurrpa (Water Dreaming), and was created by Leavannia Nampijinpa Watson from Warlukurlangu Artists, an Aboriginal-owned art centre in Central Australia.
PEOPLE REPORT
CONTINUED

Reward
In 2021, decisions continued to be guided by established reward principles.

Trusted
We returned to our normal reward cycle, implementing the annual pay review and honouring employee bonus schemes where the threshold had been met.

Aligned
Regional bonus plans were reviewed, and a new plan was introduced in Australia Asia Pacific. In the UK, greater parity in the benefits offering was implemented to bring parts of the business in line with others.

Targeted
Reward interventions were made to retain key individuals through greater pay and share awards.

Competitive
Salary reviews were conducted to bring salaries in line with appropriate industry and local benchmarks.

Responsible
Funds from CEO and Group Finance Director 2020 bonuses were used to reward targeted individuals and fund diversity and inclusion initiatives in Australia and North America.

Creating shared value in 2021, 2022 and beyond
2021 showed us what our people are capable of. They worked on diverse projects. Work that has purpose. And they got to do that alongside some of the best people in the industry. Their consistency and excellence drove the business forward.

In our 2021 engagement survey, our people told us they feel positive about health, safety, and wellbeing; that clear progress has been made in company direction and operational efficiency; and that they feel enabled to perform and there is a strong culture of support. They also told us they wanted more focus on development, attraction, and retention as well as opportunities for greater creativity and innovation.

2022 will be the year when managers and their teams get really confident with performance conversations, building career development plans and creating opportunities to move and grow across the organisation as we build and connect our global niches. The bedrock of engaging and retaining our talented, ambitious people.

Image left: Emma, Zooarchaeologist and Kate, Heritage Consultant, on a Newcastle city site, Australia
Inspection of Amsterdam quay walls

**Restoring Amsterdam’s canal network**

For more than four centuries, the canals in Amsterdam have been the city’s lifeblood and today tourists from across the globe flock to the city to experience its picturesque atmosphere. Yet, time is taking its toll, and many are falling into disrepair. The Municipality of Amsterdam has found that quay walls, around 10km of the 600km network, have reached the end of their life. In addition, it suspects that the technical condition of the quay wall has deteriorated for a further 24km.

In light of the deterioration, the Municipality needs to monitor deformations so it can react quickly to prevent lasting and untold damage. However, before it starts with quay wall replacement projects, it must map out the damage sensitivity of the adjacent buildings within a radius of 20 metres from the planned construction work. This where we come in.

In 2019, we were commissioned to monitor the settlement behaviour of Amsterdam’s canal quay walls and adjacent buildings – deformation measurements are used to detect any deformations at an early stage. Soil samples are examined for composition and tested for compaction and strength at our geotechnical laboratory. We use this to check the strength properties and stiffness of the base layer. We do this by continuously applying tension to the soil layers until the sample eventually collapses.

We also monitor the rate of subsidence with height measurements on the adjacent buildings. Observing “great” settlement velocities (more than three millimetres per year), cracks and skews gives rise to further research as this can indicate a poor foundation of the adjacent buildings.

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**Image above: Danny, from the Survey & Geomatics team placing deformation sensors and monitoring the data, Amsterdam**
Investment in digital marketing supporting growth
Three years ago, we launched our new global brand designed with our clients at the heart of everything we do. Our goal was to deliver digitally led, personalised, client experiences that are easy and valued at every interaction.

2021 saw our digital strategy create new opportunities to engage with our clients and support organic growth across the business.

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>23%</td>
<td>Website page views</td>
</tr>
<tr>
<td>70%</td>
<td>Website get in touch</td>
</tr>
<tr>
<td>182%</td>
<td>Google search impressions</td>
</tr>
<tr>
<td>207%</td>
<td>Webinar registrations</td>
</tr>
<tr>
<td>17%</td>
<td>Social media followers</td>
</tr>
<tr>
<td>200%</td>
<td>Marketing contacts</td>
</tr>
</tbody>
</table>

Creating new opportunities to engage with clients
Using data and insights to connect marketing and technical specialists, we are now able to develop a deep understanding of what our clients value early in the buyer journey and when to have informed, relevant conversations to positively influence business growth.

Targeted, optimised, personalised campaigns
Over the past year we’ve activated over 40 client-led campaigns targeted to three thematics—urbanisation, natural resources, and sustainability where there is known demand for our services and expertise. One of many successful campaigns is “Raising the bar on geothermal energy”.

Raising the bar on geothermal energy
As existing and potential energy clients invest in plans to transition into renewables such as geothermal energy, our technical specialists have developed search engine optimised content, sharing market insights and new ideas to solve problems that matter. This approach has made it easy for potential clients to connect to our deep geothermal expertise, generating new leads and resulting in a #1 organic search ranking for “geothermal”.

Influencing client conversations
70% of the decision to purchase a product or a service is made online across multiple platforms before a face-to-face conversation even happens. To convert digital marketing qualified leads, we’ve invested in business development training for our technical professionals.
Since launching our Influencing Conversations to Win program in 2020, we’ve delivered training to over 300 global participants with a further 150 participants expected to complete the program in the coming year. The program consists of four learning modules delivered virtually across our global business.

Module one
Thinking differently about how clients buy and how to engage with them at each stage of the buyer journey

Module two
Introducing new questioning and listening skills

Module three
Opening and influencing a commitment

Module four
Talking persuasively about RPS

By combining our existing client relationship skills with new listening techniques and questioning frameworks, our people can talk persuasively about our combined service offerings in ways that are relevant and meaningful to our clients.

Looking ahead
Our continued investment in digital marketing activities, combined with the development of client-led solutions by our technical professionals will build and reinforce trusted relationships that influence organic revenue growth opportunities and strengthen our order book.

The course has taught me to think about conversations differently. There has always been a subconscious understanding of how to structure a conversation, but I now understand the theory behind this. From understanding the buyer journey, buyer needs and problems, and tailoring conversations accordingly. And considering what it is that RPS do differently to other consultancies.”

Influencing Conversations to Win participant feedback - 2021 cohort
In collaboration with the National Oceanic and Atmospheric Administration (NOAA) Integrated Ocean Observing System (IOOS), RPS’ Ocean Science team in North America are developing a cloud-based approach to data management and cyber-infrastructure (DMAC). The power of IOOS is in the free and open access to the data and products that are generated through observation and modeling of our oceans, coasts, and Great Lakes. The role of DMAC is to make it easy to use these datasets. Over the last 20 years data managers have focused on achieving interoperability by establishing and following standards related to file formats, metadata, and data services. The goal of the project is to lower barriers to entry and improve data use and equity by evolving the current state of IOOS DMAC towards more efficient cloud processing, storage, and data collection options.

In collaboration IOOS, we are aiming to integrate, distribute, and communicate high quality ocean, coastal and Great Lakes information. The data helps scientists, data analysts, environmental managers, the maritime industry, offshore renewables developers, and the public better understand oceanic conditions, climate change, monitor water quality and levels, and improve ocean planning. With deep expertise with ocean data RPS has long been developing software and systems to meet the demands of the rapidly growing need for ocean observing and modelling.

Mitigating risks to marine mammals and other protected species is crucial for compliance in successful offshore wind, energy and seismic projects. And RPS has led the way in the development of remote Passive Acoustic Monitoring (PAM) — the surveying and monitoring of marine wildlife and environments using sound recorders to extract ecological data. In leading the way, we continue to drive discussions with relevant regulatory agencies to make remote acoustic monitoring an option for its clients.

We deploy the world’s largest team of professional protected species and marine mammal observers in the world, providing the latest technologically advanced, field-tested PAM systems and expert in-house PAM operators — and which now include remote options. Our highly trained personnel and commercially robust in-field equipment, including satellite infrastructure, is used in a variety of applications including renewables, energy and academia.

PAM enhances mitigation efforts by combining what we can see from above the sea surface with what we can hear acoustically under the water. This combined mitigation effort minimises the impact on in-field operations (down-time) while maintaining the highest ethics and conservation standards. Acoustic systems can be also deployed where visual coverage is compromised or where 24-hour monitoring is required.

Our remote monitoring innovation has proved cost-effective for our clients because it reduces the number of people deployed on vessels, serving to reduce risks associated with deployment. Our solutions also help clients cut a project’s carbon footprint and minimise other compliance risks, while being aware of potential migratory and or calving areas throughout the year enables projects to be suitably scheduled.
Working closely with clients, we have developed virtual public consultation rooms to encourage online consultation and engagement. Our platform is unique, built on more than 50 years of helping clients through the requirements and intricacies of the planning process. And by providing a more resilient approach to community and stakeholder engagement, virtual consultations have removed barriers and kept projects moving through the pandemic.

Our virtual consultations have overseen more than £80bn worth of projects. They have allowed people to access proposals, interact with visualisations, share their comments and dive into detail — all in their own time and in the comfort of their own home. Feedback is captured instantly with collated responses available at the push of a button, allowing clients to evaluate messaging and materials, and make quick changes if it is not resonating with audiences.

This technology was used by the Texas Department of Transportation in its public consultation over its plans to develop new sustainable mobility solutions in west and downtown Houston. And in Australia’s Melbourne Airport Rail’s project connecting Melbourne Airport to Victoria’s regional and metropolitan train network.

The Dutch city Gouda has no less than 365 monuments, all of which are sensitive to vibrations and need to be monitored for movement. Manually, the process is labour-intensive and subjective. RPS is testing a faster and more accurate technique that combines a drone with artificial intelligence (AI).

Together with TNO, the Netherlands scientific research agency, and Sobolt, the Dutch-based AI company, we recently tested this new technique at the Sint-Janskerk in the municipality of Gouda. TNO and Sobolt developed a technique that has been learned to identify, measure and monitor cracks in the masonry of buildings on the basis of photos. RPS’ drone then takes close up pictures at two-second intervals that can be pasted together by the crack detection model. Mapped to satellite images of the ground under the buildings gives an accurate image of the entire facade and at that moment the crack is detected. This process will then be repeated to see how and whether the cracks are moving, and if so, by how much.
STRONG MARKETS

Circa 5,000 consultants, designers, planners, engineers, and technical specialists provide services across the globe. Focusing on natural resources, urbanisation, and sustainability, RPS concentrates its expertise on the parts of project life cycles that have the biggest impact on project outcomes. Solving problems that matter to a complex, urbanising, resource-scarce world.

Employee centres:
- Australia
- Canada
- Indonesia
- Ireland
- Malaysia
- Norway (As Metier)
- The Netherlands
- UK
- USA

Growing communities create demand for sustainable infrastructure, creating the need to strike the balance between social, environmental and commercial needs.

Driving demand for RPS services:
Globally, public sector spend is at historically high levels.
- UK – Increasing private sector confidence.
- North America – Infrastructure Bill passed.
- Australia – Brisbane 2032 Summer Olympics.
A global and complex shift in resource supply and consumption is underway, calling for the sustainable use and protection of natural resources.

**Driving demand for RPS services:**
- Growth in offshore wind and other renewables
- Increased interest in Carbon Capture and Storage
- AMP (UK water) cycle moving into peak spending years
- Flooding, pollution and drainage services

Organisations are seeking support to meet sustainability ambitions from setting strategic direction for ESG planning to reducing greenhouse gas emissions.

**Driving demand for RPS services:**
- Incorporation of sustainability into design and approval processes
- Net Zero Carbon ambitions
- Due diligence, transaction support and business improvement requirements

**POSITIONED TO RESPOND TO DEMAND AND MAKE COMPLEX EASY:**

Connecting Blue Mountains’ communities

Berwick Bank – one of the world’s largest offshore wind opportunities

Restoring Ireland’s raised peatlands

Read the story at page 36.

Read the story at page 37.

Read the story at page 38.
Given the breadth and depth of RPS’s capabilities, below is a sample of the sector-specific services we provide.

Connecting Blue Mountains’ communities

We are providing program development and management support for a multibillion and nationally significant initiative to better connect communities across Australia’s Blue Mountains — together with preserving the natural environment of the World Heritage-listed region, which is just a two-hour drive from Sydney. A total combined government funding envelope of over AUS$ $4.5bn has been committed to date.

The plan, which was first devised in 2013, will upgrade a 34km stretch of the Great Western Highway between the Blue Mountains’ main town, Katoomba, and Lithgow, an industrial town located in a valley around 30km to the west. This busy route — it is used by an estimated 12,000 vehicles daily (on average) — is the last remaining major highway out of Sydney that is not a modern dual carriageway. The route also experiences heavy traffic congestion, particularly during weekends and public holidays.

Once completed, the upgrade will reduce heavy congestion and deliver safer, more efficient and reliable journeys for those travelling around and through the Blue Mountains every day. It will also help freight move more quickly between cities, and potentially generate jobs across the country.

RPS has been brought on board to facilitate the planning, development and delivery of the program’s strategic and final business cases, and associated investment assurance and funding approval processes for priority road corridor sections. We are also supporting stakeholder engagement activities across both state and federal government agencies, including Review of Environmental Factors and planning pathway processes for the first sections planned for construction.

Preserving this area of outstanding natural beauty is a key consideration. The upgrade will include new intersections and also make use of the existing highway alignment while maintaining or enhancing access to local roads and properties for locals. Roadside infrastructure, such as rest areas, will also be set back into the landscape to reduce their visual impact, while the preservation of Aboriginal cultural heritage is also crucial with specialist archaeological and Aboriginal interpretive consultants being employed on site.

Image: Australia’s Blue Mountains.
Given the breadth and depth of RPS’s capabilities, below is a sample of the sector-specific services we provide.

Working on one of the world’s largest offshore wind projects
Located in the North Sea, in the outer Firth of Forth, Berwick Bank Wind Farm ("the Project") has the potential to be one of the largest offshore wind opportunities in the world. With a proposed installed capacity of up to 4.1 GW, once completed the wind farm will be capable of generating enough clean, renewable energy to power over five million homes, equivalent to all of Scotland’s households twice over, and avoiding eight million tonnes of carbon dioxide every year – similar to removing all of Scotland’s annual car emissions.

Originally the Project by SSE Renewables (SSER), a leading developer and operator of renewable energy across the UK and Ireland, comprised two separate proposals, Berwick Bank Wind Farm and Marr Bank Wind Farm. However, following constraints analysis and review of consenting strategy in 2021, the two projects were combined into one. Combining the majority of the two project’s array areas into one “super project” has the potential to mitigate possible impacts on key receptors, as the entire Award for Lease (AfL) area awarded to SSER for potential development will not now be developed in full. Key changes to the Project to help mitigate potential impacts including to birds include the following:

- the total area to be developed has been reduced by approximately nine per cent;
- the air gap between turbine blade tip and sea surface has been increased to 37 metres.

By combining the two project proposals into a single project, SSER believes it can deliver Berwick Bank Wind Farm more quickly helping the Scottish Government meet key climate change targets within the ambitious timescales set.

RPS are appointed as lead offshore Environmental Impact Assessment (EIA) and shadow Habitat Regulation Appraisal (HRA) consultant to support SSER achieve consent for this significant wind farm project. Berwick Bank Wind Farm’s consent applications are expected to go to the Scottish Government in Q2 2022.
Given the breadth and depth of RPS’s capabilities, below is a sample of the sector-specific services we provide.

Restoring Ireland’s raised peatlands
Restoring damaged peatlands to stop the loss of carbon and return the range of services that a fully functioning peatland delivers is high on the global climate change agenda. Draining, peat extraction and clearing land for agriculture has been the main threat to peatlands (often referred to as “bogs”) – around 75 per cent of the European Union’s (EU), and related, emissions from cropping and grazing result from peatland drainage.

Over the past four years, RPS has worked on The Living Bog, the largest ever raised bog restoration initiative in Ireland, on 12 of Ireland’s raised bog areas – the equivalent of over 20,800 Olympic-sized swimming pools. The project, funded by the EU, is just one of Ireland’s many initiatives to reverse losses and tackle high rates of greenhouse gas emissions from damaged peatlands. It involved implementing hydrological restoration measures designed to return the flow of water to a more natural state.

Our team was involved from concept through to implementation, providing technical input to the bid to the EU Commission, designing the initial restoration plans and providing hydrological support to the project team.

We supported the design of a suitable hydrological monitoring network, both to inform refinement of restoration measures and to measure levels of success. We also developed innovative and cost-effective solutions to enable hydrological monitoring to be carried out to meet project requirements while minimising capital expenditure. Our advanced data analytics, for instance, significantly reduced time required to complete analysis for project reporting.

Unlike several previous bog projects in Ireland, this involved the implementation of restoration measures across the entire site on both public and private lands. As such, we provided support engaging with landowners who had concerns regarding the proposed restoration measures, particularly to those that previously used peatlands as a source of domestic fuel.

Image: Restored cutover of Irish peatland at Clara Bog, Co Offaly by Hugh Cushnan
Seismic surveys in the North Sea

Based in the Norwegian North Sea and opened in 1996, Sleipner was the world’s first offshore Carbon Capture and Storage (CCS) plant to help reduce emissions from large industrial installations and tackle climate change. Since, about 18 million tons of CO2 has been injected into the Utsira Formation sandstone — and through time-lapse seismic studies the migration of the CO2 is being studied.

RPS carried out this 4D seismic survey on behalf of our energy client to measure and monitor the distribution of CO2 to confirm that the gas has stayed within the formation — and not penetrated the overburden. Our solution involves making optimal line planning decisions to ensure that the survey data is acquired efficiently, minimising the number of lines required for completion — the latest survey was completed in just five days, ahead of schedule and under budget.

Hausmann’s Hus - infection controlled offices

Hausmann’s Hus in inner city Oslo is a restoration project that embraces smart technology with infection control at its heart. Metier OEC (RPS Norway) has been involved in the process of implementing an action plan for infection control. The initiative has been part of the project plan since before the pandemic took hold and aims to limit infections caused by pathogens spread by contact and air, by using preventative measures which combats viral infections such as colds and flu. This includes a non-contact entrance, reducing the risk of pathogens being brought into the building, contactless doors, and areas that provide space for distance and good flow within the building. Improved ventilation measures, UV lighting, carbon filters and heat recovery are also planned to be implemented.

Helping private equity investors track ESG

Private equity investors face increasing pressure and expectations surrounding environmental, social and governance (ESG) due diligence and performance monitoring. We have developed an online platform that enables PE investors to manage and track key performance indicators at portfolio, company and site-specific granularity in one centralised online platform.

The online dashboard allows for customisable KPIs, data entry and data aggregating, to track and visualize performance over time. It outlines the KPI data sources, allows for document management and record-keeping, data manipulation and visualization. Users can also set goals and import industry benchmarks as well as set and assign tasks to address gaps and work towards those targets.

Our client MPE Partners, a North American based investor, has worked with RPS to create a tailored ESG KPI dashboard to visually detect areas of non-compliance and perform a gap analysis on each new portfolio company. This enables continuity across the entire investment portfolio and creates an easy way to highlight ESG value creation.
Our strategy starts with our Purpose. RPS exists to create shared value by solving problems that matter to a complex, urbanising and resource-scarce world.

Shared value means that:
- We work hard to make RPS a great place for our people to do great work. We have invested heavily in ensuring that our people get the feedback, training, and reward that they need to build meaningful careers.
- RPS creates value for clients by working on those portions of the client’s project life cycle where we can have the most impact.
- RPS creates value for investors by growing the business, paying dividends, and managing risk carefully.
- RPS creates value by solving problems that matter in urbanisation, natural resources, and sustainability and providing value for society by providing jobs and creating wealth. We are also particularly proud of the contribution we are making to the urgent challenge of global decarbonisation, while still providing energy security.

We are mindful of our position in our global market. RPS is a mid-sized global business, employing circa 5,000 people working around the world. Our Energy business is global, and we also have significant centres in the UK, Ireland, The Netherlands, Norway, North America, Australia & Asia Pacific. Our broad competitor set includes very large firms like WSP, Jacobs and Stantec as well as much smaller family-owned firms.

There is value in the mid-sized global positioning. People work for us, clients come to us and vendors sell us their business because we are big enough and global enough to be interesting and small enough to care.

Our market positioning drives our strategic focus. If we competed with WSP on scale, we would lose. Instead, we focus on solving problems that matter; working on only those parts of the client’s project life cycle where we can create the most value. This focus ensures that we have strong defensible niches.
But we are much more than a niche player. Having created strong defensible niches, we work very hard to build links between businesses; exploiting synergy where it exists and not where it doesn’t.

- Our businesses are very front-ended in project life cycles. In the UK, Australia, and Norway, we link business advisory, planning, environmental consenting and program and project management businesses.
- In recent years, we have been very focused on growing our position in Renewables, particularly, but not exclusively, offshore wind. We have had considerable success linking our skills developed for the gas and oil industry (collecting and interpreting data on wind, wave and currents, marine ecology, permitting, geotechnical seismic, unexploded ordinance and protected species observation) with project management and onshore planning.
- We are sharing expertise and technology between our many Program and Project Management businesses. As the world unlocks post-COVID-19, we will start to move people between businesses. Project management is a very local activity but skills are transferable across geographies.
- RPS has a long history in sustainability. We work hard to share best practice between businesses, particularly those in North America and the UK. Our clients value our ability to offer environment due diligence services in multiple jurisdictions. We are also working hard to ensure that we raise our own internal sustainability; an issue covered in detail in the Sustainability Report.
- We work extensively in Transport Infrastructure. These services are bought locally but there are opportunities to share people virtually and physically. We have been pleased with the way our strong Irish businesses are supporting work in Scotland, England and in Texas, North America.

Everything we do at RPS is based around our core thematics of Urbanisation, Natural Resources and Sustainability. We make complex easy for our clients. We work hard to produce actionable outcomes, to communicate clearly, and to make it easy for clients to deal with RPS. Pleasingly, we are seeing strong demand for our services across these key thematics.

For a mid-sized company, we provide quite a wide range of value creating services. Investors can worry that we are too diversified. They shouldn’t. Everything we do is underpinned by a simple robust business model discussed on page 42. Our business model targets 10% margins and 5% organic growth across the parts of project life cycles that have the biggest impact on project outcomes. We made pleasing progress towards our goal of 10% margins in 2021. Our (constant currency) revenues and employee numbers did grow at 5%.

Organic growth is essential for a business like ours. It is a key to both creating shareholder value and interesting careers. Acquisitive growth can be very accretive in our industry but it must be a supplement to organic growth. Where we do acquire, we look to add further density not further diversification. We look for businesses that can buy into our Purpose, Promise and Behaviours and that bring skills and technology that complement our existing businesses.

Our increased management capability and strong balance sheet mean that we are looking carefully at acquisition. We are mindful of the need to show a return on the investment made at a time of very high multiples.
BUSINESS MODEL
SIMPLE AND ROBUST

Founded in 1970 and built on a legacy of environmental and social engagement, RPS is a diversified global professional services firm of circa 5,000 consultants, designers, planners, engineers, and technical specialists.

As an established technology-enabled consultancy, we provide specialist services to government and private sector clients.

Our focus is on creating shared value for all stakeholders where there is a demand for specialist services in natural resources, urbanisation, and sustainability and solving problems that matter in a complex, urbanising, resource-scarce world.

We deliver high-end services primarily focused on the front end of the asset life cycle, delivering higher returns and avoiding risks associated with the construction phases of the asset.

Our diverse range of activities are underpinned by a simple and robust financial model, which is aligned with industry norms that targets delivery of 5% organic fee growth through the cycle and 10% operating margins to create a happiness index of 15%.

We generate revenue by selling our specialist expertise that is valued by our clients. Fee revenue is our key measure. This is the revenue we earn on our assets, be it our employees or associates, our equipment or our software. At times we make marginal profit on passthrough costs on behalf of our clients, but this is a small part of our business model. When selling our expertise, we target 50% gross margins. Overheads are managed tightly, ensuring that our resources are effectively utilised and our fixed overheads are well-controlled. We target variable overheads of 20% of fee revenue and fixed overheads of 20% of fee revenue, aiming to generate 10% net margins. On occasion, we will trade margin for organic fee growth by increasing investment in the variable overheads of business development, product development, hiring and training.

A simple robust financial model targeting 5% organic growth and 10% margin

<table>
<thead>
<tr>
<th>Description</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue – total value of sales to clients</td>
<td>120%</td>
</tr>
<tr>
<td>Passthrough costs – costs of recharged subcontractors and expenses</td>
<td>(20)%</td>
</tr>
<tr>
<td>Fee Revenue – income earned on RPS assets including employees, associates, equipment and software</td>
<td>100%</td>
</tr>
<tr>
<td>Cost of sales – direct costs of delivering fee revenue – largely chargeable technical time</td>
<td>(50)%</td>
</tr>
<tr>
<td>Gross profit – project profitability</td>
<td>50%</td>
</tr>
<tr>
<td>Variable overheads – technical time utilised for business development, product development, hiring and training – a driver of organic growth</td>
<td>(20)%</td>
</tr>
<tr>
<td>Fixed overheads – property, insurance, systems and functional support</td>
<td>(20)%</td>
</tr>
<tr>
<td>Adjusted operating profit – profit before interest, tax, amortisation and exceptional items</td>
<td>10%</td>
</tr>
</tbody>
</table>
The importance of converting profits into cash is understood and embedded within the culture of the organisation at all levels, driving best-in-class lock-up performance. Our strong financial discipline supports our market position and enables us to deliver on our purpose. The Group’s growing profitability, excellent cash performance, strong balance sheet and disciplined capital allocation policy continues to enable the group to invest in growth, either organically or through selected bolt-on acquisitions, and in our people, hiring and training the next generation of technical experts. Additionally, this strong discipline saw us retain capability and capacity during COVID-19.

Our success is built upon our people, our brand and our relationships with clients. RPS’ resource pool of circa 5,000 employees and associates solve problems that matter to clients, building on their expertise and trusted private and public sector partnerships. We deliver technology-enabled, personalised client interactions. Our brand is respected in the marketplace and built on purpose.

The Group’s clear direction, strong ESG credentials, strong financial discipline and strong market position in niche consultancy areas differentiates it from its competitors. We have a strong mix of public and private sector clients, and operate in favourable economies with strong demand for our services. The Group is able to offer linked, high-value niche services while taking advantage of the opportunities that are available to a mid-size consultancy, without the added risks of construction. This makes us big enough and global enough to be relevant but small enough to care. We add value through our technology-enabled consulting that is driven by our insight and supported by our leading minds.

The Group’s business model benefits all our stakeholders. First and foremost, we are a people-led business. We drive value for our clients through first-class, expert delivery backed by insight. Our clients and RPS benefit from the trusted partnerships that we have developed over many years. Our people benefit from working on a range of diverse projects and learn from leading minds within the industry. And they are supported by a culture built on our behaviours. The Group generates sustainable growth for investors by focusing on its key thematics and investing in organic growth and selective acquisitions that add depth, not breadth, to the Group. The work that the Group delivers benefits society in general and communities specifically; we are focused on our thematics of urbanisation, natural resources and sustainability supporting our clients in minimising their impact on the environment, meeting their obligations in a world with increasing regulatory requirements and engaging with communities impacted by their work.
STAKEHOLDER ENGAGEMENT
SECTION 172

The Directors of the Company are bound by their duties under the Companies Act 2006 and, in particular, must act in a way they consider, in good faith, will most likely promote the success of the Company for the benefit of its members as a whole, taking into account the factors listed in section 172(a) to (f) of the Companies Act 2006.

The report that follows places stakeholder engagement in corporate context, identifies the Group’s key stakeholders and the manner in which the Group engages with each as well as setting out the decisions and activities of the Board that were relevant to the factors itemised in the legislation referred to above.

Corporate content

A key component of the Group’s Purpose (see p. 3) is the creation of shared value for our stakeholders being our clients, employees, investors and communities. Stakeholder interest therefore sits at the heart of what the Group is about and provides the framework within which stakeholder engagement sits. The Group’s strategic areas of focus (see pages 40 and 41), which are aimed at the maximisation of returns for shareholders, providing the best opportunities for our people and benefitting society in general, are also strongly linked to stakeholder interest. Whilst much of the day-to-day management of stakeholder relationships is devolved to management, the Board retains oversight in this area and takes account of stakeholder interests in its activities and decision-making. The Board’s structure and governance framework (see pages 95 to 102) incorporating the determination of those matters that are retained for Board decision is therefore important in ensuring that wider stakeholder interests receive the Board’s attention.

The Group promotes and the Board approves a range of policies which consider the interests of the Group’s stakeholders generally and are pertinent in seeking to achieve an appropriate balance between their interests. These policies are referred to on pages 78 and 79 and include the following:

- Anti-bribery and corruption
- Whistle Blowing
- Diversity and Inclusion
- Health, Safety and Wellbeing
- Environmental
- Quality

As explained on p. 27 the Group has an established set of behaviours that it expects from its employees and in respect of which training is provided.
### Our people (see pages 24 to 28)

**Why it is important to engage**

As a professional services and people-oriented business, employee engagement is critical to our success. Active engagement enables us to ensure the health and wellbeing of employees, develop talent and opportunity as well as ensure that reward is fair and transparent. We believe that good people practices, and a robust meritocracy are enablers of diversity and inclusion.

<table>
<thead>
<tr>
<th>Stakeholder key interests</th>
<th>Ways we engage</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Health and safety</td>
<td>• Employee Your Voice survey and actions arising</td>
</tr>
<tr>
<td>• Reward</td>
<td>• Town Hall and team meetings</td>
</tr>
<tr>
<td>• Career opportunities</td>
<td>• Annual performance appraisals</td>
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<tr>
<td>• Training and development</td>
<td>• Corporate all-employee communications</td>
</tr>
<tr>
<td>• Wellbeing</td>
<td>• Group intranet</td>
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<tr>
<td>• Reputation</td>
<td>• Recognition and reward</td>
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<tr>
<td></td>
<td>• Apprenticeship Schemes</td>
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<tr>
<td></td>
<td>• Whistleblowing policies</td>
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</table>

### Our shareholders (see pages 93, 100 and 101)

**Why it is important to engage**

The Board recognises the importance of understanding the priorities of different shareholder groups when developing strategy as well as views on governance-related matters. A clear understanding of the Group’s strategy, performance and ambition will foster longer-term relationships with shareholders.

<table>
<thead>
<tr>
<th>Stakeholder key interests</th>
<th>Ways we engage</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Financial Performance</td>
<td>• Regular market updates</td>
</tr>
<tr>
<td>• Growth</td>
<td>• Investor presentations</td>
</tr>
<tr>
<td>• Dividend Policy</td>
<td>• Investor roadshows</td>
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<tr>
<td>• Operating and financial information</td>
<td>• Individual meetings</td>
</tr>
<tr>
<td>• Governance and transparency</td>
<td>• Capital market days</td>
</tr>
<tr>
<td>• Confidence in leadership</td>
<td>• Shareholder consultations</td>
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<td>• Corporate website</td>
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<td>• Responding to shareholder questions</td>
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<td></td>
<td>• Annual Report</td>
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<td></td>
<td>• Annual General Meeting</td>
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</tbody>
</table>
## STAKEHOLDER ENGAGEMENT

### SECTION 172 CONTINUED

### Communities and Environment (see pages 70 to 77)

#### Why it is important to engage

Our communities comprise those we work with as well as those living and working in close geographic proximity to our work and operations. We also see wider societal interests as forming part of our community and place our obligations in terms of minimising our environmental impact in this context. Whilst RPS is not materially reliant on a supply chain, there is also a societal interest in ensuring that adverse community impact of suppliers is minimised. The needs and interests of these groups can also be represented through charitable organisations.

<table>
<thead>
<tr>
<th>Stakeholder key interests</th>
<th>Ways we engage</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Health and Safety</td>
<td>• Driving target-based environmental performance</td>
</tr>
<tr>
<td>• Environmental performance</td>
<td>• Environmental Management systems</td>
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<tr>
<td>• Human rights</td>
<td>• Provision of climate-related professional services</td>
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<tr>
<td>• Contribution to local communities</td>
<td>• Scholarships and opportunities for minority communities</td>
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<tr>
<td></td>
<td>• Charitable donations and volunteering</td>
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<td>• Supply chain standards and policies</td>
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<tr>
<td></td>
<td>• Health and Safety communication</td>
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### Our clients (see pages 10, 30 and 31)

#### Why it is important to engage

Engaging with our clients is fundamental to understanding their needs and challenges they face as well as monitoring our own performance. This enables us to develop trusted partnerships and ensure that the services we offer remain well-targeted and focused within our key markets. The feedback we receive also enables us to improve performance and adjust to client expectations where required.

<table>
<thead>
<tr>
<th>Stakeholder key interests</th>
<th>Ways we engage</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Safety and quality of work</td>
<td>• Client visits, calls and meetings</td>
</tr>
<tr>
<td>• Competitiveness</td>
<td>• Client surveys</td>
</tr>
<tr>
<td>• Availability and responsiveness</td>
<td>• Connected marketing technologies</td>
</tr>
<tr>
<td>• Adaptation to changing needs</td>
<td>• Industry forums and events</td>
</tr>
<tr>
<td>• Honesty and integrity</td>
<td>• Social media</td>
</tr>
<tr>
<td>• Compliance</td>
<td>• Contract negotiation, implementation and management</td>
</tr>
</tbody>
</table>
## Board activities and decisions

The information below describes Board decisions and activities in 2021 as relevant to each of the factors listed in sections section 172 (a to f) of the Companies Act 2006.

<table>
<thead>
<tr>
<th>Factor</th>
<th>Board activities and decisions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Long Term Decision-Making</strong></td>
<td>• The Board conducted its annual strategy review and reaffirmed its commitment to the strategy described on pages 40 and 41.</td>
</tr>
<tr>
<td></td>
<td>• A sustainable dividend policy was considered and agreed by the Board in conjunction with its decision to reintroduce dividend payments.</td>
</tr>
<tr>
<td></td>
<td>• The Board approved a capital allocation policy to strike a disciplined balance between organic growth, acquisitions and shareholder returns.</td>
</tr>
<tr>
<td></td>
<td>• The format of a Group Risk Register was agreed to enable the Board to more effectively monitor longer-term risks.</td>
</tr>
<tr>
<td></td>
<td>• Performance against strategy was regularly reviewed.</td>
</tr>
<tr>
<td></td>
<td>• The Board reviewed and approved the Group’s longer-term viability statement.</td>
</tr>
<tr>
<td><strong>Employee Interests</strong></td>
<td>• The Board reviewed the results of the all employee “Your Voice” survey and endorsed priorities in line with the findings of that survey.</td>
</tr>
<tr>
<td></td>
<td>• The Board considered and approved a Group Diversity and Inclusion policy details of which are given on p. 79.</td>
</tr>
<tr>
<td></td>
<td>• The Board reviewed and approved succession planning across the senior management with an emphasis on internal promotion which included two internal appointments to the Group Leadership Team.</td>
</tr>
<tr>
<td></td>
<td>• The Board received regular reports from the Group People Director encompassing employee issues generally and incorporating the health, safety and wellbeing of our people.</td>
</tr>
</tbody>
</table>

The Board delegates day-to-day management and decision-making to the Chief Executive and Group Leadership Team but maintains oversight of the Company’s performance and reserves to itself certain matters including the strategic direction of the Group and any material transactions (including acquisitions and disposals) into which the Group may enter. Through its regular meetings and the reporting it receives, the Board monitors progress against strategy and will determine corrective action should this be required. Processes are in place to ensure that the Board receives all materially relevant information to enable it to make well-judged longer-term decisions. In fostering an approach which aims to secure the longer-term success of the Group, the Board takes account of and acts in the interests of its stakeholders generally.

The success of the Group is highly dependent on its ability to attract and retain the best people. The People Report on pages 24 to 28 describes the Group’s approach to this key area and the means by which it discharges its responsibilities in this sphere. In continuation of the approach adopted in 2020 and as part of its response to the global pandemic, the Group has continued to emphasise the preservation of jobs and capabilities.
### STAKEHOLDER ENGAGEMENT

#### SECTION 172 CONTINUED

<table>
<thead>
<tr>
<th>Factor</th>
<th>Board activities and decisions</th>
</tr>
</thead>
</table>
| **The fostering of relationships with suppliers, clients and others**  | • The strategy reviewed and reaffirmed by the Board focuses on growth areas to develop in order to best serve client needs and develop long-term relationships.  
• The Board reviewed the results of a client satisfaction survey.  
• The Board reviewed monthly reports from Segment CEOs explaining pipelines in progress and how the Group is engaging with its clients through a focus on client centric sales culture and initiated client experience projects.                                                                                                                                                                                                 |
| The Group works with a vast number of clients across many jurisdictions and the fostering of good relationships with this Group and responding to their needs is vital to long-term success. The strategy that the Board has continued to endorse places emphasis on areas demonstrating opportunities for growth where longer-term relationships can be maintained. The Group benefits from a very low level of client concentration and the management of relationships is accordingly delegated to operational level with the Board maintaining general oversight. The Group is not materially reliant on a supply chain although open and positive relationships with suppliers are fostered to the greatest extent possible. |
| **The maintenance of a reputation for high standards of business**    | • The Board considered and approved an updated Anti-Bribery Policy which will be supported by online training.  
• The Board reviewed and approved the Company’s Modern Slavery Statement.  
• The updated risk management framework referred to above as approved by the Board incorporated reputational risks.  
• The Board received and reviewed monthly reports from the CEO which in reviewing the operations of the Group highlights any emerging reputational risk.                                                                                                                                                                                                 |
| The Board retains oversight in the development of a corporate culture that promotes integrity transparency and fairness in the way that the Group conducts business. This includes the adoption of appropriate policies relating to individual and corporate conduct which are reviewed and approved by the Board from time to time. As indicated above, this is supported by employee training in relation to expected behaviours and a focus on this area as part of annual employee performance and reward discussions. |
| **The impact of the Company’s operations on the Community and the Environment** | • The Board approved the appointment of a Global Director of ESG and Sustainability Director.  
• The Board approved the adoption of science-based targets in relation to greenhouse gas emissions.  
• The Board received regular reports and monitored progress in relation to ESG initiatives.                                                                                                                                                                                                                                                                                  |
<p>| The corporate culture over which the Board has oversight seeks to foster respect and consideration for the communities in which the Group operates. The means by which engagement in this area is undertaken are described above. As described on p.71 and with the Board’s strong support, the Group is in the process of defining its sustainability roadmap. Cognisant of the Group’s obligations in relation to climate change, the Board has also endorsed the adoption of science-based targets in relation to greenhouse gas emissions. |</p>
<table>
<thead>
<tr>
<th>Factor</th>
<th>Board activities and decisions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>The need to act fairly between members</strong></td>
<td>• The Board approved the Annual Report which was sent or made available to all shareholders.</td>
</tr>
<tr>
<td>The Board aims to understand the views of</td>
<td>• The Board approved the Notice of Annual General</td>
</tr>
<tr>
<td>shareholders and to act in the best interest of</td>
<td>Meeting which was sent or made available to</td>
</tr>
<tr>
<td>shareholders generally taking account of the</td>
<td>all shareholders incorporating a facility for any</td>
</tr>
<tr>
<td>other considerations specified in section 172 of</td>
<td>shareholder to ask questions.</td>
</tr>
<tr>
<td>the Companies Act. Following Board approval, the</td>
<td>• The Board approved the half-year results and</td>
</tr>
<tr>
<td>Company issues regular trading updates in addition</td>
<td>three trading updates which were made publicly available.</td>
</tr>
<tr>
<td>to full and half-year reporting. Members of the</td>
<td>• Members of the Board interacted with</td>
</tr>
<tr>
<td>Board maintain active dialogue with shareholders</td>
<td>shareholders in relation to performance generally and on specific issues as detailed on</td>
</tr>
<tr>
<td>in relation to corporate performance and specific</td>
<td>pages 93 and 94.</td>
</tr>
<tr>
<td>issues from time to time. The Company retains</td>
<td>• The Board received and reviewed regular investor relations reports incorporating feedback</td>
</tr>
<tr>
<td>an Investor Relations team to enable quick and</td>
<td>and comment from shareholders.</td>
</tr>
<tr>
<td>effective interaction with shareholders. The</td>
<td></td>
</tr>
<tr>
<td>Investor Relations section of the Company’s</td>
<td></td>
</tr>
<tr>
<td>website houses corporate information for the</td>
<td></td>
</tr>
<tr>
<td>benefit of shareholders and provides a facility</td>
<td></td>
</tr>
<tr>
<td>for all shareholders to ask questions which,</td>
<td></td>
</tr>
<tr>
<td>dependant on the nature of that question, may be</td>
<td></td>
</tr>
<tr>
<td>referred to the Board from time to time.</td>
<td></td>
</tr>
</tbody>
</table>

Image: RPS floating LiDAR buoy.
### STAKEHOLDER ENGAGEMENT

#### SECTION 172 CONTINUED

**Stakeholder consideration**

The following are examples of how, in reaching some of the decisions mentioned above, the Board took account of relevant section 172 matters.

<table>
<thead>
<tr>
<th>Decision</th>
<th>Section 172 considerations</th>
</tr>
</thead>
<tbody>
<tr>
<td>The adoption of a Capital Allocation Policy</td>
<td>The capital allocation policy adopted by the Board sought to adopt a balance between returns to shareholders, the making of acquisitions and reinvestment to develop and grow the business over the longer term. In framing this policy, consideration was given to the interests of shareholders as a whole in striking a balance between dividend income over the shorter-term and longer-term growth. An appropriate level of reinvestment in the business includes investment in and opportunity for our people and as such the policy adopted also took account of their interests. Investment in growth and enhancing our capability also improves our ability to deliver to our clients and hence the policy also took account of their interests. The Board was conscious that reinvestment in the business is required to support the Group’s environmental initiatives and was accordingly cognisant of wider community interests.</td>
</tr>
<tr>
<td>The adoption of science-based greenhouse gas targets</td>
<td>In reaching its decision to adopt science-based targets, the Board was highly focused on moving to a rigorous approach in seeking to minimise the Group’s impact on the environment. The Board was cognisant of the fact that many of its shareholders are looking to companies to minimise their environmental impacts and in some cases issue detailed guidance in this regard. The Board was also aware that the adoption of this commitment and approach would be widely supported by its workforce and is required by many clients as it often supports delivery of their own targets through improved performance of their supply chain. The commitment made by the Board was for the longer term and took account of the long-term challenge that environmental issues present to society.</td>
</tr>
<tr>
<td>The review and reaffirmation of the Group’s strategy</td>
<td>The Board reaffirmed the central position that the Group’s strategy (as described on pages 40 and 41) lies in its purpose, which is to create shared value by solving problems that matter to a complex, urbanising and resource-scarce world. The shared value concept within this looks to strike a balance between achieving attractive returns for shareholders, delivering high-quality professional services to clients, making RPS a great place for employees to do great work and engaging with the wider community. The Board therefore took account of all these stakeholder interests in reaffirmation of this strategy. The focus on natural resources, urbanisation and sustainability endorsed by the Board also required focus on stakeholder groups in looking to areas that will provide attractive returns to shareholders, where the Group is best positioned to deliver high-quality work for clients, can provide best opportunity for employees and make the best overall contribution to society as a whole. The Board has also endorsed a strategic approach that is to operate over the longer term in taking account of the various stakeholder interests.</td>
</tr>
</tbody>
</table>
Seismic interpretation expertise for pioneering Canadian geothermal project

The Tu Deh-Kah Geothermal project is on course to be one of the first geothermal electricity facilities in Canada – serving the Fort Nelson First Nation, one of the most northern communities in British Columbia, Canada.

This renewable energy project involves converting a depleted gas reservoir into a geothermal energy facility. The region currently relies on fossil fuel-generated electricity as it’s not integrated with the electric grid — and RPS was selected for its sub-surface seismic interpretation expertise to pinpoint drilling targets.

To estimate potential energy output, calculate profit and demonstrate long-term project sustainability, an estimation of the likely flow rates of the water within the reservoir needed to be determined. The higher the flow rates, the faster water moves through the system, producing more energy. The better the porosity and permeability of the water-bearing reservoirs, the more likely to achieve high flow rates and hence heat to energy conversion.

The challenge was to optimise the best possible location to drill confidently, economically and quickly based on limited data — and our seismic interpretation specialists were brought in to evaluate if the proposed drilling target was fit for purpose.

Using a cost-effective strategy of extracting 2D seismic lines from 3D seismic datasets, our team was able to interpret the data and delineate the general structure of the reef complex throughout the area of interest. We delivered the structure maps for the key geological horizons, and likely porosity maps to the project team. The maps were used to confirm the initial geological model and the proposed well’s location and model the expected flow rates of the new geothermal system based on mapped porosity extent and hence likely reservoir deliverability.

The project is 100% Indigenous-owned and led, and will provide reliable and clean electricity, as well as abundant direct heat for buildings and greenhouses, creating new opportunities for economic growth for this remote community.

Image: Clarke Lake geothermal project site, Canada. Credit: Ryan Dickie
RISK AND RISK MANAGEMENT

Risk management
The nature of the activities that the Group undertakes and its business model are described on pages 42 and 43. This gives rise to a range of risks consistent with a commercial organisation of this type, the principal of which are itemised and explained below. This explanation encompasses the nature of each risk, the steps taken to mitigate them and changes in the magnitude of such risks during the year.

The Group’s formal system of Risk Management and Internal Control and its principal components are described on p. 102. Through the adoption of appropriate controls and related audit, this seeks to mitigate financial and commercial risks which are inherent in the Group’s operating processes. The Group has in the year reviewed the way that it reports risk and has introduced three components on how risk management will in future be reported across the Group:

• A standard risk register will be used to report ongoing risk management of the Group’s principal risks. The risk register assigns ownership for each of the Group’s principal risks and will be reported to the Board every six months.

• A standard risk register will be used to report ongoing risk management of the key risks for each business segment and group function. These risk registers will be updated quarterly and reported to the Board every six months.

• A section will be introduced into the monthly board reports which will provide a standard format for reporting new and emerging risks and opportunities by segments and group functions.

The above systemic reporting will complement, not replace, the existing risk management policies, procedures and activities for health, safety and wellbeing which operate across the business.

Given the nature of the Group’s activities and in addition to the formal system described above, the effective management of risk also requires collective responsibility and engagement across the business. The Board is routinely informed by the Group Leadership Team of its ongoing management of risks within the business. The Group CEO meets weekly with the Segment CEOs and the Group Finance Director meets fortnightly with the Segment Finance Directors.

The Segment reports are discussed in monthly finance reviews between the Group CEO/Group Finance Director and Segment CEOs/FDs. The Group CEO talks weekly with the Chairman of the Board who considers the need to share any current matters with the other Non-Executive Directors outside the routine monthly reporting process.
As part of the annual strategy, planning and budgeting, we monitor and manage key risks and, as part of the annual strategy review with the Board, all Segment CEOs and function heads present their key risks and opportunities.

The management of risk is not therefore separated from the business and is treated as an integral part of the Group’s culture and the way it operates. Our Segment Leadership Teams accordingly consider the risks and emerging risks to which their component businesses are exposed and their mitigation on an ongoing basis and at each of their regular meetings.

Against the background of reporting from this level, the Group Leadership Team oversees the operational management of the key risks to which the Group as a whole is exposed. Reporting to the Group Board incorporates the principal risks and emerging risks to which the Group is exposed and the specific manifestation of those risks from time to time. In considering and challenging this information, the Group Board undertakes robust assessment of the principal risk and emerging risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity. Management prepares for the Board an Annual Review of Risk Management and Internal Control. This process is integral to consideration of the Group’s Long-Term Viability Statement, which is shown below.

**Principal risks**

The principal risks to which the Group is exposed as well as the measures taken to achieve their mitigation, and in each case any change that has happened in the year, are detailed in the table below.

**RISK – Health, safety and wellbeing**

**EXPOSURE**
The Group has a legal and moral obligation to ensure the safety of its employees and others whom its activities may affect. A failure to discharge these obligations could expose individuals to risk of injury or other harm as well as leaving the Group liable to related damages, regulatory penalty and reputational harm.

**MITIGATION**
Procedures are in place throughout the Group and focus on the differing and emerging risks within the Group’s various businesses. A structured reporting process is in place to ensure that any incidents are identified and appropriate action taken to investigate and mitigate future risk. Health and Safety training is undertaken throughout the Group. The Group’s approach to HSW is described more fully in the Non-Financial Reporting section on pages 77 and 78.

**CHANGE IN THE YEAR**
Throughout 2021, we have continued to follow local government health advice in relation to COVID-19, with regular communication and updates to our people. Risk assessments and procedures have been reviewed and adapted on an ongoing basis to ensure that we continue to operate in line with rapidly changing directives in different jurisdictions. We maintain regular contact with our people through videos from the CEO, all employee emails briefing them on the regulations and regular town hall meetings with people over Microsoft Teams. We have increased the number of mental health first aiders, promoted our Employee Assistance Programs and offered mental health awareness training. Robust control measures have helped to ensure no COVID-19 outbreaks across RPS. We scored 86% in the Health, Safety and Wellbeing category of our all-employee survey in 2021, an increase of three points on the previous survey in 2018. Notwithstanding that our RIDDOR reportable cases were extremely low for 2021, RPS continues to focus on reducing incidents further.

Key:

- Increased 
- Decreased 
- No change 
RISK AND RISK MANAGEMENT
CONTINUED

RISK – COVID-19

EXPOSURE  The COVID-19 pandemic has led to a reduction on projects that the Group is able to complete, with people unable to travel and customers pulling back on projects, which will have an adverse effect on the Group’s operating performance.

MITIGATION  In order to ensure business continuity in its day-to-day operations, the Group implemented a series of actions globally to protect the health and safety of our employees following the advice from local authorities and governments in the jurisdictions in which the Group operates. These are monitored and reviewed daily and include regular dialogue with employees and clients, the enforcement of office health and hygiene practices which follow specific health protection protocols, making offices COVID-19 compliant and the adoption of flexible working arrangements and restriction on travel and meetings. Due to the unprecedented client uncertainty arising from COVID-19, we made investments to digitally connect with our clients.

We introduced processes to allow movement of people around the globe. These have been developed during the year to service clients’ requirements while maintaining the safety of our people.

CHANGE IN THE YEAR  During 2020, we introduced processes to allow movement of people around the globe and we have continued to adapt these as necessary during 2021 to ensure that our people have been able to travel safely in order to complete client work. Combined with increasing use of technology solutions, we have seen minimal impact on projects in the majority of geographies. In the UK, we had a number of enforcement visits from HSE and local authorities, during which we were found to be compliant with the government’s public health advice/guidance along with our own COVID-19 secure procedures.

RISK – Recruitment and retention of employees

EXPOSURE  The Group’s ability to manage and service its clients is dependent upon the skills of well-qualified and professional employees. A failure to recruit and retain employees of appropriate calibre will therefore affect our ability to meet client expectations and develop the business. Linked to this, a failure to adequately consider management succession may lead to discontinuity in operations.

MITIGATION  The Group retains the key strategic priority of being recognised by its people as being a great place to do great work. This entails the development of an appropriate culture and related management systems.

Key:  
Increased ↑  Decreased ↓  No change ↔
The rebound of most markets over the past year and skills shortages in several jurisdictions has generated the popularly dubbed “great resignation” and associated salary inflation created by employers vying to attract and retain talent. Effective April 2021, we returned to the full annual pay review cycle, with the award of merit increases, promotions and market adjustments. We have also awarded out-of-cycle increases through the course of the year when needed to retain critical talent at risk. RPS’ talent attraction capability was strengthened by hiring a team of top-tier recruiters in the UK and we will increasingly leverage their expertise in other geographies. To support both attraction and retention, we have also continued the POD Recruit implementation into North America and Australia Asia Pacific, offering an improved candidate experience and integrated recruitment, preboarding and onboarding for new hires.

Bench strength for GLT succession and talent development has been reviewed across all segment and functions, with POD now enabled for future reviews to be done online and deeper into the organisation. It was pleasing to see two GLT roles filled by internal successors during 2021.

Employee expectations related to hybrid working, balance, wellbeing and ESG have become increasingly important in today’s COVID-19 world and are being addressed on an ongoing basis through local initiatives in the segments (e.g. Australia Asia Pacific’s shared value framework), combined with corporate communication campaigns (e.g. COP26). Employee engagement across the group rose by three points against 2018 in the Your Voice survey, but remains below the global benchmark. Segment action plans have been developed to address key findings and will be implemented in 2022 with a view to improving overall engagement and retention.

The changes and uncertainties arising from political events may have an impact upon the markets in which we operate and the plans of our clients. This may cause the cancellation, postponement or downsizing of projects, or present further opportunities for the business.
RISK AND RISK MANAGEMENT
CONTINUED

RISK – Political events

MITIGATION
The substantial majority of the Group’s services are provided in relatively stable and predictable liberal democracies. In addition, the factors serving to mitigate economic risks also operate in this area whereby the wide range of markets and geographies in which we operate serves to reduce the impact of political change in any particular region. As far as is practicable, risks in this area are monitored and plans adjusted accordingly.

CHANGE IN THE YEAR
The position continues to be stable. The Australian general and state elections are unlikely to have any significant impact on the Group and the Segments continue to keep a watching brief on political events as they arise.

RISK – Economic environment

EXPOSURE
Changes in the economic environment have historically proved to be the greatest risk to which the Group is exposed. Adverse economic changes may cause clients to cancel, postpone or downsize projects as well as increasing risk associated with recovery of debts and work-in-progress. Inflationary pressures may increase costs which will need to be matched by corresponding price increases.

MITIGATION
Exposure to a wide range of markets and geographies serves to mitigate overall risk. As far as practicable, economic conditions affecting our markets are monitored in order that swift action can be taken to address threats or opportunities. The contracted order book is monitored relative to the productive capacity of fee-earning employees and actions taken to match costs with anticipated workload and increase the contracted order book to address inflation.

CHANGE IN THE YEAR
The combination of Brexit and COVID-19 has led to significant in-year inflation which has been ameliorated by swift matching price increases. Whilst inflationary pressures are likely to increase, this mitigating measure should keep this particular risk stable throughout 2022. In Australia Asia Pacific, the border closures and government stimulus in some markets is leading to rapid growth with significant commercial pressure where wage pressure is leading to retention issues, which we are actively targeting. An ongoing risk for the business is the fluctuation of oil prices and how we manage our Energy business to mitigate any potential price fluctuations. We look to diversify the sectors we work in (e.g. increasing exposure to the renewables sector), where the Energy segment doubled its fees during the year and equally our overall flexible “associate” based business model continues to serve us well in this regard.

Key:
Increased  
Decreased  
No change
RISK – Financial risks environment

EXPOSURE
An inability to secure adequate funding for the Group will limit the ability to invest in growth. In addition, a failure to manage risks related to foreign exchange, interest rates, credit and liquidity could lead to a significant deterioration in the Group’s financial position and its ability to win work.

MITIGATION
During the year, the Group’s £100m multi-currency revolving credit facility which was due to expire in July 2022, was successfully extended to July 2024 and we retired the £60m liquidity facility.

The Group also had in issue seven-year US private placement notes of US$34m and £30m repayable in 2021 under a facility provided by Prudential Management Inc. The Group secured replacement financing for these loan notes in the form of £25m of loans from Aviva Investors and £30m from Legal & General Investment Management, both of which will expire in September 2028.

The Group continues to have significant headroom in respect of the committed bank facilities.

Funding and investment requirements are monitored by the Group Finance function, which also oversees the management of financial risks on a prudent basis and as more fully described in note 30 to the consolidated financial statements.

CHANGE IN THE YEAR
Following the actions taken by management to amend the the revolving credit facility and the subsequent issue of the new loan notes, the Group has adequate financing.

The Group continues to manage financial risks on a prudent basis.

The Group introduced during the year a more comprehensive Treasury Policy which improved the rigour around the approach to managing treasury risks, which included the establishment of a Treasury Committee to review and approve activities and monitor compliance with the policy.

The return to improved profitability during the year and the reintroduction of the dividend mean that this risk has lessened during the year.
RISK AND RISK MANAGEMENT
CONTINUED

RISK – Business acquisitions

EXPOSURE
The Group will look for acquisitions that are complementary to the markets that we operate in and add value to our business proposition. They will continue to be an important element in support of our strategy. A failure to understand the market conditions affecting an acquired business, to identify acquired liabilities, or to retain and motivate key employees within acquired businesses can all result in a business failing to deliver anticipated profit and cash flow.

MITIGATION
The Group’s strategy will in general dictate that acquisitions are only made in market areas with which senior management is familiar. Detailed commercial, financial and legal due diligence is undertaken prior to completing any acquisition and clear corporate integration plans are agreed.

CHANGE IN THE YEAR
The Group has established a Capital Allocation Policy in the year, which confirms that the Group will only pursue bolt-on acquisitions supported by Segment CEO’s that align with our acquisitions strategy. There have been no recent acquisitions by the Group and no change in overall risk in the year. The Group retains considerable acquisition experience and as activity in this area resumes, risks are unlikely to change materially.

RISK – Regulatory and compliance

EXPOSURE
The Group is subject to a range of legal, taxation and regulatory requirements at corporate level and within each of the jurisdictions within which it operates and does business. A failure to comply with these obligations could give rise to financial penalty, regulatory intervention and reputational damage.

MITIGATION
While the Group is subject to the corporate law and regulation affecting most groups of its size and complexity, the activities that the Group undertakes are, in general, not subject to industry-specific regulation. Overseas projects that may carry elevated risk are scrutinised on a case-by-case basis. The Group has appropriate internal controls to support regulatory compliance and employs suitably qualified professionals to monitor and manage regulation within its various jurisdictions.

CHANGE IN THE YEAR
While the detail of applicable laws and regulations will continue to evolve, there have been no changes anticipated within the Group’s current jurisdictions which are likely to have any material effect upon overall risks in this area. The range of jurisdictions in which project work is undertaken may change, although will remain subject to scrutiny as highlighted above.

Key:
Increased ↑  Decreased ↓  No change ↔
RISK – Information technology and security risks

EXPOSURE
The loss of availability and access to critical business systems and data could cause significant disruption to the operation of the business and/or to the businesses of our clients. A cyber-related incident incorporates a wide range of possible attack vectors, some of which are opportunistic and indiscriminate but high in volume, while others are specifically motivated, targeted and are therefore more sophisticated in nature. Such an incident could lead to significant operational disruption to RPS and/or our clients. Furthermore, these could result in the unauthorised access to, loss and/or disclosure of, personal data, commercially sensitive data, or intellectual property, and could result in financial theft or fraud, the loss of competitive advantage, or, in the most extreme cases, the imposition of legal/regulatory action, fines and the custodial imprisonment of Company executives.

MITIGATION
The business continues to move towards a global set of security and quality-focused standards and principles, with a particular focus on delivering a cohesive approach to the design, delivery and effective management of systems and data, while incorporating the right balance of visibility, control, resilience and protection. Existing technologies and systems are subject to close review and will be maintained and upgraded or replaced as necessary throughout their life cycle, in order to maintain the right balance of security, operational effectiveness and value. The Group employs a Security Team that is currently in the process of being re-augmented to provide the appropriate blend of proactive monitoring and incident response, plus operational support and engagement with the business, in the form of advice, guidance and the definition and implementation of effective quality and security standards, to be incorporated into the products and services that RPS develops and delivers to its clients. The continuous development of our cyber security roadmap remains a high priority, to ensure rigour and effectiveness.

Policies, procedures and security measures are reviewed and enhanced, as necessary. The deployment of additional technical and operational security measures in the last year includes: cloud monitoring, vulnerability management, enhanced user authentication, device hardening, encryption, security awareness training and attack simulations.

CHANGE IN THE YEAR
We have defined a Cyber security roadmap for FY2022/23 supported by the GLT, with delivery scheduled throughout this period. This will be reviewed and iterated as needed. Policies and Procedures are developed, reviewed and renewed cyclically through our Information Security Governance Framework.

Notwithstanding these additional measures, the level of threat from cyber-attacks remains high and is unlikely to diminish. We continue to invest in Cyber Security tools to improve our level of detection and response.
RISK AND RISK MANAGEMENT
CONTINUED

RISK – Service failures

EXPOSURE A failure to deliver our services in accordance with contractual obligations may lead to compensatory claims against the Group and damage to reputation as well as possible loss of future work.

MITIGATION The Group operates quality control systems, many of which are externally certified and which are designed to mitigate the risk of failures. In addition, the Group operates contract management systems to ensure that contractual risks are identified, risk assessed and, as far as practicable, mitigated. The Group maintains professional indemnity insurance throughout the large majority of its businesses at a level commensurate with risks. Subject to applicable policy limits and excesses, this will indemnify the Group against claims in the large majority of situations.

CHANGE IN THE YEAR There was no overall change in the year. The nature of the Group's activities and the environments in which they are conducted have not changed materially.

RISK – Climate change

EXPOSURE Climate change as a result of national policy and regulation, COP26, changing client demands, employee and stakeholder expectations are driving discussion and changes in the market. Clients are requesting information on bidders’ climate change position as a prerequisite to submitting large-value bids and frameworks; employees are attracted to and are retained at firms with strong climate action credentials; and investors favourably score ESG metrics and provide financing for companies leading on climate change. Listed companies are additionally monitored on climate action through their response to the mandatory Task Force on Climate-related Disclosures (TCFD).

Operationally, exposure to increased energy pricing; variable weather and physical risks to assets through flooding and other extreme weather events that affect insurance premiums and business continuity; concerns over the security of energy supplies; and public expectations are driving forwards low carbon approaches to facilities and utilities management.

MITIGATION As a consultancy firm with leading experts in Net Zero and climate change in-house, the Company is well-positioned to understand climate change risks. The Group’s carbon reduction plan is aligned with Science-Based Targets and our Net Zero position has been published and is being used to support our responses to employees, clients and investors.

Further review using the TCFD framework will be needed to fully understand our position and to aid in our assessment of short to long-term risks.

CHANGE IN THE YEAR This is a new risk the level of which is increasing, yet not fully determined.

Key:
Increased ↑ Decreased ↓ No change ↔
GOING CONCERN AND LONG-TERM VIABILITY

Going concern
In assessing the going concern basis for the financial statements, the Directors considered a range of reasonably foreseeable downside scenarios to estimate the potential impact of the principal risks on the Group’s activities and our responses over the next 12 months.

At 31 December 2021, the net bank borrowings were £13.5m, up from £10.8m as at 31 December 2020. The £100m revolving credit facility expires in July 2024 and was undrawn at the balance sheet date. The core debt facilities of £55.0m are repayable in September 2028.

Under each scenario, we have modelled the headroom available on our revolving credit and core debt facilities and calculated the covenants (leverage and interest cover) at each test date. Leverage is calculated as the ratio of adjusted net bank borrowings to annualised EBITDAS and must not exceed 3.0x at all test dates. Interest cover is the ratio of annualised EBITAS to annualised net finance costs and must be at least 4.0x at all test dates.

COVID-19 continues to impact some of our operations but to a lesser degree than in 2021. Overall, we believe the risk associated with the pandemic is reducing as the Omicron variant appears less severe and governments are generally reducing restrictions as a result.

Leverage and interest cover covenant tests are within the permitted limits at all test dates in all scenarios modelled with no mitigating actions required.

After fully considering the current economic environment and the forecasting and modelling performed, the Directors have a reasonable expectation that the Company and Group have adequate resources to continue in operational existence for at least 12 months from the date of signing this report and that it is therefore appropriate to adopt the going concern basis in preparing the Group’s financial statements.

Long-term viability
In accordance with the requirements of the UK Governance Code, the Board has assessed the long-term viability of the Group. The Directors believe that a three-year period is appropriate for their viability assessment as it reflects the characteristics of the markets we operate in, it is supported by RPS’ strategic budgeting and planning cycles, and it generally reflects the length of longer-term contracts that we enter into. It therefore represents a timeframe over which the Directors can reasonably forecast the Group’s performance.

The viability of the Group has been assessed considering the output of the annual strategic and budget planning processes, the Group’s current financial position, including external funding in place over the assessment period, and a robust assessment of the principal risks facing the Group.

Whilst each of the risks on pages 52 to 60 has a potential impact and has been considered as part of the assessment, only those that represent severe but reasonably plausible scenarios were selected for modelling.

The scenarios have been modelled using the Group’s existing £100m revolving credit facility which runs to July 2024 and core debt facilities of £55m which expire in September 2028. We have assumed for the purpose of the viability assessment the revolving credit facility will be extended on similar terms before July 2024.
GOING CONCERN AND LONG-TERM VIABILITY CONTINUED

The scenarios reflect the potential impact of certain principal risks:

1. Significant forecast miss in fees and profit. This would arise from political events and economic environment risks, plus other risks including climate change, COVID-19 and the recruitment and retention of employees.

2. Deterioration of working capital and increased lock-up days.


4. Significant uninsured claim or other one-off event that may occur as a result of regulatory and compliance risks, information technology and security risks, service failures and health, safety and wellbeing.

5. Combination of scenarios 1 to 4.

In each of the scenarios, the Group was able to continue operating well within its debt covenants and liquidity headroom.

Based on this assessment, the Directors have a reasonable expectation that the Group will continue in operation and be able to meet its liabilities as they fall due over the period to March 2025.
RPS is an international professional services firm providing climate-related services to clients. As a global firm, we are aware of the risks that climate change presents to our business, our employees, clients and investors. We are also mindful of the role we have to play in helping the world transition to a lower carbon future, through our consultancy advice and the projects we help deliver. This report presents our first TCFD review and is part of our ongoing work on our own carbon management strategy following the setting of Science-Based Targets (SBTs) and confirming our Net Zero position in relation to Scope 1, 2 and 3 GHG emissions.

### Governance

<table>
<thead>
<tr>
<th>Describe the Board’s oversight of climate-related risks and opportunities</th>
<th>The Board oversees the delivery of the Group’s strategy with the Group CEO ultimately being responsible for climate-change matters. In 2021, the Board agreed to the signing-off of Science-Based Targets, the Group’s Net Zero position and introduction of climate change as a principal Group risk. Key and relevant climate topics are considered by the Group Leadership Team (GLT), which consists of Segment CEOs, Functional Directors, the Group Finance Director and Group CEO. Two Board members (the Group CEO and Group Finance Director) are included in the GLT. A member of the GLT acts as the executive sponsor for Environment, Social, Governance (ESG) &amp; Sustainability, including climate-related matters.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Describe management’s role in assessing and managing climate-related risks and opportunities</td>
<td>In Q4 2021, a Global Director of ESG &amp; Sustainability and a Global ESG &amp; Sustainability Manager were appointed. The Global Director assesses, monitors and reports on climate-related matters, including performance and will be reviewing opportunities for regular internal review and update of climate-related matters from 2022. The Global Director reports to the GLT Executive sponsor for ESG and Sustainability (Group Marketing Director), who in turn has a direct reporting line to the Group CEO. Our future work will support our existing carbon management disclosure under CDP. During 2021, three formal presentations on Sustainability and climate-change were made to the GLT and Board by the Global Director. Two of these sessions supported the decision to set and disclose our Science-Based Targets and Net Zero position, aligned to a 1.5°C pathway and which was formally announced in October 2021. Our business Segments and Functional Directors are responsible for the identification and management of their component business risks and opportunities, which are considered during our annual Group appraisal of risks and opportunities. Segment leadership teams will consider the climate-related risks that their component businesses are exposed to operationally, in addition to appropriate mitigation strategies on a quarterly basis. As of this year, climate-related risks are included within the Group’s annual appraisal of corporate risks. The ESG &amp; Sustainability team will be working closely with Segment and Functional leads in the creation of strategic plans and objectives in relation to climate change.</td>
</tr>
</tbody>
</table>
TCFD CONTINUED

Strategy
Work to identify our short, medium and long-term climate-related risks and opportunities started in 2021 with submission of our latest CDP disclosure. We consider climate-related matters within the time horizons used in our Group strategy, as follows:

<table>
<thead>
<tr>
<th>Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term</th>
<th>Short Term</th>
<th>Medium Term</th>
<th>Long Term</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-2 years</td>
<td>This period covers near-term climate matters and includes fluctuations in the market and investor pressures.</td>
<td>This period covers the majority of our planned climate initiatives and new service line developments.</td>
<td>Covering a longer time frame, this includes our Net Zero and Science-Based Targets setting and performance.</td>
</tr>
</tbody>
</table>

In the meantime, our preliminary assessment below outlines the climate-related risks and opportunities that may affect RPS.

While our direct impact on the environment is comparatively modest, our Scope 3 GHG emissions are considered material and are therefore included within our SBTs. We have a part to play and we will be further building on and refining our climate change assessments. Further review will define the expected time horizons, magnitude of impact and next-step actions associated with these risks and opportunities.
Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.

Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Policy and Regulation</td>
<td>Risks: Potential increased energy pricing and transport/travel related fuel taxes through reduced certainty in security of supplies, changes in policy, government carbon tax rises and volatility in energy pricing. Risk to stability of financial and operational planning associated with the cost of travel and pricing. Opportunities: Finding alternative lower carbon means of transportation, partnering with suppliers offering low carbon options, negotiating travel contracts and transitioning increasingly towards a no-travel/digitised offering to reduce operational inefficiencies and improve profitability.</td>
</tr>
<tr>
<td>Policy and Regulation</td>
<td>Risks: Potential for further disclosure and reporting on GHG emissions as part of financial planning, capital expenditure, acquisitions and asset management. Opportunities: To offer our reporting and footprinting services to an increasing client base requiring extended disclosures. To use our deep expertise to showcase leading approaches in this area.</td>
</tr>
<tr>
<td>Policy and Regulation</td>
<td>Risks: Increased energy pricing and standards of energy performance in leased office portfolio e.g. Minimum Energy Efficiency Standards (MEES) leading to reduced availability of suitable offices, higher rental rates and higher energy billing/rents. Increased direct operational costs and earlier consideration of office location positioning/lease breaks. Opportunities: To secure bulk longer-term energy contracts, self-generated renewables, lower emission assets and sources of energy, smart offices, freehold assets, more efficient/Net Zero-aligned offices and buildings at lease renewal to reduce direct costs and smooth out volatility of energy pricing.</td>
</tr>
<tr>
<td>Products and Services</td>
<td>Risks: Policy changes placing mandates on the regulation of products and services, affecting/materially changing our clients’ businesses. Some clients may be unduly affected and unable to transition to a lower carbon environment, incurring financial difficulty and leading to reduced demand of our services. Others may expand and succeed in this landscape. Opportunities: To develop and respond to new areas of regulation and business and capitalise on new service lines. Policy change may conversely increase the demand for our Net Zero and climate-related services and support our business strategy and revenue generation.</td>
</tr>
<tr>
<td>Technology</td>
<td>Risks: Transition to a lower carbon service provision requiring reduced travel and remote meetings increasing the need for capital expenditure in digital service provision and enhancements to IT systems, infrastructure and data storage. Greater consideration of depreciation of assets in financial planning and increasing need for operational maintenance and asset management costs. Risk of early failure of assets, and/or reduced returns of investment and reduced use of offices affecting profitability. Opportunities: Increased transition of mobile home working and transient office use can offer reduced travel, commuting and emission reduction benefits, while also reducing direct and indirect costs and increasing productivity. Less reliance on third-party transport at a time when travel disruption from climate-related impacts could affect our productivity. Moving to lower energy demand IT, technology and fleet reduces the cost of energy consumed and ownership.</td>
</tr>
<tr>
<td>Markets</td>
<td>Risks: Markets move rapidly forward with demand for climate-related services and investor disclosures at rates which cannot be matched through employee attraction, service line positioning, insurance provision and/or organic growth. Opportunities: Early mover positioning and attracting multi-disciplinary employees who are able to respond to changing markets and geographies. Training, upskilling and awareness building from within and maintaining leading edge services and disclosure.</td>
</tr>
<tr>
<td>Legal and Reputation</td>
<td>Risks: Poor perception of employees, internal and external stakeholders, clients and investors in our climate-related performance. Consequential risks of not attracting and retaining key employees, clients and investors. Risk of financial institutions and investors not providing finance for poor performance on sustainability and climate-related matters. Increasing rise of public external activism, possibility of internal/external stakeholder and investor pressures, leading to calls for more direct action on climate-related matters. Opportunities: To maintain consistent and appropriate climate-related disclosures, carbon management strategy and performance improvements.</td>
</tr>
</tbody>
</table>
### TCFD CONTINUED

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Physical (Acute)</strong></td>
<td><strong>Extreme Weather/Natural Events</strong>&lt;br&gt;Risks: Travel and employee disruption as a result of extreme ad-hoc/frequent adverse or extreme weather events (floods, typhoons, hurricanes, tornados, wildfires). Changes to operations and reduced productivity affecting profitability, increased indirect financial costs of travel through delayed/cancelled flights, additional hotels and increased insurance provision.&lt;br&gt;Opportunities: Seek transition to digital service provision and alternative lower carbon modes of transportation and support clients through delivery of low carbon strategy and project outcomes to reduce GHG emissions and lessen longer-term impacts of climate change.</td>
</tr>
<tr>
<td><strong>Physical (Chronic)</strong></td>
<td><strong>Long-Term Weather Variability and Climate Impacts</strong>&lt;br&gt;Risks: Client businesses may relocate offices or geographies due to changing weather in local countries, increased heat stress, water scarcity and rising sea levels. Certain countries may be more affected in terms of economic, human capital and socio-political disruption (famine, agricultural failure, migration and displacement) leading to clients reassessing their project and long-term consultancy needs as other pressures take precedence. Potential need to relocate offices to continue to serve clients.&lt;br&gt;Opportunities: Improve resilience of our clients through ongoing provision of climate-related advice on mitigation and adaptation. Provide low carbon engineering solutions in relation to flood risk and defence planning. Transition to digital solutions to continue serving clients and be responsive while reducing emissions and impacts.</td>
</tr>
</tbody>
</table>

RPS’ approach to sustainability and climate change is being further developed taking into account governance and systems, policy and regulation, client programs, engagement and communication. Our business is focused around the increasing growth areas of urbanisation, sustainability and natural resources and our services are aligned to help our clients to transition towards a sustainable and low carbon future.

As part of our promise, we provide deep expertise solving complex problems that matter. The services we provide to our clients are meeting an increased demand for climate-related and sustainability services around developing areas such as renewables, carbon capture storage, carbon strategy and Net Zero planning, low carbon optioneering and engineering, and we are well-positioned for strong growth in this area. Within the UK, our Integrated Management System (IMS) mandates consideration of embodied carbon and low carbon engineering in large infrastructure and design projects, ensuring that climate-related matters are integrated into our projects that have potential to deliver on significant emission reductions.

Our business strategy is centred around these core areas and is directly tied to the generation of revenue and financial performance. Segment leads are responsible for responding to the future needs of the business, which includes consideration of climate change policy and regulation, in addition to our own SBT and Net Zero position. Given the significance of the opportunities to the business and their potential impact on revenue generation, climate change-related matters are discussed at management meetings and as part of segment line strategy. At the strategy stage, the Board is involved in review of segment plans.

In November of 2020, we committed to set a Science-Based Target (SBT) to ensure that our company performance is benchmarked against current climate change science. Our disclosures cover group-wide Scope 1, 2 and 3 GHG emissions and SBTs that commit to a 63% reduction in GHG emissions by 2034, and interim reduction targets of c.46% by 2030. We have modelled our target performance against both a well-below 2°C and 1.5°C trajectories which culminated in our successful submission of our 1.5°C-aligned target to the Science Based Targets initiative (SBTi) and which was verified in January 2022. We will continue to develop our approach and strategy to build climate-resilience into our Group strategy and enhance the processes and procedures. Over the next 12–36 months we will further review both our physical and transitional risks and opportunities to inform the overarching Group strategy.
## Risk Management

**Describe the organisation’s processes for identifying and assessing climate-related risks**

The Board retains overall responsibility for setting the Group’s risk management and internal control systems in relation to climate change.

Climate-related risks are increasingly being considered and brought into our risk management framework and is a focus for our ongoing TCFD disclosure work.

The GLT will oversee the operational management of the key climate-related risks to which the Group as a whole is exposed and the Group’s Board will continue to review principal climate-related risks including those that would threaten its business model, future performance, solvency or liquidity.

Climate-related risks were added as a principal business risk and to the Group risk register in 2021 and work is under development to screen client projects for climate-related and other governance and sustainability risks prior to commission.

The Group Finance Director, supported by Internal Audit, prepares an Annual Review of Risk Management and Internal Control and presents this to the Group Board. As part of our ongoing TCFD disclosure work, further review will be undertaken to identify opportunities to improve on our identification, assessment and management of climate-related risks and how these are incorporated into our existing risk management and internal controls.

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## Metrics & Targets

**Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material**

In establishing verified Science-Based Targets (SBTs), our targets are aligned with a 1.5°C pathway.

Our Scope 1, 2 and 3 GHG emissions performance data and the methodologies used are disclosed in the energy consumption and Streamlined Energy and Carbon Reporting (SECR) section of this report (see p.73). While our related risks are comparatively modest, we do acknowledge our more material Scope 3 GHG emissions and the need to establish robust emission reduction plans aligned with our key TCFD-identified strategic climate-related risks and opportunities.

We track our performance against multiple climate related metrics (Scopes 1, 2 and 3) and have disclosed our Scope 3 emissions for the first time in this report. We will continue to disclose and aim to further expand on Scope 3 and other opportunities for reporting based on their materiality and relevance. Reductions in our Scope 3 emissions are included in the targets set by our verified SBTs.

Our metrics allow us to monitor progress towards our SBTs and to ensure that we report in line with investor disclosure requirements and the CDP (formerly named Carbon Disclosure Project).

RPS is also a signatory to the Business Ambition for 1.5°C; the UK consultancy sector’s Pledge to Net Zero; and the Race to Zero campaigns.

Consideration of our GHG emission risks is covered in our CDP annual submission and the TCFD strategy section above. Work will be completed over the next 12-36 months to further define our climate-related risks and opportunities, and will consider cross-jurisdictional TCFD-alignment where relevant.

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

Our current climate-related metrics are related to our SBT, Net Zero position and our SECR statement (SECR p.73) and are presented below. We will continue to review the appropriateness of these targets as progress is monitored and as future reviews improve our understanding of climate-related risks and opportunities.

- By 2034, we have committed to reduce our GHG emissions (Scopes 1, 2 and 3) by 63% (in absolute terms) and by c.46% by 2030 (interim target), compared with a 2019 base year in line with a 1.5°C trajectory, equating to a 4.2% reduction in emissions year on year.
TCFD Compliance Statement

RPS Group plc has complied with the requirements of LR 9.8.6R by including climate-related financial disclosures consistent with the TCFD recommendations and recommended disclosures, except for where disclosed below.

For each of the exceptions provided below, technical expertise constraints and the complex nature of discussions to be held within the business required further time and deliberation. For this reason the business has abstained from full disclosure as it carefully considers its position during this transitioning stage.

A plan detailing how the recommendations and actions will be developed over the next two to three years is being formed between the finance and sustainability teams. This plan will precede and support the work towards fuller disclosures by 2025.

Specifically, our disclosures currently exclude the following:

• Governance (sections (a) and (b)): Further review of governance structure; reporting lines, consideration of climate-related strategic, financial, risk and planning matters; performance and frequency of reporting to the board and at management level is required. We expect closer and fuller alignment with the disclosures to be gradually phased in between 2022 and 2025.

• Strategy: (sections (a), (b) and (c)): In combination with Governance changes, further consideration of material (financial) and actual impacts and risks affecting specific sectors and geographic regions of the business over the short, medium and long-term is required. An appraisal of climate-related impacts, risks and opportunities on the business, strategy and financial planning across our operations, investments, supply chain, services, acquisitions and divestments and adaptation/mitigation activities is required and how these impact on financial performance (revenues, costs, assets and liabilities). The applicability and use of climate-related scenarios is yet to be considered in the context of our business as is a review of our strategy’s resilience to opportunities and risks in a 1.5°C-aligned scenario to 2034 and beyond.

• Risk Management: (sections (a) and (b)): Processes that formally identify, assess, control and manage the relative significance of specific climate-related risks and opportunities require consideration. The processes will need to consider prioritisation of, and potential size and scope of, identified risks and opportunities, in alignment with our existing risk management framework, controls, levels of materiality, mitigation and definitions, and including existing and emerging regulatory requirements and other relevant factors. We expect fuller alignment with the disclosures to be gradually phased in between 2022 and 2025.

• Metrics & Targets: (sections (a), (b) and (c)): In conjunction with strategic consideration of risks and opportunities, further review is needed in relation to historical and forward-looking cross-industry climate-related metrics (including related low carbon service opportunities), factoring in the impact of broader physical and transitional material matters. Consideration of targets in relation to financial and service-related goals is required. We expect closer and fuller alignment with the disclosures to be gradually phased in between 2022 and 2025.

• Other (Non-Disclosure Point): Materiality: Further clarity, consideration and disclosure on our levels of climate-related materiality and its relation to our financial definitions and planning is required. We expect to phase in improvements between 2022 and 2025.

Image right: Kieran at the A82 between Tyndrum and Bridge of Orchy, with Beinn Dorain in the background
RPS operates with a strong sense of purpose. Sustainability is core to what we do. It is embodied in our purpose, to create shared value by solving problems that matter to a complex, urbanising and resource-scarce world.

Recent events have reinforced that environmental and social matters constantly change; they evolve; intensify; diminish; and create new challenges as well as opportunities. RPS is mindful of these changes and is agile enough to pivot as circumstances evolve. 2021 is no exception. Considerable strides have been made to ensure our approach, as we move into 2022, is bold, and clear.

**Setting direction**
To better respond to emerging global challenges and stakeholder requirements, an internal Environmental Social Governance (ESG) and Sustainability team was appointed.

By Q4 2021, a team comprising a Global Director of ESG & Sustainability and a Global ESG & Sustainability Manager was in place. The team is responsible for setting Group strategy, engagement, and direction on operational sustainability, ESG and reporting and will work closely with other segment and functional leads.

Work is underway on understanding where RPS is and where it needs to be for the years ahead. From the stakeholders we engage with through to defining future areas of sustainability focus, we are taking a fresh high-level look and re-evaluating our position with a view to creating an even stronger future legacy. First off the blocks was an accelerated climate change action plan for our own operations. Setting ambitious Net Zero position and Science-Based Targets in 2021, marking out our path in delivering towards a low-carbon future.
Our Sustainability Roadmap

To ensure that our legacy creates shared value for all our stakeholders, we need to be clear about our direction. Work to set out our sustainability strategy started in late 2021, with stages 1 through to 4 proposed for completion in 2022, and stages 5 to 6 proposed for ongoing action in 2022–25.

We have already adopted a more formal structure to understand our key material sustainability issues. This approach provides us with the information needed to make sound business decisions and sets a stronger foundation for review in future years.

Our process, takes account of the impacts that we make as a business, and those that we are directly affected by.

Stage 1 is well underway. We have begun to engage with our closest stakeholders to incorporate their views and needs. Subsequent reviews and discussions will inform stage 2, providing valuable ESG insights on what is most relevant to RPS and stakeholders.

The results of the first two stages will inform the direction of our strategy in stage 3. We recognise that further sustainability governance structures and KPIs may need to be introduced at stage 4, to capture improvements in performance and consider the use of committees or steering groups to provide diverse insights and perspectives that add value to our strategy.

We will implement our short, medium, and long-term plans at stage 5. And as our initiatives come to fruition, we will communicate our successes at stage 6 – ensuring that our process, plans, and outcomes are transparent to all our stakeholders.

Image top left: James carrying out a topographical survey of a reservoir.
NON-FINANCIAL REPORTING – ENVIRONMENT

Environmental Management

Environmental management of the business is covered by the individual business segments, in their management of an Integrated Management System (IMS) (which includes our Quality, Health and Safety and Environmental Management Systems) and the Group ESG and Sustainability functional leads who oversee general Group environmental strategy and direction.

Approximately 75% of the business globally is covered by ISO14001, a certified Environmental Management System (EMS). Where certified, all activities carried out by these offices, including field operations, are covered by the EMS. Approximately 10% of remaining offices will receive certification in 2022, with the remaining 15% representing smaller office operations which will be included as business needs arise.

The EMS ensures that RPS maintains compliance with all relevant national and regional legislation and relevant codes of practice, standards and other requirements as specified by regulators and our clients, as a minimum standard. Regular internal and independent third-party audits verify the effectiveness of our systems.

Office-based environmental management is handled locally by the IMS. Several offices have teams of environmental champions examining improvements through enhanced office recycling, digitisation of services and mobile apps to reduce business travel.

For clients and on specific projects of a certain size, the UK Consulting design team has initiated work to consider the operational carbon impact of relevant infrastructure and development projects as low carbon optioneering becomes a core service function. Pending success of this local initiative, we hope to roll out similar approaches for our other regional teams.

Energy and climate change

Taking action on climate change

The period under review was a pivotal year for action on climate change and our approach has been equally responsive. Following on from our commitment made in November 2020, we set a Science-Based Target (SBT) for our Greenhouse Gas Emissions (GHG) in 2021. Our commitment has been independently verified by the Science Based Targets initiative (SBTi) and is aligned to an ambitious reduction pathway aimed at keeping global temperature increases limited to 1.5°C. This target not only applies to our scope 1 and 2 emissions but also our scope 3 emissions, marking a bold step-change in ambition.

In support of our commitment, RPS has signed up to the Race to Zero, UK Pledge to Net Zero and the Business Ambition for 1.5°C campaigns.

In 2021, we also formally set our position on our Net Zero pathway. We acknowledge solutions to mitigate global emissions are constantly developing and we need to be mindful of a changing landscape and thinking about what is appropriate to use. We expect to have transitioned strongly to Net Zero by 2030. The speed of transition will depend on several factors, not least, technological advances, position on policy and developments in climate science thinking.

First and foremost, will be the need for us to make GHG emission reductions of 63% by 2034 to align with our SBT. A general overview of our areas of interest for GHG emissions reductions is covered in our TCFD report (p.63). We will be putting in place strategic carbon reduction plans to mitigate our emissions globally.
This adds to our existing commitment to the CDP, which we have been officially scored on since 2011. This year our CDP score went up from a C to B-, prior to our public SBT and Net Zero disclosures and in recognition of other improvements made from 2020 to 2021.

This year’s annual report sees our first Task Force on Climate-Related Disclosures (TFCD) report (see p.63). Throughout 2022 to 2025, we will build on our level of disclosure to include further review and more detailed consideration of climate-related risks and opportunities.

2021 – Energy consumption, GHG emissions and Streamlined Energy and Carbon Reporting (SECR)

During 2021, most RPS employees continued to work from home as national lockdowns dictated and government guidance was followed; offices remained open to service projects and client needs that were deemed essential, e.g. for national infrastructure, construction, utilities.

Scope 1 and 2 emissions from electricity in our offices and vehicles were marginally lower compared with previous years in light of continued COVID-19 restrictions. However, and as expected, reductions were not as significant as observed between 2019 and 2020; the latter of which was an exceptionally low emissions year as a result of the pandemic.

In 2021, an increase in Scope 3 emissions from employee commuting and business travel was observed as employees responded to client projects; returned to the office; and as IT equipment was purchased to permit working from home arrangements and continued digitisation of our service offering.

Methodology

The energy and carbon statements disclosed in this report have been calculated using an operational control reporting boundary and in accordance with the following standards:


The following emission factors, reference documents and software tools were used in the calculation of our GHG emissions:

- UK Government GHG Conversion Factors for Company Reporting (2021 v1)
- Carbon Emission Factors and Calorific Values from the UK Greenhouse Gas Inventory (Ricardo Energy & Environment, 2021), to support the UK ETS 2021-UKETS-CEFsGCVs – Issue 1
- IEA Emission Factors 2021
- Quantis v3 for 2021 Specific Scope 3 Emissions (capital goods).

Analysis

Compared over the longer term and our 2019 baseline year, we have continued a downwards trend in Scope 1 and 2 GHG emissions for 2021, resulting in a 19.4% (c. 6,345 tCO₂e) overall reduction in total GHG emissions (Scopes 1-3) over the longer term; including a 20.1% fall in Scope 1; 42.9% fall in Scope 2; and 16.2% fall in Scope 3 GHG emissions since 2019.

Between 2021 and 2020, we saw an overall increase in total (Scope 1-3) GHG emissions of 18.7% (c. 4,150 tCO₂e), largely due to a return to work post-COVID-19. However, while these increases are largely seen across our Scope 3 GHG emissions, other GHG emissions decreased, as explained below.

Specifically, our Scope 1 GHG emissions decreased in 2021 compared to 2020 by 6.2% (c. 389 tCO₂e) set against a negligible global decrease in average emissions factors for natural gas and a slight increase in emission factors for diesel fuel. This decrease has been achieved through a reduction in the UK diesel van fleet (61 fewer vehicles), increase in the use of electric vehicles in the company car fleet and a redefinition of our fuel conversion factor calculation methodology (see table footnote).

Scope 2 GHG emissions (location-based) from electricity decreased by 6.6% in 2021 compared to 2020 (c. 115 tCO₂e; despite an approximate 10.4% average global emissions factor decrease for electricity over the period. An increase in electricity consumption was expected with gradual employee returns to offices.
Comparable improvements in our Scope 1 and 2 GHG emissions/£m revenue intensity metrics are observed between 2020 and 2021, reflected by reductions in GHG emissions, despite slight increases in energy consumption as our emission factors methodology was revised (see table footnote).

Considering the GHG emissions/FTE intensity metric, we have seen an overall improvement in both energy consumption and GHG emissions intensity metrics between 2020 and 2021. The trends and variables seen between UK and Global figures are likely due to reduced office energy consumption with home working arrangements, and increased overall employee numbers. We expect emissions will rebalance further in 2022 as offices return to optimal occupancy levels.

Scope 3 emissions are formally reported for the first time in 2021. While we have seen an overall increase in Scope 3 emissions of 18.7% (c. 4,654 tCO₂e) in 2021 when compared against an exceptionally low emissions year in 2020, this is considered reflective of increased employee commuting and business travel as a proportion of employees who gradually returned to office working arrangements in 2021 and associated with purchasing additional IT hardware to facilitate digital transition and working from home arrangements. Employee numbers also increased by circa 400 in 2021. We are now seeing an expected bounce-back due to returns to work, and a rebalancing of our emissions.

A similar decline in Scope 3 performance across the revenue and FTE-based metrics is observed. As explained above, the differences may be explained through additional expenditure in IT hardware, resulting in increased emissions in Category 2 Capital Goods, and increase in Category 6 Business Travel expenditure, both of which impact on our GHG emission figures.

With our verified SBTs now set, we have targets to reduce our 2019 baseline emissions by 63% (in absolute terms) across our Scope 1-3 global emissions by 2034 and by c.46% by 2030 (interim target), which equate to 4.2% reductions in emissions year on year.

The last two years continue to be exceptional in terms of lowered energy consumption, mobility and global emissions and while an overall increase in emissions has been seen this year compared to last year, this is based on comparison with an exceptionally low consumption and emissions year of 2020.

Considering our 2019 baseline year, our global emissions have decreased over this period by 19.4%, representing an average 9.7% reduction year on year from 2019, which remains above our SBT aligned trajectory target of 4.2% per annum.
<table>
<thead>
<tr>
<th>Scope 1 &amp; 2 Emissions and Energy Intensity Metrics</th>
<th>tCO₂e/£m</th>
<th>tCO₂e/FTE</th>
<th>MWh/£m</th>
<th>MWh/FTE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scope 1</td>
<td>19.63</td>
<td>9.62</td>
<td>13.33</td>
<td>22.21</td>
</tr>
<tr>
<td>Natural Gas</td>
<td>3,651</td>
<td>2,195</td>
<td>5,846</td>
<td>3,808</td>
</tr>
<tr>
<td>Fuel (diesel &amp; petrol for Company owned vehicles)</td>
<td>3,387</td>
<td>1,464</td>
<td>4,850</td>
<td>3,618</td>
</tr>
<tr>
<td>Refrigerant Losses</td>
<td>18</td>
<td>23</td>
<td>40</td>
<td>23</td>
</tr>
<tr>
<td>Scope 2 location based (electricity)</td>
<td>422</td>
<td>201</td>
<td>1,623</td>
<td>432</td>
</tr>
<tr>
<td>tCO₂e/£m</td>
<td>1,306</td>
<td>1,738</td>
<td>1,988</td>
<td>5,070</td>
</tr>
<tr>
<td>tCO₂e/FTE</td>
<td>1.77</td>
<td>1.59</td>
<td>1.87</td>
<td>1.66</td>
</tr>
<tr>
<td>MWh/£m</td>
<td>8.26</td>
<td>4.66</td>
<td>6.44</td>
<td>7.98</td>
</tr>
<tr>
<td>MWh/FTE</td>
<td>5.61</td>
<td>5.28</td>
<td>6.63</td>
<td></td>
</tr>
</tbody>
</table>

1. Footnote: Emission factors for Fuel related energy consumption (MWh) have been revised following a change in our reporting methodology in 2021.

SECR 2021 methodology and scoped emissions

For the reporting year 1 January to 31 December 2021, our methodology is based on the documentation and emission factors outlined in the energy and voluntary global GHG emissions section above. Our range of reported emissions include both mandatory (Scope 1 and 2) and voluntary global (Scope 3) emissions, defined as follows:

- **Scope 1** – direct emissions includes any gas data and fuel use for Company owned vehicles. Fugitive emissions from air conditioning are included where it is RPS’ responsibility within the tenanted buildings.
- **Scope 2** – indirect energy emissions includes purchased electricity (location based) throughout the Group’s operations.
- **Scope 3** – indirect emissions from GHG Protocol Category 1: Purchased Goods and Services; Category 2: Capital Goods; Category 3: Fuel and Energy Related Activities Not Included in Scope 1 or Scope 2; Category 6: Business Travel; and Category 7: Employee Commuting.

*Our global Scope 3 emissions are being voluntarily reported for the first time this year, alongside our proactive commitment towards transparency on climate action and ESG data.*
Energy Efficiency Actions Undertaken in 2021 Reporting Year

Our carbon management, adaptation and mitigation strategy is currently under review to identify opportunities for energy efficiency improvement and energy reduction for 2022-25 and the longer term. These will likely include targeting the following areas:

- Continued electrification of the fleet;
- Rationalisation of offices and sustainable travel plans;
- Continued digitisation of our service offering;
- Energy and resource efficiency improvements in the property portfolio;
- Securing renewable energy supplies; and
- Supply chain procurement improvements and engagement.

Future initiatives also include those transitional opportunities mentioned in the strategic section of our TCFD report (p.63).

Improvement measures that were put in place over the reporting year, included the following.

Vehicle fleet

In late 2020, the company introduced a new car scheme in the UK, adding further electric vehicle (EV) and hybrid options to the fleet list.

Since the start of the scheme, there has been a significant uptake in the number of plug-in and electric vehicles, with 89% of new vehicles ordered in the UK fleet since 2020 now comprising plug-in, electric or hybrid variants. One-third of new vehicles ordered since 2020 comprises fully electric vehicles. Consequently, the number of diesel vehicles in the fleet has fallen, as have average fleet GHG emissions.

Digitisation of services

We continued to leverage and expand on digitised ways of working, including developing mobile applications to transfer project-related data, reduce face-to-face visits and the need for business travel.

Natural capital and resources

Global water scarcity

The demand for clean water resources is expected to outpace supply by 56% by 2030 (WRI 2020), with as many as 2.3 billion people currently living in water-stressed countries (UN-Water 2021). As an organisation employing close to 5,000 employees globally, we acknowledge that water has to be treated as a scarce resource. Some of our offices are located in areas facing water stress and climate variability, where the impact of our presence may necessitate implementing water reduction plans.

As a leading proactive approach for the professional services sector and to take ownership of the potential impact of our portfolio, we carried out a high-level global water stress screen to verify where offices may be in high or moderate water stress risk areas. We utilised the World Resources Institute’s (WRI) water risk atlas, Aqueduct v3.0, in our review.

From our global portfolio of properties, 14% are physically located in higher water stress risk areas, 48% are located in moderate risk areas and 38% are in lower risk areas. By 2030, the proportion of our properties located in higher water stress risk areas is expected to increase from 14% up to 43% where limited action is taken on tackling global warming.

Of the offices located in current and future higher risk areas, we are taking steps to review how best to reduce our impact on natural capital through adapting our approach to water management.

Future directions

The business is well-placed to approach today’s sustainability challenges. With a dedicated sustainability team in place and clear direction on our path ahead, we will be seeking to build on our internal strategy, carbon planning, ESG data disclosure, engagement, and reporting.

We will also continue to work with the business to identify and support opportunities for highlighting and better showcasing the innovative and ESG credentials of the client projects we are involved with.
NON-FINANCIAL REPORTING – SOCIAL

Our people are our greatest asset and key to our strength. We strive to create shared value for our people as well as our clients, investors and communities. Our people get to work on diverse, purposeful projects and they get to do it alongside some of the best people in the industry. In 2021, we focused on employee health and safety, made progress in gender diversity and sought the views of our circa 5,000 employees in our second ever global employee engagement survey – Your Voice.

Health and Safety

6 YEARS
LOWEST LEVEL OF RIDDOR INCIDENT RATE FOR SIX YEARS

88%
I WORK IN A SAFE ENVIRONMENT
YOUR VOICE 2021
(2018: 83%)

SAFE OFFICES
ALL OFFICES ASSESSED FOR COMPLIANCE WITH UK COVID-19 REGULATIONS PASSED

ISO 45001
ACCREDITATION MAINTAINED AND SECURED
BAFE CERTIFICATION FOR LIFE SAFETY FIRE RISK ASSESSMENTS

Gender Diversity

OUR BOARD

GROUP LEADERSHIP TEAM

GLOBAL EMPLOYEES

For information on our community support for increasing diversity in STEM go to page 27

Employee Engagement

YOUR VOICE - 2021 GLOBAL EMPLOYEE ENGAGEMENT SURVEY

85%
EMPLOYEE PARTICIPATION
(2018: 80%)

70%
EMPLOYEE ENGAGEMENT
(2018: 67%)

96%
EMPLOYEES RECEIVING QUALITY YEAR-END PERFORMANCE AND DEVELOPMENT CONVERSATIONS
(2018: 50%)

78%
CONFIDENCE IN THE FUTURE OF RPS
(2018: 74%)
Business relationships
In 2019, we launched our behaviours and embedded them across the Group with over 75% of employees completing the relevant online training. Our behaviours are at the core of how we do business and a key element of annual employee performance and development discussions. Sitting alongside our approach to corporate responsibility, they ensure we conduct business in a transparent and fair way with a focus on delivering our purpose of creating shared value.

We have policies and procedures that support our people and provide us with a framework to ensure they act in a consistent way with our behaviours. Employees are required to be sympathetic to the cultures and comply with the laws and regulations of the countries in which they operate, as well as giving due regard to the safety and wellbeing of all project personnel and relevant local communities. All RPS employees are expected to avoid any personal or professional interests that could conflict with their responsibilities to the Group and, should such a situation arise, they are expected to report it promptly.

Policies
Anti-bribery policy
The Group has in place an anti-bribery policy, which clearly states a number of obligations for our employees. Under no circumstances should employees offer, give, solicit, or accept a bribe whether by cash or other inducement. In addition, under no circumstances should employees encourage or procure any third party to offer, give, solicit or accept a bribe. The prevention, detection and reporting of bribery are key priorities for the Group. The Group maintains appropriate financial controls, one of the purposes of which is to detect any unusual payments made to third parties. The prevention and reporting of bribery are, however, the responsibility of all employees and they are required to promptly report any suspicion of bribery. The Group also expects its sub-contractors and agents to follow policies and practices that are consistent with its own policies.

As RPS may be held liable for bribery and/or tax evasion facilitated by an associated person while acting on our behalf, it has in place due diligence procedures which must be observed before an agent or intermediary is appointed.

The Group has introduced a Gifts and Entertainments Register to monitor the giving of and receiving Gifts and Entertainment. Where agreed limits of what can be accepted are exceeded, the gift or entertainment must be approved by that person’s manager. All employees in the Group undergo Anti-Bribery training.

Our anti-bribery policy is communicated to our suppliers, sub-contractors, agents, partners and intermediaries with whom we are dealing.

The Group has a clearly stated zero tolerance policy in relation to acts of bribery and corruption and supports the UN Global Compact and the UN Convention on Anti-Corruption. There have been no reports or allegations of Bribery during the year.

Modern slavery statement
We support the objectives of the Modern Slavery Act and will not tolerate modern slavery or human trafficking within our own supply chain. During the year, the Group conducted a further review of its supply chain and published its statement accordingly. As far as is reasonably ascertainable, none of the Group’s activities has directly or indirectly given rise to the abuse of human rights. We support the introduction of the Australian Federal Government’s Modern Slavery Act and will review the Group’s position in line with its guidance.

Health, safety and wellbeing policy
Our commitment to employee health, safety and wellbeing sits at the core of our Global People Strategy and is grounded in our Global RPS behaviours. Explicit in stronger together behaviour is that “We act reasonably for our own health, safety and wellbeing and that of others”. It is our belief that accidents can be prevented, and we are committed to maintaining exemplary standards of health, safety and wellbeing.
We aim to promote a working environment that supports the physical and mental wellbeing of our employees, and it is our intention to achieve continuous improvement in our management systems, activities and performance. The policy is a standing agenda item and discussed at each Board meeting.

**Diversity & Inclusion policy**

The Group’s diversity and inclusion policy sets out our approach and commitment to supporting a diverse and inclusive workplace. We regard this as critical to attracting and retaining the best talent for the company. RPS recognises the importance of creating a culture that encourages and visibly values different ideas, perspectives, and styles of thinking, making us as diverse as the communities and clients we work with. The policy also emphasises the importance of respect, empathy and fairness in all our interactions.

**Environmental policy**

The environmental policy outlines that we recognise that a changing climate, together with the pressures of population growth and urbanisation, require that society and business work together to adapt. RPS has unrivalled global capabilities that enable our clients to take a balanced approach to delivering a sustainable future. The work and due diligence performed in this area is more fully explained on pages 70 to 76.

**Whistleblowing policy**

Our whistleblowing policy ensures our employees feel empowered to raise concerns relating to malpractice or wrongdoing in confidence through an independent hotline/online portal administered by Ethics Point.

To date, we have had no incidents of whistleblowing reported into the hotline/online portal. Where any incidents of whistleblowing are reported, there is a process of bringing this to the Board’s attention to seek guidance on how to respond. A number of our policies also make reference to employees reporting any concerns they may have whether by way of bribery or ethical issues generally and are invited to make use of the Company’s whistleblowing hotline, should they wish to raise any issue confidentially.

**Tax Policy**

The Group has in place a published Tax Strategy and supporting policies and procedures to ensure tax matters are managed appropriately. As a multinational group, tax affairs are complex and this can lead to uncertainty and risk. It is RPS policy to reduce uncertainty by ensuring tax-qualified people are employed in the key regions together with taking professional advice and liaising with tax authorities where appropriate.

Tax risk is regularly monitored through clearly defined accountabilities for the Segments and requirements to report tax exposures to Group. In addition, a number of internal procedure documents are circulated across the Group to ensure consistent treatment in tax reporting, transfer pricing and withholding taxes.

**Respect for human rights**

We do not maintain a standalone human rights policy. The Group supports and is guided by the Universal Declaration of Human Rights and the International Labour Organisation’s Declaration on Fundamental Principles and Rights at Work. The Group understands its responsibility to respect the human rights of the communities and workforces with whom it interacts, and employees are expected to conduct themselves in a commensurate manner.

**Cyber and data security**

Throughout 2021, we have strengthened our approach with new automatic technical and security measures. This is a key risk which is referred to on p. 59 where we talk about the mitigations we have put in place.

The Strategic Report as set out on pages 6 to 80 has been approved by the Board.

John Douglas
Chief Executive
15 March 2022
Our annual report and accounts details our approach to environmental, social and employee-related matters. Below outlines where in this report you can find this information and where additional information can be found on our website.

<table>
<thead>
<tr>
<th>Non-financial Information</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Anti-fraud, bribery and corruption</strong></td>
<td>Anti-bribery policy, see p. 78. Whistleblowing policy, see p. 79. Code of conduct, <a href="https://www.rpsgroup.com/media/6618/hr-78-code-of-conduct.pdf">https://www.rpsgroup.com/media/6618/hr-78-code-of-conduct.pdf</a></td>
</tr>
<tr>
<td><strong>Business model, principal risks and non-financial KPIs</strong></td>
<td>Business model, see pages 42 and 43. Principal risks, see pages 53 to 60. We currently have no non-financial KPIs. This area will be kept under review.</td>
</tr>
<tr>
<td><strong>Employees</strong></td>
<td>Engagement, see p. 26. Behaviours, see p. 27. Environmental policy, see p. 79. Diversity and inclusion policy, see p. 79 and Nomination Committee report p. 104. Health, safety and wellbeing policy see pages 78 and 79. Recruitment and retention of employees see pages 54 and 55 of risk section and pages 24 and 25 of people section.</td>
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<tr>
<td><strong>Environmental matters</strong></td>
<td>Environmental Policy, see p. 79. Sustainability, see pages 70 to 76. TCFD, see pages 63 to 68.</td>
</tr>
<tr>
<td><strong>Human rights</strong></td>
<td>Respect of Human Rights, see p. 79. Modern slavery statement, see p. 78. Code of conduct, <a href="https://www.rpsgroup.com/media/6618/hr-78-code-of-conduct.pdf">https://www.rpsgroup.com/media/6618/hr-78-code-of-conduct.pdf</a></td>
</tr>
<tr>
<td><strong>Social matters</strong></td>
<td>People report, see p. 27. Social Focus, see p. 77. Environmental policy, see p. 79. Diversity and inclusion policy, see p. 79.</td>
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</tbody>
</table>