

# Operations

## Employees

The Group remains committed to creating an employment environment which will attract, retain and motivate employees of high calibre. Throughout the Group emphasis is placed upon personal development to meet both current and future needs. Employee communication and consultation is encouraged at all levels of the business. The criteria for selection and promotion are the individual's suitability for the position offered based on their qualifications, experience, skills and abilities. Business units manage the remuneration of staff within the guidelines of approved annual budgets. We have appropriate human resource structures

and systems managed by personnel professionals throughout the businesses and countries in which we operate.

The Company operates a Share Incentive Plan in the United Kingdom and similar plans overseas. These plans, which are open to the majority of the Group's employees, enable employees to purchase RPS shares with the Company providing a matching share contribution. The Company also operates a Performance Share Plan in which more senior employees participate and which offers the potential to build a significant equity interest over a number of years.

## Operating Structure

Our operating structure has developed as the Group has grown in size and complexity driven by the need to achieve the correct balance between the autonomy that enables our businesses to operate in a flexible and responsive fashion, whilst ensuring transparency and accountability throughout the Group. The Group is split into a number of operating divisions and companies, which focus on the principal markets that we serve both by sector and geography. Our smaller business units focus on specialised areas but are accountable to the relevant divisional or operating company Board. Underpinning this structure is a set of clear obligations in terms of reporting and authorities that operates throughout the Group and as is described on pages 26

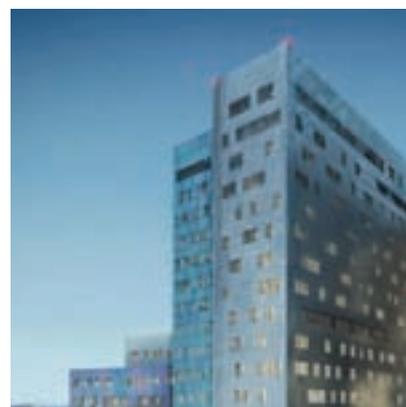
and 27. Our principal businesses in both the UK and overseas employ appropriately qualified accounting, human resource and other support staff. In the recent period of economic uncertainty this structure has enabled the extra attention to detail that is vital to ensure operational efficiency and careful cost management.

In addition to retaining appropriate control, the Group provides support to the sales and marketing activities of our businesses through its business information unit which is also responsible for the maintenance and development of the Group's intranet and website. We have continued to invest in information technology to facilitate better communication and flow of information both internally and externally.

## Equal Opportunities in Employment

RPS provides equal opportunities for all its employees and potential employees regardless of their sex, sexual orientation, age, race, religion, ethnic origin, disability, marital status, colour and nationality. The policy applies to all aspects of employment including the advertisement of jobs, recruitment and appointment, training, conditions of work and pay.

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Planning advisors for the largest healthcare PFI in Europe at St Bartholomew and Royal London Hospitals

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We recognise our obligations to ensure that people with disabilities are afforded equal opportunities to employment and progress within the Group.

RPS' policy on equal opportunities covers all areas of discrimination.

**Training and Continuous Professional Development**

RPS is committed to the training, education and development of its employees to increase effectiveness, develop potential and ensure adequate



Radioactive waste retrieval and treatment at Sellafield



Expert witness to the Appeal Court of the Hague

succession planning. RPS came third in Britain's Top Employers 2009, a book researched and published by the Corporate Research Foundation. This organisation has been given special recognition by the EU Commission for its outstanding contribution to employer best practice in several EU countries.

Divisional Directors, their appointed project managers and professional trainers are responsible for the management of training and for the verification of technical competence for project personnel, in accordance with our quality management system.

We aim to identify and provide training, education and development for employees, in order that they can develop and apply this knowledge to greater and more demanding roles in the future. Wherever possible we try to identify successors to key posts within the organisation as part of our ongoing succession management policy.

Externally advertised posts are initially published on the JoinRPS.com careers website and promoted internally via the Group's Intranet. Central to identifying our training and educational needs is staff appraisal. This activity is concerned with developing staff by identifying and meeting performance and training needs as well as developing individual potential.

Appraisals are intended to complement the standard staff induction programme on Company policy and procedures, which covers topics including safety or equipment handling and involves assessments of competency on a more administrative level. Staff appraisal is a continuous process and is not limited to formal meetings. However, formal appraisal meetings take place in many parts of the Group at least once a year.

RPS is a recognised commercial training provider in a number of specific technical fields and is certified by such external bodies as CCNSG (ECITB) on site safety courses. RPS operates a CIWEM approved structured training scheme for its chartered water and environmental engineers and MICE and MIEI approved CPD schemes for civil engineers in the UK and Ireland. Our aim is to help the development of individuals throughout their employment with the Company, by underpinning their strengthening skills and professional ethics, whilst broadening their business knowledge. One of the key objectives of the scheme is the long-term commitment to CPD of all existing staff within the organisation. Thereby, individuals are always able to demonstrate technical experience in specific sectors, such as the water industry, or in relevant aspects of environmental consultancy.

	Group	
	2009	2008
<b>Average number of employees</b>		
Number of employees	4,254	4,438
Days absent (%)	1.8	1.7
Average length of service (years)	5.4	5.0
Working part time (%)	11	7
Retention rate (%)	78	90
<b>Age profile</b>		
Employees aged under 25 (%)	9	11
Employees aged 25-29 (%)	19	19
Employees aged 30-49 (%)	53	52
Employees aged 50+ (%)	19	18

### Academic Bursaries

For the seventh consecutive year, RPS in the UK continued its practice of awarding academic bursaries to students studying at university. In 2009, this included students attending courses at twenty four UK universities:

- Christ's College, University of Cambridge, MEng in Civil Engineering and MEng in Structural Engineering
- Birmingham City University, BA (Hons) in Architecture, MA in Urban Design & PG Dip in Architecture
- South Birmingham College, HNC in Building Construction, HNC BSE HVAC
- University of Central England, MA in Planning
- Coventry University, BEng in Building Services
- Stourbridge College, BTEC National Certificate in Building Service Engineering in Electrics
- University of Southampton, BSc in Acoustics
- Anglia Ruskin University, BSc in Environmental Planning
- University College Cardiff, MSc in Town Planning
- St Andrews University, MSc in Ecology
- Stirling University, M.Phil in Ecology
- De Montfort University, MSc in Energy and Sustainable Buildings, Post Graduate MSc in Energy and Sustainable Building
- London Southbank University, HNC in Civil Engineering
- University of Nottingham, MEng in Civil Engineering
- Loughborough University, MEng in Civil Engineering
- Nottingham Trent University, BEng in Civil Engineering
- University of Newcastle, MEng in Mechanical Engineering
- Wolverhampton University, BSc in Architectural Design Technology and BTEC in Civil Engineering
- University of Nottingham, MSc in Engineering Surveying and Geodesy
- University of Wales, Newport, BA (Hons) in Business Studies and HNC in Business Studies Course
- University of York, MSc in Risk Management
- University of Bristol, HNC in Water Management
- Birbeck College, BSc in Computing Science



BioFuels production facility in Houston, Texas



Principal designer and landscape architect for Brisbane Airport Link

- Queens University Belfast, MEng in Civil Engineering and a Masters in Sustainable Development

**Ireland**

- University College, Dublin, CEng in Civil Engineering

**Spain**

- University of Valencia, MBA studies in Building Services Engineering



Wetlands translocation project, Waterford, Ireland

**Australia**

- Curtin University, diploma in Accountancy
- Edith Cowan University, BA in Accountancy
- Swinburne University of Technology in New South Wales

RPS provided funding to Masters level students to pursue studies in engineering related disciplines. RPS sponsors the Gold Medal for the top Civil Engineering student at University College Dublin and the Centre for Talented Youth programme.

In Ireland, RPS North South Scholarships in Sustainable Development continued in 2009. Launched in 2008, these scholarships are designed to promote all-island co-operation and assist the economic development of the North South Business corridor as part of the implementation of the structures set up under the Good Friday Agreement. Two equivalent RPS bursaries were open to graduates with a primary degree from one jurisdiction proposing to do a Masters degree in the other jurisdiction.

**Growth and Funding**

Despite current economic circumstances RPS operates in markets which are generally attractive and expanding with good long-term prospects, but which are fast changing. We need, therefore, to keep our products and services and how we market and deliver them under continuous review. The Board believes that the long-term health and growth of the Group will be best secured by ensuring that RPS is, and is perceived by clients and staff to be, a market leader in each of our business areas. Our corporate strategy is designed to achieve this.

We are endeavouring to deliver long-term shareholder value and have, therefore, to balance annual earnings growth with investment in both our existing clients, staff and products and the development of our product offering and capability.

The acquisition strategy RPS has pursued over the last decade has brought considerable benefit to shareholders, clients and staff. The companies acquired have enabled us to build strong positions in a number of markets. This has included the creation of a substantial business in the energy sector. This, in turn, enables us to offer a broader, higher quality service to our clients and attractive employment to staff and potential recruits. The financial performance of the companies which have been acquired has increased the Group's growth. The Board sees the maintenance of this element of the strategy as being of importance to the continued growth of

RPS and will consider more significant acquisitions, as well as making acquisitions outside the countries in which we currently operate. At the year end the Group had net bank borrowings of £32.8 million (Note 25). RPS normally generates sufficient free cash to fund its working capital and capital expenditure requirements. Additional cash resources are, therefore, only needed in order to pursue the Group's acquisition strategy. From time to time, the Board therefore secures funds by means of arranging debt finance or equity placings.

The Board believes the Group's current bank facilities of £125 million are adequate for current purposes, but would be prepared to increase them in order to make appropriate investments.

#### Dividend Policy

For a number of years our dividend per share has grown at an average annual compound rate of about 15%. Our ability to maintain this level of growth will depend upon the scale of earnings growth, the nature and scale of future acquisitions and how that investment is funded. The final dividend will normally be greater than the interim payment.

#### Shareholder Value

The Board manages the Group in order to achieve good levels of growth in shareholder value on a consistent long-term basis. The Board, however, recognises that this can only be achieved by providing a competitive service which adds value to our clients' organisations and offering an attractive working environment and career prospects to our staff. Striking this balance whilst also respecting our responsibility to society at large is the main task facing the Board. Current economic circumstances make the achievement of this balance even more challenging.

#### Corporate Governance

RPS operates to a strong system of governance in order to safeguard the interests of its shareholders. The structures and policies that are in place to achieve this are set out on pages 49 to 60.



Cross border power grid, Ireland



Northshore Riverside Park: award-winning landscape design by Conics