



RUSSELLSMITH

2025

HALF-YEAR ESG UPDATE



**INNOVATING FOR RESILIENCE,
POWERING PROGRESS.**

www.russellsmithgroup.com

Table of Contents

01 A Message from Our CEO

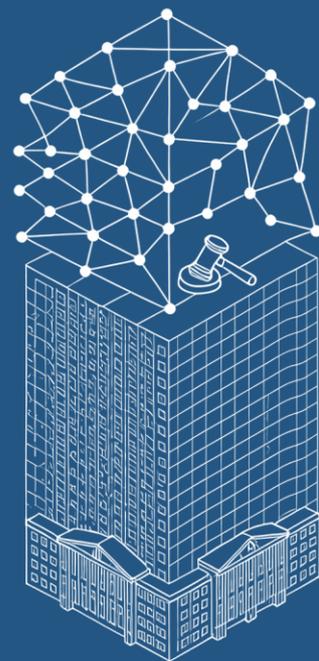
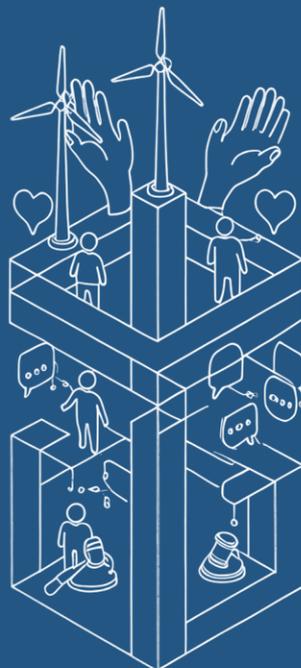
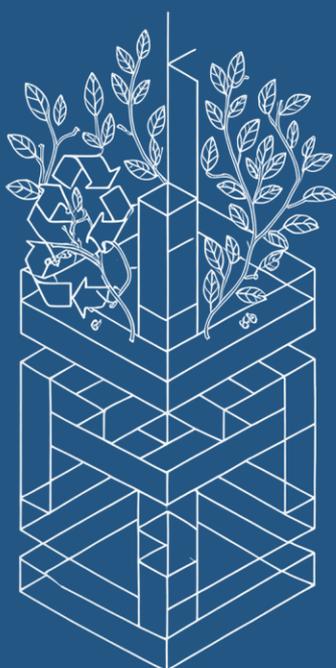
02 Introduction

03 ESG Pillar I: Environmental

04 ESG Pillar II: Social

05 ESG Pillar III: Governance

06 Conclusion



A Message from our CEO

As we navigate the second half of 2025, I am pleased to share RusselSmith's half-year progress update on our Environmental, Social, and Governance commitments. This journey defines not just how we do business, but who we are as an organisation.

At RusselSmith, we view ESG not as a compliance exercise or a set of boxes to check, but as the foundation of sustainable value creation. Our approach is rooted in the understanding that long-term business success is inseparable from the health of our communities, the protection of our environment, and the strength of our governance practices. This philosophy guides every strategic decision we make and every relationship we build.

Over the past six months, we have taken significant steps to advance our ESG journey. We strengthened our carbon emissions monitoring and reporting, enhanced our resource management practices, and achieved measurable reductions in waste generation while improving operational efficiency. Our commitment to diversity and inclusion continues to shape a workplace where every team member is valued and empowered to succeed. We have deepened our culture of safety and wellness, and improved governance by enhancing ESG reporting and transparency.

These actions have earned us global recognition for excellence in sustainability reporting and reaffirmed our dedication to quality, integrity, and the trust our customers place in us.

Transparency remains at the heart of our ESG strategy. We believe that comprehensive and transparent reporting builds trust with our stakeholders and holds us accountable to the high standards we set for ourselves. This half-year update reflects our commitment to open dialogue about both our achievements and the challenges that lie ahead.

The progress detailed in this report represents the collective efforts of the entire RusselSmith team, whose dedication to our ESG principles brings our vision to life. Together, we are building a company that delivers exceptional value to our stakeholders while contributing to a more sustainable and equitable future for all.



Chief Executive Officer
RusselSmith



At RusselSmith, sustainability is not a side agenda. It is right at the heart of how we innovate, operate, and grow.

Our ESG commitments guide every decision we make, ensuring that we create value responsibly for our people, our communities, and the environment we all share.

1. Introduction

As global expectations around sustainability performance continue to evolve, RusselSmith remains committed to embedding Environmental, Social, and Governance (ESG) principles into every facet of our operations. This 2025 Half-Year ESG Update provides a quick overview of our key achievements as of June 2025, structured around material ESG indicators.

The report is developed in alignment with the Global Reporting Initiative (GRI) Standards (2021 update) and the SASB Standards for the Oil & Gas Services and Industrial Machinery sectors. This combined approach ensures broad stakeholder relevance and financial materiality, offering a robust and comprehensive view of our ESG performance.

It highlights our measurable progress, innovative practices, and strategic efforts towards advancing sustainable development across our business value chain. This snapshot also serves as a preparatory brief ahead of our more detailed 2025 Annual ESG Report.

Significant Highlights

<p>Pioneering local production through additive manufacturing to reduce import-related emissions and promote circular economy practices.</p> <p>1</p>	<p>Establishing a carbon emissions monitoring and reporting system to support data-driven decarbonization strategies.</p> <p>2</p>	<p>Accelerating digital transformation to minimise waste and promote sustainable resource use.</p> <p>3</p>
<p>Strengthening workplace health and safety through innovations in hazard reporting and emergency response readiness.</p> <p>4</p>	<p>Investing in talent development and ESG leadership, with structured capacity-building initiatives and internal learning platforms.</p> <p>5</p>	<p>Fostering community engagement and inclusion by partnering with purpose-driven organisations to empower underserved groups.</p> <p>6</p>

Our achievements are presented in alignment with relevant Sustainable Development Goals (SDGs) and grouped under the core ESG dimensions of Environmental, Social, and Governance. This half-year report reinforces our commitment to transparency, accountability, and long-term sustainability, and it sets the foundation for deeper reporting and performance tracking in the months ahead.

2. Environmental

2.1 ESG Indicator: Resource Efficiency & Circular Economy

2.1.1 Achievement: Pioneering Local Production and Emissions Reduction in Nigeria through Industrial Additive Manufacturing

We operationalised our advanced manufacturing division to locally produce critical industrial components using 3D Printing, significantly reducing reliance on imports and enhancing sustainable maintenance solutions for our clients.

By localising production, we have enhanced supply chain efficiency, stimulated local economic activity, and minimised environmental impact through reduced logistics emissions.

Emissions Impact (Mid-Year 2025):

- **Emissions via Traditional Supply Chain Importation:** 13.8 tCO₂e
- **Emissions via Local Transportation (Last-Mile Delivery):** 0.4 tCO₂e
- **Absolute Reduction:** 13.4 tCO₂e
- **Percentage Reduction:** 97.1%

Case Study Highlights:

- **Motor Coupling Hub Replacement:** We replaced a corroded steel motor coupling hub with a high-performance polyamide composite, reducing material waste and achieving dimensional accuracy without shrinkage. This upgrade extended equipment life and enhanced energy efficiency.
- **Air Release Valve Float:** In the absence of OEM support, we manufactured a legacy valve float locally, reducing import dependence and post-processing waste. The design overcame common 3D-printing challenges like warping, resulting in repeat orders.
- **Filter Bag Housing:** Our redesigned, leak-proof housing eliminated excess joints, reduced contamination risk, and improved fluid flow stability in water treatment systems, all while minimising material usage and waste.

These applications demonstrate our practical commitment to resource efficiency through design optimisation, material innovation, and sustainable local manufacturing. They highlight advanced manufacturing as a scalable circular economy solution within the industrial sector.

SDGs Alignment:

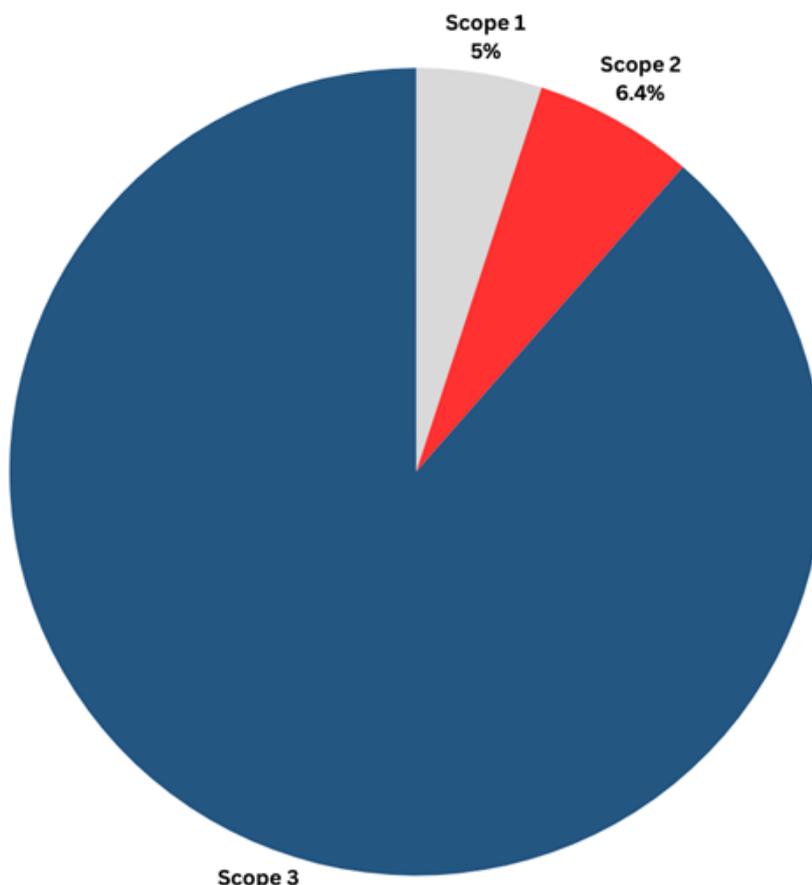


2.2 ESG Indicator: Climate Strategy & Emission Reduction

2.2.1 Achievement: Established a Carbon Emissions Monitoring & Reporting System

RusselSmith developed an internal system to monitor and report its carbon footprint, forming the backbone of our decarbonisation strategy. As of June 2025, our Lagos Office recorded a total carbon footprint of **89.30 tCO₂e**, with emissions categorised across Scopes 1, 2, and 3. The chart below provides a detailed breakdown of emissions by scope for Half-Year 2025, offering key insights into our operational impact and areas for targeted intervention.

Contribution of Emission by Scope (Half Year 2025)



SDGs Alignment:



2.3 ESG Indicator: Waste Reduction & Circular Resource Use

2.3.1 Achievement: Reduced Paper and Single-Use Plastic Waste Through Digital Innovation and Sustainable Alternatives.

We significantly reduced operational waste by deploying internally developed digital tools, RusselSmith EDGE and the RusselSmith Process Optimisation Platform (RS POP), alongside the adoption of the Zoho One suite, which collectively automated key workflows and minimised reliance on physical documentation. These efforts have led to a sharp decline in paper usage, addressing previously high consumption levels in the past years, which exceeded 170,000 printed sheets.

Additionally, we replaced single-use PET bottles and disposable items in the workplace with reusable and recyclable alternatives to tackle plastic waste. This integrated approach reflects our commitment to sustainability, resource efficiency, and low-impact operations.

SDGs Alignment:



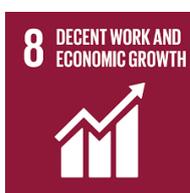
3. Social

3.1 ESG Indicator: Health, Safety & Well-being

3.1.1 Achievement: Innovated a Digital System for Internal Hazard Reporting

We successfully developed and deployed RS POP, an internal digital system for real-time hazard reporting and monitoring. In just two years, the system has captured over 1,000 hazards, with 50% successfully resolved. This marks a major milestone in innovation, risk visibility, and safety responsiveness.

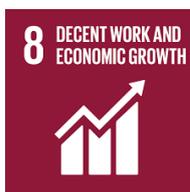
SDGs Alignment:



3.1.2 Achievement: Launched “U-See, U-Act” for Offshore Hazard Identification

To strengthen offshore safety practices, we launched the “U-See, U-Act” program, a proactive initiative encouraging offshore personnel to identify and report hazards on project sites in real time. Since deployment, the program has recorded 672 hazard reports, which were promptly shared with clients, enhancing safety ownership and accountability at remote project locations.

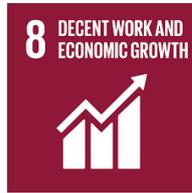
SDGs Alignment:



3.1.3 Achievement: Strengthened Emergency Preparedness

With the assistance of the Nigerian Red Cross, we delivered certified first aid and emergency response training to employees as part of our broader emergency preparedness framework. Complemented by biannual emergency drills in our Lagos office, this collaboration has significantly enhanced our workforce’s capacity to respond swiftly and effectively to critical incidents. As a result, we have achieved an emergency response time of 4 minutes, reflecting the success of our training and readiness strategy.

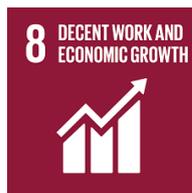
SDGs Alignment:



3.1.4 Achievement: Scaled Monthly Wellness Engagement Through EverFit Program

To promote employee health and well-being, we implemented the EverFit Program, a monthly wellness initiative focused on physical fitness and mental resilience. The program engages over 30 employees per session, fostering a culture of well-being, stress reduction, and improved workforce productivity.

SDGs Alignment:



3.1.5 Achievement: Strengthened Safety Culture Through Regular Training and Governance

We built a strong organisational safety culture through weekly Management Safety Meetings, biannual Occupational Health and Safety Review Sessions, and ongoing safety training programs. These structured interventions have driven continuous awareness, accountability, and proactive risk management across teams. As a result, we have maintained zero Lost Time Incidents (LTI) for 20 consecutive years, with both TRIR and LTIFR sustained at 0.00.

SDGs Alignment:



3.1.6 Achievement: Introduced Paid Wellness Leave for Employees

We introduced a policy granting employees two fully paid wellness days off per year to prioritise their mental and physical health. This initiative empowers staff to take proactive steps toward self-care and work-life balance, reinforcing our commitment to a supportive and healthy workplace culture. To date, over 30 employees have already benefited from this policy.

SDGs Alignment:

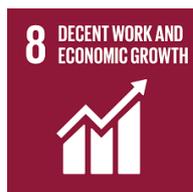


3.2 ESG Indicator: Talent Development & Retention

3.2.1 Achievement: Scaled Talent Development Through Internal Learning Platform

We deployed TalentLMS, an internal training platform that enables employees to access structured learning at their own pace. Since its launch, 42 employees have completed training, with a total of 149 courses completed and approximately 800 cumulative learning hours recorded. This platform has become a core pillar of our professional development and employee retention strategy.

SDGs Alignment:

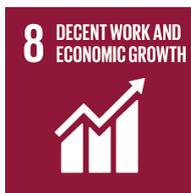


3.2.2 Achievement: ESG Capacity Building and Sustainability Leadership Development

In 2025, over 30 employees were trained on ESG principles, with 9 appointed as *Sustainability Champions* to lead cross-divisional integration. These Champions serve as in-house ESG advocates, driving awareness, facilitating data collection, promoting accountability, and supporting sustainable innovation within their teams.

This initiative strengthens our internal capacity and promotes a decentralised model of ESG leadership, embedding sustainability into daily operations across the organisation.

SDGs Alignment:



3.3 ESG Indicator: Quality & Customer Satisfaction

3.3.1 Achievement: Achieved Excellent Customer Satisfaction Rating Across 1,000+ Projects

We achieved excellent customer satisfaction rating across more than 1,000 successfully executed projects in our Asset Integrity and Additive Manufacturing divisions. With zero product defects or recalls, this result highlights our unwavering commitment to quality assurance, operational excellence, and client trust.

SDGs Alignment:



4. Governance

4.1 ESG Indicator: Leadership & Industry Collaboration

4.1.1 Achievement: Elevated Sustainability Leadership Through SPIN Engagement

We advanced our sustainability leadership by securing institutional membership with the Sustainability Professionals Institute of Nigeria (SPIN). Our CEO earned Fellowship status in recognition of his industry contributions, and nine employees became active members, positioning our team at the forefront of Nigeria’s sustainability movement.

SDGs Alignment:



4.2.1 ESG Indicator: Governance & Transparency

Achievement: Recognition for Sustainability Leadership

We received formal recognition from the Additive Manufacturer Green Trade Association (AMGTA) for excellence in sustainability reporting and the consistent integration of responsible environmental and operational practices across the business. This acknowledgement reinforces our leadership role in advancing sustainable manufacturing in Africa and our commitment to transparent ESG performance.

SDGs Alignment:



4.3 ESG Indicator: Data Transparency & Reporting

4.3.1 Achievement: Strengthened ESG Accountability Through ESG Reporting Software Deployment

To enhance ESG data accuracy and transparency, we deployed an ESG reporting software platform for real-time data monitoring, reporting, and analytics. This tool has improved accountability across our sustainability performance and streamlined compliance with global reporting standards.

SDGs Alignment:



5. Conclusion

This half-year ESG update presents a consolidated view of the key sustainability achievements recorded by RusselSmith as of June 2025. While some of these initiatives were implemented before the current reporting period, they remain active and impactful, forming part of the cumulative progress we have made towards integrating ESG principles into our operations.

The report underscores our unwavering commitment to environmental stewardship, social responsibility, and ethical governance. Whether through innovative manufacturing that cuts emissions, the deployment of digital tools that reduce waste, or the empowerment of future sustainability leaders, each milestone reflects intentional action and measurable progress.

As we prepare for our more comprehensive Annual ESG Report later in the year, this snapshot serves as a foundation for deeper analysis, enhanced disclosures, and continued alignment with global sustainability standards. RusselSmith will continue to evolve, adapt, and lead with purpose; ensuring that sustainability remains central to our strategy, culture, and impact.