



MODERN SLAVERY & HUMAN TRAFFICKING STATEMENT

This Modern Slavery and Human Trafficking Statement is made by Hill & Smith Holdings PLC on behalf of all companies within its group ('H&S/ H&S Group') pursuant to s.54 of the Modern Slavery Act 2015.¹ This statement describes the steps that H&S has taken in the financial year ending 31 December 2021, towards seeking to ensure that slavery and human trafficking is not taking place in its operations or its supply chains.

We adopt a zero-tolerance approach to the fundamental violation of an individual's basic human rights that modern slavery and human trafficking represents. We expect the same high standards from our suppliers. We are committed to acting ethically and with integrity in all of our business relationships and to implementing and enforcing effective systems to prevent slavery and human trafficking in our corporate activities. We will not knowingly trade with companies that employ or utilise slavery or servitude, forced and compulsory labour, child labour or are complicit in human trafficking activities.

Group Structure, Business and Supply Chains

Hill & Smith Holdings PLC ("Hill & Smith" or "the Group"), the international group providing sustainable infrastructure and safe transport solutions. Supplying to and located in global markets, we serve customers from facilities in Australia, France, India, Scandinavia, the UK and the USA. We employ approximately c. 4,400 people worldwide and, in the period covered by this statement, we had annual revenues of £706.6m. Hill & Smith Holdings PLC is listed on the London Stock Exchange's Main Market and you can find out more about the products and services we provide at: <http://www.hsholdings.co.uk/>

Due to the varied nature of our manufactured products and markets served, we have a complex and geographically diverse range of suppliers. However, our main supply chains are in respect of the supply of raw materials (e.g., steel and zinc), metallic components and other services that support our international operations.

Organisational safeguards

We have a number of compliance controls to help combat modern slavery and human trafficking within our organisation. The Group Company Secretary has been nominated by the Board to oversee compliance.

Anti-Slavery & Human Trafficking Policy: The policy sets out our approach, outlines the steps being taken to prevent and detect modern slavery, identifies red-flag warnings in respect of the signals of modern slavery and publicises the formal reporting mechanisms available to persons who suspect that modern slavery is occurring in our operations or supply chain.

Code of Business Conduct (CoBC): Our companies are committed to maintaining high standards of ethics and integrity in the conduct of their business activities. To the extent practicable, we have deployed UK ethical standards in our international operations. The CoBC reflects our zero-tolerance stance to modern slavery and human trafficking, re-emphasizing our position on respecting all individuals' basic human rights. We are committed to compliance with all applicable wage and working-time laws and the right of employees to participate in collective bargaining. It is mandatory for all employees and those engaged by the Group to adhere to the CoBC.

¹ Specifically, this statement sets out the steps taken by Hill & Smith Holdings PLC, and on behalf of Birtley Group Limited, Hill & Smith Limited, and Joseph Ash Limited all of which fall within the scope of section 54(2) of the Modern Slavery Act 2015 and the Modern Slavery Act 2015 (Transparency in Supply Chains) Regulations 2015.

Group Supply Chain Policy: Our companies are committed to having appropriate systems in place to ensure that our supply chains comply with, or exceed, our required standards in respect to human rights, working conditions and the environment.

Whistleblowing Policy & Hotline: Our Whistleblowing Policy describes the mechanism for reporting of unlawful or unethical activity, including matters related to modern slavery and human trafficking. The compliance hotline is an externally hosted service, and a poster campaign is used to promote it. No modern slavery or human trafficking matters have been raised via this mechanism.

Supply Chain Safeguards

Procurement Standards: Our Group Procurement Standards promote robust supplier selection, effective due diligence and commercial best practice. Key suppliers are required to describe their own supply chain due diligence, furnish copies of their own modern slavery statements (if applicable) and provide an assessment of the modern slavery risk in the sector in which they operate. Our intention is that this will increase the transparency of our supply chains, and suppliers who do not meet the requirements of the Procurement Standards will not become or continue to be regarded as H&S Approved Suppliers;

Standard Contractual Commitments: Our standard purchasing contracts require an obligation of our suppliers to comply with our policies in respect of modern slavery. Violations of these commitments serve as grounds for termination of contracts. The duties include a requirement to certify annually that the supplier adheres to the H&S compliance policies; and

Commercial Intermediaries Policy: All Commercial Intermediaries are required to undergo continual due diligence and monitoring using both sanction party screening and annual compliance certification.

Initial Risk Assessment

We continue to review all previous risk assessments in respect of our exposure to modern slavery, and we seek advice, as deemed appropriate, from various organisations help us quantify our risks. The review confirmed our previous analysis that the risks are low overall:

Indian Operations: We have a subsidiary manufacturing facility in India which operates a regulated work environment in a regulated sector. It also has all necessary state and central licences and permits required to operate a manufacturing facility, and is regularly audited by local authorities to ensure that the facility meets the requisite standards to continue to operate. All staff have identity and age checks undertaken prior to commencing employment and original identity documents are never retained. The terms of employment for our Indian employees grant rights for them to cease employment at will, subject to reasonable contractual notice being served. Therefore, we feel the risk modern slavery occurring in relation to our Indian operations is low.

The Supply of a Flexible Labour Force: A number of our subsidiaries periodically engage temporary workers in order to achieve flexibility and market responsiveness in certain occupations. To the extent that recruitment agents are used to source such labour, they are regularly vetted, and only reputable agents engaged. Right to work, age and identity checks are undertaken, and contracts allow such workers to cease employment at will, subject to contractual notices being served. Taking this into account alongside our existing policies (as described above), we feel that the risk of modern slavery occurring within our temporary workforce is low.

Low-Cost Sourcing: A small number of our subsidiaries source componentry and raw materials from both India and China. In addition to our subsidiaries following the Procurement Standards as set out above, in-country, on-site audits have been undertaken in relation to some of these suppliers and we anticipate that such audits will help us identify any risks of modern slavery within these supply chains. Such suppliers are also subject to performance evaluations at regular intervals. Therefore, we feel that the risk of modern slavery occurring in these supply chains is low.

The Supply of Construction Materials: Some of our subsidiaries supply into the construction sector and traceability of raw materials in this sector is known to be challenging however we view the risk of modern slavery occurring in these supply chains is low.

Training and Guidance

Board and Senior Management Training: The Board of Hill & Smith Holdings PLC reviews its Modern Slavery policy on an annual basis and receives an update on our work monitoring the likelihood of modern slavery occurring. In addition, through our risk assessment work, senior managers continued to be engaged and upskilled in this area.

Human Resources Guidance: In general, and taking into account our policies outlined above, we consider that our permanent workforce are unlikely to be, or to become, victims of modern slavery or human trafficking but we are nonetheless alert to the possibility.

We are cognisant of the fact that victims of modern slavery and human trafficking are likely to be living in circumstances of fear and, therefore, may not actively seek help and provide an independent, third-party, hosted whistleblowing hotline where anyone who suspects modern slavery wrongdoing can report it. HR professionals are trained in the key red-flag behavioural warnings known to be exhibited by victims of modern slavery and human trafficking to enable victims to be more easily identified and assisted. No modern slavery or human trafficking matters were raised within our businesses in 2020.

Further Steps to Prevent Modern Slavery in our Business and Supply Chain

During 2021, we built on our 2020 work and undertook a review of the Modern Slavery risks associated with the supply of flexible labour force agency workers to our UK and US galvanizing sites.

Management arranged for suppliers in each jurisdiction to be selected for a face-to-face questionnaire-based interview, conducted by the Group's Head of Legal, Michael Shires and a local representative of the relevant operating company. Whilst the initial plan was to conduct face to face meetings in both the UK and US, due to the Presidential travel ban on UK nationals entering the US, the US audits were undertaken virtually.

The Questionnaire used to facilitate the audits, reinforced our Group Business Code of Conduct and Modern Slavery Policy to the Suppliers and asked them to provide evidence of:

1. Policies and procedures related to modern slavery, whistleblowing, human rights and ethical trading.
2. Employment eligibility checks, payment verification procedures, work travel and shared address enquiries.
3. How compliance with the policies and procedures is monitored and enforced.
4. Whether any reports or concerns of modern slavery had been raised.
5. What levels of training in respect of Modern Slavery were provided.

The results of these audits showed that there were no concerns with any of the Suppliers. The Suppliers did not recruit outside their country of jurisdiction; conducted at least one face to face interview with each worker as part of the recruitment process; obtained proof of identity and right to work documentation in accordance with jurisdiction specific law; and only paid monies into an account, cheque or pay card (US specific facility often used by individuals with no bank account) in the name of the worker only (save for the occasional husband/wife/partner joint account following receipt of sufficient evidence demonstrating it as a genuine joint account).

None of the Suppliers engaged anyone under the age of 16 and demonstrated a high awareness of relevant procedures, legislation and requirements. Only the UK based Suppliers had a "Modern Slavery Policy / Statement" given the Modern Slavery Act 2015 UK specific requirements, however

the USA based Suppliers have committed to sign a Worker Supply Agency Charter to demonstrate commitment to anti-slavery and anti-exploitation of temporary workers.

These findings, together with an annual confirmation from our subsidiaries that they have applied our Modern Slavery Policy and that they have informed the Group Company Secretary of any suspected or actual violations of the policy, lead us to believe that the risk of exposure to modern slavery in the supply of our flexible labour force is considered to be low. However, we continue to take steps to ensure that customers and suppliers conform to the Group's Code of Business Conduct and Modern Slavery policy and in 2022 we will broaden our approach to the risks in our upstream supply chain.

The Board is committed to opposing modern slavery in all forms and hereby approves this statement.

Approved by the Board of Directors on 8 March 2022