



SAVING AND ENHANCING LIVES

We protect and enhance lives by supplying products that enable people to travel safely, and by providing good jobs with the potential for career development in a safe environment. We support the communities in which we operate. We are committed to investing in and promoting our people, attracting, and retaining a diverse workforce, while fostering social mobility, and ensuring that our supply chain partners treat their employees correctly.



HEALTH & SAFETY

Why does it matter?

Keeping our employees, customers, and suppliers safe is our number one priority. The ongoing COVID-19 pandemic has continued to provide challenges around health and safety. During 2021, our operating companies had established plans and procedures in place and adhered to all local guidelines to ensure that our facilities are COVID secure, and our employees are safe.

What have we done?

The health, safety and wellbeing of our workers continues to be a key focus across all operating companies. Our recently appointed Chief People Officer ("CPO") is now accountable for health and safety and this is a key agenda item for the Executive Board. In addition, we have also recruited a Group Head of Health and Safety, who reports into the CPO, and who has set a clear strategy and is supporting our operating companies with practical advice, training and increasing awareness. Our external UK and US based health & safety consultants now report directly into the Group Head of Health & Safety and continue to work alongside the safety specialists in each of our operating companies to assist the Group in achieving its health and safety objectives. Specific actions include reviewing the detail of every Lost Time Accident at the monthly Executive Board meetings and enhancing our safety audit programme. We have implemented Safety

Behaviour Audits across the Group, and we have rolled out a new campaign focused on Near Miss Reporting.

Our Safety and HR teams have continued to work closely together to ensure local sites have been able to maintain their operations while keeping everyone COVID safe. In response to local restrictions, sites have been taking all reasonable steps to help people work from home where appropriate to do so. Actions at site level have focused on maintaining the safety measures previously put in place including cleaning and hygiene procedures, implementing social distancing, provision of face masks and as necessary, procedures for testing and contact tracing.

With the COVID pandemic continuing into 2022, employees have been reminded about the arrangements the Group offers to assist with mental wellbeing during this difficult time. Additionally, during 2021, the Group continued to partner with third party organisations including healthcare providers, occupational health advisors and Employee Assistance Programmes. In the UK, Lifeworks has been providing 24/7/365 support for several years to employees, giving access to advice on a range of life topics including physical health, childcare, and managing finances, including counselling sessions; unlimited critical & significant incident support, via telephone, phone apps and support for dependants. In 2021, this service

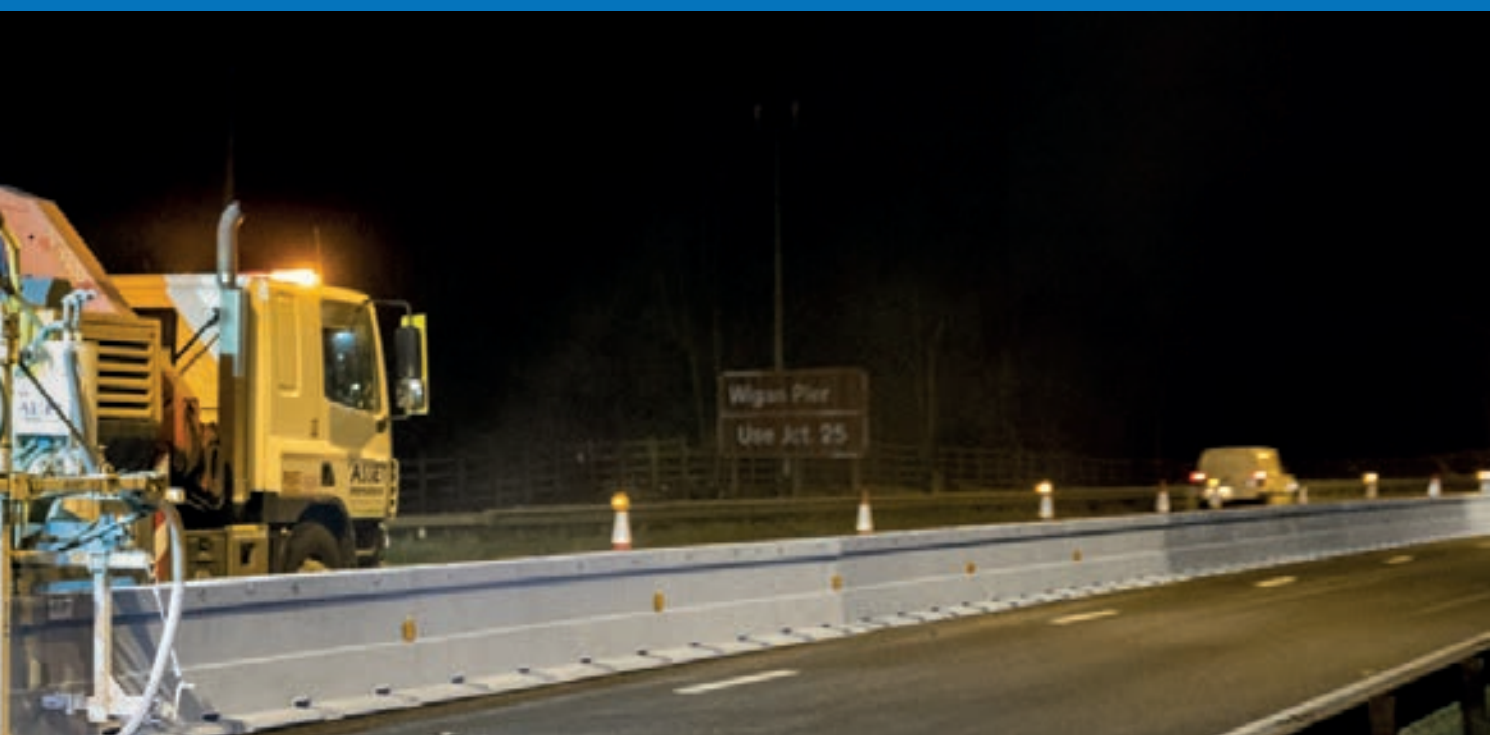
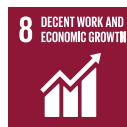
was rolled out to Australia and India. In the US, healthcare arrangements offer a similar service. We will continue to monitor and support the mental health of our employees through day-to-day engagement and the assistance of third-party expertise where appropriate.

What will we achieve?

Our aim is to significantly reduce the number of lost time incidents we have across the organisation. We will increase our near miss reporting activity, believing that a near miss event is often a precursor to a serious injury. Following various near miss awareness raising initiatives, in 2021, we saw a doubling of near miss reports compared to 2020. For 2022, taking this initiative further and making better use of safety observations, we will achieve our desire to keep everyone safe while at work. We will improve the identification of key risk areas as well as our culture and approach to health & safety in our operating companies. We will drive a series of campaigns focusing on major risk areas for us in the coming months/years, with the first two already planned: Near Miss Reporting & Forklift Truck User Safety Standards.

How will we measure progress?

We will be using Lost Time Injury Rate ('LTIR') as the key indicator to track and monitor our progress in Health & Safety. Our targets are set out opposite.



CASE STUDY

ZONEGUARD BARRIER – KEEPING ROAD WORKERS SAFE



The public unintentionally driving into road works areas is one of the most deadly risks facing road workers. In the UK, 250 incursions per month are regularly reported between operations and major projects on the strategic road network, although the true figure could be much higher. The consequences of vehicles entering works and colliding with

people and works vehicles can be devastating to everyone involved.

The Hill & Smith VSG Group supply ZONEGUARD steel barriers to these work areas. These barriers can contain vehicles up to 10,000Kg and, with ten workers per workzone area, prevent around 25,000 injuries and fatalities per year based on reported incidents only.

TARGETS

LOST TIME INJURY RATE
2022

1.5

2025

0.75

2030

0.25



SAVING AND ENHANCING LIVES CONTINUED



TALENT, DEVELOPMENT AND ENGAGEMENT

Why does it matter?

Hill & Smith is a global organisation with a strategy focused on sustainable growth. Talented people are fundamental to the success of our decentralised business model and help deliver our purpose and growth ambitions. We need a highly engaged and capable workforce working within our operating companies and this can only be done by sourcing, developing, supporting, and retaining the right people. Our operating companies are supported by a community of HR professionals who enable the key employment strategies, programmes and processes to ensure that the Group attracts and retains the skills and capabilities required to deliver its strategy.

Attracting, retaining and developing talent is key to the future success of the organisation. Developing and enhancing our employer brand will also improve our relationships with our customers, and as a UK listed business, it is important that we meet (and exceed) all governance standards for our employees.

Positive employee engagement, a healthy level of attrition and great careers for talented people will all increase our productivity, enhance our reputation, and deliver our growth plans.

What have we done?

We conducted our second Employee Engagement Survey in 2021, enabling us to track and focus on the issues that are important to our people. Having done our first survey in 2019, we intend to repeat this on an annual basis from now on.

The results of our 2021 engagement survey have shown a very positive increase in employee engagement, increasing by seven percentage points from 2019. Our most positive areas include Health & Safety and the Working Environment. We have had very clear direction on areas we need to focus improvement on, including Employer Branding, Talent and Career Development.

In recent years, we have developed and implemented a management development programme, providing employees with relevant specialist/technical and personal development appropriate to their roles and aspirations and in line with the organisational strategy. Since 2016, 20 senior leaders have attended the Institute of Directors leadership programme and 118 employees attended our management development programmes.

The Succession Planning and Talent Management ('SPTM') programme for managers continued with a review of the succession plans in many subsidiaries and particularly in the UK, with the continuation of the learning programmes, initially face to face and then virtually. The SPTM learning programmes provide managers within the Group who have the potential to become senior executives, as well as other talented individuals who have the potential for progression, with the necessary skills to prepare them for future roles. These programmes bring together delegates from across the subsidiaries to collaborate in a learning setting. We have also continued to invest materially in our Apprenticeship Schemes. The greatest impact is through Business Improvement Techniques launched

across numerous companies last summer. Through 5S Lean Development and Kaizen projects, businesses are looking to see major improvements in their manufacturing processes as well as taking on apprentices across a variety of areas: Business Administration, Electrical Engineering, Design/Draughtsperson, Health & Safety, Welding, Warehousing, Sales and Accounting.

As we increase the focus on talent in the business, our new CPO will build on some of the work that has been done recently on succession planning, and improve how we recruit, retain and develop the talent needed for the future.

What will we achieve?

We will implement a new Global Talent Framework. To do this, we will identify what capability and resources we need for the future, and we will identify "what good looks like" across the business. We will map where our talent currently is, and we will design comprehensive development programmes. We will also build a full succession plan, which will in turn enable us to design a resource plan.

We will ensure that we are legally compliant across all markets in the way we treat our people. Our employee practices will be "fit for purpose" and will ensure we are a fair and respected organisation.

How will we measure progress?

Progress will be measured by improvement in employee engagement scores based on annual survey results. Our targets for improvement are set out opposite.



TARGETS

GENDER DIVERSITY

PLC BOARD

2022

33%

2025

40-60%

2030

40-60%

EXECUTIVE BOARD

2022

33%

2025

40-60%

2030

40-60%

SENIOR LEADERS

2022

10%

2025

20-30%

2030

40-60%

ETHNIC DIVERSITY

PLC BOARD

2022

10-15%

2025

10-15%

2030

10-15%

EXECUTIVE BOARD

2022

10-15%

2025

10-15%

2030

20-25%

SENIOR LEADERS

2022

5-10%

2025

10-15%

2030

10-15%

EMPLOYEE ENGAGEMENT

ENGAGEMENT SCORE

2022

58%

2025

66%

2030

75%

IMPROVEMENT IN SCORE

2022

+3pts

2025

+8pts

2030

+9pts



SAVING AND ENHANCING LIVES

CONTINUED



INCLUSION AND DIVERSITY

Why does it matter?

As an organisation, we want to employ the best people for the job and help them thrive. We know that we can only do this by considering talented people from the whole community, making our business attractive for them to join and by providing an environment where they can be themselves and give their best. If we can provide decent work for all of our people and ensure we have a workforce that is truly diverse, our business will perform to its absolute potential and achieve our ambitious economic growth plans, as well as deliver individual success. Our aim is for our workforce to be representative of the communities in which we operate and for every employee to be respected and able to give of their best. We are committed to ensuring that everyone can contribute and reach their full potential, and that they have the opportunity to share their perspective.

As an employer working across a range of cultures and countries, we seek to replicate the diversity of the communities where our companies are based, in the profile of our own workforce. All employees are encouraged to immerse themselves in the work of their sites and subsidiaries, to collaborate across the operating companies through communications initiatives, and to engage

in Group news and announcements through the Group's intranet. Everyone is actively encouraged to communicate and share information with colleagues.

What have we done?

Improvement in how we approach inclusion and diversity must start with our leaders. In the last year, we have started the change in profile of our PLC and Executive Board to represent broader society. We have seen an increase in visible, diverse role models and improvement in our Gender Pay gap. Gender pay reporting legislation in the UK requires employers with 250 or more employees to publish information every year indicating the pay gap between their male and female employees. This legislation currently affects three of our UK subsidiaries: Birtley Group Ltd, a galvanizing and construction business; Joseph Ash Ltd, a galvanizing business; and Hill & Smith Ltd, a road barrier manufacturer.

We now insist that all recruitment short lists must be representative of the communities we work within, and where possible, we ask for a 50/50 gender split. However, our principle in recruitment remains "the best person for the job".

In furtherance of the UK Corporate Governance Code, the Group has established Workforce Advisory Panels both in Europe

and the US where a selected group of employees have the opportunity to meet with the Group's Executive and Non-executive Directors and other members of the Exec Board, and the Group Company Secretary and we have developed our Terms of Reference for this programme of work. During 2020, these meetings were held virtually and the feedback from participants was that they would have preferred to have them face to face. Unfortunately, due to the arrival of the Delta and Omicron variants of COVID and the cancellation of travel between countries this was unable to happen during 2021. Consequently, these were postponed until May and November 2022.

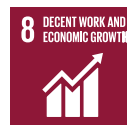
What will we achieve?

Based on the results of this year's employee engagement survey, we will develop action plans with priorities. We will set targets to improve our scores in specific areas.

We will review and republish our Equal Opportunities Policy. We will establish a working group to understand further our needs and actions as we become more focused on building a truly inclusive and diverse culture.

How will we measure progress?

Improvement in gender and ethnic diversity. See page 43 for our targets.



CASE
STUDY

WOMEN IN LEADERSHIP



Lesley Culkin – Sales & Marketing – The Paterson Group, USA

Lesley has been with the Group since 2009, when she joined Bergen Pipe Supports as an entry level trainee. Over the last 13 years, she has demonstrated herself to be a conscientious colleague and has worked her way up through the organisation to fill an important Sales & Marketing role as well as managing the Group's Woburn, MA facility. This involves Lesley overseeing the day-to-day operations, including purchasing, inventory management, sales pricing, inside and outside sales as well as any branch HR requirements.

Lesley says: "I have enjoyed the room to grow throughout my career, with supportive mentoring and knowledge transfer that has allowed me to be successful in the field." Lesley forms part of The Paterson Group's "Empowerment Group" a women led leadership initiative to encourage other women to be successful in the workplace by sharing experiences and addressing challenges they are faced with. Lesley encourages them all to "work hard and don't be afraid to ask questions".