

MODERN SLAVERY & HUMAN TRAFFICKING STATEMENT 2024



This Modern Slavery and Human Trafficking Statement is made by Hill & Smith PLC (“Hill & Smith” or “the Group”), 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 2023, towards seeking to ensure that slavery and human trafficking is not taking place in its operations or its supply chains.

Hill & Smith has 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 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 have been shown to 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 is an international group providing sustainable infrastructure and safe transport solutions. Supplying to and located in global markets, we serve customers from facilities in Australia, India, 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 £829.8m. Hill & Smith 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.hsgroup.com>.

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, zinc and FRP resins), metallic components and other services that support our international operations.

Initial Risk Assessment

Our initial risk assessments, in respect of possible exposure to Modern Slavery in our operating companies and supply chain, have recognised the potential high risk of modern slavery in our Indian operations, in the supply of our groupwide flexible work force, the sourcing of low-cost materials from India and China and the supply of construction-based raw materials. Recognising this risk, we maintain a focus on these areas in our annual audit programme and have not identified any of the ‘red flags’ associated with modern slavery.

Indian Operations: We have a subsidiary manufacturing facility in India which operates in a regulated work environment serving end markets which are themselves highly regulated. Our Indian operation

holds 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 only used for this purpose. The terms of employment for our Indian employees grant rights for them to cease employment at will, subject to reasonable contractual notice being served.

The Supply of a Flexible Labour Force: A number of our subsidiaries periodically employ temporary workers during peak periods of demand or in order to address specific short-term skill set shortages. 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.

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 a number of these suppliers. We believe that these audits help us identify any risks of modern slavery within this part of our supply chain. Such suppliers are also subject to performance evaluations at regular intervals.

The Supply of Construction and Major Raw Materials: Some of our subsidiaries do business with the construction sector and traceability of raw materials in this sector is known to be challenging. We also import metals and resins to use in our operations. We regularly monitor the countries that provide us with these types of materials and compare them with the Global Slavery Index <https://www.globallslaveryindex.org/>.

Taking these findings into account alongside our existing policies (as described below), we feel that the risk of modern slavery occurring within these four areas is low.

Organisational safeguards

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

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 during the 12-month period to 31 December 2023 via this mechanism.

Supply Chain Safeguards

Procurement Standards: Our Group Supply Chain Policy promotes 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 belief is that this approach increases transparency within our supply chains, and suppliers who do not meet the requirements of the Supply Chain Policy 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 contract termination. The duties include a requirement to certify annually that the supplier adheres to the H&S compliance policies.

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

Training and Guidance

Board and Senior Management Training: The Board of Hill & Smith PLC reviews its Modern Slavery policy on an annual basis and receives updates 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 is 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. We 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 2023.

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

Having spent previous years auditing the supply of our flexible labour force and the supply of zinc and FRP resins, in 2023, we turned our attention to a review of the Chinese suppliers that operate in the Group's supply chain, including suppliers not based in China, but operating as stockholder/distributors for Chinese products.

Working with our operating companies, management identified those suppliers who should be asked to complete a Modern Slavery due diligence questionnaire. The questionnaire was used to facilitate the understanding of the suppliers' attitude to modern slavery, obtaining copies of appropriate policies, where available, reinforce our Group Business Code of Conduct and our Modern Slavery Policy to the

Suppliers and asked them to demonstrate that they had appropriate and robust:

1. Whistleblowing arrangements
2. Internal and supplier-based policies
3. Appropriate auditing
4. Levels of appropriate training in respect of Modern Slavery

The results of these audits showed that there were no concerns with any of these Suppliers.

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 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 2024 we will Focus on ensuring that all our employees fully understand the red flags associated with modern slavery and the actions they should take if they suspect instances of modern slavery or human trafficking.

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 2024

Signed



Alan Giddins
Executive Chair