



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 31st December 2018, 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 of 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 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

The H&S Group is an international group of companies with leading positions in the provision of galvanizing services and the design, manufacture and supply of infrastructure products. 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 £637.9m. Hill & Smith Holdings PLC is listed on the London Stock Exchange's Main Market. 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.

Our Policies

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

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.

¹ Specifically this statement sets out the steps taken by Hill & Smith Holdings PLC, 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.

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.

Whistleblowing Policy: 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 has been improved with the addition of an externally hosted service and a poster campaign was implemented to promote this. No modern slavery or human trafficking matters were raised via this mechanism in 2018.

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.

Contractual Commitments: Our standard purchasing contracts seek to impose positive duties on suppliers to comply with our policies in respect of modern slavery and 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.

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, including Hope for Justice, a leading charity in this field to help us quantify our risks. The 2018 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: During 2018, the Board of Hill & Smith Holdings PLC reviewed its Modern Slavery policy and received an update on our work to reduce the likelihood of modern slavery occurring. In addition, through our risk assessment work, senior managers continued to be engaged and upskilled in this area. Further middle-management training is scheduled for 2019.

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. 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 2018.

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

During 2018 we have undertaken more in-depth compliance analysis in respect of those areas of our activities which we perceive as more vulnerable to the risks of modern slavery (as described above) and we will continue to test our prevention and identification processes with external and internal risk assessments and audits.

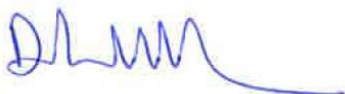
We remain committed to extending our training offer to more staff and have begun to trial alternative training formats.

In January 2018 we undertook an internal audit of our Bergen Pipe Supports business in India and concluded that there were no issues that should concern the Group.

We have also undertaken an in depth analysis of the location of our UK based subsidiaries' customers and suppliers and compared that against the Global Slavery Index. The analysis revealed that the vast majority, 97% of both our customers and suppliers were based in the United Kingdom and that only < c. 0.075% of suppliers and customers were based in countries in the bottom quartile of the Global Slavery Index. We intend to undertake the same exercise with our USA based subsidiaries in 2019.

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 our supply and customer chains 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.

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



Derek Muir
Chief Executive Officer
2 April 2019