



# SAVING AND ENHANCING LIVES

## HEALTH AND SAFETY

### Alignment with UN SDGs



### Why does it matter?

Keeping our employees, customers, and suppliers safe is our number one priority. Ensuring that our employees work in a safe environment and can return home to their loved ones at the end of their working day is of paramount importance.

### What have we done?

In an effort to continuously improve our proactive approach to safety, we have changed the Group health and safety organisational structure to bring regional support to our core geographies. This new structure allows the Group health and safety resources to be closer to individual operating companies within their region and to better support the Managing Directors and the wider health and safety community.

In addition, our health and safety processes, such as risk identification, risk assessment and incident investigations have been enhanced with an emphasis on root cause findings and the hierarchy of controls to focus on prevention rather than reaction to accidents. An improved incident notification process has also been launched so that any events are promptly reported to line managers to ensure appropriate and timely actions are taken.

We have empowered all colleagues to report hazardous environments and near

misses, as well as instilling a stop work authority to prevent unsafe conditions. We have sought feedback on operational and facility improvements through our employee forums which allow our employees to focus on health and safety as a key discussion topic. To complement this and obtain a comprehensive view from all employees, we conducted a Group-wide employee safety culture survey in September 2023. This indicated there is a high level of understanding of internal health and safety expectations and employee responsibilities. The next evolution will be an elevated focus on employee behaviours and accountability.

Whilst we still have work to do in the area, these efforts have led to a reduction in our Lost Time Incident Rate ('LTIR'). In 2023 it fell by 61% to 0.43 (2022: 1.1). All lost time incidents were investigated by health and safety managers alongside members of the local operational teams. Managing Directors were requested to present the investigation findings to the Executive Board to demonstrate elevated involvement in the process. Learnings from all incidents are shared with the wider organisation, reinforcing the importance of keeping our people safe and communicating corrective actions from incidents.

### What will we achieve?

Our aim is to significantly reduce the number of health and safety incidents

throughout our organisation along with minimising the severity of lost time incidents.

To support this objective, we will:

- Increase our focus on leading indicators, such as near miss reporting and safety observations, rather than lagging indicators.
- Continually improve the identification of key risk areas across our business as well as our culture and approach to health and safety in our operating companies.
- Increase safety awareness and accountability for our employees across all businesses.
- Enhance the delivery of safety training for our people.
- Continue to drive campaigns focusing on those areas that represent major risks for the Group's operating companies.

### How will we measure progress?

We use LTIR as the key indicator to track and monitor our progress in health and safety.

Our LTIR for 2023 was 0.43, well ahead of our 2025 target and a testimony to the work put into improving health and safety across our operating companies.

Targets & Actuals	2023 Actual	2022 Actual	2025 Target	2030 Target
Lost Time Incident Rate	0.43	1.1	0.75	0.25



Warning sign, Mallatite, UK



# SAVING AND ENHANCING LIVES continued

## TALENT, DEVELOPMENT AND ENGAGEMENT

### Alignment with UN SDGs



### Why does it matter?

Talented people are fundamental to the success of our autonomous business model and help deliver our purpose and growth ambitions. We need a highly engaged and capable workforce within our operating companies, and this can only be done by attracting, developing, supporting, and retaining the right people. Positive employee engagement and offering great careers for people increase our productivity, enhance our reputation, and deliver our growth plans.

### What have we done?

We ran our annual employee engagement survey in September 2023, with a high participation rate of 80%. Employee engagement levels decreased to 56% in 2023 (2022: 61%) with a large reduction seen for our youngest employees. The feedback indicated that recognition remains a universal priority alongside talent attraction and retention, and these are both areas that our operating companies will focus on in the year ahead.

In 2023 we have focused on senior level succession, the development of high

potential individuals within our operating companies, and manager and supervisor training and development.

In the UK our apprenticeship programme has continued to be a successful way of developing our people. 21 employees have completed their apprenticeship in 2023, with 60 active apprenticeships in place as at 31 December 2023. In recognition of the cost of living challenges we launched a UK employee discount platform which provides employees with opportunities to save money on everyday items or larger one-off purchases.

In the US, most of our companies utilise internships as a way of attracting early careers talent. This can provide a good pipeline of candidates who then return as permanent employees.

### What will we achieve?

Understanding the importance of highly engaged people, our Managing Directors are focused on developing local action plans to address the areas identified for improvement in the recent engagement survey. Recognising the importance of acting on the feedback and openly sharing

progress, greater emphasis will be placed on keeping the communication process ongoing during the year. To assist with lifting engagement levels at an overall level, our HR teams will share good practice so that other companies can implement these wherever possible.

We will continue to develop our supervisors and managers, with development programmes planned for 2024. We will implement our new approach for managing senior successors and will focus on identifying longer term internal successors and delivering development activities that support their continued growth.

### How will we measure progress?

We will continue to measure progress through our engagement survey against our targets. We will continue to listen and act on feedback that we receive from our employees during the year.

Measure	2023 Actual	2022 Actual	2025 Target	2030 Target
Engagement Score	56%	61%	66%	75%
Movement in pts	-5pts	+6pts		



Welding apprentices, Birtley Group, UK



# CASE STUDY

## SHANE FELIX, UTILITY PRODUCTS ENGINEER AT CREATIVE COMPOSITES GROUP



Shane started his career by completing a Summer Internship at CCG after his freshman year of college in 2020, where he was undertaking a degree in Civil Engineering. He grew up in Alum Bank, PA, the same town as Creative Pultrusion's facility, where he enjoyed his experience so much that he returned for further internships in the summer of 2021 and 2022.

He started working full time in May 2023 as a Utility Products Engineer. He has been able to put his studies to practical use, working alongside the sales team to design Fiber-Reinforced Polymer utility products that provide our customers with poles and crossarms to strengthen the electrical grid. He is continuing to build his experience, and next year will be moving into a Technical Sales role. This is a natural progression of his existing role but will allow him to communicate directly with customers and attend trade shows. Shane values being able to use his engineering knowledge in product development, and he values communicating with people. His role allows him to problem solve better by understanding customer needs and finding solutions.

Shane describes the best thing about his role as, "the community environment. Everyone is friendly and easy to work with. It has made me want to stay here. Management works with us and I have learned so much from them. It's been an important part of my growth".



# SAVING AND ENHANCING LIVES continued

## DIVERSITY AND INCLUSION

### Alignment with UN SDGs



### Why does it matter?

We aim 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 attractive opportunities for 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.

Everyone is actively encouraged to communicate and share information with colleagues. It is important to us that we create an inclusive culture, where all voices and perspectives have an opportunity to be heard.

### What have we done?

The recent employee survey highlighted that we have made positive progress with diversity and inclusion. 73% of employees agreed that Hill & Smith values diversity (2022: 69%).

We established a steering group in 2023 for a Hill & Smith Women's Network. The group was selected to provide a broad spectrum of employees in various levels and types of role. They have initially identified three focus areas relating to

both attracting and retaining women. The group will expand in 2024 and we will be publicising how our people can get actively involved.

We have continued to focus on attracting more females into our business, and our progress is reflected in the improvement in our 2023 Gender Pay Gap.

Our apprenticeship scheme is another method of attracting more diversity into our business. In 2023, our gender splits for new hire apprentices were 16% female, 84% male. This includes recruiting females as welding apprentices, traditionally a role that has attracted more males.

In response to the UK Corporate Governance Code requirement to have a workforce engagement mechanism, we continued with our Employee Forums in 2023, holding one face-to-face session in the UK in May and one in the US in June. We then ran virtual sessions in December. Topics included health and safety, sustainability, innovation, and business updates on performance. We gained valuable feedback and insights from the process. Examples of specific actions that we took from the meeting include the completion of a cooling vest trial in the US and design of onboarding materials that the operating companies can use for new starters to cover helpful information about the Group.

### What will we achieve?

We will focus locally and at a Group level on increasing levels of diversity, so that we represent the communities that we serve. We will continue to bring together HR leaders from across our operating companies so that we can share best practice and learn from each other.

We will provide tools, resources, and information in support of our Women's Network. We will encourage employees to take part in the network, as we start to build momentum with the areas of focus for 2024.

We will arrange further Employee Forums, where we will be seeking further feedback on what is working well and where we can improve. We will provide business updates, invite colleagues from across the business to present on important topic areas and also encourage sharing of good practice that is happening within our operating companies.

We want to build on the success of our apprenticeship programme, recognising it is an important way of attracting and retaining diverse talent. We will recruit additional apprentices and upskill existing colleagues through apprenticeships where feasible to do so. We will continue to employ interns within our US businesses.

### How will we measure progress?

We will continue to measure gender and ethnic diversity at a senior level and review the engagement survey scores for diversity and inclusion to track progress.

Gender Diversity	2023 Actual	2022 Actual	Target: 2025	Target: 2030
PLC Board	29% <sup>1</sup>	38%	40%-60%	40%-60%
Executive Board	40%	33%	40%-60%	40%-60%
Senior Leaders	19%	20%	20%-30%	40%-60%

Ethnic Diversity	2023 Actual	2022 Actual	Target: 2025	Target: 2030
PLC Board	14%	13%	10%-15%	10%-15%
Executive Board	20%	17%	10%-15%	20%-25%
Senior Leaders	10%	16%	10%-15%	10%-15%

<sup>1</sup> In January 2024 the Group appointed two new directors to the Board: Carol Chesney, Non-executive Director, and Hooman Caman Javvi, Chief Operating Officer. Mark Reckitt, Non-executive Director, will be retiring from the Board at the conclusion of the AGM in May 2024. Following these changes, the composition of the Board will be 62% male and 38% female.



# CASE STUDY

## FRANKIE MILES AND CHLOE JOHNSON, APPRENTICESHIP WELDERS AT BARKERS ENGINEERING



Frankie and Chloe were both aged 16 when they were taken on as apprentices at Barkers Engineering, our UK security fencing business, in September 2022, straight from school.

Frankie had been a pupil at the JCB Academy where she had developed her passion for engineering, and in particular, welding.

Chloe had originally joined Barkers as a stop gap while she waited for her medical assessment for the Navy, which is a path she is no longer pursuing due to the experience and opportunities that she has received in her current role.

Before they started, Barkers welding division was entirely male, and the company did not have the right changing and other facilities in place for female employees.

Barkers quickly turned this around and made sure that all the necessary steps were taken to ensure Frankie and Chloe's first experience of the world of work was as smooth as possible and the two young women are excelling.

Both agreed that by setting an example, they hope to inspire and encourage more females into this industry.

Simon Watts, Operations Director at Barkers, said: "Frankie and Chloe are great additions to the team. During the interview process they both stood out straight away as the best people for the job. The experience has also positively changed attitudes within our team."