

Hill & Smith Holdings PLC ("Hill & Smith" or "the Company")

Environment Policy ("the Policy")

Policy Statement

The Company has considered the impact on the environment of its products and activities and recognises its responsibility for protecting and preserving the environment. The Company is committed to working with stakeholder groups, including the communities in which it operates, its employees, customers and supply chain, to ensure the preservation of the environment by minimising the impact of its products and activities.

The board of directors of the Company (the "Board") believe that this Policy should address the consequences of the rapid and far-reaching EU and UK policy developments with regard to the disposal of waste, including the Hazardous Waste (England and Wales) Regulations 2005, which came into force on 16 July 2005. This requires recognition that the principal operating units of the Company have an active interest in managing waste and reducing greenhouse gas emissions in the light of rising concerns over climate change.

The Company is also committed to responsible energy management and practises energy efficiency throughout all of its facilities, utilising its plant and equipment in the most cost-effective manner to achieve this goal. The Company's policy is to control utilities consumption in order to:

1. Avoid unnecessary expenditure;
2. Improve cost-effectiveness;
3. Reduce emissions to air and water in order to protect the natural environment.

Supporting Principles

In discharging these responsibilities, the Company's principle environmental commitments are as follows:

1. To comply with all applicable legislation, codes of practice, regulatory controls and client or insurance requirements;
2. To maintain ISO 14001 at our major operating facilities, independently verified;
3. To communicate clearly the Company's environmental policy to the relevant regulatory bodies, employees, local communities and any other interested parties;
4. To improve continually the Company's environmental performance through the setting and review of realistic and achievable objectives and targets for each operating unit;
5. To assess the environmental risks associated with the activities of the Company's subsidiary manufacturing companies to identify and implement appropriate actions to manage those risks;
6. To review continually our operational impacts on the local environment, manage energy wisely and minimise our consumption of natural resources;

7. To ensure that environmental issues have the appropriate level of focus throughout the supply chain;
8. To minimise the generation of waste and to dispose of unavoidable waste in an appropriate manner;
9. To consider the environmental implications of changes to products, processes, materials and facilities when business decisions are made;
10. To provide appropriate financial and physical resources in order to implement this policy.

Adoption and Implementation of Policy

This Policy has been adopted by the Board of Hill & Smith Holdings PLC and is available on the Company's website www.hsholdings.co.uk.

The Policy will be progressively implemented to all major manufacturing sites through the Company's Environmental Management System ("EMS"), the purpose of which is to ensure that the overall activities of each site are compatible with and conform to this policy and, where appropriate, international standards including ISO 14001 (a series of international standards on environmental management).

Approved by the Board of Directors of the Company on 1st February 2007