

# Hadley Group Holdings Limited

## STRATEGIC REPORT

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### SECTION 172(1) STATEMENT

Section 172 of the Companies Act 2006 requires a director of a Group to act in the way he or she considers, in good faith, would most likely promote the success of the Group for the benefit of its members as a whole. In doing this, section 172 requires a director to have regard, amongst other matters, to:

- the likely consequences of any decisions in the long term,
- the interests of the Group's employees,
- the need to foster the Group's business relationships with suppliers, customers and others,
- the impact of the Group's operations on the community and environment,
- the desirability of the Group maintaining a reputation for high standards of business conduct, and
- the need to act fairly between stakeholders in the Group.

In discharging our section 172 duties we have regard to the factors set out above.

The Group is part of a private family owned Group of companies where the Directors are an important part of its management and decision making. The Directors also delegate authority (within defined parameters) for the day-to-day decision making of the Group to senior management and then engage with them in setting, approving and overseeing execution of the business strategy and related policies.

By considering the Group's purpose, vision and values together with its strategic priorities and having a process in place for decision making, we aim to make sure that our decisions are consistent and predictable.

The main methods used by the Directors to perform their duties include:

- Strategy meetings which assess the long-term sustainable success of the Group and our impact on key stakeholders.
- Risk management procedures including risk register documentation, stakeholder feedback and actions.
- Regular board meetings, management presentations and reports.
- Direct and indirect stakeholder engagement.
- External assurance is received through audits and stakeholder surveys.

### ENGAGEMENT WITH STAKEHOLDERS

We are committed to effective engagement with all our stakeholders. The Board is mindful that our success depends on our ability to engage effectively, work together constructively, and to take all stakeholder views into account. The Board engages with stakeholders by various means and addresses matters which concern them. Further detail of how we engage with our key stakeholders is described below.

### ENGAGEMENT WITH EMPLOYEES

The Group recognises the importance of regular communication with its employees on matters of concern to them. We undertake a variety of activities and forums to obtain employee feedback and share relevant information. These include:

- Annual staff appraisals
- Staff questionnaires
- Team/department meetings
- Staff briefings
- Intranet web content

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Our briefings and meetings are a two way process for discussion and feedback. These views are fed back to senior management to consider during the decision making process.

The Group operates various bonus schemes based on financial performance to reward employees for the Group's financial successes.

We put a key focus on investment in our people and their development. Ongoing investment in our apprenticeship programs and our university R&D partnerships being just some examples.

### ENGAGEMENT WITH CUSTOMERS

Our customers are concerned with the quality of the products, advice and services we deliver. Listening to our customers is vital to our success. We seek customer views via various mediums. These include:

- Regular meetings and dialogue
- Site visits
- CPD presentations
- Trade show attendance
- Market research reports

### ENGAGEMENT WITH SUPPLIERS AND FINANCE PARTNERS

Our suppliers are key stakeholders in the business; they facilitate the delivery of the products that our customers want. Without the support of our suppliers, we would not be able to operate. We seek to ensure we engage with all our suppliers in a partnership manner and follow various principals in our engagement with them. These include:

- Operating tender processes for significant purchases
- Agreeing open and transparent terms of engagement
- Paying to terms on agreed invoices
- Regular meetings and dialogue

We have a strong long term relationship with our banking partner with whom we operate on an open and honest basis. We hold regular business update sessions which are supported by the provision of various management reports.

### ENGAGEMENT WITH SHAREHOLDERS

Communication with our shareholders is extremely important for the Board. A direct and regular dialogue is maintained with our shareholders, via their regular attendance at Board meetings and meetings with the management team, all supported by reports and papers as appropriate.

### DECISION MAKING

The following are examples of how we have had regard to the matters set out above in discharging our section 172 duties and the effect of that on decisions taken by us. In making the following decisions the Board considered the outcomes from its stakeholder engagement.

- In issuing annual budgeting objectives which required all directors and managers to focus on health and safety investments and staff development.
- In setting annual dividends that comply with banking covenants and leave sufficient capital within the Group to invest and grow.
- The decision towards the use of electric vehicles for both our company car fleet and forklift trucks. This will benefit the business in the long term through lower costs but also reduce our carbon footprint.

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### SUSTAINABILITY STATEMENTS

#### OVERVIEW

The Hadley Group is shifting from compliance-based ESG to integrated, strategic ESG across all business functions. The new sustainability strategy and 2030 roadmap will unify efforts, strengthen reporting, and automate environmental data management to achieve our transformation goals.

Our sustainability approach covers environmental, social, and governance areas. This statement summarises Hadley Group's material impacts, risks, and opportunities in these areas, and outlines our work carried out with colleagues, partners, and suppliers to meet our commitments.

The statement comprises four sections –

**General Information** – Outlines the basis for preparing the sustainability statement, including governance of our sustainability strategy and material impact assessment.

**Environmental Disclosures** – provides an overview of our processes to identify our material impacts, risks and opportunities, and overarching policies that govern our response to these matters across our own operations and value chain. This also includes our actions, metrics and targets related to climate, water, biodiversity, resource use, business ecosystems and circular economy.

**Social Disclosures** – Provides an overview of our processes to identify our material impact, risks and opportunities, and our strategic approach to human rights across our operations and value chain. This also includes our actions, metrics and targets related to our own workforce, workers across the value chain, local communities and customers.

**Governance Disclosures** – Details the Hadley Group's business conduct and governance processes.

#### GENERAL INFORMATION

##### SCOPE

For these disclosures, "operations" are defined as the Hadley Group's subsidiary undertakings, aligning with the scope of our consolidated financial statements. As we do not have sole control over associates and joint ventures, these entities are excluded from our sustainability statement. The reporting period corresponds with that of the consolidated financial statements: 12 months from 1 May 2024 to 30 April 2025.

Targets disclosed within the sustainability statement—covering baseline values and base years—are set in accordance with Hadley's sustainability objectives. Target-setting is informed by bottom-up roadmaps, pragmatic ambition, business realities, and relevant industry standards.

We will review baseline values, reference periods, and targets when there has been a material change to our business or operations.

Our metrics have been prepared in line with definitions provided by the GRI standard unless otherwise noted. Where direct measurement has not been possible, reasonable estimates have been made.

##### MATERIALITY ASSESSMENT

We report on sustainability matters that could have a material impact on people or the environment, as well as where they present risk and opportunities to our business operations. Our materiality assessment helped us identify which sustainability matter we should focus and report on. The material topics we identified will be reviewed on an ongoing basis and formally by senior management annually.

##### SUSTAINABILITY REPORTING

The Hadley Group has implemented comprehensive internal controls, policies, and procedures to evaluate and manage risks associated with the reliability and integrity of information disclosed in its sustainability statement.

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### INTERACTION WITH BUSINESS STRATEGY AND MODEL

Our sustainability strategy is closely aligned with, and fully embedded within, our wider business strategy. This approach fosters collaborative partnerships with stakeholders to achieve both our short-term and long-term objectives. Each business unit worldwide is accountable for meeting their respective actions and targets.

We remain steadfast in our commitment to responsible business practices. We will continue to uphold human rights, safeguard the environment and conduct business with the highest standards of integrity.

### STAKEHOLDERS INTERESTS

The Hadley Group identified seven key stakeholder groups—shareholders, suppliers, strategic partners, employees, customers, consumers, and policy makers/regulators—as vital to our success. Our governance disclosure outlines how we engage with these groups and consider their interests in our strategy and business model. We collaborate with stakeholders to manage key ESG sustainability risks, impacts, and opportunities.

### POLICIES ADAPTED TO MANAGE SUSTAINABILITY CONCERNS

Our sustainability policies apply to all material sustainability matters identified by Hadley Group. These policies govern the behaviour of our employees, suppliers and other third parties who work with or for us. The policies are underpinned by our values of Passion, Respect, Innovation, Diligence and Excellence (PRIDE).

The Board oversees conduct and reviews our Code of Business principles to ensure they remain fit for purpose.

### ENVIRONMENTAL DISCLOSURES

#### ENVIRONMENTAL POLICIES

Our environmental policy governs our approach to environmental concerns and commits Hadley Group to:

- Environmental protection and pollution prevention
- Compliance with legal requirements
- Best practices and continuous improvement
- Clear communication and transparency
- Resource efficiency and sustainability
- Leadership accountability

#### RESPONSIBLE SOURCING POLICY

Hadley Group commits to responsible sourcing by meeting all necessary standards for the environment, human rights, and business integrity. We also expect our suppliers to fulfil these mandatory requirements in their supply chains.

#### BIODIVERSITY POLICY

Our biodiversity policy statement outlines our commitment to protecting and enhancing our impacts on nature, while also seeking opportunities to create a positive impact.

#### CLIMATE TARGETS

We have set near term climate targets to reduce absolute Greenhouse Gas emissions from our operations (Scope 1 & 2) and our value chain (Scope 3). Our Scope 1, 2 & 3 near term targets were set against FY 23/24 as the baseline year.

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### CLIMATE MITIGATION ACTIONS

To achieve our climate targets, we must reduce emissions from our baseline. We have identified key decarbonisation actions for our operations and value chain and will leverage new technologies and innovations as they arise. We are committed to rapidly adopting and scaling both new and existing solutions.

Decarbonisation lever	Emission Category	Key action
Renewable energy	Scopes 1 & 2	Increasing on site and enabling off site renewable energy generation, where practical.
Supply Chain Climate Programme	Scope 3	Creating a supplier ecosystem to share best practices and foster innovative partnerships. Actively engage with sector wide initiatives to drive standards and scale approaches to climate action and transparency.
Packaging and logistics	Scopes 3	Minimising material usage and enhancing circular packaging principles. Increasing efficiency by expanding electric and alternative-fuel vehicles in logistics.
Thermal and electrical energy use	Scopes 1 & 2	Improving efficiency, adopting best practices and exploring alternative sources of energy for our operations.

### CLIMATE CHANGE RESILIENCE

We conducted a scenario analysis to identify possible climate related risks to our operations. To address these, we are strengthening supply chain resilience, expanding our portfolio of sustainable products, cutting carbon emissions, and investing in R&D to improve climate adaptation.

The table below illustrates our UK energy use in line with the Streamlined Energy and Carbon Reporting (SECR) framework. The methodology used to calculate these emissions follow the ISO 14064-1:2018 standards on Greenhouse Gases.

	Year Ended April 2025	Year Ended April 2024
UK Energy Use (kWh)	9,094,564	8,354,239
Associated GHG emissions resulting from the consumption of gas and fuel for the purposes of transport (tCO <sub>2</sub> )	187	836
Associated GHG resulting from the purchase of electricity (Tonnes CO <sub>2</sub> )	864	784
Intensity Ratio Emissions per tonnes sold	0.023	0.022

We source all our grid electricity from green energy sources, reducing our carbon footprint and supporting clean manufacturing. Our contracts are validated by Renewable Energy Guarantees of Origin (REGOs).

### RESOURCE USE AND CIRCULAR ECONOMY

The Hadley Group is committed to a regenerative and circular economy, an approach that supports our broader business goals such as supply chain resilience, enhanced brand reputation and cost efficiencies. We are putting the circular economy into practise by sourcing sustainably, embedding sustainable thinking into product design and prioritising waste hierarchy on a *Reduce-Reuse-Recycle* order.

### METRICS AND TARGETS

<b><i>Carbon Emission Accounting</i></b> – Accounting and management process transition to automated processes from manual in 2025.
<b><i>Carbon Emission Targets</i></b> – Scopes 1 & 2: 40% by 2030 against a baseline year of FY 24/25 and Scope 3, 30% by 2030 against a baseline year of FY 24/25.
<b><i>Recycled Content in Products</i></b> – Maintain minimum of 15% recycled content in our products.
<b><i>Supply Chain Sustainability</i></b> – Audit of our top 10 suppliers, representing 90% of our direct procurement and increased engagement towards achieving our broader sustainability objectives
<b><i>Waste Management</i></b> – Zero waste to landfill across our UK sites and integration of our other global sites, supporting the circular economy

### SOCIAL DISCLOSURES

Over 550 people are employed by the Hadley Group in manufacturing, office, and customer roles. Our social disclosures cover:

- Local communities affected by our operations or value chain.
- Value chain workforce employed by our supply chain partners.
- Our own employees, both direct and indirect.
- Consumers and end users of our products.

### LOCAL COMMUNITIES

The Hadley Group values local communities, showing social responsibility through financial and in-kind contributions. Our business also boosts the economy by creating jobs and supporting local suppliers.

Our vision is to launch a new community focused initiative that increases employee volunteer hours, boosts local supplier procurement, expands the Social Value Fund’s impact, and enhances engagement with community stakeholders.

### VALUE CHAIN WORKFORCE

Addressing workers in our value chain is an essential component of our social disclosure, and it demonstrates our commitment to ethical and responsible business practises beyond our own workforce.

Our policies and governance framework underlines our commitment to respecting human rights and promoting fair labour practices. We take proactive steps to identify, prevent, mitigate and account for negative human right impacts across our supply chain.

We regularly engage with our suppliers and other relevant stakeholders. We have introduced a sustainability supply chain questionnaire and sustainability focused meetings to drive excellence across the value chain.

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### OUR WORKFORCE

Our policies set out the behavioural standards that our employees are expected to adhere to and they emphasise our belief in a workplace where mutual trust, support and respect for human rights sets the tone. The policies set out our commitment in relation to bullying and harassment, discrimination, forced labour and working hours.

The Hadley Group supports its employees' wellbeing through a variety of initiatives and programmes. We are committed to providing healthy and safe working conditions for all our employees. Health and Safety forms a central role in our policymaking and is fundamental to how we work.

Our Health and Safety approach is emphasized in our *Zero Harm* commitment and guided by a strong set of behaviours and values. We aim to continuously improve Health and Safety performance and provide strong safety leadership.

We believe that all employees should be paid a fair wage and compensation. We ensure our payment structures never fall below those legally required and we benchmark regularly to ensure our wages are fair.

To attract and retain skilled people and top talent, the Hadley Group offers competitive reward packages and schemes to support talent retention and development. We recognise the value in the continuous upskilling and reskilling of our workforce for the continued success of our business. 100% utilisation of UK Apprenticeship Levy funding demonstrates our commitment to the skills development of young people.

We are committed to proactively engaging with our employees across our global operations. Our people are critical to our business.

### CONSUMERS AND END USERS

Our success is dependent on the strength of the Hadley Group brand and products. To build a competitive advantage and strengthen our brand reputation, we monitor market trends and gather insights from our customers through a wide range of communication channels and engagement strategies on a continuous basis.

We are committed to providing products and services that are safe to use and demonstrate marketing practises that are fair. Our established procedures and clear processes provide remedy for impact and channels to raise or address concerns relating to breaches of our Code Policies.

### METRICS AND TARGETS

<i>We are committed to continually improve our product safety and quality standards</i>
<i>Conduct human rights risk assessment across value chain every six months and proactively address concerns or breaches in accordance to the highest standards</i>
<i>Lower employee turnover</i>
<i>Inclusion of gender distribution of top management and diversity of employees in our relevant reporting obligations</i>
<i>Zero Harm: &lt; 50 on the Total Incident Frequency Rate (TIFR) annually against a 65.4 baseline set in April 2022</i>

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### GOVERNANCE DISCLOSURES

#### GOVERNANCE OF SUSTAINABILITY

Our Governance Framework is designed to ensure a robust oversight of our sustainability strategy and performance. The Board holds ultimate responsibility for overseeing our sustainability strategy, including its environmental, social and governance impacts, risk and opportunities.

Our global sustainability function is led by our Group Sustainability Manager and other specific oversight responsibilities are delegated to the internal Sustainability, Risk and Audit Committees, and these committees review our sustainability reporting processes, compliance with our reporting standards and data integrity.

#### HUMAN RIGHTS

The Hadley Group's Human Rights Policy Statement is comprehensive and outlines our approach to respecting human rights and sets out how we integrate this into how we operate.

It is developed in line with the principles concerning fundamental rights set out in the International Labour Organisation's (ILO) declaration on Fundamental Principles and Rights at Work.

Our human rights due diligence considers where potential or actual human right impacts are most severe through our activities and business relationships. Human rights governance and policy implementation is led from the top of our organisation and responsibility is ingrained across all parts of our business operations.

#### BEHAVIOUR, ETHICS, VALUES, BRIBERY AND ANTI-CORRUPTION

The Hadley Group sets out a clear requirement for the standards of conduct we expect from our employees and partners.

Our Responsible Sourcing Policy outlines the standards we set our business partners across our value chain to ensure we can continue to work together in a responsible manner.

Our organisation maintains a strict zero-tolerance policy towards bribery and corruption. All employees are required to complete training on ethics and compliance. The Hadley Group remains dedicated to enforcing robust measures that prevent, monitor, and uphold our stance against bribery and corruption, as outlined in our policies.

#### COMMUNICATION AND TRANSPARENCY

To fully understand our stakeholders' concerns, meet expectations and improve, we operate a transparent and clear communication process as part of our wider disclosure obligations.

We conduct dialogue sessions with our stakeholders on a regular basis. For internal stakeholders, we use newsletters, Information Technology platforms such as SharePoint, and email to provide updates on sustainability progress. External stakeholders receive information through published materials on our websites, in-person and virtual meetings.

#### METRICS AND TARGETS

<i><b>Safety</b> is a core value of the Hadley Group and underpins our wider business strategy. Our aim is to do no harm to people. We call this our Zero Harm ambition.</i>
<i><b>Bribery and Corruption</b> – There have been no incidents of bribery or corruption of any kind during the financial year. We operate a Zero Tolerance approach in this area.</i>
<i><b>Payment Practices</b> – Payment terms are contractually agreed between the Hadley Group and each supplier. We aim to adhere to agreed payment terms at all times.</i>
<i><b>Economic Contributions</b> – The Hadley Group makes a meaningful financial contribution to the countries where we operate by paying taxes and employing local people.</i>



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### VERIFICATION OF THE SUSTAINABILITY STATEMENTS

In addition to the statutory audit of the consolidated financial statements, an independent environmental auditor conducted a verification of our Sustainability KPIs. The auditor did not participate in preparing this data or in the broader financial disclosures within this report.

The purpose of this assurance was to ensure the information conveyed to stakeholders and other interested parties is accurate and supported by appropriate documented evidence.

**BS Towe**  
*Company Director*  
*September 2025*

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