

Sustainability continued

Stakeholder engagement

The Board acknowledges that there is a legal requirement for the Company to report on how the Board and its Committees have considered the requirements of Section 172 of the Companies Act 2006 in their decision-making

Section 172 statement

Businesses do not operate in isolation. Without a good understanding of who their key stakeholders are and how they impact upon and are impacted by the organisation, a business will fail to deliver sustainable value to shareholders and other stakeholders.

The Board considers its key stakeholders to be its employees, investors, customers, suppliers, the communities in which we operate, as well as regulators and governments. We actively engage with our key stakeholders to understand their views and build effective relationships, and our engagement approach for each stakeholder group is set out on the following pages.

In addition to having regard to stakeholder considerations, the Board acknowledges its responsibility to consider long-term impacts and the Company's impact both upon and from wider society and the environment.

The Board delegates day-to-day management, risk and decision making to its Operational Executive Board, but it maintains oversight of the Company's performance, and reserves to itself specific matters for approval, including the strategic direction of the Group, acquisitions and disposals, and entering into material contracts and purchase of fixed assets above set limits.

The Board monitors performance against strategy, and that decision-making is appropriate, by receiving regular updates, both in Board and Committee meetings and through monthly Board reports from the CEO, CFO and other OEB members, all of which enable it to make well-informed decisions for the long-term success of the Company and its various stakeholders.

To aid effective decision-making, the Directors and the Senior Management team take into account the Group's policies, including the Group Code of Conduct and supporting corporate policies set out on page 75.

Section 172(1) Companies Act 2006 'Duty to promote the success of the company'

- 1) A director of a company must act in the way he considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:
 - a) the likely consequences of any decision in the long term,
 - b) the interests of the company's employees,
 - c) the need to foster the company's business relationships with suppliers, customers and others,
 - d) the impact of the company's operations on the community and the environment,
 - e) the desirability of the company maintaining a reputation for high standards of business conduct, and
 - f) the need to act fairly as between members of the company.

Supported by the Company Secretary and General Counsel, the Board, management, and anyone tasked with preparation of Board materials give consideration to stakeholders in all matters requiring decision-making, including strategic decisions

Principal decisions

We define principal decisions as both those that are material to the Group, but also those that are significant to any of our key stakeholder groups.

In making the following principal decisions, the Board considered the outcome from its stakeholder engagement as well as the need to maintain a reputation for high standards of business conduct and the need to act fairly between the members of the Company:

Capital allocation to deliver strategy

During the year the Board joined the OEB and other senior managers to discuss and approve a medium-term strategic roadmap. As set out on page 26, the Group's core strategy includes both delivering organic and acquisition growth. A key consideration for the long-term success of the business was the appropriate allocation of capital to deliver the strategy.

Further to the approval of the annual budgets, the Board discussed and updated the Group's acquisition criteria to ensure they are still relevant and approve next steps when key stage gates have been achieved.

The Board also agreed and oversaw a £16m Placing to preserve the Company's strategic investment capability, and approved investment to move two of our fast-growing sites to new, larger premises to facilitate future growth. Employees were engaged during the process and the impact on them was considered by the Board. With the new premises only being a short distance from the existing sites it was felt that any negative impact would be low, and the better facilities would be welcomed.

COVID-19 response

The COVID-19 pandemic has had a dramatic impact over the course of the year and has been a dominant consideration for the Board. The safety and wellbeing of the workforce and the continuation of the Group's operations and supply chain were the main concerns.

The Board enacted the business continuity plan, and introduced new working practices to limit the risk to our team. This entailed the transition to home working and the implementation of COVID-19 secure workplace practices for all sites, including staff PPE and amended working practices. Further details can be found on page 10.

COVID-19 brought with it uncertainty and anxiety for many of our staff, and the Board responded by increasing employee engagement through videos and regular updates from Directors, an information hub on the Company intranet, and the use of noticeboards and employee surveys. A greater focus was also placed on employee mental health. Full details can be found on page 56.

As part of the equity raise, the Board performed stress testing to ensure the sustainability of the Company through various scenarios. These included various cash-saving initiatives such as deferment of capital expenses, the use of various global furlough schemes, as well as a 20% reduction in remuneration for the Board during Q1.

Enhanced focus was placed on cash flow management within the business, which had the potential to impact on our supply chain partners. The Directors sought to ensure that payments continued in line with agreed terms and, where appropriate, worked closely with strategic suppliers to support ongoing provision of products and services in the short term and preserve their financial viability in the long term.

The senior management team engaged constantly with customers and suppliers during the period to ensure continuity of supply and responsiveness to the constant changing market dynamics.

The Board also gave wider consideration to how we were able to support our communities during this time. We worked closely with the NHS surgery near our HQ to provide additional car parking for the COVID-19 vaccination centre, and our staff supported a number of good causes that aimed to help those affected by the pandemic, including food banks and free meal delivery.

Sustainability continued

Stakeholder engagement

	People
Key metrics	<ul style="list-style-type: none"> Employee voluntary turnover rate Employee engagement survey score Total employee pay and benefits against industry benchmark
Why it's important to engage	The Company's long-term success depends on a skilled and motivated workforce, an innovative and entrepreneurial approach, and a safe and inclusive working environment
Key topics	<ul style="list-style-type: none"> Feeling valued and engaged in the business A safe and healthy working environment Training and professional development Desire to have a positive impact Fair pay, benefits and treatment Diversity and inclusion
How we engage	<p>We engage with our workforce to co-create a supportive working environment that fosters professional development and employee wellbeing, and that also aligns our staff with our strategic goals and culture, driving innovation and productivity</p> <p>The Board has decided that one aspect of our approach to engage with our staff is through a designated Non-Executive Director for staff engagement, our Chair Jonathan Shearman. He is supported by Claire Balmforth (NED and Remuneration Chair) and Global HR Director Helen Toole</p> <p>We conduct employee culture surveys twice a year as part of a programme. We also operate an ongoing employee voice 24/7 survey. The Board discusses the findings and incorporated staff feedback into our refresh of Company values and culture this year</p> <p>We typically rotate the location of our Board meetings so that staff have a chance to meet with Board members, although sadly this has not been possible in the last year due to COVID-19. We hold regular events including staff inductions, quarterly videos from the CEO and Chair, leadership briefings and regular communications. We also communicate with staff through our intranet and staff newsletters and provide regular, structured performance reviews for staff. Where staff are members of unions, engagement is conducted at the site level</p>
Engagement in FY2021	<p>Keeping our team safe during the global COVID-19 pandemic has been one of our top priorities this year, and our approach is detailed on page 61. Despite the challenges, we have continued to engage with our staff</p> <p>At the start of the pandemic, we shared weekly updates focused on COVID-19 with all our employees. As uncertainty has reduced, communications related to COVID-19 are sent out as and when needed</p> <p>Executive management produced regular videos, which were shared on the Group's intranet (SharePoint) site. In addition, regular business and COVID-19 related updates were shared through this site, as well as using posters and noticeboards at the locations. We conducted a staff culture survey in November 2020 and a second one in April 2021. We have also undertaken a training and development survey based on the findings of the first culture survey. Non-Executive Directors joined the OEB and other key senior employees for the strategic review in October and there were multiple touch points between Senior Management, the OEB and the Board, along with regular invitees to Board meetings. Further details of workforce engagement are set out on pages 59 and 94</p> <p>A key finding from our staff surveys in FY2021 was that staff would welcome more professional development opportunities, and we have implemented a more detailed review to identify specific areas for improvement</p> <p>The Board and Nomination Committee have continued to receive updates on talent and succession plans; further details can be found on pages 54 and 55</p>

	Investors	
Key metrics	<ul style="list-style-type: none"> Earnings per share Cash conversion 	<ul style="list-style-type: none"> Total shareholder return ESG ratings
Why it's important to engage	Continued access to capital is important to the long-term success of our business. We ensure that we provide fair, balanced and understandable information to investors and analysts to ensure they have a clear understanding of our strategy, performance, culture and ambition. In addition, understanding the views of our shareholders helps us underpin the direction we take	
Key topics	<ul style="list-style-type: none"> Strong share price performance Year-on year results improvements and medium-term aspirations 	<ul style="list-style-type: none"> No prosecutions or negative press Sustainable business model for the future
How we engage	<p>We operate a structured programme through the year to engage with equity investors and analysts. We seek to obtain support for our strategic objectives and our approach to executing them</p> <p>The key mechanisms of engagement include:</p> <ul style="list-style-type: none"> Annual General Meetings Investor presentations and roadshows 	<ul style="list-style-type: none"> One-on-one meetings with relevant information being distributed to all investors through: <ul style="list-style-type: none"> Regulatory news releases Corporate website Annual reports Investors ESG questionnaires Private clients via the Investor Meet Company platform <p>Feedback from formal investor engagement is reported to the Board and used to inform the approach for future events and consultations</p>
Engagement in FY2021	<p>In order to engage with investors effectively with COVID-19 related restrictions in place, the executive management modified our engagement approach</p> <p>Equity Placing</p> <p>In June 2020, the Company raised gross proceeds of c.£15m through a Placing to preserve the Company's strategic investment capability and to maximise growth. In addition, a further Broker Option was exercised in full, raising c.£1m of gross proceeds. The result was that a total c.£16m gross proceeds raised</p> <p>Annual results</p> <p>Due to COVID-19, our March 2020 annual results were pushed back to 28 July 2020. Our CEO and CFO presented the annual results on a virtual third-party-hosted platform. This enabled analysts, shareholders, banks and other stakeholders to raise any questions. Subsequent individual investor meetings were held in the following weeks by our CEO and CFO</p> <p>Annual General Meeting</p> <p>The AGM presents an opportunity for shareholders to question the Directors about our activities and prospects. Usually, the Directors are available to meet informally with shareholders immediately before and after the meeting. However, the 2020 AGM had to be held fully virtually in September and was hosted on a third-party platform and enabled shareholders to raise any questions. All resolutions were passed</p> <p>Half-year results</p> <p>The interim results were announced on 24 November 2020</p> <p>As with the year-end results, our CEO and CFO presented the interim results roadshow via a virtual third-party-hosted platform. This enabled analysts, shareholders, banks and other stakeholders to raise any questions. Subsequent individual investor meetings were held in the following weeks by our CEO and CFO</p> <p>Investor feedback</p> <p>All formal feedback received from investors from both the interim and preliminary roadshows was shared with the Board and discussed</p>	

Sustainability continued

Stakeholder engagement

	Customers
Key metrics	<ul style="list-style-type: none"> • Orders • Pipeline value • Sales conversion rate • Business reviews and feedback • Sustainability scores – fulfilling customers’ objectives
Why it’s important to engage	<p>Understanding our customers’ needs and behaviours allows us to deliver relevant products and services, retain customers and attract new ones. It also identifies opportunities for growth and market differentiation. Customers have increasing sustainability expectations and obligations: engaging with them helps us to demonstrate how we deliver on these</p> <p>We engage with our customers to build strong, trusting relationships that generate mutual value. We are seeing increased demand to advise on our status on this subject</p>
Key topics	<ul style="list-style-type: none"> • Product performance and efficiency • Innovation and collaboration in problem solving • Safety, quality and reliability • Competitiveness • Our environmental and social practices • Our availability and responsiveness • Building relationships with deeper involvement • Compliance • Being a flexible supplier • Our range of products
How we engage	<p>Trifast prides itself on its long-standing partnerships with all its customers. We work closely with our customers to provide technical and logistics input, often developing innovative solutions that meet the needs for emerging technologies and legislation</p> <p>We engage with our customers through a wide range of online platforms including digital marketing, social media, and through our websites www.trifast.com/www.trfastenings.com</p> <p>We have developed virtual training support to help customers understand our range of products and to select the right fastener for each application. This includes a video library for specific products and industries. Since the launch of our product training animations on the TR Fastenings website in November 2019, there have been over 23,000 page views¹ (as at 31 March 2021)</p> <p>We also complete customers’ questionnaires on environmental and social practices and performance, including the exacting requirements of SAQ.4 (automotive), JOSCAR (aerospace and defence), and the enhanced requirements of EcoVadis and CDP supply chain questionnaires</p> <p>The Board has delegated responsibility for managing customer relationships to the OEB and receives updates on key issues throughout the year</p>
Engagement in FY2021	<ul style="list-style-type: none"> • Virtual presentations • Virtual sales and logistics presentations • Virtual quarterly business reviews (QBRs) with major accounts • Completion of online sustainability questionnaires within portals • Maintaining customers’ key data requirements including financials • Technical reviews and engineering workshops • Timeline discussions on new business introduction

1. Source: Google Analytics

Suppliers	
Key metrics	<ul style="list-style-type: none"> • Robust vendor selection process • Meeting payment terms • Supplier scorecards • Quality and sustainability agreement acceptance
Why it's important to engage	We engage with our suppliers to build strong relationships that ensure good quality, security of supply and speed to market. We rely on the high standards of our suppliers to ensure compliance, drive innovation, and deliver improvements in our overall sustainability performance
Key topics	<ul style="list-style-type: none"> • Fair treatment and on-time payments • Quality and sustainability management • Total cost of acquisition • Compliance with local legal requirements, including modern slavery • Building long-term relationships • Responsible procurement, trust and ethics • Shared technological advances and innovation
How we engage	<p>The Board has established a Supplier Code of Conduct which covers quality, sustainability and compliance criteria. We expect all approved suppliers to sign up to this Code</p> <p>We conduct supplier conferences and engage on specific issues, including compliance, quality and efficiency. This includes the Modern Slavery Act, and GDPR</p> <p>We conduct audits and regular performance reviews of our key suppliers utilising our SQE (Supplier Quality Engineers) globally</p>
Engagement in FY2021	<p>Constant contact and reviews with suppliers</p> <p>Managing the supply situation as COVID-19 moved around the world, our status as an 'essential supplier' was critical to TR's business continuity, enabling our locations to stay open</p> <p>We conducted supplier audits both physically and remotely taking into account local COVID-19 regulations</p> <p>Top 200 supplier questionnaire (70% of Group spend)</p> <p>During the year, we have continued to engage with suppliers on new legislation, especially in relation to REACH and SCIP (Substances of Concern In articles as such or in complex objects (Products))</p>



Sustainability continued

Stakeholder engagement

Community	
Key metrics	<ul style="list-style-type: none"> Charitable donations Number of activities
Why it's important to engage	Trifast has the capacity to create significant positive benefits within the communities we operate in but recognises our operations can also have a negative impact. We are committed to engaging with our communities to ensure we interact responsibly and maximise potential benefits
Key topics	<ul style="list-style-type: none"> Fair treatment Good environmental management, especially minimising noise and nuisance Support for community organisations and initiatives Jobs and economic benefits
How we engage	<p>We have good relationships with our neighbours and conduct regular reviews at each site to ensure we avoid causing nuisance from noise, dust, light, and waste control issues</p> <p>Community communication and complaints are managed by our ISO 14001 environmental management system</p> <p>Our supply chain includes a large number of small and specialist suppliers. We are keen to support small businesses in our industry and the local economies in which we operate, and so we engage with smaller suppliers where needed to build skills and knowledge, especially in relation to compliance, efficiency and quality</p> <p>We encourage staff to undertake fundraising to support local good causes</p>
Engagement in FY2021	<p>We maintained good communications with our neighbours, including by responding quickly to reports of fly-tipped waste at our site at Bellbrook Park</p> <p>In response to COVID-19, we made the car park at our headquarters building available to the NHS to support our local vaccination centre. We have also continued charitable donations and activities across the Group. More details can be found on pages 68 and 69</p>



	Regulators/governments
Key metrics	<ul style="list-style-type: none"> Compliance performance
Why it's important to engage	Policies and regulatory changes, including changes to the global political landscape and laws and regulations affecting terms of trade, may provide opportunities and pose risk to our operations
Key topics	<ul style="list-style-type: none"> Brexit Ongoing regulatory compliance Third-party audit scores
How we engage	<p>We primarily engage with regulators through public disclosures (including the Annual Report and AGM) and specific submissions (such as those relating to packaging and controlled materials within our products)</p> <p>Where necessary, we actively engage with government departments, such as the Department of Trade and Industry in relation to Brexit</p>
Engagement in FY2021	<p>During the course of the year we continued to make all necessary compliance declarations and submissions. This includes market announcements as well as compliance disclosures related to packaging materials, greenhouse gas emissions, and controlled materials within our products (including SCIP, RoHS and REACH)</p> <p>In relation to COVID-19, site visits were conducted by the Health and Safety Executive (HSE) in the UK and local authority equivalents in our global operations</p> <p>We have also maintained close contact with the Department of Trade and Industry (DTI) in relation to Brexit</p>

Sustainability continued

Community

**BLACK COUNTRY
FOODBANK**
LOVE · CONNECT · INVEST



Staff at TR's West Midlands location donate to multiple charities

Each year, TR's West Midlands location donate to a local charity instead of sending Christmas cards to one another. In December 2020 the team decided to split the donations between two chosen charities, the Black Country Foodbank and The Salvation Army

TR's Don Lamb helps deliver free meals to those in need

Don, Strategic Account Manager at TR Fastenings, and his son James helped out in May 2020 delivering Indian food from a restaurant in Newcastle called My Delhi, who donated free meals to those who needed them during the pandemic

TR continues partnership with local college as Enterprise Advisers

Helen Toole, Global HR Director, and Luke Murphy, Group HR Manager, based at TR's headquarters in Uckfield, have partnered with the local college and will work with them to provide support as Enterprise Advisers



Local community coming together in support of COVID-19 vaccination roll-out

TR Fastenings would like to share a heartfelt thank you to all the staff at The Meads Medical Centre, in Bell Farm Road, Uckfield, as well as the other local GP surgeries involved in the project, for their incredible work and dedication in managing a safe and speedy roll-out of the crucial COVID-19 immunisation programme. TR Uckfield is proud to be part of this close-knit community and offered overflow car parking at their head office on vaccination days



TR continues to support 'Formula Student' team in Sweden

TR Fastenings has renewed its support of KTH Formula Student, a non-profit racing team from Kungliga Tekniska Högskolan in Stockholm, for the fourth consecutive year. The team is currently building an autonomous, electric race car to compete in Hockenheim (Germany) in the summer of 2021



TR continues sponsorship of Buxted Football Club

TR is proud to continue its sponsorship of Buxted Football Club, who were established over 100 years ago in 1918. Since the launch of the team they have gone from strength to strength, and have in the past had four senior teams running in various divisions across the Mid Sussex Football League



TR PSEP supports Environment Campaign Collection in Malaysia

Between 15 and 31 December 2020, TR PSEP in Malaysia collected a range of recyclable materials including glass and plastic bottles, tins and cans, used books, paper and cardboard to be donated to the campaign. All material is given to XPM Welfare Society Malaysia, which sells the items to raise money for people in need



TR Fastenings continues its support of Hungarian racing team

TR Hungary has been providing technical and product support to Hungarian racing team, Arrabona Racing, for a number of years. The team started in 2014, supporting and encouraging students to produce, design and manufacture single-seater race cars and compete against each other in several events



TR continues sponsorship of Sussex Triathlete Jamie Bedwell in 2020

Jamie continues his quest to reach the Paris Olympics in 2024. The past year has been quiet in terms of racing and has certainly brought many challenges to training accessibility and schedules, but Jamie remains committed to a performance programme



TR Fastenings, proud sponsor of Newick Cricket Club

TR is delighted to continue its support of Newick Cricket Club in East Sussex, a friendly and ambitious Sussex village club with a thriving junior section. New juniors (school Yr 3 / U8 and upwards) and adult players (of all standards) are welcome and can participate fully in training sessions and matches



Continued support for local team, Uckfield Grasshoppers JFC

TR is proud to continue its sponsorship of Uckfield Grasshoppers JFC. The club was set up in 1981 by a group of local parents, since when it has grown into a club with over 250 registered members and teams from Under 6s to the Under 16s – including several girls in the younger ‘mini-soccer’ age groups



TR's Sven Brehler joins the Cost and Manufacturing judging team at 'Formula Student' 2021

Each year hundreds of volunteers from across a wide variety of industries come together to make Formula Student the successful event it is. Many volunteers are Formula Student alumni who bring a wealth of knowledge and experience to the event, returning year-on-year to work alongside their industry peers to deliver world class competition. Sven, Engineering Project Manager at TR Fastenings, will be on the judging team in July 2021, looking at the methods used for the manufacture of the vehicle, including the cost eBom reports submitted by the students before the event, detailing the manufacturing processes, material selected and associated costs of their complete vehicle



TR Fastenings Inc. donate toys and food at Christmas

The TR team in the USA had a toy and food drive for the winter holidays 2020, and employees participated by donating to each drive. The donations supported both the local Houston, Texas chapter of the Toys For Tots charity and the Houston Food Bank. Established in 1947, Toys For Tots collects new toys to be distributed to the less fortunate at Christmas. The charity has distributed an incredible 604 million toys to date, supporting 272 million children. The Houston Food Bank distributes food and other essentials to those in need through a network of 1,500 community partners



TR's Keith Gibb becomes STEM Ambassador and supports local schools with CGI knowledge

Keith, Head of Web Development at TR, was introduced to STEM in 2019 and felt there were real career opportunities in industry for 3D modelling/CGI. Almost all of TR's product graphics and videos are now produced using CGI and the STEM South East England hub agreed this is a key area for students to learn more about. Keith gave a presentation in early 2020 to teachers from various schools in Sussex and as a result has now recorded a version to be rolled out to teachers and students with support from East Sussex County Council

Sustainability continued

Environment

Trifast is committed to good environmental management across our operations and supply chain, and in the way we design products

Environment

Key themes:

- Approach to environmental management
- Energy
- Carbon emissions
- Climate change
- Emissions and discharges
- Water
- Waste
- Materials and circular economy
- Helping create a sustainable future

➤ See our sustainability strategy in action case study for more information on how solar panels generate 50% of our Malaysia site's total energy usage

Approach to environmental management

Trifast is committed to good environmental management across our operations and supply chain, and in the way we design products.

We have a comprehensive environmental policy and operate a global environmental management system certified to ISO 14001. Environmental issues are managed alongside health and safety by our EHS team.

We are pleased to report that there have been no environmental incidents during FY2021.

ESOS

The Company is required to comply with the Energy Savings Opportunities Scheme (ESOS); we have had assessments completed by competent third parties on our business premises, to meet our ESOS requirements. We are now assessing the recommendations from those reports to best align them with our upcoming sustainability roadmap.

Carbon emissions

Trifast is committed to acting to combat climate change, and reporting on its approach and performance. Our total carbon emissions have decreased over the last three years by 8.28% per FTE.

Our main area of energy use is within our manufacturing facilities, followed by fuel use for distribution.

	FY2021	FY2020
Total Scope 1 emissions	1,823	1,891
Purchased fuels	1,297	1,221
Company vehicle use	526	670
Total Scope 2 emissions	5,740	5,774
Purchased electricity	5,740	5,774
Total GHG emissions	7,563	7,665

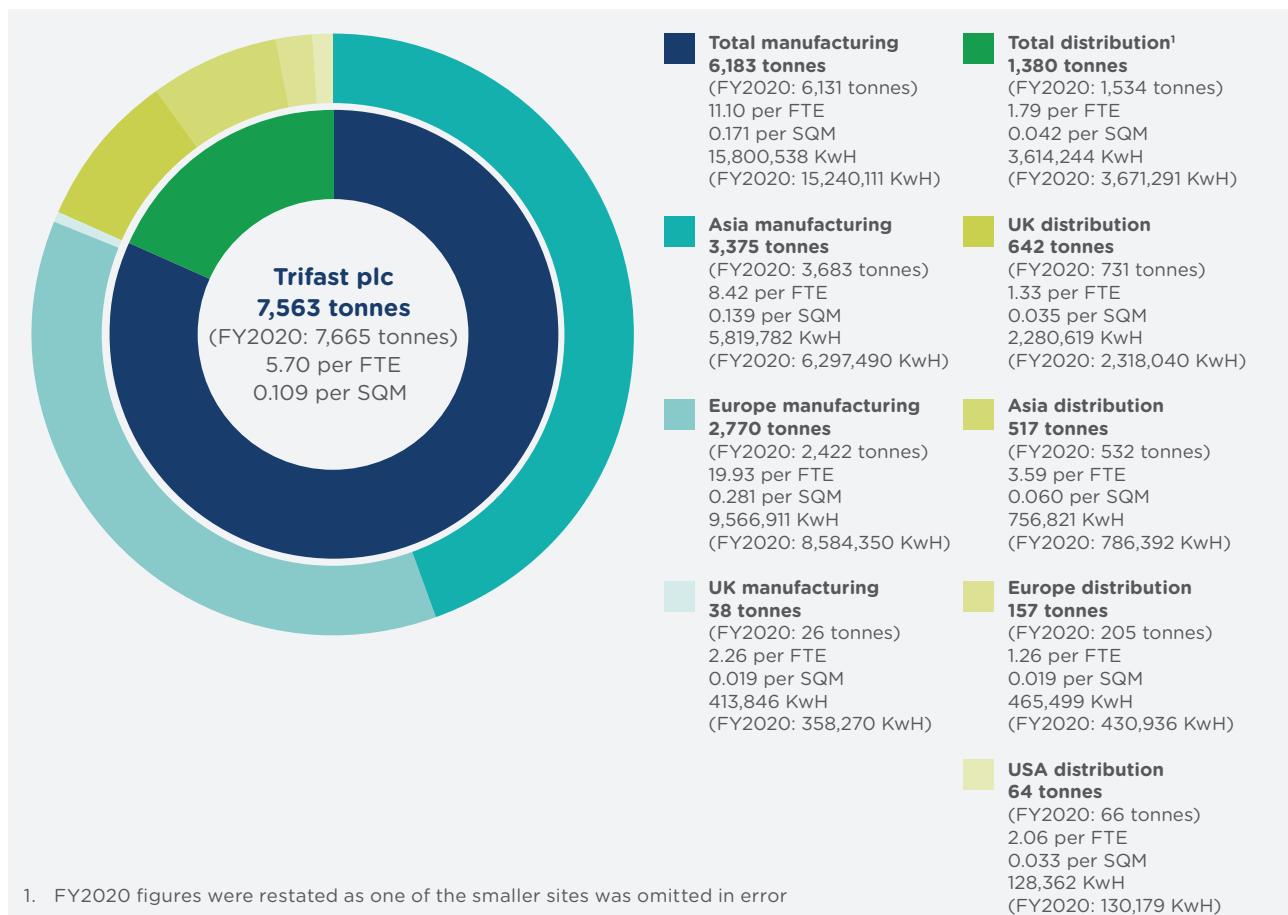
Note:

Our emissions data includes all material emissions of the six Kyoto gases from direct sources and from purchased electricity, heat and steam and cooling where applicable. No direct source material emissions have been omitted.

Figures are reported in tonnes of CO₂e (carbon dioxide equivalent). Reports are calculated in the following ways:

- Tonnes of CO₂e
- Tonnes of CO₂e per FTE (full-time equivalent)
- Tonnes of CO₂e per SQM (square metres of floor space occupied by the Company)

The FY2021 calculations have been made utilising the IEA '2018 CO₂ emissions from fuel combustion' and '2018 emissions factors' data sets. The FY2020 figures have been reworked to also utilise these figures for comparative purposes.



	Tonnes CO ₂ e per FTE			% Change FY2019 to FY2021	% Change FY2020 to FY2021
	FY2021	FY2020	FY2019		
Trifast plc	5.70	5.91	6.4	(10.94)	(3.55)
Total distribution	1.79	2.13	1.99	(10.05)	(15.96)
Asia distribution	3.59	3.69	2.22	61.71	(2.71)
USA distribution	2.06	2.27	3.10	(33.55)	(9.25)
Europe distribution	1.26	1.72	1.76	(28.41)	(26.74)
UK distribution	1.33	1.66	1.85	(28.11)	(19.88)
Total manufacturing	11.10	10.63	11.70	(5.13)	4.42
Asia manufacturing	8.42	9.18	9.87	(14.69)	(8.28)
Europe manufacturing	19.93	18.63	20.79	(4.14)	6.98
UK manufacturing	2.26	0.57	1.87	20.86	296.49

We currently do not report on any greenhouse gas emission sources that fall within scope 3. As part of our sustainability strategy review in FY2022, we will establish an appropriate scope and methodology for monitoring our scope 3 emissions and aim to report on these in future.

We have seen increased requests from customers on our carbon emissions and management approach over this year. We responded to the supplier CDP questionnaire in 2020, and intend to complete the investor climate change questionnaire next year.

To support enhanced energy and carbon emissions data collection, we will implement the Carbon Trust's Footprint Manager software in FY2022.

Sustainability continued

Environment

Climate change

Over the course of FY2022, we will seek to expand our climate change governance and risk management approach to align with the guidance from the Task Force on Climate-related Financial Disclosures (TCFD).

Emissions and discharges

There are some minor emissions to water related to the manufacturing processes on our sites, and we do store and use materials that could have an impact on the environment if they were to be accidentally released. We have good controls in place to ensure we comply with all obligations in relation to water quality and pollution prevention. This includes appropriate training, risk assessment and management processes, monitoring, and emergency response procedures.

Water

We do not currently monitor our water use on site and recognise that this is an area for improvement. In FY2022, we will commence collecting data on water usage and will report on usage in future.

Waste

Waste is managed at the site level and we have made good progress to increase recycling rates over the three-year period since FY2018.

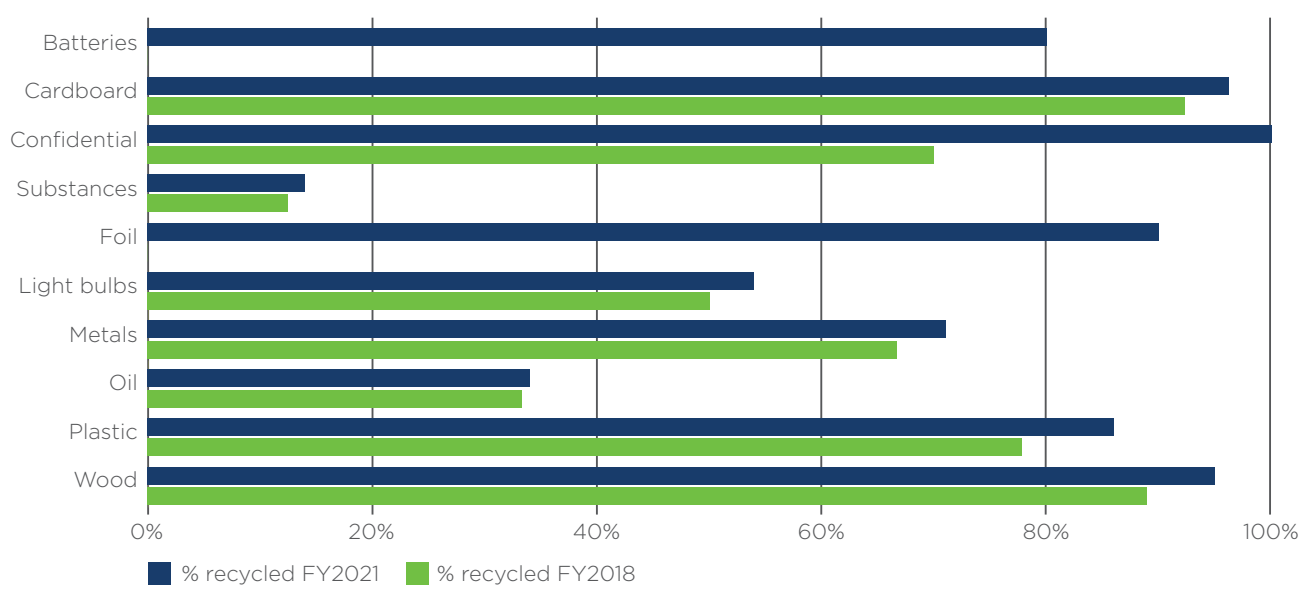
Waste stream	% recycled FY2021	% recycled FY2018	Movement FY2018 to FY2021
Batteries	80.00	—	+80.00
Cardboard	96.20	92.30	+3.90
Confidential Substances	100.00	70.00	+30.00
Electrical	14.00	12.50	+1.50
End of life	—	—	—
Foil	—	—	—
General	90.00	—	+90.00
Light bulbs	—	—	—
Metals	54.00	50.00	+4.00
Oil	71.00	66.67	+4.33
Organic	34.00	33.30	+0.70
Plastic	—	—	—
Toners	86.00	77.80	+8.20
Wood	—	—	—
	95.00	88.90	+6.10

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In an effort to reduce waste generation, we supply fastenings to many of our customers in reusable plastic totes. The majority of our supplies, however, still arrive on our sites in plastic and cardboard packaging, and this is an area we hope to make improvements on in future.

Materials and circular economy

Controlled materials

Due to the nature of the materials we use in some of our products and how they are used by our customers, Trifast is subject to a range of legislation related to controlled or hazardous materials. Trifast has a dedicated material compliance team to ensure we manage our obligations effectively and can provide our customers with the necessary documentation.

Fasteners enable a more circular economy as they allow products to be opened up and repaired rather than thrown away. In developing our new sustainability strategy, we will explore the impacts, risks and opportunities related to material use and the circular economy across our entire value chain.

Material compliance

A particular area of focus this year has been ensuring we meet the requirements on the Substances of Concern In articles as such or in complex objects (Products) (SCIP), established under the Waste Framework Directive. We are required to provide product information to the European Chemicals Agency (EChA) from 5 January 2021

A large project was undertaken to conduct due diligence within our supply chain, to ensure that we held correct material data for our product ranges. All ranges which contain substances requiring registration were registered with the European Chemicals Agency, through the SCIP database, before the January 2021 deadline. We maintain a library of SCIP dossiers which are available to our customers

Supporting innovation for our customers: Heavy vehicle battery development

New development of large electric batteries for heavier vehicles has been an interesting project to work on this year. These batteries weigh as much as half a tonne and require more robust fasteners, often in stainless steel

We are involved in a number of development projects for well-known brands where our ability to provide prototypes and speedy delivery has enabled us to be designed in, and full production will commence during the course of FY2022

Sustainability continued

Sustainable supply chain

Sustainable supply chain

Key themes:

- Our supply chain
- Sustainable procurement and sourcing
- Supplier assessment and audit

Our supply chain

Our goal is to help develop our key suppliers and improve the current programme and processes; 80% of spend is with 78 of our key suppliers.

The objective of our sustainable supply chain approach is to ensure our products and suppliers comply with high standards of environmental management, social practices, corporate governance and business ethics set out in legislation and our supplier quality and sustainability agreement. We also aim to build close working relationships with suppliers to reduce the overall environmental impact of our products, share good practice and drive innovation.

Sustainable supply chain approach

Our sustainable supply chain approach comprises three key themes. Our supplier quality and sustainability agreement sets out our expectations for suppliers. We review the practices and policies of prospective key suppliers before we work with them and conduct performance reviews and audits on an ongoing basis to monitor compliance and foster a strong relationship that drives improvement and innovation.

Standards	Pre-contract review	Ongoing management
1. Quality and sustainability agreement	2. Supplier assessment and approval	3. Supplier reviews and audits
Set clear expectations on how suppliers should manage quality, environmental, social and corporate governance issues	Review potential key suppliers' ESG practices to ensure they meet our standards	Conduct performance reviews and site audits to ensure suppliers continue to meet our expected standards and to build strong, collaborative relationships

1. Supplier quality and sustainability agreement

In 2008 we created an internal standard for suppliers called the 'quality and sustainability agreement'. We require all our Approved Vendor List (AVL) suppliers to implement this agreement and provide us with declarations of compliance as part of the assessment process.

2. Supplier assessment and approval

Our supplier quality team carry out initial desktop reviews and on-site audits on any potential new AVL supplier. These assessments include quality and sustainability practices. Only suppliers who can demonstrate they meet our requirements will be approved. Once approved, AVL suppliers are re-audited every two years.

3. Supplier reviews and audits

We conduct regular proactive audits of suppliers to an annual audit schedule and initiate supplier improvement development plans. In FY2021, we completed 45 site audits and 59 follow-up and desktop audits. This represents 68 key suppliers and covers 52% of key supplier spend.

Non-financial reporting compliance statement

We aim to comply with the non-financial reporting requirements contained in Sections 414CA and 414CB of the Companies Act 2006. The table below, and the information it refers to, is intended to help stakeholders understand our position on key non-financial matters. This builds on existing reporting that we already do under the Guidance on the Strategic Report (UK Financial Reporting Council).

Non-financial reporting matter	Policy/code	Reference
Environmental issues	<ul style="list-style-type: none"> Environmental Policy 	Sustainability pages 70 to 73
Employees	<ul style="list-style-type: none"> Code of Business Conduct Business Ethics Policy Whistleblowing Policy Health and Safety Policy GDPR privacy notice 	Sustainability pages 54 to 59
Human rights	<ul style="list-style-type: none"> Modern Slavery Policy Supplier Code of Conduct 	Sustainability pages 58 and 59
Social matters	<ul style="list-style-type: none"> Supporting charities 	Sustainability pages 68 and 69
Anti-corruption and anti-bribery	<ul style="list-style-type: none"> Anti-bribery Policy Whistleblowing Policy 	Sustainability page 59
Policy embedding, due diligence and outcomes		Pages 76 to 83
Description of principal risks and impact of business activities		Pages 76 to 83
Description of business model		Pages 20 and 21
Non-financial key performance indicators		Page 38