

Sustainability

Stakeholders

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(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

Section 172 statement

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

The Board considers its key stakeholders to be its people, 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 (OEB), 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, OEB members and other senior managers, 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 89.

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, OEB and other senior managers met to discuss the Group's medium-term strategic roadmap approved during FY2021. As set out on page 02, the Group's core strategy includes delivering both organic and acquisitional 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 was pleased to announce the acquisition of North American specialist fastenings distributor, Falcon Fastening Solutions Inc on 31 August 2021, as the first step on the Group's acquisition-led North America expansion strategy. The acquisition will extend Trifast's global OEM customer base and presence in non-automotive focus sectors as well as opening up growth opportunities with its global customers in key target states. All employees, including Falcon's President, Giovanni Cespedes, remained with the business. More details can be found on pages 36 and 37.

During FY2022 the Board approved investment in new larger premises to facilitate future growth for two of our fast-growing sites. We are pleased to report that the first of these sites, TR Hungary, has now opened its new purpose built sustainable building, and plans for the second site are progressing well. Employees have been engaged throughout the process with the impact on individuals being considered by the Board, with both 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 pandemic has had a dramatic impact over the last couple of years and has remained a consideration for the Board. The safety and wellbeing of the workforce and the continuation of the Group's operations and supply chain have been the main concerns.

The Board enacted the business continuity plan and introduced new working practices to limit the risk to our teams. This entailed the transition to home working and the implementation of Covid-19 secure workplace practices for all sites.

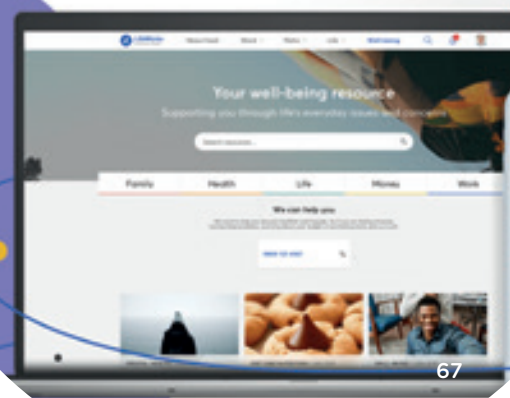
Employee wellbeing

Employee mental health has been a particular area of focus over the last couple of years. During FY2022 we implemented our Employee Assistance Programme – LifeWorks. This platform is now available to all global employees, offering 24/7 mental health and wellbeing support. Full details can be found in our sustainability report.

Russia/Ukraine

As a Group, we operate with a limited number of customers in Russia and Ukraine (less than 1% of Group revenue) and therefore the direct impact of the conflict has been minimal. Our Group sanctions policy has been designed to ensure that we remain compliant with any requirements and we have taken independent legal advice as appropriate.

"Because We Care"
TR Global Employee Assistance Program
Launching 1st February



Sustainability continued

Stakeholders continued

People	
<p>Key metrics</p> <ul style="list-style-type: none"> Employee voluntary turnover rate Employee engagement survey score Total employee pay and benefits inflation against industry benchmark 	<p>Why it's important to engage</p> <p>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</p>
<p>Key topics</p> <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 	<p>How we engage</p> <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 Committee Chair) and Global HR and Sustainability 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 discussed the findings and incorporated staff feedback into our refresh of Company values and culture this year</p> <p>We have typically rotated the location of Board meetings so that staff have a chance to meet with Board members. Although the pandemic has prevented site visits from happening over the last two years, since the relaxation of rules, Board and Committee meetings have once again been held at our Head Office and the plan is to return to holding meetings at other locations. In addition to Board visits, Jonathan Shearman, Chair, has instigated a regular employee engagement programme aimed at interacting with staff across our locations</p> <p>We hold regular events including staff inductions, 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>
<p>Engagement in FY2022</p> <p>As part of the employee engagement programme, and following the lifting of many Covid-19 restrictions in the UK, Jonathan Shearman (designated NED) completed three on-site sessions where employees were encouraged to speak openly with him</p> <p>In addition, Jonathan was joined by our Senior Independent Non-Executive Director Clive Watson for the visits to our site in the North East of England, with additional visits planned for FY2023</p> <p>Full culture surveys were carried out in both April and November 2021</p> <p>The LifeWorks Employee Assistance Programme was rolled out in February 2022 to all sites globally, providing health and wellbeing support</p> <p>The Board and Nomination Committee have continued to receive updates on talent and succession plans; further details can be found on pages 101 to 103</p>	

Investors

Key metrics

- Earnings per share
- Cash conversion
- 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

- Share price performance
- Year-on-year results improvements and medium-term aspirations
- No prosecutions or negative press
- Sustainable business model for the future

How we engage

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

The key mechanisms of engagement include:

- Annual General Meetings
- Investor presentations and roadshows
- One-on-one meetings with relevant information being distributed to all investors through:
 - Regulatory news releases
 - Corporate website
 - Annual reports
- Investors ESG questionnaires
- Private clients via the Investor Meet Company platform

Feedback from formal investor engagement is reported to the Board and used to inform the approach for future events and consultations

Engagement in FY2022

Over the last financial year, we have operated a structured programme, albeit virtually, in the form of presentations with conference dial-in facilities, which were open to all of the investment community. In addition, we introduced the Investor Meet Company offering which allowed private investors to listen to, and enter dialogue with, management. These recordings are also available on our website www.trifast.com.

Annual results

Our annual results were presented by our CEO and CFO 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

Annual General Meeting

The AGM presents an opportunity for shareholders to question the Directors about our activities and prospects. The 2021 AGM was held in July as a hybrid meeting for the first time. Shareholders were able to choose to attend in person or via a virtual third-party hosted platform which also enabled shareholders to vote and ask questions. All resolutions were passed

Half-year results

The interim results were announced on 23 November 2021

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

Investor feedback

All formal feedback received from the investor perception audit undertaken in the year and both the interim and preliminary investor roadshows was shared with the Board and discussed

Sustainability continued

Stakeholders continued

Customers	
<p>Key metrics</p> <ul style="list-style-type: none"> • Orders • Pipeline value • Sales conversion rate • Business reviews and feedback • Sustainability scores – fulfilling customers’ objectives • Number of customers by region • Number of traded parts 	<p>Why it’s important to engage</p> <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>
<p>Key topics</p> <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 • Agility of supply chain solutions 	<p>How we engage</p> <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 installation animations on the TR Fastenings website in November 2019, there have been over 33,000 views</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>
<p>Engagement in FY2022</p> <ul style="list-style-type: none"> • Presentations • Virtual sales and logistics presentations • Virtual and in-person quarterly business reviews (QBRs) with major accounts • Completion of online sustainability questionnaires within portals • Maintaining customers’ key data requirements including financials • Engineering workshops (virtual and in-person), ‘lunch and learn’ events and technical reviews • Timeline discussions on changing legislation and new business introduction • Product availability and offering alternative solutions 	

Suppliers

Key metrics

- Robust vendor selection process
- Meeting commercial terms
- Supplier scorecards
- Quality and sustainability agreement acceptance
- Spend as a % of total spend for preferred supplier grouping (AVL)
- Total number of suppliers
- Regional spend vs. imported spend

Why it's important to engage

Engaging with our suppliers builds strong relationships, ensuring appropriate cost and quality levels of goods and services, 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

- 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

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

We conduct in-person and virtual supplier meetings and conferences on specific issues, including compliance, quality and efficiency. This includes the Modern Slavery Act, GDPR and ESG as a broad subject

We conduct audits and regular performance reviews of our key suppliers utilising our SQE (Supplier Quality Engineers) globally

Engagement in FY2022

Constant contact and reviews with suppliers

Managing the supply situation was critical as lead times increased, freight routes became congested, legislation drove EU anti-dumping duties for specific products and Covid-19 continued to impact the world

We conducted supplier audits both physically and remotely, taking into account local Covid-19 regulations

During the year, we have continued to engage with suppliers on recent and new legislation, while building a near-shoring supply chain capacity and competence in the Americas and Eastern Europe through face-to-face reviews, audits and the awarding of new business



Sustainability continued

Stakeholders continued

Community

Key metrics <ul style="list-style-type: none">Charitable donationsNumber of activities	Why it's important to engage <p>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</p>
Key topics <ul style="list-style-type: none">Fair treatmentGood environmental management, especially minimising noise and nuisanceSupport for community organisations and initiativesJobs 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 and will be introducing an employee volunteering policy in the coming year</p>

Engagement in FY2022
Trifast is committed to supporting and sponsoring various events and activities within the communities local to each of our locations
For more information on stories that have happened in FY2022, refer to our community on pages 80 and 81



Regulators/governments

Key metrics

- 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

- Ongoing regulatory compliance
- Third-party audit scores
- Brexit

How we engage

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)

Where necessary, we actively engage with government departments, such as the Department of Trade and Industry in relation to Brexit

Engagement in FY2022

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)

This year saw the introduction of the requirement for the Company to report on Task Force on Climate-related Financial Disclosures (TCFD) - for full details, please see pages 86 to 88

Sanction reviews in relation to Russia/Ukraine

