

Stakeholder engagement

Section 172 statement

We are committed to maintaining strong relationships with all our stakeholders to achieve long-term sustainable success and fulfil our purpose

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
 - f) the need to act fairly as between members of the company

The Board is focused on driving the long-term sustainable success of the Company for the benefit of all stakeholders.

We are committed to maintaining strong relationships through regular engagement with stakeholders and consider their views when making key business decisions.

The Board also acknowledges its responsibility to consider the long-term impacts of the Company's decisions on wider society and the environment. The principles underpinning S172 are not only considered at Board level, but are also part of our culture and embedded in everything we do as a Company.

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 principal decisions, the Board considers the outcome from stakeholder engagement as well as the need to maintain a reputation for high standards of business conduct, corporate governance and the need to act fairly between the members of the Company.

Restructuring

During the year, the Board and Executive Committee carried out a wide-ranging review, with the aim to make Trifast a stronger and more efficient business.

One aspect of the restructure has involved the decision to establish a single National Distribution Centre for the UK subsidiary, TR Fastenings Ltd, which will allow the business to consolidate warehouse operations and UK manufacturing to increase efficiencies and service to customers.

As a result of this decision, the number of UK regional offices and facilities will reduce, which regrettably will result in redundancies.

In early 2023, the Company engaged in both a voluntary and latterly compulsory redundancy process where both Company representatives and employees' representatives worked closely to manage employees' expectations and, where necessary, exits from the business. Given the number of employees at risk of redundancy, we submitted the appropriate documents to the relevant UK government agency and worked with our corporate lawyers, to ensure the process was carried out in accordance with UK law.

We recognise that this is a challenging period for those involved but also acknowledge that maintaining strong, good-faith employee/employer relationships is at the heart of Section 172 engagement.

Stakeholder engagement continued

Section 172 statement continued

Employee wellbeing

The LifeWorks employee programme continues to prove an invaluable resource for employees, which, particularly with today's challenging economic environment, is a service that offers personal, professional and financial advice.

A number of employees have moved to a hybrid working environment. Feedback continues to indicate that this is well received and provides employees with increased flexibility and work-life balance. Employees have also benefited from the increased number of internal and external training programmes that are being offered, ensuring that we continue to upskill employees and retain talent.

Investors

We held our AGM in September 2022 as an in-person meeting in Uckfield, where a number of shareholders joined personally and a significant number joined online using the Investor Meet Company (IMC) platform. It remains an important opportunity for our shareholders to engage with the Board. In addition, our CEO, CFO, COO and Committee Chairs all had multiple interactions with institutional and retail shareholders throughout the year. These meetings cover a range of issues, including ESG, audit, risk, remuneration and Company performance issues and they regularly receive positive feedback as a result of these engagements.

Realigning after Covid-19

Exhibitions are a key area of focus, and are carefully targeted at certain sectors to showcase our products and services to existing and potential customers. Advanced Engineering shows in Birmingham and Gothenburg, and the Fastener Fair Global in Stuttgart, all exceeded our expectations.

The CEO, CFO and COO have, between them, visited Asia, Europe and the USA for separate customer meetings as well as meeting investors and employees.

The Board took the opportunity when visiting TR Hungary as part of their strategy week to visit a key global customer in the region in October 2022.

In addition, our Global Supply Chain Director was one of the first individuals to gain entry into Taiwan following the relaxation of the Taiwanese pandemic restrictions, and took the opportunity to meet our suppliers in Taiwan in November 2022, having not had the opportunity to visit since 2019. The two TR SFE manufacturing facilities, which are a key supplier to TR multinational customers, were also visited to engage with our employees there.



Stakeholder engagement continued

People

Key metrics

- Employee voluntary turnover rate
- Employee engagement survey score
- Total employee pay and benefits inflation against industry benchmark for each entity

Key topics

- Feeling valued and engaged in the business
- A safe and healthy working environment
- Learning and professional development
- Desire to have a positive impact
- Fair pay, benefits and treatment
- Diversity, equity and inclusion

Why we 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

How we engage

- Create a supportive working environment fostering professional development and employee wellbeing, and aligning staff with our strategic goals and culture
- Designated Non-Executive Director, Jonathan Shearman, Chair, supported by Claire Balmforth, NED, and Helen Tate, Global HR & Sustainability Director
- Annual full culture employee survey and ad-hoc thematic surveys
- 24/7 employee voice survey
- Site visits by Board Directors and Senior Managers where open discussions are welcomed
- Internal communications, briefings and news
- Functional, Regional and compliance-based cross-functional risk reviews

Engagement during FY23

- Board member visits to our overseas subsidiaries in Hungary, North Carolina, USA, Italy, Singapore, Taiwan, Malaysia and China, as well as to our UK sites in East Grinstead, Lancaster, West Midlands and head office in Uckfield
- Full culture survey completed during the year
- LifeWorks employee assistance programme continued
- Communications and meetings for strategic UK restructure and consultation period, with employee representatives elected by workforce
- Regular risk reviews have commenced with our regional and functional teams, engaging with over 40 team members in FY23. Wider engagement is planned for the coming year as our risk management framework continues to develop and mature



Stakeholder engagement continued

Investors

Key metrics

- Earnings per share
- Cash conversion
- Total shareholder return
- ESG ratings

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

Why we engage

The Board is committed to maintaining strong relationships with our shareholders and engages regularly to provide fair, balanced and understandable information ensuring they understand our purpose, values and strategy and how that promotes the long-term sustainable success of the Company

Find details of substantial shareholdings of the Company on page 119

How we engage

All Independent Non-Executive Directors have the authority to meet shareholders

A structured programme is operated throughout the year where management are available to all shareholders, and includes:

- Annual General Meeting
- Presentations and roadshows through the Investor Meet Company (IMC) platform
- Distributing information through:
 - Regulatory news releases
 - Corporate website
 - Annual Report and Sustainability Report
- Investor ESG questionnaires
- Additional meetings as required and requested

Engagement during FY23

- The Group's website was regularly updated to ensure all stakeholders, including shareholders, were fully aware of the Group's activities
- Annual results presented on 26 July 2022 by the CEO and CFO via IMC
- AGM held on 7 September 2022 at head office for the first time since Covid-19
- Interim results presented 22 November 2022 by the CEO, CFO and COO via IMC
- Trading updates announced in October 2022 and February 2023
- Directorate changes announced in August 2022, November 2022 and February 2023
- Claire Balmforth, Remuneration Committee Chair, engaged with some of our largest shareholders to better understand their views on remuneration at Trifast
- The 2023 AGM will be held at 11.30am on Friday 15 September 2023 at Peel Hunt



Stakeholder engagement continued

Customers

Key metrics

- Orders
- Pipeline value
- Sales conversion rate
- Business reviews and feedback
- Sustainability scores – fulfilling customers' objectives
- Number of customers by region
- Number of traded parts

Key topics

- Being a flexible supplier in terms of our availability and responsiveness
- Innovation and collaboration in problem solving
- Product performance and efficiency
- Safety, quality and reliability
- Competitiveness
- Our compliance including environmental and social practices
- Agility of supply chain solutions and our range of products

Why we engage

Building effective and trusting relationships that generate mutual value helps us to understand our customers' needs and behaviours. It allows us to deliver relevant products and services, retain customers and attract new ones. It also identifies opportunities for growth and market differentiation, and our ability to demonstrate how we are able to deliver on increasing sustainability expectations and obligations

How we engage

- Maintain long-standing partnerships with our customers, working closely to provide technical and logistics input, and developing innovative solutions that meet the needs for emerging technologies and legislation
- Offer online platforms including digital marketing, social media and our websites
- Provide virtual training support to help customers understand our range of products and select the right fastener for each application, including a video library for specific products and industries
- Complete customer questionnaires on ESG 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

Engagement during FY23

- Sales and logistics presentations and quarterly business reviews with major accounts
- Completion of online sustainability questionnaires within portals
- Maintaining customers' key data requirements including financials
- Engineering workshops, 'lunch and learn' events and technical reviews
- Attended exhibitions to showcase our products and services to existing and potential customers
- Timeline discussions on changing legislation and new business introduction
- Product availability and offering alternative solutions



Stakeholder engagement continued

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

Key topics

- Fair treatment and on-time payments
- Quality and sustainability management
- Compliance with local legal requirements, including modern slavery
- Responsible procurement, trust and ethics
- Shared technological advances and innovation

Why we engage

We actively engage with our suppliers to encourage and support them to instil our own business ethics and values within their organisations. Building strong relationships ensures appropriate cost and quality levels of goods and services, 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

How we engage

- Established supplier Code of Conduct covering quality, sustainability and compliance criteria; expectations for all approved suppliers to sign up to this Code to ensure that their ESG practices meet our expected standards
- Conduct in-person and virtual supplier meetings and conferences on specific issues, including compliance, quality and efficiency. This includes the Modern Slavery Act, data protection and ESG as a broad subject
- We conduct performance reviews and site audits to ensure suppliers continue to meet our expected standards and to build strong, collaborative relationships

Engagement during FY23

- Developed our supplier sustainable sourcing and procurement charter, quality and sustainability agreement and supplier sustainability questionnaire. To date we have engaged with 300 key suppliers (80% of spend) and have received positive feedback
- From our top 300 strategic global suppliers over 99% have signed the Modern Slavery document, which equates to 80% of the global spend
- We continue 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
- We continued to work closely with our global suppliers to increase the number of supply partners who are fully signed up to our Modern Slavery Statement, which is available on our website www.trifast.com



Stakeholder engagement continued

Community

Key metrics

- Charitable donations
- Number of activities

Key topics

- Fair treatment
- Good environmental management, especially minimising noise and nuisance
- Support for community organisations and initiatives
- Jobs and economic benefits

Why we 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

How we engage

- 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
- Community communication and complaints are managed by our ISO 14001 environmental management system
- 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
- We encourage staff to undertake fundraising to support local good causes and will be introducing an employee volunteering policy in the coming year

Engagement during FY23

- 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 FY23, refer to our Sustainability Report
- A hardship fund has been set up to support any employee experiencing financial difficulties
- Trifast Foundation will be launching in FY24 to co-ordinate community engagement across all our sites
- TR employees from the West Midlands, UK took part in a Race For Life event in July 2022, raising £1,650 in memory of a colleague
- Christopher Morgan, Trifast Company Secretary, participated in the London Marathon in October 2022, raising over £15,000 for The Back Up Trust



Community stories

Catch up with our latest news and learn more about Trifast on our corporate website at www.trifast.com

Stakeholder engagement continued

Regulators/governments

Key metrics

- Compliance performance

Key topics

- Regulatory compliance
- Third-party audit and quality assurance

Why we 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

How we engage

- 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 engage with government departments in countries where we operate

Engagement during FY23

- 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)
- Engagement with the Financial Conduct Authority in relation to our Task Force on Climate-related Financial Disclosures (TCFD)
- Continued trade compliance measures particularly as a result of the Ukraine conflict
- Engagement with the UK Export Finance team and incumbent banks to secure an export development grant (EDG)

