

Sustainability Report 2020

Sustainable
Innovative
Dependable



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Strix is the global leader in the design, manufacture and supply of dependable kettle safety controls and other sustainable and innovative, complementary water products used in temperature control, steam management and water filtration.

Our head office is located on the Isle of Man, an island with UNESCO Biosphere status; biospheres are international sites of excellence where active conservation sits alongside responsible development; 'living landscapes' where there is a more balanced relationship between people and nature. There are 701 biosphere regions in 124 countries.



Introduction to Strix

Our mission

Shaping a safer, more sustainable future in the design and supply of innovative products that enhance customers' everyday lives.

Company Highlights

54%

Global value share of the kettle control market

1.1 billion

Strix products being used in a day globally

2 billion

Kettle controls sold to date

51

Takedowns & recalls since IPO

Category Overview

Strix has developed a diverse range of products across our 3 core categories:

Kettle controls

Continuous improvement in switching accuracy has led to lower overall kettle energy consumption. Redesign has reduced overall size and hence material requirements whilst specialist materials (e.g silver) have been engineered out where possible.



Small Domestic Appliances

Innovative technology within the SDA category has enabled Strix to improve energy efficiency within our products.



Water Filtration

Increased focus on health conscious consumer choices driving new product development restricting our plastic waste, offering the most sustainable products to the end consumer.



Company at a glance

1982



Founded

2017



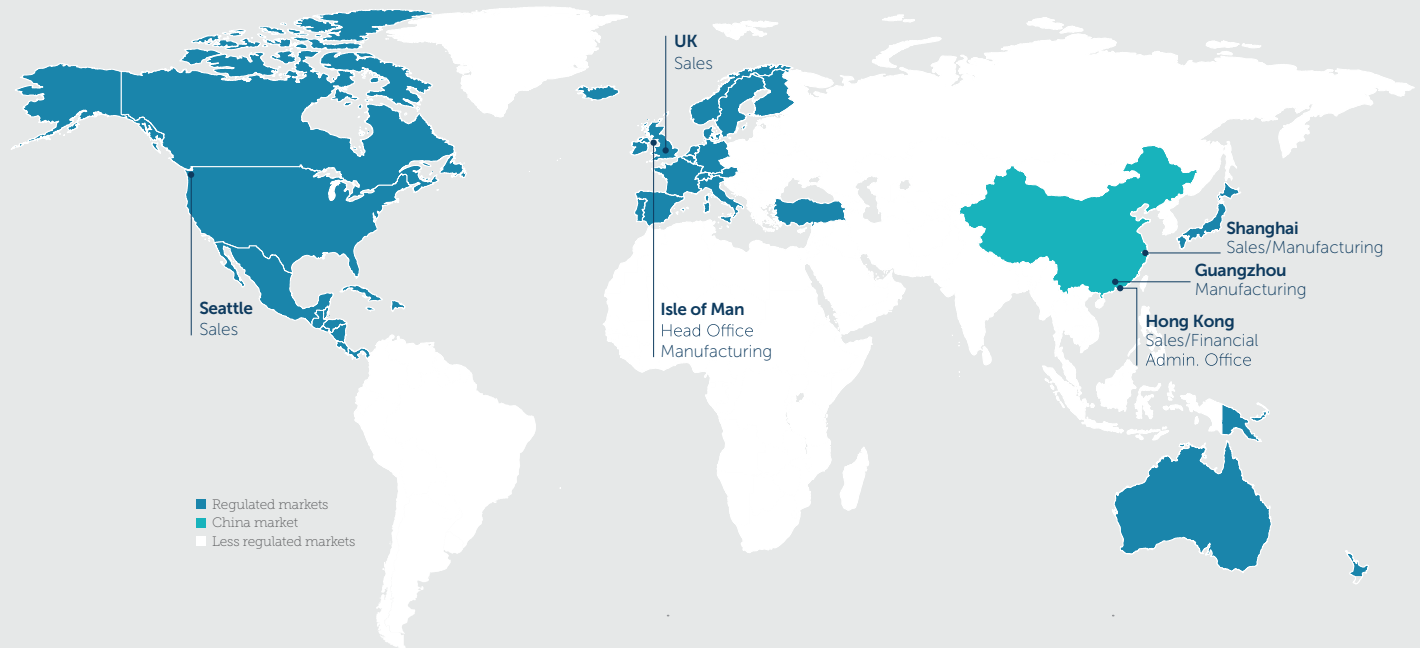
Listed on the AIM Market of the LSE
(AIM:KETL)

+850



Employees globally

Locations





Global kettle penetration from
38% to 50% would save
14bn kg CO₂
energy p.a.



Strix sold c5.6m filters in 2019
equating to
56m
single use plastic bottles



Our NEW Duality appliance
will address
c.£300m
wasted on boiling excess
water p.a. in the UK



2 second saving in steam
switch off time would save
1% energy
or 44GWh or £9m p.a.
in UK alone



USA kettle penetration from
14% to 50% would save
6.6bn kWh
energy p.a.

Managing sustainability

Our Board's commitment to effective governance continues to enhance our robust internal processes.



How sustainability is managed

Strix has a robust philosophy towards sustainability looking to involve all areas and employees within the group. We see sustainability as a cultural issue and, whilst led from the top, requires equal determination and commitment from all levels of the organisation.

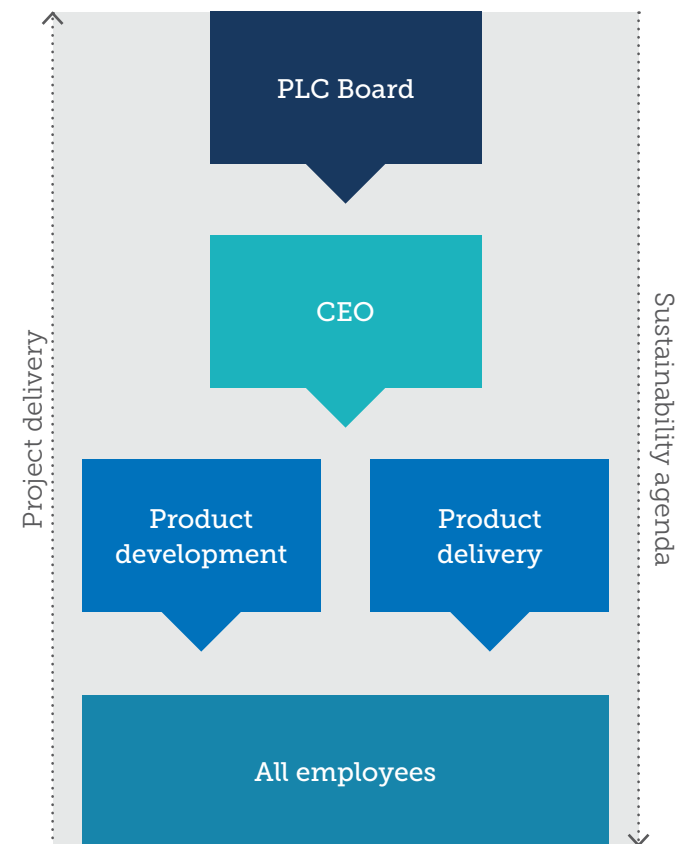
Strix uses an array of reporting criteria to assess progress on its sustainability path, many of which are published in this report. We reflect on our performance, primarily against internal historic matrix, reflecting the limited peer group comparison available.

Responsibility

The Chief Executive is the main conduit for sustainability management, reporting to the Plc Board as an ongoing agenda item. Along with the key executive management the CEO is responsible for developing the overall strategic sustainability framework. Individual departments are empowered to deliver on targeted projects, group planning and initiatives.

The CEO, along with the executive committee are tasked with setting the key agenda and parameters. This overarching strategy and direction is infused throughout the organisation.

Sustainability governance



Engagement with stakeholders/changemakers

Our business model is predicated on understanding and serving the needs of all our stakeholders as developed through continual and responsive dialogue.



Our people

Through annual review, line manager dialogue and employee surveys.



Customers & Suppliers

Continual dialogue to understand their challenges supported by close R&D alignment. Continual audit of Suppliers and discussion on mutual working.



Society

Continual interaction with business and social societies on the IoM. Increasing interaction with communities in China accelerated by the new plant investment.



Shareholders

Annual and interim presentations and investor roadshows. Independent investor feedback reviews.

Strix promotes innovative thinking throughout its workforce reinforced by both our **“Think Twice”** and our **“Lean Initiative”** schemes. Both schemes encourage ideas aimed at maintaining a culture and way of working for continuous improvement. Specifically rethinking the current performance of processes and ways in which these can be repurposed for the better.

Strix's Strategy Alignment to the SDGs

Our goal is to embed sustainability into our business strategy.

Our goal is to embed sustainability into our business strategy, from the way we package our products to the how our consumers use our products. In 2020, we have reassessed our approach to sustainability with a view of integrating a sustainability strategy within our core business activities aligning ourselves with the UN's Sustainable Development Goals (SDG's).

In 2021 we aim to bring our sustainability strategy to life, establishing baselines within our identified key SDG's, we will track improvements against 2020, and monitor our progress year on year.

The 17 Sustainable Development Goals (SDG's) were adopted by the United Nations Member States in 2015, and aim to provide a roadmap on how to combat global challenges related to economic, social and environmental sustainability. We have identified our key SDGs, being the goals where we believe we can make the greatest contribution through both our product offering, operational and society engagement.

Our Key SDGs



Ensure sustainable consumption and production patterns

Kettles are responsible for 34% of domestic cooking energy use in the UK with boiled but unused water amounting to c.1400 GWh of wasted energy or c£300m annually. Strix has introduced a range of products from variable temperature switches to single cup boiling systems to look to reduce kettle energy consumption.



Take urgent action to combat climate change and its impact

Internal actions such as automation and recycled steam to reduce consumption. Future plans in place to reduce GHGs and improve energy intensity measures.



Conserve and sustainably use the oceans, seas and marine resources for sustainable development

Re-usable water bottles eliminate the need for single use bottles, which often end up in landfill or part of the millions of tonnes of plastic in the oceans.



Ensure availability and sustainable management of water and sanitation for all

Filtration products including the HaloPure range acquired to improve the quality of drinking water. Our filtration businesses significantly enhance the quality of water removing lead, bacteria and viruses.

Other Relevant SDGs



Ensure healthy lives & promote well-being for all ages

Tommee Tippee prep machines deliver safe powder milk for babies. We work alongside government authorities to remove unsafe kettles and water heating products from the market to improve overall safety levels in the home.



Achieve gender equality and empower all women and girls.

The group's gender balance is 60% women / 40% men. Further efforts are being made at the management level where the ratio is currently 21% women / 79% men.



Ensure access to affordable, reliable, sustainable and modern energy for all

Kettles provide one of the most efficient methods of boiling water whilst Strix is developing products, which can reduce the significant levels of energy wasted. Internal Group efficiency programmes will reduce our electricity consumption.



Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.

The group spent 4.6% of sales on research and development in 2019 and has 14 new products due for launch in 2020/21, an all-time record. The acquisition of HaloSource and Laica brings additional technology which is being leveraged across the group's water category.



Make cities and human settlements inclusive, safe, resilient and sustainable

Strix has a strong track record for safety and action to remove unsafe products from the market. In 2019 this resulted in nine competitor products being withdrawn including in Chile, Bulgaria, Sweden and Germany incorporating four European Rapid Exchange of Information (RAPEX) alerts.

Key pillars of Strix sustainability strategy



Solutions for sustainable living

To develop products that reduce the impact on the environment, particularly reduction in energy consumption in our key kettle market, and promote benefits to customers.

▶ more on page 10



Promote customer wellbeing

Our efforts are encompassed within Strix's company motto of 'safer by design' as we look to improve the wellbeing of our end users through our entire product range.

▶ more on page 14



Doing more with less

This encompasses our internal operations and final product design. We look to reduce the overall manufactured product footprint, taking into account the total corporate footprint including materials, production, waste and company infrastructure.

▶ more on page 16



Wellbeing and equality in the workplace

Employee equality, welfare and engagement are critical for developing our key asset. We look to pro-active actions including internal training, certifications (relevant ISOs), and employee engagement through listening, survey and involvement.

▶ more on page 20



Community engagement

Strengthening our position as a global, socially responsible employer, reinforcing our corporate culture and employee pride in our positive contribution to all of our local communities across the group.

▶ more on page 22



Supply chain

Communicate sustainable practices to all of our direct suppliers, in line with the Responsible Business Alliance (RBA). We look to improve the sustainability of our supply chain through bi-annual audits, internal assessment of policy awareness, supplier risk assessments, supplier capacity and performance on environmental protection.

▶ more on page 23



Certifications

Continued compliance with a range of international standards, solidifying the quality and safety of our products and internal processes.

▶ more on page 24



Governance

Continue to embed our values into our culture which are fundamental to our business specifically diversity and inclusion.

▶ more on page 24



Solutions for a sustainable living

Lifetime energy footprint studies of kettles show that the energy consumed in “use” amounts to 95% of the total product lifecycle energy requirements. Our goal is to reduce wastage in this phase for existing products and to design new, innovative products which reduce environmental wastage compared to the incumbent technology or products.

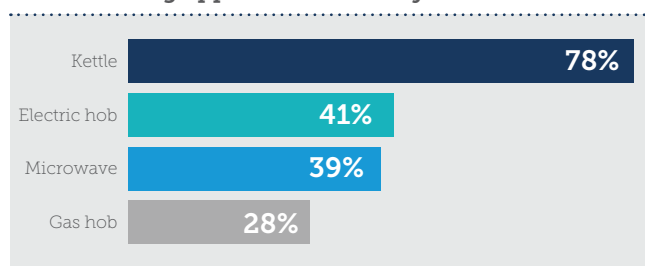
Looking at Strix’s three key product categories in turn.

Kettle controls

The kettle as an efficient domestic appliance

To boil a litre of water from room temperature requires c.335kJ of energy. The key is therefore delivering this energy as directly as possible with the minimum level of losses to the external environment. Kettles are highly efficient due to the contained and often insulated nature of the vessel and high efficiency level of the heating element. The following highlights energy efficiency for the key methods of heating water in a modern society.

Water heating appliance efficiency



Source: Strix

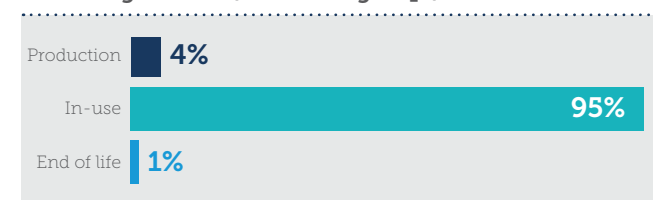
The kettle is the most efficient method of heating water. Hence the increasing penetration of kettles as a source of hot water reduces the level of emissions and electricity required. We estimate the kettle market to be c.180m units a year. If alternative methods of heating water were used (electric/gas stove, microwave etc) we estimate it would require an additional 30 TWH of electricity emitting around 12m tonnes of CO₂e.

As the market leader this would suggest that Strix products save c.5m tonnes CO₂e a year, equivalent to emissions from 1m cars, relative to the most common alternative forms of boiling water.

Kettle efficiency improvement potential

The following chart highlights the green house gas (GHG) equivalent emissions for the life cycle of a kettle. Depending on design and assuming average usage, production accounts for 4-7% of emissions, usage 93-96% with end-of-life around 1%. This highlights the importance of considering both the external usage efficiency as well as the internal design and manufacturing efficiency.

Strix life cycle carbon footprint assessment for an Eco design kettle (total 225kgCO₂e)



Source: Strix

Whilst highly efficient, the kettle still wastes significant levels of energy from either incorrect usage or inherent design issues.

Kettle controls continued

In use energy losses

The key wastage for kettles comes from the overfilling and hence boiling of water, which is not used. The average overfill in the UK is c.30%. On average a kettle consumes 167kWh of power in a year according to the UK Energy Savings Trust. With c.28m households and penetration of around 98% this suggests domestic overfilling leads to 1,400GWh p.a. of wasted electricity a year equivalent to over 1% of total domestic consumption or the total domestic electricity consumption of Birmingham. Other losses arise from over-boiling i.e. too slow to turn off and delivering water at higher temperatures than required.



Strix actions

Strix has developed products and designs to reduce the level of overfill in traditional kettles as well as new 'over-fill proof' water heating products.

1 Accurate switch-off controls

Kettles waste energy from delayed user switch off once the water reaches 100°C. The accuracy of Strix switches eliminates overboil and thereby reducing this source of energy wastage.

2 Variable temperature controls

Many uses of hot water do not require 100°C, e.g. green tea has an ideal water temperature of only 80°C leading to significant energy wastage. Strix introduced variable switch off controls to overcome this problem.

3 Water on demand

The hot-cup and hot water on demand systems dispense only the requisite volume of water required thereby eliminating wastage of energy for non-used water (see section on appliances for more details).

4 Water control

Strix has developed a double chamber kettle to facilitate the user ability in controlling the level of water boiled despite overfilling.

Water Category

Water is a limited natural resource experiencing ever greater demand, expected to increase by 40% by 2030. Strix is focused on enhancing the quality of water and providing sustainable delivery mechanisms to replace the 7.7bn plastic water bottles used every year in the UK alone.

Aqua Optima (AO) reusable filtered water bottles offer significant benefits from purchased bottled water in terms of re-usability of the container whilst also significantly reducing transportation costs. To complete the full product life cycle AO has put a recycling agreement in place in the UK with specialist TerraCycle.

The acquisition of HaloSource has brought new technology including lead reduction and patented bromine technology that kills bacteria and viruses. These technologies enable Strix to offer improved quality drinking water to the consumer and agriculture markets.

Strix will be introducing seven new products in this segment during 2020/21.

Reduce



Our filters reduce the need for single use plastics

Focus on minimalist packaging, reducing consumer environmental footprint

Reuse



Aqua Optima filters help extend the life of appliances

Consumers can use point-of-use filters to fill re-usable water bottles

Strix is focused on innovation in reusability

Our factories undergo frequent audits, and sustainability reviews

Recycle



Aqua Optima filters are 100% recyclable in an initiative with TerraCycle

Consumer return used filters free of cost using prepaid postage

600+ locations actively collecting Aqua Optima filters



Partnership with TerraCycle

Aqua Optima are excited to partner with TerraCycle® to offer a way to recycle their water filters as a commitment to the environment and in order to tackle single use plastics. This way you can enjoy great tasting water at home, work or on the move, whilst enjoying a healthy life and healthy earth.

What is TerraCycle®?

TerraCycle® offer 100% recycling for packaging and products and are the world leaders in the collection and reuse of non-recyclable waste. The Aqua Optima Water Filter recycling programme offers easy and free recycling of their water filters.

● Solutions for a sustainable living – continued

Appliances

Strix looks to use its technology to develop adjacent products to solve problems in tangential markets. We look to develop products offering meaningful benefits to customers which can then be commercialised through relationships with experienced and trusted consumer appliance specialists.

In particular the category has been leveraging the group's patented instant flow heater 'IFH' technology and other patented technology to develop a range of products.

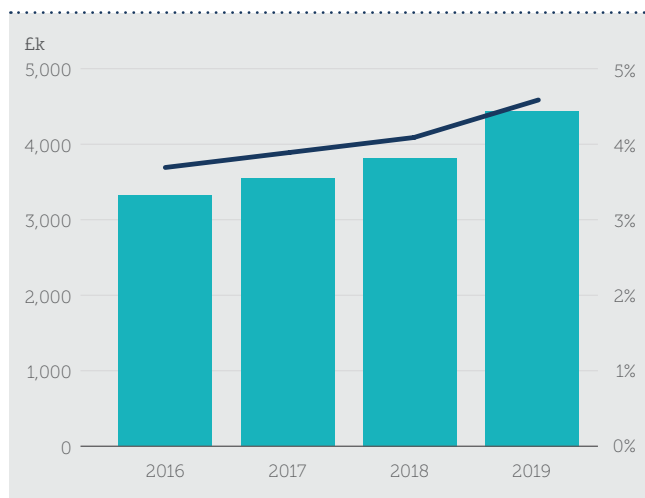
These include:

- **Variable water temperature dispensing units**
Capable of dispensing single units at the required temperature particularly important for certain teas (green and other herbal infusions) which require lower temperature water for optimum brewing.
- **A single cup hot coffee dispenser unit**
These operate without the need for environmentally unfriendly coffee pods (around 60 billion capsules are sold a year with the majority ending up in landfill).
- **Baby milk dispensers**
Variable temperature technology required to deliver the initial cleaning/sterilizing water and subsequent controlled volume/temperature to ensure correct final delivery temperature.

Summary

Strix continues to invest heavily in new products. Our commitment to R&D demonstrated by increased level of absolute spend (+16.2% in 2019) and relative spend (4.6% of sales in 2019).

Our commitment to R&D



Source: Strix

Sustainability is driving end markets and hence a significant element of our new product efforts. We estimate that 20% of our sales are from improved sustainability products including over 10% from kettle controls with a minimum of 10% energy saving benefits.

Next steps

We continue to develop innovative appliances that take frustrations out of everyday tasks. Our future product roadmap is therefore built upon convenient, simple and sustainable solutions.



Promote customer wellbeing

Kettles & Safety

The kettle market is lightly regulated compared to many other consumer products in most markets and completely unregulated in others. This is despite the high risk posed in bringing water and electricity together. As the market leader in controls and with a reputation for safety, Strix has a long running policy of highlighting issues with both regulators and distributors. This has led to product recalls and withdrawal of kettles from sale in Chile, Bulgaria, Sweden and Germany incorporating four European Rapid Exchange of Information (RAPEX) alerts – an all-time high in 2019.



Water & Sustainability

Strix continues to develop its specialist water filtration offerings, improving the quality of water for human consumption by removal of lead and within livestock farming by eliminating bacteria and viruses through the use of its bromine technology. Improved quality of water offers health benefits for consumers significantly reducing the amount of unwanted substances found in water such as micro plastics, limescale, chlorine, heavy metals, herbicides and pesticides.

Water filtration products also provide other benefits to our consumers; these include extension of appliance life through the reduction of limescale build up in small domestic appliances and reducing a consumer's use of single use plastic.



HaloPure water purification and sterilisation technology addresses disinfection solution within livestock farming, offering the unique ability to treat raw incoming water and maintain a sanitized environment throughout the water line. Strix's technology eliminates micro-organisms in the water, releasing hypobromous acid to maintain ongoing microbial control preventing pathogenic microorganisms from reproducing - the result being higher quality animals for the end consumer. Currently the livestock farming industry relies on an ultrafiltration single use membrane, Strix's system once implemented at a client site can be reused and maintained over 10 years.



Small Domestic Appliances

In baby care, the Tommee Tippee Perfect Prep machine offers not only perfect temperature baby milk but the initial hot shot system ensures cleanliness and hence quality of the final product. The energy used in the Perfect Prep machine is ten times less than that of the traditional formula preparation methods, which includes kettle heating and cooling bottles under water.



The Hot Water Cup encourages sustainable thinking in our end consumers, addressing the biggest energy wastage of over filling kettles. Strix has sold c.3m Hot Cups to date, assuming consumers use 5 times per day, and have boiled only the water they need through a Hot Cup as opposed to boiling double, the total energy saving would be enough to power 34,000 UK households for a year.



Next steps

We continue to develop the efficiency of our products. Of particular note are hot water on demand (HWOd) product range and the induction kettle.

Project Delta our new concept induction kettle, which has a switch off function preventing any over boil, no WEEE (Waste Electrical and Electronic Equipment) wastage, no toxic materials used in production, allows hob efficiency improvements to be passed directly on to our end consumers over time. Our product offering is also designed for dis-assembly, its modular design allows for user replacement of key sections and a second life use as a water jug.



Doing more with less

Strix has a culture for continuous improvement, this applies to productivity and how we reduce consumption and waste.

Our innovative approach to product development allows us to reduce the overall manufactured footprints of our products.



Energy and Carbon

Overview

Climate change is a global challenge across the world and an increasing risk to business and people. Hence, the importance that the Group looks to reduce its emissions through continued improvement in energy management, improving efficiency throughout the group, not solely the key manufacturing operations.

Performance

The following highlight Strix's own emissions and intensities. Measurement of Scope 1 and Scope 2 under the GHG Protocol and also business travel for Scope 3 reflecting the importance of this measure for an international Group such as Strix.

Absolute Group emissions tCO₂e

	2018	2019
Scope 1 – Fuel and transport for own use	173	187
Scope 2 – Purchased electricity	6,570	6,606
Total (location based)	6,743	6,793
Scope 3 – Business travel	1,014	1,01
Gross emissions	7,757	7,807

Group emissions increased marginally by less than 1% in 2019 reflecting higher activity levels although less than the 3.3% increase in turnover on a constant currency basis. Primary reduction came from Scope 2 emissions, purchased electricity, which remains the key component to the group's GHG emissions.

Regional performance

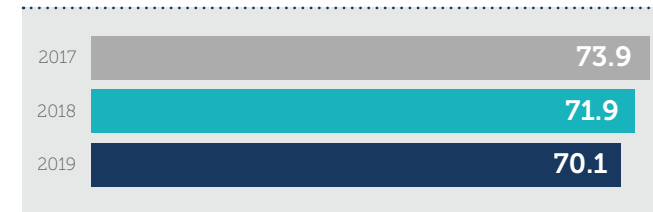
	Energy used		Emissions	
	MWh	%	tCO ₂ e(k)	%
UK	1,812	15%	1,240	11%
Non-UK	10,322	85%	10,243	89%
Total	12,134	100%	11,483	100%

85% of energy consumption and 89% of emissions were from outside the UK in 2019. This reflects the international nature of the group and primarily its major manufacturing location in China. The greater emissions primarily reflects the cleaner electricity generation mix in the UK against China.

Intensity of Group emissions

	2018	2019
Emissions tCO ₂ e/£m	71.9	70.1
Electricity consumption kWh/£m	117.2	116.5

Emissions intensity tCO₂e/£m



Improvements have been made in terms of emissions intensity of 9% although electricity intensity has improved by a more modest 1%.

● Doing more with less – continued

Energy and Carbon continued

The company has a number of schemes and strategies to improve this performance including:

- Increased automation and new manufacturing plant. Strix will move into its new Chinese facility in 2021. This purpose built facility will bring significant production benefits such as improved layout, reduced transportation and increased automation improving overall efficiency.
- Energy recovery system implemented at our head office on the Isle of Man, recycling the excess heat energy from water testing into heating the building
- Reduced business travel. 2020 Scope 3 emissions from business travel will inevitably be lower due to the Covid 19 restrictions. Lessons learned in business practices are expected to lead to improvements going forward from 2019 levels albeit an increase from the artificially low 2020 levels.
- Strix is in the process of adopting ISO5001 energy management systems into its key sites to embed the corporate targets and the culture and methodology for continuous improvement.

Next steps

We have a number of internal programmes in place looking at how we reduce our carbon footprint in both absolute and relative (intensity) terms. These include areas such as transportation, distribution and Strix own vehicles. As a Group we will also be assessing the availability of renewable electricity for all our sites.

We continue to develop products that look to reduce the overall manufactured product's footprint including materials, production, waste and company infrastructure. An example of this is with our next generation 3-Pole control which is designed to be suitable for all markets (Regulated, Less Regulated and China) and has been designed to save 27-30% materials in the production process. [See diagram below]



The acquisition of LAICA will have an impact in 2021 as will the new Chinese factory due to commissioning in the year. The factory has over twice the floor space of the existing facility which will improve efficiency and permit some activities to be brought back on site. This is likely to mean a larger carbon footprint, albeit potentially with improved intensity measures.

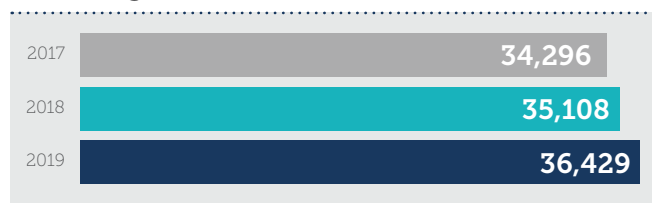
Water, waste and resources

Strix operates within the local regulations for water and waste. Of particular importance to Strix is the use of water within its test facility. Not only the use of water but also the state of the water and the energy it holds on leaving our testing and research & development facilities.

Water

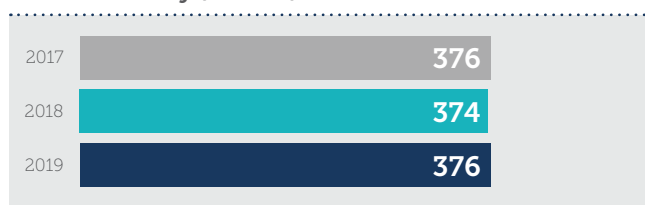
The following highlights water usage at Strix's primary manufacturing facility, where in 2019 36,429m³ of water was used. The very nature of Strix business requires significant levels of water for R&D and testing alongside production.

Water usage (m³)



Water usage has increased but only in line with levels of activity with intensity remaining static.

Water intensity (m³/£m)



Waste

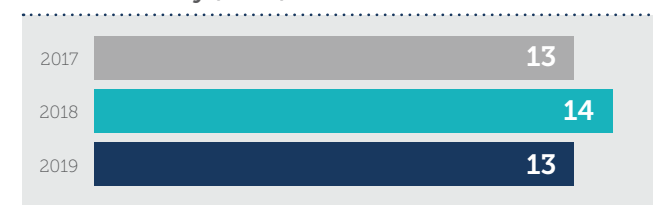
Total waste stood at 1,256 tonnes in 2019 a decline from 2018 levels.

Total waste (t)

	2017	2018	2019
Chemical	25.4	49.4	41.9
Normal (metal, plastic cardboard)	1140	1265	1214
Total	1165	1314	1256

Intensity has also declined from 2018 levels and is now back to 2017 levels of 13T/£m.

Water Intensity (t/£m)



The company recycling rates are consistently high at 96-98% with no scrap being sent direct to landfill.

Strix has a programme to return and reuse plastic trays, which are used to transfer its kettle controls from its manufacturing site to customers. Encourage customer buy-in resulting in 58% of our plastic trays being recycled. Strix's strategy has sought to introduce higher levels of recycling and reuse in its packaging model. Since 2019 recycle rate of plastic trays [to Kettle Control customers] has increased by c33.3% (2019:24.7%), a £335k cost saving and 208 tonnes of plastic saved. Strix are targeting over 90% conversion.

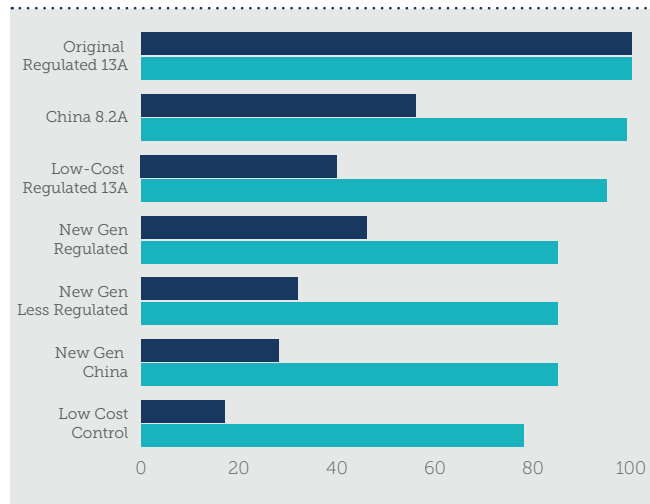
● Doing more with less – continued

Water, waste and resources continued

Resource intensity

Strix has continuously looked to redesign its products with a focus on reduced size and hence material content. In particular engineering out precious and semi-precious metals with a reduction of silver consumption in 5 years by 85% (equivalent to 2 tonnes) and Copper 9.6%.

Resource use by product (indexed)



Next steps

We look to improve internal efficiencies to reduce defects and rework leading to lower scrap levels. Our drive to automate production lines and our new factory, once fully commissioned, should assist such efforts.

A by-product of our finished goods auto assembly line for blade production is oil. In 2020 as part of our "Lean Initiative" scheme we have updated our process from a "Shake" method to an upgraded "Auto Ultrasonic" process which resulted in a 75% reduction in contamination liquid used to 600L (2019: 2600L). All contamination liquid used within the process needs to be professionally removed from the factory by an environmental protection company.

In 2020 we have started trialling Correx packaging for our internal supplies from Isle of Man to China. This more durable packaging will increase re-use by 10x adding little to cost or carbon footprint on the empty return trip, utilising vacant container space which the company already has.



Wellbeing and equality in the workplace

The Group currently employs c.850 people in six different international locations and is committed to a strategy built around the foundations of recruitment and retention, performance management and development, reward and recognition, and people policies. The Group believes that the development and retention of talent is important to achieve the long-term strategic goals of the business. Employees are therefore encouraged and supported to undertake ongoing training to develop their skills and reach their full potential.

Gender diversity

Age, colour, race, gender, disability, ethnic origin, national origin, marital status, sexual orientation, religious or political views are not seen as barriers to employment and are evidenced in the Group's diverse employment base. The Group is committed to providing equal opportunities for individuals in all aspects of employment.

The group has a broad diversity with females making up 60% of the overall group workforce. Management and board representation are lower at 21% and 20%.

Employee development

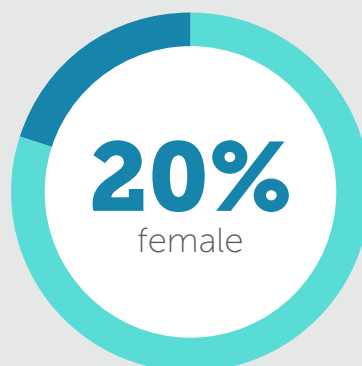
All new operators in the Chinese plant undergo a comprehensive full week training programme before commencing line operations.

As a group, who is proud of its innovators, we remain committed to investing in our workforce, which is evidenced by the increasing number of interns we take on globally every year, the apprenticeships programs we are involved in and educational support we offer to our employees.

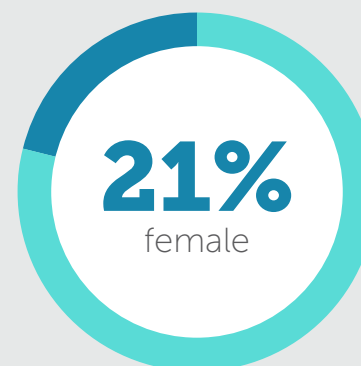
60%

of overall group
workforce are
females

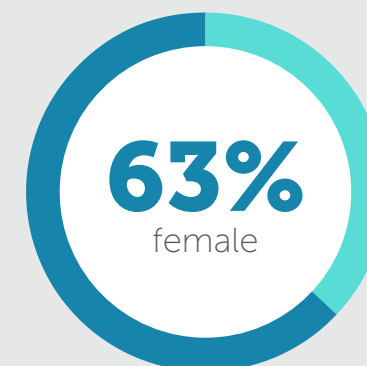
Board



Management



Shop floor



● Male ● Female

Wellbeing and equality in the workplace – continued

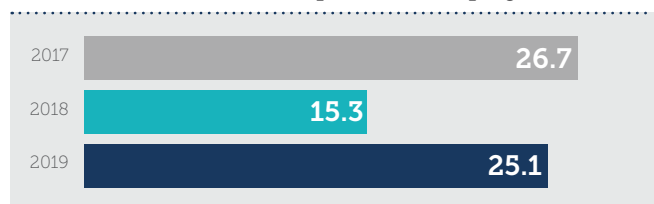
Health & Safety

We help our employees work safely and productively, empowering them to maintain a strong health and safety culture at all of our global facilities/offices through active participation in and awareness of programs and resources available, and work with employees to reduce ergonomic risks.

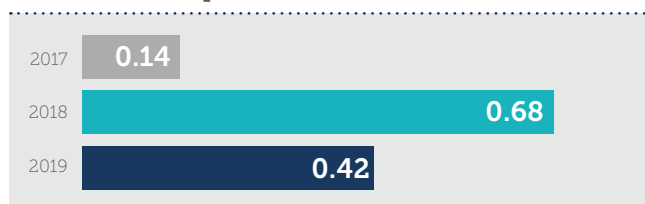
- Periodic review of policies and procedures to identify, assess and manage health and safety hazards and risks e.g. slips and trips, electrical hazards, and fire, spillage or explosion hazards. All our policies and procedures are varied and based on the specific circumstances and risk exposure of each task/project
- Global offering of Flu injections to all of our employees
- Periodic training from external consultants on health and safety in the workplace e.g. how to use fire extinguishers in the event of an emergency

We measure all lost time accidents, not solely those over one or three days, as we take all such incidents seriously.

Total lost time accidents (per 1,000 employees)



Lost time hours per 1,000 hours worked



Employee engagement

The Group operates a culture of open communication through a range of mediums including: a global intranet platform; newsletters; Town Hall meetings; and "Pulse of the Business" lunches with the CEO. In addition, the Group conducts employee engagement surveys using the 'Say-Stay-Strive' model with the last survey undertaken in 2018. As part of our HR strategy, Strix is committed to making positive changes in the Group which will increase our engagement index score. Our next group wide employee survey is scheduled to take place in 2021.

Ethical behaviour

The Group has a number of defined policies in place to cover anti-slavery, anti-human trafficking, anti-corruption and anti-bribery. Strix is committed to supporting and promoting international and local laws, which prohibit modern day slavery, human trafficking and support the detection and prevention of corruption and fraud. Strix has a zero tolerance of violations to these policies, which apply equally to all of our directors, officers, employees, apprentices, volunteers, agents, consultants and other representatives.

All of these policies are reviewed and updated periodically to ensure our policies remain fit for purpose, take into account evolving risks, and are specific to the locations in which the group operates.

Employee Wellbeing

The Group has implemented a new employee assistance programme (EAP), a benefit that provides employees with support and practical advice on issues that might be impacting their wellbeing and performance. Our EAP system provides counselling and expert support on personal, physical, financial, or social problems.

Next steps

We continue to focus on employee development with increased graduate intakes annually and further training opportunities on offer at our global sites including Line Manager Development training programmes.

We are also adapting our performance management process, making it more user friendly and meaningful.



Community engagement

Strix employees are actively involved in the wider Isle of Man business life, primarily through participation in and membership of a number of Isle of Man Chamber of Commerce Committees.



Strix is currently represented on the following committees:

- **Engineering and Manufacturing (STEM)**
The Committee supports Chamber members and the sustainability of engineering and manufacturing businesses on the Isle of Man by providing the voice of industry into Government and associated bodies.
- **FUEL**
FUEL is a group of individuals from various industries with a shared vision to create a bright future for the Isle of Man. FUEL shares ideas within the Isle of Man Chamber of Commerce to provide a younger perspective to plan ahead for the island's future.
- **ICT**
The Committee works closely with the Isle of Man Government and other industry associations to actively promote the Information and Communications Technology (ICT) sector whose importance as a key contributor to economic development and employment continues to grow.



Our latest acquisition, Laica's contribution:

- Continued support of Surgery for Children Association. An Association of volunteer doctors and nurses who work together to promote paediatric care for children in poor countries.
- Support the B.I.R.D. Europe Foundation Onlus, an institute acting as a reference point for rare and genetic diseases aiming to enhance the range of assistance currently offered.
- Support RISE Against Hunger – a concrete action to improve food sustainability in the world.
- Finalist for the 2020 Women Value Company award celebrating Women in the Workforce. The Award is dedicated to companies that stand out in promoting the culture and gender equality, through innovative development policies, effective corporate welfare solutions and the promotion of female employment.



Supply chain

Our key production facility is in Guangzhou, China. This provides an attractive cost structure and critically is close to our key customer base with c.93% of all kettles manufactured in China. This shortens the supply chain to our customers helping to reduce transportation costs, delays and emissions. Our key components are manufactured in the Isle of Man before being shipped to China. Whilst this extends our internal supply chain, it critically helps to protect our intellectual property.

We communicate with key suppliers to promote our sustainable practices, which follows the Responsible Business Alliance (RBA) requirements, c.70% of our suppliers have signed off RBA required documents. We regularly audit our suppliers on compliance with our company policy and adherence to ISO standards specifically ISO 9000, this enables us to assess and evaluate supplier performance on environmental protection and social responsibility. Within our assessment and evaluation of prospective suppliers, we look into a suppliers' performance on environmental protection and its social responsibility.



Next steps

We aim to perform additional levels of analysis on our critical suppliers to gauge performance against the sustainability criteria set out within our RBA requirements.

Where we identify suppliers within our supply chain that do not meet our criteria, where possible we can begin to reduce these suppliers within our chain.

Look to enhance our 'supplier code of conduct' and build closer relationships with suppliers to understand their operations improving awareness on sustainability requirements.

Look to work with suppliers to understand their carbon footprint and hence our Scope 3 GHG emissions and formulate and action plan to reduce these.



Certifications

During 2019, 521 million parts were manufactured at our factory in Ramsey by a team of only 37 people. Total Quality Assurance Provider, Intertek, has awarded this facility, along with our Ronaldsway head office a 'Benchmark' score within all ISO categories. This represents the highest standards available within the scoring system which very few audited companies achieve. Our larger Guangzhou manufacturing facility also received exceptional results where four out of the six criteria were 'Benchmark' and the remainder 'Mature' which is considered a top industry ranking for this size of facility.

Governance

At Strix, our decision making process is governed by the principles of ethics, integrity and respect for our people and for the environment. Reinforced by our Board's continued commitment to support the successful oversight of Strix's business strategy, which is essential for maximising long-term value creation for our shareholders.

Our Corporate Governance Highlights

Board Independence & Committee Practices

- Separate Chair and CEO
- Risk Oversight
- Majority Independent Board (from 2020)
- No Employment Agreements with NEDs
- Inclusion of women among pool of new director candidates

Board Performance

- Continued focus on development of management
- Extensive Shareholder engagement
- Board oversight of company strategy

Next steps

The Board continues to demonstrate its commitment to effective governance including efficacious management development and succession planning.

Maintain the ISO "benchmark" status in line with the Group's ongoing dedication to produce the highest quality and safest products.

A journey of a
thousand miles
begins with a

single step



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