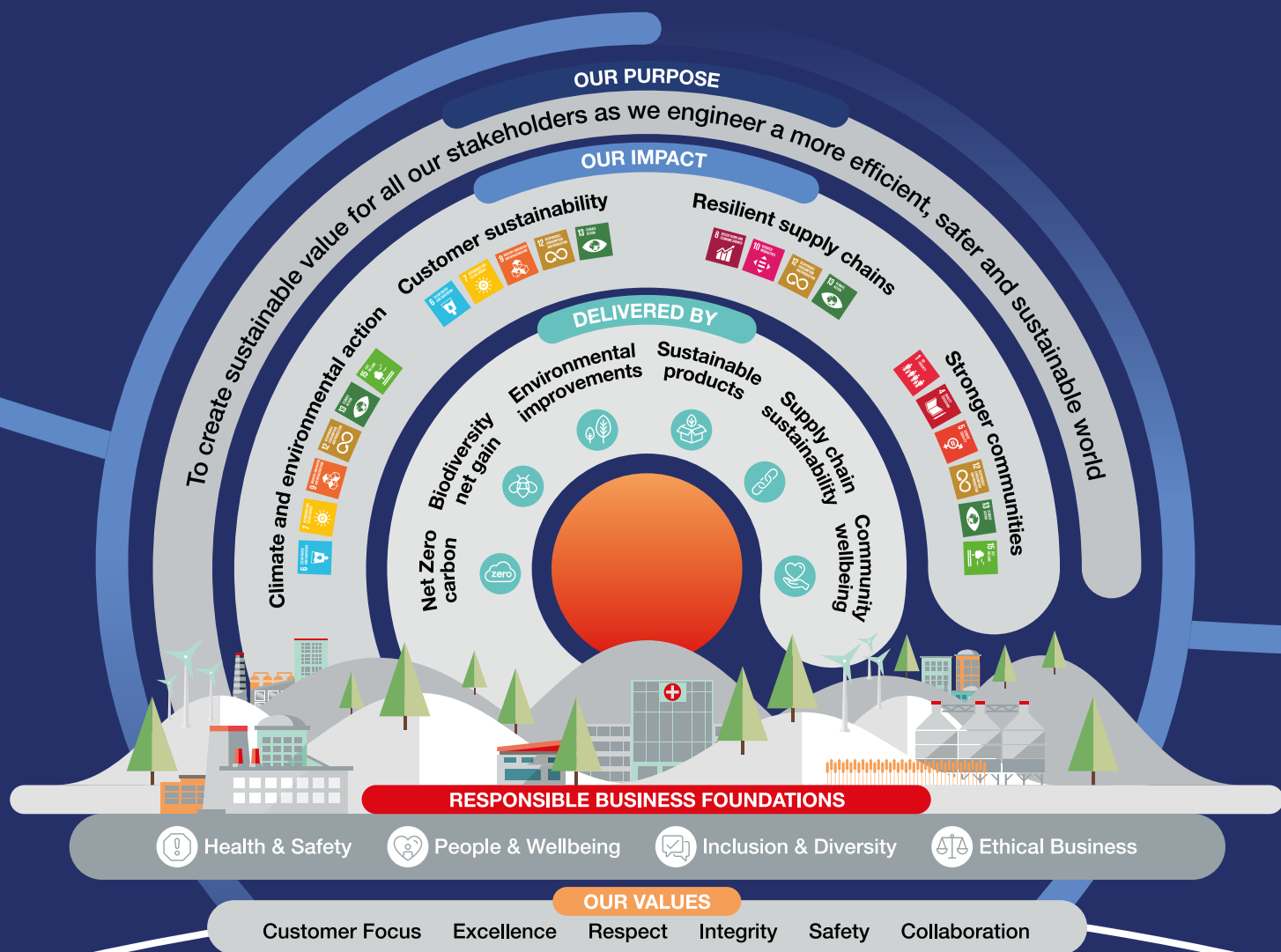


Sustainability Report

One Planet: Engineering with Purpose

Our One Planet Strategy is our mechanism to create sustainable value for all our stakeholders, as we engineer a more efficient, safer and sustainable world.



One Planet: Engineering with Purpose

is our commitment to sustainability, as well as our roadmap to building a more sustainable future. 2022 saw the first full year of our strategy implementation and we made important progress in our sustainable business operations, including:

- Became a participant of the UN Global Compact
- Launched **Everyone is Included**
- Reduced GHG emissions (scope 1 and 2 market-based) by 30% vs 2021
- Reduced Group energy consumption by 4% vs 2021
- Electricity consumed from certified renewable sources increased to 57%
- Delivered at least one biodiversity initiative by 47% of our operating companies since the strategy launch in 2021
- Reduced waste to landfill to 10% from 12% in 2021
- Doubled volunteering hours to over 22,000

Across all initiatives we have put the foundations in place to achieve or make strong progress against our 2025 targets, with planning, roadmaps and new systems implemented in order to measure our progress and facilitate the changes required.

In October 2022, we were accepted as a participant of the UN Global Compact. This is our commitment to align our operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption and to take action in support of business-relevant issues embodied in the UN Sustainable Development Goals (SDGs).

Our strategy

One Planet: Engineering with Purpose is implemented by each of our three Businesses, with central oversight from the Group Executive Committee. In 2022, Sarah Peers, Group Director of Sustainability, joined the Group Executive Committee and the Risk Management Committee, demonstrating our commitment to placing sustainability at the heart of our Company decision-making, strategy and risk management processes. For more information please see page 125.

“In our first full year of strategy implementation we have made good progress in a number of areas.”

Sarah Peers
Group Director of Sustainability

The strategy is delivered through six strategic initiatives, which are:



1. Net zero carbon

Achieve net zero greenhouse gas emissions



2. Biodiversity net gain

Deliver biodiversity net gain



3. Environment improvements

Implement environmental improvements in our operations



4. Sustainable products

Grow sales of products with quantified sustainability benefits



5. Supply chain sustainability

Embed sustainability criteria in supply chain management



6. Community wellbeing

Support the wellbeing of people in our communities

Additionally, the Sustainability Strategy is supported by two strategic projects that are critical to our ability to deliver the strategy and assess progress:



1. Knowledge

Develop our colleagues' sustainability knowledge



2. Data

Improve the availability and quality of sustainability data

This framework gives us a way to manage and measure sustainability progress consistently across our diverse Group.

The initiatives and projects encourage investment in sustainable technology both within our own operations and for our customers, with a strong focus on the ways in which our products and solutions can help our customers to meet their own sustainability targets.

By prioritising the environment and people in our plans for sustainable business growth, we can work with stakeholders to leave a better world for tomorrow, because we only have one planet.

Watch our one planet video:
www.spiraxsarcoengineering.com



Sustainability Report continued

Responsible business foundations



Health and Safety

We are an organisation which places Health and Safety (H&S) at the centre of everything we do. H&S continues to be an important priority for the Group Chief Executive, Board of Directors, and Executive management teams. H&S is a standing agenda item at every Board meeting and Group Executive Committee meeting. We continue to have robust H&S management systems across the Group and at the time of publishing, 51 of our Group Companies are certified to ISO 45001 or equivalent. We have also continued to cautiously review our approach to the management of COVID-19, steadily evolving our minimum standards in line with international consensus, whilst ensuring local decision-making is fully supported.

As part of our commitment to continually improve, we expanded the role of the Group Health and Safety Director in March 2022. This role builds on the significant progress made to date, by championing an evolution in our global approach.

Progress

Our new safety management platform (EcoOnline) has now been deployed globally and is primarily used to report, manage and investigate H&S events. We continue to evolve this tool to support our continual improvement in H&S management across the Group, such as Behavioural Based Safety observations (BBS) and colleague concerns.

We have continued to focus on BBS training, with phases 1, 2 and 3 now fully deployed within Steam Specialties and Watson-Marlow, with over 6,000 colleagues trained globally. In Electric Thermal Solutions (ETS), phase 1 was implemented across the Business in 2022, and this phase will be extended to Vulcanic and Durex Industries in 2023.

In this reporting period there were five more lost time accidents (LTA) than the previous year (increased from 15 to 20), which represents an increase to our Group LTA frequency rate* to 0.12 (0.10 in 2021). A one to three-day absence was recorded for 40% LTAs (67% in 2021). The remaining 60% resulted in three days or more off work (33% in 2021). However, in the last two months of 2022 there were no LTA reports. Our all-accident frequency rate* increased to 2.43 from 2.22 which we consider to be a reflection of improvement to our reporting culture. Overall, whilst there was no general correlative trend between each incident, a higher level of hand and arm incidents was evident in 2022 and preventing these became an enhanced focus throughout the year.

Whilst it is disappointing that our LTA rate increased, these figures continue to represent a low rate, with 1.1 LTAs occurring every 1 million hours worked. The relative increase in 2022 may also have been due to 2021 being an anomalous year when compared to the general trend of previous years.

When compared to 2020, 2022 figures represent a 48% drop in LTAs and a 7.2% decrease for the all-accident frequency rate.

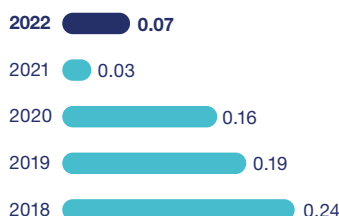
The frequency rate of both near miss incidents (27.38*) and safety concerns (271.06*) continued to increase when compared to the previous year, 16.5% and 11% respectively. This was in line with our expectations and is a further demonstration of our reporting maturation throughout the Group, reflecting the impact of our BBS programmes where we have an active H&S culture that addresses risks before they become accidents. In 2022, we again saw no work-related fatalities among our colleagues or contractors.

Inter-business learning and sharing of best-practice has been at the heart of our approach throughout the year, with our global monthly H&S forum being well attended across the Group. This regular cadence and engagement has been invaluable as we have matured and advanced our approach to team collaboration.

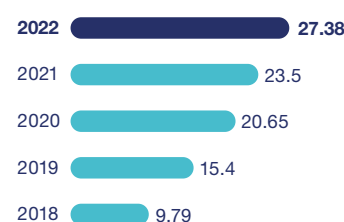
A reassessment of the H&S strategy resulted in the introduction of a new Group H&S framework, fully supported by our Group Executive Committee. The framework provides a more holistic, consolidated and tiered approach to validate, enhance and continually improve H&S excellence over the next five years. This approach is bespoke to our Group and will be achieved by focusing on broader goals covering our culture, risk-control and further enabling our colleagues to prioritise H&S. Our starting point, foundation level, will build on the solid progress we have already achieved.

To further support this Group-wide initiative and to continue our investment in technological solutions, we have also identified a global compliance solution to support a risk-based approach for demonstrating a consistent legal compliance baseline across our larger locations.

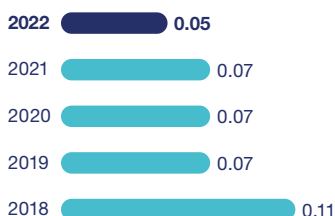
Over three-day lost time injury rate per 100,000 hours worked



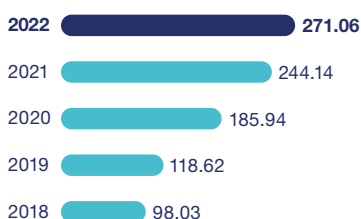
Near misses per 100,000 hours worked



One to three-day lost time injury rate per 100,000 hours worked



Health and Safety concerns raised per 100,000 hours worked



*per 100,000 hours worked

Focus for 2023

- Implement our Group-wide H&S excellence framework
- Onboard new global compliance tool
- Relaunch our customised approach to BBS across the Group



People and wellbeing

The wellbeing and safety of our colleagues has always been of primary importance and is reflected in our Company Values of Safety, Respect, Integrity, Customer Focus, Excellence and Collaboration. These are the guiding principles used across the Group to steer our conduct, underpin decision-making and define our culture. Our HR policies and systems support us in protecting the rights of our colleagues and ensuring their fair and equitable treatment.

We believe that diverse teams bring diversity of thought and experience, helping us to become a better and higher performing business. Combined with an inclusive and equitable working culture where all of our colleagues can be themselves and achieve their potential, this fuels our continued growth, creating more opportunities for our colleagues and all of our stakeholders.

Progress

Following the completion of our biennial Engagement Survey in 2021, a number of actions were implemented in 2022 to increase engagement across the Group. We developed a Purpose Guide to help teams connect their personal purpose with the Group Purpose, which will be further supported with facilitated workshops in 2023. We increased Employee Engagement Committee involvement with colleagues in a series of focus groups across the Group. We also developed an Employee Value Proposition managers' guide and launched a new leadership development programme based on the principles of the Followership framework.

In 2022, we launched our first Development Everyday festival, giving our colleagues access to a wealth of resources and webinars to support their growth and development journeys. This two-week festival focused on a range of topics which covered life inside and outside of work, with a theme of 'Make the best of ME!'. Over 1,600 colleagues engaged actively with this event, with the most popular sessions being about financial wellbeing and career strategies that really work. Feedback from our colleagues was very positive, with sessions being described as 'insightful and interesting' with 'a lot of useful information'.

As part of our Group Inclusion Commitment on menopause and positive menstrual health, we introduced free, eco-friendly menstrual health care products across our Steam

Specialties sites and Group headquarters in the UK this year, through a project led by one of our graduates. Working with the company TOTM to provide these products for our colleagues is a significant step towards normalising menstrual health, whilst supporting the wellbeing and dignity of colleagues and visitors to our sites and being kinder to the planet. You can read about this case study on page 54.

In July 2022, we launched our inaugural Group-wide Values-based colleague recognition programme called the Spirit Awards. The Awards shine a light on the way our colleagues 'elevate their everyday' activities to create value for all our stakeholders by embracing our Values. As a new and underpinning element of a stronger recognition culture throughout the Group, we were delighted to receive 633 applications from colleagues in our first year. It was a difficult task, but our team of category judges shortlisted 32 applications which were then presented to our Group Executive Committee (GEC) in a second round of judging. The GEC then selected 20 applications to become 'finalists'. In early 2023, around 40 colleagues from across our Group travelled to the UK to meet with leaders and discuss their achievements, as part of the Group's biennial leadership conference. During a special Awards Ceremony, the winners were announced. You can find out more about our winners and their stories on our Group website and more about our Values on page 21 of the Strategic Report.

In 2022, we signed the Leadership Pledge of the Global Business Collaboration for Better Workplace Mental Health as part of our commitment to an ongoing focus on colleague wellbeing. Supporting this, we launched our Wellbeing Day, an extra day of paid leave to enable every colleague across our Group to spend an extra day doing what they love.

Wellbeing continued as a theme in colleague engagement throughout 2022. This included menopause awareness webinars to raise awareness of symptoms and support, and a World Mental Health Day resource pack for our colleagues. To mark International Men's Day, we partnered with Prostate Cancer UK, running global webinars on understanding prostate cancer risk. We additionally marked International Day of Persons with Disabilities and Black History Month.



Our commitment to health and safety extends to the mental health of our colleagues and promoting the importance of self-care.

In 2022, our colleagues around the world were able to spend a Wellbeing Day doing more of the things they love. The extra day of paid leave has helped colleagues support their wellbeing in different ways.

Bridie Easton from Watson-Marlow chose to spend this day completing a long bike ride. On a bright and soggy autumn day in the UK, she enjoyed being outside in the local countryside, taking in the scenery and the fresh air and feeling energised and happy.

Focus for 2023

- Undertake biennial colleague engagement survey
- Encourage all colleagues to use their Wellbeing Day in 2023
- Embed mental health in updated Group Health and Safety Policy
- Launch 2023 Spirit Awards
- Ongoing focus on colleague support through global webinars and local initiatives

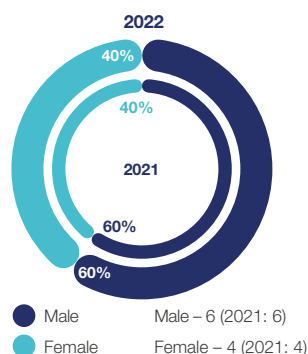
Sustainability Report continued

Responsible business foundations continued

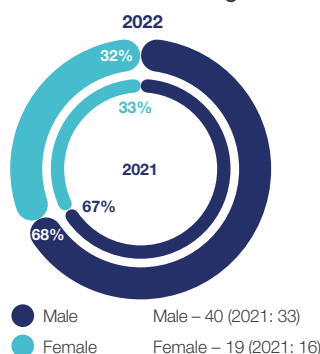


Inclusion and diversity

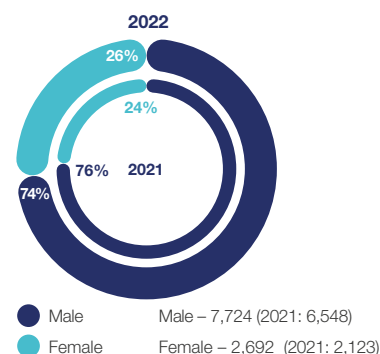
Gender – Board of Directors*



Gender – Senior Managers*



Gender – Total Workforce*



By operating in accordance with our Company Values and Group Policies we establish and maintain a culture of ethical behaviour throughout our global operations.

Across the Spirax-Sarco Engineering Group, we're committed to creating a truly inclusive and equitable working culture where all of our colleagues can be themselves and achieve their full potential.

This emphasis on inclusion is central to our culture and runs through every one of our Values. An inclusive, equitable and wellbeing-focused culture makes us stronger as individuals, as teams and as a Group.

Progress

In February 2022, we launched our first global Inclusion Plan, **Everyone is Included** and ten Group Inclusion Commitments as a tangible way to make a positive difference to the lives of our colleagues around the world. The commitments can be found on page 53.

In Q1 of 2022, the FTSE Women Leaders Review report ranked us 38th in the FTSE 100 for gender diversity in Board and senior leadership roles. We met the Review's target of 40% women on the Board. During 2022, our senior leadership** (Group Executive Committee and their direct reports) reached 34% female representation by October. Normal employment changes reduced this to 32% at the year-end. We anticipate female representation in our senior leadership will return to 34% by April 2023 and we remain committed to reaching at least 40% female representation across our senior leadership. In Q1, the Parker Review was also published. We continued to meet the Review's goal of having at least one ethnically diverse Director on our Board.

Diversity goals

To build on our progress so far, we developed new diversity goals in Q4 of 2022, with the ambition of achieving the following by the end of 2025:

- Minimum 40% female participation in each of our Board, GEC and GEC direct reports
- Having a female Chair, Senior Independent Director, CEO or CFO
- Double the number of women in commercial leadership roles
- A 30% female workforce globally
- Increased ethnic diversity of our Board and GEC
- Double the ethnic diversity of our GEC direct reports community

For our global graduate programme, we will continue to aim for 50% female intake annually, as well as to grow participation from under-represented ethnic groups in the UK and USA.

Our Chief Financial Officer, Nimesh Patel, was appointed Co-Chair of the FTSE Women Leaders' Review in 2022, which seeks to increase the representation of women in senior leadership roles in the FTSE 350. In November, our Group Chief Executive, Nicholas Anderson, became a Lead Ambassador for the 25x25 campaign which aims to achieve 25 female CEOs in the FTSE 100 by 2025.

In January 2022, we signed the UN Women's Empowerment Principles and the UN LGBTI Standards of Conduct for Business as part of our Group Inclusion Commitments. We also joined the Women's Engineering Society (WES) and Women in Science and

Engineering (WISE) to help further advance our gender equity journey.

This year we placed our first major focus on celebrating LGBTQ+ Pride, providing sponsorship and attendance at Cornwall Pride, as well as hosting webinars for our colleagues, running an LGBTQ+ session at our global Steam Specialties leadership conference and displaying pride flags and benches at various UK sites.

In Q2, we began building a learning series of guides and ready-made Safety Moments, which are available for all our colleagues to access internally. So far, the series includes content on personal pronouns, recognising and managing loneliness, happiness at work and responding to micro-aggressions at work. We will continue to add to this library of resources.



Focus for 2023

- Embed Diversity goals across the Group
- Embed **Everyone is Included** within Vulcanic and Durex Industries
- Establish race equity focus groups and action plan
- Launch new colleague engagement platform and app

*At 31st December 2022

**Definition of senior managers aligned with FTSE Women Leaders Review



Ethical business

By operating in accordance with our Company Values and Group Policies we establish and maintain a culture of ethical behaviour throughout our global operations.

Progress

All colleagues with an email address are required to complete our Group Essentials training programme when joining the Company and annually thereafter. In 2022, we began the process of migrating our Group Essentials modules to a new authoring environment, which will facilitate easier and quicker maintenance going forwards, as well as giving each course a design refresh to ensure that they remain current and engaging for our colleagues.

Our Group Essentials training covers topics including Anti-Bribery and Corruption (ABC), Corporate Criminal Offences (CCO), Health and Safety (H&S) and Sustainability. We are currently developing a version of each Group Essentials module for our desk-free colleagues working in our manufacturing sites. These versions are being written specifically with a desk-free audience in mind and will be available as both digital and paper-based training options.

In May 2022, we launched a new Leadership for Sustainability course for our leaders, to help them to understand their role as a leader in delivering our sustainability goals. This optional training explains why we need an evolution of our leadership to address a wider range of considerations and what this looks like in practice. At the end of the year it had been completed by 211 of our leaders.

Following the acquisitions of Cotopaxi, Vulcanic and Durex Industries, we introduced the Group Essentials training to these new colleagues, as well as continuing the process started in 2021 to roll out the programme to factory-based colleagues. By the end of the year, 6,351 colleagues had completed ABC training and 5,934 completed CCO training. Introduction to Sustainability has now been launched in all Group languages and by the end of 2022 had been completed by 5,497 colleagues.

Whistle-blowing

Any colleague with a concern about potentially unethical behaviour is able to raise it confidentially through a local, independent third-party whistle-blowing hotline, hosted by Safecall. In 2022, 26 calls were raised globally



via this hotline, 10 of which involved one single case.

All calls were investigated by senior management and action taken if necessary, with summaries of calls and related actions reviewed by the Audit Committee.

Governance

In 2022, Sarah Peers, Group Director of Sustainability, joined the Group Executive Committee and the Risk Management Committee, demonstrating our commitment to placing sustainability decision-making at the heart of Company strategy and risk management processes.

The **One Planet: Engineering with Purpose** Sustainability Strategy has central strategic oversight and is sponsorship by the Group Executive Committee (GEC) with day-to-day oversight by the Group Sustainability Management Committee (GSMC), comprising the Group Director of Sustainability, the business Heads of Sustainability, Strategic Initiative and Strategic Project leads and other relevant individuals. Implementation is supported at a Group level through the six strategic initiatives and two strategic projects, which each have an Executive sponsor, an initiative lead and a cross-business working group. The GSMC meets regularly to discuss the initiatives and support each other where required and in turn informs the GEC on their progress. The Group Chief Executive is the overall Executive sponsor for the strategy.

Responsibility for implementing the strategy sits at a Business level, with the strategy embedded into the core business strategies of Steam Specialties, Electric Thermal Solutions and Watson-Marlow. Each Business and operating company is responsible for implementing the One Planet Strategy through their own Business strategy; ensuring that all colleagues have the opportunity to get involved; meeting and, where possible, exceeding minimum expectations; delivering timely and accurate data and collaborating to share learning across the Group.

The Board receives regular updates throughout the year. The One Planet Steering Committee, comprising the GEC, meets quarterly to receive detailed progress updates from each strategic initiative and project lead, in addition to receiving shorter sustainability updates at most GEC meetings.

This combination of Board and Executive Committee oversight ensures that the One Planet Strategy is a key focus area for the Group.

Focus for 2023

- Migrate to new authoring environment and design refresh of Group Essential Training modules
- Launch Group Essentials training to desk-free colleagues

Engineering our difference for colleagues

Providing a progressive, supportive and inclusive culture...





...for colleagues to thrive at work and beyond.

We are passionate about creating a truly inclusive and equitable working culture where everyone can be themselves and achieve their full potential. This means supportive teams and strong relationships where everyone's contribution is valued and where we all look out for each other. To support this, we launched our Group-wide Inclusion

Plan, **Everyone is Included** in February 2022. Our plan includes ten Group Inclusion Commitments.

The impact of **Everyone is Included** has been far reaching and made a tangible difference to the lives of many colleagues, enabling them to bond with their new babies, or step away from work to support loved

ones in times of need with paid caregiver leave. Through hybrid working, colleagues are better able to balance all aspects of life, while our Wellbeing Day has introduced an extra day of paid leave to focus on any aspect of personal wellness. Since launching **Everyone is Included**, colleagues tell us they feel more welcomed, included and proud of our Group.

Our inclusion commitments



Ensuring the best start for new families by giving every colleague who becomes a parent a minimum of 16 weeks paid parental leave.



Helping every colleague who is a caregiver to support their loved ones or take time for self-care.



Supporting every colleague who experiences pregnancy loss of any kind.



Standing up for colleagues who experience domestic violence or abuse.



Becoming an increasingly gender-balanced, ethnically diverse, disability confident and faith-aware employer.



Being a safe place for all lesbian, gay, bi, trans and queer or questioning (LGBTQ+) people, wherever we operate.



Creating menopause-friendly workplaces.



Proactively promoting better wellbeing, balance and mental health.



Enabling our hybrid workforce to be at their best wherever and whenever they are working.



Empowering our colleagues to grow their knowledge, skills and confidence as active advocates of inclusion and wellbeing.

Engineering our difference continued

A progressive, supportive and inclusive culture



Ensuring the best start for every family.



Every colleague who becomes a parent receives a minimum of 16 weeks' paid parental leave, wherever they are, whomever they are and however they become a parent. Will Stacey works for Spirax Sarco in the UK. Our parental leave policy meant that as a new father, he was able to make the most of those important early weeks, developing a strong bond with his baby son George. With time to learn about the baby's feeding and sleeping patterns he was better able to share the care with his wife Lauren.

"I was extremely grateful to be able to spend precious time bonding with my son during his first weeks and to support my wife."

Will Stacey
Divisional Sales Manager at Spirax Sarco,
UK, part of our Steam Specialties Business



Inspiring allyship for positive menstrual health.



Our commitment to creating inclusive and equitable workplaces includes supporting menopause and positive menstrual health at work. Áine Loughran joined our Group through our Global Graduate Development Programme. Her third rotation was at Watson-Marlow's Cornwall facility in the (UK) and while working there she noted the free provision of eco-friendly, menstrual products at work. When Áine had carried out her first two rotations with the Steam Specialties Business in Cheltenham (UK) Áine noted that products were not available. She was inspired by the Group Inclusion Commitments and set out to self-initiate a project to make these products available to everyone working across the three sites that comprise the Cheltenham campus.

Áine engaged with the providers TOTM to arrange for the products to be available in every location. Áine's initiative was so inspiring she was shortlisted as a Finalist in the Group's inaugural Spirit Awards programme, which celebrates colleagues living our Values to elevate the everyday things that we do. The judges recognised her efforts as signifying a positive step towards normalising menstrual health challenges at work, as well as helping the planet.

"It's about ensuring positive wellbeing for colleagues and supporting menstrual health dignity at work."

Áine Loughran
Commercial Manager, Global Business Development,
Watson-Marlow, UK



Wellbeing matters.



We're committed to doing all we can through a positive approach to mental health to promote wellbeing and self-care.

A team from our Watson-Marlow Business in Japan, decided to spend their wellbeing day together and hiked up Mount Takao, which is almost 600m high at the summit. The mountain owes its popularity to its ease of access from several cities including Tokyo, its funicular railway, Buddhist temple and abundance of nature trails. Our colleagues set a goal to reach the summit of the mountain creating a sense of wellbeing by focusing on their collective achievement, while enjoying being outdoors, surrounded by nature. The team has inspired other colleagues in Japan to come forward with more suggestions of activities they can do together to promote wellbeing, including a golf driving contest and a walk around the town while stopping at local sightseeing spots.

“Connecting with nature and achieving our goals brings spiritual fulfilment.”

Watanabe Hirotoshi
Engineering Manager, Watson-Marlow, Japan



A helping hand, when it's needed most.



We're helping every colleague who is a caregiver, to support their loved ones or take time out for self-care with a minimum of 15 days of paid caregiver leave every year. This leave is often a lifeline for colleagues when their loved ones are facing significant challenges. Knowing they can step away from work with the full support of their line manager, to focus on the people who need them, is a positive contributor to our colleagues' physical and mental wellbeing at a stressful time.

When Chantalee's mother lost her life partner, her health deteriorated. She had a major surgical procedure and needed Chantalee's help and care during her recovery.

“Mom's recovery was prolonged and caregiver leave was a saving grace! I was able to be there for my mom when she needed me most.”

Chantalee Hiles
HR Manager, Spirax Sarco,
South Africa



Sustainability Report continued



Net zero carbon

Since the launch of **One Planet:**

Engineering with Purpose in June 2021 we have been working towards our targets of achieving net zero emissions for scopes 1 and 2 by 2030 and for scope 3 by 2050. It's one thing to promise the earth, but when it comes to climate change commitments, it's essential to deliver them credibly too. This is why we committed to the Science Based Targets Initiative (SBTi) in 2021 and in 2022 formally submitted these targets to the SBTi for approval.

In preparation for submitting our targets to SBTi to be independently assessed and approved, we quantified our scope 3 value chain emissions, in conjunction with a third-party consultant. In 2023, we will focus on improving scope 3 data quality and begin to target reductions in downstream air-freighting and emissions associated with the purchase of raw materials.

Our new sustainable solutions in our **TargetZero** range will help us and our customers in decarbonising industrial processes and thus reduce scope 1 emissions. It is innovative technology like this, which builds upon our history of delivering solutions, that leads to significant efficiency improvements for our customers. It reaffirms steam's role as a critical source of thermal energy for the future, and it underlines our drive to pioneer steam technology.

Key strategic targets

- Net zero scope 1 and 2 GHG emissions by 2030, with an interim target of a 50% reduction (compared to 2019) by 2025
- 20% reduction* in Group energy use from plant, equipment and building assets (compared to 2019) by 2025

*Target updated in 2022 based on analysis of available energy reduction opportunities across our Group

Progress

As a key part of our net zero roadmap, in 2022 we have secured green energy contracts at many Group sites, meaning that over the course of the year green energy accounted for 57% of our electricity consumption. In order to guarantee the credibility of renewable contracts, they are being independently verified on a quarterly basis to ensure they meet our strict requirements.

In our green energy strategy we are moving up the green energy hierarchy, focusing on self-generation where practical to do so. Investing in adding to the installed base of renewable energy where possible is essential for security of energy supply and greening of the grid in the countries where we operate.

During 2022, we installed new solar arrays at our manufacturing sites at Heidelberg (Germany), Normandy (France), Nuevo Laredo (Mexico) and our new Watson-Marlow site in Devens (USA). As part of the net zero roadmaps developed by all of our

manufacturing sites, we will be investing further in photovoltaic panels in 2023.

In August, we launched a new electric vehicle leasing portal in the UK, the first step in our transition to electric vehicles globally. Following the success of this rollout in the UK, we will move in 2023 to the next phase of the electric vehicle transition, focussing on Europe, China and South Korea. At the same time, we developed and rolled-out a Low Carbon Travel Policy and Guidelines to reinforce our commitment to electric vehicles and to guide our colleagues in their decisions when travelling for business and guiding them on how this can be done in a more sustainable way.

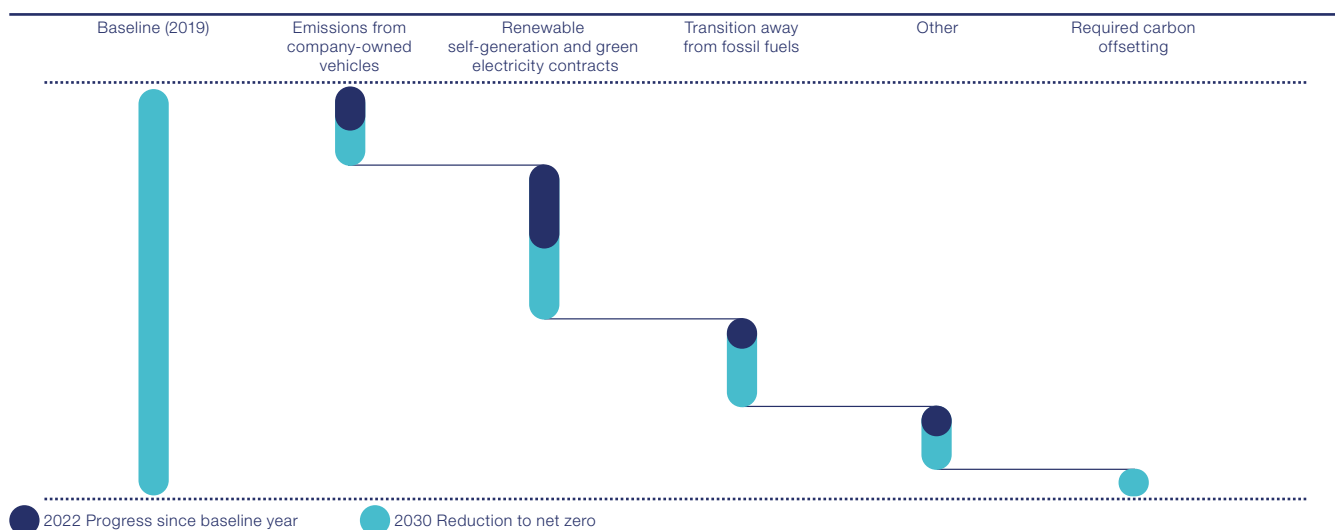
Greenhouse gas (GHG) emissions performance

The carbon footprint was verified by TÜV NORD CERT GmbH in accordance with DIN EN ISO 14064-3:2020 regarding its correctness and completeness for Spirax-Sarco Engineering plc, providing limited assurance as follows:

"Acting as an independent Certification Body TÜV NORD CERT GmbH has verified the carbon footprint, scope 1 and scope 2 (market-based) of the organisation for the reporting period 01.01.2022 – 31.12.2022 (inclusive) to be 27,175 tonnes CO₂e.

On the basis of the verification, there is no evidence that the greenhouse gas statement is not materially correct and is not a fair

Illustrative Net Zero Roadmap



representation of greenhouse data and information. Furthermore, no facts have become known that lead to the assumption that the greenhouse gas statement has not been prepared in accordance with the ISO 14064-1 and the GHG Protocol standard.

TÜV NORD CERT GmbH, February 2023.”

In 2022, on a market-basis, absolute Group CO₂e emissions fell 30% to 27,175 tonnes, compared to 2021 and were 41% lower than 2019. At 19.4 tonnes per million pounds of sales volume to third parties, on an intensity basis, our Group emissions fell by 34% compared with the prior year and were 49% lower than 2019. This has been facilitated by the switch to green energy contracts at key sites and also by the switch off of the Combined Heat and Power plant (CHP) at our manufacturing site in Cheltenham (UK), which led to a scope 1 emission reduction of around 2,000 tonnes CO₂e.

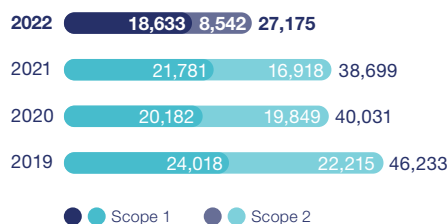
On a market basis, the UK accounted for 21% of our GHG emissions in 2022, with 5,763 tonnes being generated in total and an intensity of 16.2 tonnes per million pounds of inflation adjusted UK sales at constant currency. These emissions are comprised of 5,697 tonnes of scope 1 and 66 tonnes of scope 2 calculated using market-based emission factors. Our emissions in the UK decreased by 47% compared to 2021 due to the reasons outlined above for the Group as a whole.

Scope 3 emissions

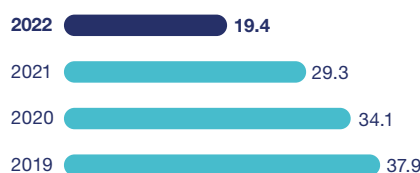
In 2022, we increased our capability in-house by employing a scope 3 carbon specialist and, together with a third-party consultant, we have been able to quantify our scope 3 value chain emissions at 27,300,000 tonnes CO₂e in 2021, which has become our scope 3 baseline year. This calculation relies heavily on estimations and assumptions due to the nature of scope 3 emissions and may be revised in the future as more accurate data becomes available. For more information about the assumptions made during this calculation see our Methodology Statement on page 58.

Our calculations found that the majority (over 98%) of our scope 3 emissions occur during the in-use phase of our sold products, with most of these coming from the Electric Thermal Solutions (ETS) Business, from products that are directly powered by electricity. As renewable energy production

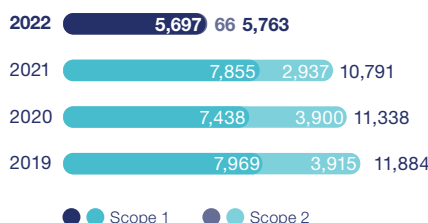
Group GHG emissions (scope 1 and 2) tonnes CO₂e (market-based)



Group GHG intensity tonnes CO₂e per £m of sales volume to third-parties (market-based)



UK GHG emissions (scope 1 and 2) tonnes CO₂e (market-based)



*From UK operations including inter-company sales, to reflect the fact that we manufacture in the UK for sale overseas into global markets.

increases globally our scope 3 emissions will decline. The greening of global electricity generation will therefore be critical for us to reach our 2050 scope 3 net zero target.

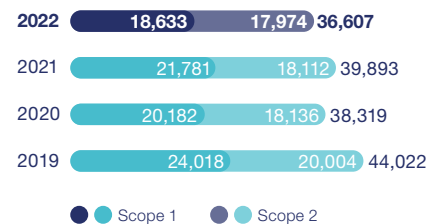
In December, we submitted our net zero targets to the SBTi and are awaiting approval of these targets.

Emission reduction initiatives

We completed a wide range of emission reduction initiatives across the Group in 2022. For example, our Spirax Sarco site in Blythwood (USA), relies on a natural gas boiler system to supply steam to the manufacturing floor for its operations. Historically, the boiler system has operated at full capacity during both work and non-work hours, resulting in unnecessary natural gas and water usage.

By ensuring that the boiler remains idle during non-work hours, including weekends, we are

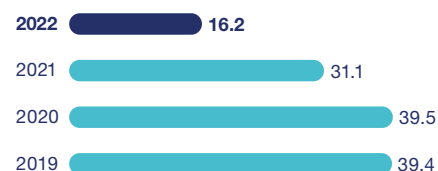
Group GHG emissions (scope 1 and 2) tonnes CO₂e (location-based)



Group GHG emissions (partial scope 3) tonnes CO₂e (well-to-tank and transmission and distribution)

9,893
2021: 10,927

UK GHG intensity tonnes CO₂e per £m of inflation adjusted sales at constant currency (market-based)*



able to save an estimated 460 tonnes CO₂e and 1,500 m³ of water per year.

Energy performance

In 2022, total Group energy use decreased by 4% against 2021 to 156,697MWh, and decreased by 10% on an intensity basis to 111.9MWh per million pounds of sales volume to third-parties (2021: 123.8). A large decrease in absolute energy for the Group is due to the switch off of the CHP at our Cheltenham manufacturing site. This has led to a decrease in stationary fuel use and an increase in electricity at that site, but increased efficiency has meant a significant reduction in Group energy due to this one site.

Energy use in the UK accounted for 33% of the Group's total usage in 2022, at 51,568MWh and decreased by 6% compared with 2021. On an intensity basis, UK energy use decreased 8% year-on-year,

Sustainability Report continued



Net zero carbon continued

to 145.3MWh per million pounds of inflation-adjusted UK sales at constant currency, including inter-company sales.

Energy management

An example of an energy management project undertaken in 2022 is at our Steam Specialties site in China. We have replaced all sodium street lights on the site with solar-powered LED alternatives, with an investment of nearly £20,000. This has led to a saving of more than 90% of energy used for this lighting, an estimated saving of over 50,000kWh annually. Activities in 2022 built on those reported in 2021 in the USA and the UK.

Following the acquisition of Cotopaxi, a global energy consulting and optimisation specialist in 2022, we commenced a project in Q4 2022 to install digital metering and monitoring across all of our Group manufacturing sites. Once complete, this will provide sites and the Group real-time data on electricity, gas and water consumption so that we can better understand where process efficiency can be improved and also more quickly react to potential anomalies.

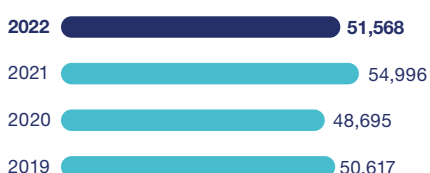
Alignment with UN SDGs



Group energy consumption MWh



UK energy consumption MWh

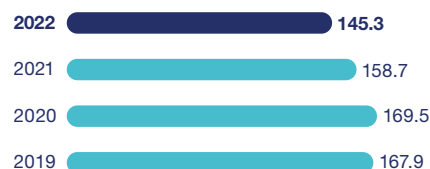


*From UK operations including inter-company sales, to reflect the fact that we manufacture in the UK for sale overseas into global markets

Group energy intensity MWh per £m of sales volume to third-parties



UK energy intensity MWh per £m of inflation adjusted sales at constant currency*



Focus for 2023

- Cheltenham (UK) manufacturing facility decarbonisation project to complete by end of 2023
- Investment in solar projects as per financial plan
- Energy reduction initiatives and process improvements planned
- Metering rollout as part of Cotopaxi partnership

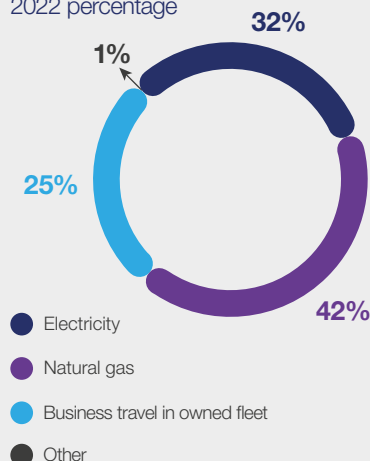
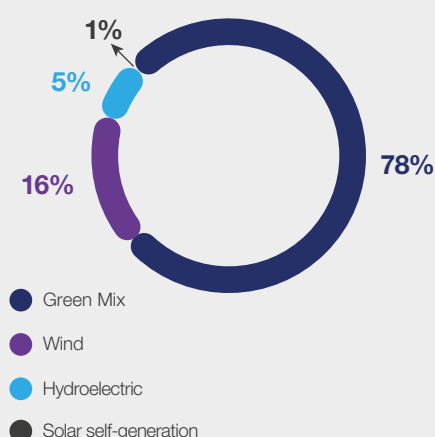
Methodology statement

We employ an 'operational control' definition to outline our carbon footprint boundary. Included within that boundary are manufacturing facilities, administrative and sales offices where we have authority to implement our operating policies. For all entities we have measured and reported on our relevant scope 1, scope 2 and partial scope 3 emissions for 2022.

We have used the GHG Protocol Corporate Accounting and Reporting Standard and emission factors from the UK Government's GHG Conversion Factors for Company Reporting 2019, 2020, 2021 and 2022 data from the International Energy Agency 2019, 2020, 2021 and 2022, ISO 140064-1, and regionally specific Environmental Reporting Guidelines to calculate our total CO₂e emissions figures on a location-basis.

To report under the market-based method we have used the GHG Protocol data hierarchy, striving for the highest precision possible. For sites with green energy contracts, we have obtained emissions factors for the relevant tariff and/or supplier in the first instance, using the residual mix where supplier-specific emissions factors (SSEFs) are not available. For sites without green energy contracts, we follow the data hierarchy and apply location-based factors only where SSEFs or residual mix are not available. When entering new green contracts, we apply SSEFs (where available) from the start of the year and do not restate prior years with SSEFs. No certified green energy contracts are included in our market-based figures for 2019 or 2020.

For more information please see our methodology statement on our website: www.spiraxsarcoengineering.com/sustainability/one-planet

Group energy source (scope 1 and 2)
2022 percentageRenewable electricity source
2022 percentage

Task Force on Climate-related Financial Disclosures (TCFD)

In accordance with Listing Rule 9.8.6R(8) we confirm that the following table contains disclosures consistent with the Task Force on Climate-related Financial Disclosures' recommendations and recommended disclosures. Our approach is fully aligned with seven of the 11 TCFD recommendations and partially aligned with four, which are:

Strategy b) describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning; and c) describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios.

Although we completed high-level, qualitative scenario analysis in 2021 for the Group, as well as a deeper dive assessment of physical climate-related risks to our Steam Specialties manufacturing sites in 2021 and 2022, we have identified scenario analysis as an area for further development. During 2023 we will undertake a quantitative climate risk assessment (under different warming scenarios) for both physical and transitional risks. After completion of this work we will have a quantified understanding of potential financial impacts on the Group, as well as by sector and geography.

Metrics and targets a) disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk-management process; and b) disclose scope 1, scope 2, and, if appropriate, scope 3 greenhouse gas (GHG) emissions, and the related risks.

We have reviewed the suggested cross-industry metrics and disclosed GHG emissions (scope 1 and 2) and link to remuneration. The remaining metrics are either not available or are deemed business-sensitive with the exception of internal carbon prices. Given the strong engagement with, and investments in, net zero initiatives across the Group, an internal carbon price is not needed. Throughout 2022, we used a third-party carbon accounting specialist to help us establish our scope 3 emissions for a baseline year of 2021. The work was completed in December and full scope 3 emissions for 2021 are reported on page 57. Scope 3 is highly complex and requires significant levels of estimations where data are not available. As we are still developing our data collection processes for scope 3, reliant on external support, it was not possible to calculate full scope 3 emissions for 2022 ahead of the reporting deadline. We have disclosed a partial scope 3 figure (category 3, B and C) for 2022, which can be found on page 57.

We will review our disclosures against the recommendations of TCFD on an annual basis, with the intention of further increasing alignment with these recommendations in 2023, following completion of quantitative scenario analysis, with full alignment anticipated by 2024.

Governance

Describe the Board's oversight of climate-related risks and opportunities

The Board is directly responsible for climate-change risk matters and is responsible for the overall stewardship of strategic risk management and internal control. The Audit Committee is also directly involved in the detailed review of risks, and reports back to the Board on its findings. During 2022 the Audit Committee received two risk management updates from the Risk Management Committee's Chair, and also reviewed the Principal Risks, as well as climate change's position on the Group Risk Register.

Our **One Planet: Engineering with Purpose** Sustainability Strategy is an important mechanism by which we seek to mitigate climate-related risks and maximise climate-related opportunities. The Board received five updates from the Group Director of Sustainability during 2022. This included updates on progress against metrics and targets and enabled the Board to be directly involved in climate-change matters.

Supporting customers on their decarbonisation journey is an important element of both our Steam Specialties and Electric Thermal Solutions business strategies. The Board also provides strategic oversight of these business strategies, ensuring that we are mitigating any market-based risks that could arise as a result of climate change.

Where sustainability, including carbon reduction investments, is part of a large CapEx proposal, these investments are directly approved by the Board.

Describe management's role in assessing and managing climate related risks and opportunities

The Risk Management Committee has responsibility for managing climate-related risks. Maurizio Preziosa, Managing Director, Steam Specialties and Andy Robson, Group General Counsel and Company Secretary had specific delegated responsibility for overseeing climate-related risks and mitigation activities in the first half of 2022. In May 2022, Sarah Peers, Group Director of Sustainability was invited to join the Risk Management Committee and assumed this delegated responsibility. In October, she also joined the Group Executive Committee to help to ensure that climate-related risks and opportunities are appropriately considered in management's day-to-day operational practices.

Under new responsibility within the Risk Management Committee and with the Group's additional focus on Sustainability, the risk was comprehensively reviewed and the Group Risk Register updated in 2022, resulting in the risk being further elevated in the Risk Register following similar rises in the previous two years. The Group Risk Register adopted the language of TCFD, recognising that climate change is not a singular risk, but a combination of physical and transitional risks that will emerge differently under different warming scenarios.

The updated risk was extensively discussed at Risk Management Committee meetings, to ensure Committee alignment and agreement on the definition and scope as well as the likelihood, impact, velocity and also the Group's appetite for the risk.

During 2022, the Risk Management Committee reviewed the Group's exposure to risk using a top-down approach, where the Committee sought views of Group companies on risks that the Committee considered may affect their businesses and to ensure that new or emerging risks were not missed. Following this process, the Committee reviewed and confirmed the robustness of the countermeasures that Group companies have in place to mitigate the risks contained in the Group Risk Register.

During 2022, management of the Group's climate change mitigation activities was overseen by the Board, the Group Executive Committee and the Group Sustainability Management Committee (GSMC) utilising the management structure outlined on page 51. The GSMC comprises the Group Director of Sustainability, the business Heads of Sustainability, Strategic Initiative and Strategic Project leads and other relevant individuals. Governance structures for risk management can be found on page 94.

Management oversight of climate-related risks and opportunities is embedded within the **One Planet: Engineering with Purpose** Sustainability Strategy and within our core business strategies. Through those strategies, the Group Executive Committee and Business Executive Committees consider climate-related risks, opportunities, strategic implementation and progress against targets.

Task Force on Climate-related Financial Disclosures (TCFD)

continued

Strategy

Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long-term

Acute physical risks

- Acute physical risks are event-driven and could arise in the short term (1-5 years) but could also materialise in the medium- (5-10 years) and long-term (10+ years)*. All businesses and many of the Group's operating locations are exposed to a degree of risk from extreme weather events, with no one geographical region at a materially higher risk than others within the Group's operations. The risk is believed to be low across most sites, based on the likelihood and impact of these risks. Examples of such risks at our sites include river flood and flash flood.
- The velocity of extreme weather events is high, but the likelihood is deemed to be relatively low. Under higher warming scenarios, the likelihood of an acute physical risk occurring may increase for some of our sites. The post-mitigation impacts are also deemed to be relatively low.
- Some suppliers could be at risk from an extreme weather event, which has the potential to disrupt our supply chain.
- Acute physical risks are managed through our Principal Risks 4 (Loss of manufacturing output at any Group factory) and 6 (Loss of a critical supplier). To mitigate risk, annual risk assessments are conducted by our insurance partner and we have appropriate insurance cover. Business continuity planning and capacity planning is in place to ensure we have spare capacity at alternative sites and stock is held locally in sales companies. For key commodities, where possible, we seek to maintain dual sourcing to negate the risk from the loss of a critical supplier. For more information about the management of these Principal Risks, see pages 97 to 98.

Chronic physical risk

- Chronic risks arise from longer-term changes in climate pattern. A very small number of our sites have been identified as having a potential risk from coastal flooding in the long term.
- Chronic physical risks are currently managed in a similar way to acute physical risks.

Market transition risks/opportunities

- Increasing availability of green energy could enable electric heating solutions to replace fossil-fuel derived steam generation where carbon emission concerns override cost differences in the medium- to long-term (5 years+). This will provide opportunities across all geographical regions and most customer sectors for our Electric Thermal Solutions and Steam Specialties Businesses as these businesses combine to electrify the generation of steam.
- As market-leaders in the provision of thermal energy solutions, mitigating this risk and maximising the opportunity is deeply embedded in the core business strategies of both our Steam Specialties and Electric Thermal Solutions Businesses. This risk is mitigated through Principal Risk 8 (Inability to identify and respond to changes in customer needs). Mitigation includes regular voice of customer research and Research & Development / New Product Innovation, to lead the way in providing innovative solutions to customers. For more information about the management of this Principal Risk, see page 99.

Technology transition risks/opportunities

- New low carbon technologies and energy mix for steam generation could impact the purchasing decisions of steam users who have previously raised steam using fossil-fuel fired boilers. However, this is largely deemed an opportunity for the Group as we are developing first-to-world technologies and innovative decarbonisation solutions.
- This risk is mitigated through Principal Risk 8 (Inability to identify and respond to changes in customer needs) and offering increasingly innovative decarbonisation and sustainable solutions to our customer, such as the new **TargetZero** range of products including SteamBattery, Electrofit and SteamVolt, which were released in 2022. More information can be found on page 80.

Reputation transition risks

- Risk of reputational loss of Spirax-Sarco Engineering as a top performing, environmentally sustainable business due to association with fossil-fuel reliant systems over the medium- to long-term (5 years+).
- This very low risk is mitigated by our strong reputation, innovative product developments, introduction of our Natural Technology marketing strategy that correctly positions steam as a sustainable technology and our own leading net zero commitments and progress against them.

Policy and legal transition risks

- Potential financial risk from carbon taxation, the low-carbon vehicle transition and low-carbon building efficiency requirements, over the medium- to long-term (5 years+)
- This risk is mitigated through our One Planet Strategy, which includes net zero targets, energy reduction commitments, major decarbonisation projects and conversion to an electric vehicle fleet.

Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning

Growing awareness of climate change and customer sustainability targets will continue to provide an impetus for business growth as we provide products, services and solutions that increase efficiency and reduce customers' energy use and carbon emissions. To mitigate the risks outlined above, our One Planet Sustainability Strategy informs our business strategies and provides focus to advance the development of products and services that help our customers to achieve their carbon reduction targets, with a focus on voice of customer and understanding customer needs. This, in turn, helps us to manage reputational risk by ensuring we're driving down our own emissions, in line with our commitments to the Science-Based Targets initiative (SBTi) and the UN Global Compact.

Each of our three businesses incorporates sustainability in their business strategies, Customer first², Engineering Premium Solutions and Strategy25. This has resulted in the **TargetZero** synergy projects between Steam Specialties and Electric Thermal Solutions.

As part of our financial planning process, we have an annual financial plan for sustainability. When considering sustainability investments, we prioritise initiatives that deliver the best value of £/t CO₂e saved. In 2022, we developed and commenced implementation of net zero roadmaps across our manufacturing sites.

In December 2022, we formally submitted our net zero targets for scopes 1 and 2 by 2030 and scope 3 by 2050 to the SBTi for approval. More information about our net zero roadmap can be found on page 56.

*1-5 years aligns with the Group's assessment of Going Concern and Viability, as well as strategic planning. 5-10 years aligns with our 2030 net zero commitments. 10+ allows for a longer-term view and the emergence of different warming scenarios.

Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	With customers in almost all industries worldwide and across 165 countries, steam remains the world's most efficient heat transfer medium for a wide range of applications, with multiple onsite uses from the production of foods, beverages and medicines, to the generation of power. Our steam solutions are complemented by our Electric Thermal Solutions product and service offering. We thus have a highly resilient business that will remain relevant across different climate-related scenarios. High-level Group-wide scenario analysis was completed in 2021, including a 2°C or lower scenario and a 4°C scenario, and a third-party climate risk resilience assessment was completed for Steam Specialties manufacturing sites in 2021. Building on that risk assessment, during 2022 two Spirax Sarco manufacturing sites underwent a more detailed physical risk assessment on-site. During 2022, we undertook a tender process to identify a third-party to support quantitative climate risk analysis (under different warming scenarios) for both physical and transitional risks. This will enable us to determine which risks and opportunities could have a material financial impact on the organisation. A partner was selected and a schedule of work agreed, to be undertaken in 2023. As part of our annual viability assessment, we undertake scenario risk modelling focussing on stress testing the Income Statement and Cashflow projections to determine the resulting impact on the Group's debt covenants and liquidity headroom, to ascertain the potential revenue or adjusted operating profit impacts that could arise from a single, or combination of, the Group's Principal Risks. The key risks associated with climate change are likely to manifest through three of our Principal Risks (Risks 4, 6 and 8). Modelling completed as part of our viability assessment suggests that our Principal Risks do not pose a significant threat to the viability of our Group, therefore management believes that this also applies to climate risk. For more information see pages 133 and 142
Risk management	Describe the organisation's processes for identifying and assessing climate-related risks. The Risk Management Committee holds annual top-down or bottom-up reviews, that provide information and evaluations that the Committee uses alongside our risk impact, likelihood, appetite and velocity ratings to create an effective system for assessing materiality, monitoring, planning and developing our Group-wide approach and culture regarding risk. The Risk Management Committee performs a scoring exercise each year against all our documented risks, assessing impact, likelihood, control, velocity and appetite for each risk. Each member of the Committee scores each risk and the scores are reviewed, discussed and assessed compared to the other risks. This process is used to assign the Principal Risks and position of each risk on the Register. Existing and emerging regulatory requirements related to climate change are considered as part of this review. Risk velocity was deliberated and approved as a further measure in our Group's risk management framework in 2022. Risk velocity ratings were assigned and validated for all Principal Risks, as set out on pages 95 to 99, and other risks on the Risk Register, including climate change.
Describe the organisation's processes for managing climate-related risks.	Climate change-related risks are currently deemed to be low for the Group (based on assessment of likelihood, velocity, impact and control) and climate change is not identified as a Principal Risk on the Group's Risk Register. However, a number of the key risks associated with climate change, such as physical risks – notably the impact of a climate-related event on our direct operations, specifically the loss of a manufacturing site, or on a critical supplier – and transition risks – such as failure to meet changing market needs, are already managed through other Principal Risks on the Group Risk Register. Thus, we believe that our risk management processes are adequate and appropriate for the level of risk as applicable to our Group. For more information about how we manage risk, see the Risk Management Committee report on pages 139 to 142.
Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management	In 2022, a top-down risk review was undertaken, the Committee received high quality input from its Group operating companies and determined that they have sufficiently robust measures in place to effectively mitigate the Group's Principal Risks (and the associated climate-related risks). The top-down risk review informed the annual review, validation and update of the Group Risk Register. For more information please see page 93. Climate change is a risk factor that influences other risks, so control of climate risk is embedded in and managed through other Principal Risks, particularly Risk 4 (Loss of manufacturing output at any Group facility), Risk 6 (Loss of a critical supplier) and Risk 8 (Inability to identify and respond to changes in customer needs). Climate change has risen in position in the Risk Register over the last few years to position 9 following similar rises in the previous two years. It is considered a serious, emerging risk though not currently one of the Group's Principal Risks.
Metrics and targets	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process See the following pages for absolute and intensity metrics related to: • Greenhouse gas emissions – 57 • Energy use – 58 • Waste and water – 63 to 64 • Customer environmental benefits – 65 In 2022, Group greenhouse gas emissions (scope 1 and 2) were established as a Group Key Performance Indicator (KPI) to measure successful progress against our strategy. See page 35 for more information on our KPIs. In addition, internally we monitor a number of opportunity metrics, for example the customer decarbonisation opportunities' pipeline in the Electric Thermal Solutions Business and metrics related to the launch of our TargetZero products.
Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	Scope 1, Scope 2 and Scope 3 disclosures can be found on pages 56 to 57. During 2022, we used a third-party to help us quantify a full scope 3 baseline figure for 2021. This figure was calculated using acceptable scope 3 methodologies, but is heavily reliant on estimates and may be changed in the future as data availability and accuracy improves. For more information about the methodology we use to calculate our scopes 1, 2 and 3 emissions and customer savings metrics, see page 58 and a more detailed methodology statement on our website: www.spiraxsarcoengineering.com/sustainability/one-planet.
Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	See the following pages for targets related to: • Net zero carbon and energy use – 56 • Biodiversity net gain – 62 • Environmental improvements in our own operations – 63 • Sustainable products – 65 • Sustainable supply chain – 66 Reflecting the central importance of the Group-wide One Planet Sustainability Strategy to all of our forward-looking plans, the measures for the 2022 Performance Share Plan (PSP) changed to include a sustainability measure accounting for 20% of the PSP opportunity, dependent on reduction of greenhouse gas emissions (scope 1 and 2) over three-year periods. For more detail see page 147.

Sustainability Report continued



Biodiversity net gain



Biodiversity initiative

At Watson-Marlow in Ireland, we are supporting the planting of native forests in the southwest of the country. In partnership with Veon Ltd and also partially funded by the Department of Agriculture, this project will create a long-term biodiverse habitat replacing ash woodlands that succumbed to ash dieback. The native trees, such as oak, birch, rowan and alder will create biodiverse habitats for native Irish species such as red squirrels, stoats and endangered bird species. The first phase of the project will plant 15,000 trees and 2,500 tonnes of CO₂ are predicted to be sequestered by the forest over its lifetime.

The global decline of biodiversity is something which will affect all of us. Biodiversity is essential to support all life on our planet, which depends on a network of complex interactions between plants, animals and micro-organisms to properly function. When we developed One Planet, we recognised that we have a responsibility to address this decline and use the strategy as an opportunity to engage our colleagues and our communities in this important objective.

Key strategic targets

- Deliver a biodiversity offset equivalent to five times our global operational footprint by 2025
- Deliver biodiversity net gain* of +10% for all new manufacturing sites and facilities
- Deliver at least one biodiversity initiative per operating company, on site or in the local community by 2025

Alignment with UN SDGs



Progress

In 2022, we continued our partnership with the World Land Trust that we began in 2021. We completed our second phase of investment, funding the protection of an extra 567 acres of land on the Somuncurá plateau in Argentinian Patagonia, equivalent to our operating footprint including the footprint of our new acquisitions, Cotopaxi, Vulcanic and Durex Industries.

We also increased our focus on our own operations, with the launch of our new in-house Biodiversity Portal, which enables us to track biodiversity initiatives implemented by our operating companies. By the end of the year, 97 initiatives had been completed on our sites, with 47% of operating companies delivering at least one biodiversity improvement on site or in the local community since the strategy launch in 2021.

During 2022 we partnered with a third-party ecologist to assess progress against our 10% biodiversity net gain target for our two new sites BioPure (UK) and Thermocoax (France). A wide range of biodiversity enhancement initiatives have been implemented at these sites, however, we haven't yet reached our 10% net gain target, so work will

continue in 2023 to ensure the delivery of 10% biodiversity net gain before 2025. We recognise that biodiversity impact doesn't only apply to our direct operations, so in 2022 we completed high-level hot spot analysis of biodiversity impacts in our supply chain and intend to build on this information in 2023 to increase our understanding of supply chain impacts and to inform future strategic planning.

Focus for 2023

- Make progress against our 10% biodiversity net gain target for recently completed and new or ongoing major site development projects
- Embed biodiversity questions into our assessment of suppliers via the Supplier Sustainability Portal
- Continue to strengthen our partnership with the World Land Trust

*Quantification of net gain will be focused on large development projects, where locally-specific net gain methodologies will be applied, similar in approach to the UK's DEFRA methodology



Environmental improvements

The way we manage resources in our own operations is one of the most direct ways through which we can lessen our impact on the environment. By ensuring that we are operating efficiently we can preserve resources, reduce our carbon footprint and minimise pollution of the natural world.

Our focus on water efficiency, waste reduction and elimination of solvent-based paints ensures that we are controlling how we use resources and dispose of waste responsibly to protect the environments where we live and work.

Key strategic targets

- Reduce water consumption by 15% (compared to 2019)
- Achieve zero waste to landfill
- Reduce waste generated by our sites by 10% (compared to 2019)
- Eliminate solvent-based paint (unless mandated by customer requirements and with Executive Committee approval)
- All manufacturing sites certified to ISO 14001 standard or equivalent

Progress

In 2022, we focused on accurately assessing current performance and identifying future actions to enable us to meet our 2025 targets. Waste and water actions plans have been rolled out across our sites globally, with 113 of 131 operating companies, excluding 2022 acquisitions, having initiated reduction plans in 2022. To effectively reduce water use, we must first be able to accurately monitor where it's being used. We have improved monitoring, with five smart water meters installed in 2022 in sites where we previously had no access to data.

Of our 30 manufacturing sites, excluding recent acquisitions in Cotopaxi, Vulcanic and Durex Industries, 21 are currently certified to ISO 14001. In 2022, we developed implementation plans for those locations still requiring certification and are confident in our ability to gain this at these sites by the end of 2025. None of the 11 new manufacturing sites acquired at the end of 2022 currently have ISO 14001. Achieving certification at these sites will also become a priority from 2023 onwards, but may not be completed by 2025.

Water

The water usage was verified by TÜV NORD CERT GmbH in accordance with International Standard on Assurance Engagements 3000 – 'Assurance engagements other than Audits or Review of Historical Financial Information' (ISAE 3000), regarding its correctness and completeness for Spirax-Sarco Engineering plc.

"Acting as an independent Certification Body TÜV NORD CERT GmbH has verified the water usage of the organisation, for the reporting period 01.01.2022 – 31.12.2022 (inclusive) to be 203,796,350 litres.

Based on the reasonable assurance procedures we have performed and the evidence we have obtained, the selected water consumption for the year ended 31st December 2022, is materially correct and a fair representation of the Selected Information for the reporting period.

TÜV NORD CERT GmbH, February 2023."

In 2022, disappointingly, we saw a material increase in water consumption compared to 2021 of 21% to 203,796m³. Five principal causes have been attributed to the increase in water use in 2022: business growth; significant water leaks at a small number of sites; the setting up of new manufacturing sites (BioPure, UK and Thermocoax, France) which required additional water use for cleaning and other start-up processes; the construction of our new global headquarters in Cheltenham, which required the use of water to damp down dust during demolition; and increased occupancy at our office buildings due to the post-COVID-19 return to the workplace. The largest increase occurred at our Cheltenham (UK) manufacturing site where we saw an increase of 30% in 2022 compared to 2021, due largely to an underground mains water leak.

This has reaffirmed our need for access to accurate, real-time usage data. We have committed to an investment working with Cotopaxi to install digital metering and monitoring at all of our Group manufacturing sites by the end of 2023.

Against our 2019 baseline, absolute water use increased by 12%. On an intensity basis, water use increased by 14% compared with 2021, with an overall reduction in intensity of 3% compared to our 2019 baseline.

Waste

Our global operations generated 6,513 tonnes of waste in 2022, which is an increase of 4% from the previous year. On an intensity basis, we saw a 2% decrease in waste generated at 4.7 tonnes per million pounds of sales volumes to third-parties. While initiatives to reduce waste production are being implemented, these take some time to show a positive effect in the volumes produced and currently waste increase as a result of production growth is outpacing these initiatives to reduce waste. Waste reduction will continue to be a focus in 2023. We have continued to increase the proportion of waste that is diverted from landfill globally, with 90% of our waste recovered, recycled or used to generate electricity in 2022 (2021: 88%).

We initiated a review of our global waste collection providers which has been completed in the UK. Over time, we aim to ensure that our waste vendors are better able to provide accurate and timely data.

Solvent-based paint

Working with an external consultant, we have developed an internal tracking method to measure progress and VOC emissions associated with the painting process. From this project we have been able to determine that 24 of our sites are currently using some solvent-based paint.

We have established a cross-business working group to share best practice and progress, and disseminate information about paints across the Group. During 2022, the group focussed on identifying aqueous-based paints available as an alternative. Each business has formed a dedicated team to manage transition at their locations.

Pilot transition projects in Watson-Marlow Bredel (Netherlands) and Spirax Sarco's Cheltenham (UK) site have helped us to understand the steps needed to transition to aqueous-based paint options. Representatives from these sites are part of our central working group.

Sustainability Report continued



Environmental improvements continued

Water reduction initiative

At our Chromolox site in Ogden, Utah (USA), we have taken actions to improve the efficiency of our hydro testing processes. This test involves filling a pressure vessel with water and pressurising it to check for leaks, which is water intensive.

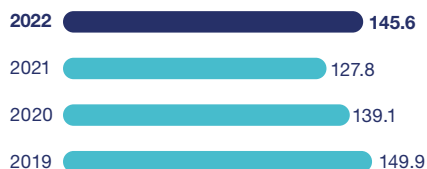
Improvements implemented in this process have helped to contribute to a 7% reduction in water use at this site compared to 2021. We are now hoping to repeat this success across other manufacturing sites.

Alignment with UN SDGs



Focus for 2023

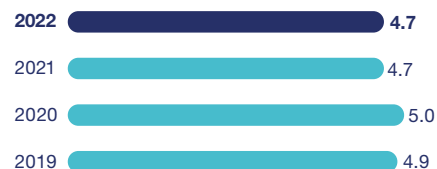
- Roll out digital posters for waste and water reduction activities to be displayed at our manufacturing facilities to raise awareness
- Roll out automated water meters at all manufacturing sites in partnership with Cotopaxi
- Focus on internal education and awareness of colleagues on actions and initiatives to drive engagement

Total water use m³Water intensity m³ of water per £m of sales volume to third-parties

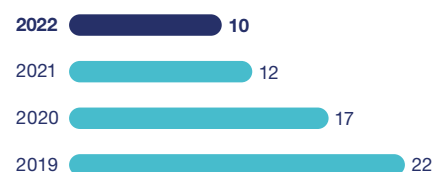
Total waste generation tonnes



Waste intensity tonnes of waste per £m of sales volume to third-parties



Waste to landfill %





Sustainable products

To keep global temperature-rise to a level of 1.5°C or below, businesses must work together to lower carbon emissions in their own operations and wider value chain. The most important way we engineer our difference for our customers and the environment is through the products and solutions we provide that help our customers to increase the efficiency of their operations. Sustainability for our customers has always been central to our Company Purpose, as we work to engineer a more efficient, safer and sustainable world.

Many of the products and services we offer help our customers to manage their sustainability impacts and lower their energy and carbon use. However, as recognised in our scope 3 quantification project, as many of our Electric Thermal Solutions (ETS) Business products consume energy, use-phase emissions related to these products is the highest contributor to our scope 3 emissions. These emissions are derived from electricity use and will decrease over time as electricity grids become more green globally as the world transitions towards renewables.

We will continue to innovate in our product design and increase sales of products that have the greatest quantifiable sustainability benefits.

Key strategic targets

- Quantify the whole life cycle carbon footprint and sustainability benefits of selected existing and new products
- Grow sales of products with quantifiable sustainability benefits to customers
- Eliminate all virgin, non-recyclable or non-biodegradable packaging by 2025 at the latest, unless specified by customer requirement

Progress

Within the Steam Specialties Business, we are particularly focussed on improving efficiency and reducing energy use for our customers. We have been reporting quantified sustainability benefits from a small range of product categories in Steam Specialties for a number of years, using a methodology established in a partnership with Ricardo Energy & Environment. In 2022, we expanded this methodology to include boiler-level controls and heat exchangers and, for the first time, added products from Watson-Marlow and ETS. In Watson-Marlow,

Customer environment benefits

Annual estimated customer CO₂, energy and water savings from a select range of 20 product categories sold in 2022



17.7m
tonnes of CO₂
per year



235m
GJ per year
of energy



88.4m
m³ per year
of water

To put these savings into context, that is the equivalent of:



804m
mature trees
absorbing CO₂



3.00m
people's annual
average energy
consumption
(UK)



35,000
Olympic-sized
swimming
pools of water

we have developed the methodology to quantify the benefits for Certa Pumps and in ETS for our new **TargetZero** products SteamVolt, ElectroFit and SteamBattery. While sales of these new product ranges, and therefore measured impacts for our customers, are currently small they offer a significant potential for customer environmental benefits as they become more established.

While these innovative new products will help decarbonise steam generation, energy efficiency and improvements to customer operating efficiency have been at the core of our offering to customers for over a century and will continue to be so. Our ability to walk our customers' plants, identify efficiency opportunities and provide products or engineered solutions to improve operating efficiency and hence sustainability, remains at the core of what we do.

In 2022, we built on the screening exercise completed in 2021 to develop a life cycle assessment (LCA) model with a third-party specialist for our Steam Specialties and ETS Businesses, with initial LCAs being conducted in these businesses. In our Watson-Marlow business we recruited an LCA specialist and purchased LCA software to complete these analyses in house. In 2022, two LCAs were completed in Watson-Marlow and we expect this number to increase in 2023.

As part of our new product development (NPD), we have trialled a Group-wide eco-design template and started to tailor this for the NPD processes in the three Businesses, using existing frameworks and best practice to share learnings across the Group. We have also established a Group-wide working group for sustainable packaging, with representatives from each Business, utilising expertise from our 2021 pilot project in our Cheltenham (UK) manufacturing site.

Focus for 2023

- Continued expansion of our customer environmental benefits model
- Further embed LCA methodology with two LCAs targeted in each business
- Continue to embed eco-design methodology into product design and development processes, utilising LCA results

Alignment with UN SDGs



Sustainability Report continued



Sustainable supply chain

In our supply chains, we have a responsibility to develop and educate our suppliers on sustainability and to build mutually-beneficial, long-term partnerships. As we continue to progress in our ambition of becoming a leader in industrial sustainability, we aim to work with our suppliers to further raise standards.

We require our suppliers to meet these standards including committing to operate in accordance with law, conduct business in a way that is fair and adheres to human rights principles and encourage them to take steps to mitigate their environmental impact.

Key strategic target

- 80% of strategic and high-risk suppliers assessed and meeting or exceeding updated sustainability standards by 2025

Progress

In June 2022, we launched our new third-party Supply Chain Sustainability Portal (Portal), with an initial phase one rollout to 512 suppliers. The Portal will form the foundation of our supplier sustainability monitoring processes and, once fully deployed, will contain our high-risk and strategic suppliers and allow us to monitor their compliance with our Supplier Sustainability Code (Code) and our sustainability standards more broadly.

The Portal allows us to have greater transparency and evidence for sustainability standard compliance and a closer working relationship with these suppliers. It also affords us improved understanding of risk, improved visibility across the business and provides a basis to have focussed continuous improvement actions with our suppliers.

We will use the Portal to identify areas where the supply chain is performing well and also highlight opportunities for development. While still in an early phase of deployment, we have already seen responses from 20% of suppliers in the Portal on ESG topics.

The Portal allows for indirect monitoring of a wider number of our suppliers (currently over 1,200) and alerts us to potential breaches which we can then investigate. In 2022, issues of relevance that were identified included H&S concerns and environmental incidents. None of the potential breaches were deemed to be of material concern, but they have been identified as a risk with those suppliers and we will look for repeat incidences which could demonstrate a pattern of poor standards and trigger further action.

This year we have updated and relaunched our Code, to reflect a further increase in expected standards. The new Code for direct

suppliers was translated into 17 languages and communicated to procurement colleagues working at our manufacturing sites in each business. Suppliers using our Portal will be able to sign the Code in the Portal and provide evidence of the ways in which they are meeting our requirements. Suppliers outside of the Portal will be tracked through an in-house app which has been developed to improve oversight and reporting and to allow us to track Code signatures. Due to the introduction of these new systems, the number of suppliers that have signed our Code utilising the new processes was 30% at the end of the year (96% in 2021) as we work to transition our suppliers to this new way of working.

Our Portal also allows our colleagues and suppliers to access a library of training courses. This third-party content is available free-of-charge on a wide range of sustainability topics for suppliers to upskill their teams and use the knowledge to help improve their sustainability performance.

Occasionally, it is necessary that we cease working with suppliers if they are unwilling to sign the Code, or if their standards fall short of those required and they are unwilling or unable to improve. In 2022, we exited seven suppliers under these conditions.



Focus for 2023

- Incorporate the next phase of suppliers into our Supplier Sustainability Portal rollout
- Work with suppliers to improve response rates and begin to assess results
- Develop biodiversity, community engagement, diversity and inclusion modules for the Portal

Alignment with UN SDGs





Supporting our communities

As a Group, we have committed to increasing the wellbeing of people in our communities, while addressing global sustainability challenges such as poverty, hunger, access to education, inequality, climate change and biodiversity loss.

In the 67 countries in which we operate globally, we want to make life better for the people in our communities. Through charitable donations and colleague volunteering we are able to share our resources and expertise to meet local needs, improve access to education and support longer-term economic wellbeing so that our communities will be stronger and more resilient now and in the future.

Key strategic targets

- Deliver 150,000+ hours (cumulative) of colleague volunteering globally by 2025
- £2 million of cash or in-kind donations (cumulative) made by our Group Companies by 2025
- Establish a Group Education Fund and donate at least £5 million by 2030

Progress

Group Education Fund

Having established the Spirax-Sarco Engineering Group Education Fund in late 2021 and funded it with a £1 million donation, in 2022 we began accepting applications and making donations. Operating companies are able to identify local education needs and apply to the Group Education Fund for grants to support projects addressing these needs. The applications are reviewed by the Group Education Fund's trustees and the grants and projects are then administered locally by our operating companies.

In this first year of donations, we successfully funded 51 projects from 43 operating companies totalling over £1 million. Examples of the projects include supporting activities and programmes for disadvantaged

Ukraine

As a response to the conflict, Ukraine was a point of focus for charitable giving in 2022. After an initial donation of £100,000 from the Group Charitable Fund, we launched a colleague matched-giving appeal. As well as making direct cash donations, colleagues engaged in local collections for essential supplies and donated time to sort, pack and distribute these supplies. The total value of cash and in-kind donations raised locally by colleagues amounted to over £90,000 which we then matched, making the full amount donated through the matched giving appeal £183,815 and a total donation to the people of Ukraine of £283,815.



young people from favelas in Brazil, providing funding for a five-month training course for neurodiverse students to prepare them to enter the labour market in Italy, and funding interior contents and finishing for a new school for children from rural farming families in the Philippines. Read about how we engineered our difference in our communities in our case studies on pages 68 to 71.

Group charitable donations

Including the donations to the Ukraine Appeal during 2022, the Group Charitable Fund donated £572,000 to charitable causes, an increase of 66% from 2021. Some of these donations include: £13,000 to the

Kaleidoscope Trust to advance rights for LGBTQ+ people across the Commonwealth; £10,000 to Young Enterprise to equip young people with skills, knowledge and confidence to succeed in the world of work; and £15,000 to Cheltenham Open Door in the UK to provide food, shelter and essential services to people living in poverty and experiencing homelessness.

Operating company charitable donations and volunteering

In 2022, we developed and launched a new internal reporting platform to more accurately capture and record volunteering activities and cash and in-kind donations from our operating companies.

Colleague volunteering hours doubled in 2022 compared to 2021, totalling 22,000+ hours of company time spent volunteering. Our operating companies donated £349,600 to charitable causes, in cash or in-kind (non-cash) donations during 2022.

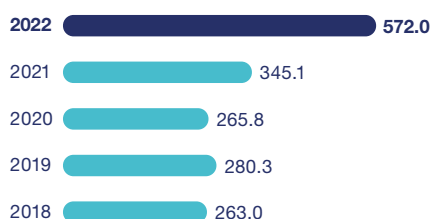
Focus for 2023

- Further increase volunteering hours and colleague participation
- Donate an additional £1 million through the Group Education Fund and continue to support additional projects
- Track impacts of Group Education Fund projects supported in 2022

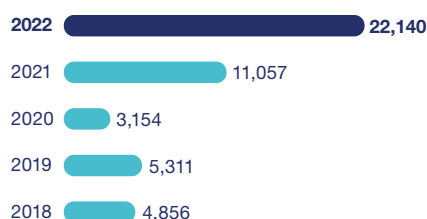
Alignment with UN SDGs



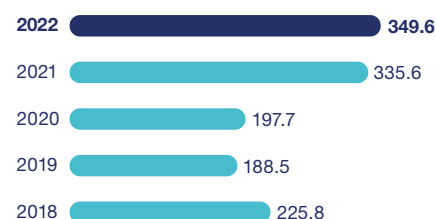
Group Charitable Fund donations £'000



Volunteering hours



Operating Company cash/in-kind donations £'000



Engineering our difference in local communities

We give our support...

A young girl with dark skin and hair, wearing a maroon school uniform, is smiling broadly while sitting at a desk. She is leaning over a large stack of books, with her hands resting on them. A large, thick orange circle is superimposed over the image, framing the girl's face and the books. In the background, other students are visible but out of focus. The overall tone is warm and positive, emphasizing community support and education.

51

projects were successfully nominated by our colleagues with over £1 million donated from our Group Education Fund in 2022.



...where it is needed the most.

Giving Today for a Better Tomorrow

Around the world, there are people living in poverty, people who are hungry, who lack access to education or suffer from inequality. People and nature are being impacted by climate change and biodiversity loss.

Our Group is united behind our **Giving Today for a Better Tomorrow** community engagement programme. Whether through the work of our colleagues using their paid volunteering days, locally

funded community initiatives or by nominating projects to benefit from our Group Education Fund, we are addressing local needs today, so that our communities will be stronger and more resilient tomorrow.

During 2022, our efforts helped underprivileged and disadvantaged young people, older people and people living with a disability. We helped the people of Ukraine through cash and in-kind donations and we initiated projects to improve biodiversity and the environment.

Group Education Fund

Our Group Education Fund was established at the end of 2021 to improve access to education, tackle poverty through education, remove barriers and inequality, and improve diversity in engineering. In its first year the Fund donated over £1 million to 51 projects identified by colleagues and managed by our local operating companies around the world. Read on to find out about some of the projects that have benefited so far.

Engineering our difference in local communities continued

Our Group Education Fund:

Brings schools closer to communities.



Our team from Spirax Sarco Egypt successfully secured a £50,000 donation from the Group Education Fund to build a new community school in Fayoum, helping improve access to education for children living in rural areas.

Working in partnership with the Man Ahyah organisation the donation will improve access to education for local children that drop out of school due to difficulties of getting to school because of the distance they have to travel.

“I feel proud to work for an organisation that provides me with the opportunity to give back to my community and local environment. It keeps me motivated and warms my heart.”

Rana Mohamed
Operation Leader for Spirax Sarco, Egypt

Serves up a hot meal before lessons.



Many children in East Africa must walk long distances to school and when they arrive they are often tired and hungry.

To tackle this challenge and to help children get the best out of their time at school, our team in Spirax Sarco East Africa applied to the Group Education Fund and received over £7,000 per year for three years to help local children in Nairobi living in extreme poverty. The funding created ‘the porridge programme’ which means 110 children will benefit from a hot breakfast every day for the next three years. For some children this will be the only meal they have in a day.

“Through our programme we want to restore hope and dignity.”

James Mburu
General Manager, Spirax Sarco, Kenya



Inspires the next generation.



Our Watson-Marlow Business is partnering with TECwomen, an organisation working to ignite a passion for Technology, Engineering and Creativity in girls and women, to deliver an annual programme of education events in Cornwall, UK. Events have included school workshops and the successful launch of a DigitalUPLIFT training course for a cohort of 35 women, helping them to access career opportunities in Science, Technology, Engineering and Maths (STEM).

After the 'Take Up Space' event that involved game design, coding, and stop-motion animation, 53% of attendees said they were now more interested in a career in space or engineering.

“The programme will help inspire more girls and women in Cornwall (UK), to embark on careers in technology and engineering, by improving access to education in these fields.”

Lauren Gill
Global PR Manager, Watson-Marlow, UK

Removes barriers to education.



Practical support for schools and colleges can make a real difference to the quality of education that pupils receive.

Recognising this, our Thermocoax team in France applied to our Group Education Fund for a grant to support an exchange project at the National Graduate School of Engineering of Caen and Research Center (ENSICAEN). Complementing what was already being done by the college to improve access to education, the project connected high school students from rural communities with students attending ENSICAEN.

The grant funded the purchase of portable scientific kits and equipment used to help the engineering students demonstrate their science-related projects to the high school pupils. Through the project students living outside the city are given an opportunity to learn more about science, with the aim of encouraging them to embark on a career in engineering.

“We wanted to give students living far from the cities more opportunities to embark on a career in engineering.”

Nadine Lauret
Marketing & Digital
Communication Manager,
Thermocoax, France

Non-financial information statement 2022

This Annual Report and in particular the Sustainability Report, contains the information required to comply with the Companies, Partnerships and Groups (and Non-Financial Reporting) Regulations 2016, as contained in sections 414CA and 414CB of the Companies Act 2006. The table below provides key references to information that, in conjunction with the Sustainability Report, comprises the Non-Financial Information Statement for 2022.*

Reporting requirement	Group Policies that guide our approach	Information and risk management, with page references
Environmental matters	- Group Environmental, Health, Safety, Energy and Sustainability Policy - Group Management Code - Supplier Sustainability Code	Sustainability Report, pages 46 to 47 and 56 to 66 Principal Risks, pages 95 to 99 Our business model, pages 22 to 23 Section 172 Statement, pages 11 and 111 to 113 Company Purpose, inside front cover and page 102
Employees	- Group Diversity and Inclusion Policy - Group Management Code - Group Human Rights Policy - Group Environmental, Health, Safety, Energy and Sustainability Policy	Sustainability Report, pages 48 to 56 Our business model, pages 22 to 23 Colleague Engagement Committee Report, pages 114 to 117 Section 172 Statement, pages 11 and 111 to 113 Company Purpose, inside front cover and page 102
Social matters	- Group Human Rights Policy - Group Charitable Donations Policy - Group Employee Volunteering Policy - Supplier Sustainability Code	Sustainability Report, page 67 to 71 Our business model, pages 22 to 23 Section 172 Statement, pages 11 and 111 to 113 Company Purpose, inside front cover and page 102
Respect for human rights	- Group Human Rights Policy - Modern Slavery Statement - Supplier Sustainability Code	Sustainability Report, page 66 Principal Risks, page 99 Risk Management Committee Report, page 140
Anti-corruption and anti-bribery matters	- Group Anti-Bribery and Corruption Policy - Group Gifts, Entertainment and Hospitality Policy - Group Competition Law Compliance Policy - Group Whistle-Blowing Policy - Supplier Sustainability Code	Sustainability Report, page 51 Principal Risks, page 99 Risk Management Committee Report, page 140
Description of the business model		Our business model, pages 22 to 23
Description of the Principal Risks in relation to the above matters, including business relationships, products and services likely to affect those areas of risk, and how the Company manages the risks		Risk management, pages 95 to 99 Risk Management Committee Report, pages 139 to 142 TCFD disclosures, pages 59 to 61
Non-financial key performance indicators		Sustainability Report, pages 48, 50, 56 to 58 and 62 to 67 Key performance indicators, page 35

*The policies listed above can be found on our website: www.spiraxsarcoengineering.com/our-approach/corporate-governance/governance-documents. Compliance with our policies is monitored through the implementation of our Sustainability Strategy, through our internal audit function and, locally, by our General Managers.

We have disclosed, to the fullest extent possible, against the requirements of the Industrial Machinery & Goods Standard of the Sustainability Accounting Standards Board (SASB), in respect of 2022, which can be found on our website www.spiraxsarcoengineering.com/investors/results-reports-and-presentations/year/2022.



FTSE4Good

Spirax-Sarco Engineering plc has been independently assessed according to the FTSE4Good criteria, and has satisfied the requirements to become a constituent of the FTSE4Good Index Series.



MSCI ESG Research provides MSCI ESG Ratings on global public and a few private companies on a scale of AAA (leader) to CCC (laggard), according to exposure to industry-specific ESG risks and the ability to manage those risks relative to peers.

The use by Spirax-Sarco Engineering plc of any MSCI ESG Research LLC or its affiliates (MSCI) data, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement, recommendation, or promotion of Spirax-Sarco Engineering plc by MSCI. MSCI services and data are the property of MSCI or its information providers and are provided "as-is" and without warranty. MSCI names and logos are trademarks or service marks of MSCI.

Our Policies

Group Governance Policies

Group Management Code – This Code sets out the Group's policy on the operation of its Businesses and the procedures, controls and senior manager certification that provide the means to achieve compliance with the Code throughout the Group and to achieve continuous improvement in the Group's performance.

Anti-Bribery and Corruption Policy – It is Group policy to conduct its business free of any bribery or corruption. The Group will not enter into contractual relationships with third parties that are known to engage in corrupt practices and will not engage in the giving or receiving of bribes or favours that create a conflict of interest. Anti-bribery and corruption training forms part of our Group Essentials Training and must be completed by all new employees and annually thereafter.

Group Whistle-blowing Policy – We are committed to conducting our business with honesty and integrity and we expect all employees to maintain high standards in accordance with our Group Management Code and our Core Values. A culture of openness and accountability is essential to prevent any situations occurring and to address them when they do occur. This policy aims to encourage employees to report suspected wrongdoing as soon as possible, in the knowledge that their concerns will be taken seriously and investigated as appropriate and that their confidentiality will be respected.

Competition Law Compliance Policy – It is Group policy to conduct business in accordance with the competition laws of all the countries in which we operate. This policy outlines standards of conduct and integrity we expect from all colleagues and the potential consequences of breaching competition laws.

Gifts, Hospitality and Entertainment Policy – This policy sets out the Group's position on the giving and receiving of gifts, hospitality and entertainment, and our colleagues' responsibilities under this policy.

Charitable Donations Policy – This policy sets out the principles to be adopted in relation to charitable donations, both cash and in-kind, and applies to all charitable donations and community engagement activities across the Group.

Environment Policies

Environmental, Health, Safety, Energy and Sustainability Policy – We expect our colleagues to achieve Environmental, Health, Safety & Energy (EHS&E) excellence through engagement, empowerment and fostering good behaviours, while targeting zero accidents, zero environmental incidents and improved energy performance.

Supplier Sustainability Code – The Code represents the minimum standards that we ask our suppliers and their sub-tier suppliers to adhere to when conducting business with Spirax-Sarco Engineering plc. It covers expectations relating to human rights, health and safety, quality management, environmental sustainability and ethics.

Colleague and Human Rights Policies

Employee Volunteering Policy – All Group colleagues are entitled to up to three days of volunteering leave per year. This policy is intended to help and support colleagues wishing to volunteer and provides a framework for good practice.

Human Rights Policy – Human rights can be defined as basic rights that allow individuals the freedom to lead a dignified life, free from fear or want and free to express independent beliefs. The objective of this policy is to minimise risks to Spirax-Sarco Engineering plc from a breach of international human rights standards by the Company or by association with business partners and suppliers. It aims to protect the business by providing a framework of fundamental principles of human rights by which Spirax-Sarco Engineering plc will be guided in the conduct of its business.

Diversity and Inclusion Policy – Spirax-Sarco Engineering plc recognises its talented and diverse workforce as a key competitive advantage. We encourage equality, diversity and inclusion in the workplace because it is the right thing to do, it is in line with our Company values and makes good business sense. This policy's purpose is to formalise our commitment to: provide equality, fairness and respect for all in our employment practices, regardless of an individual's background; operate in accordance with the Equality Act 2010; and oppose and avoid all forms of unlawful discrimination.

Modern Slavery Statement – Our organisation is committed to maintaining effective policies and procedures to ensure that no individual within our organisation or supply chain is at risk of exploitation. This statement details our multi-faceted approach to raise awareness of modern slavery and human trafficking and the concrete actions taken to prevent and identify potential instances.