

MODERN SLAVERY ACT STATEMENT

Introduction from the Group Chief Executive

Spirax-Sarco Engineering plc prides itself on setting high standards for sustainable and ethical business practices in its operations worldwide. Included in those high standards is a commitment to respecting and protecting the human rights of all individuals and combating all forms of modern slavery or human trafficking in all parts of our business organisation, including our supply chain. We are continually developing and improving our business practices and policies in line with that commitment. We support a strong, collective stand to identify, prevent and raise awareness of modern slavery and human trafficking practices in all parts of the world.

The Spirax-Sarco Group

Spirax-Sarco Engineering plc and its subsidiary companies (Group) comprises two world-leading engineering businesses: Spirax Sarco for steam and electrical thermal energy solutions and Watson-Marlow Fluid Technology Group for niche peristaltic pumps and associated fluid path technologies. The markets we serve are wide-ranging and include Food, Beverage, OEM Machinery, Pharmaceutical, Oil & Gas, Healthcare, Chemicals, Water & Wastewater, Mining & Precious Metal Processing, Pulp & Paper, Buildings and Power Generation industries.

Spirax-Sarco Engineering plc is a global company with more than 110 operating units, including operating companies, branches and Associate, in nearly 50 countries. Through our direct sales presence and a network of distributors, we serve customers in over 100 countries worldwide. The Group is headquartered in Cheltenham, England, has strategically located manufacturing plants around the world and employs approximately 7,250 people.

Group Actions in Combating Modern Slavery: Policies and Procedures

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, and applies a multi-pronged approach to raise awareness of, prevent and identify potential instances of modern slavery and human trafficking. Our Group policies are a fundamental aspect of our commitment to upholding ethical standards with respect to human rights, and serve as a starting point for relationships with, and expectations of, all of our third-party partners.

Group Policies Related to Slavery and Human Trafficking

Group policies which aid employees and management in upholding our standards include the following:

- *Core Values statement.* Our Core Values of respect, accountability, passion, integrity, and delivery create a framework for making business decisions and conducting operations while upholding ethical standards. Specific to issues of slavery and human trafficking, the Core Values require our employees and management to respect the individuals in the communities where they operate and that are affected by our business, and hold every individual in the organisation accountable for their professional decisions.
- *Group Management Code.* Board members, Executives, General Managers and senior managers in the Group are advised of the policy of conducting business with proper regard for the communities in which they operate. All operating companies must certify their compliance with the Code on an annual basis. Detailed procedures, senior manager certification and a system of regular internal audits and reporting, facilitate and monitor compliance with Group policies, applicable laws and regulations.
- *Group Health, Safety and Environmental Policy.* We are committed to addressing health and safety issues in our everyday operations and working to prevent slavery and human trafficking is a component of that process.
- *Human Rights Policy Statement.* We work to continually monitor our business partners, suppliers and operations as a whole to ensure human rights are respected throughout our business.
- *Whistle-blowing Policy and Hotline.* Our multi-lingual and multi-national Whistle-blowing Policy provides employees with a process, including an option of confidential reporting to an independent third-party helpline, to raise concerns and disclose information related to suspected wrongdoing or dangers at work. This process is an added measure to ensure our compliance with all legal obligations and enhances our ability to address ethical concerns, including issues related to human rights.

Our policies and procedures can be found here:

<http://www.spiraxsarcoengineering.com/Governance/Pages/policies-procedures.aspx>

Due Diligence Procedures for Slavery and Human Trafficking

- *Global Excellence in Supply Chain Initiative.* As part of this Group-wide initiative, we work directly with suppliers in our supply chain across the globe to raise awareness of slavery and human trafficking issues. Suppliers are asked to sign our Supplier Sustainability Code (Code), requiring them to adhere to sustainable, ethical business practices, including those which relate to human rights. The Code commits suppliers to ensuring that all forms of modern slavery and human trafficking are absent from their operations. The Code is a central component in bringing these issues to the attention of our suppliers and in establishing a joint effort in preventing human trafficking and slavery in our supply chain. We continually work with our suppliers

throughout the world to distribute and ensure compliance with the terms of the Supplier Sustainability Code.

- *Engaging distributors and other third-party partners.* Similar to the Supplier Sustainability Code, our agreements with distributors and third-party partners include provisions requiring these parties to commit – and require their own subcontractors to commit – to eliminating all forms of illegal, forced or compulsory labour, slavery and servitude. This contractual obligation not only makes clear to our business partners our ethical standards on human rights and our commitment to taking action on those standards, but also helps ensure that no form of forced labour or trafficking is present in any part of our supply chain.

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes the Group's slavery and human trafficking statement for the financial year ended 31st December 2017.

Nicholas Anderson, Group Chief Executive
Spirax-Sarco Engineering plc

20th March 2018