

Spirax-Sarco Engineering plc

Modern Slavery Act Statement 2020

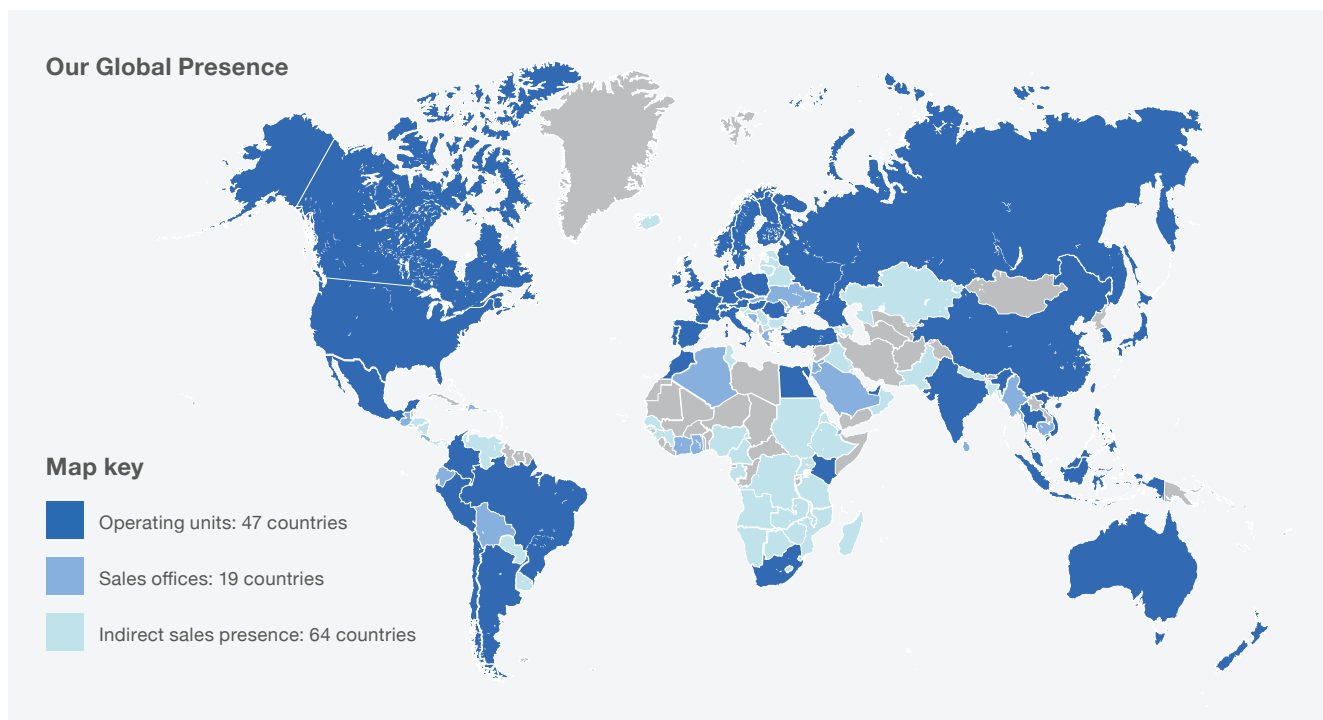
Introduction from the Group Chief Executive

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 and human trafficking in all parts of our business, including our supply chain. We are continually developing and improving our business practices and policies in line with that commitment. We support a strong 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 (the Group) comprise three world-leading engineering businesses: our **Steam Specialties business**, including Spirax Sarco and Gestra, for control and management of steam, **Watson-Marlow Fluid Technology Group** for peristaltic pumping and associated fluid path technologies, and our **Electric Thermal Solutions (ETS) business**, including Chromalox and Thermocoax, for advanced electrical process heating and temperature management solutions. The markets we serve are wide-ranging and include foods, beverages, OEM machinery, pharmaceuticals, refining and petrochemical, healthcare, chemicals, water treatment, precious metal processing, pulp and paper, semiconductor, buildings and power generation industries.

Spirax-Sarco Engineering plc is a global company serving customers in 130 countries. Our Group is comprised of 130 operating units in 47 countries, and a resident direct sales presence in a further 19 countries. Through our network of distributors and non-resident direct sales, we serve customers in an additional 64 countries. The Group is headquartered in Cheltenham, England, has strategically located manufacturing plants in 14 countries around the world and employs more than 8,000 people.



Our Approach to Combating Modern Slavery

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. We apply a multi-faceted approach to raise awareness of modern slavery and human trafficking and take concrete actions to prevent and identify potential instances. Our Group policies are essential to 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.

Policies

Group Values

The safety of all stakeholders in our business is our top consideration in everything we do. In addition to Safety, the Values of Collaboration, Customer Focus, Excellence, Respect and Integrity guide our day-to-day conduct and define our Group culture. More specific to issues of slavery and human trafficking, these Values provide overlapping guideposts to ensure that, as a Group, we respect the individuals in the communities in which we operate, and anyone who is affected by our business, and we hold every individual in our 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 our social impacts. All operating companies must certify their compliance with the Group Management Code on an annual basis. Detailed procedures and a system of regular internal audits and reporting facilitate and monitor compliance with Group policies, applicable laws and regulations.

Group Environmental, Health, Safety, Energy and Sustainability Policy

We are committed to addressing health, safety and sustainability 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 monitor our business partners, suppliers and operations as a whole to ensure human rights are respected throughout our business.

Responsibility for the development of our policies and procedures related to human rights and modern slavery sits with Group Legal, in consultation with our Group Environmental, Health, & Safety (EHS) Director and senior business leaders. The sourcing manager, who reports directly to the Steam Supply Chain Director and Group EH&S Director, holds central responsibility for the roll-out of the Supplier Sustainability Code, further described in this statement, and supports our businesses across the globe in requesting these commitments from our suppliers.

The Group's policies relating to human rights, such as the Supplier Sustainability Code (the Code), our Human Rights Policy Statement, and our Whistleblowing Policy, are all available on the Group website. Both the Code and the Human Rights Policy Statement rely on and incorporate internationally-recognised human rights principles and relevant organisations, including the UN Universal Declaration of Human Rights (UNDHR), the Core Conventions of the International Labour Organization (ILO), and the Guiding Principles of the Organisation for Economic Co-Operation and Development (OECD), among others.



Practices

Global Excellence in Supply Chain

As part of our approach to supply chain management, we work directly with suppliers in our supply chain to raise awareness of slavery and human trafficking issues. Suppliers are asked to sign our Code, requiring them to adhere to sustainable, ethical business practices, including those that relate to human rights. The Code includes a section on human rights issues, and commits suppliers to ensuring that all forms of modern slavery and human trafficking are absent from their operations and from their supply chain. The Code is a central component in bringing these issues to the attention of our suppliers and in establishing a standard of conduct aimed at preventing human trafficking and slavery in our supply chain. We work with our suppliers to ensure compliance with the terms of this Code. The Code, which has been translated into 14 languages, also requires suppliers to cascade these same required practices into their own supply chain.

The implementation of the Code involves requiring all new suppliers to sign the Code before any purchase order is placed. Existing direct suppliers are also requested to sign the Code prior to a Group company placing orders. Additionally, for suppliers located in areas of the world where we consider the risk of forced labour to be high, more rigorous supplier selection criterion are used.

Group companies enforce the standards set out in the Code via audits and inspections. We are also updating and implementing standard terms and conditions of purchase, and standard long-term supply agreements, which include provisions addressing the supplier's obligation to comply with the UK Modern Slavery Act.

When any supplier is subject to an audit by a Group company, that supplier is required to answer – and support with evidence – a number of questions designed to confirm that the supplier meets all the obligations of the Code.

The above-described process is ongoing in each of our three businesses. Our most recent acquisition, Thermocoax, which joined the Group in May 2019, is in the initial stages of implementing these processes, but is making good progress towards aligning its practices with those of the Group.

Whistle-blowing Hotline

Our multi-lingual and multi-national whistleblowing hotline 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. Further, the Code also includes a requirement that the supplier have in place its own grievance mechanism to enable anonymous reporting in order to combat unethical behaviour.



During any visits with suppliers, our Group supplier auditors and anyone else involved in site visits are expected to escalate concerns of any type to management or via this whistleblowing hotline.

Progress and Next Steps

In the years since initiating the new supplier standards, businesses within the Group have taken concrete actions to enforce the provisions within the Code. When a potential or existing supplier refuses to sign the Code, or takes exception to key provisions within the Code, a potential supplier will be excluded from the Group supply chain and the existing supplier will be marked for further follow-up. If, with such further follow-up, the existing supplier indicates an inability or unwillingness to work towards full compliance with the Code, the supplier is removed from the Group supply chain.

Our next steps in strengthening our supply chain processes, including the approach to modern slavery and human trafficking, is to formally standardise our supplier audit processes across the Group. Additionally, in 2020, we are commencing a project to review alternative options for assessing and validating our suppliers.

Spirax-Sarco Engineering plc has been included on the FTSE4Good Index Series, which is a global index of companies identified as having good sustainability practices. We take great pride in this recognition, but are committed to continuous improvement and enhancement of our approaches to all environmental, social and governance considerations, including modern slavery.

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 ending 31st December 2019. The statement is made on behalf of the following UK entities: Spirax-Sarco Engineering plc, Spirax-Sarco Ltd, Watson-Marlow Ltd, Aflex Hose Ltd, Bio Pure Technology Ltd, Gestra UK Ltd, Chromalox (UK) Ltd, and Thermocoax U.K. Ltd.

This statement was approved by the Board at its meeting on 6th March 2020 and signed on behalf of the Board by the Group Chief Executive.

Nicholas Anderson, Group Chief Executive
Spirax-Sarco Engineering plc

6th March 2020

