

Modern Slavery Act Statement

2022

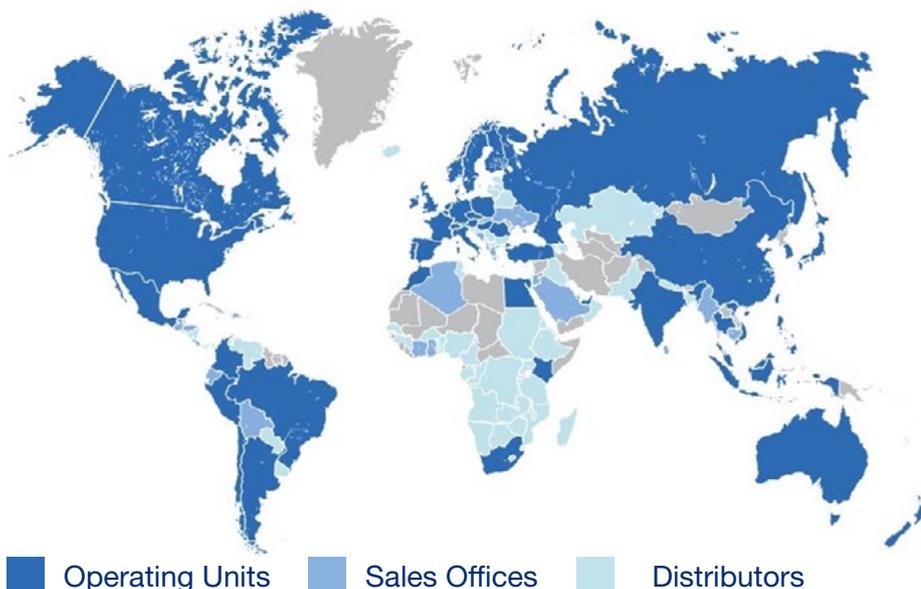
Introduction from the Group Chief Executive

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 Engineering 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 Solutions 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 Pharmaceuticals, Foods, Beverages, OEM Machinery, Refining and Petrochemical, Healthcare, Chemicals, Water Treatment, Precious Metal Processing, Pulp and Paper, Semi-Conductor, Defence, Aerospace, Buildings and Power Generation Industries.

Spirax-Sarco Engineering plc is a global company serving customers in 134 countries. Our Group is comprised of 133 operating units in 47 countries, and a resident direct sales presence in a further 21 countries. Through our network of distributors and non-resident direct sales, we serve customers in an additional 66 countries. The Group is headquartered in Cheltenham, England, has strategically located manufacturing plants in 14 countries around the world and employs more than 8,700 people.



Note: Following the escalation of conflict in Ukraine, the Group suspended all trading with Russia. The country remains shaded on the map for transparency to reflect the two Group operating units in the country, although they are not trading. Trading in and with Russia continues to be suspended as of the time of publication of this statement.

Supply Chains:

The Group sources globally from a diverse range of over 4000 direct material suppliers. While we source globally, our key supply chain geographies are in Europe, North America, China and India. We have 29 manufacturing plants located in 14 countries, with supply chains generally managed locally by these sites, although with some business-level co-ordination for certain materials and suppliers. The majority of our products are made from readily available materials, including iron, steel, other common metals, rubber and plastics, with inputs being business-specific.

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. The Group applies a multi-faceted approach to raise awareness of modern slavery and human trafficking, and takes concrete actions to prevent and identify potential instances. 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.

Policies

Group Values

The safety of all stakeholders in or associated with our business is our top consideration in everything we do. In addition, we have emphasised the Values of Collaboration, Customer Focus, Excellence, Respect, and Integrity. Together, these Values 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 the communities in which they operate. 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 and safety issues in our everyday operations and working to prevent slavery and human trafficking is a component of that process.



Policies contd.

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 Head of Sustainability and senior business leaders. The Group Sustainable Sourcing Manager, who reports to the Group Head of Sustainability, leads a strategic initiative to embed sustainability criteria into supply chain management, as part of our “One Planet: Engineering with Purpose” Group sustainability strategy. This role 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, as well as for putting in place appropriate methods to monitor supplier sustainability performance, including human rights and modern slavery in our supply chains.

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. The Code and the Human Rights Policy Statement are grounded on and incorporate internationally-recognised principles of human rights, including the UN Universal Declaration of Human Rights (UNDHR), the Core Conventions of the International Labour Organization (ILO), the Guiding Principles of the Organisation for Economic Co-Operation and Development (OECD), among others.

Practices

Sustainability in our Supply Chain

In 2021, we launched the One Planet sustainability strategy, with the stated purpose of creating sustainable value for all our stakeholders as we engineer a more efficient, safer, and sustainable world. One of the key strategic initiatives of the One Planet strategy aims to more comprehensively embed sustainability criteria into supply chain management, in order to mitigate the potential risk of poor standards or unethical practices in our supply chain. This includes addressing risks of modern slavery in any part of our supply chain.

To facilitate this process, the Group has recently engaged a third-party supplier sustainability monitoring platform, which will be implemented across all Group companies, with roll-out commencing in Q2 2022. This platform will allow the Group to assess and monitor all strategic and higher-risk suppliers, will enable us to identify suppliers at high risk of violating our sustainability standards and will help to ensure that our required standards are being met and flowed further down into the supply chain. In addition, we will commence remote monitoring of suppliers, to highlight any controversies associated with them, which can then be assessed further. The platform will support a regular auditing process, prioritised by risk, with action taken on specific cases to request improved performance or to exit suppliers in the event that standards are below Group expectations.

The third-party provider of the supplier sustainability monitoring platform provides an extensive library of training materials, covering many sustainability topics, including human rights and modern slavery. We will establish mandatory training requirements for our procurement teams, to ensure that they are aware of, and understand the risks and requirements in relation to these important topics and also make this training available to applicable suppliers.

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The Group intends to embed sustainability criteria in all new supplier qualifications starting in 2022. We have a target for 80% of strategic and potentially high-risk suppliers to have been confirmed as meeting or exceeding our required sustainability standards by the end of 2025, with 100% confirmed as sustainability compliant by the end of 2030.

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. 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 that the suppliers cascade these same required practices into their own supply chain. The Code will be refreshed in 2022, to align with our updated minimum standards, which have been reviewed and refreshed following the launch of our One Planet strategy.

The implementation of the Code involves having all new suppliers 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 criteria are used.

Group companies enforce the standards set out in the Code via audits and inspections. In addition, our Group standard terms and conditions of purchase and standard long-term supply agreements 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.



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

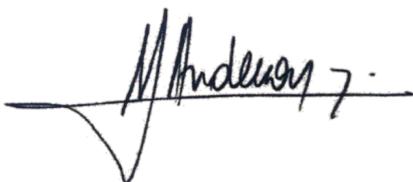
We have taken, and continue to take, concrete actions to ensure that our suppliers comply with the UK Modern Slavery Act and operate responsibly and ethically in relation to their employees and the environment. The launch of our One Planet strategy in 2021 placed additional focus on this important strategic priority. We are directing resources to improve monitoring of suppliers and ensure their compliance with our minimum standards. The roll-out of the third-party supplier monitoring platform, digital monitoring of suppliers and increased training for our own colleagues and our suppliers in 2022 and beyond, as well as our refresh and continued use of our Supplier Sustainability Code, will provide additional insight and control over standards in our supply chains going forward.

Other than in cases of extreme breaches of our expected standards, our preference is to work with suppliers to raise standards if they are found to fall short of our expectations. However, if suppliers will not engage with us on these important topics, refuse to sign the Code, or fail to show sufficient evidence of improvement over time, we will either exclude potential suppliers from our supply chains or, for existing suppliers, will exit them and exclude them from the Group supply chain.

Spirax-Sarco Engineering plc is 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 2021. The statement is made on behalf of the following UK entities: Spirax-Sarco Engineering plc, Spirax-Sarco Ltd, Watson-Marlow Ltd, Aflex Hose Ltd, BioPure Technology Ltd, Gestra UK Ltd, Chromalox (UK) Ltd, Thermocoax U.K. Ltd, and Cotopaxi Limited.

This statement was approved by the Board at its meeting on 11th May 2022 and signed on behalf of the Board by the Group Chief Executive.



Nicholas Anderson,
Group Chief Executive
Spirax-Sarco Engineering plc
11 May 2022