

Modern Slavery Statement

May 2024

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Introduction from the Group Chief Executive Officer

At Spirax Group, our Values underpin all that we do and ensure that we support our people, communities and our Businesses in sustainable ways. By operating in accordance with our Group's Values and Policies, as well as adhering to all local laws and regulations, we establish and maintain a culture of ethical behaviour throughout our global operations.

Our work to create long-term sustainable value for our stakeholders also reflects our Values, which includes respecting and protecting the human rights of all individuals. We recognise the immense responsibility on us and our peers to combat all forms of modern slavery and human trafficking in industry and are continually developing and improving our business practices and policies in order to fulfil that obligation.

Our **One Planet: Engineering with Purpose Sustainability Strategy** gives us the framework to execute on these obligations, and sets out our expectations of our suppliers in tackling this issue. This, along with our broader commitment to sustainable business practices, are fundamental to delivering our Purpose to create sustainable value for all our stakeholders as we engineer a more efficient, safer and sustainable world.

About Spirax Group

Our Group

On 22 February 2024, Spirax-Sarco Engineering rebranded to Spirax Group. This change reflects the development over many years into a Group of three aligned Businesses with differentiated and complementary capabilities:

- Steam Thermal Solutions (STS - formerly Steam Specialties)
- Electric Thermal Solutions (ETS)
- Watson-Marlow Fluid Technology Solutions (WMFTS)

Spirax Group is comprised of 144 operating units in 46 countries, and a resident direct sales presence in a further 20 countries. Through our network of distributors and non-resident direct sales, we serve customers in an additional 98 countries. The Group is headquartered in Cheltenham, England and at the end of 2023 employed nearly 10,000 people around the world, across 67 countries.

Steam Thermal Solutions helps customers control and manage steam within their mission critical industrial applications, such as cleaning, sterilising, cooking and heating. We are helping to put food safely on the world's tables and keeping our hospitals running. In 2023, with 61 operating units across the globe, STS's turnover for 2023 was £910.1m.

Electric Thermal Solutions has proprietary technologies that deliver electrification solutions at scale in industrial settings, including for the raising of steam, supporting our customers to achieve their net zero goals. We also deliver freeze protection and defrost solutions critical to aviation and space industries and ensure thermal uniformity in semiconductor chip manufacturing to power the critical electronic systems we rely on. ETS had 36 operating units in 2023, with a revenue of £378.5m.

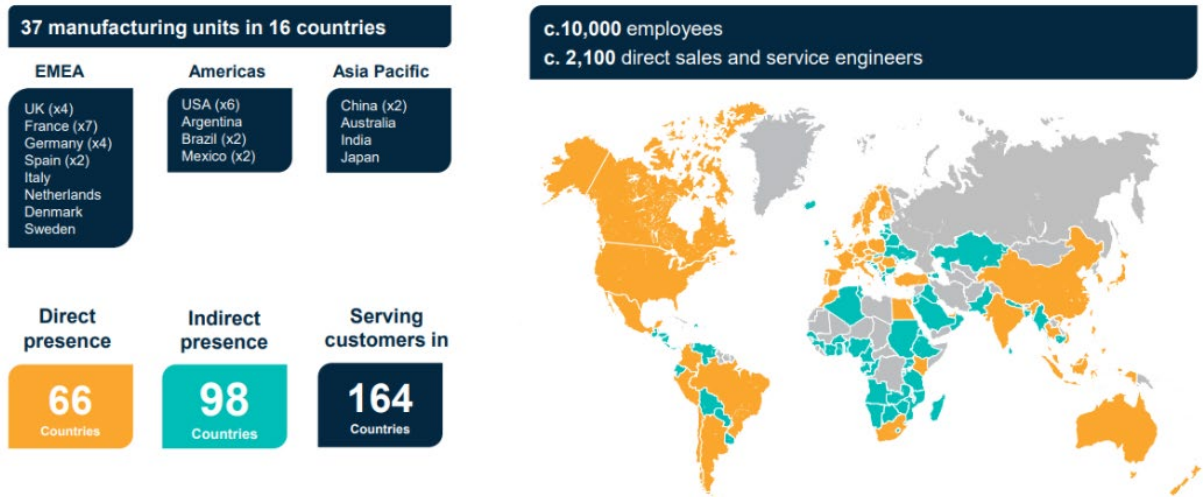
Finally, Watson-Marlow Fluid Technology Solutions is engineering vital fluid technology solutions that optimise the efficient use of resources and support advancements in global health, such as lifesaving vaccines and gene therapies. WMFTS had a revenue of £394m with 47 operating units in 2023.

We have over 100 sales companies, mostly holding local inventories, which are supplied by our manufacturing companies. Our direct sales approach plays an important role in all routes to market – whether direct or indirect – as our engineers engage with end users to highlight the benefits of our products, solutions and services.

The industries that Spirax Group serves are diverse and wide-ranging. They include Food and Beverage, Pharmaceutical & Biotechnology, OEM Machinery, Oil & Gas,

Chemicals, Power Generation, Healthcare, Water & Wastewater, Buildings, Mining & Precious Metal Processing, Semiconductor and Transport, among others.

Unique global coverage



Our Supply Chains

The Group sources from a diverse range of over 4,000 direct material suppliers. We source globally, with our key supply chain geographies in Europe, North America, China and India. We have 37 manufacturing plants located in 16 countries, with supply chains generally managed locally by these sites. 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.

Whilst some parts of our supply chain involve coordination between multiple manufacturing sites within our Businesses to route larger volumes to our highest-performing suppliers, we also have more localised supply chains in certain parts of the Group, for example in Brazil and Argentina. These locally sourced supply chains allow reduced lead times and a relatively lower environmental impact.

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. In recent years, we have invested significant resources and have continued to build teams to put tools in place to ensure stakeholders in Spirax Group's supply chain are protected from any form of modern slavery.

Policies

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 our third-party partners.



Company Values

The Safety of all stakeholders in or associated with our Company is our top consideration in everything we do. In addition, we have emphasised the Values of Safety, 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 Businesses. 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, supported by a system of regular internal audits and reporting, facilitate and

monitor compliance with Group policies, applicable laws and regulations.

Group Sustainability Policy

The Group Sustainability Policy outlines our key commitments to operating sustainably, in conjunction with our **One Planet: Engineering with Purpose sustainability strategy** (“One Planet”).

This strategy is our commitment to sustainability as well as our roadmap to a sustainable future. One of the key strategic initiatives of One Planet aims to embed sustainability criteria more comprehensively into supply chain management 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.

Whilst this Policy applies to all Group Functions, Operating Companies and colleagues of Spirax Group, setting standards and commitments to guide our own operations, we also encourage suppliers and partners to abide by the standards outlined in this Policy. More information on the strategy and how it relates specifically to our supply chain can be found here: [Resilient Supply Chains | Spirax Group](#).

Spirax Group is also 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.

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 Company.

Responsibility for the development of our policies and procedures related to human rights and modern slavery sits with our Group Legal team, in consultation with our Group Director of Sustainability and senior Business leaders. The Group Sustainable Sourcing Manager, who reports to the Group Director of Sustainability, leads a strategic initiative to embed sustainability criteria into supply chain management, as part of our One Planet strategy. This role holds central responsibility for the rollout of the Supplier Sustainability Code, further described below, and supports our Businesses across the globe in requesting these commitments from our suppliers. Additionally, this function puts 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: spiraxgroup.com. 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

Supplier Portal

In order to further our One Planet strategic goals within our supply chain, in 2022, the Group launched a new Supplier Portal (the "Portal"). This platform allows the Group to establish minimum requirements for our suppliers, to assess and monitor all strategic and high-risk suppliers and to help ensure that our required standards are being met and flowed further down into the supply chain.

The Portal allows us to ask more in-depth questions about our suppliers than ever before, which is helping us gain greater insight into the sub-tier supply chains and associated risks, not just our Tier 1 suppliers. All suppliers loaded into the Portal are required to complete a range of standard and bespoke surveys including specific modules on Human Trafficking and Slavery and Human Rights, both of which give us feedback and data on the maturity of the suppliers that have responded. The results allow us to identify potentially higher risk suppliers or commodities that will allow us to support suppliers to improve those areas. This data also feeds into the Business level risk assessments moving forward.

In addition to data-collection, the Portal allows our colleagues and suppliers access to a library of training materials, covering many sustainability topics, including human rights and modern slavery. 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 own sustainability performance.

The Portal is being rolled out across the Group over a three-year period that began in 2022, with the final batch of suppliers being loaded in mid-2024. Suppliers of businesses recently acquired by the Group and new manufacturing sites will be added in 2025.

To date, we have uploaded approximately 900 suppliers to the Portal, with a plan to onboard a total of 1200 suppliers to the Portal by the end of 2024 for ongoing monitoring. The onboarding of such significant volumes of suppliers requires us utilise a risk-based approach, where we identify suppliers that are critical to our

Group and potentially higher risk, so that we can ensure we are putting in place mechanisms to identify potential compliance, business, and ethical challenges where they are most likely to occur within the supply chain.

Supplier Sustainability Code

In addition to the data gathering process in the Portal, our direct material suppliers are required to sign our Code before an initial order is placed. Existing direct suppliers are also requested to sign the Code prior to a Group company placing orders.

The Code requires suppliers to commit to sustainable, ethical business practices. It includes a section on human rights issues and an obligation to ensure 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. Suppliers further commit to cascading these same required standards into their own supply chain.

Compliance with the Code is enforced by Group companies via audits and inspections. During audits, suppliers are required to provide evidence of compliance with all obligations under the Code.

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.

The Code is available in 17 languages. As of April 2024, 88% of our Suppliers have signed the Code.



Whistleblowing Hotline

Our multi-lingual and multi-national whistleblowing hotline provides colleagues 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 suppliers have in place their own grievance mechanism to enable anonymous reporting in order to combat unethical behaviour.

During any visits with suppliers, our Business supplier auditors are expected to escalate concerns of any type to management or via the whistleblowing hotline.

In 2023, our whistleblowing hotline received 51 reports. All of those reports were sent directly to our General Counsel for further investigation and, where appropriate, follow-up actions. None of these reports involved suppliers or raised concerns within the supply chain.

Risk Assessment and Analysis

To help us assess the level of risk within our supply chain with respect to modern slavery and other related issues, we use two external indices: the **Corruption Perceptions Index (CPI)** (found at www.transparency.org), which scores 180 countries and territories around the globe by their perceived levels of public sector corruption, and the **Freedom Index (FI)** (found at www.freedomhouse.org), which rates access to political rights and civil liberties in 210 countries and territories. If a supplier is located in a country or territory that score less than 35 on the CPI or less than 5.5 on the FI, or in any country where the UK government has imposed embargoes or sanctions, that supplier must sign the Code, if not already required to do so. In implementing these criteria, we have a good understanding of the geographical risks, and we are working to build our understanding of commodity-based risks in the supply chain.

With respect to risks within our own colleague population, we consider the risk to be low for several reasons. First, we rely on contract employees at very low rates (for instance, WMFTS uses less than 2% globally and ETS approximately 5%). This allows our management to have more oversight and control of the working conditions and pay of the individuals that support our Businesses, and to ensure those conditions are kept in line with applicable law and our Company Values. Second,

whilst we have a mobile workforce and obtain visas for some colleagues to relocate to other parts of the globe, we do not as standard practice recruit migrant labourers, specifically international migrants seeking employment in their present country of residence, within our Group. And finally, at 2023 year end, more than two-thirds of our colleagues were based in Europe or the US, where CPI and FI indicate relatively lower levels of perceived corruption and higher levels of access to political rights and civil liberties.

Each of our Businesses conduct a **Supply Chain risk assessment** at least annually, where a range of risks, including risks related to Modern Slavery, are considered. Higher risk suppliers are reviewed and are onboarded to the Portal if they had not already been added. The Businesses also use additional risk assessment methodologies to assess their supply chain risk as needed. For instance, within STS specifically, a range of risks - typically financial, quality, delivery performance, cost and ESG topics - are discussed with a range of internal stakeholders, and each risk is ranked by its probability of occurrence against the severity if the risk became reality. This allows higher risk suppliers to be evaluated in more depth and, in some cases, supported with corrective and improvement action plans. ETS uses a variety of assessment tools to gauge risks in its supply chain, including performance scorecards, ISO certification tracking, and assessing and tracking geopolitical, compliance, and availability risks. WMFTS tracks suppliers using geographic and spend data, which aids in determining need for ongoing monitoring.

Ultimately, we believe our biggest risks of suppliers failing to adhere to our Values and the Code comes from a low level of visibility in our sub-tier suppliers. There is particular concern with our Tier 1, 2, and 3 suppliers in India, Taiwan, and China, where there may be reliance on migrant workers, which inherently creates risks for potential ethical and compliance issues.

Risk Mitigation and Tracking

Starting with the Portal and the Code, and building from those core mitigation tools, we are continuing to invest significantly in supplier monitoring. Our due diligence processes now also include **remote artificial intelligence (“AI”) monitoring** of our Tier 1 suppliers. This technology tracks information in the public domain that relates to our suppliers that may indicate potential risks of supplier behaviour violating our Code, including instances of slavery. The AI monitoring is currently covering the majority of our direct material suppliers, assessing twice the number of suppliers enrolled in the Portal.

Currently, suppliers are also being asked to respond to the **Slavery and Trafficking Risk Template (STRT)** which is an industry standard survey that manufacturers use

to uncover and eliminate human rights risks across their supply chain. A link can be found here for more information: www.socialresponsibilityalliance.org/str/. However, in the second half of 2024, we are aiming to simplify and improve the approach, and will be continuing to monitor Modern Slavery and Trafficking Risk via a survey in the Portal which is simpler for the supplier to complete, avoids potential data errors yet retains the risk assessment.

Further, via the Portal, suppliers are required to upload **evidence to demonstrate compliance** with our standards. The data we collect from our suppliers is also used as an opportunity to provide training and outreach directly to Tier 1 suppliers. Where a supplier's responses to certain data requests suggests potential areas of concern, the Portal shares training modules and information with the supplier that specific to the area of concern, as well as requested improvement actions for the supplier to implement.

Auditing of suppliers is another tool for ongoing engagement with our suppliers. In STS, all new, direct material suppliers are audited, regardless of location. Existing suppliers will be audited according to several factors, including annual spend, quality, delivery performance, and internal risk assessment scoring. ETS has implemented a Supplier Audit Programme, whereby suppliers are analysed with a risk assessment tool and, based on that score, categorised as high, medium, or low risk. High risk suppliers are audited every three years, at a minimum, while medium risk suppliers are audited on an ad hoc basis, based on supplier performance and other market considerations. Finally, WMFTS has begun using a third party to perform audits in line with the SMETA (Sedex Members Ethical Trade Audit) methodology on some of its suppliers.

Internally, training is available to the purchasing and supplier-facing teams across the globe. Most of that training is available in eight different languages to facilitate a wide outreach.

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, we will move to remove them from the Group supply chain. To date, Businesses within the Group have terminated relationships with at least 16 suppliers for failure to sign or adopt the standards set out in the Code.

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 colleagues and the environment. Our One Planet strategy places additional focus on this important strategic priority. We are directing resources to improve monitoring of suppliers and ensure their compliance with our minimum standards.

We continue to investigate options to optimise sub-tier supply chain visibility and improve the associated risk assessments. To this end we have initiated a specific supply chain improvement action module within the Portal which will be live in the second half of 2024. These improvement actions are designed to support suppliers in a range of improvement actions, including in modern slavery.

Like all organisations, we're on a maturity journey. Our supply chains are large, complex and we have less visibility beyond our Tier 1 suppliers. Unlike some industries, our industry doesn't have well-established trade organisations which can work together to investigate and tackle common issues such as modern slavery, so our work becomes even more critical, albeit more challenging.

We have a number of actions planned for the duration of 2024 to continue our work in this area. We will be conducting an initial supply chain mapping exercise to improve visibility of our sub-tier supply chain. We will be formalising our internal Group requirements for supplier sustainability audits, as well as investing to strengthen our auditing capacity. These actions, along with the policies and processes already in place, provide the foundation in our ongoing effort to create a sustainable business, including a supply chain free from any form of 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 2023. The statement is made on behalf of the following UK entities: Spirax-Sarco Engineering plc, Aflex Hose Ltd, BioPure Technology Ltd, Chromalox (UK) Ltd, Cotopaxi Limited, Gestra UK Ltd, Spirax-Sarco Ltd, Watson-Marlow Ltd, Thermocoax UK Ltd and Vulcanic UK Ltd.

This statement was approved by the Board at its meeting on 15 May 2024 and signed on behalf of the Board by the Group Chief Executive Officer.



Nimesh Patel

Group Chief Executive Officer

Spirax-Sarco Engineering plc

15 May 2024