Evolving for tomorrow's world...

Spirax Group plc Annual Report 2024

Spirax Group

...to be future ready

Contents

For decades, our unique business model has supported our organic growth and industry-leading margins...

...enabling us to deliver critical solutions that enhance the safety, efficiency and sustainability of our customers' industrial thermal energy and fluid technology processes that sit behind the production of what people rely on in daily life. From food to pharmaceuticals and everything in between.

But the world we live in is constantly changing; shaped by emerging trends that are altering consumer behaviours.

As we set out to capture the opportunities we see from new structural drivers of growth, we are guided by our Vision. Our aim is to build for the future while preserving our unique strengths. We will do this by staying true to our Purpose and our Values and working together across Spirax Group to deliver growth.

We call this **Evolving for Tomorrow's World**.

- Read more about our business model on page 18
- Read more about what we do on pages 2 and 3
- Read more about our Vision on page 14
- Read more about global trends and how they support growth in our addressable market on pages 16 and 17
- Read more about our Together for Growth Strategy on pages 22 and 23

How Spirax Group is ‘engineering your everyday’

Across our three Businesses, we bring together leading expertise in thermal energy (steam and electric) and fluid technology solutions. That means we design, engineer, manufacture and sell products and solutions that are essential to the efficient, safe and sustainable operation of our industrial customers’ critical processes.

We work with leading food, drinks and pet food manufacturers and with the companies producing life saving medicines and vaccines. We work with farmers, dairy producers and brewers. And, we serve a broad range of critical sectors such as Power Generation, Oil & Gas, Chemicals, Transport, Semiconductor and Aerospace & Defence, through OEM partners or direct to the customer.

That’s why it is very likely that our solutions sit behind the engineered processes of the things that you eat, drink, travel on, rely on, or use every day.

From the food on your table, the tyres on your car, your mobile phone, medicines and how you heat your home, the work of Spirax Group plays an essential role in daily life.

As the world evolves, so are we. As we get closer to our customers, we not only understand their needs today, but we anticipate their needs of tomorrow. We are evolving to meet those needs through our **Together for Growth** Strategy which you can read out about on pages 22 and 23.

Read about how we are evolving for tomorrow’s world on page 1

Breakfast brought to you by Spirax Group

It is said that breakfast is the most important meal of the day, but did you realise Spirax Group, and the industrial processes we support, helps put it on your table?

Steam Thermal Solutions help customers to harness the power of steam to dry and roast both tea and coffee and it is used to pasteurise milk, making it safe to drink. Bread is baked in commercial convection ovens that use heating technology from **Electric Thermal Solutions.** Orange juice cartons are sustainably filled using **Watson-Marlow Fluid Technology Solutions’** pumps which preserve precious resources.

Even the energy used to toast your bread is generated with the help of Spirax Group.

Creating a more efficient, safer and sustainable breakfast table is just one example of the meaningful work we do together every day.

1 Wake up with a morning coffee brought to you by Steam Thermal Solutions (STS)

Instant coffee is produced using water heated by steam. The hot water is combined with ground coffee to create the rich flavour enjoyed by millions daily. Our systems support this process by removing condensate from the steam system which heats the water. By returning the condensate to the boiler house, Spirax Sarco condensate recovery solutions ensure the process is both efficient and effective.

Scan the QR code to find out more

2 A slice of toast brought to you by Electric Thermal Solutions (ETS)

Bread and other baked goods, including pastries and croissants, are cooked using heating technology from ETS. Chromalox's tubular heating elements are used in commercial convection heat ovens. Their exceptional heat transfer capabilities, and ability to be sized and formed based on customer requirements, offers flexibility and versatility, as well as reliability in cooking processes.

Scan the QR code to find out more

3 The perfect hit of vitamin C brought to you by Watson-Marlow Fluid Technology Solutions (WMFTS)

Orange juice is transported to and poured into cartons using our peristaltic pumping technology from WMFTS. As a high-viscose fluid, orange juice concentrate is challenging to transfer. Our hygienic Certa Pumps are 'low shear', produce minimal turbulence and agitation and prevent aeration or foaming, preserving product quality.

Scan the QR code to find out more

2024 at a glance

Revenue £ — KPI

£1,665.2m

		Organic Change %
2024	**1,665.2**	**+4**
2023	1,682.6	-1
2022	1,610.6	+14
2021	1,344.5	+17
2020	1,193.4	-3

Statutory operating profit £m

£304.6m

		Margin %
2024	**304.6**	**18.3**
2023	284.4	16.9
2022	318.8	19.8
2021	320.9	23.9
2020	249.0	20.9

Adjusted operating profit* £m — KPI

£333.9m

		Margin %
2024	**333.9**	**20.1**
2023	349.1	20.7
2022	380.2	23.6
2021	340.3	25.3
2020	270.4	22.7

All-workplace injury rate^ — KPI

2.31

2024	**2.31**
2023	2.37~†
2022	1.75
2021	2.22
2020	2.62

^ Per 100,000 hours worked

~ Includes 2022 acquisitions from this date

† Adjusted from 2.24 following an audit by Group H&S

Statutory earnings per share p

259.6p

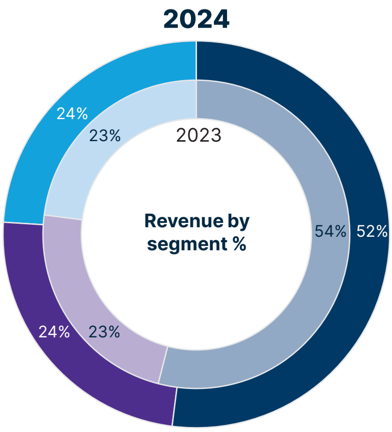
2024	**259.6**
2023	249.5
2022	305.1
2021	318.3
2020	235.5

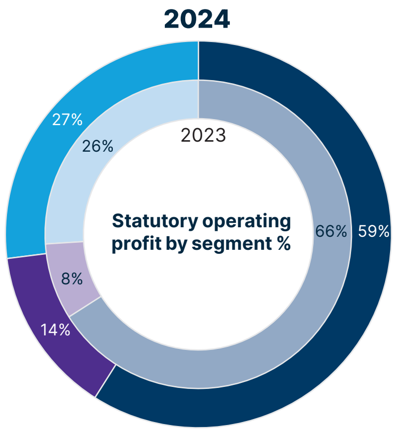
Adjusted earnings per share* p — KPI

286.3p

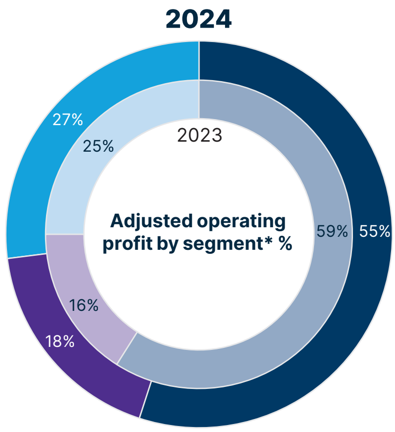
2024	**286.3**
2023	312.4
2022	377.2
2021	338.9
2020	256.6

See more on our KPIs pages 40 and 41





Before corporate expenses of £30.7 million. (2023: £27.8 million).



Before corporate expenses of £33.9 million. (2023: £27.8 million).

Steam Thermal Solutions | Electric Thermal Solutions | Watson-Marlow Fluid Technology Solutions

* All adjusted profit measures exclude certain items, which totalled a charge of £29.3 million (2023: charge of £64.7 million), as set out in the Appendix to the Financial Statements

The Group's three operating segments, as defined by IFRS 8, are Steam Thermal Solutions, Electric Thermal Solutions and Watson-Marlow Fluid Technology Solutions

"Our strategic goal is to drive long term, compounding growth for the benefit of all our stakeholders."

Tim Cobbold
Chair

We are executing our Together for Growth Strategy that is already demonstrating positive, early results

I was delighted to join the Board of Spirax Group in September 2024, before succeeding Jamie Pike as Chair on 1 January 2025. At this point it is appropriate to acknowledge Jamie's significant contribution to the development of Spirax Group over the past seven years as Chair and as a Non-Executive Director before that. 2024, his final year as Chair, proved to be highly significant and consequential in the evolution of both the Group, as it navigates a more challenging macroeconomic and trading environment, and for the Board, with the appointment of a new Chair, CEO and CFO. Jamie provided the expert leadership and composure so that this year of transition proceeded smoothly, and he leaves the Group and the Board well equipped to take advantage of the opportunities that lie ahead.

Whilst I am still early in my tenure, my initial impressions support the widely held external perceptions of the Group, as high quality and differentiated, with meaningful growth potential. It is clear that we face a more challenging macroeconomic and trading environment, and the new management team led by Nimesh, is providing the vision, strategy and leadership to respond in the current market environment and evolve the Group to take advantage of new opportunities as markets themselves evolve.

At the Capital Markets event in October 2024, Nimesh and his leadership team demonstrated the Company's long-term potential. They introduced the new growth strategy, **Together for Growth**, which builds on our strong positions in long term, attractive end markets whilst evolving the Group's differentiated business model. The first steps in implementing the **Together for Growth** Strategy have been taken, with positive early results. Our strategic goal is to drive long term, compounding growth for the benefit of all our stakeholders.

The priority for the Board under my leadership will be to support Nimesh and the leadership team in the successful implementation of the **Together for Growth** Strategy and I look forward to working alongside my Board colleagues and the Group Executive Committee (GEC) to do so.

I am committed to maintaining an open dialogue with shareholders and recognise the value that can offer. In November 2024, I wrote to the top 20 shareholders offering to meet them with a view to gaining a better understanding of their views and perspectives. I have since met nine of them with more to follow. My sense, following these initial exchanges, is that whilst there remains considerable support for the Group and the approach being taken, there is also the recognition that the Group will have to balance well, its focus on operational priorities and investing for future growth, in this tougher trading environment. The strategy roadmap on page 23 of this Report sets out that plan.

Board and leadership changes

I succeeded Jamie Pike, who stepped down from the Board on 31 December 2024 after serving over ten years, including seven as Chair. During Jamie's tenure, the Group made 14 strategic acquisitions, built a third Business, Electric Thermal Solutions, invested significantly in sustainability, decarbonisation, inclusion and digital and became a constituent of the FTSE 100 Index. Jamie also led the evolution of the Board, broadening the range of skills and experience, equipping the Board to keep pace with the needs of the Group as it became larger and more complex. On behalf of the Board, management and all colleagues, I would like to thank Jamie for his significant contribution to the Group.

Jane Kingston, Chair of the Remuneration Committee and Non-Executive Director since 2016 will complete her tenure on the Board in September. As announced on 31 January, Jane will be succeeded by Maria Antoniou, who joins the Board in June. I look forward to welcoming Maria onto the Board, confident that in addition to chairing the Remuneration Committee, her wider business background will enhance the Board's range of skills and experience. Further details can be found on page 117 of the Nomination Committee Report.

As has been reported previously, in January 2024, Nimesh Patel, formerly CFO, became Group Chief Executive Officer and succeeded Nicholas Anderson, and Louisa Burdett was appointed as CFO, joining the Group and the Board in July 2024. Céline Barroche joined the Group in September 2024 as Group Legal Counsel and Company Secretary, following the retirement of Andy Robson.

In August 2024, we announced Andrew Mines as the successor to Armando Pazos as Managing Director of Electric Thermal Solutions (ETS), having led the Watson-Marlow Fluid Technology Solutions (WMFTS) Business since 2020. On 6 January 2025, Stuart Roby joined the Group as Managing Director of WMFTS.

You can find biographies of all Board and GEC members on pages 102 to 104 of the Governance Report.

Board highlights

The Board met seven times and twice on an ad hoc basis in 2024. Whilst the Board considered a wide range of matters the most significant included:

Leadership changes

- Overseeing the transition of the Executive Leadership
- Approving the changes to the Group Executive Committee (GEC) referred to above
- The recruitment of a new Chair to replace Jamie Pike on his retirement from the Board

Group strategy
- The Board approved the new **Together for Growth** Strategy, ensuring it was well aligned to the Group's Purpose and Vision, as well as the expectations of stakeholders
- Strategic progress on the Growth Drivers of Decarbonising Thermal Energy and Digital and Services were also kept under review

Trading and performance
- The Board supported and challenged constructively the GEC as they navigated the tougher macroeconomic and trading environment in 2024

IT infrastructure and applications
- Following the decision in 2023 to initiate an ERP upgrade programme, the Board maintained close oversight of the process and in December 2024, approved the decision to align all three Businesses around a single common design

Governance and reporting
- At a time of significant upcoming regulatory and reporting change, including but not limited to changes to the UK Corporate Governance Code, the Board worked with the GEC to support the ongoing development of the necessary processes and systems to ensure the Group is in a position to comply as the changes come into effect

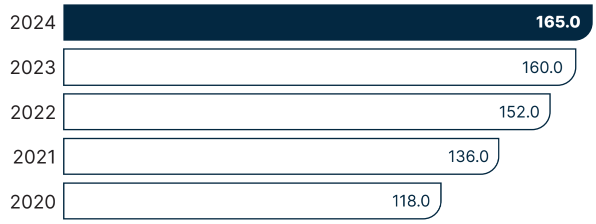
The Board visited Spirax Group facilities in Cornwall, UK (WMFTS), China (Spirax Sarco) and France (Vulcanic). These visits are valuable opportunities to meet the local leadership teams and colleagues and to triangulate activities in the Group with the strategic plans the Board reviews on a regular basis.

Colleagues
Colleagues across the Group have demonstrated again their dedication and adaptability by continuing to make progress on the strategic development of the business at the same time as operating in a tougher trading environment. The agility and readiness to respond to change will be a key attribute going forward. I would like to acknowledge the part played by colleagues across the Group towards the development of the business and to offer, on behalf of the Board, our sincere thanks and appreciation for their hard work and dedication. I very much look forward to having the opportunity to meet with more colleagues during 2025.

Board effectiveness
The Board conducted an external and independently facilitated Board evaluation in 2024, details of which can be found in the Nomination Committee Report on pages 116 to 118. As a new Chair this provides an invaluable insight into the operation of the Board upon which I will build, together with Board colleagues. The result of any development in the operation of the Board and its Committees will be reported in the 2025 Annual Report.

Dividend per share p

165.0p



Section 172 Statement
In accordance with the Companies (Miscellaneous Reporting) Regulations 2018, the Directors have prepared a Statement describing how they have had regard to the matters set out in Section 172 when performing their duty to promote the success of the Company. This can be found on pages 8 to 10 of the Strategic Report and on page 99 of the Governance Report.

Dividends
The Directors are proposing the payment of a final dividend of 117.5 pence per share (2023: 114:0 pence). Subject to approval of the final dividend by shareholders at the AGM on Wednesday 14 May 2025, the total Ordinary dividend of the year will be 165.0 pence, an increase of 3% over the Ordinary dividend of 160.0 pence per share for the prior year.

I look forward to welcoming shareholders to our 2025 AGM and I remain available to meet with shareholders throughout the year.

Tim Cobbold
Chair
10 March 2025

Evolving for our stakeholders

The long-term success of our Group relies on our interactions with all stakeholders. This requires effective engagement, constructive working practices, and consideration of all stakeholder perspectives to create and maintain value for everyone involved.

Overview

This section, from pages 8 to 10, is our Section 172 Statement. It outlines how the Directors have acted in good faith to promote the Company's success for our shareholders, considering and engaging with wider stakeholders, and addressing the matters in Section 172(1) (a) to (f) of the Companies Act 2006.

Considering these broad interests is an essential aspect of the Board's decision-making process. Occasionally, the Board must balance the competing interests of various stakeholders and other factors in executing our **Together for Growth** Strategy. The Board has delegated the responsibility for the day-to-day operations of the Businesses to the Group Executive Committee. Consequently, many decisions and actions undertaken have Board approval through these delegated responsibilities.

An overview of the guiding principles for these statutory duties are detailed on page 10 and serve as guidance for the Group as a whole when making decisions. The Board regularly receives updates on key initiatives carried out by the Group that impact stakeholders, ensuring they can understand and, when necessary, challenge management decisions.

Understanding what matters to our stakeholders

Our colleagues

Colleagues want to work in a culture where they can be themselves, feel they belong, are supported to be at their best and encouraged to make a difference for others, as well as our planet. They want to achieve better balance in their work and personal lives, while pursuing opportunities for development and to be fairly rewarded and recognised for their contributions.

Examples of how we engaged: Board focus groups, Leadership OpCo visits, hybrid working survey, safety culture survey, Global Safety Stand Down event, Business Town halls, Colleague networks, Colleague conferences, Coffee talks, Spark learning platform, webinars, global communications activity and One Place colleague platform.

Our customers

Customers want trusted product quality combined with local knowledge, insights, expert speed of response. Solving what was previously an unrecognised need can often be fundamental to the efficiency, safety and sustainability of our customers' operations. This reinforces the importance of our direct sales business model with our engineers able to 'walk our customers' plants' or increasingly through our investment in Digital and Services, 'walk their plants' data', converting those insights into solutions and improving customer service.

Examples of how we engaged: 2,150 direct sales engineers making customer visits, Voice of Customer surveys, senior management customer meetings, product field trials, digital insights delivery, customer feedback loops, testimonial development and strategic account management forums.

Our communities

Local communities want to be engaged and feel supported by businesses operating on their doorsteps. They understand that business and communities can create mutual benefit and that current and future generations flourish when those relationships are working well.

Examples of how we engaged: Encouraged colleagues to nominate their local projects for funding from Spirax Group Education Fund and use their three days' paid volunteering leave to support initiatives benefitting our local communities. Invited certain local charities to join events and raise awareness within our organisation about the work they do and communities they serve.

Our environment

Across the globe, Governments, Environmental Agencies, businesses and industry, as well as the wider population, are becoming increasingly concerned about the future of our planet and are taking more actions to limit the global temperature rise, to increase sustainable practices and protect the Earth's precious resources and biodiversity.

Examples of how we engaged: With charitable partners through our 'One Plant' initiative to plant or maintain trees and woodland globally. With SBTi on scope 3 consultations and target setting. Worked with suppliers to trial sustainable packaging options and with regulators and local agencies on site and project specific environmental and sustainability matters.

Our suppliers

Many of our suppliers care about the impact they have on the planet and want to form mutually beneficial, long-term partnerships that help them fulfil their potential, as well as their sustainability goals, as they continue on their journey.

Examples of how we engaged: Survey and training module completion through the supplier portal. Supplier onboarding and continuous improvement/best practice alignment plans. Provided guidance on sustainability matters, to support the transition to net zero.

Our shareholders

Our shareholders own the business and have invested their capital in our Company. They expect accurate, transparent and reliable reporting on strategic, operational and sustainability factors, regular communications on performance and governance and value to be delivered in both the short and long term.

Examples of how we engaged: Financial and other reports and trading updates, Full and Half Year Results meetings and investor roadshows. AGM and Capital Markets Day. Annual programme of 1-2-1 meetings, including with the new Chair and attending investor conferences. See full list on pages 100 and 101 of the Governance Report.

Key Board decisions

The long-term success of our Group is influenced by the way we engage with all our stakeholders and reflect on their views. Considering these broad interests is an important part of the way the Board makes decisions. Below we have highlighted two key Board decisions made during 2024 and how these take into account the views and needs of our stakeholders in making those decisions.

New Vision and **Together For Growth** Strategy

Stakeholders considered

In June 2024, the Board approved both a new Vision and the **Together For Growth** Strategy. This was the result of thorough engagement with numerous stakeholders over many months, to refresh our view of what matters to them and reflect these in our strategy planning.

This was led by the Group CEO, who reported to the Board on the output from these activities regularly. Through extensive colleague engagement, including more than 20 operating company visits, workshops, focus groups, as well as customers and other stakeholders sharing their thoughts with the senior management team, the feedback was captured and distilled into our new Vision. These insights also supported the creation of the new Group strategy called **Together For Growth.** More details can be found on pages 22 and 23.

Customers: As part of the strategic discussions, the Board considered global mega trends and the impact they will have on customers' evolving needs, through sales force feedback, Voice of Customer surveys and meetings with senior management.

Shareholders: The need to take a balanced approach to delivering short-term performance while ensuring the Group defines and sets clear priorities for the medium term and enabling investment for long-term sustainable growth.

Colleagues: Through the Colleague Engagement Committee and other engagement channels, the Board has heard and was mindful of our colleagues' feedback to simplify structures, reduce administrative burdens and increase collaboration across our Businesses and the Group.

Environment: Decarbonisation is at the heart of our long-term growth capability and central to our Purpose and Vision to deliver a low-carbon, resource-efficient world.

Link to strategy:

Read more on pages 22 and 23

A common design for ERP across three Businesses

Stakeholders considered

In December 2024, the Board approved the decision to align all three Businesses around a single common design for our ERP and underlying processes.

This approach will optimise our investment by standardising the way we do business across our OpCos, driving simplification and providing common tools.

One of our OpCos rolled out its new ERP during 2024 and the rich learnings from the exercise have been fed back to enhance the overall Group-wide project.

Colleagues: The Board heard consistent feedback from colleagues that they want to work with standard, more automated processes to increase productive time, promote better collaboration and enhance job satisfaction.

Customers and Suppliers: The project has great potential to enhance relationships with customers and suppliers by streamlining all elements of our 'sales to delivery' processes and improving communication and engagement.

Shareholders: A common ERP design and more standard underlying processes will improve our overall efficiency and enable us to consider how to leverage the benefits of the Group's scale.

Link to strategy:

Read more on pages 22 and 23

Growth Drivers:

- Commercial Excellence
- Operational Excellence
- Organisational Fitness
- Digital and Services
- Decarbonising Thermal Energy

Guiding principles

a the likely consequences of any decision in the long term

Our Purpose, Values, and Vision define the Group's aspirations for the next decade.

The Board prioritises the long-term interests of key stakeholders.

Our **Together for Growth** Strategy aims to leverage structural growth opportunities. It focuses on enhancing operations, providing meaningful work in a supportive, inclusive environment, and fostering development and capability growth. Our Sustainability Strategy, **One Planet: Engineering with Purpose**, guides our environmental, social, and governance performance.

For more information see pages 14 and 15

b the interests of our colleagues

The Board receives feedback from colleagues on various topics through the Colleague Engagement Committee (CEC), regular interactions during site visits, presentations from senior managers, updates on whistle-blowing arrangements, and sharing results of broader engagement activities. This feedback is considered by the Board when making strategic and business decisions.

See page 112 to 115 in our CEC report for how our Board engages with Colleagues and in our Strategic Report on page 9 for our broader colleague engagement

c the need to foster business relationships with suppliers, customers and others

The Board acknowledges the importance of maintaining business relationships with suppliers and customers. These factors are considered in all decisions. The Board receives regular updates on progress regarding sustainability goals, including supplier engagement and Growth Drivers which form part of our **Together for Growth** Strategy that are particularly focused on customer-centric activities, commercial excellence, and digital solutions for customers.

see pages 8 and 9 for information on Board Engagement and broader engagement in our Strategic Report on pages 24 to 27

d the impact of Spirax Group's operations on the community and the environment

Our **One Planet** Sustainability Strategy guides our relationship with the environment and the communities we interact with.

The Board receives regular updates on sustainability through the Group Sustainability Director who leads the Group Sustainability Management Committee and provides quarterly reports. Some Board members also assist the Spirax Group Education Fund in selecting and allocating funds to projects that address educational needs in local communities.

For more information see pages 56 to 77 in our Sustainability Report

e the desirability of maintaining a reputation for high standards of business conduct

Our reputation is a vital asset, and we are committed to integrity and ethical business conduct. All colleagues and Board members must follow our Management Code of Conduct. In 2024, we focused on embedding policies, especially against fraud, and provided Board training. Spirax Group has a zero-tolerance policy for bribery and corruption with any parties. We also offer a whistle-blowing facility supported by our Whistle-blowing Policy for reporting serious misconduct or wrongdoing.

For more information see pages 63 in our Sustainability Report

f the need to act fairly between our shareholders

The Board values our shareholders and investors as key stakeholders. Through monthly calls, regular meetings, and forums with shareholders, their advisers, and the investment community, we stay informed of investor views and address any concerns.

For more information see page 8 in our Strategic Report and pages 100 and 101 of our Governance Report

"All three of our Businesses delivered organic sales growth and margins in line with our expectations."

Nimesh Patel
Group Chief Executive Officer

I thank my colleagues for their commitment as we continue to focus on the operational priorities that are within our control and have a meaningful impact on driving growth in a challenging environment.

Summary of 2024 performance

Global industrial production growth (IP) for the full year was 1.7% or 0.8% excluding China and was lower than had been forecast at the beginning of the year. Following weak IP in the first half, the expected second half recovery did not materialise with industrial production falling in key markets such as the USA, Germany, France, Italy and the UK, which together represent approximately 50% of Group sales.

Against this challenging backdrop, we focused on the operational priorities within our control, including driving growth through consultative solution-selling as well as delivering improvements in manufacturing, particularly in ETS, with the benefits supporting our investment in future growth. We also continued to protect our margins through pricing discipline and efficiency savings, such as through procurement.

As a result, Group organic sales growth of 4% was well ahead of IP. Organic growth in adjusted operating profit was 4% and the adjusted operating profit margin of 20.1% was modestly higher organically, despite the partial reversal of prior year temporary cost containment actions and further investment in future growth. All three Businesses delivered organic sales growth during the year with adjusted operating profit margins in line with our expectations. Both sales and adjusted operating profit were adversely impacted by currency movements, with sales 1% lower than 2023 after a 5% exchange rate impact and adjusted operating profit 4% lower after an 8% headwind.

STS organic sales growth was 1% despite weaker than expected IP, with growth higher in the second half of the year. Sales in China (17% of STS in 2023) were 13% lower due to weaker demand for larger, expansion-related projects that accounted for approximately 60% of sales in 2023. Outside China, STS organic sales growth was 4%, driven by a focus on our targeted higher growth sectors and increasing MRO and solution-sales from our large installed base. As expected, STS margin of 23.5% was lower than 2023, impacted by an exchange rate headwind, the partial reversal of cost containment actions and ongoing investment in growth.

ETS organic sales growth of 15% in the second half was higher than in the first half (5%), with continuing strong growth in the Industrial Process Heating Division, delivered through our focus on operational improvements which led to a double-digit increase in Chromalox sales from our carried forward orderbook. In the Industrial Equipment Heating Division, demand from Semicon customers began improving in the fourth quarter, although from a low base. ETS margin of 16.0% was 50bps higher organically than 2023 with strong progress in Industrial Process Heating partially offset by a lower margin in Industrial Equipment Heating.

WMFTS organic sales growth was 3%, supported by strong growth in Process Industries as we continued to target higher growth sectors including Water & Wastewater, Food & Beverage and Mining, increasing our market share. In Biopharm, new order intake began to recover with double-digit growth during 2024, following a decline of over 50% by 2023, from the COVID-related peak in 2021. The recovery was driven by non-OEM end-user customers (approximately 75% of Biopharm sales), with an increase in both orders and sales. Large OEM customer orders also improved from a low base although sales declined. As in previous years, Biopharm sales remained above orders in 2024, supported by the large carried forward orderbook which has now normalised. The breadth and diversification of our Biopharm customer base and the loss of the smoothing effect of the carried forward orderbook on sales, underpin our continued expectation of a gradual recovery. WMFTS margin expanded by 180bps organically as operational gearing from higher sales, supply chain efficiencies and lower variable compensation costs offset a full year of costs relating to our manufacturing facility in Devens, Massachusetts (USA).

Alongside focusing on the execution of our strategy and operational improvements to drive growth across all our Businesses, we also continued to make progress with our Health and Safety priorities and Sustainability Strategy. Our all-workplace incident rate (which includes lost time accidents) reduced from 2.37* in 2023 to 2.31* in 2024, with a significant reduction in Serious Lost Time Accidents, most of which were hand injuries. We also made progress towards meeting our One Planet sustainability targets, including a reduction in our absolute scopes 1 and 2 market-based greenhouse gas emissions of 20% (including acquisitions) compared to 2023 and have exceeded our 2025 reduction target of 50%, compared to the 2019 baseline.

Our 2024 results demonstrate the continuing robustness of our business model in a challenging environment. I am grateful to my colleagues around the world for their focused execution of our strategy and for their commitment to working to deliver for all our stakeholders.

The Board has declared a final dividend of 117.5 pence (2023: 114.0 pence) per ordinary share, bringing the total dividend for the year to 165.0 pence. The total dividend for 2024 represents 3% growth compared to 2023, reflecting our confidence in the Group's business model, strategy and medium-to-long-term prospects.

Strategic update

We have a powerful and resilient business model, defined by: a sector focused global direct sales force of 2,150 engineers with deep process insights, serving customers through close, local relationships; a focus on consultative solution-selling and pricing based on the value delivered for our customers; highly diversified geographic regions and sectors with a high proportion of sales from defensive end-markets and sales that are mostly funded from customers' operational budgets rather than capital expenditure. This business model is common across STS, ETS and WMFTS, our three high quality growth engines.

This business model has enabled us to deliver consistent organic growth ahead of IP and at industry-leading margins, over many years, through multiple economic cycles. Over the medium term, we will sustain this track record of growth ahead of underlying markets, with high-single digit profit growth delivered through mid-single digit organic sales growth and an improving margin reaching between 22% and 23%. Delivery of these targets, together with cash conversion of over 80%, will also drive improving return on capital.

At our Capital Markets event in October 2024, we set out a strategic framework for building on this unique business model across all three of our Businesses; we will increase the pace at which we address operational improvements to fund targeted investments that will enable us to capture the significant compounding organic growth opportunities we see ahead. Our progress in 2024 and priorities for 2025 are set out on the next page (further details are included in the Operating Review on pages 42 to 55).

* per 100,000 work hours

Operational priorities

Commercial Excellence

During 2024, we developed our sales capability, increasing the number of customer-facing sales colleagues, particularly in ETS due to the strong demand for sustainability-focused electrification solutions. In STS, we focused on increasing MRO growth from our large installed base and leveraging regional expertise to grow in the Electric Vehicle Battery and Marine sectors. In WMFTS, we expanded our customer solutions through the launch of WM Architect (Biopharm) and Qdos H-FLO (Process Industries).

During 2025, we will continue to progress with these initiatives with a specific focus on maximising the ability of our direct sales force to continue to deliver growth in a weaker economic environment.

Operational Excellence

Throughout 2024, in ETS we focused on increasing shipments from Chromalox of orders taken in prior years, particularly from the Ogden, Utah (USA) manufacturing facility. The process of improvement included comprehensive changes to the Business leadership and local management team, completing detailed and data driven reviews of existing processes, as well as taking best practice from other manufacturing sites.

During 2024, we began to deliver procurement savings within and across our three Businesses. We also targeted productivity and efficiency improvements to maximise the utilisation of our manufacturing capacity and reduce costs. As a result, we closed a number of smaller manufacturing sites after consolidating our footprint in the USA (Thermocoax's US production, WMFTS' Asepco and Aflex facilities). In STS, we announced the closure of our manufacturing facility in Mexico, with production moving to the USA in 2025 and we have put on hold the previously planned construction of a new Gestra facility in Germany. As we make progress, we will have greater flexibility in how we manage our manufacturing footprint and we will continue to review how best to optimise and extract value from our fixed capital.

During 2025, we expect further improvements in shipments from Chromalox, while completion of our Ogden Medium Voltage facility expansion will also help to reduce lead times. We will continue to deliver procurement savings in all three Businesses, which will partially mitigate the reinstatement of variable compensation.

Organisational Fitness

During 2024, we successfully completed the first new ERP implementation at Thermocoax in France, with minimal disruption. We are bringing across these design principles and learnings to align around a single global common design as we move from three separate Business-led ERP programmes to one. Once this design has been completed, we will sequence implementation in a way that manages the associated annual cost and potential operational risk.

In January 2025, we initiated a series of organisational changes, reducing our management layers and consolidating activity which can be better leveraged across our operating companies, while protecting our differentiated local direct sales presence. Through these changes we are taking early steps to move towards a simpler, more agile and more scalable organisation with improved internal processes and increased customer facing time for our sales colleagues.

In STS, we have consolidated both the management of a number of our operating companies and our technical sales and service engineering resources, to better leverage these across our regions. In ETS, we are driving improved collaboration in developing customer opportunities and new products with the establishment of a new Divisional Sales structure: Industrial Process Heating, Industrial Equipment Heating and Heat Trace. WMTFS is moving from a geographic focus to a sector-based sales model, to strengthen our self-generated solution-sales capability.

During 2025, we will complete our announced restructuring and continue to progress the ERP programme.

2025 restructuring

The consolidation of manufacturing facilities and organisational changes are the first significant restructuring activity that we have undertaken across the Group and will realise savings to fund our investment in future organic growth. These changes are expected to realise annualised savings of approximately £35 million. The cash costs to deliver this programme will be mostly incurred in 2025 and are expected to be approximately £35 million, with an additional non-cash cost of £5 million.

Investing in future growth

Digital and Services

In 2024, we continued to increase the number of digital customer connections to help collect performance data, principally in STS for steam traps and heat exchangers. In WMFTS we have also successfully trialled our machine-learning-enabled Bredel connected-pump on a customer site. Aggregation and analysis of the data we are collecting drives insights that support customers' predictive maintenance and process optimisation, delivered through our sales engineers.

Early in 2024, we developed 'MiM', our proprietary large language model that curates our highly specialised technical, sector and application knowledge. For our sales engineers, MiM accelerates the learning journey of new hires and enables more experienced colleagues to deliver improved solutions to customers, faster. Initially, MiM is focused on the Food & Beverage and Water & Wastewater sectors in STS and WMFTS respectively, with user-acceptance and testing currently underway.

During 2025, we will continue to increase customer connections in STS and drive higher revenues from digital products and services. We will advance our proof-of-concept pilots in WMFTS and extend these to ETS through the retrofit of selected industrial process heaters in our installed base with machine learning capabilities. We will also begin to scale-up the adoption of MiM within our direct sales force.

Decarbonising Thermal Energy

During 2024, we made good progress in developing a combined thermal energy strategy across STS and ETS, including three key elements: developing an operating model to harness both Businesses' understanding of sector-specific customer processes, their steam and electrical technical expertise and direct sales capability; developing new resistive heating products to decarbonise the generation and storage of steam (TargetZero) and electrification of industrial thermal processes beyond steam (PoweringZero); and investing in emerging thermal energy solutions, such as high temperature heat pumps that will form part of an extended suite of options for our steam using customers.

In 2025, we will continue with proof-of-concept pilots for our TargetZero solutions. We will add further pilots for our combined thermal energy solutions, as well as our new resistive heating technology that operates at higher temperatures.

Nimesh Patel
Group Chief Executive Officer
10 March 2025

Creating a bold Vision, together

Spirax Group has a well-established Purpose and core Values. In 2024, with a new Group CEO and his leadership team at the helm, we went deep into the organisation to hear from colleagues around the world. We listened to their pride in our Purpose, their passion for solving customer problems, heard about the challenges they faced and asked what support they needed.

These conversations brought many insights, all centred around how we continue to drive long term, compounding growth at industry-leading margins.

That's why we set out to define a Vision that would set our direction, building on our Purpose and Values.

Purpose

At Spirax Group we are defined by our common Purpose:

To create sustainable value for all our stakeholders as we engineer a more efficient, safer and sustainable world.

We exist to help our industrial customers make their processes safer, more efficient and more sustainable.

All our stakeholders benefit from our products and solutions, as well as the things we do with the money we make.

Our stakeholders

- Colleagues
- Environment
- Customers
- Suppliers
- Communities
- Shareholders

Values

Our six core Values are common to all of us across our Group.

They are the guiding principles we use to underpin our decision making, guide our conduct and define our culture.

By living our Values every day, we build a sustainable business that is more successful and a better place to work.

- Safety
- Excellence
- Collaboration
- Respect
- Customer focus
- Integrity

Our Vision for the future

Our Vision has five important characteristics that will shape the future of Spirax Group as we evolve for tomorrow's world. These are the things that matter the most to us, and to the people around us.

1. A trusted global leader

Being trusted is important to us; it speaks to our core Values, our heritage, our track record and the value we place on all our relationships.

2. Highly connected with customers

Being highly connected with customers means we build close, local relationships in physical and digital realms.

3. Obsessed with our customers' evolving needs

Because we are obsessed with the needs of our customers, we are relentless in seeking deeper insights about their requirements today, as well as for the future.

4. Delivering solutions that serve people

Our solutions help solve real-world problems. We play a role in so many of the critical industries that people, all over the world, rely on for food, medicines, healthcare and many of the consumables used in daily life.

5. Enable the transition to a low-carbon, resource-efficient world

Our solutions to decarbonise industrial thermal energy use help to reduce carbon emissions from industrial manufacturing.

We also want to expand our solutions, which protect precious resources, like water, as well as finding new ways to extend product lifecycles, reducing waste.

As we evolve to capture the opportunities we see from new drivers of growth, we'll be guided by our Vision as we work together across our three Businesses.

Business model

Our products, solutions and expertise are critical to the operating efficiency and safety of our customers' thermal energy and fluid technology processes.

Our global direct sales force serves our customers, through building close, local relationships, with a focus on consultative, solution-selling and pricing based on customer economics.

See more on pages 18 and 19

Three Engines for Growth

Our three high quality growth engines of Steam Thermal Solutions, Electric Thermal Solutions and Watson-Marlow Fluid Technology Solutions, each tap into significant mega trends and position us for strong growth at attractive margins.

See more on pages 20 and 21

Together for Growth

Together for Growth is the name of our growth strategy. It sets out how we will work together across Spirax Group through five Growth Drivers, to drive growth over the short, medium and long term to achieve our Vision.

Growth is what will sustain our Group. It enables us to invest in what is important to us, as well as supporting all the people who rely on us (our stakeholders).

Our Growth Drivers

- Commercial Excellence
- Operational Excellence
- Organisational Fitness
- Digital and Services
- Decarbonising Thermal Energy

See more on pages 22 and 23

Scan the QR code to find out more

Unlocking growth from opportunity...

We are working to position **Spirax Group** to benefit from global trends that will drive long term, compounding growth for decades to come.

1. Emerging middle class:

Characterised by an additional 800+ million people, largely across Asia and Africa, with higher spending power driving increased consumption. Impacting sectors such as Food & Beverage, Energy and Power, which represented over a quarter of our sales in 2024. This increase in consumer demand drives the need for process efficiency and productivity improvements, as well as capacity expansion across our customers' operations.

800m people
entering the middle class population

2. Resource efficiency and sustainability:

Our customers are setting reduction targets for greenhouse gas emissions and water use.

The unique combination of Steam Thermal Solutions and Electric Thermal Solutions, together with our products to reduce customers' carbon dependency through the electrification of industrial thermal processes, is a powerful differentiator for Spirax Group. Our full suite of decarbonisation solutions have the potential to address around >5% of global carbon emissions, comparable to that of the international aviation and shipping industries combined emissions^. While our Watson-Marlow Fluid Technology Solutions Business is a key enabler of resource efficiency such as in the Water & Wastewater sector.

>5%
of global carbon emissions addressable through our full suite of decarbonisation solutions

3. Ageing global population:

Over the next decade, it is expected that one in six people in the world will be aged 65 or over, almost doubling this global population requiring increased healthcare provision. This is fuelling innovation in the Pharmaceutical & Biotechnology (Biopharm) sector to develop and produce new treatments. Biopharm and Healthcare, accounted for 18% of our sales in 2024 and through WMFTS, we are already a world leading provider of products and solutions to the Biopharm sector.

65 years
Age of 1 in 6 people by 2035

4. Changing lifestyles:

Changing lifestyles are driving consumer choices around technology, sustainability and health. Technology is playing an increasingly important role in everyday life and our Industrial Equipment Heating Division in ETS, is a leading provider of critical thermal electric solutions to the Semiconductor sector. Both STS and WMFTS have built a presence in the complex production chain of Electric Vehicle batteries. WMFTS is also building a presence in the Future Foods sector which includes working with start-ups developing cell-based protein as a sustainable food source to tackle food scarcity challenges, with technologies that are highly adjacent to those used in the Biopharm sector.

9.7bn
Projected global population by 2050*

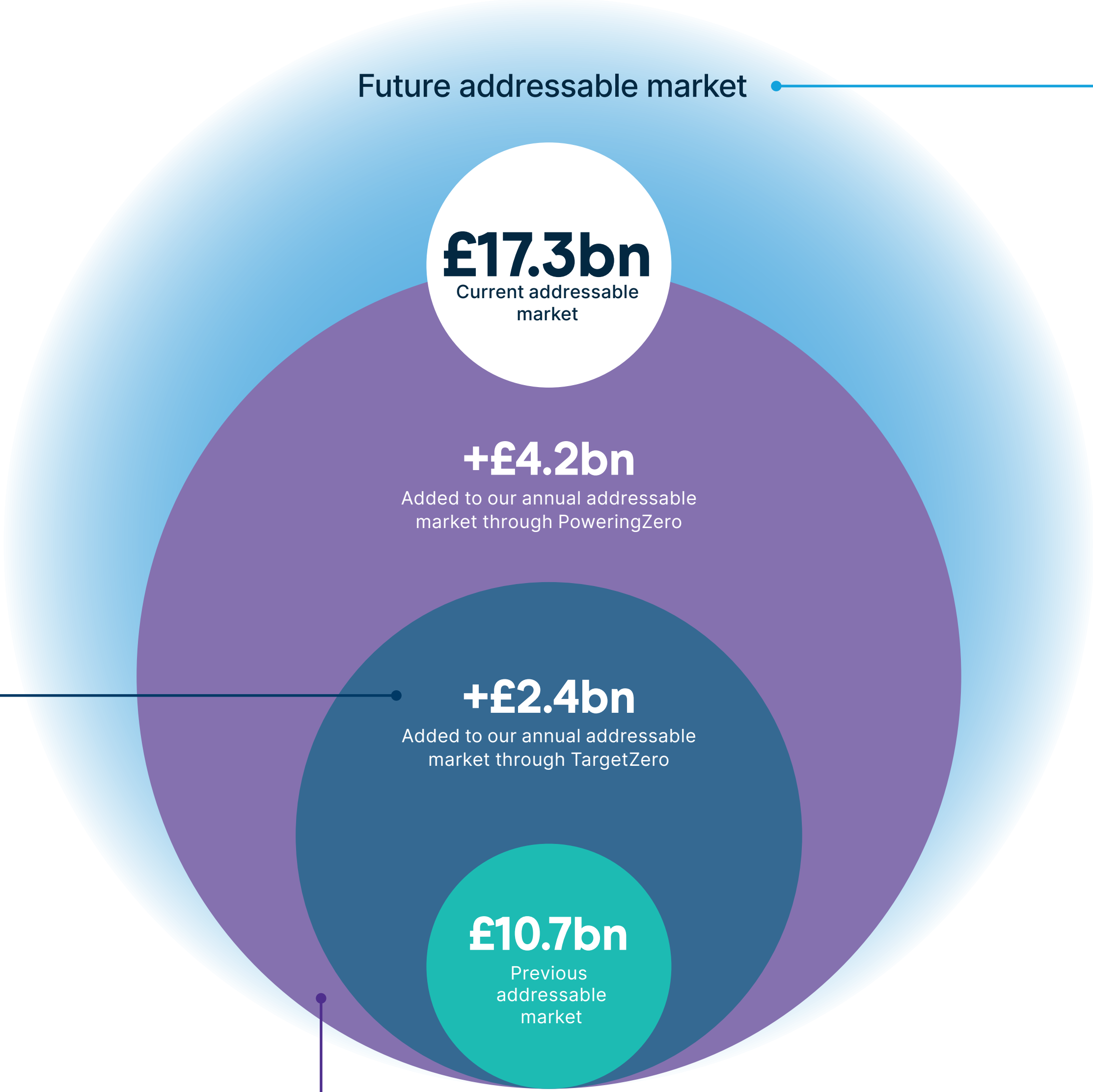
Overall, these four global trends underscore our potential for growth, through the structural attractiveness of our existing end markets and through our increased addressable market opportunities. This is how we will sustain and accelerate our long term, compounding growth over decades.

* Data source: United Nations, Department of Economic and Social Affairs, Population Division (2024). World Population Prospects 2024, Online Edition

^ 2022 data: www.climatetrace.org

…expanding our annual addressable market

The impact of these mega trends on our ability to accelerate long-term growth is evidenced through a **60%** increase in our annual addressable market.



Electrification of steam generation

Solutions we refer to as TargetZero add £2.4 billion to our annual addressable market. This opportunity is sized on today's installed base of fuel-fired boilers in our target sectors and regions and an assumption of adoption over multiple years constrained by factors such as customer appetite to invest, availability of green electricity and grid transmission capacity.

Decarbonisation of thermal energy, beyond steam

Solutions we refer to as PoweringZero from ETS add a further £4.2 billion to our annual addressable market as we continue to deploy our Low Voltage and Medium Voltage solutions in target sectors and regions to support the electrification of critical industrial processes that currently rely on the direct burning of fossil fuels today. Like our TargetZero solutions, this number assumes adoption over multiple years with take up constrained by the same factors as identified for the electrification of steam generation.

Future expansion of our addressable market

We expect our annual addressable market to expand further linked to IP-related growth, pricing, recoveries in the Biopharm and Semicon sectors and new target high growth sectors.

Evolving from strong foundations...

Solving customer problems has long been at the heart of our differentiated 'Customer Solutions' business model.

What we do

Our products, solutions and expertise are critical to the operating efficiency and safety of our customers' thermal energy and fluid technology processes.

How we create customer value

Our 2,150 direct sales engineers serve our customers through building close, local relationships that focus on consultative, solution-selling and pricing based on the customer's economics.

Our sales are mostly funded from customers' operational budgets rather than capital expenditure and our average invoice size is circa £3,000, so our local customer focus and relationships are key to our success.

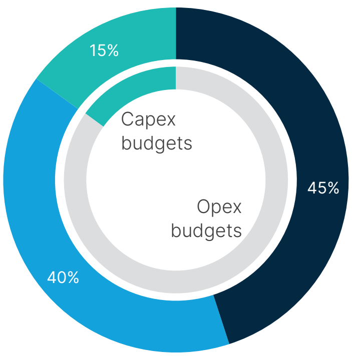
Focus on high growth sectors and applications

We have a global footprint with a direct presence in 68 countries and are highly diversified across sectors. A high proportion of sales are derived from defensive end-markets. This approach enables us to target sectors where our solutions are mission-critical to our customers' processes and reflect the value we provide in our pricing.

Where we focus

How we generate revenue

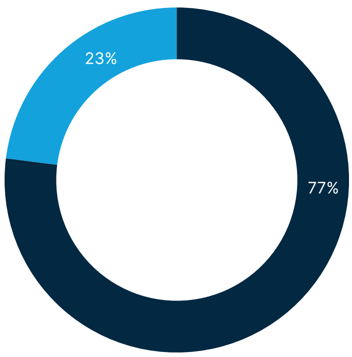
85% of Group revenue is generated from annual maintenance and operational budgets with 40% of Group revenue generated from solution-sales.



- Maintenance and repair sales: typical invoice value £1.5k
- Solution-sales: typical invoice value £10-70k
- Large project solution-sales: typical invoice value >£100k

With strong routes to market

Our direct sales approach plays an important role as our engineers engage with customers to demonstrate the benefits of our products, solutions and services.



- Direct sales
- Indirect sales

...to create customer partnerships

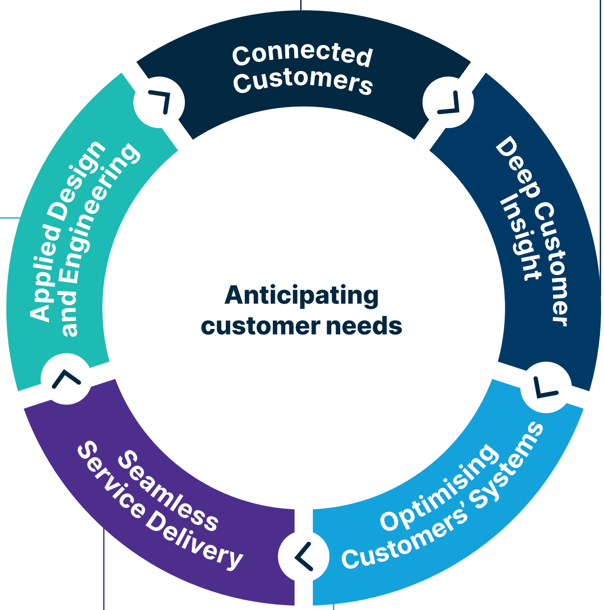
We know that our customers' needs are evolving and that means the way in which we deliver our solutions is evolving too. At our Capital Markets event in October 2024, we shared how we are building on our already strong and differentiated business model, evolving its focus from **Customer Solutions,** where we understand customer needs, to **Customer Partnership** where we anticipate customer needs. We are doing this by evolving our sales model:

1. Customer Closeness evolves to **Connected Customers**

Our local direct sales presence underpins our close customer relationships. Through being even more highly connected with customers, both physically and digitally, we will move from point-in-time sales to more frequent and even continuous engagement.

2. Deep Process Insight evolves to **Deep Customer Insight**

Our deep process insight and technical expertise delivers solutions that enhance our customers' efficiency, safety and sustainability. Through digitally-led, data-driven insights we will deepen our understanding of customers' specific and critical needs to serve them better.



5. Applied Engineering evolves to **Applied Design and Engineering**

Our applied engineering skills are critical to solving customers' problems. Through building on our design engineering capability we will deliver the more bespoke solutions that our customers will require in the future.

4. Responsive Manufacturing evolves to **Seamless Service Delivery**

Our customers rely on our ability to react quickly to their needs and maintain their critical production processes. Through deeper insights and continuous engagement, we will proactively identify their needs, delivering a more seamless service and building enduring partnerships.

3. Wide Product Range evolves to **Optimising Customers' Systems**

Our wide product range underpins our tailored approach to improving the efficiency of customers' discrete processes. Through an expanded and holistic understanding of our customers' needs, across multiple processes, we will elevate our optimisation solutions to system and plant level.

Our evolving business model is how we will maintain and build on our competitive advantage and drive growth.

Read about how we are already delivering against these aspects of Customer Partnership on pages 12 and 13

Find out how our investment priorities are supporting our evolution to Customer Partnership on pages 26 and 31

Our three engines for growth

Our three high quality growth engines of Steam Thermal Solutions, Electric Thermal Solutions and Watson-Marlow Fluid Technology Solutions, each tap into significant mega trends and position us for strong growth at attractive margins.

Steam Thermal Solutions

We're leading the way by combining steam technologies with our Electric Thermal Solutions Business to decarbonise the production of steam in customers' facilities.

- Proven capability to outperform IP through solution selling
- Resilience from defensive sector exposure and MRO demand
- Solution-selling and value-based pricing underpins attractive margin
- Uniquely placed to lead the decarbonisation of steam generation

Electric Thermal Solutions

We create electrical process heating and temperature management solutions, including industrial heaters and systems, heat tracing and a range of component technologies. Our electrical process heating and temperature management solutions improve process efficiency through better thermal energy management and control systems.

- Clear plan to substantially improve margin through: operational focus, growth, price
- Proprietary technology and proven track record in new product development
- Differentiated bespoke manufacturing expertise
- Capabilities enable the decarbonisation opportunity

Watson-Marlow Fluid Technology Solutions

Our pump and fluid path technologies provide industry-leading, sustainable solutions to deliver secure and accurate metering, dosing, transfer and filling for niche industries, including Pharmaceutical & Biotechnology, Food & Beverage Production and Healthcare.

- Underlying Biopharm market growing at ~ 10%
- Process industries to drive secular growth above IP
- High margins supported by focus on attractive sectors and consumables sales
- Well-invested following expansion on manufacturing capacity

Long-term ambition

>x2
Industrial Production growth

Sustainable margin:
23.5%+

>x2
Industrial Production growth

Sustainable margin:
20.0%+

High
single digit organic growth

Sustainable margin:
30.0%+

Percentage of Spirax Group Sales by Sector[1]

Food & Beverage **20%**

Healthcare **4%**

Pharmaceutical & Biotechnology **18%**

Buildings **3%**

OEM Machinery **11%**

Water & Wastewater **3%**

Oil & Gas **7%**

Semiconductor **3%**

Chemicals **7%**

Transport **3%**

Power Generation **5%**

Mining & Precious Metal Processing **2%**

1 14% of Group Revenues to 'other' industries including Pulp & Paper, Aerospace & Defence and Textiles

Scan the QR code to find out more

Working together to achieve our ambition

Across the Group we are united in our ambition to deliver long term, compounding organic revenue growth. We will achieve this by working together across our three Businesses and together in partnership with our customers, to evolve to meet the needs of tomorrow's world, capturing the significant opportunity we see ahead of us and delivering on our ambition. We have enshrined this approach in our **Together for Growth Strategy** Growth Drivers.

Our Growth Drivers

Commercial Excellence

Our global direct sales force and local customer relationships are the core of our business model and a key differentiator. We are investing in the capability of our sales colleagues to better serve customers, meeting their evolving needs, to expand and capture our addressable market opportunity.

Digital and Services

Our relationships, technical expertise and data driven insights are the basis of our deep customer understanding. We are focused on being highly-connected with our customers throughout their process and product lifecycles to anticipate their needs and build enduring customer partnerships.

Operational Excellence

Our regional manufacturing facilities are strategically positioned close to our sales operating companies to deliver high levels of customer service and maintain agility in our supply chain. We are focused on continuous operational improvements, reinvesting the benefits to support future growth.

Decarbonising Thermal Energy

Our combined steam and electric expertise and innovative solutions uniquely position us to decarbonise our customers' thermal energy use. We are investing in our decarbonisation technology and capability to capture the significant market opportunity from helping customers meet their efficiency and sustainability targets.

Organisational Fitness

Our local presence in the countries we serve enables us to better understand and meet customers' needs. We are connecting colleagues to leverage our global presence and scale and simplifying the way we work to better serve our customers.

Read about the progress we are making in each Growth Driver on pages 45, 49 and 53 of our Operating Review

How we drive long term, compounding growth

1 **By addressing our Operational Priorities:**

- **Commercial Excellence**
  Continued focus on driving organic growth with increased customer-facing time
- **Operational Excellence**
  Improving margins through efficiency and optimisation
- **Organisational Fitness**
  Simplifying our organisation, reducing duplication

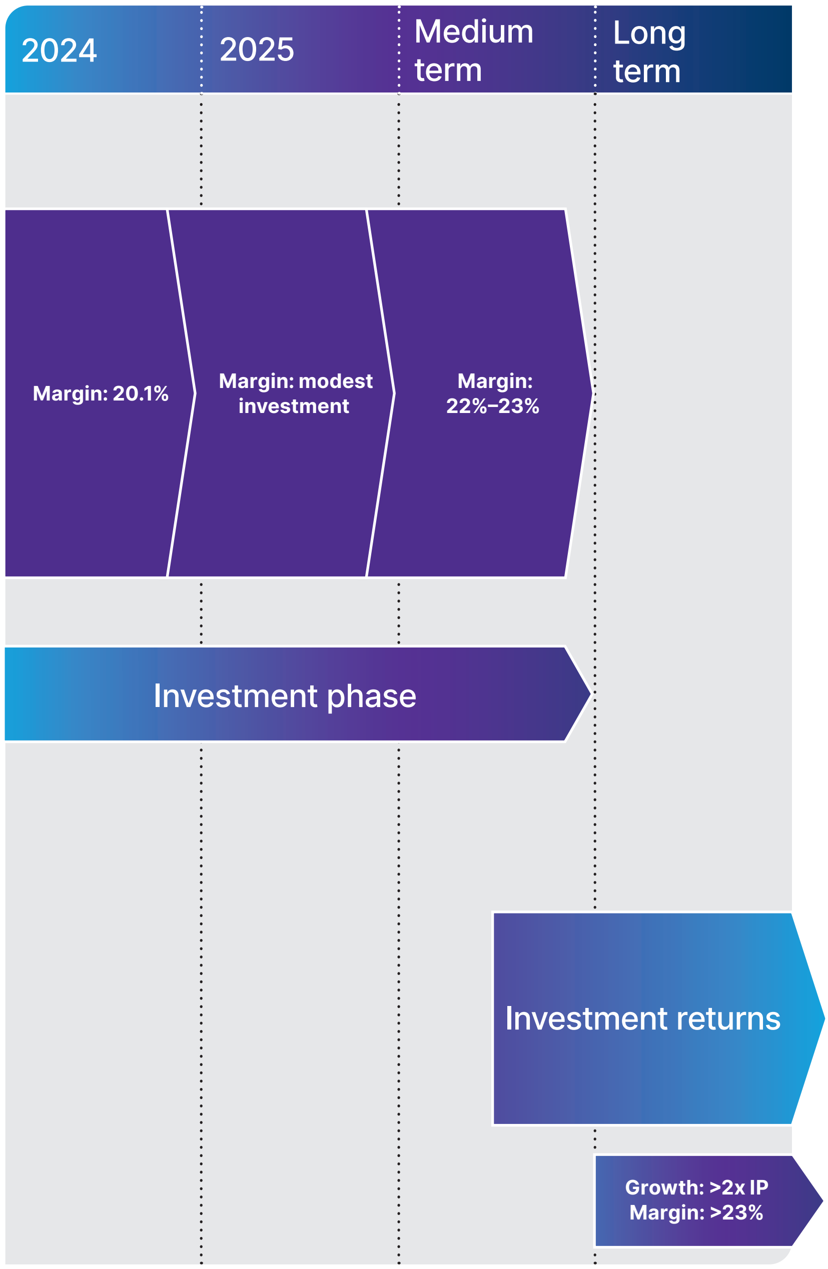
2 **We drive growth in the medium term and create capacity to invest...**

3 **...in our future growth through two key drivers...**

- **Digital and Services**
  Driving growth through being more connected to customers
- **Decarbonising Thermal Energy**
  Driving growth by enabling the decarbonisation of industrial thermal energy use

4 **...to deliver on our long-term objectives**

Timeline



Preserving local presence...

During 2024, we have been taking steps to simplify our organisation and maintain focus on serving our customers.

Our organisational structure served us well, as we expanded our sales and manufacturing footprint. Today, the Group is larger and more complex with over 140 operating companies (OpCos) compared to fewer than 70 10 years ago. We have a large number of small OpCos with significant duplication of activity. Our manufacturing footprint has also grown significantly and become more fragmented.

Evolving for tomorrow's world means protecting our strengths, such as our local sales presence, while simplifying our structure to leverage our scale.

It also means getting closer to our customers, to understand their needs today, as well as to anticipate their needs tomorrow. Developing more agility in our ability to respond quickly to their changing requirements through our products, solutions and solutions. That's why we are:

- Protecting our direct sales force and maintaining our local presence which underpins our close customer relationships
- Concentrating our operating companies, within our geographic regions, enabling us to leverage our resources and our scale
- Getting even closer to our customers by removing layers of sales management and creating more customer-facing time
- Optimising our manufacturing footprint, closing some smaller sites and relocating production
- Focusing on efficiency gains that enable reinvestment to deliver long-term value, while keeping pace with a challenging trading environment

Evolution in action

EMEA sales restructuring

In STS EMEA we have begun restructuring our sales operations to improve efficiency, reduce complexity and offer our colleagues' improved career paths.

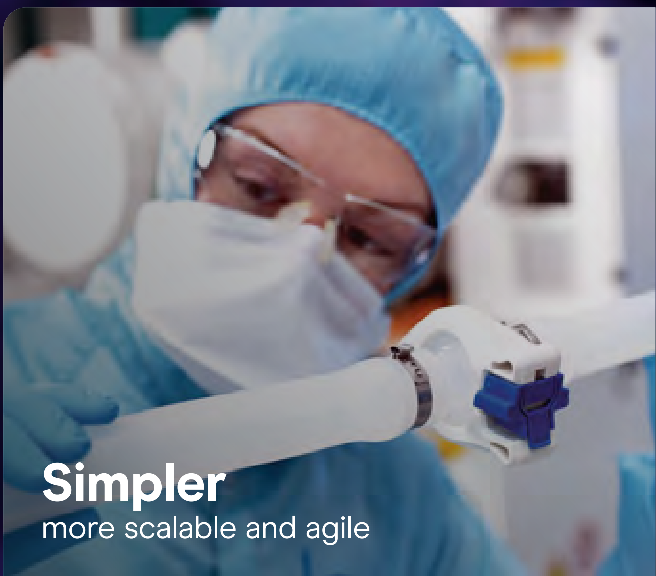
At the end of 2024, we had 19 sales operating companies (OpCos) of varying sizes which meant that there were a number of smaller OpCos which lacked the critical mass to be able to give their full focus to our customers. Through our organisational changes to simplify our structures, we have consolidated into 10 larger units, removing the regional sales layer, bringing our operations closer to the customer, eliminating duplication of efforts, simplifying our administrative processes and reducing overheads.

These steps reflect early progress on our journey towards a new EMEA operating model, with our restructured team focusing on growth and developing new ways of working.

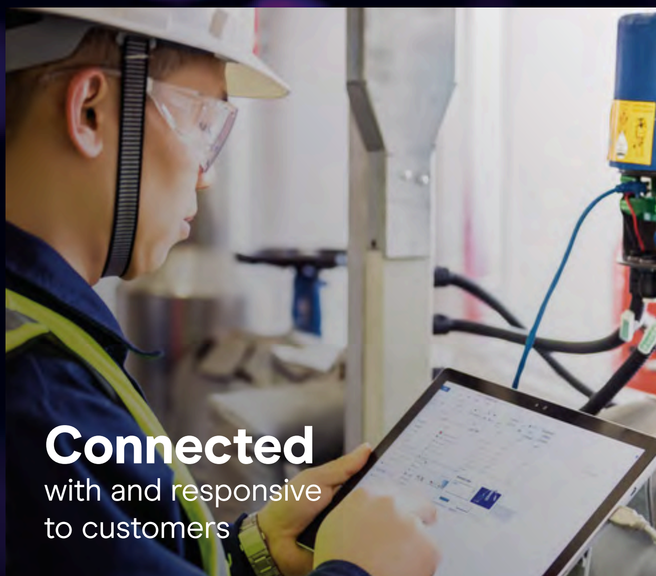
Mai Møllekær, STS Divisional Director, EMEA

...while building a simpler and more customer-focused future

Through these actions we are evolving Spirax Group for the future, building an organisation that is:

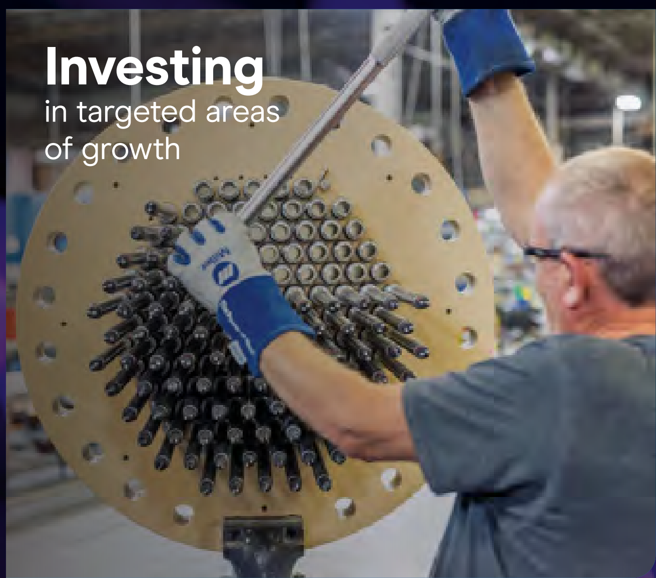


Simpler
more scalable and agile



Connected
with and responsive to customers

Efficient
and better able to leverage specialist capability



Investing
in targeted areas of growth

Links to our Vision

1 2 3 4 5

Read more on page 14

Links to our Together for Growth Strategy

Read more on pages 22 and 23

Using data and insights...

We want to be obsessed with our customers' changing needs. That means understanding the challenges and problems they face today, as well as anticipating their needs in the future.

We will do this by becoming even more connected to customers, augmenting the physical 'walk the plant' capabilities of our 2,150 direct sales engineers (DSEs) with connected and AI-enabled digital products that enable us to 'walk the data'. By leveraging our DSEs deep knowledge of customer operations and product application processes and by collecting and analysing our customers' critical data, we are able to model patterns and predict outcomes, including potential process downtime.

It's these insights that drive our ability to be customer obsessed. By being able to better anticipate customer needs, we become more agile in our ability to respond, providing customers with the right solution, at the right time.

Being digitally connected to our customers also enables us to improve their experience, supporting their end-to-end needs through new services and enhanced solutions, delivered through our 'Connect' IIoT platform, launching in the first half of 2025. The platform will be a critical enabler for driving increased and recurring revenue streams, as well as providing 'always on' customer value delivery.

Through this digital journey we aim to deliver tailored solutions that are firmly rooted in our insights, with expert support to address a broader set of customer needs that demonstrate our evolving role as a trusted customer partner.

Evolution in action

Digital service identifies failure; stops trouble from brewing...

The problem

Our customer, an international brewer, with more than 300 installed steam traps, was impacted by significant steam loss and reduced efficiency due to having limited visibility of real-time performance data.

> "Without the software we would not have identified the failure for a very long time."
>
> **Customer Energy Manager**

The solution

Typically, a steam trap survey would be undertaken annually, meaning that any failures in the system could stay undetected for up to 12 months. The STS EcoBolt Steam Trap Monitoring Service addresses this issue. As part of a trial, STS installed monitors on four steam traps within the main brewing process. By connecting these monitors to our digital platform dashboard, the customer and our sales engineers were able to monitor performance, energy consumption and detect failures in their critical operations.

The impact

The results were immediate, with the dashboard identifying a steam trap having 'failed open'. Without the monitoring in place, the customer would have been unaware that they were losing money, which over the period of one year could have cost as much as £3,200 with 13.2 tonnes of CO_2 being emitted as a result of thermal energy being wasted because of the failed steam trap. With EcoBolt in place, the time from trap failure to replacement was just 23 days. A later survey identified around 15% of the customer's steam traps had failed, demonstrating the significant value potential from digital monitoring for our customers' economics, as well as for our planet.

...to drive our obsession with customers' changing needs

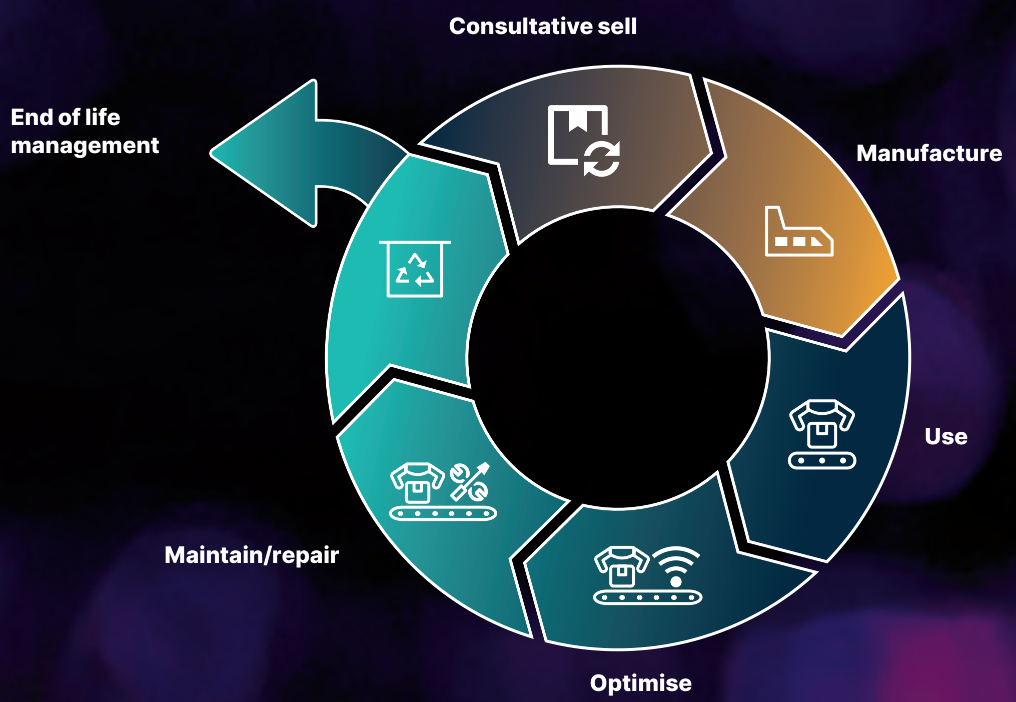
How Digital and Services deliver more customer value;

Insights:
Data is collected and analysed through connected and intelligent products, generating actionable insights that drive better customer solutions.

Enablement:
Best-in-class technology is combined with our application knowledge built over decades of being close to our customers to drive superior customer experience.

Services:
Deeper insights combined with our ability to support customers throughout more of their product lifecycle, create digital services for optimising critical processes, supporting predictive, proactive maintenance, and rapid repair. Keeping our customers' critical processes and equipment operating at maximum efficiency for as long as possible and supporting appropriate end of life product disposal.

Multiple revenue opportunities across the product lifecycle from Digital and Services



Links to our Vision

1 2 3 4 5

Read more on page 14

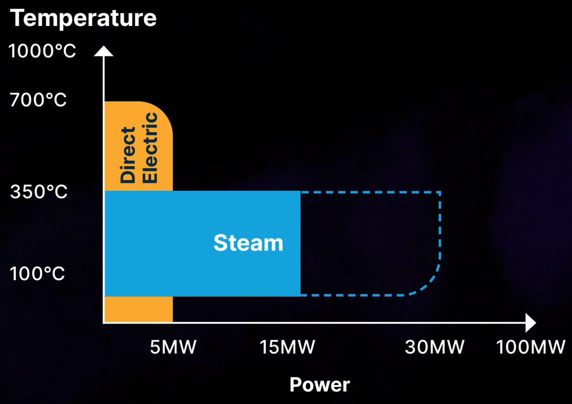
Links to our Together for Growth Strategy

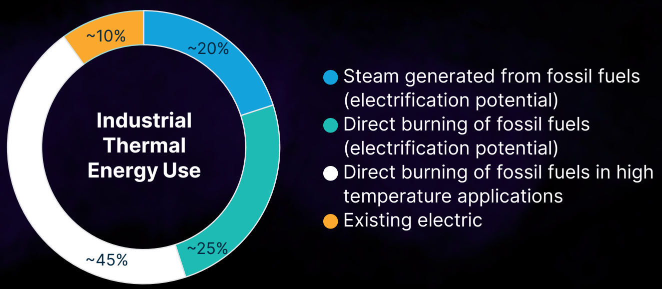
Read more on pages 22 and 23

Well positioned and ready...

Our steam and electric thermal energy management capabilities enable us to deliver solutions that decarbonise industrial thermal energy use and account for >5% of global carbon emissions today.

How we help customers deliver on their net zero requirements





These charts show the sources of industrial thermal energy use and the operating capabilities of steam and electric solutions. Steam is typically utilised at temperatures between 100°C and 350°C, in applications where higher power loads are required. It is also more versatile in its uses and remains the most efficient method of transferring thermal energy from point A to point B. This is why steam remains critical to our customers' processes.

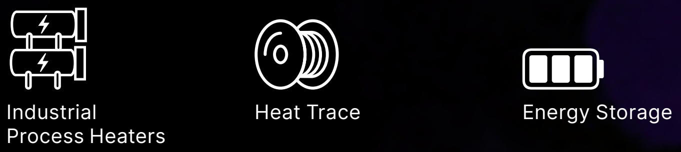
Electric solutions are utilised where higher temperatures are required, typically with lower power loads and where greater control is critical.

As a global leader in industrial thermal energy solutions, there is huge value to be unlocked from our combined expertise. That is our unique proposition. To help our customers reach their net zero goals through electrifying the generation of steam and replacing the direct burning of fossil fuels through direct electric technology. When combined with access to green electricity customers can reduce their scopes 1 and 2 emissions to zero.

And, as we highlighted on page 17 of the Report, this unique capability creates an additional £6.6 billion of annual addressable market opportunity for Spirax Group and highlights why ETS is so important to our future evolution and growth. Through its proprietary technology, proven track record in new product development, along with differentiated design engineering and bespoke manufacturing expertise, ETS' capabilities are critical to the decarbonisation opportunity of:

1. Steam generation through our **TargetZero** solutions

2. Replacing fossil fuel-fired direct heat with electric through our **PoweringZero** solutions



...to lead in energy transition through decarbonisation

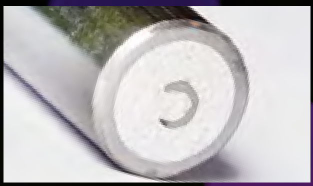
How an 'element' became indispensable to modern life

TargetZero and **PoweringZero** solutions all reply on one seemingly simple component. The electric heating element.

Our heating elements consist of four primary parts:

1 The Nichrome Resistance Wire, which provides the necessary heat

2 Magnesium Oxide Insulation, which offers dielectric strength to contain the electricity while being an excellent thermal conductor



3 The Metal Sheath, which allows the element to be directly immersed in industrial processes

4 The Termination, which seals the element and provides the electrical connection

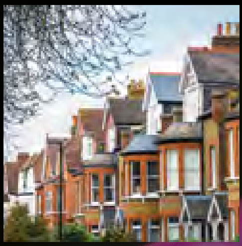
5 These components are core to our range of Low and Medium Voltage heating solutions that enable decarbonisation of thermal energy use

Powering the engineered solutions we all rely on
Our ability to transform these raw materials into highly engineered, mission-critical heating systems is what sets us apart as global leaders in both traditional Low Voltage and Medium Voltage electric heating technology. The element may seem simple, but the technology behind it is complex and highly engineered to deliver solutions essential to everyday life.

Supporting healthcare

Growing food

Powering technology



Heating homes

Putting cars on the road

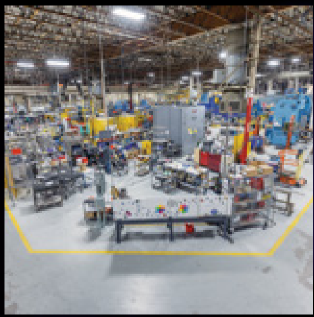
Our LV and MV manufacturing is undertaken at our Ogden facility in Utah, USA, which has already delivered:

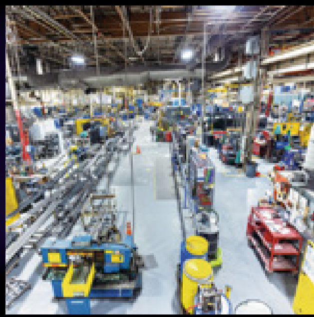
10,000
Medium Voltage heating elements

79
projects

137
systems

270MW
of installed capacity





You can read more about how Ogden production is pivotal to the decarbonisation of thermal energy use and the work of our team there to increase throughput on pages 50 and 51.

Investing further in our unique capabilities

As part of our evolution to capture the significant opportunity from decarbonisation, we are also investing further in our skills, capabilities and technologies.

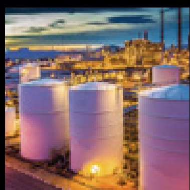
This also includes the next generation technologies required to serve sector specific needs, building on our current capabilities across Low Voltage and Medium Voltage technologies that currently serve sectors with temperature requirements between 400 and 700°C, and increasing these to address sectors with temperature requirements of 700°C and above.

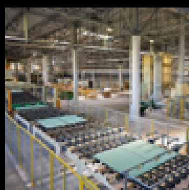
Heating temperature requirements of key industries

<120°C — 1000°C


Food & Beverage

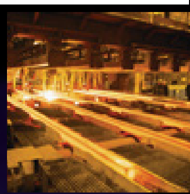

Building & Construction


O&G Processing


Gypsum & Board


Energy Storage


Petrochemical


Metal Processing

Existing LV Technology — Delivering today up to 700°C

Existing MV Technology — Delivering today up to 400°C

Next Generation MV Technology — Coming soon (2025-2026) up to 700°C

Next Generation LV and MV Technology — Longer term (2026+) >700°C

Powering Growth through Powering Zero

ETS has the capability to become a significant growth engine within Spirax Group. The combination of its market leading expertise in its targeted high growth sectors and applications combined with its complementarity to STS, will support delivery of mid-single digit organic growth over the medium term with a clear pathway to a 20% margin.

We have a track record of solving customer problems within their critical applications using our proprietary technologies and we have strong demand tailwinds and a record orderbook in both our Industrial Heating and Industrial Equipment segments.

In combination, the total decarbonisation opportunity we have across Spirax Group is material and that is why we are investing in these capabilities for the pursuit of multi-decade growth.

Read more about the operational improvements and investments we are making in our manufacturing capabilities to support this growth on pages 50 and 51.

Evolution in action

A trusted decarbonisation partner

We recently produced a 43-page assessment report following a visit by an ETS sales engineer to a speciality material manufacturer, producing high-end chemical additives.

Our report identified numerous opportunities across our TargetZero and PoweringZero solutions portfolio to decarbonise the manufacturing footprint and improve energy efficiency through electrification linked to a green electricity source.

And these results are quite typical when taking a holistic approach to thermal energy. Our report identified opportunities to electrify all facets of process heating in their single production plant, including the electrification of steam production through our TargetZero solutions, as well as electrification of their direct process heating and heat tracing needs through our PoweringZero solutions.

In total, we identified opportunities to reduce this plant's carbon footprint by 9,211 tons of CO_2 per year and to reduce their operational energy consumption for thermal processes by 19%.

This is the power of ETS within the Spirax Group. It's what happens when you combine the world's leading steam company with the world's leading electric heating company. You get the world's leading thermal energy capability, able to transition industrial process heating towards a more sustainable future.

	Target Zero		Powering Zero	
	Steam Systems		Process Heating	
Output	**Carbon** (CO_2/yr)	**Energy** (MWh)	**Carbon** (CO_2/yr)	**Energy** (MWh)
Spirax Group solutions	**0**	**38,128**	**0**	**3,091**

Links to our Vision

1 2 3 4 5

Read more on page 14

Links to our Together for Growth Strategy

Read more on pages 22 and 23

"On an organic basis sales were 4% higher, driven by growth in all three Businesses: STS (1%), ETS (10%) and WMFTS (3%)."

Louisa Burdett
Chief Financial Officer

Continued discipline enabled us to maintain the right mix of operating costs and protect our investment in long-term growth opportunities.

£m	FY 2023	Exchange	Organic	FY 2024	Organic	Reported
Revenue	1,682.6	(74.3)	56.9	**1,665.2**	4%	(1)%
Adjusted operating profit	349.1	(28.1)	12.9	**333.9**	4%	(4)%
Adjusted operating profit margin	20.7%			**20.1%**	10bps	(60)bps
Adjusted basic EPS (pence)	312.4			**286.3**		(8)%
Statutory operating profit	284.4			**304.6**		7%
Statutory operating profit margin	16.9%			**18.3%**		140bps
Basic EPS (pence)	249.5			**259.6**		4%

Group full year reported sales were 1% lower compared to 2023, including a material currency headwind of 5%. On an organic basis sales were 4% higher, driven by growth in all three Businesses: STS (1%), ETS (10%) and WMFTS (3%).

Group adjusted operating profit was 4% lower compared to 2023, including a material currency headwind of 8%, and therefore 4% higher organically. All three Businesses delivered organic growth in adjusted operating profit with STS growing by 1%, ETS 13% and WMFTS 11%.

Group adjusted operating profit margin of 20.1% was 10bps higher organically compared to 2023, benefitting from the organic sales growth. Continued discipline enabled us to maintain an appropriate mix of operating costs and protect our investment in long-term growth opportunities, notably Digital and Services. As anticipated, STS margin was broadly unchanged on an organic basis compared to 2023, with ETS margin 50bps higher and WMFTS margin 180bps higher.

Group statutory operating profit was 7% higher than in 2023 at £304.6 million, with statutory operating profit margin 140bps higher at 18.3%, driven by a number of charges that impacted the prior year. The reconciling items between adjusted operating profit of £333.9 million and statutory operating profit of £304.6 million are shown below:

- A charge of £34.1 million (2023: £37.2 million) for the amortisation of acquisition-related intangible assets
- A one-off impairment charge of £5.7 million relating to equipment used in the manufacture of certain Biopure products held in WMFTS with excess capacity
- A credit of £3.1 million relating to the deferred consideration payable by Vulcanic in relation to the acquisition of EML Manufacturing LLC in 2021
- Income of £4.2 million relating to a post-completion adjustment to the purchase consideration for Durex Industries
- A profit of £3.2 million on the disposal of Kyoto Group AS, an associate investment

Tax and interest

As expected, net financing expense was higher than in the prior year at £43.7 million (2023: £39.9 million) as a result of the full year impact of refinancing maturing fixed rate debt in late 2023. The new debt carries higher coupons due to increases in market interest rates. The Group does not expect a material change to net finance expense in 2025.

The Group effective tax rate reflects the blended average of rates in tax jurisdictions around the world in which the Group operates. The Group adjusted effective tax rate was 100bps higher at 26.5%, (2023: 25.5%), due to the reduced benefit of the inflation adjustment in Argentina and the impact of the OECD's Base Erosion and Profit Shifting (BEPS) 'Pillar Two' initiative. This was partially offset by non-recurring investment incentives in the USA. On a statutory basis the Group effective tax rate was 26.1% (2023: 24.7%). For 2025, the Group's adjusted effective tax rate is expected to be 27%, based on the forecast mix of profits, the inflation position in Argentina and the USA investment incentives not repeating.

Earnings per share and dividends

Adjusted earnings per share were 8% lower than in the prior year at 286.3 pence, consistent with the decrease in adjusted operating profit, higher net financing costs and the increase in the effective tax rate. Statutory basic earnings per share were 4% higher at 259.6 pence (2023: 249.5 pence). Statutory fully diluted earnings per share were not materially different to statutory basic earnings per share in either year.

The Board is proposing a final dividend of 117.5 pence per share for 2024 (2023: 114.0 pence) payable on 23 May 2025 to shareholders on the register at 25 April 2025. Together with the interim dividend of 47.5 pence per share (2023: 46.0 pence), the total dividend for the year is 165.0 pence per share, an increase of 3% on the total dividend of 160.0 pence per share in 2023, reflecting confidence in a return to higher levels of growth and margins. The total amount of dividends paid in the year was £119.3 million, 4% above the £114.9 million paid in 2023.

Currency movements

The Group's Income Statement and Statement of Financial Position are exposed to movements in a wide range of different currencies. The largest individual currency exposures are to the euro, US dollar, Chinese renminbi and Korean won. While the Group's businesses in Argentina are immaterial to the consolidated financial results, the volatility in the Argentinian peso has had a negative impact on reported financial performance.

Currency movements on translation negatively impacted Group sales by 5%. The currency impact on adjusted operating profit was adverse by 8% due to translational and transactional impacts of £26.0 million and £2.1 million respectively. The translation downside reflects the impact of the strengthening of sterling in 2024 against the currencies in which the Group operates. The main transactional exposure flow affecting the Group is the export of products from our factories in the UK, invoiced in sterling, less the import of goods from overseas Group factories and third parties which are priced predominately in euros and US dollars. The net exposure to transactional currency movements is approximately £150 million. Excluding the impact of the Argentinian peso, sales and adjusted operating profit were negatively impacted by 3% and 5% respectively. The timing of the material devaluation of the Argentine peso in December 2023 exacerbated the headwind impact based on a materially higher average exchange rate in 2024 compared to 2023.

If exchange rates at the beginning of March were to prevail for the remainder of 2025, there would be a headwind impact on 2024 sales and 2024 adjusted operating profit of 2% and 4% respectively.

Adjusted cash flow

Adjusted cash flow	2024 £m	2023 £m
Adjusted operating profit	**333.9**	349.1
Depreciation and amortisation (excl. leased assets)	**42.5**	44.2
Depreciation of leased assets	**17.6**	16.2
Additional contributions to pension schemes	**(6.4)**	(5.7)
Equity settled share plans	**3.1**	6.1
Working capital changes	**1.0**	(9.3)
Repayments of principal under lease liabilities	**(16.6)**	(16.1)
Capital expenditure (including software and development)	**(83.6)**	(102.8)
Adjusted cash from operations	**291.5**	281.7
Net interest	**(41.8)**	(37.7)
Income taxes paid	**(76.5)**	(90.7)
Adjusted Free cash flow	**173.2**	153.3
Net dividends paid	**(119.3)**	(114.9)
Proceeds from/(purchase of) employee benefit trust shares	**1.9**	(10.8)
Disposals/(Acquisitions) of subsidiaries/associates	**5.3**	(7.7)
Restructuring costs	**(2.4)**	(8.1)
Cash flow for the year	**58.7**	11.8
Exchange movements	**11.8**	11.9
Opening net debt	**(666.7)**	(690.4)
Net debt at 31 December	**(596.2)**	(666.7)
Lease liability	**(95.1)**	(96.7)
Net debt and lease liability at 31 December	**(691.3)**	(763.4)

There was a working capital inflow in the year, with the ratio of working capital to sales decreasing by 90bps to 21.9% (2023: 22.8%).

Net capital expenditure in the year of £83.6 million (2023: £102.8 million), at 5% of sales, was lower than we had anticipated and lower than in the prior year. Construction of a new manufacturing facility for our Gestra business in Germany has been put on hold and the phasing of spend for the investment in ERP has shifted into 2025 and beyond, as a consequence of the decision to implement a common design for the three Businesses. For 2025, we expect net capital expenditure to be in the range of 5%-6% of sales.

Adjusted cash from operations of £291.5 million (2023: £281.7 million) was £9.8 million higher, resulting in an improved adjusted cash conversion of 87% (2023: 81%). The improvement in cash conversion was driven by the lower net capital expenditure together with improved working capital management which offset the fall in adjusted operating profit.

Adjusted free cash flow of £173.2 million (2023: £153.3 million) has increased by 13% driven by improved adjusted cash from operations as well as a reduction of taxes paid in the year. Taxes paid in the year have decreased by 16% due to lower adjusted operating profit, as well as non-recurring investment tax incentives received in the USA in the current year.

New shares issued through the Employee Benefit Trust for the Group's various employee share schemes resulted in a cash inflow of £1.9 million. No shares were purchased for the Employee Benefit Trust in the current financial year reflecting a lower vesting of the Group's Performance Share Plan (2023: net outflow of £10.8 million).

Financing and liquidity

Net debt (excluding leases) at 31 December 2024 was £596.2 million (2023: £666.7 million), with a net debt to EBITDA ratio of 1.6x (2023: 1.7x).

As at 31 December 2024, total committed and undrawn debt facilities amounted to £400 million, representing a fully undrawn Revolving Credit Facility, in addition to a net cash balance of £233.9 million. In the year, the Group issued €90 million of new US Private Placement notes at a fixed coupon of 3.85%. The average tenor of our debt is over four years with the next contractual repayment maturity in October 2025 for floating rate debt of US$150 million as at 31 December 2024.

Return on capital employed (ROCE)

ROCE was 260bps lower at 35.5%(2023: 38.1%). Excluding the impact of leases, ROCE decreased by 240bps to 39.2% (2023: 41.6%), driven by the adverse FX impact on adjusted operating profit. The definition and analysis of ROCE is included in the Appendix to the Financial Statements.

Return on invested capital (ROIC)

ROIC was 70bps lower at 12.8% (2023: 13.5%). Excluding the impact of leases, ROIC decreased by 60bps to 13.4% (2023: 14.0%), driven by the decrease in adjusted operating profit after tax. The definition and analysis of ROIC is included in the Appendix to the Financial Statements.

Fundamentals of financial resilience

The macroeconomic environment continued to be challenging in 2024 with global Industrial Production growth (IP) of 1.7%, with particular challenges in North America (-0.3%) and Europe (-0.3%). Additionally, the Group continued to be impacted by two specific external challenges in the Pharmaceutical & Biotechnology (Biopharm) and Semiconductor (Semicon) sectors, which held back sales progress in WMFTS and margin progress in ETS respectively. Despite this challenging backdrop the financial results reflect the relative resilience of the business model. The Group continued to focus on organic growth supported by its unique direct sales model and continued to invest in key strategic initiatives that will drive future growth including supporting decarbonisation solutions and building additional digital capability. The Group's long-standing track record of increasing returns to shareholders has continued with a proposed year-on-year increase in ordinary dividend of 3%.

The Group's products and solutions continue to support critical industrial processes across a broad range of industries and geographical markets. As in previous years, the Group outperformed Global IP due to our solutions-sales ability (accounting for 40% of sales) and a significant base business in maintenance and repair sales (accounting for 45% of sales). These sales are funded from customers' operating budgets. The remaining 15% of sales are related to large projects, funded from customers' capital expenditure budgets, which are more heavily influenced by economic cycles. Approximately 60% of sales are to defensive, less cyclical sectors and no single customer accounts for more than 1% of Group sales.

Resilience over the short, medium and long term

The Group's business model continued investments to support future growth and strong cash conversion, position us well to adapt to economic cycles. Our Going Concern and viability analysis provides confidence in the robust nature of both the business and capital structure, even when analysed under a number of potential downside scenarios.

The Group has undertaken scenario-based modelling of the key risks identified that could impact the business, the results of which underpin confidence in the short and medium-term resilience of the Group. The continued implementation of the strategy supports longer-term resilience, and the Group continues to closely monitor and respond to the changing external economic, environmental, and social factors that will impact the markets in which the Group operates in the future.

Going Concern Statement

When managing liquidity, the Group's principal objective is to safeguard the ability to continue as a going concern for at least 12 months from the date of signing the 2024 Annual Report. The Group retains sufficient resources to remain in compliance with all the required terms and conditions within its borrowing facilities, with material headroom. No material uncertainties have been identified.

The Group continues to conduct ongoing risk assessments with its business operations and on its liquidity. Consideration has also been given to 'reverse stress tests', which seek to identify factors that might cause the Group to require additional liquidity and form a view as to the probability of these occurring.

The Group's financial position remains robust, with the next maturity of our committed debt facilities being US $150m of Bank Term loan which matures in October 2025 and is reflected in the cash flow forecast model. The Group's debt facilities contain a leverage (Net debt/EBITDA) covenant of up to 3.5x. Certain debt facilities also contain an interest cover (EBITDA/Net Finance Expense) covenant of a minimum of 3.0x. The Group regularly monitors its financial position to ensure that it remains within the terms of these debt covenants. At 31 December 2024 leverage (net debt divided by adjusted earnings before interest, tax, depreciation and amortisation) was 1.6x (31 December 2023: 1.7x), interest cover (adjusted earnings before interest, tax, depreciation and amortisation divided by net bank interest) was 10x at 31 December 2024 (31 December 2023: 10x).

Reverse 'stress testing' was also performed to assess the level of business under-performance that would be required for a breach of the financial covenants to occur. The results of these tests evidenced that no reasonably possible change in future forecast cash flows would cause a breach of these covenants. The reverse stress test cash flow modelling does not consider any mitigating actions that the Group would implement in the event of a severe and extended revenue and profitability decline. Such actions would serve to further increase covenant headroom.

Having assessed the relevant business risks (as outlined in our Principal Risks on pages 83 to 87); the potential impact of any climate change related risks (as outlined within the Task Force on Climate-related Financial Disclosures section on pages 88 to 96), and the liquidity and covenant headroom available under several alternative scenarios (as set out in the viability assessment below), the Directors consider it appropriate to continue to adopt the going concern basis in preparing the Financial Statements.

Assessment of prospects and viability

The Board assessed the prospects of the Group through its annual strategic and five year financial planning process in June 2024. In conjunction, it considered the Group's current financial position, business strategy, the Board's risk appetite and the potential impacts of the Group's Principal Risks. The eight Principal Risks that have been identified are listed on pages 83 to 87.

The Board has adopted a five-year viability assessment, which it believes to be appropriate as this timeframe is covered by the Group's forecasts; considers the nature of the Group's Principal Risks, a number of which are external and have the potential to impact over short time periods; and is in alignment with the Group's principal committed financing facility duration. While the Board has no reason to believe that the Group will not be viable over a longer period, given the inherent uncertainty involved over more extended time periods, the Board believes that a five-year period provides a reasonable degree of confidence while still providing a longer-term perspective.

In making their assessment, the Board completed a robust assessment, supported by detailed cash flow modelling, of the Principal Risks facing the Group, including those that would threaten its business model, future performance, solvency, or liquidity. In addition to completing an impact assessment of the Principal Risks, the Board considered the probability of the occurrence of the risks, the Company's ability to safeguard against them and the effectiveness of mitigating actions. In every modelled scenario the Group is able to demonstrate that it continues to remain viable. The scenarios modelled that support this process are as follows.

Assessment of viability continued

Scenarios modelled[1]	Links to Principal Risks
Scenario 1: Revenue Fall The Group's operations are subjected to a material and unexpected reduction in demand due to a crisis occurring in China. The crisis in China results in the nationalisation of the China based operations. **Assumptions:** • Sales: Immediate loss of revenue from Chinese businesses. Global IP declines by 8% (in line with 2009 financial crisis), driving an 8% decline in Group Revenue in FY 2025, with recovery back to base case from FY 2027 to FY 2029 • Margin: Immediate loss of profit from Chinese businesses, alongside a reduction in earnings due to decline in sales • FX: Due to global volatility a flight to western currencies occurs. This results in GBP strengthening against all major APAC currencies by 20%	**Risk 1:** Economic and political instability **Risk 2:** Significant exchange rate movement **Risk 5:** Loss of manufacturing output at any Group factory **Risk 7:** Inability to identify or respond to changes in customer needs: Digital/non-Digital.
Scenario 2: Exceptional Charge The Group breaches Anti Bribery and Corruption (ABC) regulations and is subjected to an immediate regulatory fine. As a result, the Group's reputation is impaired causing an immediate reduction in sales. **Assumptions:** • Sales: Non-delivery of sales growth from the 2025 Plan due to reputational damage, resulting in a lost year of growth. Recovery in line with our medium-term plan (MTP) projections from 2026 onwards • Margin: Regulatory fine equal to 10% of 2024 Group Trading Profit levied immediately	**Risk 8:** Breach of legal and regulatory requirements (including ABC laws)
Scenario 3: Cyber Attack A cyber attack utilising ransomware occurs and succeeds in paralysing Spirax Group systems, including ageing ERP platforms that are utilised to provide data insights to respond to customer demands, resulting in an inability to trade. A £25m payment is made to release the ransomware. **Assumptions:** • Sales: 5% of Group Sales are permanently lost due to an inability to trade. Recovery in line with MTP projections from 2026 onwards • Margin: Ransomware payment of £25m is paid immediately to release systems. £20m of additional investment in cybersecurity is made over years 2 to 5	**Risk 3:** Ageing Enterprise Systems **Risk 4:** Cybersecurity **Risk 7:** Inability to identify or respond to changes in customer needs: Digital/non-Digital.
Scenario 4: Acquisition Failure The four ETS businesses (Chromalox, Thermacoax, Vulcanic and Durex Industries) materially underperform their business plan. This leads to poor results and ultimately the disposal of the ETS division. **Assumptions:** • Sales: ETS sales decline by 20% from 2024 results over the scenario period • Cost: ETS goodwill fully impaired in 2025. ETS disposed of at a multiple of 8x EBITDA during 2029	**Risk 6:** Failure to realise acquisition objectives

1 All scenarios modelled assume all debt maturing in the 5-year period is not refinanced

A further scenario was modelled to ascertain what level of revenue or adjusted profit margin reduction would be required to cause a breach of the Group's debt covenants. The reductions in revenue and adjusted profit margin required to breach Group's debt covenants were in excess of 15% within a 12-month period, significantly higher than those modelled in the above scenarios and greater than the impact experienced during the severe global economic downturn in 2009. This scenario assumed no mitigating actions were taken. Mitigating actions available could include reductions in operating and capital expenditure and shareholder dividends.

Whilst linked to the Group's Principal Risks, the scenarios modelled are hypothetical and designed to test the ability of the Group to withstand such severe outcomes. In practice, the Group has an established series of risk control measures that are designed to both prevent and mitigate the impact of such risks. The results of the stress testing undertaken illustrate that the Group would be able to absorb the impact of the scenarios considered should they occur within the assessment time period. In all the scenarios considered the Group remains within its debt covenants.

Viability Statement

Based on the outcomes of the scenarios and considering the Group's financial position, strategic plans and Principal Risks, the Directors have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment. The Directors' Statement regarding the adoption of the going concern basis for the preparation of the Financial Statements can be found on page 35.

Long-term resilience

The Group has a long track record, over 130 years, of consistently adapting to changing macro-economic, environmental and social factors supported by the business model. While the strategy and business model lessen any material impact from the principal risk factors, the Group nevertheless continuously reviews markets, listens to customers and adapts solutions, while working responsibly and in line with the Group's Values to build long-term sustainability.

The Group has a highly resilient business and strategy that will remain relevant across different climate related scenarios.

We recognise the need to anticipate and mitigate the impact of climate-related change. Although not classed as a Principal Risk for the Group, the TCFD disclosures on pages 88 to 96 detail the anticipated impact of climate change related change on the Group's longer term resilience.

The commitment to net zero targets will have a profound effect on industrial activity over the coming decades and is an additional source of growth for our Group over at least the next 30 years. To address the opportunities arising from the decarbonisation of industrial thermal energy processes, we have invested significantly in the development of sustainable products and solutions that help customers meet their own sustainability goals.

2025 guidance

Market environment

The global macroeconomic environment remains highly uncertain impacting the outlook for industrial production, which is an important driver of demand across our three Businesses. CHR's forecast for 2025 global IP is currently 2.1%, with growth weighted towards the second half and sequential improvements quarter-on-quarter throughout the year. In recent years IP forecasts have been revised downward as the year has progressed. We remain cautious on IP in 2025 and have adopted more conservative assumptions in our planning.

We expect trading conditions in China to remain challenging as customers continue to reduce investments in the expansion of manufacturing capacity. We are also seeing the impact of political instability in Korea, which is STS' second largest market in Asia Pacific, and together with China accounts for 22% of STS sales and approximately 15% of Group sales.

Following the beginning of a recovery in Biopharm new order intake in 2024, we expect double-digit order growth to continue through 2025.

Exchange rates

Our organic growth guidance is based upon 2024 results as restated for the impact of exchange rate movements in 2025. If exchange rates at the beginning of March were to prevail for the remainder of the year, 2024 sales would be approximately 2% lower at £1,632 million and 2024 adjusted operating profit would be approximately 4% lower at £321 million, resulting in an adjusted operating profit margin of 19.6%.

2025 outlook

We anticipate organic growth in Group revenues consistent with that achieved in 2024 and well ahead of IP. We expect modestly higher growth in the second half, reflecting the forecast trend of improving IP and ongoing recovery in Biopharm demand though the year. As a result, Group adjusted operating profit margin is expected to be ahead of the currency adjusted 19.6% margin in 2024, driving mid-single digit organic growth in adjusted operating profit.

We expect STS to deliver low-single digit organic sales growth, with growth outside China again ahead of IP, partially offset by weaker trading in China and Korea. We expect margin to remain broadly level with 2024. In ETS, we anticipate mid to high-single digit organic sales growth supported by ongoing operational improvement and recovery in Semicon demand, which will deliver continued margin progress. In WMFTS, we anticipate mid-single digit organic sales growth driven by a continuation of the recovery in Biopharm orders and Process Industries outperforming IP, to deliver high-single digit organic profit growth and an increase in margin compared to 2024.

We expect corporate costs of approximately £40 million, reflecting higher levels of investment in growth, such as digital initiatives that are funded centrally and an unwinding of share-based variable compensation that did not vest in prior years. We anticipate similar net financing costs to 2024 and an effective tax rate of 27%. We expect cash conversion of greater than 80% in 2025.

2025 restructuring

At our capital markets event in October, we set out our intention to simplify our organisation and optimise our manufacturing footprint, following significant expansion over the past decade, while redeploying cost savings to fund investment in future organic sales growth.

In January, we began the implementation of a restructuring programme that is expected to realise annualised savings of approximately £35 million, with 40% achieved in 2025. The cash costs to deliver this programme will be mostly incurred in 2025 and are expected to be approximately £35 million, with an additional non-cash cost of £5 million. These costs will be excluded from our adjusted operating profit and are excluded from the margin guidance above. The expected savings, net of reinvestment in future growth, are included within Group, as well as Business margin guidance.

Beyond 2025 and over the medium term we will continue to seek ways to further optimise our operations and our manufacturing footprint, to maximise efficiency.

Louisa Burdett
Chief Financial Officer
10 March 2025

Ten-year financial summary

	2015 £m	2016 £m	2017 £m	2018 £m	2019 £m	2020 £m	2021 £m	2022 £m	2023 £m	**2024 £m**
Revenue	667.2	757.4	998.7	1,153.3	1,242.4	1,193.4	1,344.5	1,610.6	1,682.6	**1,665.2**
Operating profit	142.8	174.1	198.9	299.1	245.0	249.0	320.9	318.8	284.4	**304.6**
Adjusted operating profit*	152.4	180.6	235.5	264.9	282.7	270.4	340.3	380.2	349.1	**333.9**
Adjusted operating profit margin*	22.8%	23.8%	23.6%	23.0%	22.8%	22.7%	25.3%	23.6%	20.7%	**20.1%**
Profit before taxation	139.7	171.4	192.5	288.8	236.8	240.1	314.5	308.1	244.5	**258.9**
Adjusted profit before taxation*	151.1	177.9	229.1	254.6	274.5	261.5	333.9	370.6	309.2	**288.2**
Profit after taxation	96.7	121.3	157.9	223.4	167.0	173.9	234.9	225.0	184.0	**191.4**
Adjusted cash from operations	146.2	185.0	203.8	242.9	238.1	275.8	279.0	214.9	281.7	**291.5**
Cash conversion	95.9%	102.4%	86.5%	91.7%	84.2%	102.0%	82.0%	56.5%	80.7%	**87.3%**
Capital expenditure to sales††	5.0%	5.7%	3.8%	3.8%	5.0%	4.2%	4.8%	7.3%	6.3%	**5.6%**
Basic earnings per share	129.9p	165.0p	214.4p	303.1p	226.2p	235.5p	318.3p	305.1p	249.5p	**259.6p**
Adjusted earnings per share*	142.6p	171.5p	220.5p	250.0p	265.7p	256.6p	338.9p	377.2p	312.4p	**286.3p**
Dividends in respect of the year	50.6	55.8	64.4	73.6	81.1	87.0	100.2	112.0	117.8	**121.6**
Dividends in respect of the year (per share)	69.0p	76.0p	87.5p	100.0p	110.0p	118.0p	136.0p	152.0p	160.0p	**165.0p**
Net assets	398.3	524.4	609.5	766.9	826.3	852.3**	1,010.0	1,169.8	1,157.7	**1,209.2**
Return on capital employed†	41.1%	44.8%	49.8%	51.6%	52.5%	48.9%**	59.3%	53.3%	41.6%	**39.2%**
Return on invested capital†	27.1%	28.7%	22.6%	19.3%	19.0%	17.8%**	22.9%	19.0%	14.0%	**13.4%**

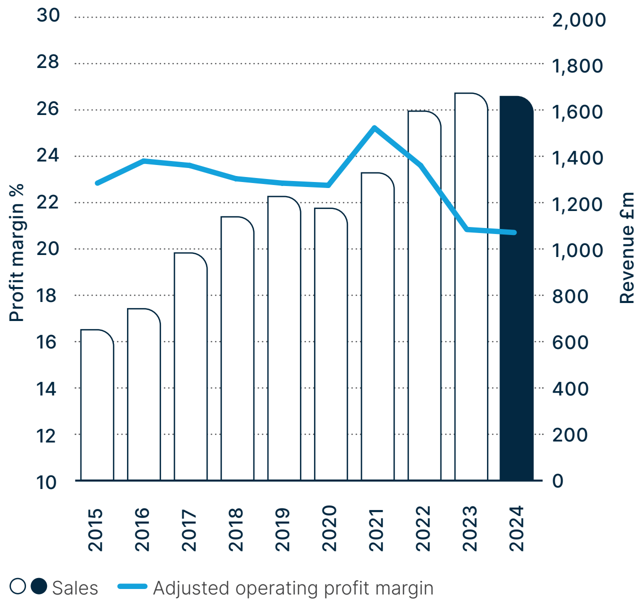
* All adjusted profit measures exclude certain items as set out and explained in the Financial Review and in the Appendix to the Financial Statements

** 2020 has been restated following the IFRS Interpretations Committee agenda decision on configuration and customisation costs in cloud computing arrangements (Software as a Service (SaaS)), see Note 1 to the Financial Statements for further details

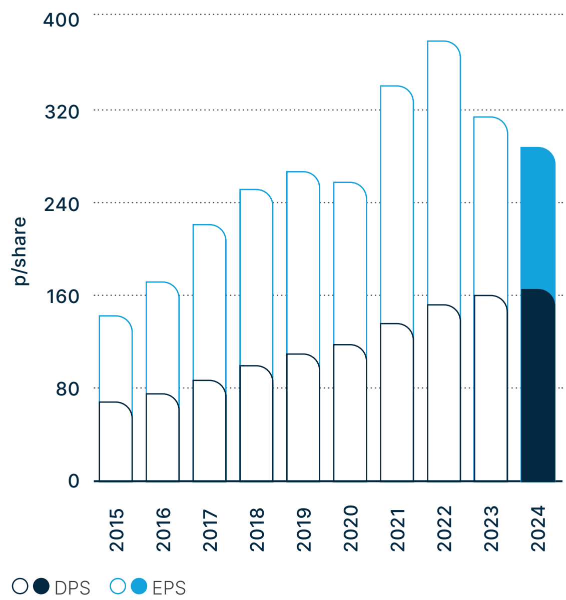
† The results for 2019 to 2024 exclude the impacts of IFRS 16, which was adopted in 2019

†† Capital expenditure excludes IFRS 16 Lease repayments

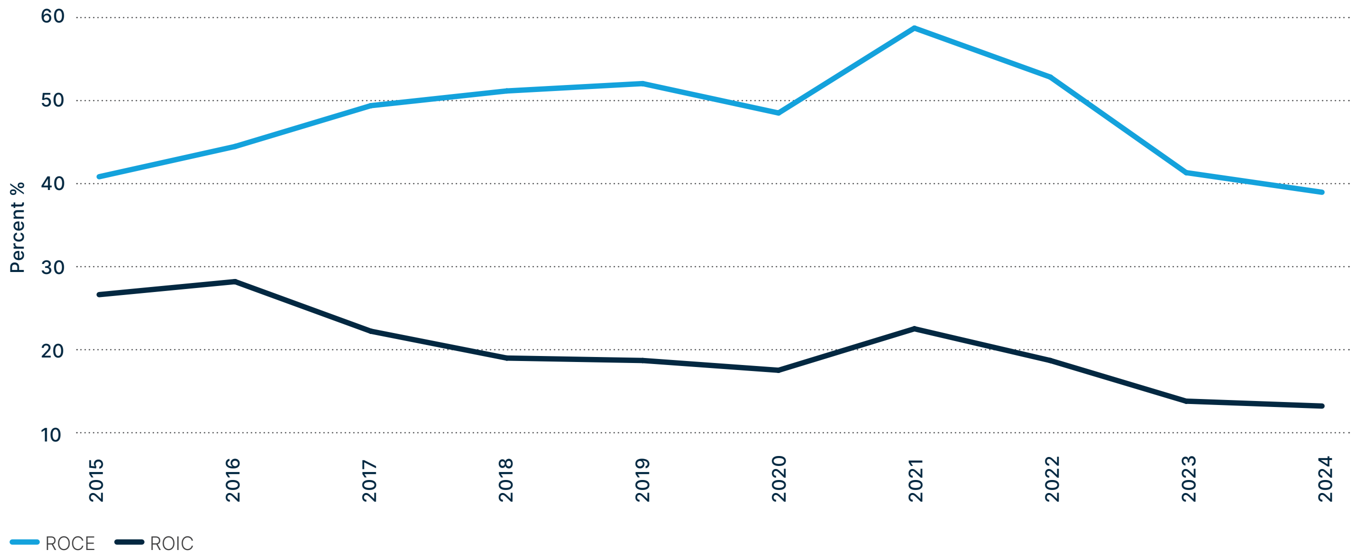
Revenue and adjusted operating profit margin £m/%



Dividends and adjusted earnings per share p



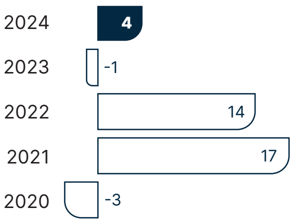
Return on capital employed and return on invested capital %



Key Performance Indicators

1. Organic revenue growth†

4%



Link to Principal Risk

1 2 3 4 5 6 7 8

Definition

Organic revenue growth measures the change in revenue in the current year compared with the prior year from continuing Group operations. The effects of currency movements, acquisitions and disposals have been removed.

Progress in 2024

Sales increased by 1% organically in Steam Thermal Solutions, by 10% organically in Electric Thermal Solutions and by 3% organically in Watson-Marlow Fluid Technology Solutions.

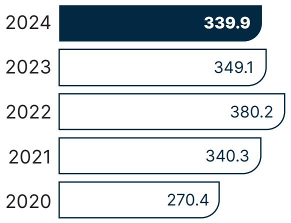
Read about the progress we have made in 2024 in our three Businesses in the Operating Review on pages 42 to 55

Link to remuneration

Revenue growth is a key driver of profit generation and a central element in the annual planning process. Bonus targets are driven off annual plans and therefore revenue growth drives a key measure of variable remuneration.

2. Adjusted operating profit*

£333.9m



Link to Principal Risk

1 2 3 4 5 6 7 8

Definition

Adjusted operating profit is the profit earned from our business operations before interest, taxes, the share of profit of associate companies and certain other items.

Progress in 2024

Adjusted operating profit decreased by 4% on a reported basis, however, stripping out a headwind of 8% caused by exchange rates, it increased by 4% on an organic basis.

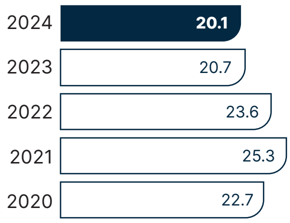
Read about the progress we have made in 2024 in our three Businesses in the Operating Review on pages 42 to 55

Link to remuneration

A significant proportion of Executive Directors' bonuses are based on the achievement of adjusted operating profit targets.

3. Adjusted operating profit margin*

20.1%



Link to Principal Risk

1 2 3 4 5 6 7 8

Definition

Adjusted operating profit margin is defined as adjusted operating profit expressed as a percentage of revenue.

Progress in 2024

Adjusted operating profit margin decreased by 60bps to 20.1%. On an organic basis, the adjusted operating profit margin increased by 10bps.

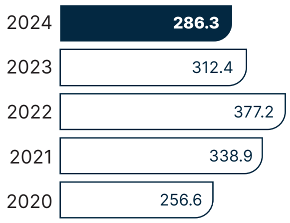
Read about the progress we have made in 2024 in our three Businesses in the Operating Review on pages 42 to 55

Link to remuneration

Executive Directors' variable remuneration is based on a number of financial components of which adjusted operating profit margin is a key driver.

4. Adjusted earnings per share (EPS)*

286.3p



Link to Principal Risk

1 2 3 4 5 6 7 8

Definition

Adjusted EPS is a measure of the profit performance of the Group, taking into account the equity structure. Adjusted EPS is defined as the adjusted after-tax profit attributable to equity shareholders divided by the weighted average number of shares in issue.

Progress in 2024

Adjusted EPS decreased by 8% to 286.3 pence, in line with a decrease in adjusted profit before tax.

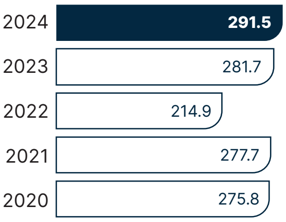
Read about the progress we have made in 2024 in our three Businesses in the Operating Review on pages 42 to 55

Link to remuneration

Adjusted EPS growth over a three-year period is a key measure within the Group's Performance Share Plan.

5. Cash generation*

£291.5m



Link to Principal Risk

1 2 3 4 5 6 7 8

Definition

Cash generation is adjusted operating profit after adding back depreciation and amortisation, less cash payments to pension schemes in excess of the charge to operating profit, equity settled share plans, net capital expenditure excluding acquired intangibles, working capital changes and repayment of principal under lease liabilities.

Progress in 2024

Cash conversion improved to 87%, driven by a change in phasing of larger capital projects and lower working capital outflows.

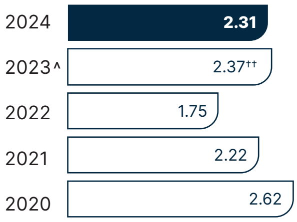
Read about the progress we have made in 2024 in our three Businesses in the Operating Review on pages 42 to 55

Link to remuneration

Cash conversion is one of two financial measures on which Executive Directors' variable remuneration is based.

6. All-workplace Injury rate#

2.31



Link to Principal Risk

1 2 3 4 5 6 7 8

Definition

The number of workplace injuries per 100,000 hours worked. The workplace is any location in which an employee is present as a requirement of employment. Employees include all permanent and temporary staff and contractors. All injuries that occur in workplaces, regardless of cause.

Progress in 2024

Our all-workplace injury rate decreased 2.5% during 2024^ (9% excluding our acquisitions, 1.66†† in 2023 to 1.51 in 2024). Furthermore, it is encouraging that serious lost time incidents across the Group fell from 18 to 5, which is an indication that our wider risk reduction strategy is continuing to make an impact.

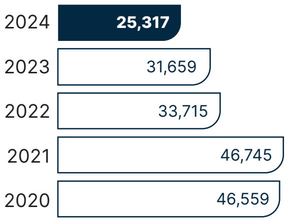
Read about the progress we have made in 2024 in our three Businesses in the Sustainability Report on pages 56 to 77

Link to remuneration

The safety of our colleagues is central to the sustainability of our business and has an impact on the financial success and profitability of the Group. Improving the health, safety and sustainability of our Group is one of the personal strategic objectives of each Executive Director, creating a direct link with remuneration.

7. Group GHG emissions (scopes 1 and 2) tonnes CO_2e (market-based)**

25,317



Link to Principal Risk

1 2 3 4 5 6 7 8

Definition

Scope 1 greenhouse gas (GHG) emissions: Direct emissions from company-owned or controlled sources (e.g., vehicles, fuel combustion). Scope 2 market-based GHG emissions: Indirect emissions from purchased electricity, considering contractual and supplier-specific emissions factors.

Progress in 2024

GHG (scopes 1 and 2) decreased by 20% compared to 2023 and by 52% against our 2019 baseline, meeting our 2025 target a year early. Achieved through a combination of energy efficiency, decarbonisation initiatives and a transition to renewable electricity.

Read about the progress we have made in 2024 in our three Businesses in the Sustainability Report on pages 56 to 77

Link to remuneration

GHG emission reductions over three-year periods accounts for 20% of the Performance Share Plan opportunity.

Principal Risks

1. Economic and political instability
2. Significant exchange rate movement
3. Ageing Enterprise systems
4. Cybersecurity
5. Loss of manufacturing output at any Group factory
6. Failure to realise acquisition objectives
7. Inability to identify and respond to changes in customer needs: digital/ non-digital
8. Breach of legal and regulatory requirements (including ABC laws)

Link to Principal Risk key:

- Direct link
- Indirect link
- No link

See our Principal Risks on pages 83 to 87 of our Risk Management Report

For more information about remuneration, see pages 129 to 147

† Organic growth is at constant currency and excludes contributions from acquisitions and disposals, see the Appendix to the Financial Statements.

* Adjusted measures exclude certain items as set out and explained in the Financial Review and in the Appendix to the Financial Statements.

^ Includes 2022 acquisitions from this date

Per 100,000 hours worked

†† Adjusted from 1.55 following an audit by Group H&S

** Includes Vulcanic and Durex Industries: estimated data 2019-2022, actual data 2023-2024

Market environment and operational performance at a glance

Market environment

IP in 2024 was 1.7% or 0.8% excluding China, lower than had been forecast at the beginning of the year. Following weak IP in the first half, the expected second half recovery did not materialise. Second half IP excluding China of 1.0% was well below the forecast of 1.5% (August 2024) and our own more conservative expectations.

IP was weak across almost all regions and negative in both the first and second halves of the year in key markets such as the USA, Germany, France, Italy and the UK that represent approximately 50% of Group sales. This is only the third time in the last four decades that IP has contracted in these key markets at the same time. IP forecasts for China remain uncertain, with a wide range of expectations across different providers.

We are closely monitoring potential US tariffs on global trade and the impact on our operations. In all three of our Businesses, we manufacture in the USA to meet a significant proportion of domestic demand. Through a combination of this regional manufacturing, changes to sourcing and price management, we are prepared to respond to the effects of USA tariffs. The precise impact on trading will depend on details yet to be announced by the USA government, as well as the broader consequences for the macroeconomic outlook.

	2024			2025
Industrial production growth (IP)	**H1**	**H2**	**FY**	FY
Europe	**-0.2%**	**-0.4%**	**-0.3%**	1.9%
North America	**-0.1%**	**-0.4%**	**-0.3%**	0.6%
South America	**-1.8%**	**1.9%**	**0.0%**	3.3%
Asia	**2.6%**	**3.7%**	**3.1%**	2.7%
Global	**1.3%**	**2.0%**	**1.7%**	2.1%
Global (excluding China)	**0.6%**	**1.0%**	**0.8%**	1.9%

Source: CHR Economics February 2025.

Growth Drivers

- Commercial Excellence
- Operational Excellence
- Organisational Fitness
- Digital and Services
- Decarbonising Thermal Energy

For more information on our Growth Drivers see page 22

STS is a global leader in the design and supply of industrial and commercial steam systems, including condensate management, controls and thermal energy management products and solutions. The broad range of applications across multiple sectors that require steam to transfer large energy loads in the form of heat, as well as our large and geographically diverse installed base, underpin an enduring source of MRO and solution-selling revenues for STS.

Progress in 2024:

Revenue (£)
£867.9m
(2023: £910.1m)

Adjusted operating profit (£)
£204.1m
(2023: £224.0m)

Adjusted operating profit margin (%)
23.5%
(2023: 24.6%)

Statutory operating profit (£)
£198.9m
(2023: £205.2m)

Statutory operating profit margin (%)
22.9%
(2023: 22.5%)

Operating units
61

Countries with a resident direct sales presence
67

Colleagues
5,000+

Key industries

- Food & Beverage
- OEM Machinery
- Pharmaceutical & Biotechnology
- Chemicals

Read more on page 21

ETS is uniquely positioned to enable the energy transition and decarbonisation journeys of our customers. We combine technical expertise, process insights and proprietary technology to deliver electrical process heating and temperature management solutions, including industrial heaters and systems, heat tracing and a range of component technologies. Our solutions for equipment heating are critical in applications that require precise control of very high temperatures and concentrated power loads.

Progress in 2024:

Revenue (£)
£404.6m
(2023: £378.5m)

Adjusted operating profit (£)
£64.7m
(2023: £59.2m)

Adjusted operating profit margin (%)
16.0%
(2023: 15.6%)

Statutory operating profit (£)
£46.1m
(2023: £25.8m)

Statutory operating profit margin (%)
11.4%
(2023: 6.8%)

Operating units
36

Countries with a resident direct sales presence
20

Colleagues
2,700+

Key industries

- Power Generation
- Semiconductor
- Oil & Gas
- Food & Beverage

Read more on page 21

Fluid technology solutions critically enable a wide range of industrial processes and applications, from those requiring sterility and accuracy to high-volume pumping of corrosive materials. WMFTS designs and manufactures peristaltic and niche pumps and associated fluid path technologies, including tubing, specialised filling systems and products for single-use applications. Our pump and fluid path technologies provide industry-leading, sustainable solutions to deliver secure and accurate metering, dosing, transfer and filling for industries such as Pharmaceutical & Biotechnology, Food & Beverage, Water & Wastewater, Mining and Healthcare.

Progress in 2024:

Revenue (£)
£392.7m
(2023: £394.0m)

Adjusted operating profit (£)
£99.0m
(2023: £93.7m)

Adjusted operating profit margin (%)
25.2%
(2023: 23.8%)

Statutory operating profit (£)
£90.3m
(2023: £81.2m)

Statutory operating profit margin (%)
23.0%
(2023: 20.6%)

Operating units
47

Countries with a resident direct sales presence
42

Colleagues
2,000+

Key industries

- Pharmaceutical & Biotechnology
- Food & Beverage
- Water & Wastewater
- Healthcare

Read more on page 21

Steam Thermal Solutions

> "Against a challenging macroeconomic backdrop, STS continued to focus on target, higher growth sectors and increasing MRO and solution-sales from our large installed base."

Maurizio Preziosa
Managing Director, Steam Thermal Solutions

Financial progress

Demand

Demand for STS products and solutions is intrinsically linked to IP, which was weaker in 2024 than expected at the beginning of the year. In key STS markets such as the USA, Germany, France, Italy and the UK, IP contracted in 2024. Against this challenging backdrop, we continued to focus on our target, higher growth sectors and increasing MRO and solution-sales from our large installed base.

In China, STS has historically benefitted from strong demand arising from the large-scale expansion of manufacturing capacity over the last two decades, financed from customers' capital expenditure budgets. Larger projects accounted for approximately 60% of China sales in 2023, a much higher proportion than for STS outside China. In 2023, larger project demand was also driven by the easing of COVID-related lockdowns and capacity expansions in the Pharmaceutical and Electric Vehicle Battery sectors, weighted heavily to the first half of the year. In 2024, demand was lower as a consequence of increasing barriers to global trade, a weaker macroeconomic environment and a reduction in our customers' investments in the expansion of manufacturing capacity. This was partially mitigated by our focus on driving MRO sales from our large installed base in China, delivering double-digit demand growth funded from customers' operational budgets.

Sales

Full year 2024 sales of £867.9 million with organic sales growth of 1%. Growth improved during the second half (3%) despite weaker than expected IP, following a 1% decline in the first half that was driven by a challenging comparator in China.

In the full year, sales in China (17% of STS in 2023) were 13% lower. Outside China, STS organic sales growth was 4%, well above global IP excluding China of 0.8%.

Margin

Full year adjusted operating profit of £204.1 million was 1% higher organically and 9% lower after an adverse exchange rate impact. Full year margin of 23.5% was in line with our medium-term expectation for STS, although, as expected, lower than 2023 (24.6%).

Organically, this was driven by lower sales from our higher margin business in China; higher variable compensation following a low payout in 2023; the partial reversal of temporary cost containment actions taken in 2023 and increased investment in future Growth Drivers such as Digital and Services, Decarbonising Thermal Energy and in systems. We continued to maintain our pricing discipline, offsetting cost inflation to protect margin, with organic drop-through supported by savings in manufacturing overheads.

Statutory results

Sales of £867.9 million were down 5% including an adverse exchange rate impact of 6%. Statutory operating profit of £198.9 million was down 3% from 2023, driven by a decrease in adjusted operating profit year-on-year, off-set by the impairment of ERP systems of £13.9 million in 2023. Statutory operating profit margin of 22.9% increased by 40bps.

Operational progress

Commercial Excellence

Against the backdrop of challenging market conditions, we focused on our sector expertise and the deep process knowledge of our global direct sales force to drive growth from self-generated solutions. Sales to customers in our target sectors of Food & Beverage, Pharmaceuticals, Oil & Gas and Chemicals, which account for over 40% of STS sales, grew organically and ahead of IP in 2024. We also continued to develop new opportunities by leveraging our sector expertise globally, through STS teams supporting their colleagues with process expertise: from China for the Electric Vehicle Battery sector as our customers explore new manufacturing locations; and from Italy for the Marine sector to access opportunities in the USA and China.

Operational Excellence

In February, following an initial review of the STS manufacturing footprint we announced the closure of our manufacturing facility in Mexico, with production moving to the USA. We have also put on hold the construction of a new manufacturing facility for our Gestra business in Germany as we review opportunities to maximise the utilisation of our capacity and focus on productivity and efficiency improvements.

Organisational Fitness

In January 2025, we commenced the simplification of our STS EMEA organisational structure by consolidating the number of operating companies to reduce management layers and also by consolidating technical sales and service capability that can be better leveraged across our operating companies without impacting on our local direct sales capability. We also undertook targeted overhead cost reductions in other STS Divisions, including in Asia Pacific and our China OpCo where we reduced our sales force in light of the current and anticipated weaker demand environment.

The savings from our Operational Excellence and Organisational Fitness initiatives will be reinvested in delivering on our future growth potential (see Group Chief Executive Officer's Review, Strategic Update on pages 12 and 13).

Digital and Services

Following our investments in digital and the development of connected products to gather customer data, we now have approximately 10,000 connected assets across 1,000 customer sites. These paid-for connections are returning data from steam traps and heat exchangers, supporting predictive maintenance and process optimisation, and delivering pull-through product sales.

Decarbonising Thermal Energy

During 2024, we continued to refine our proprietary Electrofit solution (retro-fit steam boiler with ETS Low Voltage technology) proof-of-concept pilots at two Food & Beverage customer sites in Turkey and have launched a pilot of our SteamVolt solution (first-fit boiler with ETS Medium Voltage technology) with an OEM customer in Argentina. In the first half of the year, we also invested in emerging high temperature heat pump (HTHP) technology, which will add to our range of electrification products. HTHPs are a highly engineered, bespoke technology enabling our customers to recycle waste process heat to generate steam for use in their critical processes, while reducing their operating costs and carbon emissions.

Outlook

We expect STS organic sales growth outside China to continue to outperform global IP. Trading conditions in China continue to remain challenging as a consequence of increasing barriers to global trade, a weaker macroeconomic environment and a reduction in our customers' investments in the expansion of manufacturing capacity, partially offset by our continued focus on driving MRO growth from our large installed base. We are also seeing the impact of political instability in Korea. As a result, we anticipate weaker trading in China and Korea, particularly during the first half, with these markets accounting for 22% of STS sales in 2024.

We will continue to maintain pricing discipline to protect margins, while recognising that with normalising inflation rates pricing will contribute less to organic sales growth than in previous years.

Therefore, for 2025 we anticipate low-single digit organic sales growth and margins to remain broadly level with 2024.

Over the medium term we expect low-to-mid single digit organic sales growth in STS, supporting a margin of around 23.5%.

Growth focus: China MRO

Pivoting…

STS China is one of the Group's largest operating companies (OpCos). It was established 30 years ago and today represents approximately 15% of Steam Thermal Solutions (STS) sales.

Over three decades STS has successfully grown in China, primarily through supporting Capex-related investments in country from foreign and domestic customers as they expanded their manufacturing capacity, leading to a significant installed base of our products.

Over this long period, the nature of these expand and refurbish (E&R) projects has changed in line with demand, with the focus, during and immediately after the COVID-19 pandemic, shifting to support customers in the fast growing Pharmaceutical and EV battery sectors.

More recently, growth in China has been affected by a number of factors: the slowdown in foreign direct investment; increasing barriers to trade in the form of tariffs; as well as a deteriorating macroeconomic environment post COVID-19, due to the slowdown in the Pharmaceutical sector and a drop off in the EV battery sector due to over-capacity.

This impacted demand for E&R projects funded from customers' capital budgets, which accounted for over 60% of STS sales in 2023.

In early 2024, recognising that these unfavourable market conditions were set to continue over the medium term, our team in China began pivoting to increase their focus on, and growing orders related to, process optimisation and MRO activities, from this large installed base of maturing plants, typically funded by customers' operating budgets.

...to drive growth in a challenging market

This activity started with workshops to develop the appropriate Customer Value Propositions (CVPs) that address our customers' most common pain points and included:

- Reviewing the installed base, built up over many years, to identify material customer opportunities and target the efforts of the direct sales engineers
- Developing CVPs to help deepen knowledge of customer-specific processes, including questions to help identify customer problems and tools to quantify the benefit for customers, whether through reducing cost or increasing volumes
- Hiring specialist MRO direct sales engineers to support regions and sectors where we have critical mass
- Training existing E&R sales engineers to better understand and deliver MRO sales
- Realigning incentive plans

As a result of their sector focus, targeting high growth sectors such as Food & Beverage the China OpCo has successfully been driving sales, achieving double-digit growth from MRO in 2024.

We have also leveraged the China OpCo team's in-depth knowledge and large project expertise to drive growth in our target sectors outside of China. This has been achieved through tracking international projects being undertaken by Chinese companies abroad, such as for the Electric Vehicle Battery sector. The China team is sharing their intelligence and collaborating more closely with other Spirax Group teams operating in the relevant countries where the projects are active.

Although it will take time for MRO and new products growth to compensate for the decline in E&R projects, these actions demonstrate the China team's ambition to adapt and drive growth in very challenging market conditions, while continuing to meet our customers' evolving needs.

Electric Thermal Solutions

> As ETS continues to improve operational performance, increasing shipments and reducing lead times, we anticipate further strengthening of our market position and customer relationships.

Andrew Mines
Managing Director, Electric Thermal Solutions

Financial progress

Demand

Demand for ETS solutions remained robust in 2024. Industrial Process Heating continues to carry a large orderbook and in Industrial Equipment Heating, demand from Semicon customers began to recover in the fourth quarter, albeit against a very weak prior year comparative. We are continuing to see strong interest in decarbonisation-related electrification solutions, with a significant pipeline of customer enquiries, including for some material large projects. As we continue to improve our operational performance, increasing shipments and reducing lead times, we anticipate further strengthening of our market position and customer relationships.

Sales

Full year 2024 sales of £404.6 million were 10% higher organically or 7% higher after an adverse exchange rate impact. Growth was driven by operational improvements in Industrial Process Heating (76% of ETS 2024 sales) that materially increased shipments from the large orderbook carried into 2024. Following a weak first half in Industrial Equipment Heating (24% of ETS 2024 sales), we saw a return to growth in the second half, supported by sales to Nuclear and Power sector customers, early signs of a recovery in demand from the Semicon sector (10% of ETS 2024 sales and 3% of Group 2024 sales), and against a weak comparator. As a result, ETS sales were 15% higher organically in the second half, building on the 5% growth in the first half.

Margin

Full year adjusted operating profit of £64.7 million was 13% higher organically or 9% higher after an adverse exchange rate impact. Full year margin of 16.0% was 50bps higher organically with strong progress in Industrial Process Heating partially offset by a lower margin in Industrial Equipment Heating.

The strong improvement in Industrial Process Heating margin was supported by operating leverage from improvements in the performance of our Ogden, Utah (USA) manufacturing facility and progress at Vulcanic. This was partially offset by ongoing investment to deliver operational improvements and a lower drop-through of sales to profit on the shipment of historic orders that could not be re-priced for inflation. During 2025, we will continue to ship our carried forward orders, although they will account for a lower proportion of total sales. Margins in Industrial Equipment Heating were lower due to costs related to the transfer of USA production from Thermocoax to Durex Industries' facility in Chicago, Illinois and the costs of ERP implementation in Thermocoax France.

Statutory results

Sales of £404.6 million were up 7% including an adverse exchange rate impact of 3%. Statutory operating profit of £46.1 million was up 79% compared to 2023, reflecting lower amortisation of acquired intangibles and acquisition-related credits in the year. Statutory operating profit margin of 11.4% was 460bps higher than in 2023.

Operational progress

Operational Excellence

Improving manufacturing throughput in our Chromalox facilities was a critical area of focus for 2024 and will continue into 2025. After several years of flat output, we saw a material improvement in shipments, particularly from the Ogden, Utah (USA) facility that manufactures large Low Voltage and Medium Voltage heaters such as those supporting our decarbonisation solutions. Management and leadership changes have proved vital to unlocking resolution of the operational issues that impeded progress historically, beginning with the appointment of a new Head of Manufacturing and a new General Manager for the Ogden facility in the first half of 2024, a new Design Engineering Manager in the second half of 2024 alongside other critical hires and culminating with the appointment of a new MD for ETS.

Within Industrial Process Heating, a key competitive advantage and point of differentiation is providing customers with best-in-class bespoke process heating solutions, built with our proprietary technology and deep process knowledge. In Chromalox, we are improving key operational processes to meet customers' bespoke requirements with greater efficiency and reduced lead times. We are introducing controls over complex designs and better interfaces between sales, engineering and manufacturing to address production challenges and the significant backlog. Addressing this 'quote-to-cash' process has been the new team's focus to shorten lead times in design engineering, improve resource planning and production scheduling, better manage customer change requests and thereby deliver higher throughput and improve efficiency. An important part of this effort has been learning from the existing best practice from within ETS and in particular from Vulcanic.

These measures delivered a double-digit increase in Chromalox sales, with shipments from Ogden increasing by close to 40% leading to a backlog reduction of over 20%, as well as improved margins through operating leverage. Separately, the expansion of the Ogden facility, specialising in the manufacture of Medium Voltage solutions, is progressing well and remains on track for completion during 2025. Ramp-up costs associated with the expansion, prior to achieving full production, will impact on the rate of improvement in the Industrial Process Heating margin during 2025.

As part of our focus on maximising utilisation of manufacturing capacity, in the USA we migrated Thermocoax's production to our Durex Industries site in Chicago, Illinois. We will continue to review our ETS manufacturing footprint to optimise production.

Organisational Fitness

We are driving improved collaboration across ETS with the establishment of a new organisational structure, comprised of three Sales Divisions: Industrial Process Heating, Industrial Equipment Heating and Heat Trace. In Industrial Process Heating, we are bringing Vulcanic and Chromalox closer together, aligning the regional sales teams and across ETS we are combining responsibility for all our manufacturing sites.

In Industrial Equipment Heating, Thermocoax and Durex Industries are highly complementary, in both engineering expertise and manufacturing processes to deliver solutions to our customers, with significant opportunities to leverage both brands and technologies in our target markets. We have begun to drive closer collaboration in customer engagement and new product development through the teams' combined expertise, for example in Semicon wafer fabrication equipment manufacture where both businesses are present in complementary parts of the wafer fabrication process.

Decarbonising Thermal Energy

Leveraging ETS' strong research and development capabilities in resistive heating, we have developed additional higher voltage and higher temperature solutions (12kV and 7.2kV) to expand the reach of our existing North American Medium Voltage solutions (4.2kV), across Europe and China, and into additional applications such as in the Oil & Gas sector. These new-to-world products remain in early phases of testing and we are selecting strategic customers to conduct proof-of-concept pilots.

Outlook

With a strong carried forward orderbook and operational improvements supporting increased throughput in Industrial Process Heating, as well as early signs of recovering Semicon demand in Industrial Equipment Heating, we anticipate mid to high-single digit organic sales growth in 2025.

Operating leverage from increasing sales and a recovery in higher margin Semicon sales will support continuing improvement in the ETS margin, partly offset by a ramp-up in operating costs at the new Medium Voltage facility in Ogden.

In the medium term, growth in our end-markets, ongoing recovery in Semicon demand and growing contribution to our order intake from decarbonisation-related demand, are expected to drive above mid-single digit sales growth, which together with progress in delivering our operational priorities will support a 20% operating margin by 2027.

Growth focus: Low and Medium Voltage Solutions

Operational Excellence...

The importance of Medium Voltage (MV) technology

As countries convert their power generation to renewable, carbon-free sources, our electric resistive heaters can convert that electricity into carbon-free process heating at virtually 100% efficiency.

By leveraging the more efficient power of MV, reducing the amount of current used to deliver that power by a staggering 16 times when compared to traditional Low Voltage solutions, MV delivers:

- 5 to 10 times more heating power into processes
- Lower costs of installation and higher efficiency
- Reduced Capex and substantial long-term operational cost savings

The role of Chromalox, Ogden

Chromalox's Ogden manufacturing facility in Utah, USA is of critical importance to the growth of the ETS Industrial Process Heat (IPH) Division and to ensuring that ETS achieves its full potential as a significant growth engine within Spirax Group.

Ogden is where Chromalox's proprietary Low and Medium Voltage heating solutions are manufactured. These heaters, which can weigh 15,000 kg and measure up to 5.6m x 2.0m x 2.6m, are designed to meet a customer's specific requirement and can take beyond 24 months from design to shipment. The size, scale and bespoke nature of these heating solutions, combined with growing demand for IPH solutions to support the decarbonisation of industrial thermal energy use, has presented historic challenges for the team, delaying shipments and creating supply bottlenecks.

Addressing historic challenges

During 2024, in response to these historic challenges and with the support of new leadership, the Ogden team demonstrated how they are 'together for growth' by leveraging our Values of Collaboration, Customer Focus and Excellence to unlock these supply bottlenecks.

Recognising that the customer-specific requirements for each heater often presents new and significant challenges when moving from the design phase into manufacturing, work has been underway to reduce the levels of individual configuration required for each heater. By analysing customer needs, production processes and then building 'block designs' to standardise the base design elements, the team has eliminated 20-30% of the variables required for each heater, while still meeting the customer's individual requirements.

The Ogden team has also improved production planning, redesigned the plant layout, created standardised manufacturing processes and reduced rework and scrap rates.

...powering growth at Chromalox, Odgen

We are making clear progress:

22

Medium Voltage solutions manufactured in 2024 (2023: 19)

~40%

increase in Ogden sales in 2024

20+%

reduction in backlog

Improved routings

Improved resource planning

Reduced complexity

Reduced tooling requirements

Reduced scrap rates

Higher productivity/ reduced lead times

Collaboration and best practice

The team has also worked collaboratively across ETS, bringing in tried and tested processes from Vulcanic which leads the production of IPH solutions in Europe. By integrating these processes into their workflows, the Ogden team has created more effective alignment and handover across the quote, applied engineering, design engineering and manufacturing phases.

Recognised for Operational Excellence

As part of our Operational Excellence focus, production teams have used Lean Manufacturing events to enhance customer service, cash flow and profitability. The 'MaxiZone' area team held a 'Kaizen' event, reconfiguring the space to boost efficiency and throughput. A similar event in the 'Air Heater' area also improved efficiency and throughput. Both teams were recognised in the Group's Operational Excellence Quarterly Awards.

These and other initiatives being taken at Ogden are producing encouraging results. During 2024, increasing production of LV and MV heaters has delivered close to 40% sales growth.

Investing in growth through expansion

We are also making good progress with the Ogden expansion project. Our US$58 million investment to add 100,000 square feet to the facility, expanding its capacity by 60%, is progressing well with first production due in the second half of 2025. The shell and core have been completed on time and within budget.

Fulfilling our potential

Strong operational performance from Odgen is critical to ETS fulfilling its potential to deliver organic growth of above IP and margins above 20%.

MV technology has opened up a vast new market opportunity as these highly engineered, completely customised systems are integral to the success of our customers' processes. Our heaters are installed in mission-critical applications across industries, from solar production to petrochemicals and from power generation to pulp and paper.

A major chemicals manufacturer wanted to decarbonise their mission-critical chemical production process which relied on traditional carbon-emitting direct-fired heaters to elevate their chemical gas to 500°C at 300 PSI. Through solution-selling and engaging directly with the customer to understand fully their process requirements, we proposed a custom-engineered 500kW system. This was successfully delivered in 2024.

Watson-Marlow Fluid Technology Solutions

> During 2024, WMFTS saw strong demand growth in our focus sectors of Water & Wastewater, Food & Beverage and Mining and we increased our market share.

Stuart Roby
Managing Director, Watson-Marlow Fluid Technology Solutions

Financial progress

Demand

We saw the beginnings of a recovery in Biopharm new order intake with double-digit growth in 2024, consistent with market commentary from some of our larger OEM customers. This recovery was off a low base, following a decline of over 50% by 2023, from the COVID-related peak in 2021. The recovery was primarily driven by non-OEM end-user customers (approximately 75% of Biopharm sales), with an increase in both orders and sales. Orders from large OEM customers also improved from a low base although sales declined. As in previous years, Biopharm sales remained above orders in 2024, supported by the large carried forward orderbook which has now normalised. Going forward, sales growth will be driven by new order intake and while we anticipate continued double-digit recovery in Biopharm orders, this will result in mid-single digit growth in sales. The breadth and diversification of our customer base and the smoothing effect of the carried forward orderbook on sales, underpin our continued expectation of a gradual recovery. Underlying drivers of demand, particularly growth in monoclonal antibodies, recombinant DNA and cell and gene therapies, remain robust as reflected in end-user activity.

Demand in Process Industries is fundamentally linked to IP, but our targeted sector focus combined with our direct sales capability enables us to generate above IP demand growth. During 2024, we saw strong demand growth in our focus sectors of Water & Wastewater, Food & Beverage and Mining and we increased our market share.

Sales

Full year 2024 sales of £392.7 million were 3% higher organically or broadly unchanged after an adverse exchange rate impact. Process Industries sales were supported by strong growth in Water & Wastewater, Food & Beverage and Mining. Biopharm sales (approximately 50% of WMFTS sales and 12% of Group sales) were broadly flat compared to 2023.

Margin

Full year adjusted operating profit of £99.0 million was 11% higher organically and 6% higher after an adverse exchange rate impact. Full year margin of 25.2% was 180bps higher organically driven by operational gearing from higher sales and supply chain efficiencies partially offset by a full year of costs relating to our manufacturing facility in Devens, Massachusetts (USA) and investment in new product development.

Statutory results

Sales of £392.7 million were broadly flat on 2023 including an adverse exchange rate impact of 3%. Statutory operating profit of £90.3 million was up 11% compared to 2023, reflecting restructuring charges that impacted the 2023 results. Statutory operating profit margin of 23.0% was up 240bps.

Operational progress

Commercial Excellence

During 2024, we launched WM Architect, supporting self-generated solution-selling in the Biopharm sector through bespoke approaches to connecting disparate OEM systems along the fluid pathway while preserving the safety and integrity of customers' processes. We have seen strong sales in WM Architect (double-digit million pounds), with products being manufactured in our Biopure, Portsmouth (UK) facility. At the end of 2024, we also launched Qdos H-FLO, a chemical metering and dosing pump for flow rates up to 600 L/h and 7 bar pressure capability, which further expands our addressable market in Process Industries applications.

Operational Excellence

Following a review of WMFTS manufacturing footprint in the USA, we consolidated two small facilities (Asepco and Aflex) into our newly built Devens facility during the first half of 2024, supporting the ongoing ramp-up of that facility and delivering a small savings benefit in the second half. We will continue to seek additional opportunities to optimise our manufacturing footprint as we leverage capacity in our Devens facility.

Organisational Fitness

In January 2025, we began implementing a move away from our geographic focus to a sector-based sales model, to strengthen our self-generated solution-sales capability. This sectorised approach covering Biopharm and our target sub-sectors within Process Industries, allows us to develop deeper insights into our customers and sector trends, as well as build deeper technical and process expertise.

Digital and Services

In WMFTS, as a proof-of-concept pilot, we successfully installed a fully operational machine-learning enabled Bredel connected-pump inside a potable water treatment application for a customer in France. This is returning valuable data that will enable our teams to predict blockages prior to any impact on process performance. Additional Bredel connected-pumps are awaiting installation at waste-to-energy (Germany) and platinum mining (Australia) customer sites.

Outlook

During 2024, sales exceeded new order intake supported by our strong carried forward orderbook that had built-up during the pandemic. With our orderbook having normalised at the end of 2024, new order intake in Biopharm and continued demand growth in Process Industries will drive sales in 2025. In Biopharm, double-digit growth in orders will bring their value back into line with sales. We expect continued growth in end-user demand, while recognising that OEM demand is growing from a low base and remains volatile. Process Industries sales are expected to continue to grow ahead of IP as we grow market share further in our chosen target sectors.

As a result, for 2025 we anticipate mid-single digit organic sales growth in WMFTS delivering high-single digit organic profit growth and an increase in margin.

In the medium term, we expect the continuing recovery in Biopharm demand and continued growth in Process Industries to support both high-single digit sales growth and margin improvement to over 30%.

Growth focus: Process Industries

Precious resources...

In Process Industries, which accounts for ~50% of WMFTS sales, strong organic revenue growth was driven by the focus sectors of Water & Wastewater, Food & Beverage and Mining, despite a backdrop of weaker IP.

Dale Kavanagh
Sales and Business Development Manager, WMFTS

Dale Kavanagh, a Sales and Business Development Manager for WMFTS, explains how WMFTS' sectorised approach adds value to the UK Water & Wastewater sector, as well as our customers and drives our growth.

Q What is a sectorised approach?

A 'sectorised' approach simply means really focusing in on a specific sector, with a dedicated team of specialists who can break it down into the relevant sub-sectors. In doing so, we develop deeper insights on customer-specific needs, technical and process expertise, as well as sector trends and understand how to best position ourselves.

Q Why has that been important for the UK Water & Wastewater sector

Since privatisation in 1989, the Water Services Regulation Authority (OFWAT) has implemented the Asset Management Plan (AMP), a five-year cycle that monitors and directs investments to ensure water quality remains safe and affordable.

The AMP is delivered through 12 water and sewerage companies, each overseeing extensive regions, and 13 'water-only' companies serving specific areas. These entities are supported by Tier 1 and Tier 2 contractors for new plant build and the construction of modular systems, while daily maintenance, repair and operations (MRO) are handled by the companies' in-house teams. By implementing a sectorised approach we have been able to get much closer to the customer, working with their teams to educate and support in the initial system design as well as educating the teams responsible for MRO, on the benefits of switching to peristaltic pumps.

...deserve focus and precision

Q What is WMFTS' customer value proposition to help deliver the AMP?

UK regulations mandate that utility companies employ precise chemical dosing to maintain water quality standards. Industry specifications are in place to ensure equipment reliability and performance. Recognising the importance of industry alignment, WMFTS collaborated with the Water Industry Membership organisation Pump Centre, in the development of their new Water Industry Mechanical and Electrical Specifications to incorporate peristaltic dosing pumps alongside diaphragm pumps, which have historically been the pump of choice. This engagement with the industry regulator is part of our multi-layered stakeholder approach to position our products and solutions.

Our Qdos range of peristaltic pumps are designed to precisely meter and accurately dose, with repeatable flow for fluids with wide ranging viscosities.

Q How is WMFTS' approach different?

Our pumps can function on a standalone basis at a customer site or as part of a bigger equipment 'skid'. Depending on the customer and application, our fluid technology solutions are adapted and configured to meet the customer's specific needs. Sometimes that means direct provision and at other times, it's through an existing vendor such as an OEM.

A good example of a strategic partnership is with UK system (skid) builders that design chemical dosing systems for the major utility companies. By educating partners on the total 'cost of ownership' and 'return on investment' benefits of the Qdos range, we have secured specifications and approved supplier status with a number of leading water utility companies.

Q When do we support customers directly?

Our direct sales engineers continue to 'walk the customer's plant' whether that's to check on existing installed equipment or to find opportunities to deliver a more efficient, safer or sustainable outcome for the customer. In doing so, they ensure our customers stay informed about the incredible advantages of peristaltic technology and the role these products and solutions can play in delivering existing and future cycles of the AMP. Equally, if we do not have a suitable offering, our sales engineers are clear on this and advise the customer accordingly, further extending our customer's trust in our approach.

Our relationships have been built through long-term partnerships with customers, strategic partners and industry regulators. We believe this will be further strengthened by the recent reorganisation of the WMFTS EMEA Sales division to deliver an even more focused and sector driven approach.

Sector focus in action

After more than five years of parallel collaboration across regions with one leading Chemical vendor customer, WMFTS signed a global pricing agreement with them in July 2024.

The vendor supplies thousands of metering pumps to customers using chemicals in their water treatment applications. The vendor made the decision to switch from diaphragm pumps to Qdos peristaltic pumps for the most demanding and critical applications due to the high levels of accuracy and reliability needed.

Based upon their positive customer experience of working with WMFTS in both the Americas and in Europe, as well as the quality and benefits of the pump, the vendor signed a global pricing agreement that has also opened doors to new markets, Asia Pacific and Latin America, as well as new sub-sectors in Water treatment and Sanitary.

Through this focused approach, sales to this one vendor customer grew by 60% in 2024, compared to 2023, representing over 500 Qdos pumps sold

One Planet Sustainability Strategy progress review

"Our strategic initiatives have made substantial progress this year, including achieving our 2025 targets for greenhouse gas emissions, water and waste reductions a year early."

Sarah Peers
Group Sustainability Director

In 2024, we continued to advance our commitment to sustainability through our **One Planet: Engineering with Purpose** Sustainability Strategy. **One Planet** is a comprehensive, Group-wide strategy designed to drive sustainability across all aspects of our operations, from how we source materials, develop, manufacture and sell our products, to how we create value for our customers and support our communities, ensuring we protect people and the planet as we grow.

During 2024, the Spirax Group Executive Committee reaffirmed the importance of our sustainability commitments with **One Planet** continuing to form part our new **Together for Growth Strategy**. Integrating sustainability into our core business practices, not only contributes to a healthier planet but will also enable us to unlock new opportunities for future innovation and growth.

Summary of progress against key targets

Our strategic initiatives have made substantial progress this year, notably achieving our 2025 targets for greenhouse gas emissions, water and waste reductions a year early.

We have made progress against our biodiversity net gain targets, with our sites completing over 160 local biodiversity projects during the year and we have matured our approach to product design, through the development of an eco-design toolkit. We continued to embed sustainability into our supply chain management and supported our communities through colleague volunteering, charitable donations and our Spirax Group Education Fund.

We also have maintained a focus on our Responsible Business Foundations, making investments in health and safety (H&S), supporting the professional development of our colleagues, and ensuring that we operate ethically and in line with our values.

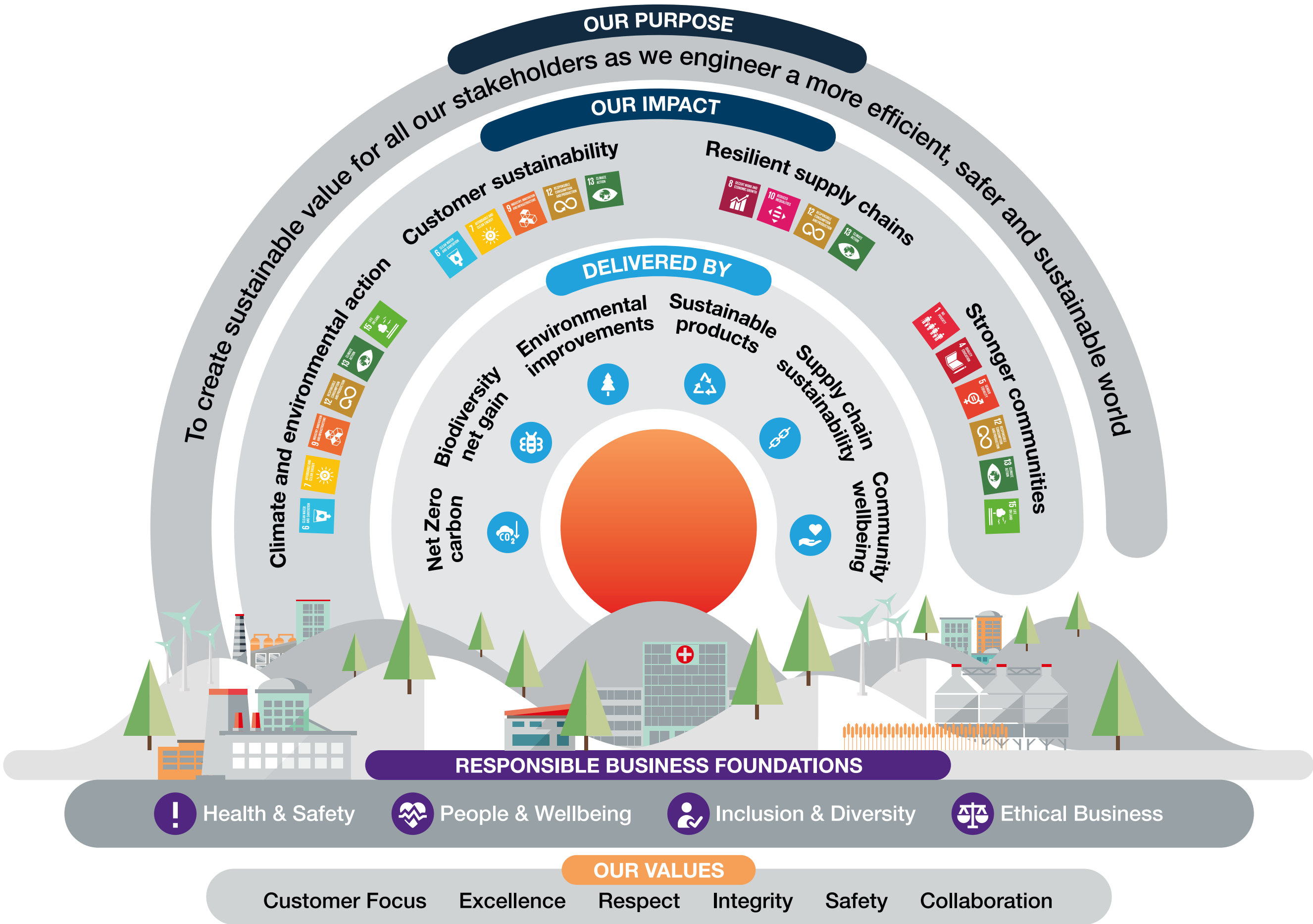
We also reviewed our **One Planet** targets, against a backdrop of technical complexities for specific initiatives and our broader strategic priorities, and believe they remain relevant, with the exception of the solvent-based paint transition in our STS Business (see page 74). As we focus on delivering sustainable growth for all our stakeholders, this may impact the delivery of some of our 2025 targets, such as charitable donations and colleague volunteering hours. However, our commitment to sustainability and making progress against our targets remains firm, while balanced against business needs.

Compliance with CSRD and EU Taxonomy

As a UK-listed company with significant business operations in Europe, throughout 2024 we proceeded on the assumption that a number of Spirax Group's subsidiary entities within the EU would come into scope of the Corporate Sustainability Reporting Directive (CSRD) from 1 January 2025, for reporting in 2026. During the year, we spent considerable time, effort and resources to develop our approach to CSRD and the EU Taxonomy, and prepare for implementation.

As part of our preparation for CSRD reporting, we finalised a double materiality assessment (DMA) in 2024, engaging with representatives from across our stakeholder groups. The DMA confirmed that our **One Planet** Sustainability Strategy remains relevant and appropriate for the Group and, combined with our Responsible Business Foundations, covers the key topics that are material for our business, as well as topics that are less material but as an ethical business we believe are important to continue to pursue.

Under the European Commission's 'Omnibus proposal', released on 26 February 2025, some of our European entities are expected to fall out of scope and CSRD compliance is expected to be delayed by two years for European entities that remain in scope for reporting. Like



many other companies who we engage with and benchmark against, we have found that the extent and scope of CSRD poses many logistical challenges, and thus the proposed delay is a welcome announcement.

Throughout 2025, we will continue to monitor developments closely to ensure that we are able to meet any regulatory reporting requirements but will slow the pace of CSRD implementation to align with the expected delayed compliance timeline. We will continue to strengthen our data reporting processes and controls, and remain committed to transparent and relevant sustainability reporting that meets the needs of stakeholders.

Controls processes and assurance provider change

Throughout 2024, we worked closely across the Group with our Internal Controls team on the design of critical, mandatory and best practice controls, to support compliance with upcoming changes to the 2024 UK Corporate Governance Code. We found that we broadly have appropriate controls in place but identified some additional controls, particularly around data management, that we will seek to embed during 2025. These include increased controls around user access to our reporting systems, enhanced data checks for material sites and strengthened documentation of some data policies and processes.

During 2024, following a tender process, we appointed Deloitte as our new ESG assurance partner for key data sets in the 2024 Annual Report (scopes 1 and 2 greenhouse gas emissions, global and UK energy consumption, partial scope 3 greenhouse gas emissions and water use) and for CSRD going forward.

Our Responsible Business Foundations

Our Responsible Business Foundations underpin all our sustainability efforts. These foundations are built on our Values and commitment to operating ethically and responsibly. (For more information see pages 58 to 63.) They guide our actions and decisions, ensuring that we integrate sustainability into every aspect of our business.

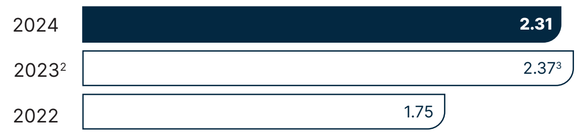
During 2024, we made further progress in strengthening our Health and Safety culture, systems and processes, remaining focused on ensuring that our colleagues can come to work, be themselves, thrive and return safely at the end of their day. (Read more on page 59.)

Sarah Peers
Group Sustainability Director

Health and Safety

Alignment with UN SDGs

All-Workplace Injury Rate[1]



Serious Lost Time Accident Rate[1]

Completion of Group H&S Excellence Framework (% Complete[4])

1 Per 100,000 hours worked
2 Includes 2022 acquisitions from this date
3 Adjusted from 2.24 following an audit by Group H&S
4 Subject to continual assurance by Group H&S and Internal Audit
5 Excluding 2022 acquisitions

Health and Safety (H&S) is a core Value and our first priority. Nothing is more important, which is why we endeavour to operate beyond compliance. Across the world, our teams proactively strive for continuous improvement and remain vigilant to potential risks.

We encourage all colleagues to play a vital role and speak up if they have concerns, as we have a collective responsibility to do the right thing, even when no one is looking.

Progress

The Group H&S Excellence Framework, now moving into its third year, remains a key enabler for our focus. It provides the structure for continuous improvement, active engagement and oversight on a wide range of risk reduction targets across the **C**ulture, **A**ssurance, **R**isk and **E**nablement (**C.A.R.E.**) framework. Alongside this internal framework, we are aligned to external certification, with the number of Group companies certified to H&S Management Standard ISO 45001 or equivalent at 44 (2023: 50). The reported reduction in the number of certified Group companies, is due to the consolidation of scoping at locations.

During the year, H&S improvement highlights included: pedestrian and vehicle management, contractor control, root cause analysis training and machinery safety. We continue to support all our locations dependent on their stage of maturity, as well as refining our assurance at all levels, where opportunities to improve and learn have been identified. An example being the introduction of Group H&S audits, which in addition to thematic elements such as: machine safety, workplace transport and contractor management, also reviews the local implementation and effectiveness of the framework.

Our overall H&S strategy has also been independently reviewed by an external Chartered H&S Practitioner. The review highlighted the positive sequential approach of the framework, the governance oversight this brings and an assurance that our H&S maturity is heading in the right direction.

Mental health and wellbeing

We continue to make mental health and wider wellbeing a priority for our Group. In 2024, we embedded further targets on mental health into our **Group Health and Safety Excellence Framework**. These now include a requirement for each operating company to hold at least one mental health-focused colleague event annually and to develop a Mental Health Action Plan based on the six themes of the MindForward Alliance (previously the Global Business Collaboration for Better Workplace Mental Health) leadership pledge.

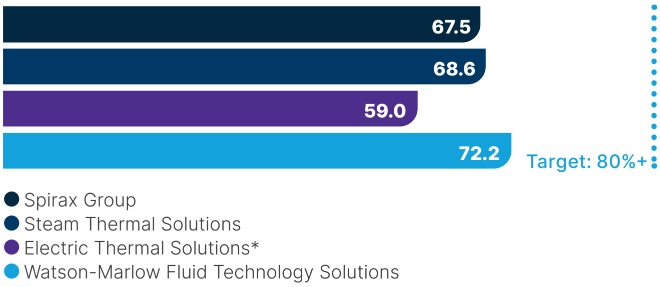
During the year, we were also included in the CCLA Corporate Mental Health UK Benchmark for the first time. Using publicly available information, this assesses the mental health commitment and achievements of the 100 largest UK-listed companies with more than 10,000 employees. We entered the benchmark in Tier 3 (of 5), one of only two new entrants to achieve this. The benchmark ranked us in the top quintile on management commitment and policy, with suggestions around how to further strengthen our focus on mental health governance, innovation and performance reporting.

Measuring our safety culture

To further support our H&S journey and evolution, we completed the independent Safety Culture Index (SCI) across our Group. As a leading measure of H&S performance, the SCI is a multi-category survey designed to categorise individual perceptions, beliefs, experiences and behaviours across a range of safety dimensions within an organisation. With 6,542 completed surveys and a participation rate of 68% the Group score* was 67.5% which places the Group in the 6th highest category, 'sustainable' (out of 7). The SCI score ranges from -50 (Unsustainable/Volatile) to 80+% (High Performing) and are outlined in the chart below. This baseline highlights a positive H&S culture baseline.

Mental health was also embedded as a theme in our global **Health & Safety culture survey** – an assessment of how colleagues feel about all aspects of health, safety and wellbeing in every operating country. We will be analysing the results of this and next steps in 2025.

Safety Culture Index Score
%



Focus for 2025

- Introduction of silver level for our Group-wide H&S Excellence Framework
- Implement actions following the Safety Culture Index Survey
- Develop a competency pathway for Group H&S professionals
- Use of localised H&S analytics to target risk reduction and prevention methodologies
- Expand the Group Thematic H&S Assurance Programme with additional risk controls
- Mental health and wellbeing will be themes in our 2025 global Colleague Engagement Survey

* Excluding our Vulcanic business which will be completed in 2025

"We need to have a conversation about Safety"

When an unfortunate, and sadly, avoidable incident occurred at one of our manufacturing sites resulted in a colleague sustaining a serious injury, we didn't hesitate to act.

Within a few days of receiving a report of the incident, our Group CEO and Business Unit Managing Directors came together to record a film for all colleagues. Its purpose was to have a **'conversation about safety'** and to discuss what had happened to our colleague.

On 7 February 2024, less than a week after the incident, all 10,000+ colleagues across the Group were asked to stop work and take part in a Safety Stand Down. Together in their teams they watched the film. Then using a Stop, Look, Assess and Manage (SLAM) technique, working in smaller groups, our colleagues were invited to discuss openly and honestly how the incident had impacted them and what could we all do, to make things safer.

Following the incident, the introduction of minimum mandatory machine guarding for three types of machinery and safe system of work criteria were expedited.

There is no doubt that the global Safety Stand Down was a catalyst for a deeper conversation about H&S and set the tone for the year. And, it has played a positive role, contributing (in part) to a 72% reduction of Serious Incidents to 5 in 2024 (2023: 18).

To sustain this reduction, a proactive Group-wide Safety Stand Down was held throughout February 2025. Reinforcing our continued message that safety is our number one priority and nothing is more important than the safety and wellbeing of our colleagues.

'Let's talk about safety' was our theme for the 2025 Safety Stand Down. Again bringing all 10,000+ colleagues together to talk openly about safety. Through this proactive approach, the discussion highlighted how we can all focus on 'What if' rather than 'If only'. Only by being vigilant of the potential dangers, can we all become self-aware to the importance of safety for us all.

People and Wellbeing

Alignment with UN SDGs

We believe we have a special culture at Spirax Group. Our colleagues across the globe play a critical role in engineering a more efficient, safer and sustainable world for all our stakeholders. We support them to bring their best selves to work through four colleague promises, which were shaped in response to feedback from our colleague engagement survey:

- Meaningful work creating a sustainable future for all
- An inclusive culture based on Values
- Development every day to fulfil your potential
- Belonging to supportive teams and strong relationships

Progress

1. Promise one: Meaningful work

Whether developing new technologies to decarbonise thermal energy use in industrial applications, or creating digital innovations for our customers that combine technology with our unique, proprietary application knowledge, our teams are focused on providing solutions that make our customers' operations more efficient, safer and improve their sustainability. Through our niche focus on critical industrial applications that sit behind the production of things that are essential to everyday life, we are serving people and the planet we all rely upon.

Highlights:

- SteamVolt solution pilot (first-fit boiler) with ETS Medium Voltage technology
- Investments in emerging high temperature heat pump technology in STS
- Leveraging ETS' strong research and development capabilities in resistive heating, we have developed additional higher voltage and higher temperature solutions (12kV and 7.2kV) using Medium Voltage technology which are in early testing phase
- Sales of 20 product ranges in 2024 which reduced customer carbon emissions by 15.1 million tonnes
- Proof of concept underway for fully operational machine-learning pumps at customer sites
- Development of MiM, our proprietary large language model that curates our highly specialised technical, sector and application knowledge to support our direct sales engineers

2. Promise two: An inclusive culture

Our culture is based on our six core Values which help guide all colleagues in their behaviours and decision making. It is supported by our focus on inclusion and equity which leads to greater diversity of thoughts, experiences and perspectives and helps everyone to feel supported and able to be their best at work.

* included in third-party verification

Highlights:

- The Spirit Awards: our Values-based colleague recognition programme recognised 18 finalists from over 300 entries across all six categories. The finalists, from all corners of the world came together in the UK to enjoy a four-day programme where they learned more about different parts of the Group from fellow colleagues, took part in sightseeing and activities before attending a Gala Awards Ceremony hosted by the CEO and the Group Executive Committee. See page 61.
- Hybrid working has been part of our culture since COVID-19 and was later enshrined within our Everyone is Included Plan. In 2024, we conducted a hybrid working survey to understand how it is impacting our colleagues and teams across the Group. Overall we received 3,357 colleague responses. As an outcome of the survey, we will be holding a Managing Hybrid Teams workshop, to support our managers, which will be part our new Spirax Group Management Academy launching in 2025.
- Around the world, colleagues marked events that are important to them as part of our commitment to inclusion. In the UK, this included WMFTS colleagues being part of Falmouth Pride in Cornwall for a third year and Portsmouth Pride for the first time, with Group CEO Nimesh Patel, STS colleagues and leaders from across the Group teaming up at Cheltenham Pride for a second year.

3. Promise three: Development Everyday festival

Our Development Everyday festival, held April for the second year running, is our commitment to colleagues to support them to continually grow their skills, build their capability and achieve their potential. Our aim is to help colleagues have a fulfilling career and an even bigger impact on our Group in the future. A week-long event, the festival is an opportunity for colleagues globally to come together to learn and develop together.

4. Promise four: Supportive teams

Our six global colleague networks help us to connect and support everyone who is part of our Group. They help us to celebrate what makes us unique as individuals and they bring us together to learn how to better support each other at work, at home and in the community. Our networks play a vital role in helping build the strong relationships and supportive teams where we all feel valued, seen and heard to foster a strong sense of belonging. They are full of passionate colleagues bringing their unique perspectives, experiences and voices to help us make a collective difference to our Group and the world around us.

Focus for 2025

- Oversight and review of the results from the 2025 colleague engagement survey
- Continue to embed colleague promises across the Group
- Help global colleague networks to grow and become more self-sustaining
- Continue to embed our Vision to guide the future of the Group

Global Colleague Networks

Our **Disability & Difference Global Network** marked International Day of Persons with Disabilities with a 'colleague voices' blog. It also ran webinars through the year including on Autism, heart conditions, chronic fatigue, dyslexia and 'hidden' disabilities.

Our **Multicultural Global Network** held its first global Ramadan webinar and contributed to the development of a Race Equity Leadership Toolkit to help enable colleagues to role model anti-racist behaviours at work, home and in the community.

Recognising that not every colleague can get to a Pride event, our **LGBTQ+ & Friends Global Network** ran its first ever global 'Pride Online' festival: a series of five online events, each run by a different part of our Group to explore Pride, LGBTQ+ careers, parenting, gender transition and more.

Our **Women's Global Network** launched a buddying programme and ran a celebration week of events to mark International Women's Day, including sessions on early careers, period health, allyship and lessons from senior leadership career journeys.

Our **Mental Health & Wellbeing Global Network** celebrated International Men's Day with a men's mental health discussion and contributed to a World Mental Health Day resource pack.

Our **Working Families Global Network** created a series of Virtual Cafes to provide parents and carers with a forum to connect on different aspects of family life from toddlers to teenagers and parenting during holidays.

Spirit Awards

Our Values in action

We believe that everything we do, matters.

That's why we created the Spirit Awards. To recognise colleagues from across Spirax Group who go above and beyond to 'elevate the everyday' for people and the planet. The Awards showcase how our colleagues make their difference through living our Values in support of our Purpose. In 2024, we held our second Spirit Awards. From more than 300 nominations, 18 Finalists were shortlisted with the winners announced at a gala celebration in June.

Safety

Vicente Gonzalez and Karina Rodriguez, (Spirax Sarco, Mexico) and David Zawadski, (Spirax Sarco, USA). Vicente, Karina and David collaborated across international borders and different languages to implement new safety procedures. In so doing, they also inspired local colleagues to prioritise safety above all else, empowering them to stop any job when they have a concern, delivered through a common goal: our commitment to safety.

Customer Focus

Jason Smith, (Durex Industries, USA). Jason utilised his extensive technical knowledge and customer-centric approach to transform an initial complex customer enquiry into a viable high-volume order. His efforts led to the creation of a completely new product, in an important and growing market segment, for Durex Industries.

Collaboration

Team One Place (Comms, IT, HR). This group of colleagues worked together in what was a truly collaborative, global team effort, to connect our colleagues across the globe through one internal platform. Delivered in just five months, One Place, has transformed the daily experience for thousands of colleagues, enhancing access, productivity and collaboration with rich content available in 17 languages.

Excellence

Apprentice Steering Committee Team (Spirax Sarco, UK). The team went full circle to mentor the next generation of talent. These eight former apprentices volunteered to support their local apprenticeship programme, providing guidance and continuity for new apprentices, who are not only new to Spirax Group, but also to the world of work.

Respect

Sravanthi Maddiboena Siva, (Spirax Sarco, UAE). Sravanthi's passion for sustainability supported her drive to improve performance at her local OpCo. Through multiple activities such as mangrove biodiversity, waste collection systems to reduce CO_2 emissions and community engagement activities to support underprivileged groups, Sravanthi made a significant difference.

Integrity

Monica Bao, (WMFTS, China). Monica worked closely with one of our customers, on a challenging project, which required Monica to be open and transparent. By facing into these challenges head-on, actively engaging with the customer, addressing the problem and providing solutions, Monica developed a strong relationship built on mutual respect and trust.

Inclusion and Diversity

Alignment with UN SDGs

We believe that diverse teams bring a variety of thought, skills and perspectives that make us a more innovative and creative business, helping us to solve our customers' most challenging problems. When we combine this with inclusive workplaces where all of our colleagues can be at their best, and where we all know how to support each other, we are better able to achieve our individual and Group Purpose. There will always be more to do on diversity, equity, inclusion and wellbeing. We continue to make progress and remain committed through our global Inclusion Plan, Everyone is Included.

Progress

Diversity Goals

The February 2025 report of the FTSE Women Leaders Review (which is co-Chaired by our Group CEO, Nimesh Patel) ranked us as 60th in the FTSE 100 for gender diversity at Board and senior leadership[1]. This improvement (2024: ranked 61st) was driven by increased gender diversity in our Board from 40% women in 2023 to 45.5% women at the end of 2024 and 50% women in January 2025.

We were delighted to be joined by Louisa Burdett as Group Chief Financial Officer (CFO) and Executive Director in July 2024 and by Céline Barroche as Group General Counsel and Company Secretary to the Board in September 2024. Our Group Executive Committee (GEC) now benefits from being 44.4% women, with one of our 'four key roles'[2] now also being held by a woman.

Gender diversity of senior leadership increased from 30% to 33.3% women and we have seen small improvements in the gender balance of our commercial leadership roles and total global workforce, but there remains more progress to make.

We continue to meet the UK Parker Review's goal of having a least one 'minority ethnic' Director on our Board. By December 2025, we aspire to have at least 20% (currently 18.5%) of our GEC direct reports from under-represented ethnic groups (within a global context). In support of the Review's objectives, we have now also set goals for 25% of globally-based senior leaders and 18% of UK-based senior leaders to be from under-represented ethnic groups by December 2027.

In line with Listing Rule 6.6.6R 9, data used to compile diversity information is based on internal HR records for our Executive management. For the Board of Directors, we seek individual permission to share this data on an annual basis. As a UK-listed company, we use the UK Office of National Statistics ethnicity classifications for England and Wales and also allow Directors to self-describe or opt out of sharing this information.

In line with our Group Diversity & Inclusion Policy, we welcome applications from candidates of all backgrounds, including those with disabilities, long-term conditions and neurodiverse candidates.

Read more about how we are a Disability Confident - Committed (Level 1) employer on page 106

Advancing our race equity journey

Continuing our work with our Black and African American colleagues in the USA, we held a two-day workshop in Q1 2024 in North Carolina. Colleagues and senior leaders came together to share stories and co-develop action plans. Our US operating companies are now implementing recommendations, including training (on topics such as bias, empathy, race equity and wider inclusion) and updating policies.

We also introduced Juneteenth (which commemorates the end of slavery in the USA each 19 June) as a paid holiday for all USA colleagues in STS and WMFTS, with ETS offering a 'floating' day before it becomes a paid holiday for all ETS USA colleagues in 2025.

1 Group Executive Committee (GEC) and direct reports combined

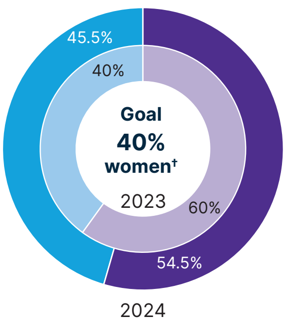
2 'Four key roles': Chair, Senior Independent Director, Chief Executive Officer, Chief Financial Officer

Focus for 2025

- Continue to make progress on Group Diversity Goals
- Develop next iteration of Everyone is Included Inclusion Plan (2026 – 2030)
- Continue to support race equity work in the USA

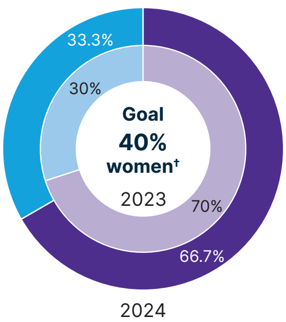
Diversity goals

Gender – Board of Directors*



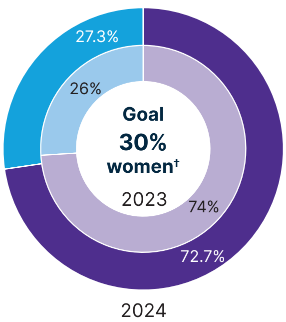
Female – 5 (2023: 4)
Male – 6 (2023: 6)
Non-binary and other genders – none

Gender – senior leadership*^



Female – 21 (2023: 18)
Male – 42 (2023: 42)
Non-binary and other genders – none

Gender – total workforce*



Female – 2,717 (2023: 2,588)
Male – 7,243 (2023: 7,323)
Non-binary and other genders – no data available

* At 31 December 2024
† by December 2025
^ 'Senior leadership' means GEC and their direct reports

Read more around our Gender and Ethnicity Diversity goals on our website: spiraxgroup.com/diversity-goals

Ethical Business

Alignment with UN SDGs

Always doing the right thing is at the heart of our culture, underpinned by our Values of Integrity and Respect. By operating in accordance with our Group's Policies, as well as adhering to all local laws and regulations, we establish and maintain a culture of ethical behaviour throughout our global operations. We provide training and support to help keep our colleagues, as well as our wider Group, protected from instances of fraud and cyber-related crime.

Progress

Internal controls

We continue to focus and monitor the continued development of the Group's multi-year internal controls programme 'G3'. This continues to bring improvements and standardisation of financial reporting controls, using a risk-based framework. A number of improvements have been implemented during 2024, pleasingly none requiring material change. Our colleagues continue to respond positively to the benefits already being seen; we will continue to monitor progress during the coming year.

Building on the success of G3 and with the changes to the UK Corporate Governance Code, we will look to strengthen our internal controls, specifically on material non-financial reporting, operational and compliance activities.

Whistle-blowing

We encourage colleagues to be vigilant and proactive and to report any concerns they have. Our independent, third-party whistle-blowing service, Safecall, is available in every country where we work in the local language, enabling colleagues to report any suspected unethical, illegal or concerning conduct quickly and confidentially.

In 2024, 71 (2023: 51) reports were raised globally via this service. All reports were investigated by senior management and action taken if necessary, with summaries of reports and related actions reviewed by the Audit Committee.

Training and colleague engagement

We continue to mandate that all colleagues with a company email address complete our Group Essentials training programme when joining the Company. Training and ongoing learning by all our colleagues, helps us all remain vigilant. By the end of the year over 7,234 (2023: 6,938) colleagues across the Group had completed Anti-Bribery and Corruption training and 6,862 (2023: 6,782) had completed Corporate Criminal Offence training. Introduction to Sustainability had been completed by 7,546 (2023: 6,575) colleagues and Health and Safety at Work by 7,430 (2023: 7,205) colleagues.

During the year we held a 'Stand up to Fraud' webinar for senior managers led by our Group CEO. The session and discussions focused on a comprehensive review of supplier relationships and ongoing fraud risk management training.

Gifts, Entertainment and Hospitality

In accordance with our Gifts, Entertainment, and Hospitality Policy, we maintain an online Gifts Register. Colleagues are required to record any gifts received or given, to ensure our actions align with the highest ethical standards and comply with legal requirements.

Focus for 2025

- Refresh the Group Management Code of Conduct
- Continue to embed G3 internal controls programme

One Planet initiatives at a glance

Unless otherwise stated, data on pages 64 and 65 excludes 2022 acquisitions (Vulcanic and Durex Industries), to allow users of the Annual Report to see underlying progress against our **One Planet** targets.

Achieve net zero greenhouse gas emissions

Key strategic targets

- Net zero scopes 1 and 2 greenhouse gas emissions (GHG) by 2030, with an interim target of a 50% reduction (compared to 2019) by 2025
- 20% reduction in Group energy use (compared to 2019) by 2025

Approved SBTi targets

- Reduce absolute scopes 1, 2 and 3 GHG emissions by 50.4% by 2032 compared to a 2021 baseline
- Net zero GHG emissions across the value chain by 2050

Progress to date

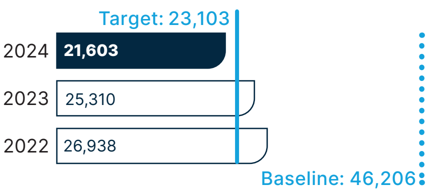
53% decrease in scopes 1 and 2 emissions (market-based) since 2019

18% reduction in Group energy use since 2019

62% electricity from renewable sources in 2024*

* Includes recent acquisitions

Group GHG emissions (scopes 1 and 2) tonnes CO_2e (market-based) (excluding acquisitions)



Group energy consumption
MWh (excluding acquisitions)

Read more about net zero GHG emissions on pages 66 to 71

Deliver biodiversity net gain

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

* 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

Progress to date

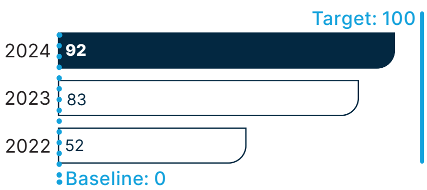
92% of operating companies have delivered at least one biodiversity initiative since the launch of the **One Planet** Sustainability Strategy in 2021

4x biodiversity 'offset' of our global operational footprint since 2021*

2,206 acres of land protected since 2021

* Includes recent acquisitions

Operating companies that have delivered a biodiversity initiative
cumulative % (excluding acquisitions)



Read more about biodiversity net gain on page 72

Implement environmental improvements in our operations

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)
- All manufacturing sites certified to ISO 14001 standard or equivalent by the end of 2025
- Eliminate the use of solvent-based paints on our sites by the end of 2025 (update: paused in STS and ETS in 2024)

Progress to date

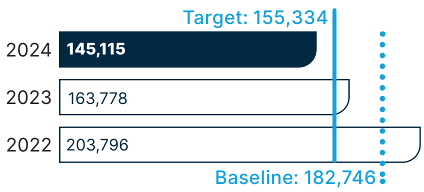
21% reduction in water consumption since 2019

8% waste to landfill in 2024 (2019: 19%)

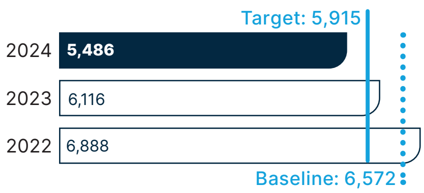
17% decrease in waste production since 2019

Solvent-based paint eliminated in WMFTS as of the end of 2024

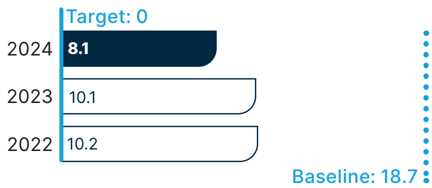
Total water use
m^3 (excluding acquisitions)



Total waste generation
tonnes (excluding acquisitions)



Waste to landfill
% (excluding acquisitions)



Read more about environmental improvements on pages 73 and 74

Grow sales of products with quantified sustainability benefits

Key strategic targets
- Quantify the sustainability benefits and whole life cycle carbon footprint of some existing product groups and all new products
- Grow sales of products with quantifiable sustainability benefits to customers
- Eliminate all single-use plastic (SUP) and non-recyclable packaging by 2025, unless specified by customer

Progress to date
16 life cycle assessments completed since 2021

163 colleagues trained in eco-design

£310 million of revenue from products with quantified sustainability benefits in 2024*

15.1 million tonnes of carbon saved annually by customers purchasing products sold in 2024*

206.4 million GJ of energy saved annually by customers purchasing products sold in 2024*

82.0 million m³ of water saved annually by customers purchasing products sold in 2024*

* From 20 product ranges included in our 3rd party verified methodology

Read more about sustainable products on page 75

Embed sustainability criteria in supply chain management

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

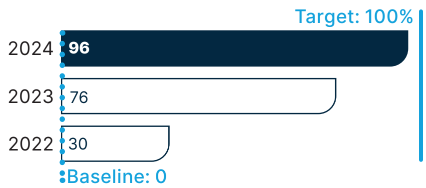
Progress to date
1,028 suppliers in the Supplier Sustainability Portal

96% of direct material suppliers have signed the Supplier Sustainability Code (by number)*

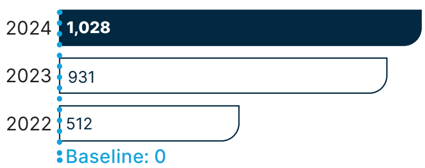
98% of direct material suppliers have signed the Supplier Sustainability Code (by spend)*

* Percentage of the total number of suppliers with an annual spend of over £15,000 and suppliers that are deemed potentially high risk on the basis of geographic location or commodity type

Suppliers who have signed the updated Supplier Sustainability Code
by number (excluding acquisitions)



Number of Suppliers in the Supplier Sustainability Portal
(excluding acquisitions)



Read more about sustainable supply chains on page 76

Support the wellbeing of people in our communities

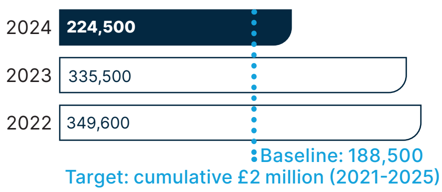
Key strategic targets
- Deliver 150,000+ hours (cumulative) of colleague volunteering globally by 2025
- £2 million of cash or in-kind donations (cumulative) made by our Group Companies by 2025
- Establish the Spirax Group Education Fund and donate up to £15 million by 2030
- Eliminate the use of solvent-based paints on our sites by the end of 2025 (update: paused in STS and ETS in 2024)

Progress to date
87,587 volunteering hours delivered since 2021

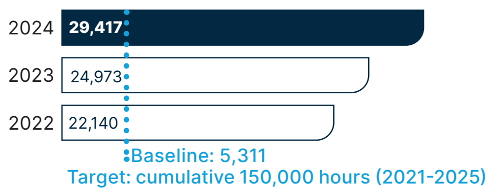
£1.25 million cash or in-kind donations made by Group companies since 2021

£3.25 million donated by the Spirax Group Education Fund, since it began operating in 2022

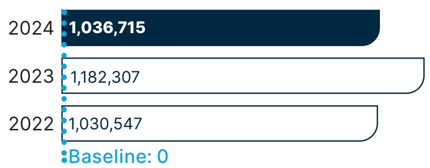
Operating company cash/in-kind donations £ (excluding acquisitions)



Colleague volunteering
hours (excluding acquisitions)



Spirax Group Education Fund Donations £



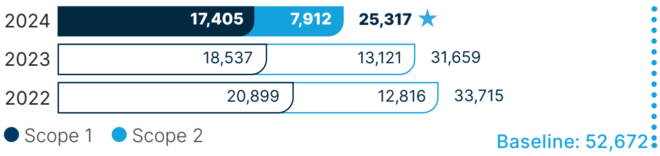
Read more about supporting our communities on page 77

Net zero GHG emissions

Alignment with UN SDGs

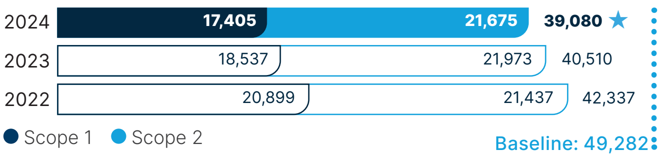
Group GHG emissions (scopes 1 and 2)

tonnes CO_2e (market-based) (including acquisitions)



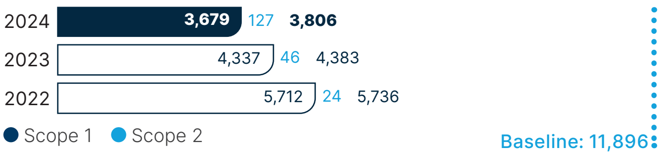
Group GHG emissions (scopes 1 and 2)

tonnes CO_2e (location-based) (including acquisitions)



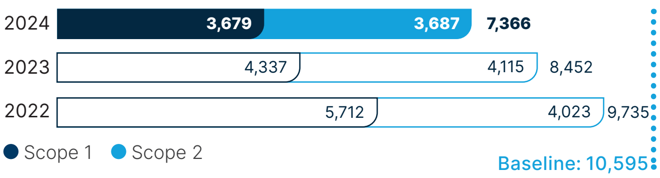
UK GHG emissions (scopes 1 and 2)

tonnes CO_2e (market based) (including acquisitions)



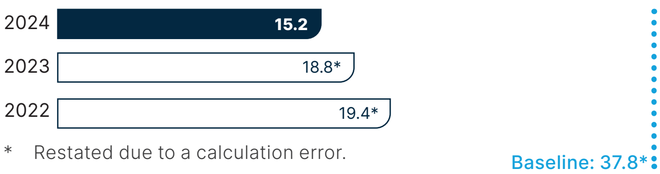
UK GHG emissions (scopes 1 and 2)

tonnes of CO_2e (location based) (including acquisitions)



Group GHG emissions intensity (scopes 1 and 2)

tonnes CO_2e per £m reported revenue (market-based) (including acquisitions)



* Restated due to a calculation error.

Reaching net zero is critical to preventing the worst effects of climate change, such as extreme weather events, rising sea levels, and disruption to ecosystems and economies. By striving for net zero, we can play our part to help limit global warming, protect our environment and create a more sustainable future for generations to come.

Progress[1]

Increasing the proportion of electricity that is sourced from renewable sources continues to be a focus for the Group. During 2024, additional green energy contracts were implemented at sites including Vulcanic Sonneberg (Germany), WMFTS Shanghai (China), and across our ETS sites in North America. These, along with a new photovoltaic array at our WMFTS site in Falmouth (UK) and existing self-generation capacity, mean that in 2024 62% (2023: 52%) of our electricity was purchased or self-generated from renewable sources, which will further increase next year as we see the full-year benefit from contracts entered into in 2024.

Our global fleet is continuing to transition to electric vehicles (EVs), with 16% of our fleet now compromised of EVs (2023: 7%), aligning with our long-term goals of embracing renewable energy solutions and reducing our reliance on fossil fuels.

Greenhouse gas (GHG) emissions performance

We have continued to make excellent progress towards net zero (scopes 1 and 2) across the Group, achieving our 2025 interim **One Planet** target a year early by reducing our scope 1 and 2 emissions on a market-basis, excluding 2022 acquisitions, by 53% since 2019 and 15% since 2023, to 21,603 tonnes CO_2e.

Vulcanic and Durex Industries, acquired in 2022, have continued to integrate into the Group, working to meet our standards and adopt our **One Planet: Engineering with Purpose** Sustainability Strategy. Including these acquisitions and re-baselining to 2019, absolute Group CO_2e emissions have fallen by 52% since 2019, and 20% since 2023.

Deloitte has provided independent limited assurance in accordance with the International Standard for Assurance Engagements 3000 (ISAE 3000) and Assurance Engagements on Greenhouse Gas Statements (ISAE 3410) over selected GHG metrics for 2024, identified with ★. Deloitte's full unqualified assurance opinion, which includes details of the metrics assured, can be found at spiraxgroup.com/sustainability-downloads

The UK accounted for 15% of our Group GHG emissions in 2024, with 3,806 tonnes being generated in total and an intensity of 32.6 tonnes per million pounds of reported revenue. These emissions are comprised of 3,679 tonnes of scope 1 and 127 tonnes of scope 2 calculated using market-based emission factors. Year-on-year, through the combination of operational efficiencies and a change in shift patterns at one of our key sites, our UK emissions decreased by 13%.

1 All GHG and energy data pre-2023 labelled as 'including acquisitions' has been restated to include Vulcanic and Durex Industries using estimated data, with actual data for Durex Industries and Vulcanic included from 2023.

★ Metric assured by Deloitte

Scope 3 emissions

In August 2024, we submitted our re-baselined submission to the Science-Based Targets initiative (SBTi) to include Vulcanic and Durex Industries, which was approved in December. This has increased our Group scope 3 emissions significantly due to in-use phase emissions from Vulcanic. Their operating company, Triatherm (Germany), for example, manufacturers products in high volumes for applications with high daily use energy, such as heating in commercial bakeries, and are used over a long life-span (c.10 years). They are also predominantly sold to OEM customers in Germany, which has a high grid emissions factor, resulting in high use-phase emissions.

Due to the complexity of calculating scope 3 emissions, we disclose our full scope 3 emissions with a one-year time lag. Our total Group scope 3 emissions in 2023 were 26.3 million tonnes CO_2e (2022:12.9 million excluding acquisitions). In our legacy businesses, scope 3 emissions reduced by 22% during this same period, mostly due to changes in product mix. We have made material improvements in the accuracy of category 1: purchased goods and services and category 4: logistics data, but scope 3 emissions are still heavily reliant on estimations and assumptions with a large degree of uncertainty.

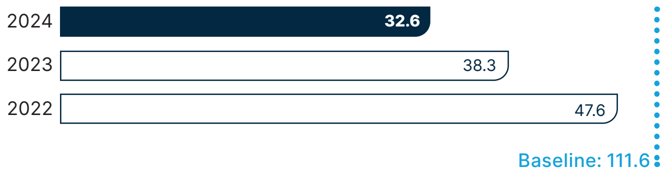
In 2023, 98.5% of our total scope 3 emissions were category 11: use of sold products, primarily from products sold by our ETS Business. These products transfer electric energy in the form of heat into industrial processes. When calculating these emissions, we apply local grid emissions factors for all products sold, which is likely to over-estimate emissions as an unknown proportion of customers will use green energy to power their sites. Reaching our 2050 net zero target will largely be dependent on global grid greening, which will reduce the emissions associated with our customers' electricity use, potentially combined with utilising customer-specific emissions factors to take into account customers' green energy contracts and actual product use data.

Emission reduction initiatives

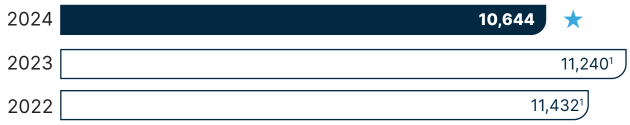
As well as green energy contracts and photovoltaic arrays at the sites mentioned, we have implemented a regional framework agreement for sourcing green electricity certificates across multiple ETS sites in the EMEA region, which will decrease our scope 2 emissions by approximately 1,050 tonnes CO_2e in 2025.

Annealing furnaces, used at our ETS sites, are one of our largest energy users and a GHG emissions contributor. In 2024, we started a project to optimise and upgrade these furnaces, to reduce these impacts and improve manufacturing flexibility. In 2024, we commenced installation of new annealing furnaces at our Chromalox Ogden site in Utah (USA) and our Vulcanic site in Saint-Florentin (France), which are expected to become operational in Q1 2025. These two new furnaces are expected to reduce energy consumption by approximately 420 MWh per year, GHG emissions by over 50 tonnes per year, reduce atmospheric gasses, such as NOx, and fully eliminate the use of ammonia in the Ogden furnace.

UK GHG emissions intensity (scopes 1 and 2)
tonnes CO_2e per £m reported revenue (market-based) (including acquisitions)



Group GHG emissions (partial scope 3)
tonnes CO_2e (well-to-tank and transition and distribution) (including acquisitions)



★ Metric assured by Deloitte

1 Restated to include Vulcanic and Durex (data estimated for 2022 and 2023)

Group GHG emissions (full scope 3)
tonnes CO_2e (including acquisitions)

Energy performance

In 2024, total Group energy use decreased by 4% vs the previous year, with an 18% reduction since 2019, excluding acquisitions. Including acquisitions, total Group energy use decreased by 3% vs the prior year and was down 16% vs 2019, with 2019 re-baselined to include acquisitions to allow like-for-like comparison.

The UK accounted for 22% of the Group's total energy usage in 2024, including acquisitions, at 36,037MWh, and decreased by 14% compared with 2023. On an intensity basis, Group energy use decreased by 2% to 96.9MWh per million pounds of reported revenue and UK energy use intensity decreased by 16% year-on-year, to 308.8MWh per million pounds of reported revenue. Energy intensity for the UK is high compared to the Group as a whole, as we develop, test and manufacture products in the UK for sale across global markets.

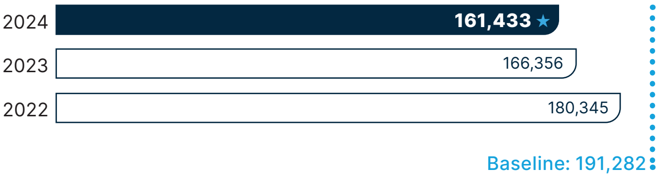
Energy management initiatives

At our Aflex Hose site in Huddersfield (UK), we installed an Air Source Heat Pump (ASHP) in Q2 2024, to support the existing electric immersion heaters for heat extrusion water baths. By analysing data using our digital metering and monitoring technology, we have been able to calculate that this ASHP will save an estimated 100MWh in energy in its first full year of operation.

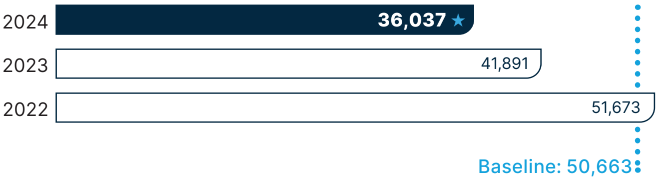
We have continued the roll out of our digital energy monitoring and metering system, in our remaining legacy and key acquisition sites, with full integration completed at our Chromalox site in Heidelberg (Germany), Vulcanic sites in Haguenau (France), Sonneberg (Germany), Torrelavega (Spain) and Thermocoax in Normandy (France) in 2024.

Net zero GHG emissions continued

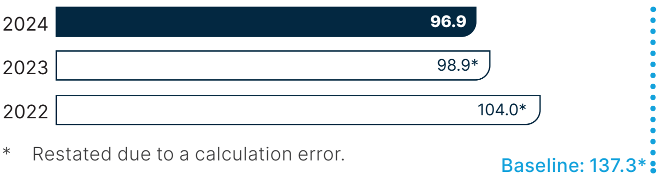
Group energy consumption
MWh (including acquisitions)



UK energy consumption
MWh (including acquisitions)

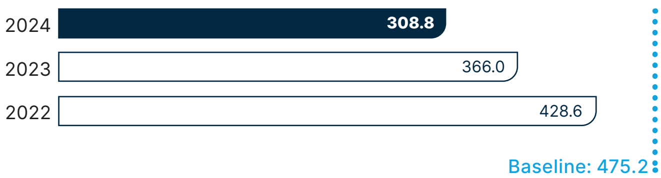


Group energy intensity
MWh per £m of reported revenue (including acquisitions)



* Restated due to a calculation error.

UK energy intensity
MWh per £m of reported revenue (including acquisitions)



★ Metric assured by Deloitte

Energy management initiatives continued

Improved metering and monitoring gives sites access to real-time data from which to identify energy saving opportunities. For example, at our Chromalox site in Heidelberg (Germany), assessment of data revealed that energy for space-heating usage peaked at similar times each day and remained constant outside of working hours and weekends. After investigating on site with the heating contractor, we have implemented several controls that will deliver savings over the winter months.

In Q2 2024, we completed a programme to perform energy reviews on eight Vulcanic manufacturing sites. These reviews provided us with a comprehensive understanding of the sustainability performance of these sites and mapped their significant energy users.

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 2024.

For all entities we have measured and reported on our relevant scope 1, scope 2 and partial scope 3 emissions for 2024. We have used the GHG Protocol Corporate Accounting and Reporting Standard and the GHG Protocol Data Hierarchy, striving for the highest precision possible. Emission factors have been used from credible publications such as the UK Government's (DEFRA/DECC) GHG Conversion Factors for Company Reporting 2019- 2024, data from the International Energy Agency (IEA) 2019-2024, ISO 140064-1, U.S. Environmental Protection Agency, The GHG Protocol Initiative and regionally specific Environmental Reporting Guidelines (e.g. Australian/ Canadian Government) to calculate our total CO_2e emissions figures on a location-basis for scopes 1 & 2.

Spirax Group reports fugitive refrigerant emissions by identifying the types and quantities of refrigerants used, tracking their usage and reporting refrigerant losses from engineer logs and maintenance checks. This is converted into CO_2e by using specific global warming potential (GWP) values. In cases where the actual data is not readily available Spirax Group estimates data based on previously provided actual data. Fugitive refrigerant emissions are not material in total when compared to overall GHG emissions.

For Scope 1 emissions, we strive to use actual data wherever possible. When this is not always an option (such as mobile combustion reporting) we estimate using distance-based emission factors using appropriate assumptions. Where actual fuel consumption is not available, emissions are estimated based on distance travelled and appropriate emissions factors based on vehicle type, or lease mileage data.

To report under the market-based method for purchased electricity (Scope 2) 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 contract period 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: spiraxgroup.com/sustainability-downloads

Spirax Group net zero transition plan

Introduction

We are committed to achieving net zero greenhouse gas (GHG) emissions across our entire value chain by 2050. Our transition plan is structured around all three key scopes of emissions, with specific targets and strategies for each.

Scopes 1 and 2 Emissions Target:

- Achieve net zero GHG emissions for scopes 1 and 2 by 2030

Definitions

- **Scope 1:** direct GHG emissions from sources that are owned or controlled by Spirax Group
- **Scope 2:** indirect GHG emissions from the consumption of purchased electricity, heat and steam
- **Scope 3:** all indirect emissions that occur in the value chain of Spirax Group, including both upstream and downstream emissions

1. Energy efficiency

Improve energy management by utilising our own digital metering and monitoring solutions and implementing energy reduction initiatives across our manufacturing and non-manufacturing facilities.

Progress to date

Digital metering and monitoring in place in **24** of our manufacturing sites; multiple energy reduction initiatives completed, resulting in a **16%** reduction in energy consumption (including acquisitions) vs 2019.

2. Renewable electricity

Transition to 100% renewable energy sources through verified and credible green energy contracts or self-generation by 2030.

Progress to date

20 of our manufacturing sites had green energy contracts in place by the end of 2024, and **7** manufacturing sites are self-generating electricity using solar panels, with **62%** of electricity used during the year from renewable sources. **70%** reduction in scope 2 emissions associated with electricity use vs 2019.

3. Fossil fuel substitution

i. Utilise our innovative TargetZero solutions to decarbonise steam generation, through electrification

ii. Enable the switch of high temperature industrial processes to low-carbon alternatives

iii. Progressively replace fossil-fuel consuming building assets to low carbon alternatives and climate-friendly refrigerants

Progress to date

23% reduction in scope 1 emissions from stationary combustion vs 2019.

4. Electric vehicles (EV)

Transition to a 100% electric vehicle fleet, where charging infrastructure allows, by 2030.

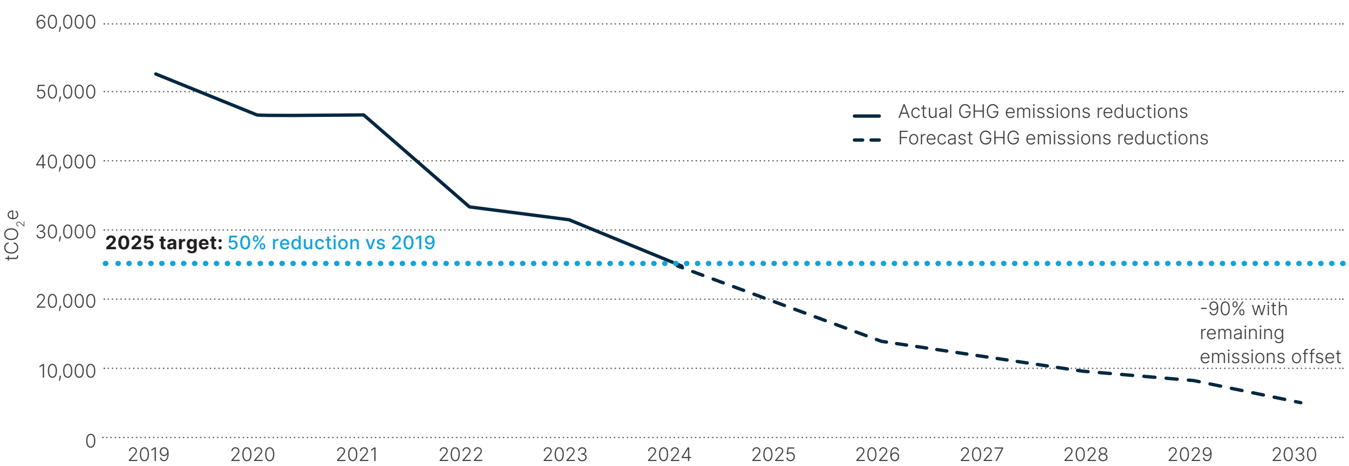
Progress to date

16% of our fleet had been transitioned to electric vehicles by the end of 2024.

5. Offsetting

Although not a part of our strategy to date, the purchase of credible carbon credits will be used to offset residual emissions from hard to decarbonise processes by 2030.

Absolute scopes 1 and 2 emissions reductions (actual and forecast) 2019–2030



Net zero GHG emissions continued

Spirax Group net zero transition plan continued

Science-Based Targets initiative (SBTi) targets:

- Reduce absolute scopes 1, 2, and 3 GHG emissions by 50.4% by 2032 from a 2021 base year
- Reduce absolute scopes 1 and 2 GHG emissions 95% by 2050 from a 2021 base year and reduce absolute scope 3 emissions by 90% within the same timeframe, to achieve net zero GHG emissions across the value chain by 2050

Total Group GHG emissions breakdown

Emissions Type	2021	2023
Scope 1	24,339	18,537
Scope 2 (market-based)	22,406	13,121
Scope 3 Category 11: Use of sold products	24,651,860	25,902,985
Scope 3 "Other"*	400,057	394,453
Scope 3 Total	25,051,918	26,297,438
Total GHG Emissions	25,098,663	26,329,096

* Categories 1, 2, 3, 4, 5, 6, 7, 9 (other categories not relevant to Spirax Group are excluded)

Scope 3 GHG emissions

Scope 3 emissions accounted for 99.8% of the Group's total emissions in 2021 (our scope 3 baseline year). Of these, 98.4% of scope 3 emissions (and 98.2% of total Group emissions) were category 11: use phase emissions, associated with the electricity customers use to power products that we sold in 2021, over their whole lifetimes. The majority of these emissions are associated with the use of industrial heating equipment from our ETS Business.

1. Use of sold product emissions

The majority of our scope 3 emissions are associated with the energy consumed during the lifetime of our products. As we grow sales, our scope 3 emissions are expected to increase. Achieving our scope 3 reduction targets will largely be dependent on electricity grid greening to reduce emissions associated with the use phase of our products. As grids become greener, the emissions from the use of our products will decrease accordingly.

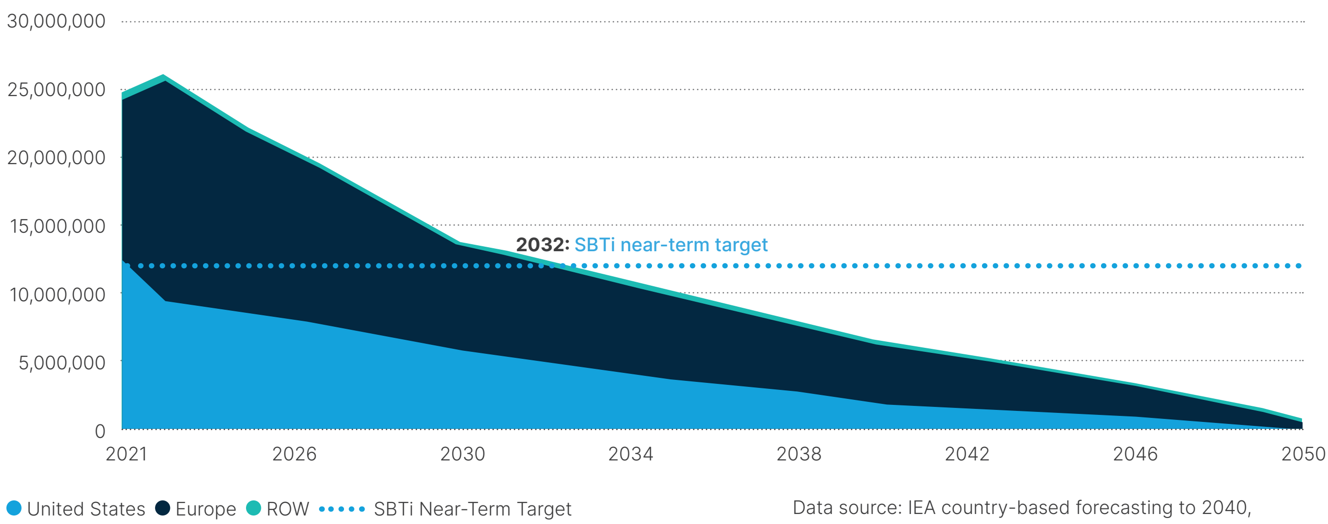
We have modelled grid greening based on external forecasts and believe this will drive significant reductions in emissions over the medium-to-long term. In the future, we may also seek to engage with customers to encourage their adoption of green electricity and update our reporting to use market-based emissions factors for customers, where data is available, both of which will accelerate our scope 3 emissions reductions.

In addition, we do not currently have access to customer-specific product use or energy source data, so our scope 3 calculations include assumptions over working hours. As a result, we are likely to over-estimate scope 3 emissions. We are currently seeking opportunities to make data enhancements within this category by collaborating with our carbon-intensive customers, within category 11, with the aim of increasing visibility of the end-user geography of products sold to OEM customers and moving from estimated to actual use data where possible and anticipate this will further reduce reported scope 3 emissions.

2. Supplier engagement

We will work closely with our suppliers to reduce emissions in the supply chain, focusing on carbon-intensive purchased goods and services and logistics.

Impact of grid greening on scope 3: category 11 (use of sold products) emissions*



Data source: IEA country-based forecasting to 2040, Spirax Group estimated grid greening trajectory 2041-2050.

* Includes the impact of product sales growth on emissions; assumes the same product and geographical sales mix as in 2021 is maintained to 2050.

Governance

The governance of our net zero transition plans is structured to ensure robust oversight and accountability at every level of the organisation, through our **One Planet** Sustainability Strategy (see page 89). Our transition plan includes specific targets and strategies for scopes 1, 2, and 3 emissions reductions, with a near-term focus on achieving net zero in scopes 1 and 2 emissions by 2030. Financial planning for achieving our 2030 net zero target is embedded in our both our annual and medium-term financial planning processes. Regular updates and reviews are conducted to track progress, address any challenges and ensure that our initiatives are on track to meet our 2030 and 2050 net zero goals.

Risks

We are committed to driving progress against our net zero targets, especially where this is within our control, and have made excellent progress since establishing our targets in 2021. We remain confident in our ability to deliver our 2030 target, for scopes 1 and 2 emissions, but risks to achieving this target include:

- **Availability of EV charging infrastructure:** our direct sales business model is based on customer closeness and the ability to 'walk our customers' plants' and self-generate sales by identifying operational efficiency and process improvement opportunities. Our sales and service engineers are currently reliant on vehicles to access our diverse and geographically widespread customer base (although this is likely to reduce over time as we increasingly use digital technology to 'walk the data' for customers, without always needing to be physically present on their sites). Today, the EV charging infrastructure is not sufficiently advanced to allow the transition to EVs in many of the countries in which we operate. Therefore, achieving the required reduction in emissions from mobile combustion is dependent on the rapid development of charging infrastructure.
- **Managing EV charging:** the majority of our sales and service engineers return their vehicles to their homes overnight, rather than to a central location where charging can take place using electricity from certified renewable sources. As a result, EV charging will largely happen at, or near, our sales and service engineers' homes, with electricity that may not be from renewable sources, meaning that the EV transition may not fully decarbonise vehicle use.
- **Availability of green energy:** we are committed to only entering credible, third-party validated, green energy contracts, as we transition to 100% renewable electricity use. Achieving our 2030 target is dependent on the availability of credible green energy contracts in the locations in which we operate. If local regulations change in any of the countries where we operate, reducing our ability to validate the credibility of renewable energy certificates, it could impact our net zero target.
- **Cost:** achieving our scopes 1 and 2 net zero target, will require investment in decarbonisation technology and initiatives and some carbon offsets by 2030. Making those investments requires the continuing support of shareholders for net zero investments.

Achieving our 2050 value chain net zero target is significantly more complex and reliant on factors outside of our control, therefore the risks to delivering this target are materially higher than for scopes 1 and 2. The biggest risk to achieving our scope 3 target is:

- **Global rates of electricity grid greening:** achieving scope 3 emissions reductions is largely dependent on grid greening to reduce the emissions associated with the electricity used by our products during their use phase. If grids green more slowly or to a lesser extent than forecast, and remain reliant on fossil fuels, it would pose a significant risk to the delivery of our 2050 target.

Conclusion

We are committed to leading the way in sustainability and climate action. Our comprehensive net zero transition plan outlines clear targets and strategies to achieve our ambitious goals, ensuring a sustainable future for our business and the planet.

Focus for 2025

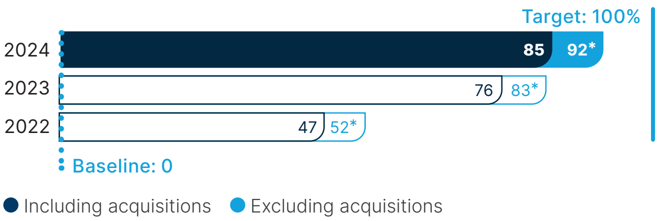
- Continue to implement energy saving initiatives, identified through analysis of data from digital monitoring
- Continue the implementation of net zero roadmaps, including air source heat pump installation and annealing furnace upgrades
- Support the prioritised transition of our vehicle fleet to electric

Biodiversity net gain

Alignment with UN SDGs

Biodiversity is fundamental to the health and stability of ecosystems that humans, wildlife and the planet rely on. Biodiversity supports essential services such as pollination, water purification, climate regulation and soil fertility. It forms the backbone of resilient ecosystems, ensuring that natural processes continue to function despite changing conditions. However, the loss of biodiversity due to human activities, such as deforestation, pollution and climate change, poses significant risks to these vital systems. Minimising our impact is not only an environmental responsibility but also an economic and social one, as healthy ecosystems underpin the prosperity of communities and businesses alike.

Operating Companies that have completed Biodiversity initiatives % (including acquisitions)



Progress

Operating company initiatives

Across the Group, we have continued to deliver biodiversity initiatives in the communities in which we operate. Excluding acquisitions (Vulcanic and Durex Industries), we remain on track to meet our target of having all Group operating companies undertake at least one biodiversity initiative, either on site or in the local community, by the end of 2025. By the end of 2024, 92% of legacy operating companies (2023: 83%) and 85% including acquisitions (2023: 76%) had delivered at least one biodiversity initiative, with 100% of STS and WMFTS operating companies meeting the target.

'One Plant' initiative

Since launching the **One Planet** Sustainability Strategy in 2021, we have held an annual Group-wide community engagement campaign, aligned with one of the UN Sustainable Development Goals (SDGs), to coincide with the International Day of Charity on 5 September. For 2024, we selected SDG 15: Life on Land, as the focus of our activities and created a campaign called 'One Plant' to inspire our colleagues to plant or maintain trees. A total of 641 colleagues, in 25 countries and over 50 operating companies, participated in the campaign. For example, Chromalox Isopad, in Heidelberg (Germany) ran workshops on growing trees for beginners and started cultivating seedlings from lemon seeds and avocado cores. Colleagues also planted pear, apple, cherry, plum and maple trees in the garden of their site and donated trees through other organisations. Across the Group, colleagues who participated in this initiative contributed nearly 1,000 hours of volunteering time and planted 1,915 trees, which the Group matched with a charitable donation to plant an additional 1,915 trees.

Biodiversity net gain

We have five ongoing projects to deliver 10% biodiversity net gain on sites where we have undertaken substantial building projects since the **One Planet** Sustainability Strategy was launched in 2021: Spirax Group Headquarters, Cheltenham (UK), WMFTS Devens, Massachusetts (USA), Chromalox Ogden, Utah (USA), BioPure (UK) and Thermocoax (France).

At our Group Headquarters, we have cultivated areas of wildflower meadow, planted trees and installed bird boxes and bug 'hotels' to support local biodiversity and ecosystem health. An initial assessment has been completed by an independent third-party ecologist and a formal assessment will be completed in the summer of 2025, but we believe we are on target to deliver a 10% net gain. At our WMFTS Devens site, planting has commenced and should be completed in 2025, to deliver the required 10% net gain. At our Chromalox Ogden site, during 2024 we worked with consultants to develop a biodiversity scoring methodology, based on the DEFRA model, that is appropriate for the local habitat, in the absence of such a methodology existing. We have identified a local nature reserve where we hope to invest and improve biodiversity to achieve our net gain commitment in 2025.

At BioPure and Thermocoax, these projects had completed planning and budget approvals and construction work had already started when we established our 10% biodiversity net gain target. As a result, good baseline data, pre-construction, is not available, which has made this more challenging. These companies have taken steps to restore biodiverse habitats on site but are falling short of net gain. During 2024 we worked with an ecologist to identify credible projects in the local vicinity of these sites that we could potentially use to deliver net gain, but delivering them will be subject to budgetary availability in 2025.

Biodiversity operational footprint 'offset'

We have continued to invest to protect land on the Somuncurá Plateau in Argentinian Patagonia, preserving a crucial habitat. In 2024, we protected an additional 550 acres, equivalent to our global direct operating footprint at the end of the year. This takes the total land area protected to 2,206 acres, or nearly nine square kilometres, over the past four years. This area is classified as a crucial area for biodiversity with multiple endemic species that are found nowhere else in the world and critically endangered species, such as the Laguna Raymunda Frog and the Naked Characin Fish. We will complete one further donation in 2025 to deliver the five times operational footprint 'offset' committed to as part of our **One Planet** targets.

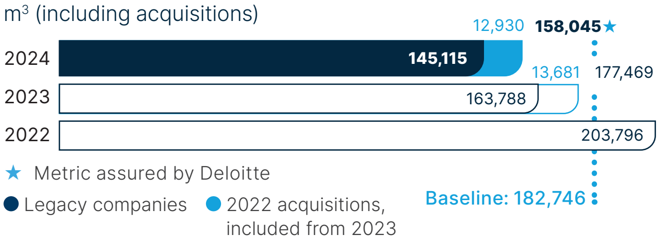
Focus for 2025

- Encourage the remaining legacy operating companies that have not yet delivered a biodiversity initiative, to do so, and continue to advance participation by recent acquisitions
- Achieve 10% biodiversity net gain targets for at least three sites
- Complete the final biodiversity investment in Argentina, to meet our target to deliver a x5 'offset' of our global operational footprint

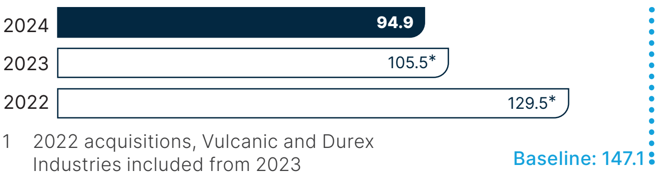
Environmental improvements

Alignment with UN SDGs

Total water use
m³ (including acquisitions)



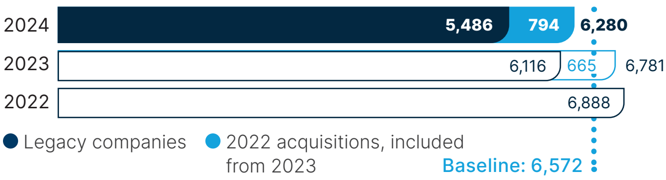
Water intensity[1]
m³ of water per £m of reported revenue (including acquisitions)



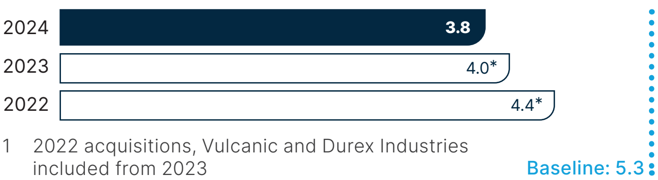
1 2022 acquisitions, Vulcanic and Durex Industries included from 2023

* Restated due to a calculation error

Total waste generation
tonnes (including acquisitions)



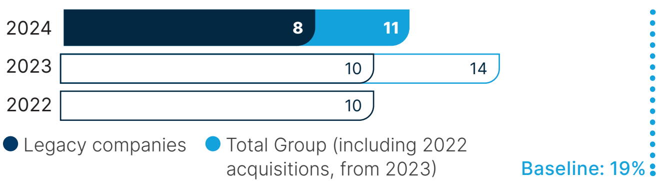
Waste intensity
tonnes of waste per £m of reported revenue (including acquisitions)



1 2022 acquisitions, Vulcanic and Durex Industries included from 2023

* Restated due to a calculation error

Waste to landfill
% (including acquisitions)



The management of water and waste in our operations is important for minimising our environmental footprint and ensuring the sustainability of our business. Water is a critical resource and its efficient use both preserves it and also reduces the costs associated with water consumption. Similarly, effective waste management is key to minimising landfill impact, reducing pollution and improving operational efficiency. By addressing these issues proactively, we can contribute to a cleaner environment, lower operational costs and align with global sustainability goals, while also meeting the growing expectations of stakeholders and regulators.

Progress

In 2024, we further improved our management of water and waste, driving reductions in absolute water use and waste volumes. On a like-for-like basis, excluding our 2022 acquisitions, we exceeded our 2025 reduction targets a year early, with a 21% reduction in water use vs 2019 and a 17% reduction in waste volumes. By utilising our digital monitoring and metering system to track water use across our manufacturing sites, we have focused our efforts on opportunities that create the maximum impact and have been able to detect leaks and fix them quickly.

In 2024, following the development of waste and water action plans for our five largest consumers in 2023, we produced Group-wide waste and water management guidelines, which were shared with our operating companies to demonstrate best practice. Our sites have embraced the implementation of these guidelines and we saw reduced water consumption at 63 of our operating companies in 2024.

In Vulcanic, during 2024 each site underwent a waste and water assessment, delivering an executive summary to identify top opportunities for reductions going forward.

In Q3 2024, Spirax Sarco Inc. in the USA achieved accreditation to environmental management standard ISO 14001. Excluding acquisitions, we have five remaining manufacturing sites that are working towards this certification, of which we are targeting completion by four of these in 2025, in line with our target. Certification of Chromalox, Ogden, Utah (USA), has been paused until a site extension is completed to prevent the need for recertification once fully operational.

Water

As we have focused on improving efficiency of water use, our water intensity has decreased by 10% vs 2023 and 35% since 2019 to 94.9m³ per million pounds of reported revenue. Some of the largest reductions have been at our Runnings Road site in Cheltenham (UK) as a result of Project ClearSky, part of which was designed to recapture and recirculate steam previously being released to the atmosphere. At our STS site in Chennai (India) we implemented a grey-water system to water the garden, and at Aflex Hose in Huddersfield (UK), we are now capturing and reusing process water previously being discharged, contributing to a 32% reduction in water use on that site vs 2023. At WMFTS in Falmouth (UK), we upgraded taps and toilets to water-saving equipment and in São Paulo (Brazil) installed a rainwater harvesting system.

Environmental improvements continued

Progress continued

Water continued

For the first time our water audit has included the 2022 acquisitions to reflect the reporting improvements we have made at these sites now they are integrated as part of our Group. Including acquisitions, we saw a 11% reduction in water vs 2023 and a 14% reduction vs 2019, as we have not rebaselined our data to allow like-for-like comparison.

Deloitte has provided independent limited assurance in accordance with the International Standard for Assurance Engagements 3000 (ISAE 3000) for Spirax Group's water use in 2024, identified with ★. Deloitte's full unqualified assurance opinion can be found at spiraxgroup.com/sustainability-downloads.

Waste

Excluding acquisitions, overall waste generation decreased by 10% in 2024 vs 2023 to 5,486 tonnes, as well as the proportion of waste that was sent to landfill, at 8% (2023: 10%). Including acquisitions, overall waste generation decreased by 7% vs 2023 to 6,280 tonnes, and the proportion of waste to landfill also fell to 11% (2023: 14%). Excluding acquisitions, waste generation was 17% lower in 2024 than in 2019, exceeding our 2025 target. Including acquisitions, from 2023 onwards, we have achieved a 4% reduction in waste vs 2019, as we have not rebaselined our data for a like-for-like comparison to 2019.

We have been working, across multiple locations, to secure regional partnerships with waste service providers. Securing these partnerships will ensure that we have access to alternative opportunities for diverting our waste from landfill from some of our manufacturing sites and improved access to data.

At our STS site in Buenos Aires (Argentina), we implemented an initiative to remove wastewater from sludge. This sludge, previously being sent to landfill, is now separated into water and a dry filter 'cake', which is transported off-site at a substantially reduced weight. This resulted in a 77% reduction in waste to landfill from this site in 2024 vs 2023.

Solvent-based paint

At WMFTS Bredel (the Netherlands), we completed installation of our new painting line. From late 2024, products being manufactured at this site have been painted using paint that is considered 'water-based' due to the low levels of solvent.

Within our STS Business we have undertaken multiple rounds of testing of water-based and low-solvent paints over a number of years, with paints from multiple suppliers trialled. Unfortunately, we have not been able to find a painting solution that meets the temperature, moisture and pressure requirements for our products, without adding significant extra steps in the process to ensure paint adhesion and maintain product quality. Following analysis of these required changes, we determined that adding additional steps into the painting process is not a sustainable solution at this time. In November 2024, the Group Executive Committee, on the recommendation of the Group Sustainability Management Committee, made the decision to pause the paint target in STS until water-based paints advance to meet our quality requirements.

The painting transition has also been paused at our Chromalox, Ogden, Utah (USA) site where enhanced engineered controls are being installed as part of the painting line in the new extension, to improve management of Volatile Organic Compounds.

Water-based paints make Bredel pumps more sustainable

Following 18 months of rigorous research and testing and a €1.3 million investment to upgrade their painting line, in November 2024, Bredel Hose Pumps (a WMFTS company), completed a multi-year project to transition from solvent-based to water-based paints during the manufacture of peristaltic hose pumps at their site in Delden, the Netherlands.

This project was initiated following the launch of our **One Planet** Sustainability Strategy and aimed to eradicate the use of solvent-based paints, which have high levels of Volatile Organic Compounds (VOCs) that can contribute to environmental contamination and impact human health.

Investments included, a conveyor belt expansion, paint equipment modification, a new air extraction unit and site layout changes.

Benefits of this transition include:

- 90% reduction in VOC emissions
- 8,000m³ annual reduction in natural gas usage, saving 15 tCO_2e a year
- Increased process and operational efficiency from reduced internal transportation
- Reduced volumes of hazardous materials on site
- Elimination of ATEX zones and regulations at the site

Due to the extensive testing undertaken before the transition, Bredel's products have maintained their ISO 12944 standard for paint durability, quality and corrosion resistance, which is vital as they are used in a wide range of industries, such as mining, industrial, water and wastewater treatment, and food and beverage, where the pumps often need to withstand harsh conditions.

We are proud of our transition to using water-based paints, lowering the environmental footprint of our solutions without compromising quality or performance. This achievement highlights our commitment to our One Planet Sustainability Strategy and to reducing our environmental impact, which benefits our communities, customers and the planet."

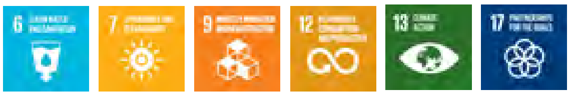
Camilo Contreras
Energy Engineer, WMFTS

Focus for 2025

- Achieve targets set out in **One Planet: Engineering with Purpose** in our legacy sites
- Continue to integrate best practices into our 2022 acquisitions, including digital monitoring and insights
- Continue to focus on identifying waste service providers that can help us deliver our landfill free target, with a focus on manufacturing sites in 2025

Sustainable products

Alignment with UN SDGs



Our products and solutions are critical to our ability to deliver our Company Purpose of engineering a more efficient, safer and sustainable world. By focusing on eco-design, better understanding the whole lifecycle impacts of our products through lifecycle assessments (LCAs) and transitioning to more sustainable packaging, we seek to not only lessen our own and our products' environmental footprint but support our customers and suppliers in their sustainability efforts too.

Progress

Eco-design

Throughout 2024, we worked with a third-party specialist to develop an eco-design toolkit. The toolkit is a set of resources to assist the implementation of eco-design principles within product development and engineering change processes. It includes evaluation tools and data to facilitate decision making and for considering environmental impacts throughout the product lifecycle. The toolkit sets out a four-step process, in an iterative cycle, that includes:

1. Prioritisation
Of environmental targets

2. Evaluation
Data-led design decisions

3. Action
Possible design changes that can be considered to reduce environmental impacts

4. Implementation
Assessing and recording the environmental aspects of design changes at each stage of the product development process

In addition to developing the toolkit, we undertook training workshops for our engineering colleagues across our R&D teams in each Business, which were attended by a total of 107 colleagues. In October, we also made available a live training session on eco-design to interested colleagues across the Group, which was attended by 58 people. We will further train our colleagues on the use of the toolkit throughout 2025.

Lifecycle assessments

During 2024, colleagues in our WMFTS Business completed a further eight LCAs on WMFTS cased pumps. These LCAs have provided information on the whole life environmental impacts of our products, from the extraction of raw materials through to end-of-life disposal. The LCAs inform colleagues about the carbon footprint of each stage of our products' life, the in-use phase benefits of our products, such as material, water or chemical savings and how they can identify opportunities to reduce the products' environmental impacts in future product iterations.

Customer environment benefits

Annual estimated customer CO_2, energy and water savings from a select range of 20 product categories sold in 2024.

15.1m
tonnes of CO_2 per year

206.4m
GJ per year of energy

82.0m
m³ per year of water

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

2.2m
people's annual average energy consumption (UK)

612.0m
mature trees absorbing CO_2

32,800
Olympic-sized swimming pools of water

The methodology used to determine our customer energy, carbon and water savings shown above has been independently assessed by Ricardo Energy & Environment. Only products that deliver savings that can be quantified with reasonable certainty are included in the methodology.

Packaging

We remain committed to achieving our target of eliminating single-use and non-recyclable packaging (unless specified by customer requirements). However, the technical and operational complexity of meeting this target exceeds our initial expectations, with a significant number of differing packaging types across our sites. Coupled with local suppliers sometimes unable to provide sustainable alternatives, there is still work to be done. Our teams continue to make progress in some areas. For example, WMFTS identified a solution to eliminate the use of bubble wrap and plastic edge protectors in their packaging. They also progressed testing of several other packaging type alternatives during 2024. Previous sustainable packaging alternatives failed testing, but the solutions identified in 2024 have been found to provide suitable protection for products during transportation.

Against this backdrop, we are re-prioritising our focus and efforts on specific packaging types, such as plastic tape and document wallets, that would allow us to roll out these solutions globally and across all Businesses. We have also created specific Business-led workstreams, to identify high-volume packaging types (such as flange cap protectors), and will be working with suppliers to identify sustainable alternatives by the end of 2025.

Focus for 2025

- Ensure stakeholder alignment and commitment to embedding the eco-design toolkit in new product development and change processes
- Complete R&D engineer and wider training on toolkit use
- Focus on a small number of packaging types for universal replacement with more sustainable alternatives

Sustainable supply chains

Alignment with UN SDGs

Incorporating sustainability into supply chain management is essential for fostering long-term business success and environmental stewardship. Sustainable supply chains help reduce carbon footprints, conserve natural resources and promote ethical labour practices.

Our approach to supply chain sustainability emphasises collaboration, education, transparency and accountability. By fostering strong partnerships with our suppliers, we are building a resilient supply chain that meets our future needs while prioritising the wellbeing of people and the planet.

Progress

Supplier Sustainability Code

Our Supplier Sustainability Code (Code) outlines the minimum requirements we expect from all direct material suppliers (with an annual spend greater than £15,000 or suppliers that are potentially higher risk, based on geographic location or commodity type) in our supply chains. By the end of 2024, 96% of our suppliers, excluding Vulcanic, had signed the Code, declaring that they operate in line with our minimum standards and that they seek to ensure that their sub-tier suppliers also comply with these standards (98% on a spend basis). This marks a significant increase from 76% at the end of 2023.

As supply chains are not static, with new suppliers being added regularly, it is unlikely that we will achieve 100% of suppliers having signed the Code at any point in time, but we continue to strive for as close to 100% as possible. Our in-house monitoring systems allow us to effectively identify and engage with suppliers still to sign the Code. We have internal processes for managing suppliers with this status, including engagement to understand why and to check they are not in serious breach of our standards. If a supplier is non-signing but deemed critical, Senior Leader approval is required to use them for a period of time, while we continue to engage with them.

Ultimately, if suppliers remain unwilling to sign the Code following extensive engagement, we will look to move away from them. Our preference, other than in the case of serious breaches of standards, is to positively engage with the supplier, to raise their standards, as we believe this is the responsible thing to do.

Supplier Sustainability Portal

In 2024, we successfully completed the roll out of our Supplier Sustainability Portal (Portal) to an additional 151 strategic and higher-risk suppliers. We are now engaging with 1,082 suppliers through the Portal and are monitoring remotely a total of 3,013 suppliers. Suppliers are requested to upload evidence to the Portal annually or biennially, to demonstrate they are meeting our required standards.

We continue to see increased engagement levels by suppliers, with more evidence being provided in the Portal. Percentage completion of the modules in the Portal is set back to zero each year. Six months after the reset in July 2024, by the end of the year, 76% of suppliers in the Portal had completed at least one module of which 16% had completed all 12 modules. We expect completion rates to further increase during the remaining six months until the surveys are reset in July 2025.

Our procurement teams continue to work hard to engage suppliers, explaining the importance of their participation. In addition to onboarding new suppliers and driving participation rates, during 2024 we began to focus more on the quality of responses and assessing evidence provided to verify that suppliers are meeting our minimum standards. We have set minimum compliance thresholds for questionnaires regarding labour rights, human trafficking and slavery, human rights and organisational commitment, which we expect our suppliers to meet.

In 2024, we identified suppliers who had not provided sufficient evidence to demonstrate that they meet our minimum standards, principally as they do not have adequate policies and controls in place to manage and mitigate risks. We are now engaging with those suppliers to provide bespoke corrective action plans, including continuous improvement options and examples of best practice, along with clear expectations that they need to demonstrate an improvement going forward.

During 2024, we also completed two investigations on suppliers where we identified concerns that their supply chains may originate in the Xinjiang Uyghur Autonomous Region of China, in contravention of the Uyghur Forced Labor Prevention Act. Mindful of the cultural sensitivities for our Chinese colleagues, these investigations were completed from the UK. In both cases the investigations satisfactorily concluded that the suppliers were not operating in the region. These investigations provided strong evidence that our measures to assess and monitor our supply chains are operating effectively and helping to reduce risk.

Conflict Minerals

During 2024, we established a new role in the Sustainability Function to lead a focus on Conflict Mineral reporting and risk management. This takes advantage of the data we have available through our Supplier Sustainability Portal. We have reviewed our approach to managing Conflict Mineral risk reporting and are commencing the roll out of a corrective action plan, aligned to the OECD Due Diligence Guidance, to engage with suppliers where there is insufficient clarity of sourcing and processing of listed Conflict Minerals: tin, tantalum, tungsten and gold, in our supply chains. We have also commenced training colleagues on the importance of managing Conflict Mineral risks.

Modern Slavery Act

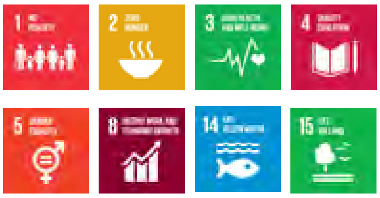
We continue to take seriously our responsibilities under the UK Modern Slavery Act and remain wholly committed to managing our operations in a way that is modern slavery free. Our Modern Slavery Act Statement can be found on the Spirax Group website spiraxgroup.com/sustainability-downloads.

Focus for 2025

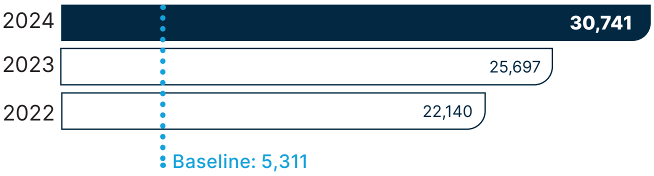
- Complete the onboarding of suppliers of our Vulcanic, WMFTS Devens (USA) and selected sales companies to the Portal
- Drive supplier response rates in the Portal, issue and follow up on corrective actions to suppliers

Supporting our communities

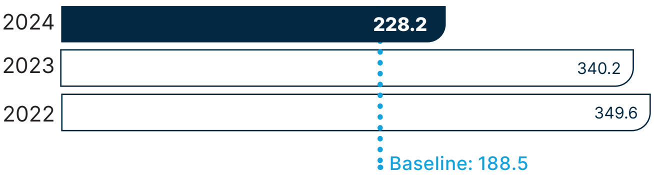
Alignment with UN SDGs



Volunteering hours
hours (including acquisitions)



Operating company cash/in-kind donations
£'000 (including acquisitions)



We recognise that our success is deeply intertwined with the wellbeing of the communities in which we operate. Our commitment to supporting our communities is firmly rooted in our Company Purpose and stems from a belief that sustainable growth is only achievable when we invest in the social fabric that supports us all.

Progress

The Spirax Group Education Fund

Spirax Group's Education Fund (Education Fund) aims to promote inclusive and equitable access to education within the communities in which we operate. Its primary goals are to improve diversity in engineering, tackle poverty through education, remove barriers to education and enhance female access to education.

During 2024, the Education Fund, which was overseen by two Company and two independent Trustees, made 40 new and 30 multi-year grants with a combined value of £1,036,715, across 36 countries. This takes the total value of grants made during its three years of operation to £3,249,569. Examples of grants made in 2024 include:

- funding scholarships for three Afro-Colombian women to study engineering at university in Colombia
- building a new classroom at a rural primary school in Ethiopia
- funding the creation of a mobile STEM classroom in Argentina
- providing a year's worth of sanitary products for 150 girls from low-income families in South Korea
- establishing a STEM laboratory for secondary school pupils in Germany, to support STEM engagement

Volunteering

In 2024, many of our colleagues demonstrated their commitment to supporting our communities by collectively contributing 30,741 working hours to volunteering activities, a 20% increase vs the prior year (2023: 25,697 hours), taking the total number of reported volunteering hours since the **One Planet** Sustainability Strategy was launched in 2021 to 89,635 hours. Our colleagues' volunteer activities spanned various initiatives, from environmental conservation to supporting the homeless and educational initiatives, showcasing the diverse ways in which we strive to give back to society.

Since launching the **One Planet** Sustainability Strategy, colleague volunteering rates have significantly increased from a previous average of around 5,000 hours a year and we have made good progress against our 2025 target. However, on the current trajectory we are unlikely to achieve our 2025 target. We will continue to encourage colleagues to make use of their annual three day entitlement to volunteering leave, but we are confident that colleagues are aware of and have opportunities to volunteer if they want to, which is a key objective of the strategy.

During our STS Business' annual leadership conference, held as a hybrid event in 2024, we set aside time in the agenda for teams to locally complete a volunteering activity. Through this event, nearly 40 activities were recorded, with appropriately 560 colleagues participating in activities totalling nearly 1,500 hours.

Charitable donations

As we continued to face strong macroeconomic and market headwinds in 2024, we saw a decline in charitable donations made by our operating companies. During the year, our operating companies made cash or in-kind donations with a reported value of £228,200 (2023: £340,200). Our colleagues also contributed an additional £60,300 of donations, in Company-organised charitable activities. Since launching the **One Planet** Sustainability Strategy in 2021, our operating companies have made over £1.25 million of charitable donations locally. While this reflects a significant increase in donations compared to the period before the launch of the **One Planet** Sustainability Strategy, we are likely to fall short of our 2025 donation target.

During 2024, Spirax Group's Charitable Fund (Charitable Fund) refreshed its administration processes and donation criteria. During the year, we donated £100,000 to a range of local, national and international charitable causes, as we commenced re-focusing our donations towards charities with greater alignment to the new criteria (2023: £400,000).

Focus for 2025

- Develop a new, simpler, volunteering and charitable donations platform to support increased reporting
- Continue to deliver impactful grants to a geographically diverse variety of educational initiatives through the Education Fund
- Deliver colleague communication campaigns to encourage participation in community engagement activities

Non-Financial and Sustainability Information Statement 2024

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 and Sustainability Information Statement for 2024.*

Reporting requirement	Group policies that guide our approach	Information and risk management, with page references
Environmental matters	• Group Sustainability Policy • Group Environmental and Energy Policy • Group Management Code • Supplier Sustainability Code	Sustainability Report, pages 64 to 77 Principal Risks, pages 83 to 87 TCFD and CFD Disclosures, pages 88 to 96 Our business model, pages 18 and 19 Section 172 Statement, pages 8 to 10 Company Purpose, page 14
Employees	• Group Diversity and Inclusion Policy • Group Management Code • Group Human Rights Policy • Group Sustainability Policy • Group Health and Safety Policy – Statement of Intent	Sustainability Report, page 62 Our business model, pages 18 and 19 Colleague Engagement Committee Report, pages 112 to 115 Section 172 Statement, pages 8 to 10 Company Purpose, page 14
Social matters	• Group Human Rights Policy • Group Charitable Donations Policy • Group Employee Volunteering Policy • Supplier Sustainability Code • Group Sustainability Policy	Sustainability Report, pages 60, 63, 76 and 77 Our business model, pages 18 and 19 Section 172 Statement, pages 8 to 10 Company Purpose, page 14
Respect for human rights	• Group Human Rights Policy • Modern Slavery Statement • Supplier Sustainability Code	Sustainability Report, page 76 Principal Risks, page 87 Risk Management , page 80 to 82
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 63 and 76 Principal Risks, page 87 Risk Management Committee Report, page 120
Description of the business model		Our business model, pages 18 and 19
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 83 to 87 Risk Management Committee Report, pages 119 and 120 TCFD and CFD Disclosures, pages 88 to 96
Non-financial key performance indicators		Sustainability Report, pages 58 to 77 Key Performance Indicators, pages 40 and 41

* The policies listed above can be found on our website: spiraxgroup.com/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.

In line with the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022, we have disclosed fully against these requirements, which can be found in our TCFD report on pages 88 to 96.

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 bi-annually thereafter.
Group Whistle-blowing Policy	We are committed to conducting our business with honesty and integrity and we expect all colleagues 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 situations occurring and to address them when they do occur. This policy aims to encourage colleagues 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.
Environmental Policies	
Group Sustainability Policy	This policy outlines the standards and commitments by which we guide operations at our Group Functions, operating companies and colleagues of Spirax Group in a socially and environmentally responsible manner. While these standards and commitments guide our own operations, we also encourage suppliers and partners to abide by the standards outlined in this policy.
Group Environmental and Energy Policy	This policy underlines the commitments made in our **One Planet: Engineering with Purpose** Sustainability Strategy with regard to protection of the environment, climate change and the efficient use of resources, including water, waste management and biodiversity enhancement.
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 Group. 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.
Group Health and Safety Policy – Statement of Intent	This Statement outlines the commitments of intent that our Group functions and operating companies must adhere to, in order to ensure that Health and Safety remains a core Value and our first consideration.

Risk Management

Our approach and appetite for risk

Risk is inherent in business and to achieve our goals we must appropriately manage certain risks. We strive for a balanced approach, protecting our resources while pursuing growth opportunities and staying aligned to our Purpose, Vision and Values.

Our approach to risks is deliberate and considered:

- We evaluate our strategic and operational risks
- We assess our ability to control or mitigate risks
- We consider ethical and commercial implications of accepting risks

An informed process is crucial for making risk-based decisions. The Board ultimately sets the appropriate Risk Appetite for our Group, informed by recommendations from the Risk Management Committee which has oversight for the enterprise risk management framework on delegated authority from the Board.

We have a low appetite for risks that could lead to health, safety, environmental, legal or regulatory breaches. Conversely, we have a higher appetite for economic and political instability risks given our experience in volatile markets and established control procedures. We recognise the need to take risks in new territories for growth, while maintaining effective controls and compliance with laws and regulations.

The Group faces a variety of risks that could impact its operations, financial performance and reputation. These risks include, but are not limited to, market volatility, regulatory changes, cybersecurity threats and operational disruptions. To mitigate these risks the Group has implemented a comprehensive enterprise risk management framework. The Board, supported by the Risk Management Committee and the Audit Committee, is committed to maintaining a proactive approach to risk management, ensuring that the Group remains resilient and well-prepared to navigate potential challenges.

Enterprise risk management governance and framework

The Board oversees risk management by developing and maintaining an enterprise risk management framework, implementing an internal control framework and through conducting independent internal audits. The Risk Management Committee oversees and monitors significant risks, ensuring robust policies and procedures, reporting to the Board on the risks facing the Group and the measures taken to mitigate those risks. The Board reviewed this process and is satisfied that we have a robust risk management process in place through which, we identify, evaluate and manage our Principal Risks and emerging risks.

To fulfil this responsibility, the Risk Management Committee oversees the Group's risk processes and procedures. This oversight is supported by the Audit Committee and the Internal Audit function, which monitors the compliance of the Group's operating companies with these processes and procedures. The framework on page 81 illustrates how risk management is governed within the Group's structure.

To effectively mitigate risk and ensure robust governance, we employ the 'Three Lines of Defence' model. This model provides a structured approach to risk management and internal control, enhancing our ability to identify, assess and manage risks across the organisation.

First line of defence

Each Business is responsible for the identification, control and management of its own risks

Second line of defence

The Risk Management Committee, with the Audit Committee, ensures that the risk and compliance framework is effective, to facilitate the monitoring and management of risk with ongoing challenge and review of the risk profile in the business

Third line of defence

Internal audits provide independent testing and verification of compliance with policies and procedures and monitoring of follow-up actions where required

First line of defence: operating companies

Each operating company identifies the key inherent risks for their business together with the controls that mitigate those risks, within an agreed residual risk appetite. Ongoing monitoring is performed to ensure the effectiveness of controls to mitigate the risk. Operating companies also conduct an annual risk assessment to challenge the overall effectiveness of their risk and control framework. Senior managers have full accountability for risk management within their Businesses.

Second line of defence: Group risk management and control functions

At Group level a risk management framework and control management framework provide oversight and support to the operating companies. The Group functions develop and monitor policies, procedures, risk assessments and control effectiveness for the Group. Through ongoing monitoring and testing of risk and controls, there is effective challenge of the operating companies' risk and control frameworks and support of a continuous improvement process. This risk and control framework is further supported by additional oversight exercised by our Group functions, including: Legal, Compliance, IT, HR, Sustainability, Health and Safety and Finance.

Underpinning the Group's control environment is our strong corporate culture and the 'tone at the top' of the organisation, which sets the standards under which all Group business is conducted. These are captured in the six Values of the Group that have been communicated to all colleagues. They are also documented and reinforced through the Group Management Code and through mandatory training. Colleague engagement surveys are also undertaken to validate organisational alignment to our Values.

The Group's documented policies and procedures, which are periodically reviewed and refreshed, set out our clear expectations of operating companies for the operation of controls. This includes the Group's delegation of authorities that has been approved by the Board and cascaded to our Business Executive teams and their respective operating companies.

Reviews over the effectiveness of the control environment are performed through an annual risk and control self-assessment process and reviews of operating companies' activities are undertaken by Group functions. Oversight of the financial and operational performance of our operating companies is provided at Business and Group levels and includes detailed quarterly financial reviews and reviews of monthly management accounts.

Safecall, our established, independent whistle-blowing facility is managed by the Group General Counsel and is advertised at all operating company sites. Colleagues can use Safecall to report concerns confidentially and anonymously if they become aware of any activity that is inconsistent with our principles. Concerns are investigated by the Group General Counsel or another senior manager, as appropriate.

Third line of defence: Internal Audit

Internal Audit provides independent assurance on the effectiveness of the first and second lines of defence. By conducting regular audits and assessments, Internal Audit evaluates the adequacy and effectiveness of the Company's risk management, control and governance processes. This independent review helps to identify areas for improvement and ensures that the Company's risk management practices are robust and effective.

The internal audit system is a crucial part of the risk management process. Internal audits are conducted by our Group Internal Audit team with regular reporting to the Audit Committee.

By leveraging the Three Lines of Defence model, we ensure a comprehensive and integrated approach to risk management, fostering a culture of accountability and continuous improvement.

Governance and compliance

In 2024, we maintained a strong focus on governance and compliance, which remains central to managing risk and has driven continuous improvements in our enterprise risk management and control frameworks, sanction policy and controls, supplier sustainability, Group tax evasion controls and Health and Safety framework.

To address the risk of fraud, we launched the 'Stand Up to Fraud' campaign across the Group. Each operating company conducted an open assessment of the fraud risks specific to their business area and developed or enhanced controls to mitigate these risks effectively.

Managing risks

The following framework illustrates how risk management is governed within the Group's structure:

Risk Management continued

Governance and compliance continued

We have also made substantial investments in our enterprise technology solutions and information security controls. We will continue to assess the robustness of our governance and compliance programmes and controls in the context of our operational and strategic goals and will respond in a manner which enables our Group to mitigate the challenges presented by a dynamic risk environment.

Continuous improvement model

What we did in 2024

Following the annual review of the risk register and with responses from a top-down risk review, we updated our list of Principal Risks. Changes to the list include inclusion of 'Ageing Enterprise Systems' (an update to the previously named 'Ineffective IT Systems'). The broader definition of Ageing Enterprise Systems reflects our recognition that this is becoming more relevant to our Group, as well as the challenges and opportunities of enhancing such systems across our Group. While still an important risk for our Group, 'Loss of Critical Supplier' was removed from the list of Principal Risks in recognition of greater stability in our supply chain, as markets have adapted to the new normal post-COVID-19 pandemic and commodity inflation has continued to ease.

Other Principal Risks remain unchanged: Breach of Legal and Regulatory Requirements (including anti-bribery and corruption Laws), Cybersecurity, Economic and Political Instability, Failure to Realise Acquisition Objectives, Inability to Identify and Respond to Changes in Customer Needs, Loss of Manufacturing Output at Any Group Factory and Significant Exchange Rate Movement.

Additionally, the year-on-year trend for each Principal Risk was assessed and updated with risk appetite and risk velocity ratings validated for each of the Principal Risks. Our Principal Risks are set out in more details on pages 83 to 87.

Emerging risks

This encompasses monitoring all risk areas, including operational, financial, strategic, compliance, reputational, market, security and physical risks.

Among these risks, we considered: the effects of persistent inflation and high interest rates slowing growth and increasing the risk of financial stress; conflicts which continue to be a global concern in the Middle East and in Ukraine and political changes in key markets, which may impact global trade. We also monitor closely the changing landscape around the increased use of tariffs.

Climate change remains an emerging risk that we closely monitor and is listed on our risk register. The Group Executive Committee and the Board receive regular updates on the potential impacts of climate change. We also adhere to the framework established by the Task Force on Climate-related Financial Disclosures (TCFD) to facilitate the transition to a low-carbon economy. Our TCFD disclosures can be found on pages 88 to 96 of the Strategic Report.

An example of how we are responding to this emerging risk is through the decarbonising of our operations, using our proprietary technologies, entering into green energy contracts and sourcing solar power. These initiatives also align with our Purpose and focus on all our stakeholders.

Further reading

Risk Management Committee Report
See pages 119 and 120

Our Viability Statement
See page 120

Our Going Concern Statement
See page 35

TCFD Disclosures
See pages 88 to 96

Principal Risks

The following pages set out the Group's Principal Risks and describe how these link to our strategy. Each risk is defined, with an explanation of how that risk is evolving, as well as our assessment of risk velocity and risk appetite. Mitigating controls and measures are summarised to demonstrate that the level of residual risk aligns to our risk appetite.

Growth Drivers

- Commercial Excellence
- Operational Excellence
- Organisational Fitness
- Digital and Services
- Decarbonising Thermal Energy

Risk theme	Principal Risk	Growth Driver alignment
External factors	Economic and political instability	Commercial Excellence, Operational Excellence, Organisational Fitness
	Significant exchange rate movement	Commercial Excellence, Operational Excellence, Organisational Fitness
Operations	Ageing Enterprise Systems	Commercial Excellence, Operational Excellence, Organisational Fitness, Digital and Services
	Cybersecurity	Commercial Excellence, Operational Excellence, Organisational Fitness, Digital and Services
	Loss of manufacturing output at any Group factory	Commercial Excellence, Operational Excellence, Decarbonising Thermal Energy
Strategic	Failure to Realise acquisition objectives	Commercial Excellence, Operational Excellence, Organisational Fitness, Digital and Services, Decarbonising Thermal Energy
	Inability to identify and respond to changes in Customer needs: Digital/non-Digital	Commercial Excellence, Operational Excellence, Organisational Fitness, Digital and Services, Decarbonising Thermal Energy
Compliance and responsibility	Breach of legal and regulatory requirements (including ABC laws)	Commercial Excellence, Operational Excellence, Organisational Fitness, Digital and Services

Risk appetite ratings defined:

Appetite	Description
Very low	Following a marginal-risk, marginal-reward approach that represents the safest strategic route available.
Low	Seeking to integrate sufficient control and mitigation methods in order to accommodate a low level of risk, though this will also limit reward potential.
Balanced	An approach which brings a high chance for success, considering the risks, along with reasonable rewards, economic and otherwise.
High	Willing to consider bolder opportunities with higher levels of risk in exchange for increased business payoffs.
Very high	Pursuing high-risk, sometimes unproven options that carry with them the potential for high-level rewards.

Risk velocity ratings defined:

Velocity	Description	Timeframe
Very low	Very slow impact, response time adequate to mitigate effects	Felt after 12 months
Low	Slow impact, robust response through strategy may mitigate effects	Felt within 12 months
Medium	Moderate time to impact, swift and robust response may mitigate effects	Felt within 6 months
High	Fast impact, immediate response may mitigate effects	Felt within a month
Very high	Very rapid impact with little or no warning. Limited time to respond and mitigate effects	Felt within a week

Principal Risks continued

External factors

Principal Risk and why it is relevant	Trend	Risk velocity	Key mitigation, sponsor and explanation of change	Risk appetite rating	Rationale for rating
1. Economic and political instability					
The Group operates worldwide and maintains operations in territories that have historically experienced economic or political instability, including regime changes. In addition to the potential impact on our local operations, this instability increases credit, liquidity and currency risks.	→	Very high **High** Medium Low Very low	• Resilient business model, strengthened by regular strategic business reviews • Well spread business by geography and sector • Externally-facilitated scenario planning exercises • Strong internal controls, including internal audit and appropriate insurance • Operating in line with the Group Treasury Policy, including currency exchange hedging and cash pooling arrangements • Increased liquidity through more headroom on Group debt facilities **Executive sponsor:** Group Chief Executive **Change:** No change	Very high **High** Balanced Low Very low	We have the background and know-how to successfully manage the unique challenges in economically and politically volatile territories. We are willing to accept these challenges where opportunities for growth exceed the impact of this risk.
Link to Growth Driver:					
2. Significant exchange Rate Movement					
The Group reports its results and pays dividends in sterling. Sales and manufacturing companies trade in local currency. With our local presence in markets across the globe, the nature of our business necessarily results in exposure to exchange rate volatility.	→	**Very high** High Medium Low Very low	• Maintain the spread of manufacturing across currency areas and a consideration of exchange rate exposures in the manufacturing strategy • Forward cover where appropriate and in line with the Group Treasury Policy on hedging currency exchange movements • Focus on reducing manufacturing cost, including sourcing materials from cheaper markets, and purchasing in the UK in foreign currency • Deployment of price management tools **Executive sponsor:** Chief Financial Officer **Change:** No change	Very high High **Balanced** Low Very low	We take a balanced view as the risk arises as a direct result of our global presence, but our geographic spread means we are not wholly dependent on any one currency.
Link to Growth Driver:					

Operations

Principal Risk and why it is relevant	Trend	Risk velocity	Key mitigation, sponsor and explanation of change	Risk appetite rating	Rationale for rating
3. Ageing Enterprise Systems					
Could significantly reduce our ability to harness efficiencies across our Group and effective deployment of capital, slowing down innovations and increasing security risks (including cyber). In turn, this could limit our ability to meet customer requirements and orders, and create bottlenecks in our business processes.	↑	Very high High **Medium** Low Very low	• Ongoing infrastructure modernisation programmes ensuring critical physical hardware is current • Significant investment in a multi-year initiative to retire ageing IT solutions, to evergreen cloud solutions to mitigate the risk of obsolescence • Strong IT Governance has been implemented to control changes on Enterprise Systems • Operational controls are in place through a combination of power protection, backup, disaster recovery as well as continual monitoring, to ensure strong Enterprise IT solutions • Continued risk reduction efforts around system support **Executive sponsor:** Chief Financial Officer **Change:** The risk has increased due to the continued ageing of fragmented and large number of enterprise solutions across the Group, and the increased pace of the market migration to cloud solutions.	Very high High Balanced **Low** Very low	While this represents a significant risk to the Group, the diverse nature of our operating companies and their enterprise systems creates a moderating effect. With existing continued focus and investment this risk will be further mitigated.
Link to Growth Driver:					
4. Cybersecurity					
Cybersecurity risks include theft of information, malware, ransomware and compliance with evolving statutory and legislative requirements. Risks may manifest through a direct attack on our business or through our supply chain	→	**Very high** High Medium Low Very low	• Global assessment of our IT environment against UK cyber essentials framework and prioritising actions for improvement • Deploying security tools to limit the impact and spread of ransomware • System access rights regularly reviewed • Further strengthening of security for centrally-managed systems for heightened protection and consistency • Mandatory cyber awareness training is delivered to all new colleagues and refreshed biennially **Executive sponsor:** Group IT Director **Change:** No change	Very high High Balanced Low **Very low**	Concerns of potential impact on the business, in addition to important considerations surrounding protection of personal data, reinforce our commitment to implement and maintain robust security measures across the Group.
Link to Growth Driver:					

Principal Risks continued

Operations continued

Principal Risk and why it is relevant	Trend	Risk velocity	Key mitigation, sponsor and explanation of change	Risk appetite rating	Rationale for rating
5. Loss of manufacturing output at any Group factory					
The risk includes loss of output as a result of natural disasters, industrial action, accidents or other causes. Loss of manufacturing output from our larger plants could cause serious disruption to Group sales.	→	Very high **High** Medium Low Very low	• Capacity planning and holding stock in sales companies • Investment in new sites to open alternative lines of supply • Conducting audits/inspections • Annual risk assessments and business continuity planning • Reviewing and maintaining appropriate insurance cover • Continuing commitment to employee policies, ensuring satisfactory benefits and regular engagement with colleagues **Executive sponsors:** Managing Directors of Steam Thermal Solutions, Electric Thermal Solutions and Watson-Marlow Fluid Technology Solutions **Change:** No change	Very high High Balanced **Low** Very low	While we have mitigated this risk through a geographic spread of factories, calculated replication of capacity and management of stock, we have a low appetite for this risk due to the potential negative consequences to the Group and its customers.
Link to Growth Driver:					

Strategic

Principal Risk and why it is relevant	Trend	Risk velocity	Key mitigation, sponsor and explanation of change	Risk appetite rating	Rationale for rating
6. Failure to realise Acquisition objectives					
External growth has been an important driver for our Group. Failure to integrate new businesses successfully into our Group could result in poor performing business, lower returns on our investment, poor talent retention and failure to meet customer needs.	→	Very high High Medium Low **Very low**	• Board approval of integration plans for major acquisitions • Regular monitoring of performance by the Board against the approved investment case • Regular review of acquisition criteria in line with strategic plan • Scrutiny of targets and implementation plans by external and internal key colleagues • Use of retainer/escrow to provide protection against warranty claims • Use of insurance as protection against seller breach and non-disclosure • Ensuring valuation models show a healthy return on investment and a credible plan to achieve this **Executive sponsor:** Group Chief Executive **Change:** No change	Very high High Balanced **Low** Very low	Thorough planning and proper due diligence can mitigate many of the potentially risky aspects of an acquisition. Implementation plans must be well-developed and carefully pursued to achieve the full strategic and financial benefits.
Link to Growth Driver:					

Strategic continued

Principal Risk and why it is relevant	Trend	Risk velocity	Key mitigation, sponsor and explanation of change	Risk appetite rating	Rationale for rating
7. Inability to identify and Respond to changes in customer needs: Digital/non-Digital					
This risk could lead to a reduction in demand from a failure to respond to changes in customer requirements or technology shifts.	→	Very high High **Medium** Low Very low	• Stronger presence of sales engineers, compared with competitors, in the marketplace • Integrating our recent acquisitions to deepen and broaden our expertise and to better position the Group to meet customer demand in more sustainable industries • New product ideas generated by market development managers from close alignment with sales engineers and customers • Sales and competitor analyses undertaken to identify any trends or technology shifts • Digital strategies for the Group and Businesses have been initiated, supported by an investment plan that takes into account the need for new skills and external partnerships • A Group Digital Director leading the Digital and Services Growth Driver **Executive sponsors:** Managing Director, Steam Thermal Solutions and Group Digital Director **Change:** No change	Very high High **Balanced** Low Very low	The Group continues to focus on its market awareness and voice of the customer, through investing in technical, digital and sales knowledge to continue to be more closely attuned to our customers.
Link to Growth Driver:					

Compliance and responsibility

Principal Risk and why it is relevant	Trend	Risk velocity	Key mitigation, sponsor and explanation of change	Risk appetite rating	Rationale for rating
8. Breach of legal and regulatory requirements (including ABC laws)					
We operate globally and must ensure compliance with applicable laws and regulations wherever we do business. As we grow into new markets and territories, we are exposed to more and increasing complex legislative frameworks. Breaching any of these laws or regulations could have serious consequences for the Group, including fines, loss of business and reputational damage.	→	Very high High **Medium** Low Very low	• Ongoing global monitoring of commercial arrangements and agreements, with appropriate professional advice • Established procedures to maintain accreditations • Biennial Group-wide ABC training • Multi-lingual, multi-national secure whistle-blowing hotline • Group Litigation Report and ongoing monitoring of cases • Regular updates on Corporate Governance and Stock Exchange rules • General Data Protection Regulation compliance plan in place • Conducting of supplier audits • Engaging suppliers to commit to compliance with the principles of the Supplier Sustainability Code **Executive sponsor:** Group General Counsel **Change:** No change	Very high High Balanced Low **Very low**	We abide by the laws, rules and regulations of the jurisdictions in which we operate and given the serious consequences for breaching these laws, rules and regulations, we have a very low appetite for this risk.
Link to Growth Driver:					

Task Force on Climate-related Financial Disclosures (TCFD)

In accordance with the UK Climate-related Financial Disclosure Regulations (CFD) and Listing Rule 6.6.6R(8) we confirm that the following pages contain disclosures consistent with the Task Force on Climate-related Financial Disclosures' (TCFD) recommendations and recommended disclosures.

Our approach is fully aligned with 10 of the 11 TCFD recommendations. For the remaining disclosure, metrics and targets b) disclose scope 1, scope 2 and, if appropriate, scope 3 greenhouse gas (GHG) emissions and the related risks, we report scopes 1 and 2, but report scope 3 with a one-year time lag, due to the complexity of collecting the data within the timeframe of the production of the Annual Report.

In 2024, we used a third-party carbon accounting specialist to support the recalculation of our scope 3 emissions to include 2022 acquisitions Vulcanic and Durex Industries. Our recalculated 2021 baseline was submitted to the SBTi and our targets re-validated in December 2024. We also calculated scope 3 emissions for the whole Group for 2023, which can be found on page 67. Scope 3 is highly complex and requires significant levels of estimation where data are not available. We are still developing our data collection processes for scope 3, during the year we undertook significant work to re-baseline for recent acquisitions and we are reliant on external support. Therefore, it was not possible to calculate full scope 3 emissions for 2024 ahead of the reporting deadline. We have disclosed a partial scope 3 figure (category 3, B and C) for 2024, which can be found on page 67.

During 2024, we further improved our data collection processes through establishing a clear timetable and reporting expectations and also increased stakeholder engagement. In 2025, we will work to further increase the efficiency and speed of these calculations. We aim to publish in-year scope 3 analysis when Spirax Group is expected to come into scope for Corporate Sustainability Reporting Directive (CSRD) disclosures in 2029, in respect of full year 2028, if not before.

We will review our disclosures against the recommendations of TCFD on an annual basis.

Governance

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

In 2024, our approach to governance for the **One Planet** Sustainability Strategy evolved to reflect its successful implementation and integration into our core business strategies. The Group Executive Committee (GEC) met in early 2024 to review the strategy's governance. It was agreed that we no longer needed the GEC to act as a Steering Committee for the strategy or to sponsor each Strategic Initiative individually. Instead, in line with the governance of the new **Together for Growth** Strategy, the **One Planet** Sustainability Strategy is now overseen by a single Executive Committee Sponsor, the Group Sustainability Director, and one Business Executive Committee Sponsor. This streamlined approach ensures focused leadership and accountability for our sustainability efforts (see Sustainability governance structure on page 89).

We maintained other key elements of our governance framework, such as the Group Sustainability Management Committee (GSMC), that met five times throughout 2024 to review strategic progress and review annual improvement priorities and areas of focus for 2025. This committee oversees the implementation of the **One Planet** Sustainability Strategy and ensures alignment with our sustainability goals. Progress against strategic targets is formally reported to the GEC every quarter with a **One Planet** update, with ad hoc updates or strategic discussions embedded in the regular cadence of monthly GEC meetings, when required.

The Board of Directors continued to maintain strategic oversight of the **One Planet** Sustainability Strategy, and received four updates during 2024, at full meetings of the Board and three updates at Audit Committee meetings. These updates included progress on the Group's **One Planet** targets and preparation for the upcoming requirements of CSRD. As the overall sponsor of the **Together for Growth** Strategy, developed in 2024, the Group Chief Executive Officer also remains an overall sponsor for the **One Planet** Sustainability Strategy. This robust governance structure ensures that sustainability remains at the forefront of our business agenda, driving continuous improvement and innovation.

The Board is responsible for the overall stewardship of strategic risk management and internal controls. The Audit Committee is also directly involved in the detailed review of risks, including those outlined in these disclosures, and reports back to the Board on its findings. During 2024, the Audit Committee Chair attended a Risk Management Committee meeting and the Board oversaw the review of the Principal Risks, as well as the presence of climate change on the Group Risk Register.

Our **One Planet** Sustainability Strategy is an important mechanism by which we seek to mitigate climate-related risks and maximise climate-related opportunities, while our **Together for Growth** Strategy focuses on revenue growth, building on our strong foundations as a Group. **One Planet** supports the delivery of our Growth Drivers, enabling us to evolve for tomorrow's world.

Supporting customers on their decarbonisation journey is a significant element of both our Steam Thermal Solutions (STS) and Electric Thermal Solutions (ETS) Business strategies and is a designated Strategic Growth Driver within the **Together for Growth** Strategy. The Board provides strategic oversight and approval of Business strategies, ensuring that we have appropriate governance and oversight of any market-based risks or opportunities 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. Climate impact is considered as one of the factors when making Capex decisions, which would also include mergers, acquisitions and other business plans. No specific carbon reduction investments were reviewed or approved by the Board in 2024. During the year we established a formal net zero Capex planning process to ring-fence net zero investments during the annual financial planning cycle, with specific net zero investments reviewed and approved by the Group Executive Committee for inclusion in Plan 2025.

We completed a Double Materiality Assessment in 2024, in preparation for CSRD reporting, and anticipate that, based on current requirements, 'ESRS E1 Climate Change' will be a material disclosure for reporting going forward.

Sustainability governance structure

Group Chief Executive Officer

Board of Directors

Group Executive Committee

Executive Sponsors
Sarah Peers, Group Sustainability Director and Mai Møllekær, EMEA Divisional Director, STS

Group Sustainability Management Committee
During 2024, Committee members included: Group Sustainability Director (Chair), Business Heads of Sustainability, **One Planet** Strategic Initiative and Strategic Project Leads, and Group Head of Diversity, Equity and Wellbeing.

Business Heads of Sustainability

Divisional Directors, Regional and General Managers

Sustainability strategy project leaders and teams

Colleagues and organised colleague groups

Strategy

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

The Risk Management Committee has responsibility for managing climate-related risks. Sarah Peers, Group Sustainability Director, had specific delegated responsibility for overseeing climate-related risks and mitigation activities in 2024. Through her role as a member of the Group Executive Committee (GEC) she ensures that climate-related risks and opportunities are appropriately considered in management's day-to-day operational practices.

During 2024, we reviewed the Group's exposure to risk using a top-down approach, where the Committee sought views of the Group operating companies on the risks that they considered may affect their activities, to ensure visibility of any new or emerging risks. Following this process, the Committee reviewed and confirmed that adequate countermeasures are in place to mitigate the Principal Risks in the Group Risk Register.

During 2024, management of the Group's climate change mitigation activities was overseen by the Board, the GEC and the GSMC. The GSMC comprises the Group Sustainability Director, the Business Heads of Sustainability, Strategic Initiative and Strategic Project Leads and other relevant individuals.

Management oversight of climate-related risks and opportunities is embedded within the **One Planet** Sustainability Strategy and our **Together for Growth** Strategy. Through these, the GEC and Business Executive Committees consider climate-related risks, opportunities, strategic implementation and progress against targets.

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. We believe that decarbonisation provides a material opportunity for Spirax Group and, as a result, it has been identified as a Growth Driver in our new **Together for Growth** Strategy. We have quantified the size of the addressable market as £2.4 billion in relation to the decarbonisation of steam generation and £4.2 billion for the decarbonisation of thermal energy beyond steam, expanding the Group's addressable market from £10.7 billion to £17.3 billion. Providing us with the opportunity to capitalise on the decarbonisation trend ahead of us.

To mitigate the risks outlined, our **One Planet** Sustainability Strategy underpins our Business strategies, which in conjunction with the voice of the customer and understanding customer needs, allows us to develop products and services that help them achieve their own carbon reduction targets. We also ensure we are managing reputational risk by reducing our own emissions, in line with our commitments to the Science-Based Targets initiative (SBTi).

TCFD and CFD continued

Strategy continued

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

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 £/tCO_2e saved. In 2022, we developed and commenced implementation of net zero roadmaps across our manufacturing sites and are delivering excellent progress. For more information about our net zero roadmap, see pages 69 to 71.

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 168 countries, steam remains the world's most efficient heat transfer medium for a wide range of applications, with multiple on site uses from the production of foods, beverages and medicines to the generation of power. Our STS products and services offerings are complemented by our ETS Business, allowing us to remain highly resilient and relevant across different climate-related scenarios.

As part of our annual viability assessment, we undertake scenario risk modelling focusing on stress testing the Income Statement and cash flow projections to determine the resulting impact on the Group's debt covenants and liquidity headroom. This enables us to ascertain the potential revenue or adjusted operating profit impacts that could arise from one, or a combination, of the Group's Principal Risks. The key risks associated with climate change are mitigated by management processes for two of our Principal Risks and other relevant risks on the Risk Register. 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 35 to 37 and 119 to 128.

As well as these ongoing risk management and Principal Risk Management processes, in 2023 we worked with Willis Towers Watson to complete quantified scenario analysis for a range of warming scenarios (a below 2°C scenario (1.5°C scenario), a 2–3°C scenario and a 4°C scenario), over multiple timeframes. Physical risks were assessed under current conditions and projected impact in the medium term (2030) and long term (2050). These timeframes align with our **One Planet** Sustainability Strategy targets and SBTi approved net zero targets. 2030 aligns with our financial planning for achieving net zero (scopes 1 and 2) and is also within the delivery horizon of our 10 year strategic vision, as defined by the **Together for Growth** Strategy. 2050 aligns with both our long-term net zero target (scopes 1, 2 and 3) and is also sufficiently far away to model for the longer-term climatic changes that may impact the Group in the future, without being so far out that the future is increasingly uncertain.

The chosen scenarios were in line with the Intergovernmental Panel on Climate Change (IPCC) representative concentration and shared social economic pathways (RCPs mapped to SSPs) RCP 2.6 (SSP1), RCP 4.5 (SSP2) and RCP 8.5 (SSP5) respectively. The two most extreme upper and lower scenarios were chosen in order to 'stress test' the impact to the Group under cases of maximum physical risk or transition risk impacts. RCP 4.5 was assessed as a middle scenario.

Physical risks were identified through asset 'exposure diagnostic' analysis for 239 operating locations, made up of sales and manufacturing companies and sites. The climate risks were derived from several data sources including Willis Towers Watson's Global Peril Diagnostic and Climate Diagnostic tools, data from Munich Re hazard databases and research in line with the IPCC reports. The findings were then validated in workshops.

Transition risks were identified and assessed through multiple workshops, drawing on relevant expertise from colleagues from across the Group. For this assessment, one scenario of RCP 2.6 (1.5°C scenario) was considered, as it is under these conditions that transition risks would be most relevant. Transition risk exposure was assessed on a short-term horizon of 2025 and a medium-term time horizon of 2030 with impacts being assessed as an annualised amount. Transition risks were not quantified in the longer term due to the difficulty in building assumptions around the direction of policy out to 2050 or beyond; physical risks are anticipated to be more relevant on those timeframes.

In addition, physical risk exposure diagnostic analysis was completed for 45 of the Group's suppliers, who were selected on the basis of spend, strategic importance, geographic location and business coverage.

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, which are reviewed, discussed and assessed compared to the other risks. This process is used to assign the Principal Risks and inclusion of other risks on the Risk 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 risk management framework in 2022. Risk velocity ratings were assigned and validated for all Principal Risks in 2024, as set out on pages 83 to 87 and other risks on the Risk Register, including climate change.

Describe the organisation's processes for managing climate-related risks

Materiality for climate change risks is based on the enterprise risk management scales used to determine materiality across all of our risk management processes.

Climate change-related risks are currently deemed to be low for the Group, which is based on assessment of likelihood, velocity, impact and control, with climate change not identified as a Principal Risk on the Group's Risk Register. However, risks associated with climate change, e.g. physical risks, notably the impact of a climate-related event on our direct operations, specifically the loss of a manufacturing site and transition risks, such as failure to meet changing market or customer needs, are already managed through other Principal Risks on the Group Risk Register. We therefore believe that our risk management processes are adequate and appropriate for the level of risk applicable to our Group.

For more information about how we manage risk, see the Risk Management Committee Report on pages 119 and 120

Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management

During 2024, we reviewed the Group's exposure to risk using a top-down approach, where the Committee received high quality input from the Group operating companies on the risks that they considered may affect their activities, to ensure new or emerging risks are not missed. Following this process, the Committee reviewed and confirmed the robustness of the countermeasures that Group operating companies have in place to mitigate the Principal Risks in the Group Risk Register.

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 Loss of manufacturing output at any Group facility, and Inability to identify and respond to changes in customer needs, and other risks on the Risk Register, such as Loss of a critical supplier.

Climate change 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

We have disclosed cross-industry TCFD metrics used to manage our climate-related risks and opportunities.

Managing our GHG emissions to meet our net zero targets and helping our customers to do the same mitigates climate risk by working towards realising a low-carbon future.

- Scopes 1, 2 and 3 GHG emissions – pages 66 and 67
- Energy use – page 68
- Proportion of company vehicles that are EV – page 69
- Waste and water – page 73
- Climate-related Executive management remuneration – page 41
- Customer environmental benefits – page 75

Group GHG emissions (scopes 1 and 2) are monitored as one of our Group key performance indicators (KPIs) to measure successful progress against our strategy. See pages 40 and 41 for more information on our KPIs. Given the strong engagement with and investments in net zero initiatives across the Group, an internal carbon price is not needed. In addition, internally we monitor several opportunity metrics, for example the customer decarbonisation opportunities pipeline in the ETS Business and metrics related to our **TargetZero** solutions. These metrics are not disclosed externally as they are commercially sensitive.

In December 2023, we received approval from the SBTi for our near and long-term targets, and net zero target for 2050, in line with a 1.5°C trajectory. In 2024, we resubmitted our baseline emissions to the SBTi to include 2022 acquisitions, and the revised baseline and targets were approved in December 2024.

Disclose scope 1, scope 2 and, if appropriate, scope 3 GHG emissions and the related risks

Scope 1, scope 2 and scope 3 disclosures can be found on pages 66 and 67

During 2022, we used a third-party to help us quantify a full scope 3 baseline figure for 2021. This figure was calculated using GHG Protocol-aligned scope 3 methodologies but is heavily reliant on estimates and assumptions. In 2024, we recalculated our 2021 baseline and calculated our 2023 scope 3 emissions to include Vulcanic and Durex Industries. In 2025, we will be working to increase the speed of these calculations, with a view to publishing an in-year scope 3 analysis when required as part of our CSRD disclosures.

Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets

Through our **One Planet** Strategy, we set targets to achieve net zero GHG emissions (scopes 1 and 2) by 2030, and net zero (scopes 1, 2 and 3) by 2050. Since setting these targets, we have had additional targets validated by the Science-Based Targets initiative (SBTi) as follows:

- near-term target to reduce absolute scopes 1, 2 and 3 GHG emissions 50.4% by 2032 from a 2021 base year
- long-term targets to reduce absolute scopes 1 and 2 GHG emissions 95% by 2050 from a 2021 base year and reduce absolute scope 3 emissions by 90% within the same timeframe; to achieve net zero GHG emissions across the value chain by 2050

Reflecting the central importance of the Group-wide **One Planet** Sustainability Strategy to all of our forward-looking plans, in 2022, measures for the Performance Share Plan (PSP) changed to include a sustainability measure accounting for 20% of the PSP opportunity, dependent on reduction of GHG (scopes 1 and 2) over three-year periods. For more detail see page 133.

TCFD and CFD continued

All risk, opportunity and Total Insured Value data on this and subsequent pages of the TCFD Report are as assessed in our 2023 climate scenario risk analysis without being updated, unless otherwise stated.

Strategy – Acute physical risks

Acute physical risks are event driven, specific episodes that have the potential to inflict significant physical damage.

Risk/opportunity	Description	How we manage and mitigate this risk	Estimated financial impact	Link to metrics and targets
Flooding: river and flash flooding from precipitation	17% of the Group's operations by total insured value (TIV), 42 of 239 locations, are currently exposed to risk of river flooding, with 28 sites (13% of TIV value) having 1% likelihood of river flooding in a year. TIV at risk is expected to increase to 19% by 2030, and then remain stable at 19% to 2050 under a high (4°C) warming scenario. The Group has some exposure to heavy rainfall and potential flash floods with 43% of the TIV located in areas exposed to high levels of precipitation, which is forecast to increase slightly to 44% by 2050 under a high warming scenario. The Steam Thermal Solutions site in Shanghai (China), is the highest value asset at the highest level of risk. Although several sites have exposure to flooding, the risk and potential impact are still insignificant, with likelihood of flooding tending towards a 1-in-100-year-type event under high-warming scenario, RCP 8.5. Under RCP 8.5, it is predicted that by 2050, 5% of our operations will have a 10% likelihood of flooding in a given decade.	These risks are managed through the Principal Risk: Loss of manufacturing output at any Group factory and another risk on the Risk Register: Loss of a critical supplier. To mitigate risk, annual risk assessments are conducted by our insurance partner to ensure we have appropriate insurance cover. There have been no material changes to insurance premiums as a result of climate-related risks in 2024, or recent years. Business continuity planning and capacity planning are used 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. During 2024, two of our operations, Spirax Sarco Spain and Spirax Sarco Mexico, experienced minor disruption (a combined total of five days) from flooding, in their local areas, which disrupted transport links. No property was damaged and business impact was minimal.	**Low carbon economy** (RCP 2.6 – 2030) **Hazard exposure** **Residual risk profit impact** **Hothouse world** (RCP 8.5 – 2050) **Hazard exposure** **Residual risk impact**	Insignificant residual risk impact means that we have not identified this as a risk that requires a specific metric or target. The Risk Management Committee reviews risks on an annual basis so a future change in the residual risk impact could lead to the implementation of a specific metric or target.
Windstorm	91 locations (mostly in Europe) are in regions exposed to strong winds (accounting for 51% of TIV), with a 1% annual chance of having severe wind gusts of over 121km/h, with four sites having a risk of winds of 161–200km/h. The highest value asset currently at risk from windstorm is WMFTS' site in Falmouth (UK). TIV at risk from windstorms is expected to remain stable to 2050 under a high warming scenario, but the frequency of windstorms is likely to increase over time. Even under a hothouse world scenario, the average annual modelled impact may increase slightly; however, it would still be in the insignificant range as per the Group Enterprise Risk Management (ERM) scale.	This risk is managed through the Principal Risk: Loss of manufacturing output at any Group factory and another risk on the Risk Register: Loss of a Critical supplier. To mitigate risk, annual risk assessments are conducted by our insurance partner to ensure we have appropriate insurance cover. Business continuity planning and capacity planning are used 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. During 2024, two of our sites were impacted by windstorms. Spirax Sarco Taiwan was shut for 12 hours as a safety measure during a typhoon, while Spirax Sarco Brazil sustained minor damage to the fabric of the building. The site lost 12 hours of production and sustained damages in the region of £25,000. The business impact was not material in either case.	**Low carbon economy** (RCP 2.6 – 2030) **Hazard exposure** **Residual risk profit impact** **Hothouse world** (RCP 8.5 – 2050) **Hazard exposure** **Residual risk impact**	Insignificant residual risk impact means that we have not identified this as a risk that requires a specific metric or target. The Risk Management Committee reviews risks on an annual basis so a future change in the residual risk impact could lead to the implementation of a specific metric or target.

Key:

Hazard exposure

Very High	5
High	4
Medium	3
Low	2
Very Low	1

Residual risk impact (annual profit)

Catastrophic	>£100m
Major	£50m – £100m
Moderate	£25m – £50m
Minor	£10m – £25m
Insignificant	<£10m

Risk/opportunity	Description	How we manage and mitigate this risk	Estimated financial impact	Link to metrics and targets
Fire	12% of the Group's TIV is exposed to at least 20 days per year of fire weather, with Chromalox's Ogden, Utah (USA), site the highest value asset with some level of risk, and Chromalox's Nuevo Laredo (Mexico), site having the highest level of risk but a lower TIV. As global temperatures increase, the likelihood of fire risk is expected to increase with 19% of TIV at risk by 2050 under a high-warming scenario.	This risk is managed through the Principal Risk: Loss of manufacturing output at any Group factory and another risk on the Risk Register: Loss of a Critical supplier. To mitigate risk, annual risk assessments are conducted by our insurance partner to ensure we have appropriate insurance cover. We also conduct occasional inspections by local fire officers. Business continuity planning and capacity planning are used 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.	**Low carbon economy** (RCP 2.6 – 2030) **Hazard exposure** **Residual risk impact** **Hothouse world** (RCP 8.5 – 2050) **Hazard exposure** **Residual risk impact**	Insignificant residual risk impact means that we have not identified this as a risk that requires a specific metric or target. The Risk Management Committee reviews risks on an annual basis so a future change in the residual risk impact could lead to the implementation of a specific metric or target.

Under current conditions, the likelihood of an acute physical risk impacting the Group's direct operations each year is deemed Unlikely, and the residual impact (post-mitigation) has been assessed as Insignificant (<£10 million).

For more information about the management of Principal Risks, see pages 83 to 87

Strategy – Chronic physical risks

Chronic risks arise from longer-term changes in climate pattern, notably drought, heat stress and sea level rise.

Risk/opportunity	Description	How we manage and mitigate this risk	Estimated financial impact	Link to metrics and targets
Heat stress	Currently 45% of the TIV of the Group's operations (112 locations) is exposed to heat stress, seeing an average of >20 heatwave days in a given year with temperatures in excess of 30°C. This is expected to increase to 55% of TIV at risk from heat stress by 2050, under a high warming scenario. Examples of high TIV sites currently at risk from heat stress include Chromalox Nuevo Laredo (Mexico), Steam Thermal Solutions (Mexico) and Chromalox Tennessee (USA). Risks from heat stress include increased costs of running heating, ventilation, and air conditioning (HVAC) equipment and potential decrease in colleague productivity.	Many of the operations currently exposed to heat stress are in locations where this environment is expected and well adapted for. Changing weather location patterns mean that more sites may move into areas of heat stress that are not currently and these sites may be less prepared. Operations of ETS, STS and WMFTS are exposed. This trend could mean that increased cooling of buildings and machinery might be required to reduce the risk of operational disruption and to improve working conditions for colleagues. As part of continual asset management, energy audit and facilities update processes, systems will be assessed and upgraded where necessary.	**Low carbon economy** (RCP 2.6 – 2030) **Hazard exposure** **Residual risk impact** **Hothouse world** (RCP 8.5 – 2050) **Hazard exposure** **Residual risk impact**	Insignificant to minor residual risk impact means that we have not identified this as a risk that requires a specific metric or target. The Risk Management Committee reviews risks on an annual basis so a future change in the residual risk impact could lead to the implementation of a specific metric or target.

Key:

Hazard exposure		
Very High	5	
High	4	
Medium	3	
Low	2	
Very Low	1	

Residual risk impact (annual profit)	
Catastrophic	>£100m
Major	£50m – £100m
Moderate	£25m – £50m
Minor	£10m – £25m
Insignificant	<£10m

TCFD and CFD continued

Strategy – Chronic physical risks continued

Risk/opportunity	Description	How we manage and mitigate this risk	Estimated financial impact	Link to metrics and targets
Drought	Currently 12% of the TIV of the Group's operations (54 locations) is exposed to drought stress with three or more drought months per year. This is expected to increase under a high warming scenario, reaching 31% by 2050. An example of a high value asset with a high exposure to drought risk today is Chromalox Nuevo Laredo (Mexico). Drought may impact the availability and quality of water, which could impact manufacturing processes including product testing. Drought has the potential to impact the supply of raw materials where inland waterways are used for transportation, impact electricity availability in locations with a higher reliance on hydropower and increase the risk of wildfires.	The operations of the Group are not generally considered water intensive and therefore the potential impacts may be addressed through adaptation and risk management. Supply of raw materials and electricity are managed through a risk on the Register Risk: Loss of a critical supplier. Mitigation activities under this risk include dual sourcing, managing stock levels for high-risk commodities and in-sourcing production where appropriate.	**Low carbon economy** (RCP 2.6 – 2030) **Hazard exposure** **Residual risk impact** **Hothouse world** (RCP 8.5 – 2050) **Hazard exposure** **Residual risk impact**	Insignificant to minor residual risk impact means that we have not identified this as a risk that requires a specific metric or target. The Risk Management Committee reviews risks on an annual basis so a future change in the residual risk impact could lead to the implementation of a specific metric or target.
Sea level rise	Risk of exposure from sea level rise is 10% of assets by value, with no change expected to 2050. The STS site in Shanghai (China), is the highest value asset at risk.	Scenario analysis shows that, due to the location of our sites, our exposure under this risk is not expected to change under a hothouse world scenario. This risk is managed under the Principal Risk: Loss of a manufacturing Output at any Group facility. To mitigate risk, annual risk assessments are conducted by our insurance partner and we have appropriate insurance cover, including for total loss of a site.	**Low carbon economy** (RCP 2.6 – 2030) **Hazard exposure** **Residual risk impact** **Hothouse world** (RCP 8.5 – 2050) **Hazard exposure** **Residual risk impact**	Insignificant residual risk impact means that we have not identified this as a risk that requires a specific metric or target. The Risk Management Committee reviews risks on an annual basis so a future change in the residual risk impact could lead to the implementation of a specific metric or target.

The impacts of chronic risks are likely to differ by location, with some countries already experiencing and managing high levels of heat stress or drought, with the ability to adapt to those conditions. For other locations, historically less used to drought or heat stress, the impacts could potentially be more disruptive. However, as we are not a highly intensive user of water and chronic risks can largely be mitigated or adapted, the residual impact (post-mitigation) of chronic physical risks has been assessed as Insignificant (<£10 million).

Key:

Hazard exposure

Very High	5
High	4
Medium	3
Low	2
Very Low	1

Residual risk impact (annual profit)

Catastrophic	>£100m
Major	£50m – £100m
Moderate	£25m – £50m
Minor	£10m – £25m
Insignificant	<£10m

Transition risks/opportunities

Transition risks arise from changes required to facilitate a low carbon economy.

Risk/opportunity	Description	How we manage and mitigate this risk	Estimated financial impact	Link to metrics and targets
Market transition	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 ETS and STS Businesses as they combine forces to electrify the generation of steam and decarbonise thermal energy. Increased cost of electricity provision and raw materials provides some risk, as the introduction of carbon taxes could be passed on in raw material spend.	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 STS and ETS Businesses. This risk is mitigated through the Principal Risk: Inability to identify and Respond to changes in customer needs. Mitigation includes regular voice of customer research and research and 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 87.	**Risk** **2025** **2030** **Opportunity** **2025** **2030**	Net zero carbon Sustainable products
Technology transition	Costs of upgrading and installing infrastructure to support an electric vehicle (EV) fleet, or costs to transition away from fossil fuel dependent production equipment.	The transition to low carbon technology across our operations is embedded in our net zero roadmaps developed by all manufacturing sites and at a Group level. Fossil fuel-dependent systems and processes have been identified and investment plans developed, through annual and medium-term financial planning cycles, to phase the cost of decarbonisation activities over time, reducing risk.	**Risk** **2025** **2030** **Opportunity** **2025** N/A **2030** N/A	Net zero carbon Environment improvements
Reputation	Risk of reputational loss of Spirax Group as a top performing, environmentally sustainable business due to association with fossil fuel-reliant systems over the medium to long term (5+ years). Or, reputational gain as we become known as a leading decarbonisation partner for our customers, as we implement our Decarbonising Thermal Energy Growth Driver through our **Together for Growth** Strategy.	This very low risk is mitigated by our strong reputation, our innovative product developments, the introduction of our Natural Technology marketing strategy, all of which correctly positions steam as a sustainable technology and our own leading net zero commitments and progress against them.	**Risk** **2025** **2030** **Opportunity** **2025** **2030**	Net zero carbon Sustainable products

Key:

Hazard exposure	
Very High	5
High	4
Medium	3
Low	2
Very Low	1

Residual risk impact (annual profit)	
Catastrophic	>£100m
Major	£50m – £100m
Moderate	£25m – £50m
Minor	£10m – £25m
Insignificant	<£10m

TCFD and CFD continued

Transition risks/opportunities continued

Risk/opportunity	Description	How we manage and mitigate this risk	Estimated financial impact	Link to metrics and targets
Policy and legal transition	**Carbon taxation:** In country or at borders, could lead to increased operational costs. For example, the EU's Carbon Border Adjustment Mechanism (CBAM) became effective in October 2023, with a two-year transition period now in operation before carbon taxation commences on high-carbon imports (such as steel, iron or aluminium) into the EU. **Building code regulations:** Policy makers may promote a switch to low carbon buildings, for new builds or retrofitting old buildings, which could lead to increased costs, such as implementing Minimum Energy Efficiency Standards. **Climate change litigation:** Risk arising from the increasing activism of shareholders or the public against companies for failure to adapt to climate change, greenwashing by overstating positive environmental impacts, or understating risks or insufficient disclosure around material financial risks. **Waste-related laws and regulation:** Driven by an aim to increase circularity of the economy, new regulations could impact how we manage waste on our own sites and potentially impact end of life treatment of products we sell.	This risk is mitigated through our **One Planet** Sustainability Strategy, which includes net zero targets, energy reduction commitments, major decarbonisation projects, conversion to an EV fleet and supply chain management to reduce our scope 3 emissions. We manage and monitor existing and upcoming legislation from a range of sources to ensure that we can proactively respond to upcoming legislating risks. Climate change litigation risk is mitigated by our innovative product developments, the introduction of our Natural Technology marketing strategy, which correctly positions steam as a sustainable technology and our own leading net zero commitments and progress against them.	**Risk** **2025** **2030** **Opportunity** **2025** N/A **2030** N/A	Net zero carbon Environment improvements Sustainable products Sustainable supply chain

Key:

Hazard exposure

Very High	**5**
High	**4**
Medium	**3**
Low	**2**
Very Low	**1**

Residual risk impact (annual profit)

Catastrophic	>£100m
Major	£50m – £100m
Moderate	£25m – £50m
Minor	£10m – £25m
Insignificant	<£10m