Net zero transition plan

April 2026

Spirax Group

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

Near-term target:

As an interim milestone on our roadmap to achieving net zero GHG emissions across our value chain, we have set a target to achieve net zero GHG emissions for scopes 1 and 2 by 2030. We have already made good progress against this target, achieving a 63% reduction in emissions (compared to 2019, our baseline year) since 2021. Our target will be delivered through the activities listed below.

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 31 of our manufacturing sites; multiple energy reduction initiatives completed, resulting in a 18% reduction in energy consumption (including acquisitions) vs 2019.

2. Renewable electricity

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

Progress to date

32 of our manufacturing sites had green energy contracts in place by the end of 2025, and 6 manufacturing sites are self-generating electricity using solar panels, with 89% of electricity used during the year from renewable sources. We have had a 88% 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

30% reduction in scope 1 emissions from stationary combustion vs 2019 (including acquisitions).

4. Electric vehicles (EV)

Transition to an electric vehicle fleet, where charging infrastructure allows, by 2030.

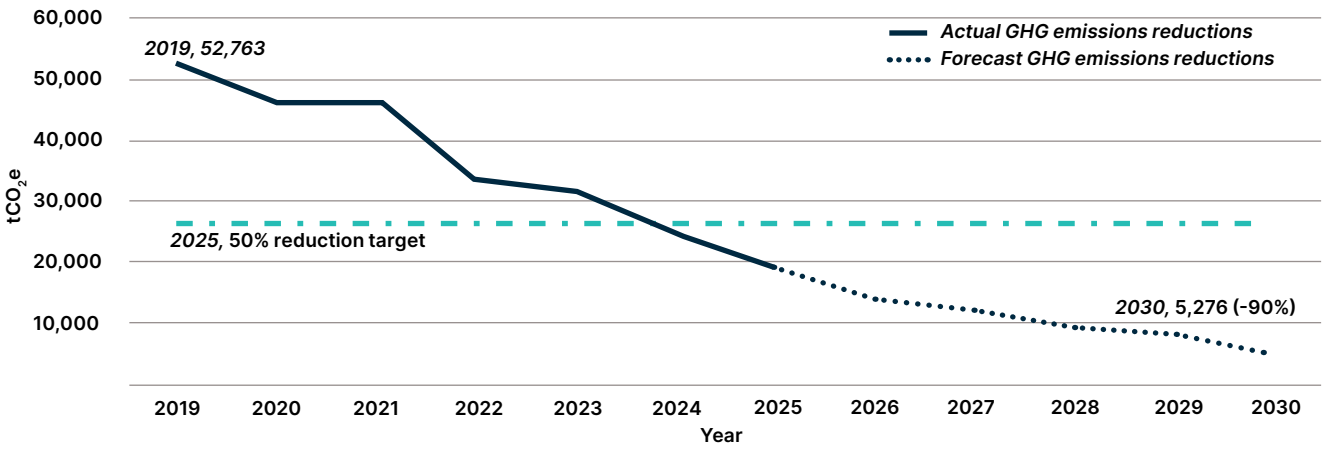
Progress to date

24% of our fleet had been transitioned to electric vehicles by the end of 2025.

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



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	2024	2025*
Scope 1	24,339	18,537	17,405	16,223
Scope 2 (market-based)	22,406	13,121	7,912	3,197
Scope 3 Category 11: Use of sold products	24,651,860	25,902,985	22,239,338	
Scope 3 "Other"**	400,057	394,453	600,364	
Scope 3 Total	25,051,918	26,297,438	22,839,702	
Total GHG Emissions	**25,098,663**	**26,329,096**	**22,865,019**	

* Due to the complexity of calculating scope 3 emissions, we disclose our full scope 3 emissions with a one-year time lag

** 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.

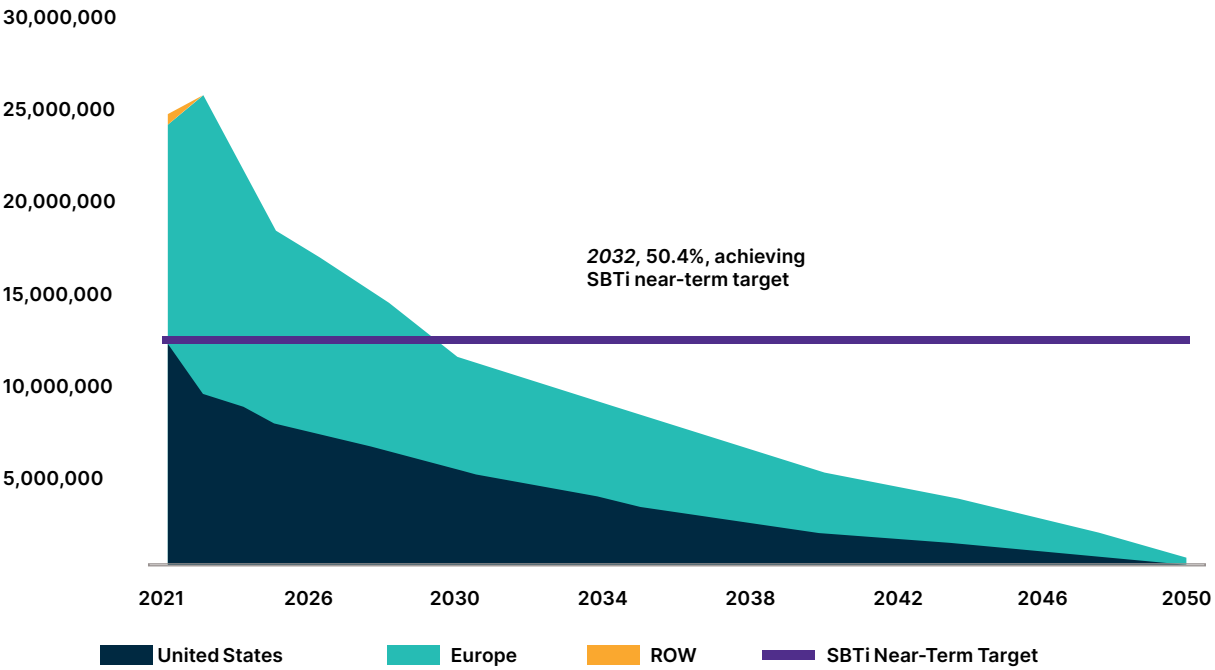
We have modelled grid greening based on external forecasts and believe this will drive significant reductions in emissions over the medium-to-long term. In the future, we may also seek to engage with customers to encourage their adoption of green electricity and update our reporting to use market-based 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*



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

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

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 and Roadmap. 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 near-term (scopes 1 and 2) 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.