Group Sustainability: Methodology Statement

Version:	**V2**
Date of issue:	**March 2026**

Spirax Group

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Introduction

Spirax Group is a multi-national thermal energy management and niche pumping specialist. Our Core Purpose is to create sustainable value for all our stakeholders as we engineer a more efficient, safer and sustainable world.

This statement outlines the processes, assumptions and estimations used when calculating our non-financial data, as included in our 2025 Annual Report and Accounts.

1. Scope

Spirax Group employs an 'operational control' definition to outline our Company boundary.

Included within that boundary are all manufacturing facilities, administrative offices and sales offices where we have authority to implement our operating policies (i.e. owned and leased assets).

Excluded are activities relating to remote employees working from home or in co-working spaces as we have no authority to implement our operating policies in these locations.

2. Basis of reporting

Spirax Group report against the following metrics for all sites included in our 'operational control' definition. In 2025 we have reported the metrics shown in the table below for all entities:

Metric	Reporting Unit	Calculation Methodology described in
Scope 1 GHG emissions	tCO_2e	Section 6.1
Scope 2 GHG emissions – Market Based	tCO_2e	Section 6.1
Scope 2 GHG emissions – Location Based	tCO_2e	Section 6.1
GHG Emissions Intensity (Scope 1 & 2) – Market Based	tCO2e per £m reported revenue	Section 6.1
GHG emissions Scope 3*	tCO_2e	Section 6.2
Energy Consumption	MWh	Section 7
Electricity from renewable sources	%	Section 7
Biodiversity net gain	%	Section 8
Water Use	m^3	Section 9
Waste Generation	t	Section 10
Waste To Landfill	%	Section 10

*Note: Scope 3 Category 3 is within the scope of limited assurance by Deloitte for Financial Year 2025. Other Scope 3 Categories are excluded from that limited assurance. Please see the Scope 3 section below for details of the Scope 3 calculation method.

3. Reporting Period Covered

Energy, emissions (Scope 1, 2 and Scope 3 Category 3) and water are collected and reported in line with the financial reporting period - the year to 31 December 2025 (i.e. the numbers included in the annual report are for the same 12-month period as the financial statements).

For Scope 3 (all other categories) data is reported on a one-year lag (so for year to 31 December 2024 in the 2025 report).

Where invoiced actual data is not collected in time for year-end, sites are required to provide an estimate based on manual meter readings or activity data from previous year same month. GHG-related activity data is tracked regularly and reported internally on a quarterly basis; this data informs the formulation of follow-up actions.

4. Data Coverage

Spirax Group has adopted a targeted approach to de-scoping certain operating companies from the requirement to report actual measured non-financial data. Specifically, sites deemed immaterial due to being in the bottom 10% of each reported metric, based on the 2024 data set, were excluded from the obligation to provide actual measured data.

For these de-scoped sites, as well as for immaterial activities at some other locations (e.g. all activities other than mobile combustion at smaller Sales offices), estimates were generated using activity data from previous year same month. This estimation method ensures continued inclusion of all activities from sites within Spirax Group's sustainability reporting boundary, while reducing the overall administrative burden for smaller operating companies and focusing data collection efforts on material operations.

The approach aligns with Spirax Group's commitment to transparency and accuracy, while maintaining efficiency in sustainability data management.

Data is reported in the sustainability reporting system and can be entered at any time by operating companies. The consolidated data is reviewed on a quarterly basis by the data team and the sustainability management team.

5. Key Sustainability Targets (against a 2019 baseline)

Energy: Purchased and Used Electricity Reporting

- 20% reduction of energy use from plant equipment and building assets by end 2025, compared to a 2019 baseline.
- 80% of electricity sourced or generated from renewable sources by end 2025 (100% by 2030).
- Achieve Net Zero GHG emissions from our operations by end 2030 (Scopes 1 & 2).

Energy: Stationary Combustion Reporting

- 50% reduction in Scope 1 and Scope 2 (Market Based) GHG emissions by end 2025, compared to a 2019 baseline.
- Achieve Net Zero GHG emissions from our operations by end 2030 (Scopes 1 & 2).

Energy: Mobile Combustion Reporting

- 60% of vehicle fleet to be electric by end 2025
- 15% reduction in travel by end of 2025 (Scope 1).
- 100% of vehicle fleet to be electric by end 2030

Water Use

- Reduce water consumption by 15% by end 2025.

Waste

- Reduce total waste generated by 10% by end of 2025.
- Achieve zero waste to landfill by end of 2025.

Biodiversity

- Deliver biodiversity net gain of +10% for all new manufacturing sites and facilities.

6. Greenhouse Gas Reporting & Emission Factor Sources

6.1 Scopes 1 & 2

Scope 1	Stationary Combustion CO_2e emissions – natural gas, diesel, biofuels, heating oil, LPG/propane
	Mobile Combustion CO_2e emissions – vehicle fuels (various), distance travelled (km/miles)
	Fugitive emissions of fluorinated gases (refrigerant losses)
Scope 2	CO_2e of purchased electricity (market and location-based accounting)
	CO_2e of purchased heat, steam and cooling

For all entities we have measured and reported on our relevant Scope 1 and Scope 2 emissions for 2025. We have used the GHG Protocol Corporate Accounting and Reporting Standard and the GHG Protocol Data Hierarchy, striving for the highest precision possible.

We reference DEFRA factors (2025 Greenhouse Gas Reporting: Conversion Factors 2025) for most Scope 1 data categories (including fuel and natural gas). For Scope 2 electricity emissions, DEFRA factors are used for the UK; for other countries, International Energy Agency (IEA) (IEA Emission Factors Package - 2024 edition) and US Environmental Protection Agency (EPA) (Year 2023 Data) are the primary sources used. Other sources are applied for local Scope 2 electricity factors (where appropriate data is not published by DEFRA, IEA or EPA), for fugitive emissions and for heating oil. These collectively represent under 2% of scopes 1 and 2 total emissions. Sources include: Australia - National Greenhouse and Energy Reporting (Measurement) Determination 2008 (compiled 1 July 2024 and 1 July 2025) 2025 and NGERs Technical Guidelines. New Zealand - Measuring emissions guide; Canada - 2024 and 2025 UNFCCC Submission. Also World Resources Institute 2017, IPCC, UK Government GHG Conversion Factors.

Spirax Group reports fugitive emissions by identifying the types and quantities of refrigerants refilled at all manufacturing facilities, tracking their usage and reporting refrigerant losses from engineer logs & maintenance reports. This is converted to 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 emissions are not material in total when compared to overall GHG Emissions.

For Scope 1 emissions, we strive to use actual fuel use data . Where this is not available we estimate using distance-based emission factors for mobile combustion reporting (using the appropriate DEFRA factors).

All mileage incurred in company-owned vehicles, where Spirax Group covers the fuel costs, is considered business-related and is therefore included within Scope 1 emissions. An exception is in STS Germany where fuel usage is assumed to be split 66.6% : 33.4% between company (Scope 1) and employee private mileage (Scope 3).

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 year and do not restate prior years with SSEFs. No certified green energy contracts are included in our market- based figures for 2019 or 2020.

Intensity metrics use reported revenue as audited for the 2025 financial statements.

6.2 Scope 3

Scope 3*	Category 3: Activity A (Fuel- and Energy-Related Activities – Upstream Emissions of Purchased Fuels), Activity B (Purchased Electricity) and Activity C (Transmission & Distribution Losses) are all included in reported data. Activity D (Generation of purchased electricity that is sold to end users) is excluded.

Scope 3 calculations were completed in accordance with the Greenhouse Gas Protocol and ISO14064, as the standard recommended by the Science Based Targets initiative (SBTi), and in conjunction with external consultants.

The emission factors are sourced primarily from DEFRA, the International Energy Agency (IEA) and the US Environmental Protection Agency (EPA).

The respective data is evaluated with the impact measurement category GWP100 (according to IPCC AR5), excluding biogenic carbon, including climate carbon feedback:

- GWP means Global Warming Potential = measure of how much heat a greenhouse gas traps in the atmosphere up to a specific time horizon, relative to carbon dioxide
- A GWP is calculated over a specific time horizon, so here we analyse the 100-year time horizon global warming potential
- IPCC AR5 is the Intergovernmental Panel on Climate Change's (IPCC) Fifth Assessment Report
- Excluding biogenic carbon means that a credit for the carbon storage is excluded for the observed timeframe of 100 years, as we expect that it will be released during this time (some materials bind CO_2, such as timber)
- Factors include the climate carbon feedback of non-CO_2 gases.
- More information can be found here: https://www.ghgprotocol.org/sites/default/files/ghgp/GlobalWarming-Potential-Values%20%28Feb%2016%202016%29_1.pdf

The following categories have been included in our Scope 3 Calculations

Scope 3 Category	Information
Cat. 1 - Purchased Goods & Services	Spirax Group calculates all applicable Category 1 Purchased Goods & Services emissions from it's STS, ETS & WMFTS businesses
Cat. 2 - Capital Goods	Spirax Group calculates all applicable Category 2 Capital Goods emissions from all of it's STS, ETS & WMFTS businesses
Cat. 3 - Fuel & Energy related Emissions	Spirax Group calculates all applicable Category 3 fuel and energy related activities from it's scope 1 and 2 activities for all locations
Cat. 4 - Upstream Transportation & Distribution	Spirax Group calculates all applicable Category 4 upstream transportation and distribution emissions resulting from 3rd party logistics and freight forwarders
Cat. 5 - Waste generated in Operations	Spirax Group calculates all applicable Category 5 waste generated in operations emissions resulting from 3rd party waste providers
Cat. 6 - Business Travel	Spirax Group calculates all applicable Category 6 business travel emissions arising from 3rd party transportation of employees
Cat. 7 - Employee Commuting	Spirax Group calculates all applicable Category 7 emissions resulting from employees travelling to and from their workplace and home
Cat. 11 - Use of Sold Products	Spirax Group calculates all applicable Category 11 use of sold product emissions from it's businesses that sell products that consume energy
Cat. 12 - End of life treatment of sold products	Spirax Group calculates all applicable Category 12 end of life treatment emissions from it's manufacturing facilities

The following categories have been excluded from our Scope 3 calculations:

Scope 3 Category	Information
Cat. 8 - Upstream leased assets	Spirax Group does not have leased assets to be allocated into this category.
Cat. 9 - Downstream Transportation and Distribution	This category is excluded. Spirax Group arrange and pay for all transportation from sales sites and therefore have no downstream transportation and distribution emissions
Cat. 10 - Processing of Sold Products	There are no products sold which (may) require further processing. Category not applicable, excluded.
Cat. 11 - Use of Sold Products	Spirax Group calculates all applicable Category 11 use of sold product emissions from it's businesses that sell products that consume energy
Cat. 14 - Franchises	Spirax Group does not operate any franchising models. Category not applicable, excluded.
Cat. 15 - Investments	Spirax Group does not have investments applicable for category 15. Category not applicable, excluded.

For reporting Scope 3 Category 3 emissions for 2025, Spirax Group has reported estimated emissions. This estimation uses the previous year's total reported energy and Scope 3.3 emissions to derive an "effective Scope 3.3 emission factor" that has been applied to the reported total energy use.

7. Energy

Energy data covering purchased electricity, natural gas, other fuels, purchased heat/steam/cooling, and any on-site renewable generation is collected from metered readings, utility invoices, and internal monitoring systems. For de-scoped sites or when actual data is unavailable, estimates are based on the same month from the prior year. Energy exported back to the grid is removed from totals, and newly acquired sites use first full-year actuals as the basis for extrapolating historic consumption.

Renewable electricity (%) is calculated as renewable electricity (MWh) divided by total purchased electricity (MWh), where renewable electricity includes certified green contracts and on-site renewable generation.

8. Biodiversity

When completing our biodiversity impact assessment, a biological data search was undertaken for the ‘Zone of Influence’, being a 10km radius around each of the 30 manufacturing sites in Spirax Group at that time, and Group Headquarters. In each case this included a search of freely available information on a range of ecological databases including:

- IBAT biodiversity data (Important Bird Areas)
- Ramsar Wetlands (Ramsar Convention)
- Local fauna and flora legislation, policies and local development plans where freely available in the public domain in English
- Global Biodiversity Information Facility • Birdlife International’s Data Zone

- The Global Invasive Species Database
- EU Natura 2000 sites,
- Previous flora and fauna studies conducted for the site or surrounds, if any
- Management plans for any protected areas within the 10km buffer if available
- Global Forest Watch database
- The List of Wetlands of International Importance
- World Database of Protected Areas (WDPA)
- Key Biodiversity Areas (KBAs)
- Alliance for Zero Extinction (AZE) sites
- IUCN Red List of Threatened Species (2019)
- Evolutionarily Distinct and Globally Endangered (EDGE) species database
- Broad-scale conservation priorities, including Biodiversity Hotspots, Endemic Bird Areas and High Biodiversity Wilderness Areas.

The data search was used to identify areas of high biodiversity value and identify whether there were any impact pathways by which our operations could affect these areas under normal or abnormal working conditions. Based on this assessment a risk level was applied to each site.

To calculate biodiversity net gain for new manufacturing sites and facilities, a method is applied based on the UK's DEFRA methodology, taking into account any locally specific net gain methodologies. Where possible, sites are assessed before commencement of major construction work to establish a biodiversity baseline on which to base net gain calculations. If construction work had already commenced before the biodiversity net gain commitment was established, a desktop calculation has been performed using historic maps and any other publicly available information.

9. Water

Spirax Group reports water use metrics for all sites within its operational control boundary, using metered readings, utility invoices and digital monitoring systems where available. For de-scoped sites or when actual data is unavailable, estimates are based on the same month from the prior year.

Water use is calculated as the sum of water imported from off-site (e.g. through piped networks or water tankers) and water extracted (e.g. through boreholes) or captured (e.g. through rainwater harvesting) on-site.

Water discharge is assumed to be 100% of water consumption, unless the site provides evidence to the contrary (e.g. significant water use for landscaping, office use) or where process water is collected on-site and removed via tanker for off-site treatment by specialist contractors.

Where previous year's data is not available, water use is estimated using per-capita average consumption from similar sites and extrapolated to the missing sites by headcount.

All reported data undergoes quarterly internal review to identify anomalies, supported by external limited assurance of selected metrics, and Spirax Group is progressively rolling out digital metering across all manufacturing sites to strengthen accuracy and reduce reliance on estimates.

10. Waste

Spirax Group reports waste and waste-to-landfill metrics using actual measured data from waste contractors, on-site weighing systems, or invoiced collections wherever available. When site-level waste data is not available, typically at smaller, de-scoped or shared sites, estimates are generated using an agreed methodology in which per-capita average waste production from comparable Spirax locations is recalculated annually and extrapolated by headcount to derive total waste and assumed landfill volumes. Where production data is more representative (e.g., at manufacturing sites), waste intensity factors derived from similar facilities may be applied. In the absence of detailed segregation information, estimated waste amounts are conservatively treated as landfill to avoid understating environmental impact. All waste data undergoes quarterly internal review.

11. Customer environmental saving metrics

Our bespoke energy, water and carbon savings assessment tool models the impact of the annual sales of certain categories of products on the energy and water use of typical industrial site, with an average steam system and an average compressed air system. It calculates the reduction in fuel, electricity and water consumption resulting from reduced steam generation and increased heat recovery and the corresponding reduction in Greenhouse Gas (GHG) emissions in terms of the equivalent Carbon Dioxide (CO_2) emissions.

The model, developed in conjunction with a leading external energy consultancy, is used to calculate the typical energy savings realised by each type of product based on the methodologies used by the Company's engineers to determine product effectiveness and efficiency, which we have validated against good practice guides on product design and case studies.

Detailed product design data is used to estimate one of the following parameters for each type of product, which are related to energy saving or usage factors:

- Avoided steam losses
- Amount of condensate recovered and reused

- Amount of flash steam recovered and reused
- Amount of steam monitored using steam meters
- Avoided compressed air generation

We have used the external energy consultancy firm's technical knowledge of industrial steam and compressed air systems, impact assessment and carbon accounting to turn these methodologies into models that produce robust estimates of energy, carbon and water savings realised by installing Company products globally. The methodology used to determine these energy, water and carbon savings has been independently assessed by the external energy consultancy firm. The carbon savings methodology covers the following categories of products:

11.1 Steam Thermal Solutions

- Flash Vessels
- Condensate Pumps
- Steam Traps
- Steam Meters
- BSA Bellows Sealed Stop Valves
- EasiHeat Heat Exchangers
- Smart Positioners
- Electric and Pneumatic (EL+PN) Controls
- Pressure Regulation Controls
- Safety Valves
- Steam Separators
- Product Insulation
- Blowdown Heat Recovery Packages
- EVC Heat Exchangers
- High Efficiency Heat Exchangers
- Modulating Level Controls

11.2 Watson-Marlow

- Certa Pumps

11.3 Electric Thermal Solutions

- TargetZero Steamvolt
- TargetZero Electrofit
- TargetZero Steam Battery

Only products that deliver savings that can be quantified with reasonable accuracy were included. The energy, water and carbon savings are based on the latest available regional emission factors. It should be noted that customer savings vary year-on-year due to changes in product mix and changes in regional emissions factors.

12. Restatements

Improvements in data availability, accuracy, or changes in published emission factors, company structure or calculation methodologies may cause changes in data compared to historic published figures. We will restate prior year's data if these changes cause a material difference of 2% or more compared to published figures.

13. Acquisitions, mergers and disposals

For acquisitions and mergers, we report in the financial year following their first full year of ownership. If inclusion of historic data for the acquired company causes a significant change to our baseline figures, the data will be restated in line with our restatement parameters below.

Any disposals will be reported until they cease to come under our operational control. Baseline data will be restated to remove disposals in line with our restatement parameters below.

In the event of a material acquisition (defined as more than 5% change compared to existing data), energy and GHG data will be re-baselined and subsequent years restated.

Other types of sustainability data, e.g. water and waste will not be restated following a change in company structure.

When considering acquisitions where accurate data is not available, we will use sustainability data captured in the new acquisition's first full year of ownership and extrapolate historic years' data based on annual revenues.