
Low Carbon Travel Policy & Guidelines

Version 1.0

Release Date: 16th September 2022



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ONE PLANET
ENGINEERING WITH PURPOSE

Introduction

Spirax Group has committed to generate net zero carbon emissions from our operations, aligning our business strategy with the global scientific community's position on climate change, customer expectations, investor requirements and emerging or expected legislation. This commitment is a central objective of our 'One Planet: Engineering with Purpose' Sustainability Strategy. Achieving this commitment will require all colleagues to be conscious of the way we travel for work and to take responsibility for both minimising travel and, wherever possible, using the lowest carbon modes of transport available.

Spirax Group has established a target to convert 100% of its fleet to electric vehicle (EV) for owned or leased vehicles by 2030 on a global basis.

To achieve our net zero targets and in line with the One Planet strategy, we must change our approach to travel for business purposes. As of now, every new vehicle must be an EV unless the Group Company can demonstrate that appropriate infrastructure is not yet available locally to support that.

Approximately 20% of Spirax Group's global Scope 1 and 2 emissions are from vehicles we own or lease.

There are additional benefits to adopting low carbon travel practices, for example:

- Reduced emissions of harmful gases such as NO_x, SO_x and fine particulate matter
- Improvements in local atmosphere, where road pollution has been linked to chronic health conditions such as asthma
- Reduced road congestion and risks to drivers
- Improved work-life balance and the opportunity for increased exercise
- Risk mitigation against increasing legislation
- Financial savings

The Low Carbon Travel Policy & Guidelines are designed to complement our individual Company car and driver policies and existing health and safety policies. The highest standard should always apply.



Low Carbon Travel Policy & Guidelines

These standards and guidelines set out key considerations for colleagues travelling for the purpose of work using owned or leased Company vehicles, public transport, flights or other alternatives, including walking or cycling where possible and safe to do so. They do not impact those driving their own car to work or on Company business. However, we encourage colleagues who use their own car to voluntarily adopt this policy where relevant and play a role – as a good global citizen – to help reduce emissions.

As a Group, we operate in many different locations and it is understood that global policies are not always desirable or effective, due to local variations in circumstances. In respect of this, some key points are highlighted below:

- This document contains both low carbon 'minimum standards' and 'aspirational goals'. The commitment to the aspirational goals is at the discretion of the local Group company, in recognition that all parts of the Group operate in unique circumstances.
- Using these standards and guidelines, Group companies can develop more comprehensive low carbon policies and plans at a local level and encourage change that is unique to a Group company.

Achieving our net zero commitments will require all colleagues to be conscious of the way we travel for work and to take responsibility for both minimising travel and using the lowest carbon modes of transport available to us.

- This document sets the standards for leased (or owned vehicles) where the transition to an EV cannot be immediately made.
- This document relates to business travel only – commuting to work currently falls outside of the scope of this document. This position will be reviewed in future.
- There may be exceptions where 'home' is classified as the colleague's normal place of work and therefore certain commitments apply.

These standards and guidelines are the first of their kind for Spirax Group plc. Their global scope means they need to be applied practically and allow room for national and even regional differences in the countries where we operate.

Global Spread of Spirax Group's 1,686 vehicle fleet 2021



Travel Decision Making

Minimum standard: It is the responsibility of all colleagues to ensure the most carbon-efficient means of travel, that is practical, is used.

To ensure that a 'carbon light' travel decision is made, **the traveller and their line manager must review the considerations listed below** before a decision is made.

Assuming the meeting, discussion, networking or activity needs to take place, colleagues must satisfy themselves that they are taking the most sustainable option by taking into account the following considerations:

Considerations to aid decisions:

- Can the purpose be satisfied by other means, i.e. web-based conferencing or telephone?
- Can we re-design the task or service so that travel can be reduced going forward?
- What other corporate policies (e.g. health & safety, flexible working) and priorities (customer service, work-life balance) determine travel requirements?
- Where the journey is essential, has it been approved by the line manager?
- Before a journey is undertaken by car consider: are alternative means of travel (bus, rail, walk or cycle) feasible? Have organisers been asked for their local knowledge?

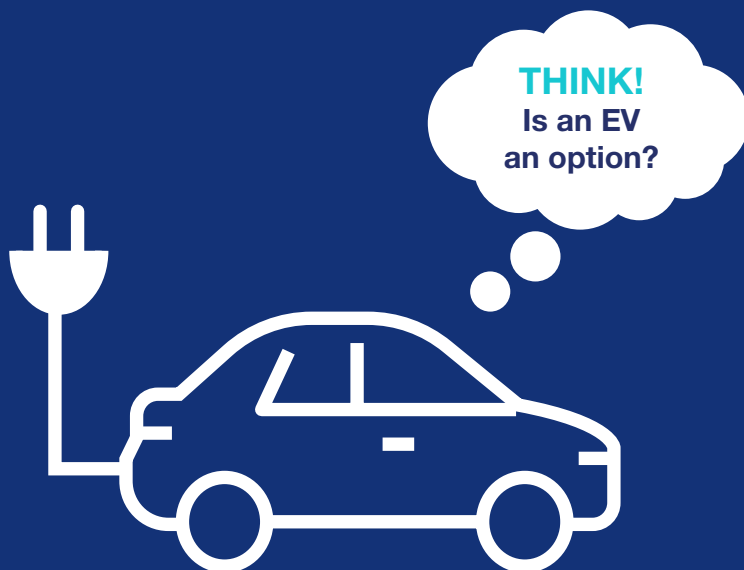
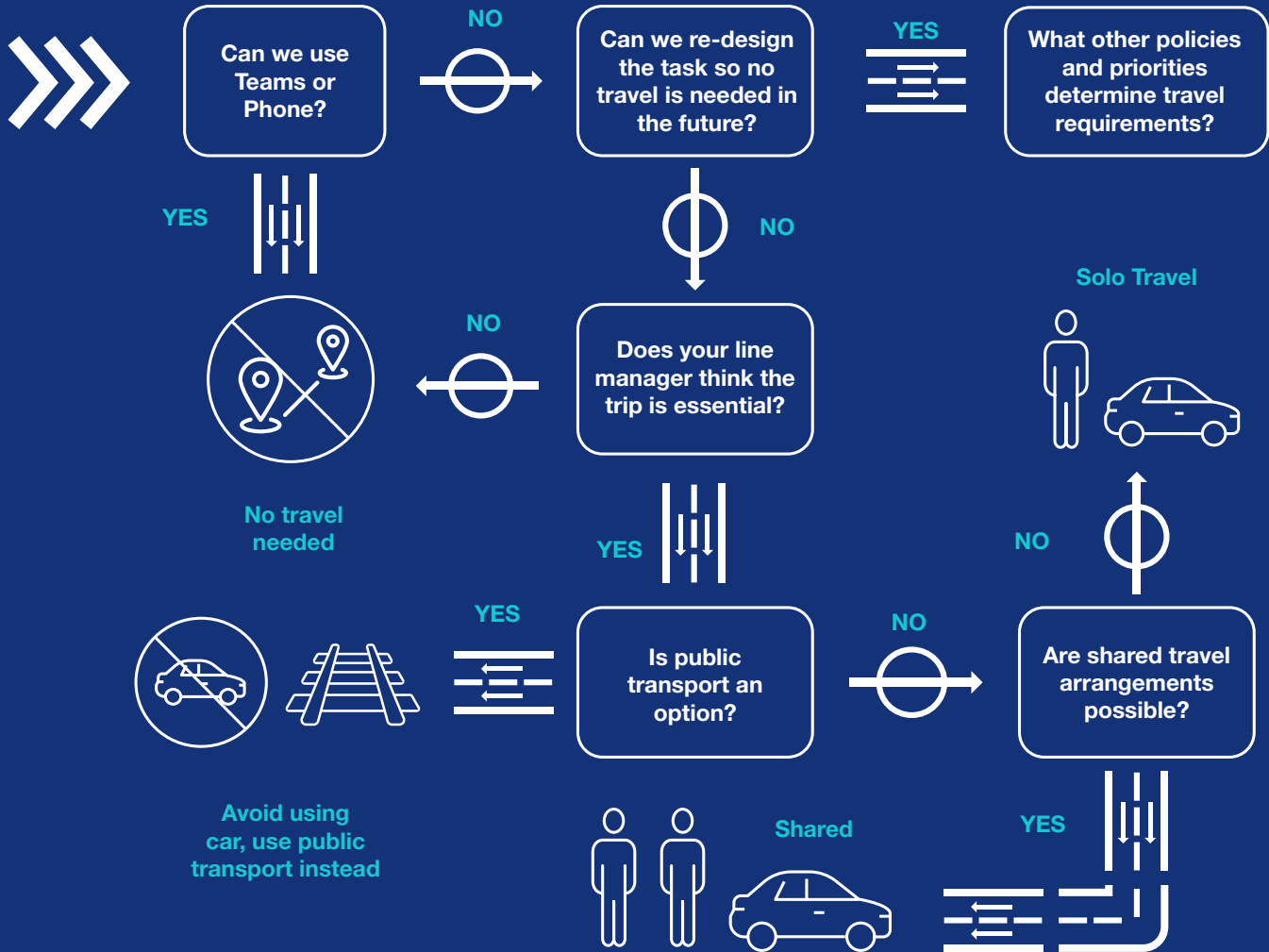
- Can the venue and/or date be managed or changed to coincide with other meeting and travel requirements?
- Is the venue the closest to the greatest number of participants and is it accessible by public transport?
- Are shared travel arrangements feasible i.e. with other colleagues attending the same meeting or site?
- Can shared or solo travel arrangements be made by use of public transport (train, tram, bus, ferry, metro or tube)?
- Does anyone have a Company car that can be used?
- Is there an efficient car-share (Pool) car available for the journey?
- What Company vehicle is suitable for the purpose of this journey? Could a smaller/more efficient vehicle be used?
- What guidance is there on daily car rental hire and taxis (see section 3)?
- What guidance is there when undertaking flights (see section 4)?

On the next page we have included a flow chart/ decision tree to aid this process.

Minimum standard: It is the responsibility of all colleagues to ensure the most carbon-efficient means of travel, that is practical, is used.

To travel or not to travel flow chart

See page 11 for an air travel flow chart



CAR TRAVEL CONSIDERATIONS:

Is there a Company car available?

Is this the most efficient company car that can be used?

Is day hire of a EV an option?

Vehicle Policy & Guidance

Vehicle Specifications for Lease, Purchase, Hire and Car-Share (Pool) Car Use

Vehicles used for business travel fall into the following categories:

1. Lease, these are vehicles provided to qualifying colleagues for both business and private use (as per Company contract)
2. Car-Share (Pool) Fleet, for business use only
3. Private (Grey Fleet), these are vehicles owned by colleagues subject to agreement under a Company car allowance scheme
4. Daily Rental to be used when journey exceeds 100 miles/160 km

Private vehicles that are not funded through a car allowance scheme **must not be driven** for work purposes, other than to travel between offices or commuting.

Minimum standard: All new vehicles (except for Grey Fleet) must be an EV unless the Group Company can demonstrate that appropriate infrastructure is not yet in place locally to support that. To lease (or purchase) a new Company vehicle (1 & 2 above) that is not an EV, a formal exemption needs to be granted by a Divisional or Regional Director. Exceptions must be tracked and reported to the relevant MD.

Aspirational goal – For electric vehicles we should endeavour to observe the following energy efficiency limit:

- No greater than 30 kWh/100 kilometres for average driving use for vehicles leased or purchased in 2022²

This threshold is a guideline, within which each HR department can set its own threshold.

²This figure is a guideline and will be subject to review. As the technology continues to develop, we expect this figure to be updated regularly.

Aspirational goal – For daily rental cars (and where EVs are not available) we should endeavour to align with the following combustion engine EU emissions 2024 targets (subject to review):

- No greater than 95g CO₂/kilometre³ for average mileage use on passenger cars and 147g CO₂/kilometre for commercial vehicles

Aspirational goal – For hybrid vehicles the following limit applies:

- No greater than 75g CO₂/kilometre for average mileage use on passenger cars leased or purchased in 2022

The above limits will be reviewed annually and are subject to further improvement.

Minimum standard: All new company vehicles must be an EV. To lease (or purchase) a new Company vehicle that is not an EV, a formal exemption needs to be granted by a Divisional or Regional Director.



³ Emissions allowances currently aligned with EU standards. https://ec.europa.eu/clima/eu-action/transport-emissions/road-transport-reducing-co2-emissions-vehicles/co2-emission-performance-standards-cars-and-vans_en



Lease Vehicles

Leased vehicles must be electric wherever possible. In order *not* to lease an EV, an exemption by a Regional or Divisional Director must be secured. Please note exemptions will be subject to a tracking and reporting process.

Colleagues who are authorised for a lease vehicle will be entitled to use this for both business and personal travel. The colleague and spouse/partner may be insured for personal use, please refer to individual/local car contracts.

Car-Share (Pool) Fleet

Minimum standard: Drivers of car-share (pool) vehicles will access cars through their locally-approved site process and in accordance with guidance in page 7. Refuelling of combustion engine vehicles should be carried out as specified in local instructions, e.g. at nominated petrol stations using a Company fuel card if provided.

Wherever Spirax Group has provided pool cars for travel, colleagues should not use their own car, unless in receipt of a Company car allowance.

Aspirational goal: Electricity powering vehicles should be sourced from renewable energy wherever possible. EVs and PHEVs (plug in hybrid vehicles) should be placed on charge with rapid chargers and using a renewable energy charge card if available. Wherever available, conventional combustion vehicles should be refuelled with biofuel blends, such as E10.



Private (Grey Fleet) Vehicles

Minimum standard: All grey fleet vehicles must have current road tax, relevant safety and roadworthiness certificates and business mileage coverage on their personal insurance.

Aspirational goal: Colleagues in receipt of a Company car allowance should endeavour to meet the emission levels outlined on page 7 and source an EV where possible, practical and affordable.

Daily Hire

Colleagues may elect to use a daily hire car for specific business purposes. Key criteria are:

- If the general considerations in the Travel Decision Making section have been reviewed
- If travelling more than 100 miles/160km from home or the usual office of work.

Minimum standard: Any rental must be authorised by the colleague's line manager and must consider the availability of an EV first. Should an EV not be available, the emissions standards detailed on page 7 should be followed, wherever possible.

Please note plug-in hybrids (PHEV) should only be chosen if their average emissions are lower than the most efficient combustion engine or self-charging hybrid vehicle available.

Group companies should consider investing in EV charging infrastructure to facilitate the transition to EVs.

Use of Taxis

The hiring of a taxi should only be done in circumstances where:

- No other suitable, safe or timely mode of public transport is available.

This may be, for example, if colleagues are undertaking a one-way trip e.g. to a railway station.

If use of a taxi is required, wherever possible this should be with an approved contractor that has a carbon efficient fleet that has been approved by a Transport or Procurement Manager.

Where the use of a taxi is needed, in accordance with the above scenarios, the choices and limits in page 7 regarding emissions and EV efficiency do not apply. However, we encourage colleagues to enquire about the availability of electric taxis whenever they book one.

Exceptional Circumstances

Under the following extenuating circumstances these standards and guidelines do not apply:

- Emergency Plan has been invoked
- Colleagues have been called out by a line manager out of normal business hours
- Contractors or Consultants travel to/for Spirax Group business.



Air travel

Spirax Group is a significant user of air transport and Group companies have a responsibility to report all air flight data within Accuvio/Diligent, the Group's greenhouse gas reporting software. Whilst this is classed as a scope 3 (indirect emission) we have significant control over the decision to undertake flights for business purposes or to manage activity through other means.

Minimum standard:

The following must be considered by the colleague and line manager before booking flight travel:

- Can the business activity be completed through web conferencing or is a face-to-face meeting or plant visit absolutely necessary?
- Could the meeting be attended effectively through other means such as public transport or by road or sea – notably for inter-country travel or country to country travel where suitable rail, sea and road networks exist and door to door travel time is comparable.
- Air travel should only take place when there is no viable sustainable alternative **and** it is significantly more time-efficient than a more sustainable solution.
- If air travel is deemed essential, the need must be authorised in advance by the colleague's Line Manager.

The expectation is that the colleague travelling must be able to demonstrate that a more sustainable travel option is not a viable alternative.

Minimum Standard:

The expectation is that the colleague travelling must be able to demonstrate that a more sustainable travel option is not a viable alternative.

Aspirational goals:

Travel should be booked through an approved company or internal travel provider who should reflect the ethos of these guidelines and be able to advise on preferred airlines⁵ (and sustainable hotels, if needed).

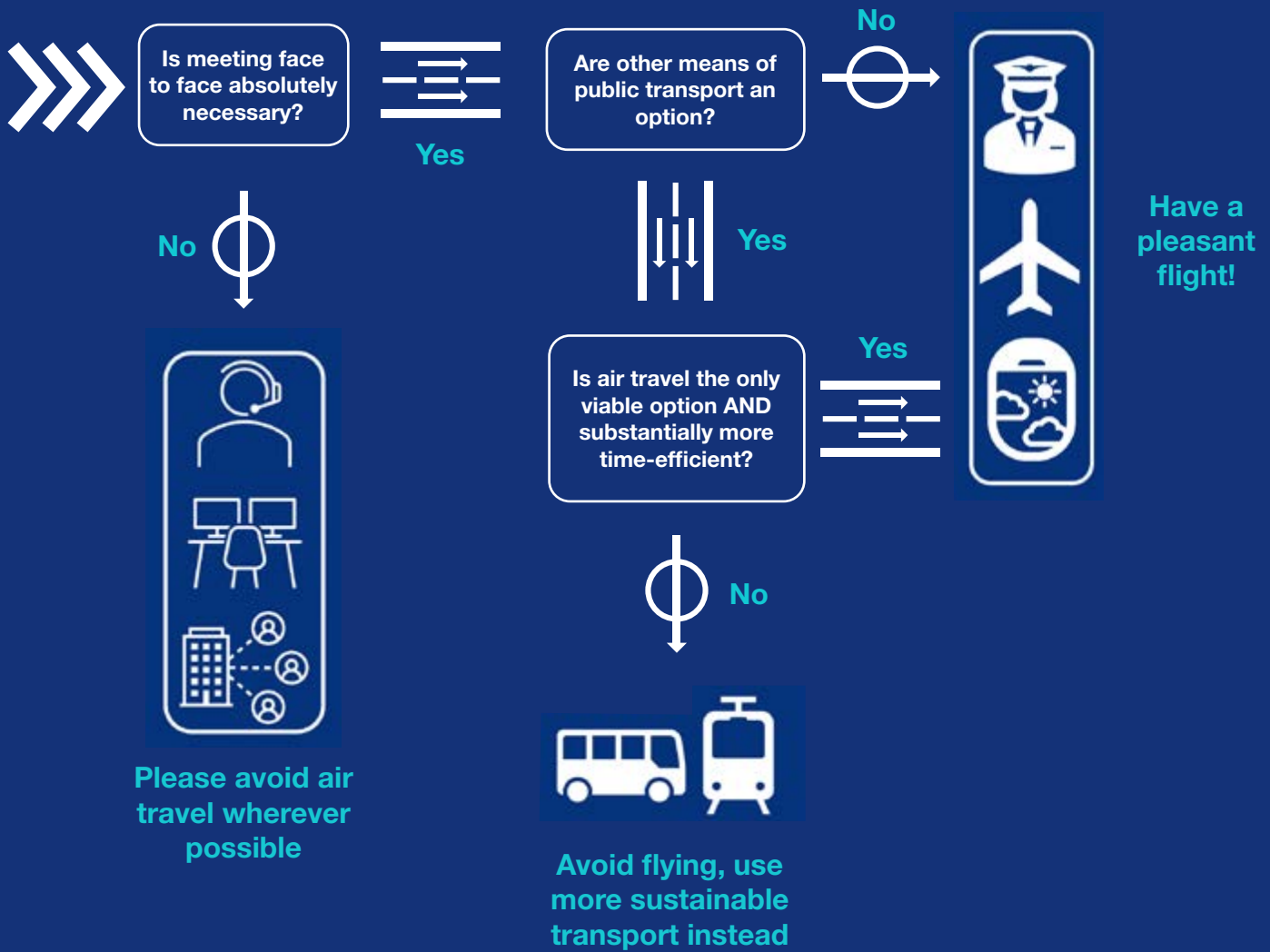
Wherever air travel is the only alternative, **flights should be direct** to avoid additional emissions (and increased travel time).

All carbon emissions associated with short, medium or long-haul flights should be offset through a locally identified Company-approved scheme.

On the next page we have included a flow chart/ decision tree to assist managers in their decision on whether to approve air travel.

⁵ Preferred airlines can be mapped based on the Dow Jones Sustainability Index (or equivalent), i.e. taking into consideration the age of fleet and its emissions, as well as using the airline's own CO₂ reporting. Ask your booking agent for details on how they rank airlines in accordance with their sustainability criteria.

Air travel flow chart



The colleague travelling must be able to demonstrate that a more sustainable travel option is not viable



AIR TRAVEL CONSIDERATIONS:

Travel authorised in advance by line manager

Booked through an approved company or internal travel provider

Appendices

Appendix 1 – Driving techniques

Sustainable and efficient driving techniques and maintenance should be observed by all colleagues and car operators to improve fuel efficiency and minimise emissions from cars. Please note and observe the basic principles below:

- Drive at an appropriate speed for road and weather conditions
- Avoid engine idling (leaving the engine running when stationary), where applicable
- Anticipate what is happening on the road ahead to avoid sharp braking or fast acceleration
- Remove unnecessary weight in your vehicle, for example, heavy equipment or roof racks
- Travel with light luggage where appropriate, for example, avoid carrying paper records or equipment that can be found at your destination
- Make sure the car is serviced regularly and tyres are inflated to the correct pressures

Please note, the above actions also help reduce tyre and brake wear, so observing these principles can have a positive financial impact too. This style of driving is also safer.

Appendix 2 – Sustainable travel behaviour

During business travel we encourage all colleagues to follow sustainable travel behaviour e.g. selecting hotels and facilities with sustainable practices.

Appendix 3 – Applying this Policy

We actively encourage colleagues to share their ideas for more sustainable travel with their relevant HR department as we would like these guidelines to be iterative, being regularly updated, reflecting both best practice and global minimum standards that are actionable everywhere we operate. (We will keep colleagues informed about changes to the travel policy.)

Group companies could consider the role of a Sustainable Business Travel Coordinator/ Champion, who can answer questions about the guidelines and help with monitoring, reporting and applying the guidelines. Group companies are encouraged to acknowledge colleagues for making sustainable travel choices.

In addition, where appropriate, Group companies could also consider provision of showers and safe storage/stowage of cycles and equipment, which will encourage colleagues to walk, run or cycle to the office.

Appendix 4 – EV Practical Considerations

Until 2025 we will be prioritising passenger vehicles due to the technology being more advanced. By 2030 the expectation is that our **entire fleet** will be EV (including larger vehicles).

Group companies should consider lead times of at least 6-8 months into their EV transition plans.

Where a vehicle is coming up for imminent renewal and lead times of EVs could result in a decision not to buy an EV, as long as **it is safe to continue using the existing vehicle**, Group companies should place an order for an EV and continue to use the existing vehicle until the EV is available.