

Group Charitable Donations Policy

Issued 3 Jan 2023

1. Scope

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 Spirax Group (Group). It is to be observed by all Group companies.

All Group companies are encouraged to participate in community engagement activities every year and to make appropriate donations to local charities and not-for-profit organisations, including educational organisations, in accordance with the principles set out in this policy.

In addition to local contributions made by Group companies, charitable donations are made by the Spirax-Sarco Group Charitable Fund (Spirax Group Charitable Fund) in accordance with the principles set out in Section 4 of this policy.

There are some restrictions on charitable donations and these are set out in Section 6 of this policy.

2. Mission

As a multi-national company, the Group has employees, operations, business relationships, suppliers and other stakeholders in many countries throughout the world. We seek to engage with our local communities to understand their needs and to have a positive impact through making charitable donations to worthwhile causes and contributing time, resources and expertise. We have a strong sense of our community responsibilities and encourage a positive approach to community relations, recognising that this is in the best long-term interests of the Group and our communities.

3. Priority Focus Areas

As a Group, we have committed to increasing the wellbeing of people in our communities, while addressing global sustainability challenges such as poverty, hunger, access to education, inequality, climate change and biodiversity loss.

The Group's community engagement programme "Giving today for a better tomorrow" is focused on meeting local needs today so that our communities will be stronger and more resilient now and in the future.

We recognise the transformative impact that education can have on the lives of individuals and the wellbeing of communities. Education is therefore a focus of our community engagement activities, but we also seek to identify and respond to local needs. Our efforts could involve, but are not limited to, supporting the underprivileged young, disadvantaged, disabled and elderly, or delivering biodiversity and environmental enhancements.

In cases of emergency, where a natural disaster or health crisis has overwhelmed local resources, we will consider donations to charitable organisations that are working to alleviate human suffering.

4. Group Charitable Fund Giving Principles

The Group Charitable Fund meets regularly each year and determines its donations to both local community charities in the UK and to national or international charities, in support of the United Nations Sustainable Development Goals. The Group Charitable Fund currently particularly focuses its donations in the following areas: Quality Education; Good Health & Wellbeing; Clean Water & Sanitation; and Reduced Inequalities, but will consider donations to charities that further any of the UN Sustainable Development Goals. Its focus areas may change in any given year depending on national and international circumstances, as it responds to urgent needs or humanitarian crises.

The following factors are used by the Group Charitable Fund to determine whether to award a donation:

1. Organisations that help address one or more of the UN Sustainable Development Goals;
2. Organisations that benefit the largest number of people, particularly in the focus areas noted above;
3. Organisations that benefit people in our local areas; and
4. Major disaster funds, particularly if our staff and their families live in affected areas.

Donations made by the Group Charitable Fund will be to registered charities only.

5. Group Company Charitable Giving Principles

The following factors should be used by Group companies in determining whether to make a donation:

1. The donation should seek to address at least one of the UN Sustainable Development Goals;
2. Donations supporting multiple people are generally preferred over donations to single individuals;
3. Partnerships are preferred over one-off charitable donations, although care should be taken not to create dependency;
4. Companies should consider making in-kind donations of goods, equipment, products and services, or the use of company facilities, in addition or as an alternative to cash donations;

5. In addition to cash or in-kind donations, Group companies should support the donation of employees' time, skills and expertise, in accordance with the Group Employee Volunteering Policy;
6. Total donations (as a proportion of a Group company's operating profit or revenue) can be up to the amounts communicated. Donations must be approved by the company's General Manager or by an individual or group that has had the authority to oversee charitable donations delegated to them by their General Manager. Any exceptions to these donation values must be approved by the relevant Business Managing Director.

6. Restrictions

We will not support the following:

1. Activities prohibited by law or regulation or that are deemed offensive or inappropriate;
2. Activities that contravene the Group Anti-Bribery and Corruption Policy, the Group Human Rights Policy or the Group Management Code;
3. Political parties, organisations, or political events;
4. Religious organisations where the donation is used to promote a particular faith or belief (donations to religious organisations are acceptable if the organisation is undertaking charitable work where the receipt of aid is not conditional upon religious affiliation);
5. Organisations that discriminate against individuals or groups in the allocation of their support according to race, sexual orientation, gender, religion, or disability;
6. Commercial organisations;
7. Organisations that are involved in human rights abuses, are subject to UN, EU, UK or US Sanctions, or violate the Group Sanctions, Embargoes & Restrictions Policy;
8. Organisations whose activities contribute to environmental damage;
9. Organisations that cause harm to animals;
10. Individuals' private pursuits;
11. Research projects such as books, research papers or articles in professional journals;
12. Activities that encourage a relationship of dependence.
13. Organisations or activities associated with, or encouraging, gambling.

Commercial sponsorship, where the benefit is predominantly for the Group or Group companies, should not be classified as a charitable donation. Commercial sponsorship of professional sporting activities should not be undertaken by any Group Company.

7. Governance and Approvals

A record of all donations (financial, in-kind and volunteering) should be maintained by reporting them via the Group's Volunteering, Charitable Donations and Biodiversity Portal, ideally as soon as the donation is made but at least once a quarter. Appropriate local records should also be kept of financial donations or cash used to purchase in-kind donations.

Group company charitable donations, below the threshold noted in point 6 of Section 5 of this policy, are to be managed locally and are made at the discretion of the Company's General Manager or other designated senior manager or group. The donation authoriser should be satisfied that donations are made in accordance with this policy and that appropriate due diligence is completed before a donation is granted.

Due diligence should be proportional to the size of the charitable donation, with larger donations or charitable partnerships requiring greater attention than small or one-off donations. The aim of due diligence is to determine whether the charity or organisation's mission, programmes or services align with this policy and to satisfy the Group company making the donation that donations will be used appropriately.

Due diligence will vary by location and type of donation. You may want to consider some or all of the following, noting that this is not an exhaustive list of all possible due diligence activities, and not all will be possible or necessary for every donation:

- Does the charity or organisation have a website and if so, does it show that the charity or organisation's activities align with your donation aims?
- Does an internet search identify anything of concern?
- In countries where charities are regulated, is the charity registered or does it have charitable tax exemption status?
- Does the charity or organisation publish an annual report and financial accounts? If so, does the charity or organisation manage its funds well, with a significant proportion of its revenue being expended in charitable activities?
- How does the charity or organisation manage or assess impact, and can it provide evidence of work it has already done in the community?
- Can you visit the charity or organisation and see its work for yourself?
- Can you arrange a virtual or in-person interview with a representative of the charity or organisation to find out more about the work they do?

Donations should only be made once you are satisfied that they are in line with this policy and you have a reasonable degree of assurance that the donations will be used appropriately. A record should be kept locally of due diligence undertaken.

Donations that exceed the threshold noted in point 6 of Section 5 of this policy, should be approved by your Business' Managing Director.

8. Requirements

This policy does not mandate that financial or in-kind donations be made by Group companies, that decision rests with local management and should be made after due consideration of business needs. However, as a socially responsible company, and recognising the benefits of charitable donations to our communities and to the long-term interests of the Group, we strongly encourage all Group companies to make appropriate charitable donations in line with this policy each year. As a minimum, all Group companies should designate a Community Engagement Champion within their organisation, who will act as a point of contact for Group communications and assess local community engagement opportunities, and all Group employees should be supported and encouraged to utilise their volunteering leave.

If a Group company wishes to make charitable donations, this policy should govern your giving. Please also note that you are free to request an exception to the policy in special circumstances through a written request to your Business' Managing Director.