Group Environmental and Energy Policy

2023

Spirax Group

This Policy applies to all Group Functions, Operating Companies and colleagues of Spirax Group. It underlines the commitments made in our One Planet: Engineering with Purpose Group Sustainability Strategy with regards to protection of the environment, climate change, the efficient use of resources, including water, waste management and biodiversity enhancement.

This Policy must be communicated, understood and implemented across the Group. While these commitments guide our own operations, we also encourage suppliers to abide by the standards outlined in this Policy. We will regularly review this Policy to determine its suitability and effectiveness, to ensure that it provides ongoing direction to our colleagues on environmental and energy management standards.

Environmental Management Standards

All Group Functions (where applicable) and Operating Companies:

- Must protect the environment by proactively identifying and then preventing or mitigating adverse environmental impacts, including any potential impacts arising from abnormal operating conditions such as maintenance and construction activities.
- Must comply with all relevant environmental legislation. If company standards are higher than local standards we will operate to the higher set of standards.
- Are responsible for ensuring environmental permits are kept up to date. Any breaches of permit conditions or environmental incidents must be reported using the EcoOnline system and investigated with corrective actions applied to prevent any repeat occurrence of the incident. The affected Operating Company should engage with any relevant authorities, as required.
- Should consult and act upon any relevant needs from local stakeholders, such as neighbours and community groups, ensuring these needs are accounted for in resource and management plans.
- Must follow the requirements for reporting, ensuring the timely reporting of performance data relevant to our One Planet: Engineering with Purpose Group Sustainability Strategy commitments.

In addition:

- All Group Manufacturing facilities must implement and maintain third-party certification to the environmental management standard ISO 14001:2015, no later than 2025.
- All colleagues and contractors must report hazardous situations, abnormal conditions and reasonably foreseeable emergency situations immediately to site management. Appropriate action should then be taken by the site to manage and mitigate environmental risk.

- All site business continuity plans should align with this Policy, notably in relation to pollution prevention as a result of accidents or emergency incidents.
- Environmental performance data will be internally monitored and reported regularly at a Business and Group-level, and key environmental performance indicators will be disclosed publicly in our Annual Reports, to ensure legislative compliance and to meet external stakeholder requirements.

Energy and Carbon Reduction

All Group Functions (where applicable) and Operating Companies:

- Must align their operational practices with the energy management hierarchy, i.e. focusing on the control and reduction of energy use as a priority, investing in energy efficient technologies and deploying the use of on-site renewables as appropriate.
- Must seek to reduce energy use through a range of measures including regular maintenance of plant and equipment to minimise waste, investing in energy efficient plant and equipment and incorporating energy efficiency into the design of new buildings and refurbishments.
- Must identify and prioritise the transition from fossil fuel consuming plant, buildings and equipment, to sustainable energy technologies, aligned with our strategy targets and investment plans.
- Are expected to prioritise the procurement of electricity based on green contracts, generated from renewable sources and backed by certified guarantees of origin, as soon as possible.
- Should consider self-generation of electricity using renewable sources or aim to progress contracts using strategic sourcing options such as Power Purchase Agreements, when available or viable.
- Are required to transition company vehicles from combustion engine vehicles to electric vehicles in accordance with our Net Zero strategy targets, using guidance provided in our Group Low Carbon Travel Policy and Guidelines, wherever possible.
- Must monitor, track and report energy consumption and associated emission generating activities to support local energy control and Group greenhouse gas reporting.

In addition:

- All Group manufacturing companies are encouraged to seek certification to the Energy Management standard ISO 50001:2018.
- All Group manufacturing companies must maintain and implement a low carbon roadmap aligned with our 2025 interim and Net Zero 2030 targets.

- Colleagues should make low carbon travel decisions, to limit emissions from work-related travel, by following the minimum standards set out in the Group Low Carbon Travel Policy and Guidelines.
- When delivering our Net Zero target, the Group commits to offsetting remaining carbon emissions at a level no greater than 10% of our baseline year emissions by 2030.

Biodiversity

All Group Functions (where applicable) and Operating Companies:

- Must manage their operations to minimise impacts on biodiversity, ensuring necessary controls are in place to mitigate risk.
- All Operating Companies are required to implement at least one local biodiversity initiative by 2025. Guidance can be found in the Quick Guide for Delivering Biodiversity Initiatives.

In addition:

- We will deliver a biodiversity net gain of +10% for all new manufacturing sites and facilities and seek to have a positive biodiversity impact through strategic partnerships and local biodiversity initiatives.

Resource and Water Management

All Group Functions (where applicable) and Operating Companies:

- Must manage their operations in a manner that protects local water resources by continually working to reduce their use of water and ensuring controls are in place to mitigate risks of their operations impacting local water sources.
- Must seek to reduce water consumption through a range of measures including implementing best practices as outlined in the Group's Water Action Plan template.
- Are required to manage their operations to reduce risk if industrial operations are exposed to stormwater or other weather events. For example, all facilities should manage industrial materials and wastes to prevent exposure to stormwater, which could otherwise result in local contamination.
- Should have dedicated metering capability to monitor accurate water consumption.
- Are required to regularly report metrics on water consumption and wastewater treated.

Spirax Group

In addition:

- All Operating Companies that generate and treat wastewater are required to ensure systems are managed and properly maintained so that all industrial-related wastewater is properly treated and discharged according to local permits and requirements.
- All colleagues involved in managing wastewater operations are required to be properly trained to manage these systems as designed.
- All Operating Companies are required to eliminate the use of solvent-based paints in their operations, without the use of outsourcing, by 2025.*

* Unless mandated by customer requirements and approved by the Group Executive Committee

Waste Management

All Group Functions (where applicable) and Operating Companies:

- Are required to manage their operations to ensure they are minimising waste generation, while following the waste hierarchy to manage all waste streams, i.e. prevent, re-use, recycle, recover, responsibly dispose.
- Must seek to reduce waste generation through a range of measures including implementing best practices as outlined in the Group's Waste Action Plan template.
- Are required to contribute zero waste to landfill by 2025, with a focus on increased recycling and beneficial reuse methods.
- Are to ensure that all wastes are handed responsibility and in accordance with local and regional regulations, or Group standards if they are higher than local requirements.
- Are to ensure that where waste partners or vendors are used to dispose of and manage waste, these are well vetted to make sure that they will responsibly manage our waste streams in accordance with our zero waste to landfill targets and duty of care requirements.
- Are required to report metrics on waste disposal volumes and methods of disposal.

Spirax Group