

## GROUP CHARITABLE DONATIONS POLICY

### 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 programmes across the Spirax-Sarco Engineering plc group (“the Group”). It is to be observed by all Group companies.

The larger Group-sponsored charitable contributions, including those made to major UK and international charitable organisations, are reviewed regularly and administered by the Spirax-Sarco Group Charitable Trust (“Trust”) in accordance with the principles set out in Section 4 of this policy. Group companies are encouraged to be involved in community activities and to make appropriate donations to local charities and educational organisations in accordance with the principles set out in Sections 4 and 5 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 business, the Group has employees, operations, business relationships, suppliers and other stakeholders in many countries throughout the world. We seek to engage positively with the communities in which we operate and to have a positive impact through making charitable donations to worthwhile causes and contributing time, resources and expertise where there is a local need. We have a strong sense of our community responsibilities and encourage a positive approach to community relations, recognising that this is also in the best long-term interests of the Group.

### 3. Theme and Priority Focus Areas

The Group community engagement theme, which should guide charitable donations and community project decision making, is “Engineering better futures”. As a Group our primary focus is education, particularly in the sciences and engineering, because we recognise the transformative impact that education can have on the lives of individuals and the well-being of communities. Through supporting educational provision, we raise aspirations, tackle gender stereotypes, improve engineering knowledge and develop the pool of talent for tomorrow’s engineers.

While education is our primary focus, we will respond to local needs, giving particular consideration to activities that promote the well-being of the disadvantaged, disabled, elderly or underprivileged young.

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 Trust Giving Principles

The Trust meets regularly each year and determines its donations to registered charities in the UK and to other worldwide charities that support recovery efforts from natural disasters. The Trust

focuses its donations in the following areas: education, support for the less advantaged, disabled, underprivileged young and health care. The Trust does not sponsor individuals.

The following factors are used by the Trust to determine whether to award a donation:

1. Organisations that benefit the largest number of people in the focus areas noted above;
2. Organisations that benefit people in our local areas; and
3. Major disaster funds, particularly if our staff and their families live in affected areas.

## **5. Group Company Charitable Giving Principles**

In addition to the principles noted in Section 4 above, the following factors should be used by Group companies in determining whether to make a donation:

1. The donation should benefit an appropriate charitable cause in the local community or tackle a regional or national problem within the country(ies) of operation;
2. Groups of people are strongly preferred over individuals benefiting;
3. Education and skills development, particularly in science and engineering, are to be a key focus for activity, although less advantaged people (such as the elderly, the severely disabled, the homeless, children and families in crisis) are also worthy of special consideration;
4. Partnerships are preferred over one-off charitable donations, although care should be taken not to create dependency;
5. Companies should consider donations of equipment, employee time, skills, expertise, products and services, or the use of company facilities as an alternative to cash donations;
6. Where appropriate, companies should support the charitable activities of their employees; and
7. The individual donation scale may vary but should not exceed the limits communicated to General Managers. Any exceptions should be approved by a relevant Director.

## **6. Restrictions**

We will not support the following:

1. Commercial organisations;
2. Political parties, organisations, or political events;
3. Religious organisations where the donation is used to promote a particular faith or belief (note: donations to religious organisations could be acceptable if the organisation is undertaking charitable work, such as disaster relief, where receipt of aid is not conditional upon religious affiliation);
4. Organisations that discriminate in the allocation of their support according to race, sexual orientation, gender, religion, or disability;
5. 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;
6. Organisations whose activities contribute to environmental damage;

7. Organisations that cause harm to animals;
8. Individuals or private pursuits;
9. Research projects such as books, research papers or articles in professional journals;
10. Activities that contravene the Group Anti-Bribery and Corruption Policy, the Group Human Rights Policy or the Group Management Code;
11. Activities prohibited by law or regulation or that are deemed offensive or inappropriate; or
12. Activities that encourage a relationship of dependence.

Commercial sponsorship, where the benefit is predominantly for the Group or Group companies, should not be classified as a charitable donation and is not covered by this policy.

## **7. Governance and approvals**

Applications by charities should be made in writing and a written record of all donations (financial and in-kind) should be maintained. These records must be submitted annually after the end of our financial year, to be included in the public reporting of overall Group charitable contributions as part of our Annual Report.

Group company charitable donations are to be managed locally and are made at the discretion of the Company's General Manager. The General Manager should be satisfied that donations are in accordance with this policy and that appropriate due diligence is completed before a donation is granted.

Due care should be taken for the safety of employees and appropriate risk assessments should be completed before employee volunteering is undertaken.

## **8. Requirements**

This policy does not mandate that 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, 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 who will assess local charitable donation and community engagement opportunities.

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 a Divisional Director.