

MODERN SLAVERY STATEMENT

Introduction from the Group Chief Executive

Spirax-Sarco Engineering plc prides itself on setting high standards for sustainable and ethical business practices in its operations worldwide. Included in those high standards is a commitment to respecting and protecting the human rights of all individuals and combating all forms of modern slavery or human trafficking in all parts of our business organisation, including our supply chain. We are continually developing and improving our business practices and policies in line with that commitment. We support a strong, collective stand to identify, prevent and raise awareness of modern slavery and human trafficking practices in all parts of the world.

The Spirax-Sarco Group

Spirax-Sarco Engineering plc and its subsidiary companies (Group) comprises two world-leading engineering businesses: Spirax Sarco for steam and electrical thermal energy solutions and Watson-Marlow Fluid Technology Group for niche peristaltic pumps and associated fluid path technologies. The markets we serve are wide-ranging and include foods, beverages, OEM machinery, pharmaceuticals, refining and petrochemical, healthcare, chemicals, water treatment, precious metal processing, pulp and paper, buildings and power generation industries.

Spirax-Sarco Engineering plc is a global company with more than 110 operating units, including operating companies, branches and associates, in nearly 50 countries. Through our direct sales presence and a network of distributors, we serve customers in over 100 countries worldwide. The Group is headquartered in Cheltenham, England, has strategically located manufacturing plants around the world and employs approximately 7,500 people.

Group Actions in Combating Modern Slavery: Policies and Procedures

Our organisation is committed to maintaining effective policies and procedures to ensure that no individual within our organisation or supply chain is at risk of exploitation, and applies a multi-pronged approach to raise awareness of, prevent and identify potential instances of modern slavery and human trafficking. Our Group policies are a fundamental aspect of our commitment to upholding ethical standards with respect to human rights, and serve as a starting point for relationships with, and expectations of, all of our third party partners.

Group Policies Related to Slavery and Human Trafficking

- *Updated Group Values:* in keeping with our commitment to continually work toward an increasingly sustainable and successful business, in 2018 we refreshed our Group Values, translating them into 25 different languages to ensure that every employee could read and understand them in his or her own language.

Included in these refreshed Values is “Safety”, as the safety and well-being of people is our first consideration. In addition, we have emphasised the Values of Collaboration, Customer Focus, Excellence, Respect, and Integrity. Together, these Values guide our day-to-day conduct and define our Group culture. More specific to issues of slavery and human trafficking, these Values provide overlapping guideposts to ensure that as a Group we respect the individuals in the communities in which we operate, and anyone who is affected by our business, and we hold every individual in our organisation accountable for their professional decisions.

- *Group Management Code.* Board members, Executives, General Managers and senior managers in the Group are advised of the policy of conducting business with proper regard for the communities in which they operate. All operating companies must certify their compliance with the Code on an annual basis. Detailed procedures, senior manager certification and a system of regular internal audits and reporting facilitate and monitor compliance with Group policies, applicable laws and regulations.
- *Group Health, Safety and Environmental Policy.* We are committed to addressing health and safety issues in our everyday operations and working to prevent slavery and human trafficking is a component of that process.
- *Human Rights Policy Statement.* We work to continually monitor our business partners, suppliers and operations as a whole to ensure human rights are respected throughout our business.
- *Whistle-blowing Policy and Hotline.* Our multi-lingual and multi-national Whistle-blowing Policy provides employees with a process, including an option of confidential reporting to an independent third party helpline, to raise concerns and disclose information related to suspected wrongdoing or dangers at work. This process is an added measure to ensure our compliance with all legal obligations and enhances our ability to address ethical concerns, including issues related to human rights.

Our policies and procedures can be found here:

<http://www.spiraxsarcoengineering.com/Governance/Pages/policies-procedures.aspx>

Due Diligence Procedures for Slavery and Human Trafficking

- *Global Excellence in Supply Chain Initiative.* As part of this Group-wide initiative, we work directly with suppliers in our supply chain across the globe to raise awareness of slavery and human trafficking issues. Suppliers are asked to sign our Supplier Sustainability Code (Code), requiring them to adhere to sustainable, ethical business practices, including those that relate to human rights. The Code commits suppliers to ensuring that all forms of modern slavery and human trafficking are absent from their operations. The Code is a central component in bringing these issues to the

attention of our suppliers and in establishing a standard of conduct aimed at preventing human trafficking and slavery in our supply chain. We continually work with our suppliers throughout the world to distribute and ensure compliance with the terms of this Code.

The Code has been translated into 14 languages and, following the acquisitions of the Hiter, Aflex, Gestra and Chromalox businesses, implementation of the Code has expanded to cover all businesses across the Group.

- *Engaging distributors and other third party partners.* Similar to the Supplier Sustainability Code, we continue to raise awareness of modern slavery and human trafficking with our distributors and third party partners, and include provisions in our agreements requiring these parties to commit – and require their own subcontractors to commit – to ensuring that all forms of illegal, forced or compulsory labour, slavery and servitude are absent from their operations. This contractual obligation not only makes clear to our business partners our ethical standards on human rights and our commitment to taking action on those standards, but also helps ensure that no form of forced labour or trafficking is present in any part of our supply chain.

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes the Group's slavery and human trafficking statement for the financial year ending 31st December 2018. The statement is made on behalf of the following UK entities: Spirax-Sarco Engineering plc, Spirax-Sarco Ltd, Watson-Marlow Ltd, Aflex Hose Ltd, Bio Pure Technology Ltd, Gestra UK Ltd, and Chromalox (UK) Ltd.

This statement was approved by the Board at its meeting on Wednesday 13th February 2019 and signed on behalf of the Board by the Group Chief Executive.

Nicholas Anderson, Group Chief Executive
Spirax-Sarco Engineering plc

27th February 2019