

SUPPLIER SUSTAINABILITY CODE

INTRODUCTION

This Supplier Sustainability Code is for Spirax Sarco's Suppliers and Contractors (hereinafter referred to as 'Suppliers').

The Spirax Sarco Group includes all its subsidiaries, found in the Spirax Sarco steam specialties business, Gestra, Chromalox and Watson-Marlow Fluid Technology Group, and is hereafter referred to as "Spirax Sarco".

Sustainability is an integral part of Spirax Sarco's Global Excellence in Supply Chain Initiative. Spirax Sarco is committed to acquiring products and services from suppliers that share our commitment to quality, innovation, customer satisfaction, value for money and sustainability. This focuses on Spirax Sarco's stakeholder's social needs and expectations whilst anticipating new environmental, social, legal and economic developments.

Spirax Sarco is committed to the highest standards of business conduct and ethics. The Global Excellence in Supply Chain Initiative has Sourcing and Procurement as one of its key components. Spirax Sarco therefore requests its Suppliers to take part in this initiative by committing to the principles listed in this Supplier Sustainability Code.

This Supplier Sustainability Code represents the minimum standard that we ask our Suppliers and their sub-tier Suppliers to adhere to when conducting business with Spirax Sarco.

SCOPE

This Code is applicable to the Suppliers with whom Spirax Sarco does business, including their parent, subsidiary or affiliate entities, their employees (including permanent, temporary, contract agency and migrant workers), their suppliers and other third-parties with whom they conduct business. It is the responsibility of the Supplier to disseminate this information to and educate all relevant parties, and to exercise diligence in verifying compliance with this Code by the Supplier's affiliate entities, employees, suppliers, agents, sub-tier suppliers, and all other third parties with whom it does business.

SUSTAINABLE POLICIES

For the policies listed in the following sections, Suppliers should at least be compliant with the following;

1. United Nations Universal Declaration of Human Rights;
2. The 10 principles of the United Nations Global Compact;
3. The International Labour Organisations Fundamental Conventions;
4. The Guiding Principles of the Organisation for Economic Co-operation and Development (OECD);
5. The Core Conventions of the International Labour Organisation (ILO)
6. The rules of conduct of the International Chamber of Commerce (ICC)
7. The UK Bribery Act 2010;
8. The US Foreign and Corrupt Practices Act;
9. The UK Modern Slavery Act 2015;
10. Any other relevant international convention and national and local regulations applicable to their activities in the country(ies) in which they operate.

If the policies as detailed by Spirax Sarco in this Supplier Sustainability Code are more demanding then these will take precedence.

1. HUMAN RIGHTS

Suppliers shall in particular comply with the following:

- Elimination of child labour: Suppliers shall not employ persons not having reached the minimum age required for work in the relevant jurisdiction and shall never support the use of child labour, except as part of an official government approved educational youth training scheme;
- Elimination of discrimination of any kind in respect to hiring practices, employment and occupation;
- Compliance with applicable laws and regulations related to maximum working hours, minimum days of rest and any other unsafe working conditions;
- Compliance with applicable laws and regulations related to the minimum level of wage;
- Respect for freedom of association for their employees, in compliance with applicable laws;
- Compliance with applicable laws and regulations in relation to layoff.

In addition to the above human rights issues, suppliers must comply with the following provisions:

UK Modern Slavery Act

Spirax Sarco, its Suppliers, and all entities and individuals within its supply chain, must comply with the UK's Modern Slavery Act of 2015. Specifically, with respect to the labour practices within its supply chain, Suppliers shall ensure that:

- All forms of illegal, forced or compulsory labour, slavery and servitude are eliminated;
- No individual is induced through force, threats, or deception to provide services or benefits of any kind to another or to enable another to acquire benefits of any kind;
- No individuals or groups are involved in the Trafficking of humans. Trafficking means:
 - recruiting, transporting, transferring, harbouring, receiving, transferring or exchanging control, or otherwise arranging or facilitating travel of any individual that is travelling with a view to being exploited through any type of forced or compulsory labour or slavery or servitude.

US Dodd-Frank Act

Spirax Sarco's US customers require Spirax Sarco to comply with the provisions of the Dodd-Frank Act, to ensure the minerals in its products do not directly or indirectly finance or benefit armed groups who perpetrate human rights abuses. The minerals subject to those provisions include:

Columbite-tantalite (coltan);	Gold;
Cassiterite;	Wolframite;
Derivative metals of the above minerals.	

If Suppliers use any of the above minerals in their products or production, Suppliers must determine whether any of those minerals originated from or were processed in any of the following countries:

Democratic Republic of Congo;	Rwanda;
Angola;	South Sudan;
Burundi;	Tanzania;
Central African Republic;	Uganda; or
Republic of the Congo;	Zambia.

Suppliers must use their best efforts to trace the original sources of supply of these minerals and to deliver up evidence of their findings. The Supplier is responsible for ensuring these requirements are communicated to their own suppliers and for monitoring their suppliers' compliance to these requirements.

2. HEALTH AND SAFETY

Suppliers shall ensure that their activities are safe for the health of their employees, their own contractors, the local community and the users of their products. Spirax Sarco expects the Supplier's operating and management systems, as well as the Supplier's employees, to work with a proactive attitude to preventing work-related injuries and illnesses. Risks linked to their activity shall be identified, evaluated and either eliminated or mitigated.

- The Supplier shall have a Health & Safety policy which is approved and signed by a director of the business;
- The Supplier shall provide its employees with a safe and healthy working environment;
- The Suppliers facilities must be constructed and maintained in accordance with the standards set by applicable laws and regulations;
- The Supplier shall be prepared for emergency situations and shall regularly train employees, to ensure adequate availability of qualified employees, on emergency planning and response as well as medical care.
- The Supplier shall avoid substances dangerous to their employees' health and safety. These include, but are not limited to, Carcinogenic, Mutagenic and toxic to Reproduction (CMR) substances, as set forth in the EU's Regulation concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals;
- All products and services delivered by the Supplier must meet the quality and safety standards required by applicable law. When conducting business with or on behalf of Spirax Sarco, the Supplier must comply with the Spirax Sarco quality requirements;
- The Supplier shall integrate environmental, health and safety criteria into the development of their products and services in order to eliminate or mitigate negative environmental, health and safety impacts of their products during their total life cycle;
- Suppliers shall prove that their products comply with the European Directive (2011/65/EU) RoHS II and the European Regulation (1907/2006/EC);
- Suppliers must comply with all local and in-country Health & Safety regulations and preferably are either certified to OHSAS18001 or are working towards accreditation.

Spirax Sarco is working actively to continuously improve the health and safety of people working on all its sites and the sites of its customers. When performing work at any site, Suppliers are expected to follow the local site rules and at all times maintain a high standard of occupational health and safety, including, but not limited to, reporting of all health and safety concerns and completing risk and method statements for each high risk activity that must meet the specific site safety requirements.

3. ENVIRONMENTAL SUSTAINABILITY

Suppliers shall implement initiatives that contribute to the preservation of the environment and mitigate their impact on natural resources. Spirax Sarco requires its Suppliers to comply with all applicable legal environmental requirements and demonstrate continual improvement of its environmental performance. Suppliers shall:

- **Environmental Permits and Reporting:** make sure that it obtains, keeps current and follows the reporting guidelines of all the required environmental permits and registrations and to be legally compliant at all time;
- **Environmental Management:** document and implement a relevant environmental management system (based on international standards such as ISO 14001:2004), designed to identify, control and mitigate significant environmental impacts, and preferably Suppliers are either certified to ISO50001 or are working towards accreditation;
- **Hazardous Materials:** identify hazardous materials, chemicals and substances that exist in any aspect of its supply chain, and ensure their safe handling, movement, storage, recycling, reuse and disposal. All the applicable laws and regulations related to hazardous materials, chemicals and substances shall be strictly followed. Suppliers shall comply with material restrictions and product safety requirements set by applicable laws and regulations. Suppliers shall ensure that key employees are aware of and trained in product safety practices;
- **Natural Resources:** minimise its consumption of natural resources, including energy and water. Suppliers shall implement and demonstrate sound measures to prevent pollution and minimise generation of solid waste, wastewater and air emissions. Prior to discharge or disposal, the Supplier shall characterise and treat wastewater and solid waste appropriately and according to applicable laws and regulations, the Supplier should have a long term goal of achieving zero disposal to landfill of materials from their operations;
- **Products:** promote the development of environmentally friendly technologies as well as energy saving and recycling solutions whilst also implementing logistics strategies that minimise environmental impact.

4. ETHICS

Suppliers shall strictly comply with all applicable ethical trade laws and regulations related to their activities and business environment and, with Spirax Sarco, commit to international conventions. In particular Spirax Sarco requires the following from its Suppliers:

- **Competition:** compliance with all applicable laws and regulations related to fair competition as set out the Group's Competition Law Policy;
- **Corruption / Anti-bribery:** The Supplier must never, directly or through intermediaries, offer or promise any personal or improper advantage in order to obtain or retain a business or other advantage from a third party, whether public or private. The Supplier will not pay or accept bribes, arrange or accept kickbacks and shall not take any actions to violate, or cause its business partners to violate, any applicable anti-bribery laws and regulations including the U.S. Foreign Corrupt Practices and the UK Bribery Acts;
- **Money Laundering:** compliance with all laws related to money laundering. Spirax Sarco's Suppliers shall not be involved in, or support money laundering practices;
- **Conflicts of Interest:** The Supplier is expected to report to Spirax Sarco any situation that may appear as a conflict of interest, and disclose to Spirax Sarco if any Spirax Sarco employee or professional under contract with Spirax Sarco may have an interest of any kind in the supplier's business or economic ties with the Supplier;
- **Gifts & Hospitality:** refraining from offering gifts and hospitality to Spirax Sarco's employees. Spirax Sarco will refuse all gifts and hospitality that are not of reasonable, modest and of symbolic value only;
- **Conflict Minerals:** The Supplier commits to using its best efforts to trace the original sources of supply of these minerals and to deliver up evidence of their findings;
- **Grievance mechanisms:** The Supplier shall have systems in place enabling anonymous grievances, reporting and management. A designated officer shall continuously monitor the grievance mechanism, keep records on the issues raised and take appropriate actions on a confidential manner;
- **Records:** The Supplier shall maintain transparent and up to date books and records to demonstrate compliance with applicable materials, services, governmental and industry regulations and shall make available such records to Spirax Sarco upon request;
- **Origin:** The Supplier shall be capable to disclose all the potential sources of primary origins (country of origin) associated with deliveries made. Spirax Sarco reserves the right to ask the Supplier to create, at a point of time, full supply chain mapping back to origin to facilitate assessment of supply chain compliance.
- **Human Rights:** as set out above.

IMPLEMENTATION AND ACKNOWLEDGEMENT

This Supplier Sustainability Code is an integral part of any contract between Spirax Sarco and its Suppliers. The Supplier is responsible to inform Spirax Sarco of any changes that could effect this document.

Spirax Sarco requires its Suppliers to hereby represent, warrant and covenant to cascade the principles contained in this Supplier Sustainability Code to their own Suppliers and Contractors and to implement a similar continuous improvement and compliance approach.

By adhering to this Supplier Sustainability Code each Supplier of Spirax Sarco accepts to be assessed or audited by Spirax Sarco in regard to compliance to this Supplier Sustainability Code.

Since Spirax Sarco is committed to building long term sustainable relationships with its Suppliers in a continuous improvement methodology, and Spirax Sarco will work with its Suppliers to define and implement action plans aimed at improving Suppliers' performance. Suppliers shall freely determine their improvement action plans to increase their performance in the field of sustainable development.

I HEREBY ACKNOWLEDGE that I am an authorised representative of the company referenced below, have reviewed and understood the substance of the above document, and confirm that this company is in full compliance with Spirax Sarco's Supplier Sustainability Code.

Supplier Company Name: _____

Supplier Company Number: _____

Supplier Legally Registered Address: _____

Supplier Representative Name (BLOCK CAPITALS): _____

Title of Supplier Representative (BLOCK CAPITALS): _____

Date: _____

Signature: _____

Company Stamp (if applicable): _____

Original copy to be signed and sent back to the relevant Spirax Sarco sourcing or procurement representative.

This document is valid for a period of 5 years from date of signature.