

Delivering Value Beyond Measure

For future generations

Our roadmap to Net Zero

July 2021

We are committed to Net Zero



“We recognise that the greatest difference we can make to a Net Zero world is through our products and solutions which support our customers to make the world cleaner, healthier and more productive and this remains the purpose at the heart of our strategy”.

Andrew Heath
Chief Executive



NET ZERO COMMITMENT

We have set a clear ambition

Spectris operations:
Net Zero by 2030
(Scope 1 and 2 emissions)

Our value chain:
Net Zero by 2040
(Scope 3 emissions)

Our science-based targets support this ambition

The 85% absolute reduction in Scope 1 and 2 emissions by 2030

The 42% absolute reduction in Scope 3 emissions by 2030

Both targets are aligned to a 1.5 degree warming scenario and have been validated by the Science Based Targets initiative.

Delivering value beyond measure through precision measurement and analytics solutions for our customers means supporting our customers' sustainability journeys, as well as ensuring we have accountability for the sustainability of our own operations. We recognise that embedding sustainability throughout the Group protects and creates long-term value for all our stakeholders, and will secure our long-term success.

In 2020, we launched the Group's first coordinated sustainability strategy creating a consistent and clear line of sight to commitments around our people, the environment, and our operations. Central to our strategy was the setting of our Net Zero ambition.

We have harnessed our ethos of clarity, precision and measurement in setting our target. Supported by EcoAct, an Atos company, we have measured our current emissions footprint across our value chain and modelled the reduction levers available to us. This approach allows us to now set robust targets, which are stretching but achievable, against a 1.5°C warming scenario.

Given the scale of today's climate challenge, no single organisation can tackle this challenge alone. A Net Zero world requires collaboration across the entire value chain. In recognition of this challenge, we are proud to be committing to achieving Net Zero across our Scope 1, 2 and 3 emissions, covering everything from the electricity used in our manufacturing processes to goods and services purchased and the efficiency of our products. This is a challenging ambition but we have a longstanding and comprehensive Net Zero strategy to meet our mid and long-term goals.

We are privileged to have a highly skilled and engaged workforce, including scientists and engineers who will provide valuable inspiration and expertise as they support our collective efforts to reduce emissions and redesign lower carbon products and circular solutions. And combined with the efforts of our customers, who have significant technical expertise and ambitious sustainability targets, we have confidence that we can achieve our Net Zero commitment.

This document sets out our roadmap, explaining how we will achieve our ambition. We will be transparent on our progress and we have clear structures to ensure accountability and support our ability to measure our progress and deliver against these ambitious goals.



DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Our Net Zero roadmap

Our baseline

2020 is the baseline year for our ambition. This is a challenging baseline due to lower emission-generating activity taking place in 2020 as a result of the COVID-19 pandemic and demonstrates our commitment to delivering genuine progress.

Measuring our progress

We will report on our progress annually and this progress will be independently assured.

Scope 1 and 2

To support our ambition, we are:

- Aligning with RE100 – committing to 100% renewable electricity across our operations by 2030

- Aligning with EV100 – committing to a fully electric global fleet by 2030

- Undertaking global energy efficiency audits to reduce emissions at our manufacturing sites by 20% by 2030

- Building on our current solar generation capability

- Engaging our workforce – through our engineering skills and mindset we will use an enhanced consciousness of our environmental footprint to empower our employees to be part of the solution

- Sourcing natural refrigerant solutions by 2030

Scope 3

To support our ambition, we are:

- Undertaking a global supplier engagement process with EcoVadis

- Committing to zero waste to landfill before 2030

- Exploring a material shift away from air-logistics routing by 2030 and working with our air freight carriers to deliver suitable abatement and offsetting where this is not possible

- Developing both the circularity and efficiency of our products, building off a pilot programme undertaken by Servomex in 2021

- Using technology to limit the return of business travel

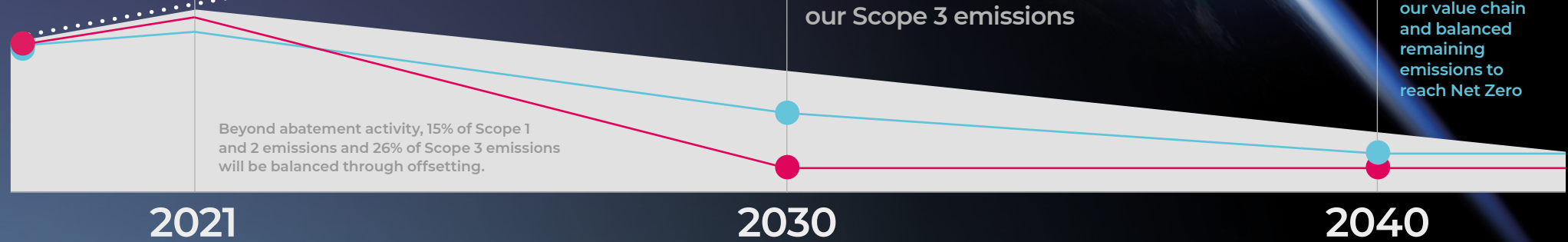
This work will be supported by the “greening of the grid” which will mean that, over time, more of our products will be powered by renewable energy during their use

Living our values

Beyond these targets we will continue to prioritise our strategy of developing products and services that support our customers on their own decarbonisation journey as part of our wider purpose to make the world cleaner, healthier and more productive.

Key

- Business as usual
- Scope 1 and 2
- Scope 3



NET ZERO COMMITMENT

Our total emissions by scope

Emissions from our direct operations, known as Scope 1 and Scope 2, accounted for just 8% of our GHG emissions. The vast majority of our GHG emissions (92%) come from activities in our supply chain. As a result, that is where we will focus most of our efforts.

Total GHG emissions by Scope (Tonnes of CO₂e, in 2020)

● Scope 1 **2%**
Emitted directly (8,673)

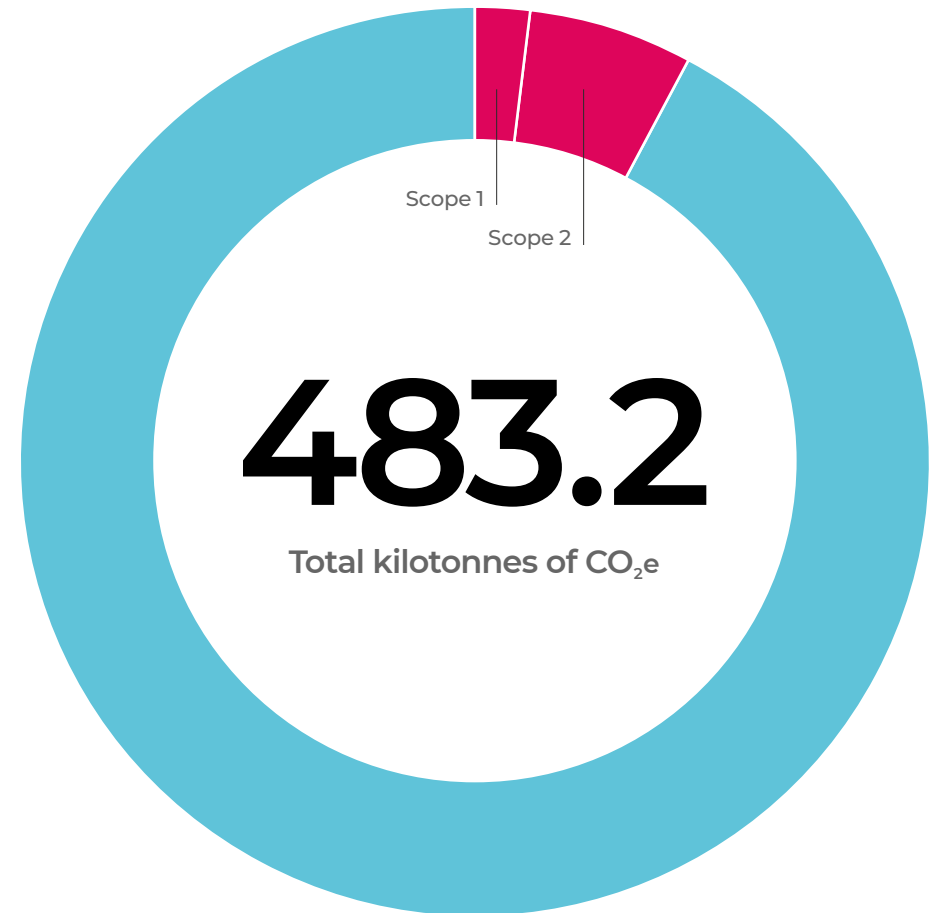
from sources we own or control such as on-site combustion (natural gas, fuel for company's vehicle fleet).

● Scope 2 (market emissions) **6%**
Emitted indirectly (30,201)

from the generation of purchased energy like electricity and heating/cooling network.

● Scope 3 **92%**
All other indirect emissions (444,280)

in our value chain, both upstream and downstream, such as sourcing and use of sold products.



Figures have been rounded.

● Scope 1 and 2 emissions

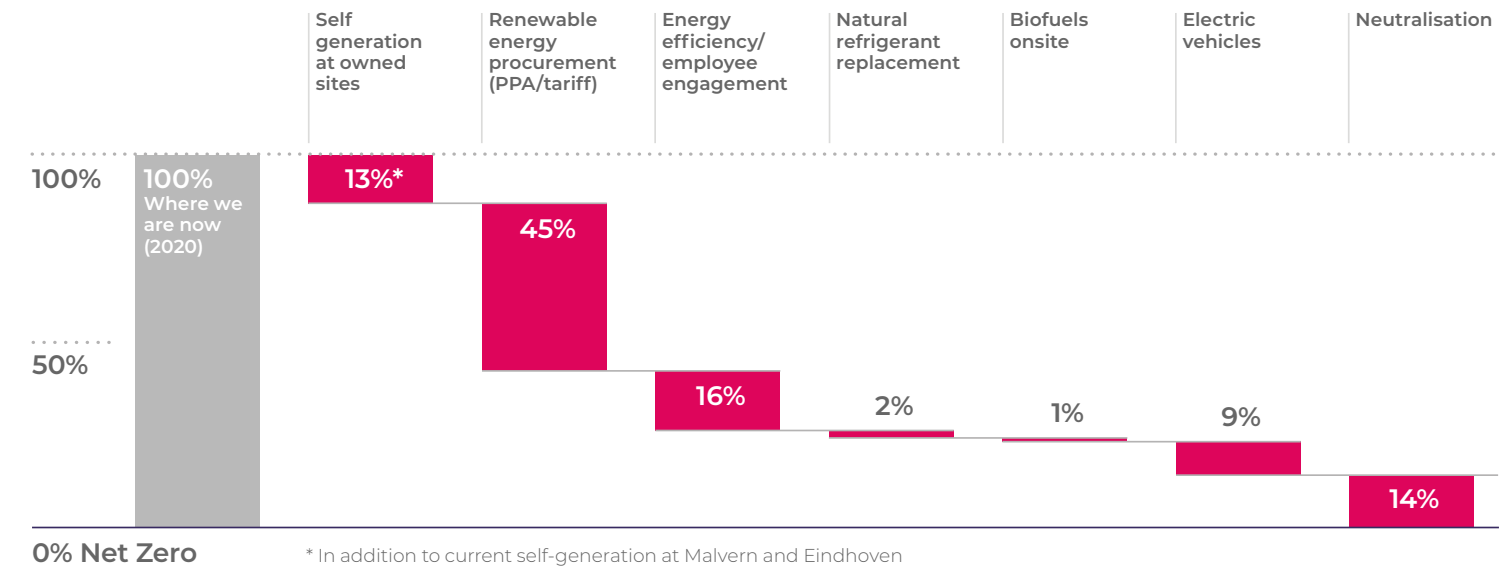
We have committed to reach Net Zero across our Scope 1 and 2 emissions by 2030 with a science-based target of 85% abatement, set against a 1.5°C warming scenario. The chart to the right explains how we will do this, with a core focus on renewable energy, employee engagement and electric vehicles.

Our onsite solar generation capability at Malvern Panalytical in the UK and the Netherlands produced 457.76 MWh of electricity in 2020. We will build on this solar capability and we have established the potential to generate 13,323 MWh on-site at seven key manufacturing sites. This capability would be sufficient to generate c.28% of our current total electricity consumption.

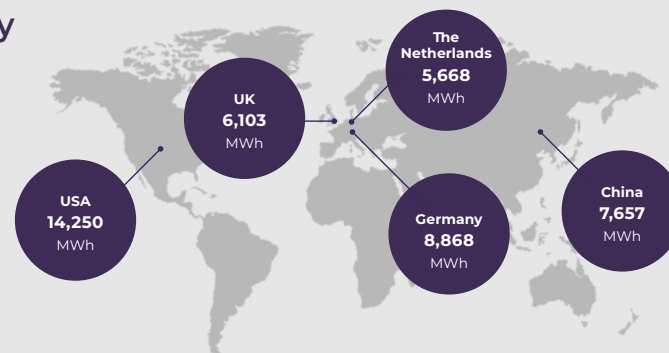
Our EV100 commitment will see us move to a fully electric fleet by 2030.

As part of our commitment to building employee engagement, we are gifting employees the Giki Zero app to emphasise the role we can play individually and as a team in lowering our footprint.

Scope 1 and 2 – reaching Net Zero



Scope 2 electricity



- We have committed to RE100 and will consume 100% of electricity produced from renewable sources by 2030.
- Non-renewable electricity consumption accounts for 57% of our total Scope 1 and 2 emissions.
- The five countries identified on the map are the source of 95% of all our emissions from purchased electricity.

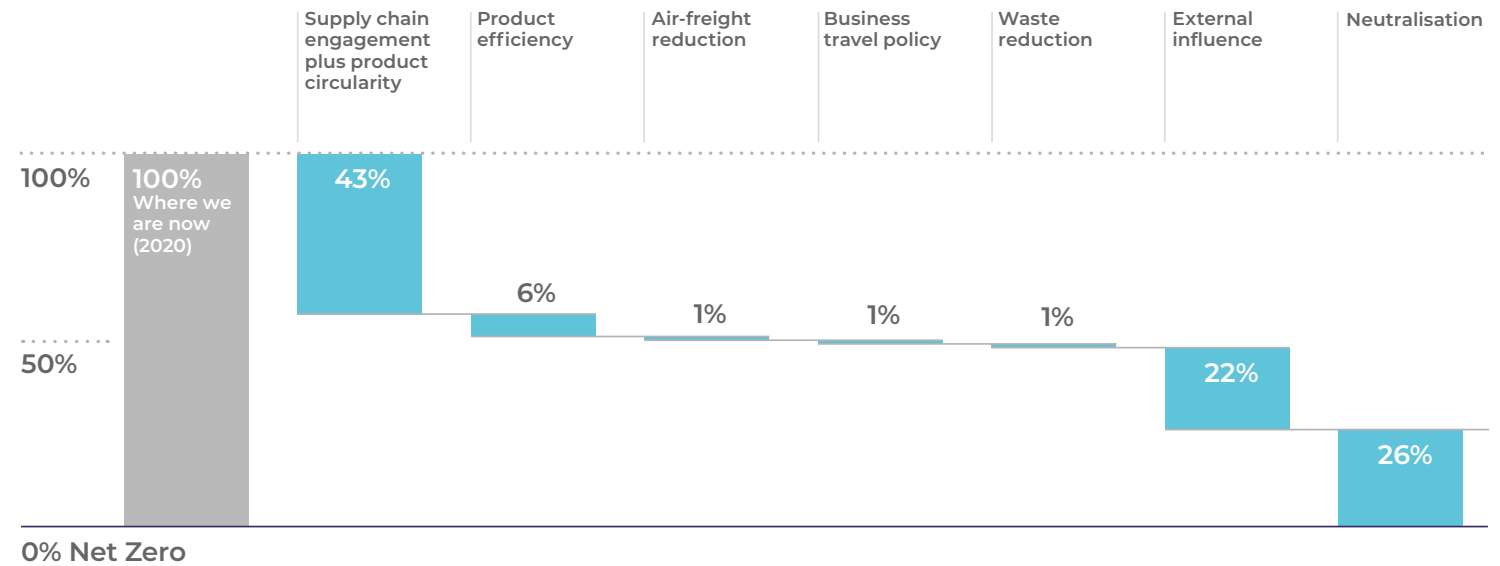
● Scope 3 emissions

We have committed to reach Net Zero across our Scope 3 emissions by 2040 with an interim science-based target of 42% abatement by 2030 against a 1.5°C warming scenario.

To achieve this, our key focus will be on supplier engagement, by partnering with our suppliers to strengthen the environmental performance of our supply chain.

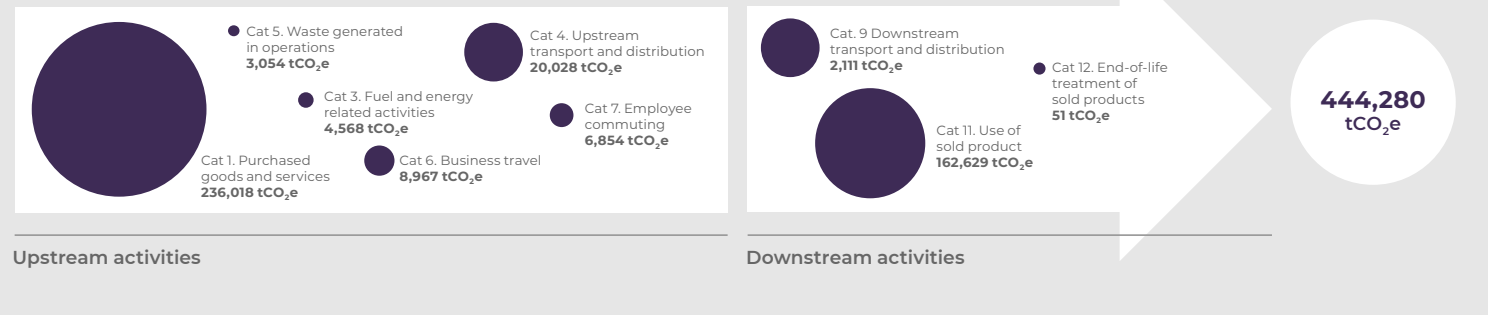
Our ambition will be supported by the progressive “greening of the grid” which will mean that, over time, more of our products will be powered by renewable energy during their use.

Scope 3 – reaching Net Zero



Estimation methodologies		
Category	Data coverage	Uplift method
Cat 1. Purchased goods and services	HBK, Malvern Panalytical, Omega	% of group sales by business (HBK 33%, MP 31%, Omega 10%)
Cat 4. Upstream transport and distribution	80% coverage (Geodis, Fedex, UPS)	Uplift remaining 20%
Cat 5. Waste generated in operations	HBK, MP, Omega	Waste intensity (kg/FTE) applied to remaining total FTE
Cat 11: Use of sold products	HBK, MP, Omega	% of group sales by business (HBK 33%, MP 31%, Omega 10%)

Scope 3 emissions summary



Glossary

What is Net Zero?

Net Zero is a state where we add no incremental greenhouse gases to the atmosphere. This means achieving a balance between carbon emissions and carbon sinks through a combination of emissions reduction within our business activities and carbon sequestration.

Attaining Net Zero requires the abatement of our emissions output to as close to zero as possible, consistent with a 1.5°C warming scenario and then balancing any remaining emissions via removal/sequestration of an equivalent quantity of carbon from the atmosphere.

What are carbon emissions?

Carbon emissions are the release of carbon into the atmosphere. Otherwise known as greenhouse gas emissions; these are the main contributors to climate change.

What is a carbon sink?

Carbon sinks are reservoirs (natural or artificial) that absorb carbon circulating in the biosphere. By helping to reduce the amount of atmospheric CO₂, carbon sinks influence the climate by slowing global warming. Natural carbon sinks include oceans, soil and flora (forests, peat bogs, grasslands) while artificial carbon sinks refer to technologies that actively extract carbon from the atmosphere.

Carbon dioxide equivalent (CO₂e)

The universal unit of measurement to indicate the global warming potential (GWP) of each Greenhouse Gas Emission (GHG), expressed in terms of the GWP of one unit of carbon dioxide. It is used to evaluate the climate impact of releasing (or avoiding releasing) different greenhouse gases on a common basis.

Most typically, the CO₂-equivalent is obtained by multiplying the emission of a GHG by its GWP for a 100-year time horizon. For a mix of GHGs, it is obtained by summing the CO₂-equivalent of each gas.

What is carbon neutralisation?

Neutralisation offsets are activities that 'remove' carbon emissions from the atmosphere. By investing in, or developing neutralisation projects we will be taking measures to counterbalance/remove and permanently store the impact of unabated emissions.

What is a 1.5°C warming scenario?

A scenario of emissions of greenhouse gases and other climate forcers that provides an approximately one-in-two to two-in-three chance, given current knowledge of the climate response, of global warming either

remaining below 1.5°C or returning to 1.5°C by around 2100 following an overshoot. This is the long-term temperature goal included in the Paris Agreement which establishes 1.5°C as the warming limit in the long term. The purpose of the goal is to 'reduce the risks and impacts of climate change' as assessed in the science of the time, not to achieve a mere objective in terms of a temperature number.

What does our Net Zero Ambition cover?

Our ambition covers our Scope 1, 2 and 3 emissions.

Scope 1 emissions

Our direct greenhouse gas emissions resulting from our fuel combustion, vehicles and fugitive emissions.

Scope 2 emissions

Our indirect greenhouse gas emissions which result from the procurement of electricity, steam, heating, or cooling from a third-party.

Scope 3 emissions

The indirect greenhouse gas emissions which occur in our value chain, not included in Scope 2 emissions, related to the emissions from our supply chain ('upstream') and our customers ('downstream').

Which initiatives are we aligning with to support our ambition?



RE100 is a global initiative bringing together the world's most influential businesses committed to 100% renewable electricity. Led by the Climate Group and in partnership with CDP, their mission is to accelerate change towards zero carbon grids at scale. RE100 member companies are already driving enough renewable electricity demand to power a medium sized country.



EV100 is a global initiative led by the Climate Group and in partnership with CDP to bring together forward-looking companies committed to accelerating the transition to electric vehicles, who commit to transition their fleets to EV and install EV charging for staff and customers by 2030.



The Science-Based Target initiative (SBTi) is a partnership between CDP, the United Nations Global Compact (UNGC), World Resources Institute (WRI) and the World Wide Fund for Nature (WWF). SBTi facilitates a third-party validation process which assesses whether corporate climate targets are in line with the emissions reductions required by climate science.



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