

W0. Introduction

W0.1

(W0.1) Give a general description of and introduction to your organization.

Spectris' global group of businesses are focused on delivering value beyond measure for all our stakeholders. We target global, attractive, and sustainable markets, where growth and high returns are supported by long-term drivers. Precision is at the heart of what we do. We provide customers with expert insight through our advanced instruments and test equipment, augmented by the power of our software and services. This equips customers with the ability to reduce time to market, improve processes, quality, and yield. In this way, Spectris know-how creates value for our wider society, as our customers design, develop, test, and manufacture their products to make the world a cleaner, healthier, and more productive place. Headquartered in London, United Kingdom, the Company employs approximately 7,600 people located across 30 countries. For more information, visit www.spectris.com.

Reporting period and comparative data

All reported data covers the period from January 1 to December 31, 2022, unless otherwise stated.

Organisational reporting boundaries

The water data disclosed represents 100% of Spectris Group operations.

Operational Footprint

In 2022, following the refocusing of the Group around premium precision measurement businesses, Spectris was organised around two key divisions – Spectris Scientific (consisting of Malvern Panalytical and Particle Measuring Systems) and Spectris Dynamics (consisting of HBK) – comprising 87% of Group sales. The remainder of the Group (Red Lion and Servomex) has been categorised as Other.

Malvern Panalytical, of Spectris Scientific, creates customer-focused solutions and services which deliver tangible economic impact through chemical, physical, and structural analysis of materials. Underpinned by extensive industry knowledge and technical and applications expertise, Malvern Panalytical instruments help users better understand a wide variety of materials, from proteins and polymers to metals and building materials. Our technologies are used by scientists and engineers in a wide range of industries and organisations to solve the challenges associated with maximising productivity, developing better quality products, and getting them to market faster. The key markets served are pharmaceuticals and food and advanced and primary materials.

Particle Measuring Systems, also of Spectris Scientific, sets the standard for cleanroom and clean manufacturing monitoring and control. With more than 60 patents, we create the technology that enables our customers to make risk-based decisions, improve process yield and comply with regulatory requirements.

HBK, of Spectris Dynamics, is a leading provider of technologies and services that integrate the entire test and measurement chain. We provide a complete portfolio of offerings that unite the physical world of sensors, testing and measurement with the digital world of simulation, design software and analysis. By creating a scalable and open data acquisition hardware, software and simulation ecosystem, product developers can reduce time-to-market, drive innovation, and take the lead in a highly-competitive global marketplace. HBK plays a pivotal role in the testing of electrification within the automotive industry.

Servomex, of Other, is a leading supplier of high-performance reliable gas analysis solutions. Servomex solutions deliver accurate and reliable gas measurements that help our customers to improve product quality, maintain plant and process safety and meet legislative requirements. From innovative portable gas analysers through to large and complex process solutions, Servomex is dedicated to meeting the challenges of gas analysis now and in the future. Their key solutions include gas analysers for clean air applications which optimise process control and safety and help customers meet environmental standards.

Red Lion Controls, also of Other, design industrial automation and networking solutions that enable customers to gain real-time data visibility to drive enhanced productivity.

W0.2

(W0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date
Reporting year	January 1 2022	December 31 2022

W0.3

(W0.3) Select the countries/areas in which you operate.

- Australia
- Austria
- Belgium
- Brazil
- Canada
- China
- Denmark
- Finland
- France
- Germany
- India
- Italy
- Japan
- Mexico
- Netherlands
- Norway
- Poland
- Portugal
- Republic of Korea
- Romania
- Singapore
- South Africa
- Spain
- Sweden
- Switzerland
- Taiwan, China
- United Arab Emirates
- United Kingdom of Great Britain and Northern Ireland
- United States of America

W0.4

(W0.4) Select the currency used for all financial information disclosed throughout your response.

- GBP

W0.5

(W0.5) Select the option that best describes the reporting boundary for companies, entities, or groups for which water impacts on your business are being reported.

- Companies, entities or groups over which operational control is exercised

W0.6

(W0.6) Within this boundary, are there any geographies, facilities, water aspects, or other exclusions from your disclosure?

- No

W0.7

(W0.7) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

Indicate whether you are able to provide a unique identifier for your organization.	Provide your unique identifier
Yes, an ISIN code	GB0003308607

W1. Current state

W1.1

(W1.1) Rate the importance (current and future) of water quality and water quantity to the success of your business.

	Direct use importance rating	Indirect use importance rating	Please explain
Sufficient amounts of good quality freshwater available for use	Important	Important	<p>Our direct fresh water use relates predominantly to the provision of WASH facilities for our employees in our operations. Therefore, access to sufficient volumes and good quality water is important to support our employees, however this fresh water use is not water intensive and whilst important, is not considered material to our business.</p> <p>Our indirect fresh water use relates to the manufacture of some electronic products purchased from suppliers, and in particular semiconductors. As such, our suppliers could potentially require fresh water, so fresh water availability is considered important for our indirect use.</p> <p>Excluding any potential mergers and acquisitions in future years which are unpredictable by nature, we do not anticipate our dependency on fresh water for both our direct and indirect use to change in future years.</p>
Sufficient amounts of recycled, brackish and/or produced water available for use	Neutral	Important	<p>Our direct brackish/recycled water use in our operations relates predominantly to some exceptional use of water in cooling towers in our Spectris Dynamics division. Water used for such cooling towers is filtered on site via osmosis to ensure cooling systems are not corroded. Whilst water is needed for these exceptional cases, the water quality can be poor as long as enough water is available. Therefore, access to brackish/recycled water is considered neutral. This water use is not water intensive and as such is not considered material to our business.</p> <p>Our indirect water use relates to the manufacture of some electronic products purchased from suppliers, and in particular semiconductors. As such our suppliers could potentially require brackish/recycled water so brackish/recycled water availability is considered important for our indirect use.</p> <p>Excluding any potential mergers and acquisitions in future years which are unpredictable by nature, we do not anticipate our dependency on brackish/recycled water for both our direct and indirect use to change in future years</p>

W1.2

(W1.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?

	% of sites/facilities/operations	Frequency of measurement	Method of measurement	Please explain
Water withdrawals – total volumes	100%	Yearly	Metering and estimates	Our reporting boundary covers 143 sites. For 52 sites (representing ~78% of employees), Spectris obtains actual water consumption data via local data owners with access to water bills or water meters. This data is then uploaded by them to Spectris' environmental reporting system. For some sites, actual data covers the full year, for others, actual data covers only part of the year. For these sites, missing periods are filled with either estimates or accruals calculated by the environmental reporting system used. Finally, for the remaining sites where no actual data is available, an estimation based on total employees working at site is performed.
Water withdrawals – volumes by source	Not monitored	<Not Applicable>	<Not Applicable>	While water withdrawals volumes by source are not expressly monitored, all water used in direct operations is sourced from municipal supply. This ensures the water used in our WASH facilities, which makes up the majority of our use, is of high quality. At some facilities water is used in cooling towers, however this is filtered on site via osmosis to ensure cooling systems are not corroded, and this use is minimal compared to total operations.
Entrained water associated with your metals & mining and/or coal sector activities - total volumes [only metals and mining and coal sectors]	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Produced water associated with your oil & gas sector activities - total volumes [only oil and gas sector]	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Water withdrawals quality	Not monitored	<Not Applicable>	<Not Applicable>	While water withdrawals quality is not expressly monitored, all water used in direct operations is sourced from municipal supply. This ensures the water used in our WASH facilities, which makes up the majority of our use in direct operations, is of high quality. At some facilities water is used in cooling towers, however this is filtered on site via osmosis to ensure cooling systems are not corroded, and this use is minimal compared to total operations.
Water discharges – total volumes	100%	Yearly	Estimates and assumptions	All water withdrawn by Spectris Group is assumed to be discharged as no water is consumed in our direct operations. A small amount of water will be consumed by employees on site however this is considered to be negligible.
Water discharges – volumes by destination	1-25	Yearly	Collection manifests	While we consider the vast majority of all water withdrawn at Spectris sites to be discharged through municipal sewerage systems to local sewerage treatment facilities, this is not expressly monitored. However, a small percentage (< 2%) of total Spectris water discharge is collected by authorised third party waste management services due to the potential presence of Teflon associated with some Spectris Dynamics activities. Due to Teflon's potentially hazardous nature this water requires treating before being discharged further. While this is not monitored by our environmental reporting system, it is managed at a local level through legal compliance procedures. Through this process Spectris regularly ensures the Group's operations meet and, where possible, go beyond mandatory environmental legal and regulatory requirements in line with our Environment Policy.
Water discharges – volumes by treatment method	1-25	Yearly	Collection manifests	While the majority of all water withdrawn at Spectris sites is discharged through municipal sewerage systems to local sewerage treatment facilities, this is not expressly monitored. This water has no prior treatment before discharge. However, a small percentage (< 2%) of total Spectris water discharge is collected by authorised third party waste management services due to the potential presence of Teflon associated with some Spectris Dynamics activities. Due to Teflon's potentially hazardous nature this water requires treating before being discharged further. While this is not monitored by our environmental reporting system, it is managed at a local level through our legal compliance procedures. Through these procedures Spectris regularly ensures the Group's operations meet and, where possible, go beyond mandatory environmental legal and regulatory requirements in line with our Environment Policy.
Water discharge quality – by standard effluent parameters	1-25	Yearly	Collection manifests	While the majority of all water withdrawn at Spectris sites is discharged through municipal sewerage systems to local sewerage treatment facilities, water discharge quality by standard effluent parameters is not expressly monitored. However, a small percentage (< 2%) of total Spectris water discharge is collected by authorised third party waste management services due to the potential presence of Teflon associated with some Spectris Dynamics activities. Due to Teflon's potentially hazardous nature this water requires treating before being discharged further. While this is not monitored by our environmental reporting system, it is managed at a local level through our legal compliance procedures. Through these procedures Spectris regularly ensures the Group's operations meet and, where possible, go beyond mandatory environmental legal and regulatory requirements in line with our Environment Policy.
Water discharge quality – emissions to water (nitrates, phosphates, pesticides, and/or other priority substances)	Not monitored	<Not Applicable>	<Not Applicable>	While the majority of all water withdrawn at Spectris sites is discharged through municipal sewerage systems to local sewerage treatment facilities, water discharge quality pertaining to emissions to water is not expressly monitored. However, a small percentage (< 2%) of total Spectris water discharge is collected by authorised third party waste management services due to the potential presence of Teflon associated with some Spectris Dynamics activities. Due to Teflon's potentially hazardous nature this water requires treating before being discharged further. While this is not monitored by our environmental reporting system, it is managed at a local level through our legal compliance procedures. Through these procedures Spectris regularly ensures the Group's operations meet and, where possible, go beyond mandatory environmental legal and regulatory requirements in line with our Environment Policy.
Water discharge quality – temperature	Not monitored	<Not Applicable>	<Not Applicable>	Water discharge temperature is not monitored by Spectris Group and is not included in our environmental reporting system as it is not considered to be a relevant metric to our operations given our low dependency on water in general. If any legal requirement is in place for monitoring water discharge temperature, it is managed at a local level through legal compliance procedures. These procedures enable Spectris to regularly ensure the Group's operations meet and, where possible, go beyond mandatory environmental legal and regulatory requirements in line with our Environment Policy.
Water consumption – total volume	Not relevant	<Not Applicable>	<Not Applicable>	All water withdrawn by Spectris is assumed to be discharged as other than a negligible amount of water being consumed by employees, no water is consumed in direct operations. This water aspect is not expected to become relevant in the future, because consumption is expected to remain limited to employee consumption. This does exclude any potential business changes through potential mergers and acquisitions; identified changes in water dependency through any mergers and acquisitions will be reported on as they arise.
Water recycled/reused	Not relevant	<Not Applicable>	<Not Applicable>	While Spectris' Environment Policy encourages the incorporation of environmental best practices, water recycling or reuse is not monitored and is not considered to be relevant to our operations due to the immateriality of water use at our sites. The majority of all water withdrawn at our sites is for WASH facilities which is discharged through municipal treatment systems with some water used in cooling towers at a small number of sites. Additionally, a small percentage (< 2%) of total Spectris water discharge is collected by authorised third party waste management services due to the presence of Teflon. This water aspect is not expected to be relevant in the future, because materiality of water in operations is not expected to change. This does exclude any potential business changes through potential mergers and acquisitions; identified changes in water dependency through any mergers and acquisitions will be reported on as they arise.
The provision of fully-functioning, safely managed WASH services to all workers	Not monitored	<Not Applicable>	<Not Applicable>	Spectris facilities must all meet high quality standards which includes the provisioning of fully functioning WASH facilities onsite for all employees. While the compliance to high quality WASH standards is not monitored by Spectris Group, it is managed at a local level at our sites through legal compliance procedures. These procedures enable Spectris to regularly ensure the Group's operations meet and, where possible, go beyond mandatory environmental legal and regulatory requirements in line with our Environment Policy.

(W1.2b) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, how do they compare to the previous reporting year, and how are they forecasted to change?

	Volume (megaliters/year)	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Five-year forecast	Primary reason for forecast	Please explain
Total withdrawals	112.94	Lower	Mergers and acquisitions	About the same	Other, please specify (Future water dependency is not expected to differ in direct or indirect use as our activities are not expected to change, unless driven by mergers or acquisitions which are not predictable.)	<p>Spectris' water withdrawals during 2021 were 136 megalitres. The withdrawals in 2022 were 112 megalitres. This represents a reduction of 17.5%. We consider the change to be "lower", as we would consider a reduction needing to be greater than 25% to be defined as "much lower".</p> <p>Our reporting boundary covers 143 sites. For 52 sites (representing ~78% of employees), Spectris obtains actual water consumption data via local data owners with access to water bills or water meters. This data is then uploaded by them and compiled into Spectris' environmental reporting system.</p> <p>Our water withdrawals decreased since last year primarily due to the divestment of our Omega business. Future water withdrawals are projected to remain about the same, pending further merger and acquisition activity.</p>
Total discharges	112.94	Lower	Mergers and acquisitions	About the same	Other, please specify (Future water dependency is not expected to differ in direct or indirect use as our activities are not expected to change, unless driven by mergers or acquisitions which are not predictable.)	<p>Spectris' water discharges during 2021 were 136 megalitres. The discharges in 2022 were 112 megalitres. This represents a reduction of 17.5%. We consider the change to be "lower", as we would consider a reduction needing to be greater than 25% to be defined as "much lower".</p> <p>Our reporting boundary covers 143 sites. For 52 sites (representing ~78% of employees), Spectris obtains actual water consumption data via local data owners with access to water bills or water meters. This data is then uploaded by them and compiled into Spectris' environmental reporting system.</p> <p>Our water discharges decreased since last year primarily due to the divestment of our Omega business. Future water withdrawals are projected to remain about the same, pending further merger and acquisition activity.</p>
Total consumption	0	About the same	Other, please specify (No water consumption)	About the same	Other, please specify (Future water dependency is not expected to differ in direct or indirect use as our activities are not expected to change, unless driven by mergers or acquisitions which are not predictable)	<p>A small amount of water will be consumed by employees on site however this estimated to be negligible, so in conclusion we estimate:</p> <ul style="list-style-type: none"> • water withdrawals = water discharges • consumption = 0 <p>Future water consumption is projected to remain about the same, pending further merger and acquisition activity.</p>

W1.2d

(W1.2d) Indicate whether water is withdrawn from areas with water stress, provide the proportion, how it compares with the previous reporting year, and how it is forecasted to change.

	Withdrawals are from areas with water stress	% withdrawn from areas with water stress	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Five-year forecast	Primary reason for forecast	Identification tool	Please explain
Row 1	Yes	51-75	This is our first year of measurement	Please select	About the same	Other, please specify (Total withdrawn water is expected to remain about the same with our operations remaining unchanged for the next 5 years, pending any mergers and acquisitions)	WRI Aqueeduct	<p>To assess water stress at our sites, we have used the metric "Baseline Water Stress" provided by WRI Aqueeduct. We have identified that 56% of our water consumption is currently considered to be withdrawn from areas with high water stress. However, we are not high consumers of water in our direct operations so this is not considered to be a substantive risk to our business. Our water dependency in our direct operations is not expected to change in the short term or long term. Beyond 5 years, in the medium to long term, climate scenario analysis of our 13 most material sites representing 77% of sales revenue identified that baseline water stress under three climate change scenarios in future years is also expected to remain stable.</p>

W1.2i

(W1.2i) Provide total water discharge data by destination.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Please explain
Fresh surface water	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	Discharge to fresh surface water does not occur. This is due to our operational water needs relating primarily to WASH facilities and some minimal use in cooling towers so water is discharged through regular municipal channels and/or sewers.
Brackish surface water/seawater	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	Discharge to brackish surface water does not occur. This is due to our operational water needs relating primarily to WASH facilities, so water is discharged through regular municipal channels and/or sewers.
Groundwater	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	Discharge to groundwater does not occur. This is due to our operational water needs relating primarily to WASH facilities, so water is discharged through regular municipal channels and/or sewers.
Third-party destinations	Relevant	112.94	About the same	Other, please specify (No changes have occurred in processes and procedures that warrant a change in water need.)	The majority of water withdrawn at our sites is discharged through municipal sewerage systems to local sewerage treatment facilities. For some production in our Spectris Dynamics Division, a small percentage (< 2%) of total Spectris water discharge is collected by authorised third party waste management services due to possible presence of Teflon, which is considered to be a potentially hazardous substance. This water is then treated before being subsequently discharged.

W1.2j

(W1.2j) Within your direct operations, indicate the highest level(s) to which you treat your discharge.

	Relevance of treatment level to discharge	Volume (megaliters/year)	Comparison of treated volume with previous reporting year	Primary reason for comparison with previous reporting year	% of your sites/facilities/operations this volume applies to	Please explain
Tertiary treatment	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	While the majority of all water withdrawn at Spectris sites is discharged through municipal sewerage systems to local sewerage treatment facilities, treatment is not expressly monitored. This water has no prior treatment before discharge. However, a small percentage (< 2%) of total Spectris water discharge is collected by authorised third party waste management services due to the potential presence of Teflon associated with some Spectris Dynamics activities. Due to Teflon's potentially hazardous nature this water requires treating before being discharged further. While this is not monitored by our environmental reporting system, it is managed at a local level through our legal compliance procedures. Through these procedures Spectris regularly ensures the Group's operations meet and, where possible, go beyond mandatory environmental legal and regulatory requirements in line with our Environment Policy.
Secondary treatment	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	While the majority of all water withdrawn at Spectris sites is discharged through municipal sewerage systems to local sewerage treatment facilities, treatment is not expressly monitored. This water has no prior treatment before discharge. However, a small percentage (< 2%) of total Spectris water discharge is collected by authorised third party waste management services due to the potential presence of Teflon associated with some Spectris Dynamics activities. Due to Teflon's potentially hazardous nature this water requires treating before being discharged further. While this is not monitored by our environmental reporting system, it is managed at a local level through our legal compliance procedures. Through these procedures Spectris regularly ensures the Group's operations meet and, where possible, go beyond mandatory environmental legal and regulatory requirements in line with our Environment Policy.
Primary treatment only	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	While the majority of all water withdrawn at Spectris sites is discharged through municipal sewerage systems to local sewerage treatment facilities, treatment is not expressly monitored. This water has no prior treatment before discharge. However, a small percentage (< 2%) of total Spectris water discharge is collected by authorised third party waste management services due to the potential presence of Teflon associated with some Spectris Dynamics activities. Due to Teflon's potentially hazardous nature this water requires treating before being discharged further. While this is not monitored by our environmental reporting system, it is managed at a local level through our legal compliance procedures. Through these procedures Spectris regularly ensures the Group's operations meet and, where possible, go beyond mandatory environmental legal and regulatory requirements in line with our Environment Policy.
Discharge to the natural environment without treatment	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	While the majority of all water withdrawn at Spectris sites is discharged through municipal sewerage systems to local sewerage treatment facilities, treatment is not expressly monitored. This water has no prior treatment before discharge. However, a small percentage (< 2%) of total Spectris water discharges is collected by authorised third party waste management services due to the potential presence of Teflon associated with some Spectris Dynamics activities. Due to Teflon's potentially hazardous nature this water requires treating before being discharged further. While this is not monitored by our environmental reporting system, it is managed at a local level through our legal compliance procedures. Through these procedures Spectris regularly ensures the Group's operations meet and, where possible, go beyond mandatory environmental legal and regulatory requirements in line with our Environment Policy.
Discharge to a third party without treatment	Relevant	112.94	Lower	Mergers and acquisitions	100%	While the majority of all water withdrawn at Spectris sites is discharged through municipal sewerage systems to local sewerage treatment facilities, treatment is not expressly monitored. This water has no prior treatment before discharge. However, a small percentage (< 2%) of total Spectris water discharges is collected by authorised third party waste management services due to the potential presence of Teflon associated with some Spectris Dynamics activities. Due to Teflon's potentially hazardous nature this water requires treating before being discharged further. While this is not monitored by our environmental reporting system, it is managed at a local level through our legal compliance procedures. Through these procedures Spectris regularly ensures the Group's operations meet and, where possible, go beyond mandatory environmental legal and regulatory requirements in line with our Environment Policy. Our water discharges decreased since last year primarily due to the divestment of our Omega business. Future water withdrawals are projected to remain about the same, pending further merger and acquisition activity.
Other	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	While the majority of all water withdrawn at Spectris sites is discharged through municipal sewerage systems to local sewerage treatment facilities, treatment is not expressly monitored. This water has no prior treatment before discharge. However, a small percentage (< 2%) of total Spectris water discharges is collected by authorised third party waste management services due to the potential presence of Teflon associated with some Spectris Dynamics activities. Due to Teflon's potentially hazardous nature this water requires treating before being discharged further. While this is not monitored by our environmental reporting system, it is managed at a local level through our legal compliance procedures. Through these procedures Spectris regularly ensures the Group's operations meet and, where possible, go beyond mandatory environmental legal and regulatory requirements in line with our Environment Policy.

W1.3

(W1.3) Provide a figure for your organization's total water withdrawal efficiency.

	Revenue	Total water withdrawal volume (megaliters)	Total water withdrawal efficiency	Anticipated forward trend
Row 1	132740000	112.94	11753143.261909	<p>In line with our Strategy for Sustainable Growth, Spectris Group commits, through our Environment Policy, to continually improve our own environmental performance and transparency of disclosure around water use.</p> <p>We are expecting our business to grow over the coming years and thus increase our revenue. However, we will do so whilst continually minimising Spectris' environmental impacts, including water usage. As such, we anticipate our water withdrawal efficiency to remain about the same.</p>

W1.4

(W1.4) Do any of your products contain substances classified as hazardous by a regulatory authority?

	Products contain hazardous substances	Comment
Row 1	No	Whilst Spectris Group sells some products which contain hazardous substances, the products have not been deemed dangerous or hazardous by any relevant regulation or authority. The products that do contain hazardous materials represent < 1% of total revenue.

W1.5

(W1.5) Do you engage with your value chain on water-related issues?

	Engagement	Primary reason for no engagement	Please explain
Suppliers	Yes	<Not Applicable>	<Not Applicable>
Other value chain partners (e.g., customers)	No	Important but not an immediate business priority	We design products aligned to our purpose to make the world cleaner, healthier and more productive; in some cases, the design phase is done in collaboration with our customers to most effectively respond to their needs. This can include helping our customers tackle water-related issues for example via efficiency improvement. We also work closely with the academic world; this is not only to enhance products used for academic purposes, but also to develop and encourage collaboration between businesses and research institutions within the context of broader sustainability.

W1.5a

(W1.5a) Do you assess your suppliers according to their impact on water security?

Row 1

Assessment of supplier impact

No, we do not currently assess the impact of our suppliers, but we plan to do so within the next two years

Considered in assessment

<Not Applicable>

Number of suppliers identified as having a substantive impact

<Not Applicable>

% of total suppliers identified as having a substantive impact

<Not Applicable>

Please explain

In line with our Environment Policy, we expect our suppliers to reduce their own environmental impact, including reducing pollutants to water and air, and water usage. To support this expectation and to better enable engagement with our suppliers on sustainability issues, we have partnered with EcoVadis which will help us to better understand our supply chain's impact on water. EcoVadis is a leading consultancy in the field of rating the sustainability performance of companies. The first phase of this roll-out has involved engaging with over 50% of supplier spend at Malvern Panalytical which is now assured through EcoVadis. Moving in to 2023 we are planning to extend this to our other operations and begin to focus more closely on water-related issues where relevant. Our long-term goal is to have 100% of suppliers reporting their environmental performance through EcoVadis, with new suppliers completing EcoVadis as part of their onboarding processes.

W1.5b

(W1.5b) Do your suppliers have to meet water-related requirements as part of your organization's purchasing process?

	Suppliers have to meet specific water-related requirements	Comment
Row 1	Yes, water-related requirements are included in our supplier contracts	<Not Applicable>

W1.5c

(W1.5c) Provide details of the water-related requirements that suppliers have to meet as part of your organization's purchasing process, and the compliance measures in place.

Water-related requirement

Other, please specify (We expect our suppliers to endeavour to reduce their own environmental impact, including reducing pollutants to water and air, and water usage.)

% of suppliers with a substantive impact required to comply with this water-related requirement

<Not Applicable>

% of suppliers with a substantive impact in compliance with this water-related requirement

<Not Applicable>

Mechanisms for monitoring compliance with this water-related requirement

Supplier scorecard or rating

Response to supplier non-compliance with this water-related requirement

Retain and engage

Comment

As described in our Environment Policy, we expect our suppliers to endeavour to reduce their own environmental impact, including reducing pollutants to water and air, and water usage. To help us monitor supplier performance, we have partnered with EcoVadis which will help us to better understand our supply chain's impact on water.

As outlined in our Supplier Policy, whilst each supplier has the responsibility to manage its business practices in accordance with its own standards, values and local legislative framework, we will engage with them to embrace these principles with the aim of creating a more sustainable business and, where possible, we will work with them to help reduce any environmental impacts associated with their products and operations.

We will not tolerate any supplier who has made no effort to address our policies and principles and take environmental performance into account when selecting and reviewing suppliers.

W1.5d

(W1.5d) Provide details of any other water-related supplier engagement activity.

Type of engagement

No other supplier engagements

Details of engagement

<Not Applicable>

% of suppliers by number

<Not Applicable>

% of suppliers with a substantive impact

<Not Applicable>

Rationale for your engagement

In line with our Environment Policy and Supplier Policy we expect our suppliers to endeavour to reduce their own environmental impact, including reducing pollutants to water and air, and water usage. To support this expectation, we have partnered with EcoVadis which will include reviewing our supply chain's impact on water. EcoVadis is a leading consultancy in the field of rating the sustainability performance of companies. The method considers international standards such as the Global Reporting Initiative, United Nations Global Compact as well as the ISO 26000. The first phase of this roll-out has involved engaging with over 50% of supplier spend at Malvern Panalytical now assured through EcoVadis. Moving in to 2023 we are planning to extend this to our other operations and begin to focus more closely on water-related issues where relevant.

Our long-term goal is to have 100% of suppliers reporting their environmental performance through EcoVadis, with new suppliers completing EcoVadis as part of their onboarding processes.

Impact of the engagement and measures of success

<Not Applicable>

Comment

W2. Business impacts

W2.1

(W2.1) Has your organization experienced any detrimental water-related impacts?

No

W2.2

(W2.2) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?

	Water-related regulatory violations	Fines, enforcement orders, and/or other penalties	Comment
Row 1	No	<Not Applicable>	

W3. Procedures

W3.1

(W3.1) Does your organization identify and classify potential water pollutants associated with its activities that could have a detrimental impact on water ecosystems or human health?

	Identification and classification of potential water pollutants	How potential water pollutants are identified and classified	Please explain
Row 1	Yes, we identify and classify our potential water pollutants	At a small proportion of sites within the Spectris Dynamics division, Teflon is identified in water discharged from those sites. Teflon is a known pollutant coming from specific production processes. The identification and classification of Teflon is managed at a local level through legal compliance procedures. Through these procedures Spectris is able to regularly ensure the Group's operations meet and, where possible, go beyond mandatory environmental legal and regulatory requirements in line with our Environment Policy.	<Not Applicable>

W3.1a

(W3.1a) Describe how your organization minimizes the adverse impacts of potential water pollutants on water ecosystems or human health associated with your activities.

Water pollutant category

Inorganic pollutants

Description of water pollutant and potential impacts

Teflon is a PFAS that has been linked to cancer, thyroid disease, reproductive and immune system problems and many other serious health harms.

Value chain stage

Direct operations

Actions and procedures to minimize adverse impacts

Requirement for suppliers to comply with regulatory requirements

Discharge treatment using sector-specific processes to ensure compliance with regulatory requirements

Other, please specify (To minimise the adverse impacts of potential water pollutants through proper discharge of those pollutants, e.g. Teflon found within our discharge water from certain Dynamics facilities get transferred to a qualified solutions provider for treatment.)

Please explain

Spectris is committed to advocating the adoption of best practices throughout the Group. This means lowering the environmental impacts of our products and operations through incorporating environmental best practice within our business model (including minimising pollution) and championing our businesses' efforts to lower their products' environmental impacts.

At a small proportion of sites within the Spectris Dynamics division, very small traces of Teflon are identified in discharge water. Even though the concentration identified is well below legal threshold, and therefore does not pose any significant risk to the environment, Spectris follows best practice local water treatment procedures to prevent any pollution. This discharge water is collected preventatively by a qualified solutions provider for treatment before final discharge.

Beyond our direct operations, our suppliers are required to align with Spectris' Environment and Supply Chain Management Policies. A requirement in the Supply Chain Management Policy is for suppliers to "Achieve high standards of environmental management, including energy efficiency initiatives and minimising pollution". This policy includes those collecting wastewater from our facilities. Success of the minimisation of adverse impacts is finally determined by compliance with local standards relating to contaminated discharge water treatment.

W3.3

(W3.3) Does your organization undertake a water-related risk assessment?

Yes, water-related risks are assessed

W3.3a

(W3.3a) Select the options that best describe your procedures for identifying and assessing water-related risks.

Value chain stage

Direct operations
Supply chain

Coverage

Full

Risk assessment procedure

Water risks are assessed as part of an established enterprise risk management framework

Frequency of assessment

Annually

How far into the future are risks considered?

More than 6 years

Type of tools and methods used

Tools on the market
Enterprise risk management
International methodologies and standards
Other

Tools and methods used

EcoVadis
IPCC Climate Change Projections
External consultants
Scenario analysis

Contextual issues considered

Implications of water on your key commodities/raw materials
Other, please specify (Damage expected to a certain type of asset when exposed to wind and floods)

Stakeholders considered

Customers
Employees
Suppliers

Comment

W3.3b

(W3.3b) Describe your organization’s process for identifying, assessing, and responding to water-related risks within your direct operations and other stages of your value chain.

	Rationale for approach to risk assessment	Explanation of contextual issues considered	Explanation of stakeholders considered	Decision-making process for risk response
Row 1	<p>Spectris’ approach to risk management incorporates bottom-up and top-down elements to the identification, evaluation and management of risks. All risks are evaluated with reference to the Group’s achievement of its strategic objectives. For water, this includes our direct operations and supply chain. Other parts of our value chain are not considered to be relevant for water-related risks.</p> <p>Direct operations: In 2022, we engaged with PwC to undertake a physical climate scenario analysis of our most material sites (covering 77% of sales revenue) under three different climate scenarios. The resulting dashboard analyses physical risks from climate change, including those related to water stress and flooding, in our direct operations. This provides us with the ability to assess the potential financial impact of water-related risks to our operations. The ability to assess such water-related risks on a financial basis will enable the Group to more effectively determine the potential magnitude of water-related risks against our impact and likelihood framework to support an appropriate response.</p> <p>Supply chain: In 2022 we began an engagement program with our supply chain via EcoVadis. This will allow us to assess our supply chain’s reliance to water and impact on water pollution. However, this assessment has not yet led to water-related outcomes in the reporting year of this disclosure. In 2023 we will expand the scope of our EcoVadis led supplier engagement.</p>	<p>Damage to assets: The Physical Risk Dashboard produced in partnership with PwC demonstrated that the two most material potential drivers of water-related risks to Spectris’ operations were that of the potential impact of flooding and extreme rainfall, and water stress. Each of our individual business unit risk committees, which actively assess and manage risks at individual unit levels, will consider the outcomes of the scenario analysis and determine whether additional risks relating to water need to be added to their respective risk registers as a result of this analysis.</p> <p>Raw materials/Commodities: Whilst the scenario analysis conducted focused on our direct operations, we are aware that parts of our business are reliant on semiconductor manufacturing in our supply chain, which are water intensive and thus potentially at risk to water related issues such as water scarcity. This is therefore a further contextual issue which will be considered in future scenario analysis exercises.</p>	<p>Customers: We consider our customers as stakeholders in our process for identifying, assessing, and responding to water-related risks. When considering water-related risks in Spectris’ direct operations we must consider how this could impact our downstream value chain should Spectris’ ability to manufacture and distribute products be impacted.</p> <p>Employees: Employees are considered stakeholders in our process for identifying, assessing, and responding to water-related risks because they are our main user and consumer of water in our operations. Including employees enables us to ensure all employees have access to water for satisfying basic needs as per our WASH facilities.</p> <p>Suppliers: Spectris has many loyal and committed suppliers who are integral to our business. Suppliers are considered key stakeholders in our process for identifying, assessing and responding to water-related risks due to our dependency on them for the provision of certain components, raw materials and commodities. With respect to water, we are aware that parts of our business are reliant on semiconductor manufacturing which are water intensive and thus potentially at risk to water-related issues such as water scarcity.</p>	<p>After water-related risks have been assessed, the following responses are taken: 1) ‘minor’ risks are accepted when there is low likelihood of them occurring and the cost to mitigate is predicted to be greater than cost to bear the risk. 2) Where possible, risks are transferred, for example through divestment or outsourcing 3) Introduce mitigation controls to reduce risks with high likelihood but low impact. 4) In a worst-case scenario where the impact of a risk is severe and cannot be mitigated, Spectris would consider operational changes such as relocating our facilities or stopping specific activities to avoid a risk.</p> <p>If a substantive water-related risk is identified from the assessment as part of the Group’s risk management framework, the most appropriate response is decided and reported on by the risk owner, including any mitigating actions. This is then communicated by the Group Head of Risk under the guidance of the Executive Risk Committee. The resulting risk registers are then subject to review on an ongoing basis as part of regular operational reviews. This ensures that risk management is embedded in day-to-day management processes and decision-making as well as in the annual strategic planning cycle.</p>

W4. Risks and opportunities

W4.1

(W4.1) Have you identified any inherent water-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes, only within our direct operations

W4.1a

(W4.1a) How does your organization define substantive financial or strategic impact on your business?

We consider risk impact not just in terms of potential impact on operating profit, but also in terms of reputational impact, effect on customers or operations, and regulatory compliance. We use four broad classifications for impact assessment (minor, significant, major, critical) and four broad classifications for likelihood assessment (unlikely, possible, probable, highly likely). The quantifiable indicators we use to deem a risk as substantive within Spectris are a 15% or more adverse effect on operating profit, which would be considered a major impact, and a probability of occurring of over 50%, which would be considered to be a probable event. We would seek to mitigate risks that meet these definitions. Therefore, Spectris define substantive financial impact as a 15%+ adverse effect on operating profit with a more than 50% likelihood of occurring.

Water-related risks are captured amongst all risks within the Group's risk management framework; we prioritise mitigating actions in the context of the potential impact of any individual risk and when we need to undertake further actions to manage that risk. Some water-related risks could occur on a longer time frame than other risks to the organisation, so we consider in our risk mitigation planning the lead times that may be required to implement effective mitigation actions.

W4.1b

(W4.1b) What is the total number of facilities exposed to water risks with the potential to have a substantive financial or strategic impact on your business, and what proportion of your company-wide facilities does this represent?

	Total number of facilities exposed to water risk	% company-wide facilities this represents	Comment
Row 1	3	1-25	As the climate warms, the frequency and intensity of severe weather events such as floods are predicted to increase. Our climate risk assessment conducted in 2022 with PwC included acute physical risks from floods, modelled against a baseline and scenarios SSP 1-2.6, SSP 2-4.5, SSP 5-8.5, for which financial impacts have been assessed. In this assessment, of the 13 sites identified to be most material to our business representing 77% of Spectris's revenue, in a >4°C scenario by 2050 (SSP 5-8.5) scenario, three material sites (HBK Suzhou, MP Zhuhai and MP Almelo) were identified to be at particular risk of flooding increases of which the impacts could be considered substantive to our operations.

W4.1c

(W4.1c) By river basin, what is the number and proportion of facilities exposed to water risks that could have a substantive financial or strategic impact on your business, and what is the potential business impact associated with those facilities?

Country/Area & River basin

China	Yangtze River (Chang Jiang)
-------	-----------------------------

Number of facilities exposed to water risk

1

% company-wide facilities this represents

1-25

Production value for the metals & mining activities associated with these facilities

<Not Applicable>

% company's annual electricity generation that could be affected by these facilities

<Not Applicable>

% company's global oil & gas production volume that could be affected by these facilities

<Not Applicable>

% company's total global revenue that could be affected

11-20

Comment

As a capital goods manufacturer, Spectris' business continuity relies on the uninterrupted operation of its manufacturing sites, and therefore, is at risk of decreased revenues due to reduced production capacity at these sites caused by acute weather events, such as floods. Reduced production capacity could result from staff and supplier travel disruption and temporary or permanent closure of sites.

Our climate risk assessment conducted in 2022 with PwC included acute physical risks like floods, modelled against a baseline and scenarios SSP 1-2.6, SSP 2-4.5, SSP 5-8.5. The assessment also allowed us to estimate the potential financial loss this risk signifies. In this assessment, our site HBK Suzhou was identified to be at particular risk of flooding increases.

Country/Area & River basin

China	Xi Jiang - Bei Jiang
-------	----------------------

Number of facilities exposed to water risk

1

% company-wide facilities this represents

1-25

Production value for the metals & mining activities associated with these facilities

<Not Applicable>

% company's annual electricity generation that could be affected by these facilities

<Not Applicable>

% company's global oil & gas production volume that could be affected by these facilities

<Not Applicable>

% company's total global revenue that could be affected

11-20

Comment

As a capital goods manufacturer, Spectris' business continuity relies on the uninterrupted operation of its manufacturing sites, and therefore, is at risk of decreased revenues due to reduced production capacity at these sites caused by acute weather events, such as floods. Reduced production capacity could result from staff and supplier travel disruption and temporary or permanent closure of sites.

Our climate risk assessment conducted in 2022 with PwC included acute physical risks like floods, modelled against a baseline and scenarios SSP 1-2.6, SSP 2-4.5, SSP 5-8.5. The assessment also allowed us to estimate the potential financial loss this risk signifies. In this assessment, our site MP Zhuhai was identified to be at particular risk of flooding increases.

Country/Area & River basin

Netherlands	Rhine
-------------	-------

Number of facilities exposed to water risk

1

% company-wide facilities this represents

1-25

Production value for the metals & mining activities associated with these facilities

<Not Applicable>

% company's annual electricity generation that could be affected by these facilities

<Not Applicable>

% company's global oil & gas production volume that could be affected by these facilities

<Not Applicable>

% company's total global revenue that could be affected

11-20

Comment

As a capital goods manufacturer, Spectris' business continuity relies on the uninterrupted operation of its manufacturing sites, and therefore, is at risk of decreased revenues due to reduced production capacity at these sites caused by acute weather events, such as floods. Reduced production capacity could result from staff and supplier travel disruption and temporary or permanent closure of sites.

Our climate risk assessment conducted in 2022 with PwC included acute physical risks like floods, modelled against a baseline and scenarios SSP 1-2.6, SSP 2-4.5, SSP 5-8.5. The assessment also allowed us to estimate the potential financial loss this risk signifies. In this assessment, our site MP Almelo was identified to be at particular risk of flooding increases.

W4.2

(W4.2) Provide details of identified risks in your direct operations with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.

Country/Area & River basin

China	Yangtze River (Chang Jiang)
-------	-----------------------------

Type of risk & Primary risk driver

Acute physical	Flood (coastal, fluvial, pluvial, groundwater)
----------------	--

Primary potential impact

Reduction or disruption in production capacity

Company-specific description

As the climate warms, the frequency and intensity of severe weather events such as floods are predicted to increase. Our climate risk assessment conducted in 2022 with PwC included acute physical risks like floods, modelled against a baseline and scenarios SSP 1-2.6, SSP 2-4.5, SSP 5-8.5. In this assessment, of the 13 sites identified to be most material to our business representing 77% of Spectris's revenue, in a >4°C scenario by 2050 (SSP 5-8.5), three sites (HBK Suzhou, MP Zhuhai and MP Almelo) were identified to be at particular risk of flooding increases.

As a capital goods manufacturer, Spectris' business continuity relies on the uninterrupted operation of its manufacturing sites, and therefore, is at risk of decreased revenues due to reduced production capacity at these sites caused by acute weather events. Reduced production capacity could result from staff and supplier travel disruption and temporary or permanent closure of sites.

Timeframe

More than 6 years

Magnitude of potential impact

High

Likelihood

Very likely

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure - minimum (currency)

7622586

Potential financial impact figure - maximum (currency)

7736238

Explanation of financial impact

The work done to estimate this financial loss has been undertaken by PwC and estimates the financial loss due to flood for the 13 material sites included. These 13 sites account for 77% of Spectris's revenue.

The minimum annual average financial impact due to flooding events was estimated using the <2-degree SSP 1-2.6 scenario to 2050. Specifically using loss metrics 'Infrastructure Loss', 'Downtime Loss' and 'Productivity Loss (low)' for the 13 most material sites.

The maximum annual average financial impact due to flooding events was estimated using the >4-degree SSP 5-8.5 scenario to 2050. Specifically using loss metrics 'Infrastructure Loss', 'Downtime Loss' and 'Productivity Loss (High)' for the 13 most material sites.

The potential financial impact figures are taken directly from the Physical Risk Dashboard following the description above.

Primary response to risk

Comply with local regulatory requirements

Description of response

The analysis conducted provides us with the ability to assess physical risk impacts from climate change on a financial basis will enable the Group to more effectively determine the potential magnitude of physical risks against our impact and likelihood framework to support an appropriate response. In a worst-case scenario where the impact of a risk is severe and cannot be mitigated, Spectris would consider operational changes such as relocating our facilities or stopping specific activities to avoid risk.

Cost of response

90000

Explanation of cost of response

The cost of response for the acute physical risks is based on the cost of the work performed to produce the Physical Risk Dashboard with PwC. The cost of the work performed was £90,000.

Country/Area & River basin

China	Xi Jiang - Bei Jiang
-------	----------------------

Type of risk & Primary risk driver

Acute physical	Flood (coastal, fluvial, pluvial, groundwater)
----------------	--

Primary potential impact

Reduction or disruption in production capacity

Company-specific description

As the climate warms, the frequency and intensity of severe weather events such as floods are predicted to increase. Our climate risk assessment conducted in 2022 with PwC included acute physical risks like floods, modelled against a baseline and scenarios SSP 1-2.6, SSP 2-4.5, SSP 5-8.5. In this assessment, of the 13 sites identified to be most material to our business representing 77% of Spectris's revenue, in a >4°C scenario by 2050 (SSP 5-8.5), three sites (HBK Suzhou, MP Zhuhai and MP Almelo) were identified to be at particular risk of flooding increases.

As a capital goods manufacturer, Spectris' business continuity relies on the uninterrupted operation of its manufacturing sites, and therefore, is at risk of decreased revenues due to reduced production capacity at these sites caused by acute weather events. Reduced production capacity could result from staff and supplier travel disruption and temporary or permanent closure of sites.

Timeframe

More than 6 years

Magnitude of potential impact

High

Likelihood

Very likely

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure - minimum (currency)

3376376

Potential financial impact figure - maximum (currency)

3380159

Explanation of financial impact

The work done to estimate this financial loss has been undertaken by PwC and estimates the financial loss due to flood for the 13 material sites included. These 13 sites account for 77% of Spectris's revenue.

The minimum annual average financial impact due to flooding events was estimated using the <2-degree SSP 1-2.6 scenario to 2050. Specifically using loss metrics 'Infrastructure Loss', 'Downtime Loss' and 'Productivity Loss (low)' for the 13 most material sites.

The maximum annual average financial impact due to flooding events was estimated using the >4-degree SSP 5-8.5 scenario to 2050. Specifically using loss metrics 'Infrastructure Loss', 'Downtime Loss' and 'Productivity Loss (High)' for the 13 most material sites.

The potential financial impact figures are taken directly from the Physical Risk Dashboard following the description above.

Primary response to risk

Comply with local regulatory requirements

Description of response

The analysis conducted provides us with the ability to assess physical risk impacts from climate change on a financial basis will enable the Group to more effectively determine the potential magnitude of physical risks against our impact and likelihood framework to support an appropriate response. In a worst-case scenario where the impact of a risk is severe and cannot be mitigated, Spectris would consider operational changes such as relocating our facilities or stopping specific activities to avoid risk.

Cost of response

90000

Explanation of cost of response

The cost of response for the acute physical risks is based on the cost of the work performed to produce the Physical Risk Dashboard with PwC. The cost of the work performed was £90,000.

Country/Area & River basin

Netherlands	Rhine
-------------	-------

Type of risk & Primary risk driver

Acute physical	Flood (coastal, fluvial, pluvial, groundwater)
----------------	--

Primary potential impact

Reduction or disruption in production capacity

Company-specific description

As the climate warms, the frequency and intensity of severe weather events such as floods are predicted to increase. Our climate risk assessment conducted in 2022 with PwC included acute physical risks like floods, modelled against a baseline and scenarios SSP 1-2.6, SSP 2-4.5, SSP 5-8.5. In this assessment, of the 13 sites identified to be most material to our business representing 77% of Spectris's revenue, in a >4°C scenario by 2050 (SSP 5-8.5), three sites (HBK Suzhou, MP Zhuhai and MP Almelo) were identified to be at particular risk of flooding increases.

As a capital goods manufacturer, Spectris' business continuity relies on the uninterrupted operation of its manufacturing sites, and therefore, is at risk of decreased revenues due to reduced production capacity at these sites caused by acute weather events. Reduced production capacity could result from staff and supplier travel disruption and temporary or permanent closure of sites.

Timeframe

More than 6 years

Magnitude of potential impact

High

Likelihood

Very likely

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure - minimum (currency)

3275442

Potential financial impact figure - maximum (currency)

5137430

Explanation of financial impact

The work done to estimate this financial loss has been undertaken by PwC and estimates the financial loss due to flood for the 13 material sites included. These 13 sites account for 77% of Spectris's revenue.

The minimum annual average financial impact due to flooding events was estimated using the <2-degree SSP 1-2.6 scenario to 2050. Specifically using loss metrics 'Infrastructure Loss', 'Downtime Loss' and 'Productivity Loss (low)' for the 13 most material sites.

The maximum annual average financial impact due to flooding events was estimated using the >4-degree SSP 5-8.5 scenario to 2050. Specifically using loss metrics 'Infrastructure Loss', 'Downtime Loss' and 'Productivity Loss (High)' for the 13 most material sites.

The potential financial impact figures are taken directly from the Physical Risk Dashboard following the description above.

Primary response to risk

Comply with local regulatory requirements

Description of response

The analysis conducted provides us with the ability to assess physical risk impacts from climate change on a financial basis will enable the Group to more effectively determine the potential magnitude of physical risks against our impact and likelihood framework to support an appropriate response. In a worst-case scenario where the impact of a risk is severe and cannot be mitigated, Spectris would consider operational changes such as relocating our facilities or stopping specific activities to avoid a risk.

Cost of response

90000

Explanation of cost of response

The cost of response for the acute physical risks is based on the cost of the work performed to produce the Physical Risk Dashboard with PwC. The cost of the work performed was £90,000.

W4.2c

(W4.2c) Why does your organization not consider itself exposed to water risks in its value chain (beyond direct operations) with the potential to have a substantive financial or strategic impact?

	Primary reason	Please explain
Row 1	Not yet evaluated	<p>At this time, water-related risks within our value chain that would be considered substantive will be evaluated. One specific area of analysis is the pricing and availability of semiconductors from some suppliers in our supply chain. As a manufacturer relying on electronic components for some products, in some cases Spectris will be reliant upon the use of semiconductors both in our direct operations and also within our products. Therefore, a disruption to this market could have substantive impact on our ability to do business.</p> <p>The semiconductor industry uses water in vast quantities to manufacture microchips that are used in nearly all microelectronic devices. In extreme cases, water scarcity can force semiconductor manufacturing plants to shut down, which can lead to shortages in the global supply of semiconductors. As the climate warms, drought and water scarcity are predicted to increase in a variety of regions globally, meaning that our ability to manufacture and supply products to our customers could be impacted if this were to impact the semiconductor industry.</p> <p>Furthermore, as rising temperatures disrupt precipitation patterns and the global water cycle over coming years, water scarcity, water rationing, and water prices are set to increase. This will likely have the knock-on effect of increasing the cost of producing semiconductors due to general inflation and the costs associated with managing this risk. Within the reporting year of this disclosure, the magnitude and potential financial impact of these risks are yet to be fully understood and an evaluation will be completed.</p>

W4.3

(W4.3) Have you identified any water-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes, we have identified opportunities, and some/all are being realized

W4.3a

(W4.3a) Provide details of opportunities currently being realized that could have a substantive financial or strategic impact on your business.

Type of opportunity

Products and services

Primary water-related opportunity

Increased sales of existing products/services

Company-specific description & strategy to realize opportunity

Spectris harnesses the power of precision measurement to equip our customers to make the world cleaner, healthier and more productive. This includes contributing to a transition to cleaner energy, more responsible extraction and use of resources, the evolution of food and agriculture, and increased environmental protection all of which have implications for scarce water resources.

We have the opportunity to increase revenues by developing and scaling products that help our customers achieve their water-related objectives and to respond to regulatory requirements, including in identifying and monitoring water pollutants and identifying water saving opportunities. This benefit applies to the entire organisation on a global level.

As part of our strategy to realise this opportunity, we continuously review our customers' challenges with respect to protecting natural resources. For example, our customers are experiencing increasing input costs and scarce resources are seeing a greater demand, so at Spectris Dynamics we are helping our customers to simplify their production process and bring greater intelligence to product design which has a direct impact on protecting natural resources, including water.

Estimated timeframe for realization

Current - up to 1 year

Magnitude of potential financial impact

Unknown

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact

The purpose of our products is to make the world cleaner, healthier and more productive and as such this opportunity is fully aligned. We are yet to complete a full analysis of this opportunity; however, we have already noticed an increase in the demand for some of our products, which could be driven by the growing concerns around water scarcity and pollution. Going forward, our use of scenario analysis will enable us to assess the potential financial impacts associated with increased sales in products and services associated with water pollution and measurement, as well as considering the development of new products.

W5. Facility-level water accounting

W5.1

(W5.1) For each facility referenced in W4.1c, provide coordinates, water accounting data, and a comparison with the previous reporting year.

Facility reference number

Facility 1

Facility name (optional)

HBK Suzhou

Country/Area & River basin

China	Yangtze River (Chang Jiang)
-------	-----------------------------

Latitude

31.299999

Longitude

120.599998

Located in area with water stress

Yes

Primary power generation source for your electricity generation at this facility

<Not Applicable>

Oil & gas sector business division

<Not Applicable>

Total water withdrawals at this facility (megaliters/year)

40.95

Comparison of total withdrawals with previous reporting year

Higher

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

0

Withdrawals from brackish surface water/seawater

0

Withdrawals from groundwater - renewable

0

Withdrawals from groundwater - non-renewable

0

Withdrawals from produced/entrained water

0

Withdrawals from third party sources

40.95

Total water discharges at this facility (megaliters/year)

40.95

Comparison of total discharges with previous reporting year

Higher

Discharges to fresh surface water

0

Discharges to brackish surface water/seawater

0

Discharges to groundwater

0

Discharges to third party destinations

40.95

Total water consumption at this facility (megaliters/year)

0

Comparison of total consumption with previous reporting year

About the same

Please explain

Withdrawal:

Water withdrawals figures from HBK Suzhou are based on 97% actual water data and 3% estimates. Water withdrawal is higher than in 2021, because of the recovery after the pandemic resulting in increased site activity. Future water dependency is not expected to differ in direct or indirect use as our activities in this site are not expected to change.

Discharge:

All water withdrawn at HBK Suzhou is discharged through municipal sewerage systems to local sewerage treatment facilities.

Consumption:

All water withdrawn by Spectris is assumed to be discharged as other than a negligible amount of water being consumed by employees; no water is consumed in direct operations. This water aspect is not expected to become relevant in the future, because consumption is expected to remain limited to employee consumption. This does exclude any potential business changes through potential mergers and acquisitions; identified changes in water dependency through any mergers and acquisitions will be reported on as they arise.

Facility reference number

Facility 2

Facility name (optional)

MP Zhuhai

Country/Area & River basin

China	Xi Jiang - Bei Jiang
-------	----------------------

Latitude

22.2769

Longitude

113.5678

Located in area with water stress

No

Primary power generation source for your electricity generation at this facility

<Not Applicable>

Oil & gas sector business division

<Not Applicable>

Total water withdrawals at this facility (megaliters/year)

1.41

Comparison of total withdrawals with previous reporting year

Higher

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

0

Withdrawals from brackish surface water/seawater

0

Withdrawals from groundwater - renewable

0

Withdrawals from groundwater - non-renewable

0

Withdrawals from produced/entrained water

0

Withdrawals from third party sources

1.41

Total water discharges at this facility (megaliters/year)

1.41

Comparison of total discharges with previous reporting year

Higher

Discharges to fresh surface water

0

Discharges to brackish surface water/seawater

0

Discharges to groundwater

0

Discharges to third party destinations

1.41

Total water consumption at this facility (megaliters/year)

0

Comparison of total consumption with previous reporting year

About the same

Please explain

Withdrawal:

Water withdrawal figures from MP Zhuhai are based on 100% actual water data. Water withdrawal is higher than in the previous reporting year, due to an improvement in data capture, moving from estimated to actual data. Future water dependency is not expected to differ in direct or indirect use as our activities in this site are not expected to change.

Discharge:

All water withdrawn at MP Zhuhai is discharged through municipal sewerage systems to local sewerage treatment facilities.

Consumption:

All water withdrawn by Spectris is assumed to be discharged as other than a negligible amount of water being consumed by employees; no water is consumed in direct operations. This water aspect is not expected to become relevant in the future, because consumption is expected to remain limited to employee consumption. This does exclude any potential business changes through potential mergers and acquisitions; identified changes in water dependency through any mergers and acquisitions will be reported on as they arise.

Facility reference number

Facility 3

Facility name (optional)

MP Almelo

Country/Area & River basin

Netherlands	Rhine
-------------	-------

Latitude

52.35667

Longitude

6.6625

Located in area with water stress

No

Primary power generation source for your electricity generation at this facility

<Not Applicable>

Oil & gas sector business division

<Not Applicable>

Total water withdrawals at this facility (megaliters/year)

2.41

Comparison of total withdrawals with previous reporting year

Higher

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

0

Withdrawals from brackish surface water/seawater

0

Withdrawals from groundwater - renewable

0

Withdrawals from groundwater - non-renewable

0

Withdrawals from produced/entrained water

0

Withdrawals from third party sources

2.41

Total water discharges at this facility (megaliters/year)

2.41

Comparison of total discharges with previous reporting year

Higher

Discharges to fresh surface water

0

Discharges to brackish surface water/seawater

0

Discharges to groundwater

0

Discharges to third party destinations

2.41

Total water consumption at this facility (megaliters/year)

0

Comparison of total consumption with previous reporting year

About the same

Please explain

Withdrawal:

Water withdrawals figures from MP Almelo are based on 100% actual water data. Water withdrawal is higher than in the previous reporting year, because of the recovery after the pandemic resulting in more site activity. Future water dependency is not expected to differ in direct or indirect use as our activities in this site are not expected to change.

Discharge:

All water withdrawn at MP Almelo is discharged through municipal sewerage systems to local sewerage treatment facilities.

Consumption:

All water withdrawn by Spectris is assumed to be discharged as other than a negligible amount of water being consumed by employees; no water is consumed in direct operations. This water aspect is not expected to become relevant in the future, because consumption is expected to remain limited to employee consumption. This does exclude any potential business changes through potential mergers and acquisitions; identified changes in water dependency through any mergers and acquisitions will be reported on as they arise.

W5.1a

(W5.1a) For the facilities referenced in W5.1, what proportion of water accounting data has been third party verified?

Water withdrawals – total volumes

% verified

Not verified

Verification standard used

<Not Applicable>

Please explain

We monitor and manage our total volume of water withdrawal using an environmental reporting system. We receive data on actual water consumption via local data owners with access to water bills or water meters for 52 sites (representing ~78% of employees), while for the remaining sites an estimation based on total employees working at site is performed. Due to the small amount of water used in our operations, this figure has not been verified.

Water withdrawals – volume by source

% verified

Not relevant

Verification standard used

<Not Applicable>

Please explain

All water used in direct operations is sourced from municipal supply and is not expressly monitored. Our water use is also very low and not considered material to our operations. Therefore, verification of water withdrawals volume by source is not considered relevant to our disclosure.

Water withdrawals – quality by standard water quality parameters

% verified

Not relevant

Verification standard used

<Not Applicable>

Please explain

All water used in direct operations is sourced from municipal supply and is not expressly monitored. Our water use is also very low and not considered material to our operations. Therefore, verification of water withdrawal quality by standard water quality parameters is not considered relevant to our disclosure.

Water discharges – total volumes

% verified

Not verified

Verification standard used

<Not Applicable>

Please explain

The majority of all water withdrawn at Spectris sites is discharged through municipal supply systems to local sewerage treatment facilities. Our water use is very low and not considered material to our operations. We only discharge a small percentage (< 2%) of total Spectris water discharge is collected by authorised third party waste management services. Due to the small amount of water used in our operations, this figure is not verified.

Water discharges – volume by destination

% verified

Not verified

Verification standard used

<Not Applicable>

Please explain

The majority of all water withdrawn at Spectris sites is discharged through municipal sewerage systems to local sewerage treatment facilities. We only discharge a small percentage (< 2%) of total Spectris water discharge is collected by authorised third party waste management services. However, due to the small amount of water used in our operations, this figure has not yet been verified.

Water discharges – volume by final treatment level

% verified

Not verified

Verification standard used

<Not Applicable>

Please explain

While the majority of all water withdrawn at Spectris sites is discharged through municipal sewerage systems to local sewerage treatment facilities, this is not expressly monitored. Our water use is very low and as such water discharge volume by final treatment level is not verified. A small percentage (<2%) of total Spectris water discharge is collected by third party waste management services due to the potential presence of Teflon associated with some Spectris Dynamics activities. While this is not monitored by our environmental reporting system, it is managed at a local level through our legal compliance procedures.

Water discharges – quality by standard water quality parameters

% verified

Not verified

Verification standard used

<Not Applicable>

Please explain

While the majority of all water withdrawn at Spectris sites is discharged through municipal sewerage systems to local sewerage treatment facilities, this is not expressly monitored. Our water use is very low and as such water discharge quality by standard water quality parameters is not verified. A small percentage (<2%) of total Spectris water discharge is collected by authorised third party waste management services due to the potential presence of Teflon associated with some Spectris Dynamics activities. While this is not monitored by our environmental reporting system, it is managed at a local level through our legal compliance procedures.

Water consumption – total volume

% verified

Not relevant

Verification standard used

<Not Applicable>

Please explain

All water withdrawn by Spectris is assumed to be discharged as other than a negligible amount of water being consumed by employees. Therefore, this figure has not yet been verified in this reporting year.

W6. Governance

W6.1

(W6.1) Does your organization have a water policy?

Yes, we have a documented water policy that is publicly available

W6.1a

(W6.1a) Select the options that best describe the scope and content of your water policy.

	Scope	Content	Please explain
Row 1	Company-wide	Description of the scope (including value chain stages) covered by the policy Commitment to prevent, minimize, and control pollution Commitment to reduce water withdrawal and/or consumption volumes in supply chain	Our Environment Policy set outs our commitment to continually improving our environmental performance, including water use, and to the transparent disclosure of our water use. It applies to the whole organisation, including subsidiaries. Furthermore, beyond our direct operations, we expect our suppliers to endeavour to reduce their own environmental impact, including pollutants to water, and water usage, and to reuse and recycle resources consumed by their business, including water.

W6.2

(W6.2) Is there board level oversight of water-related issues within your organization?

Yes

W6.2a

(W6.2a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for water-related issues.

Position of individual or committee	Responsibilities for water-related issues
Chief Executive Officer (CEO)	<p>The Chief Executive Officer is responsible for the development and the successful implementation of the Group's objectives, including the Group's Strategy for Sustainable Growth launched by the Board in October 2022. With regard to the Group's responsibilities to its shareholders, customers, employees, and other stakeholders this is inclusive of the Group's sustainability strategy which includes that of water-related issues, and in particular water consumption and pollution as aligned to our Environment Policy.</p> <p>With the necessary seniority and oversight to identify issues and drive action, the CEO has ultimate responsibility for water-related issues and is the Executive Board Director responsible for implementation and delivery of the Group's sustainability strategy. This includes water-related risks as they arise, whether in our direct operations or supply chain. The CEO is supported by a non-executive director with dedicated oversight of sustainability and climate change.</p> <p>Within the Group's Executive Committee, the CEO is further supported by the Head of Sustainability, who is responsible for the Group's sustainability strategy including water-related issues as part of the Group's Strategy for Sustainable Growth which was announced at the Spectris Capital Markets Day in October 2022.</p> <p>Related to furthering Spectris' understanding of water-related risks and the potential impact they may have to the Group's operations, the CEO recommended the Head of Sustainability to engage with PwC to develop a dashboard of physical risks from climate change based on Spectris most material sites, which includes water-related risks such as water stress and flooding. This workstream has identified the most material physical climate risks to Spectris operations and estimated the financial impact they could have to support risk management.</p>
Chief Financial Officer (CFO)	<p>The CFO oversees the Group's Business Risk Committees. These risk committees meet at least three times a year to assess emerging and material risks in support of the appropriate identification of Group-Level risks for review by the Spectris plc Audit and Risk Committee. With climate change being a Group Principal Risk, which could include risks relating to water such as flooding and water stress and flooding, a core part of the Business Risk Committee is to lead the review of the Divisions' analyses of such physical risks which have been modelled against at SSP 1-2.6, SSP 2-4.5, SSP 5-8.5 scenarios. The Business Risk Committees will also be responsible for the ongoing monitoring and mitigation of the risks identified which will be supported by a new Physical Risk Dashboard built with PwC which enables us to assess the materiality of physical climate risks including those which are water-related in financial terms at site-level under the three chosen scenarios.</p>

W6.2b

(W6.2b) Provide further details on the board's oversight of water-related issues.

	Frequency that water-related issues are a scheduled agenda item	Governance mechanisms into which water-related issues are integrated	Please explain
Row 1	Scheduled - all meetings	<p>Monitoring progress towards corporate targets</p> <p>Overseeing acquisitions, mergers, and divestitures</p> <p>Overseeing major capital expenditures</p> <p>Reviewing and guiding annual budgets</p> <p>Reviewing and guiding risk management policies</p> <p>Reviewing and guiding strategy</p>	<p>Climate change is a Group Principal Risk and is therefore subject to regular review and discussion at both the Executive Risk Committee and Board Audit and Risk Committee. Water-related issues are considered within the scope of climate change as a Group Principal risk so are subject to regular review by the Executive Risk Committee and Board Audit and Risk Committee within this context.</p> <p>In July and October 2022, the Board considered climate change, which incorporates water-related matters as part of their review of the Group's sustainability strategy and the Group's refreshed Strategy for Sustainable Growth announced at the Capital Markets Day in October 2022.</p> <p>During 2022, the Board and the Committees of the Board received updates at scheduled meetings on the progress of the Group's adaptation to climate change, which included water related issues as they arise, through the lenses of strategy, acquisitions, budget and risk.</p>

W6.2d

(W6.2d) Does your organization have at least one board member with competence on water-related issues?

	Board member(s) have competence on water-related issues	Criteria used to assess competence of board member(s) on water-related issues	Primary reason for no board-level competence on water-related issues	Explain why your organization does not have at least one board member with competence on water-related issues and any plans to address board-level competence in the future
Row 1	Yes	In September 2022, the Spectris Board asked Alison Henwood, a non-executive director, to assume non-executive oversight of Spectris' sustainability programme. Alison's competence for such a position was based on broad technical experience gained over a long and successful career, most recently with Shell where she held multiple VP roles coordinating financial transformation, culture change, digitisation, and Shell's move towards Zero Carbon. Alison was also the chair of the Audit Committee at Umicore, a global materials technology and recycling group based in Belgium. She is also a non-executive director at the UK Hydrographic Office, a world leading organisation specialising in supporting safe and thriving oceans.	<Not Applicable>	<Not Applicable>

W6.3

(W6.3) Provide the highest management-level position(s) or committee(s) with responsibility for water-related issues (do not include the names of individuals).

Name of the position(s) and/or committee(s)

Chief Executive Officer (CEO)

Water-related responsibilities of this position

Assessing water-related risks and opportunities
 Managing water-related risks and opportunities
 Managing major capital and/or operational expenditures related to low water impact products or services (including R&D)
 Other, please specify (Annual review of the Group's sustainability strategy.)

Frequency of reporting to the board on water-related issues

Annually

Please explain

The Chief Executive Officer is responsible for the development and the successful implementation of the Group's objectives and strategy (the Group's Strategy for Sustainable Growth).

The CEO has ultimate responsibility for water-related issues and is the Executive Board Director responsible for implementation and delivery of the Group's sustainability strategy as aligned to our Environment Policy. This includes water-related risks as they arise, whether in our direct operations or supply chain.

The CEO is supported by the Head of Sustainability on the Group's Executive Committee, and a non-executive director with dedicated oversight of sustainability and climate change.

To further Spectris' understanding of water-related risks and their potential impact, the CEO recommended the Head of Sustainability to engage with PwC to develop a dashboard of physical risks from climate change for Spectris' most material sites, which includes water-related risks such as water stress and flooding.

W6.4

(W6.4) Do you provide incentives to C-suite employees or board members for the management of water-related issues?

	Provide incentives for management of water-related issues	Comment
Row 1	No, and we do not plan to introduce them in the next two years	As outlined in the Group's 2023 Remuneration Policy, incentives in the reporting year related to sustainability are limited to Scope 1 & 2 reductions, linked to the Group's Long Term Incentive Plan. This is due to the greater materiality of GHG emissions for our business. Water use across most of our sites is relatively small and not considered material for the vast majority of our operations. Therefore, the scope for our C-suite employees or Board members to mitigate our impact is low. As such, we do not plan to introduce incentives for management of water-related issues. We are committed to continually improving our environmental performance and to the transparent disclosure of our water use, as outlined in our Environment Policy. We will continue to monitor the water consumption of our sites and monitor potential water-related risks in our operations to ensure the sustainability of our business and the environments in which we operate.

W6.5

(W6.5) Do you engage in activities that could either directly or indirectly influence public policy on water through any of the following?

No

W6.6

(W6.6) Did your organization include information about its response to water-related risks in its most recent mainstream financial report?

No, but we plan to do so in the next two years

W7. Business strategy

W7.1

(W7.1) Are water-related issues integrated into any aspects of your long-term strategic business plan, and if so how?

	Are water-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	No, water-related issues were reviewed but not considered as strategically relevant/significant	11-15	In October 2022, the Board announced our Strategy for Sustainable Growth aligned to our purpose of making the world cleaner, healthier and more productive. Whilst water-related issues are considered as per our Environment Policy, water is not considered to be material to our products and operations due to the minimal dependency on water for the manufacture and use of our products, beyond provision of sanitation for our employees. As such our long-term business objectives instead focus on climate change with Group targets to be Net Zero by 2030 in Scopes 1 & 2, and Net Zero by 2040 in Scope 3. Progress in our Strategy is therefore not measured against water-related goals and targets. Despite this, water use and preventing water pollution remain important components of our Environment Policy and we are progressing with engaging with our suppliers on their resource use through EcoVadis. We will therefore continue to review the relevance of water in our direct operations and supply chain and consider alignment with our long-term business objectives.
Strategy for achieving long-term objectives	No, water-related issues were reviewed but not considered as strategically relevant/significant	11-15	In October 2022, the Board announced our Strategy for Sustainable Growth aligned to our purpose of making the world cleaner, healthier and more productive. Whilst water-related issues are considered as per our Environment Policy, with some of our products enabling our customers to improve their water usage, water is not considered to be material to our operations and products due to the minimal dependency on water for the manufacture and use of our products. Our long-term business objectives are focused on reducing our GHG emissions, with Group targets to be Net Zero by 2030 in Scopes 1 & 2, and Net Zero by 2040 in Scope 3. Whilst water consumption has an impact on our GHG emissions, our water consumption is not material, representing < 0.01% of total GHG emissions globally. As such, water-related issues are not considered strategically relevant to our strategy for achieving our long-term business objectives. Despite this, water use and preventing water pollution remain important components of our Environment Policy and we are progressing with engaging with our suppliers on their resource use through EcoVadis. We will therefore continue to review the relevance of water in our direct operations and supply chain and consider alignment with our long-term business objectives.
Financial planning	No, water-related issues were reviewed but not considered as strategically relevant/significant	11-15	In October 2022, the Board announced our Strategy for Sustainable Growth aligned to our purpose of making the world cleaner, healthier and more productive. Whilst water-related issues are considered as per our Environment Policy, water is not considered to be material to our operations and products due to the minimal dependency on water for the manufacture and use of our products. Given our long-term business objectives are focused on our targets to be Net Zero by 2030 in Scopes 1 & 2, and Net Zero by 2040 in Scope 3, with water playing a minor part in our strategy to achieve those objectives, water-related issues are not considered strategically relevant to our financial planning. Despite this, water use and preventing water pollution remain important components of our Environment Policy and we are progressing with engaging with our suppliers on their resource use through EcoVadis. We will therefore continue to review the relevance of water in our direct operations and supply chain and consider alignment with our long-term business objectives.

W7.2

(W7.2) What is the trend in your organization's water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?

Row 1

Water-related CAPEX (+/- % change)

0

Anticipated forward trend for CAPEX (+/- % change)

0

Water-related OPEX (+/- % change)

0

Anticipated forward trend for OPEX (+/- % change)

2

Please explain

No significant changes to water-related CAPEX or OPEX are expected in short term. Water consumption across most of our sites is relatively small and is typically limited to WASH facilities with some exceptional uses of water in cooling towers in our Dynamics division. Currently, future water dependency is not expected to differ for either direct or indirect use as our activities are not expected to change. This excludes any unpredictable business changes through potential mergers and acquisition. We do anticipate that OPEX may be affected by local price fluctuations and inflation across our subsidiaries over time, however the impact will be minimal.

Additionally, we are in the process of rolling out the Physical Risk Dashboard built with PwC to the sites included in the scope of the climate scenario analysis, so it is anticipated forward trend for both CAPEX and OPEX is subject to change depending on the learnings from this process.

W7.3

(W7.3) Does your organization use scenario analysis to inform its business strategy?

	Use of scenario analysis	Comment
Row 1	Yes	In line with TCFD requirements we report at Group level on our resilience to climate change, considering potential short- medium- and long-term physical risks from climate change using three climate change scenarios: SSP1 – RCP2.6 (<2°C), SSP2 – RCP 4.5 (2-3°C), SSP5 – RCP8.5 (>4°C). In aid of this, Spectris engaged PwC to build a Physical Risk Dashboard which enables us to assess physical risks from climate change at a site level for our 13 most material sites representing ~77% of sales revenue. Analysis on 8 physical risk hazards has been included, which includes extreme rainfall, drought, storms, and flooding.

W7.3a

(W7.3a) Provide details of the scenario analysis, what water-related outcomes were identified, and how they have influenced your organization's business strategy.

	Type of scenario analysis used	Parameters, assumptions, analytical choices	Description of possible water-related outcomes	Influence on business strategy
Row 1	Climate-related	<p>The climate scenario analysis completed by PwC on behalf of Spectris examined 8 physical climate hazards. Those relevant to water include extreme rainfall, drought, storms, and flooding. These risks were assessed utilising the Jupiter Intelligence data based on IPCC's 6th Coupled Model Intercomparison Project ("CMIP-6") across 3 different climate scenarios:</p> <ul style="list-style-type: none"> SSP1 – RCP2.6 (<2°C) SSP2 – RCP 4.5 (2-3°C) SSP5 – RCP8.5 (>4°C) <p>The scope of this assessment was our direct operations only, focusing on the most material sites within Spectris' portfolio which overall covered ~77% of global sales revenue. By their very nature, these sites include Spectris' largest manufacturing sites. Water usage at these sites represent Spectris' highest usage due to their size and number of employees. The sites include coverage of all 5 businesses (HBK, Malvern Panalytical, PMS, Servomex and Red Lion), and 3 regions: North America, Europe and Asia Pacific</p>	<p>The findings from the climate scenario analysis include two types: potential financial loss impact, and risk hazard scores. The potential financial loss impact illustrates financial loss of each site over a selected return period. Risk hazard scores enable us to consider the materiality of a range of metrics against each hazard to support our analysis.</p> <p>Three water-related outcomes were identified from the analysis:</p> <ul style="list-style-type: none"> - Spectris' most material area of increased potential loss is due to disruption events, primarily driven by flooding in 2 sites in China and 1 site in The Netherlands and have been identified as possible substantive risks - 4 sites are at risk from an increase in extreme precipitation, a driver of possible flash flooding risk; this includes 2 in China, 1 in Europe and 1 in the USA, however the potential financial impact of precipitation driven flash flooding have not yet been assessed - Water stress already exists at some sites in China, USA and Northern Europe, however beyond provision of WASH facilities globally and some use in cooling towers in our Spectris Dynamics division, water availability is not considered to be material to our business, and is not impacting operations; this is therefore not considered to be a substantive risk 	<p>Our scenario analysis was focused on our direct operations, and whilst some substantive water-related risks have been identified in our direct operations related to flooding, at an operational level they have not yet had a material impact on our business strategy. At this level, water-related risks are captured within the Group's risk management framework whereby our business units are required to undertake formal risk management reviews at least three times a year in their dedicated Risk Committees. In the next two years, we will review our climate scenario analysis to capture water-related risks within our supply chain.</p> <p>At a strategic level, the Board announced the Strategy for Sustainable Growth in October 2022. This sustainability strategy is wide reaching and covers all of the Group's climate-related issues including those relating to water.</p>

W7.4

(W7.4) Does your company use an internal price on water?

Row 1

Does your company use an internal price on water?

No, and we do not anticipate doing so within the next two years

Please explain

Water availability is considered to be of neutral dependency to our direct operations. Our consumption is considered negligible and is generally limited to use of clean water for WASH facilities and in cooling towers at some exceptional sites in our Spectris Dynamics division. Future water dependency is not expected to differ in direct or indirect operations as our operational activities are not predicted to change, excluding the potential unpredictable implications of future mergers and acquisitions. Therefore, we do not expect to set an internal price on water. Despite this, we remain conscious of the impact of our water consumption in both our direct operations and supply chain so within our Environment Policy we commit to both continually improve our environmental performance and transparency of disclosure around water use and also expect our suppliers to endeavour to reduce their own environmental impact, including reducing pollutants to water and air, and water usage.

W7.5

(W7.5) Do you classify any of your current products and/or services as low water impact?

	Products and/or services classified as low water impact	Definition used to classify low water impact	Primary reason for not classifying any of your current products and/or services as low water impact	Please explain
Row 1	No, and we do not plan to address this within the next two years	<Not Applicable>	Judged to be unimportant, explanation provided	Whilst some of our products can support our customers to improve water efficiency and monitor pollutants, Spectris' products in general do not have a significant impact on water use or pollution and thus the classification of products or services as low water impact is not considered to be relevant. Water is not intensively used in their production and water is not a significant part of their use. Therefore, we do not currently deem it appropriate or beneficial to classify any of our products as low water impact.

W8. Targets

W8.1

(W8.1) Do you have any water-related targets?

No, and we do not plan to within the next two years

W8.1c

(W8.1c) Why do you not have water-related target(s) and what are your plans to develop these in the future?

	Primary reason	Please explain
Row 1	Important but not an immediate business priority	Our long-term business objectives are focused on reducing our GHG emissions, with Group targets to be Net Zero by 2030 in Scopes 1 & 2, and Net Zero by 2040 in Scope 3. Water consumption is immaterial to our operations and products (with water consumption representing < 0.01% of total GHG emissions globally). Furthermore, no site (or combination of sites in the same river basin) that represent more than 15% of total revenue has more than a 50% chance of being closed due to water scarcity with no sites considered material to Spectris's operations being identified to be in areas of increasing water stress. As such, water-related targets are not considered to be relevant at present time and are as such not an immediate business priority. Despite this, water use and preventing water pollution remain important components of our Environment Policy and we are progressing with engaging with our suppliers on their resource use through EcoVadis. We will continue to review the need for water-related targets.

W9. Verification

W9.1

(W9.1) Do you verify any other water information reported in your CDP disclosure (not already covered by W5.1a)?

No, we do not currently verify any other water information reported in our CDP disclosure

W10. Plastics

W10.1

(W10.1) Have you mapped where in your value chain plastics are used and/or produced?

	Plastics mapping	Value chain stage	Please explain
Row 1	Yes	Direct operations	Spectris has started mapping plastic use in the value chain to increase the awareness of how plastics are produced, used and disposed of. Plastics are used in the production of products and as packaging materials. Two programmes "Value Analysis" & "Value Engineering" delivered a 40%+ lower per unit cost for HBK's torque sensor product line; with a significant reduction in use of disposed plastics. Packaging redesign at PMS and Red Lion businesses supports our environmental sustainability goals, while reducing cost and use of packaging material.

W10.2

(W10.2) Across your value chain, have you assessed the potential environmental and human health impacts of your use and/or production of plastics?

	Impact assessment	Value chain stage	Please explain
Row 1	Not assessed – but we plan to within the next two years	<Not Applicable>	In the reporting year of this disclosure, Spectris has not yet identified any potential impacts, positive or negative, that result from production, commercialisation, and/or use of plastics. Potential impact identification is an item on the roadmap for future disclosures.

W10.3

(W10.3) Across your value chain, are you exposed to plastics-related risks with the potential to have a substantive financial or strategic impact on your business? If so, provide details.

	Risk exposure	Value chain stage	Type of risk	Please explain
Row 1	Not assessed – but we plan to within the next two years	<Not Applicable>	<Not Applicable>	In the reporting year of this disclosure, Spectris has not yet identified any exposure to plastic-related risks with a substantive financial or strategic impact on your business. Risk identification is an item on the roadmap for future disclosures.

W10.4

(W10.4) Do you have plastics-related targets, and if so what type?

	Targets in place	Target type	Target metric	Please explain
Row 1	No – but we plan to within the next two years	<Not Applicable>	<Not Applicable>	In the reporting year of this disclosure, Spectris has not yet set targets related to plastics specifically. There have been initiatives to reduce the use of plastic in products and packaging, but those have not yet been linked to specific targets.

W10.5

(W10.5) Indicate whether your organization engages in the following activities.

	Activity applies	Comment
Production of plastic polymers	No	
Production of durable plastic components	No	
Production / commercialization of durable plastic goods (including mixed materials)	Yes	Durable plastic is used in the production of our products.
Production / commercialization of plastic packaging	No	
Production of goods packaged in plastics	Yes	Some of our products are packaged in plastic packaging
Provision / commercialization of services or goods that use plastic packaging (e.g., retail and food services)	Yes	Some of our products are packaged in plastic packaging

W10.7

(W10.7) Provide the total weight of plastic durable goods/components sold and indicate the raw material content.

Row 1

Total weight of plastic durable goods/components sold during the reporting year (Metric tonnes)

1

Raw material content percentages available to report

None

% virgin fossil-based content

<Not Applicable>

% virgin renewable content

<Not Applicable>

% post-industrial recycled content

<Not Applicable>

% post-consumer recycled content

<Not Applicable>

Please explain

Spectris is currently not able to disclose a total weight of plastic durable goods or components sold. This is expected to change in the following years.

W10.8

(W10.8) Provide the total weight of plastic packaging sold and/or used, and indicate the raw material content.

	Total weight of plastic packaging sold / used during the reporting year (Metric tonnes)	Raw material content percentages available to report	% virgin fossil-based content	% virgin renewable content	% post-industrial recycled content	% post-consumer recycled content	Please explain
Plastic packaging sold	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Plastic packaging used		None	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	Spectris is currently not able to disclose a total weight of plastic durable goods or components sold. This is expected to change in the following years.

W10.8a

(W10.8a) Indicate the circularity potential of the plastic packaging you sold and/or used.

	Percentages available to report for circularity potential	% of plastic packaging that is reusable	% of plastic packaging that is technically recyclable	% of plastic packaging that is recyclable in practice at scale	Please explain
Plastic packaging sold	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Plastic packaging used	None	<Not Applicable>	<Not Applicable>	<Not Applicable>	Spectris is currently not able to disclose recyclability of plastic packaging used. This is expected to change in the following years.

W11. Sign off

W-FI

(W-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

W11.1

(W11.1) Provide details for the person that has signed off (approved) your CDP water response.

	Job title	Corresponding job category
Row 1	Head of Corporate Affairs	Other C-Suite Officer

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options	Yes	Public

Please indicate your consent for CDP to share contact details with the Pacific Institute to support content for its Water Action Hub website.

No

Please confirm below

I have read and accept the applicable Terms