

Spectris Group – Environmental Reporting Criteria February 2022

Reporting period and frequency

Spectris Environmental indicators, including GHG emissions, are reported on a calendar year basis from 1 January 2021 to 30 December 2021, as part of the annual report. Spectris discloses externally on an annual basis.

Baseline for reporting is 2020. Emissions have been recalculated due to:

- structural changes occurring in the company that change the inventory boundary. 2020 and 2019 have been restated to account for divestment of ESG, Millbrook and elements of NDCT in November 2020 as well as the acquisition of multiple entities under HBK in July
- the methodology for emission calculation changing to include 2021 market-based reporting for scope 2
- increasing scope of emission calculation. In 2021 all scope 3 categories per GHG protocol definition have been calculated where relevant to Spectris group (thus excluding categories 8,10,13,14,15, which are not relevant to Spectris). Spectris consolidates its GHG emission from an operational control approach, so include all locations owned or operated by Spectris Group. No site has been excluded from the emissions calculation.

Spectris reports the quantity of GHG emissions in tonnes of carbon dioxide equivalent (CO₂e) encompassing the six greenhouse gases covered by the Kyoto Protocol — carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), and sulphur hexafluoride (SF₆) for the annual Directors report, (per streamlined energy and carbon reporting; SECR, guidance). Combined emissions impacts have been reported for simplicity.

Source

The Group's environmental system is provided by Envizi, and supporting calculations are provided by EcoAct.

Scope of assurance: GHG Emissions

Spectris measure environmental performance using in accordance with GHG protocol guidelines covering:

Scope 1; Stationary combustion at all of Spectris' sites; covering natural gas and liquid fossil fuels. Company owned vehicles, fugitive gases (HFCs used in cooling and as part of manufacturing processes).

Scope 2; Emissions from the generation of purchased electricity, heating and steam.

Scope 3; Category 6 (Business travel from flights, colleague owned cars used for business travel purposes), Category 4 (Upstream logistics) and Category 3 (Fuel and energy activities; Well to tank and transmission and distribution emissions).

Remaining categories (Category 1 – Purchased goods and services, Category 2 – Capital goods, Category 5 – Waste, Category 7 – Employee commuting, Category 9 – Downstream transportation/distribution, Category 11 – Use of sold products, Category 12 – End-of-life treatment) have been disclosed for completion, but are not subject to assurance at this time.

Emissions are presented in terms of tonnes of carbon dioxide equivalent (CO₂e) and tonnes of carbon dioxide equivalent per million GBP revenue (tCO₂e / £m).

Scope of assurance: Total Energy

Reported energy consists of total energy use from electricity, liquid fossil fuels, district heating & cooling, steam, natural gas and vehicle energy use.

Note; vehicle energy is determined from vehicle emissions by dividing total emissions by the appropriate fossil fuel emissions factor per unit energy.

Energy figures are expressed in terms of megawatt hours (MWh) and megawatt hours per million GBP revenue (MWh / £m).

Data Coverage and Source

From sites where actual consumption was available, data has been sourced from each of our franchise's internal systems as appropriate, on a site-by-site basis, including supplier invoices and consumption statements for utilities and other imported energy, fuel card data, distance expense claims, refrigerant replenishment records, where possible. For those sites where data was not available, estimates are used. The hierarchy of estimates are detailed in the hierarchy below.

Flights data is sourced from Spectris' internal expense system, AMEX.

Logistics data is based on tonne.kms data made known to us by our suppliers.

Site data for Full Time Equivalent (FTEs) and Floor area (m²) are source from internal property databases for the purposes of site-to-site comparisons and estimations (detailed below).

In 2021, Spectris have moved to data capture through the Envizi platform to allow for a single source of all contributing data items and the subsequent emissions associated. Spectris hope to continue to evolve this platform going forward to facilitate and enhance the environmental annual reporting process. Spectris also present performance normalised versus £m revenue achieved in the reporting year. This is to provide fair comparisons and an indication of our emissions performance versus company performance. Revenue is sourced from relevant financial teams in line with figures reported elsewhere in our annual report and accounts.

Changes in Boundary

Spectris are disclosing all scope 3 categories relevant to our business; of which categories 3, 4 and 6 have been subject to external assurance. For category 4 (Upstream Logistics); as 2021 was the first year of data collection for this category, Spectris has reported its 2020 emissions as equal to its 2021 performance by way of a proxy. This is in accordance with GHG protocol guidelines on recalculation.

<https://ghgprotocol.org/sites/default/files/standards/ghg-protocol-revised.pdf>

Data Hierarchy

For certain sites, it is not possible to acquire actual data for all periods concerned. Where this occurs, we seek to gap-fill with appropriate estimates. Subsequently, throughout our environmental reporting, we adhere to the following hierarchy of data:

1. **Actual Data** - Wherever actual data is available, we will include it in calculations.
2. **Accruals** – In many instances, limited actual data can be sourced prior to year-end reporting due to our necessary reporting timelines. Envizi automatically estimates missing timeframes by determining typical consumption per day and multiplying by the number of days where actual data could not be obtained.
3. **Extrapolate** - Where Spectris know data to be relevant, yet unattainable (e.g. sites where Spectris and our subsidiaries are charged a tenancy fee only; which includes energy) we extrapolate. To do this, we calculate an intensity of consumption per m²

or FTE at sites with a similar business function in a similar location. The benchmark used (m² or FTE) is dependent on the figure to be extrapolated. Floor area is used to estimate onsite electricity and thermal energy, whereas we prioritise the use of FTEs to water consumption. If the preferred data is unavailable, we will use the alternative of the two benchmarks.

4. **Accrue Extrapolations** – Extrapolations rely on enough data being known in each time period in order to determine an appropriately weighted average consumption per benchmark. In periods where there is not yet enough data coverage to determine an intensity, we will accrue based on extrapolations conducted in previous periods via the same methodology defined for point 2 of this hierarchy.

Improvements to data

Year to year, we will revisit numbers previously shared in the public domain for accuracy, replacing estimated data with actual data wherever possible. As such, numbers for previous years will also update in accordance with these data improvements.

Emissions Conversions

Envizi converts all data, actual, accrued and estimated, into associated emissions through emissions conversion factors made available through the International Energy Agency (IEA), US Environmental Protection Agency (EPA), UK Department for Business, Energy & Industrial Strategy (BEIS), and localised sources, where applicable, such as for imported steam. All emissions factors account for the Global Warming Potential of all greenhouse gas emissions as defined by the Kyoto Protocol in terms of Carbon Dioxide Equivalent (CO₂e).