

Supply Chain Management

Spectris has many loyal and committed suppliers who are integral to our business. Our business is changing rapidly as we seek greater competitive advantage through efficiency gains and innovation, in our products and how we work, whilst addressing new regulatory requirements and expectations from commercial and social stakeholders and shareholders. Focusing on supply chain management is essential if we are to achieve this.

Spectris' objective is to build long-term shareholder value sustainably by supplying productivity-enhancing solutions and services for our customers. To achieve this we need a global high-performance supply chain.

Supply chain management is not just about procurement, it has to be about how we can increase value in the supply chain whilst helping our suppliers to meet environmental and social standards.

We recognise that our supply chain has multiple tiers, some of which are not within our immediate control and that doing business across borders and in some countries with weak regulatory environments produces significant challenges. Our Supplier policy is designed to address these challenges.

Supplier policy

We believe that suppliers, and other business partners, should have the opportunity to benefit from their relationship with us. What this means in practice is working together to minimise and manage business risk and improve business practices, through education, training and the sharing of good practice.

All goods supplied must comply with the product specifications established by Spectris and meet our high quality standards as well as comply with national and international standards and regulations. Spectris is committed to the highest ethical standards and expects the same from its suppliers. We also take environmental performance into account when selecting and reviewing suppliers and where possible will work with them to help reduce any environmental impacts associated with their products and operations.

We expect our suppliers to:

- Provide goods and services of excellent quality and high reliability and ensure on-time delivery;
- Uphold and demonstrate high standards of integrity, governance and business practice;
- Not employ workers under the school-leaving age of the country of employment (other than in genuine apprenticeships);
- Not use forced or illegal immigrant labour (including human trafficking and slavery);
- Provide working conditions which meet Spectris' standards on health, safety, hygiene and environmental practices;

- Pay wages and benefits which meet or exceed national minimum requirements and adhere to working time regulations where applicable;
- Comply with Spectris' standards and procedures in relation to anti-bribery and corruption;
- Not deny access to, or apply unfairly, a transparent grievance procedure;
- Not use any form of unlawful discrimination, harassment, abuse or bullying;
- Achieve high standards of environmental management, including energy efficiency initiatives and minimising pollution;
- Not knowingly procure specified metals that originate from facilities in the Conflict Region that are not certified as "conflict free".
- Be equally demanding of their suppliers and be able to demonstrate compliance to all of the aforementioned requirements
- Provide equal business opportunities for diverse suppliers.

Whilst each supply partner has the responsibility to manage its business practices in accordance with its own standards, values and local legislative framework, we will work with them to embrace these principles with the aim of creating a more sustainable business.

We use procurement questionnaires which include questions on the above policy areas when evaluating suppliers. We carry out regular inspections at our supplier sites and use the SA 8000:2008 Social Accountability Standard to assess our key suppliers. We will not tolerate any supply partner who has made no effort to address our policies and principles on employment or who has not taken steps to address the issues outlined above.