

## RESULTS

## Contribution to the UN Sustainable Development Goals (SDGs)

Business has a vital role to play in delivering the SDGs. Our business activities, the way we operate, and our ESG framework and priorities enable us to contribute in a meaningful and practical way to eight of these critical global goals.

### GOAL 3 Good health and well-being



#### OUR CONTRIBUTION

- The health, safety and well-being of our colleagues is our number one focus. We have a strong and robust safety culture
- Our global THRIVE programme has increased the well-being resources available to colleagues and created an environment where people are more confident to talk about matters such as mental health
- Our global Employee Assistance Programme (EAP) offers practical support to colleagues 24 hours a day
- We contribute to the well-being of our local communities through our community activities
- Flex-Tek provides medical hoses and custom heating equipment used in a range of high-tech medical and therapeutic devices
- Flex-Tek's antimicrobial flexible ducting eliminates unhealthy mould growth in heating, ventilation and air conditioning (HVAC) systems

### GOAL 5 Gender equality



#### OUR CONTRIBUTION

- We are committed to equal opportunities for all, and we greatly value the benefits of diverse thinking
- We have 28% women in our organisation; our Board is 45% female; and our Executive Committee is 31% female
- We are focused on proactively increasing the number of women in leadership roles at Smiths. Our programme to achieve this includes practical support, mentoring, and gender diverse slates whenever possible
- We are targeting 27% of senior leadership roles taken by women by the end of FY2023 and 30% by the end of FY2024

### GOAL 7 Affordable and clean energy



#### OUR CONTRIBUTION

- 63% of the electricity used in Smiths operations comes from renewable non-GHG sources. Smiths Detection uses 98% renewable electricity
- We are focused on moving to non-GHG sources for all our electricity needs and investing in our own generation infrastructure where we need to. We are targeting 100% renewable electricity in operations by 2040
- We are in the process of converting our European car fleet to electric vehicles
- John Crane provides enabling technologies that will support the growth of lower carbon and cleaner alternative energy sources, including biofuels, low carbon hydrogen, net zero liquefied natural gas and vital supporting processes such as carbon capture, utilisation and storage
- Flex-Tek's electric heating element technology can be applied across consumer and industrial markets to replace fossil fuel heating, including in exciting new carbon-cutting industrial processes such as steel production using heated hydrogen
- Flex-Tek technology enables the storage of intermittent energy as heat before it is converted back to electricity in renewable wind and solar power
- Interconnect modular connectors provide reliable electrical connections for wind power

### GOAL 8 Decent work and economic growth



#### OUR CONTRIBUTION

- We have more than 14,700 colleagues around the world. We are a responsible employer and reward colleagues in a fair, open and meaningful way
- We are guided by our Values. We strive to embrace diversity and promote actions and behaviours that will deliver an inclusive and supportive work environment where every member of the Smiths team can be the best version of themselves
- Our colleagues have access to the training and resources needed to do their jobs well and to personal and skills development resources so that they can progress within Smiths
- We have zero tolerance for discrimination, harassment or retaliation in the workplace
- We have multiple policies and procedures that support our complete commitment to human rights and the elimination of modern slavery, both in our business and in our supply chains
- Our colleagues and partners are encouraged to use our confidential Speak Out reporting process to report behaviour and activities that breach our Values, our policies, or the law

## RESULTS

## GOAL 9 Industry, innovation and infrastructure



### OUR CONTRIBUTION

- We are a global employer of talented, innovative engineers who have been pioneering change in our industry sectors for more than 170 years
- We are leveraging the technical skill sets of our teams to drive specialist innovation and best practice processes across Smiths to solve challenges and support customer needs
- We are passionate about encouraging young people to consider and build careers in STEM areas so that they can contribute in the future
- John Crane's sensory technology and open digital platform enables customers to monitor their infrastructure assets in real-time to optimise performance, safety and maintenance costs
- Smiths Detection products support safety, security, and freedom of movement of products and people in aviation, at ports and borders, and in urban settings

## GOAL 11 Sustainable cities and communities



### OUR CONTRIBUTION

- We play a beneficial role in building sustainable local economies through job creation and skills development; procurement and tax revenues; and by engaging directly through fundraising, charitable giving and education initiatives
- By supporting customers to extend the lifespan of their systems and delivering more energy efficient equipment, Smiths Detection is enabling customers to provide more sustainable security infrastructure to support cities and communities
- Flex-Tek is providing new solutions for building insulation, environmental quality and HVAC systems that support efficient building design and energy saving. Flex-Tek heat kits extend the range and usability of heat pump technology, supporting its roll-out in place of higher carbon systems
- Smiths Interconnect's connectivity products will be able to support the accelerating electrification of infrastructure and transport, including fast electric vehicle charging
- Smiths Interconnect's high speed optical transceivers are enabling the next generation of satellites supporting global communication services and the monitoring of climate and health of natural systems

## GOAL 12 Responsible consumption and production



### OUR CONTRIBUTION

- We have had environmental improvement targets covering resource use and waste since FY2007 and currently have four non-GHG resource use targets covering water, waste and packaging
- We are accelerating projects that will reduce the overall energy use of our operations, overseen by our new Energy Team
- An energy efficiency in our operations target has been added to our annual incentive plan for FY2023 which affects the remuneration of approximately 5,000 of our colleagues
- We are pursuing sustainable design and product stewardship projects across the Group to reduce product energy and other resource use. Product stewardship metrics are built into our new product development processes
- Smiths Detection utilises a significant and growing proportion of recovered and refurbished parts to service existing system installations and extend their lifespans

## GOAL 13 Climate action



### OUR CONTRIBUTION

- We are targeting Net Zero Scope 1 & 2 operational emissions by 2040 and Net Zero Scope 3 supply chain and product emissions by 2050
- We are signatories to the Science-Based Targets initiative (SBTi) and the UN 1.5°C Business Ambition under the UN Race for Zero covering all three scopes of GHG emissions. We have recently completed our baseline inventory for Scope 3 emissions
- We are focused on moving to renewable sources for all our electricity needs, investing in our own infrastructure where we need to
- An accelerated GHG reduction target has been added to our long-term incentive plan for FY2023
- We have been undertaking annual climate risk and opportunities assessments to ensure we are mitigating against climate risk in our operations and that we are building opportunities to support climate action into our strategic planning processes
- John Crane provides enabling technologies across many key pillars to Net Zero in the energy sector including reliable operating performance and energy efficiency; emissions control and reduction; methane abatement; and lower carbon and cleaner alternative energy sources
- Flex-Tek high-performance tubing conveys fuel in challenging environments and can be developed to provide solutions that will support the transportation and storage of low-carbon hydrogen for use in energy systems and heavy transportation including commercial aviation