



Sustainability

SUMMARY REPORT 2017



SPX Sustainability

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Sustainability at SPX Corporation

Welcome to our foundational sustainability summary report, in which we examine the sound governance, environmental initiatives, safety programs, and employee engagement initiatives that have emerged at SPX Corporation over the past three years and continued to grow since the inception of the “new” SPX Corporation in late 2015.

Who We Are

Headquartered in Charlotte, North Carolina, SPX Corporation employs more than 5,000 people located in about 15 countries. Demand for our products continues to be driven by an increasingly connected world where rapid urbanization and economic development intensify the need for modernization. We are a diversified creator of solutions for a smarter, more productive future. Throughout the world, infrastructure expansion and the need to support and maintain existing systems drive our focus on customer needs to enhance productivity, improve energy efficiencies, conserve resources, and adopt sustainable practices.

[Our Corporate Values:](#) Integrity, Accountability, Excellence, Teamwork, and Results are the backbone of our culture and are embraced by all SPX Corporation businesses. They feed our vision and propel us toward a successful future.

How We Operate

At SPX Corporation, our commitment to our employees, business partners, shareholders, and the communities in which we operate is rooted in sound corporate governance, defined policies and procedures, social responsibility, and transparent leadership. The following are just some examples of how we manage compliance and risks within our company:

- [Compliance policies and procedures](#)
- [Compliance hotline](#)
- [Supply chain due diligence](#)
- [Auditing and reporting](#)
- Training on anti-corruption, fair labor practices, personal data, and equal employment, among other elements

Environment, Health, and Safety

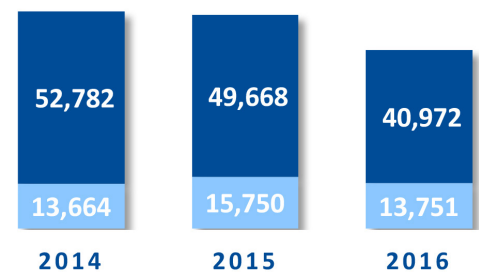
Keeping our employees safe is a top priority. We emphasize the importance of safe work environments by maintaining extensive safety qualifications and affiliations. We have implemented safety processes and plans that are driving worker awareness through programs such as: job safety assessments, root cause analyses, and health and safety trainings. Occupational Health and Safety is an integral part of the company's planning and decision making and is an important topic regularly reviewed by the executive leadership team and routinely reported to the Board of Directors. The SPX Corporation [EHS Policy and Guiding Practices](#) are integrated throughout the company.

SPX Corporation creates high quality products that are designed and engineered with a keen awareness of our customers' need to lessen environmental impact. At SPX manufacturing plants, we also strive to reduce environmental impacts

SPX CORPORATION VISION STATEMENT

“We deliver highly valued products, services, and solutions to the world based on a deep understanding of our customers' needs. Our businesses are leaders in their respective markets, our teams are collaborative and agile, and together we achieve sustainable growth and exceptional results.”

TOTAL GREENHOUSE GAS EMISSIONS (MTCO2)



- Scope 1 (direct process/manufacturing site GHG emissions)
- Scope 2 (indirect GHG emissions from upstream, e.g., purchased electricity)

and improve production and energy efficiencies. In our larger manufacturing and assembly plants, we internally track and report energy usage, greenhouse gas emissions, waste generation, recycling efforts, and water usage. These facilities have established one-year targets and three-year goals for reductions in energy use, water use, and waste generation. Highlighted below are some of the ways we are currently pursuing and elevating our sustainability strategy:

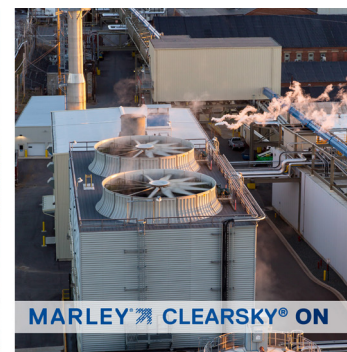
- Ongoing facility optimization projects, including: air leak detection, equipment checks, and lighting upgrades, which conserve energy and reduce costs.
- Well-established initiatives for hazardous waste reduction, recycling/material recovery, energy reduction, and water reduction. In 2016, we recycled over 15 million pounds of waste across our business units.
- SPX Cooling Technologies is a member of the U.S. Green Building Council and advocates for the [Leadership in Energy and Environmental Design LEED](#) program. SPX Transformer Solutions is a member of and participates in the annual [Electric Utility Industry Sustainable Supply Chain Alliance \(EUISSCA\) survey](#).
- Our Olathe, Kansas manufacturing plant has implemented several sustainability initiatives including: LED lighting upgrades throughout the facility; use of recyclable materials, including steel, copper, and PVC in cooling towers; and reuse of PVC waste in component production.

Sustainability is everyone's responsibility and we ensure accountability at the plant level through an annual environmental management self-audit questionnaire and other elements of our compliance assurance and performance evaluation process. Findings are formally reviewed by environmental, health and safety (EHS) management, and corrective measures are implemented as required. We routinely communicate additional EHS progress with our employees through: our year-end environment compliance certifications for each business unit; routine EHS reviews with our senior management teams; and best practices / corrective actions from the external audits conducted at facilities every three years. Our annual EHS Conference enables facility EHS managers and other corporate EHS leaders to share best practices and discuss progress toward our sustainability initiatives.

Product Innovation

SPX Corporation is committed to our strong research and development program that has, over the years, produced industry-leading technologies and innovations. The Research and Development Center, located in Kansas City, Missouri, has been the global technology hub for SPX evaporative cooling products since its foundation in 1957. SPX Corporation's engineers and scientists develop materials, components, and prototypes and test product performance against standards for sustainability, energy use, water conservation, sound, and cooling capacity. Through a perpetual program of expansion and improvement, the R&D Center has evolved into a world leading evaporative cooling test facility – unique in the industry.

Our innovative approach to industrial and power plant cooling processes includes the patented ClearSky® Plume Abatement System, which significantly reduces visible plume to improve environmental conditions and reduces water consumption by 20% or more.



Patented ClearSky plume abatement system greatly reduces visible plume and conserves water.

The Marley® NC Everest™ crossflow cooling tower offers 50% greater cooling capacity than other single-cell factory-assembled cooling towers. *“Not only does it provide significantly greater tonnage per cell, customers benefit from reduced installation costs, higher energy efficiency, fewer components and lower maintenance costs compared to other factory-assembled towers.”* - Randall Powell, President, SPX Cooling Technologies

People and Places

The SPX Corporation work environment is based on a philosophy supported by policies, programs, and practices that help employees achieve success within and outside the workplace. In 2017, we introduced a comprehensive global employee survey to gain meaningful and real-time employee feedback. SPX Corporation's businesses are using these survey results to develop action items to address the findings and drive impactful improvements across the organization. Follow-up surveys will be conducted on a routine basis to measure and drive on-going improvements and identify opportunities to continuously increase engagement levels.

We embrace and value diversity and equal opportunity in our workforce as it leads to a better understanding of, and engagement with, our peers, customers, and communities. In 2017, we launched a formal human resources auditing program to ensure consistency in human resourcing processes across our businesses and to facilitate best practice sharing across the enterprise. We also formally report and actively track metrics such as headcount, demographics, turnover and retention, and recruiting.

The snapshot of our sustainability story would not be complete without sharing how important it is for us to give back. Community involvement teams at our businesses actively engage our employees and encourage them to share their talents and make a lasting impact in our communities. We believe volunteerism enriches our employees both personally and professionally. By fostering relationships with nonprofit organizations, funding local initiatives, and providing community support through various local drives and sponsorships, we are able to give back every day to the people and communities that help us make a difference in the world.

On the Horizon

We are identifying additional ways to enhance sustainability and social responsibility into our businesses and culture. To continue to build our sustainability program, we will examine the sustainability topics that are most important to our company and our value chain with insight from a variety of stakeholders, and assess the best opportunities for future development. As we expand our reporting efforts in the coming years, we will conduct a formal Materiality Assessment and align with the Global Reporting Initiative (GRI) Standards. Additionally, we look forward to making strides in sharing the progress of our sustainability efforts, especially regarding our stakeholder engagements. We encourage you to share your feedback and ideas with us at spx.investor@spx.com.



Many SPX employees support local community organizations like this team volunteering at Harvesters Community Food Network in Kansas City, Missouri.