



Sustainability

PROGRESS REPORT 2019



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CEO LETTER - SPX CORPORATION SUSTAINABILITY



I am pleased to introduce our 2019 Sustainability Progress Report, sharing a year of progress in our sustainability efforts and reflecting our unwavering commitment to doing business the right way. We value the dedication of our employees to work safely and further innovations that allow us to meet our goals and fulfill our social responsibility and environmental commitments.

At SPX Corporation, our mission is to create infrastructure solutions for a smarter, more productive future. To succeed our solutions must be safe, efficient and reliable, and an attractive value to our customers. To continue succeeding and strengthening our position in the marketplace, our efforts must align with our commitment to the environment, our communities, and our people.

As we continue to grow and innovate, we always keep in mind our core values of Integrity, Accountability, Excellence, Teamwork, and Results. These core values apply to our emphasis on environmental, social, corporate governance, and sustainability, which continue to be an integral part of our company's operations and vision for the future.

We prioritize the ethical behavior and health and safety of our workforce, as demonstrated by our compliance and ethics program designed to ensure that all employees are aware of and adhere to applicable laws and ethical standards. We are proud to be a safe place to work and remain committed to the continuous improvement of our safety culture through employee engagement.

The United Nations Global Compact (UNGC) helps guide our programs and our 2019 report has been prepared in accordance with the Global Reporting Initiative (GRI) Core requirements. Throughout this report, you will find examples of our progress to date. We are grateful to our employees, leadership, and stockholders for their continuous drive for exceptional results, and to our shareholders for their support. We look forward to our continued opportunities to deliver impactful and innovative infrastructure solutions to a rapidly changing world.



Gene Lowe

President and Chief Executive Officer



Performance Highlights

SPX SUSTAINABILITY 2019

Business

**\$1.5 Billion Revenue
in 2019**

**Acquired 5 New
Businesses**

In 2018, SPX Corporation acquired CUES, Inc. and Schonstedt Instrument Company. In 2019, we acquired Sabik Marine, SGS Refrigeration Inc. and Patterson-Kelley LLC

**More than 15
U.S. Patents awarded
and pending in 2019**

People

**100% of Employees
Receive Code of
Conduct E-training**

Since its inception in 2014, the **“Tee Off for a Cure”** charity golf tournament hosted by SPX Cooling Technologies has raised over \$277,000 for local charities

**Offered more than
50 different Health
and Safety training
sessions to employees**

Environment

**Introduced a combined
EHS System that
corresponds with
OHSAS and
ISO frameworks**

Expanded our data collection reach, resulting in increased accuracy of reporting

**Increased our recycling
rate by 30 percent
since 2018**

Key Performance Summary

SPX SUSTAINABILITY 2019



	2016	2017	2018	2019
BUSINESS				
Revenue (in millions) ¹	\$1,472.30	\$1,425.80	\$1,538.60	\$1,525.40
ENVIRONMENTAL²				
Energy Consumption (MWh)				
Natural Gas Usage	68,290	63,966	70,489	67,419
Propane Usage	2,201	1,416	3,409	2,792
Electricity from Fossil Fuel	83,914	80,558	82,457	79,347
Fuel Oil Usage	–	–	518	680
TOTAL	154,405	145,940	156,873	150,238
Energy Consumption (MWh) per Million Dollars Revenue (USD)	104.9	102.4	102.0	98.5
Greenhouse Gas Emissions (mtCO₂e)				
Direct (Scope 1)	14,292	13,240	15,010	12,925
Indirect (Scope 2)	47,518	41,217	42,034	40,866
TOTAL	61,810	54,457	57,044	53,791
Greenhouse Gas Emissions (mtCO ₂ e) per Million Dollars Revenue (USD)	42.0	38.2	37.1	35.3
Waste Disposal (1,000 lb)				
Non-hazardous	16,886	16,206	17,063	22,380
Hazardous	27	10	34	6
TOTAL	16,914	16,217	17,097	22,386
Waste Disposal (1,000 lbs.) per Million Dollars Revenue (USD)	11.5	11.4	11.1	14.7
Total Recycled ³	12,367	10,756	14,246	25,309
Water Consumption (Megaliters)				
TOTAL	153	124	212	154
Water Consumption (megaliters) per Million Dollars Revenue (USD)	0.1	0.1	0.1	0.1
SOCIAL⁴				
Injuries and Incidents				
Total Number of Hours Worked	11,242,686	10,432,755	9,622,093	9,667,431
Number of Fatalities	0	0	0	0
Fatality Rate	0	0	0	0
Total Recordable Injuries	134	94	92	83
Total Recordable Incident Rate	2.38	1.80	1.91	1.72
Cases of Ill Health	2	0	5	2

¹The increase in 2018 revenues was primarily due to the impact of the Schonstedt and Cues acquisitions during 2018. Additional information regarding our financial performance can be found in the company's documents filed with the Securities and Exchange Commission, including the company's most recent annual reports on Form 10-K. The entities described above are included in SPX's consolidated financial statements.

²In 2018, SPX enhanced its Environmental, Health, and Safety (EHS) data management system. During this process, facility managers reviewed and updated historical data as needed, which is why there are some revisions to historically provided data.

³In 2019, 750,000 lbs. of rail cars were recycled, thus contributing to the significant total increase from 2018.

⁴All rates are per 200,000 hours worked.

About SPX Corporation

SPX SUSTAINABILITY 2019

Who We Are

SPX Corporation (SPX) is a diversified, global supplier of infrastructure equipment with scalable growth platforms in heating, ventilation and air conditioning (HVAC), detection and measurement, and engineered solutions. The company has a strong market presence and leading brands in end markets that are being driven by an increasingly connected world, rapid urbanization and economic development, growing demand for modernization, and continued focus on energy efficiency, and sustainability. SPX's products and services are helping to meet the critical needs of expanding economies. Our heating and cooling technologies allow commercial and residential facilities to operate more efficiently while conserving resources. Our detection and measurement products enable utilities, telecommunications providers and regulators, municipalities, and transit authorities to build, monitor, and maintain vital infrastructure. Our engineered solutions products play a critical role in industrial development.

With over 4,500 employees in 17 countries, SPX infrastructure products and services serve customers throughout our global regions, including, the Americas; EMEA (Europe, Middle East and Africa); and APAC (Asia Pacific). Countries with significant operations include the United States, United Kingdom, Finland, and China.

Our businesses include:

HVAC	Detection and Measurement	Engineering Solutions
SPX Cooling Technologies	Radiodetection	SPX Transformer Solutions
Marley Engineered Products	CUES	SPX Cooling Technologies
Weil-McLain*	Genfare	
Williamson-Thermoflo*	TCI	
Patterson-Kelly	Flash Technology	
	Sabik Marine	

* Weil-McLain and Williamson-Thermoflo are brands of the Marley-Wylain Company

Our Values

At SPX, our values are at the heart of everything we do. They inspire us to conduct business ethically and to achieve high standards of quality and safety. Our businesses are leaders in their respective markets, and our teams are collaborative and agile.



Integrity: Do what's right, the right way. Both the "what" and the "how" matter.



Accountability: Take ownership. Create understanding and develop solutions by communicating with data and transparency.



Excellence: Exceed customer expectations through active engagement, relentless focus, and a passion for innovative solutions. Drive constant improvement in everything we do.



Teamwork: Engage. Have fun. Make others successful. Our strongest asset is the power of "we".



Results: Make an impact. Focus on what matters. Deliver on commitments.

How We Operate

At SPX, we are committed to our employees, business partners, stockholders, and the communities in which we operate. We set high standards regarding corporate governance, policies and procedures, social responsibility, and transparent leadership by our Board of Directors and Management team; and we maintain a culture that encourages employees to live by our values.

Corporate Governance

Our [Corporate Governance Guidelines](#), adopted by the Board of Directors of SPX Corporation, assist the Board and Management in the exercise of their responsibilities. Along with the charters and key practices of the Board committees, these guidelines help direct the actions of Directors as they monitor the effectiveness of decision-making processes, and progress toward increasing stockholder value over time.

SPX has a dynamic Compliance and Ethics Program (CEP) designed to promote and foster an organizational culture of ethics and compliance that adjusts quickly to changing compliance risks. In August 2018, we adopted a new [Code of Ethics and Business Conduct](#) (the Code) that is inspired by our values and captures the foundational principles of our culture. The Code, alongside our company policies, serves as a guide to making ethical, value-based decisions in our work every day. All SPX employees, officers, and directors are required to adhere to the Code and uphold our values. Failure to do so results in disciplinary action, up to and including termination of employment. Moreover, periodic training of employees makes clear that conduct that is not in accordance with our ethical standards is not permissible, even if it is legal or not legally restricted.

Our standards and ethics apply equally to our domestic and international business. When conducting business internationally, we follow all applicable local laws and regulations, including those related to importing, exporting, and other international transactions. Our processes are designed to ensure we follow applicable international standards as we work in the global marketplace.

Anti-Corruption

SPX has zero tolerance for corruption. Our anti-corruption policy and procedures are communicated to all employees and governance body members on a regular basis. In addition, an internal fraud risk assessment is conducted annually, administered to various levels of employees across the global organization.

SPX employees periodically complete anti-corruption modules as part of our compliance and ethics e-learning program. In 2018, a targeted anti-corruption module was provided to all eligible employees. Additionally, live anti-corruption training is provided to SPX employees as determined by business need.

Our commitment to high standards of ethics and integrity is further supported by the following:

- [Company policies and procedures](#)
- [The SPX compliance hotline](#)
- [Supply chain due diligence](#)
- [Auditing and reporting](#)
- [Periodic training on targeted legal, compliance, and ethics topics supporting our policies and procedures](#)

Board Composition and Diversity

The SPX Board of Directors provides oversight and acts in what they believe to be in the best interests of the Company and its shareholders.



SPX Board of Directors (left to right): David A. Roberts,^{1,2,3} Chairman of the Board, Carlisle Companies, Inc.; Tana L. Utley,¹ Vice President, Large Power Systems Division, Caterpillar Inc.; Meenal A. Sethna,¹ Executive Vice President and Chief Financial Officer, Littelfuse Inc.; Robert B. Toth,³ former Chairman, Chief Executive Officer and President, Polypore International, Inc.; Gene Lowe, President and Chief Executive Officer, SPX Corporation; Patrick J. O'Leary, former Executive Vice President and Chief Financial Officer, SPX Corporation; Ruth G. Shaw,^{1,2,3} Director, DTE Energy and Director, Dow Inc. (through April 2020); Rick D. Puckett,^{1,2,3} former Executive Vice President, Chief Financial Officer and Chief Administrative Officer, Snyder's-Lance, Inc.

Board of Director Committees; 1: Audit Committee, 2: Compensation Committee, 3: Nominating and Governance Committee

Board Committees

SPX's Board currently has three committees: Audit, Compensation, and Nominating and Governance; the Board may designate other committees as needed from time to time. Each committee has its own charter which outlines the purposes, authority, and responsibilities of the committee, as well as member qualifications, procedures for appointment and removal of members, structure and operations, and Board reporting. These charters also require each committee to perform an annual self-assessment of its own performance. There is no specific committee wholly responsible for Environmental, Health, and Safety (EHS) at this time. Rather, EHS and Sustainability are an agenda item on every board meeting and as topics arise; our President, Global Operations or our General Counsel will report to the Board.

Board Compensation

Director compensation is reviewed periodically by the Nominating and Governance Committee in accordance with the policies and principles set forth in its charter, and recommendations for adjustments are made to the Board for its approval. The Board also approves stock ownership guidelines for its directors and certain officers.

Materiality Assessment

In 2018, we conducted a Materiality Assessment and aligned our report with the Global Reporting Initiative (GRI) Standards: Core. These efforts allowed us to focus our reporting on the environmental, social, and governance (ESG) topics we have identified as most relevant to our company and stakeholders, as established through internal interviews and surveys with individuals from across the company. The results of the Materiality Assessment were used as focus topics of this report. Many of the topics not deemed material, but of high importance (e.g. waste reduction, energy consumption, diversity, and responsible procurement) are well developed, managed, and routinely discussed at an executive level. We have included information about these topics in this report.

Material Topics From Assessment
Anti-Corruption
Business Continuity Management
Compliance and Transparency
Employee Health and Safety
Employee Retention and Recruitment
Product Efficiency
Product Safety/Product Services
Training, Development/Education Opportunities
Workplace Risk Management

Stakeholder Engagement

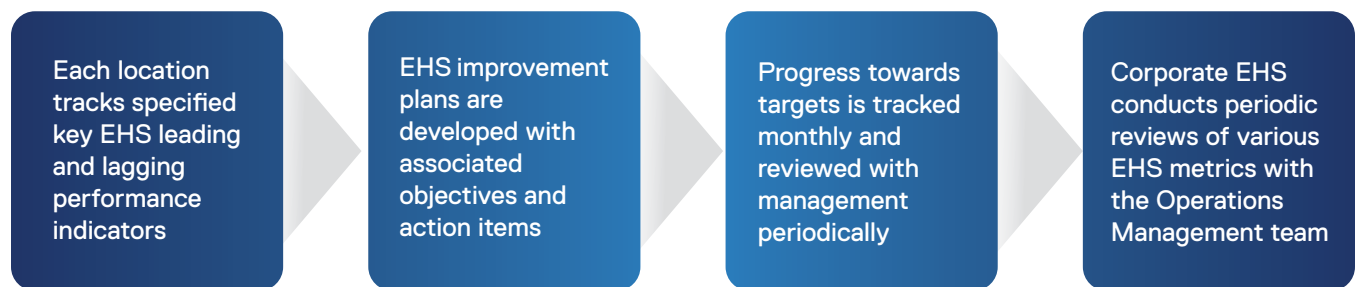
SPX's business activities involve relationships with diverse stakeholders. We engage with these entities through a variety of mechanisms to ensure continued effective collaboration.

Stakeholder	Engagement Type
Employees	<ul style="list-style-type: none"> • Internal company presentations and communications • Training and development • Wellness initiatives
Customers	<ul style="list-style-type: none"> • Workshops • Media publications • Marketing efforts
Communities	<ul style="list-style-type: none"> • Charitable giving programs • Employee volunteering • Sponsorships
Trade associations	<ul style="list-style-type: none"> • Participation by key employees on trade association committees and performance and efficiency standards, including but not limited to: <ul style="list-style-type: none"> ◦ Chambers of Commerce in municipalities where SPX operates ◦ Cooling Technology Institute (CTI) ◦ Air-Conditioning, Heating, and Refrigeration Institute (AHRI) ◦ American Society of Heating, Refrigeration & Air-Conditioning Engineers (ASHRAE) ◦ American National Standards Institute (ANSI) ◦ International Association of Marine Aids to Navigation and Lighthouse Authorities (IALA AISM) ◦ Railway Industrial Clearance Association (RICA)
Regulatory agencies	<ul style="list-style-type: none"> • Activities reported to federal agencies • Engagement with regulatory agencies directly and through trade associations
Investors	<ul style="list-style-type: none"> • U.S. Security and Exchange Commission filings • Quarterly earnings calls • Frequent participation in investor conferences and meetings • Regular direct engagement • Investor Day events • Annual shareholders meeting • Outreach to proxy and governance team
Suppliers	<ul style="list-style-type: none"> • Development of supplier sourcing process • Supplier Code of Conduct • Industry and trade groups

Environmental, Health, and Safety Management System

SPX brings visibility, focus, and prioritization to EHS at the facility-level through our EHS and Operations Management Team and our new and enhanced management system. In 2019, we initiated a combined EHS System that corresponds with OHSAS 18001, ISO 14001, ISO 45001, and ISO 9001. This system is governed by our overall corporate policy and in compliance with all relevant regulations related to workplace data confidentiality. Facilities will begin adopting and aligning their documents to the new system in 2020, with full facility implementation anticipated in late 2021.

SPX Environmental, Health, and Safety Management System



SPX manufacturing locations conduct annual reviews of their EHS Management Systems utilizing the EHS Management System Evaluation tool (formerly SMSE). A cross-functional team in each location evaluates and provides input on the five key system components and develops objectives based on gaps identified and/or opportunities for improvement.

Five Key System Components Evaluated:

- 1** Leadership Commitment and Culture
- 2** Employee Engagement and Training
- 3** Planning and Risk Analysis
- 4** Prevention and Operational Controls
- 5** Compliance Management and Monitoring

Objectives and action steps are documented in the locations' EHS Improvement Plans, approved by management and tracked within our VelocityEHS system. From there, results are rolled-up by business units to our executive leadership team as an SPX Key Performance Indicator. Locations are encouraged to conduct a full evaluation of their EHS Management System every three years or when significant changes occur to the operation. During a full evaluation, the overall maturity of their system is evaluated and classified as follows:

EHS Management System Maturity Scale



Additionally, SPX has an Incident Management and Reporting Standard for identifying, prioritizing, reporting, and communicating significant incidents worldwide.

VelocityEHS

In 2019, SPX implemented a new global EHS information management system, VelocityEHS. The web-based system with mobile app capabilities provides all locations and field service teams with a better tool to manage EHS by improving visibility of real-time metrics and trends of our EHS data.

After a full year of implementation, VelocityEHS has streamlined the collection of sustainability related data and enhanced incident management through increased employee involvement in completing investigations, corrective actions, and inspections. Greater visibility across our facilities using a common dashboard has improved overall reporting of incidents and performance on EHS metrics.

We are continuing to advance additional modules including auditing management, observations, and compliance to continuously promote greater accountability and shared responsibility for EHS.

Root Cause Analysis

SPX utilizes a Root Cause Analysis process to identify why an incident occurred, in order to inform new training needs and preventive measures. Root causes are divided into the following categories:

- Environment/Work Conditions
- Equipment/Tools
- Management
- Material
- Personal Factors
- Process/Methods

Workforce Health and Safety

SPX SUSTAINABILITY 2019

Creating a Culture of Safety

A fundamental component of the SPX business is ensuring the safety of our employees and operations. Our philosophy is that no service or job is so urgent and important that work cannot be performed in a safe manner. By emphasizing continuous improvement and individual employee accountability as a key part of our value of Excellence, we help ensure a safe and healthy work environment for each of our employees. Our health and safety practices are communicated to all employees through day-to-day communications, training tools, and resources.

SPX places high importance on protecting our employees and the communities we serve. Identifying unsafe conditions or behaviors in our work environment, following all applicable safety rules and procedures, and reporting any unhealthy or unsafe conditions as soon as they become evident are required practices of the SPX safety culture.

Our safety culture is multi-faceted and includes the following key measures:

- Communicating safety awareness through safety talks, periodic employee all-hands meetings, lunch-and-learns, newsletters, and safety alerts.
- Establishing safety action teams to engage employees in health and safety initiatives and identify safety issues.
- Conducting specialized health and safety training classes.
- Carrying out serious incident reviews with the General Counsel and President of Global Operations.
- Conducting regular safety updates and reviews with the Board of Directors.
- Evaluating occupational health and industrial hygiene standards at the facility level on a routine basis, such as noise exposure assessments.

Health and Safety Performance

SPX strives for continuous improvement of our health and safety performance. Our common types of work-related injuries and ill-health includes strains/sprains and lacerations/cuts. To minimize those occurrences, we've developed emphasis programs to identify and control work-related hazards associated with manual handling. The emphasis programs include hazard assessment tools, risk evaluation, and control methods to address identified areas.

SPX Safety Performance

	2016	2017	2018	2019
Number of Hours Worked	11,242,686	10,432,755	9,622,093	9,667,431
Fatalities (number/rate per 200,000 hours worked)	0 / 0.0	0 / 0.0	0 / 0.0	0 / 0.0
Recordable Injuries (total/rate per 200,000 hours worked)	134 / 2.38	94 / 1.80	92 / 1.91	83 / 1.72
Cases of Recordable Work-Related Ill-Health (number)	2	0	5	2

The following actions exemplify our continued efforts to reduce the occurrence of incidents and injuries:

- Our company-wide safety culture is focused on day-to-day management visibility and commitment, employee engagement, and is driven both top down and bottom up. These elements help us identify, reduce, and eliminate numerous job and work process hazards and demonstrate to our employees the importance of safety.
- Our employees and management teams are actively engaged and work effectively together to prevent injuries, reduce workplace hazards, and recognize how to avoid risks through increased awareness and education. They are also involved with reporting and addressing corrective measures within their departments.
- Our management teams are involved in daily activities to identify, observe, question, coach, and talk about safety continuously – not just when an incident occurs.

Health and Safety Awards and Recognitions

SPX Cooling's construction arm, MCT Services, LLC received the 2019 Thomas J. Reynolds Award for Excellence in Construction Safety and Health from the Association of Union Constructors (TAUC).

MCT Services, LLC received an award for a DART rate 25% below the Bureau of Labor Statistics industry average in 2018 through The Association of Union Constructors (TAUC).

SPX Cooling Technologies received the 2018 Houston Business Roundtable Silver Safety Excellence Award (Hard Crafts Medium).



SPX Cooling Technologies received an Outstanding Safety Performance award from the ExxonMobil, Baytown, TX area, recognizing work that upholds ExxonMobil Baytown's safety goal: "Nobody Gets Hurt."

In May 2018, members of the Tennessee Occupational Safety and Health Administration (TOSHA) visited the Flash Technology facility in Franklin to evaluate the organization's commitment to continuous workplace safety. As a result, Flash Technology was granted an extension of its Volunteer STAR (Safety, Training, Accountability, Reliability) certification for the next two years.

In 2018, the SPX Transformer Solutions Goldsboro facility received an award recognizing a year of positive safety results from the North Carolina Department of Labor.

Employee Engagement and Training

Employee engagement is one of the five key components of SPX's Health and Safety management approach. Employee health and safety training, ranging from electrical safety, to personal protective equipment, to emergency preparedness is provided at the facility level through formal safety committees, and external training services as well as by management. Engagement and training are driven by the workforce, encouraged through unions and other worker representation associations, with management providing facilitation, support, and follow up actions, where appropriate. Most locations' safety committees meet on a monthly basis, or more frequently. When a new risk or hazard is identified, it is communicated by the Safety Committee to the Site Operations Team.

SPX has nearly 50 different training sessions required for employees based on their function, in accordance with regulations and corporate policy. Each training topic is required to be refreshed on a designated periodic basis; and, training completion is tracked for each employee to ensure that the appropriate training is being conducted and refreshed when needed. SPX's Field and Construction Services teams receive additional extensive training on injury incident prevention due to exposure specific to field positions, such as working at heights. SPX does not differentiate the requirements of its occupational health and safety program for contract employees.

We have also raised awareness of high-risk work activities and corrective actions by:

- Reviewing EHS improvement plans monthly with business units and Corporate Leadership.
- Creating more visibility to each location's key performance indicators by implementing dashboard reviews.
- Revising and aligning our corporate and facility EHS standards, procedures, and programs.
- Restructuring our audit protocols to focus on operational control effectiveness, high risk areas and corrective measures.
- Enhancing our audit process to include Service and Construction activities.

Diversity and Inclusion

At SPX, we are committed to diversity and inclusion by creating a respectful working environment that values and supports innovation and creativity. Having a diverse workforce is core to our success and culture. Multiple perspectives help make our teams more successful. We are an equal opportunity employer, and we make all employment-related decisions based on job qualifications, performance, and business requirements. We live the SPX value of Teamwork by respecting and valuing our similarities and differences.

We build teams with different backgrounds and perspectives through a variety of outreach and recruitment events encouraging employment diversity. Some of these include:

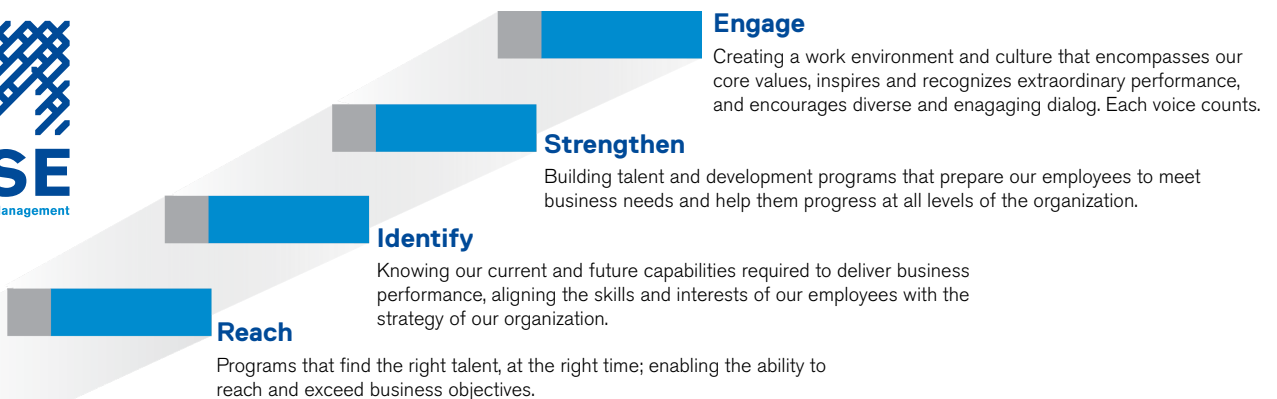
- Disability inclusion job fairs and mentoring days
- Women's Employment Network
- Veterans recruitment events

In addition, we actively support local business networks to enhance opportunities and build better communities. We engage with a variety of organizations including chambers of commerce, county business alliances, and leadership groups. We consider diversity when hiring key suppliers and professional service providers.

Employee Development, Retention and Recruitment

Leadership development and employee engagement are critical to our long term success. We are highly focused on ensuring that we have the right skills and talent in place to execute on our growth and strategic initiatives. Our approach aligns company and individual employee goals to achieve common objectives. Motivated and committed employees thrive in a culture where they are appreciated, recognized, rewarded, and see a path for development and advancement.

We have designed a talent management framework, RiSE, which we utilize as a key driver to enhance SPX employee culture, leadership, talent attraction, engagement, and retention strategies. RiSE represents how we deliver on our commitment to Reach, Identify, Strengthen, and Engage our employees.



People and Places

SPX SUSTAINABILITY 2019

Our ongoing success is dependent upon the level of engagement of our teams and how well we build the capabilities of the organization to deliver on day-to-day requirements and drive strategic initiatives. We remain committed to continuously improving the development of our employees and the SPX culture.

SPX employees receive opportunities for training and development in a variety of topics that are aligned with our business objectives and enhance their professional development. A few examples include:

- Training for managers on how to conduct effective conversations including providing effective feedback, resolving conflict, and engaging in development planning to enable performance and leverage strengths.
- Specialty Training includes Lean Concepts, Leadership Development for Managers and Individual Contributors, Mentoring Programs, and On-Demand Learning.

Employee Engagement

SPX organizes a variety of activities to engage our employees, expand perspectives, and support their interests. A few are highlighted below:

- **Community Involvement:** Employees across the organization participate in a wide variety of volunteer and advocacy events supporting their local communities. Activities may include collecting and packing food for local food banks, packing and distributing shoes to children in need, and fundraising for various medical research and support organizations. Our employees identify organizations and activities that they are passionate about and we encourage on-going commitment to participation.
- **Career Development:** Weil McLain* offers in-house career fairs focused on employee development. Presentations teach employees about topics such as how to discuss personal development with a supervisor and how to earn a promotion. Employees are given the opportunity to talk to managers from each department about potential job responsibilities and how to attain that role.
- **Culture Day:** To celebrate the diversity of its workforce, Genfare hosted an event for employees to learn and engage with each other over a meal. Employees were invited to wear traditional attire from their country/culture and provide a dish or recipe from their home country and share stories. A world map was displayed in the office so employees could pin their name on their country of origin on the map.
- **Family Involvement:** The Overland Park, Kansas headquarters of SPX Cooling Technologies provides an opportunity for employees to bring their children to work for the day, with an introduction from leaders, co-worker interviews, a science demonstration, and more.
- Additionally, several of our businesses offer Family Fun Days for employees and their families, such as picnics and complimentary tickets to a sporting event or amusement park.



*Weil-McLain is a brand of the Marley-Wylain Company.

Employee Wellness and Benefits

SPX is committed to providing a competitive, comprehensive benefits package that balances effective solutions with flexible programs that employees can choose from to meet their needs and those of their families. In addition, we offer a variety of health and wellness initiatives such as fitness events, lunch-and-learns, health screenings, annual flu shots, and reimbursement for participating in health groups or clubs. Benefits include:

- Rally by Optum, an interactive way to maintain and improve health that provides employees with personalized recommendations through a website and app on getting active, healthy eating, and building positive habits.
- A Tobacco Cessation Program to provide employees with coaching and free over-the-counter nicotine replacement products.
- An employee assistance program, Guidance Resources®, to assist employees and family members with improving their lives and helping achieve work-life balance.
- Health Advocate Services to help prepare employees for provider visits, schedule appointments, and answer questions regarding benefits or treatment options.

Highlights of Benefits Provided by SPX:

- **Insurance:** SPX offers employees and eligible dependents medical, dental, vision, and life insurance, as well as short term and long term disability coverage. Participation in medical plans includes resources to encourage healthcare improvement, such as health and disease management services, maternity management, telemedicine, and tools to determine cost and quality of services or to explore treatment options.
- **Voluntary Benefits:** Employees are eligible to receive discounted prices with payroll deduction on benefits, including auto/home Insurance, identity protection, legal insurance, and employee purchase programs.
- **Retirement and Savings Plans:** All employees are eligible to participate in the 401(k) savings program with access to financial wellness tools and resources. Employees are fully vested in contributions as well as SPX matching contributions no matter when employment ends.
- **Educational Assistance:** College savings planning resources and educational reimbursement is available for employees who work toward a college degree or take special courses related to their work.
- **Adoption Assistance:** Reimbursement for adoption-related expenses.

Supply Chain

The Supply Chain organization at SPX engages with suppliers through on-site visits, industry tradeshows, regularly scheduled continuous improvement meetings, open-order report discussions, and more. Our strategy focuses on sourcing excellence initiatives to improve supply chain efficiencies and to mitigate risk to the SPX business.

In 2019, SPX developed a sustainability survey to send to a select group of key suppliers to aggregate data on ESG efforts throughout our supply chain. This survey asks about company policies regarding code of conduct, health and safety, the environment, labor rights and procurement and will inform future reporting on our supply chain.

Supplier Compliance, Ethics, and Business Conduct

The SPX Code of Ethics and Business Conduct includes a specific section dedicated to our commitment to uphold human rights and source responsibly, including our commitment to following all applicable labor and human rights laws and source responsibly through our supply chain. For our employees with direct responsibility for supply chain management, we conduct mandatory training on forced labor, slavery, and human trafficking, including mitigation of risks within supply chains. We conduct this training for the applicable employees at the time of hiring and refresh training periodically thereafter.

We evaluate and address direct supply chain risks by requiring suppliers to abide by our contractual terms and conditions, including that they must comply with all applicable laws, which include human trafficking. In addition, we maintain a third party compliance hotline that enables any person within our supply chains to submit concerns. All reports to our hotline are investigated thoroughly at the direction of our Compliance Director, with remedial action taken against suppliers when warranted.

Our supply chain managers engage with suppliers to assess any questionable activity and to ensure that supplier practices conform to our contractual terms and conditions and to our standards and expectations.

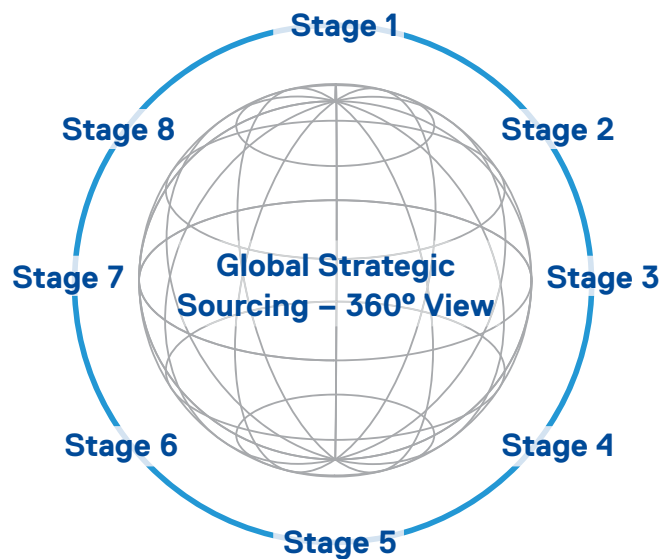


Master excellence through repeatability

Supply Chain Management Methodology

SPX strengthens its sourcing, continuous improvement, and performance management culture through various tools and processes. Our management methodology is executed through a Sourcing Excellence Framework (SEF) that improves operational efficiency and margin stability amid risks related to price volatility and trade actions on commodities like steel. The SEF ensures our supply chain is smooth and effective, enabling us to manage our spending with top suppliers. Long-term dual sourcing contracts and vendor consolidation enable greater reliability and repeatability within our supply chain. Our methodology is broken into five stages:

- **Supplier Management:** First, we assess how we qualify, evaluate and classify our suppliers. We often have dual sourcing in place, so there are fewer supply interruptions when a supplier is no longer viable on Quality, Cost and Delivery (QCD).
- **People:** To develop our talent pool, we focus on our employees. We select the right team and build their skillsets by providing functional development and career paths.
- **Supply Chain Management (SCM) Technology:** Some of the SPX business units now use a software interface in conjunction with our Enterprise Resource Planning (ERP) system, integrated with a contract management tool, that provides real-time analysis of data and continuous business process improvement.
- **Organizational Structure:** Optimum benefit is achieved by aligning SCM strategy to our business strategy. SCM strategy is more than just a buzz word; it is a discipline that defines the SPX business culture and enables continuous improvement.
- **Business Intelligence:** Ultimately, our business aims to improve efficiency by following a three step process:
 1. Redesign to cost, led by engineering
 2. Productivity improvement, driven by manufacturing
 3. Sourcing efficiencies



1. Extensive study of suppliers
2. Extensive reviews of supplier facility by functional team
3. Analysis on quality, cost and delivery
4. RFQs and costing evaluation for each scenario
5. Multiple reviews of findings and tuning of scenario findings
6. Price Matrix evaluation and negotiation with suppliers
7. Rigorous in-house and third-party sample testing and trials (1st Article)
8. Recommendation evaluation in MFCR

Supplier Sourcing Process

SPX follows 360 Degree and Total Cost of Ownership (TCO) approaches while developing, qualifying and inducting a new supplier or new component into our manufacturing processes, through extensive study of each new supplier and its facilities, quality and cost analysis, price matrix evaluation and negotiation, in-house sample trials, and final recommendations.

A five stage launch process is used when introducing new suppliers or major supply chain changes to our facilities. As part of this process, our suppliers' performance is analyzed and specific supplier quality requirements are fulfilled.

- Stage 1: SPX ensures the perspective supplier's quality performance.
- Stage 2: Following quotation activity from the supply chain organization, SPX ensures the supplier is aware of our company qualification requirements.
- Stage 3: A self-audit survey is issued to the perspective supplier to inform SPX of basic knowledge before performing more in-depth review. The SPX Sourcing Excellence Steering Committee reviews and defines final requirements before full production approval is granted.
- Stage 4: Before production approval is granted, the final supplier qualification requirements must be completed, and an on-site audit performed to prove that the supplier's production process abilities comply with the SPX requirements.
- Stage 5: Once all requirements are fulfilled, final part production approval is reviewed and granted through the SPX Multifunctional Change Review process and initial production support begins. Key supplier quality actions include the establishment of ongoing receiving inspections, creation of a supplier performance report, and creating an on-site audit schedule.

Performance assessment and management occur on an ongoing basis after a new supplier or major changes are successfully introduced through this five-stage process.

Community Commitment

Our commitment to do the right thing coupled with our community engagement stems from our values - specifically, Integrity and Teamwork - and results in meaningful impact. In 2019, SPX organized and participated in a broad range of outreach events, including:

Science, Technology, Engineering, and Mathematics (STEM)

SPX supports STEM education through donations to local STEM school programs and participation in events such as an Evening with Industry, Girls in STEM, and Manufacturing Day for middle and high school students.

Health and Wellness

SPX participates in a wide variety of philanthropic activities aimed to address community health and wellness, such as:

- SPX Tee Off for a Cause – charity golf tournament benefiting local Kansas City area charities
- Light the Night Walk for Leukemia and Lymphoma Society
- American Heart Association Greater Charlotte Walk
- Toy donations to the Children's Hospital of Wisconsin
- Maine Children's Cancer Program – Moonlight Challenge
- Donations and company matching gift to Macmillan Cancer Support, UK
- Cancer for College, Charlotte, NC

Community Development

We support community improvement through employee volunteerism to address hunger, homelessness, and environmental degradation. Involvement in 2019 included:

- United Way employee drive
- Rise Against Hunger onsite meal packing
- Harvesters Community Food Network onsite meal packing
- Children's Attention Home supply drive
- Second Harvest Community Food Bank NWNC volunteer opportunity
- Mission for the Homeless clothes drive
- Earth Day clean up
- Habitat for Humanity community build
- Schonstedt Humanitarian Demining Initiative

*SPX Transformer Solutions (SPXTS) was a recipient of the **2019 Waukesha Education Foundation Corporate Partner Award**. This award is given to companies that have made a significant contribution to education in the School District of Waukesha, WI. Our outreach program involvement with the MADE Committee, our SPXTS-hosted engineering open houses, and our involvement with Waukesha North High School's INSPIRE program distinguished us from other community partners.*

Our Environmental Impact

SPX SUSTAINABILITY 2019

Environmental Impact

At SPX, incorporating environmental stewardship into our operations, products, and supply chain is fundamental to our overall strategy. By adopting sustainability targets throughout our global operations and aligning environmental practices in manufacturing to our corporate standards and local requirements, we promote environmental responsibility in all parts of our business.

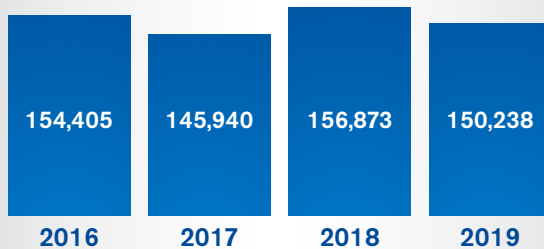
We believe sustainability is everyone's responsibility. Our core sustainability team promotes our value of Accountability at the facility level through an annual environmental management self-audit questionnaire and other elements of our compliance assurance and performance evaluation process. We use the VelocityEHS system to track environmental metrics and evaluate performance in waste management, energy use and greenhouse gas emissions, and water stewardship.

The findings of the facility-level environmental management self-audits are formally reviewed by EHS and operations management, and corrective measures are implemented as required. We routinely communicate additional EHS progress with our employees through routine EHS reviews with our senior management teams and best practices/corrective actions from the external audits conducted at facilities approximately 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.

Waste	Energy and GHG Emissions	Water
<p>A key part of our sustainability strategy is managing our waste streams. SPX actively looks for opportunities to reduce our waste. Since 2018, we made progress on several initiatives such as:</p> <ul style="list-style-type: none">• SPX Cooling Technologies worked with its thermoplastic sheet vendor on a recycling program which removed thousands of pounds of PVC from the waste stream and provided financial benefits to SPX.• One facility reduced its waste generation by 30% by decommissioning antiquated machinery that generated solid and hazardous waste streams, and further reduced chemical waste leaving our facility.• Several facilities became "plastic water bottle free" with the introduction of reusable bottles and a new water filtration system on the shop floor as well as in the offices.	<p>In 2018, SPX improved the granularity of our energy and GHG data through our enhanced EHS management system. Yearly variances in energy and GHG emissions are correlated with the changes in production and revenue.</p> <p>We continue to invest in reduction efforts. By using an air leak tool and effectively repairing leaks, an SPX Cooling Technologies plant saved about five percent on its total electricity use. Acquisition of new compressors in the near future will bring additional energy savings.</p>	<p>SPX uses water for both HVAC and process cooling, as well as for sanitation and employee needs. Although our operations are not water use intensive, we recognize that water is a critical resource and closely monitor its use.</p> <p>Water use reduction initiatives occur at the facility-level, for example several of our facilities have implemented water recycling.</p>

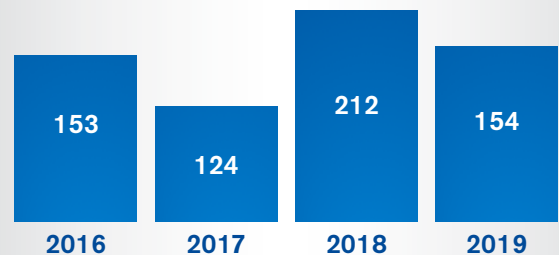
SPX Corporation Environmental Metrics

Total Energy Usage (MWh*)



*Energy use comprises the total reported usage of electricity, natural gas, fuel oil, and propane for significant locations of operation.

Total Water Usage (megaliters)



2018 and 2019 reported Total Water Use is reflective of more comprehensive facility-level water accounting process than in previous years

Total Greenhouse Gas Emissions (mtCO₂)



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

Calculation factors are based on the Intergovernmental Panel on Climate Change (IPCC) reports.

Total Waste Disposed and Recycled (1,000 lbs)



- Total waste recycled
- Total waste disposed, not recycled

Hazardous waste accounted for <1% of total each year. In 2019, 750,000 lbs. of rail cars were recycled, thus contributing to the significant total increase in recycled waste from 2018.

Olathe, Kansas Facility Waste Assessment:

After analyzing our waste sources at one of our SPX Cooling Technologies facilities in Kansas, we determined that the two largest waste sources, by volume and management cost, were from wood pallets/crates and plastics. The facility invested in an auger to shred wood waste, reducing the number of dumpster loads to the county landfill by 50 percent. The shredded wood is converted into mulch, which is then sold to landscape and home improvement stores.

The same facility sells plastic wastes, previously sent to the landfill, to a company that repurposes the plastic, converting it into new plastic components. Significant revenue has been generated, and costs avoided, while reducing dumpster loads and landfill waste.

Product Innovation

SPX SUSTAINABILITY 2019

Product Innovation

The SPX Engineering and Research and Development teams constantly work to improve the safety and utility of our products. SPX products provide critical value to society and are compliant with all applicable safety standards. We strive to create products that enable our customers to work safer, smarter, and more efficiently.

2018 marked 50 years of innovation from TCI International, Inc. as a global provider of high-performance broadcast and communication antennas and spectrum monitoring and management systems. TCI antennas were the first designed using proprietary computer modeling tools, a practice that revolutionized the industry. Today, TCI supplies antennas to the U.S. Air Force for ground-to-air communication applications and to other customers for ship-to-shore communication and shortwave broadcast applications. TCI antennas are also used to support a broad range of commercial, high-speed communication activities.

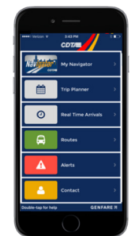
Radiodetection

Radiodetection's MAP&SHARE™ Android app uses Bluetooth connectivity to create a detailed map of buried utilities in real time. Field technicians using a Radiodetection cable and pipe locator can track survey measurements to map the route and depth of the tracked utility.



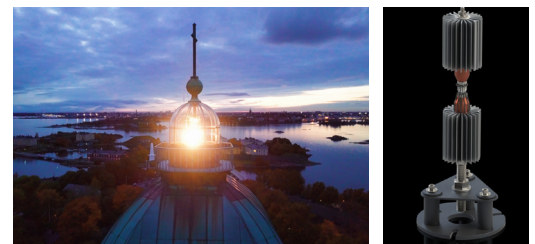
Genfare

Genfare Link™ is an award-winning digital fare management platform that provides the power of a data-driven system that can collect, access, and interpret data, all to help guide and refine a transit agency's decisions. Suitable for transit agencies of all sizes, the cloud-based platform meets stringent security, privacy, and banking requirements, plus secure access from inside or outside the agency's network.



Sabik Marine

The SLU-24/SLU-36 Sabik Lighthouse Unit modernizes historical lighthouses by combining the historical look of heritage lighthouses with energy saving, maintenance-free new technology. Using an LED light source in place of the traditional lamp extends the service life of traditional lighthouses without expensive and complicated rework or decommissioning activities.



CUES, Inc.

The SPiDER Scanner, a new manhole inspection camera developed by CUES, Inc. offers wireless, color inspection technology with laser surveying in a lightweight, compact unit that goes beyond panoramic photographic imagery, with laser surveying. SPiDER collects millions of 3D measurements during each manhole inspection, providing precise accuracy in manholes up to 100 feet deep and 15 feet wide.



On the Horizon

Every year, SPX advances its commitment to create a smarter, more productive future. Through collaboration with employees, customers, suppliers, local communities, and other stakeholders, we identify ways to innovate, mitigate environmental impacts of our businesses, and give back to the communities in which we operate.

To better understand issues that impact our employees we solicit their input through regular surveys to hear directly from our employees and measure our performance across a range of initiatives including overall employee engagement, focus areas for the organization, adherence to core values, effective talent management, and challenges to successful execution.

In 2018, we conducted a Materiality Assessment that helped focus our attention on the most relevant sustainability topics as identified through internal interviews and surveys with key contributors throughout the company.

We are encouraged by the progress we have made over the past year and committed to achieving our sustainability goals throughout SPX Corporation.

GRI Content Index

SPX SUSTAINABILITY 2019

GRI Index	Disclosure Title	Page Number
General Disclosures		
Organizational Profile		
102-1	Name of the organization	2019 Form 10-K; Pg. 6
102-2	Activities, brands, products, and services	2019 Form 10-K; Pg. 6
102-3	Location of headquarters	2019 Form 10-K; Pg. 6 SPX Corporation is headquartered in Charlotte, North Carolina, USA
102-4	Location of operations	2019 Form 10-K; Pg. 6
102-5	Ownership and legal form	2019 Form 10-K
102-6	Markets served	2019 Form 10-K; Pg. 6
102-7	Scale of the organization	2019 Form 10-K; Pg. 6
102-8	Information on employees and other workers	Specific employee demographic information is confidential to the business and level of reporting varies based on regional privacy regulations.
102-9	Supply chain	Pg. 20-22
102-10	Significant changes to the organization and its supply chain	2019 Form 10-K; Pg. 20
102-11	Precautionary principle or approach	Pg. 6, 8-9
102-12	External initiatives	Pg. 10
102-13	Membership of associations	Pg. 10
Strategy		
102-14	Statement from senior decision-maker	Pg. 3
102-15	Description of key impacts, risks, and opportunities	Pg. 10
Ethics and Integrity		
102-16	Values, principles, standards, and norms of behavior	Pg. 7
Governance		
102-18	Governance structure	Pg. 9

GRI Index	Disclosure Title	Page Number
102-35	Remuneration policies	2019 Proxy Filings; Pg. 8 SPX's Total Rewards program is designed to attract, retain, and reward employees whose contributions support the long-term success of the Company. A balanced combination of compensation and benefits ensures alignment to the company's objectives and the markets in which we compete for top talent. Performance-based long-term incentives are measured by the Company's relative total shareholder return (rTSR) compared to a peer group, aligning financial rewards for Company leadership with the value of ownership realized by our shareholders. SPX's has received greater than 90% approval shareholders for the last three years from on its Advisory Vote on Executive Compensation (i.e., Say on Pay)
Stakeholder Engagement		
102-40	List of stakeholder groups	Pg. 11
102-41	Collective bargaining agreements	Approximately 25% of employees are covered under collective bargaining agreements.
102-42	Identifying and selecting stakeholders	Pg. 10-11
102-43	Approach to stakeholder engagement	Pg. 10-11
102-44	Key topics and concerns raised	Pg. 10-11
Reporting Practice		
102-45	Entities included in the consolidated financial statements	2019 Form 10-K
102-46	Defining report content and topic boundaries	Pg. 10, 36
102-47	List of material topics	Pg. 10
102-48	Restatements of information	Pg. 32
102-49	Changes in reporting	Pg. 32
102-50	Reporting period	Pg. 32
102-51	Date of most recent report	Pg. 32
102-52	Reporting cycle	Pg. 32
102-53	Contact point for questions regarding the report	Pg. 32
102-54	Claims of reporting in accordance with the GRI Standards	Pg. 32
102-55	GRI content index	Pg. 32
102-56	External assurance	Pg. 32

GRI Content Index

SPX SUSTAINABILITY 2019

GRI Index	Disclosure Title	Page Number
Management Approach		
103-1	Explanation of the material topic and its boundary	Pg. 10; throughout report
103-2	The management approach and its components	Throughout report
103-3	Evaluation of the management approach	Throughout report
Economic		
Anti-corruption		
205-1	Operations assessed for risks related to corruption	Pg. 8
205-2	Communication and training about anti-corruption policies and procedures	Pg. 8
205-3	Confirmed incidents of corruption and actions taken	No legal cases regarding corruption were brought against SPX or its employees during the reporting period.
Anti-competitive Behavior		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	No legal actions were pending or completed during the reporting period regarding anti-competitive behavior and violations of anti-trust and monopoly legislation.
Environmental		
Energy		
302-1	Energy consumption within the organization	Pg. 5, 24-25
Water and Effluents		
303-1	Interactions with waters as a shared resource	Pg. 24-25
303-5	Water consumption	Pg. 5, 25
Emissions		
305-1	Direct (Scope 1) GHG emissions	Pg. 5, 24-25
305-2	Energy indirect (Scope 2) GHG emissions	Pg. 5, 24-25
Effluents and Waste		
306-2	Waste by type and disposal method	Pg. 5, 24-25
Environmental Compliance		
307-1	Non-compliance with environmental laws and regulations	SPX did not receive any significant fines or non-monetary sanctions for non-compliance with environmental laws and/or regulations in the reporting period.
Supplier Environmental Assessment		
308-1	New suppliers that were screened using environmental criteria	Pg. 20-22
308-2	Negative environmental impacts in the supply chain and actions taken	Pg. 20-22

GRI Index	Disclosure Title	Page Number
Social		
Employment		
401-1	New employee hires and employee turnover	While we have increased the percentage of female employees year over year, specific employee demographic information is confidential to the business and level of reporting varies based on regional privacy regulations.
401-1	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Pg. 19
Occupational Health and Safety		
403-1	Occupational health and safety management system	Pg. 12-14
403-2	Hazard identification, risk assessment, and incident investigation for employees and for workers who are not employees but whose work and/or workplace is controlled by the organization	Pg. 12-14
403-3	Occupational health services for employees and for workers who are not employees but whose work and/or workplace is controlled by the organization	Pg. 12-14
403-4	Worker participation, consultation, and communication on occupational health and safety for employees and for workers who are not employees but whose work and/or workplace is controlled by the organization	Pg. 14
403-5	Worker training on occupational health and safety for employees and for workers who are not employees but whose work and/or workplace is controlled by the organization	Pg. 16
403-6	Promotion of worker health for employees and for workers who are not employees but whose work and/or workplace is controlled by the organization	Pg. 12-16
403-8	Workers covered by an occupational health and safety management system	Pg. 12-16
403-9	Work-related injuries	Pg. 5, 14
403-10	Work-related ill health	Pg. 5, 14
Training and Education		
404-2	Programs for upgrading employee skills and transition assistance programs	Pg. 16-19
404-3	Percentage of employees receiving regular performance and career development reviews	Specific employee demographic information is confidential to the business and level of reporting varies based on regional privacy regulations.
Diversity and Equal Opportunity		
405-1	Diversity of governance bodies and employees	Specific employee demographic information is confidential to the business and level of reporting varies based on regional privacy regulations.

GRI Index	Disclosure Title	Page Number
Local Communities		
413-1	Operations with local community engagement, impact assessments, and development programs	Pg. 17, 23
Supplier Social Assessment		
414-1	New suppliers that were screened using social criteria	Pg. 20-22
414-2	Negative social impacts in the supply chain and actions taken	Pg. 20-22
Customer Health and Safety		
416-1	Assessment of the health and safety impacts of product and service categories	SPX does not currently track this information
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	SPX does not currently track this information
Customer Privacy		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	SPX did not receive any substantiated complaints concerning breaches of customer privacy in the reporting period.
Socioeconomic Compliance		
419-1	Non-compliance with laws and regulations in the social and economic area	SPX did not receive any significant fines or non-monetary sanctions for non-compliance with laws and/or regulations in the social and economic area in the reporting period.

About This Report

This report covers a broad range of environmental, social, and governance matters that SPX encounters and manages as a global industrial manufacturer. Data presented in this report covers the fiscal period January 1, 2018 to December 31, 2019 and all company divisions unless stated otherwise. The boundaries of this report correspond to those of the 2019 SPX Corporation Form 10-K.

SPX is a publicly-traded corporation. There were no significant changes to the structure or ownership of SPX in 2018. In 2018, SPX Corporation acquired CUES, Inc. and Schonstedt Instrument Company. In 2019, we acquired Sabik Marine, SGS Refrigeration Inc., and Patterson-Kelley, LLC. Data exclusions for acquisitions are footnoted where necessary throughout the report.

This report has been prepared in accordance with the GRI Standards: Core. Our previous 2018 Sustainability Progress Report was released in December 2018. We release an annual sustainability report. This is our third report. Restatements of previously reported information are indicated where necessary throughout the report. The SPX 2019 Sustainability Report has not been externally assured. An independent third party qualitatively reviews and assesses the accuracy of our sustainability documentation and tracking efforts.

Your feedback is valued. Please send any comments, questions or suggestions about our 2019 Sustainability Report to spx.investor@spx.com.

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