

# 2021 Sustainability

## PROGRESS REPORT





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**S** PX Technologies (SPX) is committed to a strong sustainability culture and a journey of continuous improvement on environmental, social, and governance (ESG) issues.

I believe that our success depends on our resilient and sustainable business strategy, especially in a rapidly changing world. Our businesses, products, and initiatives help support our mission to create solutions for a smarter, more productive future. From our cooling towers, which help reduce energy usage in buildings, to our inspection equipment, which helps remediate leakage of underground water, wastewater, and natural gas distribution pipes, SPX offers a wide array of highly efficient and innovative products for the maintenance of critical infrastructure.

Consistent with our values, we set high standards for social responsibility. Whether it is developing our employees through training and development programs, supporting community educational or charity events, or embracing diverse backgrounds and points of view, we are committed to enabling a safer, healthier, more inclusive, and sustainable society.

Throughout this report you will find examples of our progress on sustainability initiatives during 2021 and year-to-date 2022. We are grateful to our employees for their continuous drive towards exceptional results, and to our shareholders and customers for their feedback and support

In 2022, we incorporated ESG as a key element of our strategic planning process for each business unit. We also refreshed our prior ESG materiality assessment and have been undertaking preparations for adopting specific company-wide ESG goals.

Looking ahead, we are very excited about our opportunities to continue to grow with a focus on sustainability. We believe SPX is well positioned to thrive in a world where Paris Climate Agreement targets are realized. We look forward to continuing to deliver impactful and innovative infrastructure solutions to a rapidly changing world.



**Gene Lowe**  
President and  
Chief Executive Officer





**S**PX Technologies, Inc. along with its subsidiaries, is a diversified, global supplier of infrastructure equipment serving the heating, ventilation, and air conditioning (HVAC) and detection and measurement (D&M) markets.

With operations in 15 countries and more than \$1.2 billion in annual revenue, we offer a wide array of highly engineered products with strong brands.

HVAC solutions offered by our businesses include package and process cooling equipment, engineered air quality solutions, residential and commercial boilers, and heating and ventilation products. Our D&M product lines encompass underground pipe and cable locators, pipeline inspection and rehabilitation equipment, robotic systems, bus fare collection systems, communication technologies, and aids to navigation (AtoN).

SPX's products play a key role in the maintenance of safe, reliable infrastructure. Our solutions enhance everyday life by providing HVAC heating and cooling for commercial, industrial, or residential customers, automating payment processing for mass transit systems, maintaining the integrity of underground utility assets, and enabling the safe passage of aircraft and marine vessels by lighting potential obstructions with highly efficient LED lighting.

In 2021, we continued to execute on our value creation roadmap, closed on three strategic acquisitions and completed the [sale of our Transformer Solutions business](#). This sale simplified our company and allows greater focus on our HVAC and D&M platforms.

Our business strategy continues to focus on adhering to our successful value creation roadmap, focusing on new product introductions, customer-led digital and software solutions, and a culture of continuous improvement in all aspects of our business. We also plan to build on our recent momentum and invest further in businesses that expand our strategic growth opportunities across our platforms. Our commitment to sustainability remains central to our growth journey, and we will continue to shape and prepare our organization to thrive in a world where society increasingly demands low-impact solutions to sustainably manage and maintain critical infrastructure.

Many of SPX's products and practices align with the United Nations' Sustainable Development Goals (SDGs). We represent that alignment by showing corresponding SDG badges alongside each of our products, as appropriate.



United Nations' Sustainable Development Goals

Our businesses include:

HVAC	Detection & Measurement	
<b>Cooling</b> <ul style="list-style-type: none"><li>• SPX Cooling Technologies</li><li>• SGS</li><li>• Cincinnati Fan &amp; Ventilator Co.*</li></ul> <b>Heating</b> <ul style="list-style-type: none"><li>• Marley Engineered Products</li><li>• Weil-McLain</li><li>• Patterson-Kelly</li></ul>	<b>Location and Inspection (L&amp;I)</b> <ul style="list-style-type: none"><li>• Radiodetection</li><li>• CUES</li><li>• ULC Robotics</li><li>• Sensors &amp; Software</li><li>• Schonstedt</li></ul> <b>Transportation</b> <ul style="list-style-type: none"><li>• Genfare</li></ul>	<b>Communication Technologies</b> <ul style="list-style-type: none"><li>• Enterprise Control Systems Ltd*</li><li>• TCI International, Inc.</li></ul> <b>AtoN</b> <ul style="list-style-type: none"><li>• Flash Technology</li><li>• Sabik Marine</li><li>• Sealite/Avlite*</li><li>• International Tower Lighting, LLC**</li></ul>

\* Enterprise Control Systems Ltd, Sealite/Avilite, and Cincinnati Fan & Ventilator Co. acquired in 2021.  
\*\* SPX announced the acquisition of International Tower Lighting, LLC on April 11, 2022.  
Additional information on principal properties by segment and approximate square footage is provided on our 2021 [Form 10-K](#) (page 18).

Our customers depend on SPX to provide best-in-class infrastructure solutions and ongoing support to advance their business goals. We are tireless in our commitment to serving the industry, our customers and the communities in which we operate. Our combined decades of industry experience and demonstrated track record of innovation and quality is why SPX remains the provider of choice for many critical infrastructure and enterprise projects. SPX continues to pursue innovation, quality, and safety in tandem with customers to drive success.

Headquartered in Charlotte, North Carolina, SPX employs approximately 3,100 people worldwide, including approximately 2,400 employees in the U.S. Six domestic collective bargaining agreements cover approximately 300 of our employees. In addition, various collective labor arrangements cover certain non-U.S. employee groups.

OUR VALUES

Corporate governance policies and procedures, health & safety, social responsibility, and transparent leadership remain critical to our success; and our Board of Directors and management team hold themselves and the company to high standards in these areas. Integrity, Accountability, Teamwork, Excellence, and Results are our core values and form the basis of our [Corporate Governance Guidelines](#), and our [Code of Ethics and Business Conduct](#).

- 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.



**S**PX recognizes the importance of our employees, shareholders, customers, and the communities in which we operate. Our leadership explicitly incorporates environmental, social, and governance (ESG) analysis and management into SPX’s business model. As such, business strategies consider potential short- and long-term risks of material significance, such as climate change, resource availability, and social issues.

OUR APPROACH

Over the years, sustainability programs at SPX have evolved to become more sophisticated, with ESG as an important focus area for our Board and Management teams. Specifically, in 2021, SPX further emphasized its focus on enhancing the talent management program, and extending our successful Diversity & Inclusion (D&I) initiatives. We additionally continue to pursue ways to strengthen our environmental management practices. We believe that these initiatives have contributed real value throughout our organization and enhanced our performance.

SPX is committed to mapping and prioritizing key ESG risk factors and opportunities. We are focused on better understanding our current positioning for our

most material ESG topics. This practice of assessing ESG risks and opportunities has become a key part of our annual Enterprise Risk Management process.

In 2022, we formally tied ESG oversight responsibilities to the Board of Directors. To this effect, we have re-named our Nomination and Governance Committee as the Governance & Sustainability Committee.

MATERIALITY ASSESSMENT

In 2022, we engaged a third-party consultant to refresh our materiality assessment. This exercise has identified ESG topics that are important to SPX and its stakeholders. SPX anticipates adopting ESG goals and developing KPIs throughout our enterprise by year-end 2022.

SPX leveraged the opinions of both internal and external stakeholders through virtual interviews and standardized surveys. Internal representatives



Materiality Assessment - Highest Priority Topics

Social

- Product Quality & Safety
- Employee Health & Safety
- Employee Engagement
- Diversity & Inclusion
- Labor Practices

Environmental

- Carbon Emissions
- Energy Management
- Water and Wastewater Management

Governance

- Business Model Resilience
- Management of the Legal and Regulatory Environment
- Supply Chain Management

included members of the Executive Leadership & Board of Directions, as well as various business unit leaders in Cooling, Heating, Detection & Measurement, Finance, Environmental, Health & Safety, and Human Resources & Operations. External stakeholders included investors, customers, and trade organizations. Interviews with representatives from each team were processed and yielded a list of agreed upon key success drivers and material items which will inform the development of our ESG program in coming years.

Items identified as high importance for internal and external stakeholders are treated as material topics (i.e., focus categories). These items include: Carbon Emissions, Energy Management, Water and Wastewater Management, Product Quality & Safety, Employee Health & Safety, Employee Engagement, Diversity & Inclusion, Labor Practices, Business Model Resilience, Management of the Legal and Regulatory Environment, and Supply Chain Management.

We continue to focus on identifying key issues for our businesses, our people, our shareholders and our communities. Material topics have been recategorized from the 2018 Materiality Assessment to align with the relevant SASB Industry – Resource Transformation

Sector – Electrical & Electronic equipment. Though category definitions are not completely aligned, the following topics are treated as similar:

- Anti-Corruption and Business Continuity Management → Business Model Resilience
- Compliance and Transparency → Legal and Regulatory Environment
- D&I and Training, Development/Education Opportunities → Employee Engagement, D&I
- Employee Retention and Recruitment → Labor Practices
- Energy and Greenhouse Gas Emissions → Carbon Emissions and Energy Management
- Product Efficiency → Energy Management
- Product Safety/Product Services → Product Quality and Safety
- Workplace Risk Management → Systematic Risk Management



STAKEHOLDER  
ENGAGEMENT

SPX's business activities involve relationships with diverse stakeholders – including our employees, shareholders, customers, communities, and various associations. Such diverse involvement is oriented to promote ESG topics across member organizations. For example, we work with trade associations like the Cooling Technology Institute on matters concerning cooling tower water use, or the American Public Transportation Association in their efforts to promote equity and accessibility in transit systems.

Customer care is another important element of our approach to stakeholder engagement. Our specialists are available to train customers and their agents on safe product installation, usage, and maintenance. We educate customers on how to maximize product utilization while remaining efficient, which often translates into reduced customer energy costs and extended useful life of the product– a win for the customer and the environment.



Stakeholders and Engagement Type

Employees

- Internal company presentations and communications
- Regular town hall meetings
- Training and development
- Wellness initiatives
- Annual and periodic employee surveys

Investors

- U.S. Securities and Exchange Commission (SEC) filings
- Quarterly earnings calls
- Frequent participation in investor conferences and meetings
- Regular direct engagement

Customers

- Workshops
- Tradeshows
- Media and other publications, such as white papers
- Marketing efforts
- Customer training and education opportunities (online and in-person)

Communities

- Charitable giving programs
- Employee volunteering (e.g. Habitat, Stop Hunger Now, etc.)
- Sponsorships

Trade Associations

- Participation by key employees in trade association committees
- Participation in trade associations for SPX product performance alignment with efficiency standards
  - 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)
  - American Public Transportation Association (APTA)
  - International Association of Marine Aids to Navigation and Lighthouse Authorities (IALA AISM)
  - National Association of Tower Erectors (NATE)
  - American Wind Energy Association (AWEA)
  - Wireless Infrastructure Association (WIA)
  - Railway System Suppliers Inc. (RSSI)
  - Utilities Technology Council (UTC)
  - Illuminating Engineering Society Aviation Lighting Committee (IESALC)
  - National Association of Corporate Directors (NACD) Society of Corporate Governance
  - National Investor Relations Institute

Regulatory Agencies

- Activities reported to federal agencies
- Engagement with regulatory agencies directly and through trade associations

Suppliers

- Development of supplier sourcing processes
- Supplier Chain Transparency Statement
- Industry and trade groups
- On-site visits
- Regularly scheduled continuous improvement meetings





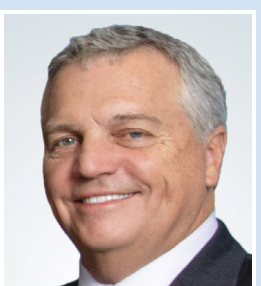
**T**hrough strong and effective corporate governance practices, SPX’s Board of Directors and Corporate Officers ensure integrity in the company and serve the interests of our employees, shareholders, customers, and communities.

**An environment of trust, transparency, accountability, and inclusivity helps us build long-term value.**

Independent Directors



PATRICK J. O' LEARY (3\*\*)



RICKY D. PUCKETT (1,2\*)



DAVID A. ROBERTS (2,3)



MEENAL A. SETHNA (1\*,3)



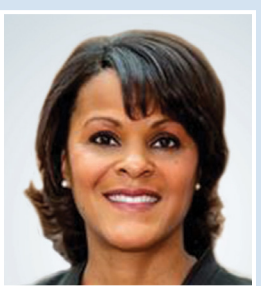
RUTH G. SHAW (2,3\*)



ROBERT B. TOTH (1,2)



TANA L. UTLEY (1,2)



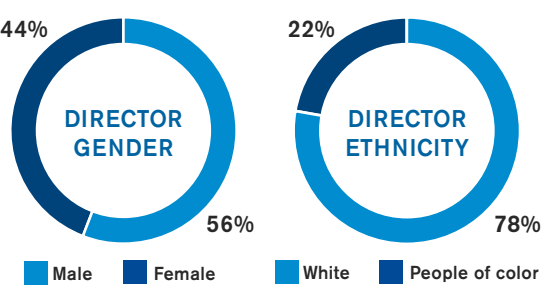
ANGEL SHELTON WILLIS (3)

\* Chair  
\*\* Chairman of the Board

	Board of Director Committees	Number of Meetings
1	Audit Committee	6
2	Compensation Committee	6
3	Governance & Sustainability Committee	4

BOARD COMPOSITION AND DIVERSITY

The SPX Board of Directors provides oversight and seeks to act in the best interests of the Company and its stakeholders. The Governance & Sustainability Committee seeks to structure the Board so that it consists of a diverse group of individuals, each with a unique combination of skills, experience, and background. In addition to skills, experience, and background the Sustainability and Governance Committee considers the demographic makeup of the board and emphasizes identifying and recruiting candidates that are members of underrepresented communities. Currently, approximately 44% of the Board members are female and 22% are ethnic minorities.



As noted in our Governance Guidelines, at least annually, our Board reviews whether each of our directors is independent. As of 2021, all Board members, apart from our President & CEO, are independent. Further detail regarding our Board member independence can be found in SPX's [Independence Standards](#).

*Note: Gene Lowe, President and CEO (shown in center of group photo), serves on the Board of Directors for SPX Technologies.*





## BOARD COMMITTEES

SPX currently has three Board committees: Audit, Compensation, and Governance & Sustainability. The Audit Committee is responsible for overseeing the Compliance and Ethics Program (CEP) and other compliance matters. The Audit Committee completes an annual compliance review and has responsibility for maintaining the Enterprise Risk Management system. The Compensation Committee is primarily responsible for oversight of executive compensation, including the design of our long-term and short-term incentive programs; and the Governance & Sustainability Committee is primarily responsible for oversight of corporate governance, including the Company's ESG strategy and program. Committees report to the Board on risk management matters.

## ESG PROGRAM STRUCTURE

The Company has an ESG Steering Committee, which provides quarterly reports to the Governance & Sustainability Committee, and periodic updates to the full Board on the Company's ESG initiatives and efforts.

Our Code of Ethics and Business Conduct applies to all directors, officers, and employees. Our Code of Ethics and Business Conduct requires each director, officer, and employee to avoid conflicts of interest, comply with all laws and other legal requirements, conduct business in an honest and ethical manner, and otherwise act with integrity and in the best interest of our Company and our stakeholders. Failure to comply with the Code and SPX values results in disciplinary action, up to and including

termination of employment. Moreover, regular training of employees reinforces an understanding of ethical standards and permissible conduct. Please refer to the training section later in this report for more detail.

SPX continuously monitors and evaluates risks identified through its CEP. We require periodic compliance training for all employees on compliance and ethics matters. All new employees are required to undergo compliance and ethics training within 90 days of joining SPX. For all acquisitions, live and virtual compliance training is conducted shortly after deal closing to help align new entities with SPX's compliance culture and values.

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 participate in the global marketplace.

Among other enforcement mechanisms, SPX maintains an anonymous whistleblower hotline. Any employee is encouraged to make good faith reports of potential fraud, waste, or abuse. When a whistleblower report is received, representatives from SPX's legal and audit teams investigate.

Additional information about SPX's Board of Directors, Committees, and Corporate Governance can be found under the [Investor Relations](#) tab of the SPX website.

## ANTI-CORRUPTION

SPX has no tolerance for corruption. Our Board has oversight of our anti-bribery and anti-corruption policies and programs, which are managed on a day-to-day basis by senior management.

These policies are communicated at regular intervals to all employees and governance body members. In addition, a comprehensive internal fraud risk assessment captures various levels of employees across the global organization.

As part of the CEP training program, discussed above, associated anti-corruption e-training modules are required for SPX employees based on their role and function and are also administered to all employees as part of the Code of Conduct e-training course. This course focuses on compliance with the Foreign Corrupt Practices Act, the UK Anti-Bribery Law, and other similar laws in various jurisdictions around the world.

A selection of some SPX policies and procedures which demonstrate commitment to high standards of ethics and integrity includes the following:

- [Code of Ethics and Business Conduct](#)
- The SPX [anonymous compliance hotline](#), accessible through multiple platforms
- Supply chain due diligence
- Sales representative and distributor due diligence
- Auditing and reporting
- Periodic training on targeted legal, compliance, and ethics topics supporting our policies and procedures

More information can be found on our website under [Reporting](#).





**S**PX is committed to a strong research and development (R&D) program. The Engineering and R&D teams produce industry-leading technologies and innovations which incorporate safety, utility, and energy efficiency considerations.

We focus on allowing our customers to work safer, smarter, and more efficiently through client-focused product development processes. SPX products provide critical value to society and comply with all applicable safety standards.

Continuous improvement is an important part of our product design and innovation. We are actively engaged in R&D programs designed to improve existing products and manufacturing methods, and to develop new products to better serve our current and future customers. We own 163 domestic and 265 foreign patents (comprising 154 patent “families”), including 34 patents that were issued in 2021, covering a variety of our products and manufacturing methods. We have realized several innovations to improve current products and meet customer requirements, including many that drive reductions in energy usage in production processes, and faster production rates, requiring fewer operational shifts.

**We own 163 domestic and 265 foreign patents** (comprising 154 patent “families”), including 34 patents that were issued in 2021, covering a variety of our products and manufacturing methods.

## OPERATIONAL EXCELLENCE

We are currently investing more in our continuous improvement initiatives, focusing on tools such as Lean and 80/20, which we believe will result in efficient, higher-quality products, streamlined and safety-focused operations, and greater supplier development opportunities.

Our Lean approach uses a set of tools to assist in the identification and the steady reduction of inefficiency and waste. For SPX, it is a process improvement methodology designed to eliminate problems, remove waste and inefficiency, and improve working conditions to provide a better response to customer needs.

The 80/20 approach is based on the concept that the majority of value creation comes from a minority of actions and focuses on efficiently allocating time and resources to the most beneficial uses.

SPX completed our ESG materiality assessment in 2022 to identify ESG focus areas where we could generate the greatest impact. Whether through products, like those which enable access to broadband and our other communications platforms, or operations, like by finding new ways to promote environmental management, SPX continues to improve the lives of stakeholders.

Within the following product divisions, we offer sustainable solutions for our customers. Further information regarding our products can be found on [our website](#).

## HVAC: offers residential and commercial boilers and comfort heating products, packaged cooling towers, and commercial and industrial refrigeration solutions

In our HVAC segment we offer numerous highly-efficient products and solutions that help reduce customers' environmental footprints.

*In our Heating platform*, over the past year, we further expanded our coverage of customer needs in both commercial and residential high-efficiency boilers. The [2020 Sustainability Report](#) details a new commercial condensing boiler line and a highly flexible residential boiler line designed for high-efficiency performance, easy installation, and service. When customers install our boilers, they are typically replacing years-old models with newer, significantly more energy-efficient versions.

The [NURO Touch-Screen Control System](#) allows end users to better control their boiler with intuitive, easy-to-use and precise controls. Not

only does this interface maximize reliability and safety, but the NURO is designed to maximize efficiency; the device monitors and modulates the combustion and ignition of the boiler to maintain the desired outlet temperature, thus reducing wasted energy consumption.

*In our Cooling platform*, our [SPX MD Everest](#), a counterflow cooling tower, offers substantially greater cooling capacity than comparable towers, reducing energy and lifecycle water usage for data centers and other applications. In 2021, our Global Cooling business published an [expert opinion whitepaper](#) highlighting significant potential lifecycle energy and water savings in many geographies as a result of using water-chilled cooling towers versus air-cooled.





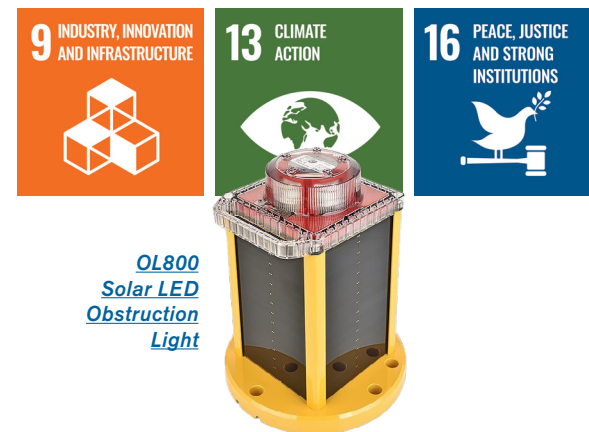
## Detection & Measurement:

provides specialized underground locators and inspection equipment, aids to navigation solutions, communication technologies products, and fare collection systems.

*In our Detection & Measurement segment*, we offer numerous technology-focused solutions for maintaining safe and efficient critical infrastructure. We added several innovative products in 2021 to drive efficiency and offer value to customers in existing and closely adjacent markets. We also continued to pursue initiatives that support a safer and more equitable society.

SPX's Genfare business is a leading provider of fare collection technology with more than 50,000 pieces of equipment in service at approximately 400 agencies throughout North America. Genfare delivers a multitude of advanced fare products, from fareboxes, ticket vending machines (TVMs) and other hardware to sophisticated software solutions to manage back-office operations. Genfare is an advocate for equitable mobility by keeping fare payment flexible to ensure that disadvantaged populations continue to have access to public transportation. See [this article](#) about equitable mobility with Genfare for more information.

SPX's Flash Technology business has recently released a [groundbreaking improvement in obstruction lighting](#), providing FAA-compliant low-energy, solar-powered obstruction lights and



lighting systems for U.S. clients, primarily in the aviation sector; these lights will shine for seven consecutive nights if no charging occurs during the day, reduce electrical grid burden, and can be used to support a clients' low-carbon journey.

To reduce our carbon footprint and save energy, the Aids-to-Navigation business is transitioning the majority of our lighting products from incandescent bulbs to light emitting diode (LED) bulbs. LED bulbs use 80% less energy compared to a standard incandescent bulbs. SPX product upgrades from xenon to LED lighting are anticipated to avoid 105 mt of carbon emissions by 2025.\*

In addition, Flash Technology's meteorological (MET) tower and wind turbine lights enable safe deployment of tall structures and monitoring for outages. Our obstruction lights are ETL-certified for FAA, ICAO, CAR 621, and DGAC compliance.

SPX's Location & Inspection (L&I) products maintain critical underground utility infrastructure, and keep workers safe from cable strikes. Cable strikes can occur whenever excavation takes place near buried utilities, creating risk of property destruction, serious injury, or death of workers and bystanders.

SPX's CUES business, in our Detection & Measurement segment, is a leading provider of inspection and remediation equipment for water and wastewater infrastructure. CUES' world class product and software innovations help quickly identify trouble spots and prioritize maintenance and repairs, helping to reduce potential leakage, contamination, and waste of water resources. CUES' equipment is used to inspect ~110,000 miles\* (~177,000 km) of water and wastewater pipes annually, resulting in substantially less leakage and contamination. CUES' [SPiDER manhole scanner](#) provides a more accurate and significantly faster option for municipalities and contractors to inspect critical infrastructure.

\*Management estimate



Unexploded World War II ordnance located in Palau using a Schonstedt GA-72Cd

### HIGHLIGHT

#### SCHONSTEDT HUMANITARIAN DEMINING INITIATIVE

For more than a decade, the [Schonstedt Humanitarian Demining Initiative](#) (SHDI) has partnered directly with Mine Action Service (UNMAS) and The U.S. State Department to deploy Magnetic Locators around the world for the detection of landmines, cluster bombs, explosive remnants of war (ERC) and other unexploded ordnance (UXO). Businesses, individuals, organizations, associations, and service clubs are invited to purchase a Schonstedt GA-72C Magnetic Locator for donations, and Schonstedt matches the donation unit-for-unit. To date, over 600 magnetic locators have been donated to humanitarian deminers most in need, according to UNMAS or US Department of State priorities. In April 2022, the United Nations Mine Action Service recognized Schonstedt's efforts with a Certificate of Appreciation for its humanitarian contributions to global demining.



United Nations Mine Action Service technician uses Schonstedt locator



# Employee Health, Safety, & Wellness

**K**eeping our employees healthy and safe is core to our culture. It starts with our leadership and is integral to everything we do. We are committed to operating our businesses in a manner that meets or exceeds applicable environmental, health, and safety (EH&S) laws and regulations.

SPX has implemented processes, standards, and tools across the enterprise to provide guidance and support. In the fall of 2021, we conducted training with our Environment, Health, and Safety steering group members utilizing an external third-party to train them as internal auditors of our EH&S

management system. We also held a strategy meeting with the group to review overall EH&S performance and provide input on developing key initiatives. The steering group continues to be actively involved as points of contact (subject matter experts) for our locations. In addition, they provide a level of review for EH&S metrics.

## PARTICIPATION AND EMPLOYEE INVOLVEMENT

In 2021, we finalized modifications to our EH&S audit program which includes three components: self-evaluation, internal (management system) audits, and third-party regulatory compliance audits. The modifications were made following industry benchmarking, evaluation by an external third-party, and internal review by our EH&S Steering Group and leaders from our operations.

We introduced EH&S self-evaluations globally in 2021 and scheduled the baseline evaluations to be conducted at all manufacturing locations in early 2022. The process includes evaluating effectiveness on a 1-to-5 scale of implementing components of our SPX EH&S manual (management system): engagement, planning and analysis, implementation, and review. The evaluation identifies a facility's area of strength and opportunities for improvement which helps SPX incorporate key actions into location-level EH&S improvement plans

## MANAGEMENT SYSTEM

Our manufacturing operations continue to advance their location-specific Improvement Plans and collaborate as a broader group on company-wide special emphasis programs. In 2021, we launched a hazard identification program globally within our operations. We've seen improved engagement through its utilization in the

form of employees identifying and reporting workplace hazards, and managers addressing and monitoring closure of corrective actions. We began tracking the number of hazards identified as a leading indicator in 2022.

SPX utilizes VelocityEHS as our primary software application for managing key aspects of EH&S (incident, audit, metrics, compliance, and corrective action). In conjunction with an external third-party, self-audit EH&S selection criteria were established to identify locations for internal EH&S (management system) audits and third-party regulatory compliance audits in 2022 – all with the intention of improving our safety culture and maintaining low levels of workplace injury and illness.



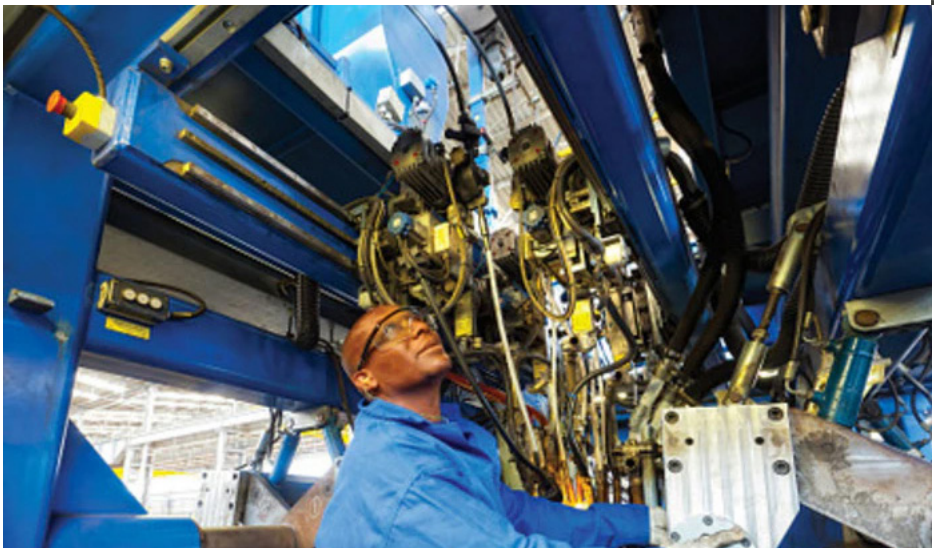


HEALTH & SAFETY PERFORMANCE

Employee H&S remains a top priority at SPX. We leverage various software applications to monitor real-time performance data and retroactively review monthly and other periodic safety performance metrics at review meetings. Our approach to H&S includes analyzing both leading and lagging indicators such as incidents (injury, near miss), hazards, inspections, and observations. Safety performance is reviewed at the highest levels of management including by members of the Executive Leadership Team and Board of Directors.

In 2021, we experienced a slight uptick in our recordable injuries. However, we attribute this increase to enhanced monitoring and scrutiny around safety incidents. In addition, SPX employees worked more than 1,000,000 additional hours relative to 2020, during which we experienced a COVID-related slowdown. Our recordable injury rate remains far below industry benchmarks – reflective of our superior safety culture and attention to reporting. Additional detail about our EH&S Management System, safety culture, and VelocityEHS system can be found in our [2020 Sustainability Report](#).

SPX Safety Performance	2019	2020	2021
Number of hours worked	5,573,434	6,000,326	7,011,197
Fatalities (number/rate per 200,000 hours worked)	0 / 00	0 / 00	0 / 00
Recordable injuries (number)	55	37	47
Total recordable injury rate (TRIR) (per 200,000 hours worked)	1.97	1.23	1.34
TRIR industry average**	3.0	2.6	Not published yet
Near miss reported	93	67	103
Near miss frequency rate (NMFR)	3.34	2.23	2.94
Days away/restricted time cases (DART)	37	26	34
DART rate	1.32	0.86	0.97
<div>* SPX safety performance metrics have been updated to reflect the divestiture of the Transformers business unit.</div> <div>** Benchmarked against Machinery Manufacturing industry (3-Digit NAICS: 333). Industry group, NAICS industry, and national industry vary by business unit.</div>			



WELLNESS

SPX has always considered the provision of competitive, comprehensive benefits as an attractive differentiator for its employees. In 2021, we continued to take safety precautions and encourage actions to minimize the effect of the COVID pandemic on our people (covered in detail in our 2020 Sustainability Report).

In 2021, we also focused significant time on re-working many of our policies and programs to provide increased flexibility and work-life balance to our team members. Together, these opportunities present significant growth potential for our employees from a financial, professional, and personal standpoint.

We also added several new wellbeing programs including a program which provides specialized guidance and support for employees or family

members diagnosed with certain cancers at no additional cost to the employee. The coverage includes a dedicated nurse and physician support team, travel arrangements to and from treatment, and additional funds to support case management. Additionally, SPX added a specialty care program for employee patients with various autoimmune conditions. This new program connects employees with clinicians who provide care coordination and optimization.

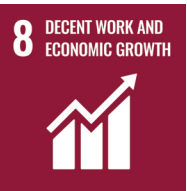
In addition, we offer a variety of health and wellness initiatives such as fitness events, lunch-and-learns, health screenings, annual flu shots, and incentives for participating in other activities that can increase the overall health and wellness levels of our employees and their families.

Additional information about SPX benefits can be found under the [Careers](#) tab of our website.



# The SPX Employee Experience

“ We strive to provide an environment where employees can further their career development, experience challenging career growth opportunities, and understand that their contributions are valued.”



Like many other organizations, the last few years have brought unique circumstances and unprecedented challenges to the SPX businesses and team members across the globe. Throughout these challenges, our employees have remained steadfast in their efforts to meet the needs of our customers and SPX has been even more committed to providing our employees a work experience that offers flexibility and promotes work/life success through a competitive total rewards package and opportunities to learn, thrive, and engage. We recognize that the needs of our employees are consistently evolving and that the programs and approaches we provide need to be adaptable to those changing needs.

Attracting and retaining highly skilled employees is critical to the resilience of our business. SPX believes that motivated employees thrive when recognized and rewarded, and see a clear path for development and advancement.

A key driver for enhancing employee culture, leadership, talent attraction, engagement and retention strategies is our talent management framework, known as RiSE, which helps us Reach, Identify, Strengthen, and Engage our workforce.



## SPX TALENT MANAGEMENT

### REACH

Knowing what our future needs will be and developing the programs to attract the right talent.

### IDENTIFY

Developing processes that highlight the capabilities, skills, and interests of our current employees.

### STRENGTHEN

Building growth and development programs that prepare our employees to meet business needs and their growth interests at all levels of the organization.

### ENGAGE

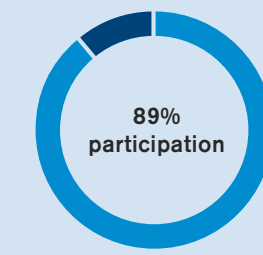
Focusing on creating a work environment and culture that encompasses our core values and provides opportunities for employees to get involved. Each voice counts.

Recent areas of focus have encompassed initiatives across all areas of the RiSE platform, including the advancement of our outreach and talent sourcing initiatives to expand the overall diversity of our candidate pools, expansion of our succession planning and slating processes, introduction of a new on-demand learning platform and utilization of multiple listening and engagement sessions with employees. We also continued to focus on moving even more of our education and training programs to an online format to allow for expanded participation and broader, time-flexible development. Additional information about the RiSE framework is available in the [Our People](#) section of our website.

# EMPLOYEE ENGAGEMENT






At the heart of our engagement philosophy is a focus on listening. We utilize multiple avenues to solicit employee input on how to make their experience with SPX a rewarding one. Through an annual engagement survey, leadership listening sessions, new hire surveys, skip-level meetings and multiple informal touch points, our leaders work to ensure that team member's are both encouraged to share and know that their voices are heard.

One of the themes received in the surveys' feedback was that our employees wanted clarity around what it takes to be a good leader at SPX and where they should focus their development to prepare for opportunities. In the last year, we launched the SPX Leadership Model to provide that clarity.



ANNUAL GLOBAL EMPLOYEE SURVEY

This framework identifies all employees at SPX as leaders and enables a common language, context and set of expectations for employees that anchor what great leaders will do for themselves, their teams, the company and our customers at all levels of the organization. The model is being incorporated into all of our standard talent programs and drives the specific development offerings for individuals based on their roles and career interests.

Our Vision		We deliver highly valued products, solutions and services 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.				Imperatives		<ul style="list-style-type: none"><li>■ Pursue zero harm workplace</li><li>■ Build a diverse and inclusive culture</li><li>■ Continuously improve and adapt to changing environment</li></ul>		
Our Values	<b>INTEGRITY</b> Do what's right, the right way. Both the "what" and the "how" matter.	<b>ACCOUNTABILITY</b> Take ownership. Create understanding and develop solutions by communicating with data and transparency.	<b>EXCELLENCE</b> Exceed customer expectations through active engagement, relentless focus, and a passion for innovative solutions.	<b>TEAMWORK</b> Engage. Have fun. Make others successful. Our strongest asset is the power of 'we'.	<b>RESULTS</b> Make an impact. Focus on what matters. Deliver on commitments.					
										
Leading Leaders	<b>TRUE TO SELF</b> Build authentic, connected and respectful working relationships, while empathizing with others. Strive to be self-aware, courageous, transparent, confident and humble. Remain inquisitive while speaking up to voice different opinions.	<b>MAXIMIZE PERFORMANCE</b> Leverage processes to maximize efficiencies. Balance execution focus and futuristic orientation to create a sustainable competitive advantage. Inspire others to take ownership of leading change and driving results.	<b>MARKET AWARENESS</b> Intimately understand and anticipate changes in the markets we compete in to pioneer new opportunities. Tolerate risk and make measured investments to create long term growth.	<b>BUILD TALENT &amp; TEAMS</b> Enable diverse talent to collaborate in creating value for our customers. Empower teams to make optimal decisions inclusively. Cultivate a culture of trust, engagement and belonging where everyone is valued.	<b>GROWTH &amp; STRATEGIC FOCUS</b> Incorporate stakeholder input to prioritize the best courses of action to grow the business. Create a compelling vision to energize the team. Utilize holistic information to inform strategic decision making.					
	<b>DEVELOP SELF</b> Reflect upon your impact on others. Recognize personal strengths as well as limitations. Take advantage of personal growth and development resources. Gain insight from experiences and others.	<b>OPERATIONAL EXCELLENCE</b> Relentlessly seek opportunities and continuously examine practices to learn how to make day-to-day execution more effective and efficient. Comfortable and confident with change in pursuit of better alternatives.	<b>CUSTOMER CENTRIC</b> Partner with internal and/or external customers to proactively identify their pain points and develop creative, enduring solutions that address them as well as enhance their relationship with our company.	<b>ENGAGE PEOPLE</b> Grow talent through coaching, feedback, and development assignments. Seek opportunities to empower, delegate and facilitate collaborative and inclusive decisions. Actively facilitate discussions on career goals.	<b>STRATEGIC MINDSET</b> Align and communicate the strategic objectives. Leverage financial indicators, data and analytics to make better business decisions both short-term and long-term					
Leading Others	<b>SELF AWARENESS</b> Show commitment to personal improvement by seeking feedback from others. Be a continuous learner. Actively seek ways to develop knowledge and skills.	<b>CONTINUOUS IMPROVEMENT</b> Meet commitments. Cultivate and model an ongoing mindset of improvement. Generate and embrace new ideas, both incremental and transformational. Seek to drive improvement.	<b>CUSTOMER FOCUS</b> Listen to internal and/or external customers to identify opportunities to meet and exceed their needs. Take ownership of issues and resolve them appropriately.	<b>COLLABORATIVE TEAMWORK</b> Actively partner with others to do the best job possible. Communicate effectively. Role model good teammate behaviors. Show initiative to exceed expectations and support development of peers.	<b>MAKE AN IMPACT</b> Understand how your day-to-day work supports the broader goals of the company. Achieve results and meet challenges in a timely manner. Strive to make a difference.					
Leading Self										



EMPLOYEE DEVELOPMENT & TRAINING

“ Investing in employees’ growth is essential to long-term sustainable success.”

We remain committed to continuously improving the development of our employees and the SPX culture. Training is targeted for employees based on their function, development priorities, strategic

initiatives, and compliance knowledge needs. Each training topic is refreshed on a periodic basis and completion is tracked to ensure that the appropriate training is being conducted and updated as needed. Additional information about our employee training can be found in our [2020 Sustainability Report](#).

SPX employees receive opportunities for training and development in a wide variety of topics aligned with our business objectives and their professional growth.

D&I Training  
**10,000+ hours**

Continuous Improvement Training  
**3,900 hours**

Front-Line Leadership  
Institute Training  
**1,800 hours,  
74 participants**

Performance Reviews  
**100% of all professional  
level employees**

Executive Leadership  
Development Program  
**21 participants**



A few examples:

- Training for managers on how to conduct effective conversations with direct reports, including providing effective feedback, resolving conflict, and engaging in development planning to enable performance and leverage strengths.
- Skills training on job-specific technologies.
- Specialty training in areas such as Lean Concepts, Leadership Development for Managers and Individual Contributors and Mentoring Programs.
- On-Demand Learning to address targeted topics based on individual development plans.

A sampling of our 2021 Training and Development programs:

- Our D&I programs, outlined on the next page, are specifically targeted to build awareness, educate about unconscious bias, and enhance skills designed to promote more inclusive environments.
- The continuous improvement training course is focused on aligning the entire organization to our continuous improvement culture, which was accomplished through a series of overlapping workshops between Executive Leadership, Business Unit Presidents, General Managers, plant managers, and functional leaders.
- Multiple new cohorts completed the Front-Line Leadership Institute Training over the course of 6 weeks. Approximately 160 employees have completed this program to-date. Cohort members are developing leaders and experienced leaders wishing to reinforce or develop new skills. The May 2022 Executive Leadership Development Program, presented by SPX and the Center for Creative Leadership, provided team members an

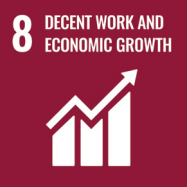


opportunity to enhance their skills and methods for solving real-world problems. Cohort members are selected by nomination and are existing leaders preparing for broader business unit or functional leadership roles. This robust leadership development program is a year long program designed to develop competencies determined to be core to successful leadership at SPX. Aligned with our leadership model, participants focus on building competencies that enhance their ability to be ‘true to self’, ‘maximize performance’, have strong ‘market awareness’, ‘build talent & teams’, and deliver ‘growth & strategic focus’.

TOTAL REWARDS

We offer a “Total Rewards” program that provides comprehensive compensation and benefits packages that are competitive in the market, and provide choices designed to reward employees and assist them in managing their well-being. Together, these opportunities present employees with significant professional and financial growth potential:

- Competitive compensation and financial incentives
- Healthcare, wellness, and life insurance benefits
- Retirement benefits
- Paid and flexible time-off policies to care for self and family members, including short and long-term disability
- Employee assistance programs
- Flexible work environments, policies, and schedules
- Tuition assistance





# Diversity & Inclusion

“Valuing differences is critical to our long-term success.”

We are committed to continuously focusing on building a culture that values and embraces diversity and inclusion (D&I) by creating a respectful working environment that facilitates collaboration, innovation and creativity.

In February 2021, we communicated the SPX D&I Statement to all employees laying out our four objectives for D&I at SPX.

Objectives:

- Cultivate a culture of engagement and belonging, where everyone is treated with dignity and respect.
- Create an environment where we value diverse opinions and everyone feels safe to respectfully voice their view.
- Achieve diversity throughout the company, reflective of the markets and communities in which we operate.
- Build a reputation for attracting, developing, and advancing talented individuals with diverse backgrounds and experiences.

Success in our D&I program is defined through execution of the D&I Charter, where we have committed to driving ongoing development by taking actions each year in the areas noted below. We measure the effectiveness of these actions through the outcomes delivered and the feedback from our employees in the annual engagement survey, which has a section dedicated specifically to diversity and inclusion. The feedback drives continuous updates to programming and initiatives.

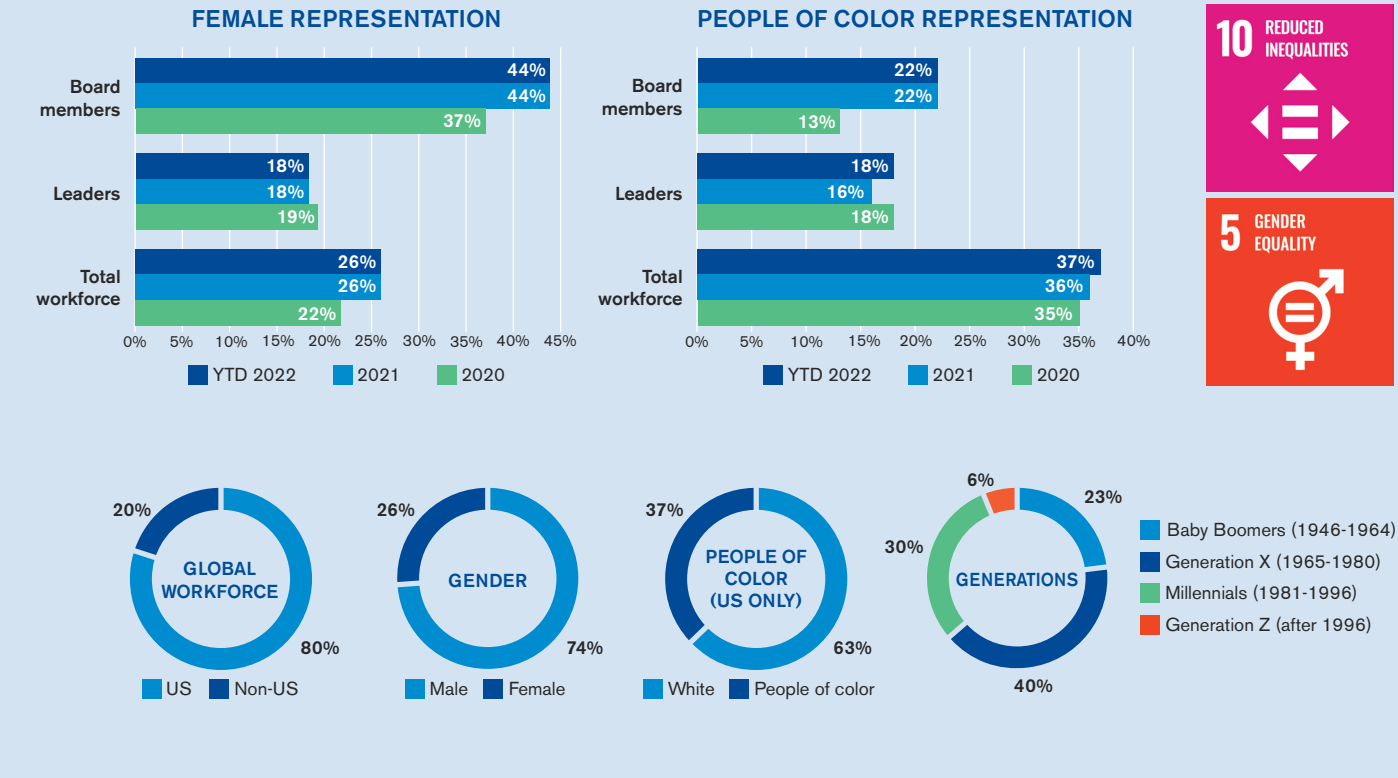
## EDUCATION & DEVELOPMENT

We take proactive steps to equip our employees and leaders with the tools and training they need to maintain and enhance an inclusive work environment.

- In 2021, all leaders across the organization participated in a half day facilitated program on Creating and Inclusive Environment (CIE). This program provides learners with specific actions and skills they can personalize and use with others to create a culture of inclusion. During the lesson, participants learn to recognize biases and stereotypes that affect workplace decisions, identify those who have been excluded, engage everyone and encourage their voices and contributions, and advocate for those with different perspectives and support their success within the organization.
- In 2022, all 3,100+ employees across the globe are participating in small group sessions focused on understanding and addressing unconscious bias.
- Bi-monthly RiSE Updates are published to the SPX community to ensure employees are aware of programming that is occurring. As part of these communications, various engagement options and/or self-paced development opportunities for diversity and inclusion topics are provided.

## ENGAGEMENT & INCLUSION

Through engagement activities, employees are provided opportunities to learn about the cultures and experiences of others while identifying individual biases and developing skills and tools to continuously improve the SPX culture.



- Our Executive Leadership Team and D&I Council, both comprised of senior leaders from across the enterprise and led by our CEO, facilitated listening sessions with employees from across the globe to learn what was important to them and how we could create an even better work environment. In response to the feedback received, multiple initiatives were undertaken to increase communications, build the capabilities of our leaders, and further dialogue across the enterprise.
- In 2022, the D&I Ambassador's, a networking and action group of cross-functional and business unit team members from all SPX businesses and regions, developed and launched the first annual SPX Diversity and Inclusion calendar. The calendar provides monthly topics and resources that are used to communicate, engage, and educate our global teams.
- A Day of Understanding event was held at all SPX locations in 2022, focused on World Humanitarian Day, providing employees an opportunity to learn about the cause and to give back to their

communities. The annual focus area for the Day of Understanding is recommended by the D&I Ambassadors. They are active participants in the development and implementation of our strategies and programming to ensure that the actions we take drive meaningful and impactful results for our employees.

## WORKFORCE COMPOSITION

We also strive to have the make-up of our workforce mirror the communities in which we operate. We are committed to staying focused on building the representation of women and persons of color at all levels within our organization to be at or above the markets we operate in and strive to see improvement each year where that is not the case. We have undertaken several initiatives, including the launching of our Channel Champion Program, to drive diverse candidate talent pools at all organizational levels by utilizing and building strong partnerships with diverse professional networks, organizations, and targeted campus recruiting.



## Culture of Community

**S**PX's core values remind us to be active community members and to practice meaningful engagement with our employees, the public, and other stakeholders.

- Shanghai Cooling employees hosted an environmentally themed art contest for employees' children, providing the younger generation the opportunity to showcase their artistic talents and a platform to raise awareness around environmental issues.
- The Elk Grove Village Genfare team organized several events, including a recycling event, clothing drive, and blood drive.



'Recycling Challenge' at Elk Grove Village, IL location



Presenting Engineers Without Borders with a charity donation

SPX encourages our teams to give time and support to community causes. We provide philanthropic support that aligns with our business strategy and reflects our values, including supporting efforts focused on education, health and wellness, and furthering D&I efforts. We identify programs that touch the communities where our employees live and work through local employee engagement teams, direct volunteer efforts, and individual employee recommendations. We also provide a matching gift program to all US based employees to encourage them to contribute to the causes that matter most to them.

### Examples of community engagement initiatives that occurred across SPX in 2021:

- Another year of participation in the American Heart Association Greater Charlotte Walk.
- Our Overland Park Cooling employees use proceeds from a golf tournament for charity donations to Engineers Without Borders and Literacy KC. SPX donated more than \$30,000 to each organization. In addition, SPX hosted a 'Lunch and Learn' with each organization for community building and knowledge sharing, providing 45 local families with a meal.

While SPX emphasizes community involvement, we also make sure not to forget our hardworking employees. Employees are the backbone of our organization. Taking time to recognize and celebrate their contributions and successes is core to our culture. A few examples throughout the last year include:

1. In 2021, employees at our CUES business enjoyed a bowling outing and a day of festive board games, among other activities.
2. Sensors and Software in Ontario, Canada spent an afternoon crafting replica catapults and other fun engineering structures featuring marshmallows.
3. SPX integrates safety wherever possible. Our heating employees in North Carolina enjoyed safety bingo and won some prizes.

SPX completed many other employee engagement initiatives centered around local employee interests including celebrating the traditional Chinese Dragon Boat Festival holiday in our Shanghai office; hosting cook-outs with our Overland Park, KS staff; and inviting an ice cream truck to treat our employees in Mason, OH.

Genfare employees organized a blood drive. Our team at ULC Robotics hosted a chili competition and picnics in Hauppauge, NY. Patterson-Kelley employees feasted at a spring picnic featuring several food trucks and also cheered on the home team at a minor league baseball game outing.





# Environmental Stewardship

**A**s part of our long-term strategy and EH&S Policy, SPX has introduced a variety of initiatives devoted to conservation and sustainable practices in recent years; many of our businesses, products, and initiatives support a sustainable future. We continue to seek new opportunities for reducing our environmental footprint in our current and recently acquired businesses as a measure of continuous improvement within our organization. Disclosure of progress and case studies are broken down into five categories: Environmental Management, Product Stewardship, Energy & Greenhouse Gas Emissions, Responsible Water Consumption and Management, and Waste Management.

## ENVIRONMENTAL MANAGEMENT

SPX is continuously working toward minimizing environmental impacts of operations and promoting environmental stewardship. In 2020, we identified opportunities to improve our environmental management systems. In 2021, with these opportunities in mind, we rolled out a more formal strategy that includes data monitoring and management of key environmental focus areas. We consolidated our environmental metric categories, thereby streamlining our data collection procedures. The consolidation of our environmental metrics led us to a better understanding of our data generation, collection, and further validation requirements. In addition, this process brought better visibility to overall environmental management and enhanced our ability to monitor compliance requirements within our operations. For example, our Genfare and Sabik operations have sought and been granted International Organization for Standardization (ISO) 14001 certifications for Environmental Management Systems. Further demonstrating our commitment to environmental stewardship, in 2021, the Company received zero non-compliances or notices of violation concerning environmental laws and regulations.

As SPX is a large and multi-faceted organization, environmental items such as energy, waste, and water are relevant to many different areas of the business, both geographically and operationally. Thus, it is essential that our environmental management program is heavily focused on one of our core values – Teamwork. At our monthly EH&S touchpoint meetings, we discuss environmental best practices, identify potential risks, and encourage collaboration across functional groups to ensure cohesive and robust management.

## PRODUCT STEWARDSHIP

SPX is proactively taking measures to reduce and eliminate certain chemicals used in production and operations, evaluating compliance with the U.S. EPA's stringent enforcement standards for chemicals. We adhere to the regulations on toxic materials and have made a voluntary commitment to eliminate certain chemicals and/or products from our operations. Our Sourcing Council and the supply chain team are collaborating with our global stakeholders across our supply chain to abide by these commitments. We have also successfully implemented a singular chemical management software at the majority of our manufacturing facilities.

## ENERGY & GREENHOUSE GAS EMISSIONS

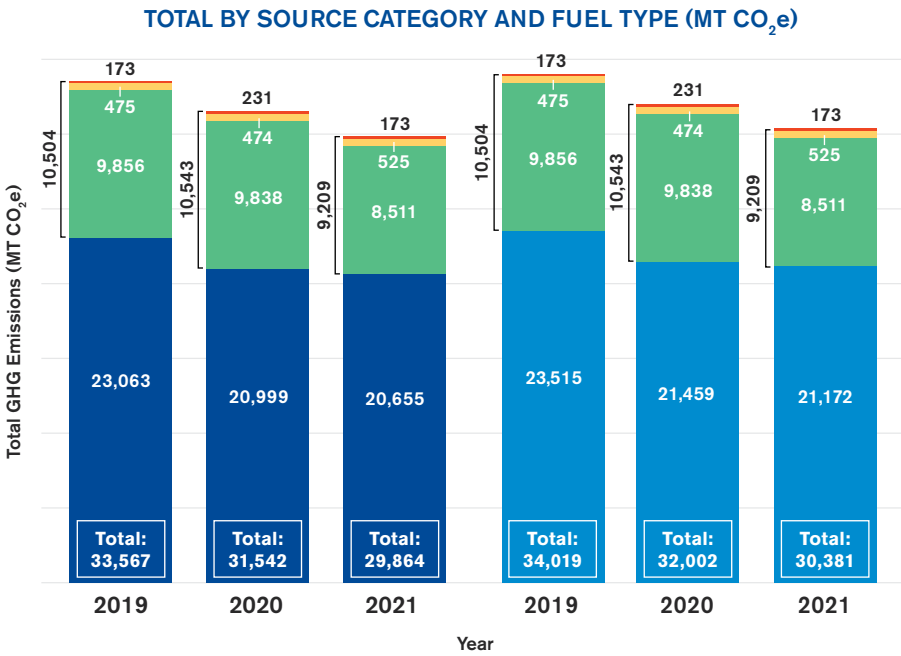
We continue to increase the detail and quality of our energy and greenhouse gas (GHG) data through our enhanced management information system. A deeper understanding of the drivers behind the data and our performance helps us to adjust our GHG and energy reduction initiatives to achieve measurable results. In 2021, SPX overhauled our GHG Emissions calculations.

In regard to the 2021 emissions overhaul:



## Sustainable solutions that help reduce emissions

- Emission factors have been reviewed and updated to better reflect operations.
- Inventory includes emissions from on-site fuel combustion and purchased electricity at SPX manufacturing and assembly facilities (i.e., office locations are not included in the inventory.
- SPX Transformer Solutions was divested in 2021, so these locations were excluded from all inventory years.
- New acquisitions are included in the inventory the year following their acquisition date (e.g., ULC Robotics was acquired in 2020 and its emissions were included in the GHG inventory starting in 2021).
- Emissions are disclosed with both market-based and location-based calculations.



- Scope 1 Stationary Combustion**
- Natural Gas
  - Propane
  - Diesel
- Scope 2 Purchase Electricity**
- Location-based
  - Market-based

**DEFINITIONS:**

**Location-based method** – reflects the average emissions intensity of grids on which energy consumption occurs (using mostly grid-average emission factor data)

**Market-based method** – reflects contractual arrangements under which the organization procures power from specific sources or energy companies

Source: [https://ghgprotocol.org/sites/default/files/Scope2\\_ExecSum\\_Final.pdf](https://ghgprotocol.org/sites/default/files/Scope2_ExecSum_Final.pdf)



**1,678 metric tons CO<sub>2</sub>e**  
decrease in 2021 scope 1 and 2 market-based GHG emissions compared to 2020

**19%**  
reduction in our operational emissions from 2018 baseline\*

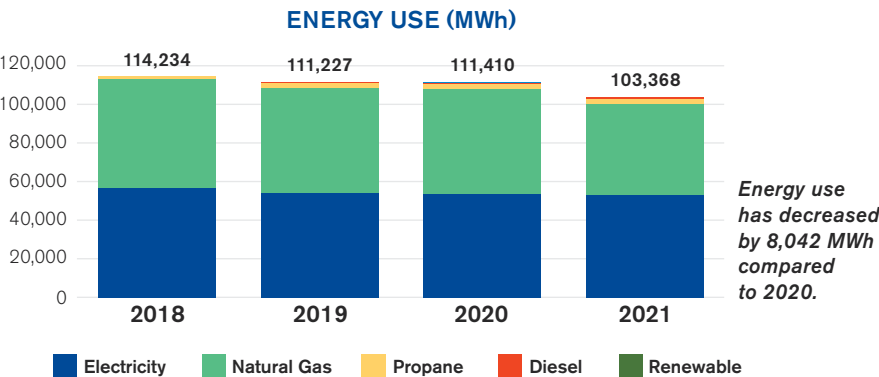
Electricity usage contributed about two-thirds of 2021 emissions and the rest came from the onsite combustion of fuels in manufacturing equipment, the majority of which were natural gas fired.

SPX's products help address the climate challenges posed by the ever-increasing demand for power. Our cooling towers are among the most efficient solutions for cooling,

while our Aids-to-Navigation (AtoN) solutions enable safe deployment and management of renewables with low power requirements. See the Product Innovation section of this report for more information about sustainable solutions that help reduce emissions, such as the SPX MD Everest, AtoN obstruction lighting solutions, and NURO Touch Screen Control System.

[SPX MD Everest](#), a counterflow cooling tower, offers substantially greater cooling capacity than

comparable towers, reducing energy and lifecycle water usage for datacenters and other applications. As discussed in the Product Innovation section of this report, SPX published a timely expert opinion whitepaper concerning the energy and water efficiency of data center cooling towers. For a thorough explanation of water use for local onsite cooling towers vs. water used to generate power at regional fossil fuel power plants, please [view this article](#).

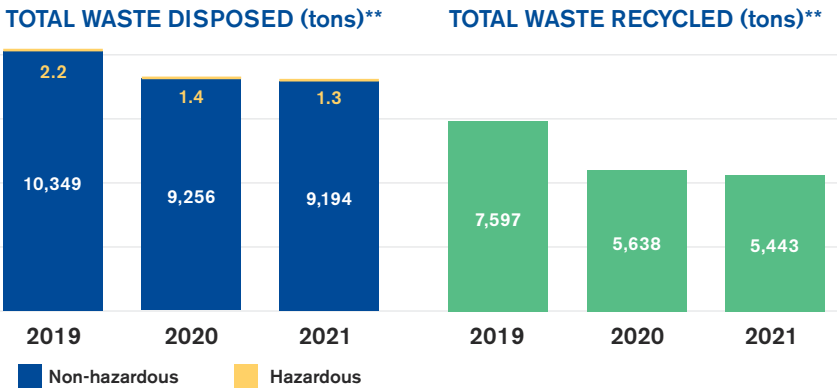


## WASTE MANAGEMENT

Reducing and managing our various waste streams is a focus for our sustainability strategy. SPX's waste reduction and recycling programs support a transition to a circular economy and align with our continuous improvement initiatives by reducing costs and improving efficiency. As we continue to seek opportunities to focus and simplify our portfolio, we anticipate additional opportunities to minimize waste and hazardous waste generation.

Our primary US cooling facility in Olathe, Kansas has historically sent baled plastics, sheets, scraps, and packs to a local vendor for landfill disposal. In 2020, the facility conducted a vendor evaluation and found that it was more beneficial and sustainable to send this waste to another vendor who turns the scrap

## Efficient resources utilization through waste avoidance and recycling



into composite decking material used in residential and commercial properties. Through this process, 625 tons per year of polyvinyl chloride (PVC) scrap is turned into decking materials. Further, as part of this initiative, the facility has identified additional process changes which reduce scrap and waste generation; this cooling plant has invested in a

recycling process which diverts 950 tons per year of wood waste from pallets and crates from landfill.

In addition, our Radiodetection business is phasing out all printed customer materials (i.e., catalogs, brochures, manuals) in favor of digital versions by 2023.

## RESPONSIBLE WATER CONSUMPTION & MANAGEMENT

SPX operations are not water-use intensive, but we maintain appropriate metrics for water use and several of our facilities have implemented water recycling initiatives. HVAC and process cooling business use water, and, company-

**6 CLEAN WATER AND SANITATION**

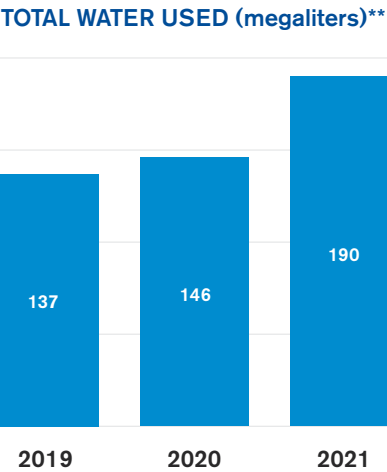
**Keeping water infrastructure safe and clean**

wide, water is used for sanitation and employee needs.

Our R&D Center in Kansas City has been a global hub for SPX products since its foundation in 1957. The R&D Center is constructed on the

site of a former limestone mine, and provides an ideal year-round scientific environment; experiments are performed under controlled laboratory conditions on three underground acres, located 70 feet below the surface. The center has

evolved into a world leading process cooling test facility – unique in the industry. Through continuous recycling and reuse of water during our testing experiments, we evaluate the efficiency of cooling tower water distribution systems, thereby making our products more sustainable. For more information about our Research and Development Center, [read this corporate publication](#).



\* Total Scope 1 and Scope 2 emissions totaled 36,997 MT CO<sub>2</sub>e in 2018.

\*\* New acquisitions are typically included in the waste, recycling, and water data the year following their acquisition date (2020 data includes acquisitions Patterson-Kelley, SGS and Sabik; 2021 data includes acquisitions ECS, ULC, Sensors & Software).

Organization-wide total water usage has increased by 30% from 2020 to 2021; this increase can be attributed to new acquisitions (i.e., ECS, ULC, Sensors & Software) as well as increased in-person work attendance in 2021 compared with 2020.



# Supply Chain Responsibility

Managing environmental and social risk within our supply chain is a top priority. As a fundamental practice, SPX partners with suppliers that share our commitment to business ethics and are aligned to the SPX Code of Ethics and Business Conduct. We maintain additional policies specific to environment, social, and governance (ESG) risks in our [supply chain](#), such as ones centered around [conflict minerals](#) and [modern slavery](#).

In 2021, SPX implemented a risk matrix to better evaluate our supply chain. The matrix is reviewed on a monthly basis in leadership meetings in order to promote visibility and monitoring of supply chain risks across the enterprise.

With respect to ethical sourcing and procurement, SPX conducted an extensive survey of our supply chain with a focus on compliance with human trafficking regulations. We expanded our evaluation of suppliers and surveyed products in regard to conflict minerals and U.S. EPA banned substances.

## SPX SOURCING COUNCIL

Our President, Global Operations continues to lead our Sourcing Council which works to improve supplier consistency and reliability as well as steward effective management of ESG risks among our supplier partners. The team

convenes monthly and is led by sourcing and procurement leaders across business units. This approach ensures we have adequate representation by internal stakeholders all of whom manage some aspect of supply chain ESG risk.

Over the past year, the Sourcing Council launched a new initiative to enhance supply chain procurement performance. We benchmarked the top performers among our peer group to understand supply chain strategies, and are now in the process of deploying a uniform internal scorecard to be used by business units to identify and manage ESG risks.

## SUPPLIER COMPLIANCE, ETHICS, & BUSINESS CONDUCT

Conducting business ethically is fundamental to our core values and key to our success. SPX has a strong reputation for providing quality products and services and doing so the right way. In our [Code of Ethics and Business Conduct](#), we have captured the foundational principles of SPX's culture and what it means to live by our core values.

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 to validate responsible sourcing in our supply chain. For more detail on SPX's commitment to human rights, please see our [Human Rights Policy](#) which was adopted in 2022.

For our employees with direct responsibility for supply chain management, SPX conducts 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.

In addition, we ensure that our colleagues have safe, healthy work environments and fair wages no matter where in the world they work. Additional detail about SPX's supply chain compliance, management, and sourcing process can be found in our [2020 Sustainability Report](#).





## 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, 2021, through December 31, 2021, and all company businesses unless stated otherwise. The boundaries of this report correspond to those of the Company's 2021 Form 10-K.

SPX is a publicly-traded corporation. In April 2021, we acquired Sealite Pty and associated entities, further building out our Aids to Navigation platform, which provides specialized equipment to light obstructions that could endanger passing aircraft and marine vessels, among other uses. In August 2021, SPX announced the acquisition of Enterprise Control Systems Ltd, a leader in the design and manufacture of highly-engineered tactical datalinks and radio frequency (RF) countermeasures, building on our existing position in our Communication Technologies platform. In October 2021, SPX completed the sale of its SPX Transformer Solutions business to Prolec-GE and eliminated its Engineered Solutions reporting segment.

This report references and incorporates GRI Standards. Our previous Sustainability Report was released in August 2021. This is our fifth annual sustainability report. Restatements of previously reported information are indicated where necessary throughout the report. The SPX 2021 Sustainability Progress 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 2021 Sustainability Report to [spx.investor@spx.com](mailto:spx.investor@spx.com).

## DATA SUMMARY

	2019	2020	2021
<b>BUSINESS</b>			
Revenue (in millions)	\$1,123.60	\$1,128.10	\$1,219.50
<b>ENVIRONMENTAL</b>			
Energy Consumption (MWh)			
Natural Gas Usage	54,372	54,270	46,944
Propane Usage	2,207	2,200	2,437
Electricity Usage	53,968	53,627	53,277
Renewable Energy Produced	0	405.72	30.69
% Renewable Electricity	0.00%	0.37%	0.03%
Fuel Oil Usage	679.61	907	679.92
<b>TOTAL</b>	<b>111,227</b>	<b>111,410</b>	<b>103,368</b>
Energy Consumption (MWh) per Million Dollars Revenue (USD)	98.99	98.76	84.76
Greenhouse Gas Emissions (mtCO <sub>2</sub> e)			
Direct (Scope 1)	10,504	10,543	9,209
Indirect (Scope 2)	23,063	20,999	20,655
<b>TOTAL</b>	<b>33,567</b>	<b>31,542</b>	<b>29,864</b>
Greenhouse Gas Emissions (mtCO <sub>2</sub> e) per Million Dollars Revenue (USD)	29.87	27.96	24.49
Waste Disposal (tons)			
Non-hazardous	10,349	9,256	9,194
Hazardous	2	1	1.25
<b>TOTAL</b>	<b>10,352</b>	<b>9,257</b>	<b>9,195</b>
% Hazardous Waste Recycled	–	–	–
Total Recycled	7,597	5,637	5,442
Waste Disposal (tons) per Million Dollars Revenue (USD)	9.21	8.21	7.54
Number and Quantity of Reportable Spills	–	0	0
Water Consumption (Megaliters)			
<b>TOTAL</b>	<b>137</b>	<b>146</b>	<b>190</b>
Water Consumption (megaliters) per Million Dollars Revenue (USD)	0.12	0.13	0.16
<b>SOCIAL</b>			
Injuries and Incidents			
Total Number of Hours Worked	5,573,434	6,000,326	7,011,197
Number of Fatalities	0	0	0
Fatality Rate	0	0	0
Total Recordable Injuries	55	37	47
Total Recordable Incident Rate per 200,000 Worked	1.97	1.23	1.34
Cases of Ill Health	–	–	–

**Note:** Data summary items do not include the divested Transformers business. Therefore, data from prior reports may not align with this year's reporting.



GRI MAPPING

Disclosure	Disclosure Title	Reference
GENERAL DISCLOSURES		
Organizational Profile		
GRI 102-1	Name of the organization	Who We Are, p. 4
GRI 102-2	Activities, brands, products, and services	Who We Are, p. 4
GRI 102-3	Location of headquarters	Who We Are, p. 5
GRI 102-4	Location of operations	2021 Form 10-K
GRI 102-5	Ownership and legal form	2021 Form 10-K
GRI 102-6	Markets served	2021 Form 10-K, p. 1-3
GRI 102-7	Scale of the organization	2021 Form 10-K, p. 1-3
GRI 102-8	Information on employees and other workers	Who We Are, p. 5
GRI 102-9	Supply chain	Supply Chain Responsibility, p. 29
GRI 102-10	Significant changes to the organization and its supply chain	There have been no significant changes to the organization and its supply chain.
GRI 102-11	Precautionary principle or approach	Who We Are, p. 4; Governance, p. 7-10
GRI 102-12	External initiatives	Corporate Responsibility at SPX Technologies, p. 14; Community Outreach and Engagement, p. 21-23
GRI 102-13	Membership of associations	Corporate Responsibility at SPX Technologies, p. 14; Community Outreach and Engagement, p. 21-23
Strategy		
GRI 102-14	Statement from senior decision-maker	Opening Letter to Stakeholders, p. 2-3
GRI 102-15	Description of key impacts, risk, and opportunities	Corporate Responsibility at SPX Technologies, p. 14; 2021 Proxy Statement, p. 4-17
Ethics and Integrity		
GRI 102-16	Values, principles, standards, and norms of behavior	Who We Are, p. 4-5
Governance		
GRI 102-18	Governance structure	Governance, p. 8-11
GRI 102-35	Remuneration policies	2021 Proxy Statement
Stakeholder Engagement		
GRI 102-40	List of stakeholder groups	Stakeholder Engagement, p. 6
GRI 102-41	Collective bargaining agreements	Six domestic collective bargaining agreements cover approximately 300 (less than 10%) of our employees.
GRI 102-42	Identifying and selecting stakeholders	Stakeholder Engagement, p. 6
GRI 102-43	Approach to stakeholder engagement	Stakeholder Engagement, p. 6
GRI 102-44	Key topics and concerns raised	Materiality Assessment, p. 4
Reporting Practice		
GRI 102-45	Entities included in the consolidated financial statements	2021 Form 10-K
GRI 102-46	Defining report content and topic boundaries	Opening Letter to Stakeholders, p. 2-3
GRI 102-47	List of material topics	Materiality Assessment, p. 4
GRI 102-48	Restatements of information	Appendices

GRI MAPPING

Disclosure	Disclosure Title	Reference
GENERAL DISCLOSURES <i>(continued)</i>		
Reporting Practice <i>(continued)</i>		
GRI 102-49	Changes in reporting	About This Report, p. 31
GRI 102-50	Reporting period	About This Report, p. 31
GRI 102-51	Date of most recent report	About This Report, p. 31
GRI 102-52	Reporting cycle	About This Report, p. 31
GRI 102-53	Contact point for questions regarding the report	About This Report, p. 31
GRI 102-54	Claims of reporting in accordance with the GRI Standards	About This Report, p. 31
GRI 102-55	GRI content index	GRI Mapping, p. 33-36
GRI 102-56	External assurance	About This Report, p. 31
Management Approach		
GRI 103-1	Explanation of the material topic and its boundary	Throughout report
GRI 103-2	The management approach and its components	Throughout report
GRI 103-3	Evaluation of the management approach	Throughout report
ECONOMIC		
Anti-Corruption		
GRI 205-1	Operations assessed for risks related to corruption	Anti-Corruption, p. 9
GRI 205-2	Communication and training about anti-corruption policies and procedures	Anti-Corruption, p. 9
GRI 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		
GRI 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		
GRI 302-1	Energy consumption within the organization	Energy and Greenhouse Gas Emissions, p. 24
Water and Effluents		
GRI 303-1	Interactions with water as a shared resource	Responsible Water Consumption & Management, p. 27
GRI 303-5	Water consumption	Responsible Water Consumption & Management, p. 27; Data Summary, p. 29
Emissions		
GRI 305-1	Direct (Scope 1) GHG emissions	Energy and Greenhouse Gas Emissions, p. 24; Data Summary, p. 29
GRI 305-2	Energy indirect (Scope 2) GHG emissions	Energy and Greenhouse Gas Emissions, p. 24; Data Summary, p. 29
Waste		
GRI 306-3	Waste generated	Responsible Water Consumption & Management, p. 27; Data Summary p. 29



GRI MAPPING

Disclosure	Disclosure Title	Reference
ENVIRONMENTAL (continued)		
Environmental Compliance		
GRI 307-1	Non-compliance with environmental laws and regulations	SPX did not receive any significant fines or non-monetary sanctions for noncompliance with environmental laws and/or regulations in the reporting period.
Supplier Environmental Assessment		
GRI 308-1	New suppliers that were screened using environmental criteria	No data is available on this topic at the time of this report. SPX is working to disclose information on supplier screening in coming years.
GRI 308-2	Negative environmental impacts in the supply chain and actions taken	No data is available on this topic at the time of this report. SPX is working to disclose information on supplier screening in coming years.
SOCIAL		
Employment		
GRI 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.
GRI 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	2019 Sustainability Report, p. 19
Occupational Health and Safety		
GRI 403-1	Occupational H&S management system	Employee Health, Safety & Wellness, p. 16-17
GRI 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	Employee Health, Safety & Wellness, p. 16-17
GRI 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	Employee Health, Safety & Wellness, p. 16-17
GRI 403-4	Worker participation, consultation, and communication on occupational H&S for employees and for workers who are not employees but whose work and/or workplace is controlled by the organization	Employee Health, Safety & Wellness, p. 16-17
GRI 403-5	Worker training on occupational H&S for employees and for workers who are not employees but whose work and/or workplace is controlled by the organization	Employee Health, Safety & Wellness, p. 16-17
GRI 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	Employee Health, Safety & Wellness, p. 16-17
GRI 403-8	Workers covered by an occupational H&S management system	Employee Health, Safety & Wellness, p. 16-17

GRI MAPPING

Disclosure	Disclosure Title	Page Number
SOCIAL (continued)		
Occupational Health and Safety (continued)		
GRI 403-9	Work-related injuries	Employee Health, Safety & Wellness, p. 16-17; Data Summary, p. 29
GRI 403-10	Work-related ill health	Data pertaining to work-related ill health was not available at the time of this review. Future reporting will include a disclosure on this topic.
Training and Education		
GRI 404-2	Programs for upgrading employee skills and transition assistance programs	Employee Training and Development, p. 17-18
GRI 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 & Inclusion		
GRI 405-1	Diversity of governance bodies and employees	Governance, p. 7-10; Diversity & Inclusion, p. 19-21
Local Communities		
GRI 413-1	Operations with local community engagement, impact assessments, and development programs	Employee Training and Development, p. 17-18; Diversity & Inclusion, p. 19-21; Community Outreach and Engagement, p. 22-23
Supplier Social Assessment		
GRI 414-1	New suppliers that were screened using social criteria	No data is available on this topic at the time of this report. SPX is working to disclose information on supplier screening in coming years.
GRI 414-2	Negative social impacts in the supply chain and actions taken	No data is available on this topic at the time of this report. SPX is working to disclose information on supplier screening in coming years.
Customer Health and Safety		
GRI 416-1	Assessment of the H&S impacts of product and service categories	Data is not available at the time of this report.
GRI 416-2	Incidents of non-compliance concerning the H&S impacts of products and services	None
Customer Privacy		
GRI 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		
GRI 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.



## SASB MAPPING

We have aligned with our SASB specific industry standards using the Sustainable Industry Classification System® (SICS®): Resource Transformation Sector – Electrical & Electronic Equipment. SPX Corp. is still in the process of collecting data relevant to our industry classification.

SASB Code	Accounting Metric	Report Section
<b>Energy Management</b>		
RT-EE-130a.1	(1) Total energy consumed (2) Percentage grid electricity (3) Percentage renewable	<b>Environmental Stewardship:</b> Energy and Greenhouse Gas Emissions, Page 25
<b>Hazardous Waste Management</b>		
RT-EE-150a.1	Amount of hazardous waste generated, percentage recycled	<b>Environmental Stewardship:</b> Waste Management, Page 28
RT-EE-150a.2	Number and aggregate quantity of reportable spills, quantity recovered	0 reportable spills
<b>Product Safety</b>		
RT-EE-250a.1	Number of recalls issued, total units recalled	Not included
RT-EE-250a.2	Total amount of monetary losses as a result of legal proceedings associated with product safety	No monetary losses as a result of legal proceedings associated with product safety
<b>Product Lifecycle Management</b>		
RT-EE-410a.1	Percentage of products by revenue that contain IEC 62474 declarable substances	Not included
RT-EE-410a.2	Percentage of eligible products, by revenue, that meet ENERGY STAR® criteria Quantitative	Not included
RT-EE-410a.3	Revenue from renewable energy-related and energy efficiency-related products	Not included
<b>Material Sourcing</b>		
RT-EE-440a.1	Description of the management of risks associated with the use of critical materials	Not included
<b>Business Ethics</b>		
RT-EE-510a.1	Description of policies and practices for prevention of: (1) corruption and bribery and (2) anti-competitive behavior	<b>Governance:</b> Anti-Corruption, Page 11
RT-EE-510a.2	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	<b>Appendices:</b> GRI Mapping; Economic, Page 31
RT-EE-510a.3	Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations	<b>Appendices:</b> GRI Mapping; Economic, Page 31
<b>Activity Metrics</b>		
RT-EE-000.B	Number of employees (Number)	<b>Who We Are:</b> Page 3

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