

# **SOLUTIONS THAT MATTER**

**SPX FLOW**  
Environmental, Social and  
Governance 2020 Report



# A MESSAGE FROM OUR CEO

Across the world, we faced unprecedented challenges and unique opportunities in 2020.

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The past year presented many trials, from a global pandemic and discrimination to economic disparities and some of the worst climate change disasters our planet has ever endured. We sought to find meaningful ways we could help make a difference in the lives of our teammates and strengthen our communities.

True to our company values, we looked for opportunities to support each other locally and impact conversations globally. I couldn't be prouder of our team. During a year of unknowns, we were resilient, creative and unwavering on how we could move forward for the greater good. In many ways, 2020 was a year of sustainability firsts at SPX FLOW:

- We had our best safety record since becoming an independent company in 2015.
- As part of our culture of belonging, we launched Achieving Black Leadership Excellence (ABLE), a Black employee resource group (ERG).
- We implemented more efficient processes and systems as part of our lean manufacturing efforts.
- We found ways to save energy and reduce emissions throughout our facilities.
- We placed a greater focus on giving back across the globe, from making plastic parts for face shields that health care workers needed, to helping Korean team members and their communities in special disaster zones.



Our company strategy focuses on People & Culture, Customer Experience, Profitable Growth and High Return Investments. Our global, highly engaged team is committed to delivering our strategy through excellence, both internally and externally.

Each day, we pride ourselves on our creativity in solving complex challenges for customers and innovating the solutions to make them successful. We are committed to helping the environment, improving diversity and inclusion and fostering innovation throughout this process.

I'm excited to share **Solutions That Matter**, SPX FLOW's inaugural Environmental, Social and Governance (ESG) Report. We are focused on areas where we can have the biggest impact on customers, team members and communities. We are committed to leading by example to make our world safer, healthier and more sustainable.

A handwritten signature in black ink, appearing to read 'Marc Michael'. The signature is fluid and cursive, written over a white background.

Marc Michael, President and Chief Executive Officer

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# ABOUT SPX FLOW

**SPX FLOW is a world leader in sustainable solutions.**

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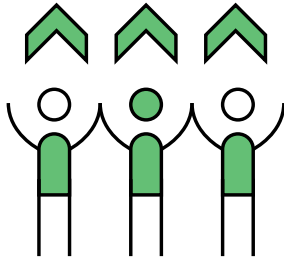
Based in Charlotte, N.C., our processing products and technologies provide a wide range of essential capabilities for customers across the nutrition, health and industrial markets. In 2020, we had approximately \$1.4 billion in annual revenue, operations in more than 30 countries and sales in more than 140 countries.

Our unique expertise spans several generations and dozens of engineering disciplines, allowing us to build new equipment, launch breakthrough technologies and use the best products to collaborate with customers. This helps us solve complex challenges and create scalable solutions that meet the strategic objectives of the companies that nourish and build our world.



## ABOUT SPX FLOW

Our 5,000 team members are guided by our E<sup>3</sup> values of Empower, Evolve and Exceed.



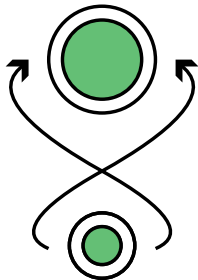
# EMPOWER

In our culture of belonging, we bring our authentic selves to work. We value and respect everyone. We have the courage to take action to move the company forward.



# EVOLVE

Our passion, collaboration and expertise to solve complex challenges help our customers and each other grow and succeed.



# EXCEED

Through innovation and hard work, we push boundaries to create a brighter future.



SPXFLOW®

To learn more about us, please visit [spxflow.com](https://www.spxflow.com).

# OUR ESG APPROACH

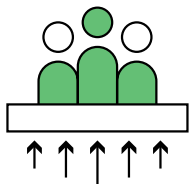
For years, we've helped improve the world through innovative, sustainable solutions.

We're reducing our footprint by the way we operate our manufacturing facilities, oversee our supply chain and work with our customers. We put people first, create opportunity for everyone and give back to our communities. Now, we want to share that work with you in **Solutions that Matter**.

Our ESG Steering Committee includes leaders from all areas of the business who focus on our company's most important areas of impact. Beginning in 2019, this team, with support from our senior leaders and Board of Directors,

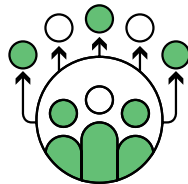
united to focus our efforts on five key areas for our **Solutions that Matter** framework. This is our first ESG report, and we created it to share how we're making meaningful change.

While much of the work is ongoing, we hope you'll see how our commitment to ESG empowers us to lead by example for our team members, customers, stakeholders and communities. We look forward to making our world safer, healthier and more sustainable.



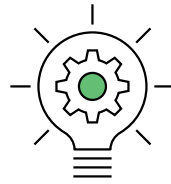
## PUTTING PEOPLE FIRST

The best outcomes start with the health and safety of our people.



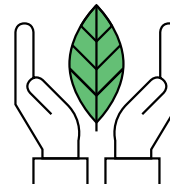
## OPPORTUNITY FOR EVERYONE

Our culture of belonging means everyone is valued and has room to grow.



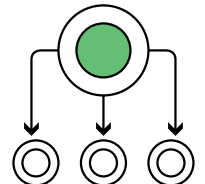
## INNOVATING HOW THINGS ARE MADE

We create safe and sustainable solutions to solve complex challenges.



## COMMITMENT TO CONSERVE

We are focused on reducing the environmental impact of our operations.



## GIVING BACK TO OUR COMMUNITIES

We partner with community organizations where we live and work to make a positive impact.

# PUTTING PEOPLE FIRST

The best outcomes start with the health and safety of our people.

Our team of solution makers is critical to safely delivering our superior products to customers on time and with outstanding quality. To do this, we encourage and expect our team members to actively assess risks and help prevent safety incidents. Their ideas help us implement solutions and successfully manage changing operations, and those ideas are working.

Our Safety Observation program provides our global manufacturing team a clear and direct voice to leadership to raise any issues or concerns. This program generated more than 14,000 observations in 2019 and 16,000 observations in 2020, with 97% of our manufacturing teammates submitting safety observations.

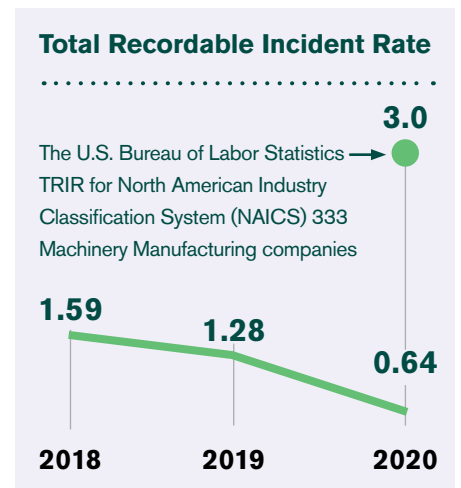
We track and record global safety incidents in accordance with guidelines from the U.S. Occupational Safety and Health Administration (OSHA). Our goal is to reduce our total recordable incident rate (TRIR) by 20% each year. Our 2020 TRIR of 0.64 marks a significant decrease from both 2018 and 2019, and is well below the most recent publicly available average TRIR for our industry of 3.0.<sup>1</sup>

We are proud to report that since our incorporation as SPX FLOW, Inc. in 2015, we have not had a single fatal workplace safety incident.

**97%**  
 participation in our Safety Observation program with 16,000 observations made in 2020

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**0**  
 fatal workplace safety incidents since our incorporation in 2015



1. Average TRIR for the Industrial Machinery Manufacturing Industry per U.S. Bureau of Labor Statistics includes U.S. companies only as of 2019.

## PUTTING PEOPLE FIRST



The Rockford Safety Committee is led by about 30 people from our shop floor who meet weekly to address safety observations and perform safety audits. This empowered team leads the company by closing 95% of the employee safety observations and manages a Safety Communication Board to inform site personnel of completed safety improvements.

We take action and show our team members we care by tracking and communicating outcomes for all observations. In 2020, we created a safety recognition program within our Global Manufacturing Operations (GMO) team where we present a Quarterly Safety Award. Anyone can nominate a team or team member that engages in Environmental, Health and Safety (EHS) initiatives. Each year, our CEO honors one team or team member with the CEO Award for Safety. Our efforts to acknowledge team members who reinforce positive behaviors have a direct result on our commitment to put people first.

When it comes to safety, we know setting a strong example from top leadership is critical. That's why all SPX FLOW leaders attend a one-and-a-half day EHS Leadership

Workshop that gives them an overview of the technical background needed to lead health and safety initiatives in the 21<sup>st</sup> century.

Thanks to the efforts of our leaders and all our team members, we can track our progress. Our safety indicators are derived from our employees' participation in the Safety Observation program, risk management and risk reduction activities, leader-led Safety Gemba Walks and our EHS plans called "What Good Looks Like." All this gets tied together through our EHS management system that follows the Plan-Do-Check-Adjust model. Within this model, leadership teams are continually evaluating and developing action plans to build maturity in their systems. This helps ensure a cyclical process to our safety improvement.

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**“At SPX FLOW, we have a strong business culture that enables outstanding EHS practice. Leaders at all levels of our organization care about our employees and consider safety an essential business foundational element for achieving excellence.”**

**Tracy Beaudry, Global Leader, EHS and Quality**





## PUTTING PEOPLE FIRST

### Keeping Our People Safe During COVID-19

The COVID-19 pandemic created many challenges, but by prioritizing the safety of our team members, striving to exceed our customers' needs and being flexible and innovative, our company successfully navigated these unprecedented times. In 2020, we deployed incremental health and safety investments of \$2.3 million to protect our teams.

Site leaders took action as they faced uncertainty in the supply chain, personnel shortages and other disruptive events caused by the pandemic. Using business continuity and crisis management programs we already had in place, the Enterprise Crisis Communication Team developed a plan to support global team members. The team included top leaders from operations, human resources, legal, finance, IT and commercial. After running several simulations, the team rapidly implemented their plan, which clearly defined roles and responsibilities.

One of the first decisions made was to halt employee travel. Business-critical travel, such as work performed by our Solutions Delivery team, was allowed only after a thorough safety assessment.

As the pandemic progressed, the team continued to develop policy and guidance, such as:

- Mandatory health screenings at our facilities
- Remote work for eligible team members
- Mandatory quarantine with pay for team members who were exposed to or contracted the virus

When the pandemic began to subside in some parts of the world, the Crisis Team provided direction to welcome people back to office workspaces, empowering local leaders to adopt best practices for their locations in accordance with government guidelines and the World Health Organization (WHO). As the situation continues to change, the Enterprise Crisis Communication Team continues to develop guidance that prioritizes our team members' safety.



# \$2.3M

invested in 2020 to  
keep our people safe  
and healthy during  
COVID-19

# OPPORTUNITY FOR EVERYONE

**Our culture of belonging means everyone matters and has room to grow.**



We have 5,000 employees in more than 30 countries, and we empower them to reach their fullest potential. Safety is always our top priority, even when they're not working, and we also embrace a culture of belonging.

We provide a benefits package that offers robust options for managing health and well-being, including health insurance, paid time off, paid parental leave in many countries and flexible work arrangements. Each year, we also note that May is Mental Health Awareness Month. Many of us have been impacted in some way by mental illness either directly or indirectly, yet despite its prevalence, there is still a stigma. We're proud to offer access to free, 24/7 counseling and mental health services through our global employee assistance program (EAP). It can help with anything, from surviving the loss of a loved one and improving relationships to managing both stress and workplace pressure. We call it "Healthy Minds, Healthy Lives."

We also prioritize the importance of diversity, equity and inclusion through our initiatives in recruitment and hiring, investments in targeted development programs and efforts toward inclusive management. To recruit the most passionate and talented team members, we have established long-standing relationships with several historically black colleges and universities (HBCUs). We partner with student resource groups, such as Women of Color, Honor and Ambition (WOCHA) at Rochester Institute of Technology and the National Society of Black Engineers (NSBE) at universities across the U.S. And we've launched efforts to recruit a diverse pool of talent for a two-year rotational program. It's an equal mix of race, gender and ethnicity, and the participants work in different departments throughout the company. It gives them a well-rounded view of SPX FLOW, helping them find the areas where they can immediately make the biggest difference upon graduating from the program.

The benefits of diversity are proven: new ideas, increased profits and improved employee engagement. We want to grow faster than the markets we serve, and to do that, we must have a diverse and inclusive culture.



## We Are Committed to Diversity, Equity and Inclusion

**We are dedicated to attracting and retaining top talent with diverse backgrounds and encouraging every one of our team members to bring their whole selves to work.**



## OPPORTUNITY FOR EVERYONE

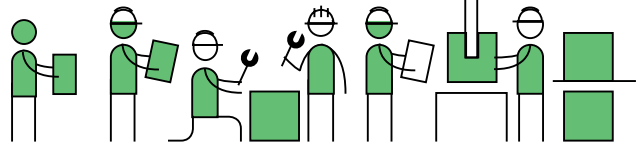
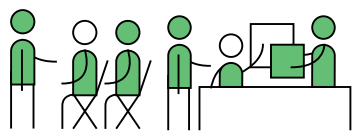
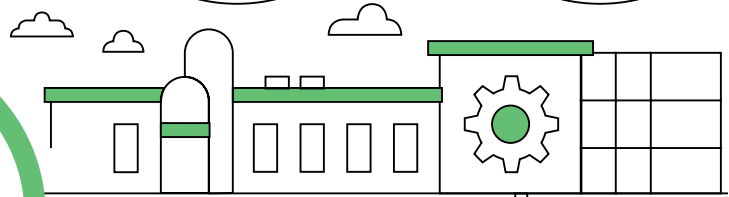
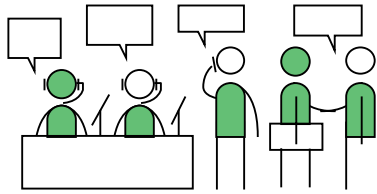
**Team members**  
identifying as female  
or racially diverse<sup>2</sup>

Board of directors  
**33%**

Tier 1 executive leaders<sup>3</sup>  
**43%**

Tier 2 leaders<sup>4</sup>  
**43%**

Remainder of the organization  
**25%**



All data as of Dec. 31, 2020.

We are conscious that driving greater representation within our organization is not something that can be achieved overnight, and we want to be part of the solution. We've established employee resource groups (ERGs) to connect team members based on shared characteristics or life experiences. ERG participants advance their skills and leadership potential through connection, mentorship, collaboration, support and discussion.

Members of our ERGs serve as advocates and allies in everything our organization does to enhance diversity. We recognize the value of diversity in building a strong and successful team, and we're excited to continue on our journey together of fostering an inclusive culture.



2. Racial diversity is tracked for U.S. team members only.

3. Tier 1 executive leaders are the CEO and all direct reports to the CEO, excluding administrative support staff.

4. Tier 2 leaders are all direct reports to Tier 1 executive leaders, excluding administrative support staff.

# ABLE

## Achieving Black Leadership Excellence (ABLE)

On June 17, 2020, a cross-functional group of Black team members located across the U.S. met virtually after a nationwide increase in racial tension and unrest. Informal weekly meetings followed, where team members shared accounts of their personal and professional experiences, giving each other meaningful mentoring, advice and support. The meetings highlighted a need to formalize these grassroots actions in support of our broader company objectives related to diversity, equity and inclusion.

With executive sponsorship, our newest ERG now empowers our people to live authentically and build a better working world. ABLE's mission is to attract, retain and aid in the promotion of Black people through professional development, mentoring and networking opportunities.

# EMPOWER

## Empower

Gender imbalance in business cannot be labeled as a women's issue. It's everyone's issue. Real change starts with treating gender diversity like the business priority it is.

Founded in 2019, Empower is our ERG focused on supporting and growing women in business. Over the past year, Empower took several important actions, such as:

- Launching four new local Empower chapters
- Celebrating International Women's Day
- Receiving Women in Manufacturing sponsorship and participation
- Hosting Best Year Yet workshops for members
- Recruiting women at job fairs

## OPPORTUNITY FOR EVERYONE

### Elevating and Engaging Our Team Members

We're dedicated to attracting and retaining top talent with diverse backgrounds and encouraging all our team members to bring their whole selves to work.

We seek team members who share our commitment to hard work, ingenuity and doing what it takes to deliver an optimal customer experience. Our compensation programs are market-driven and performance-based, allowing us to recognize and reward team members who display the values and leadership practices we embrace.

We cultivate a work environment with opportunities for personal development, career growth and recognition. We aim to build leadership capabilities whenever possible by improving manager effectiveness and promoting internal talent for critical roles.

We offer Early Career Rotational programs for a select group of new hires that allow our talented team members to grow and discover their own career paths within SPX FLOW. Through our rotational programs in areas such as finance, engineering and manufacturing, participants can explore different roles for two years, gaining exposure to projects across our global network.

During the 2020 pandemic, we found other ways to spur professional development, launching LinkedIn Learning to help team members develop their capabilities through online courses. The program has been a resounding success, with nearly 55% of eligible employees taking courses about a variety of topics, such as successful remote working, managing organizational change, accounting, six sigma and diversity, belonging and inclusion. In total, our team members clocked 4,323 hours of LinkedIn training time in 2020.

The information we gather from engagement surveys every year helps us gauge the attitudes, behaviors and outcomes of our people. We use the statement "I recommend this organization as a great place to work" as a simple measure of our employees' engagement. The favorability rate for this question during the 2020 survey was 62%, marking a significant increase over the 51% reported in both 2018 and 2019. Our goal is to increase employee engagement by 10% each year.



# 4,323

hours of LinkedIn training time in 2020



## Our Goal

To increase employee engagement by 10% each year.

Employee responses to the engagement survey

I recommend this organization as a great place to work.

April 2018

Nov 2019

Nov 2020

51%



51%



62%

## OPPORTUNITY FOR EVERYONE

Survey item	April 2018	Nov 2019	Nov 2020
My immediate manager regularly gives me constructive feedback on my job performance.	57% >	56% >	62%
I clearly understand how my performance is measured.	53% >	50% >	59%
My immediate manager cares about me as a person.	68% >	67% >	73%
My immediate manager cares about my development.	56% >	56% >	64%

We've also committed to building manager effectiveness based on previous survey data. In our 2020 survey, we saw positive trends in all four questions related to manager effectiveness, which shows our employees feel valued and empowered.

We asked our team members for feedback about important issues happening at the moment. In July 2020, we surveyed our people about how they were faring despite the unprecedented challenges throughout the COVID-19 pandemic. We're proud to report that in the midst of the crisis, 80% of our team members believed the company cared about their health and well-being.

In the 2020 survey, we added new questions about diversity, equity and inclusion. We'll continue to use this survey as a benchmark, monitoring the responses to these questions as an important indicator of the strength of our culture of belonging.

In addition to surveys, we know our team members love to work at SPX FLOW because they stick around. At the end of 2020, the average tenure of our global employees was 8.45 years. We've also seen a sharp drop in the number of employees who leave voluntarily.

We take pride in the culture we've created and the team we've assembled to support our business and our customers, and we look forward to continuing to advance opportunities for everyone.

**80%**

of our team members believe our company cares about their health and well-being

**8.45**

years is the average tenure of our global team members

**320**

voluntary departures in 2020, which is more than 40% lower than 2018 and 2019

# INNOVATING HOW THINGS ARE MADE

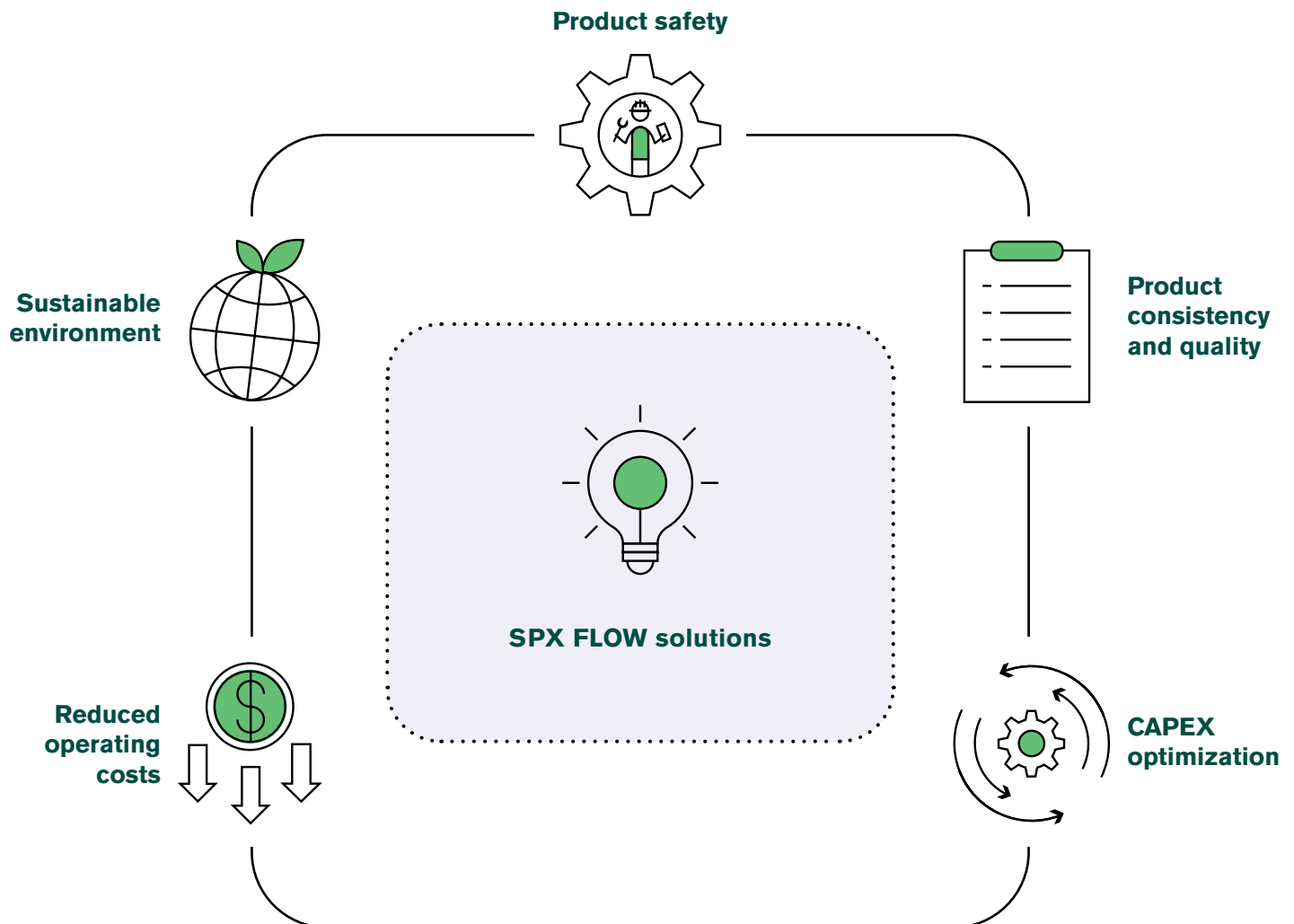
We create safe and sustainable solutions to solve complex challenges.

We don't just make products—we make solutions. Our award-winning work ranges from pioneering homogenizers to processing raw materials and chemical elements needed to make batteries for electric vehicles. The world today presents many complex challenges. People need food, medicine, clean water, everyday essentials and so much more. We creatively and

sustainably partner with our customers to meet the world's demands.

## Sustainability in the Design Phase

Our customers know that making the best products requires collaboration and process innovation. Our team members focus on five key requirements:



## INNOVATING HOW THINGS ARE MADE

From pumps, valves and mixers to entire engineered systems, we apply best-in-class design principles to every solution we create. We help customers make products that meet the growing demand for enhanced nutritional and plant-based products. From ketchup and yogurt to your favorite detergent and hand sanitizer, our pumps are the foundation of a processing system, ensuring the highest quality of product from creation to consumer. We also work with a range of customers. Some are in the mining and marine industries, others are chemical and construction companies and some need to treat either water or air. When we put our inventor's spirit to work, our customers trust the outcome will enable them to consistently, cost-effectively and sustainably produce their products. We're proud of what we make, and we rigorously test all new designs to confirm they meet the highest international standards of safety and quality.

We currently hold 853 patents in the countries where we do business, and approximately 44% of our patent families are related to sustainability and clean technology. When we combine our engineering mindset, our technology and our values, we're able to reduce the energy, water and waste our customers use in production while also helping them maximize their output.

While much of the world was shutting down in 2020, we stepped up and proved that our customers could count on us to deliver new and innovative solutions when they mattered most. We increased our research and development (R&D) budget by 20% in 2020, with another 20% planned for 2021. As a result, we did twice as many product launches in 2020 than we did in 2019.

R&D Spending	2018	2019	2020
R&D expenses (millions)	\$18.2	\$18.5	\$21.8
R&D to sales ratio	1.1%	1.2%	1.6%

Our Innovation Centers help us create new solutions. We have five state-of-the-art labs around the world dedicated solely to researching continuous improvements in product and system design. This team of more than 100 experts is passionate about making **Solutions that Matter**. We're excited about what this means for our customers in terms of both energy and cost savings, and we take pride in the brighter future we're helping to create for the world.



# 853

patents in the countries where we do business



# 44%

of our patent families are related to sustainability and clean technology

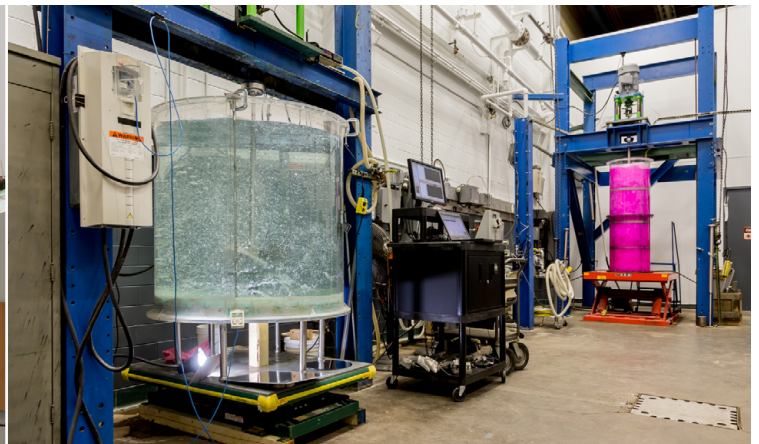


# 2x

the number of product launches in 2020 versus 2019



## INNOVATING HOW THINGS ARE MADE



### Systems as a Solution

When it comes to supporting our customers, we go beyond just delivering individual parts and components. We create systems. And as we always do, our team members continuously integrate sustainability and quality into the entire development process. With the ultimate goal of reducing our customers' environmental footprints, we carefully consider the layout of each plant we design to utilize every drop of raw materials, optimize energy consumption, minimize chemicals and reduce waste.

In every system we design, we:

- Incorporate ergonomics into the layout of the facility to increase efficiency over the plant's lifetime.
- Utilize automation, big data and emerging technology, such as internet of things (IoT), to improve productivity.
- Recycle energy wherever possible, such as capturing used high-pressure steam from one application and reusing it to pre-heat products down the line.

- Implement technology to increase the longevity and shelf life of the end products we create.
- Use scrapping systems to eliminate waste.
- Conduct thorough design reviews to ensure product safety and consistent quality.
- Utilize augmented reality to help our customers remotely, which cuts down on emissions generated during on-site product maintenance and support visits.

To assess the impact our systems have on reducing our customers' environmental footprints, we monitor customer return on investment (ROI) and feasibility reports. We also perform comparisons of our processing lines to those of our peers and competitors to constantly push ourselves to be the best.

“At SPX FLOW, we do more to use less. Our engineers, technical sales and solution architects apply their intellect and years of experience to help our customers use less water, energy, footprint and manpower, and to reduce their process and quality losses. Each of these actions ultimately helps businesses and, most importantly, helps us improve the environment.”

**Jason Westwood, Vice President Sales, Asia Pacific**



## INNOVATING HOW THINGS ARE MADE

### Remanufacturing and Product End-of-life Considerations

Our commitment to sustainability does not end once we deliver the product or install a system. We provide total support for our customers throughout the product life cycle. Once our products reach the end of their useful lives, we encourage customers to return them to our manufacturing facilities where we recycle the materials in-house or collaborate with specialists to reuse their components, creating a closed-loop supply chain.

A great example of this process is our Lightnin brand, which has recycled an average of 125 tons of metal materials back into our supply chain over the past two years. Our remanufacturing initiative is a win-win, preserving our planet's limited resources while providing us with financial savings and a stable supply of critical materials.



**125**  
tons of metal materials on average have been recycled back into our supply chain each year for the past two years with our Lightnin brand

“Minimizing and recycling waste materials at home is fast becoming a routine, but it doesn’t stop there. SPX FLOW has innovative and creative team members throughout the organization who design process solutions. That allows customers to manufacture products for us, the consumer, that make real contributions to sustainability of the earth’s natural resources.”

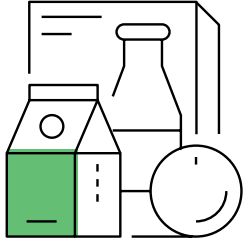
**John Smith, Senior Key Account Manager**



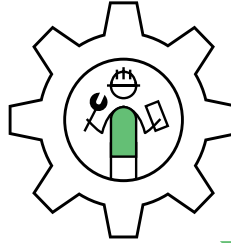
# INNOVATING HOW THINGS ARE MADE

## Solving Complex Challenges One Solution at a Time

How do our customers benefit from our innovative processes and solutions?

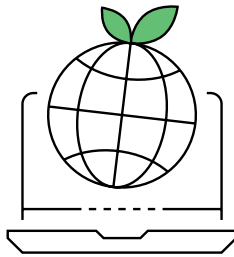


**Keeping our customers running through COVID-19:** In 2020, we designed an aseptic pigging system with the potential to reduce wastewater at dairy plants from up to 4% to less than 0.5%. Less wastewater meant increased efficiency for our dairy customers, who were then able to maximize the food and beverage products they produced during the pandemic when people needed them most.

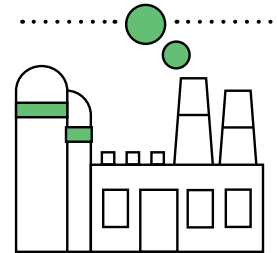


**From inefficiency to opportunity:** Our engineers began developing a cleaner drying technology that prevents tears in bag filters and saves our customers precious time, energy and money. We estimate this modified deflector plate will save more than 10 milligrams per cubic meter (mg/Nm<sup>3</sup>) of air from being released each time a bag filter is torn during operations.

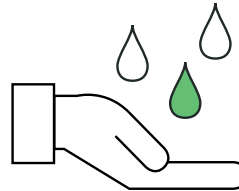
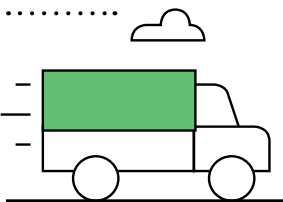
**Developing smart and sustainable software:** Our Anhydro brand uses OptiDry Model Predictive Control Software to optimize spray dryer operations in real time. By making our systems smarter, our nutritional, food and dairy customers see an increase in their production capabilities and a lower carbon footprint per ton of end product.



**Don't cry over partially homogenized milk:** We designed a liquid processing plant for one of our dairy customers that utilizes partial homogenization technology. This allows our customer to homogenize a very small part of their separated cream instead of whole batches of milk, saving up to 85% of kilowatt hours (kWh) of electricity per unit of product.

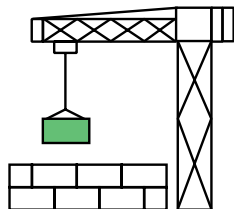


**Cutting carbon from raw materials transport:** We use membrane filtration and evaporation to remove the excess water from liquid raw materials and shrink their volume up to 75%. This means fewer trucks or rail tankers are required to transport materials, which means fewer greenhouse gas (GHG) emissions and a minimized impact on the environment.

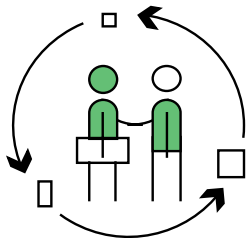
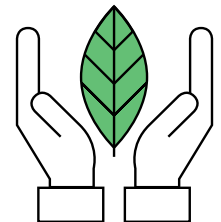


**Every last drop:** We designed a zero-waste line for a customer that uses every drop of raw materials (in this case, milk) to create various types of yogurt. This extends the overall useful life of the plant and nearly doubles the available running time of the ultrafiltration system.

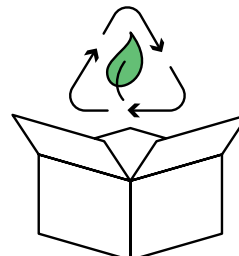
**Built to last:** Our brand names are synonymous with durability and sustainability, and our customers trust our solutions to last a lifetime. In 2020, one of our customers marked the 68<sup>th</sup> anniversary that one of our Lightnin mixers was in operation at its manufacturing facility.



**A safety and sustainability win-win:** Innovation is on full display at a plant we designed utilizing dual sets of nozzle atomizers. This allows production to continue 24/7, increases operating efficiency by around 20% and decreases the time and energy spent on cleaning in place (CIP). By eliminating the constant starting and stopping of dryers, we also improved product safety and consistency for our customer.



**From the desk of a project manager:** When we design new systems for customers on existing sites, we always attempt to salvage as much of the existing equipment as possible. This allows us to reuse and upcycle around 10% of our total project equipment.



**Cardboard packaging:** Our retail packaging for Johnson Pump is made from recycled cardboard that's 100% recyclable and 100% biodegradable, which saves 19,000 pounds of plastic a year.

## INNOVATING HOW THINGS ARE MADE



### Creating a World-class Customer Experience

We're not the only ones who love what we do. In 2018 and 2020, we used a Voice of Customers survey to gather feedback from people who use our products and systems every day. We know safety, quality, consistency and efficiency are customers' top priorities, which is why those are also our top priorities. Our goal is to incorporate these considerations, as well as other ESG-related value propositions, into all our solutions. Continuously monitoring our customers' expectations allows us to adjust and improve in real time, showing customers we appreciate their input.

We're aware of the distinct challenges facing our world. That's another reason why we're committed to reducing our carbon emissions, utilities, water consumption and waste generated from our solutions. We're not only keeping our customers in mind, but also the customers who they provide with food, medicine and everyday essentials.



## Proud Partnerships

**We're proud to partner with organizations that build and nourish the world and support them in building a better and brighter future.**

# COMMITMENT TO CONSERVE

**We are focused on reducing the environmental impact of our operations.**

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We have a responsibility to improve our communities. To do this, our board, executive leaders and team members are committed to reducing our environmental footprint through a continuous improvement process.

## **Owning Our Impact**

We are committed to reducing our carbon footprint by proactively identifying and implementing environmental sustainability initiatives across our operations.

In 2020, we conducted energy audits at all our European manufacturing facilities, identifying 40 projects with the potential to significantly reduce our footprint. We installed solar panels, for instance, at our Erpe-Mere, Belgium and Moers, Germany facilities as a source of on-site, renewable energy. In fact, the rooftop solar array in Erpe-Mere generates enough clean energy to fully power our operations at this location.



## COMMITMENT TO CONSERVE

We also established baseline best practices for our manufacturing operations that include occupancy sensors for lights, air leak inspection and repair programs. At our locations across the Americas, we converted many fluorescent bulb fixtures to LED lights, which use 18% less electricity. Other 2020 improvements at some facilities include replacing inefficient compressors, installing new HVAC systems, swapping air-driven tools for battery-operated hand tools and implementing energy-saving shutdown processes during non-work hours.

As part of our commitment, we have instituted a formal EHS Compliance Audit program at every location. We use both internal and external audits, and if we identify a deficiency, we investigate the cause and take formal action to improve.

### Conservation Through Innovation

We regularly conduct water usage assessments. For us, our water usage is primarily the result of equipment sanitation, as well as testing products for performance standards, quality and R&D, and we are finding ways to make improvements.

We installed a closed-loop water system, for instance, at our manufacturing site in Ocala, Fla. that reuses wastewater as a cooling system during the testing and validation of our drier equipment. We estimate this innovation will save nearly 400,000 gallons of water annually. Through creative solutions like this one, we're confident we'll do our part to reduce our footprint and preserve this essential natural resource.



## Things Are Looking Brighter

At SPX FLOW locations across the Americas, we have been converting from fluorescent bulb fixtures to LED light fixtures which use **18% less** electricity. This amounts to a reduction of more than **2,500,000 kWh**, which equates to an estimated cost savings of **\$225,000 per year**.



# 400,000

**gallons of water will be saved annually at our Ocala site**



## COMMITMENT TO CONSERVE



### Responsible Waste Management

We're constantly striving for greater efficiency in our processes, but, naturally, our manufacturing operations generate waste that can be classified as both hazardous and non-hazardous. We recycle as much of the metal, paper, cardboard, plastic, oil and coolant waste as possible. Although our goal is to reuse or recycle materials whenever possible, we dispose of general trash, wood and sand molds to the landfill when recycling or reuse is not feasible.

We maintain a vision to continually reduce our hazardous waste streams, ultimately striving toward elimination. The basic principles we follow include banning the use of certain chemicals in our operations, elimi-

nating the use of chemicals by improving processes or replacing products with nonhazardous alternatives and recycling or reusing chemicals where possible.

For instance, we recover and recycle solvents as hazardous waste from our paint process using a state-of-the-art distillation process to reclaim solvents that have become contaminated in painting operations. We also gather oil for recycling in intermediate bulk containers (IBCs). Once the oil is cleaned, approximately 80% can be reused as "drilling and cutting oil," and another 10% can be reused as fuel through energy recovery.

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“We believe it’s our responsibility to be great global citizens. Our products play a critical role in helping sustain the world, and we are committed to continuously improving our processes to make an impact on the environment.”

**Tyrone Jeffers, Vice President, Global Manufacturing and Supply Chain**

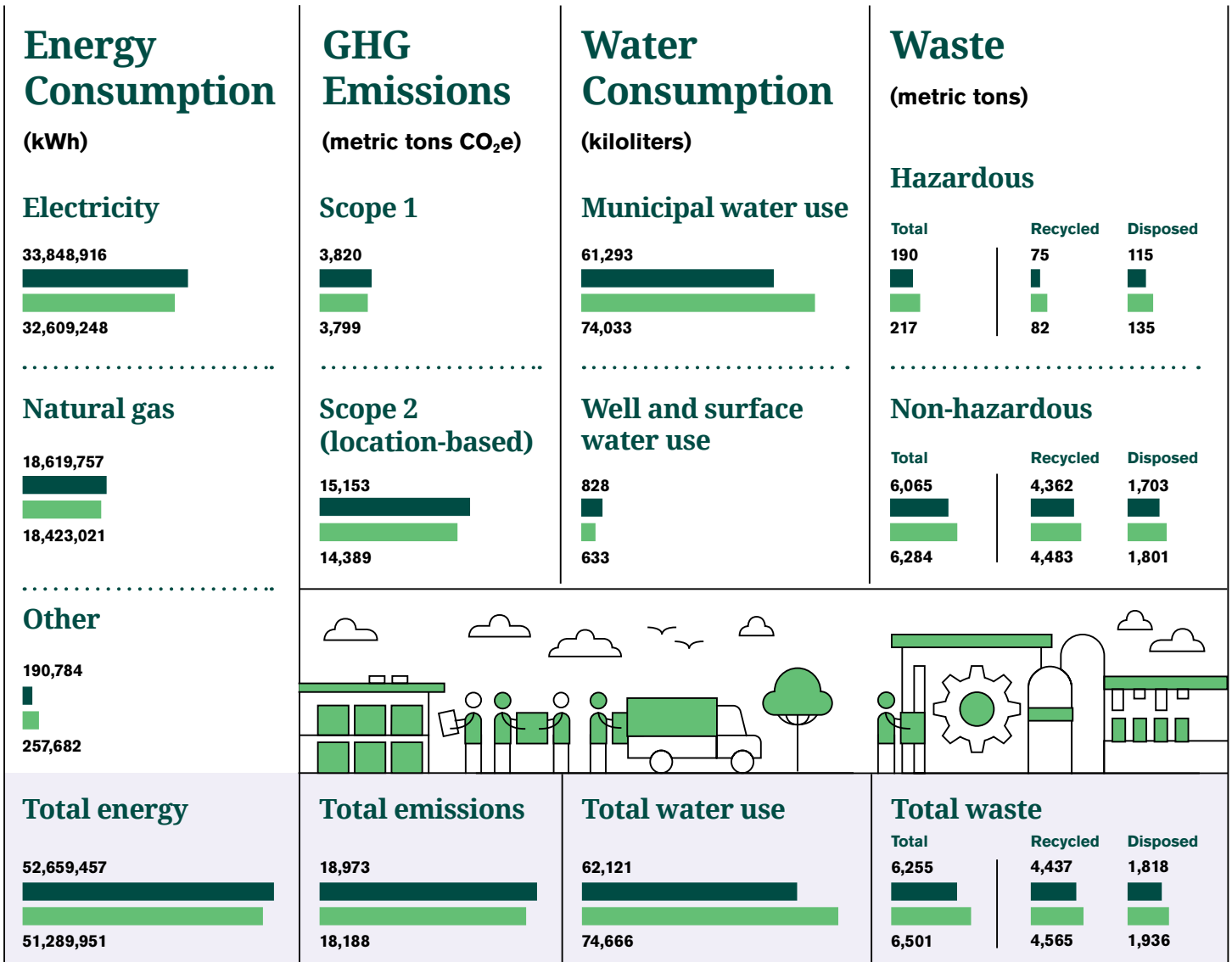


# COMMITMENT TO CONSERVE

## Our Global Manufacturing Operations Footprint by the Numbers



2019 2020



Note: The environmental data presented on this page, including GHG emissions data, is inclusive of all global manufacturing facilities. It doesn't include data for offices or other locations within our operational boundary, as we do not currently track this information.



# GIVING BACK TO OUR COMMUNITIES

We partner with community organizations where we live and work to make a positive impact.

We work with groups in our local communities by donating time, money and ingenuity. In a year like 2020, our involvement had more of an impact than ever.

The way we leaned into the challenges we all faced brought us closer together, revealing our true spirit of perseverance, innovation and teamwork. By learning more about the caring and compassionate ways in which our team members chose to give back, it's easy to see what makes our team special.

## Meaningful Gifts for Our Fifth Anniversary

We started the year by recognizing the fifth anniversary of our official incorporation as SPX FLOW. To mark the milestone, each of our global facilities formed a local partnership where they could make a difference, and the causes they chose were varied.



We fed the homeless in Singapore and South Africa.



We supported at-risk children in Denmark and China.



We helped sick children and their families in Czechia and the Netherlands.



We raised awareness for women's health issues in Europe, working with a group to help tackle breast cancer.



We raised awareness for men's health issues across the globe, partnering with an organization focused on prostate and testicular cancer.

## GIVING BACK TO OUR COMMUNITIES



### Our COVID-19 Response

As the year unfolded, many of our efforts centered around battling COVID-19. At a time of overwhelming need, our solutions enabled our customers to manufacture hand sanitizer and the COVID-19 vaccine at record pace. We are especially proud of the ways our teammates helped their communities fight the pandemic.

In Rochester, N.Y., we worked nonstop to make plastic parts for face shields at the request of the local medical society. In Rockford, Ill., team members helped coworkers by sewing masks as demand skyrocketed. In Ocala, Fla. and Charlotte, N.C., we stuffed hundreds of backpacks filled with school supplies for low-income students who suddenly needed to take classes virtually.

In Hamburg, Germany, we helped hospital workers who couldn't order individual bottles of hand sanitizer and were forced to waste valuable time filling bottles. We used our Bran+Luebbe dosing display unit to bottle hand sanitizer, helping them save time by reprogramming the hospital equipment to accurately fill six bottles of sanitizer simultaneously with no spills.

In Korea, we helped families in special disaster zones by providing bottled water, instant noodles, canned goods, hand sanitizer and masks.

In Ahmedabad, India, our colleagues grew concerned about the impact of COVID-19 on both the working adults and the children at home. They organized a remote summer camp where kids could make arts and crafts and virtually watch dances performed by our talented team members.

## GIVING BACK TO OUR COMMUNITIES

### Our Culture at Work in the Community

Before the pandemic began, and long after it ends, we will remain focused on building our culture of belonging. Our culture also extends beyond our four walls and plays a role in how we support our communities.

After 2020's racial injustice in the U.S., the team in Ocala, Fla. launched a fundraiser for the National Association for the Advancement of Colored People (NAACP). With the creation of our ABLE employee resource group (ERG), our passionate team members promote racial justice and equality both within and outside our organization.

Our company also sponsored a leading international education and advocacy campaign called 2020 Women on Boards, which pushes for gender balance on corporate boards of directors. Members of our Empower ERG attended the campaign's virtual events to learn about pursuing board positions, gaining insights on how corporations benefit from women on their boards through Gender Diversity Index research.

We're also proud of our efforts to foster the next generation of females pursuing science, technology, engineering and mathematics (STEM) careers. In Charlotte, N.C., for instance, we hosted a socially distanced summer camp called SHEcanCODE in partnership with a local nonprofit, Digi-Bridge. The three-week camp provided girls ages 6 to 10 with hands-on experience with robotics, drones, coding, art and technology. Members of our team had the opportunity to explain manufacturing and the products our engineers make. At the end, the girls used 3-D printing to create SPX FLOW keychains. We're proud we sparked their interest in manufacturing, and we hope one day, they'll join our early career program.

### SPX FLOW Foundation

The SPX FLOW Foundation was established in 2015 to support non-profit organizations in our communities. In 2020, we donated \$208,350 through the Foundation to 14 community organizations throughout the U.S. For example, we've worked with Junior Achievement for years, investing time and money to events such as "Finance Park," a simulation that helps students build a foundation on which they can make intelligent financial decisions that last a lifetime.

In the U.S., we also match employee donations exceeding \$100. We matched over 100 individual charitable contributions in 2020 for a total of \$202,087. The donations went to organizations ranging from the YMCA to colleges to groups that assist those with medical needs. We are identifying ways to help our communities across the globe and proudly making an impact with **Solutions that Matter**.



## 2020 Donations



**\$208,350**

**in donations made  
through the SPX FLOW  
Foundation**



**\$202,087**

**in employee donations  
matched by SPX FLOW**



**\$410,437**

**in total SPX FLOW  
Foundation donations**

# OUR FOUNDATION OF GOVERNANCE

**Our commitment to sustainability through Solutions That Matter is built upon a firm foundation of corporate governance.**

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Our board members and leadership team are committed to acting responsibly and providing objective, informed leadership. They respect and value the trust of our shareholders, team members, business partners and the public, who rely on the safe, ethical and effective management of our company. Every team member, including management, participates in online compliance training around anti-corruption and business ethics and is expected to uphold our Code of Business Conduct.

We've developed a number of enterprise-wide policies aimed at advancing opportunity and equality for everyone, such as our Global Anti-Harassment Policy.

We have made the details of many of our policies publicly available on our website, such as our Global Human Rights Policy, Supplier Code of Conduct and Corporate Governance Guidelines. For more information, please visit [spxflow.com/disclosure-statements](https://spxflow.com/disclosure-statements).

More information on our board of directors structure and composition, executive leadership team and Code of Business Conduct can be found within our proxy filings or on our investor relations website at [investor.spxflow.com/governance](https://investor.spxflow.com/governance).



Members of our Board of Directors as of June 30, 2020.

# OUR VISION FOR THE FUTURE

This report covers our ESG initiatives in 2020 and outlines how we're putting our purpose into practice.

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This is our first ESG report, and it's a significant milestone. We've mapped our initial path, and in 2021, we'll take it a step further by consulting with customers, investors, communities and nonprofit, non-governmental organizations (NGOs).

Our leaders worldwide are embedding ESG into our business plans and risk management functions. We're identifying trends as we partner with customers, develop products and review ways to improve our sales. We're committed to building strategic customer relationships and are aligning our organization to enable end-to-end sustainable solutions. We're also reviewing our partnerships with our suppliers, implementing an official supplier

diversity program and incorporating other aspects of ESG into our existing supplier audit and quality assurance process.

Leveraging the principles of 80/20 as our foundation, we're working to establish quantitative goals and targets for our environmental and social performance to help us focus on the most impactful metrics for our company and our society.

This report marks only the beginning. As we look to the future, we will continue to provide updates on our ESG progress and challenges. We're excited to keep moving forward on this path and delivering **Solutions that Matter** to the world.



# SASB INDEX

We are reporting the accounting and activity metrics below in accordance with the Sustainability Accounting Standards Board (SASB) Industrial Machinery and Goods Standard. Instances where we deviated from the standard are indicated below.

Topic	SASB code	Metric	FY20 performance	Location for additional context and analysis
Energy Management	RT-IG-130a.1	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	184,644 GJ Total energy consumed from Global Manufacturing Operations only. We do not currently track the percentage of our total energy consumption from grid electricity or renewable sources.	<a href="#">Refer to the Commitment to Conserve section.</a>
Employee Health & Safety	RT-IG-320a.1	(1) TRIR, (2) fatality rate and (3) near miss frequency rate (NMFR)	TRIR: 0.64 Fatality rate: 0.00 Note that our TRIR includes all global SPX FLOW team members. In 2020, the TRIR and fatality rates for our contract workers were 0.24 and 0.00, respectively. We do not currently track NMFR data.	<a href="#">Refer to the Putting People First section.</a>
Fuel Economy & Emissions in Use-phase	RT-IG-410a.1	Sales-weighted fleet fuel efficiency for medium- and heavy-duty vehicles	These metrics are not applicable to our business. We do not currently track this data.	
	RT-IG-410a.2	Sales-weighted fuel efficiency for non-road equipment		
	RT-IG-410a.3	Sales-weighted fuel efficiency for stationary generators		

Topic	SASB code	Metric	FY20 performance	Location for additional context and analysis
<b>Fuel Economy &amp; Emissions in Use-phase (continued)</b>	RT-IG-410a.4	Sales-weighted emissions of (1) nitrogen oxides (NOx) and (2) particulate matter (PM) for: (a) marine diesel engines, (b) locomotive diesel engines, (c) on-road medium- and heavy-duty engines and (d) other non-road diesel engines	These metrics are not applicable to our business. We do not currently track this data.	
<b>Materials Sourcing</b>	RT-IG-130a.1	Description of the management of risks associated with the use of critical materials	<p>We use data and analytics to mitigate supply chain risks and ensure a continuity of supply for our critical materials. We engage in the diversification of suppliers to ensure we do not have a disruption in materials. Whenever possible, we aim to reuse or recycle materials as a means of both improving sustainability and ensuring continuity of supply.</p> <p>We also mitigate risks in the global supply chain through the use of our Supplier Code of Conduct and Global Human Rights Policy. We require all suppliers to follow our Conflict Minerals Policy, and conduct supplier audits to verify compliance. For more information refer to our public disclosure statements at <a href="https://spxflow.com/disclosure-statements/">spxflow.com/disclosure-statements/</a>.</p>	<a href="#">Refer to the Innovating How Things are Made section.</a>
<b>Remanufacturing Design &amp; Services</b>	RT-IG-320a.1	Revenue from remanufactured products and remanufacturing services	We encourage our customers to return our products to one of our nominated manufacturing facilities at the end of their useful lives, where we recycle the materials in-house or collaborate with specialists to reuse their components. We do not currently track the revenue generated from remanufactured products and remanufacturing services.	<a href="#">Refer to the Innovating How Things are Made section.</a>

# ABOUT THIS REPORT

This report includes highlights from 2020, as well as forward-looking statements.

**Solutions That Matter** considers the disclosure recommendations of the Global Reporting Initiative (GRI), the Task Force on Climate-Related Financial Disclosures (TCFD) and the SASB Industrial Machinery and Goods standard. Future updates on our ESG progress will be informed by these leading sustainability disclosure frameworks.

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## Questions about this report?

Contact us at [communications@spxflow.com](mailto:communications@spxflow.com).

Please visit [spxflow.com](https://spxflow.com) to learn more about SPX FLOW, Inc. (NYSE: FLOW)

